

Stocks rise for three weeks

STAR BUSINESS REPORT

Stocks continued to gain for a third week after the finance minister announced that small investors would be compensated.

The benchmark General Index, DGEN, the gauge of Dhaka Stock Exchange, closed at 4,367.81 points, after gaining 108.77 points, or 2.55 percent.

Finance Minister AMA Muhi said the package would be finalised towards the last week of the month.

A government committee on compensation has recommended a waiver of up to 50 percent interest on margin loans and 20 percent quota allocation of all initial public offerings.

Market analysts said investors went on a buying spree as the government would compensate the small investors, who had suffered huge losses in downswings.

The investors were optimistic about the fresh buy orders placed by

some sponsors and directors of listed companies.

Corporate declarations by banks and other companies also inspired the investors to take fresh position in the market, the analysts said.

The finance ministry's request to all stakeholders not to take any decision or comment on the stock market without prior discussion or consultation with the SEC also made the investors optimistic, said a stockbroker.

The market is gradually regaining stability as investors' confidence has been restored to some extent, he said.

A total of 11 banks have disclosed their earnings of 2011. Dhaka Bank reported the highest growth of 33.7 percent in net profit in 2011, while AB Bank was the worst performer, which lost 65.1 percent.

"The market gained strongly in the last two sessions as expectations were high among the investors which may have led the market to rise in the last two sessions," BRAC-EPL said in its

weekly market analysis.

Turnover gained 30.97 percent, compared to the previous week. A total of 33.74 lakh trades were executed, generating a turnover of Tk 998 crore with 23.98 crore shares and mutual fund units changing hands on the Dhaka bourse.

The week witnessed four trading sessions as Tuesday was a public holiday on the occasion of International Mother Language Day. The first two sessions lost marginally while the last two gained strongly.

Of the 264 issues that traded on the premier bourse, 213 advanced, 43 declined and eight remained unchanged.

All sectors gained in the last week except telecoms, which lost 0.59 percent and paper and printing 2.94 percent.

The power sector gained the most, advancing 3.70 percent, followed by pharmaceuticals 2.17 percent, non-bank financial institutions 1.65 and banks 1.57 percent.

Business leaders call for more Thai investment

UNB, Dhaka

Business leaders yesterday sought stronger collaboration between Bangladesh and Thailand to have sustainable business ventures to minimise the existing trade imbalance.

"We need to work hard to reduce the trade imbalance... Bangladesh has huge potential to become an investment destination for Thai investors," said Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry (DCCI), at a function at its conference room.

Trade between Thailand and Bangladesh is heavily in favour of Thailand and the total trade value was \$1061.21 million in 2010-11, out of which export to Thailand was only \$33.01 million.

Ibrahim invited Thai investors to make direct

investment or work in joint ventures with local partners in prospective areas, including power generation and renewable energy.

DCCI and FPRI (Fiscal Policy Research Institute) Foundation, Thailand jointly arranged the event, "Bangladesh-Thailand Business Forum and Business Match-making Meeting 2012".

Dilip Barua, industries minister, urged the Thai investors to come up with investment, both direct and joint ventures in the prospective areas. "Foreign investment is well-protected here."

Barua spoke as the chief guest while MA Momen, president of Bangladesh Thailand Chamber of Commerce and Industry, made a presentation on "Trade and investment opportunities in Bangladesh".



Dhaka Regency's berry celebration

STAR BUSINESS DESK

Dhaka Regency celebrated the versatility of the strawberry taking advantage of its newfound easy availability, this spring, by running a three-day promotion from February 23, in its 24-hour multi-cuisine Grandiose Restaurant, the hotel said in a statement yesterday.

Recently, local farmers have very enthusiastically taken up strawberry farming, a fruit almost universally popular as flavouring for variety of items including food, cosmetics and sprays. Technically and secretly, strawberry isn't even a berry.

During the promotion at Regency, a special a la carte menu boasted specially featured confections and concoctions and even salads to suit this very berry mood of the restaurant.

This sweet-n-sour juicy fruit has been fascinating the West for centuries, frequently used as an ingredient to flavour cuisines, its natural fragrance perfuming cosmetics and toiletries, and it is even looked to as a source of recreation during early spring for going berry-picking.



Mohammed Nurul Amin, managing director of NCC Bank, and Yousuf P Hameed, general manager of Islamic Exchange Company, exchange documents after signing a remittance agreement in Doha, Qatar, recently. The deal allows Bangladeshi expatriates to remit money from Qatar to Bangladesh through the two organisations.



Anis A Khan, managing director of Mutual Trust Bank, attends the annual business conference of MTB Securities Ltd and MTB Capital Ltd, two fully owned subsidiaries of the bank, at MTB Square in Dhaka yesterday. Quamrul Islam Chowdhury, deputy managing director of the bank, was also present.

Kingfisher gets \$163.5m in investment offers

Debt-laden Kingfisher Airlines Ltd has received recapitalisation offers worth 8 billion rupees from two Indian investors, the Times of India said on Saturday, citing the carrier's Chairman Vijay Mallya.

The investors would get a combined 24 percent stake in the airline if the deal succeeds, the report said citing Mallya.

Desperately strapped for cash, Kingfisher stands on the brink of collapse after nearly a week of flight cancellations and resignations by dozens of its pilots.

Kingfisher has not turned a profit since it was founded in 2005 and is carrying a debt burden of at least \$1.3 billion.

Its revenue has been in decline since the end of last year. Staff are not being paid and tax bills remain outstanding.

"There's a deal offer from two Indian investors to recapitalise. We have their termsheets," the report quoted Mallya as saying.

"They are large investors and I would leave it there."

Valued about \$245.4 million by the stock market, shares in Kingfisher Airlines fell 4.35 percent on Friday to 24.20 rupees in a weak Mumbai market.

