



**SECURITIES AND EXCHANGE COMMISSION**

# **Quarterly Review**

April - June 2006

A publication of the SEC

**Securities and Exchange Commission**

Jiban Bima Tower ( Floor 15, 16 & 20 )

10, Dilkusha Commercial Area

Dhaka-1000, Bangladesh

Phone: 9568101-2, 9561525

Fax: (88)-02-9563721

Website: <http://www.secbd.org>

E-mail: [secbd@bdmail.net](mailto:secbd@bdmail.net) <<mailto:secbd@bdmail.net>>



Price: TK. 25.00 only



SECURITIES AND EXCHANGE COMMISSION

## Quarterly Review

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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.85,723 million as on end of the April-June Quarter. The said figure was Tk.76,441 million at the end of the previous quarter that indicates an increase of 12.14%. Similarly, in the Chittagong Stock Exchange the figure was Tk. 62,531 million as on end of the said quarter and Tk. 57,625 million at the end of the previous quarter resulting in an increase of 8.51%. The market capitalization of all listed securities of Dhaka Stock Exchange Ltd. was Tk. 2,25300 million as on 30 June 2006 which was Tk. 2,24757 million as on 31 March 2006. Similarly, the market capitalization of all listed securities in Chittagong Stock Exchange was Tk. 1,96341 million as on the end of the said quarter which was Tk. 205127 million at the end of the previous quarter.

*Activities of the Securities and Exchange Commission (SEC) during April-June 2006 quarter are furnished below:*

#### **SEC Chairman visited DSE:**

The new Chairman of Securities and Exchange Commission (SEC) Mr. Faruq Ahmad Siddiqi visited the Dhaka Stock Exchange (DSE) on April 05, 2006. He met with the Directors of the DSE and discussed on various issues relating capital market. The Board of Directors of DSE made a few recommendation and requested chairman SEC to consider the same for development of capital market.

#### **Investors' Education Program Held:**

The Securities and Exchange Commission (SEC) conducted Investors' Education Program at SEC- two programs in each month from April-June 2006. A total of 113 investors participated in the said programs. To create awareness among the general investors the Commission also conducted Investors' Education Program at Rajshahi on 2nd May, 2006. A total of 100 general 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 exchanges has been conducting training program for authorized representatives of the members of Dhaka Stock Exchange and Chittagong Stock Exchange. Training programs for the DSE members' authorized representatives were held on 23-24 May and 20-21 June, 2006 in the DSE Board Room. Similar program for the CSE Members' Authorized Representatives was also held on 12-13 and 19-20, April, 2006 in Sylhet and Chittagong respectively. A total number of 148 authorized representatives of members of the both stock exchanges attended.

Senior officials of SEC, DSE and CSE conducted the said training highlighting 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.

### **Seminar on Capital Market for National Defence College (NDC) Delegation:**

The Commission arranged a seminar on capital market for the delegation of 'National Defense College (NDC)' on 16 May 2006 at SEC's Board Room. Thirty nine senior officers from Army, Navy, Air force and Civil Service led by Senior Directing Staff (Navy) Commodore Shaikh Mohammad Moniruzzaman (E), ndc, psc participated in the said seminar. SEC Chairman Mr. Faruk Ahmad Siddiqi welcomed the delegation and gave an overview on country's capital market. SEC member Mr. Abbas Uddin Khan, FCA, gave presentation on various aspects of capital market to the delegations and answered the numerous queries posed by the delegations. Senior SEC Officials were also present in the seminar.

## **| Dhaka Stock Exchange |**

### **DSE Arranged Road Show on Capital Market in Chittagong:**

Dhaka Stock Exchange (DSE) arranged a Daylong Road Show on Capital Market in Chittagong on June 24, 2006. The Road Show was first of its kind after the expansion of upgraded automation of DSE's online service since August, 2005 which attracted a large number of local investors. The Securities and Exchange Commission (SEC) Chairman, Mr. Faruq Ahmad Siddiqi was the Chief Guest on the occasion. To create awareness among the investors and to stimulate them to invest in the capital market and to encourage the entrepreneurs to collect capital from the capital market was the main objective of the DSE Road show.

### **Workshop titled 'Reading and Understanding Financial Statements in line with International Accounting Standards' (IAS) held:**

Dhaka Stock Exchange arranged a workshop titled 'Reading and Understanding Financial Statements in line with International Accounting Standards' on May 10, 2006. ICMAB and Director of DSE Mr. Satipati Moitra conducted the course where senior officials of DSE member houses, issue managers and merchant bankers attended the workshop. The topics like financial statements, components of statements, balance sheet, cash flow statement etc were discussed in the workshop.



## | Chittagong Stock Exchange |

### **New CEO of CSE:**

The Board of Directors of Chittagong Stock Exchange appointed Mr. A.B.Siddiq, FCMA as new Chief Executive Officer of Chittagong Stock Exchange on 30 March 2006. Earlier he was working as Company Secretary and the General Manager of the Finance Department of CSE.

### **Three companies de-listed form CSE:**

The CSE has de-listed J. H. chemical industries Ltd., Meghna vegetable oil industries Ltd and Mark Bangladesh Industry and Engineering Ltd. for not complying with the listing regulation of CSE.

### **IDLC opened its Merchant banking branch in Chittagong:**

IDLC of Bangladesh Ltd. has opened its Merchant Banking branch in Chittagong on 18 May, 2006. IDLC will facilitate firstly the non-discretionary investment account “cap invest” through this branch and gradually they will introduce all other Merchant Banking facilities.

### **CSE Delegation met SEC Chairman:**

A delegation of Chittagong Stock Exchange led by its President Mr. M. K. M. Mohiuddin met with the new Chairman of SEC on 30 March, 2006. Mr. Mohiuddin welcomed SEC Chairman for assumption of his new duty and emphasized on the joint efforts of DSE, CSE and SEC to develop the capital market. The Delegation also invited SEC Chairman to visit CSE.

### **Workshop on Derivatives Held in CSE:**

CSE organized a workshop on “Derivatives” in its Sylhet office for their Sylhet based members on June 22, 2006 to develop and expansion of country's capital market. The CSE Vice President Mr. Fakhar Uddin Ali Ahmad inaugurated the workshop and said that the trading of derivatives instrument would start very soon in CSE and it would help to increase market liquidity in the capital market.

## CORPORATE FINANCE

### *Information concerning holding of AGM and declaration of dividend during April - June 2006 Quarter*

Sl. No.	Name	Date of AGM	Cash Dividend (%)	Stock Dividend (%)
1	First Lease International Ltd.	21/06/2006	--	20.00
2	Al-Arafah Islami Bank Ltd.	17/05/2006	--	26.00
3	Arab Bangladesh Bank Ltd.	11/06/2006	--	10.00
4	Bank Asia Ltd.	24/04/2006	10.00	20.00
5	Dutch Bangla Bank Ltd.	30/04/2006	25.00	--
6	Eastern Bank Ltd.	21/05/2006	40.00	--
7	IDLC of Bangladesh Ltd.	26/04/2006	37.50	--
8	Islamic Finance & Investment Ltd.	18/05/2006	10.00	5.00
9	Mercantile Bank Ltd.	28/05/2006	5.00	20.00
10	Mutual Trust Bank Ltd.	23/05/2006	14.00	10.00
11	National Bank Ltd.	19/06/2006	--	30.00
12	National Credit and Commerce Bank Ltd.	30/05/2006	10.00	10.00
13	One Bank Ltd.	29/06/2006	15.00	10.00
14	Peoples Leasing & Financial Services Ltd.	29/05/2006	--	45.00
15	Premier Leasing International Ltd.	30/05/2006	5.00	10.00
16	Prime Finance & Investment Ltd.	12/04/2006	--	30.00
17	South East Bank Ltd.	15/06/2006	--	20.00
18	Standard Bank Ltd.	04/05/2006	--	20.00
19	United Leasing Co. Ltd.	08/05/2006	32.00	50.00
20	Uttara Bank Ltd.	25/05/2006	20.00	100.00
21	Confidence Cement Ltd.	28/06/2006	5.00	--
22	Heidelberg Cement Ltd.	31/05/2006	8.00	10.00
23	Lafarge Surma Cement Ltd.	28/06/2006	--	--
24	Meghna Cement Mills Ltd.	22/06/2006	25.00	--
25	Padma Cement Ltd.	21/06/2006	--	--
26	Aziz Pipes Ltd.	28/06/2006	--	--



Sl. No.	Name	Date of AGM	Cash Dividend (%)	Stock Dividend (%)
27	Bangladesh Lamps Ltd.	29/05/2006	27.50	--
28	Eastern Cables Ltd.	29/06/2006	10.00	--
29	Monno Jute Staffler Ltd.	22/06/2006	30.00	--
30	Rangpur Foundry Ltd.	14/06/2006	16.00	--
31	Singer Bangladesh Ltd.	08/05/2006	30.00	--
32	Alpha Tobacco Mfg. Co. Ltd.	26/06/2006	--	--
33	BD. Leaf Tobacco Co. Ltd.	20/06/2006	--	--
34	Beach Hatchery Ltd.	22/06/2006	5.00	--
35	Bengal Biscuits Ltd.	22/06/2006	--	--
36	Beximco Fisheries Ltd.	24/06/2006	--	--
37	British American Tobacco Co. Ltd.	21/06/2006	30.00	--
38	Eastland Camellia Ltd.	09/05/2006	25.00	--
39	German Bangla J.V. Food Ltd.	29/06/2006	--	--
40	Modern Industries (BD) Ltd.	15/06/2006	--	--
41	Mona Food Industry Ltd.	22/06/2006	--	--
42	National Tea Co. Ltd.	03/06/2006	20.00	--
43	Rabeya Flour Mills Ltd.	22/06/2006	5.00	--
44	Summit Power Ltd.	25/06/2006	10.00	10.00
45	Agrani Insurance Co. Ltd.	29/06/2006	5.00	--
46	Bangladesh General Insurance Co. Ltd.	27/06/2006	--	15.00
47	Eastland Insurance Co. Ltd.	29/06/2006	10.00	20.00
48	Green Delta Insurance Co. Ltd.	29/06/2006	--	40.00
49	Karnaphuli Insurance Co. Ltd.	29/06/2006	--	12.00
50	Mercantile Insurance Co. Ltd.	29/06/2006	10.00	--
51	Nitol Insurance Co. Ltd.	22/06/2006	10.00	--
52	Pioneer Insurance Co. Ltd.	27/06/2006	15.00	--
53	Pragati Insurance Ltd.	28/06/2006	15.00	15.00
54	Reliance Insurance Ltd.	27/06/2006	10.00	25.00
55	United Insurance Co. Ltd.	15/05/2006	26.00	--
56	Bangladesh Online Ltd.	24/06/2006	10.00	10.00
57	Information Services Network Ltd.	27/06/2006	--	--
58	Intech Online Ltd.	29/06/2006	--	15.00
59	Apex Footwear Ltd.	04/05/2006	22.00	--



