

Focus on stock market — II

No authority to enforce law : irregularities persist

A K M Sahabub Alam

Independent analysts think that absence of an institutional framework for securities market and undesirable practices in relation to securities-trading, securities-issues, corporate reporting, meeting and dividends are the real causes of the limping in Dhaka Stock Exchange (DSE), the country's lone securities market. The causes of crash in the securities market, as identified by independent analysts, include lack of institutional framework, outdated Company Law, non-enforcement of Company Law, absence of professionalism in DSE, creature reporting, over capitalisation and

over valuation of listed companies, insider trading, and lower and no refund of securities. The Securities and Exchange Ordinance, 1969 and the Securities and Exchange Rules, 1987 (SER, 1987) regulate the securities market and the dealings in securities. However, no authority was constituted by the Government to implement, monitor and enforce the law. Even, the provision in the Securities and Exchange Rules, 1971 to constitute a Securities and Exchange Authority of Bangladesh was omitted by the previous regime in the SER, 1987. In the absence of any Authority, securities market became nobody's business causing, inter-alia, improper trading, insider

tradings, fictitious tradings, sleeping-brokerage, creative reporting and too-delayed reporting. The Companies Act, 1913 which did not see any material change since 1936 is not at all capable of protecting the investors interests. The time limit for allotment of shares and debentures for issuance of share or debenture-certificate, for registration of transfer of shares or debentures, for presentation of accounts, and for holding AGM at 180 days, 3 months, 9 months and 15 months respectively is too wide compared to 10 days from the closure of the subscription lists (in Pakistan), 2 months from the date of allotment (in Sri Lanka), 45 days from date of application for registration of transfer (in

Pakistan), 6 months after the close of the financial year (in Pakistan), and 6 months after the close of the financial year (in Pakistan). The Act is silent about the time limit for refund of excess application money, and for payment of dividend. The excess application money must be refunded to the subscribers within 20 days of the closure of the subscription lists in Pakistan, and dividend must be paid to the shareholders within 42 days of the declaration of dividend in India. The penal provisions in the Act are quite inadequate to deter violation of the law.

The Act provides for a fine upto Tk 50 for each day of default for not issuing share or debenture certificate and, for not registering transfer of shares or debentures within statutory limit, and a fine upto Tk 500 for not holding Annual General Meeting (AGM) on time, as against a fine upto Rupees 500 (in India), and a fine at Rupee 10000 to Rupee

20000 in the first instance and thereafter, a further fine upto Rupee 2000 for each day of default (in Pakistan) respectively. The Act is silent about penalty for the other offences providing open gate for violation. In Pakistan, the penalty for not paying dividend within statutory time limit is imprisonment upto 2 years and fine upto Rupees 10,00,000 penalty in Pakistan for not presenting accounts and sending them to the shareholders within statutory time limit is imprisonment upto one year and also of fine, and surcharges at one and half per cent per month or part thereof is payable for not refunding excess application money within statutory time limit in addition to a fine. Only strong penal provisions can discourage violation of law. The Government should not wait for promulgation of new company law, rather should amend the existing law on a priority basis.

the Companies Act, 1913 that protect the interests of the general shareholders are outdated and inadequate, these are not even enforced in practice by the Registrar of Joint Stock Companies (RJSC). The office of the RJSC is incapable of enforcing the law because it is not staffed by professionals. As a result, the law is simply ignored by companies.

Out of 125 listed companies, 17 companies did not hold any AGM in 1990 and 1991 and 57 in 1991. Delayed AGM means delayed declaration and payment of dividend. Allotment is never made on time, excess application is never refunded on time, share certificates are never issued on time and transfer is never registered on time, shattering the hopes and aspirations of the general shareholders. Everything is done backdated. It seems it is nobody's business to monitor and enforce law.

Moderate rise in share trading

Star Economic Report
The week began at Dhaka Stock Exchange (DSE) with a moderate rise in trading Saturday.

In volume terms transactions moved up to 6,287 from Thursday's 3,258. Traded issues valued Taka 2,49,690.00 against Thursday's Taka 1,69,930.00.

Decliners dominated trading. And DSE All Shareprice Index lost to 289.3026 from Thursday's 289.5043. Index in the broad indicator of price movements of all the listed stocks.

Transactions involved twenty-five stocks. Of them twelve lost, five gained and eight remained unchanged at their previous quoted prices.

