

CBI moves to charge Mehta with cheating, dishonesty

SBI chief sent on forced leave

NEW DELHI, June 4: The chief of India's largest bank went on forced leave Wednesday as detectives drafted charges against "Big Bull" Harshad Mehta after a probe found banks and brokers connived in a billion-dollar bond scam, reports AFP.

MN Golporia, who was due to retire July 31 as Chairman of the State Bank of India (SBI), was "told to proceed on leave," the Press Trust of India quoted a senior SBI spokesman as saying in Bombay, India's commercial capital.

He was the fifth top banker to fall victim to the scandal that erupted in April after revelations that banks had connived with brokers and illegally siphoned money from the government bond market to

make profits in stocks. The scam, which has engulfed several banks and shaken the financial community, surfaced at SBI when it was found not to have physical possession of securities worth 207 million dollar although its books showed it did.

False entries were reportedly made on SBI books, when the securities had actually been handed to bull operator Mehta, nicknamed "Big Bull," who used them to play the stock market.

Golporia then asked his Deputy Managing Director KL Khemani to go on leave, as the scandal ended an unprecedented stock boom and left the business community shaken.

Scams," snared more banks, went SP Sabapathy of the private Bank of Madras, K. Margabandhu of the United Commercial Bank and AP Rao of Canfinia.

The SBI is India's largest nationalised commercial bank, and Golporia's virtual ouster came a day after the government released findings of a probe into the bond scam, which has become India's largest-ever financial scandal.

The probe found that several banks had siphoned about one billion dollar to favoured brokers to play the stock market in violation of banking guidelines, and found several "irregular" transactions involving SBI and Mehta.

Meanwhile, detectives at the government's Central Bureau of Investigation (CBI)

were moving Wednesday to charge Mehta, 38, with cheating and dishonesty, forgery and criminal breach of trust in connection with the scandal, PTI said adding that a prosecution would be launched by Friday.

A central bank investigation whose results were released here Tuesday found several banks had violated banking guidelines and funded stock brokers like Mehta to invest in stocks.

The government of Prime Minister PV Narasimha Rao met Wednesday to consider bringing an ordinance to seize the assets of Mehta and others involved in the fraud, official sources said.

Mehta's Grow More Group of Companies claimed a net profit of one billion rupee (33

million dollar) in the fiscal year to March 31, and the broker told the Business and Political Observer he had the money to settle his debts.

Mehta, who has been trying to get his frozen bank accounts unfrozen, was quoted as saying there was "no question of our backing out of any financial commitment we may have made to anyone."

Opposition political parties demanded a parliamentary committee to probe the fraud and to examine weaknesses in the banking system, which the central bank has declared is "fundamentally sound".

Another despatch adds: India's main opposition party, Bharatiya Janata Party Wednesday demanded a high-level parliamentary investigation into the scam.

BRIEFS

First private bank in Myanmar opens

YANGON, June 4: The Myanmar Nationals Bank Limited, the country's first private bank since 1964, was inaugurated here Tuesday with the aim of expanding bank operation, reports Xinhua.

Present on the inauguration ceremony, Minister for Planning and Finance and Trade Brig-Gen David Abel said, "This is the first time for Myanmar government to allow a private bank to do bank business since 1964."

Sharp rise in India's oil import forecast

NEW DELHI, June 4: The Indian Planning Commission has estimated that the level of oil imports will increase by 27 per cent from 29.4 million tons (MT) in 1992-93 to 37.2 MT by 1996-97, local press reported Tuesday, says Xinhua.

According to the Eighth Plan (1992-97) document, the unrestricted demand for petroleum product in the terminal year of the plan (1996-97) has been estimated at 81.19 MT.

OPEC members sneak a few more barrels

LONDON, June 4: About half of OPEC's 13 members sneaked a few more barrels onto buoyant oil markets last month, sending production to 23.51 million barrels per day (BDP), up 200,000 BDP from April, a Reuters industry survey showed, according to Reuters.

