



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

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

নং-বিএসইসি/এনফোর্সমেন্ট/২১৭৮/২০১৪/৪৪২

তারিখঃ ২৯ নভেম্বর ২০১৬ ইং

আদেশ

যেহেতু, কমিশন, Salta Capital Limited (সিএসই টিআরসি নং-২২) কে তার আবেদনক্রমে, নির্ধারিত শর্তাধীনে সিকিউরিটিজ ক্রয় বিক্রয় কর্মকাণ্ড পরিচালনা করার জন্য সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (অতঃপর 'কমিশন' বলে উল্লিখিত) সিকিউরিটিজ ও 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/INS/CSE-MEM/2010/732 dated March 14,2013 এর মাধ্যমে Salta Capital Limited এ পরিদর্শনের জন্য একটি কমিটি গঠিত হয় এবং উক্ত পরিদর্শন কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপ:

The inspecting officers checked & examined relevant books of accounts, records and documents of **Salta Capital Limited (CSE Mem. No. 22)**.The major findings of the inspection are delineated below:

Comparative Financial Position of the Broker:(Audited Financial Statement:) Figure in Million Taka

Particulars	30 June, 2012	30 June, 2011	30 June, 2010
Non-Current Assets:			
Other Non-Current Assets	38.58	34.20	21.45
FDR	85.00	85.00	85.00
Sub-Total	123.58	119.20	106.45
Current Assets:			
Receivable from Clients	232.56	263.10	182.07
Receivable to DSE/CSE	79.67	128.57	444.71
Loan to Sister Concern	91.22	11.79	14.64
Cash & Bank Balance	9.08	5.59	14.57
Others	17.39	25.07	26.69
Sub-Total	429.92	434.12	682.68
Total Assets	553.50	553.32	789.13
Current Liabilities:			
Payable to Clients	222.61	268.93	555.49
Payable to DSE/CSE	0.65	4.53	4.85
Payable to clients under clearing	39.83	10.22	50.16
Others Liabilities	2.31	5.80	4.09
Sub-Total	265.40	289.48	614.59
Equity & Retained Earnings	288.10	263.84	174.54
Total Liabilities	553.50	553.32	789.13



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Comparative Income Position:

Particulars	Upto 30 June, 2012	Upto 30 June, 2011	Upto 30 June, 2010
Income:			
Commission	113.70	273.81	143.86
Others	7.45	4.63	10.70
Sub-Total	121.16	278.45	154.56
Net Profit	75.57	20.23	24.26

1. Observations on Financial Position

As according the business norms of a Broker, "Payable to Clients" should keep in very liquid form to pay back as and when demanded by the clients. Hence, the broker is required to keep the payable balance at the consolidated customer Bank account and as receivable to exchange. As per financial statements 'Payable to Clients' is Tk. 262.44 million as on 30th June, 2012; whereas as per statement of consolidated customer bank balance and also receivable to DSE/CSE, the available fund balance is Tk. 87.76 million. Hence, a significant difference is found in comparing the balance of the above two positions which is presented below:

Figure in Tk. Million

Particulars	30 June, 2012	30 June, 2011	30 June, 2010
Payable to Clients	222.61	268.93	555.49
Payable to clients under clearing	39.83	10.22	50.16
a. Sub-Total	262.44	279.15	605.65
b. Should available as:			
Receivable to DSE/CSE	79.67	128.57	444.71
Bank Balance at Customer Bank A/Cs	8.09	4.80	5.42
Sub-Total (b)	87.76	133.37	450.13
Difference (a-b) :	174.68	145.78	155.52
Clients Fund transferred to :			
Investment as FDR	85.00	85.00	85.00
Loan to Sister Concern	91.22	11.79	14.64
Sub-Total	176.22	96.79	99.64

As according to the financial statement, the above difference fund is invested its two sister concerns namely "Salta Fishing Ltd." and "Salta Computer Systems Ltd." and also as FDR during 2012.



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Interest against the FDR is credited to the Company Account. Additionally, the said broker did cash transactions with the sister concern.

