

SEC

Quarterly Review

October-December 2003

Securities and Exchange Commission
Bangladesh

SECURITIES AND EXCHANGE COMMISSION
Quarterly Review
OCTOBER-DECEMBER 2003

A PUBLICATION OF THE SEC

Securities and Exchange Commission

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The Commission

SEC new chairman: Dr. Mirza Azizul Islam joins Securities and Exchange Commission as new Chairman on 1 November 2003. Prior his new appointment he held high official positions in the Bangladesh government and served as director of Economic and Social Commission for Asia and the Pacific (ESCAP) of the United Nations.

SEC Chairman visits DSE: SEC Chairman Dr. Mirza Azizul Islam made a courtesy visit to Dhaka Stock Exchange on December 8, 2003. DSE Chairman Mr. Ahmed Iqbal Hasan welcomed the SEC Chairman.

SEC sets up consultative committee: The Securities and Exchange Commission formed a three member consultative committee to discuss the market related issues and recommend appropriate measure for the Commission's consideration. Mr. Mansur Alam , Executive director of SEC made convenor and two other members of the committee are Mr. Salahuddin Ahmed Khan and Mr. Wali-ul-Marooof Matin, CEOs of the Dhaka Stock Exchange and Chittagong Stock Exchange respectively.

Weighted Average Index withdrawn: The Securities and Exchange Commission has withdrawn the weighted average index from Dhaka and Chittagong Stock Exchanges.

SEC holds investors education program: SEC held a five-days investors education program at SEC premise on December 4, 11, 18, 24 and 31, 2003 to guide investors aware of the securities laws and issues relating to the stock market. SEC Chairman Dr. Mirza Azizul Islam inaugurated the program. A total of 30 investors participated in each day program. The program of June 31, 2003 was reserved for the officials of bank, leasing lecturers, merchant bankers & other financial institutions.

Investors education program held in Chittagong: The Securities and Exchange Commission arranged a day-long investor education program at Chittagong Stock Exchange conference room on October 22 2003. The potential investors of Chittagong participated in the program. Mr. Mohammad Ali Khan member, SEC inaugurated the program. Mr. Anwarul Kabir Bhuiyan, Executive director, Mr. Farhad Ahmed, Executive director, Mr. Shuvra Kanti Choudhury Director and Mr. Mizanur Rahman Deputy Director deliberated on investment in capital market, return and ways to assess the strength and weakness of a listed company.

SEC suspends trading of 16 companies: The Securities and Exchange Commission suspended trading of 16 companies for having "very weak" fundamentals in the stock exchange and remained almost non-functional for months.

DSE

Australian High Commission visits DSE: Australian High Commission to Bangladesh Ms. Lorraine Barker, accompanied by her business development manager Mr. Mustafizur Rahman, made a courtesy visit to the Dhaka Stock Exchange met DSE Chairman Mr. Ahmed Iqbal Hasan with it's councilors on October 26 2003.

ADB team visits DSE: A four member delegation of the Asian Development Bank(ADB) led by its country director in Bangladesh, Mr. Toru Shibuichi visited Dhaka Stock Exchange on October 28 2003. The delegation member included Head of Economic Unit of Asian Development Bank Dr. Purnima Rajapakse, Senior Economist Dr. Zahid Hossain and Mr. Rezaul Karim Khan. The delegation had a meeting with DSE Chairman Mr. Ahmed Iqbal Hasan, councilors and senior members of DSE.

DSE-20 index revised: The Dhaka Stock Exchange has revised the DSE-20 index, the market price barometer of blue-chip shares. DSE listing committee reviewed companies performances on October7, 2003 to include/exclude from this index.

World Bank Country Director visits DSE: World Bank Country Director in Bangladesh Ms. Christine Wallich visited the Dhaka Stock Exchange on December 21 2003. During a meeting with the senior members of the DSE, She underscored the need for enlisting the country's well-performing companies, especially those belonging to telecom and energy sectors with the stock exchange.

