

1. Sreepur Textile Mills Limited (Issuer)
Jatiya Scout Bhaban (9-12 Floor)
70/1, Purana Paltan Lane
Kakrail, Dhaka-1000
2. Directors
Sreepur Textile Mills Limited
Jatiya Scout Bhaban (9-12 Floor)
70/1, Purana Paltan Lane
Kakrail, Dhaka-1000
3. Managing Director
Sreepur Textile Mills Limited
Jatiya Scout Bhaban (9-12 Floor)
70/1, Purana Paltan Lane
Kakrail, Dhaka-1000

Sub: Non-compliance with the provisions of the Securities and Exchange Rules 1987 and the Securities and Exchange Ordinance, 1969: Warning

This refers to the Commission's show cause cum hearing notice No.SEC/Enforcement/266/2004 dated November 17, 2005, your reply letter No. STML/Audit/2005/335 dated November 30, 2005 and the hearing conducted on November 30, 2005 as well.

The Commission, in terms of power vested under sub-rule (3) of rule 12, as amended, of the Securities and Exchange Rules, 1987 appointed Mr. Uttam Ali Miah of M/s Ali & Associates, Cost and Management Accountant, to audit the financial statements of Sreepur Textile Mills Limited for the year ended on December 31, 2000 and that the auditor was appointed in the public interest.

The said auditor submitted the audit report wherefrom it appeared that the issuer has contravened sub-rule (3) of rule 12 of the Securities and Exchange Rules, 1987 and section 18 of the Securities and Exchange Ordinance, 1969 by failing to furnish true and fair audited financial statements for the year ended on June 30, 2000 and also failing to prepare and publish true and fair financial statements, communicating false information, commitment of financial irregularities and fraud.

The issuer was requested to explain the alleged contraventions and also provided the opportunity of being heard by the Commission through the above show cause cum hearing notice.

In reply the issuer vide letter No. STML/Audit/2005/335 dated November 30, 2005 explained the alleged contraventions and sought Securities and Exchange Commission's sympathetic consideration in the matter.

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The Commission, considering the submissions made by the issuer through its above said letters, as well as those made at the hearing, has decided to dispose off the proceedings against the issuer for the stated contraventions, by placing on record the Commission's

dissatisfaction on the defaults made by it, with a warning to ensure compliance of all securities related laws in future.

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

For Securities and Exchange Commission

(Mansur Alam)
Executive Director

CC:

Sreepur Textile Mills Limited (Issuer), Jatiya Scout Bhaban (9-12 Floor), 70/1, Purana
Paltan Lane, Kakrail, Dhaka-1000
CEO, Dhaka Stock Exchange
CEO, Chittagong Stock Exchange
Executive Director (R&D), SEC
Executive Director (CFD), SEC
Director (MIS), SEC
Chairman's Office, SEC