



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

HIBON 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/২৩৮০/২০১৭/০৮

তারিখঃ ১লা জানুয়ারি, ২০১৮ ইং

আদেশ

যেহেতু, কমিশন, Sharp Securities Limited (ডিএসই টিআরসি নং-২১৬) কে তার আবেদনক্রমে, নির্ধারিত শর্তাধীনে সিকিউরিটিজ ক্রয় বিক্রয় কর্মকাণ্ড 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 BSEC/SRI/INS/DSE/2014/3/596 dated October 04,2016 এর মাধ্যমে Sharp Securities Limited এ পরিদর্শনের জন্য একটি কমিটি গঠিত হয় এবং উক্ত পরিদর্শন কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপ:

1. Analysis of Client Payable Positions:

During the inspection the Inspection team has collected client payable position, receivable from DSE, payable to DSE and balance of Consolidated Customer Account. After examining all data it is observed in following manner [(Format – A)]:

As on June 30, 2016

Particular	Amount (Tk.)	Amount (Tk.)
Payable to Customer (Deposit Received from BO Account Holders)	177,683,291.76	
Add: Payable to DSE	203,176.84	
Total:		177,886,468.60
Less: Bank Balance	41,301,254.19	
Less: Cash	-	
Less: Receivable from DSE & CSE	14,605,332.10	
Total Less		55,906,586.29
Total Deficit		(12,19,79,882.31)



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Financial Statement Analysis:

The Audited Financial Report of Sharp Securities Limited for the year ended on June 30, 2015 and June 30, 2014 was examined and the following deficit balances were found in their Consolidated Customers Account .

For the year ended on June 30, 2015

Particular	Amount (Tk.)	Amount (Tk.)
Payable to Customer (Deposit Received from BO Account Holders)	145,428,612.00	
Add: Payable to DSE	3,361,466.00	
Total:		148,790,078.00
Less: Bank Balance	54,331,087.00	
Less: Cash	7,298,850.00	
Less: Receivable from DSE & CSE	3,979,561.00	
Total Less		65,609,498.00
Total Deficit		(8,31,80,580.00)

For the year ended on June 30, 2014

Particular	Amount (Tk.)	Amount (Tk.)
Payable to Customer (Deposit Received from BO Account Holders)	173,513,190.00	
Add: Payable to DSE & CSE	1,744,111.00	
Total:		175,257,301.00
Less: Bank Balance	119,476,209.00	
Less: Cash	7,648,258.00	
Less: Receivable from DSE & CSE	2,539,040.00	
Total Less		129,663,507.00
Total Deficit		(4,55,93,739.00)

Contravention: The activities of deficit balance in Consolidated Customer Account is a violation of Rule 8A (1) of Securities and Exchange Rules, 1987 and Rule ১ ও ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.



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2.It is observed that Sharp Securities Limited has provided margin facilities to their Directors and they were traded shares in various dates with enjoying margin facilities. Details are given below:

Code	Name of the Director	Date	Closing balance (Tk)
00001	Mr.M.M.Mustafa Zamal	19.02.2010	-164,121.00
		21.12.2010	-453,662.00
		29.12.2010	-488,185.00
		30.12.2010	-415,957.00
		05.04.2011	-911,054.00
		13.04.2011	-577,957.00
		20.04.2011	-1,199,570.00
		24.04.2011	-497,961.00
		02.05.2011	-10,06,382.00
		05.05.2011	-881,310.00
		20.11.2013	-1,307,489.00
		11.12.2013	-1,633,615.00
		18.12.2013	-2,119,782.00
		26.02.2014	-219,387.00
		27.02.2014	-214,272.00
11.12.2013	-1,633,615.00		
18.12.2013	-2,119,782.00		



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		26.02.2014	-219,387.00
		27.02.2014	-214,272.00
		02.03.2014	-2,110,409.00
		01.09.2015	-33,715.00

