

SEC/Enforcement/521/2006/1168

November 28, 2006

By Courier Service

1. Bengal Fine Ceramics Limited, 52/1, New Eskaton Road, Dhaka-1000.
2. Directors, Bengal Fine Ceramics Limited, 52/1, New Eskaton Road, Dhaka-1000.
3. Managing Director, Bengal Fine Ceramics Limited, 52/1, New Eskaton Road, Dhaka-1000.
4. Company Secretary, Bengal Fine Ceramics Limited, 52/1, New Eskaton Road, Dhaka-1000.

Subject: Non-compliance of securities laws: In connection with the payment of declared dividend to BSRS within the time –WARNING

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Bengal Fine Ceramics Limited is an issuer (herein after referred to as an “issuer”);

The issuer declared dividend on December 29, 2005 which was to be paid off within 60 days of declaration in terms of the erstwhile CCI’s Notification No.SRO 385-Law/91, dated December 15, 1991, being the order made under section 2G of the Securities and Exchange Ordinance, 1969, but the issuer failed to comply with it by not paying the declared dividend to BSRS within February 26, 2006.

From a complaint received from BSRS vide letter dated July 27, 2006, it appeared that a dividend warrant No.00011 dated February 15, 2006 for Tk.1,20,915.00 was dishonored (two times) due to insufficient fund. BSRS requested the issuer vide letter dated July 27, 2006 to pay the said dividend through pay order, but the issuer failed to take any step.

A letter No.SEC/SRMID/2006-005/1150-664 dated August 2, 2006 was issued by SEC to the issuer company to furnish their comments on the alleged matter within 7(seven) days. The issuer made reply vide letter dated August 3, 2006 stating that they had already paid the due dividend to BSRS on July 31, 2006, i.e. 215 days after the due date.

The aforesaid non-compliance of the afore-mentioned Notification is a clear contravention of the provision of 2G of the Securities and Exchange Ordinance, 1969.

However, the Commission, considering the payment of dividend to the said shareholder on July 31, 2006 and assurance for future compliance with the securities laws, has decided to dispose of the proceedings against yourselves by placing on record the Commission’s dissatisfaction on the default/contravention made by yourselves, with a warning to ensure compliance of all securities related laws in future.

Contd.....P-2

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Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said default.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.

Copy for information:

Executive Director (R&D), SEC

Executive Director (SRMID), SEC

Director (MIS), SEC

Chairman's Office, SEC