BANGLADESH SECURITIES AND EXCHANGE COMMISSION

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

নং-বিএসইসি/এনফোর্সমেন্ট/২০৬৩/২০১৪/১৪৭ তারিখঃ ৩০ এপ্রিল ২০১৫ ইং

ফারইস্ট স্টকস্ অ্যান্ড বন্ডস্ লিমিটেড
ইউনূস ট্রেড সেন্টার লেভেল-৮
৫২-৫৩, দিলকুশা বা/এ
ঢাকা-১০০০

বিষয়: আদেশ।

কমিশনের ৩০ এপ্রিল ২০১৫ ইং তারিখের আদেশ নং- বিএসইসি/এনফোর্সমেন্ট/২০৬৩/২০১৪/১৪৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহনের জন্য এতদ্‌সংগে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে

মোঃ ইউসুফ ভূইয়া
উপ-পরিচালক

বিতরনঃ

প্রধান নির্বাহী কর্মকর্তা, ঢাকা ষ্টক এক্সচেঞ্জ লিমিটেড
প্রধান নির্বাহী কর্মকর্তা, চট্টগ্রাম ষ্টক এক্সচেঞ্জ লিমিটেড

অবগতির জন্য অনুলিপিঃ

১। নির্বাহী পরিচালক, আইন, বিএসইসি
২। নির্বাহী পরিচালক, সার্ভেইল্যান্স, বিএসইসি
৩। নির্বাহী পরিচালক, এমআইএস, বিএসইসি
৪। *চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি*

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

নং-বিএসইসি/এনফোর্সমেন্ট/২০৬৩/২০১৪/১৪৬ তারিখঃ৩০এপ্রিল ২০১৫ ইং

আদেশ

যেহেতু, কমিশন, Fareast Stocks & Bonds Limited (ডিএসই টিআরইসি নং-২২৬) কে তার আবেদনক্রমে, নির্ধারিত শর্তাধীনে সিকিউরিটিজ ক্রয় বিক্রয় কর্মকান্ড পরিচালনা করার জন্য 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' (অত:পর '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/INS/DSE-MEM/2010/1068 dated October 09, 2013 এর মাধ্যমে Fareast Stocks & Bonds Limited এ পরিদর্শনের জন্য একটি কমিটি গঠিত হয় এবং উক্ত পরিদর্শন কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপঃ

"1. After randomly checking relevant documents collected from Fareast Stock & Bond Limited, It was found that in respect of the following clients bought non-margin securities (as the PE ratio is over 40) using margin loan as shown below:

Client Name & Code	Buy Date	Script name, Qty. & Rate	Transaction type	Amount used to buy	Matured Fund(Opening balance)	Deposits	PE ratio at the opening of day
Mrs. Sufia Islam Code- D2166 (Annexure-09)	20.02.13	DELTASPIN 6.600@ 39.60	Buy	262,254.69	-15,037,259.15	nil	120.63
Md. Serajes Salekin Code-D0088 (Annexure-10)	30.07.13	ONEBANKLTD 400,000@15.96	Buy	6,382,350.00	-141,731,861.23	nil	61.25
Mr. Golam Kibria Code-D0013 (Annexure-11)	30.07.13	ONEBANKLTD 400,000@15.66	Buy	6,263,250.00	-308,789,119.14	nil	61.25
	31.07.13	ONEBANKLTD 113,500@15.70	Buy	1,781,950.00	-308,787,541.47	nil	65.42
	01.08.13	ONEBANKLTD 186,500@15.70	Buy	2,832,550.00	-308,768,559.24	nil	63.33

Contraventions: Through the aforesaid activity Fareast Stock & Bond Limited has violated SEC **Directive No. SEC/CMRRCD/2001-43/42 dated June 15, 2010** by extending credit facilities to purchase shares of non-margin securities (as the PE ratio is over 40).

2. As per the Commission's Directive No. SEC/CMRRCD/2001-43/51 dated July 22, 2010 stated that
" 2. shall not provide credit facilities to their directors or their spouse or any of their dependent persons or stock-dealer concerned."

