

No. SEC/Enforcement/522/2006/896

Dated: 26 July 2007

Mr. Gazi Golam Ashria
4, Siddheswari Lane
Dhaka-1217

Sub: Alleged non-compliance of securities law in connection with the non-declaration of trading in Jamuna Bank Ltd.'s shares: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Jamuna Bank Ltd. is an issuer (herein after referred to as “issuer”) which is listed with the stock exchanges.

The issuer raised capital from the public through IPO, based on the prospectus issued by the issuer, under the repealed Public Issue Rules, 1998, with the consent/approval of the Commission and in accordance with the provisions of the said Rules, Mr. Gazi Golam Ashria is a sponsor shareholder of the issuer.

The board of directors of the issuer company, in the Board Meeting held on 27 April 2006, recommended 1.5% cash and 25% stock dividend, based on the issuer’s audited accounts for the year ended on 31 December 2005, declaring the record date as 7 September 2006 for the said purposes.

It appeared from the enquiry report submitted to the Commission by the enquiry officers concerned, pursuant to the Commission’s Order No. SEC/SRMID/2002-1053/484, dated 15 May 2006, issued by the Commission under section 21 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), that Mr. Gazi Golam Ashria, being sponsor, has

failed to comply with the Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06, dated 25 March 2001 (gazetted on 16 April 2001), read with the Notification No. SEC/CMRRCD/2001-14/267, dated 20 March 2004 (gazetted on 16 May 2004), in respect of his buying 4,900 shares of Jamuna Bank Ltd. through stock exchange in April 2006 (before 27 April 2006), which attract penal provisions of section 22 of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

A show cause cum hearing notice No. SEC/Enforcement/522/2006/1035 dated 19 September 2006 was issued to Mr. Gazi Golam Ashria to explain the above contravention and also to provide an opportunity of being heard by the Commission. The hearing was conducted on 22 October 2006.

Mr. Gazi Golam Ashria appeared for hearing and in course of hearing, he submitted written explanations in respect of the aforesaid contravention vide letter dated October 22, 2006, stating, among others, the following:

“.....When Jamuna Bank floated its shares in the market- I opened a BO account # 1301650003718080 to purchase share from Secondary Market. I only wanted to place my money - as an investment only - without knowing the intricacies of a Public Limited Company shares and responsibility of a Sponsor-Share holder. I bought 4,950 shares from the secondary market but as soon as I came to know that the purchase were contravened with the securities law, I stop buying shares immediately and didn't sale any shares.

I was only aware of the mistake of buying shares without declaration when the notification of SEC was received by me.

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I most sincerely regret the mistake and assure you that my intentions were innocent and this inadvertent mistake was done, if any, due to my lack of knowledge of the relevant laws and regulations of Securities and Exchange Commission and would seek your kind forgiveness in the matter.

In view of the above, I most humbly request the Commission to consider the matter leniently and exonerate me from the offence/mistake if committed.”

The Commission, considering the submissions, has decided to dispose of the matter against Mr. Gazi Golam Ashria for the stated contravention, by placing on record the Commission’s dissatisfaction on the default made by him, with a warning to ensure strict compliance of all securities related laws in future.

Please note that the above disposal does not absolve Mr. Gazi Golam Ashria from his lawful responsibilities/obligations to the persons, if any, affected as a result of his above said default.

For Securities and Exchange Commission

Md. Mizanur Rahman
Director

CC:

Managing Director, Jamuna Bank Ltd.

Executive Director (R&D), SEC

Executive Director (SRMID), SEC

Executive Director (CID), SEC

Director (MIS), SEC

Chairman's Office, SEC