

# Regulator serves notice on RN Spinning

STAR BUSINESS REPORT

The Securities and Exchange Commission has served notice on the directors, managing director and company secretary of RN Spinning Mills for non-compliance of securities rules.

The stockmarket watchdog asked them to appear for a hearing at the commission in the first week of next month along with a written explanation as to why the regulator should not take punitive action against them.

Earlier at a meeting last week, the SEC decided to file a criminal case against RN Spinning Mills as the textile company violated securities rules during its rights issue offer.

RN Spinning provided 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 also decided to take action against RN Spinning in line with securities rules.

The textile 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, the SEC approved RN Spinning Mills' rights offer to issue 13.91 crore ordinary shares of Tk 20 each totaling Tk 278.28 crore.

The company eventually managed to sell Tk 180 crore worth of rights shares through the issue in March. It kept delay-

ing the crediting of those shares to the retail investors beneficiary owners' accounts, ultimately failing to do so by the deadline.

Following media reports, the SEC launched a probe into the delay in June.

A rights issue is an issue of additional shares by a listed company to raise capital from existing shareholders. With the issued rights, the existing shareholders have the privilege to buy a specified number of new shares from the firm at a particular price within a specified time.

A rights issue is in contrast to an initial public offering, where shares are issued to the general public through market exchanges.

## Industrial police meet BGMEA leaders in Ctg

STAFF CORRESPONDENT, Ctg

Leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday said they were keen to keep up an economy- and production-friendly environment in the garment industry.

They hoped that the industrial police (IP) will play an important role to help drive industrial growth.

They spoke at a meeting with a high delegation of the industrial police at the BGMEA auditorium in Chittagong.

Nasiruddin Chowdhury, first vice-president of BGMEA, said that they were satisfied with the role of IP for improving law and order during Eid-ul-Fitr this year.

Abdus Salam, director general of industrial police, said they were always prepared to face and control any untoward situation in the garment industry.

Participants : Dev. Officers, Nabareast Islami Life Ins. Training & Research A  
Foreast Islami Life Insurance  
Based on Islami Shariah



Rabeya Begum, a director of Foreast Islami Life Insurance Co, attends the inauguration of a training course organised by the company recently. Mohammad Abdul Awal, vice president of the company, was also present.

## India bids to acquire Canadian oil assets

AFP, New Delhi

Three state-run Indian oil firms have jointly bid to buy oil-sands assets owned by ConocoPhillips valued at \$5 billion, a report said Monday, as India seeks new energy sources to fuel a growing economy.

The companies have bid for Houston-based ConocoPhillips's assets in the western Canadian province of Alberta, said an executive at ONGC Videsh Ltd, the overseas investment arm of ONGC, according to the Dow Jones NewsWires.

"We have bid along with Oil India and Indian Oil Corp," said the executive, who declined to be named.

Separately another executive at state-run Oil India said the bid was submitted at the end of July, Dow Jones reported.

A spokesman at ONGC, India's largest energy explorer, said he could not immediately make a statement on the report. Spokesmen for the other two companies could not be immediately reached.

## Subscriber sues 11 GP officials

FROM PAGE B1

In his case statement, the plaintiff said he bought a Grameenphone package, which offered 40 minutes' GP-GP talk-time at Tk 10, on September 7.

The user, who is also a lawyer, came to know about the offer through a newspaper advertisement, said Saimul.

The operator charged him Tk 11.50, including tax, and he was informed of the charge through a short message service (SMS), according to the case statement.

But, the operator withdrew the offer within half an hour of his registration for the offer. As a result, the plaintiff failed to utilise the talk-time though the offer had still two days' validity, the statement added.

Later, the plaintiff made a phone call at the operator's helpline at 121 on September 16, when a customer service manager admitted the matter and said he had nothing to do with it, according to the statement.

## Bidding for New Mooring terminal now depends on shipping ministry

FROM PAGE B1

The review panel in two separate orders on September 11 and September 17 asked the port authority to cancel the bidding process that started in June.

The panel also asked the Chittagong Port Authority (CPA) to start a re-tendering process, retaining the list of four pre-qualified firms originally selected in line with terms and conditions of the pre-qualification documents prepared in 2008.

The shipping ministry in the last two and a half years directed the CPA to change and relax several terms and conditions in the original bidding documents.

A CPA official said the ministry is now discussing with legal advisers to face the CPTU orders.

CPA Chairman Rear Admiral Nizamuddin Ahmed said they sent a letter to the ministry seeking its decision.

"The ministry is the authority to take a decision on the container terminal. We have not yet opened the tender box due to the CPTU orders. And we are waiting for the decision from the ministry," said the CPA chairman.

If the port authority does not go by the CPTU orders, any of the two aggrieved bidders could go to court, which would further delay the bidding process, said another port official, asking not to be named.

He said everything now depends on the ministry. The CPA chairman said they expect to get a deci-



Syed Asif Hasan, group director of Well Group, and Tor Harald Stromsnes, head of direct sales at Grameenphone, sign an agreement at a ceremony in Dhaka recently. Grameenphone will provide its mCentrex solutions under the Business Solutions package to Well Group.



