

SEC
Quarterly Review
July-September 2003

Securities and Exchange Commission
Bangladesh

SECURITIES AND EXCHANGE COMMISSION

Quarterly Review **July-September 2003**

A PUBLICATION OF THE SEC

Securities and Exchange Commission

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CAPITAL MARKET NEWS

The Commission

SEC-ADB Workshop on Corporate Governance: A two day long national workshop on ‘Corporate Governance in Bangladesh’, jointly arranged by the Securities and Exchange Commission and the Asian Development Bank was held at the Sonargaon Hotel, Dhaka on July 9 thru 10, 2003

SEC okays CDBL bye - laws: The Securities and Exchange Commission approved ‘CDBL bye-laws’ paving the way for beginning the functions of central depository system. The bye-laws has stated the functions of Central Depository Bangladesh Ltd declaration of eligible securities, admission criteria, rights and obligation of CDBL participants, process for account opening and dematerializations, etc.

SEC rejects First Lease International Ltd plea to arrange fresh lottery: The Securities and Exchange Commission has rejected a plea of the First Lease International Ltd to arrange a fresh lottery for selecting successful subscribers to its primary shares, because of wrong sorting of subscriber’s applications by the said company and its issue manager.

SEC appoints firms to audit IPO funds utilisation: The Securities and Exchange Commission appointed Rahman Rahman Huq and Chowdhury Hossain Zaman & Co chartered accountants firms to audit the utilization of IPO and pre- IPO funds collected from public by Padma Cement Ltd and Modern Cement Ltd respectively.

SEC examines mandatory credit rating for IPOs: The Securities and Exchange Commission is examining the introduction of mandatory credit rating for companies seeking to raise funds from the capital market. The Commission thinks such a rating would help shareholders to judge the merit and strength of a company. As per the existing rules, mandatory credit rating is applicable only in case of companies going for rights and debt issues and issues of shares at premium.

Netting settlement system reinstated in CSE for ‘A’ Category scrip: The Securities and Exchange Commission removed the suspension of netting settlement system in the Chittagong Stock Exchange for settlement of scrips under ‘A’ Category on the basis of the repeated appeals from CSE and their assurance that the securities related rules & regulations will be strictly followed.

SEC plans pre-IPO audit of financial statements: The Securities and Exchange Commission is considering audit of pre-IPO financial statements by the SEC panel auditors in a bid to provide more transparent and accurate information to the investors through prospectus at IPO stage.

SEC mulls re- introducing slab system in IPOs: The Securities and Exchange Commission is contemplating re-introducing the slab system in Initial Public Offerings (IPO) of public limited companies.

SEC holds seminar at AIUB: The Securities and Exchange Commission holds an educative seminar for the students of the American International University Bangladesh (AIUB) on September 22, 2003. Mr. Mansur Alam, Executive Director, Mr. Abdul Hannan Zoardar, Executive Director, Mr. Shuvra Kanti Choudhury, Director and Mr. A T M Tariquzzaman, Director deliberated in the seminar.

Investors Education Program held in Sylhet: The Securities and Exchange Commission holds a day-long Investor Education Program at Sylhet city on September 27, 2003. Mr. Saleh Ahamed

Chowdhury, Member, SEC inaugurated the Programme. The potential investors of Sylhet participated in the programme. Mr. Mansur Alam, Executive Director, Mr. Abdul Hannan Zoardar, Executive Director, Mr. Shuvra Kanti Choudhury, Director and Mr. A T M Tariquzzaman, Director deliberated on market, investment for people, return on and ways to assess the strength or weakness of a listed company.

DSE

Salahuddin Ahamed Khan, new CEO of DSE: Mr. Salahuddin Ahamed Khan joined Dhaka Stock Exchange Ltd as the Chief Executive Officer on September 10, 2003. Prior to his new appointment he was an Associate Professor of Dhaka University in Finance and Banking Department.

DSE seeks changes in listing rules to better stock market: As a huge number of non-performing listed companies in the category 'Z' stands in the way of revitalizing the stock market, the Dhaka Stock Exchange has proposed to make some major changes in its listing regulations. These include increasing the existing minimum limit of paid-up capital from one crore to two crore taka and the minimum applicants at IPO 250 to 400 .

