

SEC 
Quarterly Review
October –December 2005

**Securities and Exchange Commission
Bangladesh**

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
October-December 2005

A PUBLICATION OF THE SEC

Securities and Exchange Commission

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C O N T E N T S

TOPIC	PAGE
1. Capital Market News	
2. Corporate Finance	
3. Capital Issue	
4. Supervision and Regulation of Markets and Intermediaries	
5. Central Depository System	
6. Registration	
7. SEC Surveillance System	
8. SEC Enforcement Actions	
9. Legal Services	
10. New Acts/ Rules/ Regulations/ Amendments/ Orders/ Notifications	
11. DSE and CSE Scenario	
12. Bangladesh Capital Market Summary	

CAPITAL MARKET NEWS

The Commission

The Securities and Exchange Commission (SEC) was established on June 8, 1993 under the Securities and Exchange Commission Act 1993 (Act XV of 1993) as a capital market regulator with a view to ensuring proper issuance of securities, protection of the interest of investors in securities, development of the capital and securities markets, and regulation of the capital and securities markets in Bangladesh.

Market Performance:

The total issued capital of all listed securities with the Dhaka Stock Exchange Ltd. was Tk. 70,313 million as on end of the October-December quarter. The said figure was Tk. 68,684 million at the end of the previous quarter that indicates an increase of 2.37%. Similarly, in the Chittagong Stock Exchange the figure was Tk.55,628 million as on end of the said quarter and TK.52258 million at the end of the previous quarter resulting in an increase of 6.45%. The market capitalization of all listed securities of the Dhaka Stock Exchange Ltd. was TK. 233,075 million as on 31 December 2005 compared to TK. 229,199 million as on 30 September 2005 resulting in an increase of 1.69% over previous quarter. Similar trend was noticed in the CSE also. The market capitalization of all listed securities in Chittagong Stock Exchange was TK. 220353 million as on the end of the said quarter compared to Tk.2,08,602 million at the end of the previous quarter posting an increase of 5.63 % compared to previous quarter.

Activities of the Securities and Exchange Commission (SEC) during October-December 2005 quarter are furnished below:

Investors' Education Program Held:

The Securities and Exchange Commission (SEC) conducted Investors' Education Program at SEC- two programs in each month from October-December 2005. A total of 144 investors participated in the said programs. The course included regulatory framework; securities transactions and investment procedures, surveillance system, and central depository system. Senior SEC Officials imparted training on the said course contents to the participants and answered the numerous queries posed by the participants.

Delegation of Securities Board of Nepal Visited SEC:

On the basis of request from Securities Board of Nepal, the Securities and Exchange Commission (SEC) arranged a seminar for the four member delegation of Securities Board of Nepal from 27 November to 1 December, 2005 at SEC Board Room on 'Bangladesh Capital Market Development Programs'. SEC Chairman Dr. Mirza Azizul Islam welcomed the team and gave an overview of country's capital market. Senior officials of SEC deliberated on various securities related rules/regulations that have been taken for the development of Bangladesh capital market. As a part of visit the delegation also visited Central Depository Bangladesh Ltd (CDBL) and Dhaka Stock Exchange (DSE) on 30 November and on 1 December 2005 respectively.

“CSE SHORT-SALE Regulations, 2005” Approved:

The Securities and Exchange Commission approved “CSE SHORT-SALE Regulations, 2005” along with a guideline under section 34, sub-section (1) of the Securities and Exchange Ordinance, 1969. It is expected that this regulations would help increase supply side of securities transactions.

Dhaka Stock Exchange

Training Program of DSE Member’s Authorized Representatives Held:

A Two- day long training course of DSE Members’ Authorized Representatives was held in the Dhaka Stock Exchange (DSE) on November 16 and 17, 2005. Senior officials of SEC and DSE conducted the course highlighting the following issues- types of securities: central depository system, surveillance activities, annual reports, registration, authorized representatives and TWS (as per SEC rules), introduction to TESA Trading Application, activities of stock brokers/stock dealers and authorized representatives, general monitoring activities, record keeping of brokers/ dealers aggressive trade, Members Server Application (MSA) and Terminal Work Station (TWS) operation, problems and solutions.

Workshop on Securities Rules and Regulations for Company Secretaries Held:

Dhaka Stock Exchange and the Securities and Exchange Commission jointly arranged a day- long workshop titled “Securities Rules and Regulations” on November 28, 2005. Company Secretaries of listed companies attended the workshop. In that workshop DSE President Mr. Md. Shahiq Khan stressed the need for full compliance of securities law to ensure transparency and accountability in the stock market which would be helpful to restore investors’ confidence. The Chief Executive Officer of DSE Mr. Salahuddin Ahmed Khan inaugurated the workshop and welcomed the participants. He said that such training would continue in near future for the development of the stock market. The DSE President handed over certificates to the participants.

Training Course for Investors Held:

Dhaka Stock Exchange (DSE) arranged a training course titled “Awareness of the Investors” to create awareness among the investors on December 12, 2005. The course was inaugurated by DSE President Mr. Shahiq Khan. The Chief Executive Officer of DSE and other high officials conducted the course.

Chittagong Stock Exchange

CSE Celebrated Its 10 Years Founding Anniversary:

The Chittagong Stock Exchange (CSE) celebrated a colorful anniversary of its 10 years of operation at Chittagong Club on 2 December, 2005 in Chittagong. The CSE president Mr. Habibullah Khan presided over the inaugural function. Mr. Amir Khashru Mahmud Choudhury MP and the Chairman of Securities and Exchange Commission Dr. Mirza Azizul Islam attended the function as chief guest and special guest respectively. In the anniversary program CSE awarded its present president, past presidents and SEC Chairman for their contribution in the development of CSE as well as capital market of Bangladesh. Besides, the Chittagong Stock Exchange also awarded best five brokers for their outstanding business performances.

Capital Market Fair Held:

The Chittagong Stock Exchange (CSE) organized a two day long capital market fair at Hotel Agrabad in Chittagong to popularise securities business among the general people on 5 and 6 December 2005 on account of its 10th anniversary. It was the first capital market fair that held in Bangladesh. The CSE president, Habibullah Khan, inaugurated the fair and said that the main objectives of the fair is to bring stakeholders of stock business under one umbrella to make them aware of the share market and encourage the people to invest in the capital market. A total of 17 different categories institutions and business concerns including SEC participated in the fair. SEC officials in its stall briefed on various instruments of capital market and answered the numerous queries posed by the general investors who visited the fair. The fair attracted the city's business people, capital market players and service providers as well as potential investors.

New President Elected in CSE:

Mr. M.K.M Mahiuddin elected President of Chittagong Stock Exchange and Mr. Nasir uddin Ahmed Chowdhory, Fakhar Uddin Ali Ahmed, A.Q.I. Chowdhory elected as Vice-President for the year 2006 in the election held on December 15, 2005 at Chittagong Stock Exchange. The new president Mr. M K.M Mahiuddin succeeded Mr. Habibullah Khan.

