

SEC

Quarterly Review

July - September 2004

**Securities and Exchange Commission
Bangladesh**

SECURITIES AND EXCHANGE COMMISSION

Quarterly Review **July -September 2004**

A PUBLICATION OF THE SEC

Securities and Exchange Commission

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SECURITIES AND EXCHANGE COMMISSION

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CAPITAL MARKET NEWS

The Commission

Study tour for participants of Senior Staff Course of BPATC held in SEC: A study tour for participants of ‘Advanced Course on Administration and Development (ACAD)’ of Bangladesh Public Administration Training Centre (BPATC) was held at the Board Room of Securities and Exchange Commission on 29 August 2004. SEC Chairman Dr. A B Mirza Azizul Islam delivered welcome address. Twenty five deputy secretaries of the Government of Bangladesh participated in the Program. Executive Directors of SEC Mr. Mansur Alam, Mr. Mohammad Abdul Hannan Zoarder, Mr. Farhad Ahamed and Director Mr. A T M Tariquzzaman deliberated on various issues relating to capital market including securities related laws, rules/regulations and central depository system

SEC chairman inaugurated the O-T-C in CSE: The Securities and Exchange Commission Chairman Dr. A B Mirza Azizul Islam inaugurated the functions of Over-The-Counter (O-T-C) in Chittagong Stock Exchange (CSE) on July 4, 2004. SEC Chairman in his speech hoped that the functions of O-T-C would be able to protect the investor’s interest and helpful to expand the scope for development of small and medium scale industries in the country. Earlier Securities and Exchange Commission approved the O-T-C proposal of CSE for trading the shares of delisted and non-listed companies.

Dhaka Stock Exchange

Professional training course on “Training Program on ICT” held in DSE: A twelve- day long training program titled “Training Program on ICT” was jointly organized by DSE and the Computer Science and Engineering Department of BUET in the Dhaka Stock Exchange on 9th August 2004, The President, DSE Ahmed Iqbal Hasan inaugurated the course. DSE Chief Executive Officer Mr. Salahuddin Ahmed Khan delivered the welcome address. Mr. A S M Khairuzzaman, Head of IT conducted inaugural session. The DSE president in his opening address said that such training programs were very necessary for the IT personnels of DSE. He also added that said program would help IT officers to improve their abilities to a significantly. Dr. Md. Mostafa Akbar of Computer Science and Engineering Department of BUET also addressed the ceremony.

DSE de-lists 13 errant companies: Dhaka Stock Exchange delisted the following 13 companies with effect from August 16, 2004 upon decision of the Board of Directors of the Exchange adopted on August 7, 2004. The companies are Bengal Steel Works Ltd., Karim Pipe Mills Ltd., A.B. Biscuit Co. Ltd., Dhaka Vegetable Oil Industries Ltd., STM Ltd.(ORD), J.H. Chemical Industries Ltd., Mark Bangladesh Shilpa & Engineering Ltd.,Texpic Ind. Ltd.and Meghna Vegetable Oil Industries Ltd The Management of companies were asked by SEC to resume their operation. The above 13 companies did not resume commercial operation. Beside these companies also violated section 31 (1) of Listing Regulation of the DSE in terms of holding AGM, paying dividend and clearing their annual listing fees to DSE. Considering these background DSE Board decided to delist these companies for the greater interest of the capital market.

DSE fines 27 Cos. for failure to submit half-yearly accounts: Dhaka Stock Exchange imposed a daily fine of Tk 500 on 27 listed companies on August 2, 2004 for failing to submit their half – yearly accounts to the bourse by August 31, 2004

DSE index crosses 1600 - mark: The DSE general index touched 1600-mark on September 18, 2004. The DGEN index stood 1611.17 on the day. The index on September 25, 2004 rose to 1664.44, the highest ever after introduction of the General Index comprising only A, B, and G category Securities in 2001. The market capitalization of DSE also crossed 3 billions dollar-mark on that day. The market continued to witness high demand for blue chip shares with sharp rise in general indices and turnover both in value and volume in the bourses.

DSE to raise number of members : The Board of Directors of Dhaka Stock Exchange Ltd. had decided to raise the number of its members from the existing 195 to 220 under Article 4(4) of its Articles of Association. The DSE board in a meeting on September 26, 2004 took the decision aiming at facilitating the expansion and growth of the country’s securities market at a price of Tk. 8 million per share. The new member must have sound financial track record. Financial institutions having capital adequacy and excellent track record would be the preferable candidates for the fresh memberships. There is already a provision to increase the membership of the bourse up to 500 as per the Memorandum of Association of the Exchange.

Chittagong Stock Exchange

Thailand Stock Exchange Team visited CSE: A three member team of the Stock Exchange of Thailand led by its president Mr. Kittirat Naranong visited Chittagong Stock Exchange on August 11, 2004. The team expressed their desire to do work on the basis of MOU that was done 2 (two) years back between SET and CSE for development of respective relationship during their visit and they met with the directors and high officials of the Exchange.

