

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.91%	0.85%	\$1,203.48	\$56.81	28,260.14	19,312.79	3,453.75	3,825.78	77.10	81.29	112.87	0.64
4,472.13	8,335.97	(per ounce)	(per barrel)					BUY TK			
								SELL TK			
								78.10	85.29	116.87	0.67

সমৃদ্ধির খোপান **দ্বিগুণ আয়ের শ্রেষ্ঠ উপায়**

মুদারাবা দ্বিগুণ বৃদ্ধি ডিপোজিট স্কিম

সর্বাধিক প্রযুক্তি ও সমৃদ্ধ ব্যাংকিং সেবায় আমানত দ্বিগুণ করুন স্বল্পসময়ে



ইসলামী শরী'আহ মুদারাবা নিতির ভিত্তিতে পরিচালিত

বে ফোন প্রয়োজনে ০৯৬১২০০১২২

star BUSINESS

DHAKA FRIDAY APRIL 3, 2015, e-mail:business@thedailystar.net

Remittance highest in six months

STAR BUSINESS REPORT

Non-resident Bangladeshis sent home \$1.33 billion in March, the highest in six months, as migrant workers are finding jobs abroad in large numbers, according to Bangladesh Bank.

The amount is 12 percent more than in the previous month and 3.41 percent more than a year ago. March's receipts take the fiscal year's total to \$11.25 billion so far, which is a year-on-year increase of 7.21 percent.

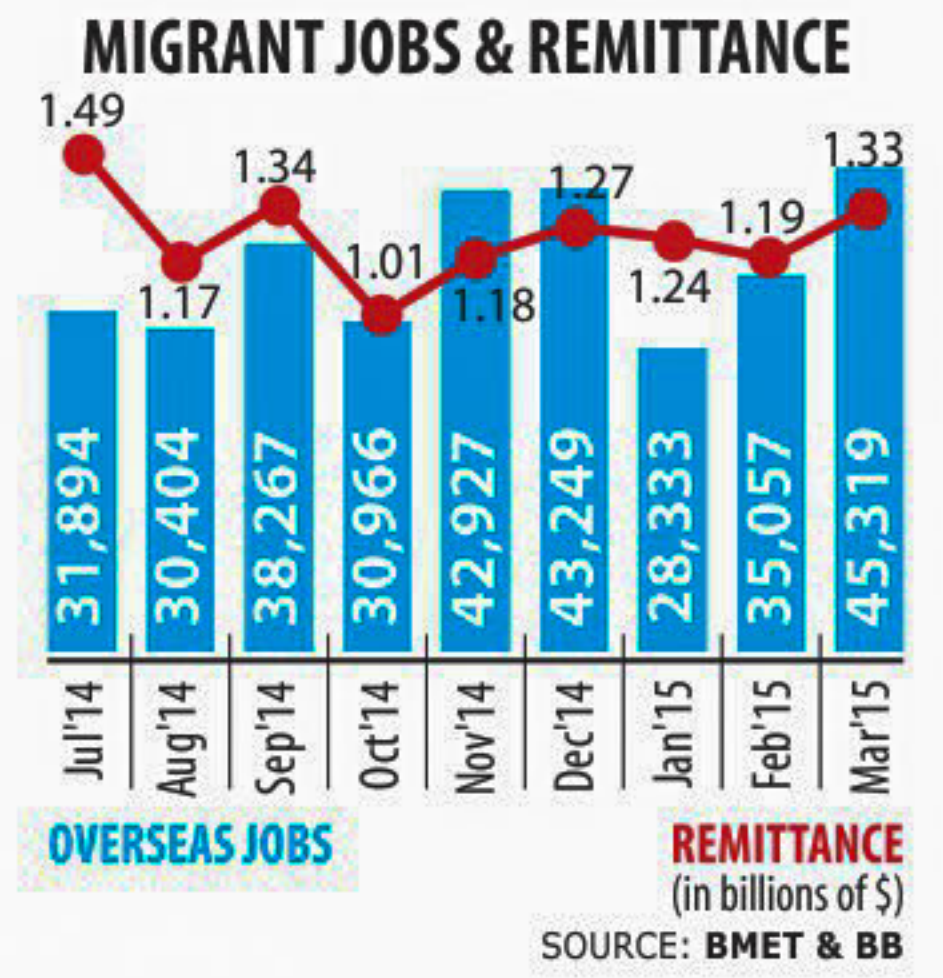
A huge increase in manpower export has driven the remittance growth, which may pave the way for earning more foreign currency in the coming months.

Bangladeshis going abroad for jobs rose 29 percent to 45,319 in March compared to February, according to figures from the Bureau of Manpower, Employment and Training (BMET), the state agency which helps locals find employment overseas.

