

**SEC/Enforcement/397/2005/541**  
**May 28, 2006**

Syed Mahbub Murshed & Co.  
Depository Participant (DP No. 75)  
DSE Member No.101  
Room No.708  
9F Motijheel C/A  
Dhaka-1000

Attention: **Proprietor**

**Subject: Non-compliance of securities laws - WARNING**

It is appeared from the copy of letter of Central Depository Bangladesh Limited dated November 27, 2005, addressed to the Proprietor of Syed Mahbub Murshed & Co. (DP), that the DP's Clearing Account had a balance of 10 shares of National Tubes Ltd. on November 22, 2005, i.e. on record date, which means the DP did not make timely payout into DP's clients' account depriving the clients the benefits arising from the corporate action.

The Commission, in exercise of its power conferred by *avi v 14 of WCUUwi AvBb, 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) *tiKW®tWtU tKvb WCUUwi AskMhbkVix wKqwi s wmwte* (Clearing Account) D<sup>3</sup> *tKv=úvxi tKvb wmwKDwi wU i vL†Z cvi †eb bvÓ.*

It is appeared that Syed Mahbub Murshed & Co. (DP) has violated the above directive of the Commission.

The Depository Participant's aforementioned non-compliance/violation appeared to be deliberate attracting penal provision of *avi v 14(2)* of the *WCUUwi AvBb, 1999*.

A show-cause-cum hearing notice No.SEC/Enforcement/397/2005/425 dated April 16, 2006 was issued to the DP under said *avi v 14(2)* of the *WCUUwi AvBb, 1999* to appear for hearing for above said non-compliance/ violation, along with written explanation. The hearing was conducted on May 3, 2006.

Contd.....P/2

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The DP in a written statement dated May 3, 2006 submitted at the time of hearing has mentioned that they had not paid out 10 National Tubes Ltd.'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 benefits to the client concerned.

The Commission, considering the admission of default, paying out the concerned shares along with the benefits to the client and assurance for future compliance with the securities laws, has decided to dispose of the proceedings against the DP by placing on record the Commission's dissatisfaction on the defaults/violation made by it, 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 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