

SEC/Enforcement/265/2004/
March 21, 2005

By Special Messenger
By Courier Service

Mr. Md. Shah Alam
Director
Prime Insurance Company Limited
Head Office: 63 Dilkusha Commercial Area (6th Floor)
Dhaka-1000

Subject: Non-compliance of securities laws (Cancellation of irrecoverable declaration for sale of shares) - WARNING

This refers to the Commission's show cause notice No. SEC/Enforcement/265/2004/477 dated December 19, 2004, and your reply letter No. Nil dated December 26, 2004, and hearing conducted on February 8, 2005.

As per provisions of the Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25th March 2001, Gazetted on 16th April, 2001, every sponsor or director of a company listed with any stock exchange shall simultaneously submit a written report to the Securities and Exchange Commission and the stock exchange with which the company is listed about his intention to buy shares of that company or sell or otherwise dispose of the shares held by him in that company in the format as prescribed in the Notification under reference.

You intended and given irrevocable declaration to sell 15,000 shares of Prime Insurance Company Limited, of which you are a director, and at a later stage you, through your letter dated 02.12.04, submitted a prayer for cancellation of selling of the said 15, 000 shares.

As per the format prescribed by the Notification under reference, you have declared [reference your written report dated 08.09.2004] to the effect, among others, that you had already placed concerned relevant irrevocable sale order and shares with your stock broker [B. H. Securities Investment Service Ltd., Chittagong], but your declaration [reference your written report dated 08.09.2004] and subsequent request made through your letter dated 02.12.04 for cancellation of your letter of 08.09.2004 in connection with selling of the said 15,000 shares appeared false and/or incorrect and contrary to the above notification as well as the provisions of section 18 of the Securities and Exchange Ordinance, 1969, which attract section 22 of the Securities and Exchange Ordinance, 1969.

However, the Commission, after considering your subsequent written confirmation regarding sale of your shares, as well as submission of relevant documentary evidence, 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 persons, if any, affected as a result of your above said defaults.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.

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