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Certificate cases against 26 officials of 6 firms in 2005

SEC files cases as listed companies fail to pay penalty money

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) filed certificate cases against 26 officials of six listed companies in 2005 for their failure to pay penalty money in time.

The capital market watchdog fined the officials Tk 1 lakh or more each for violating the SEC rules including non-submission of half yearly financial statements, failure to hold annual general meetings (AGMs) and non-submission of audited financial statements, market sources said.

As per the SEC rules, the officials, against whom certificate cases were filed, have to pay fine within a certain period of time and if they fail, warrant of arrest and seizure of property will be ordered after the deadline.

SEC filed certificate cases against three officials of Raspit Incorporate Bangladesh Limited, five of JH Chemical Industry Limited, four of Saleh Carpet Mills Limited, six of Karim Pipe Mills Limited, four of Rupan Oil and Feeds Limited and four of Khaza Mosaic Tiles and Stone Industries Ltd.

The commission filed two certificate cases each against Raspit Incorporate Bangladesh, JH Chemical Industry and Rupan Oil and Feeds, three certificate cases against Saleh Carpet Mills and one certificate case each against Karim Pipe Mills and Khaza Mosaic Tiles and Stone Industries.

Besides, the capital market regulatory body is also preparing to file two more case against JH Chemical and Khaza Mosaic.

The commission also rejected an appeal to waive penalty on Khaza Mosaic and sent the case to law department for penalty realisation.

The SEC in 2005 fined some 58 officials of 12 listed companies. Of the officials, many of them were fined for two or more offences.

However, SEC may withdraw fine against five officials of AB Biscuit Company Limited if the AGM of the company is held within December 31. Besides, the SEC could not take any decision against seven officials of Eagle Box Carton Manufacturing Company Ltd as a case is under trial with the High Court.

Meanwhile, the SEC waived penalty against 19 officials of four listed companies in 2005, including six of Bangladesh Dyeing and Finishing Industry Ltd, four of Pharmaco International Limited, five of Mona Food Industry Limited and four of Dhaka Vegetable Oil Industry Ltd.

Officials said as the companies fulfilled the requirements of the commission, the SEC waived the penalty.

"It is not an objective of SEC to fine an official of a company or impose penalty on a company. The SEC fines or imposes penalty only to force the companies to follow the rules and regulations," said a high official of SEC.

"The tendency of violating SEC rules has been reduced due to this penalty initiative of SEC," the official added.

Ziska Pharma's production plant inaugurated

Ziska Pharmaceuticals Ltd held a function in Dhaka Saturday to mark the inauguration of its production plant at Shafirpur in Gazipur.

Khandaker Mosharraf Hossain, health and family welfare minister, spoke at the function as chief guest, says a press release.

Mizanur Rahman Sinha, state minister for health & family welfare, MA Hadi, vice chancellor of Bangabandhu Sheikh Mujib Medical University, SM Shafiuzzaman, president of Bangladesh Aushad Shilpa Samity, Habibur Rahman, director of Drug Administration, among others, were present at the function.

Listed firms decry changes to rights issue rules

JASIM UDDIN KHAN

Listed companies have raised strong objection to some amendments to the rights issue rules, saying the changes will complicate the rights share issue process.

Bangladesh Association of Publicly Listed Companies (BAPLC) in a recent letter to SEC Chairman Mirza Azizul Islam said the new rules imposed by the Securities and Exchange Commission are not only tantamount to anti-market mechanism but also make the rights issue procedure cumbersome and expensive.

As per the amendment, a rights share issuer company will have to announce two separate dates for book closure or record date -- one for shareholders' decision regarding the proposed rights issue and the other for entitlement of rights issue after getting the SEC clearance.

The letter signed by the BAPLC President Samson H Chowdhury said the SEC notification also contradicts the provisions of the Companies Act 1994 as the approval of the Rights Share Offer Documents by the SEC has been made mandatory.

The BAPLC leader in the letter also said the requirement of SEC approval violates the provisions of the Companies Act 1994 by negating the authority of a company board resulting in curb on entrepreneurship of sponsors.

The owners of the publicly listed companies (PLC) urged the SEC to rescind the notification and restore the authority of the Board of Directors as per provisions of the Companies Act 1994, enabling PLCs to raise further capital whenever required.

They also proposed that the SEC empower the Board in taking decisions about such issues as pricing of IPO/rights shares, underwriting, manager to the issue, rating of equity shares at premium, consent fees by the SEC and publication of prospectus in dailies.

The SEC earlier on November 21 issued a notification regarding amendment to Rights Issue Rules 1998.

When asked, an entrepreneur said no rule or law should be enacted, which undermines entrepreneurs' legal supremacy and benefit.

