

Press Release

SEC Penalises ART Modaraba Management Private Limited

Islamabad – March 4, 2005: The Securities and Exchange Commission of Pakistan (SEC) has penalized the chief executive and directors of ART Modaraba Management (Private) Limited, a management company of Second Tri-Star Modaraba (STM), for failure to submit STM's third quarter's accounts with the SEC within the stipulated period.

The ART Modaraba Management was issued show cause notices by the Registrar Modaraba, SEC, for breaching Rule 10 of the Modaraba Rules, 1981 which requires Modarabas to submit its quarterly accounts within one month of the close of first, second and third quarter of financial year. The ART Modaraba Management submitted the accounts with a delay of one month and three days.

The management company, its chief executive and directors not only failed to submit reply to the show cause notices, but except one director, all of them failed to appear before the Registrar on the date of hearing. An aggregate fine of Rs. 35, 000 was imposed on chief executive and all the directors of the modaraba company.