## Order

Dated: 16 January, 2006

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), M. Abdul Rashid & Co. is a member of Dhaka Stock Exchange Limited (Member No.35);

Whereas, the Securities and Exchange Commission, at the request of M. Abdul Rashid & Co., issued to M. Abdul Rashid & Co. the Stock Dealer Registration Certificate No. wellb-mgK/wWgmB/wWj vi /95/Gg-25(03/06/1995Bs) Zwi L:30/05/2001 Bs under section 10(1) of the Securities and Exchange Commission Act, 1993, read with well 5 (5) of the wmkDwi wUR I G- ‡PÄ Kwgkb (óK-wlj vi , óK-‡elkvi I Ab‡gwì Z cůZwba) wewgyj v, 2000, [(corresponding regulation 5(4) of the repealed Securities and Exchange Commission (Stock-dealer, Stock-broker & Authorized Representative) Regulations, 1994)] to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, accordingly, as per definition given in wew 2 (S) of the wmwKDwiwUR I G · ‡PÄ Kwgkb (óK-wWj vi, óK-‡e†Kvi I Ab‡gwì Z cůZwbwa) wewagvj v, 2000, M. Abdul Rashid & Co. is a stock-dealer (hereinafter referred to as "Stock-dealer");

Whereas, the Commission, pursuant to the Inspection Order No. SEC/Surveillance/2003-0413/100 dated 16<sup>th</sup> November 2005 issued under wew 15 | 16 of wmwKDwinUR | G. ‡PÄ Kwgkb (óK wWj vi, óK †eñKvi | Ab‡gwì Z chiZhbra) wewagvj v, 2000, read with section 6(1) of the Securities and Exchange Ordinance, 1969, conducted inspection of the books and records of M. Abdul Rashid & Co. (DSE Member No.35) regarding share trading of Summit Power Limited on 15<sup>th</sup> November, 2005;

Whereas, it revealed from the inspection report concerned that the stock-dealer has committed certain offence which tantamount to violation of the securities related laws, rules or regulations, as stated in the Commission's letter No. SEC/Enforcement/392/2005/630 dated November 28, 2005 issued to the stock-dealer:

Whereas, the stock dealer was given an opportunity to explain in writing, as well as through personal hearing, vide the Commission's Show Cause Cum Hearing Notice No. SEC/Enforcement/392/2005/630 dated November 28, 2005 in respect, among others, of the above matters;

Whereas, the stock dealer through letter dated 11<sup>th</sup> December, 2005 furnished its explanations to the Commission in course of hearing held on 11<sup>th</sup> December, 2005 stating, among others, that the sale of 550 shares of Summit Power Limited was unintentional, accidental and inadvertent innocent mistake committed by the stock dealer because of a slip of finger on the keyboard which was immediately informed to DSE and SEC; and that the stock dealer borrowed the same quantity shares from his eleven customers' accounts, with due consent of the designated Power of Attoerney holder, for settlement of the said short sold shares;

Whereas, the explanations have not been considered acceptable to the Commission because;-

1. Mohammad Talha Mohsen, Chief Executive Officer of M. Abdul Rashid & Co., through letter dated 15<sup>th</sup> November, 2005 informed the Dhaka Stock Exchange Limited and the Commission that in the morning of the day they had a buy order of Summit Power worth Tk.

25 lac; while executing the order by him, erroneously 550 shares were sold instead of being bought which, he claimed, was unintentional mistake on his part. From the above, it appeared that Mohammad Talha Mohsen was allowed by the stock dealer to involve himself in the trading related activities of the stock dealer without having any registration certificate issued by the Commission which is a contravention of wew 3 of the wmwKDwiwJR | G- ‡PÄ Kugkb (óK-wwj vi , óK-‡etKvi | Abţgwi Z cůZubwa) wewagyj v, 2000;

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- 2. The stock dealer has sold 550 shares of Summit Power Limited on 15<sup>th</sup> November, 2005 using customer's code 475 of Mrs. Israt Ara Younus without having any sale order from her which is a contravention of the code of conduct No. 2 (1) and 2(2),under wew 11 of the wmwKDwinUR I G. ‡PÄ Kwgkb (óK-wWj vi , óK-‡eñKvi I Ab‡gwì Z cŴZwbwa) wewagyj v, 2000, as stipulated in the terms and conditions of the registration certificate issued in favor of the stock dealer;
- 3. The stock dealer has transferred 550 shares of Summit Power Ltd. from eleven customers' accounts off the Stock Exchange through pay in transfer forms issued in the names of the concerned customers, as applicant for the transfer, but using signature of other person, other than the customer-applicants concerned, which tantamount to misrepresentation and/or forgery and, as such, is also a contravention of the code of conduct No. 1, under wew 11 of the wmkDwiwUR I G. ‡PÄ Kwgkb (óK-wWj vi , óK-‡e†Kvi I Ab‡gwi Z cůZwbwa) wewagvj v, 2000, as stipulated in the terms and conditions of the registration certificate issued in favor of the stock dealer;

Whereas, the above mentioned contraventions attract provisions of wew 12 of the wmwKDwiwUR I G. ‡PÄ Kwgkb (óK-wWj vi , óK-‡e†Kvi I Ab‡gwì Z cåZwbw) wewagvj v, 2000;

Whereas, the Commission is also satisfied after considering the relevant explanations given in writing as well as in course of hearing that the stated activities of the stock dealer are deliberate and purposeful which is contrary to the securities related laws, regulations, etc. affecting the market discipline, confidence of investors in securities and the capital market at large; and

Whereas, the Commission is of the opinion that in order to maintain discipline in the capital market in the interest of the investors, appropriate action against M. Abdul Rashid & Co. should be taken for the aforesaid contraventions of securities related laws, regulations, etc.

Now, therefore, in exercise of the power conferred by wew 12(6) of wmkDwiwUR I G. ‡PÄ Kwgkb (óK wWj vi , óK †enkvi I Ab‡gwi Z chZwbwa) wewagvj v, 2000, the Securities and Exchange Commission hereby suspend the effectiveness of the said Stock Dealer Registration Certificate No. wbeÜb-wmGK/wWGmB/wWj vi /95/Gg-25(03/06/1995Bs) Zwi L:30/05/2001 Bs for 30(thirty) days from the first trading day after receipt of this Order.

For and on behalf of the Securities and Exchange Commission

Dr. A B Mirza Azizul Islam Chairman

**Distribution:** 

M/s. M. Abdul Rashid & Co. (DSE Member No. 35), Stock Dealer, Room No. 601, DSE Bhaban, 9/F, Motijheel C/A, Dhaka-1000
Dhaka Stock Exchange Limited
Chief Executive Officer, Dhaka Stock Exchange Limited