

evsjv`k mKDUR A`vU G · PÄ Kgb
Rxb exv UvI qvi (15, 16, 17 I 21 Zjv)
10 `jKkv ev/G, XvKv-1000, evsjv`k

bs-GmBm/Gb`dvm`g>U/970/2011/318

ZwiLt 28 `g, 2013 Bs

AvBj`vU mKDUR j`gUW

dvi`K tPavi

1403, tkL gRe tiw

PUMvg|

weIq: Av`k|

evsjv`k mKDUR A`vU G · PÄ Kgb`bi 28`k `g, 2013 Bs Zwi`Li Av`k bs-
GmBm/Gb`dvm`g>U/970/2011/317 Gi mZ`wqZ Abj`c Avcbvi AeMIZ I c`qvRbxq e`e`v
Mn`bi Rb` GZ`ms`M msh³ Kiv n`jv|

evsjv`k mKDUR A`vU G · PÄ Kgb`bi c`q|,

AvEj Kvjvg AvRv`

Dc-cwiPvjK

Gb`dvm`g>U wefvM

evsjv`k mKDUR A`vU G · PÄ Kgb

weZibt

cavb wevnx KgKZv, PUMvg óK G · PÄ j`gUW|

m`q AeMIZi Rb` Abj`c:

- 1| tPqvig`vb g`nv`qi `Bi, weGmBm|
- 2| wevnx cwiPvjK, AvBb wefvM, weGmBm|
- 3| wevnx cwiPvjK, Gm Avi AvB wefvM, weGmBm|
- 4| wevnx cwiPvjK, GgAvBGm wefvM, weGmBm|

evsjv`k mKDiUR A`U G · PÄ Kgb
 Rxb exv UvI qvi (15, 16, 17 I 21 Zjv)
 10 jKkv ev/G, XvKv-1000, evsjv`k

bs-GmBm/Gbtdmgu/970/2011/

ZmLt tg, 2013 Bs

A`k

thnZ, Kgb, Avj`U mKDiUR jgUW (mGmB m`m` bs-05) tK Zvi Av`bμtg, bawiz kZvxb mKDiUR μq
 μq KgKÊ ciiPjbn Kivi Rb` evsjv`k mKDiUR A`U G · PÄ Kgb (AZ:ci 0Kgb) e+j DjjLZ) mKDiUR I
 G · PÄ Kgb AvBb, 1993 (1993 mbi 15 bs AvBb) Gi 10(1) G c`E tgzve+j mKDiUR I G · PÄ Kgb (÷K-
 Wjvi, ÷K-tevKvi I Abtg`Z ciZibia) wtagvjv, 2000 Gi wa 5(5) mn ciVZ ÷K-tevKvi/Wjvi tiiRókb mUd#KU c`vb
 KtiQ;

thnZ, Kgb Gi A`k bs SEC/SRI/INS/CSE-MEM/2010/611 dated 06.12.2012 Ges SEC/SRI/INS/CSE-
 MEM/2010/627 dated 27.12.2012 Gi gva`tg Avj`U mKDiUR jgUW G cii`kbi Rb` GKU KigU MvZ nq
 Ges D³ cii`kb KigUi `LjKZ ciZ`b Abhq findings and contraventions bæi`c:

Quote: “02 (two) Directors of Island Securities Limited traded shares with credit facilities. Details are
 given below (Table-1 & 2):

Table-1:

Client Code	Name of the Director	Date	Ledger balance/ Closing balance (In Taka)
205	Md. Mohiuddin,FCMA	08.11.10	-41,225.67
		09.11.10	-78,225.67
		10.11.10	-78,550.06
		22.12.10	-560,422.51
		23.12.10	-673,479.26
		29.12.10	-514,679.76
		02.01.11	-140,907.65
		03.01.11	-298,300.15
		06.01.11	-295,868.75
		11.01.11	-265,850.75
		16.01.11	-266,850.75
		17.01.11	-233,499.68
		18.01.11	-199,433.60
		19.01.11	-254,611.60
		25.01.11	-260,111.60
		27.01.11	-250,111.60
		30.01.11	-254,161.76
		31.01.11	-354,913.01
		01.02.11	-358,832.97
		03.02.11	-362,832.97
		06.02.11	-372,332.97
		09.02.11	-372332.97
		10.02.11	-372382.97
		15.02.11	-429,537.97
		22.02.11	-430,537.97
		24.02.11	-309,344.22

evsjv`k mmiKDwiUR A`vU G · \$PÄ Kwgkb

Rxeb exv UvIqvi (15, 16, 17 I 21 Zjv)

