bs-GmBwm/Gb‡dvm‡g›U/2023/2013/676 ZwiLt 10 b‡f¤i 2014 Bs

Rbve KvRx mvBdi ingvb
evox bs- 46 (4_ Zjv), moK bs-18, †m±i bs-7, DËiv, XvKv|
‡gvevBi bs-01713062225

welq: Av‡`k|

Kwgk‡bi 10 b‡f¤i 2014 Bs Zwi‡Li Av‡`k bs-GmBwm/Gb‡dvm‡g›U/2023/2013/677 Gi mZ¨wqZ Abywjwc Avcbvi AeMwZ I c‡qvRbxq e¨e¯v Mn‡bi Rb¨ GZ`ms‡M msh³ Kiv n‡jv|

evsjv‡`k wmwKDwiwUR A¨vÛ G·‡PÄ Kwgk‡bi c‡¶

†gvnv¤§` †nv‡mb Lvb
Dc-cwiPvjK

weZibt
cavb wbevnx KgKZv, XvKv óK G·‡PÄ wjwg‡UW
cavb wbevnx KgKZv, PÆMvg óK G·‡PÄ wjwg‡UW

AeMwZi Rb¨ Abywjwc:

1| wbevnx cwiPvjK, AvBb, weGmBwm
2| wbevnx cwiPvjK, GgAvBGm, weGmBwm
3| wbevnx cwiPvjK, mv‡fBj¨vÝ, weGmBwm
4| †Pqvig¨vb g‡nv`‡qi `ßi, weGmBwm

bs-GmBwm/Gb‡dvm©‡g›U/2023/2013/677 ZvwiLt 10 b‡f¤^i 2014 Bs

<u>Av‡`k</u>

‡h‡nZz, Kwgkb Gi Av‡`k bs BSEC/Surveillance/2011-0754/27 dated September 15, 2013 Gi gva¨‡g GKwU Z`š— KwgwU MwVZ nq Ges D³ Z`š— KwgwUi `vwLjKZ cÖwZ‡e`b Abyhvqx findings and contraventions wbgœiƒc:

"**<u>Quote</u>**

<u>Trading pattern in connection with the shares of Bangas</u>

After analyzing the trading pattern of selected clients, some are found unusual and suspicious. They had exercised dominant role by trading larger percentages of total market trading of shares of Bangas. Through these activities some of them also realized significant profit during the period of March 3, 2013 to September 12, 2013. Details are delineated below:

It has been found that Kazi Saifur Rahman (Code # B0589), a client of LankaBangla Securities Ltd, bought 9,600 shares and sold 9,400 shares of BANGAS during the period from 12.05.2013 to 28.07.2013, which is almost 7.28% of total trade volume of BANGAS at DSE in those trading days in which the client traded. Realized gain of Kazi Saifur Rahman is 50.09%. Particulars and trade details are shown in the following table:

Brokerage Company: LankaBangla Securities Ltd.
Name of the client: Kazi Saifur Rahman
BO ID: 1204030007817574**, Client code:** B0589**, Instrument:** Bangas

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	Kazi Saifur Rahman	Client Contribution
12-May-13	7,600	328.08	2,493,408			-	46,519	7,600	**16.34%**
10-Jun-13			-	2,400	424.91	1,019,784	27,250	2,400	**8.81%**
26-Jun-13	500	433.54	216,770			-	36,452	500	1.37%
21-Jul-13	1,500	589.00	883,500			-	43,750	1,500	3.43%
28-Jul-13			-	7,000	608.78	4,261,460	106,961	7,000	**6.54%**
Total	**9,600**	**374.34**	**3,593,678**	**9,400**	**561.83**	**5,281,244**	**260,932**	**19,000**	**7.28%**
Realized profit						**1,762,434**			
Realized gain (%)						**50.09%**			

First Securities Services Limited (Code # B1447), a client of LankaBangla Securities Ltd, bought 19,900 shares and sold 62,450 shares of BANGAS during the period from 08.04.2013 to 26.05.2013, which is almost 11.25% of total trade volume of BANGAS at DSE in those trading days in which the client traded. Realized gain of the client is 18.53%. Particulars and trade details are shown in the following table:

Brokerage Company: Lanka Bangla Securities Ltd.
Name of the client: First Securities Services Limited (FSSL)
BO ID: 1204030044806800**, Client code:** B1447**, Instrument:** Bangas

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	FSSL	Client Contribution
8-Apr-13	7,500	191.35	**1,435,125**			**-**	84,888	7,500	**8.84%**
15-Apr-13	200	236.50	**47,300**			**-**	53,159	200	0.38%
16-Apr-13	2,500	242.00	**605,000**			**-**	57,357	2,500	4.36%
21-Apr-13			**-**	1,600	299.31	**478,896**	87,321	1,600	1.83%
22-Apr-13			**-**	23,000	290.18	**6,674,140**	74,267	23,000	**30.97%**
23-Apr-13			**-**	10,000	308.40	**3,084,000**	41,087	10,000	**24.34%**
24-Apr-13			**-**	5,500	334.02	**1,837,110**	54,411	5,500	**10.11%**
25-Apr-13			**-**	12,650	326.38	**4,128,707**	53,364	12,650	**23.71%**
8-May-13	5,000	324.10	**1,620,500**			**-**	44,297	5,000	**11.29%**
9-May-13	1,700	325.79	**553,843**			**-**	23,191	1,700	7.33%
15-May-13	3,000	343.54	**1,030,620**			**-**	93,487	3,000	3.21%
21-May-13			**-**	3,400	353.83	**1,203,022**	21,314	3,400	**15.95%**
22-May-13			**-**	4,200	358.97	**1,507,674**	19,836	4,200	**21.17%**
26-May-13			**-**	2,100	368.09	**772,989**	24,055	2,100	8.73%
Total	**19,900**	**265.95**	**5,292,388**	**62,450**	**315.24**	**19,686,538**	**732,034**	**82,350**	**11.25%**
Realized profit						**980,824**			
Realized gain (%)						**18.53%**			

