

SEC/Enforcement/538/2006/398
April 17, 2007

1. Southeast Bank Limited, 1, Dilkusha C/A, Dhaka-1000.
2. Directors, Southeast Bank Limited, 1, Dilkusha C/A, Dhaka-1000.
3. Managing Director, Southeast Bank Limited, 1, Dilkusha C/A, Dhaka-1000.
4. Company Secretary, Southeast Bank Limited, 1, Dilkusha C/A, Dhaka-1000.

Sub: Non-compliance of Securities laws: In connection with upward revaluation of fixed assets creating reserve without clearance from the Commission in the audited financial statements for year ended on December 31, 2005-Caution.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) Southeast Bank Limited is an issuer (herein after referred to as "issuer");

The issuer has violated Condition No.1 of the Commission's letter No.SEC/CFD-17/99/07 dated November 11, 1999 of consent for issue of prospectus under section 2CC of the Securities and Exchange Ordinance, 1969 by not taking prior clearance from the Commission and showing increased value of land by Tk.23,16,62,460/- in the audited financial statements for the year ended on December 31, 2005.

A show-cause cum hearing notice SEC/Enforcement/538/2006/62 dated January 18, 2007 read with No.SEC/Enforcement/538/2006/1199 dated December 14, 2006 was issued to the issuer and its directors as well as to the company secretary to explain the default and to appear at the hearing on January 28, 2007. Mr. Neaz Ahmed, managing director and Mr. Md, Shahjahan, company secretary appeared at the hearing and submitted a written explanation vide letter dated January 28, 2007 stating, among others, that they have shown the above increased value of land in the balance sheet with effect from December 31, 2005, received survey report on December 21, 2005 and sought permission for consent from SEC on December 26, 2005. They also apologized for the omission stating that it would not be repeated in future.

The Commission, considering their assurance for taking exceptional care to adhere to all rules & regulations of SEC in future regarding the above default, has decided to dispose of proceedings against Southeast Bank Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default, violation/contravention made by the issuer with a caution to ensure compliance of the securities related laws in future.

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

For and on behalf of the Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

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