US Ambassador visits DSE: US Ambassador in Bangladesh Mr. Harry K Thomas Jr, accompanied by his Chief, Economic/Commercial Officer, Mr. Cleveland Charles made a courtesy visit to the Dhaka Stock Exchange on December 01, 2003 and met DSE Chairman Mr. Ahmed Iqbal Hasan along with the Councilors of the bourse

CSE

New CSE president: The new governing body of Chittagong Stock Exchange has elected Mr. Habibullah Khan, as its Chairman on November 18, 2003. Prior to his new position he had been vice president of CSE for last seven years.

8th AGM held: The eight Annual General Meeting of Chittagong Stock Exchange was held on November 18, 2003 at CSE Office. Mr. Fakhar uddin Ali Ahmad, Mr.M.K.M Mohiuddin, Mr.Abu Syed Mohammad Shahidullah and Mr. Tareq Kamal were elected as directors of CSE.

OTHER MARKET INFORMATION

Kuala Lumpur Stock Exchange introduces share splits to enhance share liquidity: The Kuala Lumpur Stock Exchange introduced share splits from 1 December 2003. The introduction of share splits is expected to increase the liquidity and marketability of shares listed on the exchanges. Share splits will facilitate the participation of individual investors in the stock market.

Korea Stock Exchange introduce Korea Corporate Governance Stock Price Index: The Korea Stock Exchange will compute and publish the **Korea Corporate Governance Stock Price Index (KOGI)** from 1 December 2003 in a bid to promote investors' interest in corporate governance and encourage listed companies to improve their corporate governance. The KOGI consists of 50 stocks with good corporate governance.

London Stock Exchange launches gold-backed securities: The London Stock Exchange launched a new security based on gold value, the Gold Bullion Securities (GBS). The new instrument will give investors the opportunity to buy gold without having to worry about storage, insurance or transport of the metal. It will also reduce noticeably the cost of acquiring gold for private investors who face transaction costs of up to 7% for buying the physical metal.

NASD's Nasdaq to adopt FTSE global classification system: The Nasdaq Stock Market has adopted the **FTSE Global Classification System (GCS)**. It will reclassify its nearly 3,400 listed companies in all Nasdaq indexes and associated data products.

New Zealand Exchange envisages to introduce new market participant structure: The New Zealand Exchange (NZX) has redefined the framework for regulating and monitoring the conduct of its market participants. Accordingly, the New Zealand Exchange envisages to release a new market participant structure and has drafted new Participant Rules for public review and submission.

CORPORATE FINANCE

Capital Raising

During October – December 2003 the following companies have been accorded consent under the Securities and Exchange Commission(Capital Issue of Public Limited Company) Rules, 2001 for raising capital:

Sl No.	Name of the Company	Amount of Capital (in million taka)	Type of security
1.	Prime Finance and Investment Ltd.	500.00	Bond
2.	Shahjalal Bank Ltd.	316.80	Ordinary Share
3.	Alliance Leasing & Investment Ltd.	115.00	Ordinary Share
4.	Brac Bank Ltd.	250.00	Ordinary Share

Company Performance (AGM & Dividend) October – December 2003

Sl No.	Name of the Company	Date of AGM	Dividend Declared
Bank			
01.	Pubali Bank Limited	28.12.2003	--
02.	Uttara Bank Limited	18.12.2003	--
03.	IFIC Bank Limited	04.12.2003	7.50%
04.	The Oriental Bank Limited	08.11.2003	--
05.	Midas Financing Limited	16.10.2003	3B:50 shares
Investment			
06	Investment Corporation of Bangladesh	23.10.2003	8%
Engineering			
07.	Aftab Automobiles Limited	13.12.2003	18%
08.	Olympic Industries Limited	24.12.2003	10% other than sponsors
09.	Atlas Bangladesh Limited	23.12.2003	110%, 1B:3 shares
10.	Bangladesh Auto Cars Limited	24.12.2003	2%
11.	Quasem Drycells Limited	17.12.2003	10%
12.	Renwick Jajneswar Limited	17.12.2003	--
13.	National Tubes Limited	21.12.2003	50%
14	Wonderland Toys Limited	24.12.2003	--
15.	Monno Jutex Limited	18.12.2003	40%

