

SEC/Enforcement/349/2005/690
December 19, 2005

By Special Messenger

Saad Securities Limited
Depository Participant (DP)
DSE Member No. 118
Room # 730, DSE Annex Building
9E Motijheel (6th Floor)
Dhaka-1000

Attention: Managing Director/Chief Executive Officer

Subject: Non-compliance of securities laws - WARNING

It appeared from the copy of letter dated July 25, 2005 of Central Depository Bangladesh Limited, addressed to the Chairman of Saad Securities Limited, that in your House, there had been balance of 400 shares of Exim Bank Limited on July 24, 2005, i.e. on record date, in the Clearing Account which means you did not make timely payout to your clients' account depriving the clients the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by section 14 of the Securities and Exchange Commission Act, 1999, has issued a directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004, to all concerned to ensure, among others, to the effect “ P) তি KWঞWতু তKvb WWCURUui AskMthbKvi x WKqwi s wmwte (Clearing Account) D³ তKv=úvbxí তKvb wmwKDwi WU i vLtZ cvi তেব bvo. ”

It appeared that by doing so, Saad Securities Limited (DP) has contravened the above directive of the Commission.

The Depository Participant's aforementioned non-compliance/contravention appeared to be deliberate attracting penal provision of section 14(2) of the WWCURUui AvBb, 1999.

A show-cause-cum hearing notice No. SEC/Enforcement/349/2005/486 dated September 13, 2005 was issued to you under said section 14(2) of the WWCURUui AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation, on September 28, 2005.

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The DP in a written statement dated September 28, 2005 submitted at the time of hearing held on September 28, 2005 has mentioned that they had not paid out 400 Exim Bank Limited's shares from its Clearing Account due to mistake. The DP has further mentioned that it has already paid out the concerned shares, including the bonus shares to the client concerned.

The Commission, considering your admission of default, paying out the concerned shares to the client and assurance of future compliance with the securities laws, has decided to dispose of the proceedings against you by placing on record the Commission's dissatisfaction on the defaults/contraventions made by you, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said defaults.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Central Depository Bangladesh Limited
Executive Director (R&D), SEC
Executive Director (CDS), SEC
Executive Director (Registration), SEC
Director (MIS), SEC
Chairman's Office, SEC

Mansur Alam
Executive Director