

SEC/Enforcement/145/2002/624

May 28, 2007

1. Sonali Paper & Board Mills Limited, 51, Central Road, Dhanmondi, Younus Tower, Dhaka-1205.
 2. Directors, Sonali Paper & Board Mills Limited, 51, Central Road, Dhanmondi, Younus Tower, Dhaka-1205.
 3. Managing Director, Sonali Paper & Board Mills Limited, 51, Central Road, Dhanmondi, Younus Tower, Dhaka-1205.
 4. Company Secretary, Sonali Paper & Board Mills Limited, 51, Central Road, Dhanmondi, Younus Tower, Dhaka-1205.
- Sub: Non-compliance of securities laws in connection with the submission of half yearly financial statements for the half year ended on December 31, 2006 within time: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Sonali Paper & Board Mills Limited is an issuer (herein after referred to as an "issuer").

As per rule 13 of the Securities and Exchange Ordinance, 1987, issued under the said Ordinance, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazzeted on 16th February 2000, every issuer shall, within one month of close of first half year transmit to the stock exchange in which its securities are listed, to the security holders and to the Commission half yearly financial statements which shall be prepared in the same manner and form as the annual financial statements. The issuer company failed to comply with it by not submitting the half yearly financial statements for the half year ended on December 31, 2006.

Failure to submit the said financial statement is clear violation/contravention of the abovementioned rules attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause cum hearing notice dated April 11, 2007 was issued to issuer and its directors as well as to the company secretary to explain the said violation and also to appear at the hearing on April 23, 2007. At the time of hearing, they submitted the said financial statements vide letter dated April 23, 2007 and requested to exonerate them from the charge.

The Commission, taking into consideration of subsequent submission of the said half yearly financial statements April 23, 2007, has decided to dispose of the proceedings by placing on record the Commission's dissatisfaction on the default made by the issuer, with a warning to ensure compliance of the 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 result of the issuer's above said default.

For Securities and Exchange Commission

Mansur Alam

Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director (R& D), SEC
Executive Director (CFD), SEC
Director (MIS), SEC, Chairman's Office, SEC