Heritage Capital Management Limited (Code # B1582), a client of LankaBangla Securities Ltd, bought 69,900 shares and sold 67,000 shares of BANGAS during the period from 08.04.2013 to 28.07.2013, which is almost 11.26% of total trade volume of BANGAS at DSE in those trading days in which the client traded. The client contributed significant percentage of total traded volume of BANGAS at DSE in some trading days. Realized gain of the client is 36.26%. Particulars and trade details are shown in the following table:

Brokerage Company: LankaBangla Securities Ltd
Name of the client: Heritage Capital Management Ltd.
BO ID: 1204030048274120**, Client code:** B1582**, Instrument:** Bangas

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	Heritage Capital Management Ltd.	Client Contribution
8-Apr-13	4,900	198.49	972,601			-	84,888	4,900	5.77%
9-Apr-13	20,300	219.08	4,447,324			-	89,200	20,300	**22.76%**
10-Apr-13	10,000	229.32	2,293,200			-	70,679	10,000	**14.15%**

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	**Heritage Capital Management Ltd.**	**Client Contribution**
11-Apr-13	2,000	216.95	433,900			-	53,759	2,000	3.72%
15-Apr-13	5,000	235.12	1,175,600			-	53,159	5,000	**9.41%**
16-Apr-13	9,000	240.62	2,165,580			-	57,357	9,000	**15.69%**
21-Apr-13			-	1,350	301.72	407,322	87,321	1,350	1.55%
22-Apr-13			-	16,550	289.73	4,795,032	74,267	16,550	**22.28%**
23-Apr-13			-	3,000	308.40	925,200	41,087	3,000	7.30%
24-Apr-13			-	7,750	333.38	2,583,695	54,411	7,750	**14.24%**
25-Apr-13			-	11,050	328.19	3,626,500	53,364	11,050	**20.71%**
28-Apr-13			-	7,400	324.36	2,400,264	37,112	**7,400**	**19.94%**
29-Apr-13			-	1,200	339.72	407,664	54,615	**1,200**	2.20%
12-May-13	13,000	328.07	4,264,910			-	46,519	**13,000**	**27.95%**
13-May-13	4,000	326.65	1,306,600			-	33,572	**4,000**	**11.91%**
28-May-13			-	5,100	394.88	2,013,888	46,698	**5,100**	**10.92%**
29-May-13			-	3,700	416.26	1,540,162	50,127	**3,700**	7.38%
30-May-13			-	4,300	438.05	1,883,615	41,457	**4,300**	**10.37%**
10-Jun-13			-	3,700	425.17	1,573,129	27,250	**3,700**	**13.58%**
13-Jun-13			-	200	426.40	85,280	35,060	**200**	0.57%
23-Jun-13	1,700	438.30	745,110			-	16,820	**1,700**	**10.11%**
28-Jul-13			-	1,700	595.22	1,011,874	106,961	**1,700**	1.59%
Total	**69,900**	**254.72**	17,804,825	**67,000**	**347.07**	23,253,624	**1,215,683**	**136,900**	**11.26%**
Realized profit	6,187,483								
Realized gain (%)	36.26%								

Heritage Capital Management Limited (Code # 6353), a client of DBL Securities Limited, bought 22,500 shares and sold 22,500 shares of BANGAS during the period from 08.05.2013 to 28.07.2013, which is almost 10.25% of total trade volume of BANGAS at DSE in those trading days in which the client traded. The client contributed significant percentage of total traded volume of BANGAS at DSE in some trading days. Realized gain of the client is 69.82%. Particulars and trade details are shown in the following table:

Brokerage Company: DBL Securities Limited
Name of the client: Heritage Capital Management Limited
BO ID: 1201630048438095, **Client code:** 6353, **Instrument:** Bangas

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	Heritage Capital Management Limited	Client Contributio n
8-May-13	10,000	324.21	3,242,100			**-**	44,297	10,000	**22.57%**
9-May-13	6,000	327.90	1,967,400			**-**	23,191	6,000	**25.87%**
12-May-13	2,250	328.20	738,450			**-**	46,519	2,250	4.84%
13-May-13	1,000	326.78	326,780			**-**	33,572	1,000	2.98%
14-May-13	3,250	321.89	1,046,143			**-**	34,319	3,250	**9.47%**
9-Jun-13			-	3,150	420.84	**1,325,646**	18,950	3,150	**16.62%**
17-Jun-13			-	1,000	431.45	**431,450**	25,980	1,000	3.85%
23-Jul-13			-	500	508.70	**254,350**	24,150	500	2.07%
24-Jul-13			-	850	490.81	**417,189**	25,615	850	3.32%
25-Jul-13			-	15,000	586.90	**8,803,500**	55,311	15,000	**27.12%**
28-Jul-13			-	2,000	600.00	**1,200,000**	106,961	2,000	1.87%
Total	**22,500**	**325.37**	7,320,873	**22,500**	**552.54**	**12,432,135**	**438,865**	**45,000**	**10.25%**
Realized profit						**5,111,262**			
Realized gain (%)						**69.82%**			

<u>Kazi Saifur Rahman and Related Group (04 BO IDs)</u>

It has been observed that there is relationship among the above-mentioned four client codes. Relationship details are shown in the table below:

Client Code	Name of Client	Name of Member Company	Remarks
B0589	Kazi Saifur Rahman	LankaBangla Securities Ltd	**Own Account of Kazi Saifur Rahman**
B1447	First Securities Services Limited (FSSL)	LankaBangla Securities Ltd	**Kazi Saifur Rahman is the CEO of FSSL**
B1582	Heritage Capital Management Ltd.	LankaBangla Securities Ltd	Mst. Shahana Tasmin Lopa (**Wife of Kazi Saifur Rahman)** is the Vice Chairman and authorized signatory of Heritage Capital Management Limited
6353	Heritage Capital Management Ltd.	DBL Securities Limited	Mst. Shahana Tasmin Lopa (**Wife of Kazi Saifur Rahman)** is the Vice Chairman and authorized signatory of Heritage Capital Management Limited

