

SEC/Enforcement/450/2006/858

By Courier Service

August 1, 2006

1. Niloy Cement Industries Limited, 71, Mohakhali C/A, Dhaka-1212.
2. Directors, Niloy Cement Industries Limited, 71, Mohakhali C/A, Dhaka-1212.
3. Managing Director, Niloy Cement Industries Limited, 71, Mohakhali C/A, Dhaka-1212.
4. Company Secretary, Niloy Cement Industries Limited, 71, Mohakhali C/A, Dhaka-1212.

Sub: Non-compliance of securities laws: In connection with the submission of revised half yearly financial statements for the half year ended on December 31, 2005 within stipulated time: Warning.

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

As per rule 13A of the Securities and Exchange Rules, 1987, the financial statements of an issuer of a listed security shall be prepared in accordance with the forms prescribed for the purpose of preparing the financial statements and the audit report which may be adapted or amended, if deemed necessary, for compliance with the International Accounting Standards (IAS) and International Standards of Auditing (ISA) but the issuer company has failed to comply with it by not submitting the half yearly financial statements for the half year ended on December 31, 2005 in accordance with BAS-34.

Failure to submit the said financial statement within the stipulated time is a clear violation/contravention of the abovementioned rules attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause cum hearing notice was issued to issuer and its directors to explain the contravention and also to appear at the hearing on July 25, 2006. Mr. Ismail, Company Secretary appeared at the hearing. The issuer submitted a written explanation vide letter dated July 17, 2006 and stated among others that they could not submit revised half yearly financial statements due to confusion among the Bangladesh Accounting standard-34 and rule 13 of Securities and Exchange Rules, 1987 and also mentioned that the above contravention was not willful. However, the issuer has submitted the said financial statement at the time of hearing i.e. July 25, 2006.

The Commission, taking into consideration of subsequent submission of the said revised half yearly financial statements based on the BAS-34, has decided to dispose of the matter by placing on record the Commission’s dissatisfaction on the default, made by the issuer with a warning to ensure compliance of the securities related laws in future.

Please note that their 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 result of the issuer’s above said default.

For Securities and Exchange Commission

(A.K.M Ziaul Hasan Khan)
Director

Distributions:

Chief Executive Officer, Dhaka Stock Exchange Limited, Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

Executive Director (R& D), SEC

Executive Director (CFD), SEC

Director (MIS), SEC , Chairman’s Office, SEC