

# 7UP brings back Fido Dido

STAR BUSINESS DESK

PepsiCo brand 7UP recently brought back its wriggly-haired cartoon character Fido Dido in a new campaign in Bangladesh encouraging customers to "Think Fresh".

Fido Dido was licensed to PepsiCo in 1987 and gain popularity as the 7UP brand mascot. "Think Fresh" attempts to invoke nostalgia among fans who long associate the brand and its positive outlook towards life, says a statement.

"There is a very strong sense of nostalgia associated with Fido Dido. In fact, he is considered as the original Cool Dude," said Nobel Dhingra, marketing director of

PepsiCo.

A new TVC has also been launched portraying how all that one needs to do is to take a moment to "Think Fresh" and stay cool while reconnecting with people and things that really matter, says the statement.

The reappearance is "not only for fun" and reiterates that "even the most complicated situations in life can be easily dealt with if one adds freshness and optimism into the mix", said Khurshid Irfan Chowdhury, managing director and CEO of Transcom Beverages.

"7UP won the best brand of the year for the 10th year in a row by Bangladesh Brand Forum," he added.

## NBFIs meet with Kamal, seek support

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The association proposed the government merge the struggling 4-5 NBFIs and the funds of banks and non-banks placed with these institutions should partially be converted into equity in proportion to their exposure.

Fresh equity from new sponsor-shareholders should be injected in the merged institutions, the paper said.

Md Ashadul Islam, senior secretary of the financial institutions division, was also present at the meeting.



Top officials of the Bangladesh Leasing and Finance Companies Association led by its chairman Mominul Islam call on Finance Minister AHM Mustafa Kamal at the secretariat in Dhaka yesterday.

BLFCA

## Formulate policy to cut reliance on foreign experts, workers

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The government allows foreign workers here to take away 75 percent of their salary as remittance, he said.

"We have to have some programmes to produce skilled workforce in order to reduce such big amounts of money being remitted out every year," Syeduzzaman said.

In Bangladesh, entrepreneurs are not being encouraged to go for manufacturing, said Farooq Ahmed, secretary general of the Bangladesh Employers Federation.

So, the entrepreneurs feel encouraged to go for trade-based businesses, he said.

"We need several labour-intensive sectors to generate more jobs. Incentives are paid discriminately and a few select sectors enjoy the government benefit," said Rizwanul Islam, senior visiting fellow of the CDER and a distinguished fellow at the PRI.

Prof Shamsul Alam, senior secretary of the General Economics Division at the Planning Commission, urged district level technical training centres to play a vital role in producing skilled workforce.

Planning Minister MA Mannan said a 7-per cent economic growth over a period of eight to 10 years was impressive. "We will really be an economically developed country by 2040," he said.

## NBR issues explainer on excess VAT refunds

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The issue arose after the NBR slapped a 5 per cent advance tax (AT) on import of goods other than capital machinery and spare parts starting this fiscal year.

Officials at the NBR said the refund process has been explained so that field offices can settle claims and provide refunds within three months of applications being submitted by firms. The process for businesses to get refunds has now been made easier, said Md Zakir Hossain, commissioner of the Customs, Excise & VAT Commissionerate, Jashore.

It will reduce the cost of businesses, said an official of VAT at the NBR.

## Interest for import financing

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The import margin is the portion of the cost of the products that the businesses must pay to banks in advance when opening the LCs. The instruction of keeping the lower margin will be effective until May 30 this year. Ramadan is scheduled to start in the second half of April.

# Walton has great prospects. But questions hang over its IPO prospectus.

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The company's prospectus shows its turnover rose to Tk 5,177.3 crore in the 2018-19 financial year, which was Tk 2,732.9 crore in the previous year. So, its turnover rose about Tk 2,444.35 crore in a space of 12 months.

Md. Abu Kaiser, a partner at Mahfel & Co. that audited Walton Hi-Tech's financial reports, said the company's aggressive marketing policy influenced its sales in the 2018-19 financial year.

"There was no bad intention -- it was just the marketing strategy. Walton wants to grab both local and foreign market share."

When he was informed that Walton Hi-Tech's peer company Singer Bangladesh, which is listed, did not witness such a pickup in fortunes in the last financial year, he said: "Walton's mindset is to

reach the global arena. Singer's plan might be different."

Singer Bangladesh's profits grew just 12.5 per cent in 2019, down from 22 per cent recorded the previous year.

Asked about the high sums of receivables, Kaiser said: "It sold to its dealers so the receivables rose. Now, if it can handle the receivables properly it will not pose a problem."

