

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.08%	▼ 0.02%	Gold ▲	Oil ▲	▼ 0.05%	▲ 0.65%	▼ 0.85%	▲ 0.08%	BUY TK	83.95	97.29	115.17
6,623.31	11,563.26	\$1,744.22 (per ounce)	\$70.06 (per barrel)	54,525.93	28,070.51	3,180.00	3,532.62	SELL TK	84.95	101.09	118.97
								STANDARD CHARTERED BANK			
								12.71			
								13.37			



BUSINESS

DHAKA THURSDAY AUGUST 12, 2021, SRABAN 28, 1428 BS ● starbusiness@thedailystar.net

BB won't budge on deposit rate order

Fixed deposit interest can't go below inflation rate

STAR BUSINESS REPORT

The Bangladesh Bank yesterday refused to revisit its instruction that asked banks to set a higher interest rate on fixed deposits than the inflation rate despite pleas from lenders.

Banks placed the demand at a meeting chaired by BB Governor Fazle Kabir. Managing directors of all lenders were present.

The meeting between lenders and the central bank is usually held every three months to discuss the contemporary issues of the banking sector.

After the meeting, five managing directors told The Daily Star that they had made all-out efforts to change the central bank's stance, but it won't budge.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the central bank had heard all points raised by

banks.

"The banking regulator also responded to the points. But it asked us to follow the latest notice on the issue," he said.

The BB on August 8 asked banks not to fix interest rates on fixed-term deposits below the inflation rate in order to protect depositors from negative returns.

The weighted average interest rate on deposits stood at 4.13 per cent in June while the average inflation rate was 5.56 per cent, showed data from the central bank and the Bangladesh Bureau of Statistics.

As a result, depositors are getting a negative return, which is discouraging people from parking their funds with banks.

"The latest decision will create a haphazard situation in the banking sector as the interest rate on the lending is declining. Now, the rate on deposits will go up," said one managing director.

In general, both deposit and lending rates maintain an upward or downward trend in tandem.

"But it will not happen this time. As a result, this will create an abnormal situation in the financial sector," the managing director said.



Farmers transplanting saplings of paddy in Palashbari upazila of Gaibandha for the current Aman cultivation season. The Department of Agricultural Extension targets to ensure cultivation of Aman on 55.77 lakh hectares of land this year. As of August 10, farmers attained 55 per cent of the cultivation target for Aman, the second biggest crop accounting for 38 per cent of the yearly rice production. The photo was taken recently.

MOSTAFA SHABUI

Bangabandhu sowed seeds of prosperity

Speakers say at FBCCI seminar

STAR BUSINESS REPORT

Bangabandhu Sheikh Mujibur Rahman has not only pulled Bangladesh out of the wreckage caused by the war but took visionary steps to plant the seeds of economic prosperity for the country, said speakers yesterday.

"The philosophy of Bangabandhu was to improve the lot of the ordinary people and ensure their freedom," said Tofail Ahmed, a former commerce minister.

He spoke at a seminar on "Bangabandhu's Economic Philosophy: Bangladesh in Development of Commerce and Industries."

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organised the event to commemorate the contribution of the Father of the Nation.

Ahmed, who was the political secretary to Bangabandhu, said after the independence, Sheikh Mujibur Rahman tried to rebuild the nation with his economic vision.

Bangabandhu framed the Industrial Enterprise Act and nationalised the industries deserted by their Pakistani owners to rebuild the war-ravaged country.

He nationalised banks and established the jute ministry, the Bangladesh Agricultural Development Corporation, the Bangladesh Chemical Industries Corporation and the Sugar Corporation.

"Even Bangabandhu talked about building the bridge over the Jamuna river with the Japanese government during his visit to Japan," Ahmed said.

READ MORE ON B3

Nurani Dyeing board to be restructured

Sena Kalyan Ins IPO gets nod

STAR BUSINESS REPORT

Within less than five years of getting listed in the stock market, Nurani Dyeing has kept its factory shut for a long time without informing its investors.

As a result, the Bangladesh Securities and Exchange Commission yesterday decided to restructure the company's board of directors.

The dyeing company raised funds of Tk 43 crore when it got listed in 2017.

Officials of the country's two bourses found that the company's factory and corporate office had been shut for a long time and that it was providing financial reports to pretend its operations were still active, the BSEC said.

So, the stock market regulator will take action against the company's auditor.

After getting listed with the bourses, Nurani Dyeing provided just 2 per cent cash dividends in 2018, shows data from the Dhaka Stock Exchange (DSE).

During yesterday's commission meeting, the BSEC approved the initial

READ MORE ON B3

Walton makes strong comeback

Profits double in FY2021

Plan and performance

- Will buy 236 decimals of land at Tk 172cr
- Will change name to Walton Hi-Tech Industries PLC
- Declared 250% cash dividend for general shareholders
- Declared 170% cash dividend for directors, sponsors
- EPS soared to Tk 54.21 from Tk 24.21 a year ago

AHSAN HABIB

Walton Hi-tech Industries saw its profits double in the recently concluded fiscal 2020-21, riding on higher sales of air conditioners and refrigerators past an earnings decline for the pandemic.

