

Two businessmen acquitted of 1996 stock scam charges

STAR BUSINESS REPORT

The special tribunal for capital market lawsuits yesterday acquitted two businessmen who were accused in a case tied to the much-hyped 1996 share market scam.

The two acquitted were: A Rouf Chowdhury, the then chairman of Premium Securities, and Syed H Chowdhury, a director of the stockbroker.

Special Judge Akbar Ali Sheikh handed down the verdict as the charges against the two accused were not proven, said Masud Rana Khan, a lawyer for the Bangladesh Securities and Exchange Commission, which filed the case in 2002.

He said the BSEC will decide on filing an appeal against the verdict with the High Court after receiving the full judgment.

However, proceedings of two other accused in the case -- Moshir Rahman, managing director of Premium Securities, and Onu Zaigirdar, a director of the stockbroker -- have been stayed by the High Court.

The BSEC had filed the case against Premium Securities and its directors in 1997 on charges of selling different companies' shares by violating securities rules in 1996.

The regulator had also filed another 14 cases against 34 individuals, eight listed companies and five brokerage firms on charges of manipulating share prices through fraudulent means in the same year.

Of the cases, 12 were stayed by the higher courts, and proceedings of only three cases had been continuing in the special tribunal, which gave the first verdict in one of the cases in August 2015.

In the maiden judgment, the tribunal sentenced two directors of Chic Tex to four

years in prison for their involvement in price manipulation, and also fined them Tk 30 lakh each. In case of failure to pay, they were supposed to serve another six months in jail.

In the case of Premium Securities, the BSEC had alleged that the accused traded shares of Beximco Pharmaceuticals, Bata Shoes, Prime Textile and Mita Textile through fraudulent means between July and December 1996, according to the charge sheet, based on a government probe report on the scam.

In 1996, the share prices of listed companies soared abnormally, even by several hundred times, before the crash.

The share price index of the Dhaka Stock Exchange had risen to 3,648.75 points on November 5, 1996. The following day, it started falling and eventually came down to 462 points in May 1999.

After the price debacle, the government formed a probe committee in December 1996, headed by Aminul Islam, then vice-chancellor of Jahangirnagar University.

The committee submitted its report to the government on March 27, 1997, identifying a number of companies and some of the country's biggest brokers and influential individuals involved in market rigging.

On the recommendations from another probe panel on a fresh stockmarket crash in 2011, the Securities and Exchange Ordinance 1969 was amended in November 2012, empowering the government to set up special tribunals to try capital market-related cases.

The much-awaited special tribunal for the capital market began its judicial functions in July 2015 to quickly dispose of stockmarket-related cases.

Riyadh-based AGFUND to set up 14 banks in African countries

The decision was taken at its advisory council meeting chaired by Prof Yunus

STAR BUSINESS REPORT

The Arab Gulf Programme for Development (AGFUND) will establish 14 banks for the poor in 14 countries in West Africa and Central Africa in the next five years.

The advisory council of the programme took the decision in a meeting at its United Nations office in Geneva on April 19.

Nobel laureate Prof Muhammad Yunus presided over the meeting, which was also attended by Queen Sofia of Spain and Ahmed Muhammad Ali, a former president of the Islamic Development Bank (IDB).

On the sidelines of the meeting, Prof Yunus had a separate meeting with Bandar Hajjar, president of the IDB, Yunus Centre said in a statement yesterday.

The AGFUND has already established nine banks for the poor in nine Arab countries in the Middle East and North Africa region.

The banks were established at the encouragement of Yunus and have maintained nearly 99 percent repayment record.

Majority of the borrowers of the banks are women. The banks follow Grameen methodology and operate as social business, according to the statement. By 2021, the AGFUND is committed to disbursing \$1 billion in loans through the existing and upcoming banks.

The AGFUND is a regional organisation based at Riyadh in Saudi Arabia and was established in 1980 upon the initiative of Prince Talal Bin Abdul Aziz Al Saud and with support from the Gulf Cooperation Council countries.

