

# Optimistic stocks defy hartals, go up 3pc

STAR BUSINESS REPORT

Stocks jumped on the first day of a 60-hour hartal defying the impact of a countrywide strike called by opposition parties yesterday.

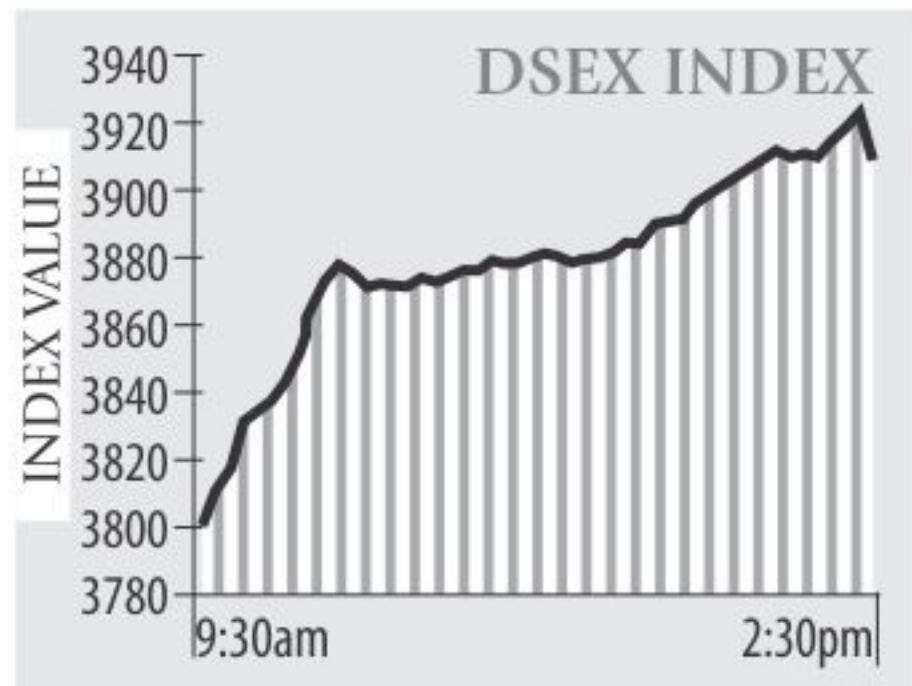
DSEX, the benchmark general index of Dhaka Stock Exchange, went up by 110 points, 2.89 percent, finishing the day at 3,909 points.

"Optimism on end of ongoing political crisis spurred robust movement during the trading session," IDLC Investments said in its regular market analysis.

Additionally, the merchant bank said quarterly earnings disclosures fuelled investors' sentiment positively and created fundamental stimulus to positioning.

LankaBangla Securities in its analysis said optimistic quarterly financials of stocks made investors show a trading appetite on the long side, which helped the index gain more than 100 points at a single trading session.

"The investors are showing resilient trading behaviour assuming market is in the process of digesting political adversity



which helped market to make profit," the stockbroker added.

Third quarter earnings disclosure of Grameenphone also lured participants to telecommunication sector that rose by 5.95 percent.

Besides, earnings disclosure of most of the banks and news regarding their positioning below net asset value notched investors to focus on this sector, which gained 5.11 percent.

Among other major sectors, textile advanced 3.83 percent and non life insur-

ance 2.94 percent, while food and allied disappointed the investors with a 0.69 percent fall.

A total of 0.71 lakh trades were executed, with 7.98 crore shares and mutual fund units changing hands on the premier bourse, generating a value of Tk 250 crore.

Of the 288 issues that traded on the DSE floor, 247 advanced, 34 declined and seven remained unchanged.

Generation Next Fashions, which transacted 82.49 lakh shares worth Tk 20.42 crore, was the day's top traded stock.

Malek Spinning Mills was the biggest gainer of the day, posting a 10 percent rise, while Beacon Pharmaceuticals was the worst loser, plunging by 12.12 percent.

Chittagong stocks also jumped yesterday with the bourse's selective category index, CSCX, soaring 234 points to close at 7,677 points.

Gainers beat losers by 169 to 29, with nine securities remaining unchanged on the port city bourse that traded 94.27 lakh shares and mutual fund units with a turnover of Tk 23.32 crore.

