MIDAS approves 2.5pc stock dividend for 2018



Mohammed Nasir Uddin Chowdhury, chairman of MIDAS Financing Ltd, presides over the company's 23rd annual general meeting at MFL Convention Centre at MIDAS Centre in Dhaka yesterday.

STAR BUSINESS DESK

MIDAS Financing Limited yesterday approved 2.5 percent stock dividend for 2018.

company's 23rd annual general meeting (AGM) at MFL Convention Centre at MIDAS Centre in Dhaka yesterday.

The meeting was presided over by the company's Chairman Mohammed Nasir Uddin Chowdhury.

Rokia A Rahman, M Hafizuddin attended the meeting. The decision was taken at the Khan, Abdul Karim, Md Shamsul Alam, Ghulam Rahman and AKM Kamruzzaman were present at meeting.

Mustafizur Rahman, managing

director, and Md Abdul Wadud, company secretary, and a large number of shareholders as well as The company's board members officers and staff of the company also

> All agendas of the AGM including directors' report, audited financial statement and auditor's report were approved at the meeting, says a

makers warn of 1m job cuts

REUTERS, New Delhi

India's auto parts industry could be forced to slash a fifth of its 5 million or so workforce if the slowdown in vehicle sales continues, the president of the country's largest industry group for auto parts makers said.

India's auto industry is in the middle of one of its worst slumps. Passenger vehicle sales fell 18.4 percent in the first quarter, and monthly passenger vehicle sales in June fell by the biggest margin in 18 years.

The slump has prompted automakers to cut production and automakers and parts makers to cut jobs.

The drop in production "has led to a crisis like situation in the auto component sector," Ram Venkataramani, president of the **Automotive Component** Manufacturers Association of India (ACMA), said in a statement late on Wednesday.

"If the trend continues, an estimated 1 million people could be laid-off."

India's auto parts ECB set to sketch path for new stimulus

AFP, Frankfurt

The European Central Bank is likely to point Thursday to a cut in interest rates in September, analysts say, although recent hints about kick-starting sluggish growth and inflation might even bring forward a booked in January-March. move to this week.

Expectations for a possible cut at the central bank's inflation target of just below summer gathering have been heightened in recent weeks by the ECB itself talking up the possibility of action.

In June, ECB president Mario Draghi try to talk a very final talk before walking made clear that "in the absence of improvement... additional stimulus will be measures at its September meeting, ING required", meaning the institution will not wait for economic conditions to worsen before acting. While highlighting a resilient domestic

economy, members of the ECB governing council in Frankfurt will keep a close eye on risks outside the single currency area. These include US-led protectionism,

the danger of a no-deal Brexit, weakness

Pictet Wealth Management strategist Frederik Ducrozet said "the most natural path" for the ECB's policymakers would be opening their "forward guidance" policy

economist Carsten Brzeski said.

in emerging markets and geopolitical risks,

such as growing tensions with Iran around

economic slowdown in the second and

third quarters from the 0.4 percent growth

Surveys have for months pointed to an

Slower growth in turn threatens the

Inflation came in at 1.3 percent in June.

This week, "it seems as if the ECB will

the walk" of rate cuts or even more drastic

key Gulf shipping routes.

2.0 percent.

statement to the possibility of lower rates. In June, the ECB had said rates will "remain at their present levels at least through the first half of 2020".

Nitol Motors to issue Tk 202cr zero-coupon bonds

STAR BUSINESS REPORT

Nitol Motors, a concern of Nitol-Niloy Group, will issue zero-coupon bonds the proceeds used in trade financing. amounting to Tk 202 crore.

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Niloy Group, and Sohail RK Hussain, director of RSA Advisory, signed an agreement at the former's head office in Dhaka on Tuesday for officials were present during the signing.

the latter to be the lead arranger. The bond will be issued once the

regulators grant all necessary approval and

Selima Ahmad MP, vice chairperson of Abdul Matlub Ahmad, chairman of Nitol- Nitol-Niloy Group, Muhammad Salim, finance director, K Mahmood Sattar, chairman of RSA Advisory, and other top

Diversification to help log \$60b exports by 2021

"I strongly believe that now the prime

time has come to allow Bangladeshi entrepreneurs to invest abroad legally which will definitely reduce informal capital flight," he said. He said the IBFB had gone for several

business delegation exchanges with countries including Bhutan, Vietnam, Thailand, Malaysia, Myanmar, the USA and Korea to explore business opportunities and enhance bilateral business relationships.

Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said Bangladesh has one of the most liberal and flexible investment regimes in South Asia due to the incentives it offered.

These include tax holidays absorption capacity.

accelerated tariff depreciation, refunds, prevention of double taxation, facilitation of 100 percent foreign ownership and full repatriation of US-China trade war but the export capital invested from foreign sources, including profit and dividends, he was experiencing. explained.

incorporated provisions for corporate and associate memberships at the chamber as part of trade and investment facilitation and policy advocacy for international businesses present in the country.

