

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	 Gold 	 Oil 	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	 USD	 EUR	 GBP	 JPY	
 1.55%	 2.33%	\$1,609.00 (per ounce)	\$96.18 (per barrel)	 0.79%	 0.85%	 0.56%	 0.70%	BUY TK	74.52	105.13	119.57	0.94
6,587.58	12,028.22			18,653.87	9,889.72	3,096.12	2,796.98	SELL TK	74.53	105.17	119.61	0.94



BUSINESS

DHAKA WEDNESDAY JULY 20, 2011, e-mail:business@thedailystar.net



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Bangladesh Bank Governor Atiur Rahman inaugurates the online services of Credit Information Bureau at Ruposhi Bangla Hotel in Dhaka yesterday.

Credit info goes online

STAR BUSINESS REPORT

Bangladesh Bank yesterday launched online services of its Credit Information Bureau (CIB) to provide quick reports to banks and non-bank financial institutions.

Atiur Rahman, the central bank governor, inaugurated the CIB's online services at an event at Ruposhi Bangla Hotel in Dhaka.

From now, the banks and financial institutions will get the CIB reports within five seconds compared to at least five days it had earlier needed to get the same information, said Rahman.

The UK-based Department for International Development (DFID) funded the project, with assistance from International Finance Corporation (IFC) office in Dhaka.

DFID provided \$5.6 million to complete the project that began in May 2009 in an effort to provide online services on credit to the banking and other financial sectors.

The CIB report is mandatory for receiving Tk 50,000 in loans from banks. In case of farmers, the limit is Tk1 lakh, according to the central bank.

The financial regulator has regis-

tered the names of 11 lakh individual loan recipients and loan disbursement agencies in the CIB as of yesterday. The CIB reports of the listed individuals and agencies can be obtained immediately.

With financial assistance from the World Bank, the CIB was established with Bangladesh Bank in August 1992 for having existence of huge classified loan then.

Currently, the number of bank loan borrowers in the country stands at 92 lakh, according to BB statistics. Alone in 2010, the central bank had to supply 10.02674 lakh CIB reports to different banks and financial institutions.

Officials said the whole manual system was time-consuming as the central bank had to customise a lot of information about bank clients. On average, five to six thousand applications are submitted to the central bank for CIB reports everyday, according to the central bank.

Rahman said automation is part of a continuous process of digitising the central bank and the country's banking sector.

The online reports will cut the cost of doing business as officials of banks

and NBFIs will not have to wait for long to get the reports.

Rahman said the election commission and other government agencies can also get necessary information to know whether any particular individual is a loan defaulter or not. The automation of information would also help combat credit related corruption.

With the automation, banks and financial institutions will furnish credit information to the CIB database online from their own sites instead of physical transfer to compact disks. They will also have access to credit reports from CIB online at their own sites instead of going through a long process of applying for and obtaining reports printed on paper.

The automated CIB will provide credit related information for prospective and existing borrowers including their credit history of last two years, he said.

BB Deputy Governor Nazrul Huda, head of South Asia Enterprise Development Facility of IFC Ian Crosby and Senior Private Sector and Market Development Adviser of DFID Catherine Martin also spoke.

GP profit soars, stocks swell

STAR BUSINESS REPORT

Net profit of Grameenphone (GP) soared 40 percent in the six months through June this year, boosted by user additions and sales of handsets, the company said yesterday.

Net income of the leading mobile phone operator rose to Tk 677 crore in the first half of 2011, compared to Tk 483 crore in the first half last year.

Meanwhile, stocks also jumped yesterday with GP's declaring a huge interim cash dividend of 140 percent for this year based on its half-yearly performance.

Revenue of the company also marked a rise by 21 percent to Tk 4,340 crore in the period, according to a statement of the company.

The total revenue in the second quarter (April-June) of the current year was Tk 2,273 crore, up by 21 percent from the same period last year.

The company expanded its retail network by 264,000 shops to reach rural areas and added 3.9 million new

customers in the six months. It had 33.8 million customers, with a 44.3 percent share of the Bangladesh market, at the end of June.

EBITDA (earnings before interest, taxes, depreciation and amortisation) margin for the first half of 2011 was 50.6 percent, which also increased by 2 percentage points compared to the first half of 2010.