## UK secretary warns over delay in factory safety drives

ANSAR AHMED ULLAH

Momentum must not be lost in the drive to tackle poor safety and labour conditions for workers in the Bangladesh garment sector, UK's International Development Secretary Justine Greening has warned, six months on from the Rana Plaza factory collapse in Dhaka that killed more than 1,100 people.

She set out how new UK support to the International Labour Organisation (ILO) will build on action already taken by brands, factory owners and both the Bangladesh and British governments to improve safety and conditions.

"April's factory collapse took a dreadful toll on people in Bangladesh and galvanised much-needed action on safety. The UK government has already demanded improvements from clothing manufacturers and sent experts to advise on building safety," said Greening.

"Six months on, the UK will now support the ILO to help the government of Bangladesh, employers and manufacturers make improvements on safety and conditions. But there is still a long way to go. Everyone needs to continue to work together to maintain momentum and prevent future tragedies."

## Use of IT to bring success for safety net schemes: analysts

STAR BUSINESS REPORT

Bangladesh has to focus on extensive use of informational and communication technology to deliver the social protection schemes more effectively, said analysts.

"We should rethink of the distribution process of the safety net programmes, many of which are now suffering from system loss," said Mesbah ul Alam, secretary for the Ministry of the Disaster Management and Relief.

The government can serve more people with the schemes if the corruption and pilferages can be avoided, he said.

Alam spoke at a workshop on "Shaping a future for social protection in Bangladesh", organised by the General Economics Division of the Planning Commission at Sonargaon Hotel in the capital yesterday.

"There is a lack of coherence in the way we now deliver the safety net schemes. We should focus more on market-centric models," said Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre. "We have to formulate the social safety net strategies in such a way so that successive governments pursue it for long term, irrespective of change of power."

Despite political confrontations, the political parties have a broad consensus on economic issues in the country, said Cabinet Secretary M Musharraf Hossain Bhuiyan. "So there is mere possibility of cancelling the safety net programmes with the change of power."

Planning Minister AK Khandker and UNDP Country Director Pauline Tamesis also spoke.



**Mohsin Habib Chowdhury, general manager for sales of Berger Paints, and Shahriar Shabab, director of Tilottoma Bangla Group, attend a programme at the Berger corporate office in Dhaka recently. Berger appointed Tilottoma as the super distributor of Berger's expert tiles adhesive and grout.**

## Govt fortifies its hold over Grameen Bank

FROM PAGE B1

The existing ordinance said that every director shall be indemnified against all losses and expenses incurred by him in discharge of his duties except such as are caused by his own wilful act or default. The draft bill abolished this provision.

The government has also brought in changes in some other areas to give the central bank more control over Grameen Bank. Take, for instance, the obligation to send returns and financial reports to the government under existing rules. The proposed law says the returns be sent to the Bangladesh Bank (BB) and financial statements to both the government and the central bank.

A new clause included in the draft law says that the government will publish through gazette notification the financial statement and also place in the Jatiya Sangsad.

The new act will curtail the power of the Grameen Bank Ordinance that gets around all other laws to give the micro lender tax exemption.

A finance ministry official said when the draft act becomes law Grameen Bank will only enjoy exemption of income tax depending on the government's will and not other taxes. According to the draft law, the GB's zonal manager or an official of equal status will retain the power to file cases under the Public Demands Recovery (PDR) Act. In the existing Ordinance any GB official enjoyed the power.

## EU praises efforts on factory safety

FROM PAGE B1

The compact has three broad areas: labour reforms, factory safety, and the private sector's role in ensuring safety and labour rights, he said.

"We have our national work plan to improve safety and security and rights," said Md Shahidul Haque, secretary of foreign ministry.

"We met today [yesterday] to exchange our views, update each other and to find the way forward in developing the garments sector," Haque said.

Mahbub Ahmed, commerce secretary, and Mikail Shipar, secretary to labour and employment ministry, were also present.

## Directors to run risk management committees in banks

FROM PAGE B1

"The risk management committee has to ensure that a bank has taken every measure to handle risks, be it operational, money laundering, internal control or foreign currency transaction," said the circular.

The tenure of the committee will be three years, it said.

In another circular, BB has specified the job of a chief executive officer of a bank. A banker has to have at least 15 years of experience to become the CEO of a bank and the age limit has been set at 65 years.

The third circular was on the appointment of consultants and advisers to a bank.

A bank has to take permission from the central bank to appoint a consultant or adviser, whose age must not be more than 65 years.

