

SEC

Quarterly Review

January-March 2004

**Securities and Exchange Commission
Bangladesh**

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
January-March 2004

A PUBLICATION OF THE SEC

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SECURITIES AND EXCHANGE COMMISSION

Quarterly Review January-March 2004

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CAPITAL MARKET NEWS

The Commission

New member of SEC: Mr. Abbas Uddin Khan, FCA has joined the Securities and Exchange Commission as a Member on 2 February 2004. Prior to his new appointment he worked as Member of the Public Expenditure Review Commission and Chairman of Bangladesh Agricultural Development Corporation (BADC).

New system introduces for IPO distribution: The Securities and Exchange Commission introduced a new system for IPO distribution to attract small investors towards capital market. In this respect, all the applicants shall be treated as applied for one minimum lot. If there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately.

Depository System starts functioning in the Capital Market: The Securities and Exchange Commission issued Business Commencement Certificate to the Central Depository Bangladesh Limited (CDBL) on 23 December 2003. Accordingly CDBL has started functioning from 24 January 2004. With the commencement of this system all IPO shares have to be distributed in demat form. Securities already listed with the stock exchanges will come under Depository gradually. This will eliminate risk associated with paper certificate such as forgery, loss and theft and also provide efficient and quick transfer of securities ownership.

Credit Rating Agency of Bangladesh Limited: The Securities and Exchange Commission has accorded registration to the Credit Rating Agency of Bangladesh Limited, a new credit rating company in the country on 24 February 2004 for rating securities. With this the Commission issued certificates to two credit rating companies especially essential for bond market.

SEC imposes limitation on cash transaction in the stock market deals: To ensure total enforcement of the Anti Money Laundering Law in the country, the Securities and Exchange Commission has issued a notification restricting cash transaction over TK. 5.00 lac for purchase or sale of listed companies shares. In this regard, an investor will have to transact through the banking channel by account payee cheques, bank payment order or draft or any other mode of transaction available with the banking system.

SEC proposes tax re-structuring for listed and non-listed companies: To encourage companies to get listed with the bourses, the Securities and Exchange Commission has proposed to the Government to make difference in the tax rate by 10 percent between listed and non-listed companies reducing tax rate of listed companies.

Study tour for participants of Senior Staff Course of BPATC held in SEC: A study tour for participants of ‘Senior Staff Course’ of Bangladesh Public Administration Training Centre (BPATC) was held at the Board Room of Securities and Exchange Commission on 8 February 2004. SEC Chairman Dr. Mirza Azizul Islam deliberated welcome address to the participants. Fifteen Joint 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.

Meeting of the SEC Consultative Committee: The Consultative Committee held five meetings on the various issues of capital market during the period. The Committee made a good number of recommendations to the Commission for consideration. SEC has so far implemented most of such recommendations.

SEC withdraws circuit breaker limit for “Z” category shares: The Securities and Exchange Commission has withdrawn the circuit breaker limit for share trading of “Z” category listed companies in the stock exchanges since 20 March 2004.

Reduction of Settlement Period: The Securities and Exchange Commission has reduced the period of settlement and clearance of each executed transaction in securities under ‘A’ category companies on the ‘T+4’, (i.e. T+2 & T+4 respectively) basis, in place of the existing ‘T+5’, (i.e. T+3 & T+5 respectively) basis since 14 March 2004

Enquiry Committee: The Securities and Exchange Commission has constituted a four members enquiry committee to investigate the causes of unusual transactions and price hike of Tripti Industries Ltd. SEC Executive Director Mansur Alam made convenor of the Committee. The other members of the Committee are Directors Shuvra Kanti Choudhury, A T M Tariquzzaman and Sirajul Hoque.

DSE

ADB consultant team visits DSE: A consultant team of Asian Development Bank (ADB) visited Dhaka Stock Exchange on January 06, 2004. They met the Board Members and some leading brokers of the Dhaka Stock Exchange and discussed about the modalities of privatization through Stock Exchange. The meeting also discussed on the issue of off-loading Government owned shares of listed and non-listed companies.

Faculty and student of University of Manchester UK visits DSE: A group of faculty and students of Institute of Development Policy and Management, University of Manchester, led by its Programme Co-ordinator Dr. Thankom Arun, visited Dhaka Stock Exchange on January 29, 2004

Four new DSE directors elected: The election 2004 for electing four directors, was held at Dhaka Stock Exchange on February 26, 2004. Mr. Md. Shahiq Khan, Mr. Md. Shakil Rizvi, Mr. A S. Shahudul Hoque Bulbul and Mr. Md. Shahjahan elected as directors for next 3 (three) years term.

