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## IT firm charged with skimming funds

By M Shamsur Rahman

On the face of it, it looked like the information technology industry was making a ground-breaking move, for an IT firm is going public for the first time in the country.

A closer look suggests that the firm may be skimming off funds from the unsuspecting investors by inflating its expenditures and overvaluation of assets, though.

and Telecommunications Ltd., which provides Internet service among other things, published its prospectus early this month to raise Tk one crore through public subscription with an issued capital of Tk 2.5 crore. The rest is to be raised through private placement.

However, things have turned out to be different. The Securities and Exchange Commission (SEC) is now

probing allegation of overvaluation of assets by the company following a complaint by other Internet Service Providers (ISPs) who alleged that the assets of the company have been overvalued many times than the actual.

The price of China-made V-SAT 3.0 Meter Focus Antenna has been shown at Tk 11.35 lakh in the balance sheet of the company. "But the market price

of the same antenna is Tk only Tk 3.5 lakh," said the complaint. "Anybody can check the price with the local suppliers."

The price of V-SAT equipment is quoted in the company's prospectus at Tk 29.34 lakh which should in no way be more than Tk 15 lakh, the complaint, said adding that budget for the V-SAT server equipment has been estimated

## SKOP strike disrupts production in mills

By Staff Correspondent

Production in the country's major industrial zones was disrupted yesterday, the first day of the 48-hour rail-road barricade and strike enforced by Sramik Karmachari Oikya Parishad (SKOP).

SKOP, an umbrella of country's 18 trade union organisations announced the programme for implementation of an agreement signed with government.

The government signed the agreement two years ago.

The demands include minimum wages for mill workers, reopening of all closed mills, cancellation of privatisation process, reinstatement of all retrenched workers and right to trade union.

In the city's Shyampur Demra industrial area most mills remained closed during

See page 11 col 3

## Ctg killings Order to attach property of 9 accused

From Our Correspondent

CHITTAGONG, Sept 11: The Chief Metropolitan Magistrate's Court, Chittagong, today ordered attachment of property of nine accused in Bahadurhat incident in which 8 people including 6 BCL activists were killed on July 12.

The court issued the order following an appeal submitted by the Investigation Officer of the case on September 6. The appeal for attachment followed statements of three accused - Bayezid, Abdul Hakim and Mukti - made under 164.

The court order attachment of property of Habib Khan, Md Nasir, Baiyia Alamgir, Delwar, Enamul Haq, Rezaul Rahman Mukti, Bayezid and Abdul Hakim. But the primary inquiry found most of them as dependents and without having any personal property.

## HC asks Adel to surrender by Wednesday

By Staff Correspondent

The High Court yesterday ordered Jatiya Party leader Jangir Mohammad Adel who is facing a sedition charge to surrender before the trial court by Wednesday.

The Court also ordered police not to harass or arrest him during this period in connection with this case.

The order followed hearing of Adel's bail petition by a Vacation Bench of the Court, comprising Justices Nurul Islam and Justice Latifur Rahman.

Earlier, Adel had surrendered before the High Court (HC) on Sunday and spent the

See page 11 col 3

## Inside Today Article

Politicians' Meetings with Editors: Points to Ponder  
Column: Heart of the Matter  
By Mansoor Mamoon  
Page 4

	Sun Rises	Sun Sets
Sept 12		6-05 pm
Sept 13	5-44 am	

Prayer Timings September 12		
	Azan	Jamaat
Fajr	4-45	5-15
Zohr	12-45	1-15
Asr	4-45	5-00
Maghrib	6-10	6-15
Esha	8-00	8-30

Source: Islamic Foundation

## BB Governor against changes in definition of defaulters

Star Report



Dr Farashuddin

Bangladesh Bank Governor Dr M Farashuddin has observed that the proposed amendment to the definition of defaulters doesn't offer an ideal situation for the banking sector.

"We had set an international standard of classification and made it effective from January, 1999. However, some quarters felt that the law was a bit too harsh. But we had to bargain a lot even to get the amendment in its present form," the governor said at a press briefing yesterday at the bank's conference room.

He however declined to comment more on the issue, saying, "We have to live with it."

According to the government's proposal, a person or company will not be considered a defaulter if he/she has a standard or doubtful loans and a loan will be classified only when it becomes bad.

Moreover, if a person has less than 20 per cent stake in a defaulting company, he will not be dubbed a defaulter. These proposals fundamentally change the situation in the banking sector.

Speaking on various aspects of the economy, Dr Farashuddin dismissed some old figures and mostly refrained from backing his claims with hard facts. He felt embarrassed to reply to a number of questions regarding loan defaults. On top of that, he said the press should not probe much into the

central bank dealings. When the governor's attention was drawn to a report that one of the directors of the central bank, Kazi Md Shaiful Islam, had supported a defaulter in the FBCCI election, he said he should not make any comment on it.

Dwelling on devaluation of taka, he said the central bank does not have any study on the impact of devaluation and fuel price hike on the price level.

Taka is never devalued because of high dollar price in the kerb market, he claimed, be-

cause the kerb market does not reflect the country's economic fundamentals and its external trade.

Evaluation of the currency basket and economic fundamentals of the country are the main indicators for devaluation, he noted.

While supporting liberalisation, the governor said when duty is reduced and taka remains overvalued, the situation offers an open invitation to import, both legal and illegal.

Dr Farashuddin also said devaluation is one of the main tools to increase exports, others being infrastructure and law and order.

"In the last one year, there has been a big increase in exports, for which devaluation played a major part."