Sl. No.	Name	Date of AGM	Cash Dividend (%)	Stock Dividend (%)
60	Bata Shoe Co. (BD) Ltd.	22/06/2006	120.00	--
61	Berger Paints Bangladesh Ltd.	02/05/2006	100.00	--
62	Beximco Ltd.	24/06/2006	5.00	10.00
63	GQ Ball Pen Ltd.	21/06/2006	30.00	--
64	Himadri Ltd.	22/06/2006	4.00	--
65	Jago Corporation	26/06/2006	6.00	--
66	Paper Processing & Packaging Ltd.	28/06/2006	--	--
67	ACI Ltd.	22/06/2006	45.00	--
68	Beximco Pharmaceuticals Ltd.	22/06/2006	15.00	--
69	Beximco Synthetics Ltd.	26/06/2006	5.00	10.00
70	Glaxo Smithkline Ltd.	25/05/2006	30.00	--
71	Rahman Chemicals Ltd.	28/06/2006	--	--
72	Reckitte Benckiser (BD) Ltd.	18/05/2006	42.00	--
73	Renata Ltd.	10/06/2006	50.00	20.00
74	The Ibn Sina Pharmaceuticals Ltd.	27/06/2006	21.00	--
75	Therapeutics Bangladesh Ltd.	28/06/2006	--	--
76	Shinepukur Holdings Ltd.	22/06/2006	--	--
77	Arbee Textile Mills Ltd.	29/06/2006	--	--
78	Ashraf Textile Mills Ltd.	30/04/2006	--	--
79	Monno Febrics Ltd.	21/06/2006	6.00	--
80	Safko Spinning Mills Ltd.	28/06/2006	4.00	--
81	Square Textile Ltd.	07/06/2006	30.00	12.50

## CAPITAL ISSUE

The Commission accorded consent to four companies to raise capital through public issue during the April-June 2006 period. Information of the said issues are furnished 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
LankaBangla Finance Limited	29/6/2006 11/7/2006 11/7/2006 11/7/2006 12/7/2006	350.00	260.00	--	260.00	90.00	---	----	90.00	At par
Bangladesh Industrial Finance Co. Ltd.	29/6/2006	163.2701	12.7764	39.5342	52.3106	110.9595	----	----	110.9595	At par
IPDC of Bangladesh Ltd.**	29/6/2006	617.014	163.014	315.00	478.014	139.00	----	----	139.00	At Premium of Tk. 100 each
Prime Islami Life Insurance Ltd.	29/6/2006	75.00	30.00	----	30.00	45.00	----	----	45.00	At par

\*\* The company issued shares at Tk. 200 each that includes Tk. 100 premium for each share. Amount shown at column 8 does not include premium.

### Capital Raising

The Commission accorded consent to the following seven private limited companies to raise capital whose capital exceeded Taka 100 million during the April-June 2006 period.

SL. No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	BSRM Steels Limited	Ordinary Shares of Tk. 150.00 million	29.05.2006	150.00
2	Standard Group Ltd.	Ordinary Shares of Tk. 247.00 million	14.06.2006	247.00
3	Tulagaon Fashions Ltd.	Ordinary Shares of Tk. 25.00 million	10.05.2006	25.00
4	Standard Stitches Ltd.	Ordinary Shares of Tk. 55.00 million	08.05.2006	55.00
5	International Trading Services Ltd.	Ordinary Shares of Tk. 20.00 million	14.06.2006	20.00
6	Bay Agro Industries Ltd.	Ordinary Shares of Tk. 20.27 million	18.04.2006	20.27
7	Epyllion Knitex Ltd.	Ordinary Shares of Tk. 186.20 million	28.06.2006	186.20
<b>Total Amount</b>				<b>703.47</b>

The Commission accorded consent to the following ten public limited companies to raise capital during the April-June 2006 period.

SL. No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	Fareast Finance and Investment Ltd.	Bonus Shares of Tk.29.00 million	20.04.2006	29.00
2	Bangladesh Fertilizers & Agrochemicals Ltd.	Ordinary Shares of Tk.165.43 million	14.06.2006	165.43
3	Rangs Pharmaceuticals Ltd.	Ordinary Shares of Tk. 25.00 million	27.06.2006	25.00
4	Union Capital Ltd.	Bonus shares of Tk. 32.19 million	24.04.2006	32.19
5	Bangladesh Industrial Finance Co. Ltd.	Bonus Shares of Tk. 69.05 million	08.05.2006	69.05
6	Al-Haj Karim Textiles Ltd.	Ordinary Shares of Tk. 202.50 million	21.05.2006	202.50
7	Janata Jute Mills Ltd.	Bonus Shares of Tk. 34.25 million	21.05.2006	34.25
8	Shah Fatehullah Textile Mills Ltd.	Ordinary Shares of Tk. 150.31 million	04.05.2006	150.31
9	Ahsania -Malaysia Hajj Investment & Finance Co. Ltd.	Ordinary Shares of Tk. 125.00 million	19.06.2006	125.00
10	Premier Bank Ltd.	Rights Shares of Tk. 123.90 million	29.06.2006	123.90
<b>Total Amount</b>				<b>956.63</b>

### 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.

Name of the Company	Date of Application	Present Status	Amount in Million Tk.
Central Insurance Co. Ltd.	23.08.2005	Approved on 24.04.2006	36.00



### Asset Backed Securities:

The Commission accorded consent to BRAC to issue Asset Backed Zero Coupon Bond to raise capital during the quarter through private placement.

Sl. No.	Name of the Originator	Date of Application	Status	SPV	Trustee	Issue Price
1	BRAC	02.02.2006	Consent Letter and Registration Issued on 17.05.2006	BRAC Micro-Credit Securitization Trust	Eastern Bank Ltd.	US\$180 million

### Direct Listing:

Sl No.	Name of the Company	Date of Application	Status	No. of shares to be offloaded	Face Value of shares to be offloaded
1	Dhaka Electric Supply Co. Ltd. (DESCO)	03.05.2006	Listed on 18.06.2006	3177985	BDT 317,798,500.00

## SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

Status of complaints received during  
April-June 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	4	1	1	2
Non payment or delay in payment of interest	1	-	1	-
Regarding IPO shares	5	-	-	5
Miscellaneous	8	-	1	7
<b>Total</b>	<b>18</b>	<b>1</b>	<b>3</b>	<b>14</b>

### 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	-	-	-	-
Miscellaneous	3	-	1	2
<b>Total</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>3</b>



## CENTRAL DEPOSITORY SYSTEM

In April - June 2006 quarter the following 4(four) companies have joined Central Depository Bangladesh Ltd. (CDBL). During this period the total numbers of companies under CDBL stands at 100.

Sl. No.	Name of the Company	Joining Date
1	Karnaphuli Insurance Co. Limited	16.4.2006
2	Renata Limited	16.4.2006
3	Arab Bangladesh Bank Limited	7.5.2006
4	Padma Textile Mills Limited	31.5.2006

## REGISTRATION

### Issuance and Renewal of Stock Broker Registration Certificate:

During April-June, 2006 quarter the Commission issued Stock Broker registration certificate to the following five members of Dhaka Stock Exchange Ltd. and one member of Chittagong Stock Exchange Ltd. under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ as amended:

#### Dhaka Stock Exchange:

Sl. No.	Name & Address of the Stock Broker	Membership No.	Registration Certificate Number and Issue Date
1	Nexus Securities Limited 35 Bijoy Nagar, Dhaka	DSE-218	Registration-3.1/DSE-218/2006/116 date 03 April 2006
2	Green Delta Financial Services Limited 2 Dilkusha C/A, Hadi Mansion (4th Floor), Dhaka-1000	DSE-59	Registration-3.1/DSE-59/2006/117 date 18 April 2006
3	Subvalley Securities Limited 10 Bijoy Path (1041 Khilbarirtek), Dhaka-1000	DSE-168	Registration-3.1/DSE-168/2006/118 date 24 April 2006
4	Business Trade Syndicate Limited 139 Shantinagar, Dhaka	DSE-226	Registration-3.1/DSE-226/2006/119 date 18 May 2006
5	Mutual Trust Bank Limited 68 Dilkusha C/A, Dhaka-1000	DSE-197	Registration-3.1/DSE-197/2006/120 date 18 May 2006

#### Chittagong Stock Exchange:

Sl. No.	Name & Address of the Stock Broker	Membership No.	Registration Certificate Number and Issue Date
1	PHP Stocks and Securities Limited 1078 Ramjoy Mahazon Lane, Asadganj Chittagong	CSE-031	Registration-3.1/CSE-031/2006/133 date 18 May 2006



During the period the Commission renewed 107 stock dealer/stock broker registration certificates of Dhaka Stock Exchange Limited and 42 of Chittagong Stock Exchange Limited. Altogether 149 Stock Dealers/Stock Broker registration certificates were renewed.

### **Conversion into Corporate Body:**

During this quarter the Commission approved fresh stock broker registration certificate in favor of two members of Dhaka Stock Exchange Limited who have been converted into corporate entities from proprietorship concerns under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ 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.

