

# DSE website to display more info on listed firms

## Stocks end week higher

STAR BUSINESS REPORT

Investors will now be able to evaluate companies on additional criteria before making investment decisions, as the Dhaka Stock Exchange has added various business figures to each company's profile, in a move to make its website conducive to well-informed investment.

The information such as business profile, revenue and comprehensive income, diluted earnings-per share, last six days' price-earnings ratio, loan and credit rating status, IPO information and regulatory action for all listed companies will now feature on DSE website.

"We have updated 308 equity companies with the additional information that will help an investor take investment decision after analysing those," Swapan Kumar Bala, managing director of the premier bourse, said at a press briefing yesterday.

Giving an example, he said the DSE found mismatch in 29 companies' EPS calculations for two quarters. "Firstly, we have asked the companies to provide the right EPS. We marked the EPS of the companies that failed

to provide the right EPS, so that investors notice it," he said.

Previously, the DSE could not disseminate the additional information due to regulatory barriers. "Now there are no such barriers and we can publish the information on the website," he said.

But updating the data is a time-consuming task, he said. "So, we are working to allow the listed companies to update their own information by themselves on the DSE website."

Meanwhile, stocks closed the week higher with DSEX, the benchmark index of the premier bourse, increasing 29.21 points or 0.66 percent, finishing the day at 4,443.06 points.

Market saw moderate gains amid significant move in large-cap stocks, LankaBangla Securities said.

"Market showed resilience throughout the trading session as industry updates conveyed positive momentum to the market," the stockbroker added.

Turnover, another important indicator of the market, rose 1.3 percent to Tk 433.43 crore, with 12.31 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 152 advanced, 125 declined and 45 securities closed unchanged on the premier bourse.

Ibn Sina dominated the turnover chart with 8.07 lakh shares worth Tk 16.1 crore changing hands, followed by Doreen Power Generations and Systems, ACL, Power Grid Company, and Keya Cosmetics.

Among the major sectors, cement increased 2.2 percent in market capitalisation, followed by life insurance that rose 1.62 percent, fuel and power 1.58 percent and banks 0.82 percent.

Islami Bank was the day's best performer with 9.91 percent in gains, while First Security Islami Bank was the worst loser, shedding 9.89 percent.

Chittagong stocks also rose yesterday with the bourse's benchmark index, CSCX, increasing 56.19 points or 0.68 percent to finish the day at 8,304.78 points.

Gainers beat losers as 109 advanced and 94 declined, while 39 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 1.09 crore shares and mutual fund units worth Tk 29.15 crore in turnover.

## US jobless claims hold at low level

AFP, Washington

New claims for US unemployment insurance benefits fell last week in a continuing signal of a tightening labor market, Labor Department data showed Thursday.

Initial jobless claims, a sign of the pace of layoffs, fell by 9,000 to 267,000 in the week ending April 2.

That marked the 57th straight week that claims have held below 300,000, the longest such streak since 1973.

The four-week moving claim average was 266,750, compared to 280,000 a year ago.

Despite slower economic growth since the fourth quarter last year, the US jobs market remains strong.

In March, the economy generated a solid 215,000 net new jobs, and while the unemployment rate ticked up slightly to 5.0 percent, more long-term labor market dropouts were being drawn back in to actively look for jobs by improving employment opportunities.

# Banks reject indebted Indian tycoon's \$600m repayment offer

AFP, New Delhi

A group of Indian banks rejected Thursday embattled businessman Vijay Mallya's offer to repay \$600 million in unpaid loans, less than half of what his defunct airline owes them.

The banks told the Supreme Court in New Delhi that they wanted the 60-year-old flamboyant entrepreneur to return to India so they could negotiate with him personally over the total \$1.3 billion owed.

The founder of Kingfisher Airlines, who is being chased by the group of mostly state-run banks over the unpaid debts, left India last month and his exact whereabouts are unknown.

In a case that has gripped the country, Mallya's lawyers last week told the court that he was willing to pay 40 billion rupees (\$600 million) by September 30.

But lawyers for the banks said Thursday that the offer was rejected after due consideration.

