



**PRESS RELEASE**

**April 24, 2013**

**For Immediate Release**

## **SECP FILED CRIMINAL COMPLAINT AGAINST COMPANIES/PERSONS INVOLVED IN PRICE MANIPULATION OF SHARES OF AZGARD NINE LIMITED (ANL)**

**ISLAMABAD – April 24, 2013:** The Securities and Exchange Commission of Pakistan has filed a criminal complaint in the competent Court of Law against six companies and seventeen individuals involved in manipulation of ANL share price and volume through means which constitute acts, practices or omissions that operated as a fraud, deceit in terms of Section 17(e)(ii) to (v) of the Securities and Exchange Ordinance, 1969. The Honorable Court of III Additional Sessions Judge Karachi South, vide Order dated April 22, 2013, has issued bailable warrants of all the accused persons.

The list of accused includes JS Global Capital Ltd (JSGCL), Jahangir Siddiqui & Co. Ltd (JSCL), Jahangir Siddiqui & Sons Ltd, Jahangir Siddiqui Securities Services Ltd, JS Investments Ltd (JSIL), Aziz Fidahussain & Co. Ltd, Saad Saeed Farooqui, Mehboob Ali Kalyar, Muhammad Sadiq Patni, Shazia Sadiq, Syed Nizam Shah, Humayun Shaikh, Alia Sheraz Monoo, Amna Humayun Shaikh, Nasreen Shaikh, Ahmed Shaikh, Muhammad Riaz, Muhammad Ijaz, Irfan Aziz, Saba Irfan Aziz, Zehra Nazim Aziz, Mohammad Iqbal and Muhammad Mubashir Hameed Dagia

The analysis of KSE trading data disclosed that during 73 trading sessions between 2.4.2007 to 13.7.2007, there were unusual hikes in trading volume and price of the ANL share. Said data reflected an abnormal average daily trading volume of 3.5 million shares reaching the peak of 10.8 million shares on 20-4-2007. The average daily trading volume during the said period reflected an increase of 2.3 million shares (i.e. 65%) as compared to its average trading volume of 1.2 million shares for the preceding 12 months. During this period, the price of ANL share increased by 132%, with a peak at Rs.52.5/- per share on 3.7.2007 as against the average price of Rs.22.85 per share prior to aforementioned period. Consequently, the Commission vide its order dated November 5, 2007 initiated an investigation into the trading of ANL shares under section 21 of the Ordinance read with section 29(2) of the SECP Act, 1997.

It is pertinent to mention that while the investigation was underway, again, during 96 trading sessions i.e. between 29.11.2007 to 22.4.2008, another surge in the average daily trading volume and price of the ANL scrip was observed. The trading volume increased to daily average of 5.8 million shares and on 18.1.2008 it reached a highly unusual volume of 16.8 million shares and the price rose from Rs. 36.60 (closing price on 28.11.2007) to Rs.

**Imran Ghaznavi | Head, Media and Corporate Communications Department/Spokesperson**

Securities and Exchange Commission of Pakistan

NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad – 44000 Pakistan

Direct # +92 51 9206513 Fax # +92 51 9206515 Cell: +92 333-5116666

Email: [imran.ghaznavi@secp.gov.pk](mailto:imran.ghaznavi@secp.gov.pk)

[www.secp.gov.pk](http://www.secp.gov.pk)

96.40 (closing price on 21.4.2008), reflecting an increase of Rs.60.55 i.e. 168%. The average trading volume and price of the ANL share sharply dropped during following months.

The abnormal increase in price and volume of the ANL share indicated manipulation and the trading data at client/UIN level disclosed a concentrated and concerted buying and selling among the clients of two brokerage houses namely JS Global Capital Limited and Aziz Fida Hussain & Company Limited. The facts relating to the trading activity of purchase and sale of shares by said group of persons disclosed that they were engaged in acts directly or indirectly which operated or were intended to operate as a fraud or deceit upon the public investors. The trading techniques employed by Group Members demonstrated that a scheme was undertaken by the Accused whereby the ANL share price and volume were manipulated.

The data also disclosed multiple kinds of financial links among the Group on the basis of information received from concerned brokerage houses and banks in which said persons maintained bank accounts. An analysis of the CFS (Continuous Funding System) market data disclosed that at the beginning of first review period, JS Global Capital Ltd. was not only the main brokerage house used by a majority of JS Global clients involved in the said activity, it was also the major financier facilitating some of them to carry out substantial trading in the ANL share, and thereby itself participated in artificial activity.

The verification of bank account information of Group revealed that in some instances, the person funding the trading in ANL share through others were also ultimate beneficiaries of trading proceeds received by such fronts. Said transactions thus established financial links amongst the Group. Further, authority to operate bank accounts was also shared by some members of the Group; these accounts were used for funding trading by and transfer of proceeds thereof. Additionally, financial trails were also traced among the Group members through accounts held at other banks.

Substantial quantities of ANL shares were exchanged among some of group members as free deliveries on the CDS through their respective CDC accounts, an alternative medium of exchange of ANL shares used alongside trading ANL share on the KATS terminal, exclusively for manipulation motivated to mislead the general public by showing an increased artificial turnover.

As per past practice, the [copies of investigation report and criminal complaint are available on the Commission's website](#).

The Commission reiterates its commitment to continue providing regulatory framework and taking enforcement actions for the protection of investors, curbing market abuse and preserving capital market integrity.

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Email: [imran.ghaznavi@secp.gov.pk](mailto:imran.ghaznavi@secp.gov.pk)

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