An official of the Bangladesh Securities and Exchange Commission upon condition of anonymity said if the company sold its products to its distributors the stock market regulator cannot do anything about it.

"But it is true that there is a sudden rise in its sales and that too just before going public. This is concerning."

The company has huge potential but the investors

should assess whether the high sales would be achievable in the coming years, he added.

The Daily Star contacted Walton Hi-Tech Industries enquiring about the dramatic rise in profit and turnover in the last financial year. Partha Protim Das, company secretary of Walton Hi-Tech Industries, gave roundabout answers.

"The high turnover and profits were because of our aggressive marketing policy," he said, adding that the company has introduced many schemes like equated monthly instalments and higher purchase scheme that drew in customers.

Plus, Walton's after-sales services also attracted consumers.

When probed that EMI and higher purchase schemes were not introduced during the course of

the last financial year but before that, he said: "People got attracted to them now because of our aggressive marketing."

The marketing push was in preparation for Walton Hi-Tech's foray into the export market.

"But before that, we need to consolidate our local market share. There is no opportunity to sell forcefully to increase our turnover."

It was just our marketing," he said, adding that the total number of Walton Plaza increased to 340 from 302 in the 2018-19 financial year.

Also in the last financial year, Tk 398 crore came from sales of televisions and home and electrical appliances. All three were lumped under Walton Hi-Tech Industries in the 2018-19 financial year, when they were

separate entities previously.

The three heads were booked under Walton Hi-Tech in order to ensure long-term sustainability of the company, Das said.

"As we are going to be listed we thought we should have many products so that if one product does not perform the others can pick up the slump. The company's overall performance will not be hampered."

The financial report shows in 2018-19 refrigerator sales alone shot up 72.52 per cent year-on-year to Tk 1,914 crore.

The higher sales lifted the company's profits to Tk 1,376.1 crore for the 2018-19 financial year from Tk 352.32 crore the previous year.

At present, Walton Hi-Tech's short-term and long-term loans stand at Tk 2,256.51 crore.

# Stocks bounce on stimulus hopes, Treasuries slide towards 1pc

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The sheer scale of losses led financial markets to price in policy responses from the US Federal Reserve and European Central Bank to the Bank of Japan and the Reserve Bank of Australia. [LN2AU0ZB]

Futures now imply a full 50 basis point cut by the Fed at its March 17-18 meeting while Australian markets are pricing in a quarter-point cut at the RBA's Tuesday meeting.

On Monday, investors were encouraged by comments from Bank of Japan Governor Haruhiko Kuroda who said the central bank would take necessary steps to stabilise markets.

A spokesman for the Bank of England said it too was monitoring developments and assessing "potential impacts on the

global and UK economies and financial systems."

Bets that the Fed will be first to cut pushed the dollar to a one-month low against the world's major currencies.

Individually, it was down at \$1.1070 to the euro, flat on the yen at 108.08 yen and only made gains on the pound which wilted as what are likely to be fraught post-Brexit trade talks with the EU began in Brussels.

MSCI's broadest index of world shares rose 0.7 per cent, up for the first time in eight sessions and recovering from Asia's early dip, though the uptick barely offset its 10.4 per cent tumble last week. Shanghai had added 3.3 per cent.

The rapid spread of the coronavirus has led businesses globally to curb travel, send

workers home and cancel events, hitting stocks in the aviation, gambling and tourism sectors.

The disruption to global supply chains and productivity has darkened the outlook for a world economy already struggling with the fallout of the US-China trade war.

"There's no policy out there, frankly, that is going to be sufficiently large to offset the nature of what's coming in terms of the virus. So we have to keep watching these new case numbers until these show signs of levelling off," said ING's Carnell.

Nevertheless the bond markets were giving their view loud and clear.

Benchmark US 10-Year Treasuries hit a fresh record low of 1.0300 per cent before shuffling back up to 1.1028 per cent in European trading where German Bunds

were still -0.62 per cent.

Analysts said a sustained market recovery depended on the rate of new coronavirus infections slowing outside China.

The epidemic, which began in China, has killed roughly 3,000 people worldwide as authorities race to contain infections in Iran, Italy, South Korea and the United States. Commodity markets were part of Monday's global rebound. Oil prices bounced \$1.5 a barrel on hopes of a deeper cut in output by OPEC after earlier hitting multi-year lows.

Brent crude last traded at \$51.3 per barrel and US crude at \$46.2 per barrel, while industrial metals copper and nickel were 2 per cent and 3 per cent higher respectively and gold jumped 1.4 per cent too after a mild drop last week.

## Virus hammers garment industries in Cambodia, Vietnam

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Last week, the labour ministry announced 10 factories had downsized their production lines, leaving 3,000 workers out of work.