Internet trading service related seminar for woman entrepreneurs held in CSE: The Chittagong Stock Exchange arranged an Internet trading service related seminar on “ Share trading business and technology for women entrepreneurs association” in the board room of Reliance Insurance Company Ltd. Dhaka on July 17, 2004 to acknowledge share trading through Internet service of CSE for woman entrepreneurs. The Chief Executive Officer Mr. Wali-ul-Marof Matin deliberated on the objectives and activities of CSE, role of share market in economy, functions of Central Depository Bangladesh Ltd. (CDBL) and on line trading system of CSE, etc. About 30 women entrepreneurs were present in the seminar. The CSE president Mr. Habibullah Khan, WEA chairperson Rokeya A Rahman, and the Managing Director of Reliance Insurance Company Ltd. were also present in the seminar.

Another Internet trading service related seminar was held in the conference room of CSE on July 21, 2004 for the students of University of Science and Technology Chittagong (USTC). CSE officials deliberated the various aspects related to stock exchange and capital market.

CORPORATE FINANCE

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

Company Performance: July - September 2004

Sl. No.	Particulars	Date of AGM	Dividend declared
01.	Eastern Insurance Company Limited	07.07.2004	18%
02.	National Life Insurance Company Ltd.	26.07.2004	15% cash 25% stock
03.	Karnaphuli Insurance Company Limited	28.07.2004	16% stock
04.	Janata Insurance Company Limited	07.08.2004	10%
05.	Delta Life Insurance Company Limited	18.07.2004	48%
06.	Rupali Insurance Company Limited	07.08.2004	14%
07.	Sandhani Life Insurance Company Limited	28.09.2004	14% stock
08.	Central Insurance Company Limited	11.09.2004	20% stock
09.	Purabi General Insurance Company Ltd.	28.09.2004	10% (Only for General Shareholders)
10.	Federal Insurance Company Limited	27.09.2004	10%
11.	Bangladesh Thai Aluminium Limited	05.08.2004	6%
12.	Beach Hatchery Limited	18.08.2004	0%
13.	Bionic Seafood Exports Limited	29.09.2004	6%
14.	Apex Foods Limited	23.09.2004	13%
15.	Shyampur Sugur Mills Limited	30.09.2004	0%
16.	Sonali Paper and Board Mills Ltd.	20.09.2004	0%
17.	The City Bank Limited	27.09.2004	0%
18.	Islami Bank Bangladesh Limited	17.09.2004	20% stock
19.	National Bank Limited	19.09.2004	20% stock
20.	Pubali Bank Limited	14.09.2004	0%
21.	Southeast Bank Limited	29.09.2004	20% cash 20% stock
22.	National Credit and Commerce Bank Ltd.	25.07.2004	10% cash 10% stock
23.	Bangladesh Welding Electrodes Ltd.	28.09.2004	0%
24.	Stylecraft Limited	02.09.2004	40%
25.	Apex Spinning Mills Limited	23.09.2004	15%
26.	Dandy Dyeing Limited	11.09.2004	0%

Sl. No.	Particulars	Date of AGM	Dividend declared
27.	Sonargaon Textiles Limited.	18.08.2004	7%
28.	Ambee Pharmaceuticals Limited	29.07.2004	25%
29.	Petro Synthetics Limited	26.09.2004	0%
30.	Square Pharmaceuticals Limited	21.09.2004	70% cash, stock 5:1
31.	Confidence Cement Limited	21.07.2004	5%
32.	Aramit Cement Limited	08.09.2004	0%
33.	Lexco Limited	23.09.2004	5%
34.	Legacy Footwear Limited	29.09.2004	5%
35.	Aramit Limited	08.09.2004	33%

INITIAL PUBLIC OFFERING (IPO)

IPO:

During this quarter no company raised capital through public offering.

Capital Raising:

During July-September 2004 quarter the Commission has given consent to the following companies to raise capital:

Sl. No.	Name of the Company	Nature of raising capital	Amount (in million Tk)
1.	Peoples Leasing & Financial Services Ltd.	Ordinary	66.6888 million
2.	Industrial Promotion and Development Co. Ltd.	Ordinary	56.028 million (each share Tk. 200.00)
3.	Islamic Finance and Investment Ltd.	Ordinary	77.00 million
4.	Shahjalal Bank Ltd.	Ordinary	236.20 million
5.	Unique Hotel and Resorts Ltd.	Ordinary	899.975 million
6.	United Leasing Co. Ltd.	Debenture	300.00 million

SUPERVISION & REGULATION OF MARKETS AND INTERMEDIARIES**July – September 2004**

Status of Complaints Received during the Period:

LISTED COMPANIES

Nature of Complaints	Received during the quarter (No.)	Under process (No.)	Referred for enforcement action (No.)	Resolved During the quarter (No.)
Non-payment or delay in payment of declared dividend	05	02	02	01
Non-payment or delay in payment of interest of Debenture	00	00	00	00
Claim of dividend against lost shares	00	00	00	00
Regarding transfer of shares	04	01	01	02
Regarding non payment of IPO deposit money	01	01	00	00
Miscellaneous	05	00	00	05
Total	15	04	03	08

BROKER/DEALERS

Nature of Complaints	Received during the quarter (Nos.)	Referred to DSE	Referred for enforcement action (Nos.)	Resolved during the quarter (Nos.)
Regarding non delivery of shares and non refund of clients money	10	07	01	02
Miscellaneous	00	00	00	00
Total	10	07	01	02

CENTRAL DEPOSITORY SYSTEM DEPARTMENT

During July-September 2004 the following 19 companies have joined Central Depository Bangladesh Ltd. (CDBL). With these inclusion the total number of Companies under CDBL now stands at 34.

