



SIKDER INSURANCE

Rules broken, yet IPO goes ahead

AHSAN HABIB

Sikder Insurance Company Limited has invested most of its assets in the capital market, parking funds in a single stock of scandal-ridden National Bank Ltd (NBL), in a corporate wrongdoing influenced by family ties.

And the insurer's investment in treasury bonds has not met the minimum threshold either.

Still, the company has secured approval from the Bangladesh Securities and Exchange Commission (BSEC) to raise funds from the public.

To pave the way for the initial public offering (IPO), a rating agency attached a higher credit rating to the insurance company and the auditor did not object to the breaches, while the Insurance Development and Regulatory Authority (IDRA) looked away.

Two senior officials of Sikder Insurance declined to comment over the phone, while the company did not respond to queries emailed twice by The Daily Star.

The BSEC approved the IPO in September, and Sikder Insurance, whose two owners are members of the family that controls NBL, is now raising funds of Tk 16 crore by issuing 1.6 crore ordinary shares at a face value of Tk 10 each.

Rick Haque Sikder and Ron Haque Sikder, sons of the late Sikder Group founder Zainul Haque Sikder, hold an 8 percent stake in the insurance company and 2 percent in the bank each.

The subscription of the IPO started on December 21 and ends today. The company plans to use the IPO proceeds to purchase floor space and invest in fixed deposits. It says it will invest Tk 4.8 crore in the stock market within three months of receiving the proceeds although it has already breached the limit.

- Sikder Insurance injected 72.8% of funds into stock market against regulatory limit of 25%
- Auditor did not object to breaches
- Insurance regulator did not punish Sikder Insurance for flouting rules

SEE PAGE 2 COL 1



Bangladesh players celebrate as Soumya Sarkar (R) caught New Zealand opener Finn Allen off the bowling of Shoriful Islam during the first T20I at McLean Park in Napier yesterday. Bangladesh won the match by five wickets – their first win over the Kiwis in New Zealand – and they would look to repeat the feat in the second match to be played at Mount Maunganui tomorrow. Story on page 11.

PHOTO: AFP

AL promises getting bigger

Party manifesto outlines job creation, zero tolerance against graft, price control



STAFF CORRESPONDENT

The Awami League's election manifesto says the party will work on 11 key areas to make Bangladesh a smart country by 2041.

The highest priority will be on creating job opportunities, AL President Sheikh Hasina said yesterday as she presented the manifesto for the January 7 national election at a city hotel.

"We are responsible for the mistakes made while

We are responsible for the mistakes made while running the government over the last 15 years. The success is yours.

SHEIKH HASINA

running the government over the last 15 years. The success is yours. Be forgiving of our mistakes. We promise to learn from past errors and carry out future activities according to your expectations," said Hasina, addressing voters across the country.

"We are committed to making a developed and prosperous Bangladesh. Vote for the boat [the AL symbol]," she said.

SEE PAGE 6 COL 1

Top 10pc have 40pc of income

Finds Household Income and Expenditure Survey 2022

STAFF CORRESPONDENT

As much as 40 percent of the country's total income is concentrated within the top 10 percent of the wealthy, up about three percentage points since 2016, found a recent government survey.

As much as 30.04 percent of the income generated in Bangladesh is concentrated within the top 5 percent of the households, up from 27.82 percent in 2016, according to the latest release of the "Household Income and Expenditure Survey

(HIES) 2022" of the Bangladesh Bureau of Statistics.

Income concentration to the top 10 percent of the households is 40.92 percent. In 2016, it was 38.09 percent, according to the report that was released yesterday.

Besides, the income accruing to the bottom 5 percent of the households was 0.37 percent in 2022, which was 0.23 percent in 2016, adds the report.

The bottom 50 percent of the households have 19.05 percent of

the total income, down from 20.23 percent in 2016.

According to the report, the Gini coefficient, which is the economic measure of equality, stood at 0.499 in 2022, in contrast to 0.482 in 2016. This means the country's income inequality increased between the two survey periods.

Inequality in society increased as irregularities in the banking sector, tax evasion and money laundering grew alarmingly, said Selim Raihan,

SEE PAGE 2 COL 5

OTP

PIN

If you care, do not share

CVV

Password

Courtesy: