

**SEC/Enforcement/732/2008/
October 5, 2008**

1. Bangladesh Welding & Electrodes Limited, 87, Motijheel C/A, Dhaka-1000.
2. Directors, Bangladesh Welding & Electrodes Limited, 87, Motijheel C/A, Dhaka-1000.
3. Managing Director, Bangladesh Welding & Electrodes Limited, 87, Motijheel C/A, Dhaka-1000.
4. Company Secretary, Bangladesh Welding & Electrodes Limited, 87, Motijheel C/A, Dhaka-1000.

Sub: Non-compliance of securities laws: In connection with the delayed submission of the audited financial statements for the year ended on December 31, 2007: Warning.

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

As per rule 12 sub-rule (3A) of the Securities and Exchange Rules, 1987, issued under the said Ordinance, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazetted on 16th February 2000, the issuer company's financial statements shall be audited within one hundred twenty days from the date on which the issuer's financial year ends and a copy of such audited financial statements should be submitted to the Commission and the Stock Exchanges within fourteen days thereof, but the issuer company has failed to comply with it by not submitting the audited financial statements for the year ended on December 31, 2007, by May 13, 2008.

Failure to furnish the said financial statements within the stipulated time is a clear violation/contravention of the abovementioned rules.

A show-cause cum hearing notice dated August 31, 2008 was issued to the issuer's directors as well as the company secretary to explain the said default and to appear at the hearing on September 15, 2008. In course of hearing the issuer submitted a letter dated September 14, 2008 stating, among others, that for better control of accounts, they tried to enter in to a new computerized system, but they failed to recover the accounts due to virus attack and some documents were destroyed. They tried to re-write the entire books of accounts manually and after scrutinizing all bills, vouchers, invoices, and money receipts, import documents that took abnormal time to complete the accounts. At the time of hearing they submitted the above audited financial statements for the year ended on December 31, 2007.

The Commission, taking into consideration of delayed submission of the said half yearly financial statements on September 15, 2008, has decided to dispose of proceedings against Bangladesh Welding & Electrodes Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default, violation/contravention 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 a result of the issuer's above said default.

For Securities and Exchange Commission

**Md. Mizanur Rahman
Executive Director (Enforcement)**

Copy for information:

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