

SEC/Enforcement/245/2004/397

July 30, 2005

By Special Messenger

By Courier Service

1. Federal Insurance Co. Limited, 112-124 Motijheel C/A, Chamber Building, Dhaka-1000.
2. Directors, Federal Insurance Co. Limited, 112-124 Motijheel C/A, Chamber Building, Dhaka-1000.
3. Managing Director, Federal Insurance Co. Limited, 112-124 Motijheel C/A, Chamber Building, Dhaka-1000.

Subject: Non-compliance of securities laws in connection with submission of the audited financial statements for the year ended December 31, 2004- WARNING.

As per section 2 (g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Federal Insurance Co. 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 December 31, 2004, by May 14, 2005.

A letter No.SEC/CFD/2:13/99/2040 dated 28.05.2005 was issued to the company to submit the said financial statement to the Commission by 14/05/2005. In reply, the issuer vide letter dated 31/05/2005, stated that its financial statements were under audit and was expecting to submit the same within 30/6/2005.

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

However, the Commission, after taking into consideration furnishing of the said statements on 30/06/2005 by the issuer, has decided to dispose of the proceedings against Federal Insurance Co. 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 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:

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