CORPORATE FINANCE

During October-December 2005 quarter the following 85 companies held their annual general meeting (AGM). Date of holding of AGM and status of declaration of dividend are furnished below:

Company Performance: October-December 2005

Sl. No.	Name	Category	Date of AGM	Cash Dividend	Bonus
01.	The Oriental Bank Ltd.	Z	16.10.2005	--	--
02.	Investment Corporation of Bangladesh (ICB)	A	27.10.2005	12%	--
03.	Tulip Dairy & Food Products Ltd.	Z	30.10.2005	--	--
04.	National Polymer Ltd.	A	20.11.2005	15%	--
05.	Sreepur Textile Mills Ltd.	Z	27.11.2005	--	--
06.	Arab Bangladesh Bank Ltd.	B	30.11.2005	--	5%
07.	Desh Garments Ltd.	Z	01.12.2005	5%	--
08.	Apex Weaving & Finishing Mills Ltd.	Z	08.12.2005	7.50%	--
09.	Dulamia Cotton Mills Ltd.	B	10.12.2005	7.50%	--
10.	Gemini Sea Food Ltd.	A	11.12.2005	25%	--
11.	Azadi Printers Ltd.	Z	12.12.2005	10%	--
12.	Miracle Industries Ltd.	A	14.12.2005	6.25%	6.25%
13.	Monno Ceramic Industries Ltd.	A	14.12.2005	15%	--
14.	Monno Jutex Ind. Ltd.	A	15.12.2005	30%	--
15.	Northern Jute Manufacturing Co. Ltd.	Z	15.12.2005	5%	--
16.	Bangladesh Hotels Ltd.	A	15.12.2005	35% On common shares & 8% on preferential shares.	
17.	GMG Industrial Corporation Ltd.	Z	17.12.2005	--	--
18.	Hakkani Pulp & Paper Mills Ltd.	Z	18.12.2005	5%	--
19.	Eastern Housing Ltd.	Z	18.12.2005	10%	--
20.	Libra Infusion	A	18.12.2005	17.50%	--
21.	Agni Systems Ltd.	A	19.12.2005	--	10%
22.	Hill Plantation Ltd.	A	20.12.2005	12%	--
23.	Bangladesh Plantation Ltd.	A	20.12.2005	12%	--
24.	Rangamati Food Products Ltd.	Z	20.12.2005	--	--
25.	BDCOM Online Ltd.	A	20.12.2005	10%	--
26.	Niloy Cement Ltd.	B	21.12.2005	5%	--
27.	Midas Financing Ltd.	A	21.12.2005	2%	10%
28.	Aftab Automobiles Ltd.	A	21.12.2005	20%	--
29.	Samata Leather Complex Ltd.	Z	21.12.2005	--	--
30.	AMCL (PRAN)	A	21.12.2005	26%	--
31.	Quasem Drycells Ltd.	A	21.12.2005	10%	--
32.	Wonderland Toys Ltd.	Z	22.12.2005	--	--
33.	Dhaka Fisheries Ltd.	B	22.12.2005	--	--
34.	Alltex Industries Ltd.	A	22.12.2005	7.5%	--

35.	Imam Buttons Ind. Ltd.	B	22.12.2005	--	--
36.	Sajib Knitwear Mills Ltd.	Z	22.12.2005	2.5%	--
37.	Fu-wang Foods Ltd.	A	22.12.2005	--	15%
38.	National Tubes Ltd.	A	22.12.2005	40%	33.33%
39.	Tripti Industries Ltd.	Z	22.12.2005	--	--
40.	Olympic Industries Ltd.	A	22.12.2005	11%	--
41.	Fahad Ind. Ltd.		22.12.2005	5%	--
42.	Usmania Glass Sheet Factory Ltd.	A	24.12.2005	70%	30%
43.	Renwick Jajneswar (BD) Co. Ltd.	Z	24.12.2005	6%	--
44.	Prime Textile Mills Ltd.	B	24.12.2005	5%	--
45.	The Engineers Ltd.	A	24.12.2005	25%	--
46.	Fine Foods Ltd.	Z	26.12.2005	5%	--
47.	Yousuf Flour Mills Ltd.	B	26.12.2005	--	4%
48.	Fu-wang Ceramic Ind. Ltd.	B	26.12.2005	6%	--
49.	Sonali Aansh Ltd.	Z	26.12.2005	--	--
50.	Shyampur Sugar Mills Ltd.	Z	26.12.2005	--	--
51.	Tallu Spinning Mills Ltd.	B	27.12.2005	5%	--
52.	Al-Amin Chemical Ltd.	Z	27.12.2005	--	--
53.	Mithun Knitting Ltd.	B	27.12.2005	5%	--
54.	BD Autocars Ltd.	Z	27.12.2005	3%	--
55.	Atlas BD Ltd.	A	27.12.2005	100%	50%
56.	Anlima Yarn Dyeing Ltd.	B	27.12.2005	5%	--
57.	Bangladesh Shipping Corporation	B	27.12.2005	10%	--
58.	Bangla Process Ltd.	A	27.12.2005	6%	--
59.	Bangas Ltd.	A	27.12.2005	12.50%	--
60.	Standard Ceramic Ind. Ltd.	A	28.12.2005	7.50%	--
61.	Amam Sea Food Ind. Ltd.	Z	28.12.2005	--	--
62.	Al Haj Textile Mills Ltd.	A	28.12.2005	--	20%
63.	Modern Cement Ltd.	Z	28.12.2005	--	--
64.	Phoenix Leather Ltd.	Z	29.12.2005	--	--
65.	Jute Spinners Ltd.	A	29.12.2005	17.50%	--
66.	Savar Refractories Ltd.	Z	29.12.2005	5%	--
67.	Pharma Aids Ltd.	B	29.12.2005	20%	--
68.	BD Monospool Paper Mfg. Co. Ltd.	Z	29.12.2005	--	--
69.	Keya detergent Ltd.	A	29.12.2005	--	20%
70.	Keya cosmetics Ltd.	A	29.12.2005	--	50%
71.	Bengal Fine Ceramics Ltd.	B	29.12.2005	5%	--
72.	Rahima Food Corp. Ltd.	Z	29.12.2005	--	--
73.	Saiham Textile Mills Ltd.	B	29.12.2005	7%	--
74.	Chittagong Vegetable Oil Ind. Ltd.	Z	29.12.2005	6%	--
75.	Gulf Foods Ltd.	Z	29.12.2005	--	--
76.	Delta Spinner Ltd.	B	29.12.2005	12%	--
77.	Mita Textiles Mills Ltd.	Z	29.12.2005	3%	--
78.	Modern Dyeing Ltd.	B	29.12.2005	4%	--
79.	Dhaka Dyeing & Mfg. Co. Ltd.		30.12.2005	--	--
80.	Zeal Bangla Sugar Mills Ltd.	Z	31.12.2005	--	--
81.	Metro Spinning Ltd.	A	31.12.2005	12%	--
82.	Gachihata Aquaculture Farms Ltd.	Z	31.12.2005	--	--
83.	Kohinoor Chemical Ltd.	A	31.12.2005	18%	--
84.	Orion Infusion Ltd.	Z	31.12.2005	10%	--
85.	BEMCO Ltd.	Z	31.12.2005	--	--

CAPITAL ISSUE DEPARTMENT

The Commission accorded consent to the following 4 (four) companies to raise capital through public issue during the October-December 2005 period.

Figure in Million Taka.

Name of the Company	Date of Approval/ Publication	Total Capital	Sponsors Equity			Public Equity			Total (7+8+9)	Remarks (Issued at premium at par)
			Local	Foreign	Total	General Public	Foreign placement	Local placement		
1	2	3	4	5	6	7	8	9	10	11
Berger Paints Bangladesh Limited	10.10.2005 12.10.2005	231.89 *	00.0004	220.29	220.29	11.60	---	---	11.60 **	Premium of Tk. 110.00 each
Pragati Life Insurance Limited	16.10.2005 19.10.2005	75	30	--	30	45	--	--	45	At par
Jamuna Bank Limited	12.12.05 15.12.05	858 ***	429	--	429	429	--	---	429 ****	Premium of Tk. 20.00 each
Northern General Insurance Co. Ltd.	29.12.05 01.01.06	150	60	--	60	90	---	---	90	At par

* Including premium total capital is Tk.359.43 million

** Including premium total public equity is Tk. 139.14 million

*** Including premium total capital is Tk. 943.80 million

**** Including premium total public equity is Tk. 514.80 million

Capital Raising

The Commission accorded consent to the following 11 (eleven) private limited companies to raise capital whose capital exceeded taka ten crore during the October-December 2005 period.

