

**SEC/Enforcement/329/2005/348**  
**March 30, 2006**

**By Courier Service**

Himadri Limited (Issuer)  
Awal Centre (9<sup>th</sup> Floor),34, Kamal Ataturk Avenue,Banani,Dhaka-1213

Directors  
Himadri Limited  
Awal Centre (9<sup>th</sup> Floor),34, Kamal Ataturk Avenue,Banani,Dhaka-1213

The Managing Director  
Himadri Limited  
Awal Centre (9<sup>th</sup> Floor),34, Kamal Ataturk Avenue,Banani,Dhaka-1213

The Company Secretary  
Himadri Limited  
Awal Centre (9<sup>th</sup> Floor),34, Kamal Ataturk Avenue,Banani,Dhaka-1213

**Sub: Non compliance of securities law-Warning**

This refers to the Commission's Notification No. SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001 through which the Commission imposed further conditions upon the issuers to the effect that the board of directors of the issuer company of a listed security, while considering/adopting any audited financial statements, shall, in the same board meeting, fix the date of the relevant annual general meeting and take specific decisions with regard to recommendation/non-recommendation of dividend for the shareholders on the basis of said financial statements and the shareholders who shall be entitled for such dividend, if recommended.

It revealed from the issuer's letter No. HL/HO/BM-78/2005 dated May 11, 2005 that Himadri Limited, by not taking specific decisions with regard to the shareholders who shall be entitled for declared dividend, has contravened the condition(s) of the aforesaid Notification.

It appears that the aforesaid non-compliance is a clear and deliberate contravention of the provisions of the said Notification attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

Show cause notice No. SEC/Enforcement/329/2005/317 dated July 2, 2005 was issued to you for explaining the non-compliance with the Commission's Notification No. SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001 concerning entitlement of dividend.

In response to the above mentioned show cause, the issuer, through its letter No. HL/HO/AGM/SEC/05/556 dated July 10, 2005 stated, among others, the following:

- (a) Due to inadvertent mistake the issuer has failed to accommodate book closure date in its letter No. HL/HO/BM-78/2005 dated May 11, 2005.

- (b) 78<sup>th</sup> meeting of the board of directors was held on May 11, 2005 recommending dividend on ordinary shares for the year ended on December 31, 2004 and passed the agenda of annual general meeting scheduled for June 22, 2005.
- (c) The notice of book closure was published in the national daily “ The Daily Ittefaq” and “ The Independent” on May 17, 2005.

The issuer has assured that such nature of mistake will never take place, it will strictly follow the SEC directive in future and requested the Commission to withdraw the show cause.

In order to provide an opportunity of being heard, a Notice of hearing No. SEC/Enforcement/329/2005/402 dated August 3, 2005 was issued to you and the date of hearing was fixed on August 11, 2005.

Issuer’s officials appeared at the hearing submitted that they were not aware of the requirement of the aforesaid notification. They have apologized for the inadvertent mistake and assured for strict compliance of securities law in future.

The Commission, considering the submissions made by the issuer, has decided to dispose of the proceedings against it and others concerned by placing on record the Commission’s dissatisfaction on the defaults/contraventions made by you, with a 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, including change in its record date concerned.

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 (SRMID) SEC  
Director (MIS), SEC  
Chairman’s Office, SEC