Sl No.	Name of the Company	Date of AGM	Dividend Declared
Food & Allied			
16.	Amam Sea Food Limited	24.12.2003	--
17.	Tripti Industries Limited	24.12.2003	--
18.	Bangas Limited	31.12.2003	12.50%
19.	AMCL (Pran)	24.12.2003	24%
20.	Shaympur Sugar Mills Limited	12.11.2003	--
21.	Mona Food Industries Limited	29.12.2003	--
22.	Fu-Wang Food Industries Limited	24.12.2003	15%
23.	Rangamati Food Limited	29.12.2003	--
24.	Beach Hatchery Limited	23.12.2003	--
25.	Fahad Industries Limited	19.11.2003	10%
26.	Bangladesh Leaf Tobacco Co. Ltd.	14.12.2003	25%
27.	Gemini Sea Food Limited	11.12.2003	20%
28.	Bangladesh Plantation Limited	24.12.2003	10%
29.	Hill Plantation Limited	24.12.2003	10%
30.	Dhaka Fisheries Limited	17.12.2003	--
31.	Rahima Food Corporation Limited	24.12.2003	--
32.	Gulf Foods Limited	30.12.2003	--
33.	Yousuf Flour Mills Limited	30.12.2003	5% other than sponsors
Jute			
34.	Jute Spinners Limited	31.12.2003	15%
35.	Northern Jute Industries Limited	30.12.2003	--
36.	Sonali Aansh Limited	30.12.2003	--
Textile			
37.	Ashraf Textile Mills Limited	03.12.2003	5%
38.	Saiham Textiles Limited	15.12.2003	5%
39.	Desh Garments Limited	07.12.2003	--
40.	Delta Millers Limited	30.12.2003	10%
41.	Apex Weaving & Finishing Limited	18.10.2003.	5%
42.	Prime Textiles Limited	29.12.2003	5%
43.	Sajib Knitwear Limited	24.12.2003	5%
44.	Alltex Industries Limited	24.12.2003	--
45.	Metor Spinning Limited	20.12.2003	12%
46.	Dacca Dying Limited	31.12.2003	5%
47.	GMG Industrial Corporation Limited	06.12.2003	5%
48.	Modern Dyeing Limited	24.12.2003	5%
49.	Dulamia Cotton Mills Limited	24.12.2003	7%
50.	Tallu Spinning Mills Limited	31.12.2003	5%
51.	Tamijuddin Textile Mills Limited	24.12.2003	5%
52.	Mita Textiles Limited	24.12.2003	5%
53.	Anlima Yarn & Dyeing Limited	24.12.2003	5%

Sl No.	Name of the Company	Date of AGM	Dividend Declared
54.	Alhaj Textile	22.12.2003	10%
55.	Mithun Knitting	31.12.2003	5%
Pharmaceutical & Chemicals			
56.	National Polymer Limited	26.10.2003	5%
57.	Libra Infusions Limited	18.12.2003	15%
58.	Keya Cosmetics Limited	26.12.2003	16%
59.	Keya Detergent Limited	26.12.2003	16%
60.	Bangla Process Limited	27.12.2003	--
61.	Pharma Aids Limited	30.12.2003	--
62.	Imam Button Limited	24.12.2003	7%
63.	Al Amin Chemicals Limited	24.12.2003	5%
Paper & Packaging			
64.	Bangladesh Monospool Paper	30.12.2003	5%
65.	Hakkani Pulp & Paper	24.12.2003	--
66.	Azadi Printers Limited	31.12.2003	10%
Services			
67.	Eastern Housing Limited	15.12.2003	10%
Miscellaneous			
68.	Monno Ceramics Limited	17.12.2003	10%
69.	Usmania Glass Sheet Factory Limited	26.12.2003	60%
70.	Bengal Fine Ceramics Limited	28.12.2003	5%
71.	Niloy Cement Industries Limited	24.12.2003	5%
72.	Rose Heaven Ball Pen	24.12.2003	2.50%
73.	Fu-wang Ceramics Limited	27.12.2003	10%
74.	Raspit Data Management Ind. Ltd.	24.12.2003	--
75.	Miracle Industries Limited	30.12.2003	10%
76.	Modern Cement Limited	17.12.2003	--
77.	BDCOM Online Limited	20.12.2003	10%
78.	Phoenix Leather Limited	24.12.2003	--
79.	Standard Ceramics Limited	24.12.2003	10%
80.	Mark Bangladesh Shilpa & Eng. Ltd.	30.12.2003	--
81.	Samata Leather Limited	29.12.2003	4%

