

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন  
সিকিউরিটিজ কমিশন ভবন  
ই-৬/সি, শের-ই-বাংলা নগর, আগারগাঁও, ঢাকা-১২০৭।

নং এসইসি/এনফোর্সমেন্ট/২৬০২/২০১৮/১৪৩

তারিখঃ ২৭ মার্চ, ২০১৯ ইং

আদেশ

যেহেতু, as per section 2 (cc) of the Securities and Exchange Ordinance, 1969 Commission means Bangladesh Securities and Exchange Commission constituted under the Bangladesh Securities and Exchange Act, 1993;

যেহেতু, Enquiry order no. BSEC/Surveillance/2017-0895/18 dated 23 April, 2018 and BSEC/Surveillance/2017-0895/21 dated 12 June, 2018 to enquire into some person's involvement with unusual and suspicious trading activities in shares of Monno Jute Stafflers Ltd., Popular Life Insurance Co. Ltd., Renwick Jajneswar & Co (Bd) Ltd., Stylecraft Limited, Monno Ceramic Industries Ltd. and Alif Industries Limited in the stock exchanges. From the enquiry report it appears, among others, that:

After analyzing data/information collected from different brokers and listed companies, it was found that Mr. Edmund Guda is the Company Secretary of STYLECRAFT maintaining a B.O Account (BO ID 1203210020788484) and conducted transaction of shares of their company.

Trade details are given in the following table:

Date	Edmund Guda (Code# 020954) of Al Muntaha Trading Co. Ltd.				Total Trade	Trade Vol.	Trade % of total trade volume
	Company Secretary of STYLECRAFT						
	Buy Qty.	Rate	Sell Qty	Rate			
15.03.2018	20	1361.45			20	5306	0%
20.03.2018	423	1410.42			423	3616	12%
21.03.2018	69	1403.07			69	13835	0%
25.03.2018			120	1616.05	120	20686	1%
27.03.2018	69	1594.88	130	1637.39	199	14129	1%
28.03.2018	20	1626.8	100	1660.81	120	15078	1%
02.04.2018			40	1629.89	40	10793	0%
05.04.2018			211	1675.79	211	24676	1%
Total	601		601				

Table: Trade Pattern of Edmund Guda (15/03/2018 to 05/04/2018)

**Findings:** Mr. Edmund Guda, Company Secretary of STYLECRAFT who is considered as an insider trader as per 4(2) of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, 1995 executed trade of shares of STYLECRAFT from March 15, 2018 to April 05, 2018 just before dissemination of price sensitive information of that company (PSI published in the website on March 29, 2018).

**Contravention:**

Mr. Edmund Guda violated 4(2) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ by conducting trade before publishing price sensitive information as an employee of the company.



আদেশ

যেহেতু, জনাব ইউমুন গুডা, কোম্পানী সচিব, স্টাইলক্র্যাফট লিমিটেড-কে উপরোক্ত ব্যর্থতার জন্য কমিশন কর্তৃক ৭ আগস্ট ২০১৮ ইং তারিখের নং বিএসইসি/এনফোর্সমেন্ট/২৬০২/২০১৮/২৯৩ নম্বর স্মারকমূলে জনাব ইউমুন গুডা -কে নির্ধারিত তারিখে উপরোক্ত ব্যর্থতার কারণ প্রদর্শনসহ শুনানীতে উপস্থিত হতে বলা হয় এবং জনাব ইউমুন গুডা উক্ত শুনানীতে ২৭ আগস্ট, ২০১৮ তে উপস্থিত হয়ে তার নিম্ন লিখিত বক্তব্য দাখিল করেন;

**Explanation of the alleged persons submitted at the time of hearing:** “Mr. Edmund Guda, Company Secretary, Stylecraft Limited submitted a written explanation vide letter dated August 27, 2018 stating among others that:-

“Reference to your letter No. BSEC/Enforcement/2602/2018/293 dated August 07, 2018 received by special messenger regarding show cause cum notice for hearing: Non-compliance of securities related laws. Details of the show cause cum notice for hearing stated below-

I have been called for a show cause cum hearing for trading of our securities of Stylecraft Limited, referred herein after as “SCL”. For your kind information I appointed an authorized person named Mr. Ohiduzzaman to trade our securities on behalf of me.

I have been called for such hearing for transactions dated from 15.03.2018 to 05.04.2018. You have alleged that DSE queried for unusual price hike on 25<sup>th</sup> March 2018, we replied them Company has no PSI to publish in hand now. Unfortunately, on 28<sup>th</sup> March SCL published a PSI regarding increase of production capacity as their retrofitting works completed. Though Company published a news within three days of DSE query, we had nothing to do with this. PSI is always been approved by the Board itself. No one would declare any such news as confirmed one before it passed as a resolution. Again I authorized someone to maintain my portfolio, I didn't look into my transactions day wise.

