

SEC/Enforcement/212/2004/449
August 31, 2005

By Special Messenger
By Courier Service

1. Bangladesh Chemical Industries Limited, Plot#31, Road#53, Gulshan North C/A, Dhaka-1212.
2. Directors,
Bangladesh Chemical Industries Limited, Plot#31, Road#53, Gulshan North C/A, Dhaka-1212.
3. Managing Director,
Bangladesh Chemical Industries Limited, Plot#31, Road#53, Gulshan North C/A, Dhaka-1212.

Subject: Non-compliance of securities laws in connection with furnishing of the half yearly financial statements for half years ended December 31, 2003 and 2004-WARNING.

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) Bangladesh Chemical 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 has failed to comply with by not submitting the half yearly financial statements for the half years ended on December 31, 2003 and 2004.

Failure to furnish the said financial statements within the stipulated time is clear violation/contravention of the above mentioned rules.

A show-cause notice was issued on 17/10/04 to the issuer you for the said failure. In reply through letter dated 21/10/04, the issuer stated that the half yearly financial statements were in process for finalization and would be able to submit the same very soon.

The above reasons were not considered acceptable. Therefore, the directors of the issuer were called for hearing on 24/2/2005. Mr. Deokanandon Kejriwal, Managing Director and Mr. Safiruddin, Company Secretary appeared at the hearing and stated that they would furnish the said half-yearly financial statements by March 2005, but it was not materialized.

However, the Commission, after taking into consideration furnishing of the said half-yearly statements on 06/04/2005 by the issuer, has decided to dispose of the proceedings against Bangladesh Chemical 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.

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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