INITIAL PUBLIC OFFERING (IPO)

During October -December 2003, the Commission has accorded consent for publication of Prospectus of the following company:

Figures in Million Taka

Name of the Company	Date of Approval / Publication date	Sponsors Equity			Public Equity			Total (6+7+8)	Remarks (Issued at premium)
		Local	Foreign	Total	General Public	Foreign placement	Local placement		
1	2	3	4	5	6	7	8	9	10
Lafarge Surma Cement Ltd.	29/10/03 30/10/03	335.07	4577.89	4912.97	150.00	64.76	679.14	893.90	At par

Right Issue

During October- December 2003, no issuer filed application for Right Issue with the Commission and no consent for Right Issue was accorded by the Commission.

SUPERVISION & REGULATION OF MARKETS AND INTERMEDIARIES**OCTOBER – DECEMBER 2003**

Status of complaints received during the period:

Listed Companies

Nature of Complaints	Received during the quarter (No.)	Previous Pending (No.)	Total (No.)	Resolved During the quarter (No)	Referred for enforcement action (No.)	Under process (No.)
Non-payment or delay in payment of declared dividend	11	07	18	01	00	17
Non-payment or delay in payment of interest of Debenture	01	04	05	00	00	05
Claim of dividend against lost shares	00	00	00	00	00	00
Regarding transfer of shares	00	03	03	00	00	03
Total	12	14	26	01	00	25

Broker/Dealer

Nature of Complaints	Received during the quarter (No.)	Previous Pending (No.)	Total (No.)	Resolved during the quarter (No.)	Referred for enforcement action (No.)	Under process (No.)
Regarding non delivery of shares	07	06	13	01	00	12
Regarding non refund of clients money	10	19	29	00	00	29
Total	17	25	42	01	00	41

REGISTRATION

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

During October-December 2003, the Commission renewed 89 Stock Dealers/Stock Brokers registration certificates of Dhaka Stock Exchange Limited. Out of the renewed registration certificates, 85 were Stock Dealer registration certificates and 4 were Stock Broker registration certificates. Apart from those, 235 Authorized Representatives' registration certificates of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. were renewed during the quarter.

Issuance of Stock Broker Registration Certificate:

During the period, the Commission has issued Stock Broker registration certificate of the following member of Dhaka Stock Exchange Ltd.

Name of the Broker	Address	Membership No.	Issue Date of Certificate
Federal Securities and Investment Ltd.	56, Purana Palton (3 rd Floor), Dhaka-1000	DSE-45	27/12/2003

Issuance of Depository Participants Registration Certificate:

During the period, the Commission issued the following Depository Participants registration certificates as per Depository (User) Regulation, 2003:

SL. No.	Name and Address of the Depository Participant	Classification of the Depository Participant	Certificate Issue Date
1	Mutual Trust Bank Ltd., Bhuiyan Centre, 68 Dilkusha C/A, Dhaka	Custody Participant	21.10.2003
2	Jamuna Bank Ltd., Printers Building, 5 Rajuk Avenue, Dhaka	Custody Participant	21.10.2003
3	Kabir Ahmed & Co., DSE Annex Building, 9 E Motijheel, Room No. 902. (7th Floor), Dhaka-1000	Full Service Depository Participant	21.10.2003
4	First Security Bank Ltd., 23, Dilkusha C/A, Dhaka-1000	Custody Participant	02.11.2003
5	The Hongkong and Shanghai Banking Corporation Ltd. (HSBC), Anchor Tower (4th Floor), 1/1-B Sonargaon Road, Dhaka-1205	Custody Participant	02.11.2003
6	Janata Bank, 110 Motijheel C/A, Dhaka-1000	Custody Participant	11.11.2003
7	Dhaka Stock Exchange Ltd., DSE Building, 9/F, Motijheel C/A, Dhaka-100	Full Service Depository Participant	11.11.2003
8	BLI Securities Ltd., Printers Building, 5 Rajuk Avenue (7 th Floor), Motijheel C/A, Dhaka-1000	Full Service Depository Participant	11.11.2003
9	ICB Securities Trading Co. Ltd., 8, DIT Avenue (13th Floor), Dhaka-1000	Full Service Depository Participant	20.11.2003

10	Md. Rafiqul Islam & Co., DSE Annex Building, Room No.-901 (8th Floor), 9/E Motijheel, Dhaka-1000	Full Service Depository Participant	03.12.2003
11	Dhaka Bank Ltd., Biman Bhaban, 100 Motijheel C/A, Dhaka-1000	Full Service Depository Participant	04.12.2003
12	Globe Securities Ltd., DSE Building, Room No.-302, 9/F Motijheel C/A, Dhaka-1000	Full Service Depository Participant	04.12.2003
13	Md. Feroz Khan & Co., Room No.-313, DSE Building, 9/F, Motijheel C/A, Dhaka-1000	Full Service Depository Participant	07.12.2003
14	Asoke Das Gupta & Co., Room No. 512, DSE Building, 9/F, Motijheel C/A, Dhaka-1000	Full Service Depository Participant	09.12.2003
15	SCL Securities Ltd., Modhumita Building (1 st Floor), 160 Motijheel C/A, Dhaka-1000	Full Service Depository Participant	09.12.2003
16	M.A. Mannan & Co., Room No.-315 & 308, 9/F Motijheel C/A, Dhaka-1000	Full Service Depository Participant	11.12.2003
17	Square Securities Management Ltd., Square Center, 48 Mohakhali C/A, Dhaka-1205	Full Service Depository Participant	20.12.2003
18	SAR Securities Ltd., Room No. 506, DSE Building, 9/F Motijheel C/A, Dhaka-1000	Full Service Depository Participant	21.12.2003
19	Md. Shakil Rizvi & Co., 9/E Motijheel C/A (8th Floor), Dhaka-1000	Full Service Depository Participant	23.12.2003
20	Country Stock (Bangladesh) Ltd., DSE Building, Room No.-724 (6 th Floor), 9/F Motijheel C/A, Dhaka-1000	Full Service Depository Participant	27.12.2003
21	PFI Securities Ltd., 63 Dilkusha C/A (7th Floor), Dhaka-1000	Full Service Depository Participant	27.12.2003
22	Salta Capital Ltd., Monjur Building (2 nd Floor), 67 Agrabad C/A, Chittagong	Full Service Depository Participant	27.12.2003
23	Royal Capital Ltd., Finlay House, Agrabad C/A, Chittagong	Full Service Depository Participant	27.12.2003
24	Rising Securities Ltd., Room No.-438, 9/E Motijheel C/A, Dhaka-1000	Full Service Depository Participant	28.12.2003

Voluntary Closure of Merchant Banking Operation:

The request of Saudi Bangladesh Industrial and Agricultural Company Ltd. (SABINCO) for voluntary closure of their Merchant Banking operation was approved by the Commission.