Code	Name of the Director	Date	Closing balance (Tk)
00170	MR. M.M. Mustafa Zamal	18.01.2010	-180,958.00
		21.01.2010	-274,004.00
		10.02.2010	-1,252,922.00
		14.02.2010	-3,112,144.00
		17.02.2010	-3,040,034.00
		22.04.2010	-907,241.00
		28.04.2010	-241,996.00



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Code	Name of the Director	Date	Closing Balance (Tk)
00077	Syed Golam Wadud	29.01.2012	-9,408,530.00
		30.01.2012	-17,387,368.00
		06.02.2012	-3,032,519.00
		07.02.2012	-3,384,420.00
		09.02.2012	-2,943,383.00

Code	Name of the Director	Date	Closing Balance (Tk)
01216	Mozammel Haque Bhuiyan	13.02.2013	-650,377.00
		14.02.2013	-1,281,368.00
		17.02.2013	-1,909,752.00
		18.02.2013	-1,698,621.00
		19.02.2013	-2,160,643.00
		24.02.2013	-2,551,979.00
		09.06.2016	-6,281,203.00
		12.06.2016	-6,971,254.00



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Code	Name of the Director	Date	Closing Balance (Tk)
09456	Syed Golam Mustafa	26.04.2009	-7,937,198.00
		27.04.2009	-9,224,603.00
		10.05.2009	-2,744,261.00
		17.08.2011	-198,825.00
		05.01.2012	-93,802.00

Contraventions: From the aforesaid activities it evident that Sharp Securities Limited violated the Commission Directive No. SEC/CMRRCD/2001-43/51 dated July 22, 2010 by utilizing margin facilities to their directors.

3. During the inspection it is observed that the Directors of Sharp Securities Limited were withdrawn money from their client code despite of insufficient/negative balance in their code

Code	Name of the Director	Date	Withdrawn Amount	Closing Balance(Tk)
00001	MR. M.M. Mustafa Zamal	30.12.2012	5,800,000	-5,166,389.00
		27.01.2013	400,000	-691,959.00



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Code	Name of the Director	Date	Withdrawn Amount	Closing balance(Tk)
00100	Syed Golam Wadud	08.12.2011	7,08,206	-800,901.00
		25.04.2012 to 06.05.2012	13,37,990	-1,183,414.00
		12.09.2012	6,25,000	-662,972.00
		22.10.2012	10,00,000	-474,508.00
		04.11.2012 to 05.11.2012	4,33,336	-804,643.00
		27.12.2012	4,50,000	-5,569,423.00
		19.05.2013 to 02.06.2013	21,55,800	-2,163,826.00
		05.11.2013	16,15,000	-2,996,178.00



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Code	Name of the Director	Date	Withdrawn Amount	Closing balance(Tk)
00077	Syed Golam Wadud	30.10.2012	14,00,000	-1,240,519.00
		13.11.2012	10,00,000	-2,687,267.00
		02.12.2012	11,98,000	-1,296,068.00
		06.01.2013	15,00,000	-2,929,674.00
		22.01.2013 to 27.03.2013	78,12,000	-7,836,549.00
		04.04.2013	10,00,000	-8,009,158.00
		24.04.2013	7,40,000	-8,496,070.00
		06.06.2013	500000	-8,059,394.00
		17.06.2013	1000000	-8,041,437.00
		22.07.2013 to 29.07.2013	1000000	-7,414,286.00
		05.11.2013	1000000	-8,578,830.00
01.12.2013	3200000	-2,990,328.00		
Code	Name of the Director	Date	Withdrawn Amount	Closing balance(Tk)
01216	Mozammel Haque Bhuiyan	09.07.2012	3,08,550	-8,37,529.00
		18.12.2012 to 20.12.2012	4,90,000	-5,92,299.00
		03.04.2013 to 04.04.2012	4,62,000	-13,46,020.00
		14.05.2013 to 19.05.2013	5,57,160	-11,05,040.00



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		04.12.2013	7,44,800	-8,93,757.00
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Contraventions: From the aforesaid activities it evident that Sharp Securities Limited violated the Commission Order No. SEC/CMRRCD/2001-43/51 July 22, 2010 and Rule ১ ও ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০; by providing facilities to withdraw money from their Director's Accounts without having sufficient balance.