Among the decliners, the 1st ICB Mutual Fund got the major slash. It lost Taka 40.00 to Taka 350.00. Bengal Food declined Taka 5.19 to Taka 123.00.

Bangladesh Autocars and Kohinoor Chemical lost Taka 2.00 each to Taka 89.00 and Taka 87.00 respectively.

Al Baraka Bank, 4th ICB Mutual Fund, 5th ICB Mutual Fund, Dhaka Vegetable, Rupan Oil, Beximco, Chittagong Cement and Monno Ceramic declined within the range between Taka 0.05 and Taka 1.00.

Apex Tannery and Peoples Insurance advanced Taka 2.02 and Taka 2.00 to Taka 160.00 and Taka 130.00.

Kartim Pipe, Beximco Pharma and Eagle Box moved up within the range between Taka 0.23 and Taka 0.87.

Exchange Rates

October—5

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (BCs) and Overseas Drafts (ODs)

One Unit of Foreign Currencies (FCs) for Taka

FCs	Selling	Buying
US Dollar	37.8226	37.3318
UK Pound Sterling	55.1314	65.3887
German Deutsche Mark	22.7094	22.4013
French Franc	6.66642	6.5754
Saudi Riyal	10.1184	9.9871
Dutch Guilders	20.1506	19.8732
Pakistan Rupee (AMU*)	1.5324	1.5178
Singapore Dollar	22.4400	22.1488
UAE Dirham	10.3332	10.1991
Kuwait Dinar	Not available	
Indian Rupee		
AMU	1.4637	1.4499
S. Kenner	6.2285	6.1468

*AMU-Asian Monetary Unit

SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance Benefit (XPB) Fund

	Buying	Selling
US Dollar	36.34	36.39
UK Pound	67.14	67.81
Saudi Riyal	10.26	10.31
UAE Dirham	10.47	10.52

*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sonali Bank

Hides & Skin

October—5

(Wet/Salted)

(Taka per 100 pieces)

Cow	13,000.00	—	27,000.00
Light	47,000.00	—	52,000.00
Medium	57,000.00	—	62,000.00
Heavy	67,000.00	—	72,000.00
Very heavy	77,000.00	—	82,000.00
Rejected	21,000.00	—	24,000.00
Goat			
Big & heavy	8,500.00	—	9,800.00
Light & Medium	6,900.00	—	7,300.00
Rejected	2,900.00	—	3,800.00
Sheep	8,000.00	—	8,500.00
Buffalo	54,000.00	—	59,000.00

Source: Department of Agricultural Marketing

Gold & Silver

October—5

(Taka for 11.66 grams)

Gold	6,200.00
Tejabi	6,100.00
Gulna	6,100.00
Silver	200.00

Source: Department of Agricultural Marketing

Dhaka Stock Exchange Market Profile

October—5

135 Listed Stocks

5 Gains	12 Losers	114 Unchanged
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114 Unchanged stocks include eight traded on the day at its previous quoted prices.

DSE All Share Price Index = 289.3026

Issued Capital=Taka 5,439,680,590

Market Capitalisation = 8,266,897,173

Turnover = Taka 2,49,690.00 (Value) 6,287 (Volume).

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on October 5, 1991.