SEC SURVEILLANCE SYSTEM

Surveillance:

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

Analysis of Trading Data:

Regular post trading analysis has been continuing at SEC surveillance department. Relevant data and trading information are regularly collected from the stock exchanges on which review, analysis and calculation are done. The purpose of this post trading analysis is to find out the unusual behavior and irregularities of trades. If any abnormal trend or volatility in terms of turnover and price movement is noticed, a primary inspection is then conducted in order to ascertain the reason behind such volatility. If anything is suspected wrong, the matter is referred to top management for decision. SEC gets information or data from the surveillance department of DSE and online surveillance software of CSE & DSE, and analyze for next course of action. In the referred period SEC's surveillance team observed from its analysis that share prices of some listed companies at both the stock exchanges were not consistent with the companies fundamental. Surveillance team found after visiting two broker houses of DSE and also based on the report from the CSE surveillance system that share prices of weak fundamental companies have had abnormally gained. The Commission after discussion with surveillance officers of the Commission ordered the stock exchanges to suspend trading of 16 weak fundamental companies on 03-12-2003.

SEC ENFORCEMENT ACTION

The following enforcement actions have been taken against registered stock-dealers, stock-brokers, issuer companies and or its directors, various institutions and individuals by the Commission during October-December 2003 for the reasons appearing against their names.

(A) Brokerage House: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
01.	26/10/03	Surma Securities Holding Co. Ltd. (DSE Member No. 111).	Contravention of the provisions of rule 4, sub-rule 1; rule 8, sub-rules, clause (cc) and (CCC) of Securities and Exchange Rules, 1987 and regulation 13 of Settlement of Stock Exchange Transactions Regulation, 1998 by stock dealer Surma Securities Holding Co. Ltd. (DSE Member No. 111).	Letter issued with warning to comply with all securities laws in future.

(B) Issuer Company: Warned

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
01	26/10/03	Beach Hatchery Ltd.	Failure to comply with the condition of the prospectus regarding payment of 15% dividend to the preference shareholders as well as the provision of securities laws regarding payment of dividend by Beach Hatchery Ltd.	Letter issued with warning to comply with all securities laws in future.

(C) Issuer Company: Directives/Order Issued

Sl. No.	Date	Name of the Company	Nature of default/Appeal	Commission's decision
01	28/10/03	Bangladesh Dyeing & Finishing Industries Ltd.	It appears from the Commission's appointed auditor's [auditor appointed by the Commission under rule 12,	Directive issued under section 20A of the Securities and Exchange Ordinance,

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			sub-rule 3, as amended, of the Securities and Exchange Rules, 1987, to re-audit the financial statements of Bangladesh Dyeing & Finishing Industries Ltd. for the year ending on 31 December 2001] report that the issuer, among others, failed to keep proper books of accounts as per law, preserve appropriate and documentary evidence in support of transactions etc.	1969to Bangladesh Dyeing & Finishing Industries Ltd., to- (a) keep proper books of accounts required as per the Companies Act, 1994; and (b) preserve appropriate and documentary evidence in support of transactions; and (c) make good the loss suffered due to transactions with related companies and also use of company's assets and resources by the related companies; and (d) submit a report to the Commission within 31 December 2003 after compliance with the requirements listed at (a) through (c) above, certified by the auditor appointed by the Commission.
02	28/10/03	Bangladesh Zipper Industries Ltd.	It appears from the Commission's appointed auditor's [auditor appointed by the Commission under rule 12, sub-rule 3, as amended, of the Securities and Exchange Rules, 1987, to re-audit the financial statements of Bangladesh Zipper Industries Ltd. for the year	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 to Bangladesh Zipper Industries Ltd., to rectify its books of accounts within 31 December 2003 in the