One of the country's biggest electrical home appliance manufacturers, its profits rose 123 per cent to Tk 1,642 crore year-on-year.

Meanwhile, its earnings per share (EPS) rose near 124 per cent to Tk 54.21. In fiscal 2019-20 it had dropped 47 per cent, according to data from the Dhaka Stock Exchange.

Based on the profit, it announced 250 per cent cash dividends for general public shareholders and 170 per cent cash dividend for directors and sponsors.

The pandemic hit the country mainly at the end of fiscal 2019-20 and last year the company fared comparatively better, said Chief Financial Officer Omar Faruk Ripon.

Demand for products rose in early summer, particularly for air-conditioners, whereas refrigerator sales were also higher during the Eid season, he said.

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SHOW CAUSE

Evaly gets three weeks to respond

STAR BUSINESS REPORT

Beleaguered e-commerce platform Evaly has been given three weeks to provide a detailed response to the recent show-cause notice it received from the commerce ministry.

"Overall, the company will get three weeks to fully explain its actions," Tapan Kanti Ghosh, secretary of the commerce ministry, told The Daily Star.

The time allotted is divided in different ways.

Evaly has to inform the ministry about its liabilities to customers within five days since this information should be readily available for them.

However, the company will get three weeks to inform us about its dues to merchants, he said.

"A letter will be sent to Evaly tomorrow (today) and the deadline to respond will begin from then," he added.

Within five days, Evaly will have to send details about its assets, Ghosh said.

READ MORE ON B2

Small traders diversify income to stay afloat



Nazrul Islam, owner of Johnny Telecom and Dry Cleaners, in the extended Pallabi residential area of the capital's Mirpur has diversified into selling groceries to keep his establishment running. A whopping 94 per cent of micro, small and medium enterprises experienced a sharp drop in sales because of the coronavirus pandemic, according to a survey of International Finance Corporation and World Bank last year. The photo was taken recently.

PRABIR DAS

MD ABU TALHA SARKER and SUKANTA HALDER

Shafiqul Islam Ratan has been running a sweet shop with his siblings near a residential area on Kalshi road in the capital's Mirpur for the last six-seven years.

The business was going on well since its inception in 2015. But the onslaught of the coronavirus in Bangladesh in March last year upended everything in the blink of an eye as the government enforced lockdowns and people stayed away.

As educational institutions shut and religious festivals and nuptial programmes were held with limited attendance, the demand for sweets reduced significantly.

The crash in income made it difficult for the family to pay shop rent, electricity, security and other bills.

With little sales and no support from the government, Ratan added grocery items to his shop to make some bucks.

"By selling grocery items, we are making some money. Now I can pay shop rent and other bills," he said.

Nazrul Islam, owner of Johnny Telecom and Dry Cleaners, faced a similar challenge.

He has been running the shop in the extended Pallabi residential area in Mirpur since 2005.

He was in trouble when the government slapped movement restrictions to contain the spread of the novel Covid-19, banning non-essential activities and businesses.

For Islam, the only way to get out of the crisis was to sell groceries.

READ MORE ON B2

NEWS

in brief

No plan to revise GDP growth target: Kamal

Finance Minister AHM Mustafa Kamal yesterday said that there is no plan to revise the GDP growth target right now as he believes the government will be able to maintain the estimated growth rate for fiscal 2021-22.

"I hope we can maintain the estimate we made," the minister said while responding to a query at a virtual briefing after a meeting of the Cabinet Committee on Purchase.

In the current fiscal, the government set the gross domestic product (GDP) growth target at 7.2 per cent.

According to the Bangladesh Bureau of Statistics (BBS), the provisional GDP growth was 5.2 per cent and in the final calculation, the country's economy grew 3.51 per cent in fiscal 2019-20.

Chinese firm to maintain Bangabandhu bridge

China Communications Construction Company will be tasked with ensuring maintenance of the Bangabandhu bridge for the next five years for Tk 170 crore.

The decision was taken at a meeting of the cabinet committee on purchase, chaired by Finance Minister AHM Mustafa Kamal.

"Bangladesh Bridge Authority proposed to hire the Chinese company," said Shamsul Arefin, additional secretary to the Cabinet Division after the meeting.

South-Bangla bank makes trading debut

South Bangla Agriculture and Commerce Bank (SBAC) debuted on the stock market yesterday and the price of its shares almost immediately soared by 10 per cent as no one was selling the stock.

SBAC raised Tk 100 crore from the market by issuing 10 crore ordinary shares at a face-value of Tk 10 each.

Every general investor got a minimum of 60 shares against the application of Tk 10,000 in the initial public offering (IPO).

National Fisheries Week from Aug 28

National Fisheries Week will be observed across the country from August 28, according to Fisheries and Livestock Minister SM Rezaul Karim.

He made this announcement at the preparatory meeting of the 2021 National Fisheries Week at a conference room of the Bangladesh Secretariat in Dhaka yesterday, as per a press release.