

Avt`k

Azam Securities Limited
DSE Member # 19
DSE Annex Building
9/E Motijheel C/A (6th Floor)
Dhaka - 1000.

elq: Avt`k|

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- 2| wbevnx ciPvjK, GmAviAvB, weGmBmm
- 3| wbevnx ciPvjK, GgAvBGm, weGmBmm
- 4| tPqvig"vb gtnv`tqi`βi, weGmBmm

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#h#nZ, an inspection order No.SEC/SRI/INS/DSE-MEM/2010/830 dated May 14, 2013, the inspecting team was constituted to inspect Azam Securities Limited. The inspection report stated, among others, the following

4. "It is observed from the transaction ledger of the clients stated below, that Azam Securities Limited allowed financial adjustment facility to those clients in same script. Azam Securities Limited does not provide margin loan facility to its clients. Hence, if it is found that the clients got debit balance on previous day end or insufficient credit balance/purchase power, then buy and sale of same instrument considered as financial adjustment facility in same script.

A. Client Code: 13579

Client Name: Md. Miss. Labony Akter Mukta

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	17.06.12	DHAKAINS	500 (Buy & Sale)	Buy- 32,200 Sale- 30,700	-898,295.79
2	04.11.12	AAMRATECH	250 (Buy & Sale)	Buy- 14,250 & Sale- 14,750	-908,254.66

B. Client Code: GN114

Client Name: Syed Abdullah Farhad, Joint Holder: Rakumon Nesa Chowdhury

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	19.04.12	SPCERAMICS	5,000 (Buy & Sale)	Buy- 216,500 Sale- 226,000	-665,140.60
2	08.05.12	SPCERAMICS	3,9 00 (Buy & Sale)	Buy- 149,760 Sale- 152,490	-612,192.20
3	21.03.12	SPCERAMICS	2,400 (Buy & Sale)	Buy- 69,190 Sale- 72,280	-220,838.04
4	12.11.12	CMCKAMAL	3,000 (Buy & Sale)	Buy- 92,700 Sale- 97,200	-247,053.86

C. Client Code: 0550

Client Name: Ruhul Amin

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	26.04.11	ANLIMAYARN	50 (Buy & Sale)	Buy- 22,262.50 Sale- 24,237.50	-1,914,321.97
2	23.05.12	GP	1,000 (Buy & Sale)	Buy- 203,000 Sale- 205,900	-505,745.77
3	04.06.12	GP	2,000 (Buy)& 1,800 (Sale)	Buy- 410,000 Sale- 366,660	-886,499.50

D. Client Code: CK1270

Client Name: Salina Akter, Joint Holder: S M Shahab Uddin

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	04.05.11	KPCL	1,000 (Buy) & 1,500 (Sale)	Buy- 84,200 & Sale- 128,250	-351,169.23
2	09.05.11	PRIMEFIN	250 (Buy & Sale)	Buy- 34,660 & Sale- 35,250	-400,090.55

E. Client Code: CK40

Client Name: Shalina Akter

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	14.12.10	ARAMITCEM	50 (Buy & Sale)	Buy- 85,200 & Sale- 87,225	-273,504.19
2	16.11.11	AGNISYSL	10,000 (Buy & Sale)	Buy- 262,500 & Sale- 271,000	-550,526.47
3	05.03.12	BEACHHTCAH	2,000 (Buy & Sale)	Buy- 70,600 & Sale- 72,750	-847,807.75
4	11.03.12	BEACHHTCAH	1, 500 (Buy & Sale)	Buy- 48,700 & Sale- 48,100	-886,452.96
5	20.03.12	BEACHHTCAH	3, 000 (Buy & Sale)	Buy- 112,950 & Sale- 114,900	-916,391.48

F. Client Code: SZ431

Client Name: Syeda Rahima Begum

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	18.11.12	BEACONPHAR	105,000 (Buy & Sale)	Buy-1,675,000 Sale- 1,672,500	163.53

G. Client Code: SZ707

Client Name: Md. Kamrul Hossain

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	09.10.12	AAMRATECH	1,500 (Buy & Sale)	Buy- 103,350 Sale- 106,650	1058.37

H. Client Code: SZ1184

Client Name: Mrs. Sayma Sultana Chowdhury

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	07.03.12	BXPHERMA	650 (Buy & Sale)	Buy- 48,555 Sale-49,400	-2,197.42

I. Client Code: SZ241

Client Name: Bibash Chandra Das

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	31.01.12	SINGERBD	650 (Buy)& 700 (Sale)	Buy- 141,030 Sale- 145,075	2,051.14

2	01.03.12	MACSONSPIN	2,000 (Buy & Sale)	Buy-45,400 Sale- 44,400	9,343.29
3	15.03.12	MACSONSPIN	1,000 (Buy & Sale)	Buy-22,500 Sale- 22,400	-4,617.61
4	18.09.12	SAIHAMTEX	3,200 (Buy & Sale)	Buy- 130,880 Sale- 140,800	2,083.79

J. Client Code: SZ13
Client Name: Md. Belal Uddin

Sl. No.	Date	Instrument Name	Quantity	Transaction details	Previous Ledger Balance
1	29.01.12	CMCKAMAL	900 (Buy & Sale)	Buy- 29,420 Sale-28,360	-23.31

Contraventions: Azam Securities Limited has violated **the condition of SEC/SRMID/94-231/472 dated Feb 13, 2005** through the aforesaid activities.