But the full impact of the coronavirus is expected to hit in March, when nearly 200 factories are expected to run out of their reserve inventory of materials.

This could spell doom for 160,000 workers and employees -- more than 20 percent of the sector's 700,000-strong workforce.

Hun Sen said he had asked China to send materials urgently in order to avoid suspending workers.

A labour ministry official told AFP Monday the country is expected to receive "some" by the end of March, though it would not meet its full demand.

Garment worker Pann Sokchea, who toils in Phnom Penh's manufacturing district, fears cuts to her crucial overtime pay.

"Factories no longer have cloth coming in, so workers are concerned about their jobs," she told AFP.

Neighbouring Vietnam also stands to lose as much as \$2 billion dollars if China-sourced materials are delayed for another

fortnight, Le Tien Truong, director general of garment corporation Vinatex, told state-run media.

Like Cambodia, the country's industry is reliant on China for 60 per cent of fabrics to fuel its clothing production lines according to the Vietnam Textile and Apparel Association (VITAS).

So far, its garment exports dropped 1.7 per cent to \$4.5 billion dollars in the first two months of this year.

But exporters of finished products to China are also feeling the heat as container trucks slow to a crawl at the border.

In northern Lang Son, rows of trucks wait hours -- or even days -- to bring their goods through the main international crossing.

A shortage of Chinese labour means unloading operations, previously completed in just over an hour, can now take an entire day.

Meanwhile, fruits and vegetables languish in over-heated trucks as drivers dressed in protective suits periodically check their freshness.

"I've been here for four days," driver Le Thanh Duy, who was transporting dragonfruit, told AFP.

"We can do nothing but wait."

## Robi files for IPO at last

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The face value of the shares will be Tk 10 and there will be no premium.

Of the shares, 38.78 crore will be offered to the public retail and institutional investors in Bangladesh, while the remaining 13.61 crore will be for employees and directors of Robi under the employee share purchase plan.

In total, Tk 523.79 crore would be raised.

Axiata has given Robi two conditions for proceeding with the IPO, according to senior executives of the operator versed in the board room discussions.

Robi's decision to get listed was made public on February 21, when its parent company Axiata, which holds 68.69 per cent stakes of the operator, gave it the go-ahead to go for IPO through the fixed price method, according to a posting on Bursa Malaysia.

The operator's preparations though began before that. It has already got the approval of the Bangladesh Telecommunication Regulatory Commission.

Indian Bharti Airtel holds 25 per cent stakes after it sold off its Bangladesh subsidiary to Robi and Japanese NTT Docomo the remaining 6.31 per cent.

All three parties' holdings will be diluted according to the current ratio after the initial public offering, which will be managed by IDLC Investments.

## Advent Pharma appointed auditor illegally, finds FRC

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"We have the power to take action against such activities. However, the FRC is yet to appoint the high official of our enforcement division, so we sent it to the stock market regulator," said Md Sayeed Ahmed, executive director of the FRC, adding that a high official would soon be appointed.

The FRC found that Advent Pharma had taken approval from its investors to appoint an external auditor, K. M. Hasan & Co, for fiscal 2018-19.

However, K. M. Hasan & Co resigned before completing its audit. After that, Advent Pharma appointed Ahmed Zaker and Co without the approval of the general investors or the recommendation of the audit committee of the pharmaceuticals company.

This is a violation of the Companies Act and the corporate governance code, the FRC letter said.

Advent Pharma did not provide clear explanation in its annual report how the IPO proceeds were utilised. This was also left out by the auditor in the audit report.

Although there was a clear violation of corporate code, Podder & Associates provided

a Corporate Governance Code Compliant Certificate, the FRC said.

The FRC recommended the BSEC suspend the appointment of Ahmed Zaker and Co as Advent Pharma's auditor. Besides, the company's financial report should be re-audited by a well-established chartered accountant firm.

Since the company's board and audit committee did not work diligently on this issue, actions may be taken against them as well as Ahmed Zaker and Co, the FRC said.

The corporate governance compliance auditor could also be punished as it failed to provide Advent Pharma's true status.

In 2018, Advent Pharma raised Tk 20 crore from the capital market through the IPO at an issuance price of Tk 10 per share.

Yesterday, the company's shares traded at Tk 28.

"We have got the letter and it is already in our consideration," said a BSEC official, on condition of anonymity. He added that actions would be taken soon.

Anwar Hossain, chief financial officer of Advent Pharma, did not receive phone calls.

## Germany assures Bangladesh of lasting support

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To create a sustainable political system, good governance, rule of law, decreased bureaucracy and efficient use of government resources are highly important, the ambassador said.

