

Sonali Aansh plunges 45% on bonus adjustment

STAR BUSINESS REPORT

Stocks of Sonali Aansh Industries plunged 45 per cent to Tk 434 in a day yesterday, a rare incident for the market.

Trading of the share had resumed following a record date, the day until which a shareholder has to hold onto a stock to be eligible for that company's dividends.

This made the stock ineligible for its floor price yesterday as per rules.

Floor price is the lowest price at which a stock can be traded, a mechanism set by the market regulator last July to halt the free fall of market indices amidst global economic uncertainties.

For each stock, the floor price was decided taking the average of closing prices on July 28 and the preceding four days.

Hence there was no way to limit the extent of the drop.

The company had earlier announced 100

The company had earlier announced 100 per cent stock dividend for shareholders for the year ending on June 30 of 2022

per cent stock dividend for shareholders for the year ending on June 30 of 2022, meaning the company's total number of shares had increased, said a stockbroker.

Such developments normally lead to price adjustments, he said.

Prior to the dividend announcement, the company's share price had more than doubled, which indicates insider trading had taken place, he said.

The company announced the dividend on November 17. In three months till October 19 the price of the stock had soared 110 per cent to Tk 905.

General investors should not invest in such stocks as their price fluctuations are based on rumours, he said.

As the company's paid-up capital is low, some people are targeting such companies as it was easier to manipulate their share prices, he added.

Insider trading is the buying and selling of securities by people who have access to non-public information that may influence the stock value.

The company's earnings per share soared 246 per cent to Tk 3.92 this year while paid-up capital was Tk 2.7 crore, according to the Dhaka Stock Exchange data.



A farmer shows some coffee berries at a field in Ruma upazila of Bandarban. As coffee cultivation is suitable in the area, many private and public initiatives have sprung up to grow the bean. However, farmers remain unable to cater to the total demand. PHOTO: LALTANLIAN PANGKHUA

Coffee cultivation shows promise in Ctg Hill Tracts

LALTANLIAN PANGKHUA, Rangamati

Coffee is one of the most popular caffeinated beverages in the world with people from all over reaching for a cup whenever they need an extra shot of energy.

Although much of the coffee consumed in Bangladesh is imported, few know that the beans can be grown locally.

In fact, an experimental attempt at cultivating two types of coffee – Robusta and Arabica – along the Chittagong Hill Tracts has yielded positive results.

However, the journey was not a short one as it took 10 years for agriculturists to prove that Robusta is suitable for cultivation in Khagrachari while Arabica is perfect for growing in hilly areas of Bandarban.

Other than individual initiatives, projects initiated by the government and non-government organisations have achieved promising results while providing locals with an additional source of income.

The first time coffee was cultivated in Khagrachari was at the Hill Agriculture Research Center in 2001.

Initially, 395 Robusta saplings and 200 Arabica saplings were cultivated. After that, 10,000 more saplings were planted in 10 gardens across the district.

Later, when coffee growing proved to be a commercial success, various development agencies, including the Chittagong Hill Tracts Development Board, took up programmes to expand cultivation.

Sumion Bawm, a farmer from Ruma upazila in Bandarban, said he has cultivated 100 saplings in the past three years and harvested 25 kilogrammes (kg) just recently.

He then sold the raw coffee for Tk 400 per kg.

Considering his previous success, Bawm planted another 500 Arabica coffee saplings in his cashew nut field this year.

He went on to say that while consumption is higher than what it was three years ago, local suppliers cannot cater to the total demand.

"Wholesalers from all over the country contact us for a supply," Bawm added.

Many coffee producers in the Mro community of the Bandarban Chimbuk Hill area said he initially neglected his coffee plants but eventually took it seriously after hearing that another local had secured good profits.

As such, he planted about 1,200 saplings four ago and sold around 20 kg of the beans last year.

Tuhfa, Rahat and Lalkimzual Bawm, who sell coffee produced in are through a Facebook page called "HarvestHill.bd", said they collect the beans from local farmers in the Ruma and Thanchi upazilas of Bandarban.

The beans cost about Tk 900 per kg before the husks are removed while the raw berries they come in go for as much as Tk 500 per kg.

The three entrepreneurs said they sold 30 kgs of coffee last month but they are unable to meet the total demand.

Shiaung Khumi, a member of the Bandarban Zilla Parishad, said coffee cultivation on Chimbuk Hill began in 2016, when he cultivated and distributed saplings for free among interested farmers.

Mainly farmers from the Ruma and Rawngchari upazilas received the coffee sapling but were unable to secure any harvest as they lacked proper understanding on how to care for the plants.

There are about 8 farmers in the two

upazilas that were given coffee saplings five years ago.

Munshi Rashid Ahmed, chief scientist of the Khagrachari Hill Research Center, said most farmers are still uninterested in cultivating coffee as they struggle with processing and marketing the beans.

However, they fail to understand that coffee is easy to cultivate as it requires little work while the plants provide yields for 50 to 60 years.

Coffee can be harvested within three years of being planted.

Robusta berries ripen in the December-January period while Arabica can be harvested in early November.

Coffee cultivation has good potential in the hill tracts as the soil and weather conditions are suitable.

In addition, as coffee beans are dry, farmers can preserve them easily at home and market them slowly, he added.

Ahmed then said the Bangladesh Agriculture Research Institute and the Department of Agricultural Extension (DAE) initiated a project on coffee cultivation two years ago.

