



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
Bangladesh Securities and Exchange Commission

Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000, Bangladesh
Phone (PABX): 0088-02 9568101-2, 0088-02 9561525, Fax: 0088-02 9563721, 7176604

SEC/Enforcement/1044/2012/43

January 27, 2013

Rasti Securities Consultant Limited
DSE's Membership No. 217
Suit No.601 (5th floor)
Modhumita Building
158-160, Motijheel C/A
Dhaka-1000.
Attention: Managing Director/CEO

Subject: Penalty Order: Non-compliance of Article 8 of Securities and Exchange Ordinance, 1980 in connection with trading in shares of Libra Infusion Limited.

Dear Sir,

Commission's penal order No. SEC/Enforcement/1044/2012/42 dated January 27, 2013 is enclosed herewith for your kind information and necessary action.

For Bangladesh 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 Commissioner (Enforcement), BSEC
P.O to Executive Director (Surveillance), BSEC
P.O to Executive Director (MIS), BSEC
Chairman's office, BSEC



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Order

Whereas, as per section 2(i) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Rasti Securities Consultant Limited is a member of Dhaka Stock Exchange Limited;

Whereas, the Securities and Exchange Commission issued Stock Broker Registration Certificate to Rasti Securities Consultant Limited under art 10(1) of the Securities and Exchange Ordinance, 1969, read with section 5 (5) of the Securities and Exchange Ordinance, 1969, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, on the basis of the investigation report of Dhaka Stock Exchange Limited on trading in shares of Libra Infusion Limited by Mr. Ratan Kumar Saha, a show cause-cum-hearing notice No. SEC/Enforcement/1044/2012/ 407 dated August 08, 2012 was issued to Rasti Securities Consultant Limited to appear at the hearing. In the show cause-cum-hearing notice among others following were mentioned:-

“Whereas, as per Article 8 of the Securities and Exchange Ordinance, 1969, read with section 5 (5) of the Securities and Exchange Ordinance, 1969, to conduct securities trading related activities under certain terms & conditions stipulated in the said certificate;

Whereas, an investigation has been conducted by DSE on trading in shares of Libra Infusion Limited by Mr. Ratan Kumar Saha. Investigation Team has reported that on 05/06/2012 and 06/06/2012 Mr. Ratan Kumar Saha one of your client code no. 13288 has manipulated the price of the shares of Libra Infusion Limited by creating a misleading appearance of active trading in shares of LIBRAINFU through executing the trade of LIBRAINFU at higher price where he acted as both buyer and seller and by effecting the transactions of LIBRAINFU shares which involves no change in beneficial ownership. Mr. Ratan Kumar Saha has increased price of shares of LIBRAINFU by Tk. 34.9 (324.9-290). Buy and sale transaction has been executed by Rasti Securities Consultant Limited at the same time.

Despite knowing the matter of the aforesaid manipulation Rasti Securities Consultant Limited has not informed the Commission or Stock exchange.

Contravention: From the report it appears that Rasti Securities Consultant Limited has violated Article 8 of the Securities and Exchange Ordinance, 1969 by not informing the manipulative transaction by its client Mr. Ratan Kumar Saha (code no. 13288).”

Whereas, hearing was conducted. Mr. Robal Chandra Chowdhury (Authorised Representative) and Mir Nasir Uddin attended the hearing on behalf of Rasti Securities Consultant Limited. They submitted an explanation letter No an explanation letter No. NIL dated September 17, 2012. In the letter among others they stated the following:

In the letter they confessed the allegation, begged apology and promised to not to commit such violation in future. Among others they have stated that “On scrutiny we have found that our client provides order for Buy & Sell of Libra Infusion shares inappropriately on client account no. 13288 (A/C Name: Ratan Kumar Saha). We have issued a show cause notice to the respective client and authorized assistant on 7th June 2012 and ask for clarification, in the mean time DSE reported the issue on 10th June 2012 and we replied accordingly on 12th June 2012. As the issues have already been reported by DSE authority and discussion with the client was under process we think it will be a repetitive communication for both side and bidirectional if we report it again to DSE. We have viewed the matter and warned the concerned Authorized Assistants to be careful in future deals. A written statement of the client

regarding the transactions is attached here for your reference and to clear our views on the matter. At the same time, we assure you we will take more cautionary measures in future to ensure meticulous compliance of SEC regulations.



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However we sincerely regret such inadvertence and assure you to take utmost care to see that no such buy/sell order will execute in future. Hope you will accept our views and thus relieve us for the accusation.”

Whereas, from the investigation report and the written confession of Rasti Securities Consultant Limited it is **proved** that the mentioned allegation of violating Article 8 of the Securities and Exchange Act, 1993 against Rasti Securities Consultant Limited is **correct**. Their explanation is not acceptable to the Commission.

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, appeared to be deliberate and clear contravention of the above mentioned Article 8. Therefore the said non compliance attracts penal provision of Article 12 of the Securities and Exchange Act, 1993 and Section 18 of the Securities and Exchange Act, 1993;

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 Rasti Securities Consultant Limited for the stated violations.

Now, therefore, Bangladesh Securities and Exchange Commission, in exercise of the power conferred by Section 18 of the Securities and Exchange Act, 1993 hereby imposes penalty for Tk.1.00 (Tk.One) Lac upon Rasti Securities Consultant Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Bangladesh Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Bangladesh Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

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