

Over View of Market Scenario

From

October'03 - February'06

MARKET INDICATORS (DSE Statistics)

Item	Daily Average October' 03	Daily Average January' 06	Daily Average February' 06 (01-14)
General Index	792	1,683	1,622
Selective Index	980	1,586	1,545
Turnover (value in crores Tk)	3.35	15.05	12.50
Market Capitalization. (value in billion Tk)	67	233	226

CORPORATE DEFAULTS

Particulars	January' 04	January' 06
AGM Default	41	24
Audited account default	38	22

MAJOR ACCOMPLISEMENTS

1. Publication of a brochure on rights of shareholders
2. Issuance of Finance Ministry 's circular regarding off-loading of government shares
3. Finalization of corporate governance guidelines
4. Revision of Rights Issue rules:
 - (a) Strengthened disclosure requirements
 - (b) Explicit approval of SEC
 - (c) Two record dates
 - (d) No credit rating requirement, if issued at par
5. Finalization of Direct listing regulations

Continued...

MAJOR ACCOMPLISHMENTS (CONTD) □

6. Mandatory conversion of private limited into public limited and IPO compulsion for companies having paid up capital of Tk 40 crores and 50 crores respectively.
7. Revision of IPO rules:
 - (a) Strengthened disclosure requirements
 - (b) Only abridged version of prospectus in four national dailies
 - (c) Dual listing
 - (d) 10% reservation for mutual funds
 - (e) Reduction of fees for
 - (i) Issue management
 - (ii) Underwriting
 - (iii) Bankers to the issue
 - (iv) SEC
 - (v) Listing fee
 - (vi) Elimination of seal Commission
 - (f) Introduction of repeat IPO

OTHER SIGNIFICANT ACCOMPLISHMENTS

1. Authorized representatives to receive training prior to registration
2. Appointment of compliance officers, including by issuer companies
3. Strengthened insider trading rules
4. Mandated IPO for NBFIs (collaboration with BB)
5. Tradability of government bonds on the stock exchanges (collaboration with BB)

UNFINISHED AGENDA

1. Amendments to 1969 ordinance:
 - (a) Award of compensation to investors
 - (b) Empowering the Commission to examine bank account
 - (c) Depositing a certain portion of fine in cases against SEC's order imposing fine
2. Enhancing SEC's autonomy over expenditure
3. Transfer of administration of the company Act to SEC
4. Revising Company Law
5. Establishment of Auditors Oversight Board

UNFINISHED AGENDA (contd) □

6. Constituting a special Bench of the High court to try securities-related cases
7. Establishment of a capital Market Institute
Memorandum and Articles of Association finalized
8. Liquidation of delinquent companies