

RSRM IPO gets approval from regulator

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday approved the IPO (initial public offering) proposal of Ratanpur Steel Re-Rolling Mills (RSRM) to raise Tk 100 crore from the public.

The approval came from a meeting at the office of the commission in the capital.

RSRM will offload 2.5 crore ordinary shares at an offer price of Tk 40, including a premium of Tk 30 for each Tk 10 share.

The company will raise the fund to boost its capital base, repay bank loans and bear the expenses of the IPO proceedings.

Considering the weighted average of the last five years ending on June 30, 2013, the company's consolidated earnings per share stands at Tk 4.58 while the net asset value is Tk 53.69.

Janata Capital and Investment, and Trust Bank Investment will manage the issue for RSRM.

The regulator has also approved the proposal of Tk 300 crore non-convertible coupon bearing subordinated bond to be issued by the City Bank.

To comply with the requirements of Basel-II, the City Bank will issue the bond among the existing shareholders and others through private placement.

The offer price of each unit of the bond is Tk 10 lakh.

The stockmarket regulator also decided to request the finance ministry to extend the timeframe of preserving 20 percent quota for affected investors in the upcoming IPOs up to June 30, 2015.

As part of the capital market stimulus package, the 20 percent quota was preserved in the IPOs for the investors, who were affected during the 2010-11 stockmarket debacle, till July 1, 2014.



Shaibal Saha, deputy general manager at Crown Cement, poses with the company's top performing dealers, who were awarded with a 10-day trip to France, UK and Switzerland recently.

Anwar Group appoints new marketing head

STAR BUSINESS DESK

Galib Mohammad joined Anwar Group as its head of marketing on Saturday, the group said in a statement yesterday.

Mohammad will head the marketing, brand building and communications functions of the group's building materials division which includes Anwar Ispat, Anwar Cement, Anwar Cement Sheet, A1 polymer, oZo, Anwar Galvanizing and other building materials.

Before joining Anwar Group, Mohammad worked at MI Cement Factory Ltd (Crown Cement) as deputy general manager for research, planning and business development.

He is an ex-cadet of Jhenidah Cadet College and holds an MBA from the Institute of Business Administration of Dhaka University.



Lufthansa narrows Q1 losses

AFP, Frankfurt

Lufthansa, Germany's biggest airline, said Tuesday that it narrowed its losses in the first quarter of 2014 and is sticking to its full-year targets despite a "difficult" environment.

Lufthansa said in a statement that it ran up a net loss of 252 million euros (\$350 million) in the period from January to March, compared with a loss of 458 million

Procedures in tax claim not consistent: GP boss

FROM PAGE B1

The NBR last month came up with a fresh report saying that the four operators will now have to pay Tk 2,464.88 crore, instead of Tk 3,010 crore claimed in an NBR report published in December.

According to the latest claim, Grameenphone's outstanding tax is Tk 1,305.52 crore; the amount was Tk 1,562 crore earlier.

Banglalink's outstanding amount came down to Tk 566.98 crore from Tk 762 crore; Robi has to pay Tk 558.92 crore instead of Tk 647 crore, while Airtel will pay Tk 33.46 crore from Tk 39 crore mentioned in the previous report.

But if the NBR takes the telecom regulator's arguments, these amounts would come down to Tk 331.88 crore for Grameenphone, Tk 65.79 crore for Banglalink, Tk 121.69 crore for Robi and Tk 1.24 crore for Airtel.

The NBR has been demanding the taxes since early 2012. After analysing the documents, it first demanded Tk 3,062 crore. None of the four operators gave consent to the NBR report, terming it "unilateral and unacceptable."

The operators said they did not resell the SIMs, rather replaced them, so no tax would be applicable.

BMW gets off to roaring start

AFP, Frankfurt

German top-of-the-range carmaker BMW said Tuesday it got off to a strong start in 2014 with earnings and revenues rising in the first three months.

"BMW has made a strong start to the current financial year with new record first-quarter figures for sales volume and profit before tax," said chief executive Norbert Reithofer.

First-quarter net profit climbed by 11.4 percent to 1.462 billion euros (\$2.0 billion).

