

# Nov 30: face value conversion deadline

STAR BUSINESS REPORT

The Securities and Exchange Commission has issued a directive on a uniform face value of equity shares and mutual fund units at Tk 10, a move that will help create a level-playing field in the stockmarket.

Listed companies and mutual funds that do not have face value at Tk 10 will have to do the conversion by November 30.

The record date has been fixed as December 1 and the trading with the uniform face value will start on December 4, according to the directive posted on the SEC website on Thursday.

The share conversion will not be considered as price sensitive information and the companies or mutual funds would not need to disclose anything on share conversion as price sensitive information, the regulator said.

In case of failure, trading will remain suspended.

There are 138 listed companies and mutual funds with Tk 100 in face value, and 129 with Tk 10 and one mutual fund with Tk 1.

Earlier, the SEC at a meeting on August

23 decided in principle to set a uniform face value of equity shares and mutual fund units at Tk 10.

The regulator took the decision, as instructed by the finance ministry after a government probe committee on the recent share market scam recommended fixing a uniform face value.

The government probe committee on the recent market debacle found that 'split of shares' was used as a tool to mop up small investors' money -- a major reason behind the market debacle.

Manipulators played on the "psychological weakness" of retail investors and encouraged them to buy smaller denomination shares that had a huge impact on the stockmarket, said the probe report.

Split of shares does not have any impact on a company's earnings or assets. So, there should have been no impact of the split on share prices except for an adjustment to the face value, the report said.

But, it said, the fragmentation of shares had an "unexpected impact" on share prices and liquidity in the market. The probe body had also recommended the government set a uniform face value in shares.

# BB to tighten control on banks: governor

STAR BUSINESS REPORT

The central bank will further strengthen its regulatory activities in commercial banks to minimise risks of the sector, said Bangladesh Bank Governor Atiur Rahman yesterday.

Rahman said the banking sector is still facing many risks relating to managing credit, liquidity and money laundering after the US financial crisis and the recent debt crisis in Europe.

"We have to strengthen our regulatory mechanism to deal with internal and external shocks of the banking sector," he said.

He spoke at a meeting on "Contemporary challenges in the banking sector and supervisory stance" co-organised by the central bank's Department of Off-Site Supervision and Bangladesh Bank Training Academy in Mirpur.

Rahman stressed the need for an integrated mechanism to ensure a good supervisory system.

The governor also instructed officials of the central bank's supervision department to take stern action against any

irregularity in the commercial banks.

He said the central bank is preparing a stability report to ensure better supervision. The report will be published soon.

Glenn Tasky, banking supervision advisor to the central bank, said the banking supervision is important for mainly three reasons: firstly, to protect depositors against avoidable losses from bank failure; secondly, to promote the smooth operation of the payments system; and thirdly, to prevent the abuse of the financial system by money launderers and terrorism financiers.

"So the banking supervision team must arrive at a single, comprehensive and informed opinion about the condition and performance of a bank, and have to take corrective actions if they find any weaknesses," said Tasky.

Nazrul Huda, a deputy governor of BB, said the banking sector of the country is facing at least 10 internal and external threats.

He suggested the authorities put in place an inclusive, proactive and comprehensive supervisory system to deal with the unexpected shocks.



Olga Guarch Andreu, a team leader from Zara, a fashion retailer; and Syed Naved Husain, group director of Beximco, inaugurate a garment factory of Beximco at Beximco Industrial Park in Gazipur recently.

# India's GVK to pay \$1.3b for Australian coal assets

AFP, New Delhi

Indian infrastructure giant GVK on Saturday said it would pay \$1.3 billion for Australia's Hancock coal and infrastructure projects as it lines up energy supplies for upcoming power plants.

The purchase of three coal mines, a railway line and port projects linking the coal projects in Queensland, involves "truly world-class coal assets in both quality and scale," said GVK group chairman GVK Reddy.

The purchase comes as Indian companies have been competing with each other to buy coal assets all over the world as they build power projects, steel and other plants to fuel the country's fast-growing economy.

