

# Reforms help pull Indian banks out of the red

BOMBAY, Aug 10: Free-market reforms began in India five years ago have helped pull a number of state-owned banks out of the red, a top official of the country's central bank said here yesterday, reports AFP.

The process of reforms has been internalised by banks and they have now started yielding results. Reserve Bank of India Deputy Governor SP Talwar told bankers at the 49th annual general meeting of Indian Banks Association.

Talwar said the banking sector reforms had greatly improved the health of India's public banks, making their balance sheets transparent and largely in line with international standards.

"Of the 27 public sector banks, the number of banks which have recorded both operating and net profit have increased from 15 in 1992-93 and 1993-94 to 19 in 1994-95 and 1995-96," he said.

Talwar said India's state-owned banks needed to reduce bad loans but had made progress on that front.

He said unrecovarable loans made up 2.3 per cent of total loans in 1992-93, fell to 1.98 per cent in 1994-95 and further to 1.65 per cent in 1995-96.

Talwar said banks should reduce bad loans to 1.0 per cent of total loans in the immediate future. "Ideally the should not be more than five per cent of total loans," he said.

Talwar said the RBI was concerned about increasing cases of bank fraud, which "result in substantial financial losses to the banks and also undermine public confidence in the banking system."

"During calendar 1995 at least 2,240 frauds were reported representing an amount of 1.32 billion rupees (37 million dollars)," he said.

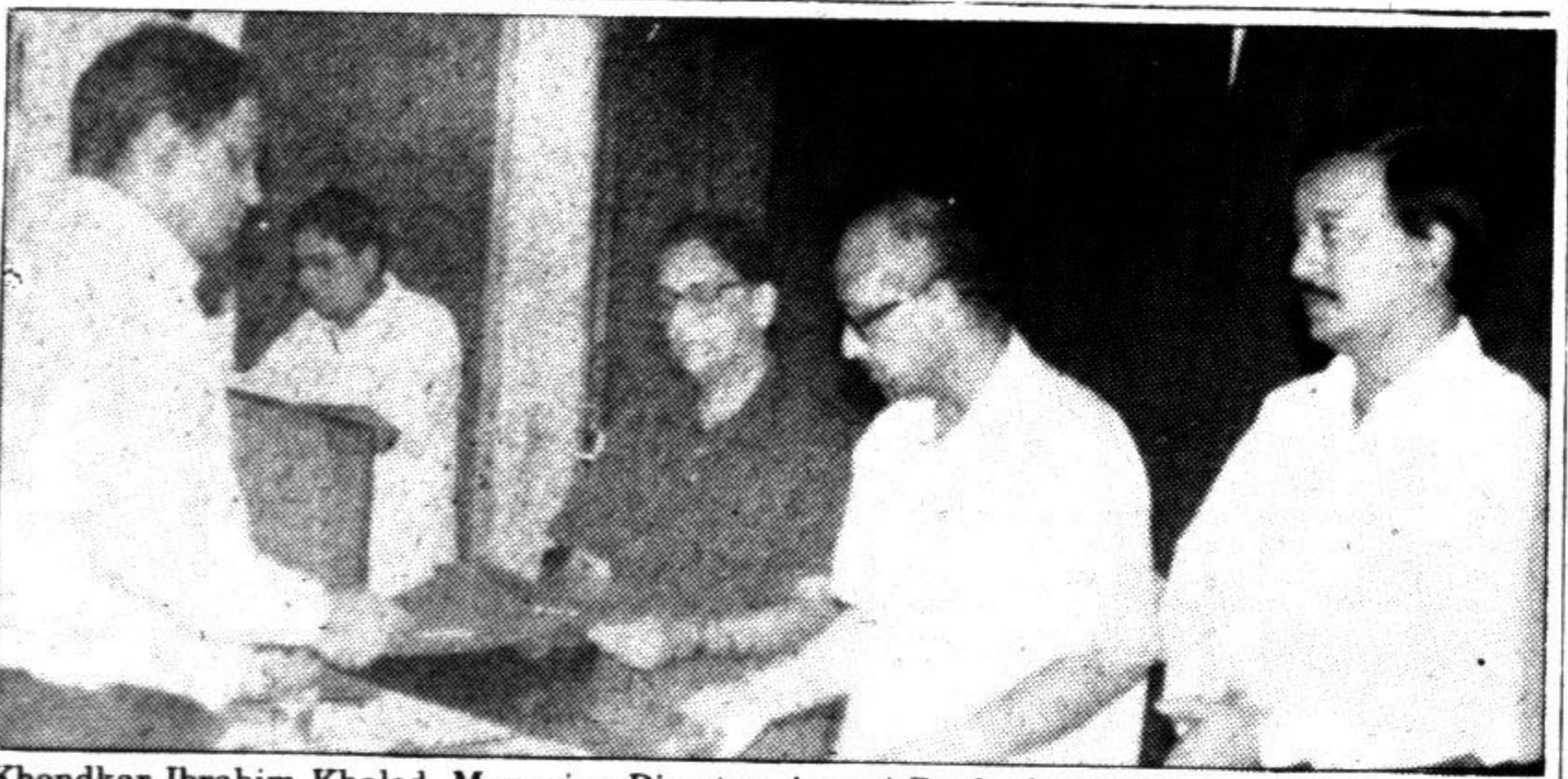
The alarming feature of several large frauds coming to light in 1996 is the increasing involvement of senior staff at the branch level,"

