

Press Release

SEC Penalises Acquirers, Managers to Offer of Essa Cement Industries (Pvt) Limited

Islamabad 28 February 2005: - The Securities and Exchange Commission of Pakistan (SEC) has imposed an aggregate penalty of Rs. 1 million on the acquirers and Rs. 0.2 million on the managers to the offer of shares of Essa Cement Industries (Pvt) Limited for violating the relevant legal requirements while acquiring the shares of the company.

The acquirers had breached section 5 of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002, which provides that no person can directly or indirectly acquire more than 25 percent of the voting shares of a listed company unless such person makes a public announcement of offer prior to the acquisition of such shares. Accordingly, a penalty of Rs. 200,000 was imposed on the acquirer Arif Habib Securities Ltd; Rs. 150,000 on Abdul Ghani Usman; Rs. 150, 000 on Ayub Yunas; Rs. 100,000 on Tariq Usman; Rs. 100,000 on Salman Rashid; Rs. 100,000 on Shunaid Qureshi; Rs. 100,000 on Mamuna Shunaid and Rs. 100,000 on Duraid Qureshi.

Similarly, a penalty of Rs. 200,000 has been imposed on Motiwala Securities (Pvt) Limited, the managers to the offer, for failure to fulfill obligations in ensuring compliance with the provisions of the Takeovers Ordinance.

Furthermore, the acquirers have been directed under Section 25(b) of the Takeovers Ordinance not to dispose of any of the 20 million shares of the company acquired by them for a period of three years from the date of acquisition without the prior approval of the SEC. The acquirers have also been directed to make a public announcement for offer of 7,147,191 shares in accordance with the Ordinance, after making necessary corrections as intimated by the SEC.