

SEC
Quarterly Review
July - September 2006

**Securities and Exchange Commission
Bangladesh**

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
July- September 2006

A PUBLICATION OF THE SEC

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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.90,957 million as on end of the July-September 2006 Quarter. The said figure was Tk.85,723 million at the end of the previous Quarter that indicates an increase of 6.11%. Similarly, in the Chittagong Stock Exchange the figure was Tk. 63,768 million as on end of the said quarter and Tk. 62,531 million at the end of the previous quarter resulting in an increase of 1.99%. The market capitalization of all listed securities of Dhaka Stock Exchange Ltd. was Tk. 2,81,021 million as on 30 September 2006 which was TK.2,25,300 million as on 30 June 2006. Similarly, the market capitalization of all listed securities in Chittagong Stock Exchange was TK2,57,449 million as on the end of the said quarter which was Tk.1,96,341 million at the end of the previous quarter.

Activities of the Securities and Exchange Commission (SEC) during July-September 2006 quarter are enumerated below:

Seminar on Credit Rating and Development of Capital Market Held:

The Securities and Exchange Commission and Standard Chartered Bank, Bangladesh Jointly organized a seminar on 'Credit Rating and Development of Capital Market' on September 6, 2006. The Bangladesh Bank Governor Mr. Salehuddin Ahmed, SEC Chairman Mr. Faruq Ahmad Siddiqi, CEO of SCB-Bangladesh Mr Osman Morad and Managing Director of G3 Capital Markets of SCB Mr Madhur Mehta spoke on the occasion. The SEC Chairman said that credit rating agencies should be independent and unbiased in their evaluation and maintenance of transparency, independence and objectivity for ensuring the protection of creditors' right.

Investors' Education Program Held:

To create awareness among the general investors the Securities and Exchange Commission (SEC) conducted Investors' Education Program at SEC- two programs in each month from July-September 2006. A total of 87 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 to the participants and responded to the questions asked by the participants.

Training Program for Authorized Representatives Held:

The Securities and Exchange Commission (SEC) in association with the Dhaka Stock Exchange imparted training for authorized representatives of the members of Dhaka Stock Exchange on 4 -5 July 2006 and 22-23 August 2006 in the DSE Board Room. A total number of 92 authorized representatives attended.

Senior officials of SEC, DSE conducted the said training highlighting among other things, the following issues- types of securities, central depository system, surveillance activities, annual reports, registration, authorized representatives and trading mechanism using automated system, activities of stock brokers/stock dealers and authorized representatives, general monitoring activities, record keeping of brokers/ dealers, Members Server Application (MSA) and Terminal Work Station (TWS) operation, problems and solutions.

Internet Balance Enquiry Option for Beneficiary Owners (BO) Account of CDBL Introduced:

The Securities and Exchange Commission Chairman Mr. Faruque Ahmad Siddiqi inaugurated the Global Internet Securities Balance Enquiry Option of Central Depository Bangladesh Ltd.(CDBL) on August 9, 2006. Under this facility a BO account holder can look at the status of his/her account as well as get the printout of all the information of that account paying Tk. 200 annually. CDBL, upon approval of SEC, amended its bye laws (Bye rule); through incorporating balance enquiry charge.

Dhaka Stock Exchange (DSE)

DSE held Seminar in Sylhet on Attracting NRBs Investment in Securities Market:

DSE organized a seminar titled ‘Investment, Potentialities and Procedures of Investment in the Securities Market by the Non-Resident Bangladeshis (NRBs) on July 27, 2006 in Sylhet. The Seminar was chaired by DSE President Mr. Md. Abdullah Bhokhari. Senior Vice President of DSE said in the seminar that DSE is considering to open a branch office in Sylhet to encourage the NRBs to invest in the capital market.

ADB Country Director Visited DSE:

Ms. Hua Du, the Country Director of Asian Development Bank (ADB) in Bangladesh visited DSE on August 28, 2006. She met with the Directors of the DSE and said ADB would closely work with DSE in implementing the ongoing assistance program for the development of country’s capital market. The DSE President thanked the ADB Country Director and also Mr. Rezaul Karim Khan, Head of Economic Unit of the ADB for visiting the DSE.