President, Senior Vice President of DSE re-elected: The Board of Directors of the Dhaka Stock Exchange elected Mr. Ahmed Iqbal Hasan and Mr. Abdul Haque as its President and Senior Vice President respectively by an election held on March 03, 2004 at DSE. Through this election DSE also elected Mr. Md. Feroz Khan as its new Vice President. Mr. Hasan and Mr. Haque have been re-elected for consecutive third time for the year 2004.

The 42nd Annual General Meeting held: The 42nd Annual General Meeting of DSE was held on March 03, 2004. A large number of members attended the meeting. The meeting was presided over by Mr. Ahmed Iqbal Hasan, President of the Exchange.

M. Obaidud Darain joined as Company Secretary of DSE: Mr. M. Obaidud Darain, MBA joined as the Company Secretary of DSE on 17 March 2004. Earlier the DSE Selection and Disciplinary Committee approved his appointment.

BIBM Course Participants visit DSE: Twenty two bankers including two faculty members of Bangladesh Institute of Bank Management (BIBM) visited DSE on March 15, 2004 as part of a course titled “ Investment and Merchant Banking”. Mr. Salahuddin Ahmed Khan, Chief Executive Officer, DSE welcomed the participants and highlighted the activities of the bourses. The course participants also visited two brokerage houses- Equity Partners Limited and SAR securities.

CSE

CSE introduces new index: The Chittagong Stock Exchange has launched a new index named CSCX (CSE Selective Categories Index) comprising A, B and G category companies on February 14, 2004 to replace the CSE Trade Volume Weighted Index. The Base Date of this index is April 15, 2001 when A, B and Z categories were introduced and the Base Value is set at 1000. The new index includes all but the Z category companies.

Seminar on Depository Operation held: The Securities and Exchange Commission and the Chittagong Stock Exchange jointly organized a seminar on depository operation in Sylhet. The members of Chittagong Stock Exchange in Sylhet participated in the programme. SEC Executive Directors Mr. Mansur Alam, Mr. Farhad Ahmed and SEC Director Mr. Shuvra Kanti Choudhury deliberated on the legal and other related affairs of depository operation. Mr. Wali-ul-Marroof Matin, CEO of CSE also deliberated.

Executive Chairman of Board of Investment visits CSE: Mr. Mahmudur Rahman, Executive Chairman, Board of Investment along with 11 members visited Chittagong Stock Exchange on March 20, 2004. They met CSE President Mr. Habibullah Khan, Vice President Mr. A S M Nayeem and high officials of the exchange.

CORPORATE FINANCE

Capital Raising

During January – March 2004 period, the following companies have been accorded consent under the Securities and Exchange Commission (Capital Issue of Public Limited Company) Rules, 2001 for raising capital:

Sl No.	Name of the Company	Amount of Capital (in million taka)	Type of security
1.	Trust Bank Limited	150.00	Ordinary Share
2.	Rang Pharmaceuticals Limited	45.00	Ordinary Share
3.	ICB Asset Management Limited	50.00	Ordinary Share
4.	Union Capital Limited	16.80	Ordinary Share

Company Performance (AGM & Dividend) January - March 2004

Sl No.	Name of the Company	Date of AGM held	Dividend Declared
1.	BOC Bangladesh Limited	20.01.2004	200%
2.	Savar Refractories Limited	25.01.2004	5%
3.	Rahim Textile Mills Limited	19.02.2004	5%
4.	Eastern Lubricants Blenders Limited	17.03.2004	25%
5.	H.R. Textile Mills Limited	18.03.2004	5%
6.	Samorita Hospital Limited	18.03.2004	10%
7.	Kohinoor Chemical Co. (BD) Ltd.	19.03.2004	15%
8.	Dutch-Bangla Bank Limited	21.03.2004	20%
9.	Padma Oil Company Limited	24.03.2004	50%
10.	Anwar Galvanizing Limited	30.03.2004	6%
11.	Square Textiles Limited	30.03.2004	30% cash + 10% bonus

INITIAL PUBLIC OFFERING (IPO)

No company was found eligible for IPO, based on the securities related rules, during January-March 2004.

Rights Issue:

During the said quarter no listed company has filed any offer for right issue.