4. Average Net Capital Balance Analysis:

As per Rule 5(1) of Margin Rules, 1999 no member shall be permitted deficit arising from transactions by a single client to exceed 25% of their average net capital. During the inspection, we analyzed the following client's summary ledger/portfolio statement and found following :

Case No: 1

Net Capital		Average Net Capital	25% of A.N.C
Month	Amount (Tk.)		
1	2	3	4
October, 2013	2,76,74,924	6,67,86,748/-	1,66,96,687/-
November, 2013	1,85,73,866		
December, 2013	2,05,37,958		

Name of the client: Nargis Naher; Client Code: 17592

Date	Closing Balance (Tk)	% of Providing Loan	% of Excess over Highest Limit
5	6	7	9
20.01.2014	-61,22,546/-	36.66% [6/3*100]	11.66%

Case No: 2

Net Capital		Average Net Capital	25% of A.N.C
Month	Amount (Tk.)		
1	2	3	4
July, 2013	2,78,56,357	2,87,49,397/-	71,87,349/-
August, 2013	2,84,94,143		
September, 2013	2,98,97,692		



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Name of the client: Major Khalil Bin Wahid ; Client Code: 02828

Date	Closing Balance (Tk)	% of Providing Loan	% of Excess over Highest Limit
5	6	7	9
03.10.2013	-92,81,952/-	32.28% [6/3*100]	7.28%

Case No: 3

Net Capital		Average Net Capital (1)	25% of A.N.C
Month	Amount (Tk.)		
1	2	3	4
April 2013	1,95,44,052/-	2,12,12,307/-	53,03,076/-
May 2013	2,28,82,062/-		
June 2013	2,12,10,809/-		

Name of the client: Nargis Naher; Client Code: 17592

Date	Closing Balance (Tk) [2]	% of Providing Loan	% of Excess over Highest Limit
5	6	7	9
15.07.3013	-62,14,738/-	29.29% [6/3*100]	4.29%

It is observed that Sharp Securities Limited has provided credit facilities to their above mentioned clients excess over the limit of 25% of average net capital.

Contravention: Through the aforesaid activities Sharp Securities Limited has violated Rule 5 of Margin Rules, 1999; by extending credit facilities to a single client more than 25% of their average net capital.

5. The Inspection team collected data relating to aggregate liabilities and net capital balance for the month of December 31, 2014, June 30, 2015, December 31, 2015 and June 30, 2016. The calculation of aggregate indebtedness ratio of those 4 (four) months, which are as follows :



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As on	Aggregate Liabilities	Net Capital Balance	Aggregate Indebtedness Ratio
December 31, 2014	42,09,56,551	2,47,61,242	1:17
June 30, 2015	35,60,70,145	2,72,14,833	1:13
December 31, 2015	35,60,70,145	2,72,14,833	1:13
June 30, 2016	35,60,70,145	2,72,14,833	1:13

It appears from the above figures that Aggregate Liabilities did not exceed the ratio of 1:20 of Net capital balance and Sharp Securities Limited maintained risk-based capital adequacy requirements as per rule 15 of the Securities and Exchange Rules, 1987 (Risk based capital adequacy).

6. Providing Margin to Dealer Account:

During the inspection it is observed that Sharp Securities Limited has provided margin facilities to their Dealer account (Code no. 40400) as following manner :

Date	Closing Balance	Remark
28.12.2011	-57,23,587.22	Providing loan facilities
29.12.2011	-56,29,332.02	
31.12.2011	-56,37,254.79	
30.09.2012	-811260.72	
01.10.2012	-1175249.42	
02.10.2012	-175249.42	

Contraventions: From the aforesaid activities, Sharp Securities Limited has violated Directive No. SEC/CMRRCD/2001-43/51 Dated July 22, 2010; by providing margin facility to their Dealer account.

