

Securities and Exchange Commission Bangladesh

ANNUAL REPORT 2002-2003

**SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT 2002-2003**

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CHAIRMAN'S STATEMENT

The Securities and Exchange Commission (“Commision”) has been formed by the Securities and Exchange Commission Act, 1993 with the responsibility for ensuring proper issuance of security, protection of investors in security, development and regulation of capital and securities markets. With a view to achieving those objectives of the Act, the Commission has been continuing taking of various measures prescribed by the securities rules and regulations for discharging its duties.

During the financial year 2002-2003, the overall scenario of the capital market was normal subject to occurrence of certain exceptional events, despite the fact that the speed of growth was not up to the expectation. The main causes are, among others, negative effect of the international events, non-payment of declared dividend because of the stay order obtaining from the court by some of the listed companies showing various excuses, non-holding of annual general meeting by certain companies on time, or changing of AGM date and book closure date announced earlier by certain companies.

The problems exist in the capital market are basically of two types namely, fundamental problems and current problems. The fundamental problems being lack of accuracy in and acceptability of the accounts of the companies, lack of good governance in the companies, delay in disposal of the securities related cases filed by the Commission in the court against the violators of the securities related laws, shortage in supply of quality shares in the market, shortage of institutional and long term investors, absence of bond market, delay in implementation of the central depository system (CDS) and presence of unruly and self motivated persons in the companies' AGM.

On the other hand, the current problems being lack of professionalism in the market intermediaries, tendency for irrational or unethical gain by the market related persons, non-declaration of dividend about 28% listed companies (which was about 40 % in the last one/one and a half year before), and non-payment of the declared dividend within the time limit prescribed for the purpose. It may be noted here that the most of the current problems would be reduced if the fundamental problems are resolved.

Certain proposals may be placed to solve the above said problems. These include, ensuring of proper preparation and auditing of the financial statements of the companies on factual basis, taking of appropriate measures for bringing necessary changes, amendments, etc. in relevant rules and regulations including the company law, with a view to establishing good governance in the listed companies, Asian Development Bank (ADB) provided financial and technical assistance in this respect. with a view to ensuring of taking steps for listing shares of the companies with good fundamentals (viz, electricity, telecommunication, infrastructural sector) including off-loading the shares of the government owned companies in oil, gas, telecommunication sectors, etc. in the stock market, setting up of a regulatory authority as proposed by IMF and World Bank, for ensuring quality of audit and preparation of financial

statements of the companies under SEC's supervision, start functioning of CDS quickly, to discourage sanctioning of long term loan to the non- listed companies by the commercial banks etc.

The Commission has been considering to place the following proposals to the Government with a view to removing the legal complexity. These are setting up of special tribunal for quicker disposal of the capital market related cases, especially the share scam cases, bringing of the securities related cases under the Honourable High Court in place of the court of Session, and ensuring of giving opportunity to place the Commission's views on the related matter before granting stay order by the Honourable Court against any punitive order/directive issued by the Commission.

After the 1996 share scam, recruitment of appropriate personnel at SEC and extensive reforms for development of the capital market, including regulatory reforms have been continuing under the technical assistance of UNDP and ADB. Mentionable here that a proposal for increasing manpower in SEC is under active consideration of the Government.

In the context of the programmes taken up under the UNDP Technical Assistance and the ADB, Capital Market Development Program, and also with a view to achieving the objectives of the International Organization for Securities Commission (IOSCO), structural improvement in the capital market, along side improvement in transparency and fairness, has become visible if compared with the previous situations and that systemic risk is also being reduced through continuous effort of SEC. The Commission considers these matters with great importance despite shortage of its manpower. Meanwhile the Commission has taken steps for bringing good governance in the companies. It has taken measures for appointing external auditor/valuer in respect of certain companies. It has been revealed that, in addition to evasion of taxes, the financial statements of the companies do not reflect their real position of income and expenditure, assets and liabilities. The Commission has also referred the unusual matters of some audited accounts of certain companies to the Institute of Chartered Accountants of Bangladesh (ICAB) for taking necessary measures. ICAB has taken some measures, and the Commission had to take shelter of the court in respect of certain such matters.

The cooperation and support of the Government in respect of overall activities of the Commission is commendable. The Commission also expresses gratitude to Bangladesh Bank, stock exchanges, the market intermediaries and issuer companies for their cooperation. I cordially express thanks to all officers and staff of the Commission for their continued efforts in developing our capital market and also for creating a disciplined investment atmosphere.

K. Ifthekar Ahamed
Chairman (Additional charge)

Bangladesh Capital Market

The Commission:

The Securities and Exchange Commission (SEC) came into existence as capital market regulator through promulgation of the Securities and Exchange Commission Act 1993 (Act 15 of 1993) with the following objectives:

- To ensure proper issuance of securities
- To protect interest of the investors in securities
- To develop the capital and securities markets
- To regulate the capital and securities markets

The Dhaka Stock Exchange (DSE):

The Dhaka Stock Exchange is a self regulated non-profit organization. It has a 24 members Council of which 12 are elected from the exchange members and 12 are nominated from the non-exchange members by the elected exchange member-councillors, subject to the approval of SEC.

The executive power of DSE is vested in the Chief Executive Officer (CEO). The CEO is appointed by the Council with the approval of SEC.

As on 30th June, 2003 there are 260 securities listed with DSE against which total issued capital of all listed securities was Tk.36081 million and total market capitalization is Tk.72998 million.

The Chittagong Stock Exchange (CSE):

The Chittagong Stock Exchange is a self-regulated non-profit organization. It has a 24 members' Board of Directors of which 12 are elected from the exchange members and 12 are nominated from the non-exchange members by the elected exchange member directors, subject to the approval of the SEC.

The executive power of CSE is vested in the Chief Executive Officer (CEO). The CEO is appointed by the Board with the consent of SEC.

As on 30th June, 2003 there are 185 securities listed with CSE against which total issued capital of all listed securities is 31906.70 million and total market capitalization is Tk.60208.60 million.

Bond Market:

Basically no bond market does exist in Bangladesh. Equity shares and mutual funds are traded in the stock exchanges. Presently there are only nine debentures listed with the exchanges, although the total sum of which is very poor which is Tk.544.00 million. In order to encouraging issuance of bond and to overcoming the related barriers for transacting bonds in the capital market, necessary rules are under preparation with the assistance of the World Bank.

Raising of capital through Initial Public Offering (IPO):

During the financial year 2002-2003 thirteen companies have raised capital of Tk.1943.765 million through public issue, which includes the subscription of Tk.1161.17 million from the general public and Tk.782.595 million from local placement.

Listed Companies:

To increase awareness of the investors, the listed companies have been categorized as A,B,G and Z based on declaration of dividend by the companies, status of AGM and operational status and status of accumulated loss of the companies. 'A' category companies are those which pay 10% or more dividend, 'B' category companies are those which pay less than 10% dividend and 'Z' category companies are those which fail to pay any dividend, hold AGM, whose accumulated loss exceeded the issued capital or companies which are closed for more than six months. Category wise companies as at 30th June 2003 being 132 under 'A' category companies (52.59% of total listed companies), 51 under 'B' category companies (20.32% of total listed companies), 68 under 'Z' category companies (27.09 % of total listed companies). Recently, steps have been taken to improve the condition of the listed companies which gives good result although in some cases it is disputed. It is mentionable that 'G' category is for Greenfield company in which there is no listed company as of the said date.

Depository:

In the meantime, the Commission has accorded registration to the Central Depository Bangladesh Ltd. (CDBL) under the Depository Regulations,2000. After complying the conditions of registration, the depository is likely to start its operation within the 2002. It will not only attract the investors but will also eliminate fake shares from the market. During this period the Depository (Amendment) Act,2002 has been issued. Through this amendment the effectiveness of section 23 of the Depository Act is extended to next five years. Beside this, the Depository (User) Regulations,2003 has also been issued.

