

star BUSINESS

Scam-hit Int'l Leasing to issue shares against deposit, loan

STAR BUSINESS REPORT

Scam-hit International Leasing Financial Services Ltd (ILFSL) has decided to offer shares of the company against its deposit and loan payments as part of its effort to revive the company.

The non-bank financial institution has come up with the plan as it has suffered losses for the third consecutive year in 2021.

However, the company's data shows that it is performing a little better now.

Its consolidated earnings per share reduced to Tk 9.26 in the negative for the year that ended on December 31 in 2021, down from Tk 31.3 in the negative a year ago.

The ILFSL's consolidated net asset value per share stood at Tk 154.19 in the negative for the year that ended on December 31 in

The non-bank financial institution has come up with the plan as it has suffered losses for the third consecutive year in 2021

2021, against Tk 144.93 in the negative a year ago.

ILFSL is one of the financial institutions that witnessed the embezzlement of thousands of crores of taka by Proshanto Kumar Halder and his allies.

Yesterday, the company informed that its board of directors has given go-ahead to signing agreement for issuance of share subject to approval of all relevant regulatory authorities.

Meanwhile, a memorandum of understanding (MoU) for corporate advisory and issue management services was signed between ILFSL and Sonar Bangla Capital Management yesterday.

Sonar Bangla has been appointed to act as an issue manager.

The share price of ILFSL rose 4.4 per cent from the previous day to hit Tk 7.10 at the Dhaka Stock Exchange (DSE) yesterday.

International Leasing's paid-up capital was Tk 221 crore and its accumulated loss stood at Tk 3,436 crore as of yesterday, according to the DSE data.



Trucks are seen heading out from the Nowapara Railway Station in Jashore, where they were loaded with goods such as onions and potatoes imported from neighbouring India by train. An Indian bank recently asked its clients to trade with Bangladeshi traders in the rupee or taka in a bid to reduce its exposure to Dhaka's falling US dollar reserves.

PHOTO: STAR/FILE

Foreign trade in Indian rupee not doable

BB yet to enlist rupee for LCs; businesses say, if done, they will be benefitted

REFAYET ULLAH MIRDHA and AKM ZAMIR UDDIN

Businesses in Bangladesh will not be able to use the Indian rupee in conducting trade with entities abroad as Bangladesh Bank has not enlisted the currency as a means of settling letters of credit (LCs).

However, entrepreneurs said if trade between Bangladesh and India takes place in the local currencies, pressure from falling US dollar reserves and associated ongoing forex market volatility would be reduced to some extent.

Bangladesh, which boasted of having \$48 billion in reserves in August 2021, saw it go down to \$37.13 billion as import bills surpassed exports and remittances.

Taka, the local currency, went down 20 per cent in value year-on-year to Tk 102.56 per dollar yesterday.

Businesses said India was the second largest source of imports for Bangladesh. Industrial raw materials, capital machinery, cotton, yarn, fabrics, and chemicals worth \$16.19 billion were imported in fiscal year 2021-22.

On the other hand, Bangladesh

exported goods worth \$2 billion to the neighbouring country.

This means that if both the countries allow use of the local currencies, requirement for the US dollar will be substantially curtailed.

The issue of using local currencies came to the fore after



the State Bank of India (SBI) issued a notice on August 24 saying it would allow LCs making use of the taka and rupee instead of the US dollar and other foreign currencies.

With no option available as of yet, Bangladeshi businesses will have to sidestep settling exports and imports through the SBI, said a number of Bangladesh Bank (BB) officials, on condition of anonymity.

This will be so, unless the BB officially allows settling LCs using the local currencies, they said.

For instance, the BB on September 15 allowed local banks to maintain accounts with their corresponding lenders or branches abroad in the Chinese yuan.

local businesses are allowed to settle their foreign trade using 18 foreign currencies.

These include the US dollar, Canadian dollar, Australian dollar, Singapore dollar, euro, Great Britain pound, Swiss franc and Chinese yuan or renminbi.

"Bangladesh is categorised under high risk and under caution risk category as per our country risk model," said the SBI in its notice.

"The country is facing shortage of foreign currency due to higher import bills and weakness of the taka against the US dollar in recent time," it read.

Under such a situation, the SBI has decided not to use the US dollar and other foreign currencies till further instructions, it said.

The foreign lender has also taken a decision to put on hold new business exposure in Bangladesh.

The Daily Star contacted the SBI's Dhaka office seeking a comment. They did not provide any remark.

