

SEC

Quarterly Review

January-March 2006



Securities and Exchange Commission
Bangladesh



SECURITIES AND EXCHANGE COMMISSION

Quarterly Review

January-March 2006

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Securities and Exchange Commission

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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.76, 441million as on end of the January-March Quarter. The said figure was Tk.70, 313 million at the end of the previous Quarter that indicates an increase of 8.72%. Similarly, in the Chittagong Stock Exchange the figure was Tk.57, 625 million as on end of the said quarter and TK.55, 627.92 million at the end of the previous quarter resulting in an increase of 3.59%. The market capitalization of all listed securities of Dhaka Stock Exchange Ltd. was TK. 2, 24,757 million as on 31 March 2006 which was TK.2, 33,075 million as on 31 December 2006. Similarly, the market capitalization of all listed securities in Chittagong Stock Exchange was TK.2, 05,058 million as on the end of the said quarter which was Tk. 2,20,353 million at the end of the previous quarter.

Activities of the Securities and Exchange Commission (SEC) during January-March 2006 quarter are furnished below:

New SEC Chairman:

Mr. Faruq Ahmad Siddiqi has joined as Chairman of the Securities and Exchange Commission on March 15, 2006. After completing education from Dhaka University he started his career in 1969 as an officer of Bangladesh Civil Service (Taxation) Cadre and prior to joining at SEC he served as a secretary to the Government of Bangladesh in the Ministry of Post and Telecommunication, Ministry of Education and Ministry of Commerce. He also served as Member, National Board of Revenue (NBR).

Investors' Education Program Held:

The Securities and Exchange Commission (SEC) conducted Investors' Education Program at SEC- two programs in each month from January-March 2006. A total of 119 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.

IPO Floation Cost Reduced:

The Securities and Exchange Commission has significantly reduced the cost of Initial Public Offering in the capital market. The Commission reduced consent fee to Commission, listing fee of securities with stock exchanges, underwriting and issue management fee to merchant bankers, banker to the issue fee etc. Apart from the above, the Commission simplified the procedures of IPO floatation and withdrew the requirement of publishing prospectus in widely circulated daily newspapers. It is expected that due to reduction of IPO floatation cost reputed entrepreneurs would prefer capital market as a source of financing over bank borrowing.

Direct Listing Regulation:

To facilitate the companies with good fundamental to offload a part of its existing shares through capital market,

the Commission has approved direct listing regulations and sent the same to the stock exchanges for publication in the official gazette. Henceforth, issuer companies would be able to list their securities with the stock exchanges without the rigor of floating shares through public offering and the investors will have more options to invest in wide array of companies in different sectors.

Corporate Governance Guidelines:

After corporate debacle in western countries like other regulators of capital market, the Commission has issued “Corporate Governance Guidelines” on comply or explain basis to elevate corporate governance scenario in Bangladesh. In this guidelines, for the first time, provision has been made to have audit committee and independent director in a listed company.

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 123 DSE members' authorized representatives were held on 28 February and on 01, 14, 15, 20, 21 March, 2006 in the DSE Board Room. Similar program for the CSE Members' Authorized Representatives was also held in the SEC Conference Room on 29 and 30 March, 2006 where 20 authorized representatives 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.

| Dhaka Stock Exchange |

Four DSE Directors Elected:

Election was held in Dhaka Stock Exchange (DSE) on January 30, 2006 for filling in the position of four directors in the DSE Board. A total of 178 members cast their votes in the election. Mr. Sharif Aatur Rahman, Mr. Md. Abdullah Bokhari, Mr. Shahed Abdul Khaleque and Md. Azizul Hoque were elected as directors for the next three-year term. They would replace four retiring directors namely Mr. Md. Feroz Khan, Mr. Mujibur Rahman, Mr. Saiful Islam and Md. Rafiqul Islam.

Emerging Markets Group Visited DSE:

A four member delegation of London based Emerging Markets Group (EMG) visited the Dhaka Stock Exchange on January 19, 2006. The EMG is working in a project titled 'Designing the Financial Reporting Council of Bangladesh'. They later held a courtesy meeting with DSE President Mr. Md. Shahiq Khan and CEO Mr. Salahuddin Ahmed Khan. Welcoming the delegation members, the DSE President expressed his optimism that a Financial Reporting Council (FRC) will be established as early as possible to bring more transparency and accountability in the country's corporate sector.

Meeting between CSE and DSE held for the Capital Market Growth:

A joint meeting of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd.(CSE) was held in the DSE Board Room on February 20, 2006. Various ways and means to boost the capital market were discussed in the meeting. The country's two bourses agreed and formed a six member working committee to work jointly for



formulating policies for the long- term growth of capital market. The areas that will have maximum focus are initial public offering, de-listing and direct listing of companies, foreign portfolio investment, issue of keeping the stock markets open on Saturday and dissemination of price sensitive information.

DSE Delegation Meets Bangladesh Bank Governor:

A four member delegation of DSE led by its President, Mr. Md. Abdullah Bokhari met with the Governor of Bangladesh Bank Dr. Salehuddin Ahmed on March 19, 2006. DSE placed several proposals to the Governor and invited his attention for giving due consideration to the issues like monetary policy and cost of doing business, secondary market for treasury bonds, security investment guideline for financial institutions. Among other things, the delegation requested Bangladesh Bank to formulate comprehensive guidelines for borrowing and lending against marketable securities by commercial banks.

The Governor of Bangladesh Bank agreed to give due consideration to the proposals placed by the DSE delegation and also agreed to include a DSE representative in the committee for preparing guidelines of security investment for financial institutions. He also agreed to form a joint action committee including the DSE and CSE to evaluate the proposals and do the needful in view of making the financial market policy framework harmonized.

BRAC University Students Visited DSE:

A 15 member students delegation led by Lecturer Ms. Moshahida Sultana of the Department of Economics and Social Science of BRAC University visited the Dhaka Stock Exchange on March 06, 2006 as part of their study program. The students also visited some brokerage houses of the DSE. DSE Chief Executive Officer Mr. Salahuddin Ahmed khan welcomed the students and apprised them of different activities of the DSE.

| Chittagong Stock Exchange |

US Embassy Team Visited CSE:

A team from US Embassy in Bangladesh led by its chief of Economic Commercial Office, Mr. David Renz visited CSE on 15 March 2006 to have a glimpse of the latest development of Bangladesh Capital Market and CSE's role on Capital Market Development in Bangladesh. CSE made a presentation on capital market and various activities of CSE.

MBM Student from BIBM Visited CSE:

A group of MBM students from Bangladesh Institute of Bank Management (BIBM) led by its Assistant Professor Mr. Mohiuddin Siddique visited CSE on 26 January 2006 to know about the CSE trading activities and gather knowledge on Bangladesh Capital Market. CSE briefed the team and assured their cooperation in this regard.

Bangladesh Bank Team visited CSE:

A Group of 15 Assistant Directors of Bangladesh Bank led by its General Manager Mr. Mohd. Abul Kasem and Program Coordinator Mr. Sheikh Mozaffar Hossain visited Chittagong Stock Exchange on 4 September 2005. CSE made presentation on various operational aspects of CSE and legal framework of Bangladesh capital market.

New Sectary General of SAFE Visited CSE:

The new Secretary General of the South Asian Federation of Exchanges (SAFE) Mr. Aftab Ahmed Choudhary, who is also the Managing Director & CEO of the Islamabad Stock Exchanges, Pakistan paid a brief visit at Chittagong Stock Exchange on 19 January 2006.

CORPORATE FINANCE

AGM Dividend Information (January-March 2006)

Sl. No.	Name	Date of AGM	Cash Dividend	Stock Dividend
01.	Rahim Textile Ltd.	09.01.2006	5%	--
02.	BOC	31.01.2006	50%	--
03.	Himadri Ltd.	28.01.2006	--	--
04.	Rabeya Flour Mills Ltd.	28.01.2006	--	--
05.	Padma Oil Company Ltd.	04.02.2006	50%	--
06.	InTech Online Ltd.	02.02.2006	--	1:1 right
07.	Eagle Star Textile Mills Ltd.	19.02.2006	--	--
08.	Eastern Lubricants Blenders Ltd.	25.02.2006	15%	--
09.	Samorita Hospital Ltd.	16.03.2006	5%	--
10.	H.R. Textile Mills Ltd.	20.03.2006	7.5%	--
11.	Dhaka Bank Ltd.	28.03.2006	20%	5%
12.	Uttara Finance and Investments Ltd.	28.03.2006	25%	--
13.	Petro Synthetic Ltd.	29.03.2006	--	--
14.	Anwar Galvanizing Ltd.	29.03.2006	5%	--
15.	Prime Bank Ltd.	30.03.2006	--	25%
16.	Pubali Bank Ltd.	30.03.2006	--	200%

CAPITAL ISSUE

The Commission accorded consent to one company to raise capital through public issue during the January-March 2006 period.

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
S.Alam Cold Rolled Steels Limited	22-01-2006 23-01-2006		266.72 (As on 24-07-05)	---	266.72	120	---	146.72	266.72	At par

Capital Raising

The Commission accorded consent to the following 12(twelve) private limited companies to raise capital whose capital exceeded taka 100 million during the January-March 2006 period.

SL. No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	Deshbandhu Sugar Mills Limited	Ordinary Shares of Tk. 321.30 million	30.03.2006	321.30
2	Nasrin Arju Cattle & Goat Feed Ltd.	Ordinary Shares of Tk. 103.93 million	09.01.2006	103.93
3	H.P. Chemicals Ltd.	Ordinary Shares of Tk. 60.00 million	05.03.2006	60.00
4	Rangpur Dairy & Food Products Ltd.	Ordinary Shares of Tk. 177.16 million	09.01.2006	177.16
5	WorldTel Bangladesh Ltd.	Ordinary Shares of Tk. 350.00 million & Debenture of Tk. 100.00 million	26.02.2006	450.00
6	R.K. Spinning Mills Ltd.	Ordinary Shares of Tk. 147.50 million	24.01.2006	147.50
7	Fakir Apparels Ltd.	Ordinary Shares of Tk. 80.00 million	01.03.2006	80.00
8	Fakir Knitwears Ltd.	Ordinary Shares of Tk. 190.00 million	30.03.2006	190.00
9	Kaniz Garments Ltd.	Ordinary Shares of Tk. 100.00 million	08.01.2006	100.00
10	STS Holdings Ltd.	Ordinary Shares of Tk. 350.00 million	21.03.2006	350.00
11	HKK Fisheries Complex Ltd.	Ordinary Shares of Tk. 169.85 million	01.03.2006	169.85
12	Gram Bangla Feeds Ltd.	Ordinary Shares of Tk. 109.00 million	22.03.2006	109.00
Total Amount				2,258.74

The Commission accorded consent to the following 10(ten) public limited companies to raise capital during the January-March 2006 period.

SL. No.	Name of the Company	Applied for	Consent Letter issued on	Amount in Million Tk.
1	IDLC of Bangladesh Ltd.	Debenture of Tk. 200 million	26.02.2006	200
2	First Security Bank Ltd.	Ordinary shares of Tk. 120 million	26.01.2006	120
3	Union Capital Ltd.	Bonus shares of Tk. 33.99 million & Rights shares of Tk. 59.62 million	23.03.2006	93.61
4	Transcom Beverage Ltd.	Ordinary shares of Tk. 75.01 million	08.03.2006	75.01
5	Islami Bank Community Hospital Manikganj Ltd.	Ordinary shares of Tk. 2 million	15.02.2006	2
6	Uttara Finance & Investments Ltd.	Bond of Tk. 300 million	08.01.2006	300
7	Maksons Spinning Mills Ltd.	Preference shares of Tk. 40 million	08.01.2006	40
8	American Super Specialty Hospital Ltd.	Ordinary shares Tk. 779.87 million & Preference shares Tk. 300 million	13.02.2006	1,079.87
9	North Bengal Cycle Industries Ltd.	Debenture of Tk. 45 million	16.02.2006	45
10	PHPower Co. Ltd.	Preference shares of Tk. 153 million	21.03.2006	153
Total Amount				2108.49

Rights Issue:

The Commission accorded consent to Uttara Finance and Investments 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.
Uttara Finance and Investments Ltd.	05.01.2006	Approved on 13.02.2006	396

SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

Status of complaints received during
January-March 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 declared dividend	3	1	--	2
Non-payment or delay in payment of interest of debenture	--	--	--	--
Claim of dividend against lost shares	--	--	--	--
Regarding transfer of shares	--	--	--	--
Non receipt of refund warrant	8	--	--	8
Non receipts of Bonus share	3	--	--	3
Regarding IPO shares	4	2	--	2
Miscellaneous	3	--	--	3
Total	21	3	--	18

Broker/Dealer

Nature of Complaints	Received during the month	Under Process	Referred to Enforcement for Action	Resolved
Regarding non delivery of shares	2	1	--	1
Regarding non refund of clients money	1	--	--	1
Regarding non payment of sale of shares	--	--	--	--
Miscellaneous	1	--	--	1
Total	4	1	--	3

CENTRAL DEPOSITORY SYSTEM

In January-March 2006 quarter the following 7(seven) companies joined Central Depository Bangladesh Ltd. (CDBL). During this period the total numbers of companies under CDBL stands at 95.