Sl. No.	Name of the Company	Date of Joining in CDBL
01.	Beximco Pharmaceuticals Ltd.	8 July 2004
02.	British America Tobacco Bangladesh	8 July 2004
03.	Singer Bangladesh Ltd.	8 July 2004
04.	Agricultural Marketing Co. Ltd.	8 July 2004
05.	Lafarge Surma Cement Ltd.	8 July 2004
06.	Green Delta Insurance Co. Ltd.	8 July 2004
07.	Heidelberg Cement Bangladesh Ltd.	8 July 2004
08.	Bangladesh General Insurance Co. Ltd.	8 July 2004
09.	BOC Bangladesh Ltd.	8 July 2004
10.	Mercantile Bank Ltd.	8 July 2004
11.	Glaxo Smithklen Bangladesh Ltd.	18 July 2004
12.	Bata Shoe Co. (Bangladesh) Ltd.	25 August 2004
13.	Advance Chemical Industries Ltd.	25 August 2004
14.	Kay & Que (Bangladesh) Ltd.	25 August 2004
15.	Eastern Housing Ltd.	29 September 2004
16.	Reckitt Benckiser (Bangladesh) Ltd.	29 September 2004
17.	Reliance Insurance Ltd.	29 September 2004
18.	National Bank Ltd.	29 September 2004
19.	Bangladesh Online Ltd.	29 September 2004

REGISTRATION

Issuance of Stock Broker Registration Certificate:

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

Sl. No.	Name of the Stock Broker	Name of the Stock Exchange & Membership #	Address	Registration Certificate Number and Date
1	K-Securities & Consultants Limited	DSE-122	Plot No. 6/11, Block No. B, Lalmatia, Dhaka-1207	Registration-3.1/DSE-122/2004/82 date: 14/07/2004
2	Rose Securities Ltd.	DSE-125	Eastern Trade Centre, 56, Purana Paltan Line, Room No. 5/2(5 TH Floor), Dhaka-1000	Registration-3.1/DSE-125/2004/83 date: 24/08/2004
3	D.N. Securities Ltd.	CSE-089	316, Sk. Mujib Road, Agrabad, Chittagong	Registration-3.2/CSE-089/125/2004/ date: 17/07/2004

Renewal of Stock Dealer/Stock Broker Registration Certificate:

During July- September 2004 quarter, the Commission renewed 2 Stock Dealers/Stock Brokers registration certificate of Dhaka Stock Exchange Limited and 21 of Chittagong Stock Exchange Limited.

Renewal of Authorized Representative Registration Certificate:

During July- September 2004 quarter, the Commission renewed 223 Authorized Representative registration certificates of Dhaka Stock Exchange Limited and 48 of Chittagong Stock Exchange Limited.

Issuance of Depository Registration Certificate:

During the period, the Commission issued Depository Participants registration certificate to the following applicants as per Depository (Users) Regulation, 2003.

Sl. No.	Name of the Applicant	Classification of DP	Date of Issuance of Registration	Address
1.	Shahed Abdul Khaleque & Co.	Full Service	13/07/2004	Room No. 526(4 TH Floor), 9/E Motijheel C/A, Dhaka-1000

2.	National Investment & Finance Co. Limited	Full Service	13/07/2004	Sultan Building (2 ND Floor) 147, Motijheel C/A, Dhaka-1000
3.	Rupali bank Limited	Custody Participant	13/07/2004	34, Dilkusha C/A, Dhaka-1000
4.	Ershadul Haque & Company	Full Service	27/07/2004	Room No.414,Dhaka Stock Exchange Building,9/F Motijheel C/A, Dhaka-1000
5.	Nouvelle Securities	Full Service	27/07/2004	Room No. 719 (6 TH Floor), Dhaka Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000
6.	Gateway Equity Resources Limited	Full Service	29/07/2004	Room No. 215, Dhaka Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000
7.	Uttara bank Limited	Custody Participant	29/07/2004	90/91 Motijheel C/A, Dhaka-1000
8.	South Asia Securities limited	Full Service	29/07/2004	Nascent Tower (2 ND Floor),53, Agrabad C/A, Chittagong-4100
9.	Ahmed Iqbal Hasan & Co.	Full Service	11/08/2004	Room No. 735 & 736, Dhaka Stock Exchange Annex Building, 9E Motijheel C/A, Dhaka-1000
10.	N.R. Islam & Co.	Full Service	11/08/2004	Room No. 728, DSE Annex Building (6 TH Floor), 9E Motijheel C/A, Dhaka-1000
11.	Md. Salimullah & Co.	Full Service	11/08/2004	Room No. 435, DSE Annex Building, 9E Motijheel C/A, Dhaka-1000
12.	Shohel Securities Limited	Full Service	22/08/2004	Findlay House (Ground Floor) 11, Agrabad C/A, Chittagong
13.	Kazi Feroz Rashid & Co.	Full Service	22/08/2004	Room No. 408-409, Dhaka Stock Exchange Building 9/F, Motijheel C/A, Dhaka-1000
14.	Dynamic Securities & Consultants Limited	Full Service	22/08/2004	Room No. 604, Dhaka Stock Exchange Building 9/F, Motijheel C/A, Dhaka-1000
15.	K. Securities & Consultants Limited	Full Service	22/08/2004	Room No. 433, DSE Annex Building (3 RD Floor), 9E Motijheel C/A, Dhaka-1000
16.	M. Rahman Securities Limited	Full Service	26/08/2004	Zareen Mansion (3 RD Floor), 55 Motijheel C/A, Dhaka-1000
17.	Shamsul Huda & Co.	Full Service	28/08/2004	Room No. 504 (4 TH Floor), Dhaka Stock Exchange Building 9/F, Motijheel C/A, Dhaka-1000
18.	Md. Shahidullah (Shyamol) & Co.	Full Service	28/08/2004	Room No.319, 9/E Motijheel C/A (2 ND Floor), Dhaka-1000

