Annual Report
2011-2012

Bangladesh Securities And Exchange Commission

ANNUAL REPORT 2011-2012

Bangladesh Securities and Exchange Commission
Jiban Bima Tower (14th, 15th, 16th & 20th Floor)
10, Dilkusha Commercial Area, Dhaka-1000, Bangladesh
Phone: (88)-02-9568101-2, 9561525
Fax: (88)-02-9563721 1-2, 9561525
E-mail: secbd@bdmail.net
Website: http://www.secbd.org

CONTENTS

1. Chairman's Statement

Bangladesh Securities and Exchange Commission (BSEC) was established on 8 June 1993 through enactment of the Bangladesh Securities and Exchange Commission Act, 1993, with the objectives to protect the interests of securities investors, develop the securities markets and formulate necessary rules on concerned areas or related topic there under. Since the establishment of the Commission, activities like development of legal infrastructure in capital market, introduction of automated trading system for securities transaction, preservation and transfer of investors' securities electronically through establishment of Central Depository Bangladesh Limited(CDBL), facility of accessing real-time market price of securities and index information, regular arrangement of investors education programs of BSEC at free of cost and those of stock exchanges and other market intermediaries etc have contributed significantly to the development of the capital market. Capital market is being used as the main source of long term financing for some state owned enterprises. In spite of these, unusual movement of share price in December 2010 raised the need for reform and reorganization of various weak aspects of the market. On May 2011, the Government reconstituted the Commission and emphasized on various reforms and reorganization. The Government formed a Capital Market Probe Committee 2011 to find out the cause of the unusual movement of the capital market in 2010. Subsequently, the Government has published the probe committee report as it is, which is now under implementation on step by step.

The reconstituted new Commission emphasized on modernization of the market monitoring and surveillance system at the Commission premise. Consequently, with financial assistance of Asian Development Bank (ADB), a project named "Improvement of Capital Market and Insurance Governance Project: Sub Project 3: Improvement of Capital Markets Governance Project" has been launched, which is working to purchase and install a modern surveillance system at the Commission. Besides, the Commission has also instructed the stock exchanges to modernize and strengthen their surveillance system. Demutualization of the stock exchanges is an important matter which needs to addressed. Accordingly, ADB assisted project-Capital Market Development Program-II has been launched, to initialize demutualization process of stock exchanges, which has started its activities.

To overcome the difficulties of the capital market, honorable prime minister has given guideline, focused mainly on protecting interest of the investors, escalating coordination among all stakeholders, and developing the market through reforms. She has emphasized for protection of the small investors. The Government already has established a Special Scheme Committee in this regard. In Listed Company, becoming directors without holding a reasonable quantity of share has been identified as a big problem for the market. At this circumstance, to address the problem, holding of 2% share by director's individually and 30% share by all directors jointly in the company have been made mandatory (except independent director). The Commission believes that although it may create some problem temporarily in the market but it will bring benefit at stabilization of the market in the long run.

Corporate governance is a very important issue for the capital market. The Commission is working to reform the existing Corporate Governance Guideline. Besides, it has instructed the stock exchanges to establish corporate finance department so that financial Statements of the listed companies could be examined more rigorously.

In order to make the investors aware about the market situation and to facilitate access to right information regarding the listed companies, promulgation of Research Analysis Rules is in process. If the investors can be provided with right research analysis about the market and listed securities, it will help them taking right decision regarding their investment. Besides, promulgation of Investment Advisor Rules is also in process.

The Commission has already placed the amendment draft of The Securities and Exchange Ordinance, 1969 and The Securities and Exchange Commission Act, 1993 in the form of Bill to the Banking and Financial Institution Division, Ministry of Finance. The Commission has also reformed the Book Building Method so that misuse of this system can be avoided and transparency can be ensured in IPO. As a result, opportunity is remained open for any company willing to come to IPO through Book Building Method or Fixed Price Method.

Over the unusuale market movement, the Commission has conducted enquiry regarding some manipulations and taken necessary lawful action against the manipulators. As a result, awareness will grow regarding consequences of mal-practices, which will help to develop the market. Alongside, the Commission has undertaken internal reforms in the organization to ensure transparency and accountability.

We believe that Bangladesh Capital Market is capable enough to supply significant amount of necessary capital for the public and private sectors. But all the stakeholder namely merchant bankers, broker-dealers, asset management companies, auditors, credit rating agencies, private entrepreneurs, state owned enterprises, stock exchanges and regulators have to play their roles more professionally. In this regard the Commission is trying to raise its manpower and train them up. Investors also need to be more cautious and to extend their investment related knowledge so that they can refrain themselves from taking unjustified risks. The stock exchanges have expanded their trading network to the divisional towns like Dhaka, Chittagong, Sylhet, Rajshahi, Khulna, Borishal and also to a good number of district towns. But the issue of supply of securities and raising awareness and investment related knowledge is of crucial investors' importaned. In this respect, BSEC, DSE, CSE, merchant bankers, BICM and others are conducting capital market and investment related training programs twice a month and some times more.

In order to play effective role at supply of good securities, the Commission has issued more 09 merchant bank registration certificates, 03 asset management co certificates, 02 security custodian certificates, 31 stock brokers & stock dealer certificates, 04 credit rating agency certificates.

Mutual Fund is an important instrument in capital market. This type of funds reduces the risk of investors comparatively through efficient investment management by asset management companies. The Commission has emphasized on increasing this type of funds in the market and reformed rules relating to them. Maturity period for close end Mutual Fund has been fixed to ten (10) years and in last date is set to December 31, 2011 for whose maturity date was over. During the year 2011-2012, six (06) more Mutual Funds has been listed thought IPO. It is expected that the rise of mutual funds will help reduce the risk and stabilize the market.

During July 2011 to June 2012, 11 companies have collected capital of Tk 10473.828 million (including premium) through IPO, where subscription from public was Tk 40675.756 million, 3.88 times of IPO amount, which indicates a demand in primary market. Moreover Right Issue for fifteen(15) Companies was Tk 20402.7 million. The Commission also approved raising of paid-up capital of Tk 46908.4 million for 109 private limited companies and Tk 53988.7 million for 81 public limited companies.

As on June 30, 2012, the number of BO accounts was 2.392 million, the number of demated securities was 294, the depository participants was 371 in the Central Depository Bangladesh Ltd(CDBL). CDBL has been instructed to conduct regular system audit for ensur proper management and to establish a disaster recovery site in another divisional town.

Over the last couple of years it is observed that market capitalization was 31.64% of GDP in 2011-2012, which was 41.22% in 2010-2011, 43.92% in 2009-2010, 19.6% in 2008-2009, 17.06% in 2007-2008, 10.07% in 2006-2007, 5.18% in 2005-2006, 5.99% in 2004-2005, and 4.10% in 2003-2004. It is seen that the rate is gradually increasing in trend although it shows a decline in 2011-2012 due to dull market condition.

Although our market is mainly equity securities based, it is also important to create bond market and making it active in order to increase the depth of the market. During the year the Commission has prepared a draft rule for the bond market and its different aspects are now under examination. To increase the size of bonds and to familiarize govt bonds in the market, govt bonds have been listed for transaction in the secondary market since January 01, 2005. As on June 30, 2012, there are 03 corporate bonds, 08 debentures and 221 treasury bonds existing in the market. On that date total market capitalization for all securities is Tk 2491612.9 million, where capitalization for equity is Tk 1899980 million, mutual fund is Tk 35880 million and bond(debenture, T-bond, corporate bond) is Tk 55,5740 million. The government, BSEC and other stakeholders are trying to create an active bond market.

In DSE, as on June 30, 2012, number of listed securities increased to 511 compared to that of 490 on June 30, 2011. The amount of all issued securities stand at Tk 933629.5 million on June 30, 2012 which was Tk 806839.0 million on June 30, 2011, indicating a growth by 15.71%. As on June 30, 2011 market capitalization of DSE was Tk 2853892.2 million which declined to Tk 2491612.9 million on June 30, 2012 decreasing by 12.69%. All share price index of DSE was 5093.19 on June 30, 2011 which declined to 3877.64 on June 30, 2012 decreasing by 23.87%.

Similarly, in CSE, as on June 30, 2012, number of listed securities increased to 251 compared to that of 238 on June 30, 2011. The amount of all issued securities stand at Tk 375220.2 million on June 30, 2012 which was Tk 302917.3 million on June 30, 2011, indicating a growth by 23.87%. As on June 30, 2011 market capitalization of

CSE was Tk 2237585.0 million which declined to Tk 187,1532.9 million on June 30, 2012 decreasing by 16.36%. All share price index of CSE was 17059.53 on June 30, 2011 which declined to 13,736.42 on June 30, 2012 decreasing by 19.48%.

The Commission has been continuing its efforts at reform activities along with other development initiatives in consideration of the market condition. It is working to improve investors' confidence in the market and stabilize it, involving all market stakeholders. It is expected that Bangladesh capital market will play more important role in the economy through industrialization, employment generation and poverty alleviation in the days to come. I express my thanks to everyone involved in the capital market for their efforts towards economic development of the country.

Professor Dr. M. Khairul Hossain
Chairman

2. The Commission

Chairman:

- Professor Dr. M. Khairul Hossain

Commissioners:

- Professor Md. Helal Uddin Nizami
- Mr.Md. Amzad Hossain
- Mr.Arif Khan
- Mr.Md. A. Salam Sikder

3. Economic Indicators of Bangladesh

Sl	Indicators	2007-08	2008-09	2009-10	2010-11	2011-2012
1	GDP (in current market price) Tk. In million	5458220	6149430	6905710	7967040	9147840 (P)
2	GDP growth rate(1995/1996) in fixed price%	6.21	5.88	6.00	6.71	6.32 (P)
3	Price Index of industrial products	384.82	413.00	442.12	580.24	550.21 (P)
4	Annual GDP per capita (US dollar)	559	620.00	687.00	748.00	772 (P)
5	Annual GNI per capita (US dollar)	608	676.00	751.00	816.00	848 (P)
6	Annual GNP (in current market price)Tk. In million	5942120	670,6960	758,9280	869,2170	10047230 (P)
7	Tax & GDP ratio (in percentage)	8.96	9.03	9.30	10.04	10.53 (P)
8	Rate of Investment(GDP in percentage)	24.21	24.37	24.41	25.15	25.45(P)
	a) Public sector	4.95	4.70	5.01	5.64	6.30(P)
	b) Private sector	19.25	19.67	19.40	19.51	19.14(P)
9	Industrial growth rate (GDP in percentage)	7.21	6.68	6.50	9.45	9.76(P)
	a) Large & medium scale industries	7.26	6.58	5.98	10.94	10.78(P)
	b) Small scale Industries	7.10	6.90	7.77	5.84	7.18(P)

10	Agricultural growth rate (GDP in percentage) Services	2.93	4.10	5.56	5.09	1.72 (P)
11	Services(GDP in percentage) Services	49.50	49.70	49.78	49.60	49.45 (P)
12	Exportable goods & services (GDP in percentage) Importable goods & services (GDP in percentage)	17.80	17.40	16.20	20.60	13.60 (P)
13	Importable goods & services(GDP in percentage)	24.50	22.70	21.30	27.10	18.40 (P)
14	Domestic savings rate (GDP in percentage)	20.31	20.09	20.10	19.29	19.37 (p)
15	Govt. savings rate	30.21	29.57	30.02	28.78	29.40 (p)
16	Total domestic loan(GDP in percentage)	17.22	17.72	16.92	17.68	
17	Total financing (GDP in percentage)	4.13	3.57	2.62	3.79	
18	Foreign Direct Investment (US dollar) in millions	650.00	941	636	768	580(July-April)
19	Portfolio Investment(US dollar) in million	48.00	-159	-117	-28	142(July-April)
20	Domestic loan (In millions)	248,7678	288,5072	340,1760	433,4192	4,99,5360(April)
21	Revenue receipt in million	47,4356.6	52,5272.5	62,1571.8	82,3206.8	80,4228.4(July-May)

22	Monetary Aggregate in million a) Naro money(MI) b) Broad money(M2) c) Currency in circulation	598499.0 2487949.0 356485.0	664269.0 2964998.0 394487.0	879,883.0 3630312.0 504654.0	1,031,011.0 4405199.0 605269.0	1,058,661.0(as of April) 4938071.0(as of April) 637971.0(as of April)
23	Reserve money in million	52,7896.0	69,3900.0	80,5103.0	97,4935.0	91,6918.0 (April)
24	Increase in money supply (in percentage)	17.63	19.17	22.44	21.34	12.10
25	Monetary base & money supply ratio(in percentage)	21.22	23.40	22.18	22.13	18.57
26	Reserve money multiple	4.71	4.27	4.51	4.52	5.39
27	Bank rate (in percentage)	5.00	5.00	5.00	5.00	5.00
28	Deposit rate (Weighted average)	7.46	8.26	7.4	9.09	8.17(as of April)
29	Commercial Lending rate (Weighted average)	11.82	13.46	12.36	13.74	13.72 (as of April)
30	Lending & Deposit rate balance	4.36	5.2	4.97	4.65	5.55(as of April)
31	Call money rate (monthly average)	9.74	1.71	6.62	10.93	15.05 (as of May)
32	Inflation (Weighted average)	9.94	6.66	7.31	8.80	10.76 (as of May)

33	Dollar conversion (at the end of month)	68.53	69.06	69.45	74.15	81.93 (as on 30th June)
34	Import (U$ dollar) in millions	21,629.00	22,507.10	23,738.40	33,657.50	29,853.20 (July-April)
35	Export (U$ dollar) in millions	14,110.80	15565.19	16,204.65	22,924.38	19,777.04 (July-April)
36	Trade Balance (U$ dollar) in millions	(7,518.20)	(6,941.91)	(7,533.75)	(10,733.12)	(10,076.16)
37	Foreign currency reserve (U$ dollar) in millions	6,148.82	7,470.96	10,749.74	10,911.55	9,520.43 (May)
38	Remittance (US dollar) in millions	7,914.78	9,689.26	10,987.40	11,650.32	11,772.57 (July-May)
39	Govt. Loan Tk.crore a) Bangladesh Bank b) Deposit Money Banks	25,523.80 36,681.30	28,479.20 47,542.30	21,793.30 52,252.70	31,358.10 66,306.10	33,504.50(as of April) 82,967.40(as of April)

Source : Dhaka Stock Exchange Ltd.

4. Capital Market Around the World

The scenario of capital market in different countries, changes in economy and trade balance:

Name of the country	June-2012	PE ratio	Market yield	Change in index (%) year to date	Change in GDP in current price (%)	Inflation (%)change on year ago	Annual interest rate (10-year Gov't Bonds) % a year	Trade balance In Billion Dollar
Bangladesh (DSE GEN)	4,572.88	12.53	4.35	(32.50)	13.42	22.27	11.60	
India (BSE 30)	16,896.60	16.49	1.80	3.50	5.30	10.40	8.39	
Pakistan (Karachi 100)	13,667.20			14.90	4.20	12.30	13.31	
Indonesia(Jakarta composite)	3,943.90			(0.70)	6.30	4.50	na	
Malaysia (KLSE composite)	1,604.40	16.00	3.00	5.30	4.70	1.90	3.53	
Thailand (SET)	1,173.20	13.00	3.30	14.70	nil	2.50	3.52	
Taiwan (Taiwan weighted)	7,334.60	18.00	4.60	5.20	0.40	1.70	1.20	
Japan (Nikkei 225)	8,752.30			0.40	2.80	0.50	0.83	
Hong kong (Hang Seng)	19,518.90	11.00	3.30	6.00	0.40	4.70	1.04	
Singapore (Straits Times)	2,855.70	11.00	3.60	10.30	1.60	5.40	1.42	
Germany (DAX)	6,392.10			6.00	1.70	1.90	1.63	
UK (FTSE 100)	5,622.30			2.20	(0.10)	2.80	1.75	
USA (DJIA)	12,824.40			5.00	2.00	1.70	1.64	

Market Capitalization & GDP in some countries of Asia Pacific:

	Market Cap. (US dollar) in billion	GDP (US dollar) in billion	Market Cap and GDP ratio
Name of country	May, 2012		
Bangladesh(DSE)	30.92	103.95	29.75
India (BSE)	1,035.91	1,843.38	56.20
Pakistan (Karachi 100)	37.16	204.08	18.21
Srilanka (Colombo SE)	13.69	58.82	23.28
Indonesia (SE)			
Bursa Malaysia	406.24	247.57	164.10
Thailand (SE)	298.96	339.40	88.09
Taiwan (SE Corp.)	668.14	504.61	132.41
Philippine (SE)	192.89	216.10	89.26
Japan(SE)	3,225.44	5,855.38	55.09
Hong Kong Exchange	2,320.23	246.94	939.59
Singapore Exchange	637.99	266.50	239.40

Source : Dhaka Stock Exchange Ltd.

