SEC/Enforcement/250/2004/205
March 3, 2008

1. Rupali Bank Limited, 34, Dilkusha C/A, Dhaka-1000.

2. Directors, Rupali Bank Limited, 34, Dilkusha C/A, Dhaka-1000.

3. Managing Director, Rupali Bank Limited, 34, Dilkusha C/A, Dhaka-1000.

4. Company Secretary, Rupali Bank Limited, 34, Dilkusha C/A, Dhaka-1000.

Subject: **Non-compliance of securities laws: In connection with fixing AGM date, time and venue, declaring dividend in the board of directors meeting: Warning**

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

As per the Commission's Notification No.SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001, issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), imposed the following conditions upon the issuers of securities, namely:-

1. "The Board of Directors of the issuer Company of a listed security, while considering/adopting any audited financial statement, shall, in the same board meeting, also fix the date of relevant annual general meetings and take specific decisions with regard to:

   a) Recommending or not recommending dividend for the shareholders on the basis of said financial statements; and

   b) The shareholders who shall be entitled for such dividend, if recommended.

2. The decision about recommending or not recommending dividend and entitlement for such dividend, if recommended can not be changed prior to holding of the annual general meeting in terms of condition 1 above".

It was appeared from the record that the board of directors of the issuer company has failed to fix the AGM date to be held on the basis of its audited financial statements for the year ended on December 31, 2006 and also failed to disseminate the decision regarding dividend in the same board meeting;

The issuer's aforesaid activities tantamount to non-compliance of the securities related laws, which appeared deliberate, attracting penal provisions section 22 of the Securities and Exchange Commission Ordinance, 1969.
A show-cause cum hearing notice dated September 17, 2007 was issued to the issuer and its directors as well as to the company secretary to explain the defaults and to appear at the hearing on October 4, 2007 subsequently rescheduled on November 29, 2007. The issuer stated vide letter dated November 1, 2007 that the Board of Directors decided to hold it AGM on December 5, 2007 and no dividend declared due to accumulated loss for the year 2006 which informed to the Dhaka Stock Exchange and Chittagong Stock Exchange Limited. The issuer apologized for their violation of the above Notification and has assured that such type of violation would not be occurred in future.

The Commission, considering their subsequent submissions, has decided to dispose of the proceedings against Rupali Bank Limited and others concerned by placing on record the Commission's dissatisfaction on the default/contravention made by you with a warning to ensure compliance of all securities related laws in future.

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

For Securities and Exchange Commission

Md. Mizanur Rahman
Director (Enforcement)

Copy for information:
Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.
Executive Director (R&D), SEC
Executive Director (CI), SEC
Executive Director (SRMID), SEC , Director (MIS), SEC, Chairman’s Office, SEC