19.	Industrial development & Leasing Company of Bangladesh	Custody Participant	28/08/2004	Hadi mansion (6 TH & 7 TH Floor), 2 Dilkusha C/A, Dhaka-1000
20.	Amin Securities & Consultants Limited	Full Service	31/08/2004	6/10, Block-A, lalmatia, Dhaka-1000
21.	Securities Broking And Management Services limited	Full Service	31/08/2004	Room No. 725, Dhaka Stock Exchange Building 9/F, Motijheel C/A, Dhaka-1000
22.	Hosne Ara Begum & Co.	Full Service	20/09/2004	Room No.723(6 TH Floor),9-F Motijheel C/A, Dhaka-1000
23.	Mohammad Talha & Co.	Full Service	20/09/2004	Room No.630(5 TH Floor) 9E, Motijheel C/A, Dhaka-1000
24.	Trendset Securities Limited	Full Service	20/09/2004	Suite No. 501(4 TH Floor),41, Kemal Ataturk Avenue, Banani, Dhaka-1213
25.	Khurshid Alam & Co.	Full Service	20/09/2004	Room No. 722,Dhaka Stock Exchange Building, 9/F, Motijheel C/A, Dhaka-1000
26.	Jahangir Kabir Chowdhury & Co.	Full Service	28/09/2004	Room No. 426(3 RD Floor),9/E, Motijheel C/A, Dhaka-1000

Issuance of Mutual Fund Registration Certificates:

During July- September, 2004 the Commission issued registration certificates to the following Mutual Funds as per Securities and Exchange Commission (Mutual Fund) Rules 2001:

Sl. No.	Name of the Mutual Fund	Type of the Fund	Date of Issuance of Registration	Address
1.	ICB AMCL Islamic Mutual Fund	Close-end Mutual Fund	24.08.2004	Shilpa Bank Building (15 TH Floor), 8, Rajuk Avenue, Dhaka-1000
2.	ICB AMCL Pension Holders Unit Fund	Open-end Mutual Fund	15.09.2004	Shilpa Bank Building (15 TH Floor), 8, Rajuk Avenue, Dhaka-1000

Approval of prospectus of ICB AMCL Islamic Mutual Fund and ICB AMCL Pension Holders Unit Fund:

Prospectus of ICB AMCL Islamic Mutual Fund approved by the Commission on 09.09.2004 and ICB AMCL Pension Holders Unit Fund on 18.09.2004. The sizes of the offerings were Tk. 7.00 crore and Tk. 9.00 crore respectively.

SEC SURVEILLANCE SYSTEM

Surveillance:

To ensure transparency and accountability of the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. the Commission surveils through on-line surveillance software and non-trading version of work -station by regular trade analysis and inspection. The surveillance staff time –to- time informs the Commission about the trading and market scenario and also shares with the management important issues if necessary. At the end of the trading period a daily trade report pointing out the highlights of the securities transactions and abnormal activities, if any, found during the trading period are prepared and submitted to the chairman and the members of the Commission

Analysis of Trading Data:

In order to find out unusual behavior and irregularities of trades on the stock exchanges the Surveillance Department gathers trade related data and information and review and analyse the same on regular basis. If any abnormal trend or volatility in terms of turnover and price movement is noticed, a preliminary inspection is conducted to ascertain the reason(s) behind such volatility. If any irregularities are found the matter is referred to the top management for decision.

Surveillance Department gets information or data from the Surveillance Department of DSE and also on-line surveillance software of CSE and DSE. If any irregularities are noticed, initially the stock exchanges are asked to conduct inspection/enquiry and report to the Commission. If necessary, the Surveillance Department also conducts inspection/enquiry based on the gravity of the specific issue.

