

# India leaves repo rate steady

REUTERS, Mumbai

The Reserve Bank of India (RBI) left interest rates on hold on Tuesday but cut the cash reserve ratio for banks, defying pressure from the government to lower rates for the first time since April but also indicating it may ease policy in early 2013.

Leaving the policy repo rate unchanged at 8.00 percent was in line with forecasts in a Reuters poll. But rate cut expectations had grown after India's finance minister on Monday outlined a plan to cut the country's hefty fiscal deficit, which is a concern of the central bank.

Finance Minister P Chidambaram appeared disappointed with the central bank's decision, as were investors, who pushed bond yields and swap rates higher. Indian stocks fell for the worst performance in Asia on the day.

Unusually, RBI Governor Duvvuri Subbarao gave fairly explicit policy guidance, saying the central bank might ease policy in January to March, the final quarter of the fiscal year, when it expects inflationary pressure to ease. That implied it will not cut rates at its next review on December 18.

"There's a positive that RBI has said there's a likelihood of easing in the Jan-March quarter. Looks like the RBI wants inflation to peak out before cutting rates, so we shouldn't expect anything in December," said A. Prasanna, economist at ICICI Securities Primary Dealership in Mumbai.

The central bank said it expects inflation -- which hit a 10-month high of 7.8 percent in September -- to rise before easing in the final quarter of the fiscal year.

"While risks to this trajectory remain, the baseline scenario suggests a reasonable likelihood of further policy easing in the fourth quarter of 2012-13," Subbarao wrote.

Investors, companies and the government have clamoured for a cut in interest rates to boost flagging growth. Interest rates have been on hold since April even as many other central banks cut rates, and remain some of the highest anywhere.

"Growth is as much a challenge as inflation," Chidambaram told reporters after the rate announcement.

"If government has to walk alone to face the challenge of growth, well, we'll walk alone," he said.

Since taking office three months ago, Chidambaram has made several moves to revive investment, clear economic bottlenecks and repair government finances. While he has sought support from the RBI in the form of policy easing, the hawkish Subbarao has said New Delhi needs to do even more.

"Government is doing its best to send a clear message that we are on the path to fiscal consolidation. And it is my hope that everyone will read and understand government's commitment to fiscal consolidation," Chidambaram said.

While the RBI is not statutorily independent, it operates with a high degree of autonomy and Subbarao has resisted calls in the past from New Delhi to ease policy.

"The government is an important stakeholder in the Reserve Bank's policy. So we understand that the finance minister has a position, he represents the government, and we have respect for what the finance minister says," Subbarao told a media briefing.

Credit Suisse Economist Robert Prior-Wandesforde said he had expected the RBI to "give the government a bigger pat on the back at this meeting," and had forecast 25 basis point cuts in both the repo rate and CRR.

"We wouldn't be surprised if the government felt that the central bank had not fulfilled its side of what could have been considered an implicit bargain at least," he wrote.

While Subbarao has kept rates on hold, he has been cutting CRR in order to inject more liquidity into the banking system and pressure banks to pass along earlier rate cuts to borrowers.

Chidambaram's plan to nearly halve the fiscal deficit in just over four years gave few specifics, but his announcement at a hastily called news conference on Monday was seen by financial markets as adding pressure on the RBI to cut rates.

Last month, New Delhi raised the price of subsidised diesel and eased rules on foreign investment in several industries.

"Recent policy announcements by the government, which have positively impacted sentiment, need to be translated into effective action to convert sentiment into concrete investment decisions," Subbarao said in the policy review.

Economic Affairs Secretary Arvind Mayaram said the government and central bank needed to work together.



STANDARD BANK

Kazi Akram Uddin Ahmed, chairman of Standard Bank, hands over a cheque for Tk 2 crore to Prime Minister Sheikh Hasina for the premier's relief and welfare fund at the Prime Minister's Office in Dhaka recently.

## Nokia to launch new Lumia model in US

AFP, Helsinki

Finnish mobile phone maker Nokia said Monday that it had chosen the second biggest US operator, Verizon Wireless, to exclusively distribute its new Lumia 822 model when it is launched this autumn.

Nokia said the new phone, designed to appeal to first-time smartphone buyers, would be available at Verizon "this autumn" but did not specify an exact date or price.

A higher-end Nokia phone, the Lumia 920, is meanwhile expected to be exclusively launched in the United States through the country's biggest operator AT&T, according to media reports.

Both launches are due in the first half of November, according to industry experts quoted in specialised media.

Verizon has some 95.9 million mobile phone subscribers, while AT&T has 100.7 million.

The success of the two models in the US, the market of reference for mobile telephony, is seen as crucial for Nokia's future as it falls behind on the smartphone market amid stiff competition from



Jim McCabe, chief executive officer (CEO) of Standard Chartered Bank Bangladesh, and Tore Johnson, CEO of Grameenphone, pose with the senior officials of 15 financial institutions after signing a syndicated term loan at The Westin Dhaka Hotel recently. StanChart arranged a syndicated loan of Tk 846 crore for the mobile operator. Story on B1

STANCHART

## Tax returns remain low despite time extension

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Of nearly 35 lakh TIN (taxpayer identification number) holders, only a third of them submit returns regularly. Many of them submit returns by seeking time after the deadline.

Over the past several years, income tax receipts grew by more than 20 percent annually thanks to NBR's motivational campaign such as holding of tax fairs. A steady growth of the economy and rising incomes also facilitated increased direct tax collec-

## Stocks in the red after vacation

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A total of 0.67 lakh trades were executed with 6.43 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the total 268 issues traded on the DSE, 86 advanced, 160 declined and 22 remained unchanged.

United Airways featured in the most traded stocks chart with 95.13 lakh shares worth Tk 28.43 crore changing hands.