7. After examining the money receive memo and register of receiving cash, it is observed that the broker receiving cash more than 05 (five) Lac from **their dealer account named SHARP SECURITIES LIMITED** (Code No. 40400), which mentioned as below :

SL	DATE	CODE & CLIENT NAME	AMOUNT
1	06/09/2012	40400 - SHARP SECURITIES LIMITED	13,800,000.00
2	01/01/2012	40400 - SHARP SECURITIES LIMITED	5,900,000.00
3	09/10/2012	40400 - SHARP SECURITIES LIMITED	4,000,000.00



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4	07/07/2013	40400 - SHARP SECURITIES LIMITED	4,000,000.00
5	15/10/2012	40400 - SHARP SECURITIES LIMITED	3,000,000.00
6	11/02/2013	40400 - SHARP SECURITIES LIMITED	2,900,000.00
7	05/03/2013	40400 - SHARP SECURITIES LIMITED	1,580,000.00
8	02/10/2012	40400 - SHARP SECURITIES LIMITED	1,000,000.00
9	03/10/2012	40400 - SHARP SECURITIES LIMITED	700,000.00

Contravention: Through the aforesaid activities, Sharp Securities Limited has violated Rule 8 (1) (cc) (i) of Securities and Exchange Rules, 1987 and Rule ১ ও ৬ of দ্বিতীয় তফসিল of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০, by receiving taka more than 05 (five) Lac in cash mode from their dealer account.

8. After examining the money receive memo and register of receiving cash, it is observed that the broker receiving cash more than 05 (five) Lac to their clients, which mentioned as below:

SL.	DATE	CODE & CLIENT NAME	AMOUNT
4	06/06/2012	01216 - MOZAMMEL HAQUE BHUIYAN	3,000,000.00
5	27/05/2014	34774 - MD. NAZIM- UD-DAULA	3,000,000.00
6	23/06/2014	00118 - MD TOFAIL AWAL	2,127,400.00
7	19/01/2012	44450 - MD AMINUL ISLAM	2,000,000.00
8	06/06/2012	00002 - MRS IRIN PERVIN	2,000,000.00
9	17/07/2013	00077 - SYED GOLAM WADUD	1,500,000.00
10	29/04/2014	02755 - AMINUL ISLAM	1,500,000.00
11	28/01/2014	00105 - MD.SHAHADAT ALI	1,305,651.00
12	03/10/2013	47421 - MRS JAHANA AFROZ	1,300,000.00
13	09/02/2012	02260 - MD HASIBUL ALAM	1,200,000.00
14	16/10/2014	48758 - ALAMGIR HOSSAIN ALAM	1,150,000.00
15	17/01/2013	00100 - SYED GOLAM WADUD	1,140,000.00
16	07/07/2013	17166 - MUHAMMAD HARUNUR RASHID	1,070,000.00
17	22/01/2012	44482 - SHARMIN AKTER HELEN	1,044,000.00
18	17/04/2012	47271 - TAHMINA AHMED LUNA	1,000,000.00
19	12/07/2012	53381 - SHAMSUNNAHAR MITU	1,000,000.00
20	27/09/2012	32533 - SHAMINA AKTAR	1,000,000.00
21	03/12/2012	48785 - KAZI GULAM KADAR	1,000,000.00
22	04/08/2013	48785 - KAZI GULAM KADAR	1,000,000.00
23	28/10/2013	02755 - AMINUL ISLAM	1,000,000.00
24	30/01/2014	33147 - BRIG GEN MD SIRAJUL ISLAM SIKDER	1,000,000.00
25	24/02/2014	33147 - BRIG GEN MD SIRAJUL ISLAM SIKDER	1,000,000.00
26	20/03/2014	43726 - MD MOSHARF HOSSAIN	1,000,000.00
27	15/07/2014	44786 - MD. BOKHTIER RAHMAN KHAN	1,000,000.00
28	06/08/2014	48815 - SHAHRUKH SARKER	1,000,000.00
29	04/09/2014	47273 - IBNE FAZAL SHAYEKHUZZAMAN	1,000,000.00
30	19/01/2014	01229 - MD. FASIHUR RAHMAN	953,370.00