Inspection and Enquiry:

During July – September 2004 period the SEC asked CSE to investigate transactions of Padma Textile Ltd. shares and also asked DSE to investigate transactions of Orion Infusion Ltd. & Pharma Aids shares. As a part of regular monthly inspection in the referred period Commission's inspection team inspected three stock-broker/stock-dealer offices of DSE and three stock-broker/stock-dealer offices of CSE to ensure proper compliance of securities laws, rules and regulations and as surprise visit the SEC surveillance team inspected books and records of 10 (Ten) stock-brokers/stock-dealers of DSE and 1 (One) stock-broker/stock-dealer of CSE regarding trading activities of Padma Textile Ltd., Southeast Bank Ltd., Bangladesh Online Ltd., Prime Bank Ltd., Beximco Pharmaceuticals Ltd., Gulf Food Ltd., Square Textile Ltd., Heidelberg Cement Ltd. and Dhaka Bank Ltd. Besides, the Commission constituted 1 (one) enquiry committee to enquire into the activities of United Capital Limited.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
			- Abt̄gwi Z c̄Z̄w̄b̄w̄a w̄beŪb mb̄t̄ i kZ̄q̄ of the w̄m̄w̄KD̄wi w̄UR I G. t̄P̄A K̄igkb (óK-w̄Wj vi, óK-tēKvi I Abt̄gwi Z c̄Z̄w̄b̄w̄a) w̄ew̄agvj v, 2000.	

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

Sl. No.	Date	Name of the Company	Nature of de fault/Appeal	Commission's decision
1.	03.08.04	Maq Paper Industries Ltd.	Submission of the audited financial statements for the year ended on December 31, 2002 & 2003.	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 to furnish the audited financial statements to the shareholders of the company and the stock exchanges concern with the intimation to the Commission.
2.	18.08.04	Mr. Md. Habibur Rahman Mia, Chairman, A. B. Biscuit Company Limited.	Appeal against Commission's order dated 29.05.2004 imposing penalty of Taka 1.00 lac (and also additional penalty of Taka 10,000 per day if default continuous after the date of the order) on Mr. Md. Habibur Rahman Mia, Chairman of A.B. Biscuit Company Ltd. for non holding of annual general meeting.	The Commission earlier rejected the appeal for waiver of imposed penalty. Thereafter another petition was made and in response the Commission uphold the decision.
3.	22/8/04	13 Cos.	Non submission of audited financial statements to Stock Exchanges.	Directive issued for submission of default years audited financial statements within 7 days of the directives.
4.	25.08.04	Dynamic Textile Industries Ltd.	Contravention of Company law and accounting standards pointed out by the issuer's statutory auditor and the issuer's annual reports of 2000, 2001, 2002 and 2003.	Directive issued under section 20A Securities & Exchange Ordinance, 1969 to take into consideration the statutory auditor's observations made in the annual reports of 2000, 2001, 2002 and 2003 and

Sl. No.	Date	Name of the Company	Nature of de fault/Appeal	Commission's decision
				take necessary measures for rectification in the financial statements and annual reports of next year i.e. for the year ended on September 30, 2004 with intimation to the Commission.
5.	28.08.04	Mr. M.A Salam Chairman & Managing Director of Paragon Leather & Footwear Industries Ltd.	Failure to comply with the condition (a) of the notification No.SEC/SMRI/2000-953/1950 dated 24/10/2000	Penalty imposed Tk.1 lac & additional penalty Tk.10,000/- per day if default continues after date of order. Appeal was rejected and the Commission decided to uphold its previous order.

(D) Issuer Company: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1.	14.07.04	Mithun Knitting & Dyeing (CEPZ) Ltd.	Failure to pay off the dividend declared by Mithun Knitting & Dyeing (CEPZ) Ltd. within 60 days of declaration in terms of the erstwhile CCI's Notification No. SRO. 385-Law/91 dated 15 th December 1991, being the order made under section 2g of the Securities and Exchange Ordinance, 1969.	Letter issued with warning to comply with all securities laws in future.
2.	14.07.04	Tallu Spinning Mills Ltd.	Failure to pay off the dividend declared by Tallu Spinning Mills Ltd. within 60 days of declaration in terms of the erstwhile CCI's Notification No. SRO. 385-Law/91 dated 15 th December 1991, being the order made under section 2g of the Securities and Exchange Ordinance, 1969.	Letter issued with warning to comply with all securities laws in future.
3.	14.07.04	Bangas Ltd.	Failure to pay off the dividend declared by Bangas Ltd. within 60 days of declaration in terms of the erstwhile CCI's Notification No. SRO. 385-Law/91 dated 15 th December	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
			1991, being the order made under section 2g of the Securities and Exchange Ordinance, 1969.	
4.	14.07.04	Anlima Yarn Dyeing Ltd.	Failure to pay off the dividend declared by Anlima Yarn Dyeing Ltd. within 60 days of declaration in terms of the erstwhile CCI's Notification No. SRO. 385-Law/91 dated 15 th December 1991, being the order made under section 2g of the Securities and Exchange Ordinance, 1969.	Letter issued with warning to comply with all securities laws in future.
5.	03.08.04	Maq Paper Industries Ltd.	Submission of audited financial statements for the year ended to December 31, 2001 & 2002	Letter issued with warning to comply with all securities laws in future.

