

# Quarterly Review



October-December 2008



Securities and Exchange Commission  
Bangladesh



**SECURITIES  
AND  
EXCHANGE  
COMMISSION**

**Quarterly  
Review**

October-December 2008

**A publication of the SEC**

**Securities and Exchange Commission**

Jiban Bima Tower ( Floor 15, 16 & 20 )

10, Dilkusha Commercial Area

Dhaka-1000, Bangladesh

Phone: 9568101-2, 9561525

Fax: (88)-02-9563721

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

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



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SECURITIES AND EXCHANGE COMMISSION

## Quarterly Review

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## CAPITAL MARKET NEWS

### **Securities and Exchange Commission (SEC):**

As a capital market regulator SEC was established in June 1993 through enactment of the Securities and Exchange Commission Act, 1993. The following are the missions of SEC:

- Protecting the interest of investors in securities;
- Developing the capital and securities markets; and
- Framing of securities rules concerning above.

### **SEC Activities:**

The activities of the Securities and Exchange Commission (SEC) during October-December 2008 have been furnished below:

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

To create awareness among the general investors of securities market SEC conducts Investors' Education Program on regular basis (twice a month) at SEC premise throughout the year. During October-December 2008 a total of 112 investors participated in the said programs. Senior SEC officials made presentation on different aspects of capital market in the said programs and responded to the queries of the participants.

#### **Training Program for Authorized Representatives:**

In order to educate and train market participants, the Commission, in association with the Dhaka Stock Exchange Ltd., arranged training for authorized representatives of the members of Dhaka Stock Exchange Ltd. on 21-22 December, 2008 at DSE where 46 authorized representatives attended. Senior officials of SEC and DSE conducted aforesaid programs highlighting securities laws, particularly issuance, trading and settlement of securities transaction on stock exchanges.

## CORPORATE FINANCE

Activities of Corporate Finance Department (CFD) of the Commission during October-December, 2008 are enumerated below:

Sl. No.	Particulars	Action taken	No. of Company
1	Qualified audit report as well as CFD's observation on the audited financial statements.	Explanation sought from the companies.	27
		Companies have been advised to present the information and explanation on the auditors qualified opinion and Commission's observation in the relevant Annual General Meeting.	19
		Referred to Enforcement Department for necessary action since clarification provided by the compaies are not accepted by the Commission.	3
		Referred to SRMID for appropriate action since there was significant doubt about the companies ability to continue as going concern.	3
		Explanation sought from the auditors on various issues.	15
		Referred to Enforcement Department for appropriate action as the auditors failed to report qualifying matters related to the financial statements of the issuer company in their audit report which should have been reported as per IAS and ISA.	3
2	Commission's clearance for retention of statutory auditors for the consecutive period exceeding three years.	Clearance accorded.	3
3	Extension of time for submission of audited financial statements for the year ended on June 30, 2008 to the Commission.	Time extended.	01
		Time not extended.	5
4	Non-submission of audited financial statements for the year ended on June 30, 2008 to the Commission.	Referred to Enforcement Department for appropriate action against the companies.	25



## CAPITAL ISSUE

### Initial Public Offering (IPO):

The Commission accorded consent to the following company to raise capital through initial public offering during October-December 2008, details of which are furnished below:

*Amount in million Taka*

Name of the Company	Date of Approval	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
BSRM Steels Ltd.	12.10.08	1450	1040.99	209.01	1250.00	200.00	--	--	200.00	At par

### Capital Raising:

#### Private Limited Company:

During October-December 2008, the Commission accorded consent to the following private limited companies to raise capital for the amount stated in the table:

Sl. No.	Name of the Company	Applied for	Consent Letter Issued on	Amount in Million Tk.
1	BRAC BD Mail Network Ltd.	Ordinary Shares of Tk.69.00 million	23.10.08	69.00
2	Energypac Confidence Power Venture Ltd.	Preference Shares of Tk. 250.00 million	8.10.08	250.00
3	ACI Logistics Ltd.	Ordinary Shares of Tk. 359.00 million	23.10.08	359.00
4	AVA Renewable Energy Ltd.	Debenture of Tk. 30.00 million	5.11.08	30.00
5	Bangladesh Internet Exchange Ltd.	Ordinary Shares of Tk. 67.00 million	15.10.08	67.00
6	Bangkok Cable (Bangladesh) Ltd.	Ordinary Shares of Tk.250.00 million	18.11.08	250.00
7	Cashlink Bangladesh Ltd.	Ordinary Shares of Tk.214.20 million	23.11.08	214.20
<b>Total Taka</b>				<b>1,239.20</b>



**Public Limited Company:**

The Commission accorded consent to the following public limited companies to raise capital during the said period:

Sl. No.	Name of the Company	Applied for	Consent Letter Issued on	Amount in Million Tk.
1	BEXIMCO Ltd.	Ordinary Shares of Tk.132.50 million	2.11.08	132.50
2	TM International Bangladesh Ltd.	Ordinary Shares of Tk. 6850.00 million	10.11.08	6850.00
3	Golden Son Ltd.	Debenture of Tk. 30.00 million	18.11.08	30.00
4	BASIC Bank Ltd.	Bonus share of Tk. 62.37 million	12.11.08	62.37
5	United Leasing Co. Ltd.	ZCB of Tk. 1287.71 million	18.11.08	1287.71
6	Chittagong Jute Manufacturing Co. Ltd.	Ordinary Shares of Tk.125.00 million	8.10.08	125.00
7	Khansons Textiles Ltd.	Ordinary Shares of Tk.110.00 million	30.10.08	110.00
8	Bhagyakul Paribahan Limited	Ordinary Shares of Tk.625.00 million	5.11.08	625.00
9	Shinepukur Ceramics Ltd.	Bonus Shares of Tk.39.64 million	30.10.08	39.64
10	HAAb Airlines Ltd.	Ordinary Shares of Tk.211.00 million	30.11.08	211.00
11	Marico Bangladesh Ltd.	Ordinary Shares of Tk.193.50 million	31.12.08	193.50
<b>Total Taka</b>				<b>9,666.71</b>