An SEC director said the changes have been made in order to check any unnecessary issuance of rights issue by the companies.

Some of the listed companies have unnecessarily issued rights issue and set their prices irrationally high, which misguided general investors.

Malaysia to begin use of biofuel on roads next year

XINHUA, *Kuala Lumpur*

Malaysian state-owned diesel-powered transport vehicles, army trucks and the plantation industry will begin to use biodiesel on a trial basis, local newspaper reported on Sunday.

Biofuel would make its debut in sectors under three ministries -- Defense, Transport and Plantation, the New Sunday Times said.

Plantation Industries and Commodities Minister Chin Fah Kui said that the move is a preparatory measure taken by the government before the "green oil" is fully commercialized and ready for general use from January 1, 2007.

The year 2006 would be trial period to identify any problems with biofuel, he said. Selected public buses, taxis and army trucks and four-wheel drive vehicles will use biofuel, while palm oil millers will feed their generators with the fuel to power their mills.

Malaysia started work on biodiesel two decades ago, but the idea for the country to use palm oil to power machines came not very long ago when crude oil prices on the world market soared higher and higher.

ROK consumers confident about economic rebound

ANN/THE KOREA HERALD

Consumer sentiment picked up in the fourth quarter, a Bank of Korea survey showed Friday, suggesting that a rebound in consumption is gaining enough momentum to sustain the one-legged economy.

The consumer confidence index rose to 94 points in the fourth quarter from 87 during the previous three months, according to the central bank's survey of 2,496 households in 30 major cities across the country.

It was the highest reading since the first quarter when the index rose to 108.

An index above the benchmark 100 means more respondents expect economic conditions to improve over the next six months.

The central bank expects the economy to expand by 5 percent in 2006 on the back of rising consumer spending after growing by an estimated 3.9 percent this year.

Five participants who attended the monthly meeting held at the central bank yesterday shared the view that economic sentiments felt by market participants will improve in the coming year along with solid macroeconomic figures.

They also called on the government to come up with measures to deal with the deepening polarisation of the economy.

Rising prices of raw materials and frequent labour disputes have made it difficult for smaller businesses and the self-employed to cope with the economic downturn.

PHOTO: STAR

Salespeople display plastic packaging materials at a stall at the four-day fair of plastic goods that concluded in Dhaka yesterday.

Int'l plastic goods fair ends on a high

STAR BUSINESS REPORT

With huge response from visitors, the four-day fair of plastic goods concluded in Dhaka yesterday.

Organisers said around 40,000 people visited the fourth version of the fair titled 'International Plastic Fair 2005 ' held at Bangladesh-China Friendship Conference Centre.

A total of 40 exhibitors from both home and abroad showcased their products including plastic furniture, toys, garment accessories, household items, sanitary fittings, spare parts of textile and jute mills, water tanks and packaging items at around 60 stalls.

Apart from the local companies, five foreign companies -- two from Taiwan, one from Singapore and two from India -- also got notable response from the visitors.

Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) organised the fair, which began on December 22. The Daily Star and ATN Bangla were the media partners of the exhibition.

Local participants said each stall sold plastic goods worth between Tk 25,000 and Tk 35,000 a day in the fair.

"We sold house hold plastic goods valued at Tk25,000 every day at the fair," said Md Toukirul Islam, manager of RFL Plastic Ltd, a concern of Rangpur Foundry Ltd.

The daily sales volume of Bengal Plastic Industries Ltd was around Tk1 lakh a day in the fair, said an official of the company.

Visitors also supported the participants. "For middle class people like me plastic goods are very helpful as the products are comparatively cheap. Besides, the plastic goods are easy to handle," said Manjur Hossain, a visitor.

"I like plastic goods for home use," said Parvin Rahman Mukta, who bought two sets of plastic pot.

The organisers also said the main aim of the fair was to get adequate support from the government for the plastic industry, which exports goods worth Tk 800 crore a year.

Shahedul Islam Helal, vice president of BPGMEA, said plastic is becoming a potential export sector in the country. But in the name of environment protection, the government closed down some export-oriented plastic factories.

"If the government take steps to build a plant for plastic waste management and allows the closed factories to resume, Bangladesh can earn more foreign currency from the sector," he said.

S Korea to allow foreign firms to hold IPOs

AFP, *Seoul*

South Korean financial authorities said yesterday they had eased listing rules to allow foreign firms to hold initial public offerings on the country's bourse.

"Foreign companies which have never listed on overseas exchanges are allowed the primary listing in which they can list stocks on the local bourse," the Financial Supervisory Committee said in a statement.