Delta Spinners was the biggest gainer of the day, posting an 8.9 percent rise, while Alltex became the worst loser, plunging by 11.53 percent.

CSCX, the selective categories index of Chittagong Stock Exchange, finished the day at 8,843 points, after losing 54 points.

Losers beat gainers 123 to 36 with 12 securities remaining unchanged on the port city bourse that traded 91.45 lakh shares and mutual fund units

## Businesses, lawyers up against changes to companies law

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Leaders of trade bodies and lawyers Rafique-ul Huq, M Zahir and Tanjib-ul Alam also spoke at the meeting.

"I see no reason why the present set-up should be disturbed to give an arbitrary power to the government to appoint administrators or dictate the conduct of a company's affairs without preliminary investigation and final adjudication by the court," Zahir said.

"Even if the power is used bona fide there may always be an allegation that the power is being misused for political purpose or a personal ven-

## Chocolate conquers new worlds, from Asia to Brazil

AFP, Paris

History is coming full circle: borrowed from the Aztecs four centuries ago, perfected for the palate by the Europeans, chocolate is conquering new worlds, with sales booming from Asia to Brazil.

Every second, 95 tonnes of chocolate are wolfed down around the world, or three million tonnes a year, according to figures supplied by the annual Salon du Chocolat fair, which kicks off Wednesday in Paris.

The globalisation of chocolate is most striking in Japan, where annual sales are soaring by 25 percent and French chocolatiers are feted like stars while their Japanese counterparts now rank among the world's best.

"Japan has converted en masse to chocolate in the past decade, with chocolate Salons in seven different cities," said Francois Jeantet, co-founder of the Paris fair, which has spawned 21 sister events from New York to Shanghai.

For the Salon's annual fashion show featuring life-sized chocolate dresses, this year's model is a kimono-inspired number created by French chocolatier Frederic Cassel -- who has three stores in Japan.

"We wanted to express Japanese tradition, cherry blossom in the wind," in the long sleeves with chocolate flowers, said Cassel, who worked to a design by a young fashion student, Audrey Lempeseur.

The 15-kilo edible dress -- a month in the making -- will be slipped on just moments before the show, lest it should melt under the spotlights. Afterwards, it will be shipped straight to Japan.

According to Jacques Pessis, president of the highly serious Chocolate Crunchers' Club which each year rewards the best world chocolates, France and Japan are the current masters of the game.

"Thirty years ago Belgian and Swiss chocolate ruled the world. These days French chocolate is known the world over. And more and more Japanese chocolatiers, taking their inspiration from the French, are truly excellent."

Japan aside, chocolate sales are also growing 30 percent year on year in China, while in India -- even though one in two Indians have never tasted chocolate -- growth is 20 percent, for a treat taken ultra sweet and milky.

"Nearly every country in the world is now part of the chocolate trade, including Asian countries and their colossal potential markets," said Jeantet and his fellow founder Sylvie Douce.

Six multinational firms together account for 85 percent of the vast market: Hershey, Mars, Philip Morris, Nestle, Cadbury and Ferrero.

Producer countries like Brazil have turned into major consumers, while others like Vietnam or Indonesia are moving into cocoa growing.



EBL

Md Obaidul Islam, head of international division at Eastern Bank, and Junaid Masroor, head of transaction banking, receive the 'Best Global Trade Finance Programme Issuing Bank in South Asia' from Georgina Baker, director for global trade and supply chain solution of International Finance Corporation of the World Bank Group, in Dubai recently.



ROBI

Michael Kuehner, managing director of Robi, and Moynul Haque Siddiqui, managing director of Fiber@Home, sign a transmission network sharing agreement, at the corporate office of Robi in Dhaka recently.



## Advanced Chemical Industries Limited

ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

In compliance with the Notification of Securities and Exchange Commission No. SEC/CMRRCD/2008-183/Admin/ 03-34 dated 27 September 2009 the Board of Directors approved the un-audited Financial Statements for the 3rd quarter ended 30 September 2012. The summarized Financial information are as follows:

ACI Limited				
		Figures in Taka '000'		
January to September		July to September		
2012	2011	2012	2011	
Sales	7,020,472	6,163,313	2,228,645	2,188,324
Gross profit	2,604,417	2,267,274	858,710	815,534
Operating profit	670,906	663,255	220,392	244,864
Profit before tax	583,374	600,333	157,305	224,960
Profit after tax	414,196	438,243	107,427	160,467
Earnings Per Share (Taka)	17.45	18.52	4.51	6.78
Net Operating Cash Flow per share (Taka)	(3.7)	36.37		
As of 30 Sep 2012	As of 31 Dec 2011			
Net Assets Value per share (Taka)	209.22	201.52		

ACI Limited and the Group				
		Figures in Taka '000'		
January to September		July to September		
2012	2011	2012	2011	
Sales	16,223,888	12,563,365	4,919,273	4,241,841
Gross profit	4,059,287	3,474,360	1,346,520	1,176,076
Operating profit	865,086	875,402	263,651	298,827
Profit before tax	37,964	326,658	(47,502)	118,515
Profit after tax and minority interest	(141,361)	108,702	(97,407)	65,312
Earnings Per Share (Taka)	(5.96)	4.59	(4.10)	2.76
Net Operating Cash Flow per share (Taka)	(36.06)	4.20		
As of 30 Sep 2012	As of 31 Dec 2011			
Net Assets Value Per Share (Taka)	161.73	177.28		

By Order of the Board

Muallem A. Choudhury  
Chief Financial Officer

Dated: 30 October 2012

The details of the financial statements is available in the website of the company. The address of the website is [www.aci-bd.com](http://www.aci-bd.com)