Sl. No.	Name of the Company	Joining Date
1	Berger Paints Bangladesh Ltd. (IPO)	02.01.2006
2	Progressive Life Insurance Company Ltd. (IPO)	02.01.2006
3	Asia Pacific General Insurance Company Ltd. (IPO)	15.01.2006
4	Sonar Bangla Insurance Ltd. (IPO)	15.01.2006
5	Bank Asia Ltd.	30.01.2006
6	Pragati Life Insurance Ltd. (IPO)	06.02.2006
7	Keya Cosmetics Ltd.	26.02.2006

REGISTRATION

Issuance and Renewal of Stock Broker Registration Certificate:

During January-March, 2006 quarter the Commission issued Stock Broker registration certificate to five members of Dhaka Stock Exchange Ltd. and one member of Chittagong Stock Exchange Ltd. under the Securities and Exchange Commission Act, 2000 as amended:

Dhaka Stock Exchange:

Sl. No.	Name & Address of the Stock Broker	Membership No.	Registration Certificate Number and Issue Date
1.	Swift Capital Management Limited 56/1 Purana Paltan Lane, Dhaka-1000	DSE-24	Registration-3.1/DSE-24/2006/111 dt 05.02.2006
2.	Salta Capital Limited Manjur Building (2nd Floor), 67 Agrabad C/A, Chittagong-4100	DSE-95	Registration-3.1/DSE-95/2006/112 dt 05.02.2006
3.	BRB Securities Limited House # 10 B, Road # 06, Dhanmondi, Dhaka-1205	DSE-220	Registration-3.1/DSE-220/2006/113 dt 15.02.2006
4.	Uniroyal Securities Limited 45 Dilkusha C/A (2nd Floor), Dhaka-1000	DSE-89	Registration-3.1/DSE-89/2006/114 dt 05.3.2006
5.	Modern Securities Limited Sabbir Tower (3rd Floor), 3/4-A, Purana Paltan, Dhaka-1000	DSE-229	Registration-3.1/DSE-229/2006/115 dt 05.3.2006

Chittagong Stock Exchange:

Sl. No.	Name & Address of the Stock Broker	Membership No.	Registration Certificate Number and Issue Date
1.	Peoples Investment Ltd. City Heart (11th Floor), 67 Naya Paltan, Dhaka-1000	CSE-052	Registration-3.2/CSE-052/2006/132 dt 21.3.2006

During the period the Commission renewed 29 Stock Dealer/Stock Broker registration certificates of Dhaka Stock Exchange Limited and 10 of Chittagong Stock Exchange Limited. Altogether 39 Stock Dealers/Stock Broker registration certificates were renewed.

Issuance and Renewal of Depository Participant Registration Certificate:

During the quarter, the Commission approved issuance of 8 Depository Participant registration certificates under the Securities and Exchange Commission Act, 2003: and renewed 73 Depository Participant registration certificates.

List of Depository Participants

Sl. No.	Name & Address of the Depository Participant	Type of DP	Registration Certificate No. & Issue Date
01.	Expo Traders Limited 28 Mymensingh Lane, Bangla Motor, Dhaka	Full Service DP	SEC/Registration/CDBL-DP-212 05.01.06
02.	Stock & Bond Limited Room No.724, Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-213 15.01.06
03.	Mansura Securities Limited Room No.432, 9/E Motijheel C/A (3rd Floor), Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-214 22.01.06
04.	T. K. Shares & Securities Limited 83 Khatunganj, Chittagong	Full Service DP	SEC/Registration/CDBL-DP-215 13.02.06
05.	C-Maart Securities Limited Room No.625, Dhaka Stock Exchange Annex Building, 9/E Motijheel C/A, Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-216 27.02.06
06.	S. R. Capital Limited Galeria Shopping Complex, B-3 (5th Floor), West Zinda Bazar, Sylhet-3100	Full Service DP	SEC/Registration/CDBL-DP-217 28.02.06
07.	Pasha Capital Limited 13/5 Outer Circular Road, Dhaka-1217	Full Service DP	SEC/Registration/CDBL-DP-218 02.3.06
08.	Modern Securities Limited Room No.209 (1st Floor), Dhaka Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000	Full Service DP	SEC/Registration/CDBL-DP-219 14.3.06

SEC SURVEILLANCE SYSTEM

Investigation and Enquiry:

To ensure fair-trading and confidence of investors in the securities market it is necessary to ensure proper compliance of securities related laws, rules and regulations by stopping all market activities involving market misconduct, if any, through inspection and investigation. In this context, SEC investigated and enquired into the activities of the following stock-brokers / stock-dealers during January-March 2006 :

Nature of Enquiry & Investigation	Investigation & Enquiry Against
Share trading of Rupali Bank Ltd. at CSE on 5th February 2006	Island Securities Ltd. (CSE Membership # 005) Hefazatur Rahman & Co. Ltd. (CSE Membership # 046)
Corporate declaration and shares trading of Prime Bank Ltd. dated from 19th to 22nd February 2006	Concerned involving parties
Share trading of Zeal Bangla Sugar Mills Ltd. at DSE from 3rd to 27th March 2006	Razzak Securities Ltd. (DSE Membership # 184) Mr. Rafiqul Islam & Co. (DSE Membership # 194) Anwar Securities Ltd. (DSE Membership # 160) Jamal Ahmed & Co (DSE Membership # 097)
Share trading of Beach Hatchery Ltd. at DSE from 1st to 27th March 2006	Lanka Bangla Securities Ltd. (DSE Membership # 132) Latif Securities Ltd. (DSE Membership # 080) Securities Broking & Mgt. Serv. Ltd. (DSE Membership # 136) S. N. M. Securities Ltd. (DSE Membership # 07)

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 Co-ordination Meeting, re-inspection is started to examine non-compliance with securities related laws, rules and regulations which was inspected earlier. Inspection details are given below:

Nature of Inspection	Inspection Against
Monthly regular inspection for the month January 2006	Dr. Mohammad Abu Obaidah (DSE Membership #095) Synet Securities Ltd. (CSE Membership #033)
Monthly regular inspection for the month February 2006	Daulatunnesa Equities Ltd. (DSE Membership #037) North West Securities Ltd. (CSE Membership #019)
Monthly regular inspection for the month March 2006	Md. Shahjahan & Co. (DSE Membership #195) First Capital Securities Ltd. (CSE Membership #011)
Re-Inspection, which was inspected earlier as part of monthly regular inspection	Megacity Securities Ltd. (CSE Membership #116)

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 January-March 2006 for the reasons appearing against their names:

(A) Stock-dealer/Stock-Broker: Directive/Penalty/License cancellation and or suspension/Appeal/ Review:

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	16/01/06	M. Abdul Rashid & Co. (DSE Membership No.35)	<p>(i) M. Abdul Rashid & Co. had been dealing with its customers and operating the trading system & related activities through Mohammad Talha Mohsen, CEO of M. Abdul Rashid & Co. without having any Authorized Representative registration certificate from the Commission, which is a clear contravention of <i>Section 3 of the Securities and Exchange Commission (Registration of Representatives) Regulations, 2000</i>.</p> <p>(ii) The dealer has violated <i>Article 1(2) of the Securities and Exchange Commission (Registration of Representatives) Regulations, 2000</i> as enumerated in the Second Schedule of <i>Section 1(2) of the Securities and Exchange Commission (Registration of Representatives) Regulations, 2000</i> and <i>Section 11 of said Regulations, 2000</i> by executing sale of 550 shares of Summit Power Ltd. without sale order.</p> <p>(iii) The dealer has contravened regulation 13 of the Settlement of Stock Exchange Transactions Regulations, 1998 by selling 550 shares without having any share in the stock/account of the customer concerned.</p> <p>(iv) The dealer has contravened regulation 42 of the DSE Listing Regulations and <i>Section 45 of the Securities and Exchange Commission (Listing of Securities) Regulations, 2003</i> by transferring shares from 11 (eleven) customers' BO accounts outside stock exchange without prior approval of DSE/SEC.</p>	Securities and Exchange Commission suspended the effectiveness of the Stock Dealer's Registration Certificate No. <i>WBEÜb-wmGK/wWGmB/wWjvi/95/Gg-25(03/06/1995Bs)</i> <i>ZwiiL:30/05/2001</i> Bs for 30(thirty) days from the first trading day after receipt of concerned Order.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
2	16/01/06	M. Abdul Rashid & Co. (DSE Membership No.35)	<p>(i) M. Abdul Rashid & Co. had been dealing with its customers and operating the trading system & related activities through Mohammad Talha Mohsen, CEO of M. Abdul Rashid & Co. without having any Authorized Representative registration certificate from the Commission, which is a contravention of <i>ৱেব ৩</i> of <i>ৱৱৱকডিৱি ৱজি ৱি গ. ঠপাঁ কৱগকব (÷ক-ৱজি ৱি, ÷ক-তৈকবি ৱি অভগৱি Z চাঁZনবিৱা) ৱেবগবি ৱ, ২০০০.</i></p> <p>(ii) the dealer has violated <i>ৱিপি ৱেব ১</i> Ges 2(2) as enumerated in the Second Schedule of <i>ৱৱৱকডিৱি ৱজি ৱি গ. ঠপাঁ কৱগকব (÷ক-ৱজি ৱি, ÷ক-তৈকবি ৱি অভগৱি Z চাঁZনবিৱা) ৱেবগবি ৱ, ২০০০</i> and <i>ৱেব ১১</i> of said <i>ৱেবগবি ৱ, ২০০০</i> by executing sale of 550 shares of Summit Power Ltd. without sale order.</p> <p>(iii) The dealer has contravened regulation 13 of the settlement of the stock exchange transaction regulation, 1998 by selling 550 shares without having any share in the stock /account of the customer concerned.</p> <p>(iv)The dealer has contravened regulation 42 of the DSE Listing Regulations and <i>চাঁেব ৪৫</i> of <i>ৱৱৱকডিৱি ৱজি ৱি গ. ঠপাঁ কৱগকব (÷ক-ৱজি ৱি, ÷ক-তৈকবি ৱি অভগৱি Z চাঁZনবিৱা) ৱেবগবি ৱ, ২০০৩</i> by transferring shares from 11 (eleven) customers' BO accounts outside stock exchange without prior approval of DSE/SEC.</p>	Securities and Exchange Commission imposed a penalty amounting to Tk. 1 lakh upon M. Abdul Rashid & Co. (DSE Membership No.35)



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
3	19/02/06	M.Shamsur Rahman & Co. (DP No.72)	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.	Penalty imposed upon M.Shamsur Rahman & Co. amounting to Tk.10,000/-.
4	20/02/06	Square Securities and Management Limited	Stock dealer violated section 11 of the Securities and Exchange Commission Act, 1987 by not receiving requisite money for purchase of shares and also by not executing the buy order immediately.	Securities and Exchange Commission imposed a penalty amounting to Tk. 1 (one) lakh upon Square Securities and Management Limited.
5	14/03/06	Salam & Company Ltd.	Salam & Company Ltd. (stock-broker) maintained and provided false/incorrect information to the enquiry committee about the identity of Mrs. Sabita Rani Bose and Mr. Maksudur Rahman (by providing false photographs and signatures of the above persons). By doing so, the stock-broker has contravened relevant provisions of the Securities and Exchange Rules, 1987 (code of conduct, etc.) and the provisions/conditions of the stock-broker's registration certificate by not properly maintaining the trade related records of its customers, as well as section 18 of the Securities and Exchange Ordinance, 1969 by providing false information/concealing correct information in respect of its said customers.	Securities and Exchange Commission imposed a penalty amounting to Tk. 1 (one) lakh upon Salam & Co. (DSE Membership No. 190).

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
6	14/03/06	Country Stock (Bangladesh) Ltd.	<p>Stock broker has contravened the following provisions of securities laws:</p> <p>1. Rule 8A of Securities and Exchange Rules, 1987, by maintaining two separate consolidated customer bank accounts.</p> <p>2. Country Stock (Bangladesh) Ltd. violated Article 1, 2(2), 6 and 7 as enumerated in the Second Schedule of the Securities and Exchange Act, 1987 (১৯৮৭ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ আইন, ১৯৮৭) and Article 11 of said Act by not quoting best prices for the selling customer.</p>	Securities and Exchange Commission imposed a penalty amounting to Tk. 1 (one) lakh upon Country Stock (Bangladesh) Ltd.

(B) Broker : Warned

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	30/03/06	Premium Securities Limited	The stock dealer's contravened provisions of Article 4(1)(Q) of the Securities and Exchange Act, 1987 (১৯৮৭ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ আইন, ১৯৮৭) and rule 3 of the Margin Rules, 1999.	The stock dealer has been warned to ensure compliance of all securities related laws in future.
2	30/03/06	ARC Securities Ltd.	ARC Securities Limited had been dealing with its customers and operating the trading system & related activities for last few years without having any Authorized Representative registration certificate from the Commission under the (১৯৮৭ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ আইন, ১৯৮৭) in violation of Article 3 of the Securities and Exchange Act, 1987 (১৯৮৭ সালের সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ আইন, ১৯৮৭).	The stock broker has been warned to ensure compliance of all securities related laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
3	30/03/06	Salam & Company Limited	Stock broker has contravened section 13 of the Securities and Exchange Act, 1987 (Section 13 of the Securities and Exchange Act, 1987) by not maintaining TESA Order Status Report and buy orders of the clients concerned properly and also not maintaining proper books and records.	The stock broker has been warned to ensure compliance of all securities related laws in future.