US Ambassador Visited DSE:

US Ambassador, Her Excellency Ms Patricia A Butenis visited the Dhaka Stock Exchange on September 19, 2006. DSE President welcomed the US Ambassador and said that with the visit of Her Excellency, better understanding between the two countries will be further strengthened. The US Ambassador was pleased to know that considerable progress had been taken place in Bangladesh capital market in recent years.

DFID Country Representative Visited DSE:

Mr. David Wood Country Representative of Department for International Development (DFID) visited DSE on September 6, 2006. DSE President Mr Md. Abdullah Bokhari, Senior Vice President and other high officials of DSE welcomed the Country Representative. Mr. Wood exchanged views with the DSE Board along with high officials of DSE, and appreciated recent activities for the development of country's capital market.

Training Program for Merchant Bankers Regarding Portfolio Management and Compliance of Securities Rules and Regulations Held:

DSE arranged a five-day long training program for merchant bankers on portfolio management and compliance with securities rules and regulations from September 3 to 7, 2006. DSE President inaugurated the training course and emphasized the importance of training in equipping human resources for efficient and smooth running of capital market. Securities and Exchange Commission Chairman Mr. Faruq Ahmad Siddiqi attended the closing ceremony as chief guest and distributed certificates among the participants. He said that the Commission had taken an initiative to establish a training institute for capital market in association with stock exchanges and other stakeholders.

Ministry of Planning Officials Visited DSE:

A 27 member delegation of the Academy for Planning and Development (APD), Ministry of Planning, led by its coordinator Mr Md. Hasan Tareq visited Dhaka Stock Exchange on September 3, 2006. The delegation visited DSE to know about the DSE's state-of-the-art ICT Department. The Chief Executive Officer, DSE Prof Salahuddin Ahmed Khan welcomed the delegation and Head of ICT, DSE Mr. A S M Khairuzzaman apprised operational aspects of the stock exchange. The delegation had also the opportunity to watch how the system actually works at DSE. They also visited several brokerage houses.

Chittagong Stock Exchange (CSE)

Seminar on ‘Investment in Capital Market: Profitability and Prospects’ Held:

The Chittagong Stock Exchange Ltd. arranged a seminar titled ‘Investment in Capital Markets: Profitability and Prospects’ with a view to enhance awareness concerning investment in capital market in Sylhet on July 29, 2006. Information concerning corporate sector and investment – strategy were elaborately discussed in the seminar.

Introduction of Circuit Filter for Share Trading of ‘Z’ Category Companies:

The Chittagong Stock Exchange Ltd. introduced circuit filter at the rate of 10% (+/-) for share trading of ‘Z’ category companies. The system has been introduced for reducing price input risk in case of order placing during trading period. Circuit filter would be calculated on the last price of said traded shares at the end of the trading hour. As there was no price limit for shares of ‘Z’ category companies decision was taken to apply circuit filter.

CORPORATE FINANCE

Information concerning holding of AGM and declaration of dividend during July-September 2006