Pre-requisites of investing in any securities of any company are EPS, NAV, Dividend, Business Growth, Profit Growth, etc. By judging all the important factors, I invested in securities of SCL.

Total paid-up capital of SCL before declaring Bonus shares was BDT 5.5 million and after declaration this capital has been raised to BDT 9.9 million, whereas paid-up capital of Grameen Phone is 13,503 million, Square Pharmaceutical Ltd. is 7,373.91 million, Lafarge Holcim Bangladesh Ltd. is 11,613.70 million, Islami Bank Ltd. is 16,100 million, National Bank Ltd. is

26,549.10 million. These aforementioned companies share capital as well as market value of total volume of their shares are many times higher than that of SCL. If I would have invested in the aforementioned securities instead of SCL's securities, I could have not been afforded to invest on its 1% of its total transaction/ contribution. Thus, number of shares or total volume of SCL is very low, percentage of our investment or transaction looks higher.

Moreover, the show cause letter we received from enforcement dept. didn't show any proof of our involvement in price hike of SCL's securities. Even the said department didn't present any documents against us in this regard. Thus, I may assume that my trades didn't influenced the price of securities of SCL. Even the received letter didn't show any clue that, I have gained so much profit by trading shares of SCL.

I learnt from country wise Investment training conducted by Bangladesh Securities and Exchange Commission that, I must study well the core factors of any listed securities company before investing in it. I have found positive vibes in SCL's financial position, thus we decided to invest our highest ceiling of investment into this Company's security (shares). I found gradual improvement in its un-audited and audited accounts. I have seen few good news in DSE website, I also examined the Company maintains a positive dividend policy. And also, the Company has a good amount of retained earnings and reserve fund.





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For your kind information, as I stated earlier, I have authorized a person to buy, sale and/or transact our shares against BO ID of Al-Muntaha Trading Company Ltd. I appointed him as authorized person in 01 July 2017, related documents have been annexed herewith. I went under an oral agreement that, I may pay him 3% of total profit for all the transactions he made. At the same time, I ordered him to consider all the circulars/terms & conditions implemented by the Commission and Dhaka Stock Exchange regarding insider trading rules and regulations.

I have given him total responsibility of buying and/or selling our securities in short, I gave him the full power to maintain our portfolio. Thus, I thought I shouldn't influence in his work as he is an experienced one, therefore I didn't inquire his job. After acknowledging that he transacts my shares by violating the insider trading rules and regulations of the Commission only to have more commissions, as we offered him 3% of our total profit, I terminated him from his responsibility within immediate effect.

Therefore, by judging all the aforementioned facts and situations, I seek pardon from the Commission as what happened here was totally unintentional. I respect the rules and regulations of the Commission as well as other acts enacted here in our country. As an aware citizen of the Peoples Republic of Bangladesh I try my best to obey the laws of the Country.

However, I seek kind co-operation from your end in this regard. ”

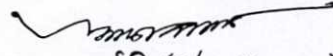
জনাব ইডমুন গুডা এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি।

যেহেতু, জনাব ইডমুন গুডা এর লিখিত বক্তব্য কমিশনের বিবেচনায় গ্রহণযোগ্য হয়নি, যা সিকিউরিটিজ আইন পরিপালনে ব্যর্থতা বিধায় section 22 of the Securities and Exchange Ordinance, 1969 অনুযায়ী শাস্তিযোগ্য অপরাধ এবং যা ক্ষমার অযোগ্য;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন পরিপালনে উল্লিখিত ব্যর্থতার জন্য, তথা পুঁজিবাজারের উন্নয়নের পাশাপাশি বাজারের শৃংখলা ও স্বচ্ছতা রক্ষার স্বার্থে জনাব ইডমুন গুডা কে জরিমানা করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন, উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) এর section 22 [যা The Securities and Exchange (Amendment) Act, 2000 দ্বারা সংশোধিত] এ প্রদত্ত ক্ষমতাবলে জনাব ইডমুন গুডা এর উপর ০২ (দুই) লক্ষ টাকা জরিমানা ধার্য করা হল। উক্ত জরিমানার অর্থ আদেশের তারিখ হতে ১৫ (পনের) দিনের মধ্যে ' বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে জমা করতে হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,

  
২৭/০৬/২০১৯  
খোন্দকার কামালউজ্জামান  
কমিশনার

বিতরণঃ

জনাব ইডমুন গুডা  
কোম্পানী সচিব, স্টাইলক্র্যাফট লিমিটেড