



Quarterly Review

October -December 2004

Securities and Exchange Commission
Bangladesh

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
October -December 2004

A PUBLICATION OF THE SEC

Securities and Exchange Commission

Jiban Bima Tower (Floor 15, 16 & 20)

10, Dilkusha Commercial Area

Dhaka-1000, Bangladesh

Phone: 9568101-2, 9561525

Fax: (88)-02-9563721

Website: <http://www.secbd.org>

E-mail: secbd@bdmail.net <<mailto:secbd@bdmail.net>>

SECURITIES AND EXCHANGE COMMISSION

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CAPITAL MARKET NEWS

The Commission

Name of IPO Department changed: The Securities and Exchange Commission has changed the name of IPO (Initial Public Offering) Department to Capital Issue Department with effect from November 27, 2004. The name is changed because, henceforth, the said Department apart from IPO would deal with rights issue and accord consent to public and private limited companies that require Commission's consent to making an issue of capital.

Training programs for authorized representatives of stock exchange's members held: The Securities and Exchange Commission (SEC) organized a two-day training program for authorized representatives of Dhaka Stock Exchange and Chittagong Stock Exchange in the board room of Dhaka Stock Exchange on 28 and 29 November 2004. Executive Directors of SEC Mr. Mansur Alam, Mr. Mohammad Abdul Hannan Zoarder, Mr. Anowarul Kabir Bhuian, Mr. Farhad Ahamed, Mrs. Rukshana Choudhury and Directors Mr. Shuvra Kanti Choudhury and Mr. A T M Tariquzzaman deliberated on various issues relating to capital market including securities laws, rules/regulations and central depository system. Another similar training program was also held in the conference room of Chittagong Stock Exchange on 29 and 30 December 2004 for authorized representatives of Chittagong Stock Exchange Members. DSE and CSE officials also deliberated on trading, clearing and settlement system of securities and associated rules of stock exchanges in the program. Thirty authorized representatives participated in the said program held in DSE and 38 authorized representatives attended in the training program held at CSE.

Investor's Education Program held: The Securities and Exchange Commission (SEC) organized investors' education program at SEC office on 26 December 2004. A total of 18 investors participated in the program. Executive Directors of SEC and two directors Mr. Shuvra Kanti Choudhury and Mr. A T M Tariquzzaman made presentation on regulatory framework, securities transactions and investment procedure, surveillance system and central depository system.

SEC suspended brokers' credit facility and increased members' trade margin requirements: The Securities and Exchange Commission (SEC) suspended credit extending facility by brokers to their clients to control excess liquidity in the capital market. The regulatory authority also took decision to increase the members' existing margin requirements.

SEC has taken decision to reduce IPO floatation cost: The Securities and Exchange Commission (SEC) has taken decision to reduce the cost of floating primary shares by almost 50 percent of the existing cost to encourage more companies to float securities through Initial Public Offerings (IPO) in the capital market. The said decision would be implemented through modification of related rules and regulations.

SEC made BO account opening mandatory: The Securities and Exchange Commission (SEC) made mandatory to open beneficiary owners' (BO) account for application of shares through public offering.

Dhaka Stock Exchange

Norwegian Ambassador visited DSE: Norwegian Ambassador Ms. Aud Lise Norheim accompanied by its First Secretary Mr Wilhelm Wiig visited Dhaka Stock Exchange (DSE) on October 11, 2004. The President of DSE Mr. Ahmed Iqbal Hasan delivered the welcome address and urged Norway to impose conditions on the entrepreneur who would establish companies in Bangladesh under Norwegian assistance. During the visit the Norwegian Ambassador said that she visited the DSE to see the operational status of the bourse and find out ways for future Norwegian support to the DSE to expedite development of Bangladesh's capital market.

Women entrepreneurs visited DSE: A thirty member delegation of women entrepreneurs visited the Dhaka Stock Exchange (DSE) on October 30, 2004 under an orientation workshop on "How to Invest and Operate Share business in the Stock Market", arranged by Dhaka Chamber of Commerce and Industry (DCCI) in cooperation with Centre for International Private Enterprise (CIPE) and the DSE. The Chief Executive Officer of DSE Mr Salahuddin Ahmed Khan welcomed the delegation and gave a brief overview of the country's prime stock exchange to them. Senior officials of DSE also deliberated on various aspects of DSE functions.

DSE fines 106 Companies: The Dhaka Stock Exchange imposed a daily fine of Tk 500 on 106 listed companies through a notification on October 3, 2004 for failing to submit their annual accounts to the bourse by September 30, 2004. There were 112 companies whose financial year ended on June 30, 2004 and were required to submit their provisional financial statements on or before September 30, 2004 as per DSE Listing Regulation. But only six out of 112 companies complied with the aforesaid requirements prompting DSE to impose the fine on the said companies.