5. Bangladesh Capital Market

Bangladesh Securities and Exchange Commission:

Capital market plays a significant role in the economy as a source of long term financing. Existence of a fair, efficient and transparent capital market is essential for industrialization and economic development of a country. To develop such a fair, efficient and transparent capital market, the Bangladesh Securities and Exchange Commission was established as a regulator through enactment of the Securities and Exchange Commission Act, 1993 in June 1993, with the following mission:

- Protecting the interest of investors in securities;
- Developing the capital and securities markets; and
- Ensuring proper issuance of securities and framing of securities rules concerning above.

The Commission frames rules and regulations under the relevant laws , and regulate the capital market through ensuring compliance of securities laws by the issuer, stock exchange and market intermediaries involved in the market.

The Commission consists of a Chairman and four full time Commissioners who are appointed by the government for a certain period as per law, and terms of their service is determined by the government. The Chairman Works as the chief executive officer of the Commission.

The Dhaka Stock Exchange (DSE):

Dhaka Stock Exchange Ltd (DSE) is the oldest and largest stock exchange in Bangladesh. Though DSE was established on 28 April 1954 , its commercial operation started in 1956. The board of directors consisting of 25 members directs the activities of DSE. Out of them, 12 directors are elected among DSE members, other 12 directors upon approval of the Commission are nominated by the elected members from non-DSE members and CEO is the ex-officio director. At present, there are 238 members in DSE of which 217 members are registered by the Commission for conducting securities business. In addition to the divisional towns DSE has expanded its on-line trading network to many district towns like Gazipur, Narayanganj, Comilla, Feni, Habiganj, Maulvibazar, Mymensingh, Chittagong, Khulna, Sylhet, Kushtia, Barisal, Rajshahi and Bogra.

As on 30 June 2012 total number of listings in DSE was 511 against which issued capital was Tk. 93,3629.6 million and the market capitalization was Tk. 249,1612.9 million **(ANNEX-1).**

The Chittagong Stock Exchange (CSE):

The Chittagong Stock Exchange Ltd (CSE), the second stock exchange, was established in 1995. The board of directors consisting of 25 members directs the activities of CSE. Out of them, 12 directors are elected among CSE members, other 12 directors upon approval of the Commission are nominated by the elected members from non-CSE members and CEO is the ex-officio director. Now there are 148 members in CSE of which 138 members are registered by the Commission for conducting securities business. . In addition to the divisional towns CSE has expanded its on-line trading network to many district towns like Chittagong, Dhaka, Narayanganj, Feni, Sylhet, Choumuhuni,Noakhali, Coxs Bazar, Khulna, Jessore,Barisal,Rajshahi .Beside this CSE has introduced internet trading system by which investors can buy & sell securities from any where .

As on June 30, 2012 total number of securities in CSE was 251 against which issued capital was Tk. 37,5220.2 million and market capitalization was Tk. 187,1532.9 million **(ANNEX- 3).**

Over -the-Counter Market or OTC Market:

Non-listed securities are traded through mutual understanding of the seller and buyers without intermediaries in the OTC market, which are outside the stock exchanges. Securities de-listed from the exchanges and not listed securities obtaining consent from the Commission can be traded in the OTC market. In CSE stock exchange's OTC market, there are opportunities of securities trading. Under Securities and Exchange Commission (Over-the-Counter) Rules, 2001, OTC market was established in CSE. Dhaka Stock Exchanges Ltd started OTC market on 6th September, 2009 in line with the direction of the Commission. Settlement procedure of the OTC market is similar to the public market. The list of the companies trading in DSE OTC market as on 30 June 2012 is furnished in **ANNEX-8.**

Categorization of Listed Companies:

Listed securities are categorized into "A", "B", "Z", "N" and "G" based on profitability, commercial operation, holding of AGM and accumulated loss exceeding paid up capital etc. This categorization helps investors to know the qualities of securities before making investment decision.

During the reporting FY 2011-2012, number of "A" category companies has increased compared to the last FY. The number of "B" category companies has increased and "Z" category companies has decreased compared to the last FY, which can be seen in the following table:

Name of the category	Criteria of Categorization	Number of Companies FY 2010-2011	Number of Companies FY 2011-2012
"A" category	Companies that hold AGM regularly and declare dividend 10% or higher	235	242
"B" category	Companies that hold AGM regularly and declare dividend less than 10%	7	15

"G" category	Companies that have not yet started commercial operation	0	0
"N" category	Companies that are newly listed in stock exchanges whose next AGM have not yet take place after the listing	5	6
"Z" category	Companies that do not hold AGM regularly or do not pay any dividend or accumulated loss exceeds paid up capital or commercial operation remains suspended for more than six months	20	19

Derivatives:

Derivative products are necessary for reducing the risk of investors through creating alternative investment opportunities in the capital market. At present there exists no rule for trading of derivative products and knowledge about derivatives are also limited among the intermediaries and investors. CSE is imparting training on derivative products. The Commission is now looking at the legal issues related to this matter so that it can frame necessary rules for introducing this instrument

Bond Market:

The capital market of Bangladesh is predominantly an equity based securities market. Number of bonds and other debt instruments are insignificant. At present, there are Tk 140 million of debentures of 8 companies listed in the stock exchanges. In order to popularize the government bond and to increase the depth of market, trading of government treasury bonds have been introduced in stock exchanges with effect from 1 January 2005. There was no transaction in bond market in last FY.

As on 30 June 2012, 221 government treasury bonds, 3 corporate bond, 8 debentures were listed in DSE whose market capitalization was Tk 55,5749.7 million. But bonds are not yet popular. Banking and Financial Institution Division, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission and National Board of Revenue are working together for development of the bond market.

Investors' Protection Fund:

To protect the interest of the investors, 'Investors Protection Fund' has been created in both the stock exchanges under Dhaka/Chittagong Stock Exchange Investors Protection Fund Regulations, 1999. If any stock broker is declared insolvent by the court or itself—or if any other reason causes stock broker business to be wound up resulting in failure to pay the clients money, related stock exchange takes initiative to compensate the investors from the fund. As on 30 June 2012 for the end of financial year deposited amount of money in the Investors Protection of DSE is Tk. 44,09,627.00 and as on 30 June 2012 for the end of financial year deposited amount of money in the Investors Protection of CSE is Tk. 66,82,931.00 in the financial year 2011-2012 no claim was raised by the investors at DSE& CSE.

Corporate Governance Guidelines:

The Commission issued Corporate Governance Guidelines in February 2006 to elevate corporate governance scenario in Bangladesh for the listed companies on the basis either comply or explain. These guidelines, among other things, set the size of the board (5-20), require appointment of independent director, company secretary, chief financial officer (CFO) and head of internal control department. As per the guidlines, the Chairman and CEO have to be separate persons. The guidelines require that complaince status of each of the requirements be included in the annual report. The Commission ensures compliance of the guidelines issued.

Securities Activities Over Internet:

Capital market related activities specially investment related information flow, value aided information services and other securities related activities may take place over the internet, which may be of immense value to person/various market participants. In this regard BSEC is working to frame rules/guidelines named "Securities Activities Over the Internet". for introducing securities related activities in the internet.

Expansion of the Capital Market and Its Future:

The capital market of Bangladesh is an emerging market. Although the capital market started in 1956, the establishment of the Bangladesh Securities and

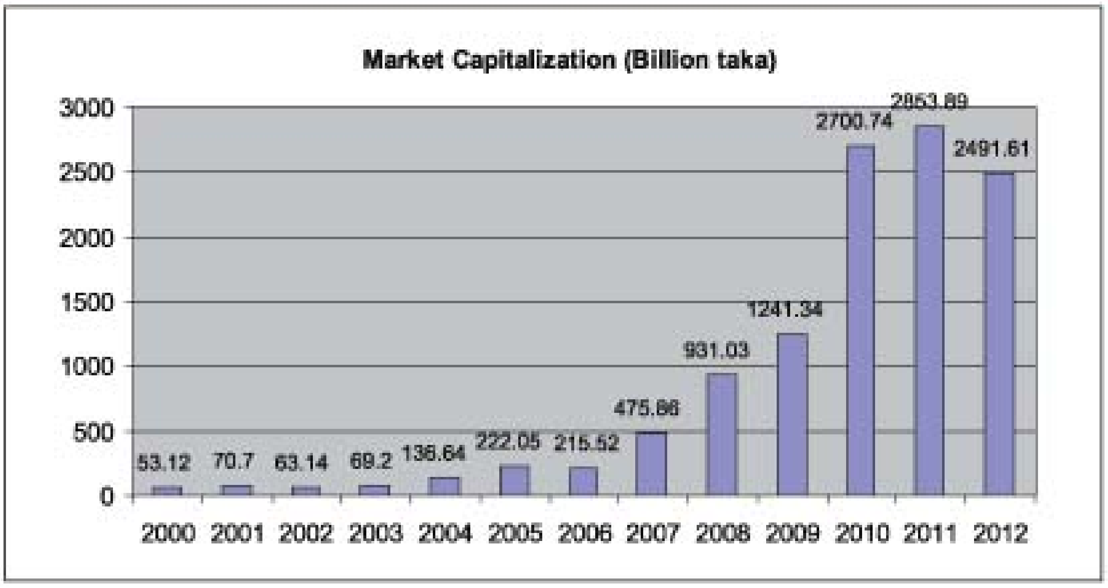
Exchange Commission in 1993 quickened the pace of growth of the securities market . While in 2000 the market capitalization was only around 2.24% of the country's GDP, at the end of June, 2012 it stood around 31.64%. The average daily turnover of the country's main stock exchange stands to Tk.492.21 crore earlier which was 10-15 crore only. The trading network has expanded to the six divisions of the country transcending the periphery of Dhaka and Chittagong. The network is also expanding to district towns and other important places gradually. But expansion of the trading network is not enough; it requires expansion of investment related knowledge especially for the investors and development of trend in investing based on fundamentals, which will help investors to protect themselves in many ways from unexpected loss.

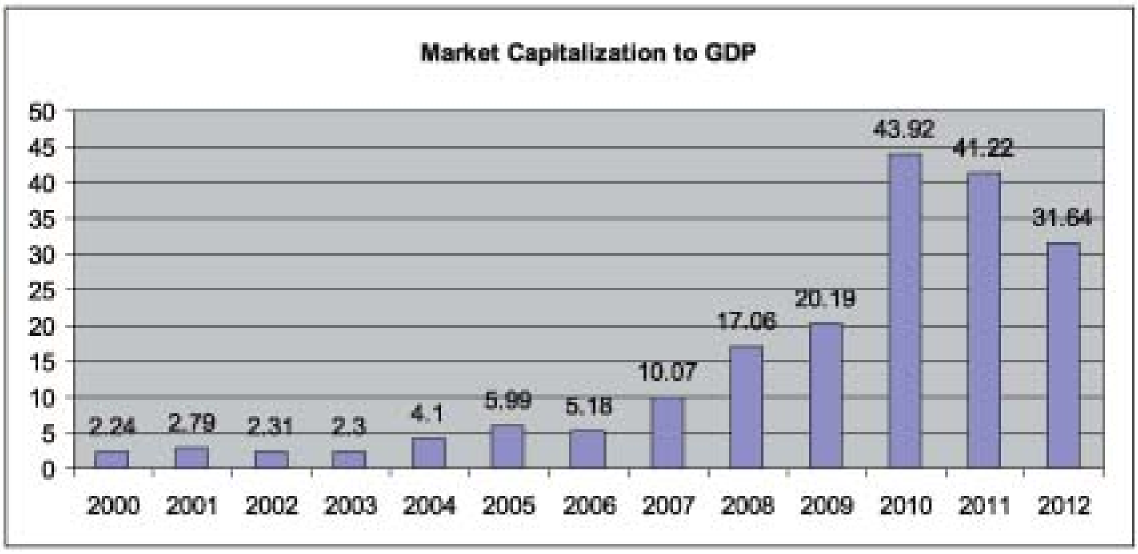
BSEC, DSE, CSE and merchant bankers arrange regular training programs for the investors in related areas. Booklets and brochures have also been published in this regard. To conduct more extensive level of training, an institute named Bangladesh Institute of Capital Market (BICM) is working simultaneously.

For the sake of the depth of the capital market, efforts are underway to launch activities for the development of bond market and derivatives market. It is expected that in the next years considerable development will take place in these areas.

Actions have been initiated to launch a full-fledged separate automated clearing house, which is expected to reduce settlement time and thus improve overall market efficiency.

To demonstrate the growth of the capital market, two graphs showing the market capitalization of DSE and the ratios of market capitalization of DSE to gross domestic product (GDP) during the last few years have been presented as fallow:


Market Capitalization (Billion taka)
3000
2500
2000
1500
1000
500
0
53.12
70.7
63.14
69.2
136.64
222.05
215.52
475.86
931.03
1241.34
2700.74
2853.89
2491.61
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012


Market Capitalization to GDP
50
45
40
35
30
25
20
15
10
5
0
2.24
2.79
2.31
2.3
4.1
5.99
5.18
10.07
17.06
20.19
43.92
41.22
31.64
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012

6. Capital Market Regulatory Reforms and Compliance (CMRRC)

CMRRC Department makes drafts and issues securities related rules/regulations for the development of the capital market, amends those rules/regulations as and when necessary and conducts activities related to capital market reforms.

During the financial year 2011-2012, the Commission issued the following orders, notifications and directives:

ক্রমিক নং	বিষয়	শ্রেণীবিভাগ	সূত্র নং
১	Conditions under section 2CC of the Securities and Exchange Ordinance, 1969	Order	SEC/CMRRCD/2009-193/104/Admin/03-52 Dated: July 27, 2011
২	Exempting the insurance companies registered before enactment of Insurance Act, 2010 from certain conditions of the Notification No. SEC/CMRRCD/2009-193/67/Admin/03-55 dated November 14, 2010	Notification	SEC/CMRRCD/2009-193/106/Admin/24 Dated: August 24, 2011
৩	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৫৬ এ উলিখিত পঞ্চম তফসিলের দফা ২ ও ৫ এর কার্যকারিতা ডিসেম্বর ৩১, ২০১১ইং তারিখ পর্যন্ত স্থগিত করণ।	আদেশ	এসইসি/সিএমআরআরসি/২০০৯-১৯৩/১০৮ তারিখ: সেপ্টেম্বর ১৫, ২০১১ইং

ক্রমিক নং	বিষয়	শ্রেণীবিভাগ	সূত্র নং
৪	সকল তালিকাভুক্ত কোম্পানির শেয়ার ও মিউচ্যুয়াল ফান্ডের ইউনিটের অভিহিত মূল্য ১০.০০ (দশ) টাকা করণ।	আদেশ	এসইসি/সিএমআরআরসি/২০০৯-১৯৩/১০৯ তারিখ: সেপ্টেম্বর ১৫, ২০১১ইং
৫	স্টক এক্সচেঞ্জে তালিকাভুক্ত কোন কোম্পানির উদ্যোক্তা অথবা পরিচালক অথবা কোন শেয়ার হোল্ডার যিনি উক্ত কোম্পানির ৫% বা তার বেশি শেয়ার ধারণ করেন, তিনি পুনরাদেশ না দেওয়া পর্যন্ত সংশ্লিষ্ট কোম্পানির শেয়ার বিক্রয় করিতে পারিবেন না।	আদেশ	এসইসি/সিএমআরআরসি/২০০৯-১৯৩/১১১ তারিখ: সেপ্টেম্বর ২১, ২০১১ইং
৬	Conditions under section 2CC of the Securities and Exchange Ordinance, 1969	Notification	SEC/CMRRCD/2009-193/114/Admin.28 Dated: October 02, 2011
৭	Amendment to the Securities and Exchange Commission (Public Issue) Rules, 2006	Notification	SEC/CMRRCD/2008/186/115/Admin/30 Dated: October 05, 2011
৮	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১ এর সংশোধন	প্রজ্ঞাপন	এসইসি/সিএমআরআরসিডি/২০০৬-১৫৭/১১৬/প্রশাসন/৩১ তারিখ: অক্টোবর ১৩, ২০১১
৯	Repeal of some previous Notifications and Clauses	Notification	SEC/CMRRCD/2008/186/117/Admin/32 Dated: October 26, 2011