Merchant Bank:

As on 30 June 2003, there are 30 companies who have obtained registration to work as merchant bankers, the breakup is as follows:-

(a.)	Full fledged merchant banker	-	23
(b.)	Issue manager	-	6
(c.)	Portfolio manager	-	<u>1</u>
	Total	-	<u>30</u>

Excepting a few, the performance of others are not satisfactory. Recently, some commercial banks and financial institutions have been registered as merchant bankers. Hopefully, this will improve the market situation. Commercial banks and financial institution may play a good role in this respect.

Mutual Fund and Asset Management:

The Securities and Exchange Commission (Mutual Fund) Rules, 2001 has been published in the Bangladesh Gazette. To encourage the concerned parties, its process has been simplified. The Commission has registered ICB AMCL First Mutual Fund and ICB AMCL Unit Fund during the financial year under the new rules. There is only one listed mutual fund in the private sector. Eight mutual funds of ICB and one mutual fund of BSRS are also listed with the exchanges.

Recently, by forming subsidiary company, ICB is expected to play a pivotal role in this respect. Maximum number of mutual funds would be very helpful for the capital market.

Credit Rating Information and Services Limited (CRISL):

In order to facilitating ratings of the securities in the capital market, the Commission has granted registration certificate to the Credit Rating Information and Services Ltd.(CRISL), which has conducted ratings of seven banks till now. It will basically facilitate the bond market.

CAPITAL MARKET TREND

CAPITAL MARKET SUMMARY

As on 30th June, 2003

Indicators (Listed)	Dhaka Stock Exchange	Chittagong Stock Exchange
No. of companies (Share)	241	172
No. of mutual funds	10	10
No. of debentures	9	3
<i>Total No. of Listed Securities</i>	<i>260</i>	<i>185</i>

Figures in million

No. of shares of all listed companies	972.70	822.60
No. of certificates of all listed mutual funds	72.30	72.30
No. of debentures of all listed debentures	0.60	0.10
<i>Total No. of Tradable Securities</i>	<i>1045.60</i>	<i>895.00</i>

Figures in million

Issued capital of all companies (Equity)	Tk.	35242.00	31507.90
	US\$	608.00	538.60
Issued capital of all mutual funds	Tk.	295	295
	US\$	5	5
Issued debentures	Tk.	544	103.90
	US\$	9	i.78
Total Issued Capital	Tk.	36081	31906.70
	US\$	622	545.41
Total Market Capitalization	Tk.	72998	60208.60
	US\$	1259	1029.21
Weighted Average Share Price Index (A and B category)		823.14	1841.2458

INITIAL PUBLIC OFFERING (IPO)

List of companies/mutual funds that raised capital through Initial Public Offering (IPO) during July 2002 to June 2003:

Figures in million Taka

Sl. No	Name of the Company	Total Capital	Sponsors Equity			Public Equity				Remarks (Issued at premium)	Subscribed amount (Ref Col No.7)	Date of Subscription Opens: Closes:
			Local	Foreign	Total	General Public	Foreign placement	Local placement	Total (7+8+9)			
1	2	3	4	5	6	7	8	9	10	11	12	13
1	BDCOM on Line Ltd.	100.00	50.00	-	50.00	30.00	-	20.00	50.00	at par	345.5	06/10/02 07/10/02
2	INTECH on Line Ltd	40.00	15.00	-	15.00	25.00	-	-	25.00	at par	257.00	12/10/02 13/10/02
3	Fahad Ind. Ltd	50.6	25.6	-	25.6	25.00	-	-	25.00	at par	16.2	09/11/02 10/11/02
4	Khaza Mozaic Tiles and Stone Ind. Ltd	80.00	55.00	-	55.00	10.00	-	15.00	25.00	at par	4.2	09/03/03 18/03/03
5	Keya Detergent Ltd	135.3	75.3	-	75.3	36.00	-	24.00	60.00	at par	73.6	23/03/03 24/03/03
6	Mutual Trust Bank Ltd	700.00	325.00*	-	325.00	125.00	-	250.00	375.00	25% premium	1077.2	16/04/03 17/04/03
7	Jago Corporation	90.00	23.5	26.5	50.00	20.00	-	20.00	40.00	at par	20.39	06/07/03 07/07/03
8	Agni System Ltd	80.00	30.00	-	30.00	30.00	-	20.00	50.00	at par	151.5	08/07/03 09/07/03
9	First Lease International Ltd	100.00	40.00	10.00	50.00	30.00	-	20.00	50.00	at par	547.7	19/07/03 20/07/03
10	Standard Bank Ltd	660.00	330.00	-	330.00	220.00	-	110.00	330.00	at par	1555.6	29/07/03 30/07/03
11	One Bank Ltd	600.00	306.00	-	306.00	197.00	-	97.00	294.00	at par	-	11/08/03 12/08/03
12	Bank Asia Ltd	600.00	300.00	-	300.00	200.00	-	100.00	300.00	at par	-	23/09/03 24/09/03
13	Marcantile Bank Ltd	639.5	319.8	-	319.80	213.2	-	106.6	319.8	at par	-	21/10/03 22/10/03
	Total	3875.4	1895.2	36.5	1931.7	1161.2	-	782.6	1943.8		4048.89	

*Including 10,00,000 share issued with 25% premium

CORPORATE FINANCE

In the FY 2002-2003, the Commission accorded consent to 31 public limited companies to raise capital totalling Tk.7332.68 million through pre-IPO private placement/ bonus issue. Out of these 31 companies, 1 company issued redeemable preference share, 22 companies issued ordinary share, 6 companies issued bonus share, 1 company zero Coupon bond and 7 companies issued debenture.

COMPARATIVE STATEMENT ON DIVIDEND DECLARATION

Criteria	FY 2001-2002	FY 2002-2003
No. of Companies declared dividend	151	149
Range of dividend(%)	5-170	2-150
No. of Companies did not declare dividend	62	35

AGM DEFAULTED COMPANIES

Defaulted years	Number of Companies
1	6
2	8
3	3
4	2
5	2
6	1
Total	22 (8.46% of total listed companies)

Right Issue:

During this financial year 2002-2003 the following companies have been given conditional consent in the Commission for rights issues:

Sl.No.	Name	Amount of Rights Issue	Condition
1.	The City Bank Ltd.	Tk.80.00 million at par and 2:1 ratio.	Tax clearance certificate of the Bank and some of its directors shall have to be submitted to the Commission within January 31, 2003 by the issuer.
2.	Dhaka Bank Ltd.	Tk. 151.734 million at par and 2:1 ratio.	Latest clean CIB report on Khondaker Mohammad Shajahan, Directors of the Bank shall have to be submitted to the Commission within January 31, 2003.
3.	Southeast Bank Ltd.	Tk.165.00 Million at par and 2:1 ratio.	The bank has to submit tax clearance certificates of the bank and some of its directors to the Commission.
4.	The Oriental Bank Limited former Al-Baraka Bank Bangladesh Limited	TK 259.553 million at par and 1:1 ratio	The bank has to submit Tax Clearance Certificates of some of its directors to the Commission. The sponsors/directors of the bank also has to take-up the unsubscribed shares of Government and general shareholders.
5.	Al-Arafah Islami Bank Limited	TK 253.00 million at par and 1:1 ratio	The bank has to submit tax clearance certificates and clean/Nil CIB reports on some of its directors.

