



**Signing Ceremony**  
Melonades and G&R Technologies signed a strategic partnership agreement recently. **Melonades** is the head of sales and marketing at G&R Technologies, and **Sayeda Umme Salma**, director for planning at Melonades, exchange documents of a strategic partnership agreement recently.

# Stocks break four-day losing streak

## Six-day Eid holiday begins today

**STAR BUSINESS REPORT**  
Stocks returned to the black yesterday, breaking a four-day losing streak, as low prices of shares lured investors to take fresh position in the market.  
The free float-based Broad Index, DSEX, closed the day at 3,891.98 points, after surging 58.44 points or 1.52 percent.  
The market will remain closed for six days from today due to the upcoming Eid-ul-Fitr.  
"All of the market tracking indices saw some buying before the closing of Eid holiday," said LankaBangla Securities in its analysis.  
Investors have seen the value of their holdings recovering a bit after four days of erosion, the stockbroker said.  
Multiple anticipations are roaming around how the imminent political gridlock will be resolved and how things will unfold in the coming days, it stated.  
The closing session ahead of the Eid-ul-Fitr stepped up with investors' interest in lucrative scrips, said IDLC Investments in its analysis.

"Last few sessions' continuous price wane acted as the core catalyst and created some stimulus of undervaluation, which lured some of the witty participants to take position and create a natural re-bounce again."  
Scrip-wise swings were visible from the very beginning and continued throughout the session, the merchant bank said.  
Meanwhile, investors were upholding their judgment to be much more careful in respect of their day-to-day trading, as they were observing turnaround situations, especially upcoming political developments, it said.  
Turnover, the most important indicator for the market, advanced 5.59 percent to Tk 215 crore, compared to the previous day.  
An aggregate of 0.56 lakh trades were executed with 4.16 crore shares and mutual fund units changing hands on the Dhaka bourse.  
Of the 279 issues that traded on the DSE floor, 225 advanced, 43 declined and 11 remained unchanged.  
Amid the major sectors, engineering gained 1.95 percent, non-bank financial institutions 1.48 percent and power 1.43 percent.

# Regulator serves notice on Familytex for breach of rules

**GAZI TOWHID AHMED**  
Bangladesh Securities and Exchange Commission on Sunday served notice on Familytex BD, a listed company, for violating securities rules by declaring dividends before time.  
The company was also asked to give reply to the notice in three workdays.  
The securities regulator approved the initial public offering of the company on January 22 this year on condition that it does not declare dividends for 2012 prior to the completion of listing on the bourses.  
The Chittagong-based export-oriented company raised Tk 34 crore through IPO.  
The BSEC also applied its special power act, 2CC in the IPO approval process.  
But, the company declared zero dividend for the shareholders on April 29 this year before getting the listing approval at Dhaka Stock Exchange on June 12 and at Chittagong Stock Exchange on June 2.  
On Sunday, the company was placed in Z category from the existing N, as it failed to comply with dividend announcement regulation, according to the DSE website.

The DSE requested stockbrokers and merchant bankers not to provide loan facilities to purchase securities of the company as it is placed in Z category.  
"The company clearly violated the rules, which prompted us to serve notice on it," said Saifur Rahman, executive director of BSEC.  
"We are looking into the matter."  
During the IPO process, Abdul Kader Faruk served the company as chairman.  
Faruk was also the managing director of RN Spinning Mills and was suspended by the securities regulator on fraud charges in October last year, as the company provided false documents to the securities regulator.  
The commission also filed a criminal case with Motijheel Police Station against the directors, managing director and company secretary of RN Spinning Mills.  
During the IPO, Faruk resigned from chairmanship of Familytex to keep the IPO approval process smooth.  
The paid-up capital of the company was Tk 6 crore in 2010, and 105 crore in 2011, with earnings per share of Tk 0.92, which was Tk 4.92 while applying for the IPO approval.  
gazitowhid@gmail.com

## BGIC gets new boss

**STAR BUSINESS DESK**  
Ahmed Saifuddin Chowdhury has been appointed managing director of Bangladesh General Insurance Company Ltd (BGIC), effective from August 1, it said in a statement yesterday.  
He was serving as additional managing director of company, prior to this appointment.  
Chowdhury joined BGIC in 1986 and has served various important positions within the company since then. Chowdhury is a management graduate with honours from Chittagong University and later obtained an MBA on marketing from Southern University of Bangladesh.  
He is also well trained on different aspects of insurance including underwriting, claims, accounts, administration and marketing.