Company	EV/ML*	Closing Rate	Company	EV/ML*	Closing Rate
BANKS (Ten)			PHARMACEUTICALS & CHEMICALS (Fifteen)		
Al Baraka Bank	1000/1	765.00	Ambee Pharma	10/50	14.30
AB Bank	100/5	180.00	Bangla Process	100/5	62.00
City Bank	100/5	275.00	Beximco Pharma	100/5	173.00
IFLC	100/5	177.00	Glaxo	10/50	125.00
Islami Bank	1000/1	1190.00	ICI	10/50	10.00
National Bank	100/5	118.00	Kohinoor Chemical	100/5	87.00
Pubali Bank	100/5	87.00	Petro Synthetic	10/50	13.00
Rupali Bank	100/10	75.00	Pfizer	100/5	110.00
U.C.B.L.	100/5	119.00	Pharma Aids	100/5	170.00
Utara Bank	100/5	190.00	Pharmaco	100/5	52.00
INVESTMENT (Eight)			Progressive Plastic	110/5	46.00
1st ICB M.Fund	100/5	92.00	Reckitt & Colman	10/50	240.00
2nd ICB M.Fund	100/5	350.00	Rahman Chemicals	100/10	47.00AL
3rd ICB M.Fund	100/5	154.00	Therapeutics	100/5	40.00
4th ICB M.Fund	100/5	134.00	The Ibsinsa	100/10	90.00
5th ICB M.Fund	100/10	130.00	PAPER & PRINTING (Six)		
6th ICB M.Fund	100/10	102.00	Eagle Box	10/50	16.50
ICB Unit Cert.	100/10	67.00	Monospool	100/5	105.00
Sales Price		115.00	Paper Converting	100/5	113.00
Re-purchase		110.00	Paper Processing	100/10	106.00
INSURANCE (Four)			Padma Printers	10/50	50.00
Green Delta	100/10	105.38	Sonali Paper	10/50	54.00
Peoples	100/10	116.75	SERVICE (Two)		
United	100/10	130.00AL	Bangladesh Hotel	10/50	12.00
ENGINEERING (Nineteen)			Bd. Service	10/50	NT
Afah Automobiles	100/5	201.00	TEXTILE (Eighteen)		
Atlas Bangladesh	10/50	39.50	Ahaz Textile	10/50	NT
Aziz Pipes	100/5	296.00	Arbee Textile	100/10	NT
Bangladesh Autocars	100/5	89.00	Ashraf Textile	10/50	28.93
Bangladesh Lamps	105/5	265.50	Chand Textile	10/50	NT
B.Thai Aluminium	100/10	90.63	Chand Spinning	10/50	NT
Bengal Carbide	100/5	250.00	Dash Garments	100/10	65.00
Bengal Steel	10/50	18.00	Dulania Cotton	100/10	85.00
Eastern Cables	100/5	79.00	Eagle Star	10/50	34.50
Howlader PVC	100/10	100.00	GMG Ind. Corp.	10/50	13.00
Kartim Pipe	100/5	139.00	Modern Dying	100/5	40.10
Metalcop Corp.	100/5	116.00	Quasam Silk	100/5	5.25
Monno Staffers	10/5	200.00	Quasam Textile	10/50	8.00
Monno Jute	100/5	200.00	Rahm Textile	100/5	55.00
National Tubes	100/10	108.00	Saham Textile	100/10	78.00
Pantlitz Steel	10/50	6.00	S.T.M. (ORD)	100/5	50.00
Quasam Drycell	10/50	8.00	Stylecraft	100/5	100.00
Renwick Jute-cum	100/5	70.00	Swan Textile	100/5	60.00
Stinger Bangladesh	100/5	990.00	Talhi Spinning	100/10	117.00
FOOD & ALLIED (Twenty one)			MISCELLANEOUS (Fourteen)		
AB Biscuit	100/5	180.00	Apex Tannery	100/5	160.00
Alpha Tobacco	10/50	48.00	Aramit	10/50	NT
Amari Sea Food	100/5	36.00	Bata Shoe	10/100	36.52
Apex Food	100/5	340.00	Basimco	10/100	9.75
Aroma Tea	100/5	80.00	BSC	100/5	45.00
Bangor	100/5	305.00	Chittagong Cement	100/5	173.07
Bengal Food	100/5	123.00	G. G. Ball Pen	10/50	52.00
B.L.T.C.	100/5	600.00	Himadri Ltd.	100/10	NT
B.T.C.	10/50	37.00	Milon Tannery	100/5	33.00
Cig. Vegetable	100/10	99.00	Monno Ceramic	100/5	150.50
Dhaka Vegetable	100/5	134.00	Phoenix Leather	100/5	90.00
E.L. Camelia	100/5	700.00	Savar Refractories	100/5	130.00
Friging Export	10/50	4.50	The Engineers	100/5	100.00
Gemini Sea Food	100/15	100.00	Umanis Glass	100/5	145.50
Modern Industries	100/5	160.00	DEBENTURES (Four)		
N.T.C.	100/5	280.00	Apex Tannery	1000/1	1050.00
Rabeya Flour	10/100	NT	Bengal Food	900/1	930.00
Rupan Oil	10/100	6.00	(18.5% 1992)		
Tulip Dairy	100/10	94.00	Beximco	2500/1	2630.00
Yousuf Flour	10/50	NT	Beximco Pharma	157/1	1633.00
Zeal Bengal Sugar	10/50	8.10	(17% 1997)		
FUEL & POWER (Three)			Quasam Silk	2000/1	1770.00
Padma Oil Co.	10/50	40.00	(17% 1994)		
Eastern Lubricant	10/50	14.00	** FV = Face Value ML= Market Lot NT= Not Traded, AL=Allotment Letter		
Oxygen	10/50	50.00			
JUTE (Twelve)					
Ahad Jute	100/10	NT			
Amara Jute	10/50	NT			
Delta Jute	10/50	8.50			



A K S M Taifur Hussain, Managing Director, Rupali Bank Ltd is addressing the Managers' Conference of the Bank at Chittagong. Also seen in the picture are Jalilur Rahman Chowdhury, General Manager, Abdur Rouf, Deputy General Manager, Mustafizul Huda, Deputy General Manager, Faridul Alam, Assistant General Manager and other Bank officials.