Talwar said in addition to the liberalisation of interest rates by the central bank, there was a steady and significant reduction in the level of funds required to be kept aside by law for the government.

"Between November 1995 and July 1996 about 168.25 billion rupees (4.80 billion dollars) has been released by way of reduction in the cash reserve requirements," he said.

Talwar said New Delhi had, as part of the reforms, poured money into state-owned banks to strengthen capital foundations.

"About 120 billion rupees (3.42 billion dollars) has been infused in the last three years," he said.



Khondkar Ibrahim Khaled, Managing Director, Agrani Bank, distributing certificates among the participants of the course titled "Managing difficult employee situation, and communication skill" organised by ABTI. Director and Deputy General Manager of AETI Badruddin Ahmed, Assistant General Manager Md. Akhtar Hossain and course coordinator Tarik Chandra Karmokar are also seen.

## 'Bond investment adviser guilty of corruption charges in US'

### UN-Iraq oil-for-food plan US announces readiness to approve procedures

BOSTON, Aug 10: A federal jury on Friday convicted investment adviser Mark S Ferber of 58 fraud and corruption charges for using ties with a state agency to secure municipal bond contracts for a brokerage firm, says AP.

"We feel that this case represents Mark Ferber's betrayal of the public trust for his own personal, criminal gain," said Assistant US Attorney Brien T O'Connor.

"We all depend on the government process being fair and impartial. Here, it was infected," O'Connor said.

Ferber, 43, faces up to five years in prison and 250,000 dollars in fines, plus restitution, on each count. However, under the sentencing guidelines it is unlikely he would serve more than five years altogether, prosecutors said.

US District Judge William G Young ordered Ferber to stay in Massachusetts and to report to court officials by telephone daily and in person weekly until his sentencing November 4. His passport already had been confiscated.

UNITED NATIONS, Aug 10: After weeks of checking the details of the Iraq-UN oil-for-food plan, the United States announced August 7 that it is ready to vote to approve the procedures, says AP.

US Ambassador Madeleine Albright said the United States would inform the other 14 members of the Security Council's Iraqi Sanctions Committee that it is "prepared to move ahead on the resolution which initially laid out the oil-for-food plan."

The other 14 members of the sanctions committee gave their approval to the procedures last month, but the United States took more time going over the details.

The US has been concerned about the number of monitors, their locations, and other various technical aspects of the monitoring, Albright said.

The United States still wants technical changes, but does "not impose any conditions," the ambassador said.

"What we have wanted to do all along is to assure ourselves that all the procedures that go along with this are appropriate and we will make sure that they are carried out very rigorously," Albright said.

The suit was brought on behalf of Grady Carter, who was diagnosed with lung cancer in 1991, against the US unit of British American Tobacco (BAT).

The surprise decision sent tobacco shares plummeting on Wall Street.

American Tobacco closed down 1-1/2 at 44.24 dollars while Philip Morris shed 3.50 dollars to 102 dollars and RJR Nabisco 3.5/8 dollars to 28-5/8 dollars.

Trading of Philip Morris shares were suspended a half hour before closing in expectation of the jury decision.

But on the secondary market where electronic transactions continued after the closing bell, Philip Morris shares plunged 13-3/4 dollars.

Brown Williamson Tobacco, the US parent company of American Tobacco, said it was disappointed with the verdict and indicated it would appeal the decision.

The trial was prejudicially tarnished by allowing the jury to receive inadmissible evidence and to hear testimony based on speculation, the company said.

## HK to send back US garbage

HONG KONG, Aug 10: A cargo of plastic and household waste from the United States will be returned after China and Hong Kong refused to accept the garbage, the government announced Saturday, reports AP.

Hong Kong will also tighten its laws soon to stop foreign countries transhipping unwanted waste for dumping through the colony's port, government spokeswoman Ellen Chan said.

A shipment of 200 tons of garbage originating in Atlanta, Georgia, became the focus of a battle over international dumping when Chinese customs officials in the southern port of Fujian turned it back in May.