### Rights Issue:

During the said period, the Commission has permitted to the following companies to issue Right Shares, details of which are furnished below:

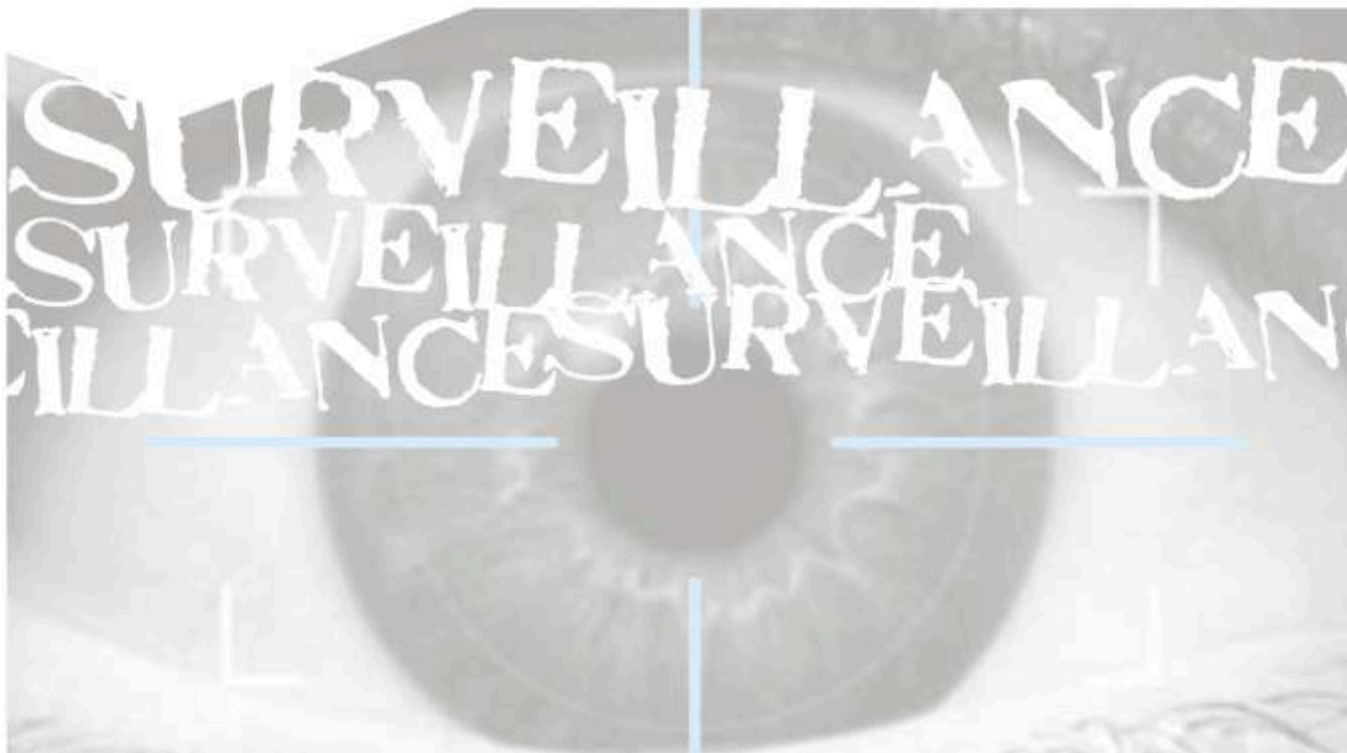
Sl. No.	Name of the Company	Approved on	Number of Shares	Amount in Million Tk.
1	Social Investment Bank Ltd.	18.11.08	1,25,08,587 Ordinary Shares of Tk. 100.00 each at per	1250.86
2	Eastern Bank Ltd.	18.11.08	69,34,500 Ordinary Shares of Tk. 100.00 each at par	693.45
3	National Polymer Industries Ltd.	18.11.08	5,36,000 Ordinary Shares of Tk. 100.00 each at an issue price of Tk. 350.00 per share (including a premium of Tk. 250.00 each	187.60
<b>Total</b>				<b>2,131.91</b>

### Direct Listing:

ACI Formulations Ltd. and Shinepukur Ceramics Ltd. listed on the stock exchanges under the Dhaka/Chittagong Stock Exchange (Direct Listing) Regulations, 2006 during this Quarter. The detailed information of the said companies is furnished below:

Sl. No.	Name of the Company	Date of Submission of Documents	Trade Commenced on	Number of Shares Offloaded	Total Face Value of Shares offloaded (Tk. in Million)
1	ACI Formulations Ltd.	6.10.08	18.11.08	8987500	89.87
2	Shinepukur Ceramics Ltd.	5.10.08	18.11.08	35011800	350.12
<b>Total</b>					<b>439.99</b>

## SEC SURVEILLANCE



### Daily Market Surveillance:

The main tasks of Surveillance Department is to watch/monitor and analyze the trading activities of both stock exchanges through non-trading on-line surveillance system. The Department surveils the trade and reports about unusual trading to the authority on daily, weekly and monthly basis.

### Investigation and Enquiry:

The Commission conducts inspection and investigation on the affairs of issuers, exchanges and intermediaries to ensure integrity of the market system.

### Regular Inspection:

As part of regular monthly inspection, SEC's inspection team visited and inspected the affairs of following intermediaries during the period:

Nature of Inspection	Inspection Against
Monthly regular inspection: October, 2008	Merchant Securities Ltd. (DSE Membership# 169) Solex Securities Ltd. (CSE Membership # 65)
Monthly regular inspection: November, 2008	Samin Securities Ltd. (DSE Membership # 83) ZATL Securities Ltd. (CSE Membership # 45)
Monthly regular inspection: December, 2008	AB & Company Ltd. (DSE Membership # 43) Century securities Ltd. (CSE Membership # 79)



## REGISTRATION

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

During October-December 2008, the Commission issued stock broker/dealer registration certificate in favor of the 3 members of Dhaka Stock Exchange Ltd. and 3 members of Chittagong Stock Exchange Ltd. under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০.