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

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	03/01/06	Eagle Box & Cartoon Manufacturing Limited (issuer) and Mr. M.A Matin, Chairman of the issuer		<p>Directive issued to Eagle Box & Cartoon Manufacturing Limited (issuer) and Mr. M.A Matin, Chairman of the issuer under section 20A of the Securities and Exchange Ordinance, 1969:</p> <p>a) To ensure immediate payment of money to the public and institutional shareholders who are willing to sell their shares to the Chairman/Sponsor Directors of the said issuer @Tk.25.90 per share against presentation of the share certificates and transfer instruments concerned;</p> <p>b) To publish public Notification in, at least, three widely circulated national dailies in respect of the above arrangement mentioned at (a) above; and</p> <p>c) To send letters to all public shareholders, including institutional shareholders, enclosing copy of this Directive.</p>
2	05/01/06	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.	<p>Penalty imposed amounting to Tk.1.00 lac each upon Managing Director and Company Secretary of the issuer.</p> <p>An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default.</p>



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
3	02/02/06	Mr. Kamaluddin Ahmed, Director; Mr. Abdul Awal Patwari, Director; Mr. Munshi Akhtaruzzaman, Director; Mr. Ahmed Akbar Sobhan, Director; Mr. Mohammad Shamsuzzaman, Director; Alhaj Sultan Mahmud Chowdhury, Director; Mr. Major (Retd.) Dr. Md. Rezaul Haque, Director; Mr. Mohammad Shah Alam, Director; Alhaj Nasiuddin, Director; Mr. Sheikh Mohammad Rabban Ali, Director; Mr. Mohammad Azam, Director; Mrs. Nargis Mannan, Mr. Anisul Haque, Director; Representative of Hamdard Laboratories (WAKF) Bangladesh. Mrs. Zohra Alam, Director; Mr. Sadat Sobhan, Director; Mr. Md. Humayun Kabir Khan, Director; Alhaj Md. Afzal Hossain, Director; Mr. Md. Sydur Rahman, Director; Mr. Nur-A Alam, Director; Mr. AKM Imran Khan, Director; Mrs. Fatema Begum, Director; Mrs. Taslima Akhter, Director; Mr. A.R Rashidi, Director; Mrs. Umme Kulsum, Director; Mr. A.K.M. Asaduzzaman, Managing Director; and Mr. M.H. Sheikh, Company Secretary of Social Investment Bank Limited.	Non-compliance of CCI Notification 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 years 2000, 2001, 2002 and 2003 to Prof. Dr. MA Mannan and his family members.	Penalty of Tk. 1.00 lac imposed upon each of the directors including Managing Director and Company Secretary of SIBL. An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default. Subsequently, penalty waived upon payment of dividend to Prof. Dr. MA Mannan and his family members and warned them to comply the securities related laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
4.	09/02/05	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.	Penalty of Tk. 1.00 lac imposed upon each of the directors including Managing Director of the issuer. An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default.
5	19/02/06	Mr. ABM Kamaluddin Khan, Chairman & Managing Directors; Mrs. Yasmin Kamal, Director; Mr. Minhaz Bin Kamal, Director; and Mr. Mazharul Islam, Company Secretary of M. Hossain Garments Washing and Dyeing Limited.	Non-compliance of Commission's Order No. GmBwm/GmAvi GgAvBwW/2000-985/2248/c02/1 Zwi L 19 Wt:m=†, 2000Bs gazetted on February 25, 2001 by not disseminating price sensitive information regarding AGM of 2003.	Penalty of Tk. 1.00 lac imposed upon each of the directors including Managing Director and Company Secretary of the issuer.
6	28/02/06	Mrs. Dilara Begum, Chairperson/Director; Mrs. Shamim Ara Begum, Managing Director; Mr. Rezaul Karim Chowdhury, Director; and Mr. Badrul Haque, Director of Saleh Carpet 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 December 31, 2004.	Penalty of Tk. 1.00 lac imposed upon each of the directors (excluding B S R S nominated director). An additional penalty amounting to TK.10,000/- per day also imposed for continuance of default.
7	28/02/06	Mrs. Dilara Begum, Chairperson/Director; Mrs. Shamim Ara Begum, Managing Director; Mr. Rezaul Karim Chowdhury, Director; and Mr. Badrul Haque, Director of Saleh Carpet 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 June 30, 2005.	Penalty of Tk. 1.00 lac imposed upon each of the directors (excluding B S R S N o m i n a t e d director). 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
8	28/02/06	Mr. Aminur Rasul, Managing Director; Mr. Jamaluddin Ahmed, Director; Mr. Masukur Rahman, Director; and Mr. Iftekhar Mahmud, Director of Chictex 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 of Tk. 1.00 lac imposed upon each of the directors of the issuer. An additional penalty amounting to Tk.10,000/- per day also imposed for continuance of default.
9	28/02/06	Mr. Aminur Rasul, Managing Director; Mr. Jamaluddin Ahmed, Director; Mr. Masukur Rahman, Director; and Mr. Iftekhar Mahmud, Director of Chictex 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 of Tk. 1.00 lac imposed upon each of the directors of the issuer. An additional penalty amounting to Tk.10,000/- per day also imposed for continuance of default.
10	08/03/06	Mr. Shafique Uddin, Alternate Director, One Bank Limited.	Mr. Shafique Uddin has conducted insider trading contravened provision of <i>Sec 4</i> , read with <i>Sec 2(N), 2(O), 2(P)</i> of the <i>Securities and Exchange Act, 1987</i> (1987 চুক্তি আইন) (সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অ্যাক্ট, ১৯৮৭) <i>Sec 4</i> , read with <i>Sec 2(N), 2(O), 2(P)</i> of the <i>Securities and Exchange Act, 1987</i> (সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অ্যাক্ট, ১৯৮৭).	Securities and Exchange Commission directs One Bank Limited and Mr. Shafique Uddin, alternate director of One Bank Limited, to the effect that:- (i) Mr. Shafique Uddin shall not sell or make any type of transfer of the said 5,300 shares of One Bank Limited which were purchased by him through insider trading during 19th April, 2004 to 21st April, 2004 within next for 2(two) years from the issuance of this Directive; and (ii) One Bank Ltd. shall ensure that the said 5,300 shares are not allowed for transfer within the said 2(two) year period during which the said shares shall be kept as “locked-in” by the said issuer company.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
11	08/03/06	Mrs. Quamrun Nessa, Chairperson and Managing Director; Mrs. Farah Sad, Director; Mr. Akbar Hossain, Director; and Mr. Mazharul Hannan, Director of Wonderland Toys Limited.	Disbursement of loan to Chairperson and Managing Director of the issuer, namely Mrs. Quamrun Nessa for financing and implementing a new business project namely "Orchid & Ornamental Project (Horiculture Sector)".	Directive issued to the directors of the issuer under Section 20A of the Securities and Exchange Ordinance, 1969 to realize the entire loan amount with costs from Mrs. Quamrun Nessa, Chairperson and Managing Director of the issuer within 2 months from the issuance of the Directive.
12	09/03/06	Mr. Amanullah, Director, Mercantile Bank Limited.	Mr. Amanullah was involved in insider trading and made certain false/incorrect regulatory declarations in respect of his buying shares of the bank and accordingly has contravened relevant provisions of:- (i) Section 18 of the Securities and Exchange Ordinance, 1969 for his involvement/attempted involvement in insider trading; and (ii) Section 18 of the Securities and Exchange Ordinance, 1969 by providing false/incorrect information in the declaration for buy of shares (in respect of opening customer accounts, placing buy orders, depositing money with stock-brokers, etc.).	Securities and Exchange Commission, in exercise of its power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), directed the Mercantile Bank Limited and Mr. Amanullah, Director of Mercantile Bank Limited, to the effect that:- (i) Mr. Amanullah shall not sell or make any type of transfer of the said 79,150 shares of Mercantile Bank Limited which were purchased by him through insider trading before dissemination of price sensitive information within next for 2(two) years from the issuance of this Directive; and (ii) Mercantile Bank Ltd. shall ensure that the said 79,150 shares are not allowed to be transferred within the said 2(two) year period during which the said shares shall be kept as "locked-in" by the said issuer company.



(D) Issuer Company: Warned

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	14/02/06	Pharmaco International 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, 2004.	Letter of warning issued to comply with all securities laws in future.
2	22/02/06	Dynamic Textile Industries 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 Mr. M K I C h o w d h u r y . Subsequently, the issuer has paid the dividend.	Letter of warning issued to comply with all securities laws in future.
3	23/02/06	Meghna Shrimp Culture Limited (issuer), Directors and Managing Director.	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 in the years 2001, 2002, 2003 and 2004 held on August 01, 2005.	Letter of warning issued to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
4	08/03/06	Mutual Trust Bank Limited (issuer) Directors, Managing Director and Company Secretary.	Mutual Trust Bank Ltd. (the 'issuer') has contravened the Commission's Notification No. SEC/CMRRC D/2001-14/24/Admin/03-03 dated 26/11/2001, Gazetted on 10/12/2001, by not recommending/deciding the price sensitive 20% stock dividend in the same 41st board meeting in which its audited accounts for 2003 was placed and discussed based on which the dividend was announced in its subsequent board meeting (i.e. 42nd Meeting) held after one month.	Caution letter issued to ensure compliance of securities related laws in future.
5	08/03/06	Mr. Anjan Chowdhury, Director, Mutual Trust Bank Limited.	As a director and member of the Audit Committee of Mutual Trust Bank Ltd., attempted to involve in insider trading and has contravened relevant provisions of section 18 of the Securities and Exchange Ordinance, 1969 by providing false/incorrect or misleading information in your declaration for buy of shares of Mutual Trust Bank Ltd. in respect of depositing money with the stock-broker in addition to concealment of the stated fact of expressing your desire to the broker for delay in executing the buy order which is beyond the scope of the declaration.	Caution letter issued to ensure compliance of securities related laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
6	08/03/06	Mr. Tapan Chowdhury Sponsor, Mutual Trust Bank Limited	As sponsor of Mutual Trust Bank Ltd. attempted to involve in insider trading and has contravened relevant provisions of section 18 of the Securities and Exchange Ordinance, 1969 by providing false/incorrect or misleading information in your declaration for buy of shares of Mutual Trust Bank Limited in respect of depositing money with the stock-broker in addition to concealment of the stated fact of expressing your desire to the broker for delay in executing the buy order which is beyond the scope of the declaration.	Caution letter issued to ensure compliance of securities related laws in future.
7	08/03/06	Mr. Samuel Swapan Chowdhury, Sponsor, Mutual Trust Bank Limited	As sponsor of Mutual Trust Bank Ltd. attempted to involve in insider trading and has contravened relevant provisions of section 18 of the Securities and Exchange Ordinance, 1969 by providing false/incorrect or misleading information in your declaration for buy of shares of Mutual Trust Bank Limited in respect of depositing money with the stock-broker in addition to concealment of the stated fact of expressing your desire to the broker for delay in executing the buy order which is beyond the scope of the declaration.	Caution letter issued to ensure compliance of securities related laws in future.
8	29/03/06	Chittagong Vegetable Oil Industries Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Commission's Order No. GmBwm/GmAvi GgAvBww/2000-985/2248/c02/1 Zwi L 19 wWtm=†, 2000Bs gazetted on February 25, 2001 by not disclosing price sensitive information regarding AGM.	Letter of warning issued to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
9	29/03/06	Bangladesh Auto Cars Limited (issuer), Managing Director and Company Secretary.	Non-compliance of Notification No. SEC/CMRRCD/2001/14/24/Admin/03-03 dated November 26, 2001 gazzeted on December 2001 issued under section 2CC of the Securities and Exchange Ordinance, 1969 by changing the Book Closure date.	Letter of warning issued to comply with all securities laws in future.
10	29/03/06	Karnafully Insurance Co. Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance with the clause (b) of the Commission's Order No. SEC/CFD-71/2001/Admin/02/05 dated January 03, 2002 gazzeted on January 30, 2002 by appointing M/S A. Wahab & Co. Chartered Accountants as the statutory auditor for the 2004, i.e. for a further period exceeding consecutive 3 years, without SEC prior clearance.	Letter of warning issued to comply with all securities laws in future.
11	29/03/06	Bangladesh General Insurance Co. Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance with the clause (b) of the Commission's Order No. SEC/CFD-71/2001/Admin/02/05 dated January 03, 2002 gazzeted on January 30, 2002 by appointing M/S Mahfel Huq & Co. Chartered Accountants, as the statutory auditor for the 2003, 2004, 2005, i.e. for a further period exceeding consecutive 3 years, without SEC prior clearance.	Letter of warning issued to comply with all securities laws in future.
12	29/03/06	Meghna Condensed Milk Industries 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 to comply with all securities laws in future.



Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
13	29/03/06	Meghna Pet Industries 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 to comply with all securities laws in future.
14	29/03/06	Eastern Lubricants Blenders 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 to comply with all securities laws in future.
15	29/03/06	Tulip Dairy & Food Products 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 years 2002 and 2003.	Letter of warning issued to comply with all securities laws in future.
16	29/03/06	Excelsior Shoes 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 in the years 2002, 2003 and 2004 held on June 23, 2005.	Letter of warning issued to comply with all securities laws in future.
17	30/03/06	Managing Director of Al-Amin Chemical 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 non-payment of declared dividend of Mr. Manzur A Elahi.	Letter of warning issued to comply with all securities laws in future.

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
18	30/03/06	Managing Director of Beach Hatchery 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 non-payment of declared dividend.	Letter of warning issued to comply with all securities laws in future.
19	30/03/06	Himadri Limited (issuer) Directors, Managing Director and Company Secretary.	Non-compliance of Notification No. SEC/CMRRCD/2001/14/24/Admin/03-03 dated November 26, 2001 gazzeted on December 2001 issued under section 2CC of the Securities and Exchange Ordinance, 1969 by not taking specific decision with regard to the shareholders entitlement of declare dividend.	Letter of warning issued to comply with all securities laws in future.

(E) Depository Participants: Warned

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	29/03/06	Md. Shahidullah & Co. (DSE Membership No.91, DP-142)	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 to comply with all securities laws in future.

(F) Others Directive

Sl. No.	Date	Name of the Company	Nature of Default/Appeal	Commission's Decision
1	03/01/06	Dhaka Stock Exchange Limited as well as the Chief Executive Officer of DSE.	To de-list the share of Eagle Box & Cartoon Manufacturing Co. Limited within two months from the date of Directive.	Directive issued to CEO and DSE under section 20A of the Securities and Exchange Ordinance, 1969. read with regulation 8 of the Dhaka Stock Exchange (Board and Administration) Regulations 2000.

Summary of the Enforcement action taken for the period of January to March 2006:

Nature of enforcement action taken	Number of cases
(A) Stock Dealer/Broker	
Directive/Order issued/Appeal rejected/Misc.	6
Total	6
(B) Stock Dealer/Broker	
Warned	3
Total	3
(C) Issuer Company and its Directors	
Directive/Order issued/Appeal rejected/Misc.	12
Warned	19
Total	31
(D) Others (Depository Participants)	
Warned	1
Total	1
(E) Others: Directive	
Directive	1
Total	1
Grand Total (A)+(B)+(C)+(D)+(E)=(6+3+31+1+1)	42

Court Cases of SEC

Total 131 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	3
		High Court Division	69
2	Metropolitan Session Judge Court, Dhaka.	6	
3	5th Joint dist. Judge Court, Dhaka.	8	
4	1st Asst. Judge Court, Dhaka.	1	
5	4th Asst. Judge Court, Dhaka.	3	
6	Chief Metropolitan Magistrate Court, Dhaka.	6	
7	General Certificate Court, Dhaka.	35	
	Total Cases :	131	

1. Out of total 15 Share Scam cases of 1996, 2 cases are now pending before the Honorable Supreme Court, Appellate Division, 8 cases before the Honorable Supreme Court, High Court Division and rest 5 cases are pending before the Metropolitan Session Judge Court, Dhaka.
2. Three 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 January-March, 2006.



