

SEC/Enforcement/182/2003/261

June 1, 2005

By Special Messenger

By Courier Service

1. Bangladesh Luggage Industries Limited
Doel Complex, Karnapara, Savar.
2. Directors, Bangladesh Luggage Industries Limited
Doel Complex, Karnapara, Savar.
3. The Managing Director, Bangladesh Luggage Industries Limited
Doel Complex, Karnapara, Savar.
4. The Company Secretary
Bangladesh Luggage Industries Limited
Doel Complex, Karnapara, Savar.

Subject: Non-compliance of securities laws in connection with non-submission of the half yearly financial statements half year ended on December 31, 2003 -WARNING.

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

As per rule 13 of the Securities and Exchange Rules, 1987, as amended through the Notification No. SEC/LSD/SER-1987/149 dated 4th January 2000, gazetted on 16 February 2000, the issuer is required, within one month of close of the first half year, to transmit to the stock exchange in which its securities are listed, to the security holders and to the Commission the half yearly financial statements which shall be prepared in the same manner and form as the annual financial statements which the issuer (Prime Insurance Company Limited) failed to comply with by not submitting the half yearly financial statements for half year ended on June 30, 2004 within the stipulated period.

Failure to furnish the half yearly financial statements half year ended December 31, 2003 within the stipulated period is a clear violation/contravention of the abovementioned rules.

A show-cause notice was issued on 22/12/04 for the said failure. Reply made through letter dated 13/01/05 stated that half yearly financial statements could not be prepared due to non-finalization of accounts for 2002-2003, they were working in full swing etc. which were not considered acceptable. As such, the individual Directors, including the Managing Director, were called for hearing on 24/02/2005. Mr. Deokanadan Kejriwal, Managing Director and Mr. Safiruddin, Company Secretary appeared at the said hearing and given undertaking to the effect that they would submit all accounts by March 2005, but they also failed to comply with their commitment.

However, the Commission, after considering furnishing of the said statements on 07/04/2005 through letter dated 06/04/2005 has decided to dispose of the proceedings against Bangladesh Luggage Industries 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.

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