Underlying or operating profit was up 2.6 percent at 2.09 billion euros and revenues rose by 3.9 percent to 18.235 billion euros.

Unit sales advanced by 8.7 percent to 487,024 vehicles worldwide. "Based on its strong performance in the first quarter, the BMW group reaffirms its outlook for 2014," the company said.

Tap into potential of SMEs: experts

FROM PAGE B1

According to National Private Sector Enterprise Survey 2003, there are an estimated 6 million micro- and SME enterprises in Bangladesh.

Some 31 million people or 25 percent of the total workforce are involved in the sector.

SME's contribution to GDP is 25 percent, 40 percent to manufacturing output, 85 percent to industrial jobs, 25 percent of the labour force, 89 percent of exports and make up 95 percent of all enterprises, according to Bangladesh Engineering Industry Owners Association.

"Bangladesh's future lies with SMEs. They are the growth engine of the economy," said Bangladesh Bank Governor Atiur Rahman.

SMEs are not only important in driving the economy forward, but also for distribution of wealth, he said.

When large borrowers cause high non-performing loans (NPL), there is not enough criticism, he said. "Our only focus is on the small NPLs of the SMEs."

He said investment in SMEs went up 20 percent last year in the face of turbulent times. He urged foreign banks operating in the country to lend more to the SMEs.

Higher interest rates, complexities in documentation, and mandatory collateral guarantee deter SMEs from obtaining loans from banks, said Fahmida Khatun, research director of the Centre for Policy Dialogue (CPD).

While presenting a paper, Ali Reza Iftekhar, managing director of Eastern Bank Ltd, said: "SMEs can offer opportunities to banks to grow further. We can't ignore them if we want to grow."

He said SME is an area where banks can collect money cheaply and earn higher profitability. "The sector gives the highest profitability to banks, compared to retail and corporate clients. The sector also has low NPLs."

SMEs account for 30 percent of clientele, but banks are not serious about them, said Iftekhar.

SMEs face many other challenges in areas such as marketing, sourcing, distribution and accounting but most talks are aimed at access to finance, he added.

The noted banker called for bold steps from the banks, regulators and entrepreneurs to form a synergy that makes it easier for the enterprises to obtain funds.

Selim RF Hussain, managing director of IDLC Finance Ltd, who presented another paper, said the sector is immensely rewarding and sustainable.

"But financial institutions have missed out on the segment. But at IDLC Finance, we have made a lot out of this."

Sukamal Sinha Choudhury, consultant of SME faculty at BIBM, said banks should open their eyes and see what SMEs are doing and how their products are meeting customers' standards.

Momtaz Uddin Ahmed, a former professor of Dhaka University; Syed Ihsanul Karim, managing director of SME Foundation; Ataur Rahman, executive director of Bangladesh Bank Training Academy; and Syed Mahbubur

United Power sets share bidding for May 18

FROM PAGE B1

Now, in the price discovery phase, bidders cannot quote 20 percent more or less than the indicative price, meaning they will have to offer a price between Tk 48 and Tk 72 for each share. Institutional investors have until May 14 to sign up for the bidding, which is a must for a company that intends to go public using the book building method, to discover a cut-off price for an initial public offering.

Book-building is a process through which an issuer attempts to determine the price to offer for its security based on demand from institutional investors. The price of an IPO share will be determined through automated bidding to be joined by different financial institutions. The shares will then be opened for the IPO participant at the bidding cut-off price.

After getting the cut-off price through institutional bidding, United Power will float the IPO, the proceeds of which will be used to repay the company's long-term debt and meet working capital demand.

On February 4, Bangladesh Securities and Exchange Commission primarily allowed United Power to go for an IPO under the book building method.

The earnings-per share of the power generation company was Tk 10.21 as of December 2012.

LankaBangla Investment is acting as the issue manager and ICB Capital Management as the IPO registrar.



Farzana Chowdhury, managing director of Green Delta Insurance, receives the second prize in the non-life/general insurance category from Finance Minister AMA Muhiht at the ICMAB Best Corporate Awards-2013, at Radisson Hotel in Dhaka recently.