**Monzurur Rahman**, chairman of Delta Life Insurance Company Ltd, attends the 19th annual general meeting of the company for 2004, at Delta Life Tower in Dhaka on Sunday. The firm announced 30 percent cash and 20 percent stock dividends for 2004.



**Robert W Gibson**, British high commissioner to Bangladesh, inaugurates the main office of NRB Bank at Gulshan 2 in Dhaka recently. **Iqbal Ahmed**, founder chairman of NRB Bank, was also present.

## Fonterra CEO says sorry for dairy contamination

**FROM PAGE B4**  
The contaminated whey was exported to countries including Australia, China, Malaysia, Saudi Arabia, Thailand and Vietnam.  
Russia's Ria Novosti news agency reported Moscow was "recalling Fonterra's products, including infant formula and advised Russian consumers not to buy the company's other products".  
Singapore and Malaysia have also recalled some Fonterra-linked baby milk products, saying it was a precautionary move. Fonterra said there had been no reports of illness linked to consumption of the tainted product, which contains the bacteria Clostridium botulinum, which can cause botulism, an infection that can lead to paralysis and death.  
The company has blamed the contamination on a dirty pipe at a North Island processing plant. Fonterra accounted for 89 percent of New Zealand's milk production in 2011, collecting 15.4 billion litres.  
About 95 percent of China's milk powder imports in January-March came from New Zealand, up by a third on the same period in 2012, a government website reported in April.

# Hopes rise of eurozone recovery: survey

**AFP, Brussels**  
The eurozone recession seems to be fading out at last, with key growth indicators giving a surprisingly strong showing, economists experts said on Monday.  
A key leading indicator of activity, the Markit Eurozone Composite Purchasing Managers Index for July switched to give a growth reading for the first time for 18 months.  
The index logged 50.5 points, up from an initial estimate of 50.4 and above the 50-point watershed which signals the difference between a trend of shrinking activity or growth.  
The reading for the services sector was 49.8 points, up from an initial estimate of 49.6, after manufacturing surprised with a strong 50.3-point reading.  
The survey of sentiment among thousands of purchasing managers, the people responsible for buying materials and products for businesses, is widely seen as a reliable gauge of economic expansion.

In Germany, rates of increase in manufacturing output and service sector activity hit 17- and five-month highs respectively, London-based Markit said.  
The combines score for Germany in July was 52.1 points, comfortably back in the black.  
The other main national economies of France, Italy and Spain each registered a further easing of contraction, with solid growth among manufacturers.  
"The final Output Index reading of 50.5 confirms a welcome return to growth for the eurozone economy at the start of the third quarter, raising hopes that the region can finally claw its way out of its longest-running recession," said Rob Dobson, Senior Economist at Markit.  
"Granted, the euro area has experienced false dawns before -- but the improvements in confidence and other forward-looking indicators warrant at least some optimism for the outlook this time around."

# GB to continue as it is, for now

**FROM PAGE B1**  
Officials of Grameen Telecom, however, said there was no such agreement between the two organisations.  
Huq should not have made such comments without any valid document, as Grameenphone is a publicly listed company, an official of Grameen Telecom said, asking not to be named.  
Huq had put the amount at Tk 30,000 crore months ago, but failed to substantiate his claims, the official added.  
The issue of income tax exemption for Grameen Bank was also touched upon at the meeting.  
Grameen Bank has been enjoying income tax exemption since its inception in 1983, but the privilege ended in December 2010.  
The microcredit organisation then sought extension of the privilege for five

more years from January 1, 2011.  
The government agreed to it, but the National Board of Revenue executed the facility from July 1, 2011, meaning the bank had to pay income tax for the previous six months.  
"If Grameen Bank is to pay income taxes for the six months it will not only disrupt the continuation -- it will also create accounting problems for the bank," said Mohammad Shahjahan, acting managing director of Grameen Bank.  
This prompted the microcredit organisation to seek retrospective tax exemption for the January-June period.  
"The minister told us that the government would look into the issue," Shahjahan told The Daily Star after the meeting.  
Muhith, however, said the NBR told him that the laws do not allow retrospective tax exemption.

## New Zealand's clean, green image hurt by milk scare

**FROM PAGE B4**  
Galloway said complete transparency was the only way for companies to deal with bad news, meaning Fonterra was struggling for credibility after being accused by the government of sitting on information about the contamination.  
But branding expert Mike Lee from the University of Auckland said if foreign authorities were satisfied with Fonterra's actions following the scare, the company could recover.  
"Demand (for milk) is outstripping supply basically," Lee told The New Zealand Herald.  
"Obviously there has been a temporary loss in the share value of Fonterra but I think as long as this is something that they handle well (they could recover)."