Sl. No.	Date		Nature of default/Appeal	Commission's decision
			ending on 30 June 2001] report, among others, that the issuer - (i) did not maintain proper books of accounts required to reflect its state of affairs and to substantiate its expenditures; (ii) did not produce sufficient and appropriate audit evidence to the auditor for audit; (iii) has suffered huge financial loss due to unexplained bank transactions with its sister concerns and huge quantity of sales to sister concerns etc.	light of the audit report mentioned above and also make good the loss suffered due to huge inter company transactions, up to the satisfaction of the auditor appointed by the Commission.
03	28/10/03	The City Bank Limited	Alleged contravention of the condition (a) of the Commission's Notification No. SEC/SRMI/2000-953/1950 dated 24 th October 2000, gazette on 7 th November 2000.	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 to the managing director, members of the board of directors and management authority related therewith of the City Bank Limited to take appropriate and necessary measures to hold the pending AGM by 31 December 2003.

(D) Merchant Bankers

Sl. No.	Date	Name of the Merchant Bank	Nature of default/Appeal	Commission's decision
01	26/10/03	Mercantile Securities Ltd.	Contravention of the provision of weva 10 (1) and (2) and weva 33(1) (O) of the wniKDi iUR I G. tpA Kugkb (grtP@J e`vsKvi I tcvU@dwiJ I g`vtbRtgU) wevagvj v,	Letter issued with warning to comply with all securities laws in future.

Sl. No.	Date	Name of the Merchant Bank	Nature of default/Appeal	Commission's decision
			1996 [failure to deposit annual fees in due time] as well as failure to comply with the condition 2, 8 and 13 of the Commission's letter №Üb-1.088/99-529 Zwi L 31/8/1999 by Merchant Banker Mercantile Securities Ltd.	
02	20/11/03	Prime Securities and Financial Services Limited.	Non-payment of yearly fee by Merchant Bank Prime Securities and Financial Services Limited.	License Cancelled.

Summary of the Enforcement actions taken during October – December 2003

Nature of enforcement action taken	Number of cases
<i>(A) Against Brokerage House</i>	
Warned	1
Total	1
<i>(B) Against Issuer Company and its directors</i>	
Warned	1
Directives/ Order Issued/Appeal rejected and Miscellaneous	3
Total	4
<i>(C) Others</i>	
Merchant Bank:	
Warned	1
License Cancelled	1
Total	2
Total = A+B+C= (1+4+2)	7

SEC issued Business Commencement certificate to CDBL:

The Securities and Exchange Commission (SEC) issued Business Commencement Certificate to Central Depository Bangladesh Limited (CDBL) on 23 December 2003.

SEC declared eligible securities for Dematerialization:

The Commission in exercise of powers conferred by clause 17 of the Securities and Exchange Commission (SEC) Act, 2003 through order No.SEC/CDS/206/2003-261 dated 23rd December 2003 has declared shares of Square Pharmaceuticals Limited listed with the Stock Exchanges as the eligible securities from 23rd January 2004. With this declaration, from 24 January 2004, trading of only demat shares of Square Pharmaceuticals Limited will be accepted in the Dhaka and Chittagong Stock Exchange.

LEGAL SERVICES

Court Cases of SEC

A Total of 94 cases filed by or against SEC are pending in different courts. Name of the courts are given below along with the number of pending cases with each court:

Sl. No.	Name of the court	Number of Cases	
01.	Supreme Court of Bangladesh	Appellate Division	04
		High Court Division	53
02.	Metropolitan Session Judge Court, Dhaka.		03
03.	1 st Joint Dist. Judge Court, Dhaka.		01
04.	5 th Joint Dist. Judge Court, Dhaka		10
05.	1 st Asst. Judge Court, Dhaka.		01
06.	2 nd Asst. Judge Court, Dhaka.		01
07.	Chief Metropolitan Magistrate Court, Dhaka		04
08.	General Certificate Court, Dhaka.		17
Total Cases			94

Share Scam Cases, 1996

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

DSE & CSE SCENARIO

Capital Market: As of 30th December 2003 the total issued capital of all listed securities of Dhaka Stock Exchange was TK.46054 million (US\$ 788.61 million) which was TK. 38567 million (US\$ 660 million) on 30 September 2003. In Chittagong Stock Exchange the total issued capital on 30th December 2003 was TK. 41969.23million (US\$ 729.90 million) which was TK.33158.70 million(US\$ 564.72 million) on 30 September 2003.