However, businesses said trade in local currencies would be beneficial.

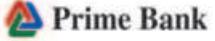
As per the BB notification,

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The government is building stock of fertilisers to supply the vital agricultural input to farmers at subsidised rates amid the ongoing economic uncertainty stemming from the Russia-Ukraine war.

PHOTO: STAR



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Locally made jerseys to adorn FIFA World Cup

REFAYET ULLAH MIRDHA

Bangladesh is increasingly becoming a source not only for replica football shirts worn by fans but also kits used in practice by players of the International Federation of Association Football (FIFA) World Cup alongside European clubs.

The local knitters also supply jerseys for different sporting clubs globally.

For instance, Chattogram-based knitwear manufacturer Sonnet Textile Industries sent 6 lakh shirts for the FIFA World Cup Qatar 2022 to be held between November 20 and December 18.

"I shipped the last consignment in April this year...through buyers as I do not export directly to the FIFA," said Gazi Md Shahid Ullah, one of the company's directors.

He, however, declined to state the price of each shirt.

Shahidullah also said there were bright prospects for sportswear as he shipped \$18 million worth of knit products from his factory a year employing 1,800 workers.

Similarly, Fazlee Shamim Ehsan, managing director of Narayanganj-based knitwear manufacturer Fatullah Apparels, said he had exported 2.5 lakh shirts for 2018 FIFA World Cup Russia.

He also sent replica kits for supporters of different countries.

This time, Ehsan has not sent any kit for the Qatar world cup.

But he regularly sends official jerseys for Real Madrid Basketball in Barcelona as his factory is an officially nominated supplier of the Spanish professional basketball team.

Every five months, his factory has been sending a good quantity of jerseys for the club, he said.

Currently, he mainly sends jerseys made of cotton of European clubs to his buyers.

The price of jerseys made from manmade fibres are higher than those made of cotton, he said.

"I also think the future of garment business of Bangladesh is MMF (manmade fibre)-made jerseys and sportswear as the demand for these items

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STOCKS	
DSEX ▼	CASPI ▼
0.68% 6,551.44	0.67% 19,319.27
COMMODITIES	
Gold ▲	Oil ▼
\$1,670.4 (per ounce)	\$83.83 (per barrel)
ASIAN MARKETS	
MUMBAI ▼ 0.44% 59,456.78	TOKYO ▼ 1.36% 27,313.13
SINGAPORE ▼ 0.16% 3,261.79	SHANGHAI ▼ 0.17% 3,117.18

Govt okays 90,000-tonne fertiliser purchase

STAR BUSINESS REPORT

The government purchase committee yesterday gave the nod to two public agencies to buy a total of 90,000 tonnes of fertiliser from Qatar and Morocco under a state-to-state contract to augment the country's fertiliser stock for growing food in coming seasons.

Of the amount, the Bangladesh Agriculture Development Corporation (BADC) will buy 30,000 tonnes of triple super phosphate from Morocco at \$687.25 per tonne, which is lower than the previous price of \$914 per tonne.

The remaining 60,000 tonnes will be urea fertiliser to be bought by the Bangladesh Chemical Industries Corporation (BCIC) from Qatar, according to the decision of the Cabinet Committee on Government Purchase.

The BCIC, under the industries ministry, will buy 30,000 tonnes of bagged prilled urea at \$724.5 per tonne. The latest price was higher than the urea the government bought at \$563.33 per tonne earlier.

The agency, which produces nearly 10 lakh tonnes of urea in local mills, will also buy 30,000 tonnes of bulk granular urea

from Qatar at \$733.33 per tonne while the previous price was \$630.83 per tonne.

The purchases continued as the government is building stock to supply the vital agricultural input to farmers at subsidised rates amid the ongoing economic uncertainty stemming from the Russia-Ukraine war.

The agriculture ministry projects a requirement for 55.5 lakh tonnes of chemical fertiliser for fiscal 2022-23 and most of it would be met through imports because of inadequate domestic production.

State factories produce 10 lakh tonnes of urea and insignificant quantities of triple super phosphate and diammonium phosphate.

Farmers used over 55 lakh tonnes of fertiliser in fiscal 2021-22 and most of the demand was met through imports.

Apart from approving the fertiliser purchase, the cabinet committee approved the state-run Trading Corporation of Bangladesh (TCB) to buy a total of 1.65 crore litres of soybean oil from three local companies to carry out its distribution of certain essentials among one crore family card holders at subsidised rates.

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