GP invested Tk 551 crore during the first six months of 2011 for network modernisation and efficiency enhancement. With this, its cumulative investment since inception stands at Tk 16,348 crore now.

GP, the largest taxpayer of the country, contributed Tk 2,344 crore to the state coffer during the first half of 2011. On account of corporate tax, it paid Tk 618 crore in the same period.

The dividend declaration by GP caught market attention, and fuelled buying interest during the day that saw the Dhaka Stock Exchange General Index, DGEN, gain over 100 points, or 1.55 percent, to close at

6,587.

The Selective Categories Index of Chittagong Stock Exchange, CSCX, also went up by 274 points or 2.33 percent, to end the day at 12,028.

The interim dividend this time is much higher than last year's 35 percent interim dividend and full year's 120 percent dividend.

After announcement of the interim dividend, each GP share soared by 10.22 percent to close at Tk 195, placing the lone listed telecom company on top of the gainers' list for the day.

The GP shares also left a positive impact on other sectors with the gainers beating the losers on a huge margin -- 229 to 28. Four securities, however, remained unchanged.

GP topped the turnover leaders with 38.80 lakh shares changing hands on a value of Tk 75.49 crore.

The GP shareholders will be entitled to the dividend on July 28 this year, which will be distributed within the timeframe stipulated by the regulator, according to the statement.

SEC allows two companies to issue rights shares

STAR BUSINESS REPORT

The Securities and Exchange Commission yesterday approved rights offers of two companies.

Federal Insurance Company and International Leasing and Financial Services received the green light from the regulator to issue rights shares of Tk 104.29 crore, according to a posting on the Dhaka Stock Exchange website.

Federal Insurance will float 2.24 crore ordinary shares of Tk 10 each to expand the capital base and business. The company will issue two rights shares for one existing share.

International Leasing and Financial Services will raise 81.46 lakh ordinary shares of Tk 100 each at a ratio of one right share for one existing share.

In another development, the market regulator served notice on Eastern Housing Ltd for breaching securities laws in connection with financial statements for the third quarter to April 30.

Govt offers tariff plan for Indian electricity

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Bangladesh could pay up to Tk 5.5 for a unit of electricity to be imported from India -- the rate being much higher than what it pays to the local bulk producers, but lower than the rental power plants.

The Bangladesh Power Development Board (BPDB) will pay between Tk 4.80 and Tk 4.91 plus transmission charges and losses for a unit of electricity. The country expects to start importing from India by December 2012.

The power division will place a draft of the power purchase agreement (PPA) to this effect at the meeting today of the cabinet committee on economic affairs for approval.

Although the PPA did not specifically mention the tariff rate, it said how the Indian power producers would charge Bangladesh.

The Indian authorities have indicated that the tariff could be between 2.88 and 2.94 Indian rupees plus transmission charges and transmission losses.

The transmission charges and transmission losses will vary from time to time, according to the proposal of the power division.

Power division officials said the tariff is higher than the rate PDB pays to buy electricity in bulk, but lower than the tariff charged by the quick rental power plants.

PDB buys electricity in bulk at Tk 2.50 a unit although the price will be high if system loss is taken into consideration.

The government buys power between

Tk 7 and Tk 15 a unit from the quick rental power plants.

In January 2010, Bangladesh signed a memorandum of understanding with India to import electricity as part of its move to meet the growing energy needs of the country.

Bangladesh currently faces an electricity deficit of around 800 MW on an average, against a capacity of 5,000MW. On Monday, electricity generation hit 4,936 MW, the highest in the country's history.

Under the deal, Bangladesh will buy 250 MW of electricity from an unallocated quota of the Indian government and another 250 MW from the Indian open market.

To this effect, PDB and NTPC Vidyut Vyapar Nigam Ltd have prepared a draft power purchase agreement.

The draft agreement also said work to set up a 400 KV transmission line and another 400 KV HVDC grid substation between Bheramara, Bangladesh and Bohorompur in India has started in order to bring electricity from India.

But Asian Development Bank, the funding agency, is not disbursing any money as the PPA has not been signed. This is disrupting the project's progress, according to the power division proposal. As a result, the import of electricity from India could be delayed, it said.

The agreement also did not name the plant that will supply power to Bangladesh, although the Joint Steering Group in February 2010 said electricity will be supplied from the central generating stations located in eastern India.



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