6.	Islami Bank Bangladesh Limited	TK 1280.00 million at par and 1:2 ratio	The bank has to submit tax clearance certificate, duty clearance certificate and clean CIB report on some of its directors.
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During this period the following company has submitted the application for right issue;

Name of the company	Amount of right issue
Bengle Fine Ceramics Ltd	TK.32.5 million at par and 2:1 ratio basis (Two new share against one existing share)

During the FY 2002-2003 the Commission has appointed special auditors for following listed companies:

<u>Name of the Auditor</u>	<u>Name of the listed Company</u>	<u>Audit for the Year</u>
Mr. Abu Naser Altaf Hussain Siddique FCA Rahman Rahman Huq Chartered Accountants	Bangladesh Zipper Ind. Ltd.	2000-2001
Mr. A.B.M. Azizuddin FCA Acnabin & Co. Chartered Accountants	Bangladesh Dyeing & Finishing Ind. Ltd	2001
Mr. Mushtaque Ahmed FCA SF Ahmed & Co. Chartered Accountants	Bangladesh Luggage Ind. Ltd.	2000-2001
Mr. Jamal Uddin Ahmad Ahmad & Ahmad Chartered Accountants	Bangladesh Chemical Ind. Ltd.	2000-2001

REGISTRATION

Mutual Fund Registration:

During the period SEC has issued registration to the following Mutual Funds under the Securities and Exchange Commission (Mutual Fund) Rules, 2001

Serial No.	Name of the Fund	Value	Type of the Fund	Total/Issued Amount (in MillionTk.)
1.	ICB AMCL First Mutual Fund	100/-(Face Value)	Close-end Mutual Fund	100.00
2.	ICB AMCL Unit Fund	100/-(Face Value)	Open-end Mutual Fund	Sold-200.00 (approx) Approved-300.00

Stock broker/Stock dealer Registration:

During the period, SEC has issued stock broker registration to the following members of the Dhaka Stock Exchange Ltd under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rules, 2000, as amended:

Serial No.	Name of the Broker/Dealer	Member of DSE/CSE
1	ARC Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 100
2.	Salam & Co. Ltd.	Dhaka Stock Exchange Ltd. Membership No. 190
3.	ICB Securities Trading Co. Ltd.	Dhaka Stock Exchange Ltd. Membership No. 129
4.	PFI Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 79
5.	E-Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 66
6.	R.N.Trading Ltd.	Dhaka Stock Exchange Ltd. Membership No. 78
7.	Bangladesh Commerce Bank Ltd.	Dhaka Stock Exchange Ltd. Membership No. 180

8.	C-Mart Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 183
9.	M. Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 44
10.	Brotherhood Securities Ltd.	Dhaka Stock Exchange Ltd. Membership No. 109
11.	ICB Securities Trading Co. Ltd.	Chittagong Stock Exchange Ltd Membership No. 120
12.	A,A, Securities Ltd.	Chittagong Stock Exchange Ltd. Membership No. 32
13.	PFI Securities Ltd.	Chittagong Stock Exchange Ltd. Membership No.95

Merchant Bank:

During the above quarter, AB Bank Ltd. has introduced two portfolio management schemes under their Merchant Banking wing. These are Clients Discretionary Investment Scheme and Banks Discretionary Investment Scheme.

The Commission has considered the application of Prime Bank Ltd. – one of the registered merchant banks to perform portfolio management activities through Clients’ Discretionary Investment Account (CDI) and Banks’ Discretionary Investment Account (BDI).

Issuance of Registration Certificate to Securities Custodial:

SEC has issued securities custodian registration certificate to the following foreign commercial banks under the Securities and Exchange Commission (Security Custodial Services) Rules, 2003 during the period:

Sl. No.	Name of the Securities Custodian
1.	Standard Chartered Bank
2.	The Hong Kong and Shanghai Banking Corporation Ltd. (HSBC)

Permission to ICB Capital Management Ltd. for operating Portfolio accounts through branch management:

The Commission has accorded consent to ICB Capital Management Ltd. to operate portfolio accounts through its six branches.

Permission to ICB to act as Trustee and Custodian of Mutual Funds:

The Commission has issued two separate registration certificates to Investment Corporation of Bangladesh (ICB) under the Securities and Exchange Commission (Mutual Fund) Rules, 2001 to act as trustee and custodian of mutual funds. The Commission has given permission to ICB to act as trustee or custodian of ICB AMCL first mutual fund and ICB AMCL unit fund.

DSE COMPARATIVE STATEMENT

Indicators (Listed)	As on June 30, 2002	As on June 30, 2003	%Change (+/-)
No. of companies (Share)	238	241	1.26
No. of mutual funds	10	10	0
No. of debentures	9	9	0
Total No. of Listed Securities	257	260	1.17
Figures in million			
No. of shares of all listed companies	930.5	972.7	45.4
No. of certificates of all listed mutual funds	72.3	72.2	(1.4)
No. of debentures of all listed debentures	0.7	0.7	0
Total No. of Tradable Securities	1003.5	1,045.6	42.0
Figures in million			
Annual Total Turnover (Volume)	1250.00	1091.128	(127.1)
Annual Total Turnover (Value)	Tk. 35935.6	30596.53	(148.6)
Total Issued Capital	Tk. 34968.00	36081.00	31.8
Total Market Capitalization	Tk. 65518.00	72998.00	114.2
All Share Price Index	819.74 (Weighted Average of A&B category companies)	823.14 (Weighted Average of A & B category companies)	0.41

CSE COMPARATIVE STATEMENT

Indicators (Listed)	As on 30, 2002	As on 30, 2003	% Change (+/-)
No. of companies (Share)	170	172	1.8
No. of mutual funds	10	10	0
No. of debentures	4	3	(25)
Total No. of Listed Securities	184	185	0.54
Figures in million			
No. of shares of all listed companies	782.5	822.6	51.2
No. of certificates of all listed mutual funds	72.3	72.3	0
No. of debentures of all listed debentures	0.1	0.1	0
Total No. of Tradable Securities	854.92	895.0	46.8
Figures in million			
Annual Total Turnover (Volume)	667.9	424.07	(365.1)
Annual Total Turnover (Value) Tk.	15710.9	10911.95	(305.4)
Total Issued Capital Tk.	30,804	31906.7	35.8
Total Market Capitalization Tk.	56,145	60208.6	72.3
All Share Price Index	1838.99 (Weighted Average of A&B category companies)	1841.24 (Weighted Average of A&B category companies)	0.12

DSE OPERATIONAL STATISTICS

July 2002--June 2003

Trading Month	Index (General/Weighted Average)	Turnover of Securities (Million)		Traded Amount in Million Tk.		Market Capitalization	
		Monthly	Daily Average	Monthly	Daily Average	Million Tk.	% Change with Previous Month
July 2002	820.28	119.3	4.7	4262.4	170.5	71373.00	--
August	820.52	90.8	3.6	3177.1	127.00	71649.00	3.9
September	822.07	238.5	9.5	5186.9	207.4	72529.00	12.3
October (General)	822.29	148.2	5.9	3636.1	145.4	70341.00	(30.2)
November (Weighted)	822.33	91.3	3.8	2286.7	95.2	70561.00	3.1
December	822.34	54.1	2.7	1679.2	83.9	71262.00	9.9
January 2003	822.53	80.6	3.1	1966.7	75.6	68297.00	(41.7)
February	822.54	45.8	2.2	1417.8	70.8	68847.00	8.1
March	822.45	63.1	2.5	1702.8	68.1	64565.00	(62.1)
April	822.58	52.5	2.1	1260.8	50.4	67920.00	51.9
May	822.74	48.5	2.0	1737.1	72.3	68610.00	10.1
June 2003	823.14	57.8	2.3	2282.4	95.1	72590.00	58.00
Total	--	1090.5	--	30596.00	--	--	--

** Market Capitalization of the last trading day of the month has been taken into account.*

CSE OPERATIONAL STATISTICS

July 2002--June 2003

Trading Month	Index (General/Weighted Average)	Turnover of Securities (Million)		Traded Amount in Million Tk.		Market Capitalization	
		Monthly	Daily Average	Monthly	Daily Average	Million Tk.	% Change with Previous Month
July 2002	1839.33	48.4	1.9	1089.00	43.2	60434	--
August	1839.47	30.5	1.2	757.9	30.3	61636	198.4
September	1840.01	87.3	3.4	1975.4	76.00	57373	(69.1)
October	1840.11	80.1	3.2	1716.2	68.6	58946	27.4
November	1841.15	33.7	1.4	752.5	31.3	60345	23.7
December	1841.14	15.4	0.7	410.4	20.5	60467	2
January 2003	1840.95	29.4	1.1	562.3	21.6	58050	(39.9)
February	1841.95	16.5	0.8	382	19.1	58278	3.9
March	1840.99	19.00	0.7	544.2	21.7	55452.4	(48.4)
April	1841.09	12.00	0.4	317.5	12.7	57791.6	42.1
May	1841.23	17.8	0.7	1407.6	58.6	58743.9	16.4
June 2003	1841.24	14.7	0.5	877	35.00	60208.6	24.9
Total	--	404.8	--	10792	--	--	--

