BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং বিএসইসি/এনফোর্সমেন্ট/২২০৮/২০১৫/ ৩২৪

তারিখঃ ১৯ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(g) মোতাবেক অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড 'issuer' হিসাবে অভিহিত (অতঃপর 'ইস্যুয়ার' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(cc) মোতাবেক "Commission" means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (অতঃপর ' কমিশন ' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12(2) এ উল্লেখ রয়েছে যে, "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. ...";

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12 অনুযায়ী ইস্যুয়ার কর্তৃক নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দানের বিধান রয়েছে এবং সে মোতাবেক ইস্যুয়ার কর্তৃক জুন ৩০, ২০১৪ ইং তারিখে সমাপ্ত বৎসরে প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দান করা হয়েছে;

যেহেতু, উপরোক্ত বৎসরে আর্থিক প্রতিবেদনের উপর কমিশনের অন্যান্যের মধ্যে নিম্নোক্ত পর্যবেক্ষন রয়েছে:

Commission's queries as well as auditors qualified opinion to AIL	Reply/clarification/explanation of AIL	Our(CFD) Comments
The auditors of AIL- M/s. MABS & J Partners, Chartered Accountants expressed qualified opinion on Audited Financial Statements of AIL for the year ended on June 30, 2014 making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00. It reveals from the summary statement and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00;	With regards to the above it is apparent that the auditor of the Company has given Qualified Report for non-availability of Property Plant and Equipments Register. In this regard it is our opinion that the auditor of the Company was not justified in giving Qualified Report on the above matters because the auditor may perform the following alternative audit procedures as per BSA-510: *Initial Audit Engagement - Opening Balances*, the auditor shall obtain sufficient appropriate audit evidence about whether the opening balance that affect the current period's financial statements by performing one or more of the following: (i) Where the prior year financial statements were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances. (ii) Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or (iii) Performing specific audit procedures to obtain evidence regarding the opening balances. (iv) Observing a current physical non-current assets count and reconciling it back to the opening non-current assets quantities. (v) Performing audit procedures on the valuation of the opening non-current assets item.	The explanation of AIL is not acceptable as we agree with the auditors that AIL is a listed company and a manufacturing concern with huge asset base, where Net Asset Value (NAV) is of immense importance to the users of the financial statements. Opening balance of fixed assets of Tk. 1,252.39 million shown in the audited financial statements of AIL against Property, Plant and Equipment, existence and value of those assets should be physically confirmed by the auditors. In this regard, the auditors were trying to confirm the opening balances of such assets as required by Bangladesh Standards on Auditing (BSA 510: Initial Audit Engagements-opening balances), and requested for making a Fixed Assets Register (FAR) available to them. Auditors also opted to visit the factory premise of AIL to conduct stock counting of fixed assets. No invitation was

	For non-current assets, such as Property Plant and Equipment, the auditor will ordinarily examine the accounting records and other information underlying the opening balances. In certain cases, the auditor may be able to obtain confirmation of opening balances with third parties, for example, vendor relating to Property Plant and Equipment. In other cases, the auditor may need to carry out the following additional audit procedures: • observing a current physical Property Plant and Equipment count and reconciling it back to the opening Property Plant and Equipment quantity • performing audit procedures on the valuation of the opening Property Plant and Equipment item, A combination of these procedures may provide sufficient appropriate audit evidence. As per BSA-510 for confirming physical existence of Property Plant and Equipment auditor has not followed alternative audit procedures. It is also mentionable that in order to give complete account of the Property Plant and Equipment of the Company, the management provided the Insurance Policy of the Company with Pioner Insurance Co. Ltd. which provided as full account of the Property Plant and Equipment. Moreover the Company also offered the auditors to visit the factory premises to verify the physical existence but instead of visiting the auditor but rather qualified on the basis that there was no register in the form of a "Balam Khata" for Property Plant and Equipment. As such the auditor of the Company cannot qualify their report on this ground. Moreover management of the Company has given clear disclosure in Financial Statements relating to non maintenance of Fixed Assets Register in notes to the accounts (See Note 3.03.1). But the Auditor did not pass any opinion about management disclosure regarding non maintenance of Fixed Assets Registers.	made to them by AIL for physical verification of fixed assets. The auditors opined that without existence of any Fixed Asset Register it would not have been possible for them to verify fixed assets. As such, ***the auditors expressed qualified opinion making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.*** It reveals from the above and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to ***doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.***
Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of	Auditor of the Company has given Qualified Report on Financing Charges (interest expenses) amounting to Tk.174.89 million for not providing it in the Statement of Comprehensive Income. In this regard we are informing you that the management of the Company has given clear disclosure in notes to the accounts of Financial Statements in accordance with Bangladesh Accounting Standard (BAS-37 : Provisions, Contingent Liabilities and Contingent Assets). We are explaining our reasons for considering financial charges as contingent liabilities in accordance with Bangladesh Accounting Standard (BAS-37) which are stated below:- a. Being contingent liability the Company has no legal or constructive obligation to pay financial expenses, because the financial expenses has not been	Explanation of AIL is not acceptable as AIL did not make provision/charge the interest expenses of Tk.174.89 million against its outstanding bank loan amounting to Tk.1,722.77 million in the statement of comprehensive income for the year ended on June 30, 2014. As a result, Net Profit & Earning Per Share (EPS) as well as Net Assets Value (NAV) of the company were shown overstated in its financial statements for the year ended on June 30, 2014. The

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended;	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
On examination of the aforesaid audited financial statements, Commission has some observations & Comments, among others, the following: A) The company was	ALLTEX Fabrics Limited is a Public Limited Company established under the Company's Act 1913 vide registration No.C-14609/174 of 1985-1986 dated 11th August 1985. The main object of the ALLTEX Fabrics Limited is manufacturing of grege cloth fabrics and ALLTEX Industries Limited will consume entire production of ALLTEX Fabrics Limited under buy back contract. As such, to meet up the ALLTEX Industries Limited's grege	The company's explanation in this regard is not acceptable. The company was directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended;	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
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বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969;	cloth demand it was necessary to increase production volume of ALLTEX Fabrics Limited For increasing production volume ALLTEX Fabrics Limited badly needed sufficient working capital, as a result management of ALLTEX Fabrics Limited decided to increase their equity for getting sufficient working capital form Bank. To increase the equity of ALLTEX Fabrics Limited, the Board of Directors of ALLTEX Industries Limited decided to invest in ALLTEX Fabrics Limited for purchasing of 7,00,000.00 (Seven lac) shares of Tk.100 each for the years 2001-2002 and such investment was approved by the shareholders of ALLTEX Industries Limited, in the 20th Annual General Meeting. Total paid up capital of ALLTEX Fabrics Limited is Tk.16,00,00,000.00 out of which Tk.7,00,00,000.00 was invested by ALLTEX Industries Limited. The percentage of share holding by ALLTEX Industries Limited is 43.75%. The investments were shown in the financial statements ALLTEX Industries Limited in the year 2002-2003 and continue up to the year 2013-2014.	investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969.
The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act,	Auditor of the Company has given qualified opinion on interest expenses as financing charges (interest expenses) amounting to Tk.174.89 million accrued during the year. We are really astonished that how can auditor confirm that Tk.174.89 million accrued as financing charges in absence of any indication regarding interest calculation and charged by the Lending Bank due to legal obligation to pay imposed and un-imposed interest. As per BSA 200: 'Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Bangladesh Standards on Auditing' auditor's responsibilities is to pass opinion on the financial statements but in this case auditor has calculated a estimated figure as financial charges (interest expenses) without obtaining any supporting documents and Bank statements from Lending Bank. If the financial expenses were actually accrued then management of the Company would be liable to charge in the statement of comprehensive income on the basis of Bank Statements. We have also given more details about it in point No.2 of this letter. Considering above facts we strongly believe that estimated figure of financial charges by the auditor is totally contingent liabilities as per (BAS-37: Provisions, Contingent Liabilities and Contingent Assets). The Board of Directors of the Company has not recommended 10% stock dividend of Tk.4,80,00,000.00 out of accumulated profit. The Board of Directors of the Company has recommended 10% stock dividend from dividend equalization reserve	The company's explanation is not acceptable because there was no sufficient profit for the current year, i.e., for the year ended on June 30, 2014 and in the previous years' retained earnings/dividend equalization reserve with the company for declaring such dividend in line with requirement of clause 98 of Schedule I of the Companies Act, 1994, "**No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits**." Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest

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1994. By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million."

Tk.2,90,00,000.00 which was created out of operational profit in the year 1998-1999 and remaining balance of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,63,991.00. For justification of recommended 10% stock dividend we are giving analysis of accumulated profit below.

Description	Taka
Retained earning 1.7.2013	(289,808,499)
Add: Current year profit	122,674,490
	(167,134,009)
Add: Transfer from General Reserve	169,650,000
	2,515,991
Add. Unclaimed dividend transferred	24,053,000
Total:	**26,568,991**

Clause 98 of schedule 1 of the Companies Acts 1994 "No dividend shall be paid otherwise then out of profit or any other undistributed profits.

The Board of Directors of the Company has recommended 10% stock dividend in accordance with clause 98 of schedule 1 of the Companies Acts 1994 because out of total stock dividend Tk.2,90,00,000.00 from dividend equalization reserve and remaining amount of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,68,991. Dividend equalization reserve it can be used only for payment of dividend.

You have asked us to submit bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited relating to investment of Tk.7,00,00,000.00 as payment by ALLTEX Industries Limited and receiving by ALLTEX Fabrics Limited.

