

SEC/Enforcement/195/2003/310

June 30, 2005

By Special Messenger

By Courier Service

1. Chittagong Vegetable Oil Industries Limited
37, Katalganj, Panchlaish, Chittagong
2. Managing Director, Chittagong Vegetable Oil Industries Limited, 37, Katalganj, Panchlaish, Chittagong
3. Company Secretary, Chittagong Vegetable Oil Industries Limited
37, Katalganj, Panchlaish, Chittagong

Subject: Non-compliance of securities laws in connection with submission of the audited financial statements for the year ended June 30, 2004-WARNING.

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

As per rule 12, sub-rule (3A) of the Securities and Exchange Rules, 1987, 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 with by not submitting the audited financial statements for the year ended June 30, 2004 within the stipulated period.

Failure to furnish the audited financial statements for the year ended June 30, 2004 within the stipulated time is a clear violation/contravention of the above mentioned rules.

A show-cause notice was issued on 26/05/05 to the issuer for the said failure. In reply through letter dated 30/05/05 the issuer stated that it could not prepare the audited financial statement due to continuous absence of accounts personnel.

The above reasons were not considered acceptable. As such, the Directors and the Managing Director were called for hearing on 22/06/2005. None appeared but the issuer has given a letter dated 19/6/2005 that they have submitted the audited accounts on 31/5/2005 after 6 (six) months delay.

However, the Commission, after considering subsequent furnishing of the said financial statements by the issuer, has decided to dispose of the proceedings against Chittagong vegetable Oil Industries Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the defaults made by the company, its directors and its officials concerned, with a 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 said defaults.

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:

Executive Director, (R & D), SEC

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