The Organisation of Petroleum Exporting Countries, which supplies more than one-third of world consumption, has sprung a few small leaks in its latest accord which lets only Kuwait raise output in the coming months.

Gold prices in London rise

LONDON, June 4: Gold prices rose here in active trading due to fears about the future of the European Community following Danish voters' rejection of the Maastricht Treaty, operators said, according to AFP.

At mid-session, gold went above the level of 340 dollar an ounce for the first time since April 13, and was quoted at 340.50 dollar an ounce, compared with 338.75 dollar at the Tuesday close. It had been as high as 341 dollar an ounce during the first part of the session, as trading continued Wednesday afternoon.

Toshiba launches tiny CD-ROM drive

TOKYO, June 4: Japan's Toshiba Corp said Wednesday it had started marketing the world's first eight centimetre (3.5 inch) compact disc-read only memory (CD-ROM) drive for industrial use, reports AFP.

The company, the second-biggest manufacturer of electrical machinery in Japan, said the new product was about half the size of its existing CD-ROM drive and consumed 40 per cent less power.

Toshiba expects the device to be used in portable laptop computers given its ability to store up to 200 megabytes of data and rapid access speed of 0.29 seconds. Priced at 81,000 yen (640 dollar), sales are targeted at 10,000 units in the current fiscal year ending next March.

Bangkok fines sex tour operator

BANGKOK (Thailand), June 4: A North American arrested for procuring Thai women to work as prostitute for organised sex tours was fined 1,000 baht (40 dollar) and released Wednesday after pleading guilty and promising not to do it again, reports AP.

Gunter Hans Bernhart, 47, of Miami, was arrested Monday night while escorting nine other Americans on a sex tour in the seaside resort of Pattaya, police said.

Jamaica's trade balance improves

KINGSTON (Jamaica), June 4: Jamaica's annual trade imbalance with the rest of the world narrowed in 1991 to 654.3 million dollar, improving by 130.6 million dollar over that of 1990, the government said, reports AP.

NOTICE

Shipping intelligence and prices of essentials could not be published today due to lack of space. Inconvenience to the readers is regretted.

Lloyd's faces \$3.6 b crippling loss

LONDON, June 4: Lloyd's of London, the 300-year-old insurance market will later this month announce quadrupled losses of around two billion pound (\$3.6 billion dollar) for its 1989 set of accounts, according to a report published Wednesday, says AFP.

After a string of large-scale disasters around the globe, insurers will have to pay out on losses totalling 2.015 billion pound, up from 510 million pound last year, with the heaviest losses occurring in maritime insurance, analyst Chatset said.

Already shaking under unprecedented attacks from its

wealthy private backers, known as "NAMS," Lloyd's, one of the most prestigious of

Report on Labour Force Survey published

The Bangladesh Bureau of Statistics has published "Report on Labour Force Survey 1989", reports BSS.

The report presents detailed information on the size and composition of labour force and also basic data on household and demographic characteristics collected from the survey.

Britain's financial institutions, will be "devastated" by the new losses, according to lawyers close to the market.

The number of insurance syndicates in the market could drop from just under 280 to around 200 this time next year and around 8,000 of the 22,500 names could leave, they said.

The 1989 losses (losses are always reported here years late to allow for late claims) were pushed up on the 1988 figure pound, by the year's disasters including Exxon Valdez, Hurricane Hugo and the San Francisco earthquake.

Tea earned Tk 115 cr in 9 months

CHITTAGONG, June 4: Bangladesh has earned Tk 115 crore in foreign exchange by exporting 21.93 million kg's of tea to 20 countries during the nine-month period from July 1991 to March 1992.

The 32nd Annual General Meeting (AGM) of Bangladesh Tea Board held at a local hotel recently revealed the information. It was also revealed that 45.23 million kg's of tea was produced during the year 1991, slightly less than the previous year's record.