For submitting of Bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited we are informing you that this amount has not been invested in the year 2013-2014. This amount was invested in the year 2001-2002. For your clear understanding we are also clarifying that before investing this amount ALLTEX Industries Limited paid Tk.24,23,05,669.00 as advance against grege cloth purchase up to the 30th June 2001 by crossed cheque or Bank transfer. During the year 2001-2002 both Companies Board of Directors decided to issue and purchase 7,00,000 Ordinary Shares of Tk.100 each to amounting Tk.7,00,00,000.00 by adjusting advance against grege cloth purchase and such shares allotment was made on 31-12-2001.

We believe you will find our explanations as stipulated above satisfactory in light of the fact that the Company has adhered to all laws, regulations and guidelines of the Bangladesh Accounting Standards as well as relevant laws relating to taxation.

expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00, i.e., there would be Net Loss of Tk. 52,215,510.00 for the year ended on June 30, 2014.

After transferring of Tk.169,650,000 from general reserve, Tk.24,053,000 from unclaimed dividend and Tk.2,90,00,000.00 from dividend equalization reserve to Retained Earnings, Retained Earnings would be negative, i.e., Retained Loss of Tk.119,321,009.00 = (Previous years' retained loss – Tk.289,808,499+ General Reserve Tk.169,650,000+Un-claimed Dividend Tk.24,053,000 + Dividend Equalization Reserve Tk.29,000,000- Current years' Net Loss Tk.52,215,510)

The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act, 1994.

By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00,** capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million.

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বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

বর্ণিত অবস্থায় প্রতীয়মাণ হয় যে, ইস্যুয়ারের, জুন ৩০, ২০১২ ইং তারিখে সমাপ্ত বৎসরের প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী IAS অনুযায়ী প্রস্তুত করতে ব্যর্থ হয়েছে বিধায় ইস্যুয়ার Securities and Exchange Rules, 1987 এর rule 12(2) পরিপালনে ব্যর্থ হয়েছে। ফলে আর্থিক বিবরণীতে ইস্যুয়ারের বাস্তব অবস্থা সঠিক ও স্বচ্ছ (true and fair) ভাবে প্রতিফলিত হয়নি তথা উক্তরূপ কর্মকান্ডের মাধ্যমে ইস্যুয়ার আলোচ্য Rules এর সংশ্লিষ্ট বিধান লংঘন করেছে, যা আলোচ্য Ordinance এর section 18 এর সুস্পষ্ট লংঘন এবং The Securities and Exchange Ordinance, 1969 এর section 11(2) অনুযায়ী তথ্য চাওয়ার পরে তথ্যাদি প্রদান করতে ব্যর্থ হওয়ায় The Securities and Exchange Ordinance, 1969 এর section 11(2) এর সুস্পষ্ট লংঘন;

যেহেতু, ইস্যুয়ারের উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক পত্র সূত্র নং- BSEC/Enforcement/2208-2015/13 তারিখ জানুয়ারী ২০, ২০১৫ এর মাধ্যমে ইস্যুয়ার ও উহার পরিচালকগণকে Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন কারণ দর্শানো ও শুনানীর নোটিশ জারি করা হয় এবং জানুয়ারী ২৫, ২০১৫ ইং তারিখে উক্ত শুনানী অনুষ্ঠিত হয়;

যেহেতু, উক্ত শুনানীতে দাখিলকৃত ইস্যুয়ারের পত্রের তারিখ জানুয়ারী ২৫, ২০১৫ ইং এর মাধ্যমে উল্লিখিত ব্যর্থতা তথা বিধান লংঘন সংক্রান্ত যে ব্যাখ্যা প্রদান করা হয় তা সন্তোষজনক না হওয়ায় কমিশনের নিকট গ্রহনযোগ্য বলে বিবেচিত হয়নি;

যেহেতু, আলোচ্য ইস্যুয়ার একটি পাবলিক লিমিটেড কোম্পানী এবং ইসুয়্যার সিকিউরিটিজ সংক্রান্ত আইন ও উহার অধীন জারীকৃত বিধি-বিধান পরিপালনের জন্য দায়ী;

যেহেতু, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে ইস্যুয়ার এর উক্তরূপ ব্যর্থতা Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন শাস্তিযোগ্য অপরাধ; এবং

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে উক্ত ইস্যুয়ারের পরিচালকগণের প্রত্যেককে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] তে প্রদত্ত ক্ষমতাবলে অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড এর চেয়ারম্যান/পরিচালক ইঞ্জিনিয়ার আফছার উদ্দিন আহমদ এর উপর ৫,০০,০০০/- (পাঁচ লক্ষ) টাকা জরিমানা ধার্য্য করল যা অত্র আদেশের ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে-

19.10.15

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরণঃ
ইঞ্জিনিয়ার আফছার উদ্দিন আহমদ, চেয়ারম্যান, অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং বিএসইসি/এনফোর্সমেন্ট/২২০৮/২০১৫/ ৩২৫ তারিখঃ ১৯ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(g) মোতাবেক অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড 'issuer' হিসাবে অভিহিত (অতঃপর 'ইস্যুয়ার' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(cc) মোতাবেক "Commission" means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (অতঃপর ' কমিশন ' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12(2) এ উল্লেখ রয়েছে যে, "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. ...";

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12 অনুযায়ী ইস্যুয়ার কর্তৃক নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দানের বিধান রয়েছে এবং সে মোতাবেক ইস্যুয়ার কর্তৃক জুন ৩০, ২০১৪ ইং তারিখে সমাপ্ত বৎসরে প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দান করা হয়েছে;

যেহেতু, উপরোক্ত বৎসরে আর্থিক প্রতিবেদনের উপর কমিশনের অন্যানের মধ্যে নিম্নোক্ত পর্যবেক্ষন রয়েছে:

Commission's queries as well as auditors qualified opinion to AIL	Reply/clarification/explanation of AIL	Our(CFD) Comments
The auditors of AIL- M/s. MABS & J Partners, Chartered Accountants expressed qualified opinion on Audited Financial Statements of AIL for the year ended on June 30, 2014 making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00. It reveals from the summary statement and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00;	With regards to the above it is apparent that the auditor of the Company has given Qualified Report for non-availability of Property Plant and Equipments Register. In this regard it is our opinion that the auditor of the Company was not justified in giving Qualified Report on the above matters because the auditor may perform the following alternative audit procedures as per BSA-510: *Initial Audit Engagement - Opening Balances*, the auditor shall obtain sufficient appropriate audit evidence about whether the opening balance that affect the current period's financial statements by performing one or more of the following: (i) Where the prior year financial statements were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances. (ii) Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or (iii) Performing specific audit procedures to obtain evidence regarding the opening balances. (iv) Observing a current physical non-current assets count and reconciling it back to the opening non-current assets quantities. (v) Performing audit procedures on the valuation of the opening non-current assets item.	The explanation of AIL is not acceptable as we agree with the auditors that AIL is a listed company and a manufacturing concern with huge asset base, where Net Asset Value (NAV) is of immense importance to the users of the financial statements. Opening balance of fixed assets of Tk. 1,252.39 million shown in the audited financial statements of AIL against Property, Plant and Equipment, existence and value of those assets should be physically confirmed by the auditors. In this regard, the auditors were trying to confirm the opening balances of such assets as required by Bangladesh Standards on Auditing (BSA 510: Initial Audit Engagements-opening balances), and requested for making a Fixed Assets Register (FAR) available to them. Auditors also opted to visit the factory premise of AIL to conduct stock counting of fixed assets. No invitation was

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

	For non-current assets, such as Property Plant and Equipment, the auditor will ordinarily examine the accounting records and other information underlying the opening balances. In certain cases, the auditor may be able to obtain confirmation of opening balances with third parties, for example, vendor relating to Property Plant and Equipment. In other cases, the auditor may need to carry out the following additional audit procedures: • observing a current physical Property Plant and Equipment count and reconciling it back to the opening Property Plant and Equipment quantity • performing audit procedures on the valuation of the opening Property Plant and Equipment item, A combination of these procedures may provide sufficient appropriate audit evidence. As per BSA-510 for confirming physical existence of Property Plant and Equipment auditor has not followed alternative audit procedures. It is also mentionable that in order to give complete account of the Property Plant and Equipment of the Company, the management provided the Insurance Policy of the Company with Pioner Insurance Co. Ltd. which provided as full account of the Property Plant and Equipment. Moreover the Company also offered the auditors to visit the factory premises to verify the physical existence but instead of visiting the auditor but rather qualified on the basis that there was no register in the form of a "Balam Khata" for Property Plant and Equipment. As such the auditor of the Company cannot qualify their report on this ground. Moreover management of the Company has given clear disclosure in Financial Statements relating to non maintenance of Fixed Assets Register in notes to the accounts (See Note 3.03.1). But the Auditor did not pass any opinion about management disclosure regarding non maintenance of Fixed Assets Registers.	made to them by AIL for physical verification of fixed assets. The auditors opined that without existence of any Fixed Asset Register it would not have been possible for them to verify fixed assets. As such, ***the auditors expressed qualified opinion making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.*** It reveals from the above and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to ***doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.***
Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of	Auditor of the Company has given Qualified Report on Financing Charges (interest expenses) amounting to Tk.174.89 million for not providing it in the Statement of Comprehensive Income. In this regard we are informing you that the management of the Company has given clear disclosure in notes to the accounts of Financial Statements in accordance with Bangladesh Accounting Standard (BAS-37 : Provisions, Contingent Liabilities and Contingent Assets). We are explaining our reasons for considering financial charges as contingent liabilities in accordance with Bangladesh Accounting Standard (BAS-37) which are stated below:- a. Being contingent liability the Company has no legal or constructive obligation to pay financial expenses, because the financial expenses has not been	Explanation of AIL is not acceptable as AIL did not make provision/charge the interest expenses of Tk.174.89 million against its outstanding bank loan amounting to Tk.1,722.77 million in the statement of comprehensive income for the year ended on June 30, 2014. As a result, Net Profit & Earning Per Share (EPS) as well as Net Assets Value (NAV) of the company were shown overstated in its financial statements for the year ended on June 30, 2014. The