DSE-CDBL radio-link operation: A radio-link operation between the Dhaka Stock Exchange (DSE) and Central Depository Bangladesh Ltd (CDBL) began from October 30, 2004 aiming to reduce the log-on time at the brokers' end. Under the previous dial-up system, the DSE Members faced problems to log-on to the CDBL system due to congestion in the CDBL system.

BIBM student visited DSE: A total of 26 MBM students of Bangladesh Institute of Bank Management (BIBM) led by its Associate Professor Mr. Proshanta Kumar Ranjit visited the Dhaka Stock Exchange (DSE) on December 6, 2004. DSE Chief Executive Officer Mr. Salahuddin Ahmed Khan and Mr. Nurul Haque Majumder, faculty member, BIBM were also present on the occasion.

Daffodil International University Students visited DSE: A student delegation of Daffodil International University, Dhaka led by its Professor Shahjahan Meena, Dean of Business Faculty visited the Dhaka Stock Exchange (DSE) on December 14, 2004 as part of their academic program. DSE Chief Executive Officer Mr. Salahuddin Ahmed Khan welcomed the students and

apprised them of different activities of the Dhaka Stock Exchange. The students also visited some brokerage houses of DSE.

Chittagong Stock Exchange

Seminar on Islamic Investment held in CSE: The Chittagong Stock Exchange arranged a seminar on “Islamic Investment” on October 3, 2004 for its members. The objective of this seminar is to train its members on Islamic Investment and Islamic Banking so that they could brief the investors about ICB AMCL Islamic Mutual Fund that was in the offing.

A Delegation of Chamber of Commerce and Industry of Paris visited CSE: A Delegation of Chamber of Commerce and Industry of Paris led by its President Mr. Philip Vindree visited the Chittagong Stock Exchange (CSE) on December 1, 2004. During the visit the delegation met with the CSE President Mr. Habibullah Khan. Mr. Khan welcomed the delegation and discussed on more French investment mainly in ceramics, textiles, leather and engineering sectors in Bangladesh.

CORPORATE FINANCE

During October - December 2004 quarter the following companies held their annual general meeting (AGM). Date of holding of AGM and status of declaration of dividend are furnished below:

Company Performance: October - December 2004

Sl. No.	Name	Last date of AGM	Dividend declared	Stock Dividend
01.	Pubali Bank Ltd.	30/12/2004	--	
02.	Olympic Industries Ltd.	30/12/2004	10.00	
03.	BD. Autocars Ltd.	30/12/2004	3.00	
04.	Amam Sea Food Ind. Ltd.	30/12/2004	--	
05.	Tripti Industries Ltd.	30/12/2004	--	
06.	Bangas Ltd.	30/12/2004	12.50	
07.	Bangladesh Leaf Tobacco Co. Ltd.	30/12/2004	--	
08.	Bangladesh Plantation Ltd.	26/12/2004	10.00	
09.	Hill Plantation Ltd.	26/12/2004	10.00	
10.	Gulf Foods Ltd.	30/12/2004	--	
11.	Jute Spinners Ltd.	30/12/2004	15.00	
12.	Northern Jute Ltd.	30/12/2004	--	
13.	Sonali Aansh Ltd.	30/12/2004	--	
14.	Ashraf Textile Mills Ltd.	30/12/2004	2.50	
15.	Tallu Spinning Mills Ltd.	30/12/2004	5.00	
16.	Mithun Knitting & Dyeing Ltd.	30/12/2004	5.00	
17.	Chic Tex Ltd.	30/12/2004	--	
18.	Perfume Chemicals Ind. Ltd.	30/12/2004	3.00	
19.	B. Monospool Paper Mfg. Co. Ltd.	30/12/2004	--	
20.	Modern Cement Ltd.	30/12/2004	--	
21.	Samata Leather Complex Ltd.	30/12/2004	--	
22.	Yousuf Flour Mills Ltd.	29/12/2004	5.00	
23.	Rangamati Food Products Ltd.	29/12/2004	--	
24.	Bangla Process Ltd.	29/12/2004	--	
25.	Pharma Aids Ltd.	29/12/2004	10.00	
26.	Azadi Printers Ltd.	29/12/2004	10.00	
27.	Orion Infusion Ltd.	28/12/2004	--	
28.	Bengal Fine Ceramics Ltd.	28/12/2004	5.00	
29.	Usmania Glass Sheet Factory Ltd.	28/12/2004	50.00	1B:4
30.	Prime Textile Mills Ltd.	27/12/2004	5.00	
31.	Renwick Jaineswar & Co (BD) Ltd.	26/12/2004	5.00	
32.	Delta Millers Ltd.	26/12/2004	10.00	
33.	Libra Infusions Limited	26/12/2004	17.50	
34.	Keya Cosmetics Ltd.	24/12/2004	16.00	
35.	Keya Detergent Ltd.	24/12/2004	14.00	
36.	Monno Jutex Ind. Ltd.	23/12/2004	30.00	
37.	Quasem Drycells Ltd.	23/12/2004	10.00	
38.	National Tubes Ltd.	23/12/2004	30.00	2B:5
39.	Dhaka Fisheries Ltd.	23/12/2004	2.00	
40.	Al-Haj Textile Mills Ltd.	23/12/2004	--	1B:5