(E) Issuer Company: Directors Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1.	03.08.04	Mr. Mahtabuddin, Director, Perfume Chemical Industries Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001, published in the official gazette on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior report submission) by Mr. Mahtabuddin, Director, Perfume Chemical Industries Ltd.	Letter issued with warning to comply with all securities laws in future.
2.	03.08.04	Mr. Perwaizuddin, Director, Perfume Chemical Industries Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001, published in the official gazette on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior report submission) by Mr. Perwaizuddin, Director, Perfume Chemical Industries Ltd.	Letter issued with warning to comply with all securities laws in future.

(F) Issuer Company: Misc

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1	29/8/04	Companies default in holding AGM(s) (36 companies).	Default in holding AGM	Letter issued to Bangladesh Bank attaching the director list of the companies in default in holding AGM(s) with request for taking necessary legal measures, if possible
2	3/10/04	All listed Cos.	Submission of financial statements	Letter issued to all the listed companies for strict compliance of rule 12 sub-rule (3A) of the Securities and Exchange Rules, 1987.

Summary of the Enforcement action taken for the period July – September 2004

Nature of enforcement action taken	Number of cases
(A) Against Brokerage House	
Directives/ Order Issued/Appeal rejected and Miscellaneous	1
Warned	2
Total	3
(B) Against Issuer Company and its directors	
Directives/ Order Issued/Appeal rejected and Miscellaneous	17
Warned	5
Directors Warned	2
Total	24
(C) Others	
Misc.	274
Total	274
Total = A+B+C= (3+24+274)	301

LEGAL SERVICES

Court Cases of SEC

Total 102 cases filed by or against SEC has been pending in different courts. Name of the courts are given below along with number of pending cases with each:

Sl. No.	Name of the Court	Number of Cases	
01.	Supreme Court of Bangladesh	Appellate Division	03
		High Court Division	55
02.	Metropolitan Session Judge Court, Dhaka.	09	
04.	5 th Joint dist. Judge Court, Dhaka.	08	
05.	1 st Asst. Judge Court, Dhaka.	01	
06.	Chief Metropolitan Magistrate Court, Dhaka.	05	
07.	General Certificate Court, Dhaka.	21	
Total Cases:		102	

01. Out of total 15 Share Scam cases of 1996, 2 cases are now pending before the Appellate Division, 7 cases before the High Court Division of the Honorable Supreme Court and rest 6 Cases are pending before the Metropolitan Session Judge Court, Dhaka.
02. A Certificate case has been filed under P.D.R Act. on 18/09/2004 to recover the penalty imposed by the commission upon Mr. Md. Habibur Rahman Mian, Chairman, A.B. Biscuit Co. ltd.

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

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

No.SEC/CMRRCD/2001-16/328

Dated: 3rd July 2004

DIRECTIVE

Whereas, in the interest of the capital market and the investors in securities, the Securities and Exchange Commission deems it to be expedient to issue directive to the Chittagong Stock Exchange Ltd.(CSE) under rule 3, sub-rule (3) of the Securities and Exchange Commission (Over-the-Counter) Rules, 2001, to provide OTC facilities to certain issuers of de-listed CSE;

Now, therefore, pursuant to the above provision of the Rules, the Securities and Exchange Commission hereby directs the Chittagong Stock Exchange Ltd. to provide OTC facilities to the security issuers of the following de-listed companies with immediate effect:-

- (1) Paragon Leather & Footwear Ind. Ltd.
- (2) Gem Knitwear Fabrics Co. Ltd.
- (3) National Oxygen Ltd.
- (4) Rupan Oil & Feeds Ltd.

By order of the
Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

- 1.Chittagong Stock Exchange Ltd.
- 2.Paragon Leather & Footwear Ind. Ltd.
- 3.Gem Knitwear Fabrics Co. Ltd.
- 4.National Oxygen Ltd.
- 5.Rupan Oil & Feeds Ltd.

Copy to:

Dhaka Stock Exchange Ltd.
All Departmental Heads of SEC
bs-GmBim/imGgAvi Avi imW/2001-26/332

Zwi Lt 11B Rj vB 2004Bs

cĀvcb

mmKDwi wUR I G. ꝑĀ Kwgkb AvBb, 1993 (1993 mꝑbi 15 bs AvBb) Gi 25 avi vq c* Ē ųlgZveꝑj
mmKDwi wUR I G. ꝑĀ Kwgkb, mmKDwi wUR I G. ꝑĀ Kwgkb (mꝑeavꝑfvMx-e`emv wblw xKiY) cĀeavbgvj v,
1995Ġ G wbtæv³ mstkrab Kwij , h_v t-

