

Star BUSINESS

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Rescheduled loans jump in Q2

AKM ZAMIR UDDIN
Banks went on a loan rescheduling spree once again in the second quarter of 2018 after holding back in the first quarter.
Between the months of April and June, default loans amounting to Tk 5,879 crore were rescheduled, in contrast to Tk 1,458 crore three months earlier, according to data from the central bank.
Of the total amount rescheduled by banks, two banks accounted for 42.69 percent: state-run Sonali rescheduled Tk 1,340 crore and Islami Tk 1,169 crore.
Bangladesh Bank officials said the

large scale rescheduling of non-performing loans would not bring any good to the chaotic banking sector as most of the default loans were regularised bypassing the central bank's instructions.
For instance, Sonali rescheduled more than Tk 1,200 crore of classified loans of a controversial business group by taking only 1 percent down payment.
As per central bank instructions, banks would have to take down payment of 10 percent to 50 percent when rescheduling the toxic loans.
The repayment track record of the business group, which was marked the top defaulter of the bank in December last year, is poor: it became a defaulter despite rescheduling its NPLs a number of times, said a BB official.
The group sought the latest round of rescheduling as

BANKS THAT RESCHEDULED HIGHEST LOANS

Apr-Jun; in crore taka

BANK'S NAME	RESCHEDULED AMOUNT
SONALI	1,340
ISLAMI	1,169
PUBALI	618
JANATA	384
MERCANTILE	320
TRUST	306
BASIC	178
KRISHI	177

SOURCE: BB

its owner will contest in the upcoming national election, said a Sonali official.
Contacted, Md Obayed Ullah Al Masud, managing director of Sonali, told The Daily Star the lender had secured prior approval from the central bank to reschedule the default loans.

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1,200 factories shuttered in four years

BGMEA says

STAR BUSINESS REPORT
Some 1,200 garment factories have been closed down over the last four years because of their lack of compliance and falling behind in the competitive landscape, BGMEA said yesterday.
"It is our apprehension that some more factories will be shuttered soon as they are failing to make profits," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, the garment makers' platform, at a press conference at its office in Dhaka.
Bangladeshi garment products have been losing competitiveness because of longer lead time, poor productivity and poor demand for apparel worldwide, Rahman said.
In 2014, the global market size for apparel was \$483 billion; in 2017, the figure declined to \$454 billion.
Between 2014 and 2018, the prices of Bangladeshi garment items declined in the US market by 11.72 percent while the cost of production increased 29.54 percent, the BGMEA chief said.

Listed firms barely explain earnings swing

AHSAN HABIB
Most listed companies do not explain if their quarterly earnings see any significant rise or fall in their periodical reports in a breach of rules, keeping investors in the dark until the annual reports come out.
Many companies do not even give the explanation for the deviation in their annual reports.
But according to the Listing Regulations-2015, in case of significant deviation in any parameter such as earnings or net asset value, between the quarterly periods, the issuer of listed securities shall provide reasons.
Earnings of 123 companies out of 328 listed on Dhaka Stock Exchange (DSE) deviated more than 50 percent year-on-year in the first quarter this year, data from the premier bourse showed. But no company has come up with any explanation.
"We don't find any explanation on the deviation of a company's EPS or any parameter," said Minhas Mannan Emon, managing director of BLI Securities.
But investors need explanations so that they can take good decisions, he said. Also a director of the DSE, Emon said he would raise the issue in the board meeting of the premier bourse.
Khairul Bashar Abu Taher Mohammed, secretary general of Bangladesh Merchant Bankers Association, said when a company gives its quarterly report, investors buy or sell its shares on the basis of EPS deviation.
He said despite remaining in the dark on the reasons for the EPS fluctuations, investors continue trading shares. As the reports are not audited, investors are affected in the absence of explanation, said Taher, also the CEO of MTB Capital.
"Regulators should take initiatives so that listed companies provide the explanation through the DSE."
Market analysts said some companies organise earnings call, a meeting to publish quarterly reports, to address reasons behind a deviation and inform investors about the situation of companies.

IDLC Finance's profit grows marginally

STAR BUSINESS REPORT
IDLC Finance's net profits grew just 1 percent to Tk 182.15 crore in the first nine months of the year thanks to interest rate volatility and bearish capital market.
"The current year was very challenging as the market performed badly," said Arif Khan, chief executive officer and managing director of IDLC Finance, adding that liquidity crisis and interest rate volatility also hurt business.
Despite the challenges, IDLC did well in comparison to its peers, he said.
During the period, IDLC's earnings per share declined to Tk 4.83 from Tk 4.90 a year earlier, according to the quarterly statement, which was unveiled yesterday.
The other financial health indicators such as return on equity and return on assets deteriorated to 18.76 percent and 2.35 percent respectively in the nine months from 22.90 percent and 2.75 percent.