ক্রমিক নং	বিষয়	শ্রেণীবিভাগ	সূত্র নং
১০	Amendment to the Securities and Exchange Commission (Rights Issue) Rules, 2006	Notification	SEC/CMRRCD/2003-109/118/Admin/33 Dated: November 02, 2011
১১	Conditions under section 2CC of the Securities and Exchange Ordinance, 1969 regarding shareholding by sponsors/promoters and directors	Notification	SEC/CMRRCD/2009-193/119/Admin/34 Dated: November 22, 2011
১২	Regarding shareholding by sponsors/promoters and directors of the listed companies	Notification	SEC/CMRRCD/2009-193/120/Admin/35 Dated: December 07, 2011
১৩	Amendment to the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬	Notification	SEC/CMRRCD/2001-50/121/Admin/36 Dated: December 20, 2011
১৪	Amendment to the Notification No. SEC/CMRRCD/2008/186/115/Admin/30 dated October 05, 2011 published in the Bangladesh Gazette on October 27, 2011 regarding amendment to the Securities and Exchange Commission (Public Issue) Rules, 2006.	Notification	SEC/CMRRCD/2008/186/122/Admin/37 Dated: January 31, 2012

ক্রমিক নং	বিষয়	শ্রেণীবিভাগ	সূত্র নং
১৫	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর সংশোধন	প্রজ্ঞাপন	এসইসি/সিএমআরআরসিডি/২০০১-০০২/১২২/প্রশাসন/৩৮ তারিখঃ ফেব্রুয়ারি ০৯, ২০১২ইং
১৬	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড) বিধিমালা, ২০০১ এর বিধি ৫৬ এ উলিখিত পঞ্চম তফসিলের দফা ২ ও ৫ এর কার্যকারিতা ডিসেম্বর ৩১, ২০১১ইং তারিখ পর্যন্ত স্থগিত করণ।	আদেশ	এসইসি/সিএমআরআরসি/২০০৯-১৯৩/১২৩ তারিখঃ ফেব্রুয়ারি ২৩, ২০১২ইং
১৭	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক-ডিলার, স্টক-ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ এর বিধি ৫ক এর সংশোধন	প্রজ্ঞাপন	এসইসি/সিএমআরআরসিডি/২০০১-০০২/১২৪/প্রশাসন/৩৯ তারিখঃ মার্চ ১১, ২০১২ইং
১৮	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ এর বিধি ৬ক এর সংশোধন	প্রজ্ঞাপন	এসইসি/সিএমআরআরসিডি/২০০১-৫০/১২৫/প্রশাসন/৪০ তারিখঃ মার্চ ১১, ২০১২ইং
১৯	Amendment to the Securities and Exchange Commission (Issue of Capital) Rules, 2001	Notification	SEC/CMRRCD/2003-09/126/Admin/41 dated March 11, 2012
২০	সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও	প্রজ্ঞাপন	এসইসি/সিএমআরআরসিডি/২০০১-৫০/১২৭/প্রশাসন/৪২

7. Listing in Stock Exchange

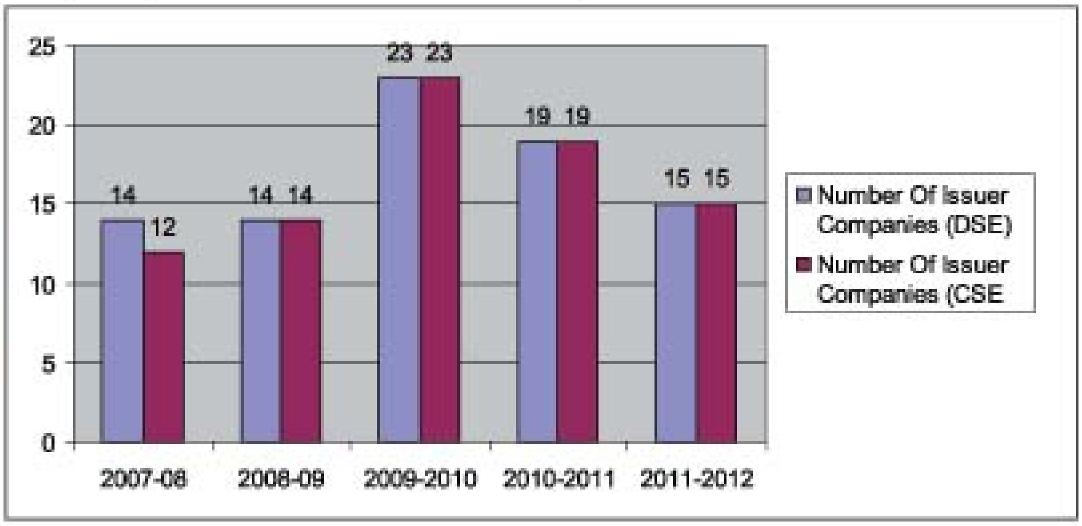
During FY 2011-2012, 15 companies including 6 Mutual Funds were listed with DSE & CSE Details of companies are given in the following table:

S.I	Name of the Company	Paid-Up Capital (TK in Million)	Listing Date
1	Reliance Insurance Mutual Fund	550.0	04.07.11
2	LR Global Bangladesh Mutual Fund One	3000.0	08.09.11
3	Rangpur Dairy & Food Products Limited	400.0	17.11.11
4	Zahintex Industries Limited	450.0	17.11.11
5	Bangladesh Shipping Corporation (RPO)	827.4	30.11.11
6	AB Bank 1st Mutual Fund	1500.0	11.01.12
7	NLI First Mutual Fund	500.0	06.02.12
8	First Bangladesh Fixed Income Fund	5000.0	22.02.12
9	GSP Finance Company (Bangladesh) Limited	476.5	27.03.12
10	Padma Islami Life Insurance Limited	300.0	08.04.12
11	GPH ispat ltd.	900.0	08.04.12
12	GBB Power Limited	510.0	20.05.12
13	Saiham Cotton Mills Limited	1352.5	29.05.12
14	Bangladesh Submarine Cable Company Limited	1185.1	29.05.12
15	NCCBL Mutual Fund-1	1000.0	10.05.12

Comparative position of securities listing on the exchanges during the last few years is as follows:

FY	Number of Issuer Companies	
	DSE	CSE
2011-12	15	15
2010-11	19	19
2009-10	23	23
2008-09	14	14
2007-08	14	12
2006-07	9	4

Graphical presentation of securities listing in DSE and CSE:



8. Capital Issue

Capital Issue

Capital Issue Department of the Commission accords consent to issue equity and debt securities through initial public offering and capital raising including approval of all type of securities issues. Public and private limited companies are required to obtain consent of the Commission for raising capital whose capital exceeds Taka 10 million and 100 million respectively. This Department also approves the offer of right shares, direct listing of securities on the exchanges and issuance of asset-backed securities.

Securities and Exchange Commission, accords consent to raise capital under the following Rules:

Securities and Exchange Commission (Issue of Capital) Rules, 2001

Securities and Exchange Commission (Public Issue) Rules, 2006

Securities and Exchange Commission (Rights Issue) Rules, 2006

Securities and Exchange Commission (Asset Backed Security Issue) Rules, 2004

Initial Public Offering (IPO):

During FY 2011- 2012, the Commission accorded consent to 14 companies to raise capital. Out of 14 companies, 11 companies have accomplished the subscription process.. The subscription for shares was Tk.8,2253.2 million against offer of Tk.11224.0 million (including premium) and TK.2976.534 million (without premium) leading to over subscription by 3.88 times. Information concerning public issue during the year is furnished at **Annexure-9.**

Comparative status of IPO and subscription during the last five years is furnished below:

FY	No. of Companies	Size of IPO (in million Tk.)	Subscribed Amount (in million Tk.)	Additional subscription (in times)
2005-06	8	990.5	13943.1	14.08
2006-07	10	3217.5 (Including Premium)	22148.0 (Including Premium)	8.88
2007-08	9	1935.6 (Including Premium)	24679.6 (Including Premium)	12.75
2008-09	7	820.0 (Including Premium)	23892.9 (Including Premium)	29.14
2009-10	10	13980.92 (Including Premium)	91250.96 (Including Premium)	6.52
2010-11	6	11220.40 (Including Premium)	8,2250.32 (Including Premium)	7.33
2011-12	11	10470.38 (Including Premium)	40670.57	3.88

Capital Raising:

Public Limited Company:

During the financial year 2011–2012, the Commission accorded consent to 81 public Ltd. companies to raise capital through issuance of ordinary shares, bonus shares, preference shares, right shares and bonds amounting to Tk. 5,3988.7 million under the Securities and Exchange Commission (Issue of Capital) Rules, 2001. The following table exhibits position of such capital raising:

Nature of raising capital	Number of companies	Total capital (Million Taka)
Ordinary shares	51	3,1730.1
Bonus share	22	10323.6
Preference share	4	4160.0
Right Share	2	5375.0
Non Convertible Unsecured bond	2	2400.0
Total	**81**	**5,3988.7**

Private Limited Company:

During the financial year 2011–2012, the Commission accorded consent to 109 private Ltd. companies to raise capital through issuance of ordinary shares, bonus shares and preference shares worth Tk.4,6908.4 million under the Securities and Exchange Commission (Issue of Capital) Rules, 2001. The following table exhibits position of such capital raising.

Nature of raising capital	Number of companies	Total capital (Million Taka)
Ordinary shares	88	3,1086.0
Bonus share	13	2677.7
Preference Share	01	300.0
Right Share	07	12844.7
Total	**109**	**4,6908.4**

Rights Issue:

During the FY 2011-2012, the Commission accorded consent to 15 listed companies for issue of right shares of Tk. 2,0402.7 million under the Securities and Exchange Commission (Rights Issue) Rules, 2006. During the FY 2010-2011, 29 listed companies were accorded consent for issue of right shares of Tk. 2,5507.3 million.

9. Corporate Finance

The Corporate Finance Department (CFD) supervises and monitors the listed companies after issuance of shares through initial public offering in light with the securities laws and accounting standards. CFD examines appointment of auditors by the issuer company as per securities laws and compliance with the conditions of corporate governance guidelines including examination of the annual report & annual audited financial statements and periodical financial statements (Quarterly/half-yearly), monitors the proper utilization of capital raised through initial public offering (IPO) & rights share issue, ensures proper disclosures in the financial statements as well as in the corporate governance among the issuer companies listed in the stock exchanges as a part of its supervision.

Activities of the Corporate Finance Department, during the financial year 2011-2012, are as follows:

A) Audited Financial Statements:

The listed issuer companies are required to submit the annual audited financial statements within 14 (fourteen) days of completion of auditing of the financial statements within one hundred twenty days from the date on which the issuer's financial year end in accordance with the rule 12 (3A) of the Securities and Exchange Rules, 1987. Corporate Finance Department supervises the matter of submission of annual audited financial statements in line with the aforesaid Rules. The Commission is duly taking enforcement actions against the issuer companies who fail to submit the annual audited financial statements within the stipulated time. Due to non-submission of annual audited financial statements, the Commission took punitive actions against 23 companies during the FY 2011-2012. As a result, the tendency of due submission of annual audited financial statements to the Commission has been increased in a mentionable rate.

The audited financial statements of the issuer companies are examined regularly in order to ensure that the issuers have prepared and presented them with proper disclosures in accordance with the Securities and Exchange Rules, 1987 and International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Moreover, the Commission examines/reviews regularly the matters as to whether the audit report on the financial statements is prepared in compliance with Bangladesh Standards on Auditing (BSA).

Due to intensive examination of financial statements and in some cases, initiation of action against defaulter issuer companies and concerned auditors, transparency and disclosures in the financial statements appeared to have increased. By this time, it is observed that the auditors are issuing audit reports mentioning their adverse/qualified opinions on the annual financial statements. It is mentionable here that the Commission examines such qualified/adverse opinion of the auditors on the annual audited financial statements and/or if the Commission has found any observation on the annual audited financial statements then it calls the concerned company to furnish its explanation/clarification on that matter/observations. The Commission also instructs the companies to incorporate full information and explanation on the qualified/ adverse opinion of the auditors in the directors' report as per requirement of the section 184(3) of the Companies Act, 1994 as well as to place the same before the shareholders in the annual general meeting. Moreover, the Commission calls the statutory auditors for their comments/opinions, if it is found that the auditors have failed to qualify their report as required by Bangladesh Standards on Auditing (BSA). The Commission takes actions against the concerned company and/or the statutory auditors if the company's explanation/clarification and/or the statutory auditor's comments/opinions are found dissatisfactory.

B) Annual General Meeting (AGM) & Annual Report:

Corporate Finance Department monitors the submission of annual reports of the issuer companies to the Commission as well as to the shareholders, which have to submit at least fourteen days before the annual general meeting (AGM) of the shareholders. Among others, incorporation of compliance status of corporate governance guidelines and additional statements by the Board of Directors in the annual report are ensured. As a result, the readers of the annual reports can acquire full information on the compliance of corporate governance by the issuer companies.

C) Half Yearly & Quarterly Statements:

The Corporate Finance Department monitors the submission of half-yearly financial statements by the issuer companies to the Commission as well as to the shareholders, which have to submit within one month of close of the first half-year. During the FY 2011-2012 enforcement action has been taken against 20 companies for non-submission of half yearly financial statements. Moreover, Corporate Finance Department supervises the matter with more importance as to whether the companies prepare the half -yearly financial statement in accordance with the Bangladesh Accounting Standards (BAS). As a matter of fact, the shareholders as well as the investors are now able to get information on the half-yearly financial condition of the listed companies.

In order to ensure the information of latest condition of the financial statement of the listed companies to the shareholders and the investors within short period, the Commission has already issued Notification in connection with the submission of quarterly financial statements by the listed companies. Accordingly, the listed companies have been submitting the quarterly financial statements for the quarter ended on 30 September, 2009. As a result, the shareholders as well as the investors can able to make proper decision to invest in the capital market based on the latest financial condition of the listed companies within short span of time. During the FY 2011-2012 enforcement action has been taken against 16 companies for non-submission of quarterly financial statements.

D) Opening of Corporate Finance Department by Stock Exchanges:

As per advice of the Commission, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited have opened corporate finance departments and started their activities. They are also examining the audited financial statements of the issuer companies regularly in order to ensure that the issuers have prepared and presented financial statements with proper disclosures in accordance with the Securities and Exchange Rules, 1987 and International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). They are also monitoring and examining the compliance with the conditions of corporate governance guidelines including monitoring the proper utilization of capital raised through initial public offering (IPO) & rights share issue, which ensures proper disclosures in the financial statements as well as in the corporate governance among the issuer companies listed in the stock exchanges.

E) Statutory Auditors:

As per rule 12(3) of the Securities and Exchange Rules, 1987, a listed issuer company is required to auditing of its financial statements appointing a partnership firm of chartered accountants consisting of not less than two partners in practice for a minimum of seven years. Moreover, the Commission has issued a directive not to appoint any firm of chartered accountant as statutory auditors for a consecutive period exceeding three years. It may be mentioned here that the Commission took punitive actions against the companies for appointment of statutory auditors for a consecutive period exceeding three years. It is also mentionable that the Commission took enforcement actions against 1 (one) companies during the FY 2011-2012.

F) Corporate Governance Guidelines:

In order to ensure corporate governance in the listed companies, the Commission has issued a new guidelines imposing seven conditions on mandatory comply basis, such conditions shall be complied with by all listed companies within December 31, 2012. As per the guidelines, the listed companies shall have to comply with the conditions related to the appointment of independent director, chief financial officer (CFO), company secretary and formation of Internal Audit Committee, etc. The Corporate Finance Department regularly supervises the compliance status of corporate governance guidelines.

As per the Commission's record, out of all listed companies, 74.18% companies fully and 21.57% partly complied with the old/earlier guidelines and the rest 4.25% companies are of Z-group and newly listed companies who did not submit any compliance report.