02. It is observed from the ledger balance of clients of the Azam Securities Limited that the said broker extended credit facilities amounting Tk. 36,497,335.53 to its clients (who are operating cash account) without any margin agreement. However, the said stock broker informed that “Azam Securities Limited do not provide any loan facilities to our clients and we do not have any agreement with our client regarding margin facilities. All the accounts of our clients are cash type.”

List of clients who availed highest margin loans are as follows:

ACCOUNT TYPE: CASH , Date- 05.20.2013

Sl. No.	Client Name	Client Code	Closing Ledger Balance
1	MISS. LABONY AKTER MUKT	13579	-712,907.17
2	MD. JAHANGIR ALAM	10560	-651,625.54
3	A.T.M. GOLAM RASUL	12638	-451,320.95
4	MD. ABDUR RAKIB	13300	-427,838.42
5	ABUL HASAN BISWAS	2208	-382,844.78
6	MIZANUR RAHMAN	10759	-345,446.29
7	KHALED AHMED KHAN	BN 1658	-331,103.71
8	AKM MIZAN-UR RASHID C	AL3	-315,433.15
9	SAYYED ERFAN MOON	FA555	-310,803.65

Contravention: Through the aforesaid activities, Azam Securities Limited violated Rule 3 of Margin Rules, 1999 as well as Rules 8(1) (ccc) of the Securities and Exchange Rules, 1987 by utilizing credit facilities to cash accounts without margin agreement.

03. It is found that Azam Securities Limited extended margin loan facilities to its following 4 (four) Directors for trading shares. Details are given below:

Table-1

Client Code	Name of the Director	Date	Ledger balance/ Closing balance
MN786	AHMED KABIR MAJUMDER	27.03.13	-103,734.69

Table-2

Client Code	Name of the Director	Date	Ledger balance/ Closing balance
0132	MD. YOUSUF CHOWDHURY	01.01.11	-243,699.13
		03.01.11	-244,399.13
		11.01.11	-390,195.21
		11.01.11	-290,195.21
		12.01.11	-132,669.21
		12.01.11	-267,171.51
		13.01.11	-333,118.76
		19.01.11	-239,650.01
		30.01.11	-308,807.06
		31.01.11	-363,219.81
		31.01.11	-298,414.81
		01.02.11	-357,090.31
		30.03.11	-18,867.82
		31.03.11	-58,386.02
		24.07.11	-677,919.54
		25.07.11	-496,319.54
		27.07.11	-500,545.46

Table-3

Client Code	Name of the Director	Date	Ledger balance/ Closing balance
0003	WAKIL UDDIN AHMED	26.04.11	-1,796,364.08

Table-4

Client Code	Name of the Director	Date	Ledger balance/ Closing balance
0501	MD. NURUL ISLAM	14.02.11	-106,374.87
		15.02.11	-100,407.75
		27.02.11	-177,435.27
		02.03.11	-27,275.47
		03.03.11	-127,956.02
		08.03.11	-160,191.62
		21.03.11	-366,609.22
		22.03.11	-307,406.72
		20.04.11	-277,457.22
		29.05.11	-275,148.44
		31.05.11	-269,287.44

Contraventions: From the aforesaid activities it evident that Azam Securities Limited violated the Commission Order No.SEC/CMRRCD/2001-43/51 dated July 2010 by utilizing loan facilities to their directors.

04. Azam Securities Limited provided loan facilities to the following clients to purchase “Z” Category share violating the securities law.

Date	Script name	Qty.	Amount	Opening Ledger balance	Closing Ledger balance
11.07.12	LAFSURCEML	2,000	65,000	-750,639	-903,606

Date	Script name	Qty.	Amount	Opening Ledger balance	Closing Ledger balance
21.12.10	DELTALIFE	10	348,287	-4,004,908	-5,019,731
23.12.10	DELTALIFE	5	179,500	-4,004,908	-5,019,731

Date	Script name	Qty.	Amount	Opening Ledger balance	Closing Ledger balance
05.10.10	LAFSURCEML	100	62,100	-155,277	-279,988
05.10.10	LAFSURCEML	100	62,000	-155,277	-279,988

Date	Script name	Qty.	Amount	Opening Ledger balance	Closing Ledger balance
10.08.11	BSC	100	27,025	-1,369,461	-1,396,461

Date	Script name	Qty.	Amount	Opening Ledger balance	Closing Ledger balance
08.06.10	LAFSURCEML	100	45,400	-321,843	-312,030
02.09.10	LAFSURCEML	50	36,812	-4,953	-41,894

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