** Market Capitalization of the last trading day of the month has been taken into account.*

PORTFOLIO INVESTMENT BY THE NON- RESIDENT BANGLADESHIS (MONTHLY STATISTICS)
July 2002 --June 2003

Taka in Million

Month	Deposit in NRITA	Investment in Securities	Amount sold	Purchase price of the sold share	Capital gain/loss	Dividend excluding capital gain	Outflow of sold amount
July 2002	--	--	4.8	4.00	0.80	1.60	6.40
August	--	--	-	-	-	12.70	-
September	62.10	64.10	4.5	2.4	2.1	1.30	16.10
October	6.2	6.2	4.00	0.5	3.50	-	4.1
November	--	--	17.9	20.2	(2.3)	13.50	29.80
December	0.3	1.80	1.8	1.80	-	0.2	2.20
Jan. 2003	40.3	40.30	-	-	-	-	0.30
February	--	--	12.7	9.40	7.7	-	0.20
March	-	-	0.3	0.40	0.1	0.70	2.10
April	7.7	7.7	7.5	17.30	9.8	--	7.50
May	--	--	8.20	15.80	7.6	0.90	8.40
June 2003	--	--	0.6	1.20	0.60	--	-
Total	116.60	120.10	51.30	73.00	29.9	30.90	77.10

NRITA- Non Resident Investment Taka Account

Source: Bangladesh Bank

PORTFOLIO INVESTMENT BY THE NON RESIDENT BANGLADESHIS (YEARLY STATISTICS)

April 1992-June 2003

Taka in Million

Period	Deposit in NRITA	Investment in Securities	Amount sold	Purchase price of the sold share	Capital gain/loss	Dividend excluding capital gain	Outflow of sold amount
April 92 - June 92	57.30	50.80	--	--	--	--	--
July 92 – June 93	316.90	387.50	81.20	35.40	5.80	3.30	38.60
July 93 – June 94	3196.60	3101.80	965.10	510.50	404.60	17.60	918.40
July 94 – June 95	3094.40	2982.70	1334.20	928.10	406.10	92.70	1388.90
July 95 – June 96	738.50	716.80	1877.10	1893.40	(16.30)	146.80	1972.00
July 96 – June 97	527.80	518.00	6186.80	3443.40	2743.40	122.90	6332.10
July 97 – June 98	309.80	316.00	517.50	693.10	(175.60)	97.10	601.80
July 98 – June 99	95.10	95.60	410.70	531.60	(120.90)	43.40	451.10
July 99 –June 2000	278.90	393.60	584.40	878.70	(294.30)	54.50	613.40
July 2000–June 2001	304.40	323.50	344.30	337.90	6.40	51.80	377.60
July 2001-June 2002	29.00	28.70	287.70	400.70	(113.00)	32,945	324.60
July 2002-June 2003	116.6	120.1	51.3	73.00	29.9	30.9	77.1

NRITA- Non Resident Investment Taka Account

Source: Bangladesh Bank

LISTING DETAILS
July 2002-June 2003

Name of the Issuer	Date of Listing		Issued Capital (Taka Million)
	DSE	CSE	
Midas Financing Ltd.	23-10-2002	-	100.00
BD Com Online Ltd.	29-12-2002	28-12-2002	100.00
INTECH Online Ltd.	29-12-2002	28-12-2002	40.00
Fine Foods Ltd.	-	13-11-2002	70.00
Total			310.00

SURVEILLANCE

Inspection:

During the period, forty one brokerage houses have been inspected by SEC based on some specific observations of surveillance people responsible for monitoring daily share trading.

Surveillance:

Constant real time monitoring of the trading of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. through non-trading version of work stations by SEC has been continuing. Through these the SEC surveillance officers watch the daily trading pattern and time to time inform the top management of the Commission about the market condition.

At the end of the trading, a report pointing out any highlights or abnormal activity, if found during the trading, is prepared and submitted to the Chairman, Members & other officials concerned.

Analysis of trading data:

Post trading analysis has been continuing at surveillance department of SEC. Relevant data and trading information are regularly collected from the exchanges based on which analysis and calculation are done. In this connection historical data analysis of the company is carried out and emphasis is given on the price and volume trend of it's scrip. If the analysis reveals any abnormal trend or volatility in terms of turnover and price movement, then primary inspection is conducted in order to ascertain the reason behind such movement and if anything suspected wrong, then the matter is placed to higher authority for further action.

Special watch on the trading of Z category shares:

The surveillance staff of SEC closely monitor the trading of 'Z' category shares, particularly in respect of price movement of these shares. If any exorbitant price change in the trading of 'Z' category share is noticed then the matter is taken up with the higher authority and, if necessary, the concerned brokerage houses are asked to furnish the relevant papers for examination.

Supervision and Regulation of Markets and Intermediaries
Complaint Statement
Period July 2002- June 2003

Against Listed Companies

Nature of Complaints	No.	Resolved	Under process	Referred for enforcement action
Non-payment or delay in payment of declared dividend	42	06	20	16
Non-payment or delay in payment of interest of Debenture	13	04	07	02
Claim of dividend against lost shares	01	-	-	01
Regarding AGM of listed companies	-	-	-	-
Regarding transfer of shares	02	-	-	02
Regarding non refund of IPO deposits	01	--	01	--
Total	59	10	28	21

Against Stock Broker/Dealer

Nature of Complaints	No.	Resolved	Under process	Referred for enforcement action
Regarding non delivery of shares	06	02	-	04
Regarding non refund of clients money	22	07	08	07
Total	28	09	08	11

Enforcement

The following is the list of enforcement actions taken against stock-dealer, stock-broker, issuer companies and/or its directors, various institutions and individuals by the Commission during the period of July 2002 – June 2003, for reasons appearing against their name:

(A) Brokerage House: Penalized/License cancellation and or suspension/Appeal/ Review

Name of the Brokerage House	Nature of Default	Commission Decision
Khurshid Alam & Co. (DSE Membership No. 167)	Failure to comply with provisions of securities laws.	Taka 10 (ten) lac penalty imposed
Dawn International (DSE Membership No. 141)	Failure to comply with provisions of securities laws.	Appeal rejected. Taka one lac penalty imposed earlier.
Square Securities Management Ltd. (DSE Membership No. 76)	Failure to comply with provisions of the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000	License suspended for 15 days from 23 September 2002.
Securities Promotion and Management Ltd. (DSE Membership No. 146)	Failure to comply with the Commission's directive to cooperate with the Commission's appointed auditor	Taka 5 (five) lac penalty imposed on Mrs, D. A. Ferdous Ara Chowdhury (Shelly Rahman) of Securities Promotion and Management Ltd.
Securities Promotion and Management Ltd. (DSE Membership No. 146)	Failure to comply with the Commission's directive to settle complaints within the time frame determined by the Commission	Taka 10 (ten) lac penalty imposed on Mrs, D. A. Ferdous Ara Chowdhury (Shelly Rahman) of Securities Promotion and Management Ltd.
Doha Securities (DSE Member No. 127)	Alleged violation of Securities and Exchange Rules, 1987.	Licence suspended for 30 days with effect from October 10, 2002
Khurshid Alam & Co. (DSE Member No. 167)	Failure to comply with provisions of Securities laws.	Revision petition rejected. Taka 10 (ten) lac penalty imposed earlier by the Commission's order dated 14 July, 2002.

