

Embattled Sahara seeks equity, debt infusion

REUTERS, Lucknow

The embattled Sahara conglomerate is looking to bring equity and debt investment into its businesses as an ongoing dispute with the Securities and Exchange Board of India (SEBI) has set back its growth.

Unlisted Sahara, a household name in India through its sponsorship of the national cricket team, has been ordered by the Supreme Court to repay billions of dollars it raised from millions of small investors in outlawed bonds.

Sahara says it has paid back most investors and its total liability is less than the 51.2 billion rupees it has deposited with the regulator.

"Out of turn, when you have to make payments, it affects the cashflow," Sahara chief Subrata Roy said in an interview at the sprawling gated complex where he lives and works in the capital of Uttar Pradesh, India's most populous state.

The unlisted group has vast real estate holdings as well as operations in media and hotels, including the Plaza Hotel in New York and London's Grosvenor House.

Roy, 64, said the company was looking to bring in corporate or financial equity partners to take minority stakes in some Sahara businesses including its Q Shop retail chain, a large dairy project in India and real estate ventures.

He did not identify any poten-

tial investors, who presumably would need to overcome concerns about Sahara's ongoing issues, but said he may offer stakes of 10-20 percent.

"MALICIOUS" MOVE

The market regulator has accused Sahara of failing to comply with the court order and has sought approval to arrest Roy and two other Sahara directors. In full-page newspaper ads in March, Roy challenged the regulator to a televised face-off, calling the regulator's move "malicious".

On Monday, Roy said Sahara had previously not been interested in bringing in equity partners, but would now look for such investors to bring debt, too. Sahara does not have significant bank debt.

He said the tussle with SEBI had set its growth back by a year or two.

"We have now said, yes, we will give equity, provided equity also brings a bigger amount of debt with it," he said.

Sahara has two small listed units and Roy said the company has no plans for any further listing. A draft prospectus for the IPO of another Sahara business had brought the now-outlawed bond scheme to the attention of regulators.

Despite its profile, Sahara is outside the mainstream of corporate India. Unlike many Indian CEOs, Roy is not a regular on the industry conference circuit, and is often photographed with cricketers and Bollywood stars.

Roy calls himself managing worker and chairman of Sahara and "chief guardian" of the world's biggest family, with nearly a million staff and agents. The conglomerate's full name is Sahara India Pariwar, which means family, and is known for public displays of patriotism.

Earlier on Monday, Roy presided over an attempt to set a world record for the number of people singing a national anthem. On the outskirts of Lucknow, he led a sea of Sahara staff and agents in song, with the men in the corporate uniform of white shirt and black tie with Sahara logo, the women in a black-and-red bordered saree.



WASA
Tagsem A Khan, managing director of Dhaka WASA, receives the Water Leaders' Award-2013 on behalf of his company for 2000-2006 and \$10,000 from Vicente Fox, president of Mexico, at the Global Water Summit, at Seville in Spain recently.

China's rising wages reach a critical milestone

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Moving production to cheaper locations is also an option, but it is a costly one and such decisions are not driven purely by labour cost considerations. Relocation means losing proximity to suppliers and customers, dealing with new tax and regulatory regimes, and bearing higher transport costs. That said, our survey suggests that companies are increasingly willing to consider moving out of the Pearl River Delta or expanding to new locations.

Around 30 percent of the companies surveyed said they plan to move factories inland, while 10 percent said they plan to move out of China altogether. Both of these figures more than doubled from last year. Within China, many companies in the Pearl River Delta want to move westward to Guangxi province, where wages are 30 percent lower. Other popular destinations include Jiangsu, Hunan, Hubei and Jiangxi provinces. The favoured overseas destinations are Cambodia, Bangladesh and Vietnam.

Labour shortages have long been a challenge in the Pearl River Delta. But we have found in past years that manufacturing wage trends in the region reflect the national situation because the labour market is highly mobile. A squeeze on the surplus labour pool in the Delta leads to rising inland wages and pushes up real wages for migrants leaving agriculture jobs.

There is also a new element fuelling the wage spiral - China's aging workforce. The number of people aged between 15 and 59 fell by 3.45 million in 2012, the first absolute decrease in the labour force since the late 1970s. Add this ingredient to the mix, and it is easy to see why the Lewis turning point has arrived in China a few years earlier than many had anticipated.