India is heavily dependent on coal for power generation. The deal is aimed at giving GVK's listed flagship, GVK Power and Infrastructure, sufficient fuel supplies for its planned power plants.

"This acquisition builds a strong resource business for GVK," said Reddy in an emailed statement. "We will now be able to increase the capacity of our coal power business with an assured in-house supply of raw material."

GVK, based in the southern Indian city of Hyderabad, owns and operates power, airport and other infrastructure projects in India.

These Australian projects "are together one of the largest integrated coal development projects in the world," GVK said.

GVK is taking a 79 percent stake in the two mines, 100 percent of a third mine along with 100 percent ownership of rail and port projects owned by the Hancock group, led by Australian billionaire businesswoman Georgina Rinehart.

GVK's acquisition "should help to propel these mines to successful development and on-going operations over decades," Rinehart said in the statement.

"We are very pleased with this strategic alliance with a country -- via GVK -- that needs our coal," she said.



Mohammad Sanaullah, president of the Institute of Chartered Secretaries of Bangladesh, chairs the first annual general meeting of the organisation at Hotel Purbani International in Dhaka recently.



Shariful Islam, founder of Bangladesh Brand Forum, announces a four-day event titled "Meet Bangladesh -- Asia's Next Big Opportunity" to be held in New York and Washington DC, at a programme at Sonargaon Hotel in Dhaka yesterday.

# Stocks in red: the week that was

STAR BUSINESS REPORT

The bearish trend continued in stocks last week as investors suffered lack of confidence amid liquidity crunch.

Investors staged demonstrations during the week as the DGEN dived below the 6,000-point mark.

The benchmark General Index of Dhaka Stock Exchange, the gauge of DSE, plummeted 110 points, or 1.82 percent, to end the week at 5,966.

"Investors were in sheer indecision as most of the measures adopted recently by the Securities and Exchange Commission to spur the market activities are yet to be implemented,"

LankaBangla Securities, a leading stockbroker, said in an analysis.

Investors seemed to remain inactive, dampening the market activities, it said.

On Monday, the market watchdog assured the stockmarket investors that the central bank would increase the adjustment period of single-party exposure limit from December 31.

The bourses also urged the SEC to resume random money-netting instead of the existing selected money netting, and reduce the trading cycle period from T+3 to T+2 to increase the transaction volume.

Low turnover led the large institutional investors to take a break from trading, said a stockbroker.

It is a matter of concern that the value of trade is yet to increase, he said.

The week witnessed five trading sessions as usual, and among them two sessions advanced while three lost.

Of the 264 issues traded, only 39 advanced and 221 declined. Four issues remained unchanged.

Daily average turnover on the DSE soared 2.42 percent to Tk 326 crore from the previous week.

All sectors ended in the red in the week. Among major sectors, banks lost 1.90 percent, non-banks 2.58 percent, general insurance 2.31 percent and life insurance 2.01 percent.

Grameenphone, which represents the telecoms sector, lost 3.3

percent, while pharmaceuticals lost 0.22 percent, fuel and power 1.29 percent and cement 4.31 percent.

Mutual funds and jute sector were the only gainers last week as they gained 0.72 percent and 2.40 percent respectively.

Lafarge Surma Cement was the most active share of the week with 12.33 lakh shares worth Tk 78.47 crore changing hands as the SEC approved the rights offer of the company at one share against one existing share.

Grameen Mutual One, managed by Aims, was the biggest gainer of the week, posting 13.44 percent, while Monno Ceramic was the worst loser, plunging by 23.04 percent.

# Obama urges congressional approval of jobs plan

AFP, Washington

US President Barack Obama urged Congress Saturday to pass his job creation plan without delay, arguing it will make it possible for businesses to hire more workers and for Americans to find jobs.

In his weekly radio and Internet address, Obama said the time for action on his proposal "is now."

"No more games or gridlock. No more division or delay," he stressed. "It's time for the people you sent to Washington to put country before party -- to stop worrying so much about their jobs and start worrying more about yours."

