



# BANGLADESH SECURITIES AND EXCHANGE COMMISSION

HBON BIMA TOWER (14, 15, 16 & 20 FLOOR), 10 DILKUSHA C/A, DHAKA-1000, BANGLADESH

Securities Commission Bhaban, E-6/C, Agargaon, Sher-E-Bangla Nagar, Dhaka

নং-বিএসইসি/এনফোর্সমেন্ট/২৩৮০/২০১৭/৩৬২

তারিখঃ ১৮ই ডিসেম্বর, ২০১৭ ইং

## আদেশ

যেহেতু, কমিশন, S.B Securities Limited (ডিএসই টিআরসি নং-০৫১) কে তার আবেদনক্রমে, নির্ধারিত শর্তাবীনে সিকিউরিটিজ ফ্রয় বিক্রয় কর্মকান্ড পরিচালনা করার জন্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (অতঃপর 'কমিশন' বলে উল্লিখিত বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন) এর ১০(১) এ প্রদত্ত ক্ষমতাবলে সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ৫(৫) সহ পঠিত স্টকব্রোকার/ডিলার রেজিস্ট্রেশন সার্টিফিকেট প্রদান করেছে;

যেহেতু, কমিশন এর আদেশ নং SEC/SRI/DSE-Policy/14/2010/256 dated August 17,2010 পরিপালনের লক্ষে Dhaka Stock Exchange Limited কর্তৃক S.B. Securities Limited এ পরিদর্শনের জন্য ১৭.০৭.২০১৬ তারিখে একটি কমিটি গঠিত হয় এবং উক্ত পরিদর্শন কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপ:

### General Findings:

#### 1. Client's Payable Position of the company as on June 30, 2016:

SI	Particulars	Amount (Tk.)	Amount (Tk.)	Remarks
<b>A</b>	<b>Payable to clients</b>		23,221,024.93	As per client ledger balance
<b>B</b>	<b>Source of Fund:</b>			
1	Bank Balance (Consolidated Customer A/C)	13,943,213.77		As per bank statement
2	Add: Cash in hand (if any )	60,366.00		
3	Add: Net receivable from DSE (Receivable - Payable)	199,500.50		As per CNS report
4	Add: Cheque received from clients and credited to bank book but not credited in consolidated customer's account as on date	1,070,000.00		As per reconciliation statement
5	Less: Cheque issued to clients and debited to bank book but not debited from consolidated customer's account as on date	0.00		
6	Less: Net payable to DSE (Payable - Receivable)	0.00		As per CNS report
	<b>Net Source of fund:</b>	<b>15,273,080.27</b>		
<b>C</b>	<b>Clients' payable Status (B-A):</b>		<b>-7,947,944.66</b>	<b>Deficit</b>

It is appeared to us that the company violated:

- Rule 8A (1) and (2) of Securities and Exchange Rules, 1987

by not maintaining sufficient fund of customers in the Consolidated Customers' Account properly.



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2. After randomly scrutinizing, it was revealed that the company provided credit facilities to the Directors of the company and their relatives which are shown below:

Code	Name	Date	Day End Balance (Tk.)	Remarks
00121	Md. Shafiul Azam	28-Feb-16	-297,392.77	Managing Director
		29-Jun-16	-103,093.24	
		11-Jul-16	-99,941.76	
00777	Nazneen Islam	25-Feb-16	-170,190.51	Director
		26-Jun-16	-392,440.89	
		12-Jul-16	-380,770.14	
09091	Nazneen Islam & Md. Tariqul Islam	29-Feb-16	-314,490.54	Director
		31-Mar-16	-376,779.14	
		18-May-16	-741,429.74	
00470	Md Morshed	29-Feb-16	-459,349.95	Brother of Managing Director
		31-May-16	-271,626.71	
		28-Jun-16	-146,135.68	
07099	Nasreen Islam	31-Jan-16	-364,609.91	Sister of Nazneen Islam, Director
		29-Feb-16	-186,181.81	
		21-Apr-16	-474,177.86	
07199	Nasreen Islam & Farhad Banu	31-Jan-16	-288,040.04	Sister of Nazneen Islam, Director
		29-Feb-16	-71,258.66	

**It is appeared to us that the company violated:**

- **BSEC Directive no. SEC/CMRRCD/2001-43/31 dated March 23, 2010**

by providing credit facilities to the aforesaid Directors and their relatives.