Collectively, Kazi Saifur Rahman, First Securities Services Limited and Heritage Capital Management Limited bought 1,21,900 shares and sold 1,61,350 shares of BANGAS during the period from 08.04.2013 to 28.07.2013, which is almost 16.60% of total trade volume of BANGAS at DSE in those trading days in which the clients traded. They contributed significant percentage of total traded volume of BANGAS at DSE in some trading days. Their collective realized gain is 42.30%. Particulars and trade details are shown in the following table:

Date	**Buy Qty**	**Sale Qty**	**Trade volume (Bangas)**		
			DSE	**Kazi Saifur & related group**	**Contribution to Total Trade Volume**
8-Apr-13	12,400	-	84,888	12,400	**14.61%**
9-Apr-13	20,300	-	89,200	20,300	**22.76%**
10-Apr-13	10,000	-	70,679	10,000	**14.15%**
11-Apr-13	2,000	-	53,759	2,000	3.72%
15-Apr-13	5,200	-	53,159	5,200	9.78%
16-Apr-13	11,500	-	57,357	11,500	**20.05%**
21-Apr-13	-	2,950	87,321	2,950	3.38%
22-Apr-13	-	39,550	74,267	39,550	**53.25%**
23-Apr-13	-	13,000	41,087	13,000	**31.64%**
24-Apr-13	-	13,250	54,411	13,250	**24.35%**
25-Apr-13	-	23,700	53,364	23,700	**44.41%**
28-Apr-13	-	7,400	37,112	7,400	**19.94%**
29-Apr-13	-	1,200	54,615	1,200	2.20%
8-May-13	15,000	-	44,297	15,000	**33.86%**
9-May-13	7,700	-	23,191	7,700	**33.20%**
12-May-13	22,850	-	46,519	22,850	**49.12%**
13-May-13	5,000	-	33,572	5,000	**14.89%**
14-May-13	3,250	-	34,319	3,250	9.47%
15-May-13	3,000	-	93,487	3,000	3.21%
21-May-13	-	3,400	21,314	3,400	**15.95%**
22-May-13	-	4,200	19,836	4,200	**21.17%**
26-May-13	-	2,100	24,055	2,100	8.73%
28-May-13	-	5,100	46,698	5,100	**10.92%**
29-May-13	-	3,700	50,127	3,700	7.38%
30-May-13	-	4,300	41,457	4,300	**10.37%**
9-Jun-13	-	3,150	18,950	3,150	**16.62%**
10-Jun-13	-	6,100	27,250	6,100	**22.39%**
13-Jun-13	-	200	35,060	200	0.57%
17-Jun-13	-	1,000	25,980	1,000	3.85%
23-Jun-13	1,700	-	16,820	1,700	**10.11%**
26-Jun-13	500	-	36,452	500	1.37%
21-Jul-13	1,500	-	43,750	1,500	3.43%
23-Jul-13	-	500	24,150	500	2.07%
24-Jul-13	-	850	25,615	850	3.32%
25-Jul-13	-	15,000	55,311	15,000	27.12%
28-Jul-13	-	10,700	106,961	10,700	10.00%

Date	Buy Qty	Sale Qty	Trade volume (Bangas)		
			DSE	Kazi Saifur & related group	Contribution to Total Trade Volume
Total	**121,900**	**161,350**	**1,706,390**	**283,250**	**16.60%**

Name	Broker	Code	Realized profit(BDT)	Percentage of Gain
First Securities Services Limited	LankaBangla Securities Ltd.	B1447	980,824	18.53%
Heritage Capital Management Limited	DBL Securities Limited	6353	5,111,262	69.82%
Heritage Capital Management Ltd.	LankaBangla Securities Ltd	B1582	6,187,483	36.26%
Kazi Saifur Rahman	LankaBangla Securities Ltd.	B0589	1,762,434	50.09%
Total			**14,042,003**	**42.30%**

Mentionable that the board of directors of Bangas Limited, in its board meeting held on July 25, 2013, decided to issue Rights Share 1:5R (i.e. 5 rights shares for every 1 existing share) at par for setting up a new project subject to the approval of the shareholders at AGM and also the regulatory authority. Subsequently, the company entered “Issue Management Agreement” and “Underwriting Agreement” with First Securities Services Limited on September 01, 2013 and September 15, 2013 respectively.

Contraventions: Through the aforesaid activities, Kazi Saifur Rahman violated Section 17(e)(v) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969).**<u>Unquote</u>**

<u>Quote</u>

Kazi Saifur Rahman (client code # B0589 maintained with LankaBangla Securities Limited) is the CEO of First Securities Services Limited (a Merchant Bank).

As per wewa 37 (2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©U e¨vsKvi I †cvU©‡dwjI g¨v‡bRvi) wewagvjv, 1996:
e¨e¯vcbv cwiPvjK/wmBI wnmv‡e wb‡qvMcvß e¨w³ †Kvb ÷K G·‡P‡Äi ev, ÷K G·‡P‡Äi †Kvb m`‡m¨i ev, †Kvb m¤ú` e¨e¯vcK †Kv¤úvwbi ev, †Kvb Bm¨qvi †Kv¤úvwbi ev, wmwKDwiwUR e¨emvi m‡½ cZ¨¶ ev c‡iv¶ †Kvbfv‡eB RwoZ nB‡Z cvwi‡eb bv| GKB m‡½ wZwb †Kvb gv‡P©U e¨vsKv‡ii †kqvi‡nvìvi ev, D‡`¨v³v ev, cwiPvjK wnmv‡e _wK‡Z cvwi‡eb bv|

As per above said wewa, Kazi Saifur Rahman, as the CEO of a merchant bank, is prohibited to be involved with securities trading. However, it has been found that Kazi Saifur Rahman has directly traded in shares of Bangas Limited on some trading days during 12.05.2013 to 28.07.2013.