10. Registration

All market intermediaries associated with capital market are required to be licensed by the SEC in order to ensure the proper functioning of the capital market. Licensing of intermediaries help the Commission to discharge its oversight functions more effectively. During FY 2011-2012, the Commission issued registration certificates to the following companies:

Particulars	Issue of registration certificates
Stock Dealer /Stock Broker	31
Authorized representative	1767
Depository participant	27
Asset Management Company	3
Credit Rating Company	4
Merchant Banker	9
Security Custodian	2

Issuance and Renewal of Stock Dealer /Stock Broker Registration Certificate:

During FY 2011-2012, the Commission issued 8 (eight) stock broker and 10 (ten) stock dealer registration certificates in favor of members of Dhaka Stock Exchange Ltd. and 5 (five) Stock broker and 8 (eight) Stock dealer registration certificates in favor of members of Chittagong Stock Exchange Ltd. under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Moreover, the Commission renewed 214 (two hundred fourteen) stock broker and 190 (one hundred ninety) stock dealer registration certificates of Dhaka Stock Exchange Ltd. and 95 (ninety five) stock broker and 65 (sixty five) stock dealer registration certificates of Chittagong Stock Exchange Ltd. respectively during FY 2011-2012.

Issuance and Renewal of Authorized Representative Registration Certificates:

During the FY under review, the Commission issued 1351 (one thousand three hundred fifty one) authorized representative registration certificates of Dhaka Stock Exchange Ltd. and 416 (four hundred sixteen) of Chittagong Stock Exchange Ltd. and renewed 1 (one) authorized representative registration certificate of Chittagong Stock Exchange Ltd. under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

Issuance of Registration Certificate for Merchant Banking Operation:

During the period, the Commission issued 9 (nine) registration certificates for Merchant Banking operation in favor of Rupali Investment Limited, Sigma Capital Management Limited, Imperial Capital Limited, Sonar Bangla Capital Management Limited, Bengal Investments Limited, BD Finance Capital Holdings Limited, Citizen Securities & Investment Limited, IL Capital Limited, CAPM Advisory Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬

Issuance of Asset Management Company Registration Certificate:

During the FY, the Commission issued 3 (three) Asset Management Registration Certificates in favor of CAPM (Capital & Asset Portfolio Management) Company Limited, Rock Asset Management Limited, LankaBangla Asset Management Company Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড), বিধিমালা, ২০০১.

Issuance of Custodian Registration Certificate:

During the FY, the Commission issued 2 (two) Custodian Registration Certificates under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচ্যুয়াল ফান্ড), বিধিমালা, ২০০১.

Issuance of Credit Rating Registration Certificate:

During the FY, the Commission issued 4 (four) Credit Rating Registration Certificates in favor of ARGUS Credit Rating Services Limited, WASO Credit Rating Company (BD) Limited, Alpha Credit Rating Limited, The Bangladesh Rating Agency Limited under the Credit Rating Companies Rules, 1996. Out of which, one company is specialized for SME rating.

Issuance and Renewal of Depository Participant Registration Certificate:

During the FY, the Commission issued 27 (twenty seven) depository participant registration certificates under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ and renewed 239 (two hundred thirty nine) depository participant registration certificates.

11. Mutual Fund and SPV

Mutual Fund and SPV Department was established on 16 March 2009 in order to register, supervise, monitor and other activities relating to mutual fund and asset backed securities.

During the financial year (FY) 2011-2012 Mutual Fund and SPV Department performed the following functions:

- Completed all the process relating to the approval of Trust Deed up to Unit sale of MTB Unit Fund.
- Processing of AB Bank First Mutual Fund, First Bangladesh Fixed Income Fund, Bangladesh Fund, LR GLOBAL Bangladesh Mutual Fund One, NLI First Mutual Fund, NCCBL Mutual Fund-1 started in the previous financial year. During 2011-2012, rest of the formalities up to listing of the Funds has been completed.
- Processing of Shandhani Life Unit Fund started in the previous financial year. During 2011-2012, rest of the formalities up to Unit sale of the Funds has been completed.
- Formalities relating to the approval of Trust Deed of UCB Infrastructure Fund have been completed during 2011-2012. The rest formalities of the Funds will be completed in the next financial year.
- Besides this, MF & SPV Department has been performing it's mutual funds monitoring duties regularly.

12. Surveillance

Surveillance of Securities Transactions :

For ensuring investors' protection and uphold transparency in the capital market, the Commission performs surveillance function through On-Line Surveillance System of Stock Exchanges. Stock Exchanges are the primary regulators for detection of market manipulation, price rigging and other regulatory breaches. SEC keeps constant vigilance on the activities of stock exchanges to ensure effective surveillance. SEC conducts market surveillance through on-line and off-line surveillance system.

Inspection and Investigation :

The Surveillance Department of the Commission uses On-Line and Off-Line market surveillance systems to find out violation of securities related law in securities trading and also to find out whether irregularities have taken place or any abnormalities exist in securities transactions. As part of on-line surveillance, the surveillance officials watch the daily securities transaction through non-trading software and surveillance software, and at the end of daily transactions on the exchanges, prepare a report containing summary of daily securities transactions and abnormal trading, if any. On the other hand, as part of Off-Line surveillance, the surveillance officials use the Commission's own software (SECAS) to analyze necessary post trading information after collection. If detailed investigation is needed after analysis then proposal placed before the Commission to constitute inspection and enquiry committee for submitting report. If any violating of securities laws is found in the enquiry report, then it is forwarded to the Enforcement Department for necessary action.

Comparative statistics of irregularities in securities transactions found by Surveillance Department during current FY and last 2 (two) FY and brief description of subsequent actions undertaken are furnished below:

Financial Year	Number of Irregularities found	Refer to Stock Exchanges		Investigation & Inspection	Enquiry	Refer to Enforcement Department	Refer to Registration Department	Refer to SRMIC Department	Refer to CDS Department
		DSE	CSE						
2011-2012	43	20	1	27	16	22	0	0	0
2010-2011	41	17	8	21	20	29	0	1	0
2009-2010	33	8	3	19	14	16	0	0	0

Surveillance Department has enhanced its activities through supervision of Depository Participants (DP) activities along with daily market surveillance, random inspection and regular monthly inspection. As a result, small investors' interest about capital market is being increased and confidence among investors of all levels is also increasing. In the years to come, Surveillance Department will play significant role along with continuation of its regular activities to improve surveillance systems by the assistance of Asian Development Bank (ADB).

13. Supervision and Regulation of Markets and Issuer Companies (SRMIC)

SRMIC Department of the SEC supervises activities of stock exchanges, over the counter (OTC) markets and issuer companies in accordance with the securities laws. Besides, the department also resolves complaints received against issuer companies under the securities laws. The functions of SRMIC are enumerated below:

a. Monitoring the declaration of sale/purchase/transfer of securities by the sponsor /director of the listed companies.

b. Monitoring the position of monthly shareholding of sponsors/directors.

c. Monitoring disclosure of price sensitive information of listed companies.

d. Approval of transfer of share of listed companies outside the stock exchanges.

e. Monitoring all activities of stock exchanges (except securities transactions).

f. Taking effective measures to resolve complaints related to capital market.

During July' 11 - June' 12, the following companies held AGM. Information on AGM and dividend is shown in the following table:

(Annual Report)

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%) Cash	Dividend (%) Stock
	Banks				
01	AB Bank	02/05/ 2012	201112	5.00	20%B
02	City Bank	06/05/ 2012	201112	-	25%B
03	IFIC Bank	24/07/ 2011	201012	-	27%B
04	Islami Bank Bd Ltd	15/05/ 2012	201112	7.00	25%B
05	NBL	19/03/ 2012	201112	-	65%B
06	Pubali Bank	22/04/ 2012	201112	5.00	25%B
07	Rupali Bank	31/03/ 2012	201112	-	20%B
08	UCBL	30/04/ 2012	201112	12.00	15%B
09	Uttara Bank	14/05/ 2012	201112	20.00	15%B
10	ICB Islamic Bank Ltd	14/05/ 2012	201112	-	-
11	Eastern Bank	28/03/ 2012	201112	-	35%B
12	Al-Arafah Islami Bank	20/05/ 2012	201112	-	21%B
13	Prime Bank	29/03/ 2012	201112	10.00	20%B
14	Southeast Bank	15/03/ 2012	201112	15.00	5%B
15	Dhaka Bank	29/03/ 2012	201112	5.00	30%B
16	NCCBL	09/04/ 2012	201112	10.00	17%B
17	Social Islami Bank	29/06/ 2012	201112	10.50	-
18	Dutch-Bangla Bank	19/03/ 2012	201112	40.00	-
19	Mutual Trust Bank Ltd.	27/05/ 2012	201112	12.00	-
20	Standard Bank	31/05/ 2012	201112	-	20%B
21	One Bank Limited	29/03/ 2012	201112	-	30%B
22	Bank Asia	31/03/ 2012	201112	-	20%B
23	Mercantile Bank	28/03/ 2012	201112	-	23%B
24	Jamuna Bank	23/05/ 2012	201112	-	23%B
25	BRAC Bank Ltd.	22/03/ 2012	201112	-	20%B
26	Shahjalal Islami Bank	19/06/ 2012	201112	-	25%B

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
27	Premier Bank Ltd.	15/04/ 2012	201112	-	22%B
28	Trust Bank Ltd.	06/06/ 2012	201112	10.00	10%B
29	First Security Islami Bank Ltd.	30/07/ 2011	201012	-	12%B
29	**Total**				
	Financial Institutions				
01	IDLC Finance Limited	28/03/ 2012	201112	-	25%B
02	United Leasing	09/04/ 2012	201112	7.50	20%B
03	Uttara Finance	27/05/ 2012	201112	-	40%B
04	MIDAS Financing Ltd.	08/12/ 2011	201106	-	10%B
05	First Lease Finance and Investment Ltd.	08/05/ 2012	201112	-	20%B
06	People's Leasing	26/06/ 2012	201112	10.00	5%B
07	Prime Finance & Invest.	28/03/ 2012	201112	-	40%B
08	Premier Leasing & Finance Ltd.	17/05/ 2012	201112	-	5%B
09	Islamic Finance & Investment	18/04/ 2012	201112	-	10%B
10	LankaBangla Finance Ltd.	28/03/ 2012	201112	-	30%B
11	Bangladesh Industrial Fin. Com.	19/06/ 2012	201112	-	10%B
12	Industrial Promotion & Development com. Of Bd.Ltd	03/05/ 2012	201112	-	10%B
13	Union Capital Ltd.	29/03/ 2012	201112	10.00	10%B
14	Bangladesh Finance and Investment Co. Ltd.	03/06/ 2012	201112	-	10%B
15	International Leasing and Financial Services Ltd.	10/05/ 2012	201112	-	5%B
16	Phoenix Finance and Investments Ltd.	21/06/ 2012	201112	-	30%B
17	FAS Finance & Investment Limited	28/06/ 2012	201112	-	5%B
18	Bay Leasing & Investment Ltd.	05/05/ 2012	201112	15.00	20%B
19	GSP Finance Company (Bangladesh) Limited	13/05/ 2012	201112	-	10%B
20	ICB	22/10/ 2011	201106	15.00	35%B
21	Delta Brac Housing Fin.Corp.Ltd.	22/11/ 2011	201106	-	100%B
22	National Housing Finance and Investment Ltd	18/04/ 2012	201112	-	20%B
22	**Total**				

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
	Engineering				
01	Aftab Automobiles	20/12/ 2011	201108	20.00	20%B
02	Aziz Pipes	27/06/ 2012	201112	-	-
03	Olympic Industries	29/12/ 2011	201106	10.00	50%B
04	Bangladesh Lamps	16/05/ 2012	201112	-	30%B
05	Eastern Cables	30/06/ 2012	201106	10.00	-
06	Monno Jute Stafflers Ltd.	28/06/ 2012	201112	10.00	-
07	Singer Bangladesh	30/04/ 2012	201112	30.00	-
08	Atlas Bangladesh	17/12/ 2011	201106	75.00	1B:3
09	BD.Autocars	29/12/ 2011	201106	-	5%B
10	Quasem Drycells	15/12/ 2011	201106	-	20%B
11	Renwick Jajneswar	30/11/ 2011	201106	20.00	-
12	National tubes	10/12/ 2011	201106	-	20%B
13	Bd.Thai Aluminium	09/06/ 2012	201112	-	5%B
14	Anwar Galvanizing	28/03/ 2012	201106	5.00	-
15	Kay & Que	06/05/ 2012	201112	5.00	-
16	Rangpur Foundry	28/06/ 2012	201112	21.00	-
17	S. Alam Cold Rolled Steels Ltd.	31/03/ 2012	201109	15.00	-
18	Golden Son Limited	23/06/ 2012	201112	16.00	-
19	BSRM Steels Limited	20/05/ 2012	201112	15.00	-
20	Navana CNG Limited	22/09/ 2011	201103	18.00	14%B
21	Deshbandhu Polymer Limited	29/12/ 2011	201106	-	15%B
22	National Polymer	22/11/ 2011	201106	-	15%B
22	**Total**				
	Food & Allied Product				
01	Apex Foods	29/09/ 2011	201106	14.00	-
02	Bangas	31/12/ 2011	201106	-	32%B
03	BATBC	11/04/ 2012	201112	420.00	-
04	Gemini Sea Food	27/12/ 2011	201109	15.00	-
05	National Tea Company Limited	29/07/ 2011	201012	25.00	-
06	Zeal Bangla Sugar Mills Ltd.	24/12/ 2011	201106	-	-

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
07	CVO Petrochemical Refinery Limited	27/12/ 2011	201106	-	25%B
08	AMCL (Pran)	24/11/ 2011	201106	31.00	-
09	Shyampur Sugar Mills Limited	10/12/ 2011	201106	-	-
10	Rahima Food	22/12/ 2011	201106	10.00	-
11	Fu Wang Food	25/12/ 2011	201106	-	20%B
12	Meghna Pet	29/12/ 2011	201106	-	-
13	Meghna Condensed Milk	29/12/ 2011	201106	-	-
14	Beach Hatchery Ltd.	25/06/ 2012	201112	-	10%B
15	Fine Foods Limited	23/12/ 2011	201106	-	10%B
16	Rangpur Dairy & Food Products Limited	26/05/ 2012	201112	-	12%B
16	**Total**				
	Fuel & Power				
01	Linde Bangladesh Limited	10/05/ 2012	201112	350.00	-
02	Padma Oil Co.	28/06/ 2012	201106	50.00	50%B
03	Eastern Lubricants	21/01/ 2012	201106	30.00	-
04	Bd. Welding Electrodes	14/06/ 2012	201112	-	5%B
05	Summit Power Ltd.	25/04/ 2012	201112	-	25%B
06	Dhaka Electric Supply Company	15/01/ 2012	201106	10.00	25%B
07	Power Grid Company of Bangladesh Ltd.	18/02/ 2012	201106	15.00	-
08	Jamuna Oil Com. Ltd.	11/02/ 2012	201106	30.00	30%B
09	Meghna Petroleum Ltd.	25/02/ 2012	201106	35.00	30%B
10	Titas Gas Trans. & Dist. Co. Ltd.	27/11/ 2011	201106	30.00	-
11	Khulna Power Company Ltd.	20/05/ 2012	201112	-	25%B
12	Barakatullah Electro Dynamics Limited	22/09/ 2011	201106	-	20%B
13	MJL Bangladesh Limited	30/06/ 2012	201112	15.00	15%B
13	**Total**				
	Jute				
01	Jute Spinners	10/12/ 2011	201106	20.00	-
02	Northern Jute	28/12/ 2011	201106	-	-