Bangladesh's banking industry was run by the Banking Companies Act 1991, which has recently been amended.

## Govt finalises new pay scale for BB, state banks

FROM PAGE B1

A member of the committee told The Daily Star that as the salaries in the state banks are lower compared to private banks, the state banks struggle to recruit and retain the meritorious and efficient officials.

He said 50 percent of the newly recruited officers would stay on with the state banks if the separate pay scale comes into effect. The official said under the new 11-grade pay structure, initial salaries in the grade 6 and 7 would be higher at the entry level, aimed at attracting talented and efficient officers.

Earlier, the Banking Division recommended the basic salary for those in the highest grade at Tk 52,000 and Tk 5,000 for the lowest graders. The finance ministry official said the final recommendation has increased the salary in every grade by Tk 1,000 to Tk 2,000 to help the officers pay income tax on their own.

In the existing 20-grade scale, the highest basic salary is Tk 33,500 and the lowest is Tk 4,100. Both state banks and the central bank will have the same pay scale. The managing directors and deputy managing directors of the state banks who are appointed on contractual basis will not be included in the new pay scale.

## Vegetable farmers hit by shutdown

FROM PAGE B1

If the hartals continue for a political stalemate, it will be difficult for me to realise my investments," said Alam. Some of the farmers sold cauliflowers at Tk 4 a kg, he said.

Farmers had to sell vegetables such as radish, eggplant, cucumber and gourd at very low prices yesterday, compared to the previous day, said Rahedul Islam, a wholesaler at a vegetables wholesale market in Mohasthan, Bogra. Prices of radishes fell to Tk 3 a kilogram yesterday from Tk 15 the

previous day, said Islam.

"We are not that interested in buying as transport service providers are unwilling to take the risk and go to Dhaka during hartals," he said. Tariqul Islam, a vegetable grower at Kodalia in Jessore, said he had to sell large eggplants at Tk 20 a kilogram. On Thursday, he got Tk 29 for the same.

This fall in prices is mainly because of a lack of buyers in the markets for the hartal, he said. "As vegetables are perishable and there is no scope for storing, we have to accept whatever prices the traders offer. Our

## RMG minimum wage finalisation held up

FROM PAGE B1

"If the board fails to finalise the minimum salary by October 31, we will sit with different labour organisations and decide our next course of action," said Sirajul Islam Rony, workers' representative on the board, while warning of fresh labour unrest if the announcement of the new structure is delayed any further.

Meanwhile, Dipu said the new wage will take effect from November, regardless of the timing of finalisation of the salary structure.

"I was going to the board meeting. But, the decision was changed due to hartal. I hope I will be able to submit the proposal on Thursday's meeting as all the formalities has been completed."

Dipu said the owners have already finalised the minimum salary at Tk 4,500 per month and the government might increase it to Tk 5,000.

He said the garment sector has been passing through troubled times after the Rana Plaza building collapse, as the international retailers are reducing work orders.

"We are worried over the present situation of the garment sector and the 25 percent shortage of skilled workers in the sector."

Originally, the workers' representative bargained for a minimum salary of Tk 8,114 per month, while the owners' representative was willing to provide a 20 percent raise to Tk 3,600.

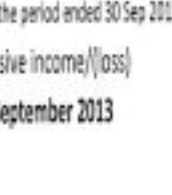
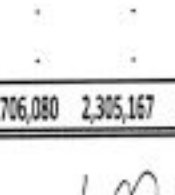
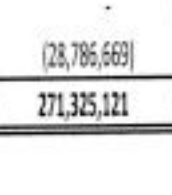
The labour and employment ministry

## GSP action plan to be sent off to US

FROM PAGE B1

The workers inside the Export Processing Zones will also be able to demonstrate to realise their demands from January as a new law will be in place by then, he said. "A committee is working to make the EPZ laws more worker-friendly."

Regarding the murder case of labour leader Aminul Islam, he said the government has already forfeited movable and immovable properties of the murderer of Islam. "The members of the law enforcement agencies have been looking for the killer of Aminul Islam to arrest him." The government has also withdrawn the decision to suspend registrations of two NGOs -- Bangladesh Centre for Women Solidarity and Social Activities for the Environment -- as per the action plan given by the US government for GSP reinstatement.