Accordingly, during 2011 and 2010, the difference fund is very high even after investment to sister concerns and as FDR. The financial statement reflects that a good part of the clients fund was given as loan during 2011 and 2010.

Contravention: The said broker violated আচরনবিধি (১) ও (৬) of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০. Because, using the clients fund a broker can not invest in its sister concerns and also as FDR from the Consolidated Customer Account. Additionally, the broker violated Rule 8(A)(1) of the Securities and Exchange Rules, 1987 the broker, "every member shall maintain a consolidated customers' account in his name with any schedule bank only for the deposit of the money received from and for, and payment of money to and for, the customers."

2. Short Sale Position of Stock Broker:

As per list provided by Surveillance Department, the inspecting officers collected different sets of transaction related documents including DP A6, DP 49, Trade confirmation Note of clients and checked those statements. It is observed that short sale was conducted on the account of the following BO ID holders:

Client Name: MD. Shamim Mahmud Chy, Code: 0G083

BO ID No.	Instrument	Date	Quantity sold as per TR	Remarks
1201600003804201	BSCCL	19.03.13	1500	Not found in DPA6 and DP49.

Client Name: Amal Kumar Chowdhury, Code: 17537

BO ID No.	Instrument	Date	Quantity Sold	Remarks
1201600008550085	BXPHERMA	06.03.13	1000	Not found in DPA6 and DP49.

Client Name: Shahin Sazzad, Code: G5655

BO ID No.	Instrument	Date	Quantity Sold	Remarks
1201600025085219	AFTABAU TO	14.03.13	2000	Not found in DPA6 and DP49.



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Client Name: Sharwar Hasan, Code: A2000

BO ID No.	Instrument	Date	Quantity Sold	Remarks
1201600039793055	GP	11.03.13	7000	Not found in DPA6 and DP49.

Contravention: Through the aforesaid activity, Salta Capital Limited violated regulation 4(1) of the Dhaka Stock Exchange (Short Sale) Regulations, 2006.

3. Payment of Salary from the Consolidated Customers Account

As per rule 8(A)(1) of the Securities and Exchange Rules, 1987 the broker, "every member shall maintain a consolidated customers' account in his name with any schedule bank only for the deposit of the money received from and for, and payment of money to and for, the customers." But the said broker makes payment of salary from Customer Account which is shown below:

Date	Bank Name	A/C No.	Amount of Salary Payment
07.01.2013	Duch Bangla Ban Ltd, Agrabadbr., Chittagong	1021100017529	Tk 8,93,000.00 (salary December 2012)

Contravention: Salta Capital Limited has violated rule 8(A)(1) of the Securities and Exchange Rules, 1987 because the said broker paid salary from the customer account.

4. Cash Transactions Above 5 Lac

The inspecting officers have checked the statement of cash receipt transactions of said broker period of January, 2013 and found that the cash deposit over 5 lac happen in some cases.

Bank Name: Duch Bangla Bank Ltd., Agrabad Br., A/C No.1021100017529

Date	Description	Debits	Credits	Remarks
03.01.2013	Cash Deposit	0	1,000,000.00	Over 5 lac
06.01.2013	Cash Deposit	0	1,000,000.00	Over 5 lac
07.01.2013	Cash Deposit	0	1,000,000.00	Over 5 lac
08.01.2013	Cash Deposit	0	7,00,000.00	Over 5 lac



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13.01.2013	Cash Deposit	0	7,00,000.00	Over 5 lac
27.01.2013	Cash Deposit	0	1,000,000.00	Over 5 lac

Contravention: The aforesaid non-compliances and activities of Salta Capital Limited is the clear contravention of the rule 8(1)(cc)(i) of the Securities and Exchange Rules, 1987 related to not permit of transaction above Tk. 5.00 lac in cash.

5. Discrepancy in Documentation

As per Rule 4(5) of the Securities and Exchange Rules, 1987 the broker requires to send Confirmation Note to the client, during the inspection period we observed that the broker do not maintain the provision of the aforesaid rule. The inspecting officer also observed by random checking that no signature of client and authority are shown in some trade confirmation note .

Contravention: Salta Capital Limited has violated rule 4(5) of the Securities and Exchange Rules, 1987.