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
03	Sonali Aansh	29/12/ 2011	201106	20.00	-
3	**Total**				
	Textile				
01	Al-Haj Textile	22/12/ 2011	201106	-	20%B
02	Stylecraft	22/09/ 2011	201103	50.00	-
03	Rahim Textile	24/11/ 2011	201106	5.00	10%B
04	Saiham Textile	09/10/ 2011	201106	15.00	-
05	Modern Dyeing	17/11/ 2011	201106	-	-
06	Desh Garments	23/11/ 2011	201106	7.00	-
07	Dulamia Cotton	24/12/ 2011	201106	-	-
08	Tallu Spinning	31/12/ 2011	201106	-	15%B
09	Apex Spinning.	29/09/ 2011	201103	15.00	-
10	Mithun Knitting	31/12/ 2011	201106	-	15%B
11	Delta Spinners	22/12/ 2011	201106	10.00	-
12	Sonargaon Textiles	23/06/ 2012	201112	-	10%B
13	Prime Textile	24/12/ 2011	201106	10.00	-
14	Alltex Ind. Ltd.	29/12/ 2011	201106	-	-
15	Anlima Yarn Dyeing Ltd.	22/12/ 2011	201106	10.00	-
16	H.R.Textile	29/03/ 2012	201109	-	15%B
17	CMC Kamal	10/07/ 2011	201012	-	12.50%B
18	Safko Spinnings	20/05/ 2012	201112	-	10%B
19	Square Textile	29/05/ 2012	201112	16.00	20%B
20	Metro Spinning	29/12/ 2011	201106	-	15%B
21	Maksons Spinning Mills Ltd	29/03/ 2012	201109	-	15%B
22	The Dacca Dyeing and Manufacturing Co. Ltd.	29/12/ 2011	201106	-	16%B
23	R.N. Spinning Mills Ltd.	03/04/ 2012	201112	-	35%B
24	Malek Spinning Mills Ltd.	27/12/ 2011	201106	-	10%B
24	**Total**				
	Pharmaceuticals & Chemicals				
01	Ambee Pharma	14/06/ 2012	201112	30.00	-
02	Beximco Pharma	30/06/ 2012	201112	-	21%B

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
03	Glaxo SmithKline	24/04/ 2012	201112	150.00	-
04	ACI Limited.	12/06/ 2012	201112	80.00	20%B
05	Renata Ltd.	16/06/ 2012	201112	60.00	25%B
06	Reckitt Benckiser(Bd.)Ltd.	25/06/ 2012	201112	200.00	-
07	Pharma Aids	24/11/ 2011	201106	21.00	-
08	Kohinoor Chemicals	18/12/ 2011	201106	40.00	-
09	The Ibn Sina	23/06/ 2012	201112	10.00	25%B
10	Beximco Synthetics	30/06/ 2012	201112	-	15%B
11	Libra Infusions Limited	28/12/ 2011	201106	20.00	-
12	Orion Infusion	18/12/ 2011	201106	15.00	-
13	Square Pharmaceuticals Ltd.	21/09/ 2011	201103	30.00	35%B
14	Imam Button	24/11/ 2011	201106	-	-
15	Keya Cosmetics	30/09/ 2011	201106	-	21%B
16	ACI Formulations Ltd.	12/06/ 2012	201112	25.00	50%B
17	Beacon Pharmaceuticals Ltd.	26/12/ 2011	201106	-	5%B
18	Active Fine Chemicals Ltd.	10/05/ 2012	201112	-	20%B
19	Salvo Chemical Industry Limited	04/07/ 2011	201012	-	5%B
19	**Total**				
	Paper & Printing				
01	Hakkani Pulp & Paper	17/12/ 2011	201106	5.00	-
1	**Total**				
	Services & Realestate				
01	Samorita Hospital	12/01/ 2012	201106	-	16%B
02	Eastern Housing	24/11/ 2011	201107	10.00	5%B
03	Summit Alliance Port Limited	03/05/ 2012	201112	10.00	10%B
04	Ocean Containers Ltd.	03/05/ 2012	201112	-	25%B
4	**Total**				
	Cement				
01	Heidelberg Cement Bd.	14/05/ 2012	201112	45.00	-
02	Confidence Cement	26/06/ 2012	201112	20.00	20%B
03	Meghna Cement	21/06/ 2012	201112	25.00	-
04	Aramit Cement	16/06/ 2012	201112	-	10%B

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
05	Lafarge Surma Cement	14/06/ 2012	201112	-	-
06	M.I. Cement Factory Limited	18/12/ 2011	201106	15.00	35%B
6	**Total**				
	IT - Sector				
01	Information Services Network	10/06/ 2012	201112	5.00	5%B
02	BDCOM Online Ltd.	22/12/ 2011	201106	-	5%B
03	In Tech Online Ltd.	17/05/ 2012	201112	-	10%B
04	Agni Systems Ltd.	22/12/ 2011	201106	5.00	5%B
05	Daffodil Computers	29/12/ 2011	201106	6.00	4%B
5	**Total**				
	Tannery				
01	Apex Tannery	29/09/ 2011	201106	30.00	-
02	Bata Shoe	26/06/ 2012	201112	250.00	-
03	Apex Adelchi Footwear Ltd.	16/05/ 2012	201112	45.00	-
04	Samata Leather Complex Ltd.	26/12/ 2011	201106	-	-
05	Legacy Footwear	21/06/ 2012	201112	-	12%B
5	**Total**				
	Ceramic				
01	Monno Ceramic	30/09/ 2011	201106	-	25%B
02	Standard Ceramic	27/12/ 2011	201106	5.00	-
03	Fu-Wang Ceramic	26/12/ 2011	201106	-	10%B
04	Shinepukur Ceramics Ltd.	30/06/ 2012	201112	-	15%B
05	RAK Ceramics (BD) Ltd.	15/04/ 2012	201112	15.00	10%B
5	**Total**				
	Insurance				
01	BGIC	28/06/ 2012	201112	10.00	5%B
02	Green Delta Insurance	26/04/ 2012	201112	-	25%B
03	United Insurance	07/05/ 2012	201112	10.00	10%B
04	Peoples Insurance	27/06/ 2012	201112	-	-
05	Eastern Insurance	26/06/ 2012	201112	10.00	5%B
06	Phoenix Insurance	20/06/ 2012	201112	15.00	5%B
07	Eastland Insurance	07/06/ 2012	201112	40.00	-

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
08	Central Insurance	02/05/ 2012	201112	-	15%B
09	Karnaphuli Insurance	27/06/ 2012	201112	15.00	-
10	Rupali Insurance	05/04/ 2012	201112	-	20%B
11	National Life Insurance	17/05/ 2012	201112	50.00	10%B
12	Federal Insurance	05/07/ 2011	201012	-	12%B
13	Reliance Insurance	30/04/ 2012	201112	15.00	15%B
14	Purabi Gen. Insurance	28/06/ 2012	201112	-	10%B
15	Pragati Insurance	31/05/ 2012	201112	15.00	10%B
16	Sandhani Life Insurance	28/06/ 2012	201112	-	48%B
17	Prime Insurance	18/04/ 2012	201112	-	10%B
18	Pioneer Insurance	13/06/ 2012	201112	-	30%B
19	Mercantile Insurance	27/06/ 2012	201112	-	10%B
20	Agrani Insurance Co Ltd.	26/06/ 2012	201112	-	10%B
21	Global Insurance Co. Ltd.	28/04/ 2012	201112	-	10%B
22	Popular Life Insurance	19/06/ 2012	201112	-	40%B
23	Fareast Islami Life	24/10/ 2011	201012	-	40%B
24	Meghna Life Insurance	04/08/ 2011	201012	-	40%B
25	Nitol Insurance	16/05/ 2012	201112	5.00	8%B
26	Progressive Life Insurance Co. Ltd.	21/09/ 2011	201012	-	12%B
27	Asia Pacific Gen Ins	03/07/ 2011	201012	10.00	-
28	Sonar Bangla Insurance	21/07/ 2011	201012	-	12%B
29	Pragati Life Insurance	15/09/ 2011	201012	-	12%B
30	Paramount Insurance Co. Ltd.	14/06/ 2012	201112	-	5%B
31	City General Insurance Co. Ltd.	05/06/ 2012	201112	-	10%B
32	Continental Insurance Ltd.	07/06/ 2012	201112	-	10%B
33	Takaful Islami Insurance Ltd.	30/05/ 2012	201112	-	17%B
34	Standard Insurance Ltd.	20/06/ 2012	201112	-	10%B
35	Northern General Insurance Co. Ltd.	13/06/ 2012	201112	-	15%B
36	Republic Insurance Company Ltd.	31/05/ 2012	201112	-	10%B
37	Asia Insurance Co. Ltd.	28/06/ 2012	201112	15.00	15%B
38	Rupali Life Insurance Co.Ltd.	18/08/ 2011	201012	-	14%B

Code No.	Name of the companies	Last AGM Date	Last Year End	Dividend (%)	
				Cash	Stock
39	Islami Insurance BD. Ltd.	25/04/ 2012	201112	-	10%B
40	Provati Insurance ltd.	28/06/ 2012	201112	-	12%B
41	Dhaka Insurance Co. Ltd.	28/06/ 2012	201112	-	25%B
41	**Total**				
	Telecommunication				
01	Grameenphone Ltd.	10/04/ 2012	201112	205.00	-
1	**Total**				
	Travel and Leisure				
01	United Airways (BD) Ltd.	20/09/ 2011	201106	-	10%B
02	Bangladesh Services	23/07/ 2011	201012	-	20%B
2	**Total**				
	Miscellaneous				
01	Aramit	16/06/ 2012	201112	50.00	-
02	BSC	26/06/ 2012	201106	-	-
03	GQ Ball Pen	21/06/ 2012	201112	10.00	20%B
04	Usmania Glass	25/11/ 2011	201106	-	20%B
05	Savar Refractories	05/01/ 2012	201106	5.00	-
06	Sinobangla Industries	03/05/ 2012	201110	10.00	-
07	Miracle Ind.	24/12/ 2011	201106	-	5%B
08	Berger Paints	29/04/ 2012	201112	180.00	-
08	**Total**				

Complaints against listed Companies during this FY:

COMPLAINT AGAINST LISTED COMPANIES:			
Nature of Complaint	**No. of Companies**	**Under Process**	**Resolved**
Non payment or delay in payment of dividend			
Non payment of debenture installment			
Regarding transfer of shares			
Non receipt of letter of rights share offering			
Non receipt of annual report			
Refund warrant			
Non demat of shares			
Miscellaneous			
Total	**162**	**97**	**124**

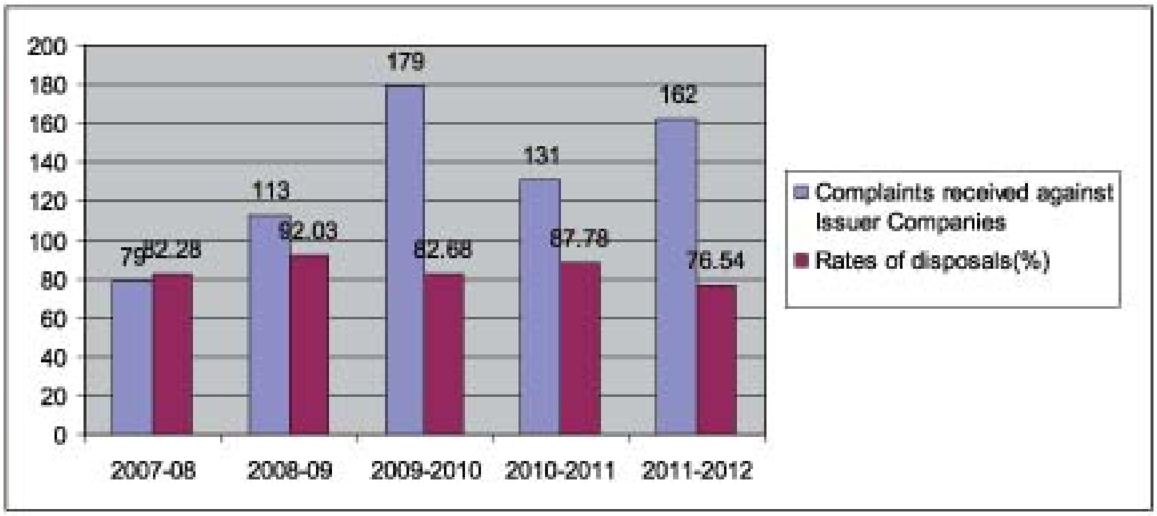
All the complaints are settled by DSE, CSE and CDBL, and report to the Commission as per the above format under the SEC Notification No. SEC/SRMIC/94-231/271 dated October 12, 2011.

Rate of Complaints Resolved during the Last Few Years:

FY	No. of complaints	Rate of Disposal (%)
2005-06	71	87.32
2006-07	103	79.61
2007-08	79	82.28
2008-09	113	92.03
2009-2010	179	82.68
2010-2011	131	87.78
2011-2012	162	76.54

* No pending issues are with the Commission and the whole issues are closely monitored by the Commission.

Graphical presentation demonstrating complaints received against listed companies and rates of disposals during the last few years are shown in the graph below:



Information on Dividend Declared by the Listed Companies:

During the FY 2011-2012, 226 companies held Annual General Meeting (AGM)/ Extra Ordinary General Meeting (EGM), out of which 211 companies declared dividend. Break-up of the companies based on their declaration of dividend are given below:

Rate of dividend	No. of Companies
10% and above	197
Less than 10%	14
Total	226

14. Supervision and Regulation of Intermediaries (SRI)

The functions of SRI Department are supervising and regulating the activities of stock-dealers/stock brokers, depository participants, security custodian banks, merchant bankers, market makers, security lenders and borrowers and other market intermediaries. This department conducts the regular inspection of stock brokers/dealers, depository participants and merchant banks on monthly basis and also conducts special inspection as and when required. The SRI department also deals with the complaints lodged by the general investors and other stake-holders. During, July 2011 to June 2012, the following activities were performed by this department:

i) Complaints against Market Intermediaries:

Nature of Complaints	No. of Complaints Received	Under Process	Referred to Enforcement Dept. for Action	Referred to DSE/CSE for Action	Resolved
Lost of shares	3			3	
Unauthorized debit of share	18			11	7
Non-transfer of share	1				1
Non-payment of sales proceeds	7			4	3
Force sale without intimation	23	1	3	14	5
Financial loss due to non-transfer of share	3			2	1
Delay in settlement	1				1
Non-receipt of share	4			2	2
Corruptions of Broker/Dealer	11	3		5	3
Others	16	2		8	6
Total	**87**	**6**	**3**	**49**	**29**

i) Inspections conducted:

Sl. No.	Type of Market Intermediaries	Type of Inspection	Number of Inspection conducted	Referred to Enforcement Dept. for Action	Resolved	Remarks
1.	**Stock Broker/ Stock Dealer**	**Monthly regular Inspection**	31	6	18	Under Process-7
		Special Inspection	4	4		
2.	**Merchant Bank**	**Monthly regular Inspection**	2	2		
		Total	37	12	18	7

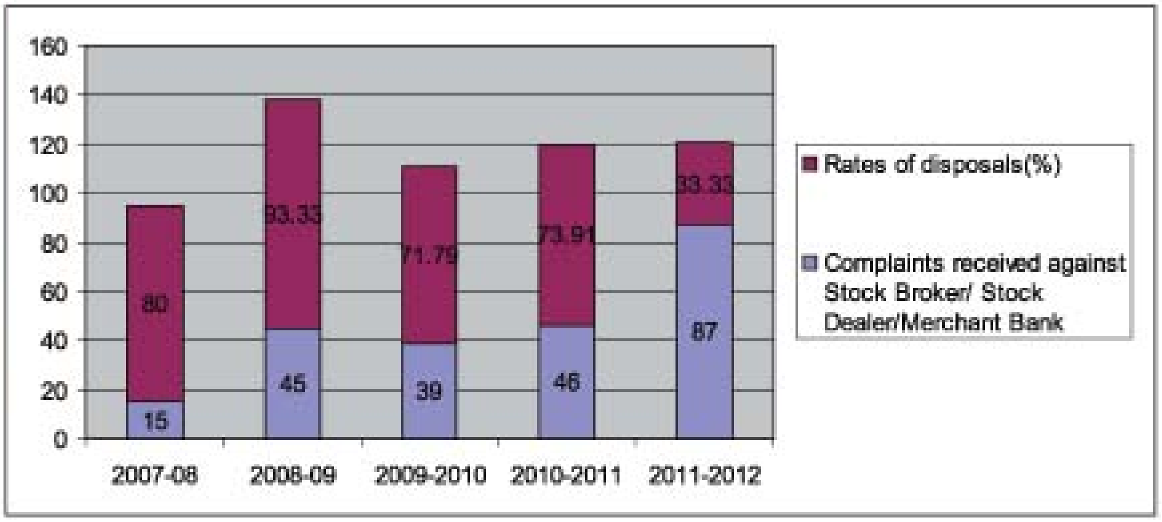
Complaints against Issuer and Stock broker/Stock Dealer/Merchant Bank:

Financial Year	Complaints received	Resolved (%)
2004- 2005	105	48.57
2005-2006	84	84.52
2006-2007	118	80.51
2007-2008	94	81.91
2008-2009	158	92.40
2009-2010	218	77.23
2010-2011	177	84.18
2011-2012	245	62.44

Complaints against Stock broker/Stock Dealer/Merchant Bank:

Financial Year	Complaints received	Resolved (%)
2005-2006	13	69.23
2006-2007	15	86.67
2007-2008	15	80.00
2008-2009	45	93.33
2009-2010	39	71.79
2010-2011	46	73.91
2011-2012	87	33.33

Graphical presentation demonstrating complaints received against Stock Broker/ Stock Dealer/Merchant Bank and rates of disposals during the last few years are shown in the graph below:



15. Central Depository System (CDS)

CDS Department oversights the functions and activities of Central Depository Bangladesh Ltd(CDBL) and Depository Participants (DP) as well as conversion of physical share certificates of listed companies into dematerialized form, supervision of the issuance of securities, transfer of shares, supervision of BO accounts, and issuance of directives/orders in these connections under the Depository Act, 1999. As a result of introducing depository system, transparency in securities issuance, trading and settlement has increased significantly and settlement period of securities transactions has also reduced.