## Hatil makes foray into Australia

**FROM PAGE B1**  
Rahman, who is also the chairman of Bangladesh Furniture Industries Owners Association, said this bodes well for the country's furniture industry.  
"Since the young Bangladeshi diaspora is showing interest in promoting our products in foreign countries, we hope furniture exports will soon rise," he said.  
Established in 1989, Hatil Complex Ltd now has an annual turnover of Tk 75 crore, with its factory in Gazipur capable of producing around Tk 200 crore worth of furniture on an annual basis.

At present, 17 companies that include Otobi, Akhtar, Hatil, Brothers, Partex, Navana, Legacy and Furnitec are involved in furniture exports.  
They raked in around Tk 245 crore from exports last fiscal year, up 15.73 percent from fiscal 2011-12, according to data from the Export Promotion Bureau.  
Furniture is one of the country's rapidly growing sectors, with turnover growing around 19 percent year-on-year. The industry currently employs about 30 lakh people directly.

suman.saha@thedailystar.net

## Bad loans rise slightly

**FROM PAGE B1**  
But in the second quarter, the state banks saw their default loans fall by Tk 551 crore.  
Default loans decreased by 5.63 percent at Agrani Bank, 1.54 percent at Janata and 0.30 percent at Rupali, in the second quarter, according to BB statistics. However, bad loans rose 3.53 percent at Sonali Bank.  
A Janata Bank official said they have taken various steps to recover the default loans, which led to a fall in such loans.  
Sonali Bank also took similar moves that boosted their loan recovery, an official of the bank said.  
Pradip Kumar Dutta, managing director of Sonali, said they realised default loans worth around Tk 2,300 crore in the last six months.  
Of the amount, around Tk 250 crore came from top 20 defaulters, Dutta said.  
However, the official said the amount of their default loans rose as Tk 642 crore lent

to Bangladesh Sugar and Food Industries Corporation became classified.  
"Apart from this, the overall default loan situation has improved due to an intensive recovery drive," he said.  
In the second quarter, the amount of default loans rose by Tk 1,732 crore at private banks -- the highest among all types of banks.  
Of 30 private banks, except the new ones, default loans at 16 rose by 0.03-9.73 percentage points.  
However, the amount of such loans fell by 0.08-1.55 percentage points at the rest 14 banks.  
Officials of the private banks blamed the rise in their default loans on political unrest, a dull business environment and new loan provisioning rules of the central bank.  
Foreign commercial banks saw their default loans go up by Tk 30 crore, and specialised banks by Tk 78 crore.

## City Bank MD steps down

**FROM PAGE B1**  
Arefin ruled out any misunderstanding between Sattar and the board.  
Sattar started his career with ANZ Grindlays Bank in Dhaka in 1981 and went on to serve at the bank's offices in India and Australia.  
Between 2001 and 2007, he worked as the managing director of Eastern Bank Ltd and in 2007, he joined City Bank.  
Sattar is also the immediate past chairman of the Association of Bankers Bangladesh.

## TigerIT to build voter database for Nepal

**FROM PAGE B1**  
"We are happy to have the opportunity to work in Nepal again," said Ziaur Rahman, chairman and chief executive officer of TigerIT.  
"Working in such environments is beneficial for us, as it provides the opportunity to deliver consolidated ICT services that have a long-term socio-economic impact," he said.  
TigerIT is also working for several other projects like Rashtriya Swasthya Bima Yojna project of the Indian labour and employment ministry, and the high security driving licence project of Bangladesh Road Transport Authority.

## BTCL to get terrestrial cable licence

**FROM PAGE B1**  
BTCL, which is already connected with an Indian cable through Benapole border, applied for the licence on April 30.  
Later, the ministry asked the regulator to issue the licence without any application fee, licence acquisition fee and performance bank guarantee.  
The regulator approved the proposal in May, but it did not waive the fees, except for the performance bank guarantee.



**Rubaba Dowla**, chief service officer of Airtel Bangladesh; **SK Mukhopadhyay**, chief financial officer; and **Sandipan Chakraborty**, chief technical officer, attend a forum -- Airtel -- between Airtel officials and "Airtel Favourites" customers to increase awareness about the company's services recently.



**Md Abdul Hamid Miah**, managing director of Union Bank, inaugurates the bank's Hatkhola branch on Ramkrishno Mission Road in Dhaka on Sunday. **Syed Abdullah Mohammed Saleh**, deputy managing director, was also present.