Syed Tawfiq Hossain Ali & Co. (DSE Member No. 49)	Complaints from the customers for non-delivery of shares and non-payment of money by Dhaka Stock Exchange dealer Syed Tawfiq Hossain Ali & Co. (DSE Member No. 49).	Directive issued to Syed Tawfiq Hossain Ali & Co. (DSE Member No. 49) under section 20A of the Securities and Exchange Ordinance, 1969 to deliver the shares and to make due payments within 5 June 2003 and intimate the Commission in writing with proof by 7 June 2003 that above mentioned directive is complied with.
Syed Tawfiq Hossain Ali & Co. (DSE Member No. 49).	Request for allowing two months to comply with the Commission's directive (to deliver shares and to make due payments) dated 24 May 2003 by Dhaka Stock Exchange dealer Syed Tawfiq Hossain Ali & Co. (DSE Member No. 49).	Time extended up to 31 July 2003 to comply with the Commission's directive No SEC/ Enforcement/171/2003-85 dated 24 May 2003.

(B) Brokerage House: Warned

Name of the Brokerage House	Nature of Default	Commission Decision
Hallmark Securities Limited (CSE Membership No. 117)	Alleged violation of the condition of the stock-broker registration granted under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000	Warning letter issued for compliance of securities laws in future.
Yousuf & Co. (DSE Membership No. 45)	Alleged violation of the condition of the stock-broker registration granted under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000	Warning letter issued for compliance of securities laws in future.

A. K. Khan Securities Limited (CSE Membership No. 07)	Alleged violation of the condition of the stock-broker registration granted under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000	Warning letter issued for compliance of securities laws in future.
T K Shares and Securities Limited (CSE Member No. 69)	Alleged violation of license condition no.11 by Chittagong Stock Exchange Limited Stock Dealer.	Letter issued with warning to comply with all securities laws in future.
Mona Financial Consultancy and Securities Limited (DSE Member No. 164)	Alleged violation of regulation 17 of Dhaka Stock Exchange Automated Trading Regulations, 1999 of Dhaka Stock Exchange Limited.	Letter issued with warning to comply with all securities laws in future.
National Securities and Consultants Ltd. (CSE Member No. 057)	Alleged violation of Regulation 13 of the Settlement of Stock Exchange Regulations of Chittagong Stock Exchange Limited.	Letter issued with warning to comply with all securities laws in future.
Estern Insurance Co. Ltd. (CSE Member No. 098)	Failure to comply with license condition No. 11 of the license issued under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, (for non participation in trading activities during 2001).	Letter issued with warning to comply with all securities laws in future.
Trendset Securities Ltd. (CSE Member No. 77)	Failure to comply with license condition No. 11 of the license issued under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000 (for non participation in trading activities during 2001)	Letter issued with warning to comply with all securities laws in future.

<p>Legend Capital Management Ltd. (CSE Member No. 109)</p>	<p>Failure to comply with license condition No. 11 of the license issued under the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000 (for non participation in trading activities during 2001).</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>
<p>Dhaka Bank Limited (DSE Member No. 193)</p>	<p>Failure to comply with Rule16 of the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000 (for non co-operation with Commission's officer during inspection).</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>
<p>Globe Securities Ltd. (DSE Member No. 189).</p>	<p>Violation of rule 4 and 8 of the Securities and Exchange Rules, 1987 (submitting sell offers of ten clients using same client code) by Dhaka Stock Exchange dealer Globe Securities Ltd. (DSE Member No. 189).</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>
<p>Maitrayee Biswas & Co. (DSE Member No. 14)</p>	<p>Violation of rule 11 of the Securities and Exchange Commission (Stock Dealer, Stock Broker & Authorized Representative) Rule, 2000 (violation of code of conduct) by Dhaka Stock Exchange dealer Maitrayee Biswas & Co. (DSE Member No. 14)</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>

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

Name of the Issuer Company	Nature of Default	Commission Decision
Mrs. Kanchan Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend	Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies.	Taka 5 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.
Mrs. Kanchan Devi Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend	Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies.	Taka 5 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.
Mrs. Bhagwati Devi Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend	Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies.	Taka 5 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.

<p>Mr. Uttam Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies.</p>	<p>Taka 5 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. Ashok Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies.</p>	<p>Taka 15 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>

<p>Mr. Deokinandan Kejriwal, Managing Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 22 of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>Taka 5 lac penalty imposed. In case of failure to pay the outstanding dividend and interest and principal on debenture within fifteen days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mrs. Sufia Quasem, Chairperson, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 2 lac penalty imposed earlier and in case of failure to comply with the Commission’s directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. M. A. Quasem, Managing Director, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 4 lac penalty imposed earlier and in case of failure to comply with the Commission’s directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>

<p>Mr. A. Q. M. Mahbubul Alom, Director, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 1lac penalty imposed earlier and in case of failure to comply with the Commission's directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. Quasem Rob, Director, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 1 lac penalty imposed earlier and in case of failure to comply with the Commission's directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. Quasem Azam, Director, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 1 lac penalty imposed earlier and In case of failure to comply with the Commission's directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>

<p>Mr. Shadat Hossain, Director, Maq Enterprises Limited</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000</p>	<p>Appeal rejected. Taka 1 lac penalty imposed earlier and in case of failure to comply with the Commission's directive issued under section 20A of the Securities and Exchange Ordinance, 1969 within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. Ragib Ahsan, Chairman. J.H. Chemical Industries Limited</p>	<p>Failure to comply with securities related laws</p>	<p>Appeal rejected. Taka 8 lac penalty imposed earlier and in case of failure to comply with the securities related laws mentioned in the order within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mr. Syed Afsar Hussain , Managing Director, J.H. Chemical Industries Limited</p>	<p>Failure to comply with securities related laws</p>	<p>Appeal rejected. Taka 4 lac penalty imposed earlier and in case of failure to comply with the securities related laws mentioned in the order within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>

<p>Mr. Debabrata Datta, Director. J.H. Chemical Industries Limited</p>	<p>Failure to comply with securities related laws</p>	<p>Appeal rejected. Taka 2 lac penalty imposed earlier and in case of failure to comply with the securities related laws mentioned in the order within sixty days from the date of penalty order, a further sum of penalty at the rate of ten thousand taka per day is also imposed, if refusal, failure or contravention continues.</p>
<p>Mrs. Kanchan Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mrs. Kanchan Kejriwal, Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>

<p>Mrs. Kanchan Devi Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mrs. Kanchan Devi Kejriwal, Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>
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<p>Mrs. Bhagwati Devi Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mrs. Vagabati Devi Kejriwal, Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>
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<p>Mr. Uttam Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mr. Uttam Kejriwal, Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>
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<p>Mr. Ashok Kejriwal, Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 15.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mr. Ashok Kejriwal, Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>
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<p>Mr. Deokinandan Kejriwal, Managing Director, Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Limited and Bangladesh Dyeing and Finishing Industries Ltd.] on non –payment of debenture interest and principal and non – payment of declared dividend</p>	<p>Failure to comply with directive issued under section 20A of the Securities and Exchange Ordinance, 1969, read with The Securities and Exchange (Amendment) Act, 2000 in connection with non – payment of debenture interest and principal and non –payment of declared dividend as per securities laws by the said companies</p>	<p>The Commission rejected appeal against Commission’s order dated 19/09/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000/- per day if default continuous after 15 days) on Mr. D.N. Kejriwal, Managing Director of Doel Group for non payment of undistributed dividend and due principal and interest of debenture by Bangladesh Dyeing and Finishing Industries Ltd., Bangladesh Zipper Industries Ltd., Bangladesh Chemical Industries Ltd. and Bangladesh Luggage Industries Ltd.</p> <p>In case of non-payment of penalty imposed earlier and non-payment of total undistributed dividend of 2001 and due principal and interest of debenture within next 7 days from the order dated 23/10/2002, an additional penalty of Taka 10,000/- per day will be imposed till default continues.</p>
<p>Mr. A.R. Khan Chairman Bangladesh Welding Electrodes Ltd.</p>	<p>Non payment of due principal and interest of debenture.</p>	<p>Penalty of Taka 1.00 lac on Mr. A.R. Khan, Chairman of the Company.</p> <p>If the company fails to distribute due principal and interest of debenture within next 15 days from the order dated 23/10/2002 an additional penalty of Taka 10,000/= per day will be imposed till default continues.</p>

