

SEC/Enforcement/148/2002/322
July 5, 2005

By Special Messenger
By Courier Service

1. Bangladesh Shipping Corporation, BSC Bhaban, Saltgola Road, Chittagong.
2. Managing Director, Bangladesh Shipping Corporation, BSC Bhaban, Saltgola Road, Chittagong.

Subject: Non-compliance of securities laws in connection with holding of AGM in the years 2000, 2001, 2002 and 2003-WARNING.

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Bangladesh Shipping Corporation is an issuer (herein after referred to as "issuer").

As per condition (a) of the Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7 November 2000, 'The issuer companies shall hold their annual general meetings in each year of the Gregorian calendar' (imposed under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by the Securities and Exchange Commission) but the issuer failed to comply the same by not holding its AGM in the years 2000, 2001, 2002 and 2003.

Failure to hold AGM for the said years within the stipulated time is a clear violation/contravention of the above mentioned rules which attract penal provision section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause notice was issued on 14/12/04 for the said failure. In reply through letter dated 28/12/04, the issuer stated among others, that it could not be possible to hold the AGMs due to different types of obstacles, non-fixation of AGM date by the Board of directors etc. which were not considered acceptable. As such, the issuer and the Managing Director were called for hearing on 07/04/2005. Mr. Md. Ashabuddin, Executive Director(finance) and Mr. Tapan Kumar Das, Acting General Manager (marketing) appeared at the hearing and they assured that AGM's would be date will be fixed in the next board of directors meeting which would be held on 11/04/2005.

However, the Commission, after considering holding of the pending AGMs by the issuer on 15/06/2005, has decided to dispose of the proceedings against Bangladesh Shipping Corporation Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the defaults made by the company, its directors and its officials concerned, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said defaults.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:
Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.

Distribution:
Executive Director, (R & D), SEC

Executive Director, (CFD), SEC
Director, (MIS), SEC