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31	23/01/2012	44482 - SHARMIN AKTER HELEN	930,000.00
32	19/01/2012	44482 - SHARMIN AKTER HELEN	926,000.00
33	04/02/2014	48156 - MD.MOHSIN ALAM	925,000.00
34	06/06/2012	05895 - SHAFINAZ MEHZABIN	910,743.00
35	19/11/2012	48785 - KAZI GULAM KADAR	900,000.00
36	06/03/2014	01451 - MD. MOBARAK HOSSAIN	809,000.00
37	04/08/2014	00044 - ASMA PERVIN	808,994.00
38	25/01/2012	02731 - M. MAHMUDUR HASSAN	800,000.00
39	07/01/2013	47047 - ASIMA NILUFER BEGUM	800,000.00
40	06/10/2013	47421 - MRS JAHANA AFROZ	800,000.00
41	02/04/2014	33147 - BRIG GEN MD SIRAJUL ISLAM SIKDER	800,000.00
42	10/06/2012	43205 - MD NAZRUL ISLAM	790,000.00
43	16/04/2012	28824 - SK. TAHIDUL ISLAM	700,000.00
44	04/09/2012	30650 - MD SHAHALAM HOSSAIN	700,000.00
45	08/10/2012	04355 - MRS. OLIMA KHANDAKER	700,000.00
46	09/10/2012	44535 - SHAHNAZ HOSSAIN	700,000.00
47	09/12/2012	02964 - S.M. MASHIUR RAHMAN	700,000.00
48	14/08/2013	53119 - MD.AMINUL HAQUE	700,000.00
49	29/10/2013	44399 - MD ENAMUL KABIR	700,000.00
50	20/11/2013	48183 - MAJ BAKHTIAR FAHMI	700,000.00
51	04/02/2014	23397 - MAJOR MOHAMMAD MAHABUBUL HAQUE	700,000.00
52	04/02/2014	23397 - MAJOR MOHAMMAD MAHABUBUL HAQUE	700,000.00
53	04/02/2014	23397 - MAJOR MOHAMMAD MAHABUBUL HAQUE	700,000.00
54	11/08/2014	47047 - ASIMA NILUFER BEGUM	700,000.00
55	06/10/2013	24272 - MD. SHAHAJADA TALUKDER	666,000.00
56	24/09/2012	01379 - SHAMIMA AKHTER	657,600.00
57	08/10/2012	46661 - SHAMIM AHMED NIPUL	650,000.00
58	16/10/2012	02999 - IQBAL BAHAR ZAHID	650,000.00
59	29/01/2014	20700 - RAFIQUE AHMED	650,000.00
60	07/04/2014	44770 - A.K.M. RUMI	650,000.00
61	29/01/2014	21001 - MUSTAFA SALAM	648,249.00
62	19/03/2012	52800 - AFROZA SULTANA	627,000.00
63	11/08/2014	23369 - MD JAHANGIR ALAM	627,000.00
64	04/08/2014	00044 - ASMA PERVIN	619,542.00
65	20/05/2013	48132 - SUHANI CHOUDHURY	614,108.42
66	02/01/2012	40582 - MD SALAHUDDIN	600,000.00
67	03/01/2012	40582 - MD SALAHUDDIN	600,000.00
68	26/02/2012	50010 - SYEDA KISHWARA RAHMAN	600,000.00
69	03/04/2012	46949 - ESKENDAR SALEEM	600,000.00
70	11/07/2012	47024 - A K M SHAIFUL ISLAM	600,000.00
71	14/10/2012	30480 - KAMRUN NAHAR	600,000.00
72	17/01/2013	01216 - MOZAMMEL HAQUE BHUIYAN	600,000.00
73	02/05/2013	02828 - MAJOR KHALIL BIN WAHID (RETD)	600,000.00