Sl. No.	Name	Last date of AGM	Dividend declared	Stock Dividend
41.	Rahima Food Corp. Ltd.	23/12/2004	--	
42.	Saiham Textile Mills Ltd.	23/12/2004	7.00	
43.	Modern Dyeing & Screen Print Ltd.	23/12/2004	4.00	
44.	Desh Garments Ltd.	23/12/2004	5.00	
45.	Tamijuddin Textile Mills Ltd.	23/12/2004	5.00	
46.	Sajib Garments & Knitwear Ltd.	23/12/2004	--	
47.	Altex Ind. Ltd.	23/12/2004	10.00	
48.	Anlima Yarn Dyeing & Finishing Ltd.	23/12/2004	5.00	
49.	Al-Amin Chemical Ind. Ltd.	23/12/2004	--	
50.	Hakkani Pulp & Paper Mills Ltd.	23/12/2004	--	
51.	Niloy Cement Industries Ltd.	23/12/2004	5.00	
52.	Raspit Data Management & Telecommunications Ltd.	23/12/2004	--	
53.	Phoenix Leather Complex Ltd.	23/12/2004	--	
54.	Standard Ceramic Industries Ltd.	23/12/2004	10.00	
55.	Atlas Bangladesh Ltd.	22/12/2004	120.00	1B:3
56.	BEMCO Ltd.	22/12/2004	--	
57.	Agriculture Marketing Co. Ltd. (Pran)	22/12/2004	24.00	
58.	Monno Ceramic Industries Ltd.	22/12/2004	15.00	
59.	The Engineers Ltd.	22/12/2004	25.00	
60.	Aftab Automobiles Ltd.	21/12/2004	18.00	
61.	Fu-Wang Ceramic Industries Ltd.	21/12/2004	5.00	
62.	Miracle Ind. Ltd.	21/12/2004	10.00	
63.	Fu-Wangs Food Ltd.	20/12/2004	12.00	
64.	BD. COM Online Ltd.	20/12/2004	10.00	
65.	GMG Ind. Corp. Ltd.	18/12/2004	--	
66.	Wonderland Toys Ltd.	15/12/2004	--	
67.	National Polymer Ltd.	14/12/2004	10.00	
68.	Imam Button Ind. Ltd.	14/12/2004	5.00	
69.	Eastern Housing Ltd.	13/12/2004	10.00	
70.	Apex Weaving & Finishing Mills Ltd.	11/12/2004	--	
71.	Savar Refractories Ltd.	11/12/2004	--	
72.	Gemini Sea Food Ind. Ltd.	09/12/2004	25.00	
73.	Dullamia Cotton Mills Ltd.	04/12/2004	7.00	
74.	AB Bank Ltd.	10/11/2004	--	5% B
75.	The Oriental Bank Ltd.	09/11/2004	--	
76.	ICB(Investment Corporation of Bangladesh)	31/10/2004	10.00	
77.	Rupali Bank Ltd.	30/10/2004	--	
78.	Agni Systems Ltd.	18/10/2004	10.00	
79.	Bangladesh Hotels Ltd.	14/10/2004	35.00	
80.	Apex Tannery	14/10/2004	12.00	
81.	MIDAS Financing Ltd. (MFL)	10/10/2004	--	10:1B
82.	AIMS	07/10/2004	15.00	
83.	Bangladesh Services Ltd.	07/10/2004	--	
84.	Metro Spinning Mills Ltd.	29/12/2004	12.00	
85.	Fahad Ind. Ltd.	27/12/2004	--	

CAPITAL ISSUE DEPARTMENT

The Commission accorded consent to the following three companies to raise capital through public issue during the October – December 2004 period.

Figures in Million Taka.

Name of the Company	Date of Approval/ Publication date	Sponsors Equity			General Public	Foreign Placement	Public Equity		Remarks (Issued at Premium)
		Local	Foreign	Total					
1	2	3	4	5	6	7	8	9	10
Agrani Insurance Company Limited	13.12.04 15.12.04	60.00	--	60.00	90.00	--	--	90.00	At par
Global Insurance Limited	22.12.04 26.12.04	60.00	--	60.00	90.00	--	--	90.00	At par
The Premier Bank Ltd.	26.12.04 27.12.04	557.550	--	557.550	557.550	--	--	557.550	At par

* The Commission postponed its IPO floatation consent to the Premier Bank Ltd. due to irregularities found in opening beneficiaries owners account (BO).