#### Dhaka Stock Exchange Limited:

Sl. No.	Name & Address of the Stock dealer/ Stock broker	Category	Membership No.	Registration Certificate & Issue Date
1	Mercantile Bank Limited, Head Office, 61 Dilkusha C/A, Dhaka-1000.	Stock broker & Stock dealer	DSE-224	Reg-3.1/DSE-224/2008/314-15 Date: 02.12.2008
2	Al Arafa Islami Bank Ltd., 36 Dilkusha C/A, Dhaka-1000.	Stock broker & Stock dealer	DSE-234	Reg-3.1/DSE-234/2008/312-13 Date: 17.11.2008
3	Island Securities Ltd. Faruque Chamber (7th floor), 1403 Sk. Mujib Road, Agrabad, Chittagong.	Stock broker	DSE-106	Reg-3.1/DSE-106/2008/311 Date: 22.10.2008

#### Chittagong Stock Exchange Limited:

Sl. No.	Name & Address of the Stock dealer/ Stock broker	Category	Membership No.	Registration Certificate & Issue Date
1	Vanguard Shares & Securities Ltd. 5, Goshailedanga, Doublemooring Chittagong.	Stock dealer	CSE-036	Reg-3.2/CSE-036/2008/169 Date: 15.12.2008
2	Jesco Capital Management Ltd. Enses Chamber (1st floor), 1102, Nur Ahmed Road, Chittagong.	Stock dealer	CSE-121	Reg-3.2/CSE-121/2008/167 Date: 01.12.2008
3	Jesco Capital Management Ltd. Enses Chamber (1st floor), 1102, Nur Ahmed Road, Chittagong.	Stock broker	CSE-121	Reg-3.2/CSE-121/2008/164 Date: 4.11.2008

Moreover, the Commission renewed 37 stock broker/stock dealer registration certificates of Dhaka Stock Exchange Ltd. and 25 stock broker/stock dealer registration certificates of Chittagong Stock Exchange Ltd. respectively during the said period.

### Branch Opening Permission to the Stock Brokers:

During the said Quarter, the Commission approved opening of 61 new branches of 39 stock brokers of Dhaka Stock Exchange Limited and 6(six) new branches of 5(five) stock brokers of Chittagong Stock Exchange Limited. Beside this, the Commission extended time up to 31 January 2009 for taking approval from the Commission for branches of DSE and CSE broker companies, which are in operation.

### Issuance and Renewal of Authorized Representative Registration Certificates:

During the said period, the Commission issued 110 registration certificates to the applicants of Dhaka Stock Exchange Ltd. and 25 registration certificates to the applicants of Chittagong Stock Exchange Ltd. under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (স্টক ডিলার, স্টক ব্রোকার ও অনুমোদিত প্রতিনিধি) বিধিমালা, ২০০০ to carry out functions as authorized representatives and renewed 213 authorized representative registration certificates of DSE and CSE.

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

During the Quarter, the Commission issued the following 4(four) depository participants registration certificates under ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ and renewed 79 depository participant registration certificates:

### List of New Depository Participants:

DP No.	Name, Address & Contacts of the DP	Membership No.	Category	Certificate No. & Issue Date
1	The Citibank N. A, Dhaka 109, Gulshan Avenue Dhaka.	CSE # 117	Custody	SEC/Reg./CDBL-DP-286 Date: 4.12.2008
2	Al Arafa Islami Bank Ltd. Peoples Insurance Building, 36 Dilkusha, C/A, Dhaka-1000	DSE # 05	Full Service	SEC/Reg./CDBL-DP-284 Date: 2.12.2008
3	Nizam Shares & Securities Ltd. HBFC Building (1st floor), Agrabad C/A, Chittagong	CSE # 50	Full Service	SEC/Reg./CDBL-DP-285 Date: 2.12.2008
4	Swift Capital Management Ltd. Modhumita Bhaban (7th floor), 158-160 Motijheel C/A, Dhaka-1000	DSE # 64	Full Service	SEC/Reg./CDBL-DP-283 Date: 6.10.2008



#### **Prime Finance First Mutual Fund:**

The Commission accorded approval to the offer/issue of Prime Finance First Mutual Fund worth Tk.20 crore (Sponsor-4.00 crore, Pre-IPO placement-6.00 crore, reserve for Mutual Fund-1.00 crore, NRB-1.00 crore and Bangladeshi resident-8.00 crore) for public offering through issuance of prospectus under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ on 2 December, 2008.

#### **Trustee of proposed Non -convertible Zero Coupon Bond of United Leasing Co. Ltd.:**

During the quarter the Commission accorded approval to ICB to act as the Trustee of proposed non- convertible Zero Coupon Bond Tk. 100.00 crore of United Leasing Co. Ltd. on 30 October, 2008.

#### **Issuance of Security Custodian Registration Certificate**

The Commission issued Security Custodian Registration Certificate in favor of Citibank N.A. Bangladesh under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সিকিউরিটি কাস্টডিয়াল সেবা) বিধিমালা, ২০০৩ on 14 December, 2008.

#### **Approval for Opening Merchant Banking Branch Office:**

During the Quarter, the Commission accorded approval to Fidelity Assets & Securities Ltd. and Trust Bank Ltd. to open Merchant Banking branch in Chittagong and Sylhet and Karwan bazar and Gulshan branch of Trust Bank Ltd. respectively on 6 November, 2008.

#### **Approval of Trustee:**

The Commission accorded approval for role of Trustee of Eastern Bank Limited for Subordinate Convertible Bonds as Tier 2 Capital to be issued by Dhaka Bank Limited during the said period on 30 October, 2008.