SUPERVISION & REGULATION OF MARKETS AND INTERMEDIARIES**January –March 2004**

Status of complaints received during the period:

Listed Companies

Nature of Complaints	Received during the quarter (No.)	Previous Pending (No.)	Total (No.)	Resolved During the quarter (No.)	Referred for enforcement action (No.)	Under process (No.)
Non-payment or delay in payment of declared dividend	03	20	23	09	03	11
Non-payment or delay in payment of interest of Debenture	00	04	04	01	00	03
Claim of dividend against lost shares	00	00	00	00	00	00
Regarding transfer of shares	00	00	00	00	00	00
Total	03	24	27	10	03	14

Broker/Dealer

Nature of Complaints	Received during the quarter (No.)	Previous Pending (No.)	Total (No.)	Resolved during the quarter (No.)	Referred for enforcement action (No.)	Under process (No.)
Regarding non delivery of shares	00	02	02	02	00	00
Regarding non refund of clients money	02	07	09	05	01	03
Regarding non - payment of IPO deposit	00	00	00	00	00	00
Total	02	09	11	07	01	03

REGISTRATION

Renewal of Stock Dealer/Stock Broker Registration Certificate:

During January-March 2004, the Commission renewed 47 and 72 Stock Dealers/Stock Brokers registration certificate of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively.

Issuance of Stock Broker Registration Certificate:

During the period, the Commission has issued Stock Broker registration certificates to the following members of Dhaka and Chittagong Stock Exchange Ltd. under *ৱৱৱকডিৱি ৱৱৱ গুঁ* *ৱৱৱৱৱ ৱৱৱৱৱ (÷K ৱৱৱ vi , ÷K teKvi I Abtgvw` Z cãZwba) ৱৱৱৱৱ v,2000:*

Sl. No.	Name of the Stock Broker	Name of the Stock Exchange & Membership #	Address	Registration Certificate Number and Date
1	Pasha Capital Ltd.	Dhaka Stock Exchange Ltd. DSE-12	13/5, Outer Circular Road, Dhaka-1217	Registration-3.1/DSE-12/2004/78 date: 03/03/2004
2	Samin Securities Ltd.	Dhaka Stock Exchange Ltd DSE-83	Room No. 721, DSE Building (7 th floor), 9/F, Motijheel C/A, Dhaka-1000	Registration-3.1/DSE-83/2004/79 date: 09/03/2004
3	Doulotunnesa Equities Ltd.	Dhaka Stock Exchange Ltd DSE-37	House No. 49, Road No. 9/A, Dhanmondi R/A, Dhaka-1209	Registration-3.1/DSE-37/2004/80 date: 23/03/2004
4	Chittagong Shares & Securities Ltd.	Chittagong Stock Exchange Ltd. CSE-060	8, Master Mansion (1 st floor), 4, Terry Bazar, Chittagong	Registration-3.2/CSE-060/123/2004 date: 04/03/2004
5	Hassan Shares & Securities Ltd.	Chittagong Stock Exchange Ltd. CSE-114	Shelly Cottage (2 nd floor), House No. 10, Block-L, Koybailladham R/A, Khulshi, Chittagong-4207	Registration-3.2/CSE-114/124/2004 date: 13/03/2004

Issuance of Depository Participants Registration Certificate:

During the period, the Commission issued the registration certificates to the following Depository Participants as per *ৱৱৱৱৱৱ (e`enwi K) cãavbgvj v, 2003:*

Sl. No.	Name of the DPs	Classification of DPs	Date of Issuance of Registration	Address
1.	Moshihor Rahman	Full Service	08/01/2004	Dilkusha Centre(13 th Floor), Suite# 1304, 28 Dilkusha C/A, Dhaka-1000

