

4No.SEC/Enforcement/443/2006/823
Dated: July 18, 2006

By Special Messenger

Giasuddin Ahmed & Co.
(DSE Membership # 186)
Room No. 309, 9/F
Motijheel C/A, Dhaka-1000

Subject: Order

Please find enclosed attested copy of the Commission's Order No. SEC/Enforcement/443/2006/822 dated July 18, 2006 for your information and necessary action.

For and on behalf of
the Securities and Exchange Commission

(A.K.M Ziaul Hasan Khan)
Director

Distribution:
Chief Executive Officer, Dhaka Stock Exchange

Copy for information:

1. Director (Law), SEC
2. Director (MIS), SEC
3. PO to Executive Director (R& D), SEC
4. PO to Executive Director (Registration), SEC
5. Public Reference Room, SEC
6. Chairman's Officer, SEC

Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Giasuddin Ahmed & Co. is a member of Dhaka Stock Exchange Limited (Member No.186).

Whereas, the Commission, at the request of Giasuddin Ahmed & Co., has issued to it the stock-dealer registration certificate No. WmGK/ WmGmB/WmJ vi/95/wR-01(03/06/1995Bs) Zwi L 17/01/2002 Bs under section 10(1) of the Securities and Exchange Commission Act, 1993, read with wewa 5(5) of the wmiKDwi wJR I G. pA Kwgkb (óK-wWj vi, óK-ŕetKvi I Abŕgwi Z cŕZwbwa) wewagj v, 2000, [(corresponding regulation 5(4) of the repealed Securities and Exchange Commission (Stock-dealer, Stock-broker & Authorized Representative) Regulations, 1994)] to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, accordingly, as per definition given in wewa 2 (S) of the wmiKDwi wJR I G. pA Kwgkb (óK-wWj vi, óK-ŕetKvi I Abŕgwi Z cŕZwbwa) wewagj v, 2000, Giasuddin Ahmed & Co., is a stock-dealer (hereinafter referred to as “ Stock-dealer ”);

Whereas, pursuant to the Commission’s Order No. SEC/Surveillance/2005/2003-0550/103 dated November 23, 2005, an inspection was conducted by the Commission to inspect books of accounts, records and documents of Giasuddin Ahmed & Co. regarding trading of Summit Power Limited share and the inspection report contains, that the said stock dealer, among others, allowed its clients short sale and netting in the share trading of Summit Power Ltd. on November 15, 2005;

Whereas, from the above, it is appeared that Giasuddin Ahmed & Co., has contravened, among others, rule 13 of the Settlement of Stock Exchange Transactions Regulations, 1998 issued under Securities and Exchange Commission, 1969 and cŕarw 42 I 45 of wWcmRUix (e`venwi K) cŕarwbvgj v, 2003 issued under Depository Act, 1999;

Whereas, the stock dealer was given an opportunity to explain in writing as well as through personal hearing vide the Commission’s Show Cause Cum Hearing Notice No. SEC/Enforcement/443/2006/445 dated April 19, 2006 in respect, among others, of the above matters;

Whereas, the stock dealer through letter dated May 10, 2006 furnished its explanations to the Commission in course of hearing held on May 10, 2006 stating, among others, that Clients No. 738 and No. 1000 sold 1500 and 600 shares respectively of Summit Power Ltd. on November 15, 2005 without having any shares in the concerned accounts which were sold on the basis of written permission from the original allottees;

Whereas, the explanations have not been considered acceptable to the Commission because:-

- Giasuddin Ahmed & Co. (stock-dealer) made short sale of Summit Power Limited's shares on November 15, 2005 on account of the individual customer's concerned in violation of provision of regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998 of Dhaka Stock Exchange Ltd. issued under the Securities and Exchange Ordinance, 1969;
- For the purpose of settlement, the stock dealer has transferred the short-sold shares from his other customers' accounts off-exchange in violation of the provision of regulation 42 of the Listing Regulations of Dhaka Stock Exchange Limited issued under the aforesaid Ordinance;

Whereas, provisions of the above Regulations issued under the Ordinance are considered directives and orders issued under the said Ordinance for compliance, failure of which tantamount to contravention of the provisions of the Ordinance attracting penal section 22 of the Securities and Exchange Ordinance, 1969;

Whereas, the Commission is satisfied after considering the dealer's explanations and facts that the stated activities of the stock dealer are deliberate which are contrary to the securities related laws, regulations, etc. affecting the market discipline, confidence of investors in securities and the capital market at large; and

Whereas, the Commission is also of the opinion that in order to maintain discipline in the capital market and in the interest of the investors, appropriate action against Giasuddin Ahmed & Co. should be taken for the aforesaid contraventions of securities related laws, regulations, etc.

Now, therefore, in exercise of the power conferred by section 22 of the Securities and Exchange Ordinance, 1969, the Securities and Exchange Commission hereby impose a penalty amounting to Tk.2 (two) lakh upon Giasuddin Ahmed & Co. (DSE Member No.186) which shall be deposited with the Commission through bank draft/pay order with 15(fifteen) days from the issuance of this Order.

**For and on behalf of the
Securities and Exchange Commission**

**Faruq Ahmad Siddiqi
Chairman**

Distribution:

Giasuddin Ahmed & Co.
(DSE Membership # 186), Room No. 309, 9/F, Motijheel C/A, Dhaka-1000