It was found from the Financial/Transaction Ledger of Dealer account of Fareast Stock & Bond Limited that credit facility was provided to the dealer account on various dates. Some of which are given below:

Dealer Name: Fareast Stocks & Bonds Limited Code: D0001

Date	Closing Ledger Balance
25-Jul-13	-368,786.89
28-Jul-13	-414,317.69
29-Jul-13	-666,479.32
30-Jul-13	-964,106.47
31-Jul-13	-773,453.90
1-Aug-13	-1,751,442.78
5-Aug-13	-1,184,463.78
12-Aug-13	-919,156.69
13-Aug-13	-224,650.23
14-Aug-13	-636,826.68
18-Aug-13	-596,648.36
19-Aug-13	-634,974.48
20-Aug-13	-3,219,285.66
21-Aug-13	-2,780,640.50
22-Aug-13	-2,649,208.10

Contravention: Through the aforesaid activity Fareast Stock & Bond Limited has violated SEC **Directive No. SEC/CMRRCD/2001-43/51 dated July 22, 2010** by providing credit facility to the dealer account.

3. It appears form the transaction ledgers and portfolio statements of the following clients that Fareast Stock & Bond Limited allowed withdrawal of money from the Customer's Account in spite of negative equity balance in the account, which are shown in the following tables:

Client Code	Client Name	Position as on	Equity (Tk)	Loan Balance (Tk)	Amount of Payment (Tk)	Equity to Loan (%)
D0688	Md. Delwar Hossain	26-08-2013	-8,485,157.56 Negative Equity	-16,415,383.06	170,000.00	Loan ratio is not measurable because Equity is negative.
D0437	Dulal Roy	24-03-2013	-20,678,133.08 Negative Equity	-50,973,546.98	5,606,945.00	Loan ratio is not measurable because Equity is negative.
D0334	Md. Abul Kalam	27-05-2012	-8,918,925.64 Negative Equity	-21,757,396.64	200,000.00	Loan ratio is not measurable because Equity is negative.
D0286	Mr. Sk. Yousuf Ali	27-02-2013	-57,212,643.49 Negative Equity	-109,439,243.49	100,000.00	Loan ratio is not measurable because Equity is negative.
D0080	Prime Financial Securities Ltd.	17-05-2012	-28,239,928.96 Negative Equity	-58,600,657.36	124,000.00	Loan ratio is not measurable because Equity is negative.

D0081	Md. Fazlul Haque	11-03-2012	-36,542,884.84 Negative Equity	-62,609,131.24	500,000.00	Loan ratio is not measurable because Equity is negative.
D0081	Md. Fazlul Haque	27-02-2013	-51,793,380.89 Negative Equity	-74,701,895.79	39,000.00	Loan ratio is not measurable because Equity is negative.
D0338	Md. Abul Kalam	11-03-2012	-10,239,712.46 Negative Equity	-22,166,372.46	400,000.00	Loan ratio is not measurable because Equity is negative.
D0242	Mr. Md. Jahangir Hossain	11-03-2012	-9,288,297.82 Negative Equity	-29,130,918.22	1,090,000.00	Loan ratio is not measurable because Equity is negative.
D0242	Mr. Md. Jahangir Hossain	27-02-2013	-14,604,173.30 Negative Equity	-34,655,836.10	24,570.00	Loan ratio is not measurable because Equity is negative.
D0011	Chowdhury Rakibul Haque	11-03-2012	-21,878,545.68 Negative Equity	-46,285,260.28	600,000.00	Loan ratio is not measurable because Equity is negative.
D0084	M. A. Kashem	27.03.2012	-1,619,624.13 Negative Equity	-9,141,775.00	2,500,000,00	Loan ratio is not measurable because Equity is negative.
D0087	Tanvirul Haque	27-05-2012	-2,367,898.24 Negative Equity	-12,448,516.04	2,500,000.00	Loan ratio is not measurable because Equity is negative.

Contravention: Through the aforesaid activities, Fareast Stock & Bond Limited violated the rule **3(9) of Margin Rules, 1999 & Section 11 of** সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ by allowing withdrawal of money from the Customer's Account in spite of negative equity balance in the account.

