

# Star BUSINESS

DHAKA THURSDAY SEPTEMBER 20, 2012, e-mail: business@thedailystar.net

## Stock regulator to take action against 12 big investors

**SARWAR A CHOWDHURY**

The stockmarket regulator will take action against ten individual and two institutional investors as they bought high-priced and newly listed stocks on credit.

These stocks were not allowed to be purchased with bank loans, according to rules of the Securities and Exchange Commission.

The SEC will also take action against the credit providers and merchant banks, who were not allowed to give loans to the investors for purchasing such shares, commonly known as non-marginable securities.

The SEC took the decision at a meeting yesterday with its Chairman M Khairul Hossain in the chair.

Earlier, an SEC inquiry committee found irregularities in trading by these big investors and institutions through "omnibus accounts".

A government probe committee on stockmarket debacle in 2011 had stated in its report that it found unusual buy-sell and deposit withdrawal out of shadow accounts

under omnibus accounts. It cited 19 such accounts.

The committee had advised the government to investigate the shadow accounts under the omnibus accounts further.

After that, the finance ministry in May last year instructed the SEC to conduct an investigation into the 19 accounts.

The SEC later formed a two-member inquiry panel, which submitted a report to the commission in December last year.

The SEC committee examined the transaction ledgers of the 19 accounts in the period between January 1, 2010 and June 15, 2011 and detected violations of securities rules.

The committee found that the individual and institutional investors violated the rules in 2010 when the stockmarket was on an abnormal rise and many securities were overpriced and many new companies were being listed on the bourses.

The probe body detected the irregularities after an investigation into 19 shadow accounts under omnibus accounts with three merchant banks, also the loan providers.



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## bKash users face trouble in mobile money transfer

### Officials say the problem was due to system upgrade and will be fixed in 4-5 days

**SAJJADUR RAHMAN**

Agents and users of mobile financial service provider bKash have been facing trouble in money transfer for the last one week.

They even do not know what is going wrong with the service.

bKash, a subsidiary of BRAC Bank, however, said a system upgrade has caused temporary disruptions in some areas.

"We're carrying out maintenance work that has created temporary sufferings," Kamal Quadir, chief executive officer of bKash, said yesterday.

"I talked to distributors. The problem is not alarming," said Quadir. bKash made 70,000 transactions in last two days, almost similar to the number of usual transactions, he said.

He expected a fair solution to the problem by last night and a full recovery in next 4-5 days.

Quadir, however, claimed 95 percent of the users are getting bKash services properly. But the field-level situation is different.

"We have been facing serious trouble in making payments and transferring money for the last one week. We've heard bKash's server cannot take the load," said

Mohammad Shahin, who runs an outlet as a bKash agent in Gulshan.

Shahin said he used to make 400-500 transactions a day, but the number has come down to 30-35 in the past few days.

"A girl has been trying to send money to her parents for the last few days, but failed," he said.

Firoz, another agent in the same area, also echoed the same.

"The service was good when it was launched, but now transactions are being settled after a day or two," said Firoz.

Sabuj Hossain, who is a bKash agent at Karwan Bazar in the city, said his mobile money transfer service was totally inactive yesterday as he could not make any transaction.

Abdullah, another agent at Karwan Bazar, also admitted such a disruption.

But these agents could not tell the users

what the problem was, as they are not directly linked with bKash. Agents are appointed through distributors who maintain the link with bKash.

"We are facing trouble for the past eight days. The problem becomes acute during the daytime, but remains better at night (12-7am) when customer turnout is scarce," said Sadequr Rahman, owner of Channel Enterprise, a distributor of bKash in Gulshan.

Rahman said bKash officials told them that it was a technical problem and will be solved soon.

Bangladesh's first mobile financial service provider bKash started its formal business in July 2011 with an aim to provide financial services through mobile phones to both the unbanked and banked people across the country.

A phone call or a text message can make payments and money transfers. Customers are able to receive electronic money into their bKash accounts through salary, loan, domestic remittance, and other disbursements. They also can cash out the electronic money at any of the hundreds of agents assigned by bKash.

Now bKash has 15,000 agents and five



**Second from left, Nasiruddin, chairman of Social Islami Bank, gives a formalin detector to GM Quader, commerce minister, at a programme at Malibagh kitchen market in Dhaka yesterday. The machine will be used to detect formalin-laced food items at the market. Inset, the use of the machine is being demonstrated.**

## Minister pledges to control formalin use

**STAR BUSINESS REPORT**

The government will enact a tough law to control the use of formalin on fish and fruits soon, Commerce Minister GM Quader said yesterday.

Under the proposed law, the commerce ministry will ask formalin sellers to provide details on the use of formalin and the quantity to be sold.

"Businessmen will have to provide details about the buyer and quantity of formalin sold to them," Quader said.

Quader spoke as the chief guest at a function to hand over a 'formalin detection machine' to traders at Malibagh kitchen market in Dhaka.

The minister suggested setting up cold stores in kitchen markets to stop the use of formalin for preservation of fish, meat and other perishable food items.