Asked about the reasons for the kerb market's thriving business in foreign exchange, he said the central bank does not have any study on the phenomenon. "Ask those who go there (kerb market) for an explanation."

The governor also claimed that despite a 20 per cent increase in industrial loan and 18.6 per cent growth in money supply last fiscal year, inflation remained below four per cent on a point to point basis.

Regarding the alleged irregularities in SABINCO, See page 12 col 3

## Bill to retain women's JS reserved seats likely to be lapsed

By Nazmul Ashraf

The crucial bill seeking retention of women's reserved seats in the Jatiya Sangsad is likely to be lapsed as the government has opted for legal course after failing to secure opposition support for the bill.

The Parliamentary Standing Committee on Law Ministry finalised its recommendations on the bill yesterday and is expected to submit those in the House in a day or two, its Chairman and Prime Minister's Parliamentary Affairs Adviser Suranjit Sengupta told this correspondent.

Introduced in the House on June 17, the bill was sent to the JS body for scrutiny and return to the House in four weeks. But it failed to do the job even in six days since the present session began on September 6. It got additional time due to adjournment of the last session before expiry of the given time.

"We can not keep on sitting on such a crucial bill due to opposition's continued non-cooperation. How can we allow a constitutional vacuum to take place?" Sengupta posed the question.

He said his report is unlikely to undergo any fundamental change. The recommendations

include those from various women's organisations and legal experts, he said.

The bill seeks a 10-year extension of the tenure of the existing 30 reserved seats for women, which is due to expire in April 2001.

Various quarters including leading women's bodies have meanwhile demanded an in-

See page 11 col 7

## Akhtaruzzaman served with final showcase

By Staff Correspondent

BNP yesterday served a 'final' show cause notice on its dissident lawmaker Maj (Retd) Akhtaruzzaman on charge of violating the decisions of the party and its parliamentary wing and acting against the party, sources concerned said.

The notice was served following the recommendation of a high-level party meeting and at the instigation of party Chairperson and Leader of the Opposition in Parliament Khaleida Zia.

Akhtar has been asked to See page 11 col 6



Japanese synchronized swimming team jump to the pool to practise their free programme yesterday at Sydney International Aquatic Centre. The Sydney Olympic Games 2000 begin Friday. - AFP photo

## Sydney ready as Olympic torch arrives

SYDNEY, Sept 11: Ninety-six days after the Olympic flame touched down in Australia, it finally arrived in Sydney today and Lord Mayor Frank Sartor said the city was ready, reports AFP.

Thousands of people lined the route of the torch in suburban Sutherland as the torch arrived on Sydney's outskirts aboard an historic tram from nearby Loftus.

Sutherland mayor Tracie Sonda said it marked the culmination of months of hard work, anticipation and excitement.

See page 11 col 7

## Another desperate move to replace Bhuiyan falls flat

By Rezaul Karim

Yet another desperate move by BNP hardliners for replacement of party Secretary General Abdul Mannan Bhuiyan has failed as party Chairperson Khaleida Zia refused to bring in a news face in the post.

The move was strongly opposed by almost all top leaders of the party, majority members of its Standing Committee and the Advisory Council, MPs and leaders and activists of the party and its front organisations.

Party sources said the move to replace Bhuiyan with Standing Committee member Dr Khandaker Mosharraf Hosain MP was taken immediately after he (Bhuiyan) was admitted to hospital following a heart attack on August 30.

The hardliners who reportedly misguided the party with 'imprudent and unrealistic' decisions in the past tried to

See page 11 col 5



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(find out tomorrow)

## Exxon-Mobil winding up Energy Ministry formally informed

Star Report

World oil leader Exxon-Mobil has officially informed the Energy Ministry about its decision to wind up its investment from Bangladesh, sources said.

Prior to their high-profile merger in October last year, Exxon and Mobil were separately pursuing two LPG bottling plants with one lubricating oil blending unit for the last three to four years.

The company at a meeting with the energy secretary in Singapore last week said that it would no longer pursue the LPG and lubricant projects.

Sources said that the energy secretary tried to talk the company into continuing at least with the lubricant projects. But the oil giant declined, saying that it would not be financially viable for the company to pursue a single project.

Exxon-Mobil had decided to wind up the LPG projects a couple of months back following a series of complicated de-

velopments on the feasibility of pursuing two LPG projects in the context of the merger, bureaucratic bottlenecks in Bangladesh and detection of some irregularities by their own executives, the sources said.

Since 1997-98, Exxon had been pursuing a joint venture project to set up a LPG bottling plant with Bangladesh Petroleum Corporation (BPC) in Mongla. At the same time, Mobil was pursuing an LPG and a lubricating oil project with Jamuna Oil in Chittagong.

But due to bureaucratic tangles that in the way of acquiring land and forming joint venture boards, both the projects were snailing.

Following the merger, these projects were assigned from two aspects under two executives - LPG scheme and Lubricant scheme. The company then re-evaluated the LPG scheme with the notion that it would be cost-effective to undertake one LPG project instead of two.

It was then determined that the LPG scheme in Mongla was more feasible than that in Chittagong because of lower transportation cost and higher local demand, among other things. "The Mongla scheme turned out to be four to five per cent more profitable than the Chittagong scheme," said a source.

But the government insisted that Mobil-Exxon go for the Chittagong scheme. A Mobil-Exxon study team, however, recommended to its headquarters that the company go ahead with the Chittagong LPG project.

But the headquarters rejected the idea saying that the Mongla project was more profitable. It reviewed the proposal and deduced that since the government was insisting that the company make 'bad' decisions, it is better to abandon the whole scheme, a source said.

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