The fund works mainly in the field of development at international level through a partnership with the United Nations, with regional and



Nobel laureate Professor Muhammad Yunus poses with Queen Sofia of Spain at the third advisory council meeting of the Arab Gulf Programme for Development (AGFUND) at the United Nations office in Geneva on April 19.

national development organisations, public institutions, the private sector and civil society organisations.

The AGFUND also celebrated the 18th annual award ceremony of its International Prize for Pioneering Human Development Projects.

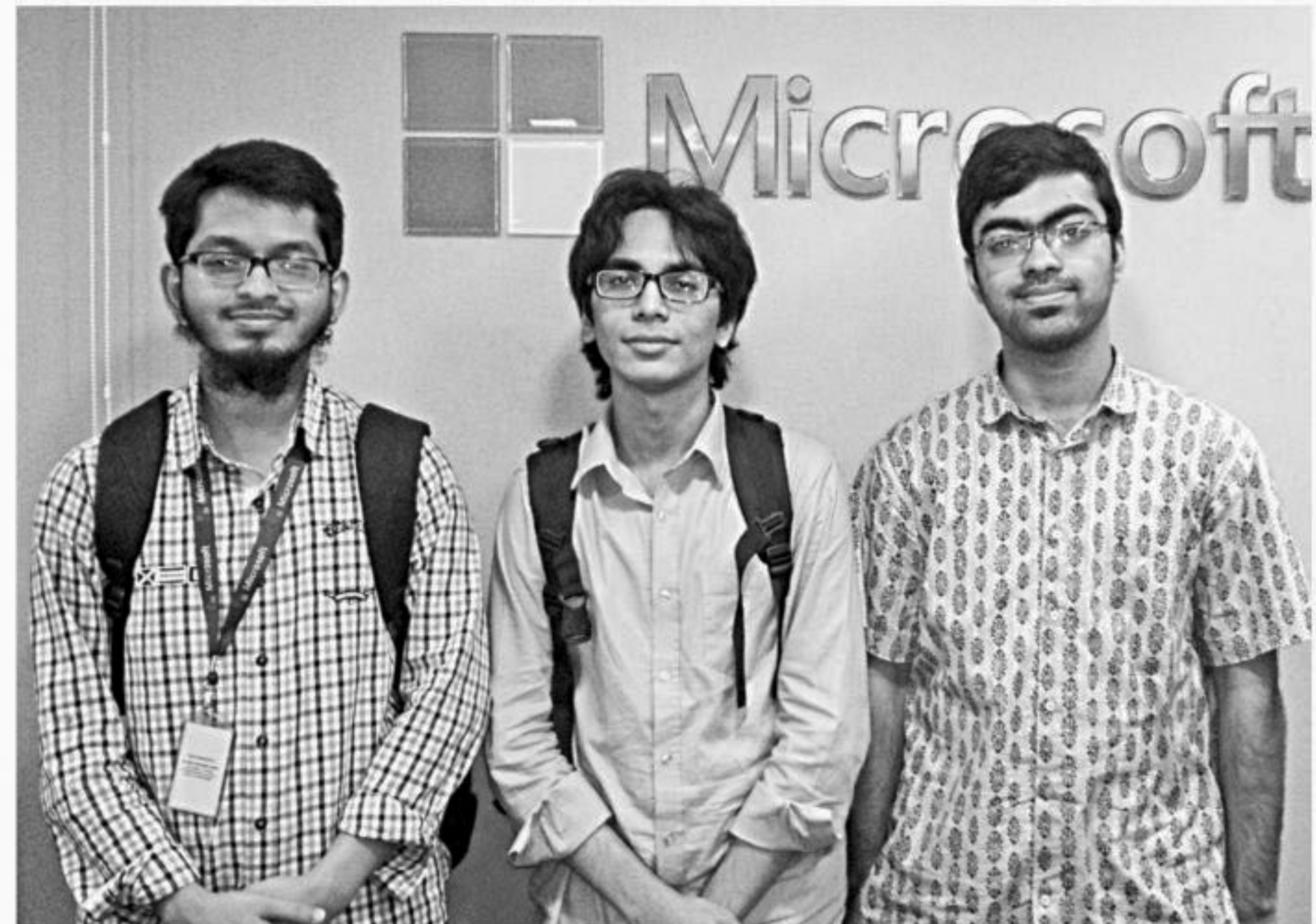
The awards are given to those who have

designed and conducted noteworthy human development initiatives on a specific theme of global or topical interest. It was decided that the theme of each year's prizes will be based on the sustainable development goals. Social business projects have been added as a category for contesting in the competition.