SL. No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	Super Meat Products Bangladesh Ltd.	Ordinary Shares of Tk. 158.2 million	23.10.2005	158.20
2	National Telecom Ltd.	Ordinary Shares of Tk. 300.0 million	02.11.2005	300.00
3	Sk. Akijuddin Ltd.	Ordinary Shares of Tk. 300.0 million	25.10.2005	300.00

4	Akij Jute Mills Ltd.	Ordinary Shares of Tk. 150.0 million	03.10.2005	150.00
5	Akij Textile Mills Ltd.	Ordinary Shares of Tk. 100.0 million	03.10.2005	100.00
6	Cox's Bazar Beach Hotel Ltd.	Ordinary Shares of Tk. 850.895 million	27.10.2005	850.90
		Debenture of Tk. 1250.0 million		1250.00
7	TOYO Feed Ltd.	Ordinary Shares of Tk. 55 million	09.10.2005	55.00
8	Techno Economy Limited	Ordinary Shares of Tk. 160. million	24.11.2005	160.00
9	Medlar Apparels Ltd.	Ordinary Shares of Tk. 200 million	25.10.2005	200.00
10	Confidence Steel Ltd.	Ordinary Shares of Tk. 20 million	25.10.2005	20.00
11	National Television Ltd.	Ordinary Shares of Tk. 290 million	23.11.2005	290.00
Total				3834.10

The Commission accorded consent to the following 11 (eleven) public limited companies to raise capital during the October-December 2005 period.

SL. No.	Name of the Company	Applied for	Consent letter issued on	Amount in Million Tk.
1	Phoenix Leasing Co. Ltd.	Bonus Shares of Tk. 32.70 million	12.12.2005	32.70
2	International Leasing and Financial Services Ltd.	Bonus Shares of Tk. 64.32 million	06.10.2005	64.32
3	BRAC Bank Ltd.	Preference shares of Tk. 500 million	22.12.2005	500.00
4	Unique Hotel & Resorts Ltd.	Ordinary Shares of Tk. 200 million and Debenture of Tk. 850 million	29.12.2005	1050.00
5	S. Alam Cold Rolled Steels Ltd.	Private Placement of Ordinary Shares of Tk. 146.72 million	30.11.2005	146.72
6	Alco Pharma Ltd.	Ordinary Shares of Tk. 97.18	16.11.2005	97.18
7	KAFCO	Preference shares of Tk. 296.34 million	17.11.2005	296.34
8	Golden Son Ltd.	Private Placement of Ordinary Shares of Tk. 75 million	10.11.2005	75.00
9	Imperial Hospital Ltd.	Ordinary Shares of Tk. 953.88 million	17.11.2005	953.88

10	Onetel Communications Ltd.	Ordinary Shares of Tk. 200 million	26.12.2005	200.00
11	Infrastructure Development Co. Ltd.	Ordinary Shares of Tk. 259.90 million	12.12.2005	259.90
Total				3676.05

Right Issue:

The Commission accorded consent to 1(one) company to raise capital during the Quarter through issuance of Rights Shares

Name of the company	Date of application	Present status	Amount in Million Tk.
NCC Bank Ltd.	23.06.2005	Approved on 05.12.2005	303.90

Asset Backed Securities (ABS):

The Commission accorded consent to 1(one) to issue Asset Backed Zero Coupon Bond on private placement through a SPV. Particulars of the same are given below.

Figure in Million Tk.

Name of the Applicant	Date of Application	Status	SPV	Trustee	Consent Fee	Issue Price	Face Value
Belhasa-Accom & Associates Ltd.	05.10.2005	Consent Letter and Registration Issued on 26.12.2005	Jatrabari-Gulistan Flyover Securitizati on Trust 2005	ICB	.90	4301..21	10320

SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

October – December 2005

Status of complaints received during the quarter

Listed Companies

Nature of Complaints	No. of complaints received	Under Process	Referred to Enforcement for Action	Resolved
Non-payment or delay in payment of declared dividend	1	--	--	1
Non-payment or delay in payment of interest of debenture	--	--	--	--
Claim of dividend against lost shares	--	--	--	--
Regarding transfer of shares	--	--	--	--
Regarding AGM	--	--	--	--
Regarding transfer of shares in BO Account	2	--	--	2
Regarding IPO shares	5	--	--	5
IPO related	--	--	--	--
Miscellaneous	4	--	1	3
Total	12	--	1	11

Broker/Dealer

Nature of Complaints	No. of complaints received	Under Process	Referred to Enforcement for Action	Resolved
Regarding non delivery of shares	2	1	--	1
Regarding non payment of clients money	1	1	--	1
Miscellaneous	1	--	--	1
Total	4	2	--	2

CENTRAL DEPOSITORY SYSTEM DEPARTMENT

In October-December 2005 quarter the following nine companies have joined Central Depository Bangladesh Ltd. (CDBL). During this period the total numbers of companies under CDBL stands at 88 (eighty eight) having market capitalization of 79.3% of DSE.

Sl. No.	Name of the Company	Joining date
1	Prime Finance and Investment Limited(IPO)	06.10.2005
2	Al Arafa Islami Bank Limited	16.10.2005
3	Premier Leasing International Limited(IPO)	20.10.2005
4	Summit Power Limited(IPO)	15.11.2005
5	Nitol Insurance Company Limited(IPO)	29.11.2005
6	Asia Pacific General Insurance Company Limited(IPO)	04.12.2005
7	Apex tannery Limited	11.12.2005
8	Islamic Finance and Investment limited(IPO)	11.12.2005
9	Beximco Fisheries Limited	18.12.2005

REGISTRATION

Issuance and renewal of Stock Broker Registration Certificate :

During October-December,2005 quarter the Commission issued Stock Broker registration certificate to the following 10 members of Dhaka Stock Exchange Ltd. and a member of Chittagong Stock Exchange Ltd. as per the Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorized Representative) Rules, 2000 as amended:

Dhaka Stock Exchange:

Sl.#	Name & Address of the Stock Broker	Member #	Registration Certificate No. & Issue Date
01	United Financial Trading Company Ltd Room No.203, 9/E Motijheel C/A Dhaka-1000 Ph:	DSE-227	Registration 3.1/DSE-227/2005/101 dt 03.10.2005

	7167317,7170169,9565900,9560120 Fax: 880-2-9564832 Email: randa@bol-online.com		
02	Cost to Coast Securities Ltd 698/C Khilgaon, Chowdhurypara Dhaka-1219 Ph: 7213879-80 Fax: 880-2-7212976 Email: c2cgroup@coast2coastbd.com coast@bol-online.com	DSE-198	Registration 3.1/DSE-198/2005/102 dt 11.10.2005
03	A.L Securities Ltd. 56/3 North Basabo Dhaka-1214 Ph: 7216120 Mob: 0191-344048	DSE-222	Registration 3.1/DSE-222/2005/103 dt 16.10.2005
04	Dhanmondi Securities Ltd House No.405-D Apartment No.D-5 Road No-27 (old), Dhanmondi R/A Dhaka-1209 Ph: 8122061, 0171-594018	DSE-98	Registration 3.1/DSE-98/2005/104 dt 18.10.2005
05	Mondol Securities Ltd House#8,Sector#11 Sonargaon Janapath Road Uttara, Dhaka-1230 Ph: 8955000-2, 8955004 Fax: 8955005 Email: mondol@mondol.net	DSE-209	Registration 3.1/DSE-209/2005/105 dt 18.10.2005
06	Youth Investment Management & Securities Ltd. Modhumita Bhaban (5 th Floor) 158-160 Motijheel C/A Dhaka-1000 Ph: 9550936, 9550767	DSE-203	Registration 3.1/DSE-203/2005/106 dt 23.10.2005
07	M & Z Securities Ltd. Room No.202,9/E Motijheel C/A(1 st Floor),Dhaka-1000 Ph: 9567794, 9567801 Email: monzurzakia@yahoo.com	DSE-196	Registration 3.1/DSE-196/2005/107 dt 24.11.2005
08	Pubali Bank Ltd 26 Dilkusha Commercial Area, Dhaka-1000 Ph: 8318275	DSE-214	Registration 3.1/DSE-214/2005/108 dt 06.12.2005
09	Expo Traders Ltd. 28 Mymensingh Lane,Bangla Motor Dhaka-1000 Ph: 9668424,8612293,9676918 Fax: 880-2-8618334 Email: mondol@mondol.net	DSE-230	Registration 3.1/DSE-230/2005/109 dt 26.12.2005