3. After randomly scrutinizing, it was revealed that the company provided credit facilities to relatives of employees of the company; which are shown below:

Code	Name	Date	Day End Balance	Remarks
02531	Md. Ashraf Hossain	31-Jan-16	-25,140.90	Brother of Shakhwat Hossain, Chief Accountant
		1-Feb-16	-69,841.15	
		2-Jun-16	-34,998.65	
08888	Tahera Shammi & Abdullah Al Nahid	19-Jan-16	-25,699.80	Sister of Obaidur Rahman, Sr. Asst Officer, IT
		29-Feb-16	-7,209.93	
		21-Jun-16	-68,810.42	



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It is appeared to us that the company violated:

- **BSEC Directive no. SEC/CMRRCD/2001-43/31 dated March 23, 2010**

by providing credit facilities to the aforesaid relatives of the employees of the company.

4. After randomly scrutinizing, it was revealed that the company provided unauthorized credit facilities to some clients in their cash accounts without having any margin agreement; which are shown below:

Code	Name	Date	Day end Ledger Balance
00475	Mohammad Alamgir Hossain	24-Jan-16	-64,589.62
		30-Jun-16	-212,303.20
		16-Jul-16	-47,300.64
00770	Nazma Hossain	31-Jan-16	-333,749.08
		29-Jun-16	-380,496.92
		13-Jul-16	-204,090.92
01321	Miss Luna Laila	29-Feb-16	-418,564.46
		28-Apr-16	-413,564.46
		31-May-16	-408,564.46
02048	Shabra Farhin	24-Feb-16	-45,941.99
		25-Apr-16	-101,081.99
		17-May-16	-207,104.39
03020	Tania Al Beruni	27-Jan-16	-203,539.82
		29-Feb-16	-239,929.52
		15-Mar-16	-243,412.97
4222	Asiur Rahman	28-Jan-16	-528,790.24
		25-May-16	-622,434.26
		16-Jul-16	-605,955.53
10981	A.K.M. Azad Hossain	31-Jan-16	-317,259.53
		31-May-16	-445,202.81
		16-Jul-16	-407,586.11

It is appeared to us that the company violated:

- **Rule 3(1) of Margin Rules, 1999;**
- **Rule 3(2) of Margin Rules, 1999**

by providing unauthorized credit facilities to the aforesaid clients in their cash accounts without having margin agreement.

5. After randomly scrutinizing of the clients' transaction ledger, it was revealed that the company allowed some clients to buy "Z" category and "non marginable" securities under margin facilities. For example:



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Code	Name	Date	Instrument	Buy Qty	Day End Balance
00121	Md. Shafiul Azam	11-Jul-16	SPCL	2,090	-99,941.76
00777	Nazneen Islam	8-May-16	RNSPIN	10,000	-699,687.51
		9-May-16		40,000	-1,255,960.01
00770	Nazma Hossain	7-Jun-16	SPCL	550	-508,975.22
0470	Md Morshed	22-Feb-16	SPCL	350	-250,692.53
0470	Md Morshed	7-Jun-16	SPCL	5200	-250,692.53
04222	Asiur Rahman	9-Mar-16	SPCL	2,000	-563,083.32

It is appeared to us that the company violated:

- BSEC Directive # SEC/CMRRCD/2001-43/169 dated October 01, 2009;
- BSEC Directive # BSEC/Surveillance/2014-0840/683 dated July 14, 2015

by allowing the aforesaid clients to buy "Z" category and "non marginable" securities under margin facilities.

6.It was revealed that the company made payment to some clients including Managing Director of the company without having sufficient balance, which is shown below:

Client Code	Client Name	Date	Payment Amount	Day End Ledger Balance	Remark
00121	Md. Shafiul Azam	27-Jan-16	527,000.00	-306,353.75	Managing Director
00121	Md. Shafiul Azam	1-Mar-16	303,800.00	-303,988.98	
00770	Nazma Hossain	24-Mar-16	50,000.00	-249,443.22	
08802	Md. Mahbubur Rahman & M.A. Khaled	11-Aug-15	125,000.00	-108,780.61	

It is appeared to us that the company violated:

- সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ১১;
- সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর দ্বিতীয় তফসিল এর আচরণ বিধি ১

by making excess payment to the aforesaid clients without having sufficient balance.