No G20 deal on IMF cash this weekend

REUTERS, Mexico City

World economic powers told Europe on Friday it would have to do more to fight its financial crisis before they agree to provide back-up in the form of a bigger IMF war-chest.

Finance ministers and central bankers from the Group of 20 top economies are gathering in Mexico City with Europe hoping that China, Japan and others will soon commit to giving the International Monetary Fund more money so it can help euro zone countries which suffer a cash crunch.

But many G20 countries are insisting

that Europe needs to take the first step by bolstering its own bailout funds.

"I expect no decision at the G20 summit on boosting the IMF's resources," said Jens Weidmann, head of Germany's central bank and a European Central Bank (ECB) Governing Council member.

The host of the weekend's meetings, Mexico's finance minister, Jose Antonio Meade, said it was "still early in the process" to discuss specific amounts and ways that G20 nations could commit more money.

The world's rich countries have used the G20 to coordinate their response to the financial crisis that erupted in 2008 after

the collapse of the U.S. housing bubble and then spread to Europe where many countries are saddled with heavy debts.

As the crisis has dragged on, however, divisions over how to tackle it have deepened. The IMF wants to raise as much as \$600 billion in extra resources to help deal with fallout from the euro zone debt crisis, but the plan faces resistance from countries including the United States and Canada.

The United States has told Europe to do more on its own and also made clear it will not provide more cash to help the IMF handle the crisis.

Vedanta merges Indian units to create \$20b metals giant

AFF, New Delhi

London-listed mining heavyweight Vedanta Resources said Saturday it was combining its two Indian subsidiaries into a metals giant that will have a market capitalisation of \$20 billion.

Under the restructuring aimed at streamlining Vedanta's operations, metals producer Sterlite Industries will merge with iron ore miner Sesa Goa, creating one of India's biggest companies with annual revenues of \$14.2 billion.

The new company, to be known as Sesa Sterlite, will create an "Indian natural resources champion", said Vedanta's bil-

lionaire chairman Anil Agarwal, known as "the metals king."

"This transaction is a natural evolution, leading to simplification of the group's structure," he said. "We will have one company, Vedanta, which will be the holding company and have one operating company which will be Sesa Sterlite."

"This is the new baseline from which we are looking forward," said the Indian-born mining magnate who is based in Britain.

The transaction will be carried out through an all-share deal in which three Sesa Goa shares will be issued for every five Sterlite shares, the company said in a statement.

Sesa Sterlite "with its high quality assets,

growth projects and strong management, is well placed to create value for all shareholders," Agarwal added.

The new corporate behemoth is expected to be the seventh largest global natural resources company by earnings and its shares will be listed in India and in New York, Vedanta said.

The merger is expected to create "significant synergies" that will generate cost savings of \$200 million a year, the company added.

The new company will have a market capitalisation of \$20 billion, M.S. Mehta, group chief executive of Vedanta Resources, told a televised news conference.



Sharmeen Lucky, a model, inaugurates White Hen Gourmet Butcher's Shop at Banani in Dhaka on Thursday. HBM Zahidur Rahman, chairman of White Hen; Mashhur Rahman, managing director; and Wayne Gaskell, chief executive officer of White Hen Agro, were also present.



KS Tabrez, managing director of Dutch-Bangle Bank, attends a workshop on "Rationalized input templates for banks" at Dilkusha in Dhaka yesterday. Sheikh Mozaffar Hossain, deputy general manager, was also present.

New top brass for publicly listed companies' assoc



Tapan Chowdhury

Mohammed Younus

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Tapan Chowdhury has recently been elected as the president of Bangladesh Association of Publicly Listed Companies (BAPLC) for 2012-13, the association said in a statement yesterday.

The association also elected Mohammed Younus as its vice president for the term.

Chowdhury is the managing director of Square Textiles Ltd and Younus is the managing director of Sonali Paper and Board Mills Ltd, according to the statement.

The BAPLC is the top body of the companies listed with the stock exchanges in Bangladesh.

Exports: growing much in value, not in volume

FROM PAGE B1

Exports are increasingly becoming the main lifeline of Bangladesh's economy. Low labour costs have helped the country join the global supply chain for clothing.

Export Promotion Bureau (EPB) data shows exports surged by 41.5 percent in 2010-11 to a record \$23 billion, boosted by garment sales. For the current financial year, Bangladesh has set export target at \$26.5 billion, up by nearly 16 percent from 2010-11.

Exports for July-January of 2011-12 were up by 14 percent to nearly \$13.92 billion, but \$645 million shy of the target, according to EPB.

Price hike of raw materials also inflated the export earnings of other sectors last year.

"Our export volume did not go up...the growth was a reflection of a rise in raw materials' prices," said Tipu Sultan, a leading exporter of finished leather and leather goods. He said price of chemicals increased by 20-25 percent in 2011.

SEC to conduct special audit into listed firms

FROM PAGE B1

The regulator has already proposed amendment to Securities and Exchange Rules 1987 and is taking opinions on it from different stakeholders, said the SEC official.

The audit firms will perform the special audit by giving special emphasis on accuracy of turnover and major components of costs of sales, unit-wise revenue, position of current assets with particular emphasis on realisation, collection and adjustment status of debtors.

The auditors will also emphasise advance, loan or investment to the sister and other concerns, deposits and prepayments, according to the guidelines.

The audit firms will check the reconciliation of production and sales revenue and its relation to payments of VAT and income tax payment.

Cost of acquisitions and constructions, valuation, including revaluation and physical existence and the title of the fixed assets will be checked during the period of special audit.

In line with the guidelines, the audit firms will also re-audit the authenticity of liabilities of the company, including direct confirmation for major amounts -- which is more than 5 percent of the total liabilities.