SEC/Enforcement/350/2005/701

By Special Messenger

December 19, 2005

Hedayetullah Securities Limited Depository Participant (DP) DSE Member No. 140 Room # 624 & 629, DSE Annex Building 9E Motijheel (5<sup>th</sup> Floor) Dhaka-1000

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

Subject: Non-compliance of securities laws - WARNING

It appeared from the copy of letter dated July 25, 2005 of Central Depository Bangladesh Limited, addressed to the Chairman & Managing Director of Hedayetullah Securities Limited, that your DP Clearing Account had a balance of 50 shares of Ambee Pharmaceuticals Limited on July 24, 2005, i.e. on record date, which means your House 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 WCwRUwi 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) † i KW<sup>Q</sup>tWtU † Kvb WCvRUvi AskMhbKvi x vKqvvi s vnmvte (Clearing Account) D3 †Kv¤úvbxi †Kvb wmwKDwiwU ivL‡Z cvi‡eb bvÓ.

It appeared that by doing so, Hedayetullah Securities Limited (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 WCwRUwi AvBb, 1999.

A show-cause-cum hearing notice No. SEC/Enforcement/350/2005/507 dated September 18, 2005 was issued to the DP under said section 14(2) of the WCmRUmi AvBb, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation on September 28, 2005.

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The DP in a written statement dated September 28, 2005 mentioned, "Avgvt` i KvtqvU AvãQ Qvj vg, tkw-1049 ti kw tw Gi AvtMi w` b D,V,P tZ 50 wU Gg,we, dvg@tkqvi µq Kti | mvavi bZ T+3 tZ Payout ntq \_vtk | Avgvt` i wn,wW,we, Gj mswkó Awdmvi bi gvj Payout Ges Payin m¤úbæKti | wKš' 50 wU Gg, we, dvg@tkqvi evB dvBtj i Ab cvZvq \_vkvq fj ekZt Payout KitZ ftj hvq | Avgi v wn,wW,we,Gj t\_tk wPw cvl qvi ci ci B KvtqvU tk D³ e vcvti AewnZ Kwi | wW,Gm,B t\_tkl D³ e vcvti cî cvB Ges Zvi DËi c0 vb Kwi | Avgi v D³ KvtqvUtk O4/08/05Bs Zwitt 50 wU tkqvti i 125/- Uvkv wWwftwVU c0 vb Kti t`B|

D³ e"vcvinU m¤úY®Ando"QvKZ fji | AZGe, D³ welqnU‡K ¶gv my`i `wó‡Z †`Lvi Rb" Avcbvi nbKU webxZ Ab‡iva Rvbw"Q|".

The Commission, considering your admission of default and settlement of benefits, 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 hwful 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