Mentionable that the board of directors of Bangas Limited, in its board meeting held on July 25, 2013, decided to issue Rights Share 1:5R (i.e. 5 rights shares for every 1 existing share) at par for setting up a new project subject to the approval of the shareholders at AGM and also the regulatory authority. Subsequently, the company entered “Issue Management Agreement” and “Underwriting Agreement” with First Securities Services Limited on September 01, 2013 and September 15, 2013 respectively.

Contravention: Through the aforesaid activity, Kazi Saifur Rahman violated wewa 37 (2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©U e¨vsKvi I †cvU©‡dwjI g¨v‡bRvi) wewagvjv, 1996.**<u>Unquote</u>**

<u>Quote</u>

<u>Trading pattern in connection with the shares of TALLUSPIN</u>

After analyzing the trading pattern of selected clients, some are found unusual and suspicious. They had exercised dominant role by trading larger percentages of total market trading of shares of TALLUSPIN. Through these activities some of them also realized significant profit during the period of March 3, 2013 to September 12, 2013. Details are delineated below:

First Securities Services Limited (Code # 6360), a client of DBL Securities Limited, bought 8,11,000 shares and sold 8,11,000 shares of TALLUSPIN during the period from 16.05.2013 to 01.09.2013, which is almost 4.56% of total trade volume of TALLUSPIN at DSE in those trading days in which the client traded. The client contributed significant percentage of total traded volume of TALLUSPIN at DSE in some trading days. Realized gain of the client is 14.29%. Particulars and trade details are shown in the following table:

Brokerage Company: DBL Securities Limited
Name of the client: First Securities Services Limited
BO ID : 1201630044806800**, Client code:** 6360**, Instrument:** TALLUSPIN

Date	**Buy Qty**	**Buy rate**	**Buy value**	**Sale Qty**	**Sale rate**	**Sale value**		**Trade volume**		
								DSE	**FSSL**	**Client Contribution**
16-May-13	280,000	26.76	7,492,800			-		2,212,243	280,000	**12.66%**
19-May-13	30,000	27.35	820,500			-		1,806,676	30,000	1.66%
28-May-13			-	85,000	26.08	2,216,800		580,155	85,000	**14.65%**
29-May-13			-	149,200	26.59	3,967,228		1,016,860	149,200	**14.67%**
30-May-13			-	75,800	27.61	2,092,838		3,393,625	75,800	2.23%
17-Jun-13	100,000	32.91	3,291,000			-		3,234,304	100,000	3.09%
18-Jun-13	100,000	32.42	3,242,000			-		2,270,080	100,000	4.41%
19-Jun-13	200,000	33.37	6,674,000			-		3,471,600	200,000	**5.76%**
24-Jul-13			-	48,000	34.54	1,657,920		1,462,870	48,000	3.28%
28-Jul-13			-	5,000	34.49	172,450		1,014,010	5,000	0.49%
29-Jul-13			-	100,000	35.27	3,527,000		3,612,987	100,000	2.77%
30-Jul-13	10,000	33.80	338,000			-		1,212,480	10,000	0.82%
31-Jul-13			-	10,100	35.00	353,500		1,377,480	10,100	0.73%
1-Aug-13	91,000	33.90	3,084,900			-		728,630	91,000	**12.49%**
29-Aug-13			-	237,900	42.75	10,170,225		4,382,020	237,900	5.43%
1-Sep-13			-	100,000	43.49	4,349,000		3,767,194	100,000	2.65%
Total	**811,000**	**30.76**	**24,943,200**	**811,000**	**35.15**	**28,506,961**		**35,543,214**	**1,622,000**	**4.56%**
Realized profit						**3,563,761**				
Realized gain (%)						**14.29%**				

First Securities Services Limited (Code # B1447), a client of LankaBangla Securities Ltd, bought 4,83,500 shares and sold 6,76,000 shares of TALLUSPIN during the period from 08.04.2013 to 10.09.2013, which is almost 2.82% of total trade volume of TALLUSPIN at DSE in those trading days in which the client traded. Realized loss of the client is 3.46%. Particulars and trade details are shown in the following table:

Brokerage Company: LankaBangla Securities Ltd.

Name of the client: First Securities Services Limited
BO ID: 1204030044806800**, Client code:** B1447**, Instrument:** TALLUSPIN

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	FSSL	Client Contribution
8-Apr-13	15,000	20.05	300,750			-	644,050	15,000	2.33%
9-Apr-13	105,000	21.23	2,229,150			-	1,252,461	105,000	**8.38%**
10-Apr-13	35,000	23.81	833,350			-	1,676,188	35,000	2.09%
20-May-13			-	185,000	27.02	4,998,700	1,991,510	185,000	**9.29%**
29-May-13			-	100,000	26.51	2,651,000	1,016,860	100,000	**9.83%**
30-May-13			-	91,500	28.47	2,605,005	3,393,625	91,500	2.70%
2-Jun-13			-	15,500	31.20	483,600	4,228,400	15,500	0.37%
3-Jun-13	195,000	31.88	6,216,600			-	3,259,443	195,000	**5.98%**
10-Jun-13			-	105,000	32.88	3,452,400	2,080,240	105,000	5.05%
16-Jun-13			-	95,000	33.92	3,222,400	2,579,391	95,000	3.68%
17-Jun-13			-	30,000	34.50	1,035,000	3,234,304	30,000	0.93%
3-Jul-13	18,000	32.30	581,400			-	1,467,550	18,000	1.23%
25-Jul-13			-	18,000	33.49	602,820	1,040,370	18,000	1.73%
18-Aug-13	15,500	38.20	592,100			-	3,915,026	15,500	0.40%
29-Aug-13			-	15,500	43.00	666,500	4,382,020	15,500	0.35%
4-Sep-13	100,000	45.35	4,535,000			-	2,417,522	100,000	4.14%
10-Sep-13			-	20,500	44.81	918,605	2,488,792	20,500	0.82%
Total	**483,500**	**31.62**	**15,288,350**	**676,000**	**30.53**	**20,636,030**	**41,067,752**	**1,159,500**	**2.82%**
Realized profit						**-528,704**			
Realized gain(%)						**-3.46%**			

