

SEC/Enforcement/245/2004/932

August 5, 2007

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

Sub: Non-compliance of securities laws: In connection with delayed furnishing of the audited financial statements for the years ended on December 31, 2006: 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 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, gazetted on 16th February 2000, the issuer company's financial statements 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 should be submitted to the Commission and the Stock Exchanges within fourteen days thereof, but the issuer failed to comply with it by not submitting the audited financial statements for the year ended on December 31, 2006 within May 14, 2007.

Failure to furnish the said financial statements within the stipulated time is a clear violation/contravention of the abovementioned rules.

A show-cause cum hearing notice was issued to the issuer and its directors as well as the company secretary to explain the default and to appear at the hearing on July 15, 2007. In course of hearing, the issuer submitted an explanation vide letter dated July 15, 2007 stating, among others, that they already submitted the said financial statements on June 28, 2007 and also assured that they would comply the securities related laws in future.

The Commission, taking into consideration of the delayed furnishing of the said financial statements, has decided to dispose of the proceedings by placing on record the Commission's dissatisfaction on the above violation/contravention made by the issuer with a warning to ensure compliance of the securities related laws 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

Md. Mizanur Rahman
Director (Enforcement)

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
P.O to Executive Director (R&D, CMRRCD), SEC
P.O to Executive Director (CFD), SEC
P.O to Director (Enforcement & LSD), SEC
P.O to Director (MIS), SEC
Chairman's Office, SEC