

SEC/Enforcement/349/2005/695  
December 19, 2005

By Special Messenger

N R Islam & Co.  
Depository Participant (DP)  
DSE Member No. 128  
Room # 728, DSE Annex Building  
9E Motijheel (6<sup>th</sup> Floor)  
Dhaka-1000

**Attention: Proprietor/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 Proprietor of N R Islam & Co., that in your House, there had been balance of 50 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) ti KWqWtU tKvb WcRUwi AskMhbKvi x Wqwis wmwte (Clearing Account) D<sup>3</sup> tKv=úvbx i tKvb wmwKDwi w i vL+z cvi teb bvÓ.

It appeared that by doing so, N R Islam & Co. (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 Securities and Exchange Commission Act, 1999.

A show-cause-cum hearing notice No. SEC/Enforcement/349/2005/491 dated September 13, 2005 was issued to you under said section 14(2) of the Securities and Exchange Commission Act, 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 submitted at the time of hearing held on September 28, 2005 has mentioned that due to mistake of the computer operator it failed to pay out 50 shares of Exim Bank Limited from its Clearing Account. 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