2.	Equity Partners Securities Ltd.	Full Service	08/01/2004	Suite# 1002, Dhaka Stock Exchange Annex Building(9 th Floor), 9/E Motijheel C/A, Dhaka-1000
3.	SES Company Limited	Full Service	11/01/2004	Sonartori Tower(14 th Floor), 12 Sonargaon Road, Dhaka-1000
4.	CMSL Securities Ltd	Full Service	15/01/2004	Suite# 702(7 th Floor), 28 Dilkusha C/A, Dhaka-1000
5.	Md. Rakibur Rahman & Co.	Full Service	15/01/2004	Room No. 506, Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000
6.	Kazi Enayetur Rahman & Co.	Full Service	15/01/2004	Room No. 406, Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000
7.	Meenhar Securities Limited	Full Service	20/01/2004	58 Agarabad C/A(4 th Floor), Chittagong
8.	Arab Bangladesh Bank Limited	Custody Participant	24/01/2004	BCIC Bhaban (8 th , 9 th & 10 th Floor), 30-31 Dilkusha C/A, Dhaka-1000
9.	Equity Resources Limited	Trading Participant	25/01/2004	Jahangir Tower(1 st Floor), 10 Kawran Bazar, Dhaka-1215
10.	Jamal Ahmed & Co.	Full Service	27/01/2004	Room No. 403, 9/F Motijheel C/A, Dhaka-1000
11.	A B & Co.	Full Service	29/01/2004	Room No. 505, DSE Building (4 th Floor), 9/F Motijheel C/A, Dhaka-1000
12.	The Trust Bank Limited.	Custody Participant	16/02/2004	Building # 98, Main Road, Dhaka Cantonment, Dhaka-1206
13.	Southeast Bank Limited	Custody Participant	17/02/2004	1 Dilkusha C/A (3 rd Floor), Dhaka-1000
14.	International Securities Co. Limited.	Full Service	19/02/2004	1 No. Ali Biponi, Laldighirpar, Sylhet
15.	Sonali Bank	Custody Participant	26/02/2004	34-35 Motijheel C/A, Dhaka-1000
16.	International Finance Investment and Commerce Bank Ltd.	Custody Participant	26/02/2004	BSB Building(17-19 th Floor), 8 Rajuk Avenue, Dhaka-1000
17.	Dutch-Bangla Bank Ltd.	Custody Participant	26/02/2004	Sena Kalyan Bhaban(4 th Floor), 195 Motijheel C/A, Dhaka-1000
18.	Mercantile Bank Ltd.	Custody Participant	26/02/2004	61 Dilkusha C/A, Dhaka-1000

19.	Vanik Bangladesh Securities Ltd.	Full Service	28/02/2004	DSE Annex Building(2 nd Floor), 9/E, Motijheel C/A, Dhaka
20.	Pubali Bank Ltd.	Custody Participant	26/02/2004	26 Dilkusha C/A, Dhaka-1000
21.	National Bank Ltd.	Custody Participant	28/02/2004	18 Dilkusha C/A, Dhaka-1000
22.	Eastern Bank Ltd.	Custody Participant	01/03/2004	Jiban Bima Bhaban(2 nd Floor), 10 Dilkusha C/A, Dhaka-1000
23.	Rapid Securities	Full Service	13/03/2004	Room # 620 & 621 DSE Annex Building, 9/E Motijheel C/A, Dhaka-1000
24.	Beximco Securities Ltd.	Full Service	20/03/2004	17 Dhanmondi R/A, Road No. 2, Dhaka-1205
25.	M. Habibur Rahman & Co.	Full Service	20/03/2004	2-3 WAPDA Building, Motijheel, Dhaka-1000
26.	Hillcity Securities Ltd.	Full Service	20/03/2004	502 Manru Shopping City (4 th Floor), Chowhatta, Sylhet-3100
27.	Bangladesh Shilpa Bank	Full Service	20/03/2004	BSB Building, 8 Rajuk Avenue, Dhaka-1000
28.	National Credit and Commerce Bank Ltd.	Full Service	24/03/2004	7/8 Motijheel C/A, Dhaka-1000
29.	Brac Bank Ltd.	Custody Participant	24/03/2004	1 Gulshan Avenue, Gulshan Circle-1, Dhaka-1212
30.	Bangladesh Shilpa Rin Sangstha	Full Service	24/03/2004	BSRS Bhaban, 12 Kawran Bazar, Dhaka-1215
31.	Standard Bank Ltd.	Custody Participant	24/03/2004	Chamber Building(3 rd Floor), 122-123 Motijheel C/A, Dhaka-1000
32.	Prime Bank Ltd.	Custody Participant	29/03/2004	119-120 Motijheel C/A, Dhaka-1000
33.	The City Bank Ltd.	Custody Participant	29/03/2004	Jiban Bima Bhaban, 10 Motijheel C/A, Dhaka-1000
34.	Island Securities Ltd.	Full Service	29/03/2004	Faruk chamber(6 th Floor), 1403 Sk. Mujib Road, Chittagong

Registration of Credit Rating Company: The Commission accorded registration to the following company to operate the rating functions under the Credit Rating Companies Rules, 1996:

Certificate No. & Date	Name of the Company	Address
CRC-02/2004 24.04.2004	Credit Rating Agency of Bangladesh	122-124, Motijheel Commercial Area, Chamber Building (6 th floor), Dhaka-1000

SEC SURVEILLANCE SYSTEM

Surveillance:

To ensure transparency and accountability of the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. through on line surveillance software & non-trading version of work station by regular trade analysis and inspection, the SEC surveillance staff time to time informs top management of the Commission about the market condition and discuss with the management of respective issue, if necessary. At the end of the trading, a daily trade report pointing out any highlights or abnormal activity found during the trading is prepared and submitted to the chairman and the members of the Commission.