Kazi Saifur Rahman (Code # B0589), a client of LankaBangla Securities Limited, bought 5,21,000 shares and sold 3,73,000 shares of TALLUSPIN during the period from 30.04.2013 to 04.09.2013, which is almost 3.11% of total trade volume of TALLUSPIN at DSE in those trading days in which the client traded. The client contributed significant percentage of total traded volume of TALLUSPIN at DSE in some trading days. Realized loss of the client is 6.64%. Particulars and trade details are shown in the following table:

Brokerage Company: LankaBangla Securities Limited
Name of the client: Kazi Saifur Rahman
BO ID: 1204030007817574**, Client code:** B0589**, Instrument:** TALLUSPIN

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	Kazi Saifur Rahman	Client Contribution
30-Apr-13	100,000	22.63	2,263,000			-	625,200	100,000	**15.99%**

Date	Buy Qty	Buy rate	Buy value	Sale Qty	Sale rate	Sale value	Trade volume		
							DSE	Kazi Saifur Rahman	Client Contri bution
12-May-13			-	102,000	24.69	2,518,380	1,369,780	102,000	**7.45%**
20-May-13	185,000	27.10	5,013,500			-	1,991,510	185,000	**9.29%**
30-May-13			-	25,000	27.74	693,500	3,393,625	25,000	0.74%
2-Jun-13	50,000	31.09	1,554,500			-	4,228,400	50,000	1.18%
9-Jun-13			-	86,400	31.73	2,741,472	2,167,700	86,400	3.99%
10-Jun-13			-	123,600	32.06	3,962,616	2,080,240	123,600	**5.94%**
27-Jun-13	23,000	30.60	703,800			-	1,165,810	23,000	1.97%
9-Jul-13	10,000	32.80	328,000			-	3,178,021	10,000	0.31%
21-Jul-13			-	33,000	34.57	1,140,810	1,609,407	33,000	2.05%
1-Aug-13	3,000	33.80	101,400			-	728,630	3,000	0.41%
1-Sep-13			-	3,000	45.50	136,500	3,767,194	3,000	0.08%
4-Sep-13	150,000	45.21	6,781,500			-	2,417,522	150,000	**6.20%**
Total	**521,000**	**32.14**	**16,745,700**	**373,000**	**30.01**	**11,193,278**	**28,723,039**	**894,000**	**3.11%**
Realized profit						-795,486			
Realized gain (%)						-6.64%			

Kazi Saifur Rahman and Related Group (03 BO IDs)

It has been observed that there is relationship among the above-mentioned three client codes. Relationship details are shown in the table below:

Client Code	Name of Client	Name of Member Company	Remarks
B0589	Kazi Saifur Rahman	Lanka Bangla Securities Ltd	**Own Account of Kazi Saifur Rahman**
B1447	First Securities Services Limited (FSSL)	LankaBangla Securities Ltd	**Kazi Saifur Rahman is the CEO of FSSL**
6330	First Securities Services Limited (FSSL)	DBL Securities Limited	**Kazi Saifur Rahman is the CEO of FSSL**

Collectively, through three client codes, Kazi Saifur Rahman and First Securities Services Limited bought 18,15,500 shares and sold 18,60,000 shares of TALLUSPIN during the period from 08.04.2013 to 10.09.2013, which is almost 4.92% of total trade volume of TALLUSPIN at DSE in those trading days in which the clients traded. They contributed significant percentage of total traded volume of TALLUSPIN at DSE in some trading days. Particulars and trade details are shown in the following table:

Date	Buy Qty	Sale Qty	Trade volume		
			DSE	Kazi Saifur and related Group	Contribution
8-Apr-13	15,000	-	644,050	15,000	2.33%
9-Apr-13	105,000	-	1,252,461	105,000	**8.38%**
10-Apr-13	35,000	-	1,676,188	35,000	2.09%
30-Apr-13	100,000	-	625,200	100,000	**15.99%**
12-May-13	-	102,000	1,369,780	102,000	7.45%
16-May-13	280,000	-	2,212,243	280,000	**12.66%**
19-May-13	30,000	-	1,806,676	30,000	1.66%
20-May-13	185,000	185,000	1,991,510	370,000	**18.58%**
28-May-13	-	85,000	580,155	85,000	**14.65%**
29-May-13	-	249,200	1,016,860	249,200	**24.51%**
30-May-13	-	192,300	3,393,625	192,300	5.67%
2-Jun-13	50,000	15,500	4,228,400	65,500	1.55%
3-Jun-13	195,000	-	3,259,443	195,000	5.98%
9-Jun-13	-	86,400	2,167,700	86,400	3.99%
10-Jun-13	-	228,600	2,080,240	228,600	**10.99%**
16-Jun-13	-	95,000	2,579,391	95,000	3.68%
17-Jun-13	100,000	30,000	3,234,304	130,000	4.02%
18-Jun-13	100,000	-	2,270,080	100,000	4.41%
19-Jun-13	200,000	-	3,471,600	200,000	5.76%
27-Jun-13	23,000	-	1,165,810	23,000	1.97%
3-Jul-13	18,000	-	1,467,550	18,000	1.23%
9-Jul-13	10,000	-	3,178,021	10,000	0.31%
21-Jul-13	-	33,000	1,609,407	33,000	2.05%
24-Jul-13	-	48,000	1,462,870	48,000	3.28%
25-Jul-13	-	18,000	1,040,370	18,000	1.73%
28-Jul-13	-	5,000	1,014,010	5,000	0.49%
29-Jul-13	-	100,000	3,612,987	100,000	2.77%
30-Jul-13	10,000	-	1,212,480	10,000	0.82%
31-Jul-13	-	10,100	1,377,480	10,100	0.73%
1-Aug-13	94,000	-	728,630	94,000	**12.90%**
18-Aug-13	15,500	-	3,915,026	15,500	0.40%
29-Aug-13	-	253,400	4,382,020	253,400	5.78%
1-Sep-13	-	103,000	3,767,194	103,000	2.73%
4-Sep-13	250,000	-	2,417,522	250,000	**10.34%**
10-Sep-13	-	20,500	2,488,792	20,500	0.82%
Total	**1,815,500**	**1,860,000**	74,700,075	3,675,500	4.92%

