



# বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

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

নং-বিএসইসি/এনফোর্সমেন্ট/২২০১/২০১৪/২০৮

তারিখঃ ০৩ জুলাই ২০১৫ ইং

আদেশ

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

## Quote

“----10. From collected documents it appeared that Prime Finance Capital Management Limited bought in their two own portfolio maintained with PFI Securities Ltd. (client Code 1170) and Prime Islami Securities Limited (client Code 228). From their transaction report it appeared that during 20<sup>th</sup> July to 16<sup>th</sup> November 2014 they bought 8,90,200 shares average price Tk.137.16 and sold 4,05,000 average price Tk.188.78 of SPCL through PFI Securities Ltd. and bought 5,01,000 shares average price Tk.140.75 and sold 41,000 average price Tk.240.51 of SPCL through Prime Islami Securities Limited respectively. Mentionable that as on 13<sup>th</sup> November 2014 in their clients' account total held 5,60,600 shares of SPCL Thus, during 15<sup>th</sup> July to 16<sup>th</sup> November 2014 Prime Finance Capital Management Limited total bought 13,91,200 and sold 4,46,000 shares through their own portfolio. Thus Prime Finance Capital Management Limited directly with their own portfolio, own portfolio of common interest/director company and indirectly through their clients' portfolio created extreme buy pressure in the market and completed their purchase of major part of the tradable shares accordingly freezing the same, by which created supply shortage of tradable share in the market compare to demand. As a result share price of SPCL go up shortly and reached at Tk.338.80 on 18/11/2014. As such, Prime Finance Capital Management Limited directly and indirectly help to others has been creating fake market by employing unlawful tactics regarding share price of SPCL for their self interest and made huge amount of realized and unrealized capital gain.

Contravention: Through the aforesaid activities **Prime Finance Capital Management Limited** has contravened বিধি ৩৫ (২) (ঢ) and (ণ) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) [বিধিমালা], ১৯৯৬.

13. As per Commission's Directive NoSEC/CMRRCD/2009-193/136 dated September 30, 2012 Merchant Banker & Portfolio Manager may extend maximum limits of credits facilities to their approved clients on 1:0.5 basis i.e. 50% of clients' margin/deposit. Thus no member shall be permitted deficit arising from transactions 50% of clients' equity. But, Prime Finance Capital Management Limited permitted debit balance (deficit) excess of highest limit 50% of clients' equity. Mentionable that Prime Finance Capital Management Limited allowed SPCL as margin able security although SPCL as non margin able security. As on 02/11/14 a client, Syed Golam Wadud, Tanipa Begum (who buy and held SPCL share) are stated below whom debit balance exceed the maximum limit:

Client Code	Name	Quantity of SPCL	Debit Balance (Taka)	Equity
433	Syed Golam Wadud, Tanipa Begum	100000	4899973	5426095

Contravention: Through the aforesaid activities **Prime Finance Capital Management Limited** has contravened Commission's Directive NoSEC/CMRRCD/2009-193/136 dated September 30, 2012.





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

20. Trading of shares of Shahjibazar Power Company Limited (SPCL) has been commenced at the stock exchanges on 15<sup>th</sup> July 2014. After listing, first phase during 15<sup>th</sup> July 2014 to 10<sup>th</sup> August 2014, share price SPCL increased by 144% (from Tk.36.50 to Tk.89.20) where as DSEX Index had been increased by 3.85% (from 4362.78 to 4530.83). Thus, the share price of the company increased 37 times more than the increase of DSEX Index. Thus, the first phase price increasing trend of SPCL seemed manipulative and significant. Due to abnormal price hike and Commission's investigation, Exchanges suspended the trading of SPCL shares from 11<sup>th</sup> August 2014 for the greater interest of investors and capital market. During the first phase, directly the following clients' created extreme buy pressure of the said share in the market and completed their purchase of major part of the tradable shares, by which created supply shortage of tradable share compare to demand as a result price go up shortly and made huge amount of realized and unrealized capital gain:

SI No.	Broker Name	Client Code	Client Name	Buy Volume	Sell Volume
1	Shahed Securities Ltd.	180	Aleya Begum	650200	505200
2	Sharp Securities Ltd.	1216	Mozammel Haque Bhuiyan	584200	398800
3	Shahed Securities Ltd.	188	Md. Ali Akbar	480000	360000
4	Prime Islami Securities Ltd.	325	GETCO Telecommunication Ltd.	389400	0
5	AIBL Capital Market Services Ltd.	666	Gulam Mustafa	283000	52000
6	Popular Equities Ltd.	1231	Mozammel Haque & Nargis Akter	250000	150000
7	City Brokerage Ltd.	M344	Muhammad Abdur Razzaque	236400	4200
8	Sheltech Brokerage Ltd.	S001	Habibur Rahman	217600	139200
9	IFIC securities Ltd.	2772	Yeakub Ali Khandaker	210000	0
10	Mondol Securities Ltd.	240	Mondol Fabrics Ltd.	200400	200400

