

November 28, 2005

1. Dhaka Vegetable Oil Industries Limited, House#89, Road#6/C. Old DOHS, Banani, Dhaka-1206.
2. Directors, Dhaka Vegetable Oil Industries Limited, House#89, Road#6/C. Old DOHS, Banani, Dhaka-1206.
3. Managing Director, Dhaka Vegetable Oil Industries Limited, House#89, Road#6/C. Old DOHS, Banani, Dhaka-1206.

Subject: Waiver of penalty imposed upon the individual directors in connection with the non-holding of AGM in the years 2001, 2002 and 2003 against penal Order No.SEC/Enforcement/191/2003/246 dated 23/25 May 2005-Warning.

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

As per condition (a) of the Notification issued under the said Ordinance bearing No.SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, the issuer company shall hold their annual general meetings in each year of the Gregorian Calendar (imposed under section 2CC of the securities and exchange Ordinance, 1969 (XVII of 1969) by Securities and Exchange Commission, but the issuer Dhaka vegetable Oil Industries Limited has failed to comply with the same by not holding AGM in the years 2001, 2002 and 2003.

Failure to hold AGM in the said year is the clear violation/contravention of the above mentioned Notification attracting penal provision of section 22, of the Securities and Exchange Ordinance, 1969.

A Show-cause notice was issued to the above persons on September 15, 2004. The issuer's reply through letter dated 27/9/2004 was not considered acceptable. As such, the issuer's individual directors, including the managing director, were called for hearing on January 16, 2005. Mr. Mohammed Ali, Managing Director and Mr. Abdur Rauf Miah, Senior Officer appeared at the hearing and committed to hold the AGMs by April 2005, but they failed to keep this commitment.

As such, penalty was imposed upon the individual directors of the issuer through Order No.SEC/Enforcement/191/2003/246 dated 23/25 May 2005 for non-compliance of the above Notification.

The issuer's Managing Director through subsequent letter dated June 7, 2005 requested for waiver of the penalty informing about convening of its pending AGMs on July 28, 2005.

The Commission, after taking into consideration holding of the pending AGMs by the issuer on July 28, 2005, has decided to waive the penalty imposed upon the directors of the issuer vide Order No.SEC/Enforcement/191/2003/246 dated 23/25 May, 2005, and also to dispose of proceedings against Dhaka vegetable Oil Industries Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the stated defaults, violation/contravention made by the company and its directors with warning to ensure compliance of all 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 defaults.

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Please also note that the stated waiver and disposal will not, in any way, affect the suit pending with the Hon'ble Court in connection with the penalty earlier imposed by the Commission vide Order No.SEC/SRMID/94-54/1010 dated August 28, 2001 for defaults in holding AGMs in the years 1998, 1999 and 2000 as well as this order for penalty.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange
Chief Executive Officer, Chittagong Stock Exchange

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