They said it was carrying illegal plastic and household waste, mixed with rotting food, instead of the colourless film scrap as declared. China passed a law on April 1 banning the importation of plastic waste.

Since then, the waste has been languishing in a barge in the colony's busy port as officials and shippers argued over who was responsible for it.

Hong Kong's Environmental Protection Department said Saturday it had reached agreement with shippers of the waste, Chiang's Brothers, to return the garbage to the United States.

The garbage was "mixed with household waste to the extent that recycling was not considered suitable," said department spokeswoman Chan.

As China had already rejected the waste, and "we don't want to use our valuable land" to dispose of it, "returning it to the exporting country for disposal is the best solution to this problem," she said.

The waste will be rebaled and sent back in two shipments.

## Former smoker wins suit against American Tobacco

JACKSONVILLE, Florida, Aug 10: A Florida jury awarded a former smoker of lucky strike cigarettes 750,000 dollars after finding American Tobacco negligent for producing defective products, reports AFP.

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## Dhaka Stock Prices

At the close of trading on August 10, 1996

### Index continues to rise

#### Star Report

The Dhaka Stock Exchange All Share Price Index continued to rise amid thin trading on the first opening day of the week.

The price index gained 3.44

points, reaching 1130.33 from

previous day's 1126.89.

The market capitalisation of

the Dhaka bourse inched by Tk

23.61 crore to Tk 7754.75 crore

from Tk 7731.14 crore.

Both the turnovers in volume

and value declined by 46

per cent.

During the day's trading a

total of 2066 hawals were

made.

A total of 118 issues traded

on the day, of which 69

gained, 43 incurred loss

while 66 issues remained

unchanged.

The leading gainer of the

day was 1st ICB Mutual Fund

with a Tk 100.00 per share

while the losers were led by

Singer Bangladesh with a fall of

Tk 110.35 per share.

AMCL Pran, Amara Sea Food,

Monno Ceramic, Apex Foods

and United Leasing Co were

also significant gainers.

Prime Textile, Aziz Pipes,

2nd ICB Mutual Fund and Al

Baraka Bank were also major

losers of the day.

The volume leaders of the

day were: ACI Ltd (55700),

Aramit Ltd (33250), Beximco

Pharma, Monno Fabrics

(18400) and Quasem Drycells

(15700).

## DSE at a glance

Total Number of Listed Securities	203
Total Number of Companies	185
Total Number of Mutual Funds	7
Total Number of Debentures	11
Total No. of Shares & Debentures	382,096,163
Day's DSE All Share Price Index	1130.33
Day's Market capital Tk	7754.75cr
Day's Transaction in volume	373447
Day's Transaction in value Tk	8,34cr
Day's Total Issues traded	118
Day's Issues gained	69
Day's Issues incurred losses	43
Day's Issues unchanged	6
Day's Total No of Hawals	2066

## PEEP INTO ISSUES

Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
BD Lamps Ltd.	05/09/96-15/09/96	AGM	15/09/96		40
BGIC Ltd	14/09/96-12/09/96	AGM	12/09/96	Ladies Club, 11:00 am	23
Pragati Ins Co.	01/09/96-21/09/96	AGM	21/09/96	Hotel Sonargaon, 3:30pm	25
East Ins Co.	01/09/96-22/09/96	AGM	22/09/96	Hotel Puban, 3:30pm	16
Fei Ins Co.	27/09/96-19/09/96	AGM	19/09/96		15
UCBL	27/09/96-10/09/96	AGM	10/09/96	Hotel Sonargaon	
Sandhan Life Ins.	11/09/96-25/09/96	AGM	25/09/96		
Reliance Ins Co.	28/09/96	EGM		Hotel Sonargaon, 3:30pm	
Reliance Ins Co.	11/09/96-26/09/96	AGM		Hotel Sonargaon, 04:00pm	20
Prograti Ins Co.		EGM		Hotel Sonargaon, 3:30pm	
Bengal Food Ltd	26/09/96	EGM		BCIC Auditorium, 3:30pm	
Bengal Food Ltd.	12/09/96-26/09/96	AGM	26/09/96	BCIC Auditorium, 3:15pm	
Dynamic Tex	07/09/96-20/09/96	AGM	20/09/96	Factory Site Baluka Mymensingh 11am	184
ACI Ltd	22/09/96-05/09/96	AGM	05/09/96	MCI 4th floor 122-124 Motijheel CA 20/F 3pm	15
Janata Ins.	08/09/96-04/09/96	AGM	04/09/96	Hotel Sonargaon 5pm	16
Meghna Shrimp	24/09/96-08/09/96	AGM	08/09/96	Hotel Sonargaon 3pm	16F