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74	18/08/2013	22090 - MD. SARWAR JAHAN	600,000.00
75	04/03/2014	00100 - SYED GOLAM WADUD	600,000.00
76	02/10/2014	52080 - DILRUBA BEGUM	600,000.00
77	16/10/2014	25027 - MD SHAFIQR RAHMAN	600,000.00
78	23/03/2015	53448 - SHARMIN NAHAR	600,000.00
79	08/06/2014	00352 - CHINA KOIRI MITHILA	595,000.00
80	24/07/2014	00044 - ASMA PERVIN	592,226.00
81	02/06/2014	00118 - MD TOFAIL AWAL	590,000.00
82	27/11/2013	40545 - MD ABDUR RAHIM	570,000.00
83	05/02/2014	47400 - MD MAHBUBUR RAHMAN	565,000.00
84	15/09/2014	40059 - SULTANA SHARIA MUNMUN	558,792.00
85	13/11/2012	53441 - OSMAN GONI	550,000.00
86	22/09/2013	53000 - LAILA MAHJABIN	550,000.00
87	07/07/2014	01216 - MOZAMMEL HAQUE BHUIYAN	550,000.00
88	15/01/2013	47047 - ASIMA NILUFER BEGUM	540,000.00
89	03/06/2013	02431 - MD SHOAB	537,845.00
90	20/02/2012	40596 - JONE KUMAR GUPTA	530,000.00
91	23/09/2012	44483 - MUSHARRAF HOSSAIN ABUL	525,000.00
92	28/02/2013	53244 - SYED ABDUS SAMAD	520,000.00
93	04/04/2013	15475 - SUMON HOWLADER	520,000.00
94	04/10/2012	09465 - MD JAHANGIR HOSSAIN	510,000.00
95	04/01/2011	47042 - Humayun Kabir	1,000,000.00
96	08/03/2011	44202- Md. Mustofa Kamal	1,010,000.00
97	09/01/2011	46323- Naima Alam	1,150,000.00
98	13/11/2011	47048-Mr. Mahmud Reza Khan	2,000,000.00
99	15/05/2011	46920- Alauddin Ahmed	1,000,000.00
100	16/03/2011	19652- Md. Moniruzzaman	1,000,000.00
101	23/02/2011	46458- Asrafun Naher	1,000,000.00
102	27/01/2011	46458- Asrafun Naher (20,00,000+14,00,000)	3,400,000.00
103	15/01/2013	47047- Asima Nilufar Begum (5,00,000+5,00,000+5,40,000)	1,540,000.00
104	16.01.2013	47048-Mr. Mahmud Reza Khan (4,00,000+4,00,000)	800,000.00
105	06/11/2013	47249- Hasib Shahriar Ahmed (4,00,000+5,00,000)	900,000.00
106	30/05/2011	45443- Md. Tareq Chowdhury (5,00,000+5,00,000+3,00,000)	1,300,000.00
107	31/05/2011	45443- Md. Tareq Chowdhury	550,000.00
108	13/04/2011	45322- Md. Abdul Haque (5,00,000+2,00,000)	700,000.00
109	25/04/2011	45443- Md. Tareq Chowdhury (5,00,000+5,00,000)	1,000,000.00

Contravention: Through the aforesaid activities, Sharp Securities Limited has violated Rule 8 (1) (cc) (i) of Securities and Exchange Rules, 1987, by receiving taka more than 05 (five) Lac in cash from its clients.



