

BAPLC's Recommendations on Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021

Clause No.	Descriptions	BAPLC Proposal / Comments	Rationale
(3) Cash dividend shall be distributed in the following manner and procedures, namely:-	(f) Within 10 (ten) days of declaration of cash dividend by the board of directors or board of trustee of the issue, as the case may be, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate account of the issuer, dedicated for this purpose;	<i>Cash Dividend as approved by the shareholders in AGM, shall be kept in a separate bank account within 10 days of such approval and shall pay off directly to the entitled shareholders as per direction of clause 3(ii) within 30 (thirty) days of approval/ passed by the shareholders.</i>	<p>Dividend declared by the board shall not be final until it is approved / passed by the shareholders in AGM.</p> <p>The amount declared by the board as dividend might be changed by the shareholders in AGM.</p> <p>Usually, there is a gap for 3 months between BOD Meeting and the AGM. If the amount of cash dividend is kept to separate bank account within 10 days of BOD meeting, the amount will remain unutilized by shrinking the working capital of the company which will have an adverse impact on company's profitability as well as EPS and NAV.</p>



Clause No.	Descriptions	BAPLC Proposal / Comments	Rationale
(4)	<p>The issuer shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);</p>	<p>BAPLC propose to expunge the following portion: subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);</p>	<p>In the case of crediting stock dividend, obtaining clearance from Exchange(s) and Central Depository Bangladesh Ltd. (CDBL) will be cumbersome and unnecessary.</p>
(8)	<p>If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the Fund as directed or prescribed by the Commission:</p> <p>Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission:</p> <p>Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.</p>	<p>Modification and further clarification is needed for enactment of this provision.</p>	<p>In that case, we refer to the Indian Companies Act, where there is a provision of transferring unpaid dividend which remains unpaid or unclaimed for a period of 7 (seven) years to the fund established by the Central Government.</p> <p>But there is no such provision in existing Companies Act in Bangladesh. For enactment of such provision, Companies Act needs to be changed and new provision needs to be incorporated.</p>



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(10)	<p>The issuer, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend.</p> <p>Provided that the issuer or its agent or the CDBL or its DP shall keep confidentiality of information.</p>	<p><i>Brokerage / Securities Houses are responsible for maintaining detailed information of BO account, bank account, mobile number, email and address of shareholders or unit holder.</i></p>	<p>Securities House will collect / update the information of Shareholders and which will be stored by CDBL. Issuer company will collect the information from CDBL storage when required.</p>

