

SECP Takes Action Against 19 Companies during December 2005

Islamabad – January 18, 2006: The Securities and Exchange Commission of Pakistan (SECP) has penalized nineteen companies for violation of different legal provisions during the month of December 2005.

A company, M/s Pakistan Telephone Cables Limited, was penalized for making investments in its associated undertakings without obtaining approval from the shareholders. A fine was imposed on chief executives and directors of the company with the direction to make good the default by recovering unauthorized investments along with markup from its associated undertakings.

Four companies, namely, M/s Frontier Sugar Mills & Distillery Limited, M/s Pakistan PVC Limited, M/s Johnson & Philips (Pakistan) Limited and M/s Emco Industries Limited failed to deposit employees' provident funds in timely manner. Fine was imposed on chief executives and directors of these companies. Another company M/s Ahmed Spinning Mills Limited was penalized for selling out undertakings of the Company without obtaining approval of shareholders. Accordingly, fine was imposed on its directors.

In addition to the above, three companies, namely, M/s Johnson & Philips (Pakistan) Limited, M/s Haseeb Waqas Sugar Mills Limited and M/s Redco Textiles Limited were fined for late/non-holding of annual general meetings. Moreover, ten companies, namely, M/s Telecard Limited, M/s Annoor Textile Mills Limited, M/s Al-Qaim Textile Mills Limited, M/s Ayaz Textile Mills Limited, M/s Service Fabrics Limited, M/s Redco Textiles Limited, M/s Hakkim Textile Mills Limited, M/s Zahur Textile Mills Limited, M/s Quice Food Industries Limited and M/s Kashmir Polytex Limited were fined for non-filing of quarterly accounts.

Furthermore, directions were given to M/s Haseeb Waqas Sugar Mills Limited and M/s Tri-Star Power Limited under the provisions of the law to hold their overdue annual general meetings.

The SECP maintains strong vigilance of the corporate sector in order to infuse discipline and enhance transparency in their affairs.