The migrant workers have mostly found jobs in Oman, Qatar and Singapore, as the construction sector has revived in the countries, said a BMET official.

Remittance, sent by more than eight million migrant workers abroad, plays a critical role for Bangladesh, helping the country reduce the overall incidence of poverty as well as maintain a healthy balance of payments.

Last fiscal year, the country received nearly \$14.23 billion in remittance. In the



whole of 2014, the country saw some \$15 billion in remittances flow into the country, making it the world's eighth-largest remittance corridor, according to the World Bank.

Average remittances to receiving households are twice per capita income and equivalent to almost 80 percent of receiving household's income, providing evidence of the vital importance of remittance to Bangladesh's economy, the WB said. Riding on the steady flow of remittance, the foreign exchange reserves crossed a record \$23 billion earlier this week, enough to cover the country's import bills for more than six months.

As of yesterday, foreign exchange reserves stood at \$23.18 billion.

Nasir Glass to raise Tk 100cr through commercial papers

SUMAN SAHA

Nasir Glass Industries, a leading float glass maker, is set to raise Tk 100 crore through commercial papers to help cut high financing costs, which will ultimately allow the company to offer more price-competitive products.

The fund will be raised in two tranches, each consisting of Tk 50 crore with a validity of six months. Prime Bank will issue bank guarantee against the subscription amount in favour of the subscribers.

"We want to swap our high financing costs with a lower one," said Rezaul Karim, general manager of Nasir Glass Industries.

The funds, which will be raised at 10 percent interest as opposed to the normal rate of 12-13 percent, will mainly be used to meet the working capital requirement, he added.

A commercial paper is a short-term unsecured debt instrument issued by companies to meet their interim financing needs. The debt is issued at a discount from the prevailing market interest rates.

Since it is not backed by collateral, only firms with excellent credit ratings will easily find buyers without having to offer a substantial discount (higher cost) for the debt issue.

In this regard, Nasir Glass yesterday signed an agreement with Prime Bank.

The first installment of the CP will likely be done within a week, said Touhidul Alam Khan, deputy managing director of Prime Bank.

The CP market is likely to expand about 29 times to Tk 10,000 crore in the next five years for the low cost and easy access, according to a study by ACI, one of the leading conglomerates.

Since its introduction in the country in October 2013, at least four companies have raised Tk 345 crore through six CPs, with half of the funds collected in just the last four months.

ACI issued the country's first-ever CP, where Eastern Bank worked as the lead arranger and agent.

In last month, the conglomerate launched its first unsecured CP. IDLC Finance worked as an agent for the issuance.

No questions on undisclosed funds in real estate, REHAB demands

STAR BUSINESS REPORT

Realtors yesterday urged the government not to question the source of an individual's undisclosed income to invest in real estate.

In a meeting with the National Board of Revenue, the Real Estate and Housing Association of Bangladesh or REHAB sought to restore a provision in the tax law that allowed people to invest undeclared incomes in real estate without any question on its source.

REHAB wants the provision to be effective from fiscal 2015-16.

"A large sum of money will fly abroad if the provision is not revived," REHAB said in its budget proposal, placed by its President Alamgir Shamsul Alam in at the NBR headquarters.

Currently, people can use undisclosed money to construct or purchase residential buildings or flats by paying a certain amount of tax, but revenue officials may question the source of the funds.

REHAB that has around 1,200 members argued that money is flowing abroad to enjoy the scope of a 'second home' programme offered by various countries.

"Investors will come under the tax net once their undeclared incomes are allowed in investment in apartments. It will boost state revenue," REHAB said.

It is going to be another year that realtors put forward this plea, at a time when the sector is passing tough times as apartment sales have declined significantly in the last several years.

The sector's sales fell as much as 60 percent in 2013 and the situation is not any better now, according to REHAB.

REHAB Vice President Liakat Ali Bhuiyan said taxmen and Anti Corruption Commission asks for the sources of income under current laws.

"As a result, people are not interested in investing in apartments. That is why we have placed the demand," he said.

REHAB wanted a 5-10 year bar on questioning the source of income in the housing sector, to revamp the sector. However, the scope of legalisation of undisclosed income without question faces criticism from various quarters.

It also proposed to reduce the taxes on flats and plot registrations and duty-benefits to import firefighting equipment for apartments and commercial buildings.

Apart from the REHAB, trade bodies representing steel and re-rolling mills, cement and steel building makers also placed their recommendations ahead of the budget.

Drug makers, plastic, light engineering, tyre tubes and melamine manufactures and exporters also placed their demands with most of them seeking measures that promote domestic manufacturing capacities.