Shajahan Khan, shipping minister; Kazi Akramuddin Ahmed, president of FBCCI; Chandrima Roy, railway advisor and counsellor (commercial) of the Indian high commission; and Abdul Matlub Ahmad, chairman of Nitol Niloy Group, attend the launch of Padma Special Truck and NITA Tempo at Ruposhi Bangla Hotel in Dhaka on Monday.

New chief for Reliance Insurance

STAR BUSINESS DESK

Md Khaled Mamun has recently been promoted to managing director and chief executive officer of Reliance Insurance, the company said in a statement yesterday.

Mamun will replace Akhtar Ahmed. Prior to the promotion, Mamun was the deputy managing director of the company.

He started his career with Sadharan Bima Corporation in 1994 and held various important positions before joining Reliance Insurance in 2005.

Mamun holds a master's degree in mathematics and demography from Dhaka University. He is one of the recipients of ACII degree from the Chartered Insurance Institute in London.



Md Khaled Mamun



Ahmed Al-Kabir, chairman of Rupali Bank, receives the South Asian Federation of Accountants' (SAFA) best presented annual report award for 2012 at a local hotel in Islamabad, Pakistan recently. T Karthikeyan, SAFA's permanent secretary, was also present.



Abdul Hai Sarker, chairman of Dhaka Bank, attends the business review meeting of the bank's branch managers of Dhaka and Narayanganj region recently. Niaz Habib, managing director (current charge), was also present.



Umme Kulsum Mannan, chairman of Bangladesh Industrial Finance Company, presides over the company's 18th annual general meeting at Trust Milonayatan in Dhaka recently. BIFC announced 5 percent stock dividend for 2013. Inamur Rahman, managing director, was also present.

ACC okays charge sheets in 10 cases

FROM PAGE B1

The accused include Sonali Bank's former CEO and managing director Humayun Kabir, former deputy managing director Mainul Haque, chairmen of DN Sports and Khanjahan Ali Sweater and managing director of Paragon Knit Composite Ltd.

Six ACC officials investigated the cases with Mir Mohammad Zainul Abedin Shibli, deputy director of the commission, as their coordinator, Bhattacharya said.

On January 1 last year, ACC filed 26 cases against 17 top officials of state-run Sonali Bank, 16 others of five business entities, and two bosses of Hall-Mark Group over misappropriation of around Tk 350 crore.

The sum is funded portion [an amount

given in cash] of the Tk 3,547 crore credit that the five firms and Hall-Mark Group swindled from Sonali Bank's Ruposhi Bangla Hotel branch with the help of some bank officials using forged documents between October 2011 and May 2012.

Of the amount, Hall-Mark alone siphoned off Tk 2,686 crore. T & Brothers took away Tk 317.52 crore, Paragon Knit Composite Tk 13.58 crore, DN Sports Tk 2.81 crore, Nakshi Knit and Composite Tk 10.81 crore and Khanjahan Ali Sweater Tk 1.14 crore.

In May 2012, a Bangladesh Bank probe revealed serious irregularities at the Sonali Bank branch in sanctioning and disbursing of the loans.

GP net profit rises, after dismal 2013

FROM PAGE B1

The quarter saw good development in data driven by efforts to enable and stimulate use for it, he said. "Our focus remains in realising our vision of empowering societies through internet for all."

Mainur Md Rahman Bhuiyan, acting chief financial officer, said the illegal use of voice over internet protocol has come down, which was reflected in the profit margin.

He also said the average revenue per user is now Tk 166, slightly higher than that in the previous quarter.

During the quarter, GP acquired 15.7 lakh new users, taking its subscriber base

to 4.9 crore at the end of the quarter with 42.2 percent subscription market share.

GP invested Tk 280 crore during the quarter for 3G rollout, 2G capacity increase and efficiency enhancement. With this, the operator's cumulative investment since inception now stands at Tk 24,600 crore.

As the net profit increased, its earnings per share rose to Tk 3.82 in the first quarter, which was Tk 3.36 at the end of the first quarter last year.

The company paid Tk 1,070 crore to the national exchequer during the quarter in the form of taxes, value added tax and duties.

Share price of the listed company rose 0.78 percent to Tk 270.3 on the Dhaka Stock Exchange yesterday.