Resultant effect of transport strike

Essentials' prices rise

Star Economic Report

The prices of essential commodities have increased abruptly in city markets following week-long transport strike in the northern districts.

The transport strike was, however, withdrawn on Friday after prolonged negotiations between the Communication Minister Col (Retd) Oli Ahmed and leaders of the transport worker's unions.

As the supply was seriously disrupted, the prices of almost all essential commodities registered a sharp rise. Rice and vegetable prices showed a tremendous increase.

A random survey in some city markets suggested that rice prices rose by Taka one to Taka 1.50 per kg as compared

to prices which prevailed before the transport strike. Rice supply to the city markets is usually ensured from the northern districts, marketing sources said.

On Friday a kilo of finer variety of rice sold at Taka 16 to Taka 17 while the coarse variety sold at Taka 13 to Taka 13.50 per kg. The prices were Taka 14 to Taka 15 and Taka 12 to Taka 12.50 per kg before the strike. The rice traders said that the prices of rice would come down with abundant supplies as ensured from the northern districts.

Hundreds of trucks loaded with rice were waiting at Nagbari ghat to be ferried to Aricha ghat. With the arrival of fresh supplies, rice price will come down considerably, marketing analysts say.

The vegetable prices showed sharp increases also. Most of the varieties sold between Taka 10 to Taka 20 per kg on Friday. On an average, an increase of Taka 2 to Taka 3 was made for each kilo of vegetable. The prices of potato, brinjal, cucumber, pupya, barbati, kakrol, karalla, Jhingra were Taka 7, Taka 14, Taka 12, Taka 7, Taka 14, Taka 14, Taka 14 and Taka 10 respectively, the market survey said. Before seven days, the prices were at least Taka 2 to Taka 3 less for each kilo.

A section of dishonest traders, taking advantage of the transport strike, created artificial scarcity of many commodities and as such, the prices jumped suddenly, the analysts said.

The monitoring of price pattern of each commodity should be strengthened for a check and balance of the market mechanism. Government's Marketing Directorate needs to be more active to check unwarranted price spiral in the markets, the analysts said.



Chairman of Bangladesh Sugar and Food Industries Corporation (BSFIC) S M Nuruzzaman distributing certificate to A B M Anwar Hossain, General Secretary of BSFIC Central Employees' Union and a participant in the productivity training programme organised by the National Productivity Organisation (NPO). Nazmul Alam, Chief (Productivity), is seen.

Shipping Intelligence

Chittagong Port

Name of Vessels	Berthed	ETA	Berth No.	L. Port Call
Agion Oros	1/10	9/10	J/1	Fola
Al Tajwer	2/10	8/10	J/2	Mongla
Gold Horizon	4/10	8/10	J/3	Singapore
Queen of Diamond	3/10	6/10	J/4	• NA
Jiang Cheng	25/9	6/10	J/5	S. Hal
Al Mohammad	29/9	6/10	J/8	Cal
Banglar Baani	3/10	8/10	J/9	Mongla
Ngs Ranger	3/10	7/10	J/11	Singapore
Fong Shin	30/9	6/10	J/12	Singapore
Infinity	4/10	7/10	J/13	Singapore
Vivari-II	20/9	9/10 MPB/2		Singapore
Entalina	1/10	6/10	GSJ	• NA
Fong Yun (Attached)	03/7	10/10	TSF	Singapore
Amphion	4/10	8/10	RM/4	Braz
Symphonic (Attached)	11/9	10/10	RM/5	Jedd
Banglar Jyoti	4/10	10/10	RM/6	• NA
Red Deer (Attached)	11/7	10/10	RM/6	Singapore

Name of Vessels	ETA	ETD	Berth No.
Banglar Shourabi	6/10	• NA	RM/6
Safina-e-Haider	6/10	• NA	J/2
Kaptan Silin	6/10	• NA	J/3