

## Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), National Credit and Commerce Bank Limited is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to National Credit and Commerce Bank Limited under article 10(1) of the Securities and Exchange Ordinance, 1969, read with rule 5 (5) of the Securities and Exchange Commission (Registration of Stock Brokers) Regulations, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the investigation report of Dhaka Stock Exchange Limited a show cause-cum-hearing notice No. SEC/Enforcement/840/2010/724 dated October 14, 2010 was issued to National Credit and Commerce Bank Limited to appear at the hearing on the October 31, 2010. In the show cause-cum-hearing notice among others following were mentioned;-

“Whereas, as per Clause 1 of the Commission’s Directive No. SEC/CMRRCD/ 2001-43/169 dated October 01, 2009, issuer companies under Z category shall not be entertained as ‘marginable securities’ under clause (d) of sub-rule (12) of rule 3 of the Margin Rules, 1999.

Whereas record shows that the following client of National Credit and Commerce Bank Ltd. bought shares of Aramit Cement Ltd. without having sufficient balance in his account:

Client code	Client Name	Date	Instrument	Buy Quantity	Ledger Balance at the end of day
04324	Dhali Abdur Rahman	19.07.10	Aramitcem	1000	-1,73,485.42

**Contravention:** NCC Bank Ltd. violated clause (d) of sub-rule (12) of rule 3 of the Margin Rules, 1999 as per SEC’s Directive no. SEC/CMRRCD/2001-43/169 dated October 01, 2009 by providing margin loan facilities to it’s in purchasing shares of Aramit Cement Ltd which is a Z category company.”

Whereas, hearing was conducted as per schedule. Mr. Md.Manjum Ali (SVP) attended the hearing on behalf of National Credit and Commerce Bank Limited and submitted a reply letter No.NCCB/CMS-SEC/ /0187 dated October 26, 2010. Vide written explanation they confessed the allegation and stated among others that the said violation was occurred due to customer's failure of deposit the required fund.

Whereas, the above mentioned written statement proves that the mentioned allegation against National Credit and Commerce Bank Limited is correct. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the above mentioned Rule. The said violation attracts penal provision of section 22 of the Securities and Exchange Ordinance, 1969.

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 National Credit and Commerce Bank Limited for the stated violations.

**SEC/Enforcement/840/2010/**

**June 14, 2011**

Now, therefore, 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 (Tk. One) Lac upon National Credit and Commerce Bank Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Securities and Exchange Commission

Professor Dr. M. Khairul Hossain  
Chairman

Distribution:

National Credit and Commerce Bank Limited  
DSE Member No.061  
6,Motijheel C/A(1st floor)  
Dhaka-1000