



BANGLADESH SECURITIES AND EXCHANGE COMMISSION

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

BSEC/Enforcement/2166/2014/129

March 21, 2018

Order

Whereas, as per section 2 (cc) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) "Commission" means Bangladesh Securities and Exchange Commission constituted under Securities and Exchange Commission Act 1993;

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Pubali Bank Limited is an "issuer" (here in after referred to as "issuer");

Whereas, on the basis of investigation report of Dhaka Stock Exchange Limited a show cause-cum-hearing notice No. SEC/Enforcement/2166/2014/321 Dated: July 26, 2016 was issued to Mr. Syed Moazzem Hussain (Director, Pubali Bank Limited) to appear at the hearing accusing for violating-

1. বিধি ৪(২) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ by buying "PUBALIBANK" shares in the accounts of Prince Corporation Ltd. during the restricted period.
2. BSEC's Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 by buying "PUBALIBANK" shares in the account of Prince Corporation Ltd. without submitting declaration to the Commission and Stock Exchanges.
3. বিধি ৪(১) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ by buying "PUBALIBANK" shares in the accounts of Prince Corporation Ltd. on the basis of insider information;.

Whereas, hearing has been conducted with the accused. In the show cause-cum-hearing notice following have been mentioned among others;-

Quote

Whereas, Mr. Syed Moazzem Hussain is a director (2% share holder) of Pubali Bank Limited and chairman (78.22% share holder) of Prince Corporation Limited. He is the signatory of the BO account of Prince Corporation Limited maintained with Pubali Bank Securities Limited (1203440006892907) and DBL Securities Limited (1201630006892907).



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March ২১, 2018

Whereas, as per বিধি ২(ঙ) (অ) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ Mr. Syed Moazzem Hussain is an insider of Pubali Bank Limited.

Whereas, as per Notification no.SEC/CMRRCD/2009--193/49/Admin/03-48 dated July 14, 2010

Every sponsor shareholder or director or placement holder of a company listed with any stock exchange shall simultaneously submit a written report to the Securities and Exchange Commission and the stock exchange with which the company is listed about his/her/its intention to buy or sell or otherwise dispose off in any manner whatsoever the shares held by him/her/it in that company in the prescribed format:

Whereas, as per বিধি ২(ঙ) (অ) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫

“সুবিধাভোগী” অর্থ এমন কোন ব্যক্তি যিনি-

কোন কোম্পানীর পরিচালক, প্রধান শেয়ারহোল্ডার, ম্যানেজিং এজেন্ট, ব্যাংকার, নিরীক্ষক, উপদেষ্টা, কর্মকর্তা বা কর্মচারী।”

Whereas, as per বিধি ৪, উপ-বিধি (১) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫;

“কোন ব্যক্তি নিজে বা অন্য কাহারো মাধ্যমে সুবিধাভোগী ব্যবসা করিবেন না.....”

Whereas, as per বিধি ৪, উপ-বিধি (২) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ as amended vide the Notification No. SEC/CMRRCD/2001-26/32/Admin/.... dated March 23, 2010;

“(২) স্টক এক্সচেঞ্জে তালিকাভুক্ত কোম্পানীর কোন স্পন্সর (Sponsor), পরিচালক, কর্মকর্তা বা কর্মচারী, নিরীক্ষক বা নিরীক্ষাকার্যে সম্পৃক্ত ব্যক্তি, পরামর্শক বা আইন উপদেষ্টা, কিংবা Securities and Exchange Ordinance, 1969 (XVII of 1969) এর section 12-এ উল্লিখিত beneficial owner, উক্ত কোম্পানীর বার্ষিক হিসাব সমাপ্তির তারিখ এর দুই মাস পূর্ব (ইংরেজি পঞ্জিকা বছর মোতাবেক) হইতে উক্ত হিসাব কোম্পানীর পরিচালনা পর্ষদ (Board of Directors) কর্তৃক চূড়ান্তভাবে বিবেচিত, গৃহীত বা অনুমোদিত হওয়ার তারিখ পর্যন্ত সময়কালে আলোচ্য কোম্পানীর শেয়ার ক্রয়, বিক্রয় কিংবা অন্য কোন প্রকারে হস্তান্তর বা গ্রহণ করিতে পারিবেন না।”

