

**SEC/Enforcement/151/2002/376**

July 23, 2005

By Special Messenger

By Courier Service

1.Directors, Meghna Condensed Milk Industries Ltd. 55, Purana Paltan, Dhaka-1000

2.Directors, Meghna Condensed Milk Industries Ltd. 55, Purana Paltan, Dhaka-1000

3.The Managing Director, Meghna Condensed Milk Industries Ltd., 55, Purana Paltan, Dhaka-1000

**Subject: Non-compliance of securities laws in connection with holding of AGM in the years 2001 to 2003-WARNING.**

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Meghna Condensed Milk 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 24<sup>th</sup> 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 failed to comply the same by not holding its AGMs in the years 2001 to 2003.

Failure to hold AGM in the said years is a clear violation/contravention of the above mentioned Notification which attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause notice was issued on 24/02/04 for the said failure. In reply through letter dated 28/02/04, the issuer stated, among others, that it could not be possible to hold the AGMs due to closure of factory for 3 years, conflicts among the directors, etc. which were not considered acceptable. As such, the issuer and the Managing Director were called for hearing on 12/10/2004. Mr. M.F Kamal, Managing Director appeared at the hearing. In course of hearing, the managing director stated that they could not prepare financial statements due to inadequate staff, internal problem of ownership separation, etc. which were also not considered acceptable.

However, the Commission, after considering holding of the pending AGMs by the issuer on 23/06/2005, has decided to dispose of the proceedings against Meghna Condensed Milk 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