### **List of Depository Participants**

<b>Sl. No.</b>	<b>Name &amp; Address of the Stock Broker</b>	<b>Membership No.</b>	<b>Registration Certificate No. &amp; Issue Date</b>
1	Greenland Equities Limited DSE Building, Room # 716 9/F Motijheel C/A, Dhaka-1000	DSE-18	Registration-3.1/DSE-18/2006/121 date 04 June 2006
2	Adil Securities Limited Room#720, 9/F Motijheel C/A, Dhaka-1000	DSE-17	Registration-3.1/DSE-17/2006/122 date 13 June 2006

### **Issuance and Renewal of Authorized Representative Registration Certificate:**

During the quarter, the Commission issued altogether 249 authorized representative registration certificates to 193 applicants of Dhaka Stock Exchange Limited and 56 applicants of Chittagong Stock Exchange Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ as amended and renewed 266 Authorized Representative registration certificates (196 of DSE and 70 of CSE).

### **Issuance and Renewal of Depository Participant Registration Certificate:**

During the quarter, the Commission issued 4 Depository Participant registration certificates under the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩: and renewed 115 Depository Participant registration certificates.



### List of Depository Participants

Sl. No.	Name & Address of the Depository Participant	Type of DP	Registration Certificate No. & Issue Date
1	Green Delta Financial Services Limited 2 Dilkusha C/A, Hadi Mansion (4th Floor) Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-220 date 03 May 2006
2	Subvalley Securities Limited 10 Bijoy Path (1041 Khilbarirtek) Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-221 date 03 May 2006
3	Commercial Bank of Ceylon Limited 47 Motijheel C/A, Post Box # 3490 Dhaka-1000	Custody DP	SEC/Registration/CDBL-DP-222 date 23 May 2006
4	Eastern Shares and Securities Limited Farooq Chamber (4th Floor) 1404 Sk. Mujib Road, Agrabad, Chittagong	Full Service DP	SEC/Registration/CDBL-DP-223 date 13 June 2006

### Issuance of a Trustee Registration Certificate for Asset Backed Securities:

The Commission issued a trustee registration certificate in favor of Eastern Bank Limited for BRAC Securitization of Micro Credit Receivables under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সম্পদ ভিত্তিক সিকিউরিটি ইস্যু) বিধিমালা, ২০০৪ during the period.

### Issuance of a Security Custodian Registration Certificate:

During the period the Commission also issued a Security Custodian Registration Certificate in favor of Dhaka Bank Limited under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিকিউরিটি কাষ্টডিয়াল সেবা) বিধিমালা, ২০০৩.

### ICB AMCL First Mutual Fund (Closed-end):

The Commission approved the draft deed of ICB AMCL First Mutual Fund (Closed-end) under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.



## 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 the following stock-brokers / stock-dealers during April-June 2006.

Nature of Enquiry & Investigation	Investigation and Enquiry Against
Corporate declaration and shares trading of IFIC Bank Ltd. at DSE on 2nd April 2006	Premium Securities Ltd. (DSE Membership # 181)
Shares trading of Pragati Life Insurance Co. Ltd. at DSE on 4th May 2006	PFI Securities Ltd. (DSE Membership # 079)
Corporate declaration and shares trading of Jamuna Bank Ltd. at DSE from 17th to 30th April 2006	Concerned involving parties
Share trading of Zeal Bangla Sugar Mills Ltd. at DSE from 9th to 16th May 2006	Major involving stock brokers / stock dealers of DSE
Share trading of Zeal Bangla Sugar Mills Ltd. at DSE from 2nd to 6th June 2006	N C C Bank Ltd. (stock broker of DSE) (DSE Membership # 061)

### 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. Besides, as per decision of 24th Monthly Coordination Meeting Surveillance Department started re-inspection of brokerage firms to ensure whether those firms stopped activities in violation of securities laws. Inspection details are stated below:

Nature of Inspection	Inspection Against
Monthly regular inspection for the month April 2006	Eastern Insurance Co. Ltd. (CSE Membership # 098)  Harunur Rashid & Co. (DSE Membership # 005)
Monthly regular inspection for the month May 2006	Trendset Securities Ltd. (CSE Membership # 077)  Kazi Feroz Rashid & Co (DSE Membership # 029)
Monthly regular inspection for the month June 2006	Cordial Securities Ltd. (CSE Membership # 113)  Multi Securities & Services Ltd. (DSE Membership # 075)

## 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 April-June 2006 for the reasons mentioned against their names:

### (A) Broker House/Merchant Banker : *Warned*

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	03/04/06	Lanka Bangla Securities Limited (Stock-Dealer) (Ex-VANIK Bangladesh Securities Limited) (DSE Membership No132 and CSE Membership No. 091)	The stock-dealer contravened Rule 8 (1) (ccc) of the Securities and Exchange Rules, 1987 by not maintaining customer account information form in respect of its client M/s Himalyan Fund.	Letter of warning issued with a direction to comply with all securities laws in future.
2	03/04/06	L. R. K. Securities Limited (Stock-Dealer) (DSE Membership No. 026)	The Commission imposed a penalty amounting to taka one lac on L.R.K Securities Limited (DSE Membership No. 026) under section 22(1) of the Securities and Exchange Ordinance, 1969, vide its order No. SEC/Enforcement /263/2004/353 dated September 22, 2004, for contravention of Rule 4 (Manner of transaction of member's business) of the Securities and Exchange Rules, 1987 and Rule 3 of Margin Rules, 1999.	The Commission, considering the grounds of appeal, has decided to waive the penalty imposed.
3	07/05/06	Prime Finance & Investment Limited and PFI Securities Limited 63, Dilkusha C/A Dhaka-1000  Attention: Mr. T. K Poddar, Director	It appeared from the enquiry report that Mr. T. K. Poddar, Director of Prime Finance & Investment Limited and PFI Securities Limited demonstrated his non-co-operation with the enquiry committee in course of the enquiry in respect of providing information, explanation etc.	The Commission, considering the subsequent furnishing of the requisite information, explanations etc., has decided to dispose of the proceedings against Mr. T.K. Poddar with reprimand as well as, by placing on record the Commission's dissatisfaction on the defaults made by the company and its official concerned.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
4	07/05/06	S. N. M. Securities Limited (DSE Membership No.07)	S.N.M Securities Ltd. has contravened Rule 4 of the Securities and Exchange Rules, 1987 and conditions 3 of the stock-broker's registration certificate by not properly maintaining the trade related records of its customers as well as by not depositing the customer's money (cheque) into the consolidated customers' bank account on the same day of receipt from the customer namely, Mr. Pankaj Roy.	Letter of warning issued with a direction to comply with all securities laws in future.
5	10/05/06	Kabir Ahmed & Co. (Stock-Dealer) (DSE Membership No.68)	It is revealed from the enquiry report concerned that the stock dealer has contravened the Rule 4 (1) and 8A of the Securities and Exchange Rules, 1987, “স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিদের আচরণ বিধি ১, ২(২), ৬ এবং ৭ as enumerated in the Second Schedule of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ and বিধি ১১ of said regulation.	Letter of warning issued with a direction to comply with all securities laws in future.
6	10/05/06	ARC Securities Limited(Stock-Broker) (DSE Membership No.100)	From the enquiry it revealed that the stock broker contravened the Rule 4 (1) and 8A of the Securities and Exchange Rules, 1987, “স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধিদের আচরণ বিধি ১, ২(২), ৬ এবং ৭ as enumerated in the Second Schedule of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ and বিধি ১১ of said regulation.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
7	15/05/06	D. N. Securities Ltd. (CSE Membership No.89)	Pursuant to the enquiry it appeared, among others, that D. N. Securities Ltd. contravened Rule 3 of the Margin Rules, 1999 and regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998.	Letter of warning issued with a direction to comply with all securities laws in future.
8	15/05/06	National Securities and Consultants Limited (CSE Membership No. 57)	It was revealed from the enquiry report that, among others, National Securities and Consultants Limited contravened Rule 3 of the Margin Rules, 1999 and regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998.	Letter of warning issued with a direction to comply with all securities laws in future.
9	15/05/06	JIC Securities Limited (CSE Membership No. 30)	It was revealed from the enquiry report concerned, among others, that JIC Securities Limited contravened Rule 3 of the Margin Rules, 1999 and Regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998.	Letter of warning issued with a direction to comply with all securities laws in future.
10	13/06/06	Managing Director of Mercantile Securities Limited (Merchant Banker).	Non-compliance of the provision of বিধি ১১(৪) and বিধি ১২ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফলিও ম্যানেজার) বিধিমালা ১৯৯৬ by not submitting the statements required under the said provisions.	Letter of warning issued with a direction to comply with all securities laws in future.