"Over the last few years, Bangladesh's election process has been criticised and I think this circumstance was completely avoidable. I think it is very important for the country to look into these criticisms, which have been forwarded by the EU election monitoring team, and take appropriate measures in future elections."

However, the country is fully capable of holding elections that cannot be scrutinised, Fahrenheitz added.

On tackling corruption, the ambassador said: "Eradicating corruption is not only vital for future development but also for increased foreign direct investment, which is essential for economic growth."

Germany provides both technical and financial support to Bangladesh. There are about 17 projects currently being developed with German assistance, said Gauranga Chandra Mohonta, wing chief (Europe) of the ERD, while addressing the programme. Germany will continue to provide support to a wide range of issues while emphasising on energy, both renewable and non-renewable, and poverty reduction, he said.

Ute Heinbuch, head of the South Asia division of the German Federal Ministry for Economic Cooperation and Development, spoke at the inaugural session of the consultation.

## Khaled for administrator at ILFSL

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"The financial health of ILFSL has been deteriorating since 2016 once Prasanta Kumar Haldar bought huge number of shares to establish control over the company," Khaled said.

Haldar appointed relatives both at the board and management positions of the NBFi to embezzle money.

He siphoned off Tk 1,600 crore from the NBFi by opening 34 loan accounts in the name of four directors of the lender.

Haldar, who fled the country, is a former managing director of NRB Global Bank and non-bank Reliance Finance.

Khaled also submitted a detailed report on ILFSL to the chief justice.

The embezzled fund was laundered to Canada and some other countries, he said.

Haldar, also known as PK Haldar, is said to be residing in Canada now, according to media reports.

"The depositors' fund will have to be returned in order to protect the NBFi. And the Anti-Corruption Commission will have to play a major role in recovering the money," Khaled said.

"It is not possible for me to realise the money. I am now 80 years old and I am not fit enough for the job," he said.

The veteran banker said he did not get any support from the management of the NBFi and they also created difficulties for him.

The NBFi fared well before 2016 when Mahbub Jamil, a former special assistant to the chief adviser of a caretaker government, was the chairman of the entity.

Defaulted loans at ILFSL stood at around 15 per cent of the outstanding loans of Tk 3,841 crore as of December last year.

"But the actual default loans are much higher than what is shown on papers," Khaled said.

The central bank also did not take any action when Haldar took over the NBFi. It imposed a credit ceiling of a maximum Tk 1 crore on the NBFi after a large amount of funds had been swindled.

The BB also asked the lender to take prior approval from it for loans exceeding the limit. The NBFi was forced to pay Tk 50 lakh in penalty

to the central bank for its inability to keep mandatory cash reserves.

Deposits at the NBFi totaled Tk 2,767 crore as of December, but it has frequently failed to pay back depositors upon the maturity of deposit schemes.

The Supreme Court has upheld a High Court order that banned 20 people, including much-talked Haldar, from leaving the country for allegedly embezzling the fund.

Yesterday, the listed company lost 8.11 per cent on the Dhaka Stock Exchange and was one of the top losers on the bourse. Among the top losers, four were from the financial sector.

The financial sector declined on a day the key index of the premier bourse rebounded snapping a seven-day losing streak.

Khaled was appointed as the managing director of Pubali Bank in 2000 after the lender entered into the problem zone.

"I improved the financial health of the bank within a few years, which has been doing good business. But the case of ILFSL is completely different," he said.

## India finally lifts onion export ban

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Since the decision by Indian authority of lifting of the restriction, prices of onion have been falling fast amid increased supply.

Prices of imported onions mainly from Myanmar dipped 38 per cent to Tk 65 each kilogram yesterday from Tk 105 a week ago. Fresh harvest of locally grown onions fell 26 per cent to Tk 70 each kilogram from Tk 95 a week before, according to market data by the Trading Corporation of Bangladesh.

Prices of imported onions are likely to drop below Tk 40 each kilogram once imports from the neighbouring country starts in full swing, said Dipankar Ghosh, organising secretary of the C&F Agents Association at Bhowra, one of the main onion importing ports from India.

Importers will start opening letters of credit for onion after March 10, he said.

Farmers in several parts of Nashik district in Maharashtra recently agitated over falling onion prices.

Average per quintal price for onion for Monday was Rs 1,450 at Lasalgaon, India's largest market for the kitchen staple.

Commerce and Industry Minister Piyush Goyal said the decision will help boost the income of farmers.

In December last year, onion prices in certain Indian markets had hit a high of Rs 160 per kg.

Onion prices are at present hovering at around Rs 30 per kg at present.