MA Razzaque, research director Macdonald, resident at Policy Research Institute, said the flow of foreign direct investment was witnessing a rising trend but it was not as per needs and the economy's Organization for Migration, addressed

According to him, investment from China was coming to Bangladesh while exports to the US were also increasing due to the growth was less than what Vietnam

Razzaque said Vietnam had He also said the FBCCI reached a free trade agreement with the European Union which would help increase their business and raise competitiveness with Bangladesh, for which steps should be taken to remain in the market. Geoffrey Among others,

programme director of International Republican Institute, and Giorgi Gigauri, chief of mission of the International the programme.



Abdul Matlub Ahmad, chairman of Nitol-Niloy Group, and Sohail RK Hussain, director of RSA Advisory, sign an agreement at the former's head office in Dhaka on Tuesday for the latter to be the lead arranger for issuing Nitol Motors' Tk 202 crore zero-coupon bonds.

Tk 790cr goods sold locally misusing bonded facility FROM PAGE B1

Of the cases filed in the last five years, 50 were disposed and Tk 40 crore was recovered, according to the Commissionerate. The rest 240 cases are pending with the Customs Appellate Tribunal and the High Court. Most of the cases have not been settled

as the importers resorted to courts, custom sources say. Customs officials have prepared a

list of more than 50 companies which frequently misuse the bonded warehouse facility in order to keep them under strong surveillance to avert such incidents, said Azizur Rahman, commissioner of the around Tk 13 crore. Commissionerate.

resolved quickly because of limitations in the law. In order to settle the cases quickly, the Customs Appellate Tribunal has taken initiatives to expedite the hearing of the cases. He said the licences of five bonded

warehouses have already been cancelled and those of another 28 have been postponed. Besides, more than 50 companies are under surveillance.

According to the cases lodged by the Commissionerate, Liberty Group, Golden Sun Ltd, Zeil Wears Ltd, Bengal Shoes Ltd, Daf Ctg Accessories Ltd, ATS Pearl Ltd, National Accessories Ltd, Digital Packaging and Accessories Ltd, and Ofma Camp Ltd top the list of those misusing the duty-free import facility.

In the last five years, Liberty Group sold goods worth Tk 136.06 crore in the domestic market dodging at least Tk 43.42

crore in taxes. Thirty-six cases were filed against six companies under the group.

Mohammad Ilias, chairman of Liberty Group, told The Daily Star, "Most of the cases lodged against our companies are baseless. We have already approached the Customs Appellate Tribunal and the High Court in this regard."

At least 26 cases were filed against Golden Sun for selling goods amounting to Tk 74.37 crore in the local market.

Customs bond officials found evidence against Zeil Wears for selling goods worth Tk 18 crore in two years dodging tax of

Bulbul Barua, manager of Zeil Wears, He said most of the cases could not be said, "We kept these goods in an adjacent factory but we did not inform the authorities. We have applied to the bond commissioner to consider the matter."

According to the bonded warehouse policy, there is no scope to keep goods in other's factories, said an official.

The factory where Zeil Wears kept the goods was a shoe factory which manufactures shoes for the domestic market, said the official. Zeil Wears was found guilty of similar irregularities in 2017 and paid Tk 30 lakh in penalty, the official added.

In January 2018, a case was filed against Bengal Shoes for illegally selling raw materials worth Tk 24.40 crore, depriving the national coffer of Tk 13.82 crore in revenue.

Nasimul Haque Sumon, general manager of the company, confirmed filing of the case but declined to comment on it.

Ins regulator to clamp down on over 15pc agent commissions

FROM PAGE B1

Asked if Pioneer Insurance lost business to others, Islam said, "It does not matter; we will follow the IDRA's decision." "Commission is nothing but a bribe and it generates black money in the economy," he said.

Insurance companies offer commissions to new customers as an incentive to lure them into an insurance scheme or make them purchase a policy. This commission is given to the clients in the name being provided to agents. It is also common for customers to bargain for a discount on the amount of premium they pay, which often becomes the deciding factor for purchasing

a policy or product.

For example, if a policy's premium is Tk 200,000, a 50 percent commission to clients would take the actual premium paid to Tk 100,000, though the figure will remain Tk 200,000 in paper.

Before the enactment of new laws in 2010, the insurance industry was run by a 1938 act, where there were no hard and fast rules about the commission.

And some vested insurers used to offer as high as 80 percent of premiums as commission. The IDRA will sit with different business bodies next week to seek their help for implementing the decision.

Stocks finally looking up

"All the initiatives seem to have enhanced the confidence of investors," said Ali Xahangir, chief executive officer of Amarstock, a website that provides technical analysis on market movements.