"After finishing the project, we plan to establish a coffee processing factory," he added.

A collaboration between the Hill Agriculture Research Center and Rangamati DAE produced 1,000 coffee saplings in the Sajek area of Rangamati in 2019.

USAID's SAPLING project started working in the country by providing 220 potential coffee producers with the required support.

READ MORE ON B2



Digital transformation: the term mostly abused

MAHTAB UDDIN AHMED

I had the privilege of working with a good number of high-tech wizards in a recent event where I found most of the chief technology officers (CTOs) are upset that the IT budget has been slashed due to the looming economic uncertainties and the ensuing challenges in the banking sector.

The vendors I met were more upset because they are not only having to bear the brunt of the budget cut but there is also the challenge in opening letters of credit. As for the senior management or the board, it is the easiest decision to manage a crisis!

While the pandemic has forced us to drive a digital transformation, albeit on a limited scale by the global standard, it has certainly brought on a large-scale transformation by the local standard. All kinds of corporates accepted work from home, online approval, virtual meetings etc. to deal with the challenges.

Had there not been such a crisis, our board and senior management would still be debating on the need for these changes. Ironically, the credit for the digital transformation in the last three years goes to none other than the coronavirus.

Post-pandemic, all countries are facing unprecedented economic uncertainty triggered by factors such as the Ukraine war, the China lockdown, and the high-interest rates to tackle higher inflation, to name a few.

In the case of Bangladesh, we have the additional challenges of depleting foreign currency reserves and a weak banking system. The board and the senior management may take a lesson from the pandemic on how driving a digital transformation can boost productivity and transform the economic culture. During a crisis, the team prefers to be led.

Digital transformation is something that does not just happen overnight. Its benefits are tangible over years of painstaking efforts.

Because of our national tendency to over-emphasise the pain of today over the gain of the future, we ended up de-prioritising digital transformation, which ensures long-term sustainability. As a result, we lagged as a nation. This behavioural trap is evident in most of the corporates in Bangladesh.

Another reason for not valuing the need and benefits of digital transformation is ignorance.

Digital transformation results in changes across an organisation that impacts the top-line, the bottom line, people and culture. And yet many leaders are still hesitant to invest in such transformations due to the lack of clarity on the returns on investment.

While advising companies in various industries, I have observed several challenges: 1. Most of the top management believe in the need for it, but hesitate to act on it; 2. Some embarked on it because of the pressure from the board; 3. Lack of leadership and team alignment within the organisation; 4. Fear and inability to manage the unknown; 5. Basic level of digitalisation like the paperless office is missing; and 6. CTO/CIO is keen to develop everything with its own team while the ready product is available on the market.

In my earlier job at Robi, the team was clear to drive digitalisation in the payment and collection systems well before the pandemic. When the whole country, including the telecom industry, was hit by the pandemic, Robi was least impacted because of its pre-pandemic digitalisation initiatives. The digital recharge went up by 44 per cent.

As we move ahead making Covid-19 a thing of the past, let's keep the digitalisation process an integral part of our lives instead of a "one-off" feature. Let's not wait for another crisis to jumpstart our next level of digital transformation. It will not give any competitive advantage as others will be forced to follow equally.

If an organisation drives transformation as a continuous process, it will gradually develop a competitive edge, making it hard for the competitor to match.

The author is a telecom and management expert.



Stocks fall for low investor confidence

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange (DSE) slipped below Tk 300 crore for the second time in three days yesterday as investors' confidence level received a blow because of the rising political tension in the country.

For the past nine months, investors have been worried owing to the volatility in the foreign exchange regime, the global energy crisis, and the higher cost of living caused by the Russia-Ukraine war. The worsening political situation has added to the woes.

As a result, the DSEX, the benchmark index of the DSE, closed down at 6,227 after losing 5.85 points, or 0.09 per cent, yesterday.

The DS30, the blue-chip index, declined 0.16 per cent to 2,203 while the DSES, the index that represents shariah-based companies, lost 0.14 per cent to 1,361.

Of the issues that traded on the premier bourse of the country, only 17 won, 55 retreated, and 218 remained unchanged.

"The stocks slipped into the red after a two-day break as investors mostly followed a cautious stance amid a lack of clear direction of the future market movement considering political uncertainty ahead of the election year," said International Leasing Securities Limited in its daily market analysis.

"The investors dumped their holdings amid growing tension over macroeconomic cues."

Among the sectors, jute rose 6.6 per cent and ceramic

READ MORE ON B2



Peasants cultivating robi crops, also known as winter crops, including mustard and potato, on the field after harvesting Aman paddies. Rows are seen in the picture, where potatoes are being cultivated. Many farmers also cultivate mixed crops, such as potato with sugarcane. The picture was taken from Sadullapur in Tangail sadar upazila yesterday.

PHOTO: MIRZA SHAKIL

BB tightens rules for banks' car purchase

STAR BUSINESS REPORT

Banks would be able to replace cars and other vehicles used by their chairmen and chief executive officers and the lenders with new ones if they are at least eight years old, said the central bank on Wednesday.

The move is in line with a government order aimed at avoiding high-value expenses, purchases of luxurious cars and grand decorations with a view to cutting operating expenses.

In 2019, the Bangladesh Bank allowed banks to replace their cars and other vehicles dedicated to their chairman and CEOs with new ones after they age at least five years.

Now, the vehicles would have to be at least eight years old, said the BB.