Merchants Bankers Association delegation meets DSE: Members of the Merchants Bankers Association led by its convenor Dr. Mohammed Musa met the Dhaka Stock Exchange Council on September 29, 2003. Mr. Ahamed Iqbal Hasan, Chairman, DSE chaired the meeting.

Australian trade team visits DSE: A six members delegation of Australian Marketing and Development Co. Ltd led by Mr. Tim Bennett visited the Dhaka Stock Exchange Ltd on 18 September, 2003

DSE Member houses participating in Mock Run of Central Depository Systems: Central Depository Bangladesh Limited has installed depository software VeDAS (Versatile engine for Depository Accounting Software) at 52 brokerage houses of DSE to link them up over their dial-up telephone line to the Central Depository System data center of CDBL at BSRs Bhaban, Kawran Bazar, Dhaka.

DSE introduces 5 digit Code: The Dhaka Stock Exchange Ltd has decided to change the identification of listed companies which are given in numbers. The existing 3-digit code will be replaced by a 5-digit code to facilitate trading engine of the DSE.

CSE

Workshop on Corporate Governance: An workshop on corporate governance was held on July 13, 2003 at Chittagong Stock Exchange (CSE) conference hall under Asian Development Bank (ADB) assistance project 'Capacity Building of SEC & Selected Capital Market Institutions'

European Commission delegation visits CSE: A two members European Commission delegations visited Chittagong Stock Exchange on July 29, 2003. They met the CSE vice presidents Mr. Habibullah Khan, Mr. Syed Mahmudul Huq and CSE Chief Executive Officer Mr. Wali-ul-Marooof Matin.

Training course on "Human Resource Development": The Chittagong Stock Exchange Ltd organized a two day professional training course on "Human Resource Development" for senior and mid level executives of various public, private and joint -venture companies on August 29 and 30, 2003 at CSE conference hall.

OTHER MARKET INFORMATION

Malaysia's Astro to launch largest IPO in Asia this year: Malaysian satellite television operator Astro expects to raise more than 1.10 billion ringgit (\$289m) in what is billed as one of Asia's largest share Offerings this year. For Asia, this is expected to be among the top five largest equity offerings-this year.

Hongkong extends stock watchdog Chair's term for two years: The Hongkong Government has extended the term of Andrew Sheng as the Chairman of the territory's stock watchdog, the Securities and Futures Commission (SFC), for two years. Sheng was first appointed as the Chairman of the SFC in October 1998.

Shareholders want bigger proxy process role: A large majority of individual shareholders are in favour of regulatory moves to open up corporate governance in the US and believe the new powers will increase investors confidence. The US Securities and Exchange commission plans next month to propose wide ranging reforms to the corporate proxy process-the method by which companies submit management proposals on issues such as copensation and direcror elections to their shareholders.

Deutche Bank wins approval to trade in China securities market: Germany's largest bank Deutche Bank has won regulatory approval to trade in China's 500-billion dollar securities market. Deutche Bank is the sixth foreign institution to be granted access by the China Securities Regulatory Commission.

Korea Stock Exchange enhances its electronic corporate disclosure system: In a bid to cope with ever- increasing flow and use of corporate information after the introduction of the integrated disclosure and fair disclosure system, the Korea Stock Exchange (KSE) has upgraded the Korea Investors Network for Disclosure(KIND) sustem,its electronic disclosure system.

Stock Exchange of Thailand enhances post-trade system capacity and appoints Vice Chairman: The Stock Exchange of Thailand's Board of Governors approved a project to develop the **integrated post-trade system** that will enhance the capacity and efficiency of all post-trade services, including clearing and settlement, securities registration, back office services and risk management system.

Kuala Lumpur Stock Exchange has new Chief Operating Officer: The Malaysian Ministry of Finance has appointed **Dato' Noorazman Abdul Aziz** as new Chief Operating Operating Officer of the Kuala Lumpur Stock Exchange. This appointment will take effect from 1 July 2003.

NYSE launches new broker-rankings website: The New York Stock Exchange received Securities and Exchange Commission approval to provide NYSE broker volume information directly to subscribers via its website.

BSE's popular barometer- SENSEX to shift to free- float methodology – A paradigm shift in Indian Indexing: The Stock Exchange, Mumbai (BSE) to shift the country's equity benchmark, SENSEX to the free-float methodology with effect from 1st September 2003. Currently, SENSEX is calculated based on the full market capitalization methodology.

