

## Press Release

### **Company Director Prosecuted on Complaint of SEC**

**Islamabad – September 14, 2005:** The Additional Sessions Judge, Lahore has convicted Mr. Muhammad Aslam, one of the five directors of Sadoon Textile Mills Limited on a complaint lodged against the company's directors by the Securities and Exchange Commission of Pakistan (SEC).

The SEC had filed a complaint with the District and Sessions Judge, Lahore against the company's chief executive and five directors for failure to fulfil the statutory requirements of preparing and filing the company's annual accounts and holding of annual general meetings between 1999-2002.

After recording statements of both parties, the court in its judgment has convicted Mr. Muhammad Aslam and sentenced him to imprisonment for a term of two years and fined him Rs. 20,000. The other co-accused directors in the case have already been declared proclaimed offenders by the honourable court.

In its effort to effectively monitor and regulate the corporate sector, the SEC refers different cases of defaults/irregularities of directors and management of companies to the courts of law. The recent court decision to convict and punish the offending director for non-filing of the company's annual accounts and non-compliance with statutory requirements, being the first instance since establishment of the SEC in 1999, represents a major landmark in the drive to enforce corporate laws.