

**SEC/Enforcement/398/2005/543**  
**May 28, 2006**

Md. Shahidullah & Co.  
Depository Participant (DP No. 142)  
DSE Member No.91  
Room No.713  
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 Md. Shahidullah & Co. (DP), that the DP's Clearing Account had a balance of 30 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 WcRUwi 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) *ti KW®tWtU tKvb WcRUwi AskMfbKvix wKqwi s unmvte* (Clearing Account) D<sup>3</sup> *tKv=úvbxí tKvb unmkDwi uU i vLtZ cvi teb bvÓ.*

It appeared that Md. Shahidullah & 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 WcRUwi AvBb, 1999.*

A show-cause-cum hearing notice No.SEC/Enforcement/398/2005/424 dated April 16, 2006 was issued to the DP under said *avi v 14(2) of the WcRUwi AvBb, 1999* to appear for hearing for above said non-compliance/violation, along with written explanation. The hearing was conducted on May 3, 2006.

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The DP in a written statement dated May 3, 2006 submitted at the time of hearing held on May 3, 2006 has mentioned that they had not paid out 30 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