Analysis of Trading Data:

Regular post trading analysis has been continuing at SEC surveillance department. Relevant data and trading information are regularly collected from the stock exchanges on which review, analysis and calculation are done. The purpose of this past trading analysis is to find out the unusual behavior and irregularities of trades. If any abnormal trend or volatility in terms of turnover and price movement is noticed, a primary inspection is then conducted in order to ascertain the reason behind such volatility and if anything is suspected wrong, the matter is referred to top management for decision. Primarily stock exchanges are asked to conduct inspection/enquiry and report to the Commission. If necessary, the surveillance team of the Commission also conducts inspection/enquiry based on the nature of specific issue. During this period we requested CSE to investigate books & records of 3 (three) brokers house of CSE in respect of transaction of Bank Asia shares and asked DSE to inspect books and records of 3 (three) brokers house of DSE regarding trading of Bata Shoe shares, Beach Hatchery shares and Rahman Chemical shares.

During the referred period the commission decided that the SEC's surveillance team should conduct regular inspection of books and records of one stock broker/dealer of the stock exchange each month. Accordingly, the SEC Surveillance team inspected books and records of one broker house of both the stock exchange in March 2004.

The SEC's Surveillance team also detected unusual/abnormal trading of Tripti Industries Ltd, at DSE. Based on the recommendation of the surveillance team the commission suspended trading of Tripti Industries Ltd. and constituted an enquiry committee in this respect.

SEC ENFORCEMENT ACTIONS

The following are the lists of enforcement actions taken against registered stock-dealer, stock-broker, issuer companies and or its directors, various institutions and individuals by the Commission during January-March 2004 for reasons appearing against their names:-

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

Date	Name of the Company	Nature of default/Appeal	Commission's decision
18/02/04	Vanik Bangladesh Securities Ltd. [DSE Member No. 132].	Alleged contravention of the provisions of regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998 of Dhaka Stock Exchange Limited, rule 4 and rule 8 of the Securities and Exchange Rules, 1987, rule 3 (2) of the Margin Rules, 1999, AvPiY weia 2 (1) I 7 [imwKDwi wJR I G. tPÄ Kngkb (÷K wJj vi, óK tetKvi I Abtjgw`Z cÅZwbua) weagvj v, 2000 Gi wØZxq Zdimj G weaZ óK wJj vi, óK tetKvi t` i AvPiY weia] of the imwKDwi wJR I G. tPÄ Kngkb (÷K wJj vi, óK tetKvi I Abtjgw`Z cÅZwbua) weagvj v, 2000 by Vanik Bangladesh Securities Ltd., [DSE Member No. 132].	Considering reply, the charges were withdrawn.

(B) Issuer Company: Warned

Date	Name of the Company	Nature of default/Appeal	Commission's decision
22/01/04	Mona Food Industries Ltd.	Violation of rule 12, Sub-rule (3A), rule 13 of the Securities and Exchange Rules, 1987 (not submitting financial statement for 2000-2001 and half-yearly financial statements for the half-year ended 31 December 2001) by Mona Food Industries Ltd.	Issued warning to comply with all securities laws in future.

(C) Issuer Company: Directives/Order Issued

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
1.	01/01/04	Rupan Oil & Feeds Ltd.	Non holding of annual general meeting by Rupan Oil & Feeds	Penalty of Taka 1.00 lac imposed on Mr.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Ltd.	Nurunabi, Managing Director of the Company. An additional penalty of Taka 10,000 per day if default continues after 15 days.
2.	22/03/04	Paragon Leather & Footwear Industries Ltd.	Non holding of annual general meeting by Paragon Leather & Footwear Industries Ltd.	Penalty of Taka 1.00 lac imposed on Mr. M. A. Salam, Managing Director of the Company. An additional penalty of Taka 10,000 per day if default continues after the date of order.
3.	22/03/04	Sonali Paper & Board Mills Ltd.	Non holding of annual general meeting by Sonali Paper & Board Mills Ltd.	Penalty of Taka 1.00 lac imposed on Mr. Khan Mohammad Iqbal, Chairman & Managing Director of the Company. An additional penalty of Taka 10,000 per day if default continues after the date of order.