<p>Mr. S.M. Nurul Islam Managing Director Bangladesh Welding Electrodes Ltd.</p>	<p>Non payment of due principal and interest of debenture.</p>	<p>Penalty of Taka 3.00 lac on Mr. S.M. Nurul Islam, Managing Director of the Company.</p> <p>If the company fails to distribute due principal and interest of debenture within next 15 days from the order dated 23/10/2002 an additional penalty of Taka 10,000/= per day will be imposed till default continues.</p>
<p>Mrs. Hosne Ara Khan Director Bangladesh Welding Electrodes Ltd.</p>	<p>Non payment of due principal and interest of debenture.</p>	<p>Penalty of Taka 1.00 lac on Mrs. Hosne Ara Khan, Director of the Company.</p> <p>If the company fails to distribute due principal and interest of debenture within next 15 days from the order dated 23/10/2002 an additional penalty of Taka 10,000/= per day will be imposed till default continues.</p>
<p>Mr. Aminur Reza Khan Director Bangladesh Welding Electrodes Ltd.</p>	<p>Non payment of due principal and interest of debenture.</p>	<p>Penalty of Taka 1.00 lac on Mr. Aminur Reza Khan, Director of the Company.</p> <p>If the company fails to distribute due principal and interest of debenture within next 15 days from the order dated 23/10/2002 an additional penalty of Taka 10,000/= per day will be imposed till default continues.</p>

<p>Mr. Md. Shariful Islam Managing Director Meghna Shrimp Culture Ltd.</p>	<p>Non payment of declared dividend of 2001.</p>	<p>Penalty of Taka 5.00 (five) lacs imposed on Mr. Md. Shariful Islam, Managing Director.</p> <p>If the company fails to distribute total undistributed dividend within next 15 days from the order dated 23/10/2002 an additional penalty of Taka 10,000/= per day will be imposed till default continues.</p>
<p>Mr. Mohammad Ali, Chairman & Managing Director, Dhaka Vegetable Oil Industries Ltd.</p>	<p>Non-cooperation with the Commission's appointed auditor to audit the company's financial statement of 1999-2000.</p>	<p>Penalty of Taka 10.00 lacs on Mr. Mohammad Ali, Chairman & Managing Director, if the company fails to co-operate with the Commission's appointed auditor within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if default continues after 30 days.</p>
<p>Mr. A.T.M. Sirajuddin Director Dhaka Vegetable Oil Industries Ltd.</p>	<p>Non-cooperation with the Commission's appointed auditor to audit the company's financial statement of 1999-2000.</p>	<p>Penalty of Taka 1.00 (one) lac on Mr. A.T.M. Sirajuddin, Director, if the company fails to co-operate with the Commission's appointed auditor within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if default continues after 30 days.</p>

<p>Mr. Mohammad Suruzzaman, Director Dhaka Vegetable Oil Industries Ltd.</p>	<p>Non-cooperation with the Commission's appointed auditor to audit the company's financial statement of 1999-2000.</p>	<p>Penalty of Taka 1.00 (one) lac on Mr. Mohammad Suruzzaman, Director, if the company fails to co-operate with the Commission's appointed auditor within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if default continues after 30 days.</p>
<p>Mr. M.A. Rashid Director Dhaka Vegetable Oil Industries Ltd.</p>	<p>Non-cooperation with the Commission's appointed auditor to audit the company's financial statement of 1999-2000.</p>	<p>Penalty of Taka 1.00 lac on Mr. M.A. Rashid, Director, if the company fails to co-operate with the Commission's appointed auditor within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if default continues after 30 days.</p>
<p>Mr. A. K. M. A. Matin, Chairman & Managing Director, Pharmaco International Ltd.</p>	<p>Non submission of audited financial statements to the Commission for the year 2000 & 2001.</p>	<p>Penalty of Taka 3.00 lacs on Mr. A. K. M. A. Matin, Chairman & Managing Director, if the company fails to submit audited financial statements to the Commission within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>

<p>Mr. M. Amzad Hossain Director Pharmaco International Ltd.</p>	<p>Non submission of audited financial statements to the Commission for the year 2000 & 2001.</p>	<p>Penalty of Taka 1.00 lac on Mr. M. Amzad Hossain, Director, if the company fails to submit audited financial statements to the Commission within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>
<p>Mrs. Rukhsana Sultana Director Pharmaco International Ltd.</p>	<p>Non submission of audited financial statements to the Commission for the year 2000 & 2001.</p>	<p>Penalty of Taka 1.00 lac on Mrs. Rukhsana Sultana, Director, if the company fails to submit audited financial statements to the Commission within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>
<p>Mrs. Rashida Matin Director Pharmaco International Ltd.</p>	<p>Non submission of audited financial statements to the Commission for the year 2000 & 2001.</p>	<p>Penalty of Taka 1.00 lac on Mrs. Rashida Matin, Director, if the company fails to submit audited financial statements to the Commission within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>

<p>Mr. Md. Obaidul Karim, Chairman & Managing Director, Orion Infusion Ltd.</p>	<p>Non holding of annual general meeting for 2001.</p>	<p>Penalty of Taka 15.00 lacs on Mr. Md. Obaidul Karim, Chairman & Managing Director, if the company fails to hold its annual general meeting within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>
<p>Mrs. Arzuda Karim Director Orion Infusion Ltd.</p>	<p>Non holding of annual general meeting for 2001.</p>	<p>Penalty of Taka 3.00 lacs on Mrs. Arzuda Karim, Director, if the company fails to hold its annual general meeting within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>
<p>Mr. Salman O. Karim Director Orion Infusion Ltd.</p>	<p>Non holding of annual general meeting for 2001.</p>	<p>Penalty of Taka 3.00 lacs on Mr. Salman O. Karim, Director, if the company fails to hold its annual general meeting within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>

<p>Mrs. Zarin Karim Director Orion Infusion Ltd.</p>	<p>Non holding of annual general meeting for 2001.</p>	<p>Penalty of Taka 3.00 lacs on Mrs. Zarin Karim, Director, if the company fails to hold its annual general meeting within next 30 days from the order dated 23/10/2002.</p> <p>An additional penalty of Taka 10,000/= per day will be imposed if the default continues after 30 days.</p>
<p>Mr. Md. Shariful Islam Managing Director, Meghna Shrimp Culture Ltd.</p>	<p>Appeal against the Commission's order dated 23/10/2002 imposing penalty of Taka 5.00 lacs (and also additional penalty of Taka 10,000 per day if default continuous after 15 days) for non-payment of declared dividend in time.</p>	<p>Appeal rejected.</p>
<p>Mr. A. K. M. Rahmatullah Managing Director Apex Tannery Ltd.</p>	<p>Violation of Commission's Notification No. SEC/SRMID/2000-953/1950 dated 24th October, 2000, Gazetted on 7th November, 2000 and Notification No, SEC/SRMID/2000-985/2248/Pro-02/1 dated 19th December 2000, Gazetted on 25th February 2001 (non disclosure of price sensitive information) by Apex Tannery Limited.</p>	<p>Penalty of Taka 1.00 lac imposed on Mr. A. K. M. Rahmatullah, Managing Director of Apex Tannery Ltd.</p>

Mr. Md. Nurul Alam Ex Director, J. H. Chemical Industries Ltd.	Appeal against Commission's order dated 17 th June, 2002 imposing penalty of Taka 2.00 lacs (and also additional penalty of Taka 10,000 per day if default continuous after 60 days) on Mr. Md. Nurul Alam, Ex Director, J. H. Chemical Industries Ltd.	Appeal allowed and penalty withdrawn.
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(D) Issuer Company: Directives/ Order Issued

Name of the Issuer Company	Nature of Default	Commission Decision
Chittagong Cement Clinker grinding Co. Ltd.	Proposed amalgamation	In order to protect the shareholders' interest, interest of the investors and to ensure fair play in the capital market, the Commission directed Chittagong Cement Clinker Grinding Co. Ltd. under section 20A of the Securities and Exchange Ordinance, 1969, as amended by The Securities and Exchange (Amendment) Act, 2000, to place the very directive of the Commission before the shareholders before holding of the General Meeting as directed by the Hon'ble High Court Division of Supreme Court of Bangladesh and also before the Hon'ble High Court Division of Supreme Court of Bangladesh in the matter of 73 of 2002.