The court, meanwhile, asked the liquor baron to disclose his total assets, along with those of his wife and children. The

request came after the banks said they wanted him to deposit a substantial amount of money with the court to prove his bona fide.

His lawyers have until April 21 to file a response.

The businessman was known as the "King of Good Times" before the 2012 collapse of his airline, which left thousands of workers unemployed and millions of dollars in unpaid bills.

Mallya, who has not been charged with any crime, stepped down in February as chairman of United Spirits, the Indian arm of Britain's Diageo, following allegations of financial lapses.

His surprise departure the following month proved an embarrassment for the government, which was forced to admit he had left the country even as it sought permission to impound his passport.

Opposition politicians have demanded to know why Mallya was not arrested before he flew out on March 2.

The businessman, who is also a member of India's parliament, has denied absconding and has criticised the media for what he has called a "witch hunt".



Raminder Singh Khurana, chief operating officer of Rangs Industries, and Syed Rafiqul Haq, deputy managing director of Mutual Trust Bank, attend the signing event of an agreement at the MTB Centre in Gulshan, Dhaka. MTB credit cardholders will enjoy FlexiPay instalment facility from Rangs Industries for purchasing Samsung and Toshiba electronics.

Lyonpo Yeshey Dorji, agriculture and forests minister of Bhutan, visits the seed multiplication farm of Bangladesh Agricultural Development Corporation (BADC) at Gabtoli in Dhaka on Tuesday. Md Shafiqul Islam Laskar, chairman of BADC, and Md Fazle Wahid Khandokar, director general of the seed wing under the agriculture ministry, were also present.



## Fees loom over Airtel-Robi merger

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In its recommendations, the Telecom Division cited several examples from India on fixing the fees for mergers and acquisitions, an official said.

The Telecom Division proposed a charge for number planning, as the merged entity will use '018' and '016' and get privileges over the other players. They have to pay some charges, which the Finance Division can fix, according to the official.

The Finance Division can also charge for the merged company's huge advantage in gaining a large spectrum capacity, the official said.

In March, the BTRC made a set of recommendations, after conducting two expert studies and a public hearing on the merger.

The BTRC has recommended that the joint company be allowed to merge spectrums for its services, but Airtel must not sell out stakes from the company until expiry of its 2G spectrum licence in 2020.

The BTRC proposed to put the bar on Airtel to allow for fair competition, as all mobile operators received the 2G spectrum (in 900 and 1,800 bands) at different prices at different times.

On the spectrum issue, there have been speculations on which way the regulator will lean, ever since Robi and Airtel applied for merger approval to the BTRC in September.

Upon the completion of the merger, Robi's parent company Axiata will hold a 68.3 percent controlling stake in the combined entity, while Bharti Airtel will hold 25 percent; the rest 6.7 percent will belong to NTT DOCOMO of Japan. The other recommendations provide for workers' job security and better market competition.

## Protection for local businesses to come down: Muhith

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ERP is the added value to domestically produced goods or services resulting from a tariff that keeps out (or makes more expensive) foreign goods and services. As the tariff makes foreign goods and services more expensive than they otherwise would be, domestic goods and services are not forced to cut their own prices, which adds value and results in higher profits.

Muhith said supplementary duty is mostly supposed to provide temporary relief in mobilising sufficient resources.

He said the new budget will have some new things. These include: a separate budget for mega and transformational projects, a 31 percent spike in annual development programme outlay and passage of a new customs law in 2017 and new income tax law in 2018. "The economy is at such a stage now that for a quantum jump in its growth, you need to undertake large transformational projects," said Muhith.

This separate transformational budget will be more dependent on debt, he said. "So the bond issue is going to be a very important item in the future," said Muhith, adding that the strong foreign exchange reserves would help the government take such bold steps relating to debt.

Currently, the amount of debt is \$24 billion, which is 'extremely small' compared to the economy, he said. But at the same time, he said he was concerned about debt as well.

Of the main budget of Tk 340,000 crore in the upcoming fiscal year, the ADP will be of Tk 120,000 crore, up from a revised outlay of Tk 91,000 crore in the current fiscal year.