Mr. Kazi Saifur Rahman and related parties gain from the share trading of TALLUSPIN through these three codes are shown in the table below:

Name	Broker	Code	Realized profit (BDT)	Percentage of gain
First Securities Services Limited	DBL Securities Limited	6360	3,563,761	14.29%
First Securities Services Limited	LankaBangla Securities Ltd.	B1447	(528,704)	-3.46%
Kazi Saifur Rahman	LankaBangla Securities Limited	B0589	(795,486)	-6.64%
Total			**2,239,571**	**4.29%**

Contraventions: Through the aforesaid activities, Kazi Saifur Rahman violated Section 17(e)(v) of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969).

Kazi Saifur Rahman (client code # B0589) maintained with Lanka Bangla Securities Limited) is the CEO of First Securities Services Limited (a Merchant Bank).
As per wewa 37 (2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©U e¨vsKvi I †cvU©‡dwjI g¨v‡bRvi) wewagvjv, 1996:

e¨e¯vcbv cwiPvjK/wmBI wnmv‡e wb‡qvMcvß e¨w³ †Kvb ÷K G·‡P‡Äi ev, ÷K G·‡P‡Äi †Kvb m`‡m¨i ev, †Kvb m¤ú` e¨e¯vcK †Kv¤úvwbi ev, †Kvb Bm¨qvi †Kv¤úvwbi ev, wmwKDwiwUR e¨emvi m‡½ cZ¨¶ ev c‡iv¶ †Kvbfv‡eB RwoZ nB‡Z cvwi‡eb bv| GKB m‡½ wZwb †Kvb gv‡P©U e¨vsKv‡ii †kqvi‡nvìvi ev, D‡`¨v³v ev, cwiPvjK wnmv‡e _wK‡Z cvwi‡eb bv|

As per above said wewa, Kazi Saifur Rahman, as the CEO of a merchant bank, is prohibited to be involved with securities trading. However, it has been found that Kazi Saifur Rahman bought 5,21,000 shares and sold 3,73,000 shares of TALLUSPIN during the period from 30.04.2013 to 04.09.2013.
Contravention: Through the aforesaid activity, Kazi Saifur Rahman violated wewa 37 (2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©U e¨vsKvi I †cvU©‡dwjI g¨v‡bRvi) wewagvjv, 1996.**<u>Unquote</u>**"

‡h‡nZz, Kwgkb Dc‡iwjøwLZ cwZ‡e`b Abyhvqx wmwKDwiwUR AvBb cwicvj‡b e¨\_Zvi Rb¨ Rbve KvRx mvBdzi ingvb Gi eive‡i GKwU show-cause-cum-hearing notice mÎ bs- SEC/Enforcement/2023/2013/168 Zvwi L 17 Gwcj 2014 Bs †ciY K‡i Ges 05 ‡g 2014 Bs Zvwi‡L kybvbxi w`b avh© K‡i Ges avh©KZ Zvwi‡L Rbve KvRx mvBdzi ingvb Dcw¯Z n‡q 05 ‡g 2014 Bs Zvwi‡Li c‡Îi gva¨‡g wjwLZ e³e¨ `wLj K‡ib| hv‡Z Ab¨v‡b¨i g‡a¨, wb‡bv³ wel‡qi D‡jøL Av‡Q:-

"1.<u>Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 states as follows:</u>

"*No person shall, for the purpose of inducing, dissuading, effecting, preventing, or in any manner influencing or turning to his advantage, the sale or purchase of any security, directly or indirectly,- do any act or practice or engage in a course of business, or omit to do any act which operates or would operate as a fraud, deceit or manipulation upon any person, in particular- directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others.*"

Accordingly, in order to violate/non-comply with Section 17 (e)(v) of the Securities and Exchange Ordinance, one must **<u>act fraudulently, deceitfully or manipulate</u>** to effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others. Moreover, wewa 37(2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P›U e¨vsKvi I †cvU©‡dwjI g¨v‡bRvi) wewagvjv, 1996 provides that "e¨e¯vcbv cwiPvjK/wmBI wnmv‡e wb‡qvMcvß e¨w³ †Kvb ÷K G·‡P‡Äi ev, ÷K G·‡P‡Äi †Kvb m`‡m¨i ev, †Kvb m¤ú` e¨e¯vcK †Kv¤úvwbi ev, †Kvb Bm¨qvi †Kv¤úvwbi ev, wmwKDwiwUR e¨emvi m‡½ cZ¨¶ ev c‡iv¶ †Kvbfv‡eB RwoZ nB‡Z cwii‡eb bv| GKB m‡½ wZwb †Kvb gv‡P›U e¨vsKv‡ii †kqvi‡nvìvi ev, D‡`¨v³v ev, cwiPvjK wnmv‡e _wK‡Z cwii‡eb bv|" In view of the said two provisions the trading of shares of Bangas Limited and Tallu Spinning Limited may be reviewed to see whether any non-compliance of the said provisions occurred.

