

SEC/Enforcement/434/2006/585
June 5, 2006

Modern Cement Limited (Issuer)
Suit No.1307, Sena Kalayan Bhaban, 195 Motijheel C/A, Dhaka-1000

Directors
Modern Cement Limited, Suit No.1307, Sena Kalayan Bhaban, 195 Motiheel C/A, Dhaka-1000

Managing Director
Modern Cement Limited, Suit No.1307, Sena Kalayan Bhavan, 195 Motijheel C/A, Dhaka-1000

Company Secretary
Modern Cement Limited, Suit No.1307, Sena Kalayan Bhavan, 195 Motijheel C/A, Dhaka-1000

Subject: Non-compliance of securities laws– WARNING

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII Of 1969) Modern Cement Limited is an issuer (herein after referred to as issuer).

The Commission's Order No. GmBm/GmAviGgAvBw/2000-985/2248/c-02/1 ZwiLt 19 Wtmäi, 2000 Bsgazetted on 25.02.2001, reads as under:

1. **UR I G** - **PA** Kigkb (miev fMx-e'emv wbl xKiY) cleavbgjv, 1995 Gi cleavb 3, Dc-cleavb(2) G c`E
 2. **qGze** j Kigkb GZv qj" mste`b'kxj Z " mieivni wbtæ³ c xwZ wbaivY Kii j, h vt-

- (1) óK G · þPǎ ZwiKv³ cwiZU wmiKDwiU Bm'Kvix Dnvi tKvb gj" mste`bkj Z"" msikó weliq wmxvš MnþYi wîk wgbtUi gta" wKsev Z""U Dnvi tMwPti Avmvi ZwiþLB Zvr¶wYKfvte Dnvi tPqvigvb, carb wbevnx KgKZv ev tKvóubx mipe Gi v¶¶ti wjLZfvte GKB mvþ wmiKDwiUR I G · þPǎ Kwgb Ges msikó óK G · þPǎ (h" Dfq G · þPǎ ZwiKv³ vK Zte GKB mvþ Dfq G · þPǎ) Gi wBKU d'v · I wstkI evZv evnK gvidZ, t¶¶i wstkI Kwicvi mwfmthvM, tciY Kwite; Ges D³ Z"" BwU eûj cPwiZ %wBK ciwKvqI (GKU evsjv Ges AciiU BstirX) Aiejþa cKwkv wbiðZ Kwite;
- (2) ZwiKv³ wmiKDwiU Bm'Kvix KZK tciwZ I cKwKZ D³ jc Z""UþZ Bm'Kvix cwiPvjbv clþi wmxvš MnþYi ZwiL I mgq, wKsev t¶¶igþZ Z""U Dnvi tMwPti Avmvi ZwiL, DþjL KwitþZ nBte;
- (3) msikó ÷ K G · þPǎ D³ Z"" cwiB gvîB Z ""U wBDR qwbuþii qva"q cPvi Kwite|ó

It is appeared from the Fax Report dated April 25, 2006 of Modern Cement Limited regarding notice of the 5th AGM that the company published the information in one news paper only, despite the fact that the Commission's above mentioned Order requires publishing of the price sensitive information in two daily news papers.

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The Commission vide its letter No.SEC/SRMID/2002-1048/822 dated July 16, 2005, cautioned Modern Cement Limited for non-publishing the price sensitive information in accordance with the said order.

The issuer's aforesaid failures/activities tantamount non-compliance of the securities laws which appeared to be deliberate and clear contravention of the provisions of the Order mentioned above attracting penal provisions of the Securities and Exchange Ordinance, 1969.

A show cause cum hearing notice No.SEC/Enforcement/434/2006/477 dated May 8, 2006 was issued to yourselves to appear at hearing to explain the default. The hearing was conducted on May 17, 2006.

The persons appeared at hearing submitted a letter dated May 17, 2006 mentioning, among others, that due to lacking of requisite technical expertise of the company secretary, the said non-compliance had occurred. Subsequently, the company appointed a new company secretary and has assured for future compliance of securities laws. The company also mentioned that the non-compliance was unintentional.

The Commission, considering the all above, has decided to dispose of the proceedings against yourselves by placing on record the Commission's dissatisfaction on the default/contravention made by you, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said defaults.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Executive Director, (R & D), SEC
Executive Director (SRMID), SEC
Director (Law), SEC
Director (MIS), SEC
Chairman's Office, SEC