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9. As per Rule 4 (5) of BSEC Directive No. SEC/CMRRCD/2002-90/34 dated July 29, 2008 is stated that *"The Stock Broker shall make all payments through account payee cheque"*.

But, after examining the money payment memo/slip and register of payment, it is observed that Sharp Securities Limited paid huge amount in cash mode to their clients. Not only that the Broker also paid more than 05 (five) Lac in cash mode amount Tk. 5,47,000.00 to Mr. Mozammel Haque Bhuiyan, Code -1216 on 27.02.2014 and violated Rule 8 (1) (cc) (i) of Securities and Exchange Rules, 1987. The samples of those payments are mentioned as below :

SL.	DATE	CODE	CLIENT NAME	AMOUNT
1	27.02.2014	1216	Mozammel Haque Bhuiyan	547,000.00
2	25.01.2016	1216	Mozammel Haque Bhuiyan	500,000.00
3	18.01.2016	43422	Md. Mizanur Rahman	400,000.00
4	26.07.2011	C-44088	Farhana Hossain	400,000.00
5	02.06.2016	1216	Mozammel Haque Bhuiyan	235,115.00
6	13.01.2016	1216	Mozammel Haque Bhuiyan	210,500.00
7	04.08.2015	1216	Mozammel Haque Bhuiyan	200,500.00
8	30.07.2015	81	Kazi Zahirul Haq	200,000.00
9	09.06.2016	24200	Azmol Baqie	200,000.00
10	04.01.2016	1216	Mozammel Haque Bhuiyan	200,000.00
11	27.07.2011	C-9491	Tania Wadud	200,000.00
12	28.07.2011	C-1148	M.H. Rashid	200,000.00
13	06.03.2014	1210	Mohsin Mohammad	200,000.00
14	28.07.2015	44468	Farhana Yesmin	194,000.00
15	03.01.2016	1216	Mozammel Haque Bhuiyan	175,000.00
16	13.07.2015	47044	Sabrina Khan	150,000.00
17	29.11.2011	C-24272	Shahajada Talukder	150,000.00
18	13.02.2014	19	Nargis Akter	124,500.00
19	26.07.2015	15516	Md. Azmul Huda	120,000.00
20	19.01.2016	24711	Md. Ziaul Haque	100,000.00
21	31.07.2011	C-46	Sayed Golam Wadud	100,000.00
22	30.01.2014	1216	Mozammel Haque Bhuiyan	100,000.00



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23	10.02.2014	1379	Shamima Akhter	100,000.00
24	24.02.2014	1216	Mozammel Haque Bhuiyan	100,000.00
25	03.08.2015	47044	Sabrina Khan	64,500.00
26	16.06.2015	31020	Shima Rani	33,500.00

Contravention: Through the aforesaid activities, Sharp Securities Limited has violated the Rule 4 (5) of BSEC Directive No. SEC/CMRRCD/2002-90/34 dated July 29, 2008 and the Rule 8 (1) (cc) (i) of Securities and Exchange Rules, 1987, by paying in cash mode [including taka more than 05 (five) Lac] to its clients.

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

Mr. Syed Golam Mustafa, Managing Director of Sharp Securities Limited attends the hearing and submitted the following statement, which state among others, that:

With due respect I beg to submit the following facts para wise for your kind and being consideration:

No 1. Client's Payable Position:

The deficit of Tk.12,19,79882.31 as on June 30,2016 occurred due to the continuous devastating slide in the stock market since 2010. The deficit did not occur suddenly. It occurred due to continuous fall in the price of shares/securities of the different companies during last 06 years. The clients were given margin loans which they could not repay due to resultant loss in the event of recurring fall of price of shares/securities. On the other hand interest accrued in the margin loan was staggering during elapse of time. Thus the deficit was un-intentional as it was the result of devastating fall of the prices of the different companies. Stock market now has taken a positive and bullish turn.

