

SEC/Enforcement/221/2004/396
July 30, 2005

By Special Messenger
By Courier Service

1. Fine Foods Limited, House No.12, Road No.2(1st floor) Nobodoy Housing Society. Mohammadpur, Dhaka-1207.
2. Directors, Fine Foods Limited, House No.12, Road No.2(1st floor) Nobodoy Housing Society. Mohammadpur, Dhaka-1207.
3. Managing Director, Fine Foods Limited, House No.12, Road No.2(1st floor) Nobodoy Housing Society. Mohammadpur, Dhaka-1207.

Subject: Non-compliance of securities laws in connection with submission of the audited financial statements for the year ended June 30, 2004- WARNING.

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

As per rule 12, sub-rule (3A) of the Securities and Exchange Rules, 1987, issued under the said Ordinance, as amended through the Notification No. SEC/LSD/SER-1987/149 dated 4th January 2000, gazetted on 16 February 2000, the issuer company's financial statements is required to be audited within one hundred and 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, which the issuer failed to comply by not submitting the audited financial statements for the year ended on June 30, 2004, by November 11, 2004.

Failure to furnish the audited financial statements within the stipulated period is a clear violation/contravention of the above mentioned rules.

A show-cause notice was issued on 26/04/05 to the issuer for the said failure. In reply through letter dated 05/05/05, the issuer stated that preparation of the financial statements was under process and required more 15 days time.

The above reasons were not considered acceptable. As such, the Directors and the Managing Director were called for hearing on 23/06/2005. Mr. Iqbal Ahmed, Director and other two officials appeared at the hearing. In the course of hearing, the director stated that they would submit the said financial statements by 30/6/2005, which the issuer has submitted through letter dated 07/7/2005. Therefore, the submission was delayed by 7 months.

However, the Commission, taking into consideration furnishing of the said statements on 07/07/2005 by the issuer, has decided to dispose of the proceedings against Fine Foods Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default made by the company, its directors and its officials concerned, with a strong warning to ensure compliance of all securities related laws in future.

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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

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.

Chief Executive Officer, Chittagong Stock Exchange Ltd.

Distribution:

Executive Director, (R & D), SEC

Executive Director, (CFD), SEC

Director, (MIS), SEC