Capital Raising:

The Commission accorded consent to the following seven companies to raise capital during October – December 2004 Quarter.

Sl. No.	Name of the Company	Date of Consent	Nature of raising Capital	Amount (MillionTk.)
1.	Kurigram Spinning Mills Ltd.	3/10/04	Ordinary Shares	82.05
2.	United Leasing Co. Ltd.	20/10/04	Debenture	30.00
3.	Rangs Pharmaceuticals Ltd.	26/10/04	Ordinary Shares	28.00
4.	Industrial Promotion and Development Co. of Bangladesh	31/10/04	Zero-Coupon Bonds	358.58
5.	VANIK Bangladesh Ltd.	3/11/04	Ordinary Shares	49.00
6.	Prime Finance & Investment Ltd.	30/11/04	Bonds Private Placement	300.00
7.	People's Leasing and Financial Services Ltd.	11/12/04	Ordinary Shares	42.40

Rights Share:

The Commission allowed the rights shares of City Bank Limited for Tk. 240.00 million during the October – December 2004 Quarter.

SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES**October – December 2004**

Status of Complaints Received during the Period:

LISTED COMPANIES

Nature of Complaints	Received during the Quarter (Nos.)	Under process (Nos.)	Referred for Enforcement action (Nos.)	Resolved During the Quarter (Nos.)
Non-payment or delay in payment of declared dividend	7	-	7	-
Non-payment or delay in payment of interest of Debenture	1	-	1	-
Claim of dividend against lost shares	-	-	-	-
Regarding transfer of shares	8	3	-	5
Regarding transfer of shares in BO Account.	11	-	1	10
Regarding non payment of IPO deposit money	-	-	-	-
Miscellaneous	6	-	1	5
Total	33	3	10	20

BROKER/DEALERS

Nature of Complaints	Received during the Quarter (Nos.)	Under process (Nos.)	Referred to DSE	Referred for Enforcement Action (Nos.)	Resolved During the Quarter (Nos.)
Regarding non delivery of shares	3	-	2	-	1
Regarding non refund of clients money	1	-	1	-	-
Miscellaneous	-	-	-	-	-
Total	4	3		-	1

CENTRAL DEPOSITORY SYSTEM DEPARTMENT

During October-December 2004 the following 9 companies have joined Central Depository Bangladesh Ltd. (CDBL). During this period total numbers of companies under CDBL stands at 43.

Sl. No.	Name of the company	Date of joining in CDBL
01	United Leasing Company Ltd.	14 October 2004
02	National Life Insurance Company Ltd.	14 October 2004
03	EXIM Bank Ltd. (IPO)	16 October 2004
04	Bangladesh Export Import Company Ltd.	24 October 2004
05	Quasem Drycells Ltd.	24 October 2004
06	Bangladesh Lamps Ltd.	24 October 2004
07	Mercantile Insurance Company Ltd. (IPO)	7 December 2004
08	Beximco Infusion Ltd.	22 December 2004
09	One Bank Ltd.	22 December 2004

REGISTRATION

Issuance of Stock Broker Registration Certificate:

During the period, the Commission issued stock broker registration certificate to the following member of Chittagong Stock Exchange Ltd. as per the Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorized Representative) Rules, 2000 as amended:

Sl. No.	Name of the Stock Broker	Name of the Stock Exchange & Membership #	Address	Registration Certificate Number and Date
1	ZATL Securities Limited	CSE-045	Laldighirpar, New Market, Sylhet	Registration- 3.2/CSE-045/126/2004 date: 08/12/2004

Renewal of Stock Dealer/Stock Broker Registration Certificate:

During October-December, 2004 quarter, the Commission renewed 10 and 11 Stock Dealers/Stock Brokers registration certificate of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively. All twenty one Stock Dealers/Stock Brokers registration certificates were renewed during the period.

Renewal of Authorized Representatives Registration Certificate:

During the quarter, the Commission renewed four and three Authorized Representative registration certificates of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively.

Issuance of Depository Registration Certificate:

During the period, the Commission issued the following Depository Participants registration certificate as per Depository (Users) Regulations, 2003

List of Depository Participants

Sl. No.	Certificate No. and Date	Company Name	Service Type	Address
01	SEC/REGISTRATION/C DBL-DP-125 09.10.2004	Bangladesh Commercial Bank Ltd	Full Service DP	Taranga Complex, 19 Rajuk Avenue, Dhaka-1000, Ph: 9559831, 9571581, Fax: 8802-9568218, Email: bcbl@bracbd.net
02	SEC/REGISTRATION/C DBL-DP -126 03.11.2004	Ghulam Quader & Co.	Full Service DP	Room No. 425(3rd Floor), 9/E Motijheel C/A, Dhaka-1000 Ph: 7110902, 011064775 Email: gquader@accesstel.net
03	SEC/REGISTRATION/C DBL-DP -127 03.11.2004	R.R Securities Ltd.	Full Service DP	Room No. 207, Ismail Manson, 9H Motijheel C/A, Dhaka-1000. Ph: 9567866, 9550293, Fax: 9571003, Email:rrsecurities@agnionline. com
04	SEC/REGISTRATION/C DBL-DP -128 03.11.2004	Rose Securities Ltd.	Full Service DP	DSE Annex Building(3rd Floor), Room #421, 9/E Motijheel C/A, Dhaka-1000, Ph: 9564601 Ext-421, 0189499006, Fax: 8317512 Email: aazad@agni.com