**(B) Issuer Company: Order/Directive/Appeal review/Misc.**

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	09/04/06	M.Hossain Garments Washing and Dyeing Limited (issuer) and its Managing Director, Directors and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০০-৯৮৫/২২৪৮/প্র-০২/১ তারিখ ১৯ ডিসেম্বর, ২০০০ gazetted on February 25, 2001 concerning disseminating price sensitive information regarding AGM of 2003.	Appeal rejected through the Commission's letter No. SEC/Enforcement/223/2004/371 dated April 9, 2006 against penalty Orders Nos. SEC/Enforcement/223/2004/156, SEC/Enforcement/223/2004/157, SEC/Enforcement/223/2004/158 and SEC/Enforcement/223/2004/159 dated February 19, 2006.
2	12/04/06	Alhaz Khan Md. Iqbal, Chairman/Managing Director, Mrs. Iqbal Nasrin, Director, Mr. Khan Md. Israr, Director, Mr.Khan Md.Ikramullah, Director, Mr. AK Chakraborty, IDB Nominee Director and Mr. Md. Kalimullah, IDB Nominee Director of Sonali Paper and Board Mills Limited.	Non-compliance of the Commission's Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, by not holding the AGM in the year 2005.	Penalty imposed amounting to Tk.1.00 lac each upon each directors of the issuer. 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
3	12/04/06	Alhaz Khan Md. Iqbal, Chairman/Managing Director, Mrs. Iqbal Nasrin, Director, Mr. Khan Md. Israr, Director, Mr.Khan Md.Ikramullah, Director, Mr. AK Chakraborty, IDB Nominee Director and Mr. Md. Kalimullah, IDB Nominee Director of Sonali Paper and Board Mills 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 4th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2005.	Penalty imposed amounting to Tk.1.00 lac upon each director of the issuer.  An additional penalty amounting to Tk.10,000/- per day also imposed for continuance of default.
4	12/04/06	Alhaz Khan Md. Iqbal, Chairman/Managing Director, Mrs. Iqbal Nasrin, Director, Mr. Khan Md. Israr, Director, Mr.Khan Md.Ikramullah, Director, Mr. AK Chakraborty, IDB Nominee Director and Mr. Md. Kalimullah, IDB Nominee Director of Sonali Paper and Board Mills Limited.	Non-compliance of Rule 13 of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4th January 2000 by not submitting the half yearly financial statements for the half year ended on December 31, 2005.	Penalty imposed amounting to Tk.1.00 lac upon each director of the issuer.  An additional penalty amounting to Tk.10,000/- per day also imposed for continuance of default.
5	12/04/06	Mr. Md. Zakaria, Director, Alhaz Md. Abdul Hakim, Director, Mrs. Ambia Khatun, Director, Mr. Md. Nazmus Salehin, Director, Mr. Khorshed Hossain, Director, Mr. Md. Oliullah, Director, Mr. Md. Abu Taher, Director, Mr. Kabir Ahmed, Director and Mr. M.F Kamal, Managing Director of Meghna Condensed Milk Industries Ltd.	Non-compliance of section 11(2) of the Securities and Exchange Ordinance, 1969 by not submitting the copy of agreement between Meghna Condensed Milk Industries Limited and Abul Khair Condensed Milk & Beverage Limited.	Penalty imposed amounting to Tk.1.00 lac upon each director of the issuer.  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
6	03/05/06	Chictex Limited (issuer) and its Managing Director and Directors.	Non-compliance of the Commission's Notification No.SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, by not holding the AGM in the year 2005.	Appeal rejected through the Commission's letter No. SEC/Enforcement/37/2001/468 dated May 3, 2005 against penalty Orders Nos. SEC/Enforcement/37/2001/210, SEC/Enforcement/37/2001/211, SEC/Enforcement/37/2001/212 and SEC/Enforcement/37/2001/213 dated February 28, 2006.
7	03/05/06	Chictex Limited (issuer) and its Managing Director and Directors.	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 4th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2005.	Appeal rejected through the Commission's letter Nos. SEC/Enforcement/37/2001/469 dated May 3, 2005 against penalty Orders Nos. SEC/Enforcement/37/2001/215, SEC/Enforcement/37/2001/216, SEC/Enforcement/37/2001/217 and SEC/Enforcement/37/2001/218 dated February 28, 2006.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
8	22/05/06	Sonali Paper and Board Mills Limited (issuer) and its Directors, and Managing Director.	Non-compliance of the Commission's Notification No.SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, by not holding the AGM in the year 2005.	Appeal rejected through the Commission's letter No. SEC/Enforcement/145/2002/517 dated May 22, 2006 against penalty Orders Nos. SEC/Enforcement/145/2002/395, SEC/Enforcement/145/2002/396, SEC/Enforcement/145/2002/397, SEC/Enforcement/145/2002/398, SEC/Enforcement/145/2002/399 and SEC/Enforcement/145/2002/400 all dated April 12, 2006.
9	22/05/06	Sonali Paper and Board Mills Limited (issuer) and its Directors, and Managing Director.	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 4th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2005.	Appeal rejected through the Commission's letter No. SEC/Enforcement/145/2002/518 dated May 22, 2006 against penalty Orders Nos. SEC/Enforcement/145/2002/402, SEC/Enforcement/145/2002/403, SEC/Enforcement/145/2002/404, SEC/Enforcement-145/2002/405, SEC-Enforcement/145/2002/ 406 and SEC/Enforcement/145/2002/407 all dated April 12, 2006.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
10	22/05/06	Sonali Paper and Board Mills Limited (issuer) and its Directors, and Managing Director.	Non-compliance of Rule 13 of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4th January 2000 by not submitting the half yearly financial statements for the half year ended on December 31, 2005.	Appeal rejected through the Commission's letter No. SEC/Enforcement/145/2002/519 dated May 22, 2006 against penalty Orders Nos. SEC /Enforcement/145/2002/409, SEC/Enforcement/145-2002/410, SEC/Enforcement/145/2002/411 SEC/Enforcement/145/2002/412, SEC/Enforcement/145/2002/413 and SEC/Enforcement/145/2002/414 all dated April 12, 2006.
11	22/05/06	Eagle Box & Cartoon Mfg. Co. Limited (issuer), Directors and Managing Director.	Non-compliance of the Commission's Notification No.SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, by not holding the AGM in the year 2003.	Penalty waived through letter No. SEC / Enforcement/215/2004/520 dated May 22, 2006 against penalty Orders Nos. SEC/Enforcement/215/2004/218 dated 10/15 May 2005 and SEC/Enforcement/215/2004/256 dated May 28, 2005.
12	23/05/06	Mr. Md. Nazmus Salehin, Nominee Director of Meghna Condensed Milk Industries Limited.	Non-compliance of section 11(2) of the Securities and Exchange Ordinance, 1969 by not submitting the copy of agreement between Meghna Condensed Milk Industries Limited and Abul Khair Condensed Milk & Beverage Limited.	Penalty waived through letter No. SEC / Enforcement/380/2005/522 dated May 23, 2006 against Order No. SEC/Enforcement/380/2005/388 dated April 12, 2006.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
13	23/05/06	Mr. Md, Khorshed Hossain, Nominee Director of Meghna Condensed Milk Industries Limited.	Non-compliance of section 11(2) of the Securities and Exchange Ordinance, 1969 by not submitting the copy of agreement between Meghna Condensed Milk Industries Limited and Abul Khair Condensed Milk & Beverage Limited.	Penalty waived through letter No. SEC/Enforcement/380/2005/521 dated May 23, 2006 against Order No. SEC/Enforcement/380/2005/389 dated April 12, 2006.
14	23/05/06	Mr. Md. Zakaria, Director, Alhaz Md. Abdul Hakim, Director, Mrs. Ambia Khatun, Director, Mr. Md. Oliullah, Director, Mr. Md. Abu Taher, Director, Mr. Kabir Ahmed, Director and Mr. M.F Kamal, Managing Director of Meghna Condensed Milk Industries Limited.	Non-compliance of section 11(2) of the Securities and Exchange Ordinance, 1969 by not submitting the copy of agreement between Meghna Condensed Milk Industries Limited and Abul Khair Condensed Milk & Beverage Limited.	Appeal rejected through letter No. SEC/Enforcement/380/2005/523 dated May 23, 2006 against order Nos. SEC/Enforcement/380/2005/385, SEC/Enforcement/380/2005/386 SEC/Enforcement/380/2005/387 SEC/Enforcement/380/2005/390 SEC/Enforcement/380/2005/391, SEC/Enforcement/380/2005/392 and SEC/Enforcement/380/2005/393 dated April 12, 2006.
15	23/05/06	Managing Director and Company Secretary of Meghna Shrimp Culture Limited.	Non-compliance of CCI's Notification No. SRO.385-Law/91 dated December 15, 1991 (issued under section 2G of Securities and Exchange Ordinance, 1969) by not paying of declared dividend to BSRS & First BSRS Mutual Fund.	Imposed penalty against order No. SEC/Enforcement/114/2002/16 dated January 5, 2006 has been waived through letter No. SEC/Enforcement/114/2002/524 dated May 23, 2006.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
16	25/05/06	Mrs. Dilara Begum, Director, Mrs. Shamim Ara Begum, Managing Director, Mr. Rezaul Karim Chowdhury, Director and Mr. Badrul Haque, Director of Saleh Carpet Mills Limited.	Non-compliance with the Commission's Order No. SEC/Sec-7/99-140 dated April 28, 1999 by not transferring the shares in the name of some shareholders as well as non-attendance at the hearing to the Commission for the said matter.	Penalty imposed amounting to Tk. 1.00 lac upon each director of the issuer.  An additional penalty amounting to Tk.10,000/- per day also imposed for continuance of default.
17	30/05/06	Mrs. Kanchan Kejriwal, Director, Mrs. Kanchan Devi Kejriwal, Director, Mrs. Vogawati Devi Kejriwal, Director, Mr. Uttam Kejriwal, Director, Mr. Ashok Kejriwal, Director and Mr. Deokanadan Kejriwal, Managing Director of Bangladesh Zipper Industries Limited.	Non-compliance of CCI's Notification No. SRO.385-Law/91 dated December 15, 1991 (issued under section 2G of Securities and Exchange Ordinance, 1969) by not paying of declared dividend in the year 2001 and 2002 to Mr. AKM Abdur Rahman Bhuiyan, Mrs. Ferdous Begum, Mrs. Farhana Ferdous and Mr. Kamrul Hasan & others.	Appeal rejected through letter No. SEC/Enforcement/209/2004/574 dated May 30, 2006 against order No. SEC/Enforcement/209/2004/130, SEC/Enforcement/209/2004/131 SEC/Enforcement/209/2004/132 SEC/Enforcement/209/2004/133 SEC/Enforcement/209/2004/134 and SEC/Enforcement/209/2004/135 dated February 9, 2006.
18	31/05/06	Mr. AKM Maidul Islam, Chairman/ Director, Mrs. Khadiza Shamim, Managing Director, Mrs. Selina Begum, Director of Quasem Silk Mills 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 4th January 2000 by not submitting the audited financial statements for the year ended on September 30, 2005.	Penalty imposed amounting to Tk.1.00 lac upon each director of the issuer.  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
19	31/05/06	Mr. AKM Maidul Islam, Chairman/Managing Director, Mrs. Khadiza Shamim, Director, Mrs. Selina Begum, Director of Quasem Textile Mills 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 4th January 2000 by not submitting the audited financial statements for the year ended on September 30, 2005.	Penalty imposed amounting to Tk. 1.00 lac upon each director of the issuer.  An additional penalty amounting to Tk. 10,000/- per day also imposed for continuance of default.
20	15/06/06	Alhaz Md. Siddiqur Rahman Chowdhury, Chairman and Managing Director, Mr. Md. Mushfiqur Rahman Chowdhury, Director, Mrs. Safina Rahman Rupa, Director, Mr. Motiur Rahman Chowdhury, Director, Mrs. Nasima Ahmed, Director, Mr. Shafiqur Rahman Chowdhury of Rose Heaven Ball Pen Ltd.	Non appearance at the hearing in connection with failure to disclose the material information with regard to extraordinary loss due to poor quality of ink, as claimed by the issuer, in the financial statements for the year of loss, i.e for the year ended on June 30, 2001, which falls under the purview of price sensitive information as defined in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) প্রবিধানমালা ১৯৯৫.	Penalty imposed amounting to Tk.1.00 lac upon each director of the issuer.  An additional penalty amounting to Tk. 10,000/- per day also imposed for continuance of default.