During the FY 2011-2012, the depository system included 181687 new BO accounts, 13 companies, 06 mutual funds. Up to June 2012 the number of existing BO accounts in CDBL stood at 2,392,774 and the number of securities under CDS was 294. At present, transaction of most of the securities and their transfer are taking place in dematerialized form through automated system. Besides, 100% of market capital of Dhaka Stock Exchange Ltd has been dematerialized during the period.

During the FY CDBL has increased its system capacity by upgrading its hardware and software. Besides, they have also improved their Disaster Recovery System. Now the investors can get stock trading information debit and credit balance of their BO account through internet-based services and mobile SMS-based services.

The list of the companies and mutual funds, which joined the CDS during FY 2011-2012, is furnished in the **Annexure -10.**

16. Enforcement

Under the Securities laws, the Enforcement Dept takes legal measures including imposition of penalty against those who break /violate securities laws in consideration of the nature of offences they commit. Prior to taking measures it follows due process that includes carrying out inspection and enquiry. On the basis of violations of securities laws detected during the inspection/enquiry process, explanations are sought from the concerned issuer and person or institution alleged and then hearing is conducted as per the concerned securities laws and thereafter a report is submitted before the Commission. The Commission takes necessary legal action as per securities laws.

During the financial year 2011-2012, enforcement actions taken against issuer companies, chartered accountant firms, stockbrokers, stock-dealers, credit rating company, depository participants (DPs),issue managers and others by the Commission for non-compliance of the securities related laws furnished in the **Annuxere-11.**

17. Law

The Legal Services Department looks after the formalities to assist the lawyers appointed by the Commission to defend the court cases filed by BSEC or against BSEC, gives legal opinion on different issues sent by other departments of the Commission, files and conducts certificate cases to recover penalty imposed by the Commission.

A total of 395 cases filed by BSEC or against BSEC are pending in different Courts. The status of the cases in different Courts is furnished in the **Annuxere-12.**

18. Management Information System (MIS)

MIS Department is responsible for assisting different departments of BSEC through development of automation in their activities, development of capital market monitoring system based on computerized data analysis, informing all about securities laws and other related matters through website and thus enabling the Commission with modern information technology capacity. At present all officers of BSEC use computers in their daily activities. All computers are connected through local area network (LAN). Different modules of integrated Securities and Exchange Commission Automated System (SECAS) have been developed at BSEC for different department's use. Officers of BSEC can use broadband internet connection from their workstation through connected LAN. BSEC's website (www.secbd.org) is enriched with various information like securities laws, IPO prospectus, eligible securities, depository participants, enforcement actions, annual and quarterly reports, investors information etc, which are updated regularly and many users visit the website. During July 2011-June 2012, no. of website visitors was 1,30,000. In this financial year, 26 prospectuses, 229 enforcement actions, 27 other order/notification/directives etc, 1 quarterly reviews, 2 annual reports (Bangla & English), 12 proposed draft rules were uploaded and other lists were updated as per information received.

List of Different Software Systems Developed:

Surveillance Module
CFD module
Registration module
Enforcement module
Personnel module
Issuer module
Document Tracking module
Reception Desk Module
Random Inspection Selection System
Lottery Verification System
Digital Paper Clipping System

MIS Department conducts development, modification and maintenance of the systems mentioned above.

19. Research and Development

Research and Development Department of the Commission conducts investors' education program for the general investors, impart capital market related seminar for various government and non-government organization, prepare and publishes Commission's various publications regularly and furnishes various reports and information to the Government and other institutions including Ministry of Finance and other regulatory authorities.

During FY 2011-2012, Research and Development Department has completed the following activities:

Publications:

Annual Report (Bangla & English)	: 2010-2011
Quarterly Review (Nos 4)	: June 2011 –March 2012
BSEC Parikrama (Bangla Newsletter) (Nos. 4)	: June 2011 -March 2012

Education Program:

During the FY 2011–2012, the Bangladesh Securities and Exchange Commission continued conduction of 2-day long Investors Education Program twice a month for the general investors at its own premise on regular basis. General investors participated in the investor education programs where high officials of BSEC delivered lectures on various topics like the capital market related laws/rules/regulations, investment in primary and secondary market, surveillance system, depository system, rights of shareholders etc.

The Commission arranged a number of training programs jointly with Dhaka Stock Exchange and Chittagong Stock Exchange in order to enhance knowledge and skills of the market intermediaries and authorized representatives of the exchange members. Authorized representatives of the members of Dhaka Stock Exchange and Chittagong Stock Exchange participated in the said programs. Besides, the Commission published booklets for development of investment related basic ideas among general investors.

20. Future Planning

Bangladesh Capital market is pregnant with prospects and opportunities. Local and foreign investment is gradually increasing in this market. Effort is being continued to bring the government, private and multinational profitable company's' share in the capital market to increase securities supply. To increase the depth of Bangladesh capital market, the Commission in association with stock exchanges and market intermediaries is trying to bring new issues and to create alternate investment opportunity through introduction of new instruments like derivatives, and have introduced book building method for attracting companies with good fundamentals in the capital market. As the daily transaction in the capital market is being increased significantly, the Commission has already given necessary instruction to the depository to upgrade its server and storage system into higher capacity including all other associated equipment to match the needs of the market. At the same time, the central depository is also given necessary guidelines to appoint high level officers and advised to develop human resources in order to render better services. Besides, the Commission is working for implementation of the following issues:

- Bringing the SoE, private and multinational profitable company's shares in the capital market to increase supply of quality securities.
- Elevating corporate governance scenario in issuer companies and other market intermediaries of capital market.
- Establishment of clearing corporation for quick settlement of securities transaction through on-line automated transaction system in association with stock exchanges.
- Demutualization of Stock Exchanges.
- Establishment of a commodity Exchange.
- Establishment of a regulatory body to ensure preparation of financial statement by the companies based on facts and to ensure proper examination of the statements by the auditors.

- Making and issuing a comprehensive bond issue rules for issuance of bond/debentures in the market.
- Finding ways and initiating activities to popularize government bond and corporate bond in the capital market.
- Preparation of legal framework for introducing derivatives and its trading in the market.
- Assisting to make unified listing regulations for cross–border listing of companies of SARRC region.
- Continual examination of securities laws and issuance of new rules or amendment of existing rules in consultation with all market intermediaries including issuers.
- Strengthening surveillance system of SEC to enhance transparency in securities market.
- Building capacity of existing staff members, and recruiting new professionals staff for effective and smooth discharging of duties reposed on the Commission.
- Establishment of a separate tribunal.

21. Financial Statements of the Commission

Bangladesh Securities and Exchange Commission is under the revenue budget of the Government. All of its current expenditures are met from the revenue budget approved by the Government. In terms of section 12 of the Bangladesh Securities and Exchange Commission Act, 1993, the Commission maintains a fund which consists of the Govt. allocation and revenue generated by the Commission itself. Receipts of the Commission includes registration and renewal fees, fees received in connection with application and consent for raising of the companies' capital, recovery of penalty, B.O. Accounts maintenance fees etc. Govt. fund is released in accordance with the budget allocation net of the income generated by the BSEC.

The Commission has generated considerable receipts during last few years. It has been meeting of its total annual expenses from own receipts generation since the fiscal year 2007-2008. In the current fiscal year (2011-2012), the Commission's own receipts stands at Tk. 335.3 million and last year's unspent balance is Tk. 839.77 million, i.e., in total **Tk. 1175.07** million, from which the Commission is able to meet its all expenses of the said year. On the other hand, the Commission's total receipts was Tk. 937.22 million in the year 2010-2011. Revenue and capital expenditure of the Commission during the fiscal year 2011-2012 altogether stands at **Tk. 87.23** million, which was **Tk. 97.45** million in the previous fiscal year 2010-2011(Annexure 13 & 14).

22. Annexures

Annexure-1

DSE COMPARATIVE STATEMENT

Indicators (Listed)	As on June 30, 2012	As on June 30, 2011	%Change
No. of companies	238	232	2.59
No. of mutual funds	41	35	17.14
No. of debentures	8	8	-
No. of Treasury Bond	221	212	4.25
No. of corporate bond	3	3	-
Total No. of Listed Securities	511	490	4.29
		in million	
No. of shares of all listed companies	3,3586.8	17321.0	93.91
No. of certificates of all listed mutual funds	3743.7	2762.0	35.54
No. of debentures	00.41	00.41	-
No. of all listed govt. T-bonds	05.48	05.00	9.60
No. of all listed corporate bonds	06.80	07.07	(3.82)
Total No. of Tradable Securities	3,7343.2	20096.0	85.82
		in million Tk.	
Annual Total Turnover (volume)	1,8579.8	1,9695.2	(5.66)
Annual Total Turnover (value)	117,1451.4	325,9152.6	(64.06)
Issued govt. T-bonds	54,9381.0	50,1113.0	9.63
Issued corporate bonds	6801.5	7069.0	(3.78)
Total issued capital	93,3629.6	80,6839.0	15.71
Total Market Capitalization	249,1612.9	285,3892.2	(12.69)
All Share Price Index	38776.4 (All Share Price Index)	50931.9 (All Share Price Index)	(23.87)

Annexure-2

BANGLADESH CAPITAL MARKET

As on June 30, 2012

Indicators (Listed)	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	238	207
No. of mutual funds	41	41
No. of debentures	8	N/A
No. of treasury Bonds	221	N/A
No. of corporate bonds	3	3
Total No. of Listed Securities	511	251

Figures in million

No. of shares of all listed companies	33,586.84	32706.59
No. of certificates of all listed mutual funds	3,743.67	3743.67
No. of debentures of all listed debentures	0.409	N/A
No. of all listed govt. T-bonds	5.485	N/A
No. of all listed corporate bonds	6.802	6.86
Total No. of Tradable Securities	37,343.20	36457.11

Figures in million Tk

Issued capital of all companies (Share)	339,870.08	330928.50
Issued capital of all mutual funds	37,436.71	37436.70
Issued debentures	140.26	N/A
Issued Govt. T- Bonds	549,381.00	N/A
Issued corporate bonds	6,801.51	6854.90
Total Issued Capital	933,629.55	375220.20
Total Market Capitalization	24,91,612.94	1871532.90
Share Price Index	3877.64	13,736.42

Annexure-3

CSE COMPARATIVE STATEMENT

Indicators (Listed)	As on June 30, 2012	As on June 30, 2011	% Change
No. of companies	207	200	3.5
No. of mutual funds	41	35	17.14
No. of debentures /Corporate Bonds	3	3	0
Total No. of Listed Securities	251	238	5.46
No. of shares of all listed companies	32,706,586000	16,684,540,936	96.03
No. of certificates of all listed mutual funds	3,743,671000	2,762,488,000	40.08
No. of debentures of all listed debentures / Corporate Bonds	6,855000	7,068,680	-99.90
Total No. of Tradable Securities	36,457,112000	19,454,097,616	-99.81
Annual Total Turnover (Volume)	2523568220	2720921550	-7.25
Annual Total Turnover (Value) Tk	134854.8 (million)	321764.0 (million)	-58.09
Total Issued Capital Tk	375220.2 (million)	302917.3 (million)	23.87
Total Market Capitalization Tk	1871532.9 (million)	2237585.0 (million)	-16.36
All Share Price Index	13,736.42 (All Share Price Index)	17,059.53 (All Share Price Index)	-19.48

Annexure-4

DSE OPERATIONAL STATISTICS

July 2011--June 2012

Trading Month	Index	Turnover of Securities (Million)		Traded Amount in Million Tk.		Market Capitalization	
	Price Index (All share price index)	Monthly	Daily Average	Monthly	Daily Average	(Million Tk.)	% Change with Previous Month
July-2011	5,380.10	3,4470	1720	298,1730	14,9090	3,032,6530	6.26
August	5,195.68	1,1040	650	88,6490	5,2150	2,957,8580	(2.47)
September	4,944.96	819 0	410	70,5720	3,5290	2,833,2120	(4.21)
October	4,205.07	9300	440	69,9910	3,3330	2,525,3470	(10.87)
November	4,403.37	1,0260	600	69,5150	4,0890	2,624,0920	3.91
December	4,383.94	1,2800	670	61,5300	3,2380	2,616,7310	(0.28)
January 2012	3,488.99	1,7850	810	88,7710	4,0350	2,230,3540	(14.77)
February	3,927.03	1,3800	730	57,2440	3,0130	2,422,6410	8.62
March	4,172.95	1,7540	880	84,1230	4,2060	2,572,1100	6.17
April	4,280.14	2,9450	1340	176,6030	8,0270	2,659,1820	3.39
May	4,007.33	1,2700	600	66,9180	3,1870	2,532,0420	(4.78)
June 2012	3,877.64	8410	420	39,3640	1,9680	2,491,6130	(1.60)
Total 2011-2012		**185800**	**780**	**1,171,451.410**	**49220**		

* *Market Capitalization of the last trading day of the month has been taken into account.*

Annexure-5

CSE OPERATIONAL STATISTICS

July 2011--June 2012

Trading Month	Index (All share price index)	Turnover of Securities (Million) Monthly	Turnover of Securities (Million) Daily Average	Traded Amount in Million Tk. Monthly	Traded Amount in Million Tk. Daily Average	Market Capitalization Million Tk.	Market Capitalization % Change with Previous Month
July' 11	18,375.53	440.57	22.02	31135.9	1556.8	2427408.20	8.48
August	17,673.27	169.42	9.96	10707.3	629.8	2301409.90	-5.19
September	16,668.94	140.20	7.01	10095.1	504.8	2177940.50	-5.36
October	14,414.02	148.47	7.07	8839.00	420.9	1903401.50	-12.61
November	15,005.29	140.49	8.26	7472.7	439.6	1976469.70	3.84
December	14,880.37	133.62	7.86	6873.3	361.8	1972423.40	-0.20
January 2012	12,212.49	223.35	10.15	9,987.17	453.96	1625163.70	-17.61
February	13,462.37	211.72	11.14	7,969.25	419.43	1789437.40	10.11
March	14,431.72	226.16	11.31	9,404.83	470.24	1926936.70	7.68
April	15,196.14	300.87	13.68	15,617.63	709.89	2043419.10	6.04
May	14,089.57	211.33	10.06	9,178.69	437.08	1902579.80	-6.89
June 2012	13,736.42	150.45	7.52	6,748.80	337.44	1871532.90	-1.63
Total 2011-2012	N/A	2496.67	N/A	134029.67	N/A	N/A	N/A