The Exchange had earlier pioneered the concept of free-float in India by launching the country's first free-float based index BSE TECK Index, in June 2001. The Exchange has also launched in June 2003 a new index called **Bankex** to track the movement of stocks in bank industry, which have witnessed considerable market interest in terms of trading and investment. This index is also free-float based.

SENSEX will become the first broad-market index in the country to be based on the globally accepted free-float methodology. This shift would further facilitate the Foreign Investors to benchmark their investments. It is the country's oldest and most widely followed equity benchmark with Futures, Options and Exchange Traded Fund (SPICE) also available on it.

CORPORATE FINANCE

Capital Raising:

During July – September 2003 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 Company	Amount of Capital (in million taka)	Type of security
1	United Leasing Company Ltd.	100.00	Debenture
2	IDLC of Bangladesh Ltd.	250.00	Zero Coupon Bond
3	Premier Bank Ltd.	136.30	Ordinary Share
4	First Security Bank Ltd.	120.00	Ordinary Share
5	EXIM Bank Ltd.	171.50 (including premium)	Bonus Share

Company Performance (AGM & Dividend) July to September 2003

Sl. No.	Name of the Company	Date of AGM	Dividend declared
1.	Eastern Insurance Co. Ltd.	02.07.2003	18%
2.	ACI Limited	08.07.2003	37.50%
3.	National Life Insurance Co. Ltd.	08.07.2003	20%, 20% B
4.	Janata Insurance Co. Ltd.	15.07.2003	10%
5.	Karnaphuli Insurance Co. Ltd.	27.07.2003	16%
6.	Delta Life Insurance Co. Ltd.	31.07.2003	45%
7.	Rupali Bank Ltd.	02.08.2003	Nil
8.	Southeast Bank Ltd.	02.08.2003	20%, 10% B
9.	Rupali Insurance Co. Ltd.	12.08.2003	13%
10.	Dhaka Bank Ltd.	21.08.2003	20%
11.	Bangladesh Hotels Ltd.	25.08.2003	35%
12.	Sonargaon Textiles Ltd.	28.08.2003	7%
13.	Stylecraft Ltd.	04.09.2003	40%
14.	Aramit Cement Ltd.	10.09.2003	5%
15.	Aramit Ltd.	10.09.2003	33%
16.	Central Insurance Co. Ltd.	17.09.2003	12%
17.	National Credit and Commerce Bank Ltd.	17.09.2003	15% B
18.	Bangladesh Thai Aluminium Ltd.	18.09.2003	5%
19.	National Bank Ltd.	18.09.2003	20%
20.	Islami Bank Bangladesh Ltd.	19.09.2003	25%
21.	Purabi General Insurance Co. Ltd.	24.09.2003	10%
22.	Sandhani Life Insurance Co. Ltd.	24.09.2003	12%
23.	Apex Foods Ltd.	25.09.2003	12%

24.	Square Pharmaceuticals Ltd.	25.09.2003	75%, 20% B
25.	Therapeutics (Bangladesh) Ltd.	25.09.2003	Nil
26.	Zeal Bangla Sugar Mills Ltd.	25.09.2003	Nil
27.	Arab Bangladesh Bank Ltd.	27.09.2003	15% B
28.	STM Ltd.	27.09.2003	Nil
29.	Bangladesh Services Ltd.	28.09.2003	Nil
30.	Bangladesh Welding Electrodes Ltd.	29.09.2003	Nil
31.	Bionic Seafood Exports Ltd.	29.09.2003	Nil
32.	Dandy Dyeing	29.09.2003	Nil
33.	Federal Insurance Co. Ltd.	29.09.2003	10%
34.	Legacy Footwear	29.09.2003	5%
35.	Ambee Pharmaceuticals Ltd.	30.09.2003	22%
36.	Apex Spinning Mills Ltd.	30.09.2003	13%
37.	Apex Tannery Ltd.	30.09.2003	12%
38.	Lexco Ltd.	30.09.2003	5%
39.	Petro Synthetic Products Ltd.	30.09.2003	Nil
40.	Quasem Silk Mills Ltd.	30.09.2003	Nil
41.	Quasem Textile Mills Ltd.	30.09.2003	Nil

INITIAL PUBLIC OFFERING (IPO)

The Commission has accorded consent for publication of Prospectus of the following companies during July-September 2003 quarter, the particulars of which are furnished below:

Figure in Million Taka

Name of the Company	Date of Approval / Publication date	Sponsors Equity			Public Equity			Total (6+7+8)	Remarks (Issued at premium)
		Local	Foreign	Total	General Public	Foreign placement	Local placement		
1	2	3	4	5	6	7	8	9	10
Daffodil Computers Ltd.	20/09/03 21/09/03	100.00	--	100.00	45.00	--	30.00	75.00	at par
JMI-Bangladesh Co. Ltd.	25/09/03 27/09/03	25.7636	34.2364	60.00	30.00	--	20.00	50.00	at par

Rights Issue:

During the quarter July-September, 2003 no company has filed application for Rights Issue with the Commission. However, in September' 2003 Bengal Fine Ceramics Ltd. has cancelled its proposed Rights Offer of Tk. 32.50 million with the consent of the Commission.

SUPERVISION & REGULATION OF MARKETS AND INTERMEDIARIES

July –September 2003

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	04	06	10	03	00	07
Non-payment or delay in payment of interest of Debenture	00	04	04	00	00	04
Claim of dividend against lost shares	00	00	00	00	00	00
Regarding transfer of shares	03	00	03	03	00	00
Total	07	10	17	06	00	11

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	06	02	08	02	00	06
Regarding non refund of clients money	13	07	20	01	00	19
Total	19	09	28	03	00	25

REGISTRATION

Renewal of Stock Dealer/Stock Broker and Authorized Representatives' Registration Certificate:

During July-September, 2003 quarter, the Commission renewed 26 Stock Dealers/Stock Brokers registration certificate of Dhaka Stock Exchange Limited and 20 of Chittagong Stock Exchange Limited respectively. Out of the renewed registration certificates, 24 were Stock Dealer registration certificate and 22 were Stock Broker registration certificate. Apart from those, 122 Authorized Representatives' registration certificate of Dhaka Stock Exchange Ltd. were renewed during the quarter.

Issuance of Depository Participants Registration Certificate.

During the period, the Commission approved the following Depository Participants registration certificate as per W/CmRU/1 (e'enwi K) c/leavbj v, 2003 :

Sl. No.	Name of the Depository Participant	Address	Registration Certificate No. & Date	Classification of Depository
1	Standard Chartered Bank	2, Dilkusha Commercial Area, Dhaka	SEC/Reg./CDBL-DP-01 dated 04.09.2003	Custody Participant
2	Mona Financial Consultancy and Securities Ltd.	Room No. 317, 413 & 417, DSE Building, 9/F, Motijheel Commercial Area, Dhaka	SEC/Reg./CDBL/DP-02 dated 04.09.2003	Full Service Participant
3	Imtiyaz Hussain & Co.	42, Shahid Tajuddin Ahmed Sawrani (Old) 316 AB Tejgaon Industrial Area, Dhaka-1208	SEC/Reg./CDBL-DP-03 dated 08.09.2003	Full Service Participant
4	Chittagong Stock Exchange Ltd.	CSE Building, 1080, Shek Mujib Road, Agrabad Chittagong	SEC/Reg./CDBL-DP-04 dated 10.09.2003	Full Service Participant
5	Salam & Co. Ltd.	Room No. 201/205(1 st floor), DSE Building, 9/F, Motijheel Commercial Area, Dhaka-1000	SEC/Reg./CDBL/DP-05 dated 21.09.2003	Full Service Participant

SEC SURVEILLANCE SYSTEM

Surveillance: To ensure transparency and accountability of the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd through on line surveillance software & non trading version of work station. by regular trade analysis and inspection. The surveillance staff time to time inform the top management of the Commission about the market condition and discuss with the management of the respective issue if necessary. At the end of the trading, a daily trade reports 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 surveillance department. Relevant data and trading information are regularly collected from the stock exchange 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. SEC gets information or data from the surveillance department of DSE and online surveillance software of CSE, to analyze for next course of action. In the referred period SEC's surveillance team visited 3 (three) brokers of DSE and 2 (two) brokers of CSE to examine books & records in respect of certain trading activities at the exchanges.

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 the period of July-September 2003 for the reasons appear against their names.

