



বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

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

নং-বিএসইসি/এনফোর্সমেন্ট/২২০১/২০১৪/২২০

তারিখ: ১৩ জুলাই ২০১৫ ইং

আদেশ

যেহেতু, কমিশন এর আদেশ নং BSEC/Surveillance/2014-0840/427 dated 9th November 2014 এর মাধ্যমে একটি তদন্ত কমিটি গঠিত হয় এবং উক্ত তদন্ত কমিটির দাখিলকৃত প্রতিবেদন অনুযায়ী findings and contraventions নিম্নরূপ:

Quote

“---1. From the Note 12 of un-audited statement of financial position for the quarter ended September 30, 2014 it appeared that Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited has issued, subscribed and paid-up capital during the said period of Tk.90,00,00,000 fully paid in cash. But, from the statement of cash flows and financial position it appeared that no cash received regarding share money in this period only share money deposit were Tk.9,93,33,400. From review of un-audited statement of financial position for the quarter ended September 30, 2014 apparently it appeared that Petromax Refinery Limited has issued shares of Tk.90,00,00,000 against share money deposits of Tk.9,93,33,400 and loan of Tk.80,06,66,600. In this regard, Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited has given misleading or false or incorrect information in the Note 12 of un-audited statement of financial position for the quarter ended September 30, 2014 although they knows or has reasonable cause to believe to be false or incorrect the said information.

Contravention: Through the aforesaid activities **Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited** has contravened Section 18 of Securities and Exchange Ordinance, 1969.

2. From the Commission's consent letter No. SEC/CI/CPLC-327/2011 dated December 12, 2011 it appears that consent has been given under Securities and Exchange Commission (Issue of Capital) Rules, 2001 for raising the paid up capital of Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited from Tk.10,00,00,000 to Tk.100,00,00,000 by issuing of 9,00,00,000 Ordinary shares of Tk.10 each totaling Tk.90,00,00,000 **only to the existing shareholders of the company. This consent for raising of capital of Petromax Refinery Limited should valid for three months from the date of issuance of the letter failing which the permission will stand cancelled to the extent of un-subscribed portion.** From the audited financial statement for the year ended 30th June 2013 and 2014 it appeared that share capital and share money deposit were Tk.10,00,00,000 and 9,93,33,400 respectively. Thus, under the said consent, Petromax Refinery Limited did not issue any shares. It also appeared from the un-audited statement of financial position for the period ended September 30, 2014 that Petromax Refinery Limited has issued shares of Tk.90,00,00,000 against share money deposits of Tk.9,93,33,400 and loan of Tk.80,06,66,600 without any further consent from BSEC.

Contravention: Through the aforesaid activities **Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited** has contravened Rule 3 and 4 of Securities and Exchange Commission (Issue of Capital) Rules, 2001.

4. The Enquiry Committee has reviewed analyzed audited financial statements of Shahjibazar Power Company Limited & Petromax Refinery Limited of their Subsidiary and found that the said company declared 25% cash dividend and 5% stock dividend for the year ended 30th June 2014 through manipulating profit by understating expenses in the following way:



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

From the collected audited financial statements for the year ended 30th June 2013 and 30th June 2014 Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited, it appears that balances of non current liabilities (loan), short term loan and long term loan current maturity were shown in the balance sheet by the following Way:

Particulars	30 th June 2014 (Tk.)	30 th June 2013 (Tk.)
Non current Loan	215,06,07,888	270,06,68,959
Short term loan	60,50,12,262	87,32,54,726
Long Term Loan current maturity	47,10,55,704	-
Total	322,66,75,854	357,39,23,685

Under the above context interest should be charged on the aforesaid loan amount against revenue. But no interest had been charged against revenue for the year ended 30th June 2013. Mentionable that only financial expenses amount of Tk.25,44,79,783 (including bank charges on L/C Liabilities amount of Tk.159,03,96,052) has been charged for the year ended 30th June 2014. Also mentionable that as per Note 16 and 17 of audited financial statements for the year ended 30th June 2013 and 30th June 2014 Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited there is no interest free loan. As such, Petromax Refinery Limited had overstated huge amount of profit for the year ended 30th June 2014 by understating financial expenses. Same has been reflected in the consolidated financial statement of Shahjibazar Power Company Limited as well as EPS and NAV overstated of Shahjibazar Power Company Limited. Thus, it is barrier of true and fair presentation financial statement of issuer and its subsidiary company.

As per Rule 12(2) of Securities and Exchange Rules, 1987, the financial statements of an issuer of a listed security shall be prepared in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Thus, considering above, Shahjibazar Power Company Limited did not prepare financial statements in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh.

Contravention: Through the aforesaid activities Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited has contravened Rule 12(2) of Securities and Exchange Rules, 1987.”Unquote

যেহেতু, কমিশন উপরোল্লিখিত প্রতিবেদন অনুযায়ী সিকিউরিটিজ আইন পরিপালনে ব্যর্থতার জন্য পেট্রোম্যাক্স রিফাইনারি লিমিটেড এর বরাবরে একটি show-cause-cum-hearing notice সূত্র নং- SEC/Enforcement/2201/2014/719 তারিখ ডিসেম্বর ২১, ২০১৪ ইং প্রেরণ করে এবং জানুয়ারি ০৭, ২০১৫ ইং তারিখে শুনানীর দিন ধার্য করে এবং ধার্যকৃত তারিখে পেট্রোম্যাক্স রিফাইনারি লিমিটেড এর প্রতিনিধি উপস্থিত হয়ে জানুয়ারি ০৭, ২০১৫ ইং তারিখের পত্রের মাধ্যমে লিখিত বক্তব্য দাখিল করেন। যাতে অন্যান্যের মধ্যে, নিম্নোক্ত বিষয়গুলির উল্লেখ আছে:-

“----1. From the Note 12 of un-audited statement of financial position for the quarter ended September 30, 2014 it appeared that Petromax Refinery Limited, Subsidiary of Shahjibazar Power Company Limited has issued, subscribed and paid-up capital during the said period of Tk. 90,00,00,000 fully paid in cash. But, from the statement of cash flows and financial position it appeared that no cash received regarding share money in this period only share money deposit were Tk.9,93,33,400. From review of un-audited statement of financial position for the quarter ended September 30, 2014 apparently it appeared that Petromax Refinery Limited has issued shares