4. The inspecting officers found that Fareast Stock & Bond Limited provided excess margin loan facilities to their clients as on 09-10-2013. The details are as follows :

Client Code	Client Name	Owner's Fund/Deposit (Tk)	Loan Balance (Tk)	Margin Ratio Actually Used	Maximum limit as per Directive
1	2	4	5	6	7
D0013	MR GOLAM KIBRIA	64,300,510.56	-323,657,657.3	1:5.03	**1:1.5**
D0025	MODERN DIAGNOSTIC CENTRE LTD.	-54,507,587.59	-244,067,164.2	Margin ratio is not measurable because Owner's Fund/Deposit is negative	**1:1.5**
D0002	GOLAM KIBRIA	46,710,408.27	-218,686,479.2	1:4.68	**1:1.5**
D0088	MD. SERAJES SALEKIN	-8,633,370.01	-149,710,550.2	Margin ratio is not measurable because Owner's Fund/Deposit	**1:1.5**

ফোন (পিএবিএক্স) : +৮৮০-২-৯৫৬৮১০১-২, +৮৮০-২-৯৫১৫৫২৫, ফ্যাক্স : +৮৮০-২-৯৫৬৩৭২১, ই-মেইল : secbd@bdmail.net, ওয়েব : www.secbd.org, www.sec.gov.bd

				is negative	
D0286	MR. SK. YOUSUF ALI	-5,242,369.58	-125,211,804.3	Margin ratio is not measurable because Owner's Fund/Depositis negative	1:1.5
D0030	MD. MOSTAFIZUR RAHMAN	-23,232,059.27	-95,544,369.41	Margin ratio is no measurable because Owner's Fund/Deposit is negative	1:1.5
D0081	MD. FAZLUL HAQUE	12,758,874.76	-86,013,914.62	1:6.74	1:1.5
D0080	PRIME FINANCIAL SECURITIES LTD.	19,051,878.20	-79,190,929.16	1:4.16	1:1.5
D2091	MR. MONIRUL ISLAM PATWARY	27,637,338.00	-77,711,618.3	1:2.82	1:1.5
D0437	Dulal Roy	-9,290,297.69	-70,218,936.55	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0011	CHOWDHURY RAKIBUL HAQUE	11,227,267.73	-63,558,914.52	1:5.66	1:1.5
D0029	MD. LIAKAT HOSSAIN	10,282,596.95	-47,917,376.74	1:4.66	1:1.5
D0289	DULAL ROY	-15,982,728.78	-50,793,854.88	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0337	MST. NINA AYRIN	-12,492,652.95	-43,327,597.57	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0242	Mr Dr. Md. Jahangir Hossain	-1,723,603.42	-3,989,6254.95	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0590	MOHASINA MD. ALI	-2,120,141.32	-3,632,9978.87	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0188	MR. MD.NAZRUL ISLAM KHAN	884,575.77	-33,918,123.3	1:38.34	1:1.5
D0338	MD. ABUL KALAM	-4,134,585.87	-31,100,236.69	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0010	MAHMUD SHAHID	-6,599,411.78	-30,844,307.84	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0334	MD. ABUL KALAM	-8,428,816.42	-29,394,352.31	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0470	TANJANA FERDOUS	-5,034,582.27	-2,4076,607.28	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0270	ASIF BINDOZA	-5,665,296.59	-23,581,013.06	Margin ratio is not measurable because	1:1.5

				Owner's Fund/Deposit is negative	
D0600	MR. KHONDOKER MOZAMMEL HOQUE KHOKON	-2,200,209.26	-21,403,169.13	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
A0093	MD. MAHBUBUL HOQUE	5,546,691.52	-20,892,265.92	1:3.77	1:1.5
D0112	MIZANUR RAHMAN MOSTAFA	-37,930.71	-19,912,004.63	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0563	MD. AMINUL ISLAM	8,430,615.15	-19,665,741.83	1:2.33	1:1.5
D0087	TANVIRUL HAQUE	10,419,045.40	-19,030,472.72	1:1.83	1:1.5
D0383	MD. ABUL KALAM AZAD	-1,394,955.32	-18,677,716.63	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0074	RASHED MOHAMMED MAZHAR	6,450,425.40	-18,357,402.13	1:2.85	1:1.5
D0688	MD. DELWAR HOSSAIN	1,663,971.16	-16,938,832.73	1:10.18	1:1.5
D0999	ABU MD. SIDDIQUE ALAM	5,232,755.62	-16,376,615.19	1:3.13	1:1.5
D0150	TANJANA FERDOUS	-2,689,778.61	-15,407,055.49	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0224	FERDOUS KHANAM MUKTA	7,072,507.51	-15,197,322.89	1:2.14	1:1.5
D0084	M. A. KASHEM	9,134,699.00	-14,804,906.93	1:1.62	1:1.5
D0070	MD. MIZANUR RAHMAN	-617,198.64	-14,330,713.13	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5
D0837	MD. ABDUL RAZZAK	-626,656.56	-14,273,601.65	Margin ratio is not measurable because Owner's Fund/Deposit is negative	1:1.5

