

Seven banks submit papers for licences

Two others seek more time to do so

SAJJADUR RAHMAN

Two out of nine new banks have failed to submit their supporting documents with their applications for licences within deadline which passed yesterday, Bangladesh Bank officials said.

The two banks, NRB Global Bank and Madhumati Bank, have sought for extension of six months to meet BB's regulations for setting up new banks.

"The central bank will decide on the time extension at its board meeting," a BB official said yesterday.

"We need more time to arrange the money required as paid-up capital. We hope to get the extension," Nizam Chowdhury, proposed chairman of the NRB Global Bank, said yesterday.

Chowdhury said initially he thought Tk 200 crore would be needed as paid-up capital, but later found the figure was Tk 400 crore.

Sheikh Fazle Noor Taposh MP who is a sponsor of the Madhumati Bank could not be reached for comments.

In April, the BB gave the go-ahead to nine new private banks, all linked with either lawmakers of the ruling Awami League and Jatiya Party or influential persons, despite opposition from different quarters.

The BB issued a 'letter of intent' for the new banks on April 17 and asked them to submit all supporting documents within a six-month timeframe.

Sponsors of the banks will also have to ensure they have arranged minimum Tk 400 crore needed as paid-up capital.

The minimum shareholding stake of each sponsor shall be Tk 1 crore, with the maximum being 10 percent or Tk 40 crore of the Tk 400 crore paid-up capital.

The seven banks which managed to meet the deadline are: South Bangla Agriculture and Commerce Bank, Midland Bank, Farmers' Bank, Union Bank, Meghna Bank, NRB Commerce Bank and NRB Limited.

"We'll now scrutinise the applications, including the eligibility of the sponsors and sources of their money," said the BB official. Their credit reports, too, will be examined, he said.

Upon receiving the formal licences, the banks will have to issue public shares within three years from the date of commencement, with the public issues at least equal to the sponsors' share amount.

At present, 47 public, private and foreign banks are in operation in the country, in addition to the 29 non-bank financial institutions.

SEC gives nod to Orion Pharma IPO

STAR BUSINESS REPORT

The Securities and Exchange Commission yesterday approved the initial public offering of Orion Pharma, which will raise Tk 240 crore from public.

Orion Pharma will float four crore ordinary shares of Tk 10 each at an offer price of Tk 60, including a premium of Tk 50.

The company's earnings-per share is Tk 5.57 and net asset value per share is Tk 76.86, according to its 2011 financial statements.

The SEC also gave nod to Rahimafrooz Globatt to raise its paid-up capital by Tk 30 crore through issuing 30 lakh redeemable cumulative preference shares of Tk 100 each.

The regulator cancelled the rights issue of Information Services Network.

The SEC also refused to allow ICB Asset Management Company to invest the raised fund, through pre-IPO placement, of Sonali Bank 1st Mutual Fund in the secondary market.

Economists call for better investment, regulatory regime

STAR BUSINESS REPORT

A group of economists yesterday called for an investment-friendly climate for the private sector and urgent actions to resolve infrastructure deficiency, to help the country achieve higher economic growth.

"There is no congenial environment for investment in the country. Not only do the political front pose threats, the regulatory regimes also do not work efficiently and professionally," said Salehuddin Ahmed, a former Bangladesh Bank governor.

Ahmed said the weakest part of the macroeconomic management has been the country's inability to generate enough jobs. Wages and salaries have remained static at all sectors except a few.

"Interpersonal inequality and regional disparity in income has gone up tremendously. It is not a good sign in the long-run

if the economic growth benefits a part of the society and deprives the others."

Ahmed, also a professor at North South University, said the inflation, although on its way down, is still high -- and remains a challenge for the country.

He also said if there is any shock then the 7.2 percent GDP growth would not be possible to achieve.

Ahmed said the country's financial sector management has been a mess, with special mention to the Hall-Mark Group's scam.

Akbar Ali Khan, an adviser to a former caretaker government, said even if Bangladesh fails to achieve its targeted economic growth of 7.2 percent this fiscal year, the country will have satisfactory achievement.

He said when people talk about public investment, very rarely do they point to the efficiency of the investment.

GP returns extra amount to users on 10-sec pulse

STAR BUSINESS REPORT

Grameenphone has started reimbursing the additional amount it charged to its users due to the delay in its implementation of the 10-second pulse directive from the telecom regulator.

The move comes following Bangladesh Telecommunication Regulatory Commission's notice to the mobile operator on September 20 asking them to refund the extra charges.

"We are returning the extra amount for the delay," said Tahmid Azizul Haque, Grameenphone's head of corporate communications.



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Group Managing Director of Summit Powers
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