



Media Release – 05th November 2019

SEC FILES ACTION FOR MARKET MANIPULATION IN LAUGFS GAS PLC SHARES

The Securities & Exchange Commission of Sri Lanka (SEC) filed action in the Colombo Fort Magistrate's Court on 05th November 2019 against Mr. W.K.H. Wegapitiya, Mr. U.K. Thilak N. De Silva and Mr. Thakshila I. Hulangamuwa for the commission of the offence of market manipulation, conspiracy to commit market manipulation and for aiding & abetting to commit such offence with respect to the shares of Laugfs Gas PLC (LGL), a company listed on the Colombo Stock Exchange.

If found guilty the defendants shall be liable to an imprisonment of either description for a period not exceeding five years or to a fine not less than fifty thousand rupees and not exceeding ten million rupees or to both such imprisonment and fine.

The aforesaid defendants respectively are the Chairman and the Managing Director of Laugfs Gas PLC and an investment advisor attached to a Stockbroker firm. Orders had been placed for trading in the shares of LGL on 07th and 10th October 2011 using the CDS accounts of certain clients of the Stockbroker firm of the aforesaid investment advisor by the use of several manipulative devices. Such share trading executed had created a false and misleading appearance of active trading, with respect to the market and the price of the LGL share, in contravention of Rule 12 of Securities and Exchange Commission of Sri Lanka Rules.

Charges against the defendants have been filed for the violation of Rule 12 of the SEC Rules which is an offence under section 51(1)(a) of the Securities & Exchange Commission of Sri Lanka Act No.36 of 1987 (as amended) and is punishable under section 51(2) of the said Act, read in conjunction with sections 102 and 113A of the Penal Code of Sri Lanka.

Hon. Ranga Dissanayake, the Learned Magistrate, having taken cognizance of the submissions of Mr. Sudarshana De Silva, Deputy Solicitor General of the Attorney General's Department who appeared on behalf of the SEC, issued summons on the defendants to appear before the Magistrate on 13th December 2019.

Vajira Wijegunawardane
Director General