**(C) Issuer Company: *Warned***

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	09/04/06	Tamijuddin Textile Mills Limited (Issuer)	SEC appointed auditor submitted the audit report wherefrom it appeared that the issuer has contravened sub-Rule (3) of Rule 12 of the Securities and Exchange Rules, 1987 and section 18 of the Securities and Exchange Ordinance, 1969 by failing to furnish true and fair audited financial statements for the year ended on June 30, 2000 and also failing to prepare and publish true and fair financial statements, as well as committing alleged financial irregularities and fraud.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
2	09/04/06	1. Sreepur Textile Mills Limited (Issuer)  2. Directors Sreepur Textile Mills Limited  3. Managing Director Sreepur Textile Mills Limited.	SEC appointed auditor submitted the audit report wherefrom it appeared that the issuer has contravened sub-Rule (3) of Rule 12 of the Securities and Exchange Rules, 1987 and section 18 of the Securities and Exchange Ordinance, 1969 by failing to furnish true and fair audited financial statements for the year ended on June 30, 2000 and also failing to prepare and publish true and fair financial statements, communicating false information, commitment of financial irregularities and fraud.	Letter of warning issued with a direction to comply with all securities laws in future.
3	07/05/06	Tripti Industries Limited  Directors Tripti Industries Limited  Managing Directors Tripti Industries Limited  Company Secretary Tripti Industries Limited	Pursuant to an enquiry it is appeared that issuer has contravened the provisions of the SEC Notification No. SEC/SRMID/2000-985/2248/Pra-02/1 dated 19 December 2000, published in the Bangladesh Gazette on 25 February 2001, by not disclosing its price sensitive information in respect of declaration of the lay-off of its factory in 2000.	Letter of warning issued with a direction to comply with all securities laws in future.
4	02/04/06	Bangladesh Thai Aluminium Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of Rule 13 of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4 January 2000 by not submitting the half yearly financial statements for the half year ended on 31 December 2004.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
5	02/04/06	Eagle Star Textile Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated 3 February 2002 by not submitting the audio-visual recording of proceedings of AGM in the years 2001, 2002, 2003 and 2004 held on August 30, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
6	03/04/06	Eastern Housing Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of CCI's Notification No. SRO. 385-Law/91 dated December 15, 1991 (issued under section 2G of Securities and Exchange Ordinance, 1969) by not paying of declared dividend to the shareholders. Subsequently, the issuer completed all payments by March 10, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
7	26/04/06	Bangla Process Industries Limited, (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of Rule 13 of the Securities and Exchange Rules, 1987 as amended through the Notification SEC/LSD/SER-1987/149 dated 4th January 2000 by not submitting the half yearly financial statements for the half year ended on December 31, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
8	26/04/06	Mercantile Bank Limited (issuer) Directors, Managing Director and Company Secretary	Non-compliance of বিধি ৬ ও ৭ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (উলেখযোগ্য সংখ্যক শেয়ার অর্জন, অধিগ্রহণ ও কর্তৃত্ব গ্রহণ) বিধিমালা, ২০০০ (as ammended) by not publishing the acquisition of 10% shares of IDLC as required by said regulation.	Letter of warning issued with a direction to comply with all securities laws in future.
9	23/05/06	First Lease International Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of section 18 of the Securities and Exchange Ordinance, 1969 by overlooking the plan to right issue in the AGM which was mentioned in the annual report, 2004.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
10	28/05/06	Eagle Star Textiles Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০০-৯৮৫/২২৪৮/প্র-০২/১ তারিখ ১৯ ডিসেম্বর, ২০০০ইং gazetted on February 25, 2001 by not disclosing price sensitive information regarding sale of land.	Letter of warning issued with a direction to comply with all securities laws in future.
11	29/05/06	Delta Spinners Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 29, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
12	29/05/06	Apex Weaving and Finishing Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 8, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
13	29/05/06	Sonali Ansh Industries Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 26, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
14	29/05/06	Tallu Spinning Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 27, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
15	29/05/06	Mithun Knitting & Dyeing (CEPZ) Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 27, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
16	29/05/06	Bangladesh Electricity Meter Co. Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 31, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
17	29/05/06	Al-Amin Chemical Industries Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 27, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
18	30/05/06	Sajib Knitwear & Garments Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 22, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
19	30/05/06	Yusuf Flour Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 26, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
20	05/06/06	Stylecraft Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০০-৯৮৫/২২৪৮/অ-০২/১ তারিখ ১৯ ডিসেম্বর, ২০০০ইং gazetted on February 25, 2001 by not disclosing price sensitive information regarding purchase of fixed assets and building and construction.	Letter of warning issued with a direction to comply with all securities laws in future.
21	05/06/06	J.K. Fabrics Limited (sponsor/director of UCBL).	Non-compliance of Commission's Notification No. SEC/SRMID/2000-953/313/Admin-06 dated March 25, 2001 by not executing of sale order of shares after declaration.	Letter of warning issued with a direction to comply with all securities laws in future.
22	05/06/06	Modern Cement Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০০-৯৮৫/২২৪৮/অ-০২/১ তারিখ ১৯ ডিসেম্বর, ২০০০ইং gazetted on February 25, 2001 by not publishing the notice of 5th AGM in two daily newspapers.	Letter of warning issued with a direction to comply with all securities laws in future.
23	06/06/06	Rose Heaven Ball Pen Limited (issuer), Directors, Managing Director and Company Secretary.	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 4th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
24	06/06/06	Rangpur Foundry Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance with the clause (b) of the Commission's Order No. SEC/CFD-71/2001/Admn/02/05 dated January 03, 2002 by appointing M/S M. J. Abedin & Co. Chartered Accountants, as the statutory auditor for the year 2004 and 2005, i.e. for a further period exceeding consecutive 3 years, without SEC prior clearance.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
25	06/06/06	Gemini Sea Food Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 11, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
26	07/06/06	Anlima Yarn Dyeing Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 27, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
27	07/06/06	Gulf Foods Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 29, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
28	07/06/06	Bangas Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 27, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
29	07/06/06	Rangamati Food Products Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 20, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
30	14/06/06	Purabi General Insurance Co. Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
31	14/06/06	Prime Insurance Company limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
32	14/06/06	Pioneer Insurance Company Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
33	14/06/06	National Tea Company Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
34	14/06/06	Eagle Star Textile Mills Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
35	14/06/06	Atlas Bangladesh Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
36	14/06/06	Jago Corporation Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to March 2005 and July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
37	14/06/06	Chictex Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to March 2005 and July to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
38	14/06/06	Therapeutics Bangladesh Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
39	14/06/06	Tamizuddin Textile Mills Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
40	14/06/06	Standard Ceramic Industries Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
41	14/06/06	Padma Printers and Colour Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
42	14/06/06	Northern Jute Mfg. Co. Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
43	14/06/06	Dulamia Cotton and Spinning Mills Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
44	14/06/06	Aftab Automobiles Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position for the month of July to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
45	14/06/06	Wata Chemicals Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
46	14/06/06	Stylecraft Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
47	14/06/06	Sonali Paper & Board Mills Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
48	14/06/06	Sonali Ansh Industries Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
49	14/06/06	Metalex Corporation Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
50	14/06/06	German Bangla JV Food Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to July 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
51	14/06/06	Dynamic Textile Industries Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
52	14/06/06	Confidence Cement Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
53	14/06/06	Azadi Printers Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগষ্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
54	14/06/06	Amam Sea Food Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০৪-০৮/১১৬-২৩৯ তারিখ ২৯ আগস্ট, ২০০৪ ইং issued under section 11 (2) of the Securities and Exchange Ordinance, 1969 by not submitting the Capital and Shareholding position from September 2004 to August 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
55	20/06/06	Mona Food Industry Limited (issuer) Directors, Managing Director and Company Secretary.	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 4th January 2000 by not submitting the audited financial statements for the year ended on June 30, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
56	20/06/06	Asraf Textile Mills Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of the Commission's Notification No. SEC/SRMI/2000-953/1950 dated 24th October 2000, gazetted on 7th November 2000, by not holding the AGM in the year 2005 within stipulated period.	Letter of warning issued with a direction to comply with all securities laws in future.
57	21/06/06	Engr.M.A Rashid, Director of Peoples Insurance Company Limited.	Non-compliance of Commission's Notification No. SEC/SRMID/2000-953/313/ Admin-06 dated March 25, 2001 by not executing of sale order of shares after declaration.	Letter of warning issued with a direction to comply with all securities laws in future.
58	21/06/06	Fine Foods Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. এসইসি/এসআরএমআইডি/২০০০-৯৮৫/২২৪৮/প্র-০২/১ তারিখ ১৯ ডিসেম্বর, ২০০০ইং gazetted on February 25, 2001 by not disseminating price sensitive information to Chittagong Stock Exchange regarding AGM.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
59	22/06/06	Alhaj Textile Mills Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 28, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
60	22/06/06	Meghna Shrimp Culture Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of CCI's Notification No. SRO.385-Law/91 dated December 15, 1991 (issued under section 2G of Securities and Exchange Ordinance, 1969) by not paying of declared dividend to a shareholder namely Mr. Abdur Razzak.	After payment of dividend a letter of warning issued with a direction to comply with all securities laws in future.
61	22/06/06	Azadi Printers Limited (issuer), Directors, Managing Director and Company Secretary.	Non-compliance of provision (c) of the Commission Order No. SEC/CFD-71/2001/Admin/02/05 dated February 3, 2002 by not submitting the audio-visual recording of proceedings of AGM held on December 12, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
62	22/06/06	Excelsior Shoes Limited (issuer), Directors, Managing Director and Company Secretary.	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 4th January 2000 by not submitting the audited financial statements for the year ended on September 30, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.
63	29/06/06	Bangladesh Leaf Tobacco Co. Limited (issuer), Directors, Managing Director and Company Secretary.	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 4th January 2000 by not submitting the audited financial statements for the year ended on December 31, 2005.	Letter of warning issued with a direction to comply with all securities laws in future.