(D) Merchant Bankers

Date	Name of the Merchant Bank	Nature of default/Appeal	Commission's decision
01/01/04	Prime Securities and Financial Services Limited	Review petition against Commission's order No. SEC/Enforcement/187/2003-233 dated 20 November 2003 canceling registration certificate of Merchant Bank Prime Securities and Financial Services Limited.	Review petition accepted and cancellation order withdrawn since the Merchant Bank paid the yearly fee.

Summary of the Enforcement actions taken during January – March 2004

Nature of enforcement action taken	Number of cases
(A)Against Brokerage House	
Directives/ Order Issued/Appeal rejected and Miscellaneous	1
Total	1
(B)Against Issuer Company and its directors	
Warned	1
Directives/ Order Issued/Appeal rejected and Miscellaneous	3
Total	4
(C)Others	
Merchant Bank:	
License cancellation order withdrawn	1
Total	1
Total = A+B+C= (1+4+1)	6

LEGAL SERVICES

Court Cases:

Total 94 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	52
02.	Metropolitan Session Judge Court, Dhaka.		07
03.	1 st Joint Dist. Judge Court, Dhaka.		01
04.	5 th Joint dist. Judge Court, Dhaka.		10
05.	.1 st Asst. Judge Court, Dhaka.		01
06.	2 nd Asst. Judge court, Dhaka		01
07.	. Chief Metropolitan Magistrate Court, Dhaka.		02
08.	General Certificate Court, Dhaka.		17
Total Cases			94

1. Out of total 15 Share Scam cases of 1996, 2 cases were pending before the Appellate Division, 6 cases before the Honorable High Court Division of the Supreme Court and rest 7 Cases are pending before the Metropolitan Session Judge Court, Dhaka.
2. A petition case was filed against the Tripti Industries ltd. in the court of CMM Dhaka on 07- 01-2004 based on the enquiry conducted by the Commission.
3. A Certificate case was filed in the court of General Certificate Officer, Dhaka to recover the penalty imposed upon Md Nurun Nabi, Managing Director of Rupon Oil and Feeds Ltd.on 31.01.2004.

Securities and Exchange Commission**Jiban Bima Tower****10, Dilkusha (15th, 16th and 20th Floor)****Dhaka – 1000****Exemption from the requirement of Section 4(1) of the Dhaka Stock Exchange (Member's margin) Regulations, 2000 to ICB Securities Trading Co. Ltd.:**

The Commission granted exemption to ICB Securities Trading Co. Ltd., DSE Member No. 129 from the requirements of section 4(1) of the Dhaka Stock Exchange (Member's Margin) Regulations, 2000 in respect of the additional trade exposure covering its simultaneous buys and sales (cross trade) executed for and on account of all ICB Mutual Funds only.

Issuance of Directive to the Credit Rating Companies: During the quarter, the Commission issued a Directive no. SEC/Reg./CRC-Policy/Part-I/2004-74 dated March 16, 2004 to Credit Rating Information and Services Ltd.(CRISL) and Credit Rating Agency of Bangladesh Ltd (CRAB):

SEC/Reg./CRC-Policy/Part-I/2004-74

March 16, 2004

DIRECTIVE

Whereas the Securities and Exchange Commission (hereinafter referred to as the Commission) issued registration certificates No. CR-01/2002 dated 21st April 2002 and No. CR-02/2004 dated 24th February 2004 in favor of Credit Rating Information and Services Limited and Credit Rating Agency of Bangladesh Limited respectively; and

Whereas the Commission is of the opinion that in the interest of the public and in the interest of the capital market as a whole it is necessary to impose bar on the Credit Rating Information and Services Limited and Credit Rating Agency of Bangladesh Limited in providing credit rating services to those listed companies in which Sponsors/ and or Directors of the Credit Rating Information and Services Limited and of the Credit Rating Agency of Bangladesh Limited have substantial shares; and

Whereas the Commission is also of the opinion that a directive should be issued in the public interest and in the interest of the capital market.