Kelvin Lau is senior economist and Stephen Green is head of Greater China Research at Standard Chartered Bank.

Regulator defers 3G auction to July 31

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"It will help the operators to take decision on taking part in the auction." Now, the BTRC is in the process to appoint a local and an international individual consultant for the auction, he said. The application date for the operators was also postponed to June 12 from May 12.



BRAC BANK
Syed Mahbubur Rahman, managing director of BRAC Bank, poses with the "Asian banker leadership achievement award" from Bangladesh for 2011-13, at the Ritz Carlton Jakarta in Indonesia recently.



PRAN-RFL
RN Paul, director of RFL Group, along with other officials poses at the launch of Vision LED television by PRAN-RFL at the handball stadium in Dhaka yesterday.

Amazon launches Android app store in China

REUTERS, Shanghai

Amazon.com Inc launched an Android application store that offers paid apps in China, beating Google Inc, as the online retailer seeks to increase the amount of digital content it offers in the world's largest mobile phone market.

Amazon, which opened its Kindle e-book store in China in December, launched its Android app store over the weekend for China users to download both free and paid apps, Amazon China spokesman Billy Huang said on Monday.

Google's official app store only offers free apps in China. Google China declined to comment for this story. Android is Google's open source mobile operating system.

Amazon's app store must compete with

hundreds of local rivals offering paid and free apps, some of them pirated, and users often worry about malware when downloading from these sites.

Amazon is the first Western technology company to offer a platform for paid Android apps in China and Huang said the company was working with software developers to increase the number of apps on offer.

Amazon China cornered less than three percent of China's booming 169 billion yuan business-to-consumer e-commerce market in the fourth quarter last year.

The launch of the app store and the Kindle e-book store in China paves the way for Amazon to offer a range of devices including the standard Kindle e-reader and the Kindle Fire.

EU backs Apple in Google-Motorola patent fight

AFP, Brussels

EU anti-trust officials said on Monday that Google-owned Motorola was abusing its leading position in Germany's mobile phone market by filing a patent injunction against Apple over some core smartphone functions.

A statement said that the European Union had reached a "preliminary view" on a competition investigation opened in April 2012.

It had decided that Motorola Mobility's action "amounts to an abuse of a dominant position prohibited by EU anti-trust rules."

The Commission spelt out that "while recourse to injunctions is a possible remedy for patent infringements, such conduct may be abusive where standard-essential patents (SEPs) are concerned and the potential licensee is willing to enter into a licence on Fair, Reasonable and Non-Discriminatory (so-called "FRAND") terms."

Brands hit by troubles in garment industry

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Benetton said none of the factories were its authorised suppliers, although Benetton labels were found in the rubble.

Spain's Mango said it hadn't bought clothing from Rana Plaza factories but acknowledged it had been in talks with one factory to produce a test batch of clothing.

German clothing company KiK said it was "surprised, shocked and appalled" to learn its T-shirts and tops were found in the rubble. The company said it stopped doing business with the Rana Plaza factories in 2008. It promised an investigation.

Wal-Mart said there was no authorised production of its clothing lines at Rana Plaza but it was investigating whether there was unapproved subcontracting. Swedish retailer H&M, the single largest customer of Bangladeshi garment factories, said none of its clothes were produced there.

The Walt Disney Co in March responded to publicity from last year's fire at the Tazreen factory,

where its branded clothing was found, by pulling out of Bangladesh production altogether.

Only a few companies, including Britain's Primark and Canada's Loblaw Inc, which owns the Joe Fresh clothing line, have acknowledged production at Rana Plaza and promised compensation. Loblaw's CEO said there were 28 other brands and retailers using the five factories and urged them to end their "deafening silence."

Companies that are downplaying involvement in Bangladesh's factory safety problems may be counting on the short memories of

Western consumers, who tend to focus on price and may not even check where a piece of clothing has been made. But that's a risky strategy, said Rahul Sharma, public affairs executive with the India-based public relations firm Genesis Burston-Marsteller.

"Reputation is built over a long period of time. But to lose it, it can take seconds," Sharma said. Even companies that do make efforts to ensure they use only factories with

good safety records are now at risk of being lumped in with the problems that are rife in Bangladesh's garment industry, he said.