**(D) Depository Participants: *Warned***

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	28/05/06	Syed Mahbub Morshed and Company (DP-75, DSE Membership No.101)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
2	28/05/06	Md. Shahidullah & Co. (DP-142, DSE Membership No.91)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
3	28/05/06	ALOCO (DP-133, DSE Membership No.139)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
4	28/05/06	Joytun Securities International Limited (DP-145, DSE Membership No.148)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
5	28/05/06	CMSL Securities Limited (DP-35, DSE Membership No.113, CSE-61)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
6	28/05/06	Synet Securities Limited (Stock Broker CSE Membership No.33), Sylhet.	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/87 dated November 8, 2005 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
7	28/05/06	ZATL Securities Limited (Stock Broker CSE Membership No.45)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/87 dated November 8, 2005 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
8	28/05/06	ICB Securities Trading Co. Limited (DP-15)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
9	28/05/06	Brotherhood Securities Limited (DP-183)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
10	28/05/06	ICB Securities Trading Co. Limited (DP-15), Barisal.	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
11	28/05/06	SNM Securities Limited (DP-68).	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
12	28/05/06	Gateway Equity Resources Limited (DP-104).	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
13	28/05/06	Premium Securities Limited (DP-175).	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
14	28/05/06	M.A Quaum & Co. (DP-131).	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
15	28/05/06	South Asia Securities Limited (DP-106).	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
16	28/06/06	Amin Securities and Consultants Limited (DP-118, CSE Membership No. 128)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
17	28/06/06	Md. Fakhrul Islam & Co. (DP-158, DSE Membership No. 90)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
18	28/06/06	Equity Resources Limited (DP-40, DSE Membership No. 30)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
19	28/06/06	Shamsul Huda & Co. (DP-115, DSE Membership No. 117)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
20	28/06/06	Brotherhood Securities Limited (DP-183, DSE Membership No. 109)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.
21	28/06/06	Razzak Securities Limited (DP-31, DSE Membership No. 184)	Non-compliance of the Commission's Directive No. SEC/CDS/2:22/1999/187 dated July 18, 2004 issued under section 14 of the Depository Act 1999 by keeping shares in the clearing account on record date.	Letter of warning issued with a direction to comply with all securities laws in future.



**(E) Others: Warned**

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	09/05/06	Md. Rafiuddin Khandakar Authorized Representative Haji Mohammad Ali & Co. (DSE Membership No. 30)	As registered authorized representative of the stock broker, Md. Rafiuddin Khandakar dealt with and executed the transactions for Md. Asaduzzaman without having proper buy orders and receiving the required fund and provided false/incorrect documents to the SEC's surveillance team showing receipt of necessary fund from the buyer on 19 April 2004 and sell of 23,858 shares of Mr. M. A. Samad (not a customer of the broker) through its customer's account (Mr. Fazlul Haque) despite those shares were not in the name of or belonged to the broker's customer.	Letter of warning issued with a direction to comply with all securities laws in future.
2	09/05/06	Kazi Mahiboor Rab Authorized Representative Haji Mohammad Ali & Co. (DSE Membership No. 30)	As a registered authorized representative of the stock broker, Kazi Mahiboor Rab dealt with and executed the transactions for Md. Asaduzzaman without having proper buy orders and receiving the required fund and provided false/incorrect documents to the SEC's surveillance team showing receipt of necessary fund from the buyer on 19 April 2004 and sell of 23,858 shares of Mr. M. A. Samad (not a customer of the broker) through its customer's account (Mr. Fazlul Haque) despite those shares were not in the name of or belonged to the broker's customer.	Letter of warning issued with a direction to comply with all securities laws in future.



**Summary of the Enforcement action taken for the period of April to June 2006:**

<b>Nature of enforcement action taken</b>	<b>Number of cases</b>
<b>(A) Stock Dealer/Broker/Merchant Banker</b>	
Warned	10
<b>Total</b>	<b>10</b>
<b>(B) Issuer Company and its directors</b>	
Directive/Order issued/Appeal rejected/Misc.	20
Warned	63
<b>Total</b>	<b>83</b>
<b>(C) Others (Depository Participants)</b>	
Warned	21
<b>Total</b>	<b>21</b>
<b>(E) Others: Warned</b>	
Warned	2
<b>Total</b>	<b>2</b>
<b>Grand Total (A)+(B)+(C)+(D)=(10+83+21+2)</b>	<b>116</b>

### Court Cases of SEC

Total 138 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	
1	Supreme Court of Bangladesh	Appellate Division	03
		High Court Division	71
2	Metropolitan Session Judge Court, Dhaka.	05	
3	5th Joint Dist. Judge Court, Dhaka.	08	
4	4th Asst. Judge Court, Dhaka.	03	
5	Chief Metropolitan Magistrate Court, Dhaka.	06	
6	General Certificate Court, Dhaka.	42	
	<b>Total Cases:</b>	<b>138</b>	

- Out of total 15 Share Scam cases of 1996, 2 cases are now pending before the Honorable Supreme Court, Appellate Division, 9 cases before the Honorable Supreme Court, High Court Division and rest 4 cases are pending before the Metropolitan Session Judge Court, Dhaka.
- Seven Certificate cases against the Directors of three Companies were filed to recover the penalty imposed under securities law upon them by the Commission during the period April-June, 2006.



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

### ORDER

Dated the 30th May, 2006

*No. SEC/CMRRCD/2006-159/Admin/0.2/09* Whereas, the Securities and Exchange Commission deems it fit that the consent already accorded by the Commission, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or to the public offer of securities for sale, should be subject to certain further conditions in the interest of investors and the capital market;

Now, therefore, in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission hereby imposes the following further conditions to the consent already accorded by it, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital in Bangladesh, or public offers of securities for sale, namely:-

- (a) The issuer company shall, among others, specifically and clearly mention the following in its resolutions of every annual general meeting:
  - (i) the reasons, if any, for partial or non-distribution of profit, as the case may be, to the shareholders as dividend; and
  - (ii) the company's plan (with schedule) for utilization of the undistributed profits, if there be any:

Provided that the Board of Directors shall submit a detailed report on utilization position of (ii) above in the next annual general meeting of the company for shareholders' consideration:

Provided further that the aforesaid condition shall not apply in respect of an issuer which would recommend at least 10% dividend on the face value/paid-up capital for the relevant financial year.

- (b) The issuer company shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years:

Provided that this provision shall also apply in the case of auditors who will have audited consecutively for three years upon the completion of their current assignment:

Provided further that the issuer may continue with the existing statutory auditor subject to the clearance of the Commission if it recommends at least 10% dividend on the face value/paid-up capital for the year immediately preceding the year for which the statutory auditor is appointed.

- (c) The issuer shall make continuous and uninterrupted audio visual recoding of the entire proceedings of its annual general meeting and shall furnish a copy of the same in unedited form within the shortest possible time but not later than three working days from the date of holding of the said annual general meeting to the Commission and the Stock Exchange(s).
- (d) This order shall replace the earlier order of the Commission bearing No. SEC/CFD-71/2001/Admin/02/05 dated 3<sup>rd</sup> January, 2002.

By order of the Commission

Faruq Ahmad Siddiqi  
Chairman



## **DHAKA STOCK EXCHANGE LIMITED**

**Date April 12, 2006**

### **Dhaka Stock Exchange (Direct Listing) Regulations, 2006.**

In exercise of power conferred by section 34(1) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Dhaka Stock Exchange, with the prior approval of the Securities and Exchange Commission, makes the following Regulations, namely:-

**1. Short title.-**

- (1) These regulations may be called the Dhaka Stock Exchange (Direct Listing) Regulations, 2006.
- (2) These Regulations shall be applicable for direct listing of shares of public limited companies.

**2. Requirements concerning capital and operation:** The concerned company-

- (i) shall have minimum paid up capital of taka 50 (fifty) million;
- (ii) shall have no accumulated loss;
- (iii) shall be in commercial operation for at least immediate last three years;
- (iv) shall have profit in two years out of the immediate last three completed accounting/financial years;  
and
- (v) is regular in holding annual general meeting.

**3. Listing:**

- (i) The company shall apply to the Dhaka Stock Exchange (the Exchange) with an application fee of Tk. 10,000/= (ten thousand), and shall simultaneously furnish a copy thereof, along with the copies of documents mentioned under sub-regulation (ii), to the Securities and Exchange Commission (SEC).
- (ii) The company shall, among others, submit the following documents along with the application:-
  - (a) Memorandum of Association and Articles of Association.
  - (b) A brief profile of the company, including brief particulars of existing sponsor-directors of the company.
  - (c) Certificate of incorporation and certificate of commencement of business.
  - (d) Audited financial statements for the last three years.
  - (e) Members/shareholders list together with their shareholding position.

- (f) Return of allotment(s) filed with the Registrar of Joint Stock Companies and Firms.
  - (g) Existing material agreements, including deed of mortgage (if any).
  - (h) Status of loan, including information concerning loan default, if any, of the company.
  - (i) VAT and Tax identification numbers.
  - (j) Due diligence certificate from the directors as per format prescribed by the Exchange.
  - (k) No objection certificate from the lending bank(s)/financial institutions of the company, if any, where applicable.
  - (l) Undertaking in the prescribed form as laid down in the listing regulations of the Exchange to the effect that the company shall comply with the securities laws including requirements of the said listing regulations upon listing with the Exchange.
  - (m) Relevant resolution(s) of the shareholders in the general meeting of the company and the Board's resolution, if so authorised, for the purpose of listing with the Exchange.
  - (n) Credit rating report issued by the credit rating company registered with the Commission.
  - (o) Information Document as per format prescribed by the Exchange.
  - (p) The shareholders resolution in respect of disposal of shares in accordance with the regulation 5.
- (iii) Upon receipt of the application, the Exchange shall examine and inform the company within 15 (fifteen) days from the receipt of the application, with a copy to the Commission, to remove the deficiencies, if any, within 30 (thirty) days from the date of receipt from the Exchange.
  - (iv) The Exchange shall furnish to the Commission the copies of all information and documents received from the company pursuant to the Exchange's letter mentioned under sub-regulation (iii) within the following working day of receipt.
  - (v) After fulfillment of all requirements by the company, the Exchange shall list the company's shares within three weeks from the date of publication of the Information Document, as mentioned in regulation 4, under intimation to the Commission, provided there is no contrary opinion of the Commission in this respect.
  - (vi) In case of failure to fulfill the requirements by the company, the Exchange shall reject the application for listing showing reasons thereof, under intimation to the Commission, within 60 (sixty) days from the date of application.
4. The company shall publish an Information Document in at least two widely circulated national dailies minimum 7 (seven) days before commercial trade upon listing by the Exchange.