Mohammed Nurul Amin, managing director of NCC Bank, and Muhammed Asadullah, managing director of Alpha Credit Rating, attend the signing of an agreement between their organisations at a ceremony yesterday.

# China billionaires take hit as property sector slumps

AFP, Beijing

The number of China's billionaires fell for the first time in seven years, a group that tracks the country's fortunes said Monday, amid a slump in the property sector and falling stock prices.

China had 251 people worth a billion dollars or more, down a total of 20 from last year, the Hurun Report, a luxury magazine publisher that compiles the list, said in a statement.

The list -- released annually -- records China's 1,000 richest people. The decline in the number of billionaires came after having grown for six years, the statement said.

Topping this year's list with a fortune of \$12.6 billion was beverage magnate Zong Qinghou, who reclaimed the top spot he lost last year to Liang Wengen, co-founder of machinery company Sany. Liang fell to 5th this year.

Rupert Hoogewerf, Hurun Report chairman and chief researcher, said in a statement that "some significant wealth bloodletting" could be seen in this year's results.

China's economy, which grew more than 10 percent a year for the decade through 2010, has entered a significant slowdown amid the broader global slump.

Gross domestic product expanded 9.3 percent in 2011 and hit a three-year low of

7.6 percent in the three months through June for the sixth straight quarter of weaker growth.

Weak economic data in the current third quarter, including exports and manufacturing, has led some analysts to expect China will record slower growth for a seventh straight quarter.

The report said China's property sector was no longer the top source of wealth for the country's richest since the survey began in 1999, losing out to manufacturing that accounted for 20.7 percent of individuals on the list.

China's government has been pursuing policies to rein in the once red-hot sector.

Authorities have been implementing measures for more than two years to curb speculation in the housing market, including bans on buying second homes, raising minimum down-payments and imposing property taxes in certain areas.

Despite the decline in the number of billionaires, the report noted that the figure has still shown tremendous overall growth in a short period of time, citing the 15 China had just six years ago.

The report said that while the average wealth for China's richest 1,000 people fell 9 percent to \$860 million, it was still nearly double the \$439 million figure recorded in 2008.

## Germany heading for recession

AFP, Berlin

Germany is heading for recession, economists warned on Monday as the eurozone crisis pushed down business confidence in the country, Europe's top economy, to the lowest level since February 2010.

The Ifo institute said its closely watched survey of the business climate in Germany dropped unexpectedly in September for the fifth month running to 101.4 points from 102.3 points in August.

Analysts surveyed by Dow Jones Newswires had expected an unchanged reading, hoping businesses would be more bullish after the European Central Bank announced unprecedented action earlier this month to stem the eurozone crisis.

"The companies surveyed are again less satisfied with their current business situation. They also expressed greater pessimism about the future," said Ifo president Hans-Werner Sinn.

"The headwinds on the German economy continue to prevail," he added.

The disappointing data were "a reminder that even the eurozone's strongest economies are suffering from a serious economic downturn," judged Jennifer McKeown, an analyst at Capital Economics.

"In all ... it seems like only a matter of time before the economy starts to contract. This will make support for the peripheral economies even more difficult to muster," she added.

## SEC to review overvaluation of 17 companies

FROM PAGE B1

The report also recommended a further investigation into 17 companies, which would be investigated by SEC Director Rejaul Karim and Pradip Kumar.

The companies are BD Thai Aluminium, Khulna Power, GMG Airlines, Chittagong Vegetable, Beach Hatchery, BD Welding, CMC Kamal, Meghna Cement, Malek Spinning Mills, Active Fine, MJL Bangladesh, Barakatullah Electro Dynamics, Salvo Chemical, United Airways, Becon Pharma, MI Cement and Fuwang Ceramics.

A five-member committee will reevaluate the assets of state-owned companies.

SEC directors Mahbulul Alam and Abul Kalam will investigate irregularities in rights and preference shares.

## BB warns state banks on classified loans

FROM PAGE B1

Of the four SCBs, Janata's classified loans, at the end of June, stood the lowest at 6.14 percent, while it went to double digits for the other three banks.

BB officials said the governor also asked the SCBs to reduce their borrowings from the call money market.

SCBs are not supposed to lend from the call money market, but due to their severe liquidity crisis they have resorted to borrowings from the BB in the form of



Ahmed Shafi Choudhury, a director of Pubali Bank, inaugurates the new premises of the bank's Bashurhat branch in Noakhali recently. Helal Ahmed Chowdhury, managing director, was also present.



M Fazlur Rahman, managing director of AB Bank, attends a workshop on green banking in Dhaka recently. Shamim Ahmed Choudhury, deputy managing director, was also present.



M Farid Uddin, managing director of Rupal Bank, attends the launch of the quarterly Rupal Bank Bulletin yesterday. Sheikh Serajul Hoque Farazi, a director, was also present.