10 `jKkv ev/G, XvKv-1000, evsjv`k

		27.02.11	-431,134.23
		28.02.11	-319,762.73
		01.03.11	-324,954.76
		02.03.11	-284,954.76
		03.03.11	-310,954.76
		09.03.11	-315,954.76
		10.03.11	-279,954.76
		13.03.11	-325,954.76
		16.03.11	-326,954.76
		21.03.11	-327,954.76
		27.03.11	-324,004.76
		22.06.11	-30,604.64
		27.06.11	-85,521.54
		12.07.11	-24,657.25
		13.07.11	-24,657.25
		24.07.11	-76,757.05
		26.07.11	-16,338.85
		27.07.11	-29,198.05
		31.07.11	-60,439.05
		01.08.11	-61,439.05
		03.08.11	-62,073.52
		08.08.11	-62,323.52
		09.08.11	-21,323.52
		14.08.11	-64,323.52
		16.08.11	-64,323.52
		24.08.11	-14,323.52
		25.08.11	-64,323.52
		04.09.11	-64,985.56
		14.09.11	-15,985.56
		15.09.11	-13,795.89
		19.09.11	-14,056.09
		20.09.11	-15,056.09
		22.09.11	-14,203.77
		29.09.11	-14,272.86
		03.10.11	-100,884.90

Table-2:

Client Code	Name of the Director	Date	Ledger balance/ Closing balance (In Taka)
196	Nakeem Uddin Nishad	02.12.10	-946705.06
		13.02.11	-9433.49
		21.04.11	-20186.13
		05.05.11	-33151.11

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

Island Securities Limited extended margin loan facility to buy “Z” category shares in the account of Md.Ghyas Uddin, Adv. Jamal Uddin and Mohammad Enayet-E-Rabbi as shown in the following table:

Client code: 005, Name of the Investor: Md.Ghyas Uddin:

Date	Name of “Z” category Instrument	Buy quantity and rate	Buy amount (Fig in BDT)	Ledger balance/ Closing balance (Fig in BDT)
25.07.12	LAFSURCEML	10,500 @ Tk. 34.67	3,64,065/=	-8,20,151.47

Client code: 1357, Name of the Investor: Adv. Jamal Uddin:

Date	Name of “Z” category Instrument	Buy quantity and rate	Buy amount (Fig in BDT)	Ledger balance/ Closing balance (Fig in BDT)
20.05.12	LAFSURCEML	3,500 @ Tk 39.20	1,37,200/=	-17,91,727.68

Client code: 248, Name of the Investor: Mohammad Enayet-E-Rabbi:

Date	Name of “Z” category Instrument	Buy quantity and rate	Buy amount (Fig in BDT)	Ledger balance/ Closing balance (Fig in BDT)
01.10.12	LAFSURCEML	18,500 @ Tk 36.20	6,69,750/=	-9,78,703.64

Contraventions: Island Securities Limited violated the Commission’s Directive No.SEC/CMRRCD/2001-43/169 dated October 01, 2009 by extending margin loan facility to the investor in buying shares of **LAFSURCEML** which is a “Z” category securities. **Unquote:”**

thnZ, Kkgkb Dc:ijLZ cZte`b Abhvq mmiKDiiUR AvBb cnicvj`b e`\_Zi `i`b AvBj`vU mmiKDiiUR ijigUW Gi eivei GKIU show-cause-cum-hearing notice mI bs- SEC/Enforcement/970/2011/174 ZwiL 07 gP, 2013 Bs tciY Kti Ges 21 gP, 2013 Bs ZwiL kbixi `b awh` Kti Ges awh`KZ ZwiL D<sup>3</sup> tevKvi/Wjvi Gi Compliance Officer Dci`Z nq 19 gP, 2013 Bs ZwiL i cti i ga`tg ijLZ e<sup>3</sup>e` `wLj Ktib| hvZ Ab`b`i gta`, btg³ elq, j i DtiL AvQ:-