Sl. No.	Name	Category	Date of AGM	Cash Dividend %	Stock Dividend %
01.	Maq Paper Ind. Ltd.	Z	04.07.2006	--	--
02.	Global Insurance Ltd.	A	08.07.2006	10.00	--
03.	Exim Bank Ltd.	A	09.07.2006	--	30.00
04.	The City Bank Ltd.	A	10.07.2006	--	50.00
05.	Sonargaon Textiles	A	13.07.2006	10.00	--
06.	Janata Insurance Co. Ltd.	Z	16.07.2006	--	--
07.	Rupali Insurance Co. Ltd.	A	19.07.2006	--	15.00
08.	Sinobangla Industries Ltd.	B	20.07.2006	07.00	--
09.	Padma Textile Ltd.	A	22.07.2006	--	--
10.	Beximco Knitting Ltd.	Z	22.07.2006	--	--
11.	Beximco Denims Ltd.	Z	22.07.2006	--	--
12.	Beximco Textile Ltd.	Z	22.07.2006	--	--
13.	Fareast Islami Life Insurance Co. Ltd.	A	26.07.2006	10.00	20.00
14.	Central Insurance Co. Ltd.	A	27.07.2006	12.00	--
15.	Bangladesh Thai Aluminium	Z	27.07.2006	--	--
16.	National Life Insurance Co. Ltd.	A	30.07.2006	15.00	25.00
17.	Peoples Insurance Co. Ltd.	A	01.08.2006	--	100.00
18.	Phoenix Insurance Co. Ltd.	A	02.08.2006	--	25.00
19.	Eastern Insurance Co. Ltd.	A	07.08.2006	--	20.00
20.	Sandhani Life Insurance Co. Ltd.	A	20.08.2006	--	20.00
21.	Purabi General Insurance Co. Ltd.	A	20.08.2006	10.00	--
22.	Kay & Que (Bd.) Ltd.	B	22.08.2006	6.00	--
23.	Aramit Cement Ltd.	Z	24.08.2006	--	--
24.	Aramit Ltd.	A	24.08.2006	37.00	--
25.	ICB M.F (1 st – 8 th)	A	24.08.2006		
26.	Meghna Shrimp Culture Ltd.	Z	29.08.2006	--	--
27.	Prime Insurance Co. Ltd.	Z	30.08.2006	--	--
28.	Federal Insurance Co. Ltd.	A	31.08.2006	--	10.00
29.	Islami Bank Bangladesh Ltd.	A	01.09.2006	--	25.00
30.	Lexco Ltd.	Z	14.09.2006	--	--
31.	Ambee Pharmaceutical Ltd.	A	14.09.2006	25.00	--
32.	Asia Pacific General Ins. Co. Ltd.	Z	15.09.2006	--	--
33.	Pragati Life Insurance Ltd.	Z	17.09.2006	--	--
34.	Meghna Life Insurance Co. Ltd.	A	20.09.2006	10.00	--
35.	Apex Tannery Ltd.	A	20.09.2006	15.00	--
36.	Excelsior Shoes Ltd.	Z	20.09.2006	--	--
37.	Sonar Bangla Insurance Ltd.	A	21.09.2006	10.00	--
38.	Stylecraft Ltd.	A	21.09.2006	25.00	--

Sl. No.	Name	Category	Date of AGM	Cash Dividend %	Stock Dividend %
39.	Apex Spinning Ltd.	A	21.09.2006	18.00	--
40.	Square Pharmaceuticals Ltd.	A	21.09.2006	75.00	20.00
41.	Apex Foods Ltd.	A	21.09.2006	16.00	--
42.	Dandy Dyeing Ltd.	Z	21.09.2006	--	--
43.	Padma Printers & Color Ltd.	Z	21.09.2006	--	--
44.	CMC Kamal Textile Ltd.	Z	22.09.2006	--	--
45.	Bd. Welding Electrodes Ltd.	Z	23.09.2006	--	--
46.	Progressive Life Insurance Co. Ltd.	Z	26.09.2006	--	--
47.	Bionic Seafood Exports Ltd.	Z	27.09.2006	--	--
48.	Jamuna Bank	A	28.09.2006	1.50	25.00
49.	Petro Synthetic Product Ltd.	Z	28.09.2006	--	--
50.	Legacy Footwear Ltd.	Z	28.09.2006	--	--
51.	JMI-Bangla Co. Ltd.	Z	20.09.2006	--	--

CAPITAL ISSUE DEPARTMENT

During the July-September 2006 period the Commission accorded consent to BRAC Bank Limited to raise capital through public issue. The information of the said company is given below:

Figure in Million Taka.

Name of the Company	Date of Approval/ Publication	Total Capital	Sponsors Equity			Public Equity			Total (7+8+9)	Remarks
			Local	Foreign	Total	General Public	Foreign placement	Local placement		
1	2	3	4	5	6	7	8	9	10	11
BRAC Bank Limited	20/09/06 24/09/06 24/09/06 24/09/06 24/09/06	1000.0 0	317.45	18.2.55	500.00	500.00	---	-----	500.00*	At premium of TK. 70.00 each

- Including premium of Tk. 70.00 per share the amount of public equity is Tk. 85.00 crore

Capital Raising:

The Commission accorded consent to the following twelve private limited companies to raise capital whose capital exceeded Taka 100 million during the July-September 2006 period.