## SUPERVISION AND REGULATION OF MARKETS AND INTERMEDIARIES

During October-December 2008, the following companies held AGM. Information on AGM and dividend is shown in the following table:

Sl. No.	Name	Date of AGM	Cash Dividend	Stock Dividend	Year End
<b>Bank</b>					
1.	Midas Financeing Ltd.	10.11.08	5%	12.50%	30.6.08
2.	Rupali Bank Ltd.	22.10.08	nil		31.12.07
<b>Cement</b>					
3.	Modern Cement	4.12.08	nil		30.6.08
4.	Niloy Cement Ltd.	4.12.08			30.6.08
<b>Ceramics</b>					
5	Bengal Fine Ceramic Ltd.	31.12.08	nil		30.6.08
6	Fu-Wang Ceramic Ind. Limited	30.12.08	5%		30.6.08
7	Monno Ceramics Ltd.	21.12.08	10%		30.6.08
8	Standard Ceramic Ind. Ltd.	30.12.08	5%		30.6.08
<b>Engineering</b>					
9	Aftab Automobiles Ltd.	28.12.08		25%	31.8.08
10	Atlas Bangladesh ltd.	27.12.08	100%		30.6.08
11	Bangladesh Autocars Ltd.	21.12.08	3%		30.6.08
12	Bangladesh Thai Aluminium Ltd.	23.10.08	5%		31.12.07
13	National Tubes Ltd.	24.12.08	25%	50%	30.6.08
14	Olympic Industries Ltd.	28.12.08	16%		30.6.08
15	Quasem Drycells Ltd.	31.12.08	12%		30.6.08
16	Renwick Jajneswar & Co. Ltd.	5.12.08	10%		30.6.08
17	Wonderland Toys Ltd.	11.12.08	nil		30.6.08
<b>Fuel &amp; Power</b>					
18	Titas gas Transmission & Distribution Co. Ltd.	31.12.08	25%		30.6.08
19	Bd. Welding Electrodes Ltd.	29.10.08	5%		31.12.08
<b>Food &amp; Allied</b>					
20	Agriculture Marketing Co. Ltd.(PRAN)	24.12.08	28%		30.6.08
21	Amam Sea Food Ind. Ltd.	11.12.08	nil		30.6.08
22	Apex Foods Ltd.	16.10.08	20%		30.6.08
23	Bangas Ltd.	30.12.08	15%		30.6.08
24	Bangladesh Leaf Tobacco Co. Ltd.	31.12.08	nil		31.12.07

Sl. No.	Name	Date of AGM	Cash Dividend	Stock Dividend	Year End
25	Bangladesh Plantation Ltd.	15.12.08	12%		30.6.08
26	Bionic Seafood Ltd.	17.12.08	nil		31.12.07
27	Chittagong Vegetable Oil Ind. Ltd.	22.12.08	nil		30.6.08
28	Dhaka Fisheries Ltd.	28.12.08	2%		30.6.08
29	Fine Foods Ltd.	21.12.08	5%	5%	30.6.08
30	Fu-Wang Foods Limited	25.10.08	6%		30.6.08
31	Gachihata Aquaculture farms Ltd.	15.12.08	nil		30.6.08
32	Gemini Sea Food Ltd.	4.12.08	23%		30.9.08
33	Gulf Foods Ltd.	30.12.08	4%		30.6.08
34	Hill Plantation Ltd.	15.12.08	10%		30.6.08
35	Meghna Condensed Milk Industries Ltd.	24.12.08	nil		2004-05 2005-06 2006-07 &2007-08
36	Meghna Pet Industries Ltd.	24.12.08	nil		2004-05, 2005-06, 2006-07 &2007-08
37	Rahima Food Cor. Ltd.	30.12.08	5%		30.6.08
38	Rangamati Food Products Ltd.	23.12.08	nil		30.6.08
39	Yusuf Flour Mills Ltd.	22.12.08	3%		30.6.08
40	Zeal Bangla Sugar Mills Ltd.	20.12.08	nil		30.6.08
41	Shyampur Sugar Mills Ltd.	12.12.08	nil		30.6.08
42	Tulip Dairy and Food Products Ltd.	15.12.08	nil		30.6.08
<b>Investment</b>					
43	ICB	28.10.08	10%	100%	30.6.08
<b>Insurance</b>					
44	Continental Insurance Ltd.	12.10.08	7.50%		31.12.07
45	Fareast Islami Life Insurance Co. Ltd.	01.12.08		40%	31.12.07
<b>Pharmaceuticals &amp; Chemicals</b>					
46	Al-amin Chemical Ind. Ltd.	31.12.08	nil		30.6.08
47	Bangla Process Ind. Ltd.	30.12.08	6%		30.6.08
48	Bangladesh Chemical Industries Ltd.	28.12.08	nil		2004-05 2005-06 2006-07 &2007-08
49	Imam Button Industries Ltd.	21.12.08	8%		30.6.08

Sl. No.	Name	Date of AGM	Cash Dividend	Stock Dividend	Year End
50	Keya Cosmetics Ltd.	25.12.08	30%		30.6.08
51	Keya Detergent Ltd.	25.12.08	21%		30.6.08
52	Kohinoor Chemical Ltd.	25.12.08	30%		30.6.08
53	Libra Infusions Ltd.	21.12.08	17.50%		30.6.08
54	Orion Infusion Ltd.	28.12.08	10% for the year 2007-08		2006-07 & 2007-08
55	Petro Synthetic Products Ltd.	24.12.08	nil		31.12.07
56	Pharma Aids Ltd.	30.12.08	30%		30.6.08
<b>Services &amp; Real State</b>					
57	Bangladesh Hotels Ltd.	3.12.08	35% (for Ordinary Shares) & 8% (for Preference Share)		31.12.07
58	DBH	2.12.08		30%	30.6.08
59	Eastern Housing Ltd.	4.12.08	15%		31.7.08
<b>IT</b>					
60	Agni Systems Ltd.	15.12.08		15%	30.6.08
61	BDCOM Online Ltd.	27.11.08		10%	30.6.08
62	Daffodil Computers Ltd.	31.12.08	4%	6%	30.6.08
<b>Jute</b>					
63	Jute Spinners Ltd.	28.12.08	20%		30.6.08
64	Monno Jutex Industries Ltd.	22.12.08	10%		30.6.08
65	Northern Jute Mfg. Co. Ltd.	31.12.08	nil		30.6.08
66	Sonali Aansh Industries Ltd.	31.12.08	10%		30.6.08
<b>Paper &amp; Printing</b>					
67	Azadi Printers Ltd.	25.12.08	15%		30.6.08
68	Bangladesh Monospool Paper Ltd.	27.12.08	nil		30.6.08
69	Hakkani Pulp & Paper Mills Ltd.	21.12.08	8%		30.6.08
70	Padma Printers Ltd.	24.12.08	nil		31.12.07
<b>Tannery Industries</b>					
71	Phoenix Leather Complex Ltd.	30.12.08	nil		30.6.08
72	Samata Leather Complex Ltd.	24.12.08	nil		30.6.08
<b>Textile</b>					
73	Al-haj Textile Mills Ltd.	24.12.08		20%	30.6.08
74	Alltex Industries Ltd.	15.12.08	2.50%		30.6.08
75	Anlima Yarn Dyeing Ltd.	22.12.08	5%		30.6.08



