

SEC/Enforcement/183/2003/620
June 13, 2006

By Special Messenger

The Managing Director
Mercantile Securities Ltd
9E, Motijheel C/A (1st Floor)
Dhaka-1000

Sub: Non-compliance with Securities laws: Warning

The Commission has granted registration certificate (নবেউব মন্বউদত্ৰকু bs- Ggwe-1.088/99-24 Zwi L 31tk AvMó 1999) to Mercantile Securities Ltd. to act as a Merchant Banker under relevant provisions of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996, read with the provisions of section 10 (3) of the Securities and Exchange Commission Act, 1993.

নৈগ্য 11(4) of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996, states that-
“চত্ৰক্ৰ গ্ৰত্ৰপ্ৰউ এ'সক্ৰি চত্ৰক্ৰ ননম্বে ননম্বে মগ্ৰত্ৰি ত্ৰক্ৰ কৃগক্ৰবি ক্ৰত্ৰও এ'ব্ৰি v'Y' ক্ৰউ, j v'f I ত্ৰব'ক্ৰম্বে ননম্বে, bM` Av`vb-
c* v'fbi নৈগ্য bx Ges কৃগক্ৰ KZK' নবাত্ৰি Z Ab'vb` চত্ৰক্ৰে`b কৃগক্ৰবি P'nn`v Ab'v'q'x` w'lj K'wi t'Z eva` _w'k'teb | 0

নৈগ্য 12 of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996, states that –
0কৃগক্ৰ KZK' গ্ৰত্ৰপ্ৰউ এ'সক্ৰিত্ৰি i gj ab চ'ব'Z'v Z` s-K'ivi ম'yeavt`_c'0'Z'K' গ্ৰত্ৰপ্ৰউ এ'সক্ৰি Z'v'vi A'nb'i x'f'j'Z' ননম্বে নৈগ্য Y'x' চ'Z'
3 (w'Z'b) g'vm A's'f' কৃগক্ৰবি w'b'k'U` w'lj K'wi t'eb | 0

It is revealed from record that although Mercantile Securities Ltd. started its operation from 29.11.99 [as per its letter dated 06.12.99] but, since inception, the merchant banker did not submit to the Commission the statements required under the provisions of নৈগ্য 11(4) and নৈগ্য 12 of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996.

It is appeared from the above that Mercantile Securities Ltd. has failed to comply with the provisions of নৈগ্য 11 (4), 12 of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996, attracting the provisions of নৈগ্য 33 of the মন্বউদত্ৰকু I G. ত্ৰপ্ৰা কৃগক্ৰ (গ্ৰত্ৰপ্ৰউ এ'সক্ৰি I ত্ৰবউত্ৰদ্বজ I গ'ত্ৰব্ৰবি) নৈগ্যজ v, 1996.

A show cause cum hearing notice No.SEC/Enforcement/183/2003/336 dated March 29, 2006 was issued to the merchant banker. The hearing was conducted on April 12, 2006.

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The person appeared at hearing submitted a letter dated April 12, 2006 mentioning, among others, that they will submit and regularise the statements required under the provisions of ~~section~~ 11(4) and ~~section~~ 12 of the ~~Securities and Exchange Commission Act~~, 1996 within one month.

Subsequently, the said merchant banker vide its letter dated May 14, 2006 submitted the requisite statements to the Commission.

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

For Securities and Exchange Commission

Mansur Alam
Executive Director

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