

SEC/Enforcement/654/2007/51

January 22, 2008

1. Power Grid Company of Bangladesh Limited, 17, Mohakhali C/A(6th floor), Dhaka-1212.
2. Directors, Power Grid Company of Bangladesh Limited, 17, Mohakhali C/A(6th floor), Dhaka-1212.
3. Managing Director, Power Grid Company of Bangladesh Limited, 17, Mohakhali C/A(6th floor), Dhaka-1212.
4. Company Secretary, Power Grid Company of Bangladesh Limited, 17, Mohakhali C/A(6th floor), Dhaka-1212.

Sub: Non-compliance of securities laws: In connection with delayed furnishing of the audited financial statements for the year ended on June 30, 2007: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Power Grid Company of Bangladesh Limited is an issuer (herein after referred to as an “issuer”).

As per rule 12 (2) of the Securities and Exchange Rules, 1987, issued under the said Ordinance, an issuer of a listed security shall be prepared in accordance with the laid down in the Schedule and International Accounting Standards as adopted by the Institute of Chartered Accountants Bangladesh.

As per Rule 12(3) of the Securities and Exchange Rules, 1987 also requires that the financial statements of an issuer of a listed security shall be audited in accordance with the International Standard of Auditing applicable in Bangladesh and the report of Auditors shall be in Form “B” annexed to the schedule.

As per Para-7 of Bangladesh Accounting Standards (BAS)-1, a complete set of financial statements include the following components: (a) balance sheet (b) income statement (c) a statement showing either (i) all changes in equity (ii) changes in equity other than those arising from capital transaction with owners and distributions to owners (d) cash flow statement and (e) accounting policies and explanatory notes.

It appeared from the submitted financial statements that the issuer has failed to include Auditors report and accounting policies and explanatory notes which was not considered as acceptable statements.

The Commission, taking into consideration and subsequent furnishing of the corrected financial statements on December 18, 2007, has decided to dispose of proceedings against Power Grid Company of Bangladesh Limited and others concerned for the stated violation, by placing on record the Commission’s dissatisfaction on the default, violation/contravention made by the issuer with a warning to ensure compliance of the securities related laws in future.

Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer’s above said default.

For Securities and Exchange Commission

Md. Mizanur Rahman

Director (Enforcement)

Copy for information:

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