

SEC/Enforcement/485/2006/945
August 27, 2006

GSP Financing Company (Bangladesh) Ltd. (Issuer)
1/C, Paribagh, Mymensing Road, Ramna, Dhaka-1000

Directors
GSP Financing Company (Bangladesh) Ltd.
1/C, Paribagh, Mymensing Road, Ramna, Dhaka-1000

Managing Director
GSP Financing Company (Bangladesh) Ltd.
1/C, Paribagh, Mymensing Road, Ramna, Dhaka-1000

Company Secretary
GSP Financing Company (Bangladesh) Ltd.
1/C, Paribagh, Mymensing Road, Ramna, Dhaka-1000

Sub: Non-compliance with securities laws in connection with issue of bonus share: Warning

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII Of 1969) GSP Financing Company (Bangladesh) Ltd. is an issuer (herein after referred to as “issuer”).

As per section 2A (2)(a) of the said Ordinance, no company shall make an issue of capital in Bangladesh without prior consent of the Commission.

Rule 3 (1) of the Securities and Exchange Commission (Issue of Capital) Rules, 2001, as amended, reads as under:

“A company (hereinafter referred to as the applicant) intending to issue capital in Bangladesh shall make an application to the Securities and Exchange Commission for consent.”.

It is appeared from the information document and the return of allotment of GSP Financing Company (Bangladesh) Ltd. submitted to Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. with the copy to the Securities and Exchange Commission through letter dated June 26, 2006 that the company has issued 1, 70,000 bonus shares of Tk.1,70,00,000.00 as on April 23, 2006 without Commission’s prior consent as required by above said rules.

The issuer’s aforesaid activities tantamount to non-compliance of the securities laws which appeared to be deliberate and clear contravention of the provision of the rule mentioned above, read with the provision of the Securities and Exchange Ordinance, 1969, attracting penal provisions of the said Ordinance.

A show cause cum hearing notice No.SEC/Enforcement/485/2006/834 dated July 25, 2006 was issued to yourselves to appear at hearing to explain the default. The hearing was conducted on August 17, 2006.

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The persons appeared at hearing submitted a letter dated August 1, 2006 mentioning, among others, that due to lack of awareness of the Commission's gazetted notification, no prior approval was taken for issuance of bonus share which was unintentional.

The Commission, considering the all above, has decided to dispose of the proceedings against yourselves by placing on record the Commission's dissatisfaction on the default/contravention made by you, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said defaults.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Governor, Bangladesh Bank
Registrar of Joint Stock Companies and Firms, 24-25, Dilkusha C/A, Dhaka-1000
Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.
Executive Director (R &D), SEC
Director (CID), SEC
Director (LSD), SEC
Director (MIS), SEC
Chairman's Office, SEC