

**SEC/Enforcement/490/2006/985**  
**September 11, 2006**

Bangladesh Leaf Tobacco Co. Ltd. (Issuer)  
Jatiya Scout Bhaban (9-12<sup>th</sup> Floor), 70/1, Purana Paltan Line, Kakrail, Dhaka-1000

Directors  
Bangladesh Leaf Tobacco Co. Ltd.,  
Jatiya Scout Bhaban (9-12<sup>th</sup> Floor), 70/1, Purana Paltan Line, Kakrail, Dhaka-1000

Managing Director  
Bangladesh Leaf Tobacco Co. Ltd.  
Jatiya Scout Bhaban (9-12<sup>th</sup> Floor), 70/1, Purana Paltan Line, Kakrail, Dhaka-1000

Company Secretary  
Bangladesh Leaf Tobacco Co. Ltd.

Sub: **Non-compliance of securities law concerning retention of auditor for a consecutive period exceeding three years: Warning**

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII Of 1969) Bangladesh Leaf Tobacco Co. Ltd. is an issuer (herein after referred to as “issuer”).

Condition (b) of the Commission’s Order No.SEC/CFD-71/2001/Admin/02/05 dated January 3, 2002, gazetted on January 30, 2002, reads as follows:

“The issuer company shall not appoint any firm of chartered accountants as its statutory auditor for a consecutive period exceeding three years:

Provided that this provision shall not apply in the case of auditors who will have audited consecutively for three years upon completion of their current assignment:

Provided further that the issuer may continue with the existing statutory auditor subject to the clearance of the Commission if it recommends at least 10% dividend on the face value/paid up capital or 7.5% on the net worth, whichever is higher, for the year immediately preceding the year for which the statutory auditor is appointed.”

It appeared from the record that Bangladesh Leaf Tobacco Co. Ltd.’s Annual Accounts for the years ended December 31, 2002 to December 31, 2005 were audited by M/s. Rahman Thakur & Co., Chartered Accountants, which means that the issuer appointed M/s. Rahman Thakur & Co., Chartered Accountants, as its statutory auditor for the accounting year 2005 also, i.e. for further period of consecutive three years.

Above appointment, without the Commission’s clearance, falls under the purview of the aforesaid order issued under section 2CC of the Securities and Exchange Ordinance, 1969.

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The issuer's aforesaid activities tantamount to non-compliance of the securities related laws which appeared to be deliberate and contravention of the provisions of the Order mentioned above attracting penal provisions of the Securities and Exchange Ordinance, 1969.

A show cause cum hearing notice No.SEC/Enforcement/490/2006/852 dated July 31, 2006 was issued to you for explaining the said non-compliance. The hearing was conducted on August 22, 2006.

The officials appeared at the hearing submitted a letter No.BLTC/SECTY/07/06/274 dated July 9, 2006 mentioning, among others, that due to non-holding of Annual General Meeting they could not appoint another new auditor for the year 2005 and as the stipulated time for submission of final accounts for the year 2005 was passing out, they re-appointed the same auditor. They also mentioned that it was a terrible mistake and assured for future compliance.

The Commission, considering the above, has decided to condone the non-compliance of the issuer and to dispose of the proceedings against it with warning for the stated violation.

Please note that this disposal does not absolve the issuer or any of its directors or officials 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.  
Executive Director (R & D), SEC  
Executive Director (CFD), SEC  
Director (MIS), SEC  
Chairman's Office, SEC