Nazim Ahmed Chowdhury, Secretary, Ministry of Commerce, attended the function as chief guest while

Brigadier Amin Ahmed Chowdhury, Chairman, Bangladesh Tea Board, was the social guest.

Presided over by the outgoing Chairman of the Sangsad Foyaz Ahmed the AGM was addressed by the incoming chairperson Mrs Laila Rahman Kabir and Vice-Chairperson Mrs Jeba Rashid Chowdhury. The Secretary of Cha Sangsad A K M Azad conducted the meeting.

The Commerce Secretary while speaking at the meeting emphasised the need for improvement in the standard of management of the tea sector in order to raise yields as well as the exports. "Without the ef-

orts of exporters, the market Bangladesh tea has lost could not be recaptured", Nazim observed.

The Tea Board Chairman stressed on raising yields of tea to lower the cost of production so that Bangladesh could compete in the international market.

Amin Ahmed also called upon the tea traders to explore more markets for Bangladesh tea to boost its export.

The outgoing Chairman of Cha Sangsad Foyaz Ahmed sought government support including financial assistance to development of the entire tea sector for earning more foreign exchange.

Steps to raise yields, recapture lost market urged

France, Ireland will also hold referendum

EC FMs firm to go for union

OSLO, June 4: Gathering for an emergency meeting, European Community Foreign Ministers are expressing determination to press ahead with plans for political and economic union despite the Danish public's rejection of the idea, reports AP.

Their pledges Wednesday to stay the course could not hide the fact that Danish voters upset the 12-nation trading bloc's best-laid plans by voting "no" to the treaty to give it a common currency and foreign policy by 1999.

"There is strong unanimity that the 11 should go ahead without hesitation," said Portuguese Foreign Minister Joao de Deus Pinheiro, who will preside at Thursday's meeting.

"One member state cannot prevent the others from forming a European union," he said.

The Danes killed the Treaty of Maastricht worked out in December in the Dutch town of Maastricht. It required unanimous ratification before it could take effect next year.

most of Wednesday trying to figure out how to get around their setback in the first public judgment on the ambitious plan to weld together the world's richest market with 330 million potential consumers.

Denmark's partners in the Community have rejected its plea to renegotiate the treaty, for fear governments would make new demands and derail the drive for unity.

Reuter from Bonn says: Pinheiro said renegotiating the Maastricht Treaty would open a Pandora's Box of demands from member states.

Speaking after the shock Danish rejection of the treaty, he said most EC members wanted to move toward closer unity and opposed any new negotiations on the way.

But deus Pinheiro, in Bonn to meet his German counterpart Klaus Kinkel, would not rule out such talks entirely before Thursday's emergency meeting in Oslo EC Foreign Ministers.

AP earlier said: The Danes' rejection of closer political and economic union for the

European Community led France to announced on Wednesday that it also will put the treaty to a public vote.

Ireland said it would go ahead with its own June 18 referendum, which was to have been the only other direct public vote.

The British Government canceled a parliamentary debate on the treaty Wednesday. London was one of the hardest bargainers in the treaty, and won exemptions from the single currency and EC labor policy.

Italy said it would stick by the treaty. Foreign Minister Gianni de Michelis added, "We will talk about the possibility of going ahead" without Denmark.

AFP from London said: British Prime Minister John Major told parliament Wednesday that his Conservative government would continue the process of ratifying the EC Maastricht Treaty on further European union, despite the Danish "no" vote.



BUSHY WINK: US President George Bush winking at photographers on June 2 during the annual Congressional barbecue held on the South Lawn of White House. Earlier, Bush approved Most Favoured Nation (MFN) trading status for China. The people surrounding the President are unidentified. — AFP photo



Deen Mohammad, Chairman of the City Bank Ltd opening the 57th branch of the bank at Kaliganj in Keraniganj, Dhaka Thursday. M A Yussouf Khan, MD, Azizul Haque Chowdhury, Vice-Chairman and Md Shoeb, Director of the Bank were present.