Sharma said that if he were advising any retailer doing business in Bangladesh, he would recommend swift action in the form of a concrete plan to overhaul the entire industry, working with government, factory owners and labour unions.

"They need to send out the message that they are addressing this problem -- and then they need to actually do it," he said.

In the wake of the Rana Plaza collapse, there have been tentative moves to do that. Last week, the Bangladeshi garment association met with representatives of 40 garment buyers including H&M, JC Penny, Gap, Nike, Li & Fung and Tesco.

Others have called for retailers and brands to now embrace a union-proposed plan for all retailers to fund factory upgrades and independent inspections that would cover the entire industry in Bangladesh.

Big shock for small shops

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"We left the place around 11am. There was no scope for us to take our goods as the Hefajat activists looked dangerous," said Babar Hossain, who sells garments. "We found the goods burnt down yesterday morning," he said, weeping.

With no concrete data, business owners assumed goods worth Tk 9 crore-Tk 12 crore were destroyed.

Forty booksellers in the area counted the greatest losses, with all their books burnt down, including the Quran.

"The vandalism was beyond our imagination. We never thought Hefajat activists will set Islamic books on fire," said Zahidul Islam, who lost books and

prayer kits and mats worth Tk 3 lakh.

Shakhawat Hossain, a young wholesaler of Islamic books, is facing a great loss. "I get money from six book shops that were gutted. How will they pay me back?"

Abdul Majid, 40, feels lucky as his shop was not burned. He sat idle next to his shop, which did not open yesterday. "Somehow, my shop was spared. But I feel sorry for others. They have lost everything overnight."

Kamrul Islam, a small tea-stall owner on the west side of Baitul Mukarram, ran a cooperative of footpath shop owners and depositors kept Tk 30,000 with him. Hefajat activists burned down his shop along with the money and his goods.

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SHAHAB UDDIN KHAN
Shahab Uddin Khan, chairman of Zeeshan International Agencies Pvt Ltd, presents a crest to Samuel Tay En Zhong, solution consultant to PP development of KONICA MINOLTA, at the launching ceremony of Konica Minolta Bizhub product line, in Dhaka recently.

ZEESHAN INTERNATIONAL

Zilla Parishad Chittagong				
Invitation for Tender (Work)				
Memo No. ZP/CTG-2013-1728			Dated: 30.4.2013	
Notice Number 13/2012-2013				
Sealed tenders are hereby invited from the eligible tenderers as defined in the tender documents for the undermentioned work as per terms & conditions stated below:				
Sl No.	Name of work	Tender security (Tk.)	Time for completion (days)	Price of tender document (Tk.)
1.	Dev. of Sheikh Kamal Complex at Rauzan Upazila, Ctg.	20,46,000.00	365 days	8,000/-
1.	Procurement method	Open Tendering Method (OTM).		
2.	Source of funds	ADP (Reserve)/Revenue.		
3.	Date, time of place of pre-tender meeting	Date: 26.05.2013, Time: 12:00 noon & Place: Office of the undersigned.		
4.	Last date, time and places of selling tender documents	Date: 3.06.2013, Time: During Office hours and Places of selling tender documents: 1. The Divisional Commissioner's Office, Chittagong Division, Chittagong. 2. The Deputy Commissioner's Office, Chittagong. 3. The Upazila Nirbahi Officer's Office, Rauzan, Chittagong. 4. Office of the undersigned.		
5.	Date, time and places of receiving tender	Date: 4.06.2013, Time: 1.00pm and Places of receiving tender documents: 1. The Divisional Commissioner's Office, Chittagong Division, Chittagong. 2. The Deputy Commissioner's Office, Chittagong. 3. The Upazila Nirbahi Officer's Office, Rauzan, Chittagong 4. Office of the undersigned.		
6.	Date, time and place of opening of tender	Date: 4.06.2013, Time: 3:00pm and Place of opening of tender: Office of the undersigned.		
Tender shall be valid for a period of 120 days after tender opening and must be accompanied by the tender security specified above. Interested tenderer may obtain further information from the office of the undersigned and purchase the tender documents in cash from the place(s) mentioned above. The tenderer or their authorized representatives are allowed to attend the opening of tenders. The authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever. This invitation for tender is available at website www.cptu.gov.bd. and www.zpchittagong.org.				
Engr. Uzzal Tripura Assistant Engineer Zilla Parishad, Chittagong				
GD-1767				