001 | cĀewa bs 1 G Dwj wLZ mswųųB wki bvgv ōmmKDwi wUR I G. ꝑĀ Kwgkb (mꝑeavꝑfvMx-e`emv
wblw xKiY) cĀeavbgvj v, 1995Ġ Gi ꝑꝑj bZb mswųųB wki bvgv ō mmKDwi wUR I G. ꝑĀ Kwgkb
(mꝑeavꝑfvMx-e`emv wblw xKiY) wewagvj v, 1995Ġ cwoꝑZ nBte Ges, AZtci, thBLvꝑb ōcĀeavbgvj vĠ ev
ōcĀeavbĠ Dwj wLZ nBqvꝑQ tmBLvꝑb h_vꝑꝑg ōwewagvj vĠ ev ōwewaĠ cwoꝑZ nBte |

2 | wewa 4 Gi wki bꝑꝑgi Aaxb we`gvb wewawĠ Dc-wewa (1) wmwꝑte MY` nBte Ges, AZtci , wbtæv³ bZb
Dc-wewa (2) mshy³ nBte, h_v ; -

Ō (2) ōK G. ꝑĀ Zwj Kvfy³ tKvꝑúvbxī tKvb ūbmi (sponsor), cwi Pvj K,
KgųZų ev Kgųvix, wbi xųųK ev wbi xųųv Kvꝑh³mꝑc,³ e`w³, civgkų ev AvBb
Dcꝑ`ōv, wKsev Securities and Exchange Ordinance, 1969 (XVII of
1969) Gi section 12 - G Dwj wLZ beneficial owner, D³ tKvꝑúvbxī ewl ų
wmmve mgvwųi Zwi L nBꝑZ D³ wmmve tKvꝑúvbxī cwi Pvj bv cl³ (Board of
Directors) KZų Pōvšfvte wewewPZ, MꝑxZ ev Abꝑgwi Z ni qvi Zwi L ch³-
mgqKvꝑj Avꝑj vP` tKvꝑúvbxī tkqvi ꝑq, wewꝑq wKsev Ab` tKvb cĀvꝑi n`všꝑ ev
MhY Kwī ꝑZ cwi ꝑeb bv | Ō |

mmKDwi wUR I G. ꝑĀ Kwgkꝑbi cꝑų

Wt wgrųAwRRj Bmj vg
ꝑPqvi g`vb |

Chittagong Stock Exchange Ltd.
1080, Sk. Mujib Road
Agrabad C/A
Chittagong
Attention : Mr. Wali-ul-Marroof Matin, Chief Executive Officer

Dear Sirs

**SUB: PROPOSED AMENDMENTS TO THE CHITTAGONG STOCK
EXCHANGE ELECTION REGULATIONS, 1999.**

In reference to your letter No.Cse/sec/15 dated 20th June 2004, this is to inform to you that the Commission is pleased to accord its approval under section 34, sub-section (1) of the Securities and Exchange Ordinance, 1969, to the amendments, proposed by CSE, to the Chittagong Stock Exchange Election Regulations, 1999, an attested copy of which is sent herewith.

Further to the above, the Commission is also pleased to amend the existing preamble to the above Regulations which is to be replaced by the following new preamble, namely:-

“Whereas, the Chittagong Stock Exchange Ltd. deems it to be expedient that Regulations relating to the election of the Board of Directors of the Chittagong Stock Exchange Ltd. should be framed and issued pursuant to the article 33 of its Articles of Association;

Now, therefore, the Chittagong Stock Exchange Ltd., with the prior approval of the Securities and Exchanges Commission, hereby issues, under section 34, sub-section (1), of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the following Regulations, namely:”.

Please furnish to the Commission sufficient copies of the gazette publication in respect of the above amendments at the earliest opportunity.

Thanking you.

Sincerely
For Securities and Exchange Commission

Mansur Alam
Executive Director
Encl: As stated.

CC: (along with an attested copy of the amendments):

Executive Director (SRMID), SEC
Executive Director (Reg.), SEC
Director (MIS), SEC
Deputy Director (R&D), SEC

DIRECTIVE

Whereas, in the interest of the capital market and the investors in securities, the Securities and Exchange Commission deems it to be expedient to issue directive to the Chittagong Stock Exchange Ltd.(CSE) under rule 3, sub-rule (3) of the Securities and Exchange Commission (Over-the-Counter) Rules, 2001, to provide OTC facilities to certain issuers of de-listed securities;

Now, therefore, pursuant to the above provision of the Rules, the Securities and Exchange Commission hereby directs the Chittagong Stock Exchange Ltd. to provide OTC facilities to the security issuers of the following de-listed companies with immediate effect:-

- (1) Bengal Steel Works Ltd.
- (2) Karim Pipe Mills Ltd.
- (3) A.B. Biscuit Co. Ltd.
- (4) Dhaka Vegetable Oil Industries Ltd.
- (5) STM Ltd.
- (6) J.H. Chemical Industries Ltd.
- (7) Mark Bangladesh Shilpa & Engineering Ltd.
- (8) Texpic Ind. Ltd.
- (9) Meghna Vegetable Oil Industries Ltd.

By order of the
Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

- 1) Chittagong Stock Exchange Ltd.
- 2) Bengal Steel Works Ltd.
- 3) Karim Pipe Mills Ltd.
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- 5) Dhaka Vegetable Oil Industries Ltd.
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- 7) J.H. Chemical Industries Ltd.
- 8). Mark Bangladesh Shilpa & Engineering Ltd.
- 9) Texpic Ind. Ltd.
- 10) Meghna Vegetable Oil Industries Ltd.