Bangladesh Lamps Limited						
Financial Statements 3rd Quarter 2013		Sadar Road, Mohakhali Dhaka - 1206				
STATEMENT OF FINANCIAL POSITION (UN - AUDITED) AS AT 30 SEPTEMBER 2013						
Assets	As at 30 September 2013	As at 31 December 2012				
	Taka	Taka				
<b>Non current assets</b>						
Property, plant and equipment, net	171,439,575	178,226,377				
Capital work in progress	795,000	14,910,305				
Intangible assets, net	1,136,278	1,476,946				
Loans and deposits	3,952,171	3,524,603				
	<b>177,323,024</b>	<b>198,138,231</b>				
Investments at cost	55,346,673	38,819,973				
Fair value adjustment	271,325,121	300,111,790				
	<b>326,671,794</b>	<b>338,931,763</b>				
<b>Total non-current assets</b>	<b>503,994,818</b>	<b>537,069,994</b>				
<b>Current assets</b>						
Inventories	269,042,015	331,047,582				
Trade and other debtors	244,464,446	239,346,818				
Advance, deposits and prepayments	8,796,291	7,905,032				
Advance income tax	118,972,548	100,658,776				
Cash and cash equivalents	15,840,978	128,578,755				
	<b>657,116,278</b>	<b>807,536,963</b>				
<b>Total assets</b>	<b>1,161,111,096</b>	<b>1,344,606,957</b>				
<b>Equity and liabilities</b>						
Share capital	93,706,080	93,706,080				
Reserves and surplus	467,873,665	520,878,659				
<b>Total equity</b>	<b>561,579,745</b>	<b>614,584,739</b>				
<b>Non current liabilities</b>						
Long term loan	43,930,053	50,063,367				
Deferred liability - gratuity payable	35,592,737	30,883,202				
Deferred tax liability	13,839,549	18,181,680				
	<b>93,362,339</b>	<b>99,128,249</b>				
<b>Current liabilities</b>						
Current portion of long term loan	12,409,125	32,109,911				
Short term finance	268,475,988	353,936,022				
Trade and other creditors	87,887,961	98,251,774				
Accrued expenses	13,382,917	7,436,463				
Other liabilities	12,518,466	19,793,016				
Provision for taxation	94,376,447	90,404,166				
Provision for royalty	17,118,108	28,962,617				
	<b>506,169,012</b>	<b>630,893,969</b>				
<b>Total equity and liabilities</b>	<b>1,161,111,096</b>	<b>1,344,606,957</b>				
STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2013						
	1 January to 30 September 2013	1 January to 30 September 2012	1 July to 30 September 2013	1 July to 30 September 2012		
	Taka	Taka	Taka	Taka		
Sales (net of VAT and SD)	794,456,126	684,124,051	217,253,359	220,929,068		
Cost of goods sold	(587,911,082)	(553,807,717)	(174,731,661)	(174,845,628)		
<b>Gross profit</b>	<b>206,545,044</b>	<b>130,316,334</b>	<b>42,521,698</b>	<b>46,083,440</b>		
Other income	10,115,089	10,937,367	3,481,738	2,875,690		
Operating expenses	(210,149,217)	(143,313,245)	(54,728,067)	(66,650,598)		
<b>Profit/(loss) from operation</b>	<b>6,510,916</b>	<b>(2,058,544)</b>	<b>(8,724,631)</b>	<b>(17,691,468)</b>		
Finance expense	(30,210,779)	(45,226,833)	(9,339,638)	(14,911,373)		
Finance income	17,852,904	22,272,579	5,503,535	5,389,742		
<b>Net finance expense</b>	<b>(12,357,875)</b>	<b>(22,954,254)</b>	<b>(3,836,043)</b>	<b>(9,521,631)</b>		
<b>Profit/(loss) before contribution to WPPF</b>	<b>(5,846,959)</b>	<b>(25,013,198)</b>	<b>(12,560,674)</b>	<b>(27,213,099)</b>		
Contribution to WPPF	-	-	319,701	-		
<b>Profit/(loss) before income tax</b>	<b>(5,846,959)</b>	<b>(25,013,198)</b>	<b>(12,240,973)</b>	<b>(27,213,099)</b>		
Tax expense:						
Current tax	(3,972,281)	-	(1,086,267)	-		
Deferred tax	4,342,131	3,649,581	1,475,946	1,026,101		
<b>Net profit/(loss) for the period</b>	<b>(5,477,109)</b>	<b>(21,363,617)</b>	<b>(11,851,294)</b>	<b>(26,186,998)</b>		