Sl. No.	Name	Date of AGM	Cash Dividend	Stock Dividend	Year End
76	Apex Spinning & Knitting Mills Ltd.	16.10.08	20%		31.3.08
77	Apex Weaving & Finishing Mills Ltd.	23.12.08		11%	30.6.08
78	Ashraf Textile Mills Ltd.	31.12.08	nil		30.6.08
79	Bangladesh Dyeing & Finishing Ind. Ltd.	28.12.08	nil		2005-06 & 2007
80	Bangladesh Zipper Industries Ltd.	28.12.08	nil		2004-05, 2005-06, 2006-07 & 2007-08
81	Dandy Dyeing Ltd.	24.11.08	nil		31.12.07
82	Delta Spinners Ltd.	28.12.08	10%		30.6.08
83	Desh Garments Ltd.	21.12.08	5%		30.6.08
84	Dulamia Cotton Spinning Mills Ltd.	27.12.08	5%		30.6.08
85	Egale Star Textile Mills Ltd.	26.11.08	nil		30.6.08
86	Metro Spinning Ltd.	27.12.08		15%	30.6.08
87	Mithun Knitting and Dyeing Ltd.	30.12.08	10%		30.6.08
88	Modern Dyeing & Screen Printing Ltd.	24.12.08	4%		30.6.08
89	Prime Textile Spinning Mills Ltd.	27.12.08	10%		30.6.08
90	Rahim Textile Mills Ltd.	16.10.08	15%		30.6.08
91	Saiham Textile Mills Ltd.	25.11.08	10%		30.6.08
92	Tallu Spinning Mills Ltd.	30.12.08	nil		30.6.08
93	Tamijuddin Textile Mills Ltd.	30.12.08	nil		2006-07 & 2007-08
94	GMG Industrial Corporation Ltd.	18.12.08	nil		30.6.08
<b>Miscellaneous</b>					
95	Bangladesh Luggage Industries Ltd.	28.12.08	nil		2004-05, 2005-06, 2006-07 & 2007-08
96	Miracle Industries Ltd.	27.12.08	5%		30.6.08
97	Usmania Glass sheet Ltd.	20.12.08	60%		30.6.08
98	The Engineers Ltd.	27.12.08	10%		31.8.08

During October-December 2008, the following complaints were lodged with the Commission and measures taken by the Commission on the same:

### Complaint against listed companies

Nature of Complaints	No. of Complaints Received	Under Process	Referred for Enforcement Action	Resolved
Non payment or delay in payment of dividend	5	1	-	4
Non payment of debenture instalment	-	-	-	-
Regarding transfer of shares	1	-	-	1
Non receipt of letter of rights share offering	2	1	-	1
Non receipt of bonus share	-	-	-	-
Non receipt of annual report	2	-	-	2
Regarding refund warrant	1	-	-	1
Non damat of shares	1	1	-	-
Miscellaneous	20	3	3	14
<b>Total</b>	<b>32</b>	<b>6</b>	<b>3</b>	<b>23</b>

### Complaints Against Stock Dealer / Broker /Merchant Banker:

Nature of Complaints	No. of Complaints Received	Under Process	Referred for Enforcement Action	Referred to DSE/CSE for Action	Resolved
Non delivery of shares	1	1	-	-	-
Non payment of clients money	-	-	-	-	-
Regarding transfer of shares in the link BO Account	-	-	-	-	-
Miscellaneous	15	8	3	-	4
<b>Total</b>	<b>16</b>	<b>9</b>	<b>3</b>	<b>-</b>	<b>4</b>

## CENTRAL DEPOSITORY



During October-December 2008 the following companies joined the CDS under Central Depository Bangladesh Ltd. (CDBL). At the end of this period, the total number of companies under CDBL was 170 market capitalization of which was Tk.792.45 billion i.e. 97.17% of total market capitalization.

Sl. No.	Name of the Company	Joining Date
1	Summit Alliance Port Ltd. (IPO)	16.10.2008
2	Takaful Islami Insurance Ltd.(IPO)	3.11.2008
3	Janata Insurance Company Ltd.	6.11.2008
4	ACI Formulations Ltd.(Direct Listing)	18.11.2008
5	Shinepukur Ceramics Ltd.(Direct Listing)	18.11.2008
6	Northern General Insurance Co. Ltd.(IPO)	25.11.2008
7	Standard Insurance Ltd.(IPO)	25.11.2008
8	Investment Corporation of Bangladesh Ltd.	30.11.2008
9	Sonargoan Textiles Ltd.	30.11.2008

## SEC ENFORCEMENT ACTIONS

During October-December 2008 the following enforcement actions against registered stock-dealers, stock-brokers, issuer companies, chartered accountants, merchant bankers and others were taken by the Commission for non-compliance of the securities laws:

### Against Issuer Company:

Violation	No. of Issuer Companies	Nature of Action
Failure to comply with securities related laws	5	Penalty
Non compliance of securities law in connection with retention of auditor for a consecutive period exceeding three years	1	Warning
Non compliance of securities law regarding audited financial statements	7	Warning
Non compliance of securities law in connection with the calculation of EPS in the half yearly financial statements	1	Warning
Non compliance of securities law in connection with the submission of the half yearly financial statements	1	Warning
Non compliance of securities law in connection with the submission of audited financial statements	1	Warning
Non compliance of securities related laws in connection with non-submission of half yearly financial statements	2	Warning
Non compliance of securities law in connection with the delayed submission of audited financial statements	1	Warning
Non compliance of securities law in connection with utilization of IPO fund	1	Warning
True and full information not reflected in the financial statement	1	Directive
Realization of Company's fund	1	Directive

#### Against Chartered Accountant Firm:

Violation	No. of Chartered Accountant Firm:	Nature of Action
Failure to comply with securities related laws regarding audited financial statements of the issuers.	5	Warning

#### Against Stock Broker:

Violation	No. of Stock broker	Nature of Action
Non compliance of securities law	2	Penalty
Non compliance of securities law	6	Warning

#### Against Stock Dealer:

Violation	No. of Stock Dealer	Nature of Action
Doing Short-Sale for its clients	1	Penalty
Failure to comply securities related laws	2	Penalty

#### Against Merchant Banker:

Violation	No. of Merchant Banker	Nature of Action
Failure to comply securities related laws	2	Cancellation of Merchant Banker's Registration Certificate

#### Against CEO of DSE:

Violation	No.	Nature of Action
Non-compliance of securities law	1	Warning

#### Against Others:

Violation	No.	Nature of Action
Non-compliance of securities law by shareholder	1	Penalty



Total 204 cases filed by or against SEC are pending in different courts. Name of the courts are given below along with number of pending cases:

Sl. No.	Name of the Court	Number of Cases	
1	Supreme Court of Bangladesh	Appellate Division	6
		High Court Division	77
2	District Judge Court, Dhaka	1	
3	Metropolitan Session Judge Court, Dhaka.	6	
4	1 <sup>st</sup> Asst. Metropolitan Session Judge Court, Dhaka	1	
5	5 <sup>th</sup> Joint Dist. Judge Court, Dhaka.	9	
6	4 <sup>th</sup> Asst. Judge Court, Dhaka.	2	
7	2 <sup>nd</sup> Asst. Judge Court, Dhaka	1	
8	Assistant Judge court - Savar, Dhaka	1	
9	Chief Metropolitan Magistrate Court, Dhaka.	6	
10	General Certificate Court, Dhaka.	94	
	<b>Total Cases</b>	<b>204</b>	

Nine certificate cases have been filed against the directors of relevant 8 companies and against a statutory auditor of a company to recover the penalty imposed by the Commission for violation of securities laws during the period October-December, 2008 under Public Demands Recovery Act, 1913.



### Activities of MIS Department:

Objectives of MIS Department are to assist different departments of SEC in discharging their activities through ICT. MIS also updates Commission's website [www.secbd.org](http://www.secbd.org) on regular basis. Different departments of SEC use individual module of integrated Securities and Exchange Commission Automated System (SECAS) developed at SEC. Officers of SEC can use broadband internet connection from their workstations connected by local area network. SEC's website contains securities laws, IPO prospectus, list of eligible securities, depository participants, enforcement actions, reports etc.. MIS Department is working for development of online electronic filing system. The said system would help the listed companies to submit their compliance report instantly through online system.

### Important Web Uploads in October-December 2008 and Website Visits:

Works	Number
IPO Prospectus Upload	4
Enforcement Actions Upload	45
Order/Notification/Directive etc Upload	2
Eligible Securities/DP List etc Update	16
Quarterly Report Upload	1
Annual Report Upload	1
Proposed Draft Rule Uploaded for Comments	1
No. of Website Visitors(As Per Web Counter)	25,000

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

No.SEC/CMRRCD/2001-07/96

Dated: December 01, 2008

## DIRECTIVE

In exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Securities and Exchange Commission hereby directs Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited;-

1. To carry out transactions of physical shares in the spot market only during one complete cycle immediate prior to the book-closure date and also to keep transaction of such shares suspended on the day immediate prior to the starting date of book-closure.
2. Not to apply circuit breaker for the securities concerned on the trading day immediately following the record date/book-closure date.
3. Instead of suspending trade of a listed security instantly upon closure of operation of the listed company, the stock exchanges shall regularly disseminate in the trading monitor to the effect that if the situation of the company which failed to hold its Annual General Meeting(s) and issue Annual Report(s), and simultaneously operation of the company remained closed for more than six months, is not improved within the next six months from the 1st date of such dissemination, the stock exchanges shall de-list the security upon completion of the said six months of dissemination.

This directive shall supersede the Commission's letters No. SEC/CMRRCD/2002-90-254 dated December 18, 2006 and No. SEC/CMRRCD/2002-90/38 dated April 22, 2008, and will have immediate effect.

By order of the Securities and Exchange Commission

**Distribution:**

Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited

Mohammad Abdul Hannan Zoarder  
Executive Director

**Copy for information:**

1. All Department Heads, SEC
2. Chairman's Office, SEC





## MARKET PERFORMANCE

### **Dhaka Stock Exchange:**

At the end of October-December, 2008 period, total issued capital of all listed securities including treasury bond with the Dhaka Stock Exchange Ltd. was Tk. 372,156 million, compared to Tk. 349,621 million as on 30 September, 2008, registering an increase of 6.44%. The market capitalization of all listed securities of Dhaka Stock Exchange Ltd. stood at Tk. 1,059,530 million at 30 December, 2008 which was Tk.1,068,275 million at 30 September, 2008. The total turnover in Dhaka Stock Exchange was 1,061 million securities amounting to Tk.152,543.61 million during October-December, 2008.

### **Chittagong Stock Exchange:**

At the end of October-December, 2008 period, total issued capital of all listed securities with the Chittagong Stock Exchange Ltd. was Tk.121,603 million, compared to Tk.119,446.50 million as on 30 September, 2008, registering an increase of 1.80%. The market capitalization of all listed securities of Chittagong Stock Exchange Ltd. stood at Tk. 807,684 million during the Quarter ended on 30 December 2008 which was Tk. 819,898 million at 30 September, 2008. The total turnover in Chittagong Stock Exchange was 252.12 million securities amounting to Tk.24,866.13 million during October-December, 2008.