10	Stock & Bond Room No.724, Stock Exchange Building 9/F Motijheel C/A, Dhaka-1000 Ph: 9568833,PABX: 9564601, 7175705-9/617	DSE-199	Registration 3.1/DSE-199/2005/110 dt 27.12.2005
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Chittagong Stock Exchange:

Sl.#	Name & Address of the Stock Broker	Member #	Registration Certificate No. & Issue Date
01.	Jubok Capital Management Ltd. 53/1 Purana Paltan Lane, Dhaka-1000 Ph# 8361207-9 Fax: 880-2-8360995	CSE-26	Registration 3.2/CSE-26/2005/131 dt 27.10.2005

During the period the Commission renewed 20 Stock Dealer/Stock Broker registration certificates of Dhaka Stock Exchange Limited and 15 of Chittagong Stock Exchange Limited. Altogether 35 Stock Dealers/Stock Broker registration certificates were renewed.

Issuance of Authorized Representatives Registration Certificates:

During the quarter, the Commission issued Authorized Representative registration certificates to 43 applicants of Dhaka Stock Exchange Limited.

Issuance and Renewal of Depository Participant Registration Certificate:

During the period, the Commission approved issuance of 18 depository participant registration certificates under the *ৱ/ৱিৱি (এনবি) ৱিৱি, ২০০৩*: and renewed 44 depository participant registration certificates.

List of Depository Participants

Sl.#	Name & Address of the Stock Broker	Membership No.#	Service Type	Registration Certificate No. & Issue Date
1.	Peoples Leasing & Financial Services Ltd. City Heart (7 th Floor), Nayapaltan,Dhaka-1000 Ph: 9352039, 8312303, 9359490, 9360385 Fax: 8318275	DP# 195	Custody Participants	SEC/Registration/CDBL-DP-195 06.10.05
2.	M Shamsul Alam & Co. Ltd. Room# 439, 9/E Motijheel C/A, Dhaka-1000 Ph: 9550650, 9564601/439 Fax: 9562005	DP# 196	Full Service	SEC/Registration/CDBL-DP-196 16.10.05
3.	Kabir Securities Ltd. Kashfia Plaza (Ground Floor),	DP# 197	Full Service	SEC/Registration/CDBL-DP

	923/A Sk. Mujib Road, Agrabad, Chittagong Ph: 0611-3098561, 0607-4303185 E-Mail: kabir@spetnet.com			-197 18.10.05
4	Sky Securities Ltd. 191 Nasirabad Industrial Area, Chittagong Ph: 031-681307, 681308 Fax: 031-682137	DP# 198	Full Service	SEC/Registration/CDBL-DP -198 27.10.05
5	A. L. Securities Ltd. 56/3 North Basabo, Dhaka-1214 Ph: 7216120 Mob: 0191-344048	DP# 199	Full Service	SEC/Registration/CDBL-DP -199 27.10.05
6	Jahanara Begum Room#217 DSE Building, 9/F Motijheel C/A, Dhaka-1000 Ph: 9556962,9564601-7, Ext-217	DP# 200	Full Service	SEC/Registration/CDBL-DP -200 27.10.05
7	Midas Financing Ltd. House#5, Road#16 (NEW), Dhanmondi, Dhaka-1209 Ph: 8116127 Fax: 880-2-8111188 Email: midasfi@bd.drik.net	DP# 201	Custody Participant	SEC/Registration/CDBL-DP -201 31.10.05
8	Youth Investment Management & Securities Ltd. Modhumita Building (5 th Floor), 158-160 Motijheel C/A, Dhaka-1000. Ph: 9550936, 9550767	DP# 202	Full Service	SEC/Registration/CDBL-DP -202 23.11.2005
9	Dhanmondi Securities Ltd. House#405-D, Apartment#D-5, Road#27(old), Dhanmondi R/A, Dhaka-1209 Ph: 8122061, 0171-594018	DP# 203	Full Service	SEC/Registration/CDBL-DP -203 24.11.2005
10	Times Securities Ltd Suite#904(8 th Floor), 9/E Motijheel C/A, Dhaka-1000 Ph: 9569893 Fax: 880-2-958430 Email: naig@bol-online.com	DP# 204	Full Service	SEC/Registration/CDBL-DP -204 28.11.2005
11	M & Z Securities Ltd Room# 202, 9/E Motijheel C/A(1 st Floor),Dhaka-1000 Ph: 9567794, 9567801 Email: monzurzakia@yahoo.com	DP# 205	Full Service	SEC/Registration/CDBL-DP -205 30.11.2005
12	Jubok Capital Management Ltd	DP# 206	Full Service	SEC/Registration/CDBL-DP

	53/1, Purana Palton Lane, Dhaka-1000 Ph# 8361207 Fax: 8360995			-206 01.12.2005
13	Mondol Securities Ltd House#08, Sector-11, Sonargaon Janapath Road, Dhaka-1230 Ph: 8955000-2, 8955004 Fax: 8955005 Email: mondol@mondol.net	DP# 207	Full Service	SEC/Registration/CDBL-DP -207 07.12.2005
14	Cordial Securities Ltd Faruk Chamber (4th Floor), 1403 Sk. Mujib Road, Pathantooly, Chittagong. Ph: 031816139, 713282	DP# 208	Full Service	SEC/Registration/CDBL-DP -208 11.12.2005
15	Ragib Ali Securities Room# 507, Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000 Ph: 7176954, PABX-9564601- 7/507 Fax: 880-2-9564727	DP# 209	Full Service	SEC/Registration/CDBL-DP -209 12.12.2005
16	Delta Life Insurance Company Ltd. Uttara Bank Bhaban, 90 Motijheel C/A, Dhaka-1000 Ph: 9565033, Fax: 9562219 Email: deltanet@citechco.net	DP# 210	Custody Participant	SEC/Registration/CDBL-DP -210 19.12.2005
17	Md. Shahik Khan & Co. Suite#603(5 th Floor), Stock Exchange Building, 9/F Motijheel C/A Dhaka-1000 Ph: 9551407, 7175705-9 Fax: 9564727	DP# 211	Full Service	SEC/Registration/CDBL-DP -211 19.12.2005
18	Pubali Bank Ltd 26 Dilkusha C/A, Dhaka-1000. Ph: 8318275	DP# 51	Full Service	SEC/Registration/CDBL-DP -51 27.12.2005

In the said quarter the Commission also issued two fresh full service depository participant registration certificates in the name of Bali Securities Limited and Razzak Securities Limited (former Shafiqur Rahman & Co. and A.K.M. Abdur Razzak & Sons respectively).

Approval to ICB to Act as Trustee:

During the quarter the Commission has given approval to Investment Corporation of Bangladesh (ICB) to work as the trustee of Asset Backed Securities to be issued by

Belhasa and Associates Limited for the construction of their Jatrabari-Gulistan Flyover Project.

