



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP

No. 1 (01)/Wash/KSE/MSW/SMD/2009 / 80

Through Courier

August 31, 2012

The Chief Executive,
AKD Securities Limited,
602, Continental Trade,
Block-8, Clifton,
Karachi.
Ph: 111-253-111
Fax - 5867992, 5869715

Subject: **WARNING WITH RESPECT TO WASH TRADES IN THE SCRIP OF FATIMA
FERTILIZER COMPANY LIMITED (FATIMA)**

Dear Sir,

This is with reference to your letter dated July 26, 2012 in response to our letter of even number dated July 19, 2012 in respect of evidence for change of beneficial ownership in the scrip of Fatima Fertilizer Company Limited (FATIMA) pertaining to the trades of your client, Monnoo Investments & Global Trading (SMC-Pvt.) Limited.

2. In your reply, you have conceded that wash trades were mistakenly held. In this regard, please note that the explanation in your aforementioned letter does not provide sufficient justification for execution of the wash trades in your client's account, as in case of an error, you were required to immediately report the Exchange of the same. Moreover, merely acknowledging a mistake does not absolve a broker from the adverse consequences of the subject violation.

3. Please note that the Code of Conduct set forth under the third schedule of the Brokers and Agents Registration Rules, 2001 ("the Rules"), makes it binding on the brokers of the exchanges to conduct their business with due diligence, care and skill failing which appropriate action can be taken against the broker under Rule 8 (a) and (b) of the Rules.

4. It is pertinent to mention here that a broker is responsible for each and every trade executed through its terminal and the execution of wash trades in your client's account through your terminal does not depict that you conducted your business with due care and skill which is a violation of the Code of Conduct. However, on this occasion taking a lenient view, a warning is being issued to you with advice to abstain from trading in such manner in future failing which appropriate action will be taken against you.

Yours truly,

(Imran Inayat Butt)
Director /HOD (MSCID)

Copy to: *Managing Director, Karachi Stock Exchange Limited, Karachi.*