The rules were revised Friday "in line with the principle of treating domestic and foreign businesses equally" to globalise the local bourse, it said.

Both domestic and foreign companies are subject to the same listing requirements and procedures, the financial regulator said.

To list in South Korea, firms must post 20 billion won (19.7 million dollars) in annual average sales over the past three years and more than 10 billion won in shareholders' capital.

No foreign firms have so far listed in South Korea.

18 from Malaysia among world's top Muslim firms

ANN/*The Star*

Eighteen Malaysian companies were among the top 100 businesses in the Muslim world in the second annual ranking of Dinar Standard, a business strategy e-magazine.

The ranking of companies in the 57 member countries of the OIC (Organisation of the Islamic Conference.) shows a healthy 28.7 percent in aggregate revenue growth of its listed companies over the previous year indicating a strengthening of economies in the Muslim world

Petroliam Nasional Bhd (Petronas) was the top Malaysian company coming out third in the ranking after Saudi Oil Company of Saudi Arabia and National Iranian Oil.

The other Malaysian companies listed were Tenaga Nasional (30); Amsteel Corporation Bhd (33); Sime Darby (35); Telekom Malaysia (40); PPB Group (50); Petronas Perdagangan(54); Maybank Group (55); Malaysia Airlines (59); Malaysian International Shipping Corporation (66); Bumiputra Commerce Holdings (74); and Perusahan Otomobil Nasional (Proton) (75).

Also in the list were UMW Holdings (76); IOI Group (79); Maxis Communications (82); Berjaya (86); Public Bank Bhd (95); and Genting Highlands (99).

Turkish companies continue to lead the list with 25 represented enterprises, followed by 18 from Malaysia, 15 from Saudi Arabia, and 11 from Indonesia.

Other countries represented include the UAE, Pakistan, Iran, Nigeria, Morocco, Kazakhstan, Egypt, Bahrain, and Algeria.

Saudi Aramco, the world's top oil producer, continues to lead the DS100 as the largest business enterprise of the Muslim world with an estimated 36 per cent rise in its revenues from the previous year.

Overall, the energy sector dominates the top of the list with eight of the top 10 being state-owned Integrated Oil & Gas companies.

However, it is the diversified conglomerates that have the highest representation on the list (22 of the 100), with Turkish family owned conglomerates Koc Holding, Sabanci Holding, and Dogus Holding having the highest revenues.

The purpose of the DS100 is to portray as close a picture as possible of the corporate environment in OIC member countries.

It continues to include government and private enterprises, for whom data was verified through public sources, to reflect their disproportionately significant role in the Muslim world economies.

"This year's ranking continues to recognise the rich diversity of corporate activity in the Muslim world," said Rafi-uddin Shikoh, editor of Dinar Standard.

"With the tremendous global media interest in the first DS100 ranking, we are confident that the ranking is playing its part in raising the spirit of competitiveness in the region," he added.

Dinar Standard is a business strategy e-magazine addressing the unique challenges and opportunities for businesses in the Muslim world and beyond.

Garment makers of China, Japan, Italy form alliance

CEIS, *Hangzhou*

China's top textile manufacturer Youngor is to join hands with its Japanese and Italian counterparts Itochu and Marzotto in developing the international high-end market, according to the president of the Shanghai-listed group.

The three leading garment makers and exporters in the world signed an agreement recently in east China's port city Ningbo, pledging all-round cooperation in technology, financing, marketing and human resources.

China's textile manufacturers lag behind their international competitors in making high-grade products.

In early 2003, the Youngor Group took the lead in the nation in cooperating with Japan's Itochu, the world's No 1 textile dealer, and introduced the most advanced technology and equipments into its Ningbo-based new subsidiary.

With a joint investment of 40 million US dollars, the new filial, which covers an area of 60,000 square meters, produces high-quality materials and garments, making the group stand out as a dark horse in the international arena.

Corporate statistics show that this year the group's export volume of Western suits and shirts has soared up by 120 percent and 70 percent respectively while that of textile materials jumped by 500 percent over last year, hitting a new high.

China, N Korea agree on offshore oil development

AFP, *Beijing*

China and North Korea on Saturday signed an agreement to develop offshore oil resources jointly, Chinese state media said.

Chinese Vice Premier Zeng Peiyan signed the deal with his North Korean counterpart Ro Tu Chol, who was on a four-day visit to Beijing, the Xinhua news agency said.

The report did not say when or where the neighbours would drill for oil.

Zeng said relations this year between the communist countries had progressed in economic cooperation and trade, and the Korean nuclear issue.

China has hosted six-party talks, currently stalled, with the United States, Russia, Japan and South Korea demanding that impoverished and isolated North Korea abandon its nuclear ambitions.