

# Star BUSINESS



## One lakh stock accounts closed amid IPO drought in FY25

AHSAN HABIB

The stock market has almost closed the books on the fiscal year (FY) 2024-25 without a single company getting listed through an initial public offering (IPO), a rare event not seen in decades.

Market analysts have linked the absence of IPOs to the bleak secondary market and what they describe as an unappealing valuation policy under the current public issue rules.

The last company to launch an IPO was Techno Drugs, whose subscription closed in June 2024, during the tenure of the previous commission led by Prof Shibli Rubayat UI Islam.

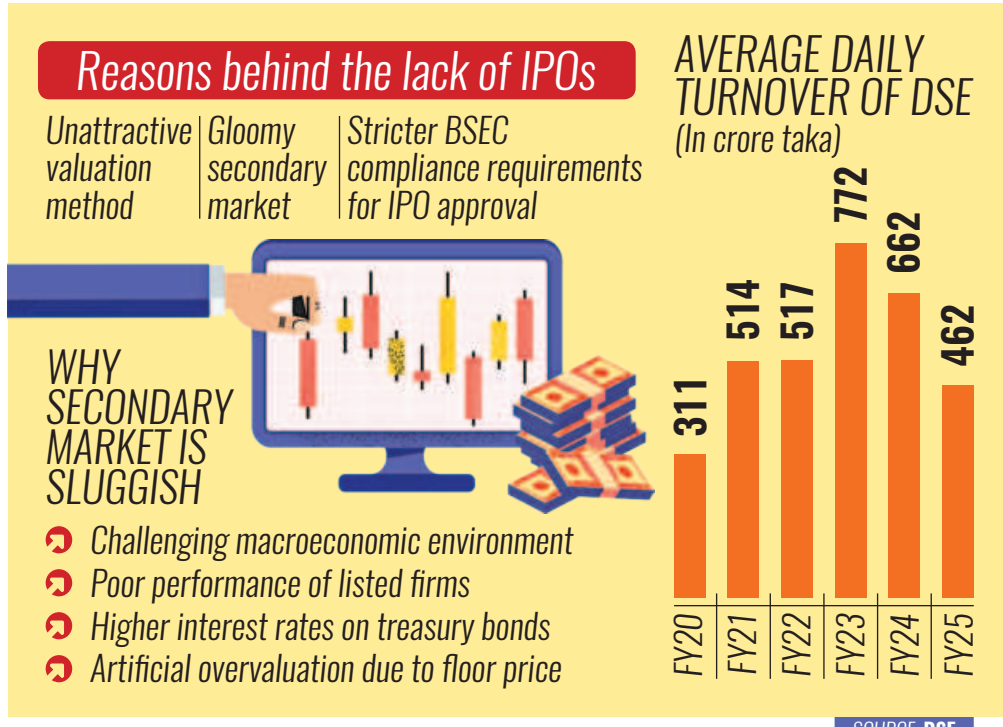
The new commission, appointed following the political changeover in August last year, has yet to approve any IPOs over the past year.

Officials at the Dhaka Stock Exchange (DSE) said FY25 was the first IPO-less fiscal year since the 1990s.

While records before that are incomplete and not available, some senior DSE officials said the last time the market saw such a dry spell may have been in the 1970s, when trading was suspended for several years after the country's independence in 1971.

In the absence of fresh listings and amid poor performance by many listed companies, investors have been leaving the market in large numbers. Around one lakh beneficiary owner (BO) accounts have been closed since June 2024, according to the Central Depository Bangladesh Ltd.

"The main reason for the lack of IPOs is the



unattractive valuation method set out in the public issue rules," said Rubayat E-Ferdous, chief executive of Shanta Equity.

He added that while the previous commission had initiated efforts to reform the rules, progress stalled due to the August political changeover and a shift in leadership

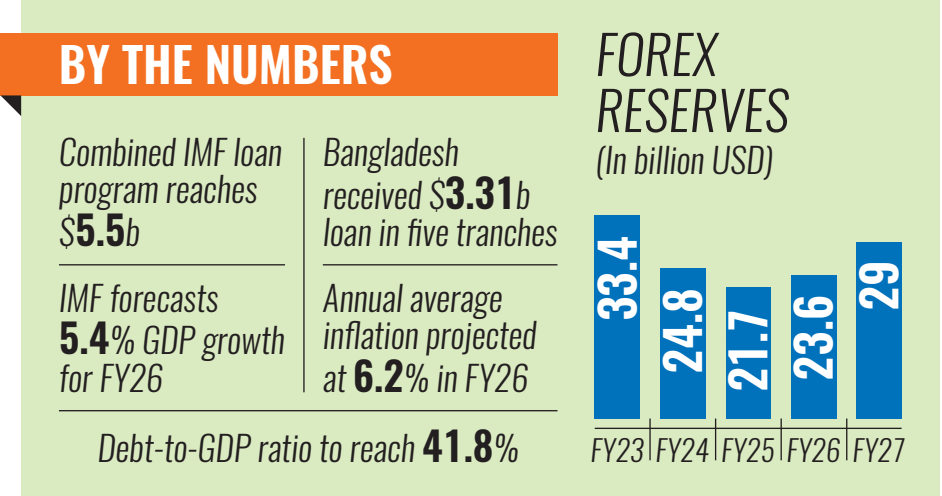
at the regulator. As a result, strong companies saw little incentive to seek listings.

