

India plans tough law against loan defaults

AFP, New Delhi

Indian Finance Minister Yashwant Sinha said Saturday the government was set to introduce new banking legislation in parliament which will help banks recover millions of dollars in loan defaults.

"We have thought of... legislation where creditors will enjoy the rights to recover their dues easily. The legislation is ready and we hope to take it to parliament in the next session," Sinha told reporters.

The next session of parliament begins in the middle of July.

India's state-owned banks and financial institutions which dominate the sector have loan defaults running into more than 20 billion dollars.

Sinha said the government would ask state-owned banks and financial institutions to crack down on the defaulters.

The finance minister said a specialised asset restructuring company was also due to be set up

for banks to help them to whittle down their pile of bad debts.

"We cannot afford to show any mercy to willful defaulters. Chase them, bring them to debt recovery tribunals, handle them as strongly as possible," he said.

At the same time Sinha asked banks to offer higher credit to small borrowers, especially first generation entrepreneurs.

"Move out from just the top 500 companies and go out to those who need the credit most," he said.



PHOTO: RELIANCE INSURANCE

Picture shows Romana Rouf Rume, Iftikhar Arshad Husain, Atiqur Rahman, Amanullah Chowdhury, Asadul Huq, Rokia A Rahman, Latifur Rahman, A Rouf Chowdhury, Shahnaj Rahman, M Shamsul Alam, Yasmeen Khan, Shamsur Rahman, Rajiv Prasad Saha, Farzeen Khan, Md Hamidur Rashid and Kanai Lal Saha at the 14th annual general meeting of Reliance Insurance Limited held at a city hotel yesterday.

Holcim plants, office now microwave connected

Holcim Bangladesh has introduced microwave communication between its Corporate Office and plants for voice and data communication while two of its plants are also connected through optical fiber, says a press release.

E1 digital PABX connectivity between Corporate Office and plants has been installed recently. Consumers or callers can now access any of the plants at Meghnaghat and headquarter only by a 3-digit extension number. This way, PABX on either side is acting virtually as a single PABX.

This major project has been carried out by IT department of Holcim Bangladesh and Techvalley Computers Ltd.

BUDGET QUIPS

"Indian Ruhi-Katla is expected to generate a tax revenue of Tk 37 crore in FY 2002-2003."

"How about Bangladeshi Ruhi-Katla? They should be capable of generating at least Tk 500 crore of additional tax revenue."

"Thanks for the benchmark figure. The Chartered Accountants' firms working on it will have something to go by."

MMI



PHOTO: CITY BANK

Deen Mohammad, chairman of The City Bank Limited, opens the new premises of the bank's Kawran Bazar Branch at 8, Panthapath in the city on Saturday. Directors Azizul Haque Chowdhury, Rafiqul Islam Khan, Managing Director Abbas Uddin Ahmed, Consultant Habibur Rahman, Executive Vice-President M Shafiqul Alam, Secretary Manash Kumar Ghosh and Chairman of Unique Group Md. Noor Ali are also seen in the picture.

Reliance Ins declares 30pc dividend

Reliance Insurance Ltd declared a 30 per cent dividend for shareholders at its 14th annual general meeting held in the city yesterday, says a press release.

Shahnaz Rahman, chairperson of the Board, presided over the meeting.

The AGM also elected two new directors from public shareholders. The newly elected directors are Atiqur Rahman and Imran Faiz Rahman.

A Rouf Chowdhury was unanimously elected chairman of the board of directors.

The board of directors of the company is now comprised of the following members: A Rouf Chowdhury, chairman, Rajib Prasad Saha, vice chairman, and directors: M Shamsul Alam, Anwarul Huq, Asadul Huq, Yasmeen Khan, Shahnaz Rahman, Rokia A Rahman, Amanullah Chowdhury, Iftikhar Arshad Husain, Atiqur Rahman, Romana Rouf Rume and Imran Faiz Rahman.

The meeting also observed one minute silence as a mark of respect to late Azimur Rahman, founder director of the company, who died on October 23, 2001.

G7 powers gather as markets tumble

AFP, Halifax, Canada

Group of Seven finance ministers gathered here Friday to buck up a fragile global economic recovery in the face of sliding financial markets and heightened world tensions.

The finance ministers of the world's most industrialized nations flew into the Atlantic harbor of Halifax confronted by sliding stocks and a dollar that has turned tail after seven years of gains.

More than 200 anti-globalization protesters accompanied by bagpipes marched through the city streets just ahead of a working G7 dinner to discuss financial crises in the late 19th century city hall.

Police lined the route and stood by waist-high metal barriers shielding the ministers.

The policymakers also hold talks Saturday morning before delivering a joint statement expected to reassure jittery investors that the world economic recovery is on track.

Evaporating investor confidence, dried up by a slew of corporate and financial scandals since former energy titan Enron collapsed in December, has hit the US equity

market, spreading gloom elsewhere.

In the background, market fears were fed by a car bomb attack on the US consulate in Karachi, conflict between nuclear-tipped India and Pakistan, and Middle East bloodshed.

But the world economy is responding well after suffering the shock of September 11, Canadian Finance Minister John Manley said before hosting the dinner.

"It is not a problem-free environment," he conceded.

Wall Street's Dow Jones index is down more than six per cent since the G7 powers last met on April 20. It plunged more than 200 points early Friday before recovering to close only marginally down.

Many European markets plunged to their lowest levels since the September terror attacks.

"The persistent weakening of global equity markets has raised new concerns about growth prospects and there is likely to be a call for continued support for global growth," said Citibank global currency strategist Robert Sinche.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	Currency	Buying
TT/OD	BC	TT Clean
58.5500	58.5800	USD
56.2073	56.2942	EUR
87.3277	87.3697	GBP
33.6261	33.6506	AUD
0.4743	0.4744	JPY
37.8083	37.8328	CHF
6.1210	6.1262	SEK
38.0806	38.1051	CAD
7.514	7.5152	HKD
32.8801	32.9015	SGD
16.0710	16.0886	AED

Exchange rates of some currencies against US dollar

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor Kroner	NZ Dollar	AUD
48.98	60.25	96.35	42.175	7.8619	0.4839	0.5604

The local interbank foreign exchange market was active on Saturday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 5.0 and 6.0 per cent for the day.

The international market was close on Saturday. At the closing of New York on Friday, euro traded at 0.9449/59 against dollar, pound sterling at 1.4768/74 and yen traded at 124.13/19 against US dollar.

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