SEC/Enforcement/824/2010/ By Special Messenger

May 09, 2010 Fax: Nil

Azam Securities Limited
(DSE Membership # 19)
Room # 726, & 727, DSE Annex Building
9/E, Motijheel C/A
Dhaka-1000.

Attention: Managing Director/Chief Executive Officer

Subject: Show cause cum notice for hearing: Non-compliance of securities related laws regarding enquiry report conducted by SEC vide Commission's Order No. SEC/ Surveillance/2009-0561/182 dated December 03, 2009.

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Azam Securities Limited (DSE Member No.19) is a member of Dhaka Stock Exchange Limited;

Whereas, the Commission, at the request of Azam Securities Limited has issued to Azam Securities Limited a stock-broker/dealer registration certificate under aviv 10(1) of the wmwKDwiwUR I G·‡PÄ Kwgkb AvBb, 1993, read with wewa 5 (5) of the wmwKDwiwUR I G·‡PÄ Kwgkb (óK-wWjvi, óK-‡eªvKvi I Aby‡gvw`Z cÖwZwbwa) wewagvjv, 2000, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, an enquiry was conducted vide Commission's Order No. SEC/ Surveillance/ 2009-0561/182 dated December 03, 2009 to conduct an enquiry to review the inspection report on unusual share trading of Al-Amin Chemicals Industries Limited, Shyampur Sugar Mills Ltd. and Meghna Pet Industries Limited in the stock exchanges. The findings and contraventions are as under:

"MEGHNA PET INDUSTRIES LIMITED:

Mr. Md. Asraf Uddin, one of the major clients of Azam Securities Limited (DSE Member # 19) bought total 9000 shares of the company on 12.07.09 without having sufficient fund. The details are delineated below:

MD. MD. ASRAF UDDIN
CLIENT CODE # SZ26

SL NO.	DATE	BUY QTY	RATE	VALUE	SALE QTY	RATE	VALUE
1	12.07.09	9000		138001.17			

Contravention: Through the aforesaid activities, Azam Securities Limited, violated the Rule 3(2) of Margin Rules, 1999.

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Whereas, by doing above it appeared that Azam Securities Limited violated the Rule 3(2) of Margin Rules, 1999.

Whereas, the stock-broker's aforesaid violation of the securities laws appeared to be deliberate attracting penal provision of section 22 of the Securities and Exchange Ordinance, 1969;

Now, therefore, you are hereby given an opportunity of being heard by the Commission and, accordingly, request you to appear at hearing on May 24, 2010 at 10.40 AM, at the Commission's Board Room, along with your written explanation, if any, showing cause as to why appropriate action should not be taken by the Commission against Azam Securities Limited (DSE Stock-Broker), under section 22 of the Securities and Exchange Ordinance, 1969, for the above stated violation, failing which the Commission will be constrained to take decision ex-parte in this respect.

For Securities and Exchange Commission

Mir Mosharraf Hossain Chowdhury
Director

Copy for information:
Chief Executive Officer, Dhaka Stock Exchange Ltd.
Member (Enforcement), SEC
Executive Director (Surveillance), SEC
Director, (Registration), SEC
Executive Director, (SRI), SEC
Chairman's Office, SEC