

Jan 22, 2002

**SEC decides to prosecute Directors of M/s Quality Steel Works Limited.**

The Securities and Exchange Commission of Pakistan (SEC) has decided to prosecute all seven (7) directors, including the CEO, of M/s Quality Steel Works Limited. The Enforcement and Monitoring Division of the SEC has directed the Company Registration Office (CRO) Karachi to file an appeal in the Court of Session for prosecution against the directors of the company.

M/s Quality Steel Works Limited failed to hold its Annual General Meeting (AGM) and lay before its shareholders, the balance sheet and profit and loss accounts for the years ended June 30, 1999 and 2000. As the company had failed to uphold the mandatory requirements of holding AGMs and presentation/finalization of annual accounts, all seven (7) directors of the company, including the chief executive were fined Rs.20,000/- each, which was due to be paid by them latest by September 20, 2001, but was not deposited.

Further examination also revealed that the corporate behavior of the company in filing its half-yearly accounts for the period ended December 31, 2000 was also un-satisfactory, and according to the latest available quotation of the Karachi Stock Exchange (KSE), the company had failed to pay any dividend to its shareholders for many years, due to which its name was placed on the defaulter counter by KSE.

Considering the defaults to be deliberate and willful, a complaint is being filed in the Court of Session for prosecution of the directors of the company who are held responsible for these defaults.