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

তথ্যউদ্ভূতকক

bs- GmBim/imGgAvi Avi imiW/2001-50/cikvmb/03-14

Zwi L: Rvbpvi x 09, 2006 Bs

মুকদি উর I G- প্ৰা কুকব AvBb, 1993 (1993 ম্ৰি 15 bs AvBb) Gi 24 avi vq cđ Ę 1gZveţj মুকদি উর I G- প্ৰা কুকব, ce[©] cĳvţki ci, মুকদি উর I G- প্ৰা কুকব (gvtPঔ e'vsKvi I tcvUĳcđwĳ I g'vţbRvi) নেবগvj v, 1996 †Z vbtæv³ mstkrab Kwi j, h_v:-

1| নেব 2, Dc-নেব (1) Gi `dv (N) Gi ci vbtæv³ bZb `dv (NN) mshy³ nBte, h_v:-

“(NN) ōZ` vi Kx KgĳZĳ(Compliance Officer)ōA_ĳvţPঔ e'vsKvi KZĳ vbtqvM cđB Z` vi Kx KgĳZĳ;”|

2| নেব 2 Gi ci vbtæv³ bZb নেব 2K mshy³ nBte, h_v:-

“2K| Avţ` k ev vbt` ĳ cwi cyj b| - GB নেবগvj vq Dĳj vLZ cwi cyj bxq নেববmgĳ মুকদি উর I G- প্ৰা কুকব AvBb, 1993 †gZvţeK cđ Ę vbt` ĳ ev Avţ` k cwi cyj b imvţe MY` nBte:

kZ[©]vţK th, Kugkb, GB নেবগvj vi Aaxb mgq mgq Ab` tKvb Avţ` k ev vbt` ĳ I Rvi x Kwi †Z cwi te |ō|

3| নেব 5 Gi Dc-নেব (2) Gi ci vbtæv³ bZb Dc-নেব (3), (4) I (5) mshy³ nBte, h_v:-

“(3) gvtPঔ e'vsKvi Kugkb KZĳ vbañi Z thvM` Zv m=ubæGKRb Z` vi Kx KgĳZĳK vbtqvM` vb bv Kwi tĳ Dnv gvtPঔ e'vsKvi vbeŪb mb` cvl qvi thvM` nBte bv:

Zte kZ[©]vţK th, BwZgta` vbeŪZ gvtPঔ e'vsKvi †K AvMĳx Oq gvtmi gta` Z` vi Kx KgĳZĳvbtqvM/c` vqb Kwi †Z nBte;

(4) Z` vi Kx KgĳZĳK Aek` B b-bZg ōvZK vMvñi nBtZ nBte Ges Kugkb cđqvRb gtb Kwi tĳ mgq mgq G vcl †q th tKvb kZ[©] Avţi vc Kwi †Z cwi te;

(5) gvtPঔ e'vsKvi KZĳ মুকদি উর AvBb Kvbv cwi cyj b mspvš-cđZte` b Z` vi Kx KgĳZĳgvtPঔ e'vsKvi Ges Kugktbi vĳKU Kugkb KZĳ vbañi Z c×vZ I mgtq` vLj Kwi tēb |ō|

4| নেব 33 Gi ;-

(K) Dc-নেব (1) Gi ci vbtæv³ bZb kZ[©]mshy³ nBte, h_v:-

“Zte kZ[©]vţK th, Dc-নেব (1) Gi নেবব 1j bœbv Kwi qv Kugkb Avfhy³ e'w³ †K AvBtbi Aaxtb A_ĳŪ `vŪZ Kwi †Z cwi te |ō|;

(L) Dc-নেব (2) †Z Dĳj vLZ “mvŪĳĳĳKU eviZj ev `vMZŌ kã mgĳ “Dc-নেব (1) Gi Aaxb e`e`v MñYŌ kãmgĳ ōvi v cđZ`vcZ nBte; Ges

(M) Dc-নেব (3) G Dĳj vLZ “cđ vteZ eviZj ev `vMZ Avţ` k m=ú†KŌ kãmgĳ “Dc-নেব (1) Gi AaxbŌ kãmgĳ ōvi v cđZ`vcZ nBte|

5| নেব 34 Gi Dc-নেব (1) G Dĳj vLZ “evvZj ev `vMZŌ kãmgĳni cte[©]“A_ĳŪ,Ō kã mshy³ nBte |ō|

মুকদি উর I G- প্ৰা কুকত্ৰি c†
Wt vgrPAmRRj Bmj vq
†Pqvi g`vb |



তথ্যউদ্ভূতকক

bs- GmBim/wmGgAvi Avi wmw/2004-137/cKvmb/03-18

Zwi L: Rvbqvi x 09, 2006 Bs

wmKDwi wJR I G- tPÁ Kvgkb AvBb, 1993 (1993 mti 15 bs AvBb) Gi 24 avi vq cÓ È tvgZvetj wmKDwi wJR I G- tPÁ Kvgkb, ce© cKvtki ci, wmKDwi wJR I G- tPÁ Kvgkb (m-ú` wfvEK wmKDwi wJ Bmj) wewagvj v, 2004 G wbtæv³ mstkvab Kwi j , h_v:-

1| weia 1 Gi wki bvtgi Aaxb we` gvb weianU Dc-weia (1) wmwte MY` nBte Ges AZ:ci, wbtæv³ Dc-weia (2) mshy³ nBte, h_v:-

“(2) GB wewagvj vq Dwi wLZ cwi cvj bxq weavbmgf wmKDwi wJR I G- tPÁ Kvgkb AvBb, 1993 tgvZvteK cÓ È wbt` R ev Avt` k cwi cvj b wmwte MY` nBte t

kZ_vtK th, Kvgkb, GB wewagvj vi Aaxb mgq mgq Ab` tKvb Avt` k ev wbt` R I Rvi x Kwi tZ cwi te | Ó |

2| weia 2, Dc-weia (1) Gi we` gvb ` dv (K) bZb ` dv (KK) wmwte cjb:msL`wqZ nBte Ges Z` cte wbtæv³ bZb ` dv (K) mshy³ nBte, h_v:-

“(K) ÓZ` vi Kx KgRZP(Compliance Officer)Ó A_Ów÷ KZR wbtqM cÓB Z` vi Kx KgRZP,” |

3| weia 6, Dc-weia (4) Gi ` dv (Q) Gi ci wbtæv³ bZb ` dv (R) I (S) mshy³ nBte, h_v:-

“(R) Dnv Kvgkb KZR wbañi Z thvM` Zv m-úbuGKRb Z` vi Kx KgKZP (Compliance Officer) wbtqM ` vb bv Kti :

Zte kZ_vtK th, BtZvgtã` wbeWZ Utw÷ tK AvMvgr Qq gvñmi gta` Z` vi Kx KgRZP wbtqM/c` vqb Kwi tZ nBte:

Avi I kZ_vtK th, Z` vi Kx KgRZP Aek`B b-bZg øvZK wMñawii nBtZ nBte Ges Kvgkb cÓqvRb gtb Kwi tj mgq mgq G wel tq th tKvb kZAvti vc Kwi tZ cwi te;

(S) Utw÷ KZR wmKDwi wJR AvBb Kvbñ cwi cvj b mspvš-cÓZte` b Z` vi Kx KgRZP Utw÷ Ges Kvgktbi wBKU Kvgkb KZR wbañi Z c-xwZtZ I mgtq ` wLj Kwi tZ cwi te | Ó |

wmKDwi wJR I G- tPÁ Kvgktbi ct¶
Wt wGRPAwRRj Bmj vg
tPqvi g`vb |



NOTIFICATION

Dated the 20th February, 2006

No. SEC/CMRRCD/2006-158/Admin/02-08: Whereas, the Securities and Exchange Commission (herein after referred to as the '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 by the companies listed with any stock exchange in Bangladesh, should be subject to certain further conditions, on 'comply or explain' basis, in order to enhance corporate governance 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 Commission hereby supersedes its earlier Order No. SEC/CMRRCD/2006-158/Admin/02-06 dated the 9th January, 2006 and 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 by the companies listed with any stock exchange in Bangladesh:

Provided, however, that these conditions are imposed on 'comply or explain' basis. The companies listed with any stock exchange in Bangladesh should comply with these conditions or shall explain the reasons for non-compliance in accordance with the condition No.5.

The Conditions:

1.00 BOARD OF DIRECTORS:

1.1 Board's Size

The number of the board members of the company should not be less than 5 (five) and more than 20 (twenty):

Provided, however, that in the case of banks and non-bank financial institutions, insurance companies and statutory bodies for which separate primary regulators like Bangladesh Bank, Department of Insurance etc. exist, the Board of those companies should be constituted as may be prescribed by such primary regulators in so far as those prescriptions are not inconsistent with the aforesaid condition.

1.2 Independent Directors

All companies should encourage effective representation of independent directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the companies should comply with the following:-

- (i) At least one tenth (1/10) of the total number of the company's board of directors, subject to a minimum of one, should be independent directors.

Explanation: For the purpose of this clause “independent director” means a director who does not hold any share in the company or who holds less than one percent (1%) shares of the total paid-up shares of the

company, who is not connected with the company's promoters or directors or shareholder who holds one percent (1%) or more than one percent (1%) shares of the total paid-up shares of the company on the basis of family relationship; who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies, who is not a member, director or officer of any stock exchange, and who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.

(ii) The independent director(s) should be appointed by the elected directors.


1.3 Chairman of the Board and Chief Executive

The positions of the Chairman of the Board and the Chief Executive Officer of the companies should preferably be filled by different individuals. The Chairman of the company should be elected from among the directors of the company. The Board of Directors should clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.

1.4 The Directors' Report to Shareholders

The directors of the companies should include following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:-

- (a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of account of the issuer company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (d) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.
- (g) Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained.
- (h) Key operating and financial data of at least preceding three years should be summarized.
- (i) If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof should be given.
- (j) The number of Board meetings held during the year and attendance by each director should be disclosed.

- 
- (k) The pattern of shareholding should be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-
- (i) Parent/Subsidiary/Associated companies and other related parties (name wise details);
 - (ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);
 - (iii) Executives; and
 - (iv) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).

Explanation: For the purpose of this clause, the expression “executive” means top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

2.00 CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY:

2.1 Appointment

The company should appoint a Chief Financial Officer (CFO), a Head of Internal Audit and a Company Secretary. The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the Company Secretary.

2.2 Requirement to Attend Board Meetings

The CFO and the Company Secretary of the companies should attend meetings of the Board of Directors, provided that the CFO and/or the Company Secretary should not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to the CFO and/or the Company Secretary.

3.00 AUDIT COMMITTEE:

The company should have an Audit Committee as a sub-committee of the Board of Directors.

The Audit Committee should assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee should be clearly set forth in writing.

3.1 Constitution of Audit Committee

- (i) The Audit Committee should be composed of at least 3 (three) members.
- (ii) The Board of Directors should appoint members of the Audit Committee who should be directors of the company and should include at least one independent director.

- (iii) When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors should appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.

3.2 Chairman of the Audit Committee

- (i) The Board of Directors should select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee.
- (ii) The Chairman of the audit committee should have a professional qualification or knowledge, understanding and experience in accounting or finance.

3.3 Reporting of the Audit Committee

3.3.1 Reporting to the Board of Directors

- (i) The Audit Committee should report on its activities to the Board of Directors.
- (ii) The Audit Committee should immediately report to the Board of Directors on the following findings, if any:-
 - (a) Report on conflicts of interests;
 - (b) Suspected or presumed fraud or irregularity or material defect in the internal control system;
 - (c) Suspected infringement of laws, including securities related laws, rules and regulations; and
 - (d) Any other matter which should be disclosed to the Board of Directors immediately.

3.3.2 Reporting to the Authorities

If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee should report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 9 (nine) months from the date of first reporting to the Board of Directors, whichever is earlier.

3.4 Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.3.1 (ii) above during the year, should be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.



4.00 **EXTERNAL/STATUTORY AUDITORS**

The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-

- (i) Appraisal or valuation services or fairness opinions;
- (ii) Financial information systems design and implementation;
- (iii) Book-keeping or other services related to the accounting records or financial statements;
- (iv) Broker-dealer services;
- (v) Actuarial services;
- (vi) Internal audit services; and
- (vii) Any other service that the Audit Committee determines.

5.00 **REPORTING THE COMPLIANCE IN THE DIRECTOR'S REPORT**

The directors of the company shall state, in accordance with the annexure attached, in the directors' report whether the company has complied with these conditions.

Annexure

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/----- dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 5.00)

Condition No.	Title	Compliance status (Put ? in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not complied	
1.1				
1.2 (i)				
1.2 (ii)				
1.3				
1.4 (a)				
1.4 (b)				
1.4 (c)				
1.4 (d)				
1.4 (e)				
1.4 (f)				
1.4 (g)				
1.4 (h)				
1.4 (i)				
1.4 (j)				
1.4 (k)				
2.1				
2.2				
3.00				
3.1 (i)				
3.1 (ii)				
3.1 (iii)				
3.2 (i)				
3.2 (ii)				
3.3.1 (i)				
3.3.1 (ii) (a)				
3.3.1 (ii) (b)				
3.3.1 (ii) (c)				
3.3.1 (ii) (d)				
3.3.2				
3.4				
4.00 (i)				
4.00 (ii)				
4.00 (iii)				
4.00 (iv)				
4.00 (v)				
4.00 (vi)				
4.00 (vii)				

By order of the Securities and Exchange Commission

Dr. Mirza Azizul Islam
Chairman



ORDER

Dated the 9th January, 2006

No. SEC/CMRRCD/2006-159/Admin/02-07 -Whereas, the Securities and Exchange Commission (herein after referred to as the '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 by the companies listed with any stock exchange in Bangladesh, should be subject to certain further conditions, on 'comply or explain' basis, in order to enhance corporate governance 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 Commission hereby imposes 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 by the companies listed with any stock exchange in Bangladesh, namely:-

The issuer of a listed security shall designate company secretary as compliance officer who will monitor the compliance of the Acts, and rules, regulations, notifications, guidelines, conditions, orders/ directions etc., issued by the Commission and/ or stock exchange(s) applicable to the conduct of the business activities of the said issuer so as to promote the interest of the investors in the security issued by the said issuer, and for redressal of investors' grievances.