Whereas, from the DSE's website it is found that on March 02, 2014 the Board of Directors of Pubali Bank Limited has recommended 10% stock dividend for the year ended on December 31, 2013. The Company has also reported consolidated EPS of Tk. 2.90, consolidated NAV per share of Tk. 23.27 and consolidated NOCFPS of Tk. 1.71 for the year ended on December 31, 2013.

Whereas, Dhaka Stock Exchange Limited has reported among others that,

Mr. Syed Moazzem Hussain bought 95,55,375 shares of “PUBALIBANK” from 26.08.2013 to 26.01.2014 in the name of Prince Corporation Ltd. (client code # 139 maintained with Pubali Bank Securities Limited and client code # 6538 maintained with DBL Securities Limited).He has



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bought the said shares without submitting declaration to the Commission and Stock Exchanges. He has bought a significant quantity of shares during the restricted period (November 01, 2013 to March 02, 2014).

Whereas, from the submitted documents it is found that Mr. Syed Moazzem Hussain has effected the following transactions during the restricted period;

| Date | Code | Buy | Code | Buy | Total trade by Mr. Syed Moazzem Hussain | Total Trade in DSE | % of trade of Mr. Moazzem in respect of Total trade of DSE |
|------------|----------------------|--------|------------------------------|--------|-----------------------------------------|--------------------|------------------------------------------------------------|
| 3/11/2013 | 06538-DBL Securities | 75 | 00139-Pubali Bank Securities | 74800 | 74875 | 133100 | 56.25 |
| 4/11/2013 | - | - | 00139-Pubali Bank Securities | 42450 | 42450 | 213475 | 19.89 |
| 5/11/2013 | - | - | 00139-Pubali Bank Securities | 34425 | 34425 | 242700 | 14.18 |
| 14/11/2013 | 06538-DBL Securities | 20000 | 00139-Pubali Bank Securities | 190875 | 210875 | 979750 | 21.52 |
| 18/11/13 | - | - | 00139-Pubali Bank Securities | 35700 | 35700 | 232575 | 15.35 |
| 24/11/2013 | 06538-DBL Securities | 30000 | 00139-Pubali Bank Securities | 114900 | 144900 | 356150 | 40.69 |
| 25/11/13 | - | - | 00139-Pubali Bank Securities | 378775 | 378775 | 857525 | 44.17 |
| 26/11/13 | 06538-DBL Securities | 100000 | 00139-Pubali Bank Securities | 21000 | 121000 | 407800 | 29.67 |
| 27/11/13 | 06538-DBL Securities | 161950 | 00139-Pubali Bank Securities | 235025 | 396975 | 630825 | 62.93 |
| 28/11/13 | 06538-DBL Securities | 15000 | 00139-Pubali Bank Securities | 39225 | 54225 | 174475 | 31.08 |



