

No.SEC/Enforcement/297/2005/ 464
September 4, 2005

Directive

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) 'M/s Khaza Mosaic Tiles & Stone Industries Limited is an issuer (herein after referred to as "the issuer");

Whereas, condition (a) imposed upon the issuers vide the Commission's Notification issued under section 2CC of the Securities and Exchange Ordinance, 1969 bearing No.SEC/SMRI/2000-953/1950 dated 24th October 2000, published in the Bangladesh Gazette on 7th November 2000, read as follows, Namely:

"(a)The issuer companies shall hold annual general meeting in each year of the Gregorian calendar";

Whereas, it is revealed from the record available with the Commission that the above said issuer has failed to comply with the above mentioned condition by not holding annual general meeting in the year 2004;

Whereas, it is further revealed from record that petition for condonation of delay for holding AGM for the years up to 2003 have been filed by the member of the issuer under section 81(2) of the Companies Act, 1994 (No. 18 of 1994);

Whereas, it is also revealed from our record that the issuer has not convened or declared any schedule for holding the AGM which was due in the year 2004;

Whereas, opinion given by the Ministry of Law, Justice and Parliamentary Affairs along with its clarification received through the Finance Division, Ministry of Finance, vide letters No. Ag/Awe/e'vsmKs/bmZ kvLv-5/tKv'úvbx AvBb-1994/2004/235 dated 06/12/2004 Bs and No.Ag/Awe/e'vsmKs/bmZ kvLv-5/tKv'úvbx AvBb-1994/2004/155 dated 06/08/2005 Bs that a willing issuer company may hold its defaulted AGM without obtaining condonation from the Hon'ble High Court, in case no condonation petition has been filed by any member for the purpose, since it is not mandatory for the company under the said Act (copies attached);

Whereas, it is also revealed from the above clarification that the willing issuer company may hold its defaulted AGM for which no condonation petition has been filed by any member, even though condonation petition filed with the Hon'ble High Court for earlier AGM is pending;

Whereas, the above failure of the issuer in holding its AGM in 2004 is detrimental to the investors who have invested in the securities issued by the said issuer pursuant to the requirements of the above said Ordinance, and also affects development of the capital market at large;

Whereas, protection of investors in securities as well as development of the capital market and the securities markets are, among others, the objectives of the Commission for which the Securities and Exchange Commission has been set up under the Securities and Exchange Commission Act, 1993 (Act No. XV of 1993); and

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Whereas, in view of all above, the Commission deems it to be expedient that, in the interest of the investors in securities and the capital market as well, a directive to the above said issuer should be given for holding its annual general meeting defaulted in the year 2004.

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred in it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs M/s Khaza Mosaic Tiles & Stone Industries Limited to hold its annual general meeting which has been defaulted in the year 2004 within sixty days from the date of this directive.

By order of the Commission

Mansur Alam
Executive Director

Distribution:

M/s Khaza Mosaic Tiles & Stone Industries Limited
Directors, M/s Khaza Mosaic Tiles & Stone Industries Limited
Managing Director, M/s Khaza Mosaic Tiles & Stone Industries Limited
Company Secretary, M/s Khaza Mosaic Tiles & Stone Industries Limited

Copy for information:

Registrar, Registrar of Joint Stock Companies & Farms
Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director (R & D), SEC
Executive Director (CFD), SEC
Director, MIS, SEC