2. <u>Trading of shares of Bangas Limited (Bangas)</u>

(i)As per the BSEC report, I bought 9,600 shares and sold the same shares from 12.05.2013 to 28.07.2013 and earned profit Tk. 1,762,434.00 which amounts to 50.09%. It has also been stated that the trade volume of Bangas at Dhaka Stock Exchange were almost 7.28% on those trading days. It can be seen from the figures of buying and selling as provided below, there was no short selling or sale of un-matured shares or nil shares or buy and sale of the same shares in my own single account in the same day. As a result it is clear that there is no fraud, deceit or manipulation upon any person, in particular- directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others and thereby earn profit or loss by the trading of the Bangas shares. In this regard, please find below a summary of figures of trading of the Bangas shares from my portfolio account for your kind review:

Brokerage Company	:LankaBangla Securities Limited
Name of the Client	:Kazi Saifur Rahman
BO ID	:1204030007817574
Client Code	:B-0589
Instrument	:Bangas

Date	Buy			Sell		
	Qunatity	**Rate**	**Value (Tk)**	**Qunatity**	**Rate**	**Value (Tk)**
5/12/2013	7,600	329.10	2,501,160			-
6/10/2013			-	2,600	424.00	1,102,400
6/26/2013	500	433.90	216,950			-
7/21/2013	1,500	590.00	885,000			
7/28/2013				7,000	599.00	4,193,000
Total	**9,600**		**3,603,110**	**9,600**		**5,295,400**

(ii)In your show-cause cum hearing notice you have stated that I have not complied with Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 and such statement has been made by you by emphasizing on the trade volume of Bangas at DSE as well as looking at the proportion of profit earned by me from the said trading of the shares. I shall consider both propositions herein below:

<u>Trade Volume:</u> As regards the volume of trade I would like to humbly submit that I have no control over the trade volume since trading of shares are originated by authorized dealers of brokerage houses through different workstations in and all around the country. I can and had only made orders to buy shares to brokerage houses through their authorized dealers if I have sufficient debit balance in my account. The execution power of the buy and sales of shares is vested with the authorized dealers and not with me. In addition to that some of the listed securities are traded insignificantly in a day or even in a week or month or year. So much so that even trading of 10 or 25 or 50 or 100 shares of a particular security in a day in any brokerage house can amount to 100% of the total trade volume of

the same shares at DSE in the same trading day(s). Such trading can be done innocently and in the course of business without any intention to defraud, manipulate and deceive. As such since the trades carried out by me was carried out innocently in the course of business I humbly submit that such trading does not attract non-compliance of Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 since it was not done by short sale or sale of un-matured shares or nil shares or bye and sale the same shares in own single account in the same day, etc for attracting investors to buy a particular share (like Bangas) or depressing investors to sale shares. In addition to that in calculating market trade volume of Bangas shares, CSE trade volume was not considered with DSE trade volume. Thus, the trade volume percentage will be reduced if we consider the CSE trade volume together with DSE.

Profit volume: Any trading is carried out for the purpose of making a profit. However, it is possible that any trade carried out may cause profit or loss, whether substantial or insignificant. Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 does not prohibit the earning of loss or provide compensation for loss. It prohibits inducing loss or profit by means of fraud, deceit and manipulation. As such the presence of fraud, deceit and manipulation is an essential element and it is my humble submission that since fraud, deceit and manipulation is clearly absent in the trades carried out by me non-compliance of Section 17(e) (v) of the Securities and Exchange Ordinance, 1969 has not occurred.

3. Trading of Tallu Spinning (Tallu)

(i)As per the BSEC Report I bought 521,000 shares and sold 373,000 shares from 30.04.2013 to 04.09.2013 and earned loss Tk. 7,95,486.00 which is -6.64%. You have also stated that our trade volume of Tallu at DSE was almost 3.11% in those trading days.

The summary of the trading shares of Tallu Spinning is given below for your kind consideration:

Brokerage Company :LankaBangla Securities Limited
Name of the Client :Kazi Saifur Rahman
BO ID :1204030007817574
Client Code :B-0589
Instrument :Tallu Spin

Date	Buy			Sell		
	Qunatity	Rate	Value (Tk)	Qunatity	Rate	Value (Tk)
30:01:13	50,000	25.50	1,275,000			-
04.02.13			-	50,000	27.4	1,370,000
30:04:13	102,000	22.3	2,274,600			-
12:05:13			-	102,000	24.4	2,488,800
20:05:13	185,000	27.1	5,013,500			-
30:05:13			-	25,000	27.8	695,000
02.06.13	50,000	31.4	1,570,000			-
09.06.13			-	86,400	31.3	2,704,320
10:06:13			-	123,600	32.5	4,017,000
27:06:13	23,000	30.6	703,800			-
09.07.13	10,000	32.8	328,000			-
21:07:13			-	33,000	34.5	1,138,500
01.08.13	3,000	33.8	101,400			-
01.09.13			-	3,000	45.5	136,500
04.09.13	150,000	45.2	6,780,000			
Total	**573,000**		**18,046,300**	**423,000**		**12,550,120**

It would appear from the aforementioned summary of figures there is no evidence of short sale or sale of un-matured shares or nil shares or buy and sale of the same shares in my own account in the same day. Accordingly, there is no evidence of fraud, deceit or manipulation upon any person, in particular- directly or indirectly effect a series of transactions in any security creating the appearance of active trading therein or of raising of price for the purpose of inducing its purchase by others or depressing its price for the purpose of inducing its sale by others and thereby earn profit or loss.

Trade Volume: As regards the volume of trade I would like to humbly submit that I have no control over the trade volume since trading of shares are originated by authorized dealers of brokerage houses through different workstations in and all around the country. I can and had only made orders to buy shares to brokerage houses through their authorized dealers if I have sufficient debit balance in our account. The execution power of the buy and sales of shares is vested with the authorized dealers and not with me. In addition to that some of the listed securities are traded insignificantly in a day or even in a week or month or years. So much so that even trading of 10 or 25 or 50 or 100 shares of a particular security in a day in any brokerage house can amount to 100% of the total trade volume of the same shares at DSE in the same trading day(s). Such trading can be done innocently and in the course of business without any intention to defraud, manipulate and deceive. As such since the trades carried out by me was carried out innocently in the course of business I humbly submit that such trading does not attract non-compliance of Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 since it was not done by short sale or sale of un-matured shares or nil shares or bye and sale the same shares in own single account in the same day, etc for attracting investors to buy a particular share (like Bangs) or depressing investors to sale shares. In addition to that in calculating market trade volume of Tallu's shares, CSE trade volume was not considered with DSE trade volume. Thus, the trade volume percentage will be reduced if we consider the CSE trade volume together with DSE.