SEC SURVEILLANCE SYSTEM

Investigation and enquiry :

To ensure fair-trading and confidence of investors in the securities market it is necessary to ensure proper compliance of securities related laws, rules and regulations by stopping all market activities involving market misconduct, if any, through inspection and investigation. In this context, SEC investigated and enquired into the activities of the following stock-brokers / stock-dealers during October-December 2005:-

Nature of Enquiry & Investigation	Investigation & Enquiry Against
Shares trading of Summit Power Ltd. at DSE on 15 th November 2005.	M. Abdul Rashid & Co. (DSE Membership-35)
Shares trading of Summit Power Ltd. at DSE on 15 th November 2005.	Giasuddin Ahmed & Co. DSE Membership-186)
Shares trading of Beximco Textile Ltd. at DSE on 23 rd December 2005.	N.R. Islam & Co. (DSE Membership-128)

Regular Inspection:

During this period as part of regular monthly inspection SEC's Inspection Team visited and inspected three stock-brokers/stock-dealers offices of DSE and CSE to examine books and records in order to ensure proper compliance of securities related laws, rules and regulations. Inspection details are given below:

Nature of Inspection	Inspection Against
Monthly regular inspection for the month October 2005	Al-Faisal Securiteis Ltd. (DSE Membership-161)
	R. R. Securitie s Ltd. (CSE Membership-042)
Monthly regular inspection for the month November 2005	Square Securities Mgnt. Ltd. (DSE Membership-76)
	Hefazatur Rahman & Co. (CSE Membership-046)
Monthly regular inspection for the month December 2005	Syed Shahidul Alam & Co. (DSE Membership-173)
	Hassan Shares and Securities Ltd. (CSE Membership-114)

SEC ENFORCEMENT ACTIONS

The following are the lists of enforcement actions taken against registered stock-dealers, stock-brokers, issuer companies and or its directors, various institutions and individuals by the Commission during the period of October-December 2005 for the reasons appearing against their names:

(A) Brokerage House: Directive/Penalty/License cancellation and or suspension/Appeal/ Review:

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1	20/10/05	Bangladesh Mutual Securities Limited (Merchant Banker)	<p>Non-compliance of section 26(1), 30(8) & 35(1) (K) of the Securities Ordinance, 1980 (G.O. No. 100/Kb (G.P.) E.S.Kvi I tcvUfdwj I g'v#bRvi) section 196 by doing the followings:</p> <ul style="list-style-type: none"> i) Irregularities in opening BO account forms. ii) Non-issuance of money receipts. iii) Not-maintaining any registrar for money receipt against IPO application. iv) Not-showing purchase orders of all accountholders for IPO applications. v) Non-existence of accountholders in some cases 	<p>Suspended the effectiveness of Merchant Bank Registration Certificate No.MB1.066/99-26 dated September 12, 1999 for two weeks from the date of Order.</p>
2	20/10/ 05	Capital Market Services Limited (Merchant Banker)	<p>Non-compliance of section 26(1), 30(8) & 35(1) (K) of the Securities Ordinance, 1980 (G.O. No. 100/Kb (G.P.) E.S.Kvi I tcvUfdwj I g'v#bRvi) section 196 by doing the followings:</p> <ul style="list-style-type: none"> i) Irregularities in respect of depositing money of the 	<p>Suspended the effectiveness of Merchant Bank Registration Certificate No.MB1.018/98-11 dated March 25, 1998 for 01 one week from the date of Order.</p>

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
			accountholders. ii) Non-existence of accountholders in some cases.	
3	23/10/ 05	Md. Ali Hossain & Co.(DSE Membership No.13)	Non-compliance of regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998 and regulation 14.	Penalty amounting to Tk. 2.00 lac imposed upon Md. Ali Hossain & Co.
4	25/10/ 05	M/S M. Securities Limited (DSE Membership No.44)	Non-compliance of regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998, and regulation 42 of the Securities and Exchange Rules, 1987 and Securities and Exchange Commission Order No SEC/SRMID/94-231/379 dated 21 st December 2004.	Penalty amounting to Tk. 1.00 lac imposed upon Md. M. Securities Limited.
5	12/12/ 05	M/S M. Securities Limited (DSE Membership No.44)	Non-compliance of regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998, and regulation 42 of the Securities and Exchange Rules, 1987 and Securities and Exchange Commission Order No SEC/SRMID/94-231/379 dated 21 st December 2004.	Appeal against penal Order No. SEC/Enforcement/319/2005/580 dated 25/10/2005 rejected.

(B) Brokerage House: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's Decision
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1.	14/12/05	M/S Haji Mohammad Ali & Co.(DSE Membership No.30)	<p>Non-compliance with the following:</p> <p>i) Rules 4 and 8 of the Securities and Exchange Rules, 1987</p> <p>ii) Margin Rules, 1999;</p> <p>iii) Code of conduct Nos. 1, 2(1), 2(6) & 8 to the Schedule Two of the ষম্মকDwi িUR I G. ত্রপাঁ Kugkb (óK-িWj vi, óK-ত্েতঁKvi I Abত্গw` Z cিZিbwa) িেৱagj v, 2000; (ref. Para c.1 (iv) above- also for assisting dealing in other person's shares violating regulation 42 of the Listing Regulations of DSE)</p> <p>iv) Rule 4, sub-rule (1), clause (Q) of the ষম্মকDwi িUR I G. ত্রপাঁ Kugkb (óK-িWj vi, óK-ত্েতঁKvi I Abত্গw` Z cিZিbwa) িেৱagj v, 2000.</p> <p>v) Conditions Nos. 2 & 3 of the stockbroker registration certificate issued by the Commission.</p> <p>vi) Section 18, read with section 7(1), of the Securities and Exchange Ordinance, 1969.</p>	Letter of warning issued to comply with the securities laws in future.
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(C) Issuer Company: Order/Directive/Appeal review/Misc.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's Decision
1	09/10/05	Metalex Corporation Limited	Non-holding of AGM in the years 2003 and 2004	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 to hold its AGMs of 2003 and 2004 by December 31, 2005.
2	12/10/05	Karim Pipe Mills Limited	Non-compliance of Commission's Notification	Penalty of Tk. 1.00 lac imposed upon Ms.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's Decision
			No.SEC/SRMID/2000-953/1950 dated 24 th October 2000, gazetted on 07 November 2000 by not holding of AGM in the years 2003 and 2004.	Nadera Alam, Mr. Fazlul Karim, Director, Mr. Joinul Karim, Director, Mr. Jaglul Karim, Director Ms. Dilara Hossain, Director, Mr. Kamrul Karim, Director. An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default (Order stayed by Court).
3.	12/10/05	Karim Pipe Mills Limited	Non-compliance rule 13 of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 th January 2000 by not submitting the half yearly financial statements for the half-year ended on June 30, 2004.	Penalty of Tk. 1.00 lac imposed upon Ms. Nadera Alam, Mr. Fazlul Karim, Director, Mr. Joinul Karim, Director, Mr. Jaglul Karim, Director Ms. Dilara Hossain, Director, Mr. Kamrul Karim, Director. An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default (Order stayed by Court).
4	12/10/05	Dynamic Textile Industries Limited	Non-compliance with the CCI's Notification No.SRO 385-LAW/91 dated 15.12.91, being the order made under section 2G of the Securities and Exchange Ordinance, 1969 by non payment of declared dividend to the shareholder (SABINCO).	Penalty of Tk. 1.00 lac imposed upon Mr. Morshed A. Chowdhury, Managing Director and Mr. M.A Kashem, Company Secretary An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's Decision
				(Order stayed by Court).
5	20/10/05	Fahad Industries Limited	Non-compliance of section 7(4) of the Public Issue Rules, 1998 under the Securities and Exchange Ordinance, 1969 by not transferring ownership of purchased land in the name of Fahad Industries Limited.	Directive issued to M/s Fahad Industries Limited and its Directors under section 20A of the Securities and Exchange Ordinance, 1969.
6	28/11/05	Khaza Mosaic Tiles and Stone Industries Limited	Non-compliance rule 12 sub-rule 3A of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2004.	Appeal against penal Order No. SEC/Enforcement/169/2003/473 dated 11/9/2005 rejected.
7	28/11/05	Dhaka Vegetable Oil Industries Limited	Penalty imposed upon the individual directors of the issuer vide Order No. Order No. SEC/Enforcement/191/2003/246 dated 23/25 May 2005 for non-compliance of Commission's Notification No. SEC/SRMID/2000-953/1950 dated 24 th October 2000, gazetted on 07 November 2000 by not holding of AGM in the years 2001, 2002 and 2003.	Penalty has been waived on the ground of holding of AGMs upon the individual directors against Commission vide penal Order No. SEC/Enforcement/191/2003/246 dated 23/25 May 2005.
8	29/12/05	Dhaka and Chittagong Stock Exchange Limited and Chief Executive Officers of both Exchanges.	For withdrawal of suspension of trading of Shares of United Commercial Bank Limited.	Directive issued to DSE and CSE & CEO of both Exchanges under section 20A of the Securities and Exchange Ordinance, 1969 read with regulation 8 of the Dhaka Stock Exchange Limited for withdrawal suspension of trading of United Commercial Bank Limited.