** Market Capitalization of the last trading day of the month has been taken into account.*

Annexure-6

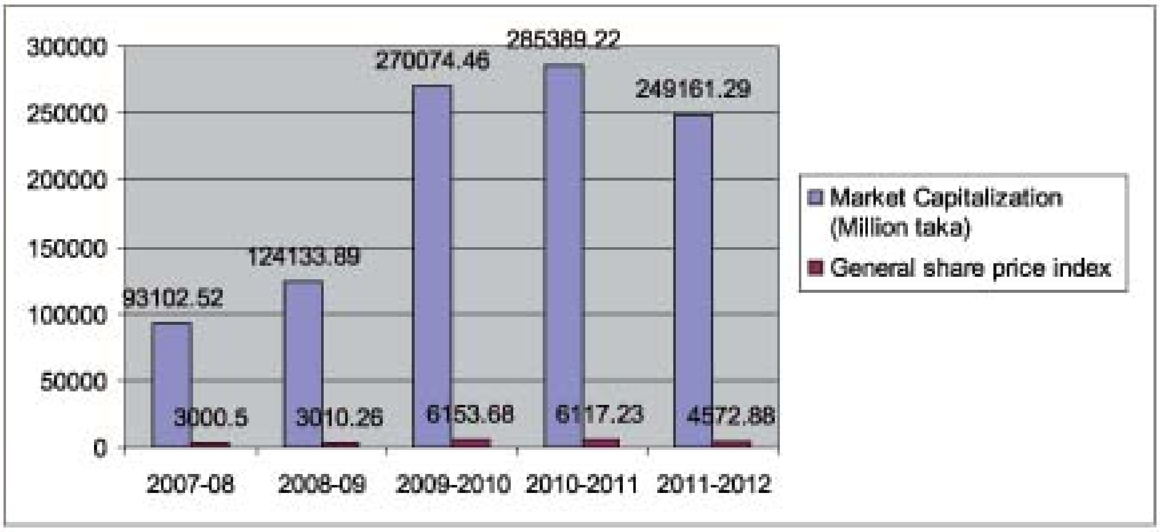
OPERATIONAL STATISTICS OF DSE DURING THE LAST FIVE YEARS

July 2007 - June 2012

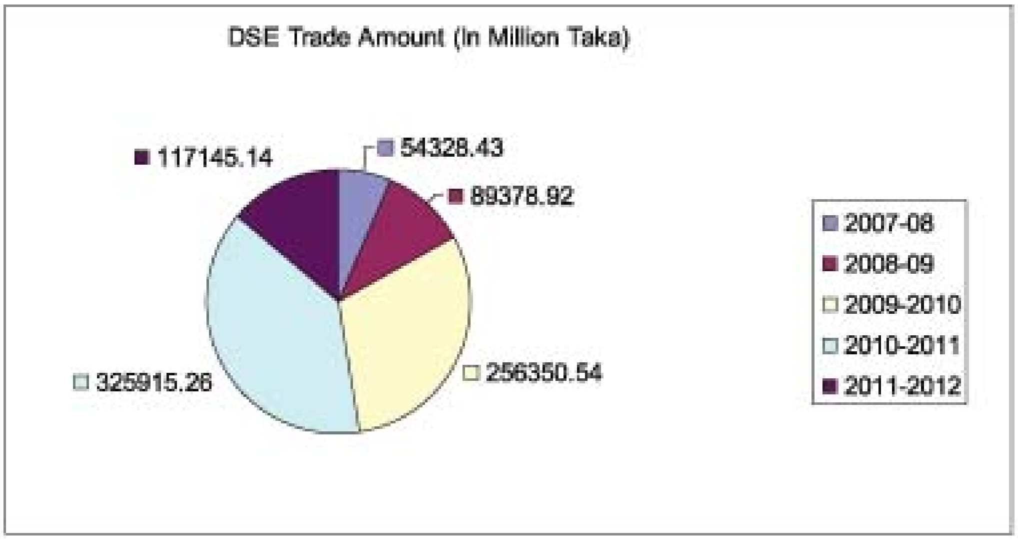
Time	Index (General share price index)	Turnover of Securities (Million)	Traded Amount		Market Capitalization	
			Million Tk.	% Change with Previous Year	Million Tk.	% Change with Previous Year
July 2007-June 2008	3000.50	3761.1	543284.3	229.92	931025.2	95.65
July 2008-June 2009	3010.26	5757.9	893789.2	64.51	1241338.9	33.33
July 2009-June 2010	6153.68	10133.4	2563505.4	186.81	2700744.6	117.56
July 2010-June 2011	6117.23	19695.2	3259152.6	27.14	2853892.2	5.67
July 2011-June 2012	4572.88	18588	1171451.4	(64.06)	2491612.9	(12.69)

** Market Capitalization and Share Price Index of the last trading day of the month have been taken into account.*

Graphical presentation of DSE's market capitalization and General Share Price Index during July 2007-June 2012 is shown in the graph below:



Graphical presentation of DSE's turnover of securities (value) during the last five years (in mill taka) is shown in the graph below:



Annexure-7

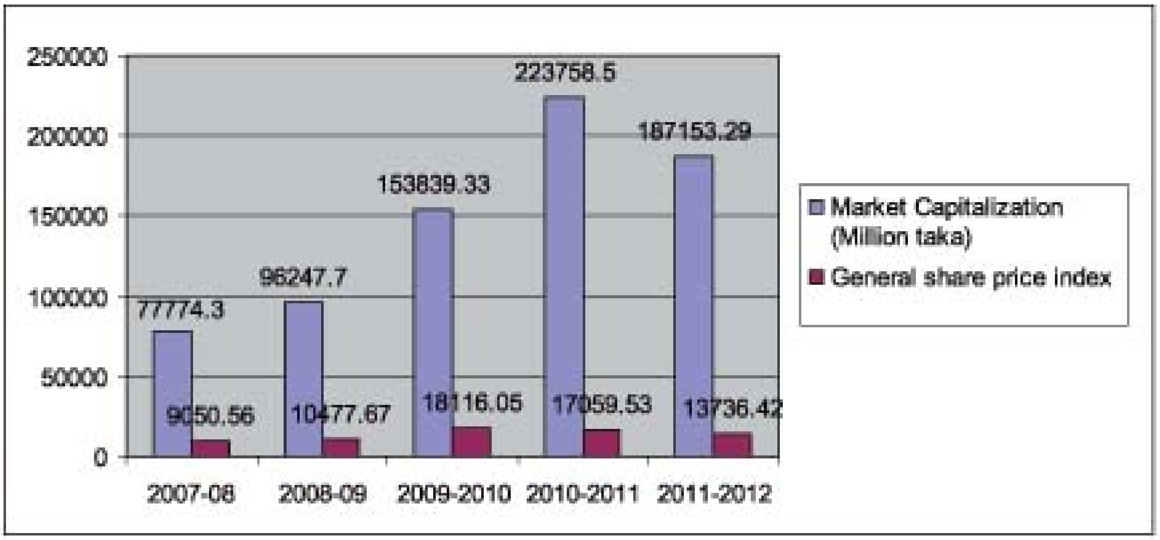
OPERATIONAL STATISTICS OF CSE DURING THE LAST FIVE YEARS

(July 2007-June 2012)

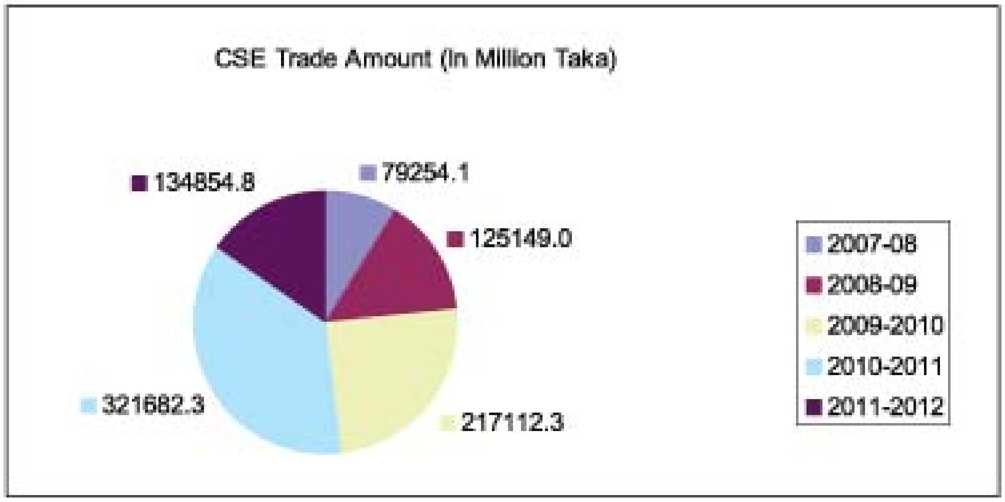
Time	Index (All share price index)	Turnover of Securities (Million)	Traded Amount		Market Capitalization	
			Million Tk.	% Change with Previous Year	Million Tk.	% Change with Previous Year
July 2007-June 2008	9050.5632	748.9	79254.1	131.90	777743.0	94.80
July 2008-June 2009	10477.67	1182.0	125149.0	57.90	962477.0	23.75
July 2009-June 2010	18116.05	1395.2	217112.3	73.48	1538393.3	163.32
July 2010-June 2011	17059.5302	269.39	321682.3	48.20	2237585.00	45.44
July-2011-June 2012	13,736.42	2523.5	134854.8	-58.09	1871532.90	-16.36

** Market Capitalization and Share Price Index of the last trading day of the month have been taken into account.*

Graphical presentation of CSE's market capitalization and General Share Price Index during July 2007-June 2012 is shown in the graph below:



Graphical presentation of CSE's turnover of securities (value) in million Tk. during the last five years is shown below:



Annexure-8

List of the approved Companies for DSE OTCmarket & CSE OTC Market
(As on 30 June 2012)

Serial Number	Name of the Company
1	Al-amin Chemical Industeries Ltd.
2	Alpha Tobacco Manufacturing Co. Ltd.
3	Amam Sea Food Ind. Ltd.
4	Apex Weaving And Finishing Mills Ltd.
5	Arbee Textile Mills Ltd.
6	Ashraf Textile Mills Ltd.
7	Azadi Printers Ltd.
8	Bangla Process Industries Ltd.
9	Bangladesh Chemical Industries Ltd.
10	Bangladesh Dyeing & Finishing Ind. Ltd.
11	Bangladesh Electricity Meter Co. Ltd.
12	Bangladesh Hotels Ltd.
13	Bangladesh Leaf Tobacco Co. Ltd.
14	Bangladesh Luggage Industries Ltd.
15	Bangladesh Plantation Ltd.
16	Bangladesh Zipper Industries Ltd.
17	Bd. Monospool Paper Manufacturing Ltd.
18	Bengal Biscuits Ltd.
19	Bengal Fine Ceramics Ltd.
20	Bionic Seafood Exports Ltd.
21	Chic Tex Limited
22	Dandy Dyeing Ltd.
23	Dhaka Fisheries Ltd.
24	Dynamic Textile Industries Ltd.
25	Eagle Star Textile Mills Ltd.
26	Excelsior Shoes Ltd.
27	Gachi Hata Aquaculture Farms Ltd.
28	German Bangla J. V. Food Ltd.
29	Gulf Foods Ltd.
30	Hill Plantation Ltd.
31	Himadri Ltd.

32	Lexco Ltd.
33	M. Hossain Garments Washing & Dying Ltd.
34	Maq Enterprises Ltd.
35	Maq Paper Industries Ltd.
36	Meghna Shrimp Culture Ltd.
37	Metalex Corporation Ltd.
38	Mita Textiles Ltd.
39	Modern Cement Ltd.
40	Modern Industries Ltd.
41	Mona Food Products Ltd.
42	Monno Fabrics Ltd.
43	Niloy Cement Ind. Ltd.
44	Padma Cement Ltd.
45	Padma Printers & Color Ltd.
46	Paper Processing & Packaging Ltd.
47	Perfume Chemical Industries Ltd.
48	Petro Synthetic Products Ltd.
49	Pharmaco International Ltd.
50	Phoenix Leather Complex Ltd.
51	Quasem Silk Mills Ltd.
52	Quasem Textile Mills Ltd.
53	Rahman Chemicals Ltd.
54	Rangamati Food Products Ltd.
55	Raspit Data Management & Telecommunicati
56	Raspit Inc. Bd Ltd.
57	Rose Heavern Ball Pen Ltd.
58	Sajib Knitwear & Garments Ltd.
59	Saleh Carpet Mills Ltd.
60	Sonali Paper & Board Mills Ltd.
61	Sreepur Textile Mills Ltd.
62	Tamijuddin Textile Mills Ltd.
63	The Engineers Ltd.
64	Therapeutics (bangladesh) Ltd.
65	Tulip Dairy & Food Products Ltd.
66	Wata Chemicals Ltd.
67	Wonderland Toys Ltd.
68	Yousuf Flour Mills Ltd.

Annexure-9

List of IPOs :-

Particulars of the issues for which Commission accorded consent for publication of Prospectus during July 2011- June 2012

(in million taka)

Sl. No	Name of the Co	Name of the Issue Manager	Date of Approval	Face value Per share	Total Capital (In Tk.) (9+13)	Sponsors Equity (Excluding premium, In Tk.)			Public Equity (Excluding premium, In Tk.)			Total (10+11+12)	Remarks	Subscribed amount Ref Col No 10	Date of Subscription Opens: Closes:
						Local	Foreign	Total	General Public	Foreign placement	Local placement				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17
1.	Rangpur Dairy & Food Products Limited	Alliance Financial Services Limited	21/07/2011	10.00	400.0 million	236.586 million	-	236.58 million	164.1 million	-	-	163.414 million	Issue price of Tk.18.00 per share (At a premium of Tk.8.00 per share)	Tk.5469.5376 million	11.09.2011 15.9.2011
2.	Zaheen Tex Industries) Ltd.	AAA Consultant 7 Financial Services Limited.	8/8/2011	10.00	450.0 million	250.0 million	-	250.0 million	200.0 million	-	-	200.0 million	Issue price of Tk.25.00 per share(At a premium of Tk.15.00 per share)	8002.6 million	18.9.2011 22.9.2011
3.	Bangladesh Shipping Corporation (RPO).	ICB Capital Management Limited	5.9.2011	100.00	827.4 million	200.0 million	-	200.0 million	627.4 million	-	-	627.4 million	IPO issue price of Tk.500/- per share(At premium 400.00	Tk.2815.6 million	9.10.2011 13.10.2011
4.	GBB Power Ltd	IDLC Investment Ltd.	30/10/11	10.00	509.9 million	304.99 million	-	304.99 million	205.0 million	-	-	205.0 million	IPO issue price of Tk.40.00 per share (At a premium of Tk.30..00 per share))	Tk.719.52 million	26.2.12 01.03.2012
5.	GSP Finance Company Limited	ICB Capital Management Limited	27/11/11	10.00	476.46 million	170.92 million	105.54036	276.4608 million	200.0 million	-	-	200.0 million	IPO issue price of Tk.25.00 per share (At a premium of Tk.15.00 per share)	Tk.4886.1 million	8.1.12 12.1.12
6	Padma Islami Life Insurance Limited	Union Capital Limited	29/11/11	10.00	300.0 million	180.0 million	-	180.0 million	120.0 million	-	-	120.0 million	Issue price of Tk.10.00 per share(	Tk.5873.655 million	22.1.12 26.1.12

7	GPH Ispat Ltd	AAA Consultant 7 Financial Services Limited.	11/12/11	10.00	900.0 million	700.0 million	-	700.0 million	200.0 million	-	-	200.0 million	IPO issue price of Tk.30.00 per share (At a premium of Tk.20.00 per share)	Tk.1493.625 million	2.2.12 9.2.12
8	Saiham Cotton Mills Ltd	Lanka Bangla Investment Limited	18/12/11	10.00	1352.5	877.5	-	877.5 million	475.0 million	-	-	475.0	IPO issue price of Tk.20.00 per share (At a premium of Tk.10.00 per share)		4.3.12 8.3.12
9	Bangladesh Submarine Cable Company Limited	ICB Capital Management Limited	24.1.2012	10.00	1185.09 million	875.0917 million	-	875.0917 million	310.0 million	-	-	310.0 million	IPO issue price of Tk.35.00 per share (At a premium of Tk.25.00 per share	2537.843 million	18.03.12 22.03.12
10	Unique Hotel & Resorts Ltd	BRAC EPL Investment Limited	23.2.2012	10.00	2560.0 million	2300.0 million	-	2300.0 million	260.0 million	-	-	260.0 million	IPO issue price of Tk.75.00 per share (At a premium of Tk.65.00 per share	4038.4275 million	15.4.12 19.4.12
11	Amra Technologies Ltd	Lanka Bangla Investment Limited	04.03.2012	10.00	419.46512 million	203.74512 million	-		203.74512 million	215.72 million	-	-	IPO issue price of Tk.24.00 per share (At a premium of Tk.14.00 per share	1149.924 million	1.4.12 5.4.12
12	Envoy Textiles Ltd	Lanka Bangla Investment Limited & ICB Capital Management Limited	05.06.2012	10.00	1300.0 million	1000.0 million	-	1000.0 million	300.0 million	-	-	300.0 million	IPO issue price of Tk.30.00 per share (At a premium of Tk.20.00 per share	-	29.7.12 2.8.12
13	Summit Purbanchal Power Company Ltd	Prime Finance Capital Management Ltd	13.6.2012	10.00	1062.8 million	762.82 million	-	762.8 million	300.0 million	-	-	300.0 million	IPO issue price of Tk.45.00 per share (At a premium of Tk.35.00 per share	-	15.7.12 19.7.12
14	Argon Denims Limited	Lanka Bangla Investment Limited	20.6.12	10.00	600.0 million	300.0 million	-	300.0 million	300.0 million	-	-	300.0 million	IPO issue price of Tk.44.00 per share (At a premium of Tk.34.00 per share	-	9.9.12 13.9.12

