SEC/Enforcement/824/2010/ **By Special Messenger**
May 09, 2010 **Fax: Nil**

JKC Securities Limited
(DSE Member # 179)
Room # 1001,Modhumita Building (9^{th} Floor)
158-160, 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), JKC Securities Limited (DSE Membership # 179) is a member of Dhaka Stock Exchange Limited;

Whereas, the Commission, at the request of JKC Securities Limited has issued to JKC 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:

"AL-AMIN CHEMICALS LIMITED:
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After randomly checking all the documents of the major clients of JKC Securities Limited who traded bulk quantity of Al-Amin Chemicals Limited shares during the period of 01.01.2009 to 09.08.2009, the findings are delineated below:

Mr. Md. Ziaul Karim, one of the major clients of JKC Securities Limited (DSE Member # 179) bought total 7000 shares of the company on 02.03.09 without having sufficient fund. The details are delineated below:

MD. MOHAMMAD ZIAUL KARIM
CLIENT CODE # 3351

SL NO.	DATE	BUY QTY	RATE	VALUE	SALE QTY	RATE	VALUE
1	02.03.09	7000	10.00	70,000			

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

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Whereas, by doing above it appeared that JKC 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 10.30 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 JKC 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