**5. Disposal of shares:**

- (i) Existing shareholders of the company shall sell their shares through the Exchange upon listing.
- (ii) No existing shareholder of the company shall sell more than 50% of his existing shareholdings until the company holds the annual general meeting after completion of one full accounting year of the company upon listing with the Exchange:

**Provided that the existing shareholders shall offer for sell at least 10% of the shareholding in the company within 30 (thirty) working days from the date of listing.**

**6. Trading and settlement:**

- (i) Trading of the shares listed under these Regulations shall be in dematerialized form.
- (ii) Existing provisions of trading and settlement of transactions of the Exchange shall be applicable in respect of the shares listed under these Regulations.

President  
Dhaka Stock Exchange Limited



## **CHITTAGONG STOCK EXCHANGE LIMITED**

**Date-26 April, 2006**

### **Chittagong Stock Exchange (Direct Listing) Regulations, 2006**

In exercise of powers conferred by section 34(1) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Chittagong Stock Exchange, with the prior approval of the Securities and Exchange Commission, makes the following Regulations, namely:-

#### **1. Short title:**


- (1) These regulations may be called the Chittagong Stock Exchange (Direct Listing) Regulations, 2006.
- (2) These Regulations shall be applicable for direct listing of shares of public limited companies.

#### **2. Requirements concerning capital and operation:** The concerned company-

- (i) shall have minimum paid up capital of taka 100 (one hundred) million;
- (ii) shall have no accumulated loss;
- (iii) shall be in commercial operation for at least immediate last five years;
- (iv) shall have profit in three years out of the immediate last five completed accounting/financial years with steady growth pattern; and
- (v) is regular in holding annual general meeting.

#### **3. Listing:**

- (i) The company shall apply to the Chittagong Stock Exchange (the Exchange) with an application fee of Tk. 10,000/= (ten thousand), and shall simultaneously furnish a copy thereof along with the copies of documents mentioned under sub-regulation (ii), to the Securities and Exchange Commission (SEC).
- (ii) The company shall, among others, submit the following documents along with the application:
  - (a) Memorandum of Association and Articles of Association;
  - (b) A brief profile of the company including brief particulars of existing sponsor-directors of the company;
  - (c) Certificate of incorporation and certificate of commencement of business;
  - (d) Audited financial statements for the last five years.

- 
- (e) Members/shareholders list together with shareholding position;
  - (f) Return of allotment(s) filed with the Registrar of Joint Stock Companies and Firms;
  - (g) Existing material agreements, including deed of mortgage (if any);
  - (h) Status of loan, including information concerning loan default, if any of the company;
  - (i) VAT and Tax identification numbers;
  - (j) Due diligence certificate from the directors as per format prescribed by the Exchange;
  - (k) No objection certificate from the lending bank(s)/financial institutions of the company, if any, where applicable;
  - (l) Undertaking in the prescribed form as laid down in the listing regulations of the Exchange to the effect that the company shall comply with the securities laws including requirements of the said listing regulations upon listing with the Exchange;
  - (m) Relevant resolution(s) of the shareholders in the general meeting of the company and the Board's resolution, if so authorised, for the purpose of listing with the Exchange;
  - (n) Credit rating report by credit rating companies registered with the Commission with minimum investment grade of “BBB”;
  - (o) Information Document as per format prescribed by the Exchange.
  - (p) The shareholders resolution in respect of disposal of shares in accordance with the regulation 5.
- (iii) Upon receipt of the application, the Exchange shall examine and inform the company within 15 days from the receipt of the application with a copy to SEC to remove the deficiencies, if any, within 30 days from the date of receipt of letter from the Exchange.
- (iv) The stock exchange shall furnish to the Commission the copies of all information and documents received from the company pursuant to the Exchange's letter mentioned under sub-regulation (iii) within the following working day of receipt.
- (v) After fulfillment of all requirements by the company, the Exchange shall list the company's shares within three weeks from the date of publication of the Information Document as mentioned in regulation 4 under intimation to SEC, provided there is no contrary opinion of the Commission in this respect. In case of failure to fulfill the requirements by the company, the stock exchange shall reject the application for listing showing reasons thereof under intimation to the SEC within 60 days from the date of application.
4. The company shall publish an Information Document in at least two widely circulated national dailies minimum 7 (seven) days before commercial trade upon listing by the Exchange along with an electronic copy for posting in the web page of the Exchange.

**5. Disposal of shares:**

- (i) Existing shareholders of the company shall sell their shares through the Exchange upon listing.
- (ii) No existing shareholder of the company shall sell more than 50% of his existing shareholding until the company holds the annual general meeting after completion of one full accounting year of the company upon listing with the Exchange:

**Provided that existing shareholders shall offer for sell at least 10% of the shareholdings in the company within 30 working days from the date of listing.**

**6. Trading and settlement:**

- (i) Trading of the shares listed under this regulation shall be in dematerialised form.
- (ii) Existing provisions of trading and settlement of the stock exchange shall be applicable in respect of the shares listed under these Regulations.

President  
Chittagong Stock Exchange



## Dhaka Stock Exchange (Short-Sale) Regulations, 2006

In exercise of the powers conferred by section 34 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969), the Dhaka 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 Dhaka Stock Exchange (Short-Sale) Regulations, 2006.
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 Dhaka 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 thereunder 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; which is available in his own account (including his BO account)
  - 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 DSE.

- (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 Dhaka 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 authorised 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 authorised 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: \_\_\_\_\_ Limit of Short Sale Allowed by Stock Exchange

Stock Code: \_\_\_\_\_ % \_\_\_\_\_ No. of Shares

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



## **Guidelines for Securities Borrowing and Lending for Short-Selling of Securities Listed on the Dhaka Stock Exchange**

The party or parties associated with the short selling of securities listed on the Dhaka 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. 10 million as per the latest completed audited financial statements subject to the condition that at a particular point in time total guarantee by the broker shall not exceed Tk. 7.5 million i.e. Tk. 10 million minus capital adequacy requirement as per Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorised Representative) Rules, 2000.
- (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 AND CSE SCENARIO

### Capital Market

As of 30 June 2006 the total issued capital of all listed securities of Dhaka Stock Exchange was Tk. 85723 million (US\$ 1227.77 million) which was Tk. 76441 million (US\$ 1068.36 million) on 31 March 2006. In Chittagong Stock Exchange the total issued capital on 30 June 2006 was Tk. 62531.35 million (US\$ 919.58 million) which was Tk. 57624.7 million (US\$ 847.42 million) on 31 March 2006.

### Stock Market Operation

During April-June 2006 quarter the total turnover in Dhaka Stock Exchange was Tk. 134.08 million securities while the total amount traded on Dhaka Stock Exchange during the same period was Tk. 10503.33 million (US\$150.6 million)

In the same period the total turnover in Chittagong Stock Exchange was Tk. 55.17 million securities while the total amount traded on Chittagong Stock Exchange during the same period was Tk. 3088.64 million (US\$ 44.15 million) during this quarter.

### Market Capitalization

Total market capitalization of all securities listed with the Dhaka Stock Exchange was Tk. 225300 million (US\$ 3227 million) as on 30 June 2006 compared to Tk. 2,24,757 million (US\$ 3141 million) as on 31 March 2006.

In the Chittagong Stock Exchange total market capitalization of all securities was Tk. 196341 million (US\$ 2887.37 million) as on 30 June 2006 compared to Tk. 205127 million (US\$ 2866.90 million) as on 31 March 2006.

### Share Price Index

DSE all share price index stood at 1040.47 on 30 June 2006 compared to 1146.34 on 31 March 2006. The CSE all share price index stood at 2879.19 on 30 June 2006 while it was 3119.01 on 31 March 2006. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ = Tk. 69.82 For April-June 2006 quarter)

# BANGLADESH CAPITAL MARKET SUMMARY

*As on 30 June 2006*

Indicators		Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies		256	198
No. of mutual funds		13	13
No. of debentures		8	2
No. of treasury bonds		26	--
<b>Total No. of Listed Securities</b>		<b>303</b>	<b>213</b>
<i>Figures in million</i>			
No. of shares of all listed companies		1390.458	1277.36
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		0.20	--
<b>Total No. of Tradable Securities</b>		<b>1552.32</b>	<b>1438.66</b>
<i>Figures in million</i>			
Issued capital of all companies	Tk.	63815	61769.1
	US\$	914	908.37
Issued capital of all mutual funds	Tk.	735	735
	US\$	11	11
Issued debentures	Tk.	140	27.25
	US\$	2	0.40
Issued bonds	Tk.	21032	--
	US\$	301	--
<b>Total issued capital</b>	<b>Tk.</b>	<b>85723</b>	<b>62531.35</b>
	<b>US\$</b>	<b>1227.77</b>	<b>919.58</b>
<i>Figures in million</i>			
Total Market capitalization	Tk.	225300	196341
	US\$	3227	2887.37
All Share price index		1040.47	2879.1942



### DSE Operational Statistics April-June 2006

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
April	1049.55	Tk. 209301 US\$2992	18	40.68	2.26	Tk. 3363.84 US\$ 48.09	Tk. 186.88 US\$2.67
May	1050.08	Tk. 213241 US\$ 3067	21	52.69	2.51	Tk. 4138.98 US\$ 59.54	Tk. 197.09 US\$ 9.38
June	1040.47	Tk. 225300 US\$ 3227	19	40.71	2.14	Tk. 3000.51 US\$ 42.97	Tk. 157.92 US\$ 8.31
<b>Total</b>			58	134.08	2.30	Tk. 10503.33 US\$150.6	Tk. 180.63 US\$ 6.79

