No. SEC/Enforcement/516/2006/460

**Dated: May 9, 2007** 

National Credit and Commerce Bank Ltd. (DSE Membership No. 61) Stock-dealer, Room No. 715, Dhaka Stock Exchange Bhaban 9/F, Motijheel C/A, Dhaka-1000

<u>Subject: Non-compliance with securities related laws in connection with share trading of Zeal Bangla Sugar Mills Ltd: Warning.</u>

The Commission at the request of National Credit and Commerce Bank Ltd., issued to the said bank a stock-dealer registration certificate No. **beÜb-3.1/061/98-24(13/07/1998)** Zuil: **10/09/2001Bs** under section 10(1) of the Securities and Exchange Commission Act, 1993, read with wen 5 (5) of the workDuiler I G. PÄ Kykb (óK-Wyi, óK-teikii I Abyguiz cëlun) wengiy 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate.

Pursuant to an inquiry vide Commission's Order No. SEC/Surveillance/2003-0254/167 dated July 30, 2006, it appeared that National Credit and Commerce Bank Ltd. (stock-dealer of DSE) and their client's (Prof. Dr. A. H. Md. Feroz) activities regarding trading of Zeal Bangla Sugar Mills Ltd.'s shares through you at DSE were suspicious and/or manipulative.

By doing above, the said stock-dealer contravened óK Wy i, óK tekki I Abygwi Z cikhunt i Apiy wan 7 as enumerated in the Second Schedule of wak Diruk I G. tpä Kykb (óK Wy i, óK tekki I Abygwi Z cikhun) wangyi y 2000 and wan 11 of said wangyi y regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998; rule 3 and rule 3(7) of the Margin Rules, 1999, attracting provisions of wan 12 of the wak Diruk I G. tpä Kykb (óK-Wy i, óK-tekki I Abygwi Z cikhun) wangyi y 2000, read with relevant provision of Securities and Exchange Ordinance, 1969 and Margin Rules, 1999.

Based on above, a show cause cum hearing notice No. SEC/Enforcement/516/2006/92 dated January 25, 2007 was issued to you to explain the above and also to provide an opportunity of being heard by the Commission. The hearing was conducted on February 25, 2007.

Mr. Md. Nurul Amin, Managing Director and Mr. Manjum Ali, Vice President of the bank (stock-dealer) appeared for the hearing. In course of hearing, they submitted written explanations vide letter No. NCCBL/HO/BH/37/2007 dated February 22, 2007 admitting the alleged matters/defaults and apologized with assurance that such defaults would not happen any more in future.

The Commission, considering the submissions, has decided to dispose of the matter against the said stock-dealer for the stated violations, by placing on record the Commission's dissatisfaction

on the defaults made by them, with a warning to ensure stri	ict compliance of all securities related
laws in future.	ContdPage-2

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Please note that the above disposal does not absolve the stock-dealer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the stock-dealer's above said default.

For the Securities and Exchange Commission

## Mansur Alam Executive Director

## Copy to:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Executive Director (R&D), SEC
Executive Director (Surveillance), SEC
Executive Director (Registration), SEC
Director (LSD), SEC
Director (MIS), SEC
Chairman's Office, SEC