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended:	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
On examination of the aforesaid audited financial statements, Commission has some observations & Comments, among others, the following: A) The company was	ALLTEX Fabrics Limited is a Public Limited Company established under the Company's Act 1913 vide registration No.C-14609/174 of 1985-1986 dated 11th August 1985. The main object of the ALLTEX Fabrics Limited is manufacturing of grege cloth fabrics and ALLTEX Industries Limited will consume entire production of ALLTEX Fabrics Limited under buy back contract. As such, to meet up the ALLTEX Industries Limited's grege	The company's explanation in this regard is not acceptable. The company was directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969;	cloth demand it was necessary to increase production volume of ALLTEX Fabrics Limited For increasing production volume ALLTEX Fabrics Limited badly needed sufficient working capital, as a result management of ALLTEX Fabrics Limited decided to increase their equity for getting sufficient working capital form Bank. To increase the equity of ALLTEX Fabrics Limited, the Board of Directors of ALLTEX Industries Limited decided to invest in ALLTEX Fabrics Limited for purchasing of 7,00,000.00 (Seven lac) shares of Tk.100 each for the years 2001-2002 and such investment was approved by the shareholders of ALLTEX Industries Limited, in the 20th Annual General Meeting. Total paid up capital of ALLTEX Fabrics Limited is Tk.16,00,00,000.00 out of which Tk.7,00,00,000.00 was invested by ALLTEX Industries Limited. The percentage of share holding by ALLTEX Industries Limited is 43.75%. The investments were shown in the financial statements ALLTEX Industries Limited in the year 2002-2003 and continue up to the year 2013-2014.	investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969.
The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act,	Auditor of the Company has given qualified opinion on interest expenses as financing charges (interest expenses) amounting to Tk.174.89 million accrued during the year. We are really astonished that how can auditor confirm that Tk.174.89 million accrued as financing charges in absence of any indication regarding interest calculation and charged by the Lending Bank due to legal obligation to pay imposed and un-imposed interest. As per BSA 200: 'Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Bangladesh Standards on Auditing' auditor's responsibilities is to pass opinion on the financial statements but in this case auditor has calculated a estimated figure as financial charges (interest expenses) without obtaining any supporting documents and Bank statements from Lending Bank. If the financial expenses were actually accrued then management of the Company would be liable to charge in the statement of comprehensive income on the basis of Bank Statements. We have also given more details about it in point No.2 of this letter. Considering above facts we strongly believe that estimated figure of financial charges by the auditor is totally contingent liabilities as per (BAS-37: Provisions, Contingent Liabilities and Contingent Assets). The Board of Directors of the Company has not recommended 10% stock dividend of Tk.4,80,00,000.00 out of accumulated profit. The Board of Directors of the Company has recommended 10% stock dividend from dividend equalization reserve	The company's explanation is not acceptable because there was no sufficient profit for the current year, i.e., for the year ended on June 30, 2014 and in the previous years' retained earnings/dividend equalization reserve with the company for declaring such dividend in line with requirement of clause 98 of Schedule I of the Companies Act, 1994, "**No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits**." Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest

ফোন (পিএবিএক্স) : +৮৮০-২-৯৫৬৮১০১-২, +৮৮০-২-৯৫৬১৫২৫, ফ্যাক্স : +৮৮০-২-৯৫৬৩৭২১, ই-মেইল : , ওয়েব :

1994. By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million."

Tk.2,90,00,000.00 which was created out of operational profit in the year 1998-1999 and remaining balance of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,63,991.00. For justification of recommended 10% stock dividend we are giving analysis of accumulated profit below.

Description	Taka
Retained earning 1.7.2013	(289,808,499)
Add: Current year profit	122,674,490
	(167,134,009)
Add: Transfer from General Reserve	169,650,000
	2,515,991
Add: Unclaimed dividend transferred	24,053,000
Total:	**26,568,991**

Clause 98 of schedule 1 of the Companies Acts 1994 "No dividend shall be paid otherwise then out of profit or any other undistributed profits.

The Board of Directors of the Company has recommended 10% stock dividend in accordance with clause 98 of schedule 1 of the Companies Acts 1994 because out of total stock dividend Tk.2,90,00,000.00 from dividend equalization reserve and remaining amount of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,68,991. Dividend equalization reserve it can be used only for payment of dividend.

You have asked us to submit bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited relating to investment of Tk.7,00,00,000.00 as payment by ALLTEX Industries Limited and receiving by ALLTEX Fabrics Limited.

For submitting of Bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited we are informing you that this amount has not been invested in the year 2013-2014. This amount was invested in the year 2001-2002. For your clear understanding we are also clarifying that before investing this amount ALLTEX Industries Limited paid Tk.24,23,05,669.00 as advance against grege cloth purchase up to the 30th June 2001 by crossed cheque or Bank transfer. During the year 2001-2002 both Companies Board of Directors decided to issue and purchase 7,00,000 Ordinary Shares of Tk.100 each to amounting Tk.7,00,00,000.00 by adjusting advance against grege cloth purchase and such shares allotment was made on 31-12-2001.

We believe you will find our explanations as stipulated above satisfactory in light of the fact that the Company has adhered to all laws, regulations and guidelines of the Bangladesh Accounting Standards as well as relevant laws relating to taxation.

expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00, i.e., there would be Net Loss of Tk. 52,215,510.00 for the year ended on June 30, 2014.

After transferring of Tk.169,650,000 from general reserve, Tk.24,053,000 from unclaimed dividend and Tk.2,90,00,000.00 from dividend equalization reserve to Retained Earnings. Retained Earnings would be negative, i.e., Retained Loss of Tk.119,321,009.00 = (Previous years' retained loss – Tk.289,808,499+ General Reserve Tk.169,650,000+Un-claimed Dividend Tk.24,053,000 + Dividend Equalization Reserve Tk.29,000,000- Current years' Net Loss Tk.52,215,510)

The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act, 1994.

By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

বর্ণিত অবস্থায় প্রতীয়মাণ হয় যে, ইস্যুয়ারের, জুন ৩০, ২০১২ ইং তারিখে সমাপ্ত বৎসরের প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী IAS অনুযায়ী প্রস্তুত করতে ব্যর্থ হয়েছে বিধায় ইস্যুয়ার Securities and Exchange Rules, 1987 এর rule 12(2) পরিপালনে ব্যর্থ হয়েছে। ফলে আর্থিক বিবরণীতে ইস্যুয়ারের বাস্তব অবস্থা সঠিক ও স্বচ্ছ (true and fair) ভাবে প্রতিফলিত হয়নি তথা উক্তরূপ কর্মকান্ডের মাধ্যমে ইস্যুয়ার আলোচ্য Rules এর সংশ্লিষ্ট বিধান লংঘন করেছে, যা আলোচ্য Ordinance এর section 18 এর সুস্পষ্ট লংঘন এবং The Securities and Exchange Ordinance, 1969 এর section 11(2) অনুযায়ী তথ্য চাওয়ার পরে তথ্যাদি প্রদান করতে ব্যর্থ হওয়ায় The Securities and Exchange Ordinance, 1969 এর section 11(2) এর সুস্পষ্ট লংঘন;

যেহেতু, ইস্যুয়ারের উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক পত্র সূত্র নং- BSEC/Enforcement/2208-2015/13 তারিখ জানুয়ারী ২০, ২০১৫ এর মাধ্যমে ইস্যুয়ার ও উহার পরিচালকগণকে Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন কারণ দর্শানো ও শুনানীর নোটিশ জারি করা হয় এবং জানুয়ারী ২৫, ২০১৫ ইং তারিখে উক্ত শুনানী অনুষ্ঠিত হয়;

যেহেতু, উক্ত শুনানীতে দাখিলকৃত ইস্যুয়ারের পত্রের তারিখ জানুয়ারী ২৫, ২০১৫ ইং এর মাধ্যমে উল্লিখিত ব্যর্থতা তথা বিধান লংঘন সংক্রান্ত যে ব্যাখ্যা প্রদান করা হয় তা সন্তোষজনক না হওয়ায় কমিশনের নিকট গ্রহনযোগ্য বলে বিবেচিত হয়নি;

যেহেতু, আলোচ্য ইস্যুয়ার একটি পাবলিক লিমিটেড কোম্পানী এবং ইস্যুয়ার সিকিউরিটিজ সংক্রান্ত আইন ও উহার অধীন জারীকৃত বিধি-বিধান পরিপালনের জন্য দায়ী;

যেহেতু, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে ইস্যুয়ার এর উক্তরূপ ব্যর্থতা Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন শাস্তিযোগ্য অপরাধ; এবং

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে উক্ত ইস্যুয়ারের পরিচালকগণের প্রত্যেককে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] তে প্রদত্ত ক্ষমতাবলে অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড এর ব্যবস্থাপনা পরিচালক/সিইও জনাব জনাব ফাহিম উদ্দিন আহমদ আরিফ এর উপর ৫,০০,০০০/- (পাঁচ লক্ষ) টাকা জরিমানা ধার্য্য করল যা অত্র আদেশের ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে-

