**SEC/Enforcement/424/2006/880** **By Courier Service**

August 3, 2006

Daffodil Computers Limited, 63/3, Lake Circus, Kalabagan(2nd to 5th floor), Mirpur Road, Dhaka-1205.

Directors, Daffodil Computers Limited, 63/3, Lake Circus, Kalabagan(2nd to 5th floor), Mirpur Road, Dhaka-1205.

Managing Director, Daffodil Computers Limited, 63/3, Lake Circus, Kalabagan(2nd to 5th floor), Mirpur Road, Dhaka-1205.

Company Secretary, Daffodil Computers Limited, 63/3, Lake Circus, Kalabagan(2nd to 5th floor), Mirpur Road, Dhaka-1205.

**Sub: Non-compliance of securities laws: In connection with the submission of revised half yearly financial statements for the half year ended on December 31, 2005 within stipulated time: Warning.**

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Daffodil Computers 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 of preparing the financial statements and the audit report 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 has failed to comply with it by not submitting the half yearly financial statements for the half year ended on December 31, 2005.

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 the issuer and its directors to explain the contravention and also to appear at the hearing on July 23, 2006. Mr. Munir Hossain, Assistant Company Secretary appeared at the hearing sating that they would submit the said financial statement by July 24, 2006 and accordingly submitted vide its letter dated July 24, 2006 and also stated that they will be more careful in submitting the accounts in proper manner in future.

The Commission, taking into consideration of subsequent submission of the said revised half yearly financial statements on July 24, 2006, has decided to dispose of the delayed submission 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 their 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 result of the issuer's above said default.

For Securities and Exchange Commission

**(A.K.M Ziaul Hasan Khan)**
**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