German Bangla J. V. Food Ltd.	Complaints against past & present Management of German Bangla J. V. Food Ltd. for misusing IPO fund.	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 imposing restriction on sell or transfer of shares of all Sponsors, Directors, Managing Director and Chairman without Commission's approval.
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(E) Issuer Company: Warned

Name of the Issuer Company	Nature of Default	Commission Decision
Bengal Biscuits Limited	Compliance of securities laws in connection with submission of annual report	Warning letter issued for compliance of securities laws in future.
Excelsior Shoes Limited	Compliance of securities laws in connection with submission of annual report	Warning letter issued for compliance of securities laws in future.
M. Hossain Garments Washing & Dyeing Ltd.	Violation of rule 13 of the Securities and Exchange Rules, 1987 (for delayed submission of Half Yearly Accounts).	Letter issued with warning to comply with all securities laws in future.
Arbee Textiles Ltd.	Violations of condition (c) of the Commission's order No. SEC/CFD-71/2001/Admin/02/05 dated 3 rd January 2002 (for non submission of audio visual tape of AGM to the Commission).	Letter issued with warning to comply with all securities laws in future.

Saleh Carpet Mills Ltd.	Violations of condition (b) of the Commission's order No. SEC/SRMID/2000-953/Admin/02/04 dated 10 th October 2002 (appointment of same Auditor for more than three years)	Letter issued with warning to comply with all securities laws in future.
Chittagong Cement Clinker Grinding Co. Ltd.	Violation of rule 12, sub-rule 3 of the Securities and Exchange Rules, 1987 (for appointing Company's auditor as Company's valuer and financial advisor).	Letter issued with warning to comply with all securities laws in future.
Tamijuddin Textile Mills Ltd.	Violation of rule 12, Sub-rule (3A), Sub-rule 4, Sub-rule 6 of the Securities and Exchange Rules, 1987 (not submitting financial statement for 30 th June 2001 in time) by Tamijuddin Textile Mills Ltd.	Letter issued with warning to comply with all securities laws in future.
Padma Cement Ltd.	Violation of Commission's Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 and gazetted on 07/11/2000 and Notification No. SEC/SRMID/2000-985/2248/c-02/1 dated 19 December 2000 gazetted on 25/02/2001 (non-disclosure of price sensitive information) by Padma Cement Ltd.	Letter issued with warning to comply with all securities laws in future.

<p>Mr. K.M. Mahmudur Rahman, Managing Director Highspeed Shipbuilding & Heavy Engineering Co. Ltd.</p>	<p>Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25th March 2001, Gazetted on 16th April 2001 (not submitting report of intention to buy shares of Highspeed) by Mr. K.M. Mahmudur Rahman, Managing Director Highspeed Shipbuilding & Heavy Engineering Co. Ltd.</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>
<p>Sandhani Credit Co-operative Society Ltd.</p>	<p>Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25th March 2001, Gazetted on 16th April 2001 (not submitting report of intention to buy shares of Samorita Hospital) by Sandhani Credit Co-operative Society Ltd.</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>
<p>Mr. Abdul Matlub Ahmed, Managing Director Niloy Cement Industries Ltd.</p>	<p>Violation of Commission's Notification No. SEC/SRMID/2000- 953/313/Admin-06 dated 25th March 2001, Gazetted on 16th April 2001 (not submitting report of intention to buy shares of Niloy Cement Industries Ltd.) by Mr. Abdul Matlub Ahmed, Managing Director Niloy Cement Industries Ltd.</p>	<p>Letter issued with warning to comply with all securities laws in future.</p>

(F) Individual :Order/ Directives Issued/Miscellaneous

Name of the Individuals	Nature of Default	Commission Decision
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Mr. Shamiul Islam, Executive Director and Authorized Representative, Banco Transworld (BD) Ltd.	Alleged involvement in transaction of shares Mark Bangladesh Shilpa & Engineering Ltd.	The Commission imposed restriction in participating in any activities relating to capital market for two years from the date of directive issued on Shamiul Islam
Mr. Saiful Hasan, Head of IT and Corporate Development, CDBL	Alleged involvement in the matter of investigation conducted by the Commission on DSE Surveillance software	Letter issued to the Chairman of CDBL for taking necessary measures.

(G) Stock Exchanges: Miscellaneous

Name of the Exchange	Nature of Default	Commission Decision
Dhaka Stock Exchange Limited	Measures not taken for settlement of complaints raised against Securities Promotion and Management Ltd. (DSE Membership No. 146) and J. R. Capital Management Ltd.	Letter issued to Dhaka Stock Exchange Limited requesting to take appropriate measures to settle the complaints raised against Securities Promotion and Management Ltd. (DSE Membership No. 146) and J. R. Capital Management Ltd. Securities Promotion and Management Ltd. (DSE Membership No. 146) and J. R. Capital Management Ltd. by sale of memberships. In case of inadequacy of legal provisions, the legal provisions should be made in line with CSE's Memorandum and Articles of Association.
Dhaka Stock Exchange Ltd.	Non payment of client's money and non delivery of share by Dhaka Stock Exchange dealer Syed Tawfiq Hossain Ali and Company (DSE Member No. 49)	Directive issued under section 20A of the Securities and Exchange Ordinance, 1969 to Dhaka Stock Exchange Ltd. to freeze membership.

(H) Asset Management Company: Miscellaneous

Name of the Merchant Bank	Nature of Default	Commission Decision
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AIMS of Bangladesh Limited	Compliance of securities laws.	Receiving request from the company the time limit for the divestment had been extended upto August 31, 2002. Earlier the Commission warned the company for compliance of all securities laws in future and ordered the company for divestment of AIMS First Guaranteed Mutual Fund worth Tk. 2.00 (two) million within July 31, 2002.
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Summary of the enforcement action taken for the period July 2002 – June 2003

Nature of enforcement action taken	Number of cases
(A) Against Brokerage House	
Penalized	3
License Suspension	2
Warned	12
Directives/Order Issued/Appeal rejected and Miscellaneous	4
Total	21
(B) Against Issuer Company and its directors	
<u>Penalized</u>	Nil
Directors penalized	24
Warned	11
Directives/ Order Issued/Appeal rejected and Miscellaneous	19
Total	54
(C) Asset Management Company	
Warned/Miscellaneous	1
Total	1
(D) Individual	
Order/ Directives Issued	2
Total	2
(E) Stock Exchange	
Miscellaneous	2
Total	2
Total = A+B+C= (21+54+1+2+2)	80

LEGAL SERVICES

During the financial year 2002-2003 the following notifications/orders have been issued by SEC:

Serial No	Notification/order no and Date	Regarding
1	SEC/CMRRCD/2001-14/Admin/03/06 1 August 2002	Re-construction of Board of the 'Z' category of companies .
2	SEC/CMRRCD/2001-18/114 8 October 2002	Directives issued to the Dhaka Stock Exchange regarding portfolio account opening by non resident with the registered merchant bank.
3	SEC/CMRRCD/2001-18/115 8 October 2002	Directives issued to the Chittagong Stock Exchange regarding portfolio account opening by non resident with the registered merchant bank.
4	SEC/CMRRCD/2001-50/119 13 October 2002	Preservation of the financial statements containing information of the clients investment by port-folio manager
5	SEC/CMRRCD/2002 23 November 2002	If a listed Company takes decision in a board meeting regarding distribution of dividend to the shareholders, excepting in the sponsors and / or directors, in such case the stock exchange (s) will ensure that the sponsors and /or director do not transact during the period commencing from the date of the such board meeting up to the date of holding concerned annual general meeting. Directives has been issued by SEC to the stock exchange(s) in this respect.
6	SEC/CMRRCD/2002-14/150/Admin/03 24 November 2001	The Commission has imposed certain conditions restricting transfer of shares through stock exchange(s) of those sponsors and/ or directors of the listed companies who take decision in the board meeting regarding distribution of dividend to the shareholders excepting sponsors and/ or directors.
7	SEC/CMRRCD/2001-86/152/03/08 24 November 2002	Amendment in the Securities and Exchange Rules,1987.
8	SEC/CMRRCD/2001-25/ 23 February 2003	Amendment in the Securities and Exchange Regulations 2002
9	SEC/CMRRCD/2002-104/ 24 February 2003	Issued the Securities and Exchange Commission (Security Custodial Service) Rules, 2003
10	SEC/CMRRCD/2003-109/ 4 March 2003	Amendment in the Securities and Exchange Commission (Capital Issue of Public Limited Company) Rules, 2001
11	SEC/LSD(A:S) 2003/122/Admin/1/18 26 May 2003	Amendment in the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996

