

June 17, 2007

1. Rahim Textile Mills Limited, 117/A, Tejgaon I/A, Dhaka.
2. Directors, Rahim Textile Mills Limited, 117/A, Tejgaon I/A, Dhaka.
3. Managing Director, Rahim Textile Mills Limited, 117/A, Tejgaon I/A, Dhaka.
4. Company Secretary, Rahim Textile Mills Limited, 117/A, Tejgaon I/A, Dhaka.

Sub: Non-compliance with securities related laws in connection with the submission of the half yearly financial statements for the period ended on December 31, 2006: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Rahim Textile Mills 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 failed to comply with it by not submitting the half yearly financial statements for the half year ended on December 31, 2006 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 as well as the company secretary to explain the default and also to appear at the hearing on March 21, 2007. Mr. Didar A. Hosain, Director and Mr. Amit K. Saha, company secretary appeared at the hearing. In course of hearing, the issuer submitted an explanation vide letter dated March 21, 2007 stating, among others, that due to lack of knowledge about SEC Rules they could not prepare the said financial statements and requested to treat this default leniently with assurance for future compliance of the securities related laws.

The Commission, taking into consideration of subsequent submission of the said half yearly financial statements as per BAS-34 of International Accounting Standards, (IAS) has decided to dispose of the proceedings 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 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 stated 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.
P.O to Executive Director (R&D), SEC
P.O to Executive Director (CFD), SEC
P.O to Director (LSD), SEC
P.O to Director (MIS), SEC, Chairman’s Office, SEC