By order of the Commission


Dr. A B Mirza Azizul Islam
Chairman
Securities and Exchange Commission

SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006**NOTIFICATION**

Dated, the 20th February 2006

No. SEC/CMRRCD/2003-109/Admin-01/25 In exercise of the power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance XVII of 1969), and in supersession of the Public Issue Rules, 1998 made in this behalf, the Securities and Exchange Commission makes, with prior circulation, the following rules, namely:-

1. **Short title.** These rules may be called the Securities and Exchange Commission (Public Issue) Rules, 2006.
2. **Definitions.**
 - (1) In these rules, unless there is anything repugnant in the subject or context,-
 - (a) “associate” means any partner, employee, officer of a company, and a related body corporate over which the directors and subscribers to the Memorandum of Association and Articles of Association can exercise significant influence;
 - (b) “banker to the issue” means any bank so named in the prospectus to collect money for securities subscription;
 - (c) “Commission” means the Securities and Exchange Commission (SEC) established under the Securities and Exchange Ordinance, 1969 (Ordinance XVII of 1969);
 - (d) “commission” means any money paid to any person in connection with the public offering of securities under these Rules;
 - (e) “initial public offering (IPO)” means first offering of security by an issuer to the general public;
 - (f) “merchant banker” means a merchant banker as defined in the Securities and Exchange Ordinance, 1969;
 - (g) “public issue” means public issue of security through initial public offering and repeat public offering;
 - (h) “prospectus” means any document prepared for the purpose of communicating to the general public a company's plan to offer for sale of its securities under these Rules;
 - (i) “repeat public offering” means further issuance of security through public offering by an issuer which has raised capital through initial public offering earlier;
 - (j) “subsidiary company” is an enterprise that is controlled by another enterprise (known as the parent company).

- 
- (2) Words and expressions used herein and not defined, but defined in the Insurance Act, 1938 (Act No. IV of 1938), the Securities and Exchange Ordinance, 1969 (XVII of 1969), e'vsK †Kv=úvwb AvBb, 1991 (1991 m‡bi 14 b=† AvBb), wmwKDwi uJR I G· †PÄ Kvgkb AvBb, 1993 (1993 mv†j i 15 bs AvBb), Avw_Ɣ cŰZôvb AvBb, 1993 (1993 m‡bi 27 b=† AvBb), †Kv=úvwb AvBb, 1994 (1994 m‡bi 18 b=† AvBb), wWcwRUwi AvBb, 1999 (1999 m‡bi 11 b=† AvBb) shall have the same meanings respectively assigned to them in the said Acts and the Ordinance, and the Rules and Regulations issued thereunder.

3. General requirements for filing application for consent to an issue of capital through public offering.

For obtaining consent to an issue of capital under these Rules, an issuer shall apply to the Securities and Exchange Commission along with the following documents:-

- (1) Ten copies of the prospectus, duly completed, together with all annexes thereto, duly signed on each page, by the issuer's chief executive officer/managing director, chief financial officer and issue manager. All the directors, including the chief executive officer, shall sign a declaration as prescribed in **Annexure- A**.
- (2) Any amendment to the prospectus, signed by the said persons, shall also have to be filed with the Commission, in accordance with sub-rule (1).
- (3) All stock exchanges shall be supplied simultaneously by the issuer with one copy each of the said prospectus, together with its annexes, and the amendments thereto, if any, duly signed by the persons who have signed prospectus that is submitted to the Commission.
- (4) The audited financial statements of the issuer must be submitted to the Commission along with the prospectus and that the said statements shall not be older than 120 days of the end of the period for which the said financial statements is prepared.

4. Conditions to be fulfilled prior to making a Repeat Public Offering. An issuer of a listed security may make repeat public offering, subject to compliance with the following:-

- (1) Information concerning the repeat public offering shall be disseminated as a price sensitive information immediately upon Board decision as well as upon approval at the general meeting and approval of the Commission, in accordance with the relevant notifications issued by the Commission.
- (2) There should be an explicit announcement while disseminating the information under sub-rule (1) that the repeat public offering shall be subject to approval of the Commission.
- (3) Such offering and price thereof have been approved by the Board, the shareholders in a general meeting, and the consent to which is obtained from the Commission.
- (4) The proceed of either initial public offering or previous rights issue, as the case may be, has been utilized fully and relevant reports were duly submitted to the Commission.
- (5) Annual general meeting has been held regularly.
- (6) The issue has been fully underwritten on a firm commitment basis by the underwriter.

- (7) The financial statements of the issuer is prepared as per International Accounting Standards (IAS) as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh.
- (8) The issuer or any of its directors is not a bank defaulter.

5. Publication of prospectus and opening of subscription list.


- (1) Upon receiving the consent of the Securities and Exchange Commission to the issue of capital under these Rules, the abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bengali and two English), within the time specified in the letter of consent issued by the Commission. The full prospectus shall, however, be posted on websites of the SEC, stock exchanges, issuer and the issue manager.
- (2) The subscription list shall be opened and the sale of securities commenced after twenty five days of the publication of the abridged version of the prospectus and shall remain so open for the period as specified by the Commission.
- (3) Upon completion of the period of subscription for securities as mentioned in sub-rule (2), the issuer shall inform the Commission and the stock exchanges, within five working days of closure of such completion, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the banker to the issue.

6. Prospectus delivery requirements.

- (1) Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one.
- (2) The issuer shall post the prospectus vetted by the Securities and Exchange Commission in the issuer's website and also put on the web sites of the Commission, stock exchanges, and the issue manager within three working days from the date of according consent and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager a diskette containing the text of the vetted Prospectus in "MS-Word" format.
- (3) A notice shall be placed on the front of the application form distributed in connection with the offering informing interested persons that they are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager.
- (4) The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

7. Limitation on the use of the prospectus.

- (1) A prospectus may be used to offer the securities until any of the following events occur, namely: -

- 
- (a) There are material changes in any of the information included in the prospectus; and
 - (b) Any transaction or event which is material to affect or change the conditions under which the public offering is being made as per the contents of the prospectus and which should have otherwise been required to be reported to the Commission.
- (2) If any of the above events occur, the offering shall stand suspended until an amendment duly signed by all the directors of the issuer, the chief executive officers of both the issuer and the issue manager to the prospectus furnishing the appropriate information has been filed with and declared effective by the Securities and Exchange Commission.
 - (3) The occurrence of any of the events mentioned in sub-rule (1) shall be notified to the general public after such declaration has been made effective by the SEC in four national daily newspapers in which the abridged version of the prospectus was published prior to the date of the opening of the subscription:

Provided that in case of there is any necessity for amendment to the prospectus during the subscription period, in that case, the subscription may be suspended by the Commission and the subscribers who have already deposited money with the banker to the issue may decide either to withdraw his application or continue with it.

- (4) A declaration under sub-rule (3) shall state in detail the nature of change or event which has occurred after the publication of the prospectus and shall be signed by all the directors of the company and the CEOs of the issuer company and the manager to the issue and a copy of the said declaration shall be submitted to the Commission.

8. Format and contents of the prospectus.

A. Material Information:

- (1) In addition to the information specifically required by these Rules, the prospectus shall contain all material information necessary to enable investors to make an informed assessment of the business engaged in, or to be engaged in, by the company, its assets and liabilities, its financial position, its profits and losses and its future prospects and the rights attaching to the securities being offered and, in case of more than one project being included in the proposed public offering, separate full disclosure for each project.
- (2) The Commission may require disclosure of additional information in the prospectus as it considers appropriate in a particular offering, and the issuer shall comply it.
- (3) If the Commission requires such information, it shall inform the issuer of the additional information in writing.

B. Information to be included in the prospectus.-

(1) Cover Page of Prospectus:

On the front cover page of the prospectus, the following information and statements shall be given, namely: -

- (a) Name of the issuer company;
- (b) Amount and type of securities being issued;
- (c) Offering price of the securities on a per unit and aggregate basis;
- (d) Opening and closing date of subscription including for NRBs;
- (e) Names and addresses of the underwriter(s);
- (f) Issue date of the prospectus;
- (g) The following statement: "If you have any query about this document, you may consult issuer, issue manager and underwriter"; and
- (h) The following statement in bold type face:

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."

(2) Table of Contents:

On the inside cover page of the prospectus,

- (a) a detailed table of contents showing the various sections or subdivisions of the prospectus and the page number on which each such section or subdivision begins shall be given;
- (b) immediately preceding the table of contents, it shall be indicated that a prospectus may be obtained from the issuer company, issue manager, underwriter and stock exchanges; and
- (c) the address and telephone number of the company, the issue manager, the underwriters, the auditor and the stock exchanges.

(3) Risk Factors and Management's Perception about the Risks:

Immediately following the cover page of the prospectus, all risk factors and management's perception about the same are to be clearly stated which may include, among others,:

- (a) interest rate risks;
- (b) exchange rate risks;
- (c) industry risks;
- (d) market and technology-related risks;
- (e) potential or existing government regulations;
- (f) potential changes in global or national policies;
- (g) history of non operation, if any; and
- (h) operational risks.



(4) Use of Proceeds:

- (a) The prospectus shall show how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose.
- (b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer.
- (c) If there are contracts covering any of the activities of the issuer company for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus.

(5) Description of Business:

- (a) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in shall be stated in the prospectus.
- (b) The prospectus shall contain the information in respect of its business operation, for example: -
 - (1) The principal products or services of the company and the markets for such products or services.
 - (2) If the company has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues.
 - (3) Names of associates, subsidiary/related holding company and their core areas of business.
 - (4) How the products or services are distributed.
 - (5) Competitive conditions in the business.
 - (6) Sources and availability of raw materials and the names of the principal suppliers.
 - (7) Sources of, and requirement for, power, gas and water; or any other utilities.
 - (8) Names of the customers who purchase 10% or more of the company's products /services.
 - (9) Description of any contract which the company has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract.
 - (10) Description of any material patents, trademarks, licenses or royalty agreements.

(11) Number of total employees and number of full-time employees.

(12) Production or service rendering capacity and current utilization, where applicable.

(6) Description of Property:

The prospectus shall contain the following information in respect of plants and property, namely; -

(a) Location of the principal plants and other property of the company and the condition thereof.

(b) Whether the property is owned by the company or taken on lease.

(c) If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor.

(d) If the property is taken on lease, the expiration date of the lease, with name of the lessor.

(7) Plan of Operation and Discussion of Financial Condition:

(a) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation shall be described in the prospectus which shall, among others, include:-

(1) Projected financial statements up to the year of commercial operation certified by the auditor of the issuer; and

(2) Any expected significant changes in the number of employees.

(b) If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years shall be given in the prospectus which shall, among others, include the following information, to the extent material, namely; -

(1) Internal and external sources of cash.


(2) Any material commitments for capital expenditure and expected sources of funds for such expenditure.

(3) Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income.

(4) Any seasonal aspects of the company's business.

(5) Any known trends, events or uncertainties that shall have a material effect on the company's future business.

(6) Any change in the assets of the company used to pay off any liabilities.

- 
- (7) Any loan taken by the issuer from its holding/parent company or subsidiary company or loan given to aforesaid company, giving full details of the same.
 - (8) Any future contractual liabilities the company might enter into within next one year, and the impact, if any, it would have on the company's financial fundamentals.
 - (9) The estimated amount, where applicable, of future capital expenditure.
 - (10) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus.
 - (11) Details of any operating lease the company has entered into during the five years preceding the issuance of the prospectus, clearly indicating terms of the lease and how the company proposes to liquidate such lease.
 - (12) Any financial commitment, including lease commitment, the company had entered into during the past five years, giving details as to how the liquidation was or is to be effected.
 - (13) Details of all personnel related schemes for which the company has to make provision for in future years.
 - (14) Break down of all expenses connected with the public issue showing specifically: -
 - (i) fee of issue manager; and
 - (ii) fee of underwriter.
 - (15) If the issuer has revalued any of its assets, the name, qualification, work done to date by the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner which shall facilitate comparison between the historical value and the amount shown after revaluation and giving a summary of the valuation report.
 - (16) Where the issuer is a holding/subsidiary company, there shall be full disclosure in the prospectus about the transactions, including its nature and amount, between it and its subsidiary/holding company or associate companies, including transactions which have taken place within the last five years of the issuance of the prospectus or the date of incorporation of the issuer company, whichever is earlier, clearly indicating whether the issuer company is a debtor or a creditor.
 - (17) Where the issuer is a banking company, insurance company, non-banking financial institution, a declaration by the board of directors shall be included in the prospectus stating that all requirements as specified in the Insurance Act, 1938 (Act No. IV of 1938), e'vSK †Kv=úvbx AvBb, 1991 (1991 mvtj i 14 bs AvBb), Awl_R cŹZÖvb AvBb, 1993 (1993 mvtj i 27 b=† AvBb) have been adhered to.
 - (18) A special report from the auditors regarding any allotment of shares to the directors and

subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash.

(19) Any material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

(8) Directors and Officers:

The prospectus shall contain the following information in respect of its directors and officers, namely; -

- (a) Name, age, qualification, experience and position of each of the directors of the company and any person nominated to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him.
- (b) In the case of a director, the date on which he first became a director and the date on which his current term of office shall expire.
- (c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations.
- (d) Any family relationship among directors and top five officers.
- (e) Short bio-data of each director.
- (f) Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank:

Provided that, in case of repeat offering, rule 4 (8) shall be applicable.
- (g) Name with position, educational qualification, date of joining in the company, last five years experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors and All Departmental Heads.

(9) Involvement of Directors and Officers in Certain Legal Proceedings:

The following events shall be described in the prospectus, if they have occurred during the last ten years, namely; -

- (a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer



permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

- (d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

(10) Certain Relationships and Related Transactions:

The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely; -

- (a) Any director or executive officer of the issuer.
- (b) Any director or officer.
- (c) Any person owning 5% or more of the outstanding shares of the issuer.
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.
- (f) Any loan either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan.
- (g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm.
- (h) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

(11) Executive Compensation:

- (a) The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer.
- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year.

