SEC/Enforcement/811/2010/ **June , 2011**

Order

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Maksons Spinning Mills Limited is an issuer (herein after referred to as an “issuer”);

Whereas, Ms. Jabun Nahar Moyeen’s husband Mr.Moyeen Uddin Chowdhury is an independent director of the issuer.Therefore, as per wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995 Gi 2(O) Gi (A),(Av) Mr.Moyeen Uddin Chowdhury and Ms. Jabun Nahar Moyeen are Òmweav‡fvMxÓ e¨w³.

Whereas, as per wewa 4 of wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995

“(1) ‡Kvb e¨w³ wb‡R ev Ab¨ Kvnv‡iv gva¨‡g mweav‡fvMx e¨emv Kwi‡eb bv ev D³iƒc e¨emvi e¨vcv‡i †Kvb e¨w³MZ civgk c`vb ev mnvqZv Kwi‡eb bv|”

Whereas, on the basis of the observations of SRMIC Department, SEC a show cause-cum-hearing notice No. SEC/Enforcement/811/2010/762 dated October 25, 2010 was issued to you to appear at the hearing on the November 29, 2010. In the show cause-cum-hearing notice among others following were mentioned;-

“Whereas, the board of directors of the issuer in it’s 19th meeting held on January 25,2010at 5.30 P.M adopted it’s final accounts and also recommended 20% stock dividend (bonus share).

Whereas, record shows that from January 20, 2010 to January 25, 2010, that is before adopting company’s final accounts by the board of directors at the board meeting, you purchased 200000 (Two Lac) no. of shares of Maksons Spinning Mills Limited violating wewa 4 ,Dc -wewa (1),(2) of wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995.”

Whereas, hearing was conducted as per schedule. Ms. Jabun Nahar Moyeen has attended the hearing and submitted a reply letter No.NIL dated November 29, 2010. Among others she has stated the following:

“---- I would like to disclose that I was not aware of the Compliance issue or wewa 4, wewa (1), (2) wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995 relating to the share trading of the Independent Director of Public Limited Entity (issuer).It was not put in my knowledge that, as being the spouse of an Independent Director I am not allowed to trade shares (buy, sell or own) of the Company two (02) months prior to the close of business, that is year ended 30 September ,until the Board of Directors approve the Audited accounts of the company in its Board Meeting for the year under review. In this regard I would like to mention that, my spouse,Mr. Moyeen Uddin Chowdhury, Independent Director of Maksons Spinning Mills Limited, did not know anything regarding my trading of shares of the Company. Upon receiving your Commission’s letter, the company authority informed me and from then on I have restricted the share trading of the company in my portfolio. Furthermore I would like to assure your Commission that my spouse, Mr.Moyeen Uddin Chowdhury and I ,Ms Jabun Nahar have no intention to violate the regulations of the Commission.

Moreover, it is to be mentioned that this was not an act of malpractice nor was it intentional; rather it was an act of unawareness of regulations and rules of the Commission……With connection to this regrettable consequence, I want to further ensure your Commission that I as being the spouse of the Independent Director of a public limited entity will be more vigilant in terms of being compliant and be more knowledgeable regarding Compliance regulations, for this incident is not expected to recur.

Therefore, I would expect that your authority would consider my situation and self explanatory explanation stated above and realize that my act was not done on purpose. Your kind and sympathetic consideration in this regard will be highly appreciated.”

Record shows that **on the May 10, 2010** Mr Moyeen Uddin Chowdhury gave an written undertaking to the Managing Director of Maksons Spinning Mills Limited that in future he and his wife will be not involved in buying and selling of the shares of Maksons before adopting audited financial statements by the board and he also stated that presently his wife was not involved in buying and selling of the shares of Maksons in Lanka Bangla Finance or any where. But record collected from Lanka Bangla Finance Ltd, (Merchant Banking Division) shows that up to the **November 02, 2010** his wife Ms.Jabun Nahar Moyeen is engaged with buying and selling of the shares of Maksons Spinning Mills Limited. She again bought 54,000 shares before adopting audited financial statements for the year ended on 30/09/2010 by the Board. This proves that Mr Moyeen Uddin Chowdhury knew that her wife was involved with trading of shares of Maksons Spinning Mills Limited. Therefore her statement that her husband did not know anything regarding her trading of shares of the company is not correct.

Whereas, the above mentioned written statement proves that the mentioned allegation of violating wewa 4 ,Dc -wewa (1) of wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995against Ms.Jabun Nahar Moyeen was correct. She has purchased 2,00,000 no .of shares of Maksons Spinning Mills Limited from January 20, 2010 to January 25, 2010 (just before publish of price sensitive information) on the basis of early knowing of price sensitive information. Her 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 wewa 4 ,Dc -wewa (1) of wmwKDwiwUR I G·‡PÄ Kwgkb (mweav‡fvMx e¨emv wbwl×KiY) wewagvjv 1995. The said violations attract 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 Ms.Jabun Nahar Moyeen for the stated violation.

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.5 (Tk.Five) Lac only upon Ms.Jabun Nahar Moyeen 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:
Ms.Jabun Nahar Moyeen
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