05	SEC/REGISTRATION/C DBL-DP -129 04.12.2004	Arc Securities Ltd.	Full Service DP	Room No. 513 DSE Annex Building, 9E Motijheel C/A, Dhaka-1000 Ph: 9553744, Fax: 8617007
06	SEC/REGISTRATION/C DBL-DP -130 04.12.2004	Khurshid Alam & Co.	Full Service DP	Room No. 204 DSE Building, 9F Motijheel C/A, Dhaka-1000 Ph: 9557742,9557743,Fax:956460 8
07	SEC/REGISTRATION/C DBL-DP -131 12.12.2004	M. A. Quayum & Co.	Full Service DP	Room No. 427(3rd Floor), 9E Motijheel C/A, Dhaka-1000 Ph: 9564601, Ext-427, 9557677 Fax: 9557677
08	SEC/REGISTRATION/C DBL-DP -132 12.12.2004	Md. Shahjahan & Co.	Full Service DP	Room No. 213(1rd Floor), 9F Motijheel C/A, Dhaka-1000 Ph: 9551403
09	SEC/REGISTRATION/C DBL-DP -133 12.12.2004	ALOCO	Full Service DP	Room No. 520(4rd Floor), DSE Annex Building, 9/E Motijheel C/A, Dhaka-1000, Ph: 7174415, 9564601 Ext- 520, 0189-118439
10	SEC/REGISTRATION/C DBL-DP -134 12.12.2004	Sadharan Bima Corporation	Full Service DP	33 Dilkusha C/A, Dhaka-1000 Ph: 99560115, 9566105 Fax: 9564197, Email: sbc@btbt.net.bd
11	SEC/REGISTRATION/C DBL-DP -135 12.12.2004	Latif Securities Ltd.	Full Service DP	Room No. 310, DSE Building, 9/F Motijheel C/A, Dhaka- 1000 Ph: 9561451, 9561220 Fax:7112490,Email: lse@dotbd.com
12	SEC/REGISTRATION/C DBL-DP -136 30.12.2004	Haji Ahmad Brothers	Full Service DP	Room No. 522, 9/E Motijheel C/A, Dhaka-1000 Ph: 7171486, 0171-561748
13	SEC/REGISTRATION/C DBL-DP -137 30.12.2004	Prime Financial Consultants & Equities Ltd	Full Service DP	Nirala Bhaban(2nd Fbor), 9/A Toyenbee Circular Road, Motijheel C/A, Dhaka-1000

				Ph:7164776,7175690,Fax: 9564857
14	SEC/REGISTRATION/C DBL-DP -138 30.12.2004	Mirza Aboo Mohsin & Co.	Full Service DP	Room No. 515(4th Floor), 9/E Motijheel C/A, Dhaka-1000 Ph: 9555204
15	SEC/REGISTRATION/C DBL-DP -139 30.12.2004	Century Securities Ltd	Full Service DP	12 Jamal Khan Road, Minhaj Complex, Chittagoang Ph: 031-620323, 0176-101583

Renewal of Depository Registration Certificates:

During the quarter, the Commission renewed 36 depository participant registration certificates.

Regarding Issuance of New Merchant Bankers Registration Certificates:

During October-December, 2004 quarter the Commission sent letters to the Ministry of Finance seeking policy decision on issuance of new Merchant Bankers registration certificates. The last letter issued on the subject on 28.12.2004. The new applicants were informed the reasons as to why the Commission could not accord Merchant Bankers registration to the applicants.

Regarding Submission of Annual Audited Accounts of the Merchant Bankers:

The Commission allowed time up to 31 December 2004 to submit the Annual Audited Financial Statements to the Merchant Bankers who had failed to submit the same to the Commission within stipulated time. Besides, the Commission issued a Directive to the Merchant Bankers to submit the Annual Audited Financial Statements to the Commission within 120 days from the date completion of the financial year.