(D) Issuer Company: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1	06/10/05	Tulip Dairy and Food Products Limited	Non-compliance of rule 12, sub rule (3A) of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 th January 2000 by not submitting the audited financial statements for the years ended on June 30, 2001, 2002, 2003 and 2004.	Letter of warning issued to comply with all securities laws in future.
2	18/10/05	Eagle Star Textile Mills Limited	Non-compliance of Notification No.SEC/SRMI/2000-953/1950 dated 24 th October 2000, gazetted on 7 th November 2000, by not holding the AGM in the years 2003 and 2004.	Letter of warning issued to comply with all securities laws in future on the ground of holding of AGM.
3	24/10/05	Maq Enterprises Limited	Non-compliance of Notification No.SEC/SRMI/2000-953/1950 dated 24 th October 2000, gazetted on 7 th November 2000, by not holding the AGM in the year 2003.	Letter of warning issued to comply with all securities laws in future on the ground of holding of AGM.
4	24/10/05	A.B. Ispahani and Co.(DSE Membership No.001)	Non-compliance of the provisions of rule 4, 8(1) (cc) and 15 of the Securities and Exchange Rules, 1987; rule 3 of the Margin Rules, 1999; rule 4 of the Securities and Exchange Rules, 1987; rule 10 of the Securities and Exchange Rules, 1987; and rule 2, 3, 6 and 7 of the Securities and Exchange Rules, 1987.	Letter of warning issued to comply with all securities laws in future.
5	16/11/05	Social Investment Bank Limited	Non-compliance of the provisions of section 18, read with section 17, of the Securities and Exchange Ordinance, 1969 by recommending 10% bonus share on the basis of its audited financial statements for the year 2004 which had been rejected by the Bangladesh Bank because of huge shortfall in capital and provisioning.	Letter of warning issued to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
6	28/11/05	Dhaka Vegetable Oil Industries Limited	Non-compliance of Notification No. SEC/SRMI/2000-953/1950 dated 24 th October 2000, gazetted on 7 th November 2000, by not holding the AGM in the years 2001, 2002 and 2003.	Letter of warning issued to comply with all securities laws in future on the ground of holding of AGMs on .
7	07/12/05	Eagle Star Textile Mills Limited	Non-compliance with the Securities and Exchange Commission's Notification No. SEC/CMRRCD/2001-4/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001, issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by not mentioning the decision regarding recommendation or non-recommendation of dividend.	Letter of warning issued to comply with all securities laws in future.
8	07/12/05	Bangladesh Hotels Limited	Non-compliance rule 13 of the Securities and Exchange rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 th January 2000 by not submitting the half yearly financial statements for the half-year ended on June 30, 2005.	Letter of warning issued to comply with all securities laws in future.
9	07/12/05	Modern Industries Limited	Non-compliance of provisions Order No. GmBwm/GmAvi GgAvBwm 985/2248/cÖ-02/1 Zwi Lt 19 wWtmrñ Bs, gazetted on 25.02.2001 Notification No. SEC/CMRRCD, 14/24/Admin/03-03 dated November 2001, gazetted on December 10, 2001, by failing to d to mention the date time of board meeting in which decision had been taken to held and about the decision regarding dividend.	Letter of warning issued to comply with all securities laws in future.
10	12/12/05	Meghna Shrimp Culture Limited	Non-compliance of the Commission's Notification No. SEC/CMRRCD/2001-14/24/Admin/03-03 dated November 26, 2001, gazetted on	Letter of warning issued to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
			December 10, 2001, issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) by changing the book closure date from July 27, 2005 to August 1, 2005, in connection with holding of 9 th , 10 th , 11 th and 12 th AGMs.	
11	12/12/05	Pharmaco International Limited	Non-compliance of the provisions of the Order No. GmBm/GmAvi GgAvBm/2000-985/2248/cÖ-02/1 Zwi Lt 19 Wtm=†, 2000 Bs, gazetted on 25.02.2001 and Notification No. SEC/CMRRCD/2001-4/24/Admin/03-03 dated November 26, 2001, gazetted on December 10, 2001 by failing to disclose the complete information of AGM like time, venue, book closure and dividend regarding 22 nd , 23 rd and 24 th AGMs of the issuer.	Letter issued with warning to ensure compliance of all securities laws in future.
12.	14/12/05	Mr. Asaduzzaman, Director, Uttara Bank Limited	Non-compliance of the section 18 of the Securities and Exchange Ordinance 1969, by furnishing incorrect declaration to the Commission as well as to the Stock Exchanges with regard to placing of requisite fund and irrecoverable buy orders with the Stock Broker (Haji Mohammad Ali & Co.)	Letter of warning issued to comply with all securities laws in future.
13	15/12/05	Bangladesh Thai Aluminium Limited	Non-compliance rule 12 sub rule (3A) of the Securities and Exchange rules,, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 th January 2000 by not submitting the audited financial statements for the year ended on December 31, 2004.	Letter of warning issued to comply with all securities laws in future.

(E) Depository Participants: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's Decision
1.	19/12/05	Giasuddin Ahmed & Co. Depository Participant (DSE Membership No.186).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
2.	19/12/05	Dynamic Securities Consultants Limited, Depository Participant (DSE Membership No.126).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
3.	19/12/05	Kazi Feroz Rahsid & Co. Depository Participant, (DSE Membership No.29).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
4.	19/12/05	PFI Securities Limited, Depository Participant, (DSE Membership No.79, CSE Membership No-95).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
5.	19/12/05	SAAD Securities Limited, Depository Participant, (DSE Membership No-118).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.

6.	19/12/05	LRK Securities Limited, Depository Participant, (DSE Membership No-26).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
7.	19/12/05	A.B. Securities Limited, Depository Participant, (DSE Membership No-43).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
8.	19/12/05	Jobair & Co., Depository Participant, (DSE Membership No-93).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
9.	19/12/05	Jamal Ahmed & Co., Depository Participant, (DSE Membership No-97).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
10.	19/12/05	N R Islam & Co., Depository Participant, (DSE Membership No-128).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
11.	19/12/05	Arafat Securities, Depository Participant, (DSE Membership No-94).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
12.	19/12/05	Shamsul Huda & Co. Depository Participant, (DSE Membership No-117).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.