- (c) The amount of remuneration paid to any director who was not an officer during the last accounting year.
- (d) Any contract with any director or officer providing for the payment of future compensation.
- (e) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto.

(12) Options granted to Directors, Officers and Employees:

- (a) The following information shall be given in the prospectus in respect of any option held by each director, the salaried officers, and all other officers as a group, namely; -
 - (i) The date on which the option was granted.
 - (ii) The exercise price of the option.
 - (iii) The number of shares or stock covered by the option.
 - (iv) The market price of the shares or stock on the date the option was granted.
 - (v) The expiration date of the option.
- (b) If such options are held by any person, other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely; -
 - (i) The total number of shares or stock covered by all such outstanding options.
 - (ii) The range of exercise prices.
 - (iii) The range of expiration dates.

(13) Transaction with the Directors and Subscribers to the Memorandum:

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received by the issuer during the last five years or to be received by each of the above persons, directly or indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received by the issuer shall be stated in the prospectus.
- (b) If any assets were acquired or are to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein.



(14) Tangible assets per share:

The prospectus shall show the net tangible asset backing per unit of the securities being offered at the date of the latest statement of financial position contained or referred to in the prospectus.

(15) Ownership of the Company's Securities:

- (a) The prospectus shall disclose, in tabular form, the name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership.
- (b) There shall also be a table in the prospectus showing the number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned.

(16) Determination of Offering Price:

- (a) If ordinary shares are being offered, the factors considered in determining the offering price shall be set forth in the prospectus.
- (b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium should be stated with reference to-
 - (i) net asset value per share at historical or current costs;
 - (ii) earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation;
 - (iii) projected earnings per share/book value for the next three accounting year as per the issuers own assessment duly certified by the auditor of the issuer;
 - (iv) average market price per share of similar stock for the last six months immediately prior to the offer for common stocks or if issuance is the repeat public offering market price per share of common stock of the issuer for the aforesaid period; and
 - (v) all other factors with justification which have been taken into account by the issuer for fixing the premium:

Provided that premium on public offering shall not exceed the amount of premium charged on shares issued within immediately preceding one year.

(17) Market for the Securities Being Offered:

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.

(18) Description of Securities Outstanding or Being Offered:

The prospectus shall:

- (a) describe any dividend, voting and preemption rights of any common stock outstanding or being offered;
- (b) describe the dividend, voting, conversion and liquidation rights, as well as redemption or sinking fund provisions, of any preferred stock outstanding or being offered;
- (c) if there are any limitations on the payment of dividends to common or preferred stockholders because of provisions in debt instruments or otherwise, explain such limitations; and
- (d) describe any other material rights of the common or preferred stockholders.

(19) Debt Securities:


The prospectus shall:-

- (a) describe the terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within six months, including their date of redemption, whether or not such debt securities are convertible to equity, rate of interest payable and any other rights the holders of such securities may have;
- (b) describe the principal amount outstanding or to be outstanding, the maturity date, the interest rate, the conversion or redemption features and the sinking fund requirements of all debt securities outstanding and being offered;
- (c) describe all other material provisions giving or limiting the rights of holders of each class of outstanding debt or debt being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios; and
- (d) give the name of the trustee(s) designated by the indenture for each class of outstanding debt or for debt being offered and describe the circumstances under which the trustee must act on behalf of the debt holders.

(20) Financial Statement Requirements:

The prospectus shall include:

- (a) the financial statements prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 1987;
- (b) information as is required under section 186 of the Companies Act, 1994 relating to holding company;
- (c) selected ratios on liquidity, profitability and solvency of the issuer as specified in **Annexure B**; and

- 
- (d) the issuer shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer in the prospectus. If the company has been in existence for less than five years, the above mentioned inclusion and submission will have to be made for the period of existence of the company.

9. Lock in Provision.

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

10. Refund of subscription money.- In the case of non-allotment of securities, refund of subscription money of applicants resident in Bangladesh shall be made by account payee cheque/warrant payable to applicant. For this purpose the number of the bank account along-with name of bank and branch shall be indicated in the securities application form.

11. Subscription by and refund to non-resident Bangladeshi (NRB).

- (1) A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”.
- (2) The value of securities applied for by such person may be paid in Taka or US Dollar or UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
- (3) Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.

12. Availability of Securities.

- (1) 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public.
- (2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.
- (3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the issue manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

- (4) In case of under-subscription under any of the 10% categories mentioned in sub-rule (1), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
- (5) In case of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s).
- (6) The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

13. Issue manager. The issuer shall appoint issue manager(s) registered by the Securities and Exchange Commission for the purpose of making the public offering.

14. Underwriter.

- (1) The issuer making public offering shall appoint underwriter(s), having certificate of registration from the Securities and Exchange Commission or allowed by the Commission to carry out underwriting on a firm commitment basis.
- (2) The issuer, in the event of under subscription, shall send notice to the underwriter(s) within ten days of closure of subscription calling upon them to subscribe the securities and pay for them in cash in full within fifteen days of the date of said notice and the said amount shall be credited into securities subscription account within the said period.
- (3) The underwriting agreement shall contain a condition to the effect as mentioned in sub-rule (2).
- (4) The issuer shall, within seven days of the expiry of the period mentioned in sub-rule (2), send to the Securities and Exchange Commission proof of subscription and deposit of the money by the underwriter.

15. Debenture trustee.

- (1) The public company issuing debenture shall appoint a debenture trustee to protect the interests of debenture holders.
- (2) The debenture trustee shall be a bank, a financial institution, an insurance company, or any other entity registered by the Commission to act as trustee.

16. Fees for public offering and listing of security with the recognized stock exchanges.-

- (1) The following fees shall be applicable for payment by the issuer company:-
 - (i) Issue management fee: maximum 1% on the public offering amount or Tk. 20 lac whichever is lower.
 - (ii) Underwriting fee shall be calculated on 50% of initial public offer amount, and the said amount shall not exceed 1% on the amount underwritten.
 - (iii) Bankers to the issue fee: maximum 0.1% on the amount collected against public offering applications.



(iv) Fees to be paid to the each stock exchange:

(a) Listing fee for ordinary shares:

- i. Up to Taka 10 crore of paid-up capital @ 0.25%.
- ii. Above Taka 10 crore of paid-up capital @ 0.15%.

(b) Listing fee for preferred shares and fixed income securities:

- i. Up to Taka 10 crore of size of the issue @ 0.25%.
- ii. Above Taka 10 crore of size of the issue @ 0.15%.

However, the total listing fee shall be minimum of Taka 10,000 (ten thousand) and maximum of Taka 20 lac for each of the categories mentioned under sub-rule (1)(iv).

(v) Fees to SEC:

(a) The issuer company shall pay Taka 10,000 (non-refundable) as application fee along with the application for consent of the Commission to issue or offer of securities, by way of a pay order or demand draft issued in favor of the “Securities and Exchange Commission”; and

(b) Upon according of consent by the Commission to issue prospectus, the issuer company shall pay consent fee @ 0.15%, by way of a pay order or demand draft issued in favor of the “Securities and Exchange Commission”, on the amount of public offering.

(2) No seal commission shall be paid to any person, including the members of the stock exchanges.

17. Approval, rejection and review.

- (1) On receipt of an application for consent or recognition, as the case may be, to the issue or offer of securities from an issuer, the Securities and Exchange Commission shall review the said application to ascertain whether it is complete.
- (2) In case the said application is incomplete, the Commission shall inform the issuer in writing of the incompleteness within twenty eight days of receipt of the said application.
- (3) If the issuer fails to remove the incompleteness within thirty days of communication thereof, it shall have to file a fresh application.
- (4) The Commission shall issue letter of consent, subject to such conditions as it may deem fit to specify, within sixty days of receipt of a complete application, if such application is acceptable to the Commission.
- (5) If the application is not acceptable to the Commission, it shall issue a rejection order, stating the reasons for such rejection, within sixty days of receipt of the complete application.
- (6) The issuer, whose application has been rejected by the Commission, may apply for review to the Commission within ninety days from the date of such rejection, and the decision of the Commission thereon shall be final.

18. Exhibits. The following documents shall also be filed by the issuer as exhibits to the application for consent to an issue of capital through public offering, namely:-

- (1) Memorandum of Association and Articles of Association- certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/Chief Executive Officer.
- (2) Certificate of Incorporation and Certificate of Commencement of Business certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/ Chief Executive Officer.
- (3) Extract from the Minutes of Meeting of the Board of Directors for raising paid up capital photocopy attested by the Managing Director/ CEO.
- (4) Consent of the Directors to serve, in original, signed by all directors.
- (5) Land Title Deed with current rent receipts -photocopy attested by the Managing Director/ Chief Executive Officer.
- (6) If plant & machinery is reconditioned or second-hand a certificate from SGS or Lloyds agency on its economic life and price competitiveness duly certified by the Chamber of Commerce of the exporting country or the country of origin all in original.
- (7) Loan agreements, if any photocopy attested by the Managing Director/ Chief Executive Officer.
- (8) Banker's letter confirming opening of separate bank account for public issue purposes - photocopy attested by the Managing Director/ Chief Executive Officer.
- (9) Due Diligence Certificate (using format included in **Annexure C**) from the Manager to the Issue - in original.
- (10) Due Diligence Certificate (using format included in **Annexure D**) from Underwriter-in original.
- (11) Due Diligence Certificate from Debenture Trustee, in original, as prescribed by the Commission.
- (12) Agreement with (a) Investment Adviser, (b) Issue Manager, (c) Underwriter(s) and (d) Debenture Trustee- photocopies attested by the Managing Director/ Chief Executive Officer..
- (13) Letter of the Bankers' to the issue accepting their appointment as such photocopy attested by the Managing Director/CEO.
- (14) Joint venture agreement, if any-attested by the Managing Director/Chief Executive Officer.
- (15) Tax Holiday Approval Letter from NBR attested by the Managing Director/ Chief Executive Officer.
- (16) Copy of return of allotment and particulars of directors certified by the Registrar of Joint Stock Companies and Firms and attested by the Managing Director/ Chief Executive Officer.
- (17) Banker's certificate/ bank statement showing deposit of an amount equivalent to the paid up capital/ auditor's certificate in that regard attested by the Managing Director/ Chief Executive Officer.
- (18) Undertakings of the issuer company and its directors for obtaining CIB Report from Bangladesh Bank



attested by the Managing Director/ Chief Executive Officer.

- (19) Copies of valid license from the regulatory authority, where applicable attested by the Managing Director/ Chief Executive Officer.
- (20) Deed of Trust (in case of debt securities) attested by the Managing Director/ Chief Executive Officer.
- (21) Credit rating report, if applicable attested by the Managing Director/ Chief Executive Officer.

19. Contravention. If any issuer or its representative violates any of the provisions of these Rules or furnishes false, incorrect, misleading information or suppresses any information, the Securities and Exchange Commission may take appropriate action under the Securities and Exchange Ordinance, 1969.

20. Repeal and Savings.

- (1) The Public Issue Rules, 1998 is hereby repealed.
- (2) Notwithstanding the repeal of the said Public Issue Rules, 1998, any consent given, document or agreement made, fee received or paid, resolution passed, direction given, proceeding taken, instrument executed or issued or things done under or in pursuance of the said Rules shall, if in force before the commencement of these Rules, continue to be in force and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of these Rules.

Annexure- A**Declaration about the Responsibility of the Directors, including the CEO of the Issuer Company in respect of the Prospectus**

[see rule 3 (1)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Signature

[Full Name]

Designation



Annexure -B

Ratios Pertinent to the Prospectus

[see rule 8B(20)(c)]

I. Liquidity Ratios:

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Times Interest Earned Ratio
- (iv) Debt to Equity Ratio

II. Operating Ratios:

- (v) Accounts Receivable Turnover Ratio
- (vi) Inventory Turnover Ratio
- (vii) Asset Turnover Ratio

III. Profitability Ratios:

- (viii) Gross Margin Ratio
- (ix) Operating Income Ratio
- (x) Net Income Ratio
- (xi) Return on Assets Ratio
- (xii) Return on Equity Ratio
- (xiii) Earnings- Per- Share Ratio (EPS).

Annexure-C**Due Diligence Certificate of Manager to the Issue**

[see rule 18 (9)]

**Sub: Public offer ofOrdinary Shares/Preferred Shares/ Fixed Income Securities of Tk. each of
(Name of the Issuer Company)**

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;-

WE CONFIRM THAT:

- a) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) all the legal requirements connected with the said issue have been duly complied with; and
- c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/
Managing Director
(Name of the Merchant Banker)

Due Diligence Certificate of the Underwriter(s)

[see rule 18(10)]

**Sub: Public offer ofOrdinary Shares/Preferred Shares/ Fixed Income Securities of Tk. each of
(Name of the Issuer Company)**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;-

WE CONFIRM THAT:

- (a) all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (b) we shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (c) this underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/
Managing Director
(Name of the Merchant Banker/Underwriter)

By Order of the
Securities and Exchange Commission

Dr. Mirza Azizul Islam
Chairman.

Notification

Dated the 22th February, 2006

No. SEC/CMRRCD/2006-162/Admin/03/24 -The Securities and Exchange Commission, in exercise of power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) hereby makes, with prior publication, the following amendments in the Credit Rating Companies Rules, 1996, namely:-

In the said rules:-

1. In rule 2, after clause (d), the following new clause (dd) shall be inserted, namely:-

“(dd) 'Compliance Officer' means a person appointed by the Credit Rating Company as its compliance officer;

2. Rule 3 shall be replaced by the following new rule 3, namely:-

“3. Requirement for credit rating.- No issue of debt security, or public issue of share (including rights share) at a premium, shall be made by an issuer unless the issue is rated by a credit rating company and declaration about such rating is given in the offer document, prospectus or rights share offer document, as the case may be:

Provided that the Commission may, by general order which shall be notified in the official Gazette, grant exemption, in the interest of the capital market, from any requirement of this rule”.

