

SEC/Enforcement/210/2004/314

June 30, 2005

By Special Messenger

By Courier Service

1. Bangladesh Dyeing & Finishing Industries Limited
Doel Complex, Karnapara, Savar.
2. Directors, Bangladesh Dyeing & Finishing Industries Limited
Doel Complex, Karnapara, Savar.
3. The Managing Director, Bangladesh Dyeing & Finishing Industries Limited
Doel Complex, Karnapara, Savar.

Subject: Non-compliance of securities laws in connection with non-holding of AGM in the year 2003 WARNING.

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Bangladesh Dyeing & Finishing Industries Limited is an issuer (herein after referred to as "issuer").

As per condition (a) of the Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7 November 2000, 'The issuer companies shall hold their annual general meetings in each year of the Gregorian calendar' (imposed under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by the Securities and Exchange Commission), but the issuer company has failed to comply by it not holding AGM in the year 2003.

Failure to hold the AGM for the year 2003 is a clear violation/contravention of the above mentioned Notification which attract penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause notice was issued on 28/01/04 for the said failure. In reply through letter dated 8/2/2004, the issuer stated that it could not be possible to hold AGM due to non-finalization of accounts for the year 2002-2003, instructed to the lawyer to file condonation filed etc. which were not considered acceptable. As such, the individual directors, including the Managing Director were called for hearing on 09/10/2004. None appeared at the hearing. The Commission then decided to penalize the individual directors of the issuer under section 22 of the Securities and Exchange Ordinance, 1969. Accordingly, penalty order No.SEC/Enforcement/210/2004/131 dated 22/31 March, 2005 was issued.

The issuer through subsequent letter dated 11/04/2005 requested for waiver of the penalty and informed through letter dated April 5, 2005 about holding of its pending AGM on 14/05/2005.

The Commission, after considering the said petition has decided to waive the penalty imposed upon the individual directors vide Order No.SEC/Enforcement/210/2004/131 dated 22/31 March, 2005 and also to dispose of the proceedings against Bangladesh Luggage 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 strong warning to ensure compliance of all securities related laws in future.

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.

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Director, (MIS), SEC