Copy to:

Dhaka Stock Exchange Ltd.
All Departmental Heads of SEC

ORDER

Whereas, the Securities and Exchange Commission deems it to be expedient that, in the interest of the capital market and the investors in securities, certain amendments should be made in its Order No. SEC/CFD-71/2001/Admin/10 dated 28 March, 2001, published in the Bangladesh Gazette on 29 April, 2001;

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 2D of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby partially amends its above Order No. SEC/CFD-71/2001/Admin/10 dated 28 March, 2001, published in the Bangladesh Gazette on 29 April, 2001, in the following manner, namely:

“The existing exemption (b) shall be replaced by the following new exemption, namely:-

(b) all private limited companies whose total capital at any given time after making an issue of capital shall not exceed taka ten crore”.

For and behalf of the
Securities and Exchange Commission

Dr. Mirza Azizul Islam
Chairman.

DSE & CSE SCENARIO

Capital Market: As of 30th September 2004 the total issued capital of all listed securities of Dhaka Stock Exchange was TK 48797million (US\$ 834.14million) which was TK 48945 million (US\$ 836.67 million) on 30th June 2004. In Chittagong Stock Exchange the total issued capital on 30th September 2004 was TK. 46824 (US\$780.40 million) which was TK.44361.19 million (US\$ 755.34 million) on 30th June 2004.

Stock Market Operation: During July-September 2004 quarter the total turnover in Dhaka Stock Exchange was 214.57 million securities while the total amount traded on Dhaka Stock Exchange during the same period was TK.14224.92 million (US\$243.15 million)

During July-September 2004 quarter the total turnover on Chittagong Stock Exchange was 118.34 million securities while the total amount traded on Chittagong Stock Exchange during the same period was Tk. 3966.96 million (US\$ 66.12 million) during this quarter.

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK.179756 million (US\$ 3073 million) as on 30th September 2004 compared to TK.142336 million (US\$ 2433 million) as on 30th June 2004.

In the Chittagong Stock Exchange total market capitalization of all securities was TK.162454 million (US\$ 2707.57 million) as on 30th September 2004 compared to TK. 125911.32 million (US\$ 2143.90 million) as on 30th June 2004.

Share Price Index: DSE general share price index stood at 1633.02 on 30th September 2004 compared to 21318.92 on 30th June 2004. The CSE all share price index stood at 2910.05 on 30th September 2004 while it was 1630.93 on 30th June 2004. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK. 58.50

For July-September 2004 quarter)

Bangladesh Capital Market Summary

As on 30 September 2004

Indicators	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	235	184
No. of mutual funds	11	11
No. of debentures	8	2
<i>Total No. of Listed Securities</i>	<i>254</i>	<i>197</i>

Figures in

million

No. of shares of all listed companies	1105.68	997.15
No. of certificates of all listed mutual funds	73.25	73.25
No. of debentures of all listed debentures	0.04	0.05
<i>Total No. of Tradable Securities</i>	<i>1178.97</i>	<i>1070.45</i>

Figures in million

Issued capital of all companies	TK.	48262	46370
	US\$	825	772.83
Issued capital of all mutual funds	TK.	395	395
	US\$	7	6.58
Issued debentures	TK.	140	59
	US\$	2	0.98
<i>Total issued capital</i>	<i>TK.</i>	<i>48797</i>	<i>46824</i>
	<i>US\$</i>	<i>834.14</i>	<i>780.40</i>

Figures in million

Total Market capitalization	TK.	179756	162454
	US\$	3073	2707.57

Share price index	1633.02 (A & B category companies)	2910.0471 (All share price index)
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DSE OPERATIONAL STATISTICS
July-September 2004

Trading Month	Share Price Index (A & B category companies)	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	1289.14	TK.139376 US\$ 2382	23	39.87	1.73	TK.2753.15 US\$47.06	TK.119.70 US\$ 2.05
August	1513.29	TK.161786 US\$2766	23	77.29	3.36	TK5648.42. US\$96.55	TK.245.58 US\$4.20
September	1633.02	TK.179756 US\$ 3073	21	97.41	4.64	TK5823.35 US\$99.54	TK277.30. US\$ 4.74
Total			67	214.57	3.24	TK.14224.92 US\$243.15	TK.214.19 US\$3.66

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

CSE OPERATIONAL STATISTICS
July-September 2004

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	2227.06	Tk.124107 US\$2068.45	23	33.18	1.44	Tk. 1029.97 US\$17.17	Tk.44.78 US\$ 0.74
August	2627.56	Tk.145658 US\$2427.63	23	57.61	2.50	Tk. 1776.14 US\$29.60	Tk.77.22 US\$ 1.29
September	2910.05	Tk. 162454 US\$2707.57	24	27.55	1.15	Tk.1160.85 US\$19.35	Tk48.37. US\$0.81
Total			70	118.34	1.70	Tk. 3966.96 US\$66.12	Tk56.79 US\$ 0.95

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