3. In rule 4, after clause (f), the following new clause (g) shall be inserted, namely:-

“(g) that such company shall have to appoint a Compliance Officer who should have a Bachelors degree from a recognized institution:

Provided that the Commission may impose any condition as it may deem fit from time to time in this respect:

Also provided that the Compliance Officer shall submit report on compliance of the securities related laws, rules, regulations, etc. by the Credit Rating Company to the Commission and the company concerned in the format and in the time prescribed by the Commission from time to time:

Provided further that the existing Credit Rating Companies shall appoint the Compliance Officer within six months.”.

For and on behalf of

The Securities and Exchange Commission
Dr. Mirza Azizul Islam
Chairman



Notification

Dated the 08 February, 2006

No. SEC/CMRRCD/.2006-159/Admin-03/23 -Whereas, the Securities and Exchange Commission (hereinafter referred to as "the 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, 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 (XII of 1969), the Securities and Exchange Commission hereby imposes the following further conditions to the consent to the issue of capital already accorded by it, or deemed to have been accorded by it, or to be accorded by it in future, namely:-

1. A private limited company shall, adhering to due legal process, convert itself into a public limited company in any of the following cases:
 - (a) Within six months from the date its existing paid up capital and the further capital it intends to raise exceeds, in total, taka forty crore; or
 - (b) Within twelve months from the date of publication of this notification in the official gazette, in case its existing paid up capital has already exceeded, in total, taka forty crore.
2. A public limited company, including the said converted public limited company, whose paid up capital exceeds taka fifty crore shall, adhering to due legal process, apply to the Commission for making an issue of capital through public offering to the extent of at least 30 percent of the amount it intends to raise as additional capital:
 - (a) Within one year from the date its paid up capital exceeds taka fifty crore, or from the date of publication of this notification in the official gazette, whichever comes later, if it has already been in commercial operation for three years or more; or
 - (b) Within three years of commencement of its commercial operation, if it has not yet commenced its commercial operation.

[Note: The date recorded with the taxation authority about commencement of commercial operation shall be considered the date for this purpose.]

By order of the Commission

Dr. A B Mirza Azizul Islam
Chairman,
Securities and Exchange Commission

SECURITIES AND EXCHANGE COMMISSION (RIGHTS ISSUE) RULES, 2006**NOTIFICATION**

Dated, the 20th February 2006

No. SEC/CMRRCD/2003-109/Admin-01/26 In exercise of the power conferred by section 33 of the Securities and Exchange Ordinance, 1969 (Ordinance XVII of 1969), and in supersession of the Rights Issue Rules, 1998 made in this behalf, the Securities and Exchange Commission makes, with prior circulation, the following rules, namely:-

1. Short title These rules may be called the Securities and Exchange Commission (Rights Issue) Rules, 2006.

2. Definitions.-

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

- (a) “bank-defaulter” means a person having an overdue or a classified loan as per the latest report issued by the Credit Information Bureau of Bangladesh Bank;
- (b) “banker to the issue” means a bank so named in the rights share offer document to collect the rights share subscription;
- (c) “chartered accountant” means a person who is a chartered accountant within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973);
- (d) “director” means a director of a company who is so named in the rights share offer document;
- (e) “form” means the form annexed to these Rules;
- (f) “Ordinance” means the Securities and Exchange Ordinance, 1969 (XVII of 1969);
- (g) “rights share” means new shares offered to the existing shareholders of a public listed company in proportion to their existing holding out of total shares of the company; and
- (h) “rights share offer document” means a document offering for subscription of rights share by existing shareholders in terms of these Rules.

(2) Words and expressions used herein and not defined, but defined in the Insurance Act, 1938 (Act No. IV of 1938), the Securities and Exchange Ordinance, 1969 (XVII of 1969), e'isK tKv'úvb AvBb, 1991 (1991 m'bi 14 b'f AvBb), wmkDwi wJR l G. tPÁ Kwgkb AvBb, 1993 (1993 m'j i 15 bs AvBb), Avw_ R c'Z'vb AvBb, 1993 (1993 m'bi 27 b'f AvBb), tKv'úvb AvBb, 1994 (1994 m'bi 18 b'f AvBb), wCwRUwi AvBb, 1999 (1999 m'bi 11 b'f AvBb) shall have the same meanings respectively assigned to them in the said Acts and the Ordinance, and the Rules and Regulations issued thereunder.

3. Conditions to be fulfilled prior to making rights issue. An issuer of a listed security may make rights issue by issuing rights share offer document subject to compliance with the following:-

- (a) Such rights issue and price thereof have been approved by the shareholders in a general meeting.

- (b) The proceeds of previous public offering, or rights issue, has been utilized fully.
- (c) Annual general meeting has been held regularly.
- (d) The rights issue has been fully underwritten on a firm commitment basis by the underwriter.
- (e) The financial statements of the company is prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA), as applicable in Bangladesh.
- (f) The issuer or any of its directors is not a bank-defaulter.
- (g) The issuer has been credit rated by a credit rating company, if the offer is at a premium.

4. Pricing and ratio of rights share.

- (1) The issuer of a listed security making rights issue shall determine the price of its rights share in consultation with the issue manager.
- (2) No issuer of a listed security shall price its rights share above par value, if it has not been in commercial operation for immediate past three years having a track record of profitability and net positive cash flows from its operating activities.
- (3) The number of rights share proposed shall not exceed five for each existing share held in the company.

5. Issue manager.

- (1) The issuer of a listed security making rights issue shall appoint issue manager licensed under **স্বতন্ত্র নিয়ন্ত্রকালয় আইন, ১৯৯৬** (Securities and Exchange Commission Act, 1996), to ensure compliance with these Rules.
- (2) The issue manager shall furnish a due diligence certificate as in Form-A which shall be included in the rights share offer document.


6. Underwriter.

- (1) The issuer of a listed security making rights issue shall appoint one or more underwriters licensed under **স্বতন্ত্র নিয়ন্ত্রকালয় আইন, ১৯৯৬** (Securities and Exchange Commission Act, 1996) to fully underwrite the rights issue on a firm commitment basis.
- (2) The issuer shall call upon the underwriter(s) within ten days of closing of the subscription lists for subscription of the under-subscribed shares, if any, by the underwriter, and the underwriter shall subscribe to such under-subscribed shares within fifteen days of calling thereof by the issuer.
- (3) The underwriter shall furnish a due diligence certificate as in Form-B which shall be included in the rights share offer document.

7. Filing of the application for rights share offer. -

- (1) An application for issuing rights share along with the offer document shall be furnished to the Commission for approval within fifteen days of approval of such issue by the shareholders of the company in a general meeting.

- (2) Such document shall be submitted to the Commission alongwith-
- (a) the copies of underwriting agreement, issue management agreement, agreement with the banker to the issue;
 - (b) original auditors' report and certificate with the related financial statements;
 - (c) relevant extract of the minutes of the general meeting;
 - (d) undertakings of the company itself and its directors in prescribed CIB form; and
 - (e) a bank pay order or demand draft issued in favour of the Securities and Exchange Commission as payment of application fee for an amount of taka ten thousand only.
- (3) The chief executive officers of the issuer and the issue manager, by whatever name called, shall jointly certify under their full signature and seal on each page of the copy of documents submitted to the Commission under these Rules.
- (4) The rights share offer document, along with the audited financial statements, must be submitted to the Commission within 120 days of the end of the period for which the said financial statements is prepared.
8. **Contents of the rights share offer documents.**- Rights share offer document shall include, among others, the following information, namely :-
- (a) Date of the rights share offer document.
 - (b) Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share.
 - (c) Highlight of the rights offer, risk factors, and management plans for reduction of such risks.
 - (d) Date and time of opening and closing of subscription.
 - (e) Purposes of raising fund through rights share, specifying clearly the heads and amount of the fund utilization, and identifying various proposed projects with heads and amount of expenditure for each projects, and also highlights of such projects.
 - (f) Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer together with capacity or proposed capacity of the existing and proposed projects vis-a-vis capacity utilised by the existing project during the last three years or such shorter period during which the issuer was in commercial operation.
 - (g) If the issue price of rights share is higher than the par value thereof, justification of the premium should be stated with reference to-
 - (i) net asset value per share at historical or current costs;

- 
- (ii) earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation;
 - (iii) average market price per share for the last six months immediately prior to the offer for rights issue; and
 - (iv) projected earnings per share/book value for the next three accounting year as per the assessment of issuer and issue manager.
- (h) Cash flows statement, profit and loss account, balance sheet and notes to the accounts of the issuer made upto a date not earlier than 180 days from the rights share offer document date, together with certificate from the auditors as in Form-C.
 - (i) Summarised cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the five years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation, together with a certificate from the auditors as in Form-C.
 - (j) Length of time during which the issuer has carried on business.
 - (k) Implementation schedule for completion of each segment of the project alongwith the proposed dates of trial and commercial operation of the proposed project.
 - (l) Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.
 - (m) Name, address, description and occupation of directors; managing director, managers and company secretary of the company.
 - (n) Name of the public listed companies under common management, if any.
 - (o) Name and address of the underwriter(s) alongwith the number of shares underwritten by each underwriter, and also the name and address of issue manager, auditors, legal adviser and banker to the rights issue.
 - (p) Particulars alongwith the terms and conditions of the material contracts including vendors' agreement, underwriting agreement, issue management agreement, agreement with the banker to the issue and contract for acquisition of property, plant and equipment.
 - (q) Number of rights shares that the directors are going to subscribe, and in case they propose to make renunciation, the reasons and extent of such renunciation.
 - (r) Statement of actual utilisation of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue vis-a-vis plan therefor.


- (s) Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer.
- (t) Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C, and D respectively.
- (u) A statement that a lock-in on the rights shares of the directors (including their renounced shares) for a period of three years from the date of closure of the rights share subscription shall be operative.
- (v) A declaration that the rights shares to be issued in dematerialized form and that the subscribing shareholders have to apply with respective depository accounts.
- (w) Summary of rating statement by a credit rating company, if the offer is at a premium.

9. Public announcement for rights issue.

- (1) The issuer of a listed security making offer for rights issue shall:-
 - (a) Announce two separate dates, for the purpose of record dates, one for shareholders decision regarding the proposed rights issue, and the other for determination of entitlement of rights issue after the Commission accords approval.
 - (b) For the purpose of determination of entitlement of rights issue under these Rules, the issuer shall, within three working days from the date the Commission accords approval to the issuer under these Rules, announce the record date.
 - (c) Disseminate the receipt of the Commission's approval along with the purpose of the rights issue, amount of issue, price of rights share as a price sensitive information, as prescribed by the Commission, mentioning the record date for the determination of entitlement of rights share, and subscription opening and closing dates will be disclosed within three working days.
 - (d) Commence record date as per (b) above, not earlier than fourteen working days and not later than twenty one working days from the date of approval by the Commission.
 - (e) Deliver the offer document approved by the Commission to the shareholders entitled to have rights shares, stock exchange(s) and the Commission within 10 (ten) working days from the record date as mentioned in (d) above.
- (2) Once approval is obtained, no rights offer can be withdrawn or cancelled or postponed or varied by the issuer without prior written consent from the Commission.

10. Approval and rejection.

- (1) On receipt of an application for approval to the rights share offering from an issuer, the Securities and Exchange Commission shall examine the said application.
- (2) In case the said application is incomplete, the Commission shall inform the applicant in writing of the



deficiencies within twenty eight days of receipt of the said application, and the issuer shall correct the deficiencies within fifteen days of communication thereof.

(3) On receipt of the complete application and satisfaction of the Commission, the Securities and Exchange Commission shall accord its approval, subject to such conditions, as the Commission may deem fit.

(4) If the offer is not approved, the Commission shall issue a rejection order, stating the reasons for such rejection, within sixty days of receipt of the complete application.

11. **Approval fee on rights share.** The issuer of a listed security shall deposit approval fee with the Commission for the rights issue at 0.15% of the total offered amount of rights issue, including premium, if any, by a bank pay order or demand draft issued in favor of the “Securities and Exchange Commission” within seven working days from the date of according said approval.

12. **Subscription.**

(1) Subscription shall be received through the banker to the issue during the subscription period of not less than fifteen days and not more than thirty days.

(2) Subscription opening date shall commence after fifteen days from the record date as mentioned in rule 9 (d).

13. **Information on raising of rights issue fund.** The issuer of rights share shall furnish to the Commission:-

(a) Statement of the subscription received against the offer for rights issue within ten days of the closing of the subscription lists; and

(b) Statement of the subscription received from the underwriter against the under subscribed shares within seven days of the expiry of the subscription period allowed to the underwriter(s) under rule 6.

14. **Lock-in on rights share.** The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period. The issuer shall ensure compliance of this rule.

15. **Contravention.** Contravention of any of the provisions of these Rules will attract relevant provisions of the Securities and Exchange Ordinance, 1969.

16. **Repeal and Savings.**

(1) The Rights Issue Rules, 1998 is hereby repealed.

(2) Notwithstanding the repeal of the said Right Issue Rules, 1998 any clearance given, document or agreement made, fee received or paid, resolution passed, direction given, proceeding taken, instrument executed or issued or things done under or in pursuance of the said Rules shall, if in force before the commencement of these Rules, continue to be in force and shall have effect as if made, directed, passed, given, taken, executed, issued or done under or in pursuance of these Rules.

FORM-A

[see rule 5 and rule 8 (t)]

**Declaration (due diligence certificate) about responsibility of the issue manager
in respect of the rights share offer document**

This rights share offer document has been reviewed by us, and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer, and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place

Dated

For

(Name of the Issue Manager)

(Signature)

Managing Director

FORM-B

[see rule 6 and rule 8 (t)]

**Declaration (due diligence certificate) about responsibility of the underwriter(s)
in respect of the rights share offer document**

This rights share offer document has been reviewed by us, and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place

Dated

For

(Name of the Underwriter)

(Signature)

Managing Director



FORM-C

[see rule 8(h), 8(i) and 8 (t)]

Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from to of (Name of the Issuer Company) in accordance with the International Standards of Auditing, as applicable in Bangladesh, and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable, and the International Accounting Standards, as applicable in Bangladesh.
- (b) These financial statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at and of the result of its operations and cash flows for the period/year then ended.
- (c) Proper books of account have been kept by the issuer company as required by the relevant laws.
- (d) The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above issuer company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	Declared Dividend		
		Rate (%)	Total Amount (TK.)	Total Paid (Tk.)