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

### CSE Operational Statistics April-June 2006

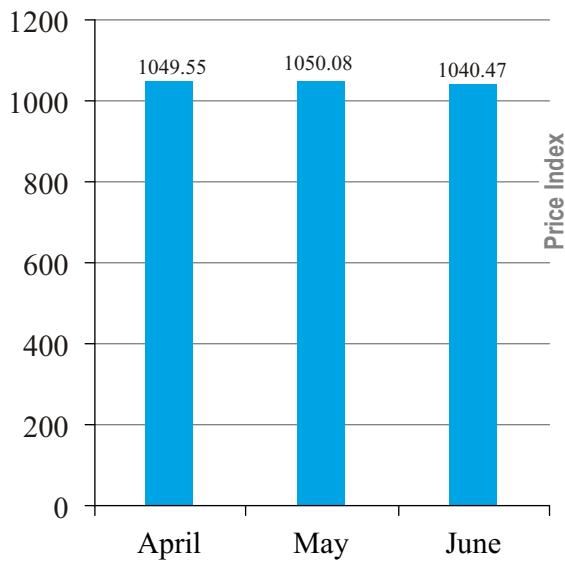
Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
April	2837.36	Tk. 189371 US\$2691.84	17	19.47	1.15	Tk. 715.50 US\$ 10.17	Tk. 42.09 US\$0.59
May	2884.89	Tk. 193166 US\$2745.78	21	21.08	1.00	Tk. 924.06 US\$ 13.13	Tk. 44.00 US\$0.62
June	2879.19	Tk. 195552 US\$2779.70	19	14.62	0.77	Tk. 1449.08 US\$ 20.59	Tk. 76.27 US\$ 1.08
<b>Total</b>			57	55.17	0.97	Tk. 3088.64 US\$ 44.24	Tk. 54.19 US\$ 0.76

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

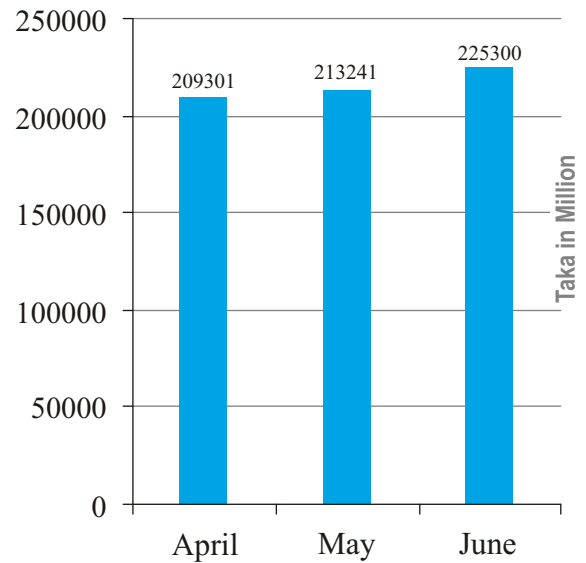
## DSE Market Scenario

April - June 2006

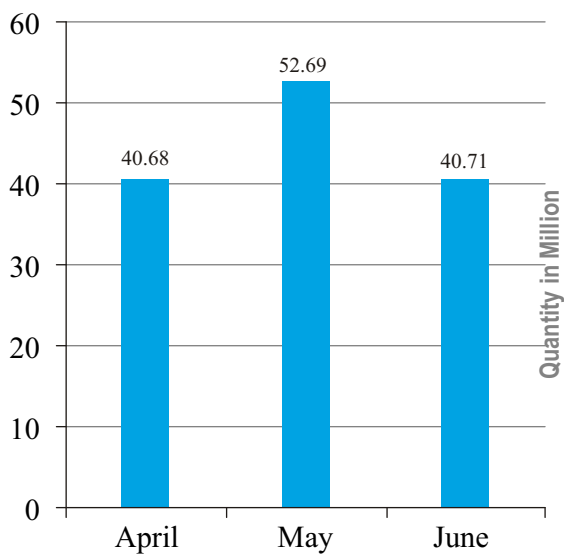
**All Share Price Index**



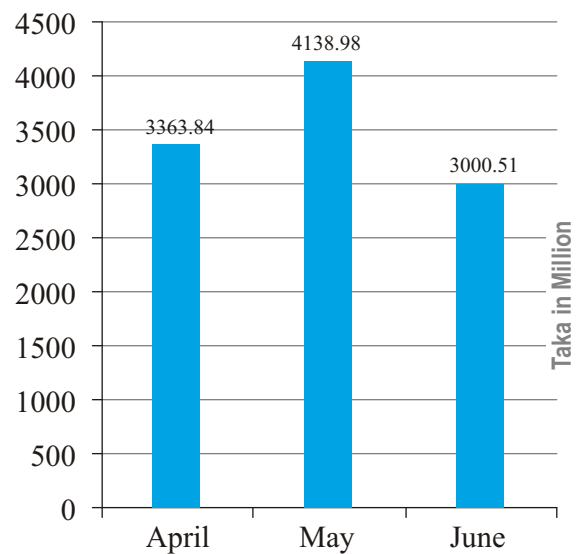
**Market Capitalization**



**Total Turnover (Volume) of Securities**



**Total Turnover (Value) of Securities**



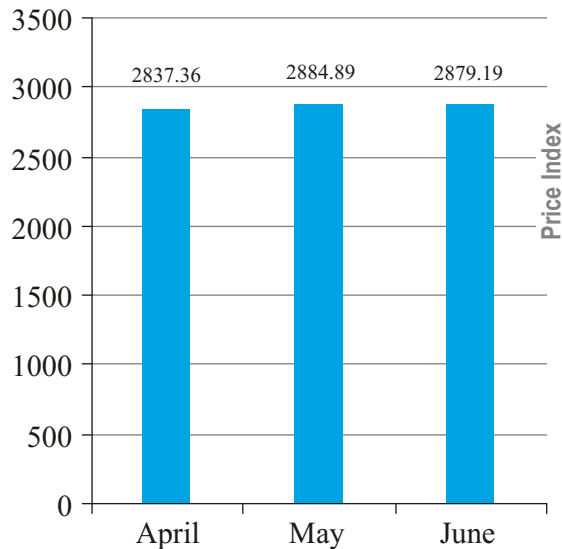
Index and Market Capitalization of the Last trading day of months have been considered as relevant figures of respective months. For more information please visit DSE web site: [www.dsebd.com](http://www.dsebd.com)



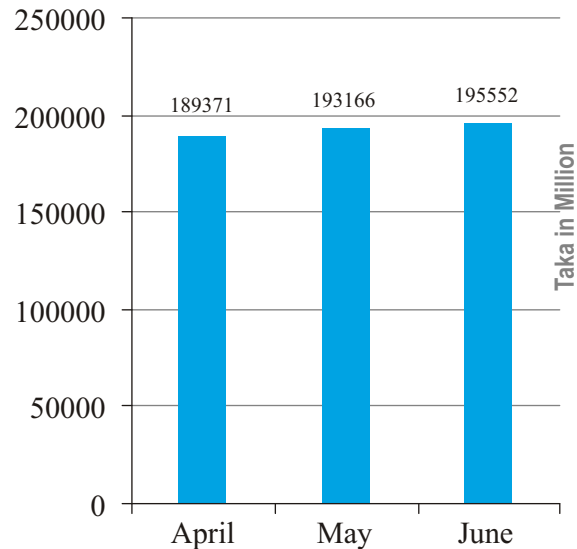
# CSE Market Scenario

April - June 2006

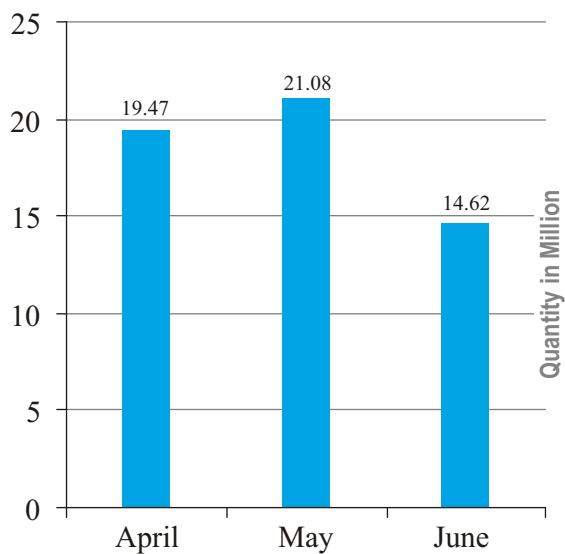
### All Share Price Index



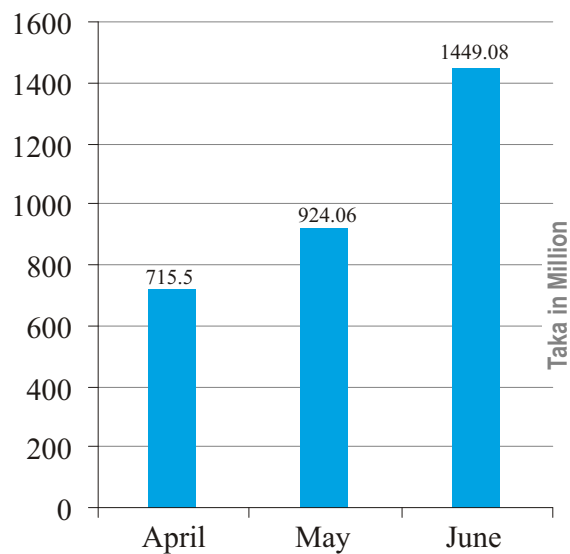
### Market Capitalization



### Total Turnover (Volume) of Securities



### Total Turnover (Value) of Securities



Index and Market Capitalization of the Last trading day of months have been considered as relevant figures of respective months. For more information please visit CSE web site: [www.csebd.com](http://www.csebd.com)