Now, therefore, the Commission in exercise of the power conferred by rule 7 of the Credit Rating Companies Rules, 1996, hereby directs the Credit Rating Information and Services Limited and Credit Rating Agency of Bangladesh Limited not to provide credit rating services to those listed companies in which Sponsors/ and or Directors of the Credit Rating Information and Services Limited and of the Credit Rating Agency of Bangladesh Limited have substantial shares.

By order of the Securities and Exchange Commission

Sd/-

Dr. Mirza Azizul Islam
Chairman

DIRECTIVE

Whereas, the Securities and Exchange Commission considers it to be expedient that the following directive should be issued to the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in the interest of the security investors and the capital market as well;

Now, therefore, in exercise of the powers conferred by section 20A, read with section 34, sub-section (4), of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission hereby directs both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. (hereinafter called the 'Exchanges') to the effect that:

- (i) the Exchanges shall communicate in writing their conclusive decision on granting or non-granting of the application for listing of the security to the security issuer company and the Securities and Exchange Commission within 75 (seventy five) days of submission of the application for listing with the Exchanges under their listing regulations, and also that, in case of non-granting of the listing, the specific reasons thereof shall be mentioned in the said communication;
- (ii) in order to ensuring the above, the Exchanges shall complete the applicable measures, including obtaining of further papers, documents or clarifications/informations, if any, commensurate with the provisions of the listing regulations, well ahead of expiry of the above time limit; and
- (iii) the Exchanges shall also take appropriate measures for amending relevant provisions of their listing regulations accordingly.

This directive shall have immediate effect.

By order of the Commission

Mansur Alam
Executive Director

Distribution:

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

ORDER

Whereas, it is considered to be expedient that further amendments should be made in the Settlement of Stock Exchange Transactions Regulations, 1998 of the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in the interest of the security investors and the capital market as well;

Now, therefore, in exercise of the power conferred by section 34, sub-section (4), of the Securities and Exchange Ordinance , 1969 (XVII of 1969), the Securities and Exchange Commission hereby directs both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. to amend relevant provisions of the said Regulations of the exchanges for completing the settlement and clearance of each executed transaction in securities under 'A'-category companies on the 'T+4', (i.e. T+2&T+4 respectively) basis, in place of the existing 'T+5', (i.e. T+3 & T+5 respectively) basis, which shall be effective from the first trading day commencing on the 20th March 2004.

Other relevant provisions of the said Regulations shall also be revised by the said exchanges on the basis of above amendment.

By order of the Commission

Mansur Alam
Executive Director

Distribution:

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

ORDER

Whereas, it has been considered to be expedient that the following further amendment should be made in the Commission's Order No. SEC/SRMID/96-01/1127 dated 2nd October 2001, concerning the 'Guidelines for Regulating the Share Price Movement in the Stock Exchange Trading;'

Now, therefore, in exercise of the power conferred by section 34, sub-section (4) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission hereby directs the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. to make the following further amendment in the said Guidelines which shall be effective from the first trading day commencing on the 20th March 2004, namely:-

"In the said Guidelines, under Guidelines-'A', after existing proviso at serial No. 1, the following further proviso shall be added:

Quote

Provided further that the above mentioned price limits shall not be applicable for securities under 'Z'-category companies as mentioned in the Settlement of Stock Exchange Transactions Regulations, 1998 of the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd.

Unquote .

By order of the Commission

Mansur Alam
Executive Director

Distribution :

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

DIRECTIVE

Whereas, the Securities and Exchange Commission considers it to be expedient that, in the interest of the security investors and the capital market as well, the following directive should be issued to Tripti Industries Ltd., its Directors and the Company Secretary;

Now, therefore, in exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission hereby directs Tripti Industries Ltd., its Directors and the Company Secretary to the effect that, henceforth, the above persons shall ensure furnishing to the Commission the authenticated complete lists of the share transfer/transmission applications, along with the attested photocopies of the transfer instruments (Form-117, etc.), at least three working days before placing such applications at the company's board meetings, or to the competent authority of the company, as the case may be, for consideration and approval for effecting the proposed transfer/transmission by the company.

By order of the Commission

Mansur Alam
Executive Director

Distribution :

Tripti Industries Ltd.
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

No. SEC/CMRRCD/2001-53/306
Dated: 10th May 2004

Chief Executive Officer
Dhaka Stock Exchange Ltd.
9/F, Motijheel C/A
Dhaka-1000

Chief Executive Officer
Chittagong Stock Exchange Ltd.
1080, SK. Mujib Road
Agrabad C/A
Chittagong

Dear Sir

Sub: Recommendation of the Fourth Meeting of the Consultative Committee of SEC

I am pleased to inform you that the Commission has endorsed the following recommendation made by the Consultative Committee of SEC in its 4th Meeting held on 29th March 2004:

“The exchanges shall inform SEC about their observations, if any, on the draft prospectus within 15 (fifteen) days of submission of the same to the exchanges, instead of 7(seven) working days which was decided in the first meeting.”