IEB told to develop entrepreneurship

Planning Minister A M Zahiruddin Khan has called upon engineers to play an effective role to transform economically backward country into an industrialised one, reports BSS.

He was speaking as chief guest at the concluding session and the certificate awarding ceremony of a training course titled "Management for Engineers" organised by the Institute of Engineers Bangladesh (IEB), at IEB auditorium in Dhaka on Wednesday.

Presided over by Dr Jamilur Reza Chowdhury, the session was addressed by Secretary General IEB, Engineer M A K Azad. In all 22 members from different organisations attended the three week management training course.

The planning Minister asked the IEB authority to launch a cooperative movement and entrepreneurship development programme to create opportunities not only for its own members but for society at large.

He called upon them to create a technology data bank which would enable the potential investors to make use of the latest technological development in the world.

The Minister called upon the engineers to carry out an in-depth analysis of the reasons of the huge losses incurred by different public sector corporations which reached now more than Taka seven thousand crore during the last eight years.

In this context he said, if we fail to consciously safeguard and established effective and functioning democracy, the hope for political accountability and transparent government will remain a mere slogan. It is productive employment and production not charity that can eradicate the poverty, he added.

IEB President Dr Jamilur Reza Chowdhury referred to the huge potentials of software development and export which exists in the country and assured IEB's hearted co-operation in this regard.

In response to Planning Minister's suggestions, the IEB president informed that IEB had already planned the launching of entrepreneurship programme for young engineer.

50,000 tonnes EC food aid arrives

By Staff Correspondent

Two chartered vessels carrying a total of 50,000 tonnes of food aid donated by the Commission of the European Communities (EC) have arrived at the Chittagong Port this week, according to a press release of the Delegation of the Commission of European Communities in Dhaka.

Of the total, 30,000 tonnes have been sent as the second instalment of the committed 60,000 tonnes food aid for the post-cyclone rehabilitation in the coastal districts of the country.

An instalment of 30,000 tonnes had arrived earlier in October 1991. The rest 20,000 tonnes arrived this week have been donated for the post-flood rehabilitation in the northern districts.

The seminar, organised by the Applied Computer Technologies Limited in collaboration with the Das Consulting Inc of USA, was addressed by Dr Mukti L Das, President of Das Consulting Inc as the main speaker.

Dr JR Chowdhury, Professor of Civil Engineering at the Bangladesh University of Engineering & Technology (BUET) and Surajit Bhattacharjee of DAST-Delta software also spoke on the occasion.

Hides & Skin

June-4 (Wet/Salted) (Taka per 100 pieces)

Cow	15000	—	30000
Light	60000	—	65000
DM	24,4121	—	24,2573
Medium	66000	—	70000
Heavy	70000	—	75000
Very heavy	80000	—	85000
Rejected	25000	—	35000
Oat			
Big & heavy	9500	—	11000
Light & Medium	7500	—	9000
Rejected	2500	—	4500
Sheep	8500	—	8900
Buffalo	57000	—	64000

Gold & Silver

(Taka for 11.66 grams)

Gold (Guinea)	6200.00
Silver	200.00

Source: Department of Agriculture marketing

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 5.

Currency	SELLING B.C.	T. T. (C)	BUYING O.D. TRANS. FER
US dollar	39.1326	38.9087	38.6339
Poundsterling	71.1145	70.7698	70.3039
DM	24.4121	24.2573	24.0860
FF	7.2461	7.2020	7.1511
S Riyal	10.4641	10.4042	10.3307
D Guilders	21.6729	21.5370	21.3849
S Kroner	6.7633	6.7188	6.6714
Singapore Dollar	24.0313	23.8938	23.7251
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	134.8001	134.0288	133.0822
Indian Rupee (AMU)	1.5104	1.5035	1.4960
Pak Rupee (AMU)	1.5541	1.5470	1.5393

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladesh's working abroad. Note: AMU—Asian Monetary Union.