12	SEC/LSD(A:S) 2003/122/Admin/1/18 2 June 2003	Amendment in the Securities and Exchange Commission (Mutual Fund) Regulation, 2001
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Court cases:

A Total of 69 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	04
	Appellate Division	35
2	5 th Joint Dist. Judge Court, Dhaka.	04
3	6 th Asst. Judge Court, Dhaka.	02
4	1 st Add. Asst. Judge Court, Dhaka	01
5	Chief Metropolitan Magistrate Court, Dhaka.	04
6	Metropolitan Session Judge Court, Dhaka.	03
7	General Certificate Court, Dhaka.	16
Total		69

Share Scam Cases 1996 :

Out of total 15 share scam cases 3 cases are now pending before the Appellate Division and 6 cases before the High Court Division of the Honorable Supreme Court. Remaining 6 cases are pending before the Metropolitan Session Judge Court for trial.

Cases filed during the financial year 2002-2003:

Subject	Number	Brief Description
Cases filed by the Commission	10	Certificate case filed under PDR Act due to violation of securities related laws to recover penalty money.
Subject	Number	Brief Description
Cases filed against the Commission	8	Case filed against some amendments of the securities related laws and orders/directives of the Commission.-

RESEARCH & DEVELOPMENT

Publications:

During July 2002—June 2003, Research & Development Department of the Commission published and distributed the following Reviews and Reports of the Commission:-

Annual Report	: FY 2001-2002
Quarterly Review	: April-June, 2002
Quarterly Review	: July-September, 2002
Quarterly Review	: October-December, 2002
Quarterly Review	: : January-March 2003
“SEC Parikrama” (SEC’s Bangla Newsletter)	: June 2002
“SEC Parikrama” (SEC’s Bangla Newsletter)	: September, 2002
“SEC Parikrama” (SEC’s Bangla Newsletter)	: December, 2002

Monthly activity reports of the Commission are regularly sent to the Ministry of Finance. Besides, R&D Department also provides different other reports, statements, information etc. to different agencies, such as Bangladesh Bank, as and when required.

Investors’ Education Program:

SEC launched a month long Investors’ Education Program in 2003 to educate the general public investors about the capital market of the country. The program includes – About SEC, DSE and CSE, Investment in Primary Market, Investment in Secondary Market, and Central Depository System (CDS) and Legal affairs. Altogether 105 participants in 4 batches took part in the program. SEC officials deliberated in the program.

NDC team visits SEC:

A delegation from the National Defence College (NDC) visited SEC in April 22, 2002. Mr. Manir Uddin Ahmad, Chairman, SEC welcomed the team. Members of the Commission and senior officials were also present. Mr. Mansur Alam, Executive Director Mr. Abdul Hannan Zoardar, Executive Director and Mr. Farhad Ahmed, Executive Director have presented a brief about role and activities of SEC, recent development of the capital market, institutional market and depository system. The team has praised the role of SEC in developing the capital market.

FINANCIAL STATEMENT OF THE COMMISSION

For the year ended 30 June, 2003

Securities and Exchange Commission is under the revenue budget of the Government. All of its expenditures are met from the Govt. revenue budget. In terms of section 12 of the Securities and Exchange Commission Act, 1993, the Commission maintains a fund which consists of the Govt. allocation and revenue generated by the Commission itself. Income of the Commission includes registration and renewal fees, fees received in connection with raising of the companies capital/issuance of consent for the same, penalty etc. Govt. fund is released in accordance with the budget allocation subject to the adjustment of the income generated by SEC. Mentionable here that the Commission does not charge any fee on trading of the stock exchanges.

The Commission has generated considerable income during the last few years. It has met 40.32%, 41.93% and 78.3% of its total annual expenses from own fund generation during the fiscal years 2000-2001, 2001-2002 and 2002-2003 respectively. In the current fiscal year (2002-2003) the Commission's own income/receipts stands at Tk. 2.15 crore. The Commission has received total amount of Tk. 3.72 crore, consisting of last year's unspent balance of Tk. 1.57 crore from the Govt. and Tk.2.15 crore from own sources by which the Commission has been able to meet all the expenses. As a result there was no necessity to release Govt. fund for the fiscal year 2002-2003. On the other hand, the Commission's total income was Tk. 1.058 crore in 2001-2002 and government allocation was Tk. 3.035 crore including previous year's balance of Tk. 1.406 crore. The revenue and capital expenditure of the Commission during the fiscal year 2002-2003 altogether stood at Tk. 2.604 crore, which was Tk. 2.523 crore in the previous fiscal year 2001-2002.

(Figure in crore taka)

Particulars	FY 2002-2003		FY 2001-2002
	Budget allocation/ Receipt		
Government Grant :	2.40		
Opening balance (unspent balance received from Govt.)		1.570	1.406
Govt. grant released		-	1.629
Total Govt. grant	2.40	1.570	3.035
Commission's miscellaneous income	0.80	2.150	1.058
Total allocation/Receipts	3.20	3.720	4.093

Payment/Expenditure:

Revenue expenditure	2.58	2.276	2.216
Capital expenditure	0.44	0.160	0.056
Loan/Advance disbursed	0.18	0.168	0.251
Total	3.20	2.604	2.523
Closing balance (unspent fund)		1.116	1.570

Commission and The Commission Officers:

(As on 30th June 2003)

Chairman & Members:

- Manir Uddin Ahmad, Chairman
- K. Iftikhar Ahmed, Member
- Saleh Ahmed Choudhury, Member
- Mohammad Ali Khan, Member

Officers:

- Mansur Alam, Executive Director, Capital Market Regulatory Reform and Compliance and Research & Development
- Mohammad Abdul Hannan Zoarder, Executive Director, Corporate Finance
- Md. Anwarul Kabir Bhuiyan, Executive Director, Registration
- Farhad Ahmed, Executive Director, Enforcement and CDS
- Ruksana Chowdhury, Director, Initial Public Offering (IPO)
- Shuvra Kanti Chowdhury, Director, Supervision & Regulation of Markets and Intermediaries
- ATM Tariquzzaman, Director, Surveillance
- Sirajul Huq, Deputy Director, Enforcement
- Md. Ashraful Islam, Deputy Director, MIS
- Md. Mizanur Rahman, Deputy Director, Legal Services
- Md. Anowarul Islam, Deputy Director, Office Of the Chairman and Administration
- Md. Saifur Rahman, Deputy Director, Registration
- Md. Izaz Mansur, Deputy Director, Supervision & Regulation of Markets and Intermediaries
- A. K. M. Ziaul Hasan Khan, Deputy Director, Corporate Finance
- Muhammad Farhad Uddin, Deputy Director, Corporate Finance
- Syed Abu Bakar Siddiq, Deputy Director, MIS
- M. Hasan Mahmud, Deputy Director, Corporate Finance
- Mahbubul Alam, Deputy Director, Registration and Finance
- Mahbuber Rahman Chowdhury, Deputy Director, Legal Services
- Kamrul Anam Khan, Deputy Director, Initial Public Offering (IPO)
- Md.Rezaul Karim, , Deputy Director, Surveillance
- Md. Shafiul Azam, Deputy Director, Research & Development
- Farhana Faruqui, Officer on Special Assignment, Research & Development