Miscellaneous:

- A) A letter issued to ICB on 14.12.2004 conveying the Commission's approval to ICB to act as the Trustee to the 'Securitized Zero Coupon Bond' to be issued by IDLC;
- B) Another letter issued to ICB Asset Management Company Limited on 14.12.2004 intimating the Commission's approval to transfer the money of Pre-IPO Placement and IPO subscription from Escrow Account to the ICB AMCL Islamic Mutual Fund Account for daily transaction; and
- C) Letter issued on 05.01.2005 to Equity Partners Limited informing the Commission's decision taken in the 205th Commission Meeting held on

21.12.2004 that the Commission would consider exemption in the interest of the public as well as the capital market from the wewa 27 (1) (N) of wmwKDwiwUR I G:‡PÄ Kwgkb (wgDPz"qvj dvÛ) wewagvjv, 2001 to the Asset Management Company proposed by Equity Partners Limited.

SEC SURVEILLANCE SYSTEM

Daily Market Surveillance: As part of daily market surveillance the surveillance official watch and analyze trading activities in both the stock exchanges through on line surveillance system and find out irregularities, abnormal trading, if any. At the end of the trading, a daily trade reports prepared and pointing out market condition at a glance and submitted to the chairman and the members of the Commission.

On-site Inspection Team: To ensure fair-trading in the securities market and to maintain the confidence of investors it is necessary to identify all activities concerning market misconduct, if and investigation into suspicious cases. In this context, the Commission formed three high powered on-site inspection and investigation team during this period.

Surprise Visit and Inspection:

During this period as part of regular monthly inspection SEC's inspection team visited and inspected three stock-brokers/stock-dealers offices of DSE and similar number of stock broker offices of CSE. They examined books and records of the broker dealer to ensure proper compliance of securities related laws, rules and regulations by them. As part of surprise visit the SEC surveillance team visited and inspected books and records of five stock-brokers/stock-dealers of DSE and four stock-brokers/stock-dealers of CSE regarding trading activities of First Lease International Ltd., Beximco Pharmaceutical Ltd., Beximco Textile Ltd., Prime Bank Ltd., Southeast Bank Ltd., One Bank Ltd., BD Online Ltd.

Enquiry: In the referred period the Commission constituted three enquiry committee to enquire into: (?) the trading activities of securities of Lafarge Surma Cement Ltd. during 01-01-2004 to 11-10-2004 at DSE and CSE, (u) the trading on its own accounts/fund of A.B Bank Ltd. at DSE and (?u) the transaction in the securities of IDLC Ltd. in the recent past at CSE and other incidental matters thereto.

SEC ENFORCEMENT ACTIONS

The following are the lists of enforcement actions taken against registered stock-dealer, stock-broker, issuer companies and or its directors, various institutions and individuals by the Commission during the period of October-December 2004 for the reasons appear against their names.

(A) Issuer Company: Directives/Penalized/Appeal/ Review

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
01.	10.11.04	Meghna Condensed Milk Industries Ltd.	Failure to submit half yearly financial statement for the half-year ended on 31 st December 2003.	Penalty of Taka 1.00 lac imposed on Mr. M. F, Kamal, Managing Director of Meghna Condensed Milk Industries Ltd. and an additional penalty of Taka 10,000 to be imposed per day if default continues after the date of the Order.
02.	10.11.04	Meghna Pet Industries Ltd.	Failure to submit half yearly financial statement for the half-year ended on 31 st December 2003.	Penalty of Taka 1.00 lac imposed on Mr. M. F, Kamal, Managing Director of Meghna Pet Industries Ltd. and an additional penalty of Taka 10,000 to be imposed per day if default continues after the date of the Order.

Summary of the Enforcement Action Taken for the Period October – December 2004

Nature of Enforcement Action Taken	Number of Cases
Against Issuer Company and its directors	
Directives/Penalized/Appeal/ Review	2
Warned	0
Total	2

LEGAL SERVICES

Court Cases of SEC

Total 105 cases filed by or against SEC were pending in different courts. Name of the courts are given below along with number of pending cases with each:

Sl. No.	Name of the Court	Number of Cases	
01.	Supreme Court of Bangladesh	Appellate Division	03
		High Court Division	55
02.	Metropolitan Session Judge Court, Dhaka.		09
03.	5 th Joint dist. Judge Court, Dhaka.		09
04.	1 st Asst. Judge Court, Dhaka.		01
05.	4 th Asst. Judge Court, Dhaka.		02
06.	Chief Metropolitan Magistrate Court, Dhaka.		05
07.	General Certificate Court, Dhaka.		21
Total Cases :			105

Out of total 15 share scam cases of 1996, 2 cases were pending before the Appellate Division, 7 cases before the High Court Division of the Supreme Court and rest 6 Cases were pending before the Metropolitan Session Judge Court, Dhaka during the said period.

