

No.SEC/Enforcement/555/2007/393

Dated: April 17, 2007

Meghna Pet Industries Ltd. (Issuer)
55, Purana Paltan, Azad Centre (6th floor), Dhaka- 1000

Directors
Meghna Pet Industries Ltd.
55, Purana Paltan, Azad Centre (6th floor), Dhaka- 1000

Managing Director
Meghna Pet Industries Ltd.
55, Purana Paltan, Azad Centre (6th floor), Dhaka- 1000

Company Secretary
Meghna Pet Industries Ltd.
55, Purana Paltan, Azad Centre (6th floor), Dhaka- 1000

Sub: Non-compliance with securities related laws in connection with audited financial statements for the year ended on June 30, 2005 & June 30, 2006: Warning.

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

As per sub-rule 3A of rule 12 of the Securities and Exchange Rules, 1987, the financial statements of the issuer shall 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 shall be submitted to the Commission and the Stock Exchange within fourteen days thereof.

As per sub-rule 2 of rule 12 of the Securities and Exchange Rules, 1987, the financial statements of an issuer of a listed security shall be prepared in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh.

It appeared from the submitted audited financial statements for the year ended on June 30, 2005 & June 30, 2006 of the issuer that the statutory auditors made, among others, the following observation on the financial statement:

- i) Depreciation was not charged in the accounts due to closure of the factory.

As a result of the above, the audited financial statements of the issuer for the years ended on June 30, 2005 and June 30, 2006 do not portray true and fair view of the financial position.

Failure to furnish true and fair audited financial statements for the year ended on June 30, 2005 & June 30, 2006 is a clear contravention of section 18 of the Securities and Exchange Ordinance, 1969, read with sub-rule (2) of rule 12 of the Securities and Exchange Rules, 1987, which appeared to be deliberate attracting appropriate provisions of the Securities and Exchange Ordinance, 1969.

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A show cause cum hearing notice No. SEC/Enforcement/555/2007/237 dated February 15, 2007 was issued to the issuer as well as its directors, managing director and company secretary to explain the above and also to provide an opportunity of being heard by the Commission. The hearing was conducted on March 18, 2007.

The officials of the issuer appeared for hearing, submitted a letter No. JSL/HO/AC/24B/416/2006-07 dated March 15, 2007 stating, among others, the following:

“i) তগনব মৌফি কী চৌভ মগনি গবি কবন বফব Rb I Fb`vZv Aw R চৌভি Amn্থwMzvi Kvi তব কী চৌভিU `xN*6 ermi hveZ eU i thtQ| কী চৌভিU eU _vKvi Kvi তY tj vKetj i Afvte Kvhg cwi Pvj bv e`vnZ nt`Q| কী চৌভিU Drcv`b m`uYf`c eU _vKvi Kvi তব Dvj w-Z erm`i i AwW`UW GKvD`U`m t`Wc`m`qkb (Depreciation) Pvr` Kiv nqvb| AvB`bi চৌ k`vkxj ntq AvMvgx 30 Rb 2007 Gi vbi x`Z wnmve ntZ Zv cwi cvj b Kiv nte etj Avkjm c`vb K`i b|”

The Commission, considering the all above, has decided to dispose off the proceedings against the issuer by placing on record the Commission's dissatisfaction on the default made by it, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected, as a result of your above said default/contravention.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

CC:
CEO, Dhaka Stock Exchange
CEO, Chittagong Stock Exchange
Executive Director (R&D), SEC
Executive Director (CFD), SEC
Director (MIS), SEC
Chairman's Office, SEC