<u>Profit volume:</u> Any trading is carried out for the purpose of making a profit. However, it is possible that any trade carried out may cause profit or loss, whether substantial or insignificant. Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 does not prohibit the earning of loss or provide compensation for loss. It prohibits inducing loss or profit by means of fraud, deceit and manipulation. As such the presence of fraud, deceit and manipulation is an essential element and it is my humble submission that since fraud, deceit and manipulation is clearly absent in the trades carried out by me non-compliance of Section 17(e) (v) of the Securities and Exchange Commission has not occurred.

Therefore, it is my humble submission that the share trading of Bangas and Tallu was carried out in compliance to the securities laws and on regular basis and did not violate Section 17 (e) (v) of Securities and Exchange Ordinance, 1969 in any manner whatsoever.

4. <u>Non-Compliance of wewa 37(2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P›U e¨vsKvi I †cvU©‡dwj I g¨v‡bRvi) wewagvjv, 1996</u>

Under the aforementioned provision, no Managing Director/CEO of a merchant banking company is permitted to be directly or indirectly involved with the securities business. In this regard, it is my humble submission that I have operated this BO Account since 2008 when I did not hold any the post of Managing Director/CEO. Since joining as Managing Director & CEO of First Securities Services Ltd (FSSL) in April 01, 2013 I was unable to close the BO account due to realized and unrealized losses which was due and outstanding in my BO account. In addition, in my account I held 3,000 placement shares of GBB Power Ltd which was subject to a 1 year lock-in period as affixed by the Public Issue Rules, 2006. Prior to joining FSSL and after the expiry of the lock in period I completed the sale of shares of GBB Power Ltd in December 12, 2012 and was severely affected by the share market disaster during 2010 and 2011. Moreover, even though I was severely affected I have not received any benefits from the brokerage company or any party which I was entitled to as an affected investor.

Moreover, Rule 37 (2) of the Securities & Exchange Commission (Merchant Banker & Portfolio Manager) 1996 does not make any provision or provide guidance for any persons who have been newly appointed as CEO/Managing Director who has held BO account prior to joining as such. Nor does it provide for a time limit within which the shares held by the new MD/CEO need to be sold. Under the circumstances, I took action to sell the shares as soon as I took office thereby seeking to ensure that I was able to close my account upon balancing out my realized and unrealized losses. Accordingly, it is humble submission that I have not acted in violation to the purport and intent of the Rule 37 (2) of the Securities & Exchange Commission (Merchant Banker & Portfolio Manager) 1996 inasmuch it cannot be the intention of the regulatory authority to 'lock in' the shares held by the CEO/MD of merchant bank. Moreover, it is my humble submission that I had diligently and honestly taken positive steps to close the BO accounts upon recovering the realized and unrealized losses.

Under the aforementioned facts and circumstances, I would humbly and earnestly request you to conclude that given the lack of fraud, deceit and manipulation there was no non-compliance of Section 17 (e) (v) of Securities and Exchange Ordinance, 1969. In addition, since I was a holder of a BO account prior to becoming a CEO/MD of FSSL and given that Rule 37 (2) of the Securities & Exchange Commission (Merchant Banker & Portfolio Manager) 1996 is silent on a CEO/MD who is newly appointed it is humbly submitted that there was no non-compliance of wewa 37(2) of wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P›U e¨vsKvi I †cvU©‡dwj I g¨v‡bRvi) wewagvjv, 1996."

‡h‡nZ, Rbve KvRx mvBdi ingvb ZwiL 05 ‡g 2014 Bs c‡Î i gva¨‡g DwjøwLZ e¨_Zv Z_v wewa weavb jsNb msµvš Awf‡hvM ¯xKvi K‡i †h wjwLZ e¨vL¨v c`vb K‡i‡Q Zv Kwgk‡bi wbKU Mnb‡hvM¨ e‡j we‡ewPZ nqwb Ges Rbve KvRx mvBdi ingvb Gi D³ jsNb B"QvKZ e‡j cZxqgvb nq;

‡h‡nZ, wmwKDwiwUR ms¯'vb DwjøwLZ AvBb I Dnvi Aaxb RwiKZ wewa-weavb cwicvj‡b Rbve KvRx mvBdi ingvb Gi D³ i¨c e¨_Zv Securities and Exchange Ordinance, 1969 Gi section 22 Gi Aaxb kw¯‡hvM¨ Acivа;

‡h‡nZ, Kwgk‡bi we‡ePbvq, wmwKDwiwUR AvBb cwicvj‡b DwjøwLZ e¨_Zvi Rb¨, Z_v cwRevRv‡ii Dbq‡bi cvkvcwk evRv‡ii ksLjv I ¯'QZv i¶vi ¯v‡_ Rbve KvRx mvBdi ingvb†K Rwigvbv Kiv c‡qvRb I mgxPxb;

AZGe, †m‡nZ, Kwgkb, DwjøwLZ hveZxq welq we‡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 ¶gZve‡j Rbve KvRx mvBdi ingvb Gi Dci 10 (`k) j¶ UvKv Rwigvbv avh¨ Kij hv AÎ Av‡`‡ki ZwiL n‡Z 15 (c‡bi) w`‡bi g‡a¨ 'evsjv‡`k wmwKDwiwUR A¨vÛ G·‡PÄ Kwgkb' Gi AbK‡j Bm¨KZ e¨vsK WvdU/†c-AWv‡ii gva¨‡g Kwgk‡b Rgv Ki‡Z n‡e|

evsjv‡`k wmwKDwiwUR A¨vÛ G·‡PÄ Kwgk‡bi Av‡`kµ‡g,

Aa¨vcK W: Gg Lvqiæj †nv‡mb
‡Pqvig¨vb

<u>weZibt</u>
Rbve KvRx mvBdi ingvb
evox bs- 46 (4_ Zjv), moK bs-18, †m±i bs-7, DËiv, XvKv|
‡gvevBi bs-01713062225