19.10.1

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরণঃ
জনাব ফাহিম উদ্দিন আহমদ আরিফ, ব্যবস্থাপনা পরিচালক/ সিইও, অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং বিএসইসি/এনফোর্সমেন্ট/২২০৮/২০১৫/ ৩২৬ তারিখঃ ১৯ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(g) মোতাবেক অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড 'issuer' হিসাবে অভিহিত (অতঃপর 'ইস্যুয়ার' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(cc) মোতাবেক "Commission" means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (অতঃপর ' কমিশন ' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12(2) এ উল্লেখ রয়েছে যে, "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. ...";

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12 অনুযায়ী ইস্যুয়ার কর্তৃক নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দানের বিধান রয়েছে এবং সে মোতাবেক ইস্যুয়ার কর্তৃক জুন ৩০, ২০১৪ ইং তারিখে সমাপ্ত বৎসরে প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দান করা হয়েছে;

যেহেতু, উপরোক্ত বৎসরে আর্থিক প্রতিবেদনের উপর কমিশনের অন্যান্যের মধ্যে নিম্নোক্ত পর্যবেক্ষন রয়েছেঃ

Commission's queries as well as auditors qualified opinion to AIL	Reply/clarification/explanation of AIL	Our(CFD) Comments
The auditors of AIL- M/s. MABS & J Partners, Chartered Accountants expressed qualified opinion on Audited Financial Statements of AIL for the year ended on June 30, 2014 making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00. It reveals from the summary statement and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00;	With regards to the above it is apparent that the auditor of the Company has given Qualified Report for non-availability of Property Plant and Equipments Register. In this regard it is our opinion that the auditor of the Company was not justified in giving Qualified Report on the above matters because the auditor may perform the following alternative audit procedures as per BSA-510: *Initial Audit Engagement - Opening Balances*, the auditor shall obtain sufficient appropriate audit evidence about whether the opening balance that affect the current period's financial statements by performing one or more of the following: (i) Where the prior year financial statements were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances. (ii) Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or (iii) Performing specific audit procedures to obtain evidence regarding the opening balances. (iv) Observing a current physical non-current assets count and reconciling it back to the opening non-current assets quantities. (v) Performing audit procedures on the valuation of the opening non-current assets item.	The explanation of AIL is not acceptable as we agree with the auditors that AIL is a listed company and a manufacturing concern with huge asset base, where Net Asset Value (NAV) is of immense importance to the users of the financial statements. Opening balance of fixed assets of Tk. 1,252.39 million shown in the audited financial statements of AIL against Property, Plant and Equipment, existence and value of those assets should be physically confirmed by the auditors. In this regard, the auditors were trying to confirm the opening balances of such assets as required by Bangladesh Standards on Auditing (BSA 510: Initial Audit Engagements-opening balances), and requested for making a Fixed Assets Register (FAR) available to them. Auditors also opted to visit the factory premise of AIL to conduct stock counting of fixed assets. No invitation was

	For non-current assets, such as Property Plant and Equipment, the auditor will ordinarily examine the accounting records and other information underlying the opening balances. In certain cases, the auditor may be able to obtain confirmation of opening balances with third parties, for example, vendor relating to Property Plant and Equipment. In other cases, the auditor may need to carry out the following additional audit procedures: • observing a current physical Property Plant and Equipment count and reconciling it back to the opening Property Plant and Equipment quantity • performing audit procedures on the valuation of the opening Property Plant and Equipment item, A combination of these procedures may provide sufficient appropriate audit evidence. As per BSA-510 for confirming physical existence of Property Plant and Equipment auditor has not followed alternative audit procedures. It is also mentionable that in order to give complete account of the Property Plant and Equipment of the Company, the management provided the Insurance Policy of the Company with Pioner Insurance Co. Ltd. which provided as full account of the Property Plant and Equipment. Moreover the Company also offered the auditors to visit the factory premises to verify the physical existence but instead of visiting the auditor but rather qualified on the basis that there was no register in the form of a "Balam Khata" for Property Plant and Equipment. As such the auditor of the Company cannot qualify their report on this ground. Moreover management of the Company has given clear disclosure in Financial Statements relating to non maintenance of Fixed Assets Register in notes to the accounts (See Note 3.03.1). But the Auditor did not pass any opinion about management disclosure regarding non maintenance of Fixed Assets Registers.	made to them by AIL for physical verification of fixed assets. The auditors opined that without existence of any Fixed Asset Register it would not have been possible for them to verify fixed assets. As such, ***the auditors expressed qualified opinion making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.*** It reveals from the above and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to ***doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.***
Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of	Auditor of the Company has given Qualified Report on Financing Charges (interest expenses) amounting to Tk.174.89 million for not providing it in the Statement of Comprehensive Income. In this regard we are informing you that the management of the Company has given clear disclosure in notes to the accounts of Financial Statements in accordance with Bangladesh Accounting Standard (BAS-37 : Provisions, Contingent Liabilities and Contingent Assets). We are explaining our reasons for considering financial charges as contingent liabilities in accordance with Bangladesh Accounting Standard (BAS-37) which are stated below:- a. Being contingent liability the Company has no legal or constructive obligation to pay financial expenses, because the financial expenses has not been	Explanation of AIL is not acceptable as AIL did not make provision/charge the interest expenses of Tk.174.89 million against its outstanding bank loan amounting to Tk.1,722.77 million in the statement of comprehensive income for the year ended on June 30, 2014. As a result, Net Profit & Earning Per Share (EPS) as well as Net Assets Value (NAV) of the company were shown overstated in its financial statements for the year ended on June 30, 2014. The

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended;	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
On examination of the aforesaid audited financial statements, Commission has some observations & Comments, among others, the following: A) The company was	ALLTEX Fabrics Limited is a Public Limited Company established under the Company's Act 1913 vide registration No.C-14609/174 of 1985-1986 dated 11th August 1985. The main object of the ALLTEX Fabrics Limited is manufacturing of grege cloth fabrics and ALLTEX Industries Limited will consume entire production of ALLTEX Fabrics Limited under buy back contract. As such, to meet up the ALLTEX Industries Limited's grege	The company's explanation in this regard is not acceptable. The company was directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to

directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969:	cloth demand it was necessary to increase production volume of ALLTEX Fabrics Limited For increasing production volume ALLTEX Fabrics Limited badly needed sufficient working capital, as a result management of ALLTEX Fabrics Limited decided to increase their equity for getting sufficient working capital form Bank. To increase the equity of ALLTEX Fabrics Limited, the Board of Directors of ALLTEX Industries Limited decided to invest in ALLTEX Fabrics Limited for purchasing of 7,00,000.00 (Seven lac) shares of Tk.100 each for the years 2001-2002 and such investment was approved by the shareholders of ALLTEX Industries Limited, in the 20th Annual General Meeting. Total paid up capital of ALLTEX Fabrics Limited is Tk.16,00,00,000.00 out of which Tk.7,00,00,000.00 was invested by ALLTEX Industries Limited. The percentage of share holding by ALLTEX Industries Limited is 43.75%. The investments were shown in the financial statements ALLTEX Industries Limited in the year 2002-2003 and continue up to the year 2013-2014.	investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969.
The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act,	Auditor of the Company has given qualified opinion on interest expenses as financing charges (interest expenses) amounting to Tk.174.89 million accrued during the year. We are really astonished that how can auditor confirm that Tk.174.89 million accrued as financing charges in absence of any indication regarding interest calculation and charged by the Lending Bank due to legal obligation to pay imposed and un-imposed interest. As per BSA 200: 'Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Bangladesh Standards on Auditing' auditor's responsibilities is to pass opinion on the financial statements but in this case auditor has calculated a estimated figure as financial charges (interest expenses) without obtaining any supporting documents and Bank statements from Lending Bank. If the financial expenses were actually accrued then management of the Company would be liable to charge in the statement of comprehensive income on the basis of Bank Statements. We have also given more details about it in point No.2 of this letter. Considering above facts we strongly believe that estimated figure of financial charges by the auditor is totally contingent liabilities as per (BAS-37: Provisions, Contingent Liabilities and Contingent Assets). The Board of Directors of the Company has not recommended 10% stock dividend of Tk.4,80,00,000.00 out of accumulated profit. The Board of Directors of the Company has recommended 10% stock dividend from dividend equalization reserve	The company's explanation is not acceptable because there was no sufficient profit for the current year, i.e., for the year ended on June 30, 2014 and in the previous years' retained earnings/dividend equalization reserve with the company for declaring such dividend in line with requirement of clause 98 of Schedule I of the Companies Act, 1994, "**No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits**." Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

1994. By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million."

Tk.2,90,00,000.00 which was created out of operational profit in the year 1998-1999 and remaining balance of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,63,991.00. For justification of recommended 10% stock dividend we are giving analysis of accumulated profit below.

Description	Taka
Retained earning 1.7.2013	(289,808,499)
Add: Current year profit	122,674,490
	(167,134,009)
Add: Transfer from General Reserve	169,650,000
	2,515,991
Add: Unclaimed dividend transferred	24,053,000
Total:	**26,568,991**

Clause 98 of schedule 1 of the Companies Acts 1994 "No dividend shall be paid otherwise then out of profit or any other undistributed profits.

The Board of Directors of the Company has recommended 10% stock dividend in accordance with clause 98 of schedule 1 of the Companies Acts 1994 because out of total stock dividend Tk.2,90,00,000.00 from dividend equalization reserve and remaining amount of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,68,991. Dividend equalization reserve it can be used only for payment of dividend.

You have asked us to submit bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited relating to investment of Tk.7,00,00,000.00 as payment by ALLTEX Industries Limited and receiving by ALLTEX Fabrics Limited.

