

SEC/Enforcement/151/2002/331

March 29, 2006

By Special Messenger

1. Meghna Condensed Milk Industries Limited, 55, Purana paltan, Azad Centre(5th floor), Dhaka-1000.
2. Directors, Meghna Condensed Milk Industries Limited, 55, Purana paltan, Azad Centre(5th floor), Dhaka-1000.
3. Managing Director, Meghna Condensed Milk Industries Limited, 55, Purana paltan, Azad Centre(5th floor), Dhaka-1000.
4. Company Secretary, Meghna Condensed Milk Industries Limited, 55, Purana paltan, Azad Centre(5th floor), Dhaka-1000.

Sub: **Non-compliance of securities laws in connection with non-submission of audited financial statements for the year ended on June 30, 2005 within time: Warning.**

As per section 2(g) of the Securities and Exchange Ordinance, 1969(ORDINANCE No.XVII of 1969) Meghna Condensed Milk Industries Limited is an issuer (herein after referred to as an "issuer").

As per rule 12 sub-rule (3A) of the Securities and Exchange Rules, 1987, issued under the said Ordinance, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazzeted on 16th February 2000, the issuer company's financial statements is required to be submitted within one hundred twenty days from the date on which the issuer's financial year ends and a copy of such audited financial statements should be submitted to the Commission and the Stock Exchanges within fourteen days thereof.

But the issuer company has failed to comply with it by not submitting the audited financial statements for the year ended on June 30, 2005.

Failure to submit the said financial statements is clear violation/contravention of the above-mentioned rule attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show-cause cum hearing notice was issued on January 23, 2006 to the directors including Managing Director of the issuer company to appear for hearing on February 8, 2006. Mr. M.F Kamal, Managing Director, Mr. Aftaruddin, Director (HR) and Mr. Monjur Ahmed, Company Secretary appeared at the hearing, and stated that the company management has filed a writ petition No. 2828/05 against the Sonali Bank (financing Bank). After hearing, the Hon'ble Court issued a Rule Nisi to the Sonali Bank. They also stated that their legal advisor Mr. Mahbubur Rahman, Senior Advocate of Hon'ble Supreme Court opined that that if they included Bank interest, amount of loan and other financial involvement etc. in the accounts, the Writ Petition No 2828/05 would be influenced. As such, it was not possible to prepare the audited financial statements for the year ended on June 30, 2005. The representatives of the issuer have committed during hearing that they would submit the said financial statements by March 01, 2006.

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The Commission after taking into consideration submission of the said audited financial statements on February 28, 2005 to SEC has decided to dispose of further proceedings against Meghna Condensed Milk Industries Limited and others concerned for 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 law 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

Mansur Alam
Executive 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