

SEC/Enforcement/991/2011/229
April 25, 2012

By Special Messenger

Dr. Reshmi Mannan Siddique
Sponsor Shareholder of Social Islami Bank Limited
“Megh Mallar”
97, Suhrawardy Avenue
Baridhara,
Dhaka-1212

Subject: PENAL ORDER: Non compliance of Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 in connection with declaration of sale of shares of Social Islami Bank Limited

Dear Sir,

Commission's penal order No. SEC/Enforcement/991/2011/228 dated April 25, 2012 is enclosed herewith for your kind information and necessary action.

For Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

P.O to Member (Enforcement), SEC
P.O to Executive Director (SRMIC), SEC
P.O to Executive Director (MIS), SEC
Chairman's office, SEC

Order

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Social Islami Bank Limited is an issuer (herein after referred to as an "issuer");

Whereas, Dr.Reshmi Mannan Siddique is a sponsor shareholder of the issuer.

Whereas, as per Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010, "Every sponsor share holder or director or placement holder of a company listed with any stock exchange shall simultaneously submit a written report to the Securities and Exchange Commission and the stock exchange with which the company is listed about his/her/its intention to buy or sell or otherwise dispose off in any manner whatsoever the shares held by him/her/it in that company"

Whereas, SRMIC Department, SEC has observed from the share holding position of Social Islami Bank Limited as on June 30, 2011 that Dr.Reshmi Mannan Siddique has transferred .046% shares from her total holdings without declaration as per the aforesaid notification and has violated SEC's Notification No.SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010.

Whereas, on the basis of the observations of SRMIC Department, SEC; a show cause-cum-hearing notice No. SEC/Enforcement/991/2011/726 dated November 15, 2011 was issued to Dr.Reshmi Mannan Siddique to appear at the hearing on the December 13, 2011. She has not attended the hearing. On behalf of her Prof.Dr.M.A. Mannan has submitted an explanation letter no.NIL dated December 03, 2011. In the explanation letter among others she has denied the allegation. She has stated that DBL Securities has done an error in the process of adjustments/transfer of shares, right shares as well as bonus shares. She has adjusted the shortfall of shares in July 2011.

Whereas, her share holding position was 11,27,771 as on May 31,2011 and 11,27,250 as on June 30 ,2011.It has been observed from the client instrument ledger statement collected from DBL Securities Limited that she has sold 521 numbers of shares in June 2011 without declaration. So her explanation in this regard is unacceptable.

Whereas, it is proved that Dr.Reshmi Mannan Siddique (Sponsor shareholder of Social Islam Bank Limited) has violated SEC's Notification No.SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 by not declaring the sale/transfer of shares of Social Islami Bank Limited.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the above mentioned Notification. 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 Dr.Reshmi Mannan Siddique 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.1 (Tk.One) Lac only upon Dr.Reshmi Mannan Siddique (Sponsor shareholder of Social Islam 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:

Dr.Reshmi Mannan Siddique (sponsor share holder of Social Islami Bank Limited), "Megh Mallar", 97, Suhrawardy Avenue,Baridhara,Dhaka-1212.