### **Dhaka Stock Exchange Ltd. (DSE)**

#### **Investors' Awareness Program:**

DSE arranged Investors' Awareness programs in Chittagong on October 15, 2008 and 6 November, 2008 in Sylhet. SEC Member Mansur Alam was present as Chief Guest in the said programs. A large number of investors were attended both the program. CEO and Chief Operating officer of DSE were also present. Mansur Alam, Member SEC emphasized proper dissemination of information on the company fundamentals. He also said investors to learn different aspects of the stock market operation and market trends so that they could take informed investment decision.

#### **DSE Arranged Roundtable titled “Global Financial Crisis and its impact on Financial markets in Bangladesh”:**

DSE arranged roundtable titled “Global Financial Crisis and its impact on Financial markets in Bangladesh” at Sonargaon Hotel in Dhaka on November 15, 2008. SEC Chairman Faruq Ahmad Siddiqi was present as Chief Guest while Deputy Governor of Bangladesh Bank Ziaul Hasan Siddiqui was the Special Guest. SEC Chairman, Faruq Ahmad Siddiqi said Bangladesh cannot avoid the impact of the global financial crisis in the long run as the consumption pattern of developed countries would cool down.

DSE Senior Vice President, Saiful Islam opined that Bangladesh security market might not have adverse effect similar to developed countries since sophisticated products and instruments non-existent in Bangladesh.

All the speakers opined that global financial crisis least likely to affect Bangladesh financial sector, in general, and capital market in particular and the overall economy in the short term.

### **Chittagong Stock Exchange Ltd. (CSE)**

#### **Annual General Meeting of CSE:**

Annual General Meeting of CSE was held on 9 November, 2008 where Mr. Nasir Uddin Ahmad re-elected as CSE President.

#### **Training Program on Capital Market:**

As part of CSE's regular arranging training program on capital market CSE started for the sixth and seventh time its November-December monthlong training program from 23 November, 2008. Public, private, joint venture company specialy managing directors/executives from the financial institutions including graduates of different disciplines participated in the aforesaid program.

## DSE & CSE SCENARIO

### Capital Market:

As of 31 December 2008 the total issued capital of all listed securities including treasury bonds of Dhaka Stock Exchange was Tk. 372,156 million (US\$ 5,397.47 million) which was Tk. 349,621 million (US\$5102.47 million) on 30 September 2008. In Chittagong Stock Exchange the total issued capital on 31 December 2008 was Tk. 121,603.19 million (US\$1,762.37 million) which was Tk.119,446.50 million (US\$1756.57 million) on 30 September 2008.

### Stock Market Operation:

During October-December 2008 Quarter the total turnover in Dhaka Stock Exchange was 1061 million securities while the total amount traded on Dhaka Stock Exchange during the same period was Tk. 152,543.61million (US\$2212.38 million).

In the same period the total turnover in Chittagong Stock Exchange was 252.12 million securities while the total amount traded on Chittagong Stock Exchange during the same period was Tk. 24,866.13 million (US\$360.64million).

### Market Capitalization:

Total market capitalization of all securities including treasury bonds listed on the Dhaka Stock Exchange was Tk. 1,059,530 million (US\$15,367million) as on 31 December 2008 compared to Tk.1068,275 million (US\$15591million) as on 30 September 2008.

In the Chittagong Stock Exchange total market capitalization of all listed securities was Tk. 807,684 million (US\$11,705.56 million) as on 31 December 2008 compared to Tk. 819,898 million (US\$12057.32million) as on 30 September 2008.

### Share Price Index:

DSE all share price index stood at 2309.35 on 31 December 2008 compared to 2498.45 on 30 September 2008. The CSE all share price index stood at 8692.75 on 31 December 2008 while it was 8996.69 on 30 September 2008. The index bases are 100 and 1000 for DSE and CSE respectively.

(1 US\$ =Tk. 68.95 For October-December 2008 quarter)



# Bangladesh Capital Market Summary

As on 31 December 2008

Indicators		Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies		276	221
No. of mutual funds		16	16
No. of debentures		8	1
No. of treasury bonds		111	
No. of corporate bonds		1	
<b>Total No. of Listed Securities</b>		<b>412</b>	<b>238</b>
<i>Figures in million</i>			
No. of shares of all listed companies		2428	2299.26
No. of certificates of all listed mutual funds		325	325.28
No. of debentures of all listed debentures		0.41	3.00
No. of all listed govt. T-bonds		2.42	-
No. of all listed corporate bonds		3.00	-
<b>Total No. of Tradable Securities</b>		<b>2,759</b>	<b>2,627.54</b>
<i>Figures in million</i>			
Issued capital of all companies	TK.	122,497.00	115,487.69
	US\$	1,777.00	1,673.73
Issued capital of all mutual funds	TK.	3116.00	3115.50
	US\$	45.00	45.15
Issued debentures	TK.	140.00	3000
	US\$	2.00	43.48
Issued govt. T- bonds	TK.	243,403	-
	US\$	3,530	-
Issued capital of corporate bonds	TK.	3,000	-
	US\$	44	-
Total issued capital	TK.	372,156.00	121,603.19
	US\$	5397.47	1,762.37
<i>Figures in million</i>			
Total Market Capitalization	TK.	1,059,530.00	807,684
	US\$	15,367.00	11,705.56
All Share Price Index		2,309.35	8,692.75

