

**DIRECTIVE**

Whereas as per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) Bangladesh Zipper industries Ltd. is an issuer (herein after referred to as issuer); and

Whereas the Commission, in terms of power vested under rule 12, sub-rule 3, as amended, of the Securities and Exchange Rules, 1987 appointed Rahman Rahman Huq, Chartered Accountants, to re-audit the financial statements of Bangladesh Zipper industries Ltd. for the year ending on 30 June 2001 and the auditor was appointed in the public interest; and

Whereas it appears from the Commission's appointed auditor's audit report that the statutory auditor of the issuer, M/S N. Chakraborty & Co., Chartered Accountants, failed to report the true state of affairs of the issuer for the year ending on 30 June 2001; and

Whereas it also appears, among others, from the Commission's appointed auditor's audit report that the issuer-

- (i) did not maintain proper books of accounts required to reflect its state of affairs and to substantiate its expenditures;
- (ii) did not produce sufficient and appropriate audit evidence to the auditor for audit;
- (iii) has suffered huge financial loss due to unexplained bank transactions with its sister concerns and huge quantity of sales to sister concerns; and

Whereas in view of the foregoing facts the Commission is of the opinion that a directive under section 20A of the Securities and Exchange Ordinance, 1969, as amended by The Securities and Exchange (Amendment) Act, 2000 should be given to the issuer.

Therefore, to protect the shareholders' interest, interest of the investors and to ensure fair play in the capital market, Bangladesh Zipper Industries Ltd. is directed under section 20A of the Securities and Exchange Ordinance, 1969, as amended by The Securities and Exchange (Amendment) Act, 2000, to rectify its books of accounts within 31 December 2003 in the light of the audit report mentioned above and also make good the loss suffered due to huge inter company transactions, up to the satisfaction of the auditor appointed by the Commission.

By Order of the Securities and Exchange Commission

Saleh Ahmed Chowdhury

Chairman (In-charge)