NEW ACTS/RULES/REGULATIONS/AMENDMENTS/ORDER/NOTIFICATIONS

**Securities and Exchange Commission
Jiban Bima Tower
10, Dilkusha (15th, 16th and 20th Floor)**

SEC/Reg./MB-Policy/Part-IV/2002/266

Date: 12.12.2004

DIRECTIVE

Whereas the Securities and Exchange Commission (hereinafter referred to as the Commission) considers it to be expedient in the interest of capital market that a directive be issued to the Merchant Bankers in connection with the submission of audited financial statements to the Commission;

Now, therefore, in exercise of the power conferred by the section 20A of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), as amended by the Securities and Exchange (Amendment) Act, 2000, the Commission hereby directs the registered Merchant Bankers to audit their financial statements within one hundred and twenty days from the date on which the Merchant Bankers' financial year ends and submit a copy of such audited financial statements to the Commission within fourteen days thereof.

Provided further that the Securities and Exchange Commission may extend the said period up to such time as it may deem fit.

By order of the Securities and Exchange Commission

Sd/-

Dr. A. B. Mirza Azizul Islam
Chairman

DIRECTIVE

Whereas, the Securities and Exchange Commission is satisfied that in the interest of the securities market and investors in securities it is necessary that transactions of the Govt. Treasury Bonds should take place on the stock exchanges, and to that end Commission deems it to be expedient that a directive should be issued to the stock exchanges for listing and providing trading and settlement facilities to the following securities.

Now, therefore, the Securities and Exchange Commission, in exercise of the powers conferred in it under section 10, read with section 20A, of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. to list and also to provide trading and settlement facilities to the following securities effective from the first trading day commencing on the 1st January 2005:

	Name of the Security	Coupon Rate
(a)	5 Years Bangladesh Govt. Treasury Bond	7.5% payable on half-yearly rest.
(b)	10 Years Bangladesh Govt. Treasury Bond	8.5% payable on half-yearly rest.

Provided that:

1. Provisions of the listing regulations of the stock exchanges shall not be applicable in respect of the above securities.
2. Trading of the above securities shall be on 'spot' basis.
3. Settlement and clearance period for the said securities shall be on 'T+1' (trading day plus next business day) basis and that the buying stock-dealer/stock-broker shall deposit the money for the securities bought in the bank account of the stock exchange concerned.

By order of the Securities and Exchange Commission

Mirza Azizul Islam
Chairman

Distribution:

- ☒ Chief Executive Officer, Dhaka Stock Exchange
- ☒ Chief Executive Officer, Chittagong Stock Exchange
- ☒ Managing Director & CEO, Central Depository Bangladesh Ltd.
- ☒ All Primary Dealers of Government Bond.

Copy to:

- ☒ Governor, Bangladesh Bank
- ☒ Secretary, Finance Division, Ministry of Finance.

ORDER

Whereas, the Securities and Exchange Commission deems it to be expedient that, in the interest of the investors and the capital market, certain further amendments should be made in the Settlement of Transactions Regulations, 1998 of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in respect of settlement of spot trades in the demat scrips;

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 34, sub-section (4) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. to amend their respective Settlement of Stock Exchange Transactions Regulations, 1998 to make provision for settlement of spot trades in the demat scrips through respective clearing houses only of the said stock exchanges, instead of the existing system provided in the said Regulations, which will have immediate effect.

By Order of the Commission

Farhad Ahmed
Executive Director

Distribution:

1. Chairman, SEC
2. Members, SEC
3. All Departmental Heads, SEC
4. Chief Executive Officer, DSE, CSE, CDBL

ORDER

Whereas, the Securities and Exchange Commission deems it to be expedient that in the interest of the investors and the capital market, the operation of Margin Rules, 1999 should be suspended for the time being;

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 33 of the Securities and Exchange Ordinance, 1969, (XVII of 1969), hereby suspends the operation of Margin Rules, 1999 with immediate effect till further order.

By Order of the Commission

Farhad Ahmed
Executive Director

Distribution:

1. CEO, DSE with a request to send a copy of this order to all of their
2. CEO, CSE members and disseminate the aforesaid order, through on-line trading system immediately

Copy to:

1. Chairman, SEC
2. Members, SEC
3. All Departmental Heads, SEC
4. CEO, CDBL

ORDER

Whereas, the Securities and Exchange Commission deems it to be expedient that, in the interest of the investors and the capital market, certain further amendments should be made in the Dhaka Stock Exchange (Member's Margin) Regulations, 2000 and Chittagong Stock Exchange (Member's Margin) Regulations, 2000.

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 34, sub-section 4 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. to amend their respective Member's Margin Regulations, 2000 in the following manner which shall have immediate effect.

Regulation 3 shall be substituted by the following:

“3. Free limit- The free limit shall be taka fifty lacs per trading day.”

