

SEC/Enforcement/347/2005/700  
December 19, 2005

By Special Messenger

Kazi Feroz Rashid & Co  
Depository Participant (DP)  
DSE Member No. 29  
Room # 408 & 409, DSE Annex Building  
9F, Motijheel C/A  
Dhaka-1000

**Attention: Managing Director/Chief Executive Officer**

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

It appeared from the copy of letter dated July 12, 2005 of Central Depository Bangladesh Limited, addressed to the Proprietor of Kazi Feroz Rashid & Co., that in your House, there had been balance of 174 shares of Beximco Infusion Limited on July 10, 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) তি KW†W†U †Kvb W/C†RU†i AskM†hbK†vix †K†v†i s †m†m†te (Clearing Account) D<sup>3</sup> †K†v†i†v†b†xi †K†vb †m†m†K†D†m†i †U i†v†L†Z †c†v†i†te†b†v†O.

It appeared that by doing so, Kazi Feroz Rashid & 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/347/2005/476 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 25, 2005.

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The DP in a written statement dated September 25, 2005 submitted at the time of hearing held on September 25, 2005 has mentioned that those shares had remained in the clearing account on record date due to holding of two BO accounts by the client of which one was closed subsequently. The DP has further mentioned that Beximco Pharma's shares had already been transferred to the client's account in lieu of Beximco Infusion's shares.

The Commission, considering your admission of default, paying out the concerned shares to the client and assurance of further 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