

SEC Continues Monitoring of Corporate Sector

Islamabad – November 25, 2005: The Securities and Exchange Commission of Pakistan (SEC) is continuously monitoring compliance of rules and regulations on part of the corporate sector in Pakistan. As a result of this ongoing activity, one company found violating legal procedures was fined during the month of October 2005.

The company, M/s Al-Jadeed Textile Mills Limited, was fined by the Enforcement Department of the SEC for non-filing of quarterly accounts for the quarter ended March 31, 2005. A penalty of Rs. 70,000 was imposed on its chief executive and directors. Another company, M/s First Capital Equities Limited, was advised to drop the agenda item regarding long-term investment from notice of annual general meeting (AGM), as the investee company had not yet been incorporated. A company M/s Chenab Textile Mills Limited was restrained from passing resolution, as it has not circulated statement of material facts as required under the law.

Apart from these actions, fourteen companies namely M/s D.G. Khan Cement Company Limited, Cherat Cement Company Limited, Nishat Mills Limited, Callmate Telips Telecom Limited, Thal Limited, Brothers Textile Mills Limited, Dewan Hattar Cement Limited, Globe Textile Mills (OE) Limited, Ali Asghar Textile Mills Limited, Gharibwal Cement Limited, Dewan Cement Limited, Dandot Cement Company Limited, Bestway Cement Limited and Crescent Jute Products Limited had not disclosed material facts in the statements annexed with the notices of AGMs were advised to disclose the material information relating to the special business by way of Addendums. Furthermore, six companies namely M/s Pakistan Papersack Corporation Limited, Al-Abid Silk Mills Limited, Zulfeqar Industries Limited, Suraj Cotton Mills Limited, Pakistan Telecommunication Company Limited and Hala Enterprises Limited were advised to provide deficient material information, relating to the special business, to the shareholders in the AGMs.

During October, the Enforcement Department resolved 192 of 276 complaints of various shareholders, whereas comments on the remaining 84 complaints have been sought from the concerned companies. Complaints mainly related to non-receipt of dividend warrants, non-encashment of dividend warrants, delay/non-transfer of shares and issue of duplicate shares, non-receipt of annual and interim accounts and wrongful deduction of Zakat, other miscellaneous complaints relating to the non-holding of AGM, non-circulation of notice of meeting etc.