

First ever instance in country's capital market

AIMS fund rises to Tk 10cr after IPO subscription

by Dwijendra Nath Saha

The fund size of the Aims of Bangladesh Ltd, the first guaranteed mutual fund in private sector rose to Taka 10 crore from Taka five crore following the retention of oversubscribed initial public subscription to the extent of Taka six crore instead of Taka one crore.

This will be the first instance in the history of the capital market of the country that the Securities and Exchange Commission (SEC), the watchdog body of the securities market permitted the company yesterday to retain the excess amount.

Following the application made by the authority of AIMS Bangladesh Ltd, the decision to retain the excess amount from the IPO oversubscribed by the public was taken at an emergency board meeting of the SEC on Tuesday.

Though there was a deadlock at one stage, the SEC accorded its consent in favour of AIMS for raising the fund after holding a series of meetings.

SEC Chairman M Syed informed The Independent that as per prospectus of the AIMS, we gave the consent considering the interest of the general investors as well as to bolster the sluggish capital market.

Meanwhile, the SEC has analysed the rules and regulations of foreign countries particularly those of India and Australia regarding formation of mutual funds in the capital market, M Syed said.

The AIMS' initial public offering was higher by 8.5 times than the amount of Taka one crore. Despite the increase in the fund i.e. involvement of more individual public investors, the limits of sponsor shares and shares through pre-IPO placement will remain intact.