(A) Brokerage House: Warned

Sl. No.	Date		Nature of default/Appeal	Commission's decision
01	17/8/03	Unity Shares Trade Ltd. (CSE Member No. 77)	Violation of license condition No. 11 (for non participation of trading activities during 2001-2002) by Chittagong Stock Exchange broker Unity Shares Trade Ltd. (CSE Member No. 77).	Letter issued with warning to comply with all securities laws in future.
02	17/9/03	Raja Securities Ltd. (CSE Member No. 074)	Violation of clause 13 (4) of the Chittagong Stock Exchange (Regulation) Act, 2000 & condition 10 of the Stock Dealer Registration Certificate (non submission of financial statement) and Section 6(3) of the Securities and Exchange Ordinance, 1969 (Non-response to commission letter) by Chittagong Stock Exchange broker/dealer Raja Securities Ltd. (CSE Member No. 074).	Letter issued with warning to comply with all securities laws in future.

(B) Issuer Company: Directors Penalized/Appeal/Review

Sl. No.	Date		Nature of default/Appeal	Commission's decision
01	01/07/03	Major (Rtd.) Md. Akhtaruzzaman, Managing Director, Gachihata Acquaculture Farms Ltd.	Non payment of declared dividend of 2001-2002 by Gachihata Acquaculture Farms Limited within stipulated time.	Penalty of Taka 1.50 crore imposed on Major (Rtd.) Md. Akhtaruzzaman, Managing Director of the Company.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
02	01/07/03	Mr. Md. Abdur Razzak, Managing Director, Raspit Data Management & Telecommunication Limited	Non payment of declared dividend of 2001-2002 by Raspit Data Management & Telecommunication Limited within stipulated time.	Penalty of Taka 55.00 lacs imposed on Mr. Md. Abdur Razzak, Managing Director of the Company.
03	03/07/03	Mr. Md. Rahmatullah, Managing Director, Apex Tannery Ltd.	Appeal against Commission's order No. SEC/Enforcement/158/ 2003-75 dated 28 April 2003 (for non-disclosure of Price Sensitive information) imposing Taka one lac penalty on Mr. Md. Rahmatullah, Managing Director of Apex Tannery Ltd.	Penalty of Taka one lac withdrawn. Mr. Md. Rahmatullah is warned for compliance of all securities laws in future.

C) Issuer Company: Directors Warned

Sl. No.	Date		Nature of default/Appeal	Commission's decision
01	23/7/03	Mr. Ekram Ali Mirdha Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. Ekram Ali Mirdha, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
02	23/7/03	Ms. Rahat Saleha Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Rahat Saleha, Sponsor of Ashraf	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Textile Mills Ltd.	
03	23/7/03	Ms. Shamsun Nessa Begum, Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Shamsun Nessa Begum, Sponsor of Ashraf Textile Mills Limited.	Letter issued with warning to comply with all securities laws in future.
04	23/7/03	Mr. M. Ataullah Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. M. Ataullah, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
05	23/7/03	Ms. Salima Begum Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Salima Begum, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
06	23/7/03	Mr. Haider Ali Mirdha Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. Haider Ali Mirdha, Sponsor of Ashraf	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Textile Mills Limited.	
07	23/7/03	Mr. Asgar Ali Mirdha Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. Asgar Ali Mirdha, Sponsor of Ashraf Textile Mills Limited.	Letter issued with warning to comply with all securities laws in future.
08	23/7/03	Ms. Rahima Khatun Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Rahima Khatun, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
09	23/7/03	Ms. Ferdousi Begum Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Ferdousi Begum, Sponsor of Ashraf Textile Mills Limited.	Letter issued with warning to comply with all securities laws in future.
10	23/7/03	Ms. Rabeya Akhter Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Rabeya Akhter, Sponsor of	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Ashraf Textile Mills Ltd.	
11	23/7/03	Ms. Umme Homaira Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Umme Homaira, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
12	23/7/03	Mr. Shafiul Alam Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. Shafiul Alam, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
13	23/7/03	Ms. Hamida Begum Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Hamida Begum, Sponsor of Ashraf Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
14	23/7/03	Ms. Sabrina Akhter Sponsor Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Ms. Sabrina Akhter, Sponsor of	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Ashraf Textile Mills Ltd.	
15	23/7/03	Mr. Al-Haj Mohd. Salah Uddin Ahmed, Sponsor, Ashraf Textile Mills Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated 25 th March 2001 and gazetted on 16 April 2001 (buy/sell of securities by the Sponsor/Director without prior notification) by Mr. Al-Haj Mohd. Salah Uddin Ahmed, Sponsor of Ashraf Textile Mills Limited.	Letter issued with warning to comply with all securities laws in future.
16	17/9/03	Mr. Siraj Uddin Haider Director/Sponsor Usmania Glass sheet Factory Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/ Admin-06 dated 25 March 2001 and gazetted on 16 April 2001 (non-submission of written report of buy/sell of share) by Director/Sponsor Mr. Siraj Uddin Haider of Usmania Glass sheet Factory Ltd.	Letter issued with warning to comply with all securities laws in future.
17	17/9/03	Mr. Mohammad Sadek, Director/Sponsor Usmania Glass sheet Factory Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/ Admin-06 dated 25 March 2001 and gazetted on 16 April 2001 (non-submission of written report of buy/sell of share) by Director/Sponsor Mr. Mohammad Sadek of Usmania Glass sheet Factory Ltd.	Letter issued with warning to comply with all securities laws in future.
18	17/9/03	Mr. M. R. Raskin Director/Sponsor Usmania Glass sheet Factory Ltd.	Violation of Commission's Notification No. SEC/SRMID/2000-953/313/ Admin-06 dated 25 March 2001 and gazetted on 16 April 2001 (non-submission of written report of buy/sell of share) by Director/Sponsor Mr. M. R. Raskin of Usmania Glass sheet Factory Ltd.	Letter issued with warning to comply with all securities laws in future.