Annexure-10

No of companies entered in to CDBL during Jul 2011- Jun 2012:

SL	Company Name	ISIN	CDBL Enlisted / Trade start date	IPO/Demat
1	Wata Chemicals Ltd	BD0467WATA03	November 14, 2011	Demat
2	Tamijuddin Textile	BD0419TJTEX2	November 24, 2011	Demat
3	Wonderland Toys Ltd.	BD0223WNTOY1	November 24, 2011	Demat
4	Rangpur Dairy & Food Products Limited	BD0293RDFPL8	November 28, 2011	IPO
5	Zahintex Industries Limited	BD0452ZAHIN6	November 28, 2011	IPO
6	Lexco Limited	BD0623LEXCO2	December 22, 2011	Demat
7	Rahman Chemicals Ltd	BD0465RCHEM2	December 22, 2011	Demat
8	GSP Finance (Bangladesh) Limited	BD0149GSPFC2	April 9, 2012	IPO
9	Padma Islami Life Insurance Limited	BD0745PILIF5	April 18, 2012	IPO
10	GPH Ispat Limited	BD0230GPHIL8	April 19, 2012	IPO
11	GBB Power Limited	BD0315GBBPL5	June 13, 2012	IPO
12	Bangladesh Submarine Cable Company Limited	BD0002BSCCL0	June 14, 2012	IPO
13	Saiham Cotton Mills Ltd	BD0453SCOT07	June 24, 2012	IPO
	Mutual Fund			
1	Reliance One The First Scheme of Reliance Insurance Mutual Fund	BD0187RIMF11	July 7, 2011	IPO

2	LR Global Bangladesh Mutual Fund One	BD0188LRMF15	September 19, 2011	IPO
3	AB Bank 1st Mutual Fund	BD0189ABMF15	January 29, 2012	IPO
4	NLI First Mutual Fund	BD0190NLIF11	February 27, 2012	IPO
5	First Bangladesh Fixed Income Fund	BD0191BFIF12	March 19, 2012	IPO
6	NCCBL Mutual Fund-1	BD0192NCCF16	May 24, 2012	IPO

List of Enforcement Actions :-

Annexure-11

Against Issuer Company:		
Violation	**No. of Issuer Companies**	**Nature of Action**
Accurate and transparent information not reflected in the audited financial statements	4	Penalty
Failure to submit the audited financial statements	5	Penalty
Failure to submit the half-yearly financial statements	21	Penalty
Failure to comply with securities related laws	8	Penalty
Non-compliance of Directive/Notification/Order	5	Penalty
Failure to submit the quarter (Q) financial statements	13	Penalty
Failure to submit the audited financial statements	5	Warning
Failure to submit the half-yearly financial statements	3	Warning
Failure to comply with securities related laws	18	Warning
Non-compliance of Directive/Notification/Order	7	Warning
Failure to submit the quarter (Q) financial statements	17	Warning
Total	85	
Against Chartered Accountant Firm:		
Violation	**No. of Chartered Accountant Firm:**	**Nature of Action**
Failure to comply with securities related laws regarding audited financial statements of the issuers.	1	Warning
Total	1	

Against Stock Broker/ Stock Dealer:		
Violation	**No. of Stock Broker/Stock-Dealer**	**Nature of Action**
Non-compliance of securities related laws	47	Warning
Non-compliance of securities related laws	29	Penalty
Total	76	
Against Credit Rating Company:		
Violation	**No. of CRC**	**Nature of Action**
Non-compliance of securities related laws	1	Warning
Total	1	
Against Issue Manager:		
Violation	**No. of Issue Manager**	**Nature of Action**
Non-compliance of securities related laws	1	Penalty
Total	1	
Against Others:		
Violation	**No.**	**Nature of Action**
Violation of wewa 4(1) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ in connection with trading in shares of BIFCL.	1	Penalty
Violation of Section 17 (a) of Securities and Exchange Ordinance,1969 in connection with unusual trading in shares of Beach Hatchery Limited	2	Penalty
Non-compliance of securities related laws in connection with unusual trading in shares of Aftab Automobiles Limited	1	Penalty

Non-compliance of securities related laws in connection with unusual trading in shares of Aftab Automobiles Limited	1	Warning
Non-compliance of securities related laws in connection with unusual trading in shares of Eastern Housing Limited	1	Penalty
Non-compliance of Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 in connection with declaration of sale of shares of Social Islami Bank Limited.	4	Penalty
Violation of section 17 (e) (v) of the Securities and Exchange Ordinance, 1969 (XVII) of 1969) in connection with trading in shares of Fine Foods Limited.	6	Warning
Violation of বিধি-৪(১) of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ in connection with trading in shares of Fine Foods Limited.	4	Penalty
Total	20	

During 2011-2012 Enforcement department has taken 184 No. of action against issuer companies, chartered accountant firms, stockbrokers, stock-dealers, credit rating company, depository participants (DPs),issue managers and others.

List of Cases :-

Annexure-12

Total 395 cases filed by or against BSEC are 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	06
		High Court Division	158
02.	Special Judge Court and Paribesh Appeal Adalat, Dhaka		01
03.	Additional District Judge 3rd Court, Dhaka		01
04.	Metropolitan Sessions Judge Court, Dhaka.		01
05.	Additional Metropolitan Sessions Judge 1st Court, Dhaka.		02
06.	Additional Metropolitan Sessions Judge 5th Court, Dhaka.		01
07.	Joint Sessions Judge 1st Court, Dhaka		01
	Metropolitan Sessions Judge 1st Asst. Court, Dhaka		01
08.	4th Joint Dist. Judge Court, Dhaka		01
09.	5th Joint Dist. Judge Court, Dhaka.		09
10.	4th Asst. Judge Court, Dhaka.		01
11.	Nababgonj Assistant Judge Court, Dhaka		01
12.	Chief Metropolitan Magistrate Court, Dhaka.		08
13.	General Certificate Court, Dhaka.		203
Total Cases :			**395**

Cases filed by or against BSEC are pending in different courts during the financial year 2011-2012:

Cases filed by or against BSEC	Number of cases	Brief description
Cases filed by BSEC	09	9 (nine) Certificate cases were filed in order to recover the penalty imposed by the Commission under PDR Act,1913 for violation of securities laws and 2(two) petition case were filed one against Syed Siraj Ud Doula and others for violating of section 17(E) of the Securities and Exchange Ordinance, 1969 and the other against Abu Sadat Md. Sayem and another for violating of section17(E) and(ii) and (v) of the Securities and Exchange Ordinance, 1969.
Cases filed against BSEC	24	24 (twenty four) Writ Petitions filed in the High court Division challenging Securities laws and penalty order of the Commission.

Annexure-13

Financial Statement

30 June, 2012 (Provisional)

(in million taka)

Particulars	FY 2011-2012		FY 2010-2011
	Budget allocation	Actual receipt/ expenditure	Actual receipt/ expenditure
Government Grant:	**00.10**		
Opening balance (unspent balance.)		839.77	402.94
Govt. grant released	00.10	00.0	00.0
Total Govt. Grant	**00.10**	**00.0**	**00.0**
Commission's miscellaneous receipts	132.20	335.3	534.28
Total Budget/Receipts	**132.30**	**1175.07**	**937.22**
Payment/Expenditure	Head wise Budget allocation	Actual expenditure	Actual expenditure
Revenue expenditure	115.15	82.08	88.98
Capital expenditure	14.25	04.55	06.10
Loan/Advance disbursed	02.90	00.60	01.27
Works expenditure	00.00	00.0	01.10
Total	**132.30**	**87.23**	**97.45**
Closing balance (unspent fund)		**1087.84**	**839.77**

Annexure-14

Miscellaneous receipts

30 June, 2012

Sl. No.	Particulars	Amount in Tk.	
		2011-2012	2010-2011
	Income		
1	Stock Dealer/Broker Registration fee	5,646,000.00	8,598,500.00
2	Merchant Bank and Asset Management Companies Registration Fee	3,314,000.00	6,623,134.40
3	Mutual Fund Registration Fee	28,881,612.56	178,709,215.03
4	Authorized Representative Registration Fee	1,692,200.00	2,347,600.00
5	IPO, Application, filing, Right issue & Consent fee	78,949,190.38	87,966,099.70
6	Penalty receipt	62,511,916.31	28,731,500.00
7	Publication sale (Quarterly report, law book etc)	10,200.00	348,400.00
8	Sale of tender schedule	29,500.00	17,500.00
9	Sale of scrap materials	5,355.00	52,275.00
10	Depository Participant & Security Custodial fee	3,405,000.00	2,156,500.00
11	CDBL (B O A/C Registration fee)	147,797,000.00	209,679,575.00
12	Credit Rating Company Fee	75,000.00	25,000.00
13	Notice pay	53,760.00	22,350.00
14	Bank interest on deposited money	-	2,805,528.00
15	Forfeited money	1,640,148.52	5,303,090.17
16	Other receipts	1,269,954.00	890,629.48
	Total income/ receipts	335,280,836.77	534,277,196.78

Annexure-15

FOR FOREGIN TOUR BY BSEC OFFICIALS

(From July 01, 2011 to June 30, 2012)

Sl. No.	Name and designation	Subject of Training/Tour	Country	Date	Days	Sponsors
1.	Prof. Dr. M. Khairul Hossain Chairman	AGM of IOSCO	China	13-17 May 2012	6	BSEC
2.	Prof. Md. Helal Uddin Nizami Commissioner	SEC's Annual International Institute for Securities Market Development	USA	16 April-02 May 2012	17	BSEC
3.	Mr. Md. Amzad Hossain Commissioner	Investor Protection : The Latest Development in Research Investor Education and the New IOSCO Principles	Spain	25-28 October 2011	4	BSEC
		South Asia (SARiSA) technical assistance and training progrom	Australia	30 April-03 May 2012	4	AUSTRAC
4.	Mr. Arif Khan Commissioner	SEC's Annual International Institute for Securities Market Development	USA	16 April-02 May 2012	17	BSEC
5.	Mr. Md. Abdul Salam Sikder Commissioner	SEBI-OECD International Conference on Investor Education	India	3-4 February 2012	2	BSEC
1.	Mr. Mohammad Rezaul Karim Diretor	Regional Seminar on Financial Reporting & Disclosure	Philippine	25-29 June 2012	5	BSEC

2.	Mr. Mosharraf Hossain Chowdhury, Director	6th Regional Leadership Program for Securities Regulators	Singapore	17-22 June 2012	6	BSEC
3.	Mrs. Farhana Faruque, Deputy Director	6th Regional Leadership Program for Securities Regulators	Singapore	17-22 June 2012	6	BSEC
4.	Mr. Mohammad Fakrul Islam Mazumder, Deputy Director	Regional Seminar on Financial Reporting & Disclosure	Philippine	25-29 June 2012	5	BSEC
5.	Mr. Md. Yusuf Bhuiyan, Deputy Director	Regional Seminar on Financial Reporting & Disclosure	Philippine	25-29 June 2012	5	ADB
6.	Mr .Hafiz Mohd. Harunur Rashid, Deputy Director	Regional Seminar on Financial Reporting & Disclosure	Philippine	25-29 June 2012	5	ADB

23. List of Executives

(As on 30 June 2012)

- Mohammad Abdul Hannan Zoarder, Executive Director (On Lien to BICM)
- Md. Anwarul Kabir Bhuiyan, Executive Director (Temporarily Suspended)
- Farhad Ahmed, Executive Director
- Ruksana Chowdhury, Executive Director
- ATM Tariquzzaman, Executive Director
- Md. Anowarul Islam, Executive Director
- Md. Saifur Rahman, Executive Director
- Md. Ashraful Islam, Executive Director
- M. Hasan Mahmud, Executive Director
- Md. Mahbubul Alam, Director
- Mahbuber Rahman Chowdhury, Director
- Kamrul Anam Khan, Director
- Mohammad Rezaul Karim, Director
- Mohammad Shafiul Azam, Director
- Ripon Kumar Debnath, Director
- Mir Mosharrof Hossain, Director
- Md. Jahangir Alam, Director
- Md. Mahmudul Hoque, Director
- Prodip Kumar Basak, Director
- Md. Mansur Rahman, Director
- Rajib Ahmed, Director
- Md. Abul Kalam, Director
- Md. Abul Hasan, Director
- Sheikh Mahbub Ur Rahman, Director
- Farhana Faruqui, Deputy Director
- Abu Rayhan Mohammad Mutasim Billah, Deputy Director
- Md. Fakrul Islam Mazumder, Deputy Director
- A. S. M. Mahamudul Hasan, Deputy Director
- Muhammad Ziaur Rahman, Deputy Director
- Mustari Jahan, Deputy Director

- Md. Samsur Rahman, Deputy Directo
- Md. Yusuf Bhuiyan, Deputy Directo
- Md. Hossain Khan, Deputy Directo
- Md. Ohidul Islam, Deputy Directo
- Mohammad Shakhawat Hossain Sarkar, Deputy Directo
- Md. Kawsar Ali, Deputy Directo
- Shekh Md. Lutful Kabir, Deputy Directo
- Md. Delowar Hossain, Deputy Directo
- Hafiz Mohammed Harunur Rashid , Deputy Directo
- Faruk Hossain, Deputy Directo
- Umme Salma, Deputy Directo
- Md. Siddiqur Rahman, Deputy Directo
- Molla Md. Miraz-uz-Sunnah, Deputy Directo
- Golam Kibria, Deputy Directo
- Zubair Uddin Bhuiyan, Deputy Directo
- Abul Kalam Azad, Deputy Directo
- Nazrul Islam, Deputy Directo
- Amdadul Haque, Deputy Directo
- Mohammad-Al-Masum Mirdha, Deputy Directo
- M. A. Maleque, Accounts Officer
- Mohammad Rakibur Rahman, Assistant Director
- Ms. Anu Dey, Assistant Director
- Md. Iqbal Hossain, Assistant Director
- Md. Saiful Islam, Assistant Director
- Mohammad Zahirul Haque, Assistant Director
- Syed Mohammad Golam Mowla, Assistant Director
- Sultana Parveen, Assistant Director
- Mahmuda Shireen, Assistant Director
- Parvin Akter, Assistant Director
- Md. Rashidul Alam, PS to Chairman

Our Reference Room

At the 20th floor of Jiban Bima Tower. 10 Dilkusha G A. Dhaka-1000

Where you will find:

❖ BSEC publications ❖ Prospectus of the listed companies

❖ Published Annual Reports of the listed companies ❖ Published Haf-yearly Reports of the listed companies

❖ Securities laws, rules & regulations/gazette notificatiors ❖ LocaL,foreign publications on capital market

Facilities we offer :

❖ Reading room for general public (open during the office hours weekdays)

❖ Subscription of BSEC publications

❖ Photocopy facility of relevent documents available in the library

Web site

❖ Please visit our web-site www.secbd.org for detailed information Where you will find :

❖ What's New ❖ About BSEC ❖ Stock Exchanges

❖ Companies ❖ BSEC Laws ❖ Prospectus

❖ Contact Us ❖ Press Release Annual Report

Feed Back ❖ Investors' Information

❖ Quarterly Review ❖ Home

Printed by : R.J Printing & Packaging, Tel : 01713042634