7.After randomly scrutinizing, it was revealed that the company received cash amount of more than Tk 5.00 (five) lac from the singles clients in a day which are given below:

Code	Date	Amount (Tk.)	Total (Tk.)
00472	03/09/2015	400,000.00	768,000.00
		368,000.00	
02232		500,000.00	1,435,000.00
		500,000.00	



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	18/11/2015	435,000.00	
05164	13/12/2015	400,000.00	800,000.00
		400,000.00	
00179	20/12/2015	400,000.00	557,000.00
		157,000.00	
00287	06/01/2016	500,000.00	1,500,000.00
		500,000.00	
		500,000.00	
10411	13/01/2016	500,000.00	1,000,000.00
		500,000.00	
00287	18/01/2016	500,000.00	1,200,000.00
		400,000.00	
		300,000.00	
05164	07/03/2016	500,000.00	1,500,000.00
		500,000.00	
		500,000.00	

**It is appeared to us that the company violated:**

- Rule 8 (1) (cc) (i) of the Securities and Exchange Rules, 1987

by receiving cash amount of more than Tk 5.00 (five) lac from the singles clients in a day.

## **Explanation of the alleged person submitted at the time of hearing:**

The letter under reference is received at this end and noted the observations of the monitoring team made on S.B. Securities Limited's affairs carefully.

### **1.About client's payable position at 30 june 2016:**

**Our Position:** We are sorry for the said violation. After received the observation we took necessary steps about this matter and recover deficit amount Tk.40,22,891/50.

### **2.About credit facilities to the aforesaid directors and their relatives:**

**Our Position:** We are sorry for the said violation. We are taking necessary steps as early as possible to set right the negative balance. In the mean time most of the directors of the company and their relatives account have adjusted their negative balance.

### **3.About credit facilities to the aforesaid relatives of the employees of our company:**

**Our Position:** We are sorry for the said violation. However we are taking immediate action on it and the employees relative account holders have adjusted their negative balance.

### **4.About unauthorized credit facilities to the aforesaid clients in their cash accounts:**

**Our Position:** Extremely sorry for the unauthorized credit facilities. We would try almost to avoid this in future. In the mean time most of the clients have been adjusted their negative balance.

### **5.About allowing the aforesaid clients to buy "Z" category and non marginable securities:**

**Our Position:** We are sorry for the violation of the said BSEC Directive. We would try almost to avoid in future and set right the faults accoured by this time.



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## **6.About making excess payment to the aforesaid clients without having sufficient balance:**

**Our Position:** We are sorry for the violation. We will take proper measures and control mechanism so that such type of events will not occur in future.

## **7.About receiving cash amount of more than Tk.05(Five) lac from the single clients in a day:**

**Our Position:** Extremely sorry for the violation of Rule 8(1)(cc)(i),1987. We always discourage each deposit by clients and in this regard all officials have been instructed in some cases, clients themselves directly deposit the money to the bank. However in future we will be more conscious.

This is the letter to convey my apology for violating some securities rules, BSEC Directives and also margin rules which I did not do intentionally and a request letter to accept my apology and a promising letter that I will not repeat in anymore.

SB Securities Limited এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি।

যেহেতু, SB Securities Limited এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি, যা সিকিউরিটিজ আইন পরিপালনে ব্যর্থতা বিধায় section 22 of the Securities and Exchange Ordinance, 1969 অনুযায়ী শাস্তিযোগ্য অপরাধ এবং যা ক্ষমার অযোগ্য;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, ততা পুঁজিবাজারের উন্নয়নের পাশাপাশি বাজারের শৃংখলা ও স্বচ্ছতা রক্ষার স্বার্থে উক্ত ব্রোকার/ডিলার কে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] এ প্রদত্ত ক্ষমতাবলে SB Securities Limited এর উপর ১৫ (পনের) লক্ষ টাকা জরিমানা ধার্য করল যা অত্র আদেশের তারিখ হতে ১৫ (পনের) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে কমিশনে জমা করতে হবে।

মো: আমজাদ হোসেন

কমিশনার

বিতরণঃ

S.B. Securities Limited

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