(D) Issuer Company: Warned

Sl. No.	Date		Nature of default/Appeal	Commission's decision
01	22/07/03	Pubali Bank Ltd.	Sale of bonus share of shareholder by Pubali Bank Ltd. violating advise of SEC.	Letter issued with warning to comply with Commission's advise/instructions and securities related laws in future.
02	17/9/03	United Commercial Bank Ltd.	Violation of Commission's order No. SEC/Sec-7/99-140 dated 28 April 1999 (non-transfer of lodged share within stipulated time) by United Commercial Bank Ltd.	Letter issued with warning to comply with all securities laws in future.

(E) Issuer Company: Directives/Order Issued

Sl. No.	Date		Nature of default/Appeal	Commission's decision
01.	04/8/03	Bangladesh Luggage Industries Ltd.	Non co-operation with SEC appointed auditor by Bangladesh Luggage Industries Ltd.	Directive issued under section 20A of the Securities and Exchange ordinance, 1969 to co-operate immediately with SEC appointed auditor.
02.	14/8/03	M. Hossain Garments Washing and Dyeing Ltd.	Non-payment of audit bill by M. Hossain Garments Washing and Dyeing Ltd.	Directive issued under section 20A of the Securities and Exchange ordinance, 1969 to pay the audit bill within 7 days and inform the compliance of the directive to the Commission within next working day.
03.	01/9/03	M. Hossain Garments Washing and Dyeing Ltd.	Non-rectification of books of accounts of 1998-99 in line with audit report submitted by SEC appointed auditor by M.	Directive issued under section 20A of the Securities and Exchange Ordinance,

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			Hossain Garments Washing and Dyeing Ltd.	1969 to rectify books of accounts of 1998-99 in line with audit report submitted by SEC appointed auditor within next 30 days.

Summary of the Enforcement action taken for the period July – September 2003

Nature of enforcement action taken	Number of cases
(A)Against Brokerage House	
Warned	2
Total	2
(B)Against Issuer Company and its directors	
Penalized	Nil
Directors penalized	2
Warned	20
Directives/ Order Issued/Appeal rejected and Miscellaneous	4
Total	26
Total = A+B= (2+26)	28

LEGAL SERVICES

Court Cases of SEC

Total 98 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	04
		High Court Division	47
02.	Metropolitan Session Judge Court, Dhaka.		11
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.		05
08.	General Certificate Court, Dhaka.		18
Total Cases			98

Share Scam Cases, 1996.

Out of total 15 cases 3 cases are now pending before the Appellate Division, 6 cases before the High Court Division of the Supreme Court and rest 6 Cases are pending before the Metropolitan Session Judge Court, Dhaka.

Filing of certificate case :

Two Certificate Cases have been filed against Raspit Data Management and Telecommunications Ltd. and Gachihata Aqua Culture Firms Ltd. to recover the Taka of penalty which were imposed against the two Companies for violation of Securities law.