In this respect we beg to state further that we have been making every effort and have been mastering every financial resources possible to reduce the deficit to Zero. As a result of our continued effort the deficit has come down to Tk.84,819,908.48 and client's payable stands Tk.176,034,970.55 as on 02 April,2017.

We shall replenish the deficiency gradually. We expect to replenish the deficit from our own resources by December 2017.

Furthermore, I humbly like to submit for your kind information that we have suffecient real assets in the form a commercial flat 6 kamal ataturk avenue, Banani value of which is estimated to be more or less Tk.10 crore, 1.5 acre land at inani beach Cox's Bazar roughly valued Tk.1.5 crore and 8 bigas of land at Mouza: Rajapur,PS: Sreepur, Dist: Gazipur, value of which may be Tk.6 crore. We are trying to dispose of some of the above propertises. The sale proceeds will be deposited to replenish the deficiency making it to be Zero.



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In the face of the degenerating circumstances of stock market since 2010 the matter may kindly be treated sympathetically.

I beg further to bring it to your kind notice similar show-cause notice was served on us under memo no BSEC/Enforcement/2391/2017/54 dated February 13, 2017 and Board of the BSEC was pleased hear us personal on 27.02.2017 in the Securities and Exchange Commission office at Agargaon.

2. Margin Loan Facilities to Directors:

We cannot deny the fact that Sharp Securities Limited provided margin facilities to its directors on different dates during the year from 2010 to 2014. Actually we were not aware of this violation during that time period. We feel sorry for the violation. We did not give any margin facilities to the directors from the year 2015 to till now. The negative balance that you mentioned in the Director's account of Mr. Mozammel Haque Bhuiyan in year 2016 occurred due to share purchase against cheque deposit.

Now there is no negative balance on any director's account.

Personal hearing on this issue also held on 27.02.2017 as mentioned in para 2 The update ledger balances of the director of the company are enclosed for your kind perusal.

3. Money withdrawn in Directors account despite of insufficient/negative balance:

We cannot deny the fact that Sharp Securities Limited provided money withdrawal facilities to its directors in different amount despite of negative/ insufficient balance during the year 2011 to 2013 on different dates. Actually we were not aware of this violation during that time period. We feel sorry for the violation. At present we do not provide this type of facilities.

4. Violation regarding loan facilities against Net Capital Balance:

We were fully unaware about this issue at that time period. We are complying this regulation at present. Upto-date ledger balance of Nargis Nahar (Client Code# 17592 and Major Khalil Bin Wahid (Client code# 02828) enclosed.

5. Providing Margin to Dealer Account:

Sharp Securities Limited has provided margin facilities to its dealer account on different dated in year 2011-2012. We were fully unaware about this issue at that time period. We feel sorry for this violation. At present we do not provide any credit facilities to dealer account.

6. Cash receive above 5(five) lac from dealer account.

7. Cash receive above 5(five) lac from clients

8. Cash payment to client above 5(lac)

As to the charges in para's 6,7 and 8 as mentioned above with utmost humbleness, I beg to submit that there is no denying that some violation of rules concerned have occurred. We beg unconditional apology for that. But these were amongst others due to unawareness of rules and regulations during the year 2011-2014. It was unintentional too.



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Since the inspection of the BSEC inspection team, we got a good and practical guide lines in prosecuting our business and it has made us more careful and adherent to relates rules & regulations.

Considering all these circumstances, I pray and hope that your honor will benignly exonerate us of the charges and thereby enable us to contnue our business for which act of kindness we shall be grateful to your magnanimous being.

Sharp Securities Limited এর লিখিত বক্তব্য কমিশনের বিচেনায় গ্রহণযোগ্য হয়নি।

যেহেতু, Sharp 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 Sharp Securities Limited এর উপর ২৫ (পচিশ) 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

Sharp Securities Limited
DSE TREC # 216
Bangladesh Samabay Bank Bhaban(5th floor)
9/D, Motijheel C/A,Dhaka-1000