"This is fairly ambitious," he said. "We must take the risk for a simple reason. Bangladesh's budget is smaller compared to the GDP, if we take into account the regional countries."

Bangladesh's budget is about 17-18 percent of its GDP, whereas India's budget is above 30 percent. The size of the budget as a percentage of GDP is higher in Nepal compared to Bangladesh, he added.

At the discussion, Manzur of the MCCI cited weak global trade and demand, lower than required private investment and concerns about the quality of governance. "There are serious headwinds both globally and locally that will need to be overcome."

"We hope these realities will also be reflected in the budgetary allocations and fiscal and tariff measures so that Bangladeshi businesses can also play their role."

The MCCI, citing the appreciation of the Bangladesh taka against the dollar, and its implication on exports,

called for budgetary measures so that exports do not slow down.

It also suggested introducing a special category savings bond for vulnerable groups, strengthening and widening the tax base and automation, and ensuring discipline in the financial sector.

"Poor governance in the banking and financial sector, particularly corruption in the state-owned and some private banks, has had a very adverse effect on our economy and the health of our financial system," said Manzur.

"We hope to see some meaningful fiscal measures that will encourage and reward good lenders and borrowers and end the culture of impunity of habitual defaulters."

On this issue, Muhith said, "I think it would be good to provide some incentives for good compliance."

MCCI, citing a study, said automation of the VAT system will increase revenue by nearly Tk 2,400 crore. However, implementation of a new VAT law would increase cost of doing business that will be a burden for businesses, especially in the initial years, it said.

"We hope the budget will provide some relief to businesses in other areas so that the cost of doing business does not rise as a result," said Manzur.

## Private consumption falls as remittance slows

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As a result, the Middle Eastern countries reduced their construction activities, which negatively affected Bangladeshi workers.

Remittance is a major source of consumption by the poor in Bangladesh. According to a BBS survey, 38.84 percent of remittance is spent on purchasing food, 38.86 percent on non-food items and 22.3 percent on durables and other items.

If the savings ratio increases, consumption will decrease. If the savings are converted to investment, it will help the economy.

The national savings ratio compared to GDP rose 1 percentage point in the current fiscal year to stand at 30.08 percent, according to BBS.

But the bad news is that private investment as a percentage of GDP in the current fiscal year decreased by 0.29 percentage point to 21.78 percent.

Zaid Bakht, former research director of Bangladesh Institute of Development Studies, said if savings are not transferred to investment, the economy may slow down. "It may hamper the growth momentum."

## Envoy Textiles raises Tk 70cr through commercial papers

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"Our motivation lies in delivering utmost client satisfaction, engaging in relentless innovation in our production to enhance the quality of our fabrics."

Envoy Textiles, a concern of Envoy Group, is one of the leading companies in the textile sector, manufacturing high-quality denim fabrics for clients across the globe.

Envoy Textiles engages cutting-edge technology in their manufacturing process, and is the pioneer in bringing rope dyeing technology to Bangladesh.

Over the years, the company has grown to become the largest denim producing unit in Bangladesh, with an annual turnover of Tk 547 crore.

## Vegetable exporters demand a separate scanner at airport

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"Almost all exporters have been facing the same problem over the last two weeks," said Mohammed Mansur, general secretary of Bangladesh Fruits, Vegetables & Allied Products Exporters' Association.

The vegetable exporters are not only losing their business, but also losing their international buyers for the missing flights.

Rashed Khan Menon, minister for civil aviation and tourism, could not be reached by phone for his comments.



Faruq M Ahmed, chief risk officer of City Bank, and Edward Faber, trade finance programme (TFP) relationship manager for Asian Development Bank, Bangladesh, pose at the signing of an agreement. Through inclusion in the TFP, City Bank will have access to communications and businesses with 200 partner banks of the ADB worldwide.



Uzma Chowdhury, director of corporate finance for Pran-RFL, and Rafiqul Islam, managing director of Green Delta Capital, pose during the signing of an agreement in Dhaka on Wednesday. Green Delta Capital will arrange Tk 100 crore for Pran Foods, a concern of Pran-RFL, through issuance of Sukuk bond (Islamic bond).