

SEC/Enforcement/547/2007/348

April 4, 2007

1. Padma Oil Company Limited, P.O. Box-No-4, Strand Road, Chittagong-4000.
2. Directors, Padma Oil Company Limited, P.O. Box-No-4, Strand Road, Chittagong-4000.
3. Managing Director, Padma Oil Company Limited, P.O. Box-No-4, Strand Road, Chittagong-4000.
4. Company Secretary, Padma Oil Company Limited, P.O. Box-No-4, Strand Road, Chittagong-4000.

Sub: Non-compliance of securities laws: In connection with furnishing of the audited financial statements for the year ended on June 30, 2006 within time: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Padma Oil Company 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, gazzeted on 16th February 2000, the issuer company's financial statements shall be audited within one hundred 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 June 30, 2006, by November 14, 2006.

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 dated January 10, 2007 was issued to the issuer and its directors as well as to the company secretary and also to appear at the hearing on February 01, 2007. Mr. Mahfuzul Haque, company secretary appeared at the hearing and submitted a written explanation vide letter dated January 29, 2007 stating, among others, that they are committed to reach oil to the remote area and required to maintain communication with 19 petroleum depot, 1948 nos. of dealer/agent through their distribution channel. They are also required to maintain bank accounts with 148 bank braches in the country for collection and some record maintained through manual and some maintained by computer. As a result, they required 5 to 6 months for accumulating all information regarding accounts. However, the issuer committed to submit the said financial statements by February 7, 2007 and subsequently, submitted the same on February 13, 2007.

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The Commission, taking into consideration subsequent furnishing of the said financial statements on February 13, 2007, has decided to dispose of proceedings against Padma Oil Company Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default, 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 and on behalf of the Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director (R& D), SEC,
Executive Director (CFD), SEC
Director (MIS), SEC,
Chairman's Office