Other comprehensive income/(loss)	-	-	-	-		
Changes in fair value of financial assets	(28,786,669)	(118,372,235)	(20,402,584)	(47,200,829)		
<b>Total comprehensive income/(loss)</b>	<b>(34,263,778)</b>	<b>(139,735,852)</b>	<b>(32,253,878)</b>	<b>(73,387,827)</b>		
Earning per share (per value Tk. 10 each)	(0.58)	(2.28)	(1.26)	(2.79)		
STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2013						
	1 January to 30 September 2013	1 January to 30 September 2012				
	Taka	Taka				
<b>Cash flows from operating activities:</b>						
Collection from customers	949,890,437	745,610,016				
Collection from other income	15,099,004	13,431,991				
	<b>964,989,441</b>	<b>759,042,007</b>				
Payment to suppliers	(441,776,783)	(564,010,113)				
Payment to employees	(80,653,154)	(73,721,117)				
Income tax payments	(18,313,772)	(18,004,928)				
VAT & Supplementary duty payments	(115,092,820)	(109,826,683)				
Other payments for expenses & services	(259,494,049)	(169,720,420)				
	<b>(915,330,578)</b>	<b>(935,283,261)</b>				
<b>Net cash flows from operating activities</b>	<b>49,658,863</b>	<b>(176,241,254)</b>				
<b>Cash flows from investing activities</b>						
Payment for acquisition of property, plant and equipment	(5,857,744)	(13,519,148)				
Proceeds from sale of fixed assets	-	708,402				
Payment for investment in shares	(16,526,700)	-				
<b>Net cash used in investing activities</b>	<b>(22,384,444)</b>	<b>(12,810,746)</b>				
<b>Cash flows from financing activities:</b>						
Dividend paid	(28,718,062)	(130,738)				
Repayment of long term loan	(25,834,100)	(19,961,877)				
<b>Net cash used in financing activities</b>	<b>(54,552,162)</b>	<b>(20,092,615)</b>				
<b>Net changes in cash and cash equivalents</b>	<b>(27,277,743)</b>	<b>(209,144,615)</b>				
Opening cash and cash equivalents	(225,357,267)	(82,970,771)				
<b>Closing cash and cash equivalents</b>	<b>(252,635,010)</b>	<b>(292,115,386)</b>				
Closing cash & cash equivalents represent the following:						
Cash & cash equivalents	15,840,978	20,760,841				
Short term finance used for cash management purpose	(268,475,988)	(312,876,227)				
	<b>(252,635,010)</b>	<b>(292,115,386)</b>				
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2013						
	Share Capital	Capital Reserve	General Reserve	Fair value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2012	72,081,600	2,305,167	239,536,232	499,581,557	30,356,912	823,851,468
Dividend paid	21,624,480	-	-	-	(21,624,480)	-
Net loss after tax for the period ended 30 Sep 2012	-	-	-	-	(21,363,617)	(21,363,617)
Other comprehensive income/(loss)	-	-	-	(118,372,235)	-	(118,372,235)
Balance as at 30 September 2012	<b>93,706,080</b>	<b>2,305,167</b>	<b>239,536,232</b>	<b>341,209,322</b>	<b>(12,631,185)</b>	<b>694,115,616</b>
Balance as at 1 January 2013	<b>93,706,080</b>	<b>2,305,167</b>	<b>199,720,466</b>	<b>300,111,790</b>	<b>18,741,216</b>	<b>614,584,739</b>
Dividend paid	-	-	-	-	(18,741,216)	(18,741,216)
Net loss after tax for the period ended 30 Sep 2013	-	-	-	-	(5,477,109)	(5,477,109)
Other comprehensive income/(loss)	-	-	-	(78,786,669)	-	(78,786,669)
Balance as at 30 September 2013	<b>93,706,080</b>	<b>2,305,167</b>	<b>199,720,466</b>	<b>271,325,121</b>	<b>(5,477,109)</b>	<b>561,579,745</b>
<div><div> Company Secretary (C.C.)</div><div> Chief Financial Officer</div><div> Director</div></div>						
This Financial Statements will be available in our website at <a href="http://www.bl.com.bd">www.bl.com.bd</a>						