For submitting of Bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited we are informing you that this amount has not been invested in the year 2013-2014. This amount was invested in the year 2001-2002. For your clear understanding we are also clarifying that before investing this amount ALLTEX Industries Limited paid Tk.24,23,05,669.00 as advance against grege cloth purchase up to the 30th June 2001 by crossed cheque or Bank transfer. During the year 2001-2002 both Companies Board of Directors decided to issue and purchase 7,00,000 Ordinary Shares of Tk.100 each to amounting Tk.7,00,00,000.00 by adjusting advance against grege cloth purchase and such shares allotment was made on 31-12-2001.

We believe you will find our explanations as stipulated above satisfactory in light of the fact that the Company has adhered to all laws, regulations and guidelines of the Bangladesh Accounting Standards as well as relevant laws relating to taxation.

expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00, i.e., there would be Net Loss of Tk. 52,215,510.00 for the year ended on June 30, 2014.

After transferring of Tk.169,650,000 from general reserve, Tk.24,053,000 from unclaimed dividend and Tk.2,90,00,000.00 from dividend equalization reserve to Retained Earnings, Retained Earnings would be negative, i.e., Retained Loss of Tk.119,321,009.00 = (Previous years' retained loss – Tk.289,808,499+ General Reserve Tk.169,650,000+Un-claimed Dividend Tk.24,053,000 + Dividend Equalization Reserve Tk.29,000,000- Current years' Net Loss Tk.52,215,510)

The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act, 1994.

By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00,** capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

বর্ণিত অবস্থায় প্রতীয়মাণ হয় যে, ইস্যুয়ারের, জুন ৩০, ২০১২ ইং তারিখে সমাপ্ত বৎসরের প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী IAS অনুযায়ী প্রস্তুত করতে ব্যর্থ হয়েছে বিধায় ইস্যুয়ার Securities and Exchange Rules, 1987 এর rule 12(2) পরিপালনে ব্যর্থ হয়েছে। ফলে আর্থিক বিবরণীতে ইস্যুয়ারের বাস্তব অবস্থা সঠিক ও স্বচ্ছ (true and fair) ভাবে প্রতিফলিত হয়নি তথা উক্তরূপ কর্মকান্ডের মাধ্যমে ইস্যুয়ার আলোচ্য Rules এর সংশ্লিষ্ট বিধান লংঘন করেছে, যা আলোচ্য Ordinance এর section 18 এর সুস্পষ্ট লংঘন এবং The Securities and Exchange Ordinance, 1969 এর section 11(2) অনুযায়ী তথ্য চাওয়ার পরে তথ্যাদি প্রদান করতে ব্যর্থ হওয়ায় The Securities and Exchange Ordinance, 1969 এর section 11(2) এর সুস্পষ্ট লংঘন;

যেহেতু, ইস্যুয়ারের উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক পত্র সূত্র নং- BSEC/Enforcement/2208-2015/13 তারিখ জানুয়ারী ২০, ২০১৫ এর মাধ্যমে ইস্যুয়ার ও উহার পরিচালকগণকে Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন কারণ দর্শানো ও শুনানীর নোটিশ জারি করা হয় এবং জানুয়ারী ২৫, ২০১৫ ইং তারিখে উক্ত শুনানী অনুষ্ঠিত হয়;

যেহেতু, উক্ত শুনানীতে দাখিলকৃত ইস্যুয়ারের পত্রের তারিখ জানুয়ারী ২৫, ২০১৫ ইং এর মাধ্যমে উল্লিখিত ব্যর্থতা তথা বিধান লংঘন সংক্রান্ত যে ব্যাখ্যা প্রদান করা হয় তা সন্তোষজনক না হওয়ায় কমিশনের নিকট গ্রহনযোগ্য বলে বিবেচিত হয়নি;

যেহেতু, আলোচ্য ইস্যুয়ার একটি পাবলিক লিমিটেড কোম্পানী এবং ইস্যুয়ার সিকিউরিটিজ সংক্রান্ত আইন ও উহার অধীন জারীকৃত বিধি-বিধান পরিপালনের জন্য দায়ী;

যেহেতু, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে ইস্যুয়ার এর উক্তরূপ ব্যর্থতা Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন শাস্তিযোগ্য অপরাধ; এবং

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে উক্ত ইস্যুয়ারের পরিচালকগণের প্রত্যেককে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] তে প্রদত্ত ক্ষমতাবলে অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড এর সহকারী ব্যবস্থাপনা পরিচালক/পরিচালক ব্যারিষ্টার ইমতিয়াজ উদ্দিন আহমদ আসিফ এর উপর ৫,০০,০০০/- (পাঁচ লক্ষ) টাকা জরিমানা ধার্য্য করল যা অত্র আদেশের ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে-

19.10.15

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরণঃ
ব্যারিষ্টার ইমতিয়াজ উদ্দিন আহমদ আসিফ, সহকারী ব্যবস্থাপনা পরিচালক, অলটেক্স ইন্ডাস্ট্রিজ লিমিটেড।

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং বিএসইসি/এনফোর্সমেন্ট/২২০৮/২০১৫/ ৩২৭

তারিখঃ ১৯ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(g) মোতাবেক অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড 'issuer' হিসাবে অভিহিত (অতঃপর 'ইস্যুয়ার' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(cc) মোতাবেক "Commission" means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (অতঃপর ' কমিশন ' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12(2) এ উল্লেখ রয়েছে যে, "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. ...";

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12 অনুযায়ী ইস্যুয়ার কর্তৃক নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দানের বিধান রয়েছে এবং সে মোতাবেক ইস্যুয়ার কর্তৃক জুন ৩০, ২০১৪ ইং তারিখে সমাপ্ত বৎসরে প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দান করা হয়েছে;

যেহেতু, উপরোক্ত বৎসরে আর্থিক প্রতিবেদনের উপর কমিশনের অন্যান্যের মধ্যে নিম্নোক্ত পর্যবেক্ষন রয়েছে:

Commission's queries as well as auditors qualified opinion to AIL	Reply/clarification/explanation of AIL	Our(CFD) Comments
The auditors of AIL- M/s. MABS & J Partners, Chartered Accountants expressed qualified opinion on Audited Financial Statements of AIL for the year ended on June 30, 2014 making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00. It reveals from the summary statement and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00;	With regards to the above it is apparent that the auditor of the Company has given Qualified Report for non-availability of Property Plant and Equipments Register. In this regard it is our opinion that the auditor of the Company was not justified in giving Qualified Report on the above matters because the auditor may perform the following alternative audit procedures as per BSA-510: *Initial Audit Engagement - Opening Balances*, the auditor shall obtain sufficient appropriate audit evidence about whether the opening balance that affect the current period's financial statements by performing one or more of the following: (i) Where the prior year financial statements were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances. (ii) Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or (iii) Performing specific audit procedures to obtain evidence regarding the opening balances. (iv) Observing a current physical non-current assets count and reconciling it back to the opening non-current assets quantities. (v) Performing audit procedures on the valuation of the opening non-current assets item.	The explanation of AIL is not acceptable as we agree with the auditors that AIL is a listed company and a manufacturing concern with huge asset base, where Net Asset Value (NAV) is of immense importance to the users of the financial statements. Opening balance of fixed assets of Tk. 1,252.39 million shown in the audited financial statements of AIL against Property, Plant and Equipment, existence and value of those assets should be physically confirmed by the auditors. In this regard, the auditors were trying to confirm the opening balances of such assets as required by Bangladesh Standards on Auditing (BSA 510: Initial Audit Engagements-opening balances), and requested for making a Fixed Assets Register (FAR) available to them. Auditors also opted to visit the factory premise of AIL to conduct stock counting of fixed assets. No invitation was

	For non-current assets, such as Property Plant and Equipment, the auditor will ordinarily examine the accounting records and other information underlying the opening balances. In certain cases, the auditor may be able to obtain confirmation of opening balances with third parties, for example, vendor relating to Property Plant and Equipment. In other cases, the auditor may need to carry out the following additional audit procedures: • observing a current physical Property Plant and Equipment count and reconciling it back to the opening Property Plant and Equipment quantity • performing audit procedures on the valuation of the opening Property Plant and Equipment item, A combination of these procedures may provide sufficient appropriate audit evidence. As per BSA-510 for confirming physical existence of Property Plant and Equipment auditor has not followed alternative audit procedures. It is also mentionable that in order to give complete account of the Property Plant and Equipment of the Company, the management provided the Insurance Policy of the Company with Pioner Insurance Co. Ltd. which provided as full account of the Property Plant and Equipment. Moreover the Company also offered the auditors to visit the factory premises to verify the physical existence but instead of visiting the auditor but rather qualified on the basis that there was no register in the form of a "Balam Khata" for Property Plant and Equipment. As such the auditor of the Company cannot qualify their report on this ground. Moreover management of the Company has given clear disclosure in Financial Statements relating to non maintenance of Fixed Assets Register in notes to the accounts (See Note 3.03.1). But the Auditor did not pass any opinion about management disclosure regarding non maintenance of Fixed Assets Registers.	made to them by AIL for physical verification of fixed assets. The auditors opined that without existence of any Fixed Asset Register it would not have been possible for them to verify fixed assets. As such, ***the auditors expressed qualified opinion making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.*** It reveals from the above and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to ***doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.***
Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of	Auditor of the Company has given Qualified Report on Financing Charges (interest expenses) amounting to Tk.174.89 million for not providing it in the Statement of Comprehensive Income. In this regard we are informing you that the management of the Company has given clear disclosure in notes to the accounts of Financial Statements in accordance with Bangladesh Accounting Standard (BAS-37 : Provisions, Contingent Liabilities and Contingent Assets). We are explaining our reasons for considering financial charges as contingent liabilities in accordance with Bangladesh Accounting Standard (BAS-37) which are stated below:- a. Being contingent liability the Company has no legal or constructive obligation to pay financial expenses, because the financial expenses has not been	Explanation of AIL is not acceptable as AIL did not make provision/charge the interest expenses of Tk.174.89 million against its outstanding bank loan amounting to Tk.1,722.77 million in the statement of comprehensive income for the year ended on June 30, 2014. As a result, Net Profit & Earning Per Share (EPS) as well as Net Assets Value (NAV) of the company were shown overstated in its financial statements for the year ended on June 30, 2014. The