Shipping Intelligence

At the close of trading on June 4, 1992 Star Economic Report

Surge in value marks the closing day

The trading on the closing day of the week, yesterday (Thursday), witnessed a surge in turnover in terms of value while turnover in volume slumped with a sharp rise in the number of stocks traded on the day compared to Wednesday. The market capitalisation and the DSE Composite Index also marked rise.

A total of 28 stocks traded on the day compared with Wednesday's 19. The gains ruled the floor outnumbering the losses by 19 to six. Only three shares changed hands at their previously quoted rates.

The number of papers slumped from Wednesday's 45,054 to 17,593 while the value surged to Tk 9,39,170.00 from 2,611,205.

THE DAY'S TRADING AT A GLANCE

DSE All Share Price Index	304,3715
Market capitalisation (Tk)	8,706,284,823
Turnover (in value Tk)	9,39,170.00
Turnover (in volume)	175,93

Company	FV/ML	Previous day's price Tk	Closing price Tk	Change (Absolute) Tk	Change (% over previous price)
Gains (19)					
Shares (18):					
Beximco Pharma	100/5	320.00	337.50	17.00	5.313
Cig Cement	100/5	264.84	270.15	13.31	5.026
Monro Ceramic	100/5	240.92	253.77	12.85	5.334
Apex Tannery	100/5	280.00	285.00	5.00	1.786
Progressive Plastic	100/5	59.41	63.00	3.59	6.043
BD Thai Aluminium	100/10	88.75	91.00	2.25	2.535
Rahman Chemicals	100/10	36.00	38.00	2.00	5.556
Eastern Cables	100/5	74.00	75.95	1.95	2.635
Tallu Spinning	100/10	114.88	116.00	1.12	0.975
Atlas Bangladesh	10/50	41.00	42.00	1.00	2.439
Bangladesh Oxygen	10/50	41.00	42.00	1.00	2.439
Modern Dyeing	100/5	40.00	41.00	1.00	2.50
Dhaka Vegetables	100/5	115.00	116.00	1.00	0.870
5th ICBM	100/10	84.50	85.00	0.50	0.592
Beximco	10/100	16.50	16.97	0.47	2.848
Quasem Drycells	10/50	7.50	7.80	0.30	4.00
Ambee Pharma	10/50	14.25	14.50	0.25	1.754
Bengal Food	100/5	135.90	136.00	0.10	0.074
Debitures (01):					
Beximco	2166/1	2040.00	2070.00	30.00	1.471
Losses (06)					
Shares (05):					
BGC	100/10	128.00	122.00	6.00	4.688
Umaria Glass	100/5	260.00	255.00	5.00	1.923
Swan Textiles	100/5	48.00	42.50	5.50	6.348
BD Autocars	100/5	73.00	72.00	1.00	1.370
National Bank	100/5	105.02	105.00	0.02	0.019
Debitures (01):					
Beximco Pharma	1428/1	1530.00	1520.00	10.00	0.654

Traded at previous quoted prices (03): Shares: Singer Bangladesh, Petro Synthetic, Bata Shoe.

SHARES & DEBENTURES LISTED WITH DSE

Company	FV/ML Tk	Annual Rate	100/5	105.00
BANKS (10)				
AL Baraka Bank	1000/11180.00	10/50	100.00	NT
A.B Bank	100/5	188.00	100/5	100.00
City Bank	100/5	270.00	10/50	98.00
IFIC	100/5	180.00	100/5	96.00
Islami Bank	1000/11515.00			
National Bank	100/5	105.00	10/50	100.00
Pubali Bank	100/5	105.00	10/50	150.00
Rupali Bank	100/10	81.00	100/5	98.00
U.C.B.L	100/5	121.00	100/5	96.00
Uttara Bank	100/5	125.00		
INVESTMENT (08)				
ICB	100/5	79.00	100/5	