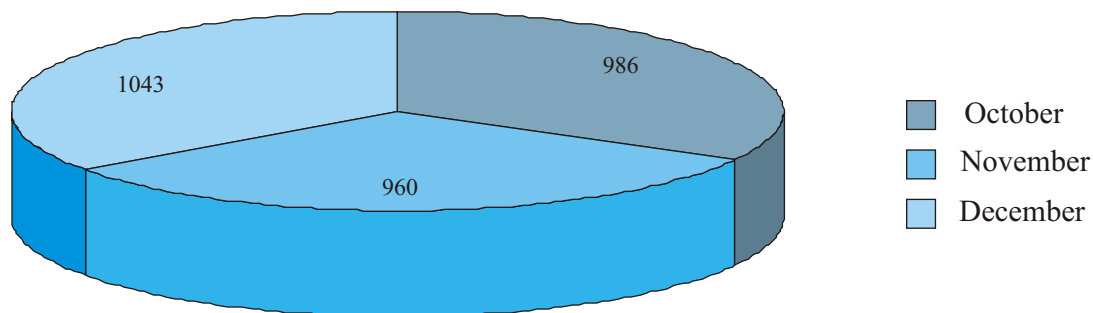
### DSE Operational Statistics October-December 2008

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	2,278.16	Tk. 986,238 US\$ 14,303.67	19	544	29	Tk 79,094.31 US\$ 1147.12	Tk 4,162.86 US\$ 60.37
November	2,040.21	Tk.959,613 US\$ 13,917.52	21	313	15	Tk 43,589.62 US\$ 632.19	Tk 2,075.70 US\$ 30.14
December	2,309.35	Tk. 1,043,799 US\$ 15138.49	14	205	15	Tk. 29,859.68 US\$ 433.06	Tk. 2,132.83 US\$ 30.93
<b>Total</b>			54	1061	20	TK. 152,543.61 US\$ 2212.38	Tk. 2,824.88 US\$ 40.97

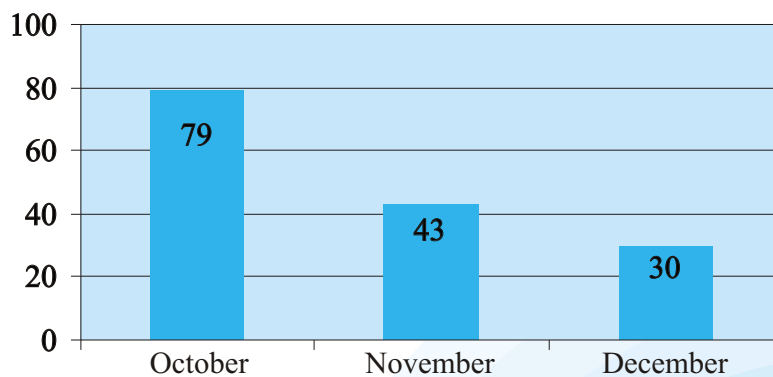
\* Index and Market Capitalization of the last trading day of the months have been considered as relevant figures of respective months.

#### Market Capitalization of DSE

Taka in Billion



#### Turnover of Securities (Value)



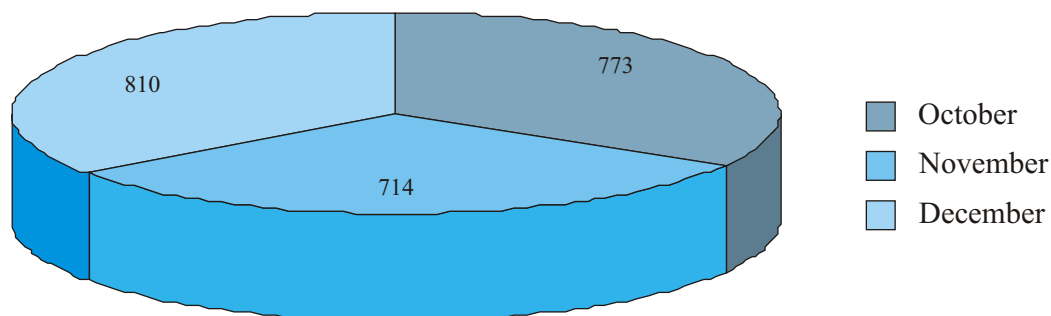


### CSE OPERATIONAL STATISTICS October-December 2008

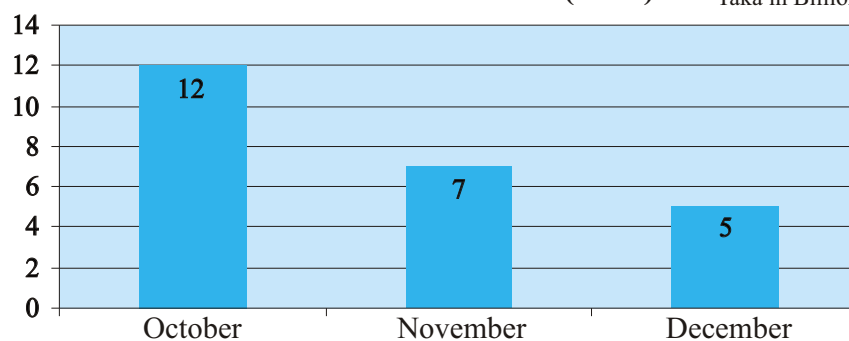
Trading Month	All Share Price Index	Market Capitalization in Million	No. of Trading Days	Turnover of Securities in Million (No.)		Traded Amount in Million	
				Monthly	Daily Average	Monthly	Daily Average
October	8,380.59	Tk. 773,733 US\$ 11221.63	19	124.06	6.53	Tk 12,110.36 US\$ 175.64	Tk 637.39 US\$ 9.24
November	7,627.44	Tk. 714,033 US\$ 10355.81	21	76.42	3.64	Tk 7,551.35 US\$ 109.52	Tk 359.59 US\$ 5.21
December	8,692.75	Tk. 810,596 US\$ 11756.29	14	51.64	3.69	Tk. 5,204.42 US\$ 75.48	Tk. 371.74 US\$ 5.39
<b>Total</b>			54	252.12	4.67	TK. 24,866.13 US\$ 360.64	Tk. 46,048 US\$ 667.85

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

**Market Capitalization of CSE** Taka in Billion



**Turnover of Securities (value)** Taka in Billion



For Information on Securities and Exchange Commission

# VISIT



## 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](http://www.secbd.org) for detailed information

Where you will find:

- What's New • About SEC • Stock Exchanges
- Companies • SEC Laws • Prospectus
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- Feed Back • Investors' Information
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