Officials of Huawei and Robi pose along with models at the launch of Huawei P10 and P10 Plus, flagship devices of the mobile handset maker, at Radisson Blu Dhaka Water Garden on Saturday. The Huawei P10 has a price tag of Tk 56,900 while P10 Plus is priced at Tk 66,900.

Thohidul Islam, Syed Nakib Hossain and Fazle Rahat, members of Team Parasitica which won the Bangladesh chapter of the 15th Microsoft Imagine Cup 2017, pose at a programme at the office of Microsoft Bangladesh. The team consisting of the final year students of Bangladesh University of Engineering and Technology is now in the Philippines to take part in the South East Asia regional final round of the competition. The four-day event started yesterday.



MICROSOFT BANGLADESH

Compensation for Rana Plaza victims not adequate: expert

FROM PAGE B1

The government amended the labour law for the garment sector with the provision of a worker welfare fund, where the factory owner's contribution was set at 5 cents per \$100 of exports, according to the economist.

The contribution to the fund began last year, but garment owners reduced their contribution to 3 cents, he said.

Khondaker Mostan Hossain, joint secretary of the labour and employment ministry, said there was the provision of a worker's welfare fund in the previous labour law, but it was not followed by the factory owners.

The Rana Plaza tragedy was a wakeup call for the industry, he said.

The size of the welfare fund stood at Tk 200 crore after implementation of the amended labour law, which was only Tk 42 lakh before the Rana Plaza incident.

The ministry is working to introduce an injury insurance scheme with the aid of the German government and the International Labour Organisation, Hossain said.

The government reformed the law to protect labour rights and kept the 5 percent profit sharing provision, said Anwar Ullah, additional inspector general of the inspection for factories and establishments department.

All parties, including the government, factory owners and buyers need to work together to implement the law properly, he added.

Gawher Nayeem Wahra, director of the Disaster Management and Climate Change of BRAC, moderated the session while a publication titled 'Rubbles to Life 2017' was launched at the seminar.

CCCI wants lower VAT rate, more funds for port city

FROM PAGE B1

The chamber opposed the unified 15 percent VAT rate, which is due to come into effect from July 1.

It called for raising the tax exemption limit for small and cottage industries to Tk 50 lakh from existing Tk 24 lakh while the NBR wants the limit to be Tk 30 lakh.

The chamber said the decision to abolish the supplementary duties on 1,271 products under the new VAT law would adversely affect the local entrepreneurs.

The CCCI proposed reduction of the supplementary duties in phases to give the local producers some time

to become more efficient and develop capacity.

The chamber has particularly sought budgetary allocation for the construction of a flyover from the Barik Building intersection to Chittagong Airport to get rid of acute traffic congestion in the adjoining areas.

Funds should be set aside for the expansion of the Karnaphuli Bridge Marine Driveway up to the Barik Building intersection and renovation of different canals to relieve the city-dwellers from waterlogging, the chamber said.

The NBR chairman assured the chamber of considering the recom-

mendations.

"The upcoming budget will ensure full protection of local industries while incentives for export-oriented sectors will continue," he said.

NBR Member Jahangir Hossain, CCCI Director Mahfuzul Hoque Shah, former CCCI president Ali Ahmed and BGMEA Director Kazi Mahub Uddin Jewel also spoke.

Yesterday, the NBR chief also sat with the Chittagong Metropolitan Chamber of Commerce and Industry and the Chittagong Customs Clearing and Forwarding Agents Association.

Workers' database yet to come through

FROM PAGE B1

As of April 13, the software for the database has been installed in 1,750 of the factories.

The government will also have access to this database so that it can directly give the insurance benefits to the injured or dead workers, Bivon said.