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|-----------|----------------------|--------|------------------------------|--------|--------|--------|-------|
| 1/12/2013 | 06538-DBL Securities | 12600 | 00139-Pubali Bank Securities | 5600 | 18200 | 179075 | 10.16 |
| 15/12/13 | - | - | 00139-Pubali Bank Securities | 425000 | 425000 | 616325 | 68.96 |
| 17/12/13 | 06538-DBL Securities | 16250 | 00139-Pubali Bank Securities | 53225 | 69475 | 173800 | 39.97 |
| 18/12/13 | - | - | 00139-Pubali Bank Securities | 96850 | 96850 | 156400 | 61.92 |
| 19/12/13 | 06538-DBL Securities | 11200 | 00139-Pubali Bank Securities | 50675 | 61875 | 138650 | 44.63 |
| 22/12/13 | 06538-DBL Securities | 71200 | 00139-Pubali Bank Securities | 15500 | 86700 | 174975 | 49.55 |
| 23/12/13 | 06538-DBL Securities | 157125 | - | - | 157125 | 183825 | 85.48 |
| 24/12/13 | 06538-DBL Securities | 21200 | - | - | 21200 | 57325 | 36.98 |
| 26/12/13 | 06538-DBL Securities | 39050 | - | - | 39050 | 83675 | 46.67 |
| 29/12/13 | - | - | 00139-Pubali Bank Securities | 21750 | 21750 | 200925 | 10.82 |
| 30/12/13 | - | - | 00139-Pubali Bank Securities | 50775 | 50775 | 153700 | 33.04 |
| 7/1/2014 | - | - | 00139-Pubali Bank Securities | 57225 | 57225 | 239500 | 23.89 |
| 9/1/2014 | - | - | 00139-Pubali Bank Securities | 33750 | 33750 | 165975 | 20.33 |
| 12/1/2014 | - | - | 00139-Pubali Bank Securities | 195525 | 195525 | 284300 | 68.77 |



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|----------|---|---|-------------------------------------|--------|--------|---------|-------|
| 13/01/14 | - | - | 00139- Pubali Bank Securities | 185850 | 185850 | 487625 | 38.11 |
| 15/01/14 | - | - | 00139- Pubali Bank Securities | 268250 | 268250 | 359125 | 74.70 |
| 16/01/14 | - | - | 00139- Pubali Bank Securities | 1050 | 1050 | 82350 | 1.28 |
| 19/01/14 | - | - | 00139- Pubali Bank Securities | 178750 | 178750 | 259200 | 68.96 |
| 20/01/14 | - | - | 00139- Pubali Bank Securities | 67300 | 67300 | 255500 | 26.34 |
| 21/01/14 | - | - | 00139- Pubali Bank Securities | 2000 | 2000 | 317300 | 0.63 |
| 22/01/14 | - | - | 00139- Pubali Bank Securities | 56400 | 56400 | 416,875 | 13.53 |
| 26/01/14 | - | - | 00139- Pubali Bank Securities | 32950 | 32950 | 366,450 | 8.99 |
| Total | | | | | | 3621250 | |



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March ২১, 2018

Whereas, the following contravention has been reported in the DSE's investigation report;

Contravention: Mr. Syed Moazzem Hussain has violated

1. বিধি ৪(২) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ by buying "PUBALIBANK" shares in the accounts of Prince Corporation Ltd. during the restricted period.
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Unquote

Whereas, the following persons have attended the hearing-

1. Mr. Syed Moazzem Hussain (Director, Pubali Bank Limited)

He has submitted an explanation letter no. NIL dated August 07, 2016 to the Commission. In the letter among others he has stated that to arrest the fall of share price of Pubali Bank Limited Prince Corporation limited has bought the shares during the restricted period.

Where as, his explanation has not been accepted by the Commission.

Whereas, his aforesaid activities are tantamount to non-compliance of securities law that appears deliberate and clear contravention of বিধি ৪(২) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ , BSEC's Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 and বিধি ৪(১) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা,



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১৯৯৫ attracting penal provision of section 22 of the Securities and Exchange Commission Ordinance, 1969 and ধারা ১৮ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩.

Whereas, to protect the discipline and transparency of the capital market along with its development the Commission deems it appropriate and necessary to impose penalty upon Mr. Syed Moazzem Hussain (Director, Pubali Bank Limited).

Now, therefore, Bangladesh Securities and Exchange Commission, in exercise of the power conferred by section 22 (amended by the Securities and Exchange (Amendment) Act, 2000) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) and ধারা ১৮ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ hereby imposes penalty for Tk 5.00. (Tk.Five) Lac upon Mr. Syed Moazzem Hussain (Director, Pubali Bank Limited) which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Bangladesh Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Bangladesh Securities and Exchange Commission

Md. Amzad Hossain
Commissioner

Distribution

Mr. Syed Moazzem Hussain (Director, Pubali Bank Limited)