

**SEC/Enforcement/383/2005/556**  
**May 28, 2006**

Premium Securities Ltd.  
Depository Participant (DP No. 175)  
Room No.433, DSE Annex Building  
9E Motijheel C/A  
Dhaka-1000

Attention: **Chief Executive Officer**

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

It is appeared from the copy of letter of Central Depository Bangladesh Limited dated August 22, 2005, addressed to Mr. Onu Jaigirdar, Managing Director of Premium Securities Ltd. (DP), that the DP's Clearing Account had a balance of 15 shares of Square Pharmaceuticals Limited on August 21, 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 article 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) ঠিকারপত্রের উপর নির্ভর করে সিকিউরিটিজ (Clearing Account) ডেবিট হিসেবে প্রদান করা হবে।

It is appeared that Premium Securities Ltd. (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 article 14(2) of the Securities and Exchange Commission Act, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/383/2005/441 dated April 17, 2006 was issued to the DP under said article 14(2) of the Securities and Exchange Commission Act, 1999 to appear for hearing for above said non-compliance/contravention, along with written explanation. The hearing was conducted on May 4, 2006.

The DP in a written statement dated May 3, 2006 submitted at the time of hearing has mentioned, among others, that it bought 15 shares of Square Pharmaceuticals Ltd. for its client Mr. Sharif Uddin, Code # 399, BO Account No. 1203090004196775, from spot market. Due to closure of DSE trading system for set up of new trading system and hartal, the DP did not make timely pay out. Subsequently, it transferred the shares to the client's account including benefit.

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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