Quote: ^Yes, if you look at the ledgers there were debit balances, on number of dates during reporting period. There were transactions of buy, sales, receipt and payments. Good number of receipts and payments were not related to share buy/sales. Total buy was Tk. 72,47,182 and sale was Tk. 49,12,177 (08.11.10 to 03.10.11). In ISL ledger there is an account titled “loan received from director”. There is standing instruction to ISL management to transfer amount equal to debit balance in Director Client Accounts as and when required. Debit Balance, you call it credit facility, shown in ledger were due to negligence of finance people of ISL for ID 205.

evsjv`k mmiKDwiUR A`vU G · \$PÄ Kwgkb
Rxeb exgv UvI qvi (15, 16, 17 I 21 Zjv)
10 w` jKkv ev/G, XvKv-1000, evsjv`k

Enclosed herewith a statement showing debit balance of Code 205 and credit balance of loan from Director code 203050101. If you review the annexure practically, there were no credit facilities provided to director.

Still we say sorry for negligence of our management staff.

Pt. 1. **Table – 2:** **ID: 196**

Same reply as above.

Pt. 2. Loan facility to buy “Z” category.

Client code: 005, Name of the Investor: Md. Ghyas Uddin:

Client Code of Mr. Ghyas Uddin is 241 not 005.

On 25/07/12 Client ledger balance was Tk. (-) 848,591

He sold marginable shares of:

<u>Script Name</u>	
ONEBANKLTD	Tk. 2,103
UTTARABANK	Tk. 44,472
MJLBD	Tk. 98,892
<u>CITYBANK</u>	<u>Tk. 382,334</u>
Total Sale Amount:	Tk. <u>527,801</u>

He purchased on that day:

<u>Script Name</u>	
MJLBD	Tk. 97,791
KEYACOSMET	Tk. 36,319
<u>LAFSURCEML</u>	<u>Tk. 365,251</u>
Total Buy Amount:	Tk. 499,361

Closing balance on that day was Tk. (-) 820,151

Debit decreased Tk. 28,440

Therefore, no margin loan was provided rather margin amount realized Tk. 28,440.

Portfolio on that date was 3,067,271 and loss incurred Tk. -1,421,005.

Client Code: 1357, Name of the Investor: Adv. Jamal Uddin:

On 20/05/12 Client ledger balance was Tk. (-) 1,797,591

He sold marginable shares of:

<u>Script Name</u>	
MJLBD	Tk. 18,414
<u>LANKABAFIN</u>	<u>Tk. 190,576</u>
Total Sale Amount:	Tk. 208,990

He purchased on that day:

<u>Script Name</u>	
ACIFORMULA	Tk. 65,515
<u>LAFSURCEML</u>	<u>Tk. 137,611</u>
Total Buy Amount:	Tk. 203,126

Closing balance on that day was Tk. (-) 1,797,591

Debit decreased Tk. 5,863

evsjv`k mKDUR A`U G · PÄ Kgb
Rxb exv UvI qvi (15, 16, 17 I 21 Zjv)
10 j`Kkv ev/G, XvKv-1000, evsjv`k

hñZ, Kgb bi ePbvq, mKDUR AvBb c`icvj`b D`jLZ e`_Zvi Rb, Z_v c`RevRv`i Dbq`bi cvkvck evRv`i i ksLjv I QZv i`vi v`_D³ tevKvi/Wjvi tK R`igbv Kiv c`qvRb I mgxPxb;

AZGe, hñZ, Kgb, D`jLZ hveZxq elq ePbvceK, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) Gi section 22 [hv The Securities and Exchange (Amendment) Act, 2000 Øviv ms`kwaZ] G c`Ë gZie`j AvBj`vU mKDUR j`gUW Gi Dci 02 (`B) j`U UvKv R`igbv avh` Ki j hv A` Av``ki ZwiL n`Z 15 (c`bi) j`bi g`a` ðevsjv`k mKDUR A`U G · PÄ Kgb Gi AbK`j Bm`KZ e`vK WdU/tc-AW`i i gva`tg Kgb Rgv Ki`Z n`e|

evsjv`k mKDUR A`U G · PÄ Kgb bi
Av`kμg,

Aa`vck W: Gg Lvqi`j tnvmb
Pqig`vb

ieZibt
AvBj`vU mKDUR j`gUW
dvi`K tPavi
1403, tKL gRe t`iW
PUMg|