Stock Market Operation: During October-December 2003, the total turnover in Dhaka Stock Exchange was 83.13 million of securities while the total amount traded in the exchange during the same period was TK.3149.19 million (US\$ 53.92 million)

During October-December 2003, the total turnover in Chittagong Stock Exchange was 76.85 million of securities while the total amount traded in the exchange during the same period was TK.2070.28 million (US\$ 36 million).

Market Capitalization: Total market capitalization of all securities listed with the Dhaka Stock Exchange was TK 97587 million(US\$ 1671 million) as on 30th December 2003 compared to TK.73000 million(US\$ 1250 million) as on 30 September 2003.

In the Chittagong Stock Exchange, total market capitalization of all securities was TK 85439.86 million (US\$ 1485.91 million) as on 30th December 2003 compared to TK.59762.86 million(US\$ 1016.72 million) as on 30 September 2003.

Share Price Index: The DSE general share price index stood at 967.88 on 30th December 2003 compared to 789.74 on 30 September 2003. The CSE all share price index stood at 1642.79 on 30th December 2003 while it was 1341.34 on 30 September 2003. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =TK. 58.40 for October-December 2003 quarter)

BANGLADESH CAPITAL MARKET SUMMARY

As on 30 December 2003

Indicators	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies	248	182
No. of mutual funds	11	11
No. of debentures	8	2
<i>Total No. of Listed Securities</i>	<i>267</i>	<i>195</i>

Figures in million

No. of shares of all listed companies	1077.91	939.93
No. of certificates of all listed mutual funds	73.25	73.25
No. of debentures of all listed debentures	0.41	.05
<i>Total No. of Tradable Securities</i>	<i>1151.57</i>	<i>1013.23</i>

Figures in million

Issued capital of all companies	TK.	45370	41506.8
	US\$	777	721.86
Issued capital of all mutual funds	TK.	395	395
	US\$	7	6.87
Issued debentures	TK.	289	67.43
	US\$	5	1.17
<i>Total issued capital</i>	<i>TK.</i>	<i>46054</i>	<i>41969.23</i>
	<i>US\$</i>	<i>788.61</i>	<i>729.90</i>

Figures in million

Total Market capitalization	TK.	97587	85439.86
	US\$	1671	1485.91

Share price index	967.88 (General index)	1642.79 (All share price index)
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DSE OPERATIONAL STATISTICS
October-December 2003

Trading Month	General 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
October	801.27	TK.74214 US\$ 1271	24	21.66	0.90	TK.803.38 US\$ 13.76	TK.33.47 US\$ 0.58
November	920.61	TK.85582 US\$ 1465	21	55.38	2.64	TK.1879.50 US\$ 32.19	TK.89.51 US\$ 1.56
December	967.88	TK.97587 US\$ 1671	23	83.13	3.61	TK. 3149.19 US\$ 53.92	TK136.92 US\$ 2.34
Total			68	160.17	2.38	TK. 5832.07 US\$ 99.87	TK.86.63 US\$ 1.49

CSE OPERATIONAL STATISTICS
October-December 2003

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
October	1383.03	TK.63285.64 US\$ 1100.62	24	4.09	0.17	TK.79.65 US\$ 1.38	TK.3.32 US\$ 0.06
November	1591.12	TK.73487.03 US\$ 1278.03	21	17.64	0.84	TK.393.65 US\$ 6.85	TK.18.75 US\$ 0.33
December	1642.79	TK.85439.86 US\$ 1485.91	23	55.12	2.40	TK.1596.98 US\$ 27.77	TK.69.43 US\$ 1.21
Total			68	76.85	1.13	TK.2070.28 US\$ 36.00	TK.30.45 US\$ 0.53

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