Contravention: Through the aforesaid activities Fareast Stock & Bond Limited violated the Commission's Directive No. SEC/CMRRCD/2009-193/135 dated September 30, 2012 and thereby violated Section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

5. In case of the following client, the said stock-broker extended credit facilities to purchase shares of the listed "Z" category companies (Non-Marginable Securities):

Client Code: A0067 Client Name: Md. Zamshed Fazira

Buy Date	Script name. Qty. & Rate	Transaction type	Amount used to buy	Matured Fund(Opening Ledger Balance)	Deposits	Closing Ledger Balance
16.06.13	DELTALIFE 4,878.90 @50	Buy	243,945.00	-234,176.900	30,000.00	-235,834.25

Contravention: Through the aforesaid activities Fareast Stock & Bond Limited violated SEC Directive No. SEC/CMRRCD/2001-43/169 dated October 01, 2009 by providing credit facilities to purchase shares of the listed "Z" category companies (Non-Marginable Securities).

6. As per Section 8A of Securities and Exchange Rules, 1987, every member shall maintain a consolidated customers' account in his name with any schedule bank but the Fareast Stock & Bond Limited is maintaining the following 05 consolidated customer bank accounts:

Sl. No.	Name of the Bank	A/C No.
1.	One Bank Ltd.	0010025181026
2.	One Bank Ltd.	0015025181028
3.	One Bank Ltd.	0010025181034
4.	Southeast Bank Ltd.	0013100000734
5.	One Bank Ltd.	0015025181001

Contravention: Through the aforesaid activities Fareast Stock & Bond Limited violated Section 8A of Securities and Exchange Rules, 1987 by maintaining 05 (Five) Customer Consolidated Bank Account.

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

Reference to your office letter # SEC/Enforcement/2063/2014/235 dated May 20, 2014 regarding the Show cause cum notice of hearing: Non-compliance of securities related laws; we hereby clarify our position against the findings as under:

- **Findings 1:** After randomly checking relevant documents collected from Fareast Stocks & Bonds Limited, it was found that some clients bought non margin securities using margin loan.

  Management Response: According to our records no clients were allowed to buy non margin securities using margin loan. All the actual P/E ratio was within the maximum limit i.e.40. Details records are given below:

Name & Code	Buy Date	Script & quantity	Buy Amount	Reported P/E	Actual P/E on that day
Mrs. Sufia Islam (Code#D2166)	20.02.13	Delta Spinning 6,600 @39.60	262,254.69	120.63	35.60
Mr. Serajes Salekin (Code # D0088)	30.07.13	One Bank 400000 @15.96	6,382,350.00	61.25	7.27
Mr. Golam Kibria (Code#D0013)	30.07.13	One Bank 400,000 @ 15.66	6,263,250.00	61.25	7.27
	31.07.13	One Bank	1,781,950.00	65.42	7.77

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

	01.08.13	113,500 @ 15.70 One Bank 186,500 @15.70	2,832,550.00	63.33	7.52

On the basis of above records we are in the opinion that no contravention was made relating to the SEC Directive No. SEC/CMRRCD/2001-43/42 dated June 15, 2010. It is also opined that the information mentioned in the report was done inadvertently and hence requires no further explanations.

- **Findings 2:** It was found from the Financial/Transaction Ledger of Dealer Account of Fareast Stocks & Bonds Limited that credit facility was provided to the dealer account on various dates.