Serial No	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	Asian Paints (Bangladesh) Ltd.	Ordinary Shares of Tk.158.54 million	25.07.2006	158.54
2	Ekushey Television Ltd.	Ordinary Shares of Tk.30.27 million	31.07.2006	30.27
3	BSRM Steels Ltd.	Ordinary Shares of Tk.150 million	27.07.2006	150
4	RAK Ceramics (Bd) Pvt. Ltd.	Ordinary Shares of Tk.318.40	10.07.2006	318.40
5	Popular Pharmaceuticals Ltd.	Ordinary Shares of Tk.550 million	26.09.2006	550
6	Royal Denim Ltd.	Ordinary Shares of Tk.225 million	17.07.2006	225
7	Dhaka Shanghai Ceramics Ltd.	Ordinary Shares of Tk.110.29 million	04.09.2006	110.29
8	Knit Asia Ltd.	Ordinary Shares of Tk.80 million	25.07.2006	80
9	Malek Spinning Mills Ltd.	Ordinary Shares of Tk.200 million	25.07.2006	200
10	Reedisha Spinning Ltd.	Ordinary Shares of Tk.250 million	21.09.2006	250
11	Aqua Breeders Ltd.	Ordinary Shares of Tk.40 million	19.09.2006	40
12	GH Haewae Co. Ltd.	Preference Shares of Tk.175.96 million	19.09.2006	175.96
Total				1949.66

The Commission accorded consent to the following 10 public limited companies to raise capital during the July-September 2006 period.

Serial No	Name of the Company	Applied for	Consent letter issued on	Amount in Million Tk
1	International Leasing and Financial Services Ltd.	Bonus shares of Tk.22.11 million	05.07.2006	22.11
2	Gonoshasthaya Antibiotic Ltd.	Ordinary Shares of Tk.87.92million	18.09.2006	87.92
3	Gulshan Spinning Mills Ltd.	Ordinary Shares of Tk.32.50 million	19.09.2006	32.50
4	Bengal Fine Ceramics Ltd.	Debentures of Tk. 25.00 million	12.07.2006	25.00
5	Lub-rref (Bangladesh) Ltd.	Ordinary Shares of Tk.50.00 million	12.07.2006	250
6	Ahsania -Malaysia Hajj Investment & Finance Co. Ltd.	Ordinary Shares of Tk.196.70	21.09.2006	196.70

7	Islami Bank Community Hospital Satkhira Ltd.	Ordinary Shares of Tk.7 million	18.07.2006	7
8	Bextex Ltd.	Underlying shares of Tk.1000.00 million for GDR of US \$ 50.00 million and Ordinary Shares of Tk.600 million to the sponsors	12.09.2006	1600
		Ordinary Shares of Tk.442.76 million in course of amalgamation	14.09.2006	442.76
9	United Airways (Bd) Ltd.	Ordinary shares of Tk.80 million	24.09.2006	80
10	Premier Bank Ltd.	Bonus Shares of Tk.163.55 million	27.07.2006	163.55
Total				2,660.43

Rights Issue:

The Commission accorded consent to Central Insurance Co. Ltd to raise capital during the quarter through issuance of Right Shares. Particulars of the issue are shown in the following table.

Serial No.	Name of the Company	Approved on	Amount in Million Tk
1	InTech Online Ltd.	31.07.2006	46.00
2	Southeast Bank Ltd.	07.09.2006	2,112.73
Total			2,158.73

SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

Status of complaints received during July-September 2006

Listed Companies

Nature of complaints	Received during the quarter	Under process	Referred to Enforcement for Action	Resolved
Non payment or delay in payment of dividend	15	-	5	10
Non payment of debenture installment and interest	2	-	1	1
Non receipt of letter of Right share offering	1	-	-	1
Non receipt of Annual Report	3	-	-	3
Non receipt of Bonus share	1	-	-	1
Miscellaneous	10	-	1	9
Total	32	-	7	25

Broker/Dealer:

Nature of complaints	Received during the month	Under process	Referred to Enforcement for Action	Resolved
Non delivery of shares	1	-	-	1
Non payment of clients money	-	-	-	-
Total	1	-	-	1

CENTRAL DEPOSITORY SYSTEM DEPARTMENT

In July-September 2006 quarter, the following one company have joined Central Depository Bangladesh Ltd. (CDBL). During this period the total numbers of companies under CDBL stands at 101.