But keeping the institutional investors under pressure to buy stocks is not a long-

term way-out. "What would truly help the market is if the institutional investors invest in the market based on their own analysis. General investors would draw encouragement from this," he added. Of the traded issues yesterday, 246 advanced, 71 declined and 35 remained unchanged. United Power Generation topped the turnover chart with

its transactions of Tk 24.99 crore, followed by National Life Insurance, Bangladesh Shipping Corporation, Fortune Shoes and Square Pharmaceuticals.

Dacca Dyeing was the day's best performer with its 10 percent gain, while Bangladesh General Insurance Company was the worst loser with 7.42 percent slide.

Chittagong stocks also rose, with the bourse's benchmark index, CSCX, increasing 111.96 points, or 1.18 percent, to finish the day at 9,551.51.

Losers beat gainers as 205 declined and 63 advanced, while 15 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 99.16 lakh shares and mutual fund units worth Tk 28.84 crore.

GP will go to court for arbitration

FROM PAGE B1

Foley said the regulator's stance is also affecting the stock market as GP accounts for the largest stock in the Dhaka Stock Exchange, the premier bourse in the country.

GP's share closed Tk 324 yesterday, whereas it was Tk "The BTRC's move will force us to freeze our

investment in the country. The businesses related to us would suffer and their workers might lose jobs," the GP CEO said. The operator also raised questions about the audit

methodology and the principle of the BTRC. Sharing an example, Sadat said spectrum usage

charges between 2002 and 2006 were paid based on the demand notes of the BTRC. "However, the demand notes were incorrectly

calculated in the BTRC audit. Now the regulator wants us to pay the additional amount for the said period." "On top of that, the audit claimed compound interest on the additional amount because of the delay in payment," he said, adding this type of audit claim

will tarnish the image of Bangladesh among foreign

investors. Foley said GP has responded to the BTRC's audit claims within the deadline, which was April 2, 2019, but the commission specifically said the operator's responses until February 20, 2018 were taken into

account. "We are gravely concerned that our responses to the audit findings went unheeded and remained unsettled. This can't be the stand of an independent audit and puts the spirit behind the entire audit process in question."

"This also highlights the need to protect our legitimate right to avail ourselves of an arbitrative process."

১৯তম বার্ষিক সাধারণ সভা

ARICO BANGLADESH

Saugata Gupta, chairman of the Board of Directors of Marico Bangladesh Limited, presides over 19th annual general meeting of the company at the Radisson hotel in Dhaka on Wednesday. A final cash dividend of 50 percent (equivalent to Tk 5 per share) was confirmed and approved. This was preceded by three interim cash dividends of 600 percent (equivalent to Tk 60 per share) declared and paid by the company for the first two quarters and 11-month period of the financial year – bringing the total cash dividend to 650 percent (equivalent to Tk 65 per share) for the year ending on March 31, 2019. Ashish Goupal, managing director, was present.

ADB lifts growth estimate to 8.1pc

FROM PAGE B1 It is the first such initiative in Bangladesh

to promote South-South cooperation. The impressive GDP growth is led by higher exports and remittances thanks to continued political calm, improved power supply and higher growth in private sector credit, Parkash said.

"This is the fastest economic expansion in Bangladesh since 1974," he added. Bangladesh achieved tremendous economic development -- and even bested 17 big economic countries -- in the last 10 years, according to Kamal.

It is now the 32nd largest economy in the world and by 2030 the country

would be the 24th largest. "We have given over Tk 5 lakh crore budget for fiscal 2019-20. Before 2034, the budget will reach to one trillion dollars (around 85 lakh crore). A trillion

dollar budget is our dream and we will materialise it, inshAllah," he added.

Bangladesh is a developing economy now alongside India, Brazil, China, Russia, Malaysia and the Philippines, he added. The effects of growth can now be witnessed all around, from the cities right through to the villages. "The government wants to see every village enjoy the same facilities that exist in the towns and cities."

Kamal went on to thank the Manilabased multilateral lender for extending

\$25 billion since 1971. "About \$10 billion is in the pipeline. If this amount is utilised, the country

will be benefited," the minister added. Parkash congratulated the winning project teams. "Projects must be implemented faster, by adopting the finest possible quality and compliance standards. Better and faster project

delivering benefits to the people early, reducing project costs and sustaining development results.

implementation is the key to

The ADB awarded the wellperforming project teams in Bangladesh under 10 different categories. SASEC Road Connectivity Project became the best preforming or champions of the champion project by the ADB.

Kamal presented the awards to the winning project teams. Monowar Ahmed, secretary to Economic Relations Division, asked the local officials of the awarded projects to share their good practices with their other Bangladeshi colleagues.

The best project team recognition programme was initiated in 2001 and has been a regular annual exercise by the ADB to promote development effectiveness of ADB-assisted projects in Bangladesh.