"The database will be a bona fide information centre on workers," Bivon added. Each worker will have a unique identification number and

be given a biometric card, said Mahmud Hasan Khan, another vice-president of the BGMEA.

Khan went on to urge the knitwear manufacturers and exporters to come under the database as many BGMEA members have both woven and knit sections and their workers move from one factory to another.

"But the knitwear manufacturers have shown no interest yet," he said.

A factory with 1 to 500 employees has to spend Tk 45,000 as fixed cost

for installation of the software and training to its employees for management of the database.

The fixed cost will be Tk 55,000 for a factory with 501 to 1,000 employees and the highest ceiling has been set at Tk 150,000 for a factory with 10,000 plus employees.

The yearly fee, which would depend on the number of employees, from the 2nd year through to the 5th would be a minimum of Tk 15,000 and a maximum of Tk 45,000.

Social dialogues to prevent disasters like Rana Plaza: analysts

FROM PAGE B1

The study found that 12 workers took treatment in the last one year and their average monthly expenditure for treatment was about Tk 3,400, which comes to Tk 41,000 in a year.

The progress of inspection of 1,549 factories under the national initiatives was highly disappointing. There was no follow-up inspection on the remediation work after the inspection carried out by Buet and other organisations with the support of the ILO.

"The remaining period of the stipulated timeline of Accord and Alliance is crucial in order to complete the remediation works," Moazzem said.

Incidents of unrest are higher in BGMEA member factories while lesser number of incidents takes place in

factories in Narayanganj and Chittagong, he said.

Moazzem suggested an effective social dialogue between the manufacturers, buyers, brands, union leaders and workers for better labour rights and for strengthening workplace safety.

Workers have to be made fundamental partners in the enterprises where they work in order to establish a balanced relationship between the employers and employees, said Rehman Sobhan, chairman of the CPD.

The Rana Plaza disaster brought to light the whole weakness in the governance system, shedding light on a complete lack of oversight and a politically influential property owner who

could use his weight to ensure the enforcement mechanism is not put in place, he said.

"I have not noticed, on the anniversary of Rana Plaza over the last four years, any discussion in the highest body of the land, our parliament, to see whether progress has been made and what level of accountability has been achieved and exercised."

This is a question that the lawmakers should address, Sobhan said.

The central element is that the sector operates in a deeply unjust global value chain where a \$5 shirt made in Bangladesh is sold at \$25 at Wal-Mart stores or at much higher prices in countries such as Sweden, he said.

"Where exactly does the \$20 go? Is this a natural working of the market

mechanism or a manifestation of an unjust global order?"

He said the current business model forces suppliers to squeeze their workers as much as they can as they would have to produce the shirt at \$5.

"Unless there is a major investigation of a professional nature, a political nature and an international nature to de-construct the value chain and see how it can be made to work, I personally don't believe discussions will not produce any result."

If the structural problems that were at the heart of the Rana Plaza disaster are not addressed, many of the problems will reoccur in the future and people will forget about these issues five years from now, Sobhan added.

Trade union leaders, researchers,

diplomats, businessmen and manufacturers from home and abroad attended the dialogue that was moderated by Debapriya Bhattacharya, distinguished fellow of the CPD.

Srinivas Reddy, country director of ILO, Bangladesh echoed the same.

Recent unrest in the Ashulia area took place because of mistrust between workers and managements.

Social dialogue will help reduce mistrust and establish a healthy relationship between stakeholders, he added. Babul Akter, a union leader, said almost all the reforms in the garment sector have been done under pressure from the international communities and retailers. The factory owners are not so much interested for reforms by their own, he said.

Nazma Akter, president of the Sommito Garment Sramik Federation, a workers' right platform, said this is not the time for internal fights.

"We need to know how to overcome the challenges. The whole supply chain has the challenge of corruption," Akter said.

Mahmud Hasan Khan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, said after the Rana Plaza building collapse a total of 591 trade unions were registered.

Of the unionised factories, 260 are running and 331 have been shut down.

"We should conduct a research on whether the factories have been closed down because of trade unions or not."