Jasim Uddin, president of Bangladesh Plastic Goods Manufacturers and Exporters Association, sought a reduction of import duties on some raw materials used to make plastic goods. Those items are not produced locally and it will facilitate the sector that fetches Tk 3,000 crore a year through exports.

He appealed to the revenue authority to cut duties to encourage establishment of industries to make moulds. It will save a lot of foreign currency in reduced imports, he said.

Abdul Malek Chowdhury of Bangladesh Association of Pharmaceuticals Industries (BAPI) demanded slashing duties on the import of specialised racks, which are needed to comply with the rules of regulatory and international bodies.

"These racks are imported and are used to store pharma ingredients and drugs," said BAPI in its proposal recommending a mere 5 percent duty on the item.

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Trade deal with India to be renewed soon: Tofail

STAR BUSINESS REPORT

The government is set to renew the India-Bangladesh trade agreement soon, with the provision to allow Bangladeshi transports to use the Indian corridor for transit to Bhutan and Nepal, Commerce Minister Tofail Ahmed said yesterday.

The trade deal will be placed at the cabinet meeting on Monday for approval, the minister said, adding if the deal is signed the cost of business between India, Bangladesh, Nepal and Bhutan will fall significantly.

Ahmed's comments came in a press briefing after a meeting with Russian Ambassador to Bangladesh Alexander A Nikolaev at the secretariat office in Dhaka.

The draft of the deal has already completed vetting from the law ministry, said Manoj Kumar Roy, additional secretary to the commerce ministry.

The renewed deal will be for five years instead of three years like the current deal, which expired on March 31.

The deal will automatically be renewed if any country does not want to cancel it. In case of cancellation, the interested party will have to send in a notice six months before the expiry of the tenure.

He said the revised agreement will be signed between the two countries during the visit of Indian Prime Minister Narendra Modi in Dhaka or during Bangladesh Prime Minister Sheikh Hasina's visit to New Delhi.

The first India-Bangladesh trade deal was signed in 1972.

Under the proposed new deal, both the countries have the rights to charge a fee on transportation of goods by vehicles, he said.

This agreement will allow India to carry goods from one place to another through Bangladesh, while Bangladesh will also be able to use the Indian corridor to send goods to Nepal and Bhutan.

In other words, trucks from Nepal and Bhutan will be able to enter Bangladesh straight through the Indian corridor. Previously, they parked at a specific point along the Indian border, where the goods from Bangladesh were taken to for transport to Nepal or Bhutan.

The clauses of the agreement can be amended anytime with the consent of both the countries, he said.

In recent times, the governments of both the countries have been taking different measures to increase bilateral trade between the two neighbouring countries.

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United Power set to make trading debut

STAR BUSINESS REPORT

United Power Generation and Distribution Company is set to make its share trading debut on the Dhaka and Chittagong stock exchanges on Sunday.

The company, which raised Tk 237.6 crore through the initial public offering, will be the 18th firm to be listed in the fuel and power sector that accounts for around 12 percent of the premier bourse's total market capitalisation.

The power generation company floated 3.3 crore ordinary shares of Tk 10 each at an offer price of Tk 72, which was set through institutional bidding in May last year.

LankaBangla Investments managed the IPO, the proceeds of which will be used for United Power's long-term debts and meet the demand for working capital.

United Power got the consent from the

BY THE NUMBERS

- IPO size **Tk 237.6cr**
- Offer price per share **Tk 72**
- Floated shares **3.3cr**
- Net profit, Sept 2014 **Tk 175.78cr**
- Post-IPO EPS **Tk 5.33**

Bangladesh Securities and Exchange Commission on November 11 last year.

The book-building method will be used to raise the capital, which 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 is determined through automated bidding joined by financial institutions. The shares are then opened for the IPO participants at the bidding cut-off price.

The method was suspended and then revised by the regulator following the 2011 market crash.

As of September 2014, United Power's net profit was Tk 175.78 crore and basic earnings per share (EPS) Tk 5.92.

However, as of September 2014, the company's post-IPO basic EPS was Tk 5.33 and net asset value per share Tk 33.81.

New strategy to fight money laundering gets the nod

STAR BUSINESS REPORT

A government committee yesterday approved a strategy for preventing money laundering and combating financing of terrorism for 2015-2017.

The strategy from the National Coordination Committee on Anti Money Laundering & Counter Terrorist Financing reaffirms the government's commitment to further strengthen the national effort to arrest money laundering and terrorist financing, said officials of the finance ministry.

Finance Minister AMA Muhith presided over the meeting, which was attended by, among others, Law Minister Anisul Huq and Bangladesh Bank Governor Atiur Rahman.

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