Place

Date

For
(Name of the firm)

(Signature with name of the Partners)
Chartered Accountants

FORM-D

[see rule 8(t)]

**Due diligence certificate by the directors about their personal responsibility
in respect of the rights share offer document**

This rights share offer document has been prepared, seen, reviewed and approved by us, and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
ChairmanSd/-
Managing DirectorSd/-
DirectorSd/-
DirectorSd/-
DirectorSd/-
DirectorSd/-
DirectorSd/-
Director

Place

Dated

(Name of the Issuer Company)By Order of the
Securities and Exchange CommissionDr. Mirza Azizul Islam
Chairman.



DSE AND CSE SCENARIO

Capital Market

As of 31st March 2006 the total issued capital of all listed securities of Dhaka Stock Exchange was Tk. 76441 million (US\$1068.36 million) which was Tk. 70313 million (US\$ 1063 million) on 31st December 2005. In Chittagong Stock Exchange the total issued capital on 31st March 2006 was Tk. 57624.7 million (US\$ 847.42 million) which was Tk. 55627.92 million (US\$869.19 million) on 31st December 2005.

Stock Market Operation

During January-March 2006 quarter the total turnover in Dhaka Stock Exchange was 113.73 million securities while the total amount traded on Dhaka Stock Exchange during the same period was Tk. 8684.62 million (US\$126.53 million)

In the same period the total turnover in Chittagong Stock Exchange was 55.68 million securities while the total amount traded on Chittagong Stock Exchange during the same period was Tk. 2,063.52 million (US\$ 30.36 million) during this quarter.

Market Capitalization

Total market capitalization of all securities listed with the Dhaka Stock Exchange was Tk. 224,757 million (US\$3,141 million) as on 31st March 2006 compared to Tk. 233,075 million (US\$ 3443.01 million) as on 31st December 2005.

In the Chittagong Stock Exchange total market capitalization of all securities was Tk. 205,127 million (US\$.3016.57 million) as on 31st March 2006 compared to Tk. 220,353 million (US\$ 3,443.01 million) as on 31st December 2005.

Share Price Index

DSE all share price index stood at 1146.34 on 31st March 2006 compared to 1275.05 on 31st December 2005. The CSE all share price index stood at 3,119.01 on 31st March 2006 while it was 3378.68 on 31st December 2005. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK71.55 For January-March 2006 quarter)

BANGLADESH CAPITAL MARKET SUMMARY

As on 31 March 2006

Indicators		Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies		253	198
No. of mutual funds		13	13
No. of debentures		8	2
No. of treasury bonds		22	
Total No. of Listed Securities		296	213
<i>Figures in million</i>			
No. of shares of all listed companies		13376.89	1208.69
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		0.14	
Total No. of Tradable Securities		1499.51	1369.99
<i>Figures in million</i>			
Issued capital of all companies	TK.	59208	56854.41
	US\$	828	836.09
Issued capital of all mutual funds	TK.	735	735
	US\$	10	10
Issued debentures	TK.	140	35.29
	US\$	2	0.52
Issued bonds	TK.	16358	
	US\$	229	
Total issued capital	TK.	76441	57624.7
	US\$	1068.36	847.42
<i>Figures in million</i>			
Total Market capitalization	TK.	224757	205127
	US\$	3141	2866.90
All Share price index		1146.34	3119.01



DSE Operational Statistics January-March 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
January	1255.13	Tk. 234,630 US\$ 3,480	19	33.86	1.78	Tk.2850.63 US\$ 42.80	Tk.150.03 US\$ 2.25
February	1172.25	Tk. 222,786 US\$ 3,297	18	34.94	1.94	Tk.2,664.54 US\$ 39.43	Tk.148.03 US\$ 2.19
March	1146.34	Tk. 224,757 US\$ 3,141	20	44.92	2.25	Tk.3,169.45 US\$ 44.30	Tk.158.47 US\$ 2.22
Total			57	113.73	1.99	Tk.8684.62 US\$126.53	Tk. 152.18 US\$ 2.22

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

CSE Operational Statistics January-March 2006

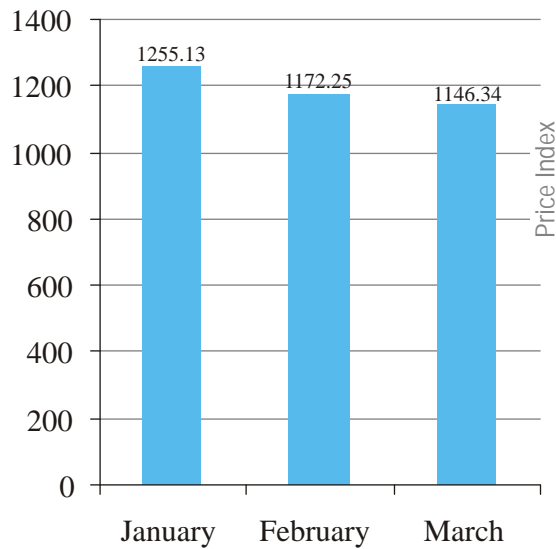
Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
January	3,304.72	Tk. 216,150 US\$3178.68	19	18.06	0.95	Tk. 770.94 US\$ 11.34	Tk. 40.58 US\$ 0.60
February	3,075.47	Tk. 202,486 US\$2977.74	18	15.33	0.85	Tk. 630.20 US\$ 9.27	Tk. 35.01 US\$ 0.51
March	3,119.01	Tk. 205,127 US\$2866.90	21	22.29	1.06	Tk. 662.38 US\$ 9.75	Tk. 31.54 US\$ 0.46
Total			58	55.68	0.96	Tk. 2,063.52 US\$ 30.36	Tk. 35.58 US\$ 0.52

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

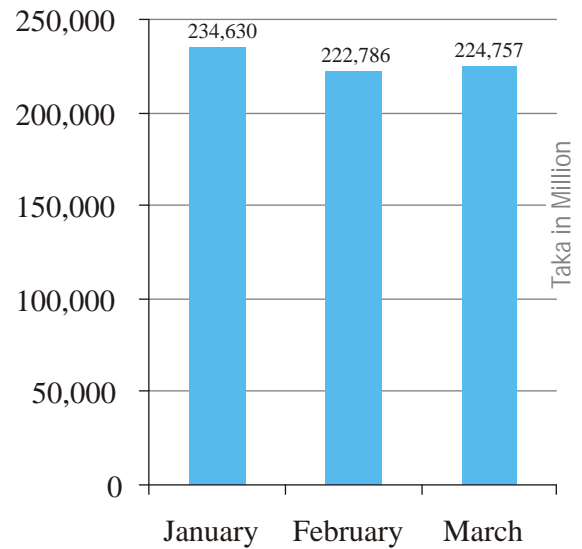
DSE Market Scenario

January - March 2006

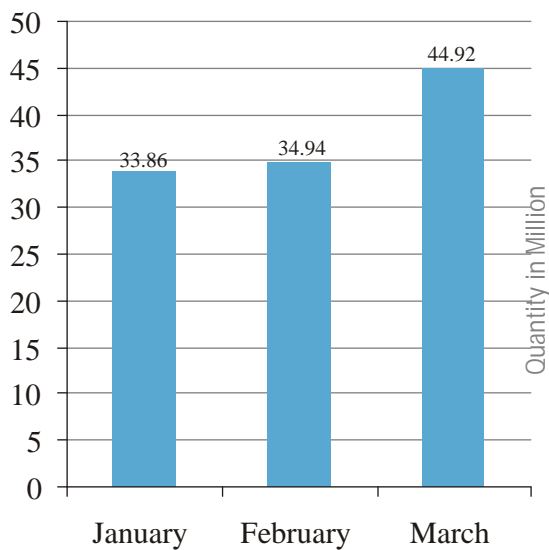
All Share Price Index



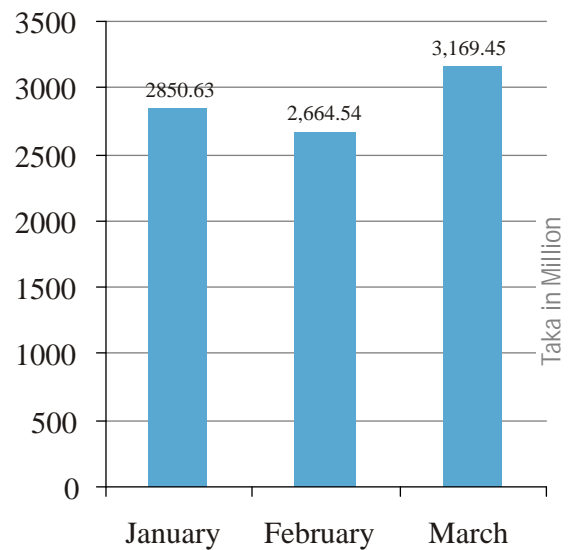
Market Capitalization



Total Turnover (Volume) of Securities



Total Turnover (Value) of Securities



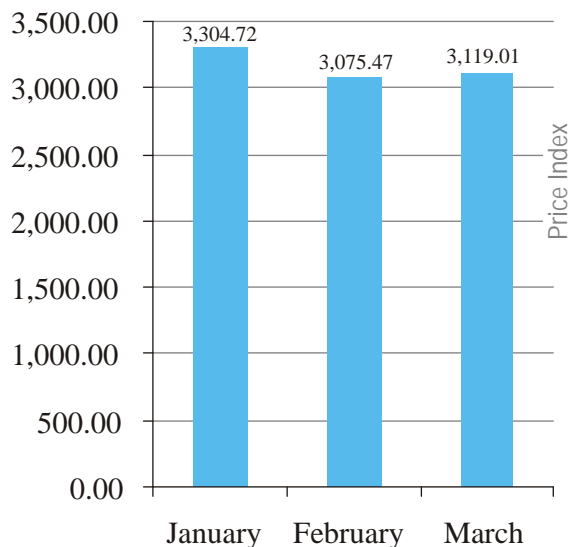
Index and Market Capitalization of the Last trading day of months have been considered as relevant figures of respective months. For more information please visit DSE web site: www.dsebd.com



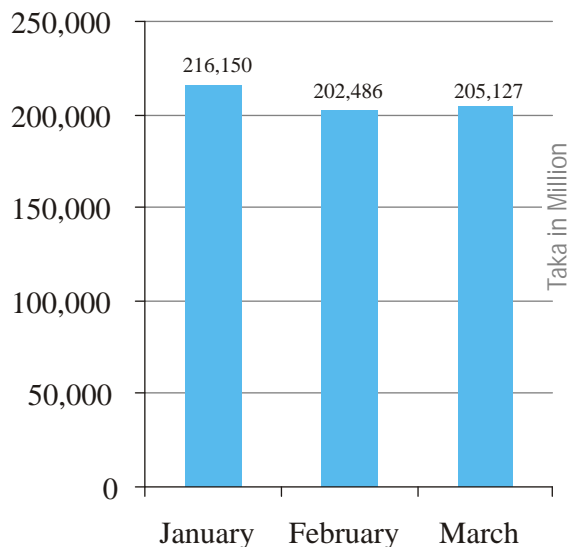
CSE Market Scenario

January - March 2006

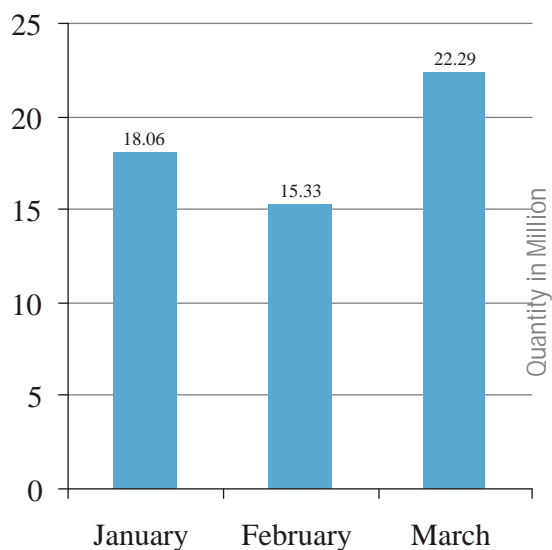
All Share Price Index



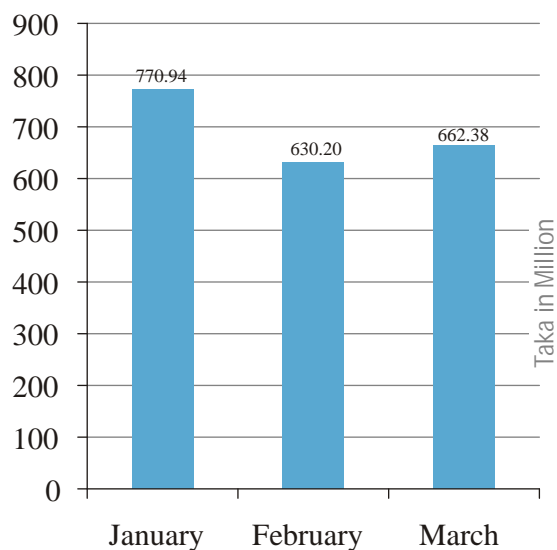
Market Capitalization



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

For Information on Securities and Exchange Commission

VISIT



<http://www.secbd.org>

Our Reference Room

At the 20th floor of Jiban Bima Tower, 10 Dilkusha C/A, Dhaka-1000

Where you will find:

- › SEC publications › Prospectus of the listed companies
- › Published Annual Reports of the listed companies › Published Half-yearly Reports of the listed companies
- › Securities laws, rules & regulations/gazette notifications › Local/foreign publications on capital market

Facilities we offer:

- › Reading room for general public open during the office hours weekdays
- › Subscription of SEC publications
- › Photocopy facility of relevant documents available in the library

Web site

Please visit our web-site at www.secbd.org for detailed information

Where you will find:

- › What's New › About SEC › Stock Exchanges
- › Companies › SEC Laws › Prospectus
- › Contact Us › Press Release › Annual Report
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