SEC/Enforcement/455/2006/730 **By Courier Service**
June 28, 2006

Equity Resources Ltd.
Depository Participant (DP No. 40)
DSE Member No.30
T, K, Bhaban (8th Floor)
13, Kawran Bazar
Dhaka-1215

Attention: **Chief Executive Officer**

Subject: Non-compliance of securities laws concerning keeping shares in clearing account on record date - WARNING

It is appeared from the copy of letter of Central Depository Bangladesh Limited dated April 12, 2006, addressed to the Chairman & Managing Director of Equity Resources Ltd. (DP), that the DP's Clearing Account had a balance of 40 shares of IDLC on April 6, 2006, 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 avi 14 of wWcwRUwi 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) †iKW ‡W‡U †Kvb wWcwRUwi AskMnbKvix wKqwis wnmv‡e (Clearing Account) D³ †Kv¤úvbxi †Kvb wmwKDwiwU ivL‡Z cvi‡eb bv".

It is appeared that Equity Resources 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 avi 14(2) of the wWcwRUwi AvBb, 1999.

A show-cause-cum hearing notice No.SEC/Enforcement/455/2006/603 dated June 7, 2006 was issued to the DP under said avi 14(2) of the wWcwRUwi AvBb, 1999 to appear for hearing for above said non-compliance/ violation, along with written explanation. The hearing was conducted on June 19, 2006.

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The DP in a written statement dated June 19, 2006 submitted at the time of hearing has mentioned that it had not paid out 40 IDLC's shares from its Clearing Account due to sheer oversight. The DP has further mentioned that it has already paid out the concerned shares, including the benefit to the client concerned.

The Commission, considering the admission of default, paying out the concerned shares along with the benefit 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