Stocks plunge to 3.5-month low amid correction

STAR BUSINESS REPORT
The benchmark index of Dhaka Stock Exchange (DSE) plunged to a three-and-a-half months low yesterday mainly because of a huge fall in prices of top traded stocks amid a correction.
The index, DSEX, declined 61.99 points or 1.13 percent before finishing the day at 5,384.41. It experienced a fall of 83.05 points on July 2.
Three of the top traded stocks, Summit Power, Khulna Power Company and United Power Generation, accounted for almost 30 percent of the total turnover on an average in the last five days.
Yesterday, price of each share fell 3.08 percent to Tk 129 for Khulna Power, 4.81 percent to Tk 45.50 for Summit Power and 1.92 percent to Tk 343 for United Power Generation.
The plunge in the top movers' prices kept the investors' money stuck in the stocks, resulting in a fall of almost 80 percent of the stocks yesterday.
Turnover, another important indicator of the market, dropped 15.65 percent to Tk 278.11 crore, the lowest since October 2, when the amount hit Tk 488.40 crore.
Some 11.62 crore shares and mutual fund units changed hands on the DSE. Of the traded issues, 75 advanced, 227 declined and 37 closed unchanged on the premier bourse.
Khulna Power dominated the turnover chart with 42.40 lakh shares worth Tk 54.59 crore changing hands, followed by Summit Power, United Power Generation, Shasha Denims and Dragon Sweater.
Legacy Footwear was the day's best performer with a 9.98 percent gain while Meghna Cement was the worst loser, shedding 8.51 percent.



Mashiur Rahman, prime minister's economic affairs adviser, speaks at a seminar on development roadmap at the World Trade Centre in Chattogram yesterday.

Bay Terminal project should get top priority

Chattogram-based businesses say

STAFF CORRESPONDENT, Ctg
Business leaders based in Chattogram yesterday urged the government to give top priority to the Bay Terminal construction project to enhance the port's capacity to cope with spiralling foreign trade.
Once constructed, the terminal with three times more space compared to Chittagong port would also be able to serve the neighbouring countries, including the north-eastern states of India, they opined. The country's overall economic development mostly lies on the development of Chattogram, they said.
They also proposed for giving more focus on different development projects like elevated expressway, bullet train between Chattogram and Dhaka and stronger connectivity between Chattogram and three hill districts and Cox's Bazar.

BENAPOLE-PETRAPOLE PORTS Joint efforts to ease congestion

SOHEL PARVEZ
The customs authority plans to start working along with all stakeholders soon to ease congestion of vehicles at Benapole and Petrapole land ports.
The decision for the programme—termed as One-time Push—was taken in a meeting of a Joint Group of Customs (JGC) in Delhi earlier this month, officials of the National Board of Revenue said yesterday.
Under the initiative, customs authorities of Bangladesh and India will take a two-month programme involving all clearing and forwarding agents, transport authorities, service providers and port authorities.
"If necessary, both sides will work for extra hours," said Md Raich Uddin Khan, first secretary for international trade and agreement of customs at the NBR.
On September 26, commerce ministers of the two neighbouring countries agreed to work in unison with immediate effect from October 15, meaning yesterday.
Some time is needed to take preparation, Khan said.
The customs authorities at Benapole and Petrapole will decide on the timeframe for effective implementation of the initiative, he said.
Benapole-Petrapole is the busiest trade route between the two neighbours, registering more than \$9 billion in trade annually.
Bilateral trade heavily favours India, according to data by the Ministry of Commerce and Industry of India.

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সাম্প্রতিক সময়ে লক্ষ্য করা যাচ্ছে যে, কতিপয় অসাধু ব্যবসায়ী বাংলাদেশে Maschio ব্র্যান্ডের রোটোরি টিলার, পার্টস এবং এক্সেসরিজ ডিন্ন উৎস হতে ডিন্ন নামে, তথ্য গোপন করে, আমদানিনিতি লঙ্ঘন করে প্রায়ই নকল ও গুণগতভাবে খারাপ পণ্য আমদানি করে বিক্রয় ও বাজারজাত করছেন এবং বাংলাদেশের অভ্যন্তরে উক্ত ব্র্যান্ডের Counterfeit পণ্য আমদানি/তৈরি/মজুদ/সরবরাহ/বিক্রয় করছেন। ফলে আমার মোয়াস্কেল কোম্পানির সুনাম ক্ষুণ্ণ হচ্ছে এবং তারা আর্থিকভাবে ক্ষতিগ্রস্ত হচ্ছেন।
এমতাবস্থায় Maschio ব্র্যান্ড এর যে কোন পণ্য অবৈধভাবে আমদানি, মজুদ, বাজারজাতকরণ ও বিক্রয় এবং উক্ত ব্র্যান্ডের Counterfeit পণ্য আমদানি/তৈরি/মজুদ/সরবরাহ/বিক্রয় হতে বিরত থাকার জন্য সংশ্লিষ্ট সকলকে অনুরোধ করছি, অন্যথায় আমার মোয়াস্কেল কোম্পানি দেশের প্রচলিত আইন অনুযায়ী ব্যবস্থা গ্রহণ করতে বাধ্য হবেন।
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