

SEC/Enforcement/251/2004/174

February 7, 2007

1. Bangladesh Services Limited, 01, Mintu Road, Dhaka-1000.
2. Directors, Bangladesh Services Limited, 01, Mintu Road, Dhaka-1000.
3. Managing Director, Bangladesh Services Limited, 01, Mintu Road, Dhaka-1000.
4. Company Secretary, Bangladesh Services Limited, 01, Mintu Road, Dhaka-1000.

Sub: Disposal of the alleged matter: In connection with delayed submission of audited financial statements for year ended on December 31, 2005.

This refers to the Commission's show cause cum hearing notice No.SEC/Enforcement/251/2004/1160 dated November 13, 2006 regarding non-submission of audited financial statements for the year ended on December 31, 2005.

In accordance with the rule 12 sub-rule (3A) of the Securities and Exchange Rules, 1987, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazzeted on 16th February 2000, the issuer company's financial statements shall be audited within one hundred and twenty days from the date on which the issuer's financial year ends and a copy of such audited financial statements shall be submitted to the Commission and the Stock Exchanges within fourteen days thereof but issuer has failed to comply with it by not submitting the audited financial statements for the year ended on December 31, 2005 by May 14, 2006.

The issuer's directors as well as the company secretary were called for hearing on November 22, 2006 through the above-mentioned hearing notice. Mr. Shamsuddin Ahmed, company secretary, Mr.Nisar Ahmed, chief of accounts & finance and Mr. Md. Nazrul Islam, manager accounts & finance appeared at the hearing upon authorization of the directors. In course of hearing they submitted an explanation vide letter dated November 21, 2006 stating, among others, that BSL is the owing company of Dhaka Sheraton Hotel (DSH) under a management contract executed between BSL and Dhaka Sheraton overseas management corporation USA, the latter operates the hotel business for BSL. Therefore, the accounts of DSH maintained according to 'uniform system of accounts for hotels' which is audited first and after completion of audit. DSH send the accounts to BSL for consolidation with the BSL accounts. BSL consolidate the accounts with DSH in line with the requirements of Companies Act 1994 as well as BAS for the purpose of statutory audit. DSH sent its audited financial statements for the year ended on December 31, 2005 to BSL on June 26, 2006 for consolidation with DSH accounts and accordingly BSL started from the said date. As a result, it took time to complete the same which was very difficult to complete the accounts within the time as required by SEC rules. However, they have submitted the said accounts on November 15, 2005. The issuer also assured that from the next, they would try to submit the audited financial statements in time.

The Commission, considering their submissions, explanations and assurance for future compliance with the securities laws, has decided to dispose of the matter.

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 result of the issuer's above said default.

For and on behalf of the 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