Sl. No.	Name of the Company	Joining Date
1	BDCOM Online Limited	24.7.2006

REGISTRATION

Issuance and Renewal of Stock Broker Registration Certificate:

During July-September, 2006 quarter the Commission issued Stock Broker registration certificate to 6 (Six) members of Dhaka Stock Exchange Ltd. and 2 (Two) member of Chittagong Stock Exchange Ltd. under the ঐনসিআরসিআর ১৯৯৯ (সিআরসিআর ১৯৯৯) আইন, ২০০০ as amended:

Dhaka Stock Exchange:

Sl.#	Name & Address of the Stock Broker	Member #	Registration Certificate No. & Issue Date
01.	Eminent Securities Limited Room#313, DSE Building, 9/F Motijheel C/A, Dhaka-1000	DSE-191	Registration-3.1/DSE-191/2006/123 Date: 03 July 2006
02.	Royal Capital Limited Finlay House, Agrabad, Chittagong	DSE-21	Registration-3.1/DSE-21/2006/124 Date: 27 July 2006
03.	Shahidul Hoque Sikder Securities Exchange Limited 1101/1 Shahar Khilgaon, Malibagh, Dhaka	DSE-221	Registration-3.1/DSE-221/2006/125 Date: 30 July 2006
04.	Sohrab Securities and Trade Limited 9-G Motijheel C/A (3 rd Floor), Dhaka-1000	DSE-225	Registration-3.1/DSE-225/2006/126 Date: 30 July 2006
05.	Arab Bangladesh Bank Foundation BCIC Bhaban (7 th Floor), 30-31 Dilkusha C/A, Dhaka-1000	DSE-201	Registration-3.1/DSE-201/2006/129 Date: 15 August 2006
06.	IDLC Securities Limited 36 Dilkusha C/A (13 th Floor), Dhaka-1000	DSE-58	Registration-3.1/DSE-58/2006/130 Date: 21 August 2006

Chittagong Stock Exchange:

Sl.#	Name & Address of the Stock Broker	Member #	Registration Certificate No. & Issue Date
01.	Firstlead Securities Limited Al-Hamrah Shopping City, Zindabazar, Sylhet.	CSE-122	Registration-3.2/CSE-122/2006/134 Date: 18 July 2006
02	IDLC Securities Limited 36 Dilkusha C/A (13 th Floor), Dhaka-1000	CSE-119	Registration-3.2/CSE-119/2006/135 Date: 04 September 2006

In addition to the above registration certificates a new stock dealer registration certificate (Registration-3.2/CSE-006/99-74 Date: 13 September 2006) was also issued in favor of Chittagong Capital Limited (CCSE Member#006) as they have changed their name. Besides, a duplicate stock broker registration certificate was also issued in favor of A.A. Securities Limited (CSE Member#032).

Conversion into Corporate Body:

During this quarter the Commission approved new stock broker registration certificate in favor of 5 (five) members of Dhaka Stock Exchange Limited who have been converted into corporate entities from proprietorship concerns under the Companies Act, 1993 (Act No. 62 of 1993) as amended. It is worth mentioning here that the Commission has allowed time extension up to 31st December 2006 for conversion of existing non-corporate stock broker/dealers into corporate bodies. Thus the non-corporate stock broker/dealers and depository participants whose registration certificate would expire on 30th June 2006 are able to continue their respective functions up to 31st December 2006.

Sl.#	Name & Address of the Stock Broker	Member #	Registration Certificate No. & Issue Date
01.	Haji Ahmad Brothers Securities Limited Room#522, 9/E Motijheel C/A, Dhaka-1000	DSE-41	Registration-3.1/DSE-41/2006/127 Date: 07 August 2006
02.	Investment Promotion Services Limited C.T.C.-17, Century Tower, Boro Maghbazar, Dhaka-1217	DSE-158	Registration-3.1/DSE-158/2006/128 - Date: 09 August 2006
03.	Alliance Securities & Management Ltd. 9/E Motijheel C/A (2 nd Floor), Dhaka-1000	DSE-137	Registration-3.1/DSE-137/2006/131 Date: 22 August 2006
04.	Nouvelle Securities Limited Room#719 (6 th Floor), DSE Building, 9/F Motijheel C/A, Dhaka-1000	DSE-112	Registration-3.1/DSE-112