যেহেতু, কমিশন উপরোল্লিখিত প্রতিবেদন অনুযায়ী সিকিউরিটিজ আইন পরিপালনে ব্যর্থতার জন্য Salta Capital Limited এর বরাবরে একটি show-cause-cum-hearing notice সূত্র নং- BSEC/Enforcement/2178/2014/152 তারিখ ১০ই মে ২০১৫ ইং প্রেরণ করে এবং ০৯ই জুলাই ২০১৫ ইং তারিখে শুনানীর দিন ধার্য করে এবং ধার্যকৃত তারিখে Salta Capital Limited এর CEO জনাব মো: রেজাউল করিম উপস্থিত হয়ে ০৯ ই জুলাই ২০১৫ ইং তারিখের পত্রের মাধ্যমে লিখিত বক্তব্য দাখিল করেন। যাতে অন্যায়ের মধ্যে, নিম্নোক্ত বিষয়গুলির উল্লেখ আছে:-

Quote: With reference to Honorable Commission's 'Show Cause' notice (ref. no.: BSEC/Enforcement/2178/2014/152) our written explanation against some irregularities brought against us are as follows:

1. Observations on Financial Position: As per Commissions Honorable Inspecting Officer full payable to client amount was not found in CCBA. That amount was used by our concerned authority for various purposes like FDR, loan to sister concern, margin loan to client etc. which is clear violation of BSEC rule. But this same allegation was already brought against us on July 25, 2013 (ref. no.: BSEC/Enforcement/1110/2013/492) and penalized us for Tk. 5.0 Lac. We later begged for mercy with proper reasoning to the Honorable Commission and later on Commission discharged us from this same allegation on October 28 through letter number BSEC/Enforcement/1110/2013/600. Therefore, we already have got discharged (copy of the discharge letter attached herewith) for the allegation that you have brought against us.

2. Short Sale Position of Stock Broker: Our explanation against show cause notice on short sale by Honorable Commission is as follows:



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Client code 0G083, 17537, G5655 and A2000 sold BSCCL, BXPHERMA, AFTABAUTO and GP respectively on various dates. These entire clients sale were appropriate meaning they were holding mentioned matured shares on their respective portfolio. Those matured portfolio holdings came on short sale report due to the fact that mistakenly those shares were moved from those codes. Those mistakes were regrettably occurred and we feel discontent and ask for your clemency.

3. Payment of Salary from the Consolidated Customers Account: We paid employees salary from CCBA on January 07, 2013. Due to time delay in settling of company's income and expenditure for the month of December, 2012, we were unable to debit CCBA for trade commission and credit to Company Account for the month of December. Considering employees need and fulfill their obligation, for that month only we paid salary from CCBA. It never repeated again. Again we humbly ask for your leniency.

4. Cash Transactions above Tk. 05 Lac: None of those transactions were actually with clients and no money receipt was issued against any of those transactions which is clearly evident from attached bank statement. We are strictly following this rule and DO NOT do any cash transaction which is over Tk. 05 Lac. Basically those mentioned transactions were with our sister concerns. We believe there is no question of violating any rule here.

5. Discrepancy in Documentation: Honorable Inspecting Officer accused us for not providing Confirmation Note to clients. Please note, we have already replied your query on October 02, 2013 against your letter no. SEC/SRI/99-624/1036 dated September 24, 2013. In our letter we have attached some client confirmation copy where clients have signed their part of Confirmation Note with signature.

As present letter is based on your much older inspection and we have already replied you within stipulated deadline where there were two settled issues, we assumed remaining issues have been settled. Considering the fact that those were much older issues and things have changed a lot now, we would like to request you to consider our points and let us off from previous mistakes. Your wholehearted support will help us learn lesson for future..” **Unquote**

যেহেতু, Salta Capital 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;



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যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, তথা 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 Salta Capital Limited এর উপর ৫ (পাঁচ) 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।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,

মো: আ: সালাম সিকদার
কমিশনার

বিতরণঃ
সালটা ক্যাপিটাল লিমিটেড
৬৭, আখ্ৰাবাদ বা/এ
চট্টগ্রাম-৪১০০