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended;	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
On examination of the aforesaid audited financial statements, Commission has some observations & Comments, among others, the following: A) The company was	ALLTEX Fabrics Limited is a Public Limited Company established under the Company's Act 1913 vide registration No.C-14609/174 of 1985-1986 dated 11th August 1985. The main object of the ALLTEX Fabrics Limited is manufacturing of grege cloth fabrics and ALLTEX Industries Limited will consume entire production of ALLTEX Fabrics Limited under buy back contract. As such, to meet up the ALLTEX Industries Limited's grege	The company's explanation in this regard is not acceptable. The company was directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to

directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969;	cloth demand it was necessary to increase production volume of ALLTEX Fabrics Limited For increasing production volume ALLTEX Fabrics Limited badly needed sufficient working capital, as a result management of ALLTEX Fabrics Limited decided to increase their equity for getting sufficient working capital form Bank. To increase the equity of ALLTEX Fabrics Limited, the Board of Directors of ALLTEX Industries Limited decided to invest in ALLTEX Fabrics Limited for purchasing of 7,00,000.00 (Seven lac) shares of Tk.100 each for the years 2001-2002 and such investment was approved by the shareholders of ALLTEX Industries Limited, in the 20th Annual General Meeting. Total paid up capital of ALLTEX Fabrics Limited is Tk.16,00,00,000.00 out of which Tk.7,00,00,000.00 was invested by ALLTEX Industries Limited. The percentage of share holding by ALLTEX Industries Limited is 43.75%. The investments were shown in the financial statements ALLTEX Industries Limited in the year 2002-2003 and continue up to the year 2013-2014.	investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969.
The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act,	Auditor of the Company has given qualified opinion on interest expenses as financing charges (interest expenses) amounting to Tk.174.89 million accrued during the year. We are really astonished that how can auditor confirm that Tk.174.89 million accrued as financing charges in absence of any indication regarding interest calculation and charged by the Lending Bank due to legal obligation to pay imposed and un-imposed interest. As per BSA 200: 'Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Bangladesh Standards on Auditing' auditor's responsibilities is to pass opinion on the financial statements but in this case auditor has calculated a estimated figure as financial charges (interest expenses) without obtaining any supporting documents and Bank statements from Lending Bank. If the financial expenses were actually accrued then management of the Company would be liable to charge in the statement of comprehensive income on the basis of Bank Statements. We have also given more details about it in point No.2 of this letter. Considering above facts we strongly believe that estimated figure of financial charges by the auditor is totally contingent liabilities as per (BAS-37: Provisions, Contingent Liabilities and Contingent Assets). The Board of Directors of the Company has not recommended 10% stock dividend of Tk.4,80,00,000.00 out of accumulated profit. The Board of Directors of the Company has recommended 10% stock dividend from dividend equalization reserve	The company's explanation is not acceptable because there was no sufficient profit for the current year, i.e., for the year ended on June 30, 2014 and in the previous years' retained earnings/dividend equalization reserve with the company for declaring such dividend in line with requirement of clause 98 of Schedule I of the Companies Act, 1994, "**No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits**." Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest

1994. By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million."

Tk.2,90,00,000.00 which was created out of operational profit in the year 1998-1999 and remaining balance of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,63,991.00. For justification of recommended 10% stock dividend we are giving analysis of accumulated profit below.

Description	Taka
Retained earning 1.7.2013	(289,808,499)
Add: Current year profit	122,674,490
	(167,134,009)
Add: Transfer from General Reserve	169,650,000
	2,515,991
Add: Unclaimed dividend transferred	24,053,000
Total:	**26,568,991**

Clause 98 of schedule 1 of the Companies Acts 1994 "No dividend shall be paid otherwise then out of profit or any other undistributed profits.

The Board of Directors of the Company has recommended 10% stock dividend in accordance with clause 98 of schedule 1 of the Companies Acts 1994 because out of total stock dividend Tk.2,90,00,000.00 from dividend equalization reserve and remaining amount of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,68,991. Dividend equalization reserve it can be used only for payment of dividend.

You have asked us to submit bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited relating to investment of Tk.7,00,00,000.00 as payment by ALLTEX Industries Limited and receiving by ALLTEX Fabrics Limited.

For submitting of Bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited we are informing you that this amount has not been invested in the year 2013-2014. This amount was invested in the year 2001-2002. For your clear understanding we are also clarifying that before investing this amount ALLTEX Industries Limited paid Tk.24,23,05,669.00 as advance against grege cloth purchase up to the 30th June 2001 by crossed cheque or Bank transfer. During the year 2001-2002 both Companies Board of Directors decided to issue and purchase 7,00,000 Ordinary Shares of Tk.100 each to amounting Tk.7,00,00,000.00 by adjusting advance against grege cloth purchase and such shares allotment was made on 31-12-2001.

We believe you will find our explanations as stipulated above satisfactory in light of the fact that the Company has adhered to all laws, regulations and guidelines of the Bangladesh Accounting Standards as well as relevant laws relating to taxation.

expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00, i.e., there would be Net Loss of Tk. 52,215,510.00 for the year ended on June 30, 2014.

After transferring of Tk.169,650,000 from general reserve, Tk.24,053,000 from unclaimed dividend and Tk.2,90,00,000.00 from dividend equalization reserve to Retained Earnings, Retained Earnings would be negative, i.e., Retained Loss of Tk.119,321,009.00 = (Previous years' retained loss – Tk.289,808,499+ General Reserve Tk.169,650,000+Un-claimed Dividend Tk.24,053,000 + Dividend Equalization Reserve Tk.29,000,000- Current years' Net Loss Tk.52,215,510)

The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act, 1994.

By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

বর্ণিত অবস্থায় প্রতীয়মাণ হয় যে, ইস্যুয়ারের, জুন ৩০, ২০১২ ইং তারিখে সমাপ্ত বৎসরের প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী IAS অনুযায়ী প্রস্তুত করতে ব্যর্থ হয়েছে বিধায় ইস্যুয়ার Securities and Exchange Rules, 1987 এর rule 12(2) পরিপালনে ব্যর্থ হয়েছে। ফলে আর্থিক বিবরণীতে ইস্যুয়ারের বাস্তব অবস্থা সঠিক ও স্বচ্ছ (true and fair) ভাবে প্রতিফলিত হয়নি তথা উক্তরূপ কর্মকান্ডের মাধ্যমে ইস্যুয়ার আলোচ্য Rules এর সংশ্লিষ্ট বিধান লংঘন করেছে, যা আলোচ্য Ordinance এর section 18 এর সুস্পষ্ট লংঘন এবং The Securities and Exchange Ordinance, 1969 এর section 11(2) অনুযায়ী তথ্য চাওয়ার পরে তথ্যাদি প্রদান করতে ব্যর্থ হওয়ায় The Securities and Exchange Ordinance, 1969 এর section 11(2) এর সুস্পষ্ট লংঘন;

যেহেতু, ইস্যুয়ারের উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক পত্র সূত্র নং- BSEC/Enforcement/2208-2015/13 তারিখ জানুয়ারী ২০, ২০১৫ এর মাধ্যমে ইস্যুয়ার ও উহার পরিচালকগণকে Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন কারণ দর্শানো ও শুনানীর নোটিশ জারি করা হয় এবং জানুয়ারী ২৫, ২০১৫ ইং তারিখে উক্ত শুনানী অনুষ্ঠিত হয়;

যেহেতু, উক্ত শুনানীতে দাখিলকৃত ইস্যুয়ারের পত্রের তারিখ জানুয়ারী ২৫, ২০১৫ ইং এর মাধ্যমে উল্লিখিত ব্যর্থতা তথা বিধান লংঘন সংক্রান্ত যে ব্যাখ্যা প্রদান করা হয় তা সন্তোষজনক না হওয়ায় কমিশনের নিকট গ্রহনযোগ্য বলে বিবেচিত হয়নি;

যেহেতু, আলোচ্য ইস্যুয়ার একটি পাবলিক লিমিটেড কোম্পানী এবং ইস্যুয়্যার সিকিউরিটিজ সংক্রান্ত আইন ও উহার অধীন জারীকৃত বিধি-বিধান পরিপালনের জন্য দায়ী;

যেহেতু, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে ইস্যুয়ার এর উক্তরূপ ব্যর্থতা Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন শাস্তিযোগ্য অপরাধ; এবং

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে উক্ত ইস্যুয়ারের পরিচালকগণের প্রত্যেককে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] তে প্রদত্ত ক্ষমতাবলে অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড এর পরিচালক মিসেস হাসনা আহমদ এর উপর ৫,০০,০০০/- (পাঁচ লক্ষ) টাকা জরিমানা ধার্য করল যা অত্র আদেশের ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা [illegible]

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে-

19.10.15

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরণঃ
মিসেস হাসনা আহমদ, পরিচালক, অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড

ফোন (পিএবিএক্স) : +৮৮০-২-৯৫৬৮১০১-২, +৮৮০-২-৯৫৬১৫২৫, ফ্যাক্স : +৮৮০-২-৯৫৬৩৭২১, ই-মেইল : , ওয়েব :

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

JIBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

নং বিএসইসি/এনফোর্সমেন্ট/২২০৮/২০১৫/ ৬২৮

তারিখঃ ১৯ অক্টোবর ২০১৫ ইং

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(g) মোতাবেক অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড 'issuer' হিসাবে অভিহিত (অতঃপর 'ইস্যুয়ার' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 2(cc) মোতাবেক "Commission" means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Commission Act, 1993 (অতঃপর ' কমিশন ' বলে উল্লিখিত);

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12(2) এ উল্লেখ রয়েছে যে, "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. ...";

যেহেতু, Securities and Exchange Rules, 1987 এর rule 12 অনুযায়ী ইস্যুয়ার কর্তৃক নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দানের বিধান রয়েছে এবং সে মোতাবেক ইস্যুয়ার কর্তৃক জুন ৩০, ২০১৪ ইং তারিখে সমাপ্ত বৎসরে প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী কমিশন এ জমা দান করা হয়েছে;

যেহেতু, উপরোক্ত বৎসরে আর্থিক প্রতিবেদনের উপর কমিশনের অন্যান্যের মধ্যে নিম্নোক্ত পর্যবেক্ষন রয়েছে:

Commission's queries as well as auditors qualified opinion to AIL	Reply/clarification/explanation of AIL	Our(CFD) Comments
The auditors of AIL- M/s. MABS & J Partners, Chartered Accountants expressed qualified opinion on Audited Financial Statements of AIL for the year ended on June 30, 2014 making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00. It reveals from the summary statement and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00;	With regards to the above it is apparent that the auditor of the Company has given Qualified Report for non-availability of Property Plant and Equipments Register. In this regard it is our opinion that the auditor of the Company was not justified in giving Qualified Report on the above matters because the auditor may perform the following alternative audit procedures as per BSA-510: *Initial Audit Engagement - Opening Balances*, the auditor shall obtain sufficient appropriate audit evidence about whether the opening balance that affect the current period's financial statements by performing one or more of the following: (i) Where the prior year financial statements were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances. (ii) Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or (iii) Performing specific audit procedures to obtain evidence regarding the opening balances. (iv) Observing a current physical non-current assets count and reconciling it back to the opening non-current assets quantities. (v) Performing audit procedures on the valuation of the opening non-current assets item.	The explanation of AIL is not acceptable as we agree with the auditors that AIL is a listed company and a manufacturing concern with huge asset base, where Net Asset Value (NAV) is of immense importance to the users of the financial statements. Opening balance of fixed assets of Tk. 1,252.39 million shown in the audited financial statements of AIL against Property, Plant and Equipment, existence and value of those assets should be physically confirmed by the auditors. In this regard, the auditors were trying to confirm the opening balances of such assets as required by Bangladesh Standards on Auditing (BSA 510: Initial Audit Engagements-opening balances), and requested for making a Fixed Assets Register (FAR) available to them. Auditors also opted to visit the factory premise of AIL to conduct stock counting of fixed assets. No invitation was

	For non-current assets, such as Property Plant and Equipment, the auditor will ordinarily examine the accounting records and other information underlying the opening balances. In certain cases, the auditor may be able to obtain confirmation of opening balances with third parties, for example, vendor relating to Property Plant and Equipment. In other cases, the auditor may need to carry out the following additional audit procedures: • observing a current physical Property Plant and Equipment count and reconciling it back to the opening Property Plant and Equipment quantity • performing audit procedures on the valuation of the opening Property Plant and Equipment item, A combination of these procedures may provide sufficient appropriate audit evidence. As per BSA-510 for confirming physical existence of Property Plant and Equipment auditor has not followed alternative audit procedures. It is also mentionable that in order to give complete account of the Property Plant and Equipment of the Company, the management provided the Insurance Policy of the Company with Pioner Insurance Co. Ltd. which provided as full account of the Property Plant and Equipment. Moreover the Company also offered the auditors to visit the factory premises to verify the physical existence but instead of visiting the auditor but rather qualified on the basis that there was no register in the form of a "Balam Khata" for Property Plant and Equipment. As such the auditor of the Company cannot qualify their report on this ground. Moreover management of the Company has given clear disclosure in Financial Statements relating to non maintenance of Fixed Assets Register in notes to the accounts (See Note 3.03.1). But the Auditor did not pass any opinion about management disclosure regarding non maintenance of Fixed Assets Registers.	made to them by AIL for physical verification of fixed assets. The auditors opined that without existence of any Fixed Asset Register it would not have been possible for them to verify fixed assets. As such, ***the auditors expressed qualified opinion making doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.*** It reveals from the above and qualified opinion of the auditors that the financial statements of AIL for the year ended on June 30, 2014 did not reflect the true and fair view of the company's financial position as of June 30, 2014 due to ***doubt on physical existence and value of fixed assets of Tk.119, 60,41,016.00.***
Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of	Auditor of the Company has given Qualified Report on Financing Charges (interest expenses) amounting to Tk.174.89 million for not providing it in the Statement of Comprehensive Income. In this regard we are informing you that the management of the Company has given clear disclosure in notes to the accounts of Financial Statements in accordance with Bangladesh Accounting Standard (BAS-37 : Provisions, Contingent Liabilities and Contingent Assets). We are explaining our reasons for considering financial charges as contingent liabilities in accordance with Bangladesh Accounting Standard (BAS-37) which are stated below:- a. Being contingent liability the Company has no legal or constructive obligation to pay financial expenses, because the financial expenses has not been	Explanation of AIL is not acceptable as AIL did not make provision/charge the interest expenses of Tk.174.89 million against its outstanding bank loan amounting to Tk.1,722.77 million in the statement of comprehensive income for the year ended on June 30, 2014. As a result, Net Profit & Earning Per Share (EPS) as well as Net Assets Value (NAV) of the company were shown overstated in its financial statements for the year ended on June 30, 2014. The

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended;	calculated and charged by the Money Lending Bank on borrower. In this case the Money Lending Bank i.e. Sonali Bank Limited has not calculated and charged financing expenses on our Company due to Legal Procedures for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 as sick industries. In absence of definite indication to pay the financing charges there is no legal or constructive obligation created for the year ended 30th June, 2014. b. As per auditor qualified report, these financing expenses are probable. We strongly defend ourselves that it is absolutely possible but not probable because in this circumstance there is no scope to disregard the application by the Bangladesh Bank. Bangladesh Bank has already issued a BRPD circular-7 for giving waiver of imposed and un-imposed interest of sick industries. As per such circular concerned lending Bank is authority to give waiver of imposed and un-imposed interest not Bangladesh Bank. As sick industries we had applied to Sonali Bank Limited for giving waiver not to the Bangladesh Bank. So there is no question for disregarding our application by Bangladesh Bank. Considering our application Lending Bank i.e. Sonali Bank Limited has reviewed for giving waiver of imposed and un-imposed interest in accordance with Bangladesh Bank BRPD circular No.07 dated June 20, 2013 and decision is still pending. We have definite option to pay all principal borrowing amounts without paying imposed and un-imposed interest. The management of the Company is thinking to pay principal borrowing amount without paying imposed and un-imposed interest availing the Bangladesh Bank BRPD circular-07. We think before giving Qualified Report Auditor has not considered the actual facts and BAS-37 which has been disclosed in the notes to the accounts of Financial Statements. Under the above facts and circumstances and BAS-37, it is a possible obligation but not probable. So no provision is required at this moment. c. Considering the above facts the obligation is not certain because Lending Bank i.e. Sonali Bank Limited has not charged on the Company and not given decision whether to pay or not.	company's claim regarding such interest expenses as contingent liability due to filing of application for waiver of interest is not also acceptable because of reasons as explained by the auditors at queries # 03, points (i), (ii) & (iii) [We also agree with the reasons shown by the auditors]. Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging interest expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00. As a result, the financial statements of AIL for the year ended on June 30, 2014 did not reflect true & fair view of the company's financial position as of June 30, 2014 and the result of its operation for the year then ended. As such, the matter may be referred to Enforcement Department for appropriate enforcement action against the company.
On examination of the aforesaid audited financial statements, Commission has some observations & Comments, among others, the following: A) The company was	ALLTEX Fabrics Limited is a Public Limited Company established under the Company's Act 1913 vide registration No.C-14609/174 of 1985-1986 dated 11th August 1985. The main object of the ALLTEX Fabrics Limited is manufacturing of grege cloth fabrics and ALLTEX Industries Limited will consume entire production of ALLTEX Fabrics Limited under buy back contract. As such, to meet up the ALLTEX Industries Limited's grege	The company's explanation in this regard is not acceptable. The company was directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to