It was found that Mr. Md. Ali Akbar total bought 11,30,200 and sold 8,65,200 of SPCL shares through his two accounts maintained with Shahed Securities Limited in his own name and his mother name (Aleya Begum) and Mozammel Haque Bhuiyan total bought 8,34,200 and sold 5,48,800 of SPCL shares through his two accounts maintained with Sharp Securities Ltd. and Popular equities Ltd. (client of AB Investment Ltd.).

After suspension, trading of SPCL resumed on 20<sup>th</sup> October 2014. After resumption of trading, second phase started to increase price of SPCL from Tk.89.20 to Tk.338.80 during 19<sup>th</sup> October 2014 to 16<sup>th</sup> November 2014. Hence, in second phase during the said period, share price SPCL increased by 280% although DSEX Index has been decreased by 4.11% (from 5176.75 to 4963.90). Thus, in second phase price increasing trend of SPCL seems more suspicious and manipulative. In two phases, directly and indirectly the following parties created extreme buy pressure of the said share in the market after completed their purchase of major part of the tradable shares freezing the same to create artificial supply shortage of tradable share compared to demand as a result price go up shortly and made huge amount of realized and unrealized gain. Summary of their trading are given below:





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## Summary statement of top significant involving parties

Broker Name	Client code	Client Name	Buy Quantity	Sale Quantity	Balance	Realized Gain	Unrealized Gain
PISL(Dealer A/c		Prime islami securities ltd.	1107600	-	1107600	-	132300482
PISL	325	Getco Tele Communication Ltd.	661200	-	661200	-	122582426
PISL	228	PFCML	501000	201000	300000	31426285	34155201
PISL	520	Star Sharebazar Ltd.	450000	-	450000	-	80922000
AIBL Capital		Golam Mustafa	397200	52000	345200	-	65071931
Prime Bank Inv. Ltd.	255	Nasima Akter Lata	211800	-	211800	-	38843964
Vision Capital Magt. Ltd.	9421	Nasima Akter Lata	44000	-	44000	-	8056400
PFI Securities Ltd.	1170	PFCML	890200	455000	435200	29596638	51108212
PFI Securities Ltd.	1623	PFCML-EPF	2000	-	2000	-	247080
PFI Securities Ltd.		PFI Securities Ltd.(dealer)	83000	-	83000		
PFI Securities Ltd.		PFI Securities Ltd.-EPF	50000	-	50000		
PFI Securities Ltd.	1608	Amzad Hossain Fakir	352600	352600	-	25536168	-
Shaheed Securities Ltd.	188	Ali Akbar	495000	495000	-	7623200	-
Shaheed Securities Ltd.	180	Aleya Begum	650200	650200	-	16019270	-
Sharp Securities Ltd.	1216	Mozammel Haque Bhuiyan	584200	584200	-	24787876	-
AB Investment Ltd.	231	Mozammel Haque & Nargis Akter	250000	250000	-	6118000	-
BLI Capital Ltd.	B665	Abul Kalam Eajdani	100000	-	100000	-	19048000
AIBL CMS Ltd.	2473	Abul Kalam Eajdani	40000	-	40000	-	7696000
PFI Securities Ltd.	1620	Abul Kalam Eajdani	41000	-	41000	-	7808860

Detailed trade report of all involving parties are given in the **Appendix-A & B** of the report regarding buy quantity, sale quantity, average buy price, average sell price, realized and unrealized gain. Mentionable that unrealized gain is calculated based on price of SPCL of Tk.254.60 on 25<sup>th</sup> November 2014.

Considering above findings Prime Islami Securities limited, PFI Securities Limited and Prime Finance Capital Management Limited directly and indirectly with their clients' through acting or practicing or engaging in a course of unlawful business like as misstatement, violating single security exposure, single client exposure, excess margin loan, loan given to non-margin able security, creating artificial or fake market by employing unlawful tactics for their self interest etc. for purpose of turning to their advantage by manipulating share price of SPCL.

Involving parties bought a total 95,57,200 shares during the said period. Through the manipulating share price of SPCL, they made a total realized gain of Tk.23,80,99,574 and unrealized gain of Tk.81,36,50,143 within the short span of time.

Contravention: Through the aforesaid activities **Prime Finance Capital Management Limited** has contravened Section 17 (e) (v) of Securities and Exchange Ordinance, 1969. **"Unquote**