13.	19/12/05	Western Securities Investment Management Limited, Depository Participant, (CSE Membership No-120).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
14.	19/12/05	SNM Securities Limited, Depository Participant, (DSE Membership No-07).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
15.	19/12/05	Kazi Feroz Rashid & Co. Depository Participant, (DSE Membership No-29).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.
16.	19/12/05	Hedayetullah Securities Limited, Depository Participant, (DSE Membership No-140).	Non-compliance of directive vide No. SEC/CDS/2:22/99/187 dated July 18, 2004 by keeping shares in the clearing account on record date.	Letter of warning issued to comply with all securities laws in future.

Summary of the Enforcement action taken for the period of October to December 2005:

Nature of enforcement action taken	Number of Cases
(A) Against Brokerage House	
Directive/Order issued/Appeal rejected/Misc.	5
Total	5
(B) Brokerage House	
Warned	1
Total	1
(C) Against Issuer Company and its directors	
Directive/Order issued/Appeal rejected/Misc.	8
Warned	13
Total	21
(D) Others (Depository Participants)	
Warned	16
Total	16
GrandTotal (A)+(B)+(C)+(D)=(5+1+21+16)	43

Legal Services Department

Court Cases of SEC

Total 125 cases filed by or against SEC 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	03
		High Court Division	66
02.	Metropolitan Session Judge Court, Dhaka.	06	
03.	5 th Joint dist. Judge Court, Dhaka.	08	
04.	1 st Asst. Judge Court, Dhaka.	01	
05.	4 th Asst. Judge Court, Dhaka.	03	
06.	Chief Metropolitan Magistrate Court, Dhaka.	06	
07.	General Certificate Court, Dhaka.	32	
Total Cases :		125	

1. Out of total 15 Share Scam cases of 1996, 2 cases are now pending before the Honorable Supreme Court, Appellate Division, 8 cases before the Honorable Supreme Court High Court Division and rest 5 cases are pending before the Metropolitan Session Judge Court, Dhaka.
2. Nine Certificate cases against the Directors of six Companies were filed to recover the penalty imposed under securities law upon them by the Commission during the period October-December, 2005

Securities and Exchange Commission

**Jiban Bima Tower
10, Dilkusha (15th, 16th and 20th Floor)
Dhaka – 1000**

CSE (SHORT-SALE) REGULATIONS, 2005

In exercise of the powers conferred by section 34 of the Securities and Exchange Ordinance, 1969 (Ordinance No.XVII of 1969), the Chittagong Stock Exchange Ltd. makes, with the prior approval of the Securities and Exchange Commission, the following regulations, namely:-

1. **Short title.**- These regulations may be called the Chittagong Stock Exchange (Short-Sale) Regulations,2005.

2. Definition-

(1) In these regulations, unless the context otherwise requires-

- a) “ledger” means a record containing the details of all short-selling activities by a stock dealer or stock broker for its own account or for the account of its clients as required under these regulations;
- b) “stock exchange” means the Chittagong Stock Exchange Ltd;
- c) “short-selling” means the sale of a security which
 - (i) the seller does not own, or
 - (ii) is consummated by the delivery of a security borrowed by or for the account of the seller;

(2) Words and expressions used herein and not defined, but defined in the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission Act, 1993 (XV of 1993), the Rules and Regulations made there under shall have the same meanings respectively assigned to them in the said Ordinance, Act, Rules and Regulations.

3. **Owning security.**- A person shall be deemed to own a security only if-

- a) he has title to the security; or
- b) he has purchased the security; or
- c) he has entered into an unconditional contract, as prescribed by the SEC legally binding on him to buy the security, even if the buyer does not yet have title to them; or

- d) he has unconditional right or interest to or in the security; or
- e) he owns a security convertible into or exchangeable for the relevant security and has tendered such security for conversion or exchange or has issued irrevocable instructions to convert or exchange such security; or
- f) he has an option to acquire the security and has exercised such option; or
- g) he has rights or warrants to subscribe to the security and has exercised such rights or warrants.

4. **Prohibition of short-selling.**- (1) No stock dealer/stock broker can be engaged in short selling unless authorized by CSE.

- (1) No stock dealer or stock broker **shall be allowed to engage in short-selling a security of a company that is not an eligible security for short sale as per the Guidelines for Securities Borrowing and Lending for Short-Selling of Securities Listed on the Chittagong Stock Exchange, and the said security which** it does not own either for its own account or for the account of its client except as prescribed in these regulations:

Provided that a stock dealer or stock broker shall not short sell for its own account or the account of its clients unless the stock dealer or stock broker or the client, as the case may be, has a valid contract **conforming the aspects/form that are included in the said Guidelines for Securities Borrowing and Lending** to ensure delivery within the time stipulated by the clearing house of the stock exchange in terms of its Settlement of Stock Exchange Transactions Regulations, 1998:

Provided further that in the case of short-selling for the client's account, the relevant contract to borrow the security shall be countersigned by the stock dealer or stock broker dealing on behalf of the selling client to stand as guarantor for its client to ensure timely delivery of the security sold short:

Provided further that no person shall make a short-sale of a security on the stock exchange below the price of the last sale of the security in the stock exchange.

- (2) The Chief Executive Officer of the stock exchange or any officer of the stock exchange authorized by him for the purpose may, by notice in writing, restrict or prohibit a stock dealer or stock broker from short-selling any security, if the circumstances so warrant.
- (3) The notice of such restriction or prohibition to the stock dealer or stock broker as mentioned in sub-regulation (2) above shall take effect immediately upon communication to or service on such stock dealer or stock broker and shall remain effective and in force until it is revoked or modified by the chief executive officer or by the officer of the stock exchange authorized by him for the purpose.

5. **Manner of short-selling.**- (1) Subject to the provisions of regulations 3 and 4, a stock dealer or stock broker may short-sell a security-
- (a) for its own account; or
 - (b) for the account of its clients provided it knows or is informed in writing that an order to sell is a short-sale, and shall, when placing a short-selling order, indicate in such manner as the stock exchange concerned shall, from time to time, determine that the order is a short-selling order.
- (2) On receipt of an order for the sale of a security, a stock dealer or stock broker shall enquire of the client whether at the time of placing the order such client owns the security offered for sale.
 - (3) A stock dealer or stock broker shall take all reasonable steps to ensure that the client's disclosures pursuant to these regulations are accurate.
6. **Maintenance of records, etc.**- (1) A stock dealer or stock broker engaged in short-selling shall maintain a ledger as specified in Form-A, which shall be kept upto-date in respect of short selling activities carried out by it on its own account or for the account of its clients.
- (2) No stock dealer or stock broker shall cause or allow an entry to be made in a ledger maintained under sub-regulation (1) which it knows or has reasonable grounds to believe to be false or misleading in any material respect.
 - (3) A stock dealer or stock broker shall make the ledger maintained under sub-regulation (1) available for inspection to the stock exchange and the Commission upon the request of any of them and shall provide copies of such ledger, if requested by either of them.
 - (4) A stock dealer or stock broker is required to preserve the ledger maintained under sub-regulation (1) for a period of not less than five years after the date of execution of the short selling transactions to which they relate.
7. **Contravention.**- Contravention of any of the provisions of these regulations shall be punishable under the provisions of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Securities and Exchange Commission Act, 1993 (XV of 1993), the Rules and Regulations made thereunder, and the bye-laws of the stock exchange as well.
8. **Power to impose restriction or grant exemption-** The Commission may, from time to time restrict or exempt any order or trade of any stock dealer or stock broker in respect of all or any of the provisions of these regulations.
9. **Supersession of existing regulations-** These regulations supersede any other regulations relating to trading, clearance and settlement of transactions in force in the

stock exchange, so far it relates to the short-sale of any listed security pursuant to these regulations:

Provided, however, that in case of short-sale of security which is under depository system, relevant provisions of the depository related laws, regulations and bye-laws shall be applicable

FORM A

SHORT SELLING LEDGER

Name of Designated Security: _____

Stock Code : _____

Date of Transaction	Contract Note No.	Particulars			Underlying Securities Borrowing Transaction Reference	Short selling Client		Cover Transaction	
		Quantity	Unit Price	Total Value		Name	A/C No.	Date	Contract Note No.