Regulation 4(3) will be substituted by the following:-

“4. (3) Every member shall deposit the member's margin with the clearing house on the additional trade exposure at the following rates:-

Additional trade exposure	Member's Margin rate
(a) Above taka fifty lacs but not exceeding taka one crore	@ 20%
(b) Above taka one crore but not exceeding taka two crore	@ 30%
(c) Above taka two crore but not exceeding five crore	@ 50%
(d) Above taka five crore	@ 100%”

By order of the Commission

Farhad Ahmed
Executive Director

Distribution:

The Chief Executive Officer, DSE | with request to send a copy of this order to all of their
The Chief Executive Officer, CSE | members and disseminate the aforesaid order, through on-line
trading system immediately.

Copy to:

1. Chairman, SEC
2. Members, SEC
3. All Department Heads, SEC
4. CEO, CDBL

DSE & CSE SCENARIO

Capital Market: As of 30th December 2004 the total issued capital of all listed securities of Dhaka Stock Exchange was TK 49532 million (US\$ 840 million) which was TK 48797 million (US\$ 834.14 million) on 30th September 2004. In Chittagong Stock Exchange the total issued capital on 30th December 2004 was TK.46888 (US\$ 781.47 million) which was TK.46824 million (US\$ 780.40 million) on 30th September 2004.

Stock Market Operation: During October-December 2004 quarter the total turnover in Dhaka Stock Exchange was 194.13 million securities while the total amount traded on Dhaka Stock Exchange during the same period was TK. 22970.66 million (US\$ 389.72 million)

During October-December 2004 quarter the total turnover on Chittagong Stock Exchange was 58.59 million securities while the total amount traded on Chittagong Stock Exchange during the same period was Tk. 5034 million (US\$ 83.9 million) during this quarter.

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK.224923 million (US\$ 3812 million) as on 30th December 2004 compared to TK.179756 million (US\$ 3073 million) as on 30th September 2004.

In the Chittagong Stock Exchange total market capitalization of all securities was TK.215011 million (US\$ 3583.52 million) as on 30th December 2004 compared to TK. 162454 million (US\$ 2707.57 million) as on 30th September 2004.

Share Price Index: DSE general share price index stood at 1971.31 on 30th December 2004 compared to 1633.02 on 30th September 2004. The CSE all share price index stood at 3597.70 on 30th December 2004 while it was 2910.05 on 30th September 2004. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK. 59.50

For October-December 2004 quarter)

Bangladesh Capital Market Summary

As on 30 December 2004

Indicators	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	237	185
No. of mutual funds	11	12
No. of debentures	8	2
<i>Total No. of Listed Securities</i>	<i>256</i>	<i>199</i>

Figures in million

No. of shares of all listed companies	1113.93	1010.72
No. of certificates of all listed mutual funds	73.25	73.25
No. of debentures of all listed debentures	0.4	0.05
<i>Total No. of Tradable Securities</i>	<i>1187.58</i>	<i>1084.02</i>

Figures in million

Issued capital of all companies	TK.	48996	46434
	US\$	830	773.90
Issued capital of all mutual funds	TK.	395	395
	US\$	7	7
Issued debentures	TK.	140	59
	US\$	2	0.98
<i>Total issued capital</i>	<i>TK.</i>	<i>49532</i>	<i>46888</i>
	<i>US\$</i>	<i>840</i>	<i>781.47</i>

Figures in million

Total Market capitalization	TK.	224923	215011
	US\$	3812	3583.52

Share price index	1971.31 (A & B category companies)	3597.70 (All share price index)
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DSE OPERATIONAL STATISTICS
October-December 2004

Trading Month	Share Price Index (A & B category companies)	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
October	1710.45	TK.192078 US\$ 3261	24	46.07	1.92	TK.6082.97 US\$ 103.28	TK.253.46 US\$ 4.30
November	1877.05	TK.209942 US\$ 3563	19	54.87	2.89	TK 7359.71 US\$ 124.95	TK.387.35 US\$ 6.58
December	1971.31	TK.224923 US\$3812	23	93.19	4.05	TK9527.98 US\$161.49	TK.414.26 US\$ 7.02
Total			66	194.13	2.95	TK.22970.66 US\$389.72	TK.351.69 US\$ 5.97

**Index and Market Capitalization of the last trading day of the months have been considered as relevant figures of respective months.*

CSE OPERATIONAL STATISTICS
October-December 2004

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
October	3040.95	Tk.182930 US\$ 3048.83	24	10.52	0.44	Tk.1065 US\$ 17.75	Tk.44.38 US\$ 0.74
November	3334.38	Tk.199445 US\$ 3324.08	20	13.29	0.66	Tk.1809 US\$ 30.15	Tk.90.45 US\$ 1.51
December	3597.70	Tk.215011 US\$3583.52	23	34.78	1.51	Tk.2160 US\$ 36	Tk.93.91 US\$ 1.56
Total			67	58.59	0.87	Tk. 5034 US\$ 83.9	Tk76.25 US\$ 1.27

**Index and Market Capitalization of the last trading day of the months have been considered as relevant figures of respective months.*

