



SECURITIES AND EXCHANGE
COMMISSION OF SRI LANKA

Office of the Director General



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BY REGISTERED POST/ HAND

Ref: SEC/DG/2023/04/88

24th April 2023

To: The Chairman and the Board of Directors of LOLC Securities Limited

Re: Directive issued under Section 16 (c) of the Securities and Exchange Commission of Sri Lanka Act No 19 of 2021

Further to the findings of the SEC on an investigation conducted into the trading in the shares of Ceylon Grain Elevators PLC (GRAN) during the period 14th December 2010 to 3rd March 2011 prior to the Employees Provident Fund (EPF) making an investment in the shares of Ceylon Grain Elevators PLC in March 2011, the Commission issued a Notice to Show Cause dated 12th October 2022 to Mr. Sriyan Gurusinghe, the Managing Director and Chief Executive Officer of your Stockbroker Firm for his conduct while he was employed at Ceylinco Stock brokers, a Stockbroker licensed by the SEC during the aforesaid period in question.

The Commission duly deliberated on Mr. Gurusinghe's response at its 483rd Commission Meeting held on 06th April 2023 and decided to take necessary steps to initiate legal proceedings against Mr. Gurusinghe for having:

- I. conspired to commit the offence of Market Manipulation which is punishable under Section 113 (b) of the Penal Code to be read with Section 51 (1) (a) of the Securities and Exchange Commission of Sri Lanka Act No 36 of 1987;
- II. committed the offence of Market Manipulation for contravening Rule 12 of the SEC Rules published in the Gazette Extraordinary No 1215/2 dated 18th December 2001 which is punishable under Section 51 (2) to be read with Section 51 (1) (a) of the Securities and Exchange Commission Act No 36 of 1987.

The SEC notes that therefore, Mr. Sriyan Gurusinghe is not a qualified person to be a Key management Personnel or an employee dealing with clients of a market intermediary licensed by the SEC in terms of Rule 6 (g) of the Schedule II - Fitness and Propriety of a Key Management Person of a Market Intermediary and a Market Institution of the SEC Rules, published in Gazette Extraordinary No 2271/09 dated 15th March 2022 and Gazette Extraordinary No 2271/10 dated 15th March 2022 respectively, to be read with Rule (5) (a) (ii) of Section 4-Minimum Standards for Trading Participants in the Trading Participant Rules of the Colombo Stock Exchange.

Accordingly, LOLC Securities Limited is directed to refrain from engaging Mr. Sriyan Gurusinghe as a Key Management Personnel or a registered person dealing with clients of a Market Intermediary or a Market Institution.

Chinthaka Mendis
DIRECTOR GENERAL

/JN/BH

Copied to: Mr. Rajeeva Banadaranaik, Chief Executive Officer of the Colombo Stock Exchange

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கிழக்கு கோபுரம், எச்சலன் சதுக்கம்
கொழும்பு 01.

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