Guidelines for Securities Borrowing and Lending for Short-Selling of Securities Listed on the Chittagong Stock Exchange

The party or parties associated with the short selling of securities listed on the Chittagong Stock Exchange shall adhere to the following—

- (a) The securities that could be short sold must be approved securities i.e. securities that are issued by the “A” category company as is defined in the Settlement of Stock Exchange Transactions Regulations, 1998 or the category prescribed by the Exchange with the prior approval of the Commission.
- (b) For short selling of security the broker who shall execute the short-sale order must obtain a margin cover of 20% of the value of the trade from the client before placing short-sell order and whenever market price of short-sold security rises in excess of 10% of the contract price the client must provide additional margin cover of 100% to the broker.
- (c) Short selling shall not be permitted by the Exchange if:
 - the security is under an offer of takeover;
 - the security is not a designated approved security for short selling;
 - no more than 10% of the securities on issue may be short-sold.
- (d) All stock brokers must report their net short-sold positions to the exchanges at the end of each trading day.
- (e) The securities broker who shall execute the short-sale of securities on behalf of its/his customer must have net worth of Tk. 20 million as per the latest completed audited financial statements.
- (f) The borrower shall borrow the security under an agreement prescribed by the Exchange for a specified period with the condition that the borrower shall return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed since the beneficial interest of the securities borrowed shall continue to remain with the lender and all the corporate benefits shall accrue to the lender.
- (g) The lender shall deposit the securities under the securities borrowing and lending agreement to the broker/dealer who shall execute the short selling order on behalf of the securities borrower.
- (h) The lending of securities and the return of the equivalent securities of the same type and class by the borrower shall not be treated as disposal of the securities.
- (i) The broker/dealer shall unless otherwise provided in the agreement with the lender, guarantee the return of the equivalent securities of the same type and class to the lender along with the corporate benefits accrued on them during the

tenure of the borrowing. Even in case of failure of the borrower to return the securities or corporate benefits the broker/dealer shall be liable for making good the loss caused to the lender.

- (j) The said borrowing and lending agreement shall also provide for the following terms and conditions:-
 - (i) the period of depositing/lending of securities,
 - (ii) charges or fees for depositing/lending and borrowing,
 - (iii) collateral securities for borrowing,
 - (iv) provisions for the return including premature return of the securities deposited or lent,
 - (v) mechanism for resolution of the disputes through arbitration.
- (k) The borrower shall not be entitled to discharge his liabilities of returning the equivalent securities through payment in cash or kind.
- (l) The broker/dealer shall be entitled to receive from the borrower collateral security and fees for assuming the obligation to return the securities to the lender in the event of default of the borrower to return the securities to the lender.
- (m) The broker/ dealer shall issue a receipt acknowledging the deposit of the securities to the lender, and shall also obtain a receipt from the lender upon return of the securities lent by the lender. Both the receipt shall include the complete details of securities deposited such as name of security, quantity, face value, certificate number and folio number (in respect of securities that are not yet dematerialized).
- (n) The broker/dealer shall maintain a complete record of the securities received from the lender, and securities returned to the lender by them (brokers). The said records shall be open for inspection by the Exchange and the Commission or any other person authorized by it for this purpose.
- (o) The broker/dealer shall maintain and make available to the Exchange and the Commission such information, documents, returns and reports as may be specified time to time by the Commission.

DSE & CSE SCENARIO

Capital Market: As of 31 December 2005 the total issued capital of all listed securities of Dhaka Stock Exchange was TK 70,313 million (US\$ 1063.77 million) which was TK 68,684 million (US\$ 1047 million) on 30 September 2005. In Chittagong Stock Exchange the total issued capital on 31 December 2005 was TK.55627.92 million (US\$869.19 million) which was TK. 52258.03million (US\$ 816.53 million) on 30 September 2005.

Stock Market Operation: During October-December 2005 quarter the total turnover in Dhaka Stock Exchange was TK 138.15 million securities while the total amount traded on Dhaka Stock Exchange during the same period was TK. 12,197.39 million (US\$ 185.17 million)

In the same period the total turnover in Chittagong Stock Exchange was Tk.60.58 million securities while the total amount traded on Chittagong Stock Exchange during the same period was TK. 2,720.38 (US\$ 42.51 million) during this quarter.

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK.233,075 million (US\$ 3,523 million) as on 31 December 2005 compared to TK.229,199 million (US\$ 3,494 million) as on 30 September 2005.

In the Chittagong Stock Exchange total market capitalization of all securities was TK. 220,353 million (US\$.3443.01million) as on 31 December 2005 compared to TK. 208602 million (US\$ 3259.41 million) as on 30 September 2005.

Share Price Index: DSE all share price index stood at 1275.05 on 31 December 2005 compared to 1274.88 on 30 September 2005. The CSE all share price index stood at 3,378.68 on 31 December 2005 while it was 3,388.83 on 30 September 2005. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK 66.16 For October-December 2005 quarter)

Bangladesh Capital Market Summary

As on 31 December 2005

Indicators		Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies		247	195
No. of mutual funds		13	13
No. of debentures		8	2
No. of treasury bonds		18	
<i>Total No. of Listed Securities</i>		286	210
Figures in million			
No. of shares of all listed companies		1244.14	1188.72
No. of certificates of all listed mutual funds		161.25	161.25
No. of debentures of all listed debentures		0.41	0.05
No. of all listed bonds		0.13	
<i>Total No. of Tradable Securities</i>		1405.94	1350.02
Figures in million			
Issued capital of all companies	TK.	55851	54857.63
	US\$	844	857.15
Issued capital of all mutual funds	TK.	735	735
	US\$	11	11.48
Issued debentures	TK.	140	35.29
	US\$	2	0.55
Issued bonds	TK.	13587	
	US\$	205	
Total issued capital	TK.	70313	55627.92
	US\$	1063	869.19
Figures in million			
Total Market capitalization	TK.	233075	220353
	US\$	3523	3443.01
All Share price index		1275.05	3378.6776

DSE OPERATIONAL STATISTICS
October-December 2005

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
October	1285.56	Tk.231,852 US\$ 3526	21	61.642	2.94	Tk 4273.10 US\$ 64.99	Tk 203.48 US\$ 3.09
November	1294.81	Tk 234,212 US\$ 3561	15	45.614	3.04	Tk.4244.06 US\$ 64.55	Tk 282.94 US\$ 4.30
December	1275.05	Tk 233,075 US\$ 3443.01	19	30.889	1.63	Tk 3680.23 US\$ 55.63	Tk.193.70 US\$ 2.93
Total			55	138.15	2.54	Tk.12197.39 US\$ 185.17	Tk.226.71 US\$ 3.44

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

CSE OPERATIONAL STATISTICS
October-December 2005

Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
October	3,410.21	Tk 214,809 US\$ 3356.39	21	23.06	1.10	Tk. 839.47 US\$ 13.12	Tk 39.97 US\$ 0.62
November	3,437.49	Tk.219,180 US\$ 3424.69	16	19.88	1.24	Tk. 993.72 US\$ 15.53	Tk.62.11 US\$ 0.97
December	3,378.68	Tk 220,353 US\$ 3443.01	19	17.64	0.93	Tk.887.19 US\$ 13.86	Tk.46.69 US\$ 0.73
Total			56	60.58	1.09	Tk.2,720.38 US\$ 42.51	Tk.49.59 US\$ 0.77

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