"When the secondary market is weak, issuers are usually reluctant to join as they worry about failing to secure a good price," he said. "But the shortage of IPOs has created a supply-side problem for the market."

Over the past year, the DSEX, the benchmark index of the DSE, has lost 516 points, or about 10 percent, to stand at 4,717.

For nearly a year, the index hovered around the 5,200 mark, propped up by a floor price mechanism introduced by the previous commission to artificially support prices.

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## Reserves to edge up as IMF expands support to \$5.5b

### The lender backs reform progress despite political uncertainty, trade volatility

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves are projected to rise modestly to \$23.6 billion in the next fiscal year from \$21.7 billion in the current year, as the International Monetary Fund (IMF) expanded its total support package amid ongoing efforts to stabilise the country's macroeconomy.

risks rising, the IMF's backing provides both funding and credibility. But, as the IMF made clear, the next phase of Bangladesh's recovery will depend on consistent execution across all fronts – from exchange rate management and tax reform to governance and green investment.

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The reserve uptick comes after the IMF Executive Board approved the completion of the third and fourth reviews of Bangladesh's reform programme. The decision unlocked immediate access to a combined amount of \$1.34 billion.

Gross reserves stood at \$27.30 billion as of June 24, while reserves measured under the IMF's BPM6 manual were \$22.4 billion, according to data published by Bangladesh Bank. The latest numbers underscore the limited room available to manage external shocks.

With foreign reserves still fragile, a narrow fiscal margin, and banking

"Bangladesh's economy continues to navigate multiple macroeconomic challenges," said Nigel Clarke, IMF deputy managing director and acting chair. "Despite a difficult environment, programme performance has remained broadly on track, and the authorities are committed to implementing necessary policy actions and reforms."

The original IMF loan package for Bangladesh, approved in 2023, totalled \$4.7 billion. Following the augmentation approved on Monday, the total size of the programme has increased by \$800 million to \$5.5 billion. Of this, \$3.31 billion has been disbursed so far.

The IMF cited "broadly satisfactory"

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## Google Pay goes live

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Global tech giant Google officially launched Google Wallet—commonly known as Google Pay—in Bangladesh yesterday, enabling customers to make contactless payments using just their smartphones, doing away with the need for plastic cards.

From air travel to everyday shopping, Google Pay is expected to transform how payments are made.

City Bank customers can now link their Mastercard or Visa cards to Google Wallet and use Google Pay for fast, secure, and contactless transactions.

Payments can be made simply by tapping an Android phone at any NFC-enabled POS terminal, both domestically and internationally.



Backed by advanced encryption technology, Google Pay ensures robust data security. For small purchases, PIN-free functionality enhances the checkout experience.

This initiative was made possible through a collaboration among City Bank, Google, Mastercard, and Visa.

Ahsan H Mansur, governor of Bangladesh Bank, inaugurated the service at a ceremony organised at The Westin Hotel in Dhaka.

Speaking as the chief guest, Mansur said, "We welcome Google Pay to Bangladesh. I believe our country will prove to be a reliable destination for both local and foreign investors."

"It's a misconception that foreign entrants will simply take money out of the country; I don't agree with that view," he added.

"This partnership reflects our commitment to building a future-ready digital payments ecosystem in Bangladesh," said Mashrur Arefin,

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## NBR detects tax evasion of Tk 6,250cr since Sep of 2024

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The National Board of Revenue (NBR) has uncovered tax evasion amounting to nearly Tk 6,250 crore since September 2024, according to a statement issued yesterday.

Field offices under the tax, customs, and intelligence wings identified 16,572 cases of tax evasion and recovered around Tk 1,000 crore during the period.

Of the total, customs houses detected evasion worth Tk 183 crore and recovered the entire amount from the culprits. Field offices of the customs, excise, and VAT commissionerates found evasion of Tk 513 crore and managed to collect Tk 89 crore.

Meanwhile, VAT detectives identified evasion amounting to Tk 1,639 crore and recovered Tk 240 crore, according to the statement.

The Income Tax Intelligence Unit unearthed 170 cases involving Tk 1,875 crore in evasion, with Tk 110 crore recovered so far.

Additionally, 41 tax zones detected evasion worth Tk 1,590 crore and collected Tk 105 crore.

The NBR's Central Intelligence Cell (CIC) discovered Tk 366 crore in revenue evasion and has so far recovered Tk 194 crore, according to the statement.

## Govt to amend labour law by Oct: adviser

### 30 factories receive ministry's green award

STAR BUSINESS REPORT

The government will complete bringing about amendments to the Bangladesh Labour Act by October this year as the country has committed to improving it to international standards, said Labour and Employment Adviser Brig Gen (ret'd) M Sakhawat Hussain yesterday.

Afterwards, it will be possible to provide it to the International Labour Organization (ILO) as proof of the progress made in labour rights, he said.

Bangladesh had made the commitment earlier as the international community, including the ILO, European Union (EU), and the US, had been pressing for it over the past couple of years.

The adviser also said he had to face a lot of queries from international communities on several occasions at the ILO meetings, as the country still lacked the improvements. He also inspired entrepreneurs and factory owners to use renewable energy for sustainable production and environmental protection.

The adviser was speaking at a ceremony at Osmani Memorial Hall in Dhaka to present