bs- GmBwm/Gb‡dvm©‡g›U/584/2007/1177 **‡iwR÷vW© GwW**

b‡f¤^i 04, 2007 Bs

Zvß BÛvóªR wjwg‡UW
Awgb †KvU©
62-63, gwZwSj ev/G
XvKv-1000

welq: **Directive**

g‡nv`q,

Kwgk‡bi b‡f¤^i 04, 2007 Bs Zvwi‡Li Directive No. SEC/Enforcement/584/2007/1176 Gi mZ¨vwqZ Abywjwc Avcbvi AeMwZ I c‡qvRbxq e¨e¯'v MÖn‡bi Rb¨ GZ`ms‡M msh³ Kiv n‡jv|

wmwKDwiwUR I G·‡PÄ Kwgk‡bi c‡¶

(†gvt gbmyi ingvb)
Dc-cwiPvjK

weZibt

cÖavb wbevnx KgKZv, XvKv óK G·‡PÄ wjwg‡UW
cÖavb wbevnx KgKZv, PÆMÖvg óK G·‡PÄ wjwg‡UW

AeMwZi Rb¨ Abywjwct

1. wbevnx cwiPvjK (Avi GÛ wW), GmBwm
2. wbevnx cwiPvjK (wmAvB), GmBwm
3. wbevnx cwiPvjK (wmGdwW), GmBwm
4. cwiPvjK (AvBb), GmBwm
5. cwiPvjK (GgAvBGm), GmBwm
6. cÖavwjK †idv‡iÝ i“g, GmBwm
7. ‡Pqvig¨vb g‡nv`‡qi `ßi, GmBwm

No. SEC/Enforcement/584/2007/1176 **Dated: November 04, 2007**

Directive

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

Whereas, as per sub-rule (2) of rule 12 of the Securities and Exchange Rules, 1987, the financial statements of an issuer of a listed security shall be prepared in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh;

Whereas, as required by rule 12 of the Securities and Exchange Rules, 1987, the issuer submitted the audited financial statements for the year ended on August 31, 2006 to the Commission and others concerned;

Whereas, it appeared from the said audited financial statements that the auditors have made, among others, the following observations/qualified opinion on the financial statements:

> "1. The company did not provide depreciation for Tk. 53,295,203 including for the period of Tk. 6,178,001 in respect of unit-4 which was in operation throughout the year. Depreciation remains unprovided in respect of other units although there was partial operation in unit-1 during the year under review (Note-9.01).
>
> 2. The company did not compute deferred taxation.
>
> 3. Depreciation on value increased by revaluation was not charged."

Whereas, as regard to Unit 1 & 2, the issuer company mentioned that depreciation remained un-provided because capacity utilization of the said Units was only 1.09% and as there was no operation of those Units for the half year ended February 28, 2007, depreciation for the said half-year was also not provided by the company;

Whereas, as a result of the above, the audited financial statements of the issuer for the years ended on August 31, 2006 do not portray true and fair view of the financial position which tantamount to furnishing of incorrect information to SEC; and

Whereas, furnishing of incorrect audited financial statements for the year ended on August 31, 2006 is a clear contravention of section 18 of the Securities and Exchange Ordinance, 1969, read with sub-rule (2) of rule 12 of the Securities and Exchange Rules, 1987, which appeared to be deliberate attracting appropriate provisions of the Securities and Exchange Ordinance, 1969;

Whereas, based on the above, a show cause cum hearing notice No. SEC/Enforcement/584/2007/663 dated June 5, 2007, was issued to the issuer to explain the said contraventions and also to provide an opportunity of being heard, and that the hearing was conducted on June 21, 2007;

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Whereas, in course of hearing, the issuer submitted written explanations vide letter dated June 21, 2007 stating, among others, that necessary measures already taken by them in the half-yearly report dated February 28, 2007 to rectify the irregularities qualified by the auditors;

Whereas, protection of investors in securities as well as development of the capital market and the securities markets are, among others, the objectives of the Commission for which the Securities and Exchange Commission has been set up under the Securities and Exchange Commission Act, 1993 (Act No. XV of 1993); and

Whereas, in view of the all above, the Commission deems it to be expedient that, in the interest of the investors in securities and the capital market as well, a direction to the above said issuer should be given for taking necessary measures to rectify the aforesaid defaults as well as to reflect those rectifications in the financial statements for the year ended on August 31, 2007;

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred in it by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs Tripti Industries Ltd. to rectify the aforesaid defaults and to reflect those rectifications in the next financial statements as early as possible.

By Order of the Securities and Exchange Commission

Md. Mizanur Rahman
Director

Distribution:
Tripti Industries Ltd. (Issuer)
Amin Court, 62-63 Motijheel C/A, Dhaka-1000