Sincerely Yours

Mansur Alam
Executive Director
&
Convenor
Consultative Committee of SEC
CC:
Executive Directors, SEC
Directors, SEC

DSE & CSE SCENARIO

Capital Market: As of 31st March 2004 the total issued capital of all listed securities of Dhaka Stock Exchange was TK.47233 million (US\$ 807 million) which was TK.46054 million (US\$ 788.61 million) on 30th December 2003. In Chittagong Stock Exchange the total issued capital on 31st March 2004 was TK.43702 million (US\$ 760.03 million) which was TK.41969 million (US\$729.90 million) on 30th December 2003 .

Stock Market Operation: During January-March 2004 quarter the total turnover in Dhaka Stock Exchange was 87.06 million securities while the total amount traded in Dhaka Stock Exchange during the same period was TK. 4354.39 million (US\$ 74.82 million)

During January-March 2004 quarter the total turnover in Chittagong Stock Exchange was 34.54 million securities while the total amount traded in Chittagong Stock Exchange during the same period was TK.1220.37 million (US\$ 21.22 million) during this quarter.

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK.100429 million (US\$ 1716.73 million) as on 31st March 2004 compared to TK.97587 million (US\$ 1671 million) as on 30th December 2003.

In the Chittagong Stock Exchange total market capitalization of all securities was TK.90168.32 million (US\$ 1569.66million) as on 31st March 2004 compared to TK.85439.86 million(US\$ 1485.91 million) as on 30th December 2003.

Share Price Index: DSE general share price index stood at 973.88 on 31st March 2004 compared to 967.78 on 30th December 2003. The CSE all share price index stood at 1630.93 on 31st March 2004 while it was 1642.79 on 30th December 2003. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK. 58.50

For January-March 2004 quarter)

Bangladesh Capital Market Summary

As on 31 March 2004

Indicators	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	248	187
No. of mutual funds	11	11
No. of debentures	8	2
<i>Total No. of Listed Securities</i>	267	200

Figures in million

No. of shares of all listed companies	1092.59	987.67
No. of certificates of all listed mutual funds	73.25	73.25
No. of debentures of all listed debentures	0.41	0.05
<i>Total No. of Tradable Securities g\</i>	1166.25	1060.97

Figures in million

Issued capital of all companies	TK.	46611	43248
	US\$	797	752.14
Issued capital of all mutual funds	TK.	395	395
	US\$	7	7
Issued debentures	TK.	227	59
	US\$	4	1.03
<i>Total issued capital</i>	TK.	47233	43702
	US\$	808	760.03

Figures in million

Total Market capitalization	TK.	100429	90117
	US\$	1717	1567.25

Share price index	973.88	1630.93
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DSE OPERATIONAL STATISTICS
January-March 2004

Trading Month	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
January	961.18	TK.97522 US\$ 1675.63	25	30.78	1.23	TK.1877.02 US\$ 32.25	TK.75.08 US\$ 3.00
February	953.81	TK. 97869 US\$ 1672.97	17	23.62	1.39	TK.835.73 US\$ 14.36	TK.49.16 US\$ 0.84
March	973.88	TK.100429 US\$1716.73	24	32.66	1.36	TK.1641.64 US\$ 28.06	TK.68.40 US\$ 1.17
Total			66	87.06	1.33	TK.4354.39 US\$ 74.82	TK.64.21 US\$1.10

CSE OPERATIONAL STATISTICS
January-March 2004

Trading Month	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
January	1599.96	Tk. 86942.95 US\$ 1512.05	25	13.14	0.53	Tk. 663.27 US\$ 11.53	Tk.26.53 US\$ 0.83
February	1588.38	Tk.87810.18 US\$ 1527.13	17	7.08	0.42	Tk.120.08 US\$ 2.09	Tk.7.06 US\$0.12
March	1630.93	Tk.90168.32 US\$ 1568.14	24	14.32	0.60	Tk.437.02 US\$ 7.60	Tk.18.21 US\$ 0.32
Total			66	34.54	0.52	Tk.1220.37 US\$ 21.22	Tk 18.49 US\$0.42

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