

Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000, Bangladesh Phone (PABX): 0088-02 9568101-2, 0088-02 9561525,Fax: 0088-02 9563721, 717660

SEC/Enforcement/1005/2011/197

March 12, 2013

Al-Muntaha Trading Co.Limited DSE's Membership No. 49 Room No.525 DSE Annex Building 9/E,Motijheel C/A Dhaka-1000. Attention: Managing Director/CEO

Subject: Penalty Order: Non-compliance of **আন 11**, আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (উক ডিলার, উক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০, regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006 in connection with unusual trading in shares of Beach Hatchery Limited.

Dear Sir,

Commission's penalty order No. SEC/Enforcement/1005/2011/196 dated March 12, 2013 is enclosed herewith for your kind information and necessary action.

For Bangladesh Securities and Exchange Commission

Mustari Jahan Deputy Director (Enforcement Dept.)

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Limited Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

P.O to Commissioner (Enforcement), BSEC P.O to Executive Director (Surveillance), BSEC P.O to Executive Director (MIS), BSEC Chairman's office, BSEC



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<u>Order</u>

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Al-Muntaha Trading Co.Limited is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to Al-Muntaha Trading Co.Limited under auiv10(1) of the unkCuiulin I G• 1PÄ Kuykb AvBb, 1993, read with vera 5 (5) of the unkCuiulin I G• 1PÄ Kuykb (÷K-ulljui, ÷K-tetKvi I Abjguv Z cillum) veragyjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the enquiry report of Bangladesh Securities and Exchange Commission regarding steep rise in share price of Beach Hatchery Limited, a show cause-cum-hearing notice No. SEC/Enforcement/1005/2011/382 dated August 08, 2012 was issued to Al-Muntaha Trading Co.Limited to appear at the hearing. In the show cause-cum-hearing notice among others following were mentioned;-

"Whereas as per বিধি ১১ ,আচরনবিধি ১, ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (ফ্টক ডিলার, ফ্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০;

"c#Z"K ÷K wlyini, ÷K teiKni Ges AbtguwZ c#Zubna nte#P mZZv I wek;"Zni mnZ Zumi KuRKg@cwiPyibv Kwiteb Ges AuBb, Aa"ut"k, GB wewgyivGes wIZxq Zdwrtj wea,7 AuPiY wewmu wbeÜb mbt"i mKji kZ@jxhv_uh_fute cyib Kwiteb|"

''প্রত্যেক স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিকে তাহার ব্যবসা ও এতদসংক্রান্ত কার্যাদি পরিচালনার ক্ষেত্রে সুনাম, দক্ষতা, বিশ্বস্ততা ও সততা বজায় রাখিতে হইবে''

Whereas, as per regulation 4 of the Dhaka Stock Exchange (Short Sale) Regulation, 2006, short sale of listed securities is prohibited.

Whereas, an enquiry has been conducted by SEC regarding steep rise in share price of Beach Hatchery Limited.

Whereas, the Enquiry committee among others has reported the following;

..... "the category of shares of the company changed to "A" category from "Z" category on July 16,2009....."

"The enquiry officers found that some clients of Al-Muntaha Trading Co.Limited bought a bulk quantity of Beach Hatchery Limited shares and sold some shares before maturity. The details are described below:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন Bangladesh Securities and Exchange Commission

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March 12, 2013

DSE MEMBER # 049

SL NO	NAME OF CLIENT	CLIEN T CODE	BUY DATE	QUANTIT Y	MATURIT Y DATE	SALE DATE	REMARKS
	Md. Nashirul						Sold 3000
1	Islam	66866	14/11/10	3000	15/11/10	17/11/10	shares at T+1
							Sold 1000
2	Nizam Uddin	68368	14/11/10	1000	17/11/10	15/11/10	shares at T+1

Contravention: The aforesaid activities are the violation of ÷K Wyi, ÷K teiKui I Abiguw Z cillubus i APib was 1 Ges 6 as enumerated in the second schedule of wmkDuiWR I G• PRÄ Kuykb (÷K Wyi i ÷K teiKui I Abiguw Z cillubus) wanguj y 2000 and was 11 of said wanguj v and Regulation 4(1) of the "Dhaka Stock Exchange (Short Sale) Regulations, 2006".

Whereas, hearing has been conducted.Mr. M.A Mannan (CEO) and Mr.Muhammad Akhtaruzzahan have attended the hearing on behalf of the broker. They submitted an explanation letter No. NIL dated September 03,2012 to the Commission .In the letter they confessed the allegation and begged apology.

Among others they stated that "...We do agree with the team's findings as contravention and it is very disgraceful for us. We know how exasperating this has been for you and we are deeply sorry that it has taken more time to straighten out this problem. While there is a procedure within our company to preclude this type of error from occurring, we are reinforcing this procedure.

This becomes an urgent situation for us and we found that it was the insincerity of the person who evolves to do so. We already step forward to take action against concern person (copy attached) as per company's HR policy.

Please accept our apology for this error and you may rest assured that this problem will not surface again."

Whereas, from the enquiry report and the written confession of Al-Muntaha Trading Co.Ltd it is proved that the mentioned allegation of violating AvPib was 1 and 6 of second schedule of wakDuiveR I G• $\frac{1}{2}$ Kuykb (+K $\frac{1}{2}$ Kuykb (K) was 2000, was 11 of the said wangyj v and Regulation 4(1) of the "Dhaka Stock Exchange (Short Sale) Regulations, 2006 against Al-Muntaha Trading Co.Ltd is correct. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, appeared to be deliberate and clear contravention of the above mentioned was and Regulation. Therefore the said non compliance attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969 and axiv 18 of unkDuiller I G• IPÄ Kugkb AvBb, 1993;



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Whereas, to protect the discipline and transparency of the capital market along with it's development the Commission deems it appropriate and necessary to impose penalty upon Al-Muntaha Trading Co.Limited for the stated violations.

Now, therefore, Bangladesh Securities and Exchange Commission, in exercise of the power conferred by section 22 (amended by the Securities and Exchange (Amendment) Act, 2000) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) hereby imposes penalty for Tk.1.00 (Tk.One) Lac upon Al-Muntaha Trading Co.Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Bangladesh Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Bangladesh Securities and Exchange Commission

Professor Dr. M. Khairul Hossain Chairman

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