Filing of criminal case:

A complaint petition case has been filed in the Court of CMM, Dhaka against SPM Ltd. a broker of DSE, for violation of securities law.

DSE & CSE SCENARIO

Capital Market: As of 30th September 2003 the total issued capital of all listed securities of Dhaka Stock Exchange was TK.38567 million (US\$ 660 million) which was TK.36081 million (US\$ 622 million) on 30 June 2003. In Chittagong Stock Exchange the total issued capital on 30 September 2003 was TK.33158.70 million (US\$ 564.12million) which was TK.31906.73 million(US\$ 545 million) on 30 June 2003.

Stock Market Operation: During July-September 2003 quarter the total turnover in Dhaka Stock Exchange was 103.90 million securities while the total amount traded in Dhaka Stock Exchange during the same period was TK.2952.33 million (US\$ 50.82million)

During July-September 2003 quarter the total turnover in Chittagong Stock Exchange was 15.80 million securities while the total amount traded in Chittagong Stock Exchange during the same period was TK.527.31 million (US\$ 9.09 million) during this quarter.

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK. 73000 million(US\$ 1250 million) as on 30th September 2003 compared to TK.72998 million(US\$ 1259 mil) as on 30th June 2003.

In the Chittagong Stock Exchange total market capitalization of all securities was TK.59762.86 million (US\$ 1016.72 million) as on 30th September 2003 compared to TK.60208.61 million(US\$ 1029.21 million) as on 30th June 2003.

Weighted Average Share Price Index: DSE weighted average share price index stood at 823.23 on 30 September 2003 compared to 823.14 on 30th June 2003.CSE all share price index stood at 1841.2285 on 30th September 2003 while it was 1841.2458 on 30th June 2003. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK. 58.00 For July-September 2003 quarter)

Bangladesh Capital Market Summary

As on 30 September 2003

Indicators	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	243	175
No. of mutual funds	11	10
No. of debentures	9	02
<i>Total No. of Listed Securities</i>	<i>263</i>	<i>187</i>

Figures in million

No. of shares of all listed companies	995.82	849.88
No. of certificates of all listed mutual funds	73.25	72.25
No. of debentures of all listed debentures	0.41	0.053
<i>Total No. of Tradable Securities g\</i>	<i>1069.48</i>	<i>922.18</i>

Figures in million

Issued capital of all companies	TK.	37883	32789.84
	US\$	649	557.84
Issued capital of all mutual funds	TK.	395	295
	US\$	7	5.02
Issued debentures	TK.	289	73.86
	US\$	5	1.26
<i>Total issued capital</i>	<i>TK.</i>	<i>38567</i>	<i>33158.70</i>
	<i>US\$</i>	<i>660</i>	<i>564.72</i>

Figures in million

Total Market capitalization	TK.	73000	59762.86
	US\$	1250	1016.72

Weighted average share price index	823.23	1841.2285
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DSE OPERATIONAL STATISTICS
July-September 2003

Trading Month	Index (Weighted Average)	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	823.26	TK.70998 US\$1,224	26	44.14	1.68	TK.1434.19 US\$24.73	TK.59.76 US\$1.02
August	823.23	TK.70314 US\$1,212	23	32.46	1.41	TK.791.13 US\$13.64	TK.34.40 US\$0.59
September	823.23	TK.73000 US\$1,259	24	27.30	1.14	TK.727.01 US\$12.45	TK.30.29 US\$0.52
Total			73	103.90	1.41	TK.2952.33 US\$ 50.82	TK.41.48 US\$ 0.71

CSE OPERATIONAL STATISTICS
July-September 2003

Trading Month	Index (Weighted Average)	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
July	1841.238	Tk.59978.70 US\$ 1034.11	26	8.20	0.31	Tk. 404.07 US\$ 6.97	Tk. 15.54 US\$0.28
August	1841.227	Tk.60119.50 US\$ 1036.54	23	3.35	0.14	Tk. 57.63 US\$0.99	Tk. 2.51 US\$0.04
September	1841.229	Tk.59762.86 US\$ 1023.34	24	4.25	0.18	Tk. 65.61 US\$ 1.13	Tk.2.73 US\$0.04
Total			73	15.80	0.21	Tk.527.31 US\$ 9.09	Tk6.93 US\$ 0.12

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