Management Response: Regarding the above finding, with regret we inform you that some of the amounts deposited to the company's account were not recorded in the software for which financial/transactional ledger of dealer account were shown in negative balance. The amount was transacted through declared bank account. If the deposits were properly recorded, negative closing ledger balances were not happen. Details of the records are presented below:

Date of transaction	Closing ledger balance	Deposit	Withdrawal	Actual closing ledger balance
23.07.2013	2,020,625.56	755,000.00	0.00	2,775,625.56
25.07.2013	-368,786.89	305,000.00	0.00	691,213.11
25.07.2013	-368,786.89	442,000.00	0.00	1,133,213.11
29.07.2013	-666,479.32	1,100,000.00	0.00	1,935,520.68
29.07.2013	-666,479.32	150,000.00	0.00	2,085,520.68
30.07.2013	-964,106.47	50,000.00	0.00	1,837,893.53
31.07.2013	-773,453.90	300,000.00	0.00	2,328,546.10
01.08.2013	-1,751,442.78	2,100,000.00	0.00	3,450,557.22
04.08.2013	-1,751,442.78	0.00	1,500,000.00	1,950,557.22
05.08.2013	-1,184,463.78	300,000.00	0.00	4,317,536.22
14.08.2013 (Dividend)	-636,826.68	220,320.00	0.00	5,085,496.32
19.08.2013	-634,974.48	0.00	1,800,000.00	3,287,345.52
19.08.2013	-634,974.48	1,250,000.00	0.00	6,337,345.52
20.08.2013	-3,219,285.66	0.00	700,000.00	3,053,034.34
21.08.2013	-2,780,640.50	125,000.00	0.00	4,316,679.50
22.08.2013	-2,649,208.10	2,800,000.00	0.00	7,248,111.90
Total		**9,897,320.00**	**4,000,000.00**	

We express our sincere regret for such mistake and inconveniences caused to your department for such mistakes. We assure you that we will take appropriate care in future and such mistake will happen again.

ফোন (পিএবিএক্স) : +৮৮০-২-৯৫৬৮১০১-২, +৮৮০-২-৯৫৬১৫২৫, ফ্যাক্স : +৮৮০-২-৯৫৬৩৭২১, ই-মেইল : secbd@bdmail.net, ওয়েব : www.secbd.org, www.sec.gov.bd

- **Findings 3:** Fareast Stocks & Bonds Limited allowed withdrawal of money from the Customers' Account in spite of negative equity balance in the account.

  Management Response: According to company policy, no clients are allowed to withdraw fund against negative equity. Rather to save the company as well as the client, in special cases fresh funds are pumped in.

  In the current market scenario many of our client's portfolio went under negative equity and they are not interested to depositing fresh fund for right shares in the same BO account. Rather they renounce the same right shares to BO account maintained in another brokerage house. In order to minimize company's loss, and according to management's overall decision, management deposits fund against the right subscription by debiting the negative equity portfolio thus reducing the cost of per share.
  We believe this procedure ultimately helps the client making his fund free to operate in the capital market.

- **Findings 4:** The inspecting officers found that Fareast Stocks & Bonds Limited provided excess margin loan facilities to their clients as on 09-10-2013.

  Management Response: As on October 09, 2013 the loan ratio was above the limit. But the reported clients were enjoying margin facility from the very beginning of May 2010 when the margin ratio was 1:2. In the mean time over the period interest has been charged and many clients suffered huge loss for market fall. At that time it was not possible to collect fresh fund from the clients, which resulted negative equity in the ledger balance and the loan ratio exceeded the limit. Some instances are given below:

Code	Client Name	Net Deposit	Margin Loan	Interest & Charges	Margin Ratio
D0013	Golam Kibria	64,300,510.56	323,657,657.30	176,050,405.95	1:5.03
D0002	Golam Kibria	46,710,408.27	218,686,479.20	117,057,229.87	1:4.68
D0081	Md. Fazlul Haque	12,758,874.76	84,647,214.80	321,698,371.08	1:6.74
D0080	Prime Securities Ltd.	19,051,878.20	77,932,641.71	31,951,974.30	1:4.16
D2091	Monirul Islam Patwary	27,637,338.00	76,476,816.37	29,282,526.56	1:2.82
D0011	Chowdhury Rakibul Haque	11,227,267.73	62,548,758.17	29,753,543.26	1:5.66
D0029	Md. Liakat Hossain	10,282,596.95	50,114,734.34	19,964,180.89	1:4.66
D0188	Md. Nazrul Islam	884,575.77	33,379,188.48	14,870,338.10	1:38.34
A0093	Md. Mahbubul Haque	5,546,691.52	20,892,265.92	7,479,661.06	1:3.77
D0563	Md. Aminul Islam	8,430,615.15	19,665,741.83	8,637,802.93	1:2.33
D0087	Tanvirul Haque	10,419,045.40	19,030,472.72	11,129,195.50	1:1.83
D0074	Rashed Mohammed Mazher	6,450,425.40	18,357,402.13	15,900,674.59	1:2.85
D0688	Md. Delwar	1,663,971.16	16,938,832.73	6,718,687.75	1:10.18

	Hossain				
D0999	Abu Md. Sidduqe	5,232,755.62	16,376,615.19	7,310,988.00	1:3.13
D0224	Ferdous Khanam Mukta	7,072,507.51	15,197,322.89	6,067,182.59	1:2.14
D0084	M A Kashem	9,134,699.00	14,804,906.93	9,894,355.24	1:1.62

Moreover it is mentionable that the deposit has been considered as net deposit after adjusting realized loss and withdrawal.

Considering the market situation and client's huge loss, it is our humble request to consider the cases on special basis and not to consider as contravention of Commission's directive No. SEC/CMRRCD/2009-193/135 dated September 30, 2012.

- **Findings 5:** Stock Broker extended credit facilities to purchase shares of the listed Z category companies (Non-Marginable Securities).

Management Response: Regarding the client named Md. Zamshed Fazria bearing code # A0067 of our Agrabad Branch we inform you that Mr. Fazira purchased 50 numbers shares of Delta Life for Tk.243,945 against sale of Tk.214,120 and deposit of Tk.30,000. According to the trade confirmation of June 16, 2013, the details are as follows:

Type	Instrument	Quantity	Taka
Sale	United Air	10,100	214,120
Deposit			30,000
Total			244,120
Buy	Delta Life	50	243,945

From the above is evident that Mr. Fazria did not use any margin on that day rather purchased the shares by his own money though Tk.214,120 was not matured in his account on that day. It was happened due to lack of knowledge of our authorized representative. We are extremely sorry for such activity and ensure that in future this will not happen again.

Considering the lack of knowledge of our authorized representative, we request you to consider the case for the first time and place our appeal not to consider the issue as contravention of Commission's directive No. SEC/CMRRCD/2001-43/169 dated October 01, 2009.

- **Findings 6:** As per Section 8A of Securities and Exchange Rules, 1987, every member shall maintain a consolidated customers' account in his name with any schedule bank but the Fareast Stocks & Bonds Limited is maintaining 5 (five) consolidated customer bank accounts.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
জীবন বীমা টাওয়ার (১৫, ১৬, ১৭ ও ২১তম তলা), ১০ দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ।

Management Response: At the initial stage of business, we opened a customer a/c with Southeast Bank Limited, which was not listed with Dhaka Stock Exchange Limited. Subsequently, to meet the Exchange's requirement, we have transferred our customer a/c to One Bank Limited. It may be noted here that according to the agreement signed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited regarding BFTN, at present there is no option of maintaining customer accounts in different banks. Presently, we are maintaining only one customer a/c no. 0010025181026 (link STD. 0015025181028) with One Bank Limited from December 01, 2010.

We hope the above explanations and regret will resolve the issue and the Commission will not consider the issues as contravention of the Commission's directives. **Unquote**

Fareast Stocks & Bonds Limited এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহনযোগ্য 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, 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 Fareast Stocks & Bonds Limited এর উপর ১ (এক) লক্ষ টাকা জরিমানা ধার্য্য 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,

৩০/৪/১৫

মোঃ আঃ সালাম সিকদার
কমিশনার

বিতরনঃ
ফারইস্ট স্টকস্ অ্যান্ড বন্ডস্ লিমিটেড
ইউনূস ট্রেড সেন্টার লেভেল-৮
৫২-৫৩, দিলকুশা বা/এ
ঢাকা-১০০০