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বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

directed under section 11(2) of the Securities and Exchange Ordinance, 1969 to submit supporting bank statements of both Companies with regard to investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969;	cloth demand it was necessary to increase production volume of ALLTEX Fabrics Limited For increasing production volume ALLTEX Fabrics Limited badly needed sufficient working capital, as a result management of ALLTEX Fabrics Limited decided to increase their equity for getting sufficient working capital form Bank. To increase the equity of ALLTEX Fabrics Limited, the Board of Directors of ALLTEX Industries Limited decided to invest in ALLTEX Fabrics Limited for purchasing of 7,00,000.00 (Seven lac) shares of Tk.100 each for the years 2001-2002 and such investment was approved by the shareholders of ALLTEX Industries Limited, in the 20th Annual General Meeting. Total paid up capital of ALLTEX Fabrics Limited is Tk.16,00,00,000.00 out of which Tk.7,00,00,000.00 was invested by ALLTEX Industries Limited. The percentage of share holding by ALLTEX Industries Limited is 43.75%. The investments were shown in the financial statements ALLTEX Industries Limited in the year 2002-2003 and continue up to the year 2013-2014.	investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited, but the company did not submit such bank statements in support of investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited. Without such supporting documents, investment of Tk. 70,000,000.00 to ALLTEX Fabrics Limited is in question. By not providing required documents, AIL violated the provision of the section 11(2) of the Securities and Exchange Ordinance, 1969.
The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act,	Auditor of the Company has given qualified opinion on interest expenses as financing charges (interest expenses) amounting to Tk.174.89 million accrued during the year. We are really astonished that how can auditor confirm that Tk.174.89 million accrued as financing charges in absence of any indication regarding interest calculation and charged by the Lending Bank due to legal obligation to pay imposed and un-imposed interest. As per BSA 200: 'Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Bangladesh Standards on Auditing' auditor's responsibilities is to pass opinion on the financial statements but in this case auditor has calculated a estimated figure as financial charges (interest expenses) without obtaining any supporting documents and Bank statements from Lending Bank. If the financial expenses were actually accrued then management of the Company would be liable to charge in the statement of comprehensive income on the basis of Bank Statements. We have also given more details about it in point No.2 of this letter. Considering above facts we strongly believe that estimated figure of financial charges by the auditor is totally contingent liabilities as per (BAS-37: Provisions, Contingent Liabilities and Contingent Assets). The Board of Directors of the Company has not recommended 10% stock dividend of Tk.4,80,00,000.00 out of accumulated profit. The Board of Directors of the Company has recommended 10% stock dividend from dividend equalization reserve	The company's explanation is not acceptable because there was no sufficient profit for the current year, i.e., for the year ended on June 30, 2014 and in the previous years' retained earnings/dividend equalization reserve with the company for declaring such dividend in line with requirement of clause 98 of Schedule I of the Companies Act, 1994, "**No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits**." Interest expenses amounting to Tk.174.89 million accrued during the year ended on June 30, 2014 against outstanding bank loan amounting to Tk.1,722.77 million, which was not provided for/charged in the statement of comprehensive income. By not making provision/charging - interest

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1994. By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00**, capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million."

Tk.2,90,00,000.00 which was created out of operational profit in the year 1998-1999 and remaining balance of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,63,991.00. For justification of recommended 10% stock dividend we are giving analysis of accumulated profit below.

Description	Taka
Retained earning 1.7.2013	(289,808,499)
Add: Current year profit	122,674,490
	(167,134,009)
Add: Transfer from General Reserve	169,650,000
	2,515,991
Add: Unclaimed dividend transferred	24,053,000
Total:	**26,568,991**

Clause 98 of schedule 1 of the Companies Acts 1994 "No dividend shall be paid otherwise then out of profit or any other undistributed profits.

The Board of Directors of the Company has recommended 10% stock dividend in accordance with clause 98 of schedule 1 of the Companies Acts 1994 because out of total stock dividend Tk.2,90,00,000.00 from dividend equalization reserve and remaining amount of Tk.1,90,00,000.00 from accumulated profit of Tk.2,65,68,991. Dividend equalization reserve it can be used only for payment of dividend.

You have asked us to submit bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited relating to investment of Tk.7,00,00,000.00 as payment by ALLTEX Industries Limited and receiving by ALLTEX Fabrics Limited.

For submitting of Bank statements of ALLTEX Industries Limited and ALLTEX Fabrics Limited we are informing you that this amount has not been invested in the year 2013-2014. This amount was invested in the year 2001-2002. For your clear understanding we are also clarifying that before investing this amount ALLTEX Industries Limited paid Tk.24,23,05,669.00 as advance against grege cloth purchase up to the 30th June 2001 by crossed cheque or Bank transfer. During the year 2001-2002 both Companies Board of Directors decided to issue and purchase 7,00,000 Ordinary Shares of Tk.100 each to amounting Tk.7,00,00,000.00 by adjusting advance against grege cloth purchase and such shares allotment was made on 31-12-2001.

We believe you will find our explanations as stipulated above satisfactory in light of the fact that the Company has adhered to all laws, regulations and guidelines of the Bangladesh Accounting Standards as well as relevant laws relating to taxation.

expenses amounting to Tk.174.89 million in the statement of comprehensive income for the year ended on June 30, 2014, Interest Expenses/ Financial Expense was understated and shown Net Profit of Tk. 122,674,490.00 instead of Net Loss of Tk. 52,215,510.00, i.e., there would be Net Loss of Tk. 52,215,510.00 for the year ended on June 30, 2014.

After transferring of Tk.169,650,000 from general reserve, Tk.24,053,000 from unclaimed dividend and Tk.2,90,00,000.00 from dividend equalization reserve to Retained Earnings, Retained Earnings would be negative, i.e., Retained Loss of Tk.119,321,009.00 = (Previous years' retained loss – Tk.289,808,499+ General Reserve Tk.169,650,000+Un-claimed Dividend Tk.24,053,000 + Dividend Equalization Reserve Tk.29,000,000- Current years' Net Loss Tk.52,215,510)

The board of directors of the company, in its meeting held on October 28, 2014, has recommended 10% stock dividend, i.e., of **Tk. 4,80,00,000.00** against Net Loss for the current year of Tk. 52,215,510.00 and/or against Accumulated Loss of Tk.119,321,009.00 after transfer of all reserves of the company, which is inconsistence with the provision of the clause 98 of Schedule I of the Companies Act, 1994.

By declaring/recommending 10% stock dividend/ bonus share of **Tk. 4,80,00,000.00,** capital of Tk. 4,80,00,000.00 will be issued as dividend out of accumulated loss of Tk.119,321,009.00. Board of Directors has recommended such dividend ignoring qualified opinion of the auditors on non-charging of interest expenses of Tk.174.89 million.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

বর্ণিত অবস্থায় প্রতীয়মাণ হয় যে, ইস্যুয়ারের, জুন ৩০, ২০১২ ইং তারিখে সমাপ্ত বৎসরের প্রস্তুতকৃত নিরীক্ষীত আর্থিক বিবরণী IAS অনুযায়ী প্রস্তুত করতে ব্যর্থ হয়েছে বিধায় ইস্যুয়ার Securities and Exchange Rules, 1987 এর rule 12(2) পরিপালনে ব্যর্থ হয়েছে। ফলে আর্থিক বিবরণীতে ইস্যুয়ারের বাস্তব অবস্থা সঠিক ও স্বচ্ছ (true and fair) ভাবে প্রতিফলিত হয়নি তথা উক্তরূপ কর্মকান্ডের মাধ্যমে ইস্যুয়ার আলোচ্য Rules এর সংশ্লিষ্ট বিধান লংঘন করেছে, যা আলোচ্য Ordinance এর section 18 এর সুস্পষ্ট লংঘন এবং The Securities and Exchange Ordinance, 1969 এর section 11(2) অনুযায়ী তথ্য চাওয়ার পরে তথ্যাদি প্রদান করতে ব্যর্থ হওয়ায় The Securities and Exchange Ordinance, 1969 এর section 11(2) এর সুস্পষ্ট লংঘন;

যেহেতু, ইস্যুয়ারের উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক পত্র সূত্র নং- BSEC/Enforcement/2208-2015/13 তারিখ জানুয়ারী ২০, ২০১৫ এর মাধ্যমে ইস্যুয়ার ও উহার পরিচালকগণকে Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন কারণ দর্শানো ও শুনানীর নোটিশ জারি করা হয় এবং জানুয়ারী ২৫, ২০১৫ ইং তারিখে উক্ত শুনানী অনুষ্ঠিত হয়;

যেহেতু, উক্ত শুনানীতে দাখিলকৃত ইস্যুয়ারের পত্রের তারিখ জানুয়ারী ২৫, ২০১৫ ইং এর মাধ্যমে উল্লিখিত ব্যর্থতা তথা বিধান লংঘন সংক্রান্ত যে ব্যাখ্যা প্রদান করা হয় তা সন্তোষজনক না হওয়ায় কমিশনের নিকট গ্রহনযোগ্য বলে বিবেচিত হয়নি;

যেহেতু, আলোচ্য ইস্যুয়ার একটি পাবলিক লিমিটেড কোম্পানী এবং ইস্যুয়ার সিকিউরিটিজ সংক্রান্ত আইন ও উহার অধীন জারীকৃত বিধি-বিধান পরিপালনের জন্য দায়ী;

যেহেতু, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে ইস্যুয়ার এর উক্তরূপ ব্যর্থতা Securities and Exchange Ordinance, 1969 এর section 22 এর অধীন শাস্তিযোগ্য অপরাধ; এবং

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ সংক্রান্ত আইন ও উহার বিধি-বিধান পরিপালনে উল্লিখিত ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে উক্ত ইস্যুয়ারের পরিচালকগণের প্রত্যেককে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] তে প্রদত্ত ক্ষমতাবলে অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড এর পরিচালক জনাব এম.এ. মহসিন, পরিচালক এর উপর ৫,০০,০০০/- (পাঁচ লক্ষ) টাকা জরিমানা ধার্য্য করল যা অত্র আদেশের ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে-

19.10.15

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরণঃ
জনাব এম.এ. মহসিন, পরিচালক, অলটেক্স ইন্ডাষ্ট্রিজ লিমিটেড

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