Traders generally put formalin on perishable food from fear that the items would be spoilt before

reaching city markets, Quader said.

"So, there is no alternative to building cold stores to help small traders survive in competitive markets," he said.

He particularly urged the agriculture ministry and the private entrepreneurs to come forward in this regard.

The minister also stressed the need for the transportation of perishable goods on a priority basis.

"We have to give priority to transportation of perishable goods at waterways so that they can reach the destination as early as possible," said Quader.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has taken the initiative to supply the machines to kitchen markets with financial assistance of Social Islami Bank Ltd to detect the use of formalin in food.

Quader said imports of perishable food items are formalin-free on arrival, but a section of unscrupu-

lous businessmen use formalin to increase shelf life.

The use of formalin in perishable items is destroying the future of the next generation, said Benazir Ahmed, Dhaka Metropolitan Police commissioner.

"We have to take a holistic approach to fight the poisonous chemical," he added stressing the need for monitoring its use.

The country has to reinforce regulation at the entry points such as land and sea ports to stop formalin adulterated food from entering, he said.

Declaring Malibagh kitchen market formalin-free is a good effort, said Syeda Rizwana Hasan, chief executive of Bangladesh Environmental Lawyers Association.

She said the move will certainly encourage people to buy products from the market.

Mostafa Azad Chowdhury, acting president of FBCCI, was also pres-

## SEC to file criminal case against RN Spinning

**STAR BUSINESS REPORT**

The Securities and Exchange Commission will file a criminal case against RN Spinning Mills as the textile company violated securities rules during its rights issue offer.

The SEC also imposed restrictions on the sales of shares of RN Spinning Mills by its sponsors, directors and their spouses.

The stockmarket regulator took the decisions at a meeting yesterday with its Chairman M Khairul Hossain in the chair.

RN Spinning gave fake documents to an SEC inquiry committee that was formed to investigate the spinner's rights issue offer, the regulator said in a statement.

Apart from bringing criminal charges, the SEC will take action against RN Spinning in line with securities rules.

The company had offered one rights share for each existing share and took Tk 10 as a premium for each share in addition to Tk 10 face value.

In January this year, the SEC approved RN Spinning Mills' rights offer to issue 13.91 crore ordinary shares of Tk 20 each totalling Tk 278.28 crore.

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## BB warns 27 banks against higher spread

**REJAUL KARIM BYRON**

Twenty-seven banks are not following the directives of the central bank to cut down the interest rate spread.

Bangladesh Bank has long been asking these banks to bring down their spread, the gap between the interest rates on credit and deposit, to the permissible limit of 5 percent.

The spread at the 27 banks is more than 5 percent. Six banks have more than 7 percent spread, according to data from the central bank.

In a bankers' meeting last week, all banks were advised to bring down their spread below 5 percent.

Chief executives of all banks attended the meeting, presided over by Governor Atiur Rahman.

A central bank official said, due to an unhealthy competition, some banks are giving higher interest on deposit, and as a result, the rate of interest on credit is going up.

In the meeting, the BB placed a report on the rate of interest on credit and deposit.

The report said the upper cap of the rate of interest on credit was withdrawn earlier. It resulted in an upward trend in the rate of interest on credit and deposit in the banking sector.

The BB official said the spread in the private and foreign banks is higher than that in other banks.

The central bank on several occasions has warned a number of banks that were offering higher interest on deposit, said the official.

A bank was fined under the Banking Company Act for offering higher interest than its announced rate, said the report.

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BANKS' SPREAD	IN PERCENTAGE/ MAY 31
Bank Alfalah	4.65
HSBC	9.07
Woori	12.08
NBP (Pakistan)	6.3
Bank of Ceylon	7.03
Citibank	8.03
Habib Bank	6.6
State Bank of India	5.1
Standard Chartered	10.08
BRAC Bank	8.31
Jamuna	6.96
Shahjalal	4.9
Trust	5.29
Bank Asia	4.67
First Security	4.46
Premier	5.58
Mutual Trust	4.9
Commerce Bank	4.88
EXIM	4.98
ONE Bank	5.86
Standard Bank	5.89
Mercantile	3.82
Dutch-Bangla	7.94
SIBL	5
Al-Arafah	4.31
Dhaka	6.86
Southeast	4.29
Prime Bank	6.11
NCC	4.93
EBL	5.72
ICB Islamic	3.44
Uttara	6.88
Pubali	6.81
UCBL	5.06
IFIC	6.35
The City Bank	6.86
National Bank	5.91
Islami Bank	3.8
AB Bank	5.3
Sonali	4.57
Rupali	3.87
Janata	5.4
Agrani	5.34

SOURCE: BANGLADESH BANK


## Telenor in talks with potential Indian partners: CEO

**REUTERS, Oslo**

Norwegian telecoms firm Telenor is in talks with several potential new partners in India, Chief Executive Jon Fredrik Baksaas said on Wednesday.

"There are talks in many directions, I can assure you, and many who wish to speak to us as well," Baksaas told Reuters on the sidelines of a capital markets event.

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