Obama's \$447 billion plan was unveiled earlier this month in an attempt to kickstart efforts to combat 9.1 percent unemployment in the world's biggest economy and restore trust in his economic leadership.

The centerpiece of the proposal is a deeper-than-expected \$240 billion payroll tax cut for employers and employees, meant to spur consumer demand and encourage firms to hire new workers.

Some key economists have given the blueprint a positive review, even though the plan is unlikely to emerge unscathed from the Republican-led House of Representatives. Obama insisted that his proposal would cut taxes for every worker and small business in the country.

"And it will not add to the deficit," he promised. "It will be paid for."

However Republicans, who control the House of Representatives, have been skeptical of the president's plan. House Speaker John Boehner said Thursday that the president's proposals were "a poor substitute for the pro-growth policies that are needed to remove barriers to job creation in America."

# Eurozone debts in 'better' state than global rivals: Trichet

AFP, Brussels

The eurozone's debt level is "probably better" than global rivals, European Central Bank chief Jean-Claude Trichet said on Saturday as EU talks focused on resolving the Greek crisis wrapped up in Poland.

"If I take the euro area, and the EU as a whole, the situation is quite encouraging compared with other major advanced economies," Trichet said, tipping a combined year-end deficit at 4.5 percent of GDP.

Adding "superior" cumulative, out-

standing debt levels elsewhere at "around 10 percent" of gross domestic product, Trichet added of the eurozone's medium-term outlook that "taken as a whole, it is probably better than other major advanced economies."

Trichet was speaking as ministers wrapped up two days of talks marred by a clash of thinking between US Treasury Secretary Timothy Geithner and leading European finance ministers, both German and Belgian finance ministers having highlighted the United States as carrying the world's heaviest debt burden.



Faruq A Choudhury, chairman of Delta Brac Housing Finance Corporation Ltd, presides over the company's meeting at its head office in Dhaka on Thursday. The company recommended 100 percent stock dividends for its shareholders. QM Shariful Ala, managing director, was also present.

## JOB OPPORTUNITY

Applications invited for the position of Chief Financial Officer for a leading local Telecom company.

### Job Description / Responsibility

- Overall In charge of all financial and accounting activities of the company, reporting to CEO and MD.
- Preparation of financial statement of implementation (IAS - International Accounting Standard) and (IFRS - International Financial Report Standard) rules in financial reporting.
- Monitoring cost and profitability statement.
- Managing all the corporate affairs holding of AGM & EGM.
- Management of tax, VAT and corporate affairs.
- Preparation of annual operating plan based on financial and operating forecasting.
- Prepare project proposals for obtaining loan from different financial institutions.
- Project wise working capital management, Fund and loan management. Investment analysis.
- Monitor revenue and cost analysis.
- Establish and maintain appropriate internal control safeguard.
- Other duties necessary for business.
- Define, design and analyze business process through financial software & present simulation to management.
- Bank relationship management.
- Supervision of all compliance with RJSC (Register Join stock), Bangladesh Bank, BOI, BTRC, any regulatory or supervisory authority.

### Educational Requirements

FCA from a recognized Institute.  
Masters/MBA (Finance) from a Reputable University.

### Experience Requirements

- Minimum 10 year(s)
- The applicants should have experience in the following area(s): Financial Record, Managing Internal and External Audit, Cost Management, Effective fund utilization, Negotiating with bank for financial term.
- Experience with financial software application.
- Managing financial affairs for large organization (Telecom preferable).
- Excellent working knowledge of MS office Suit, especially Excel.
- Knowledge of an ERP solution will be an advantage.

### Additional Job Requirements

- Should have experience in the structure of Telecommunication companies payment method and inter-operator settlement process.
- Have knowledge in collection of funds from operator and dispute resolution.
- Proven organizational and interpersonal skills.
- Self motivated, independent worker with the ability to multi-task and leadership quality.

### Salary Range

- Lucrative salary package and benefits will be offered to deserving candidates.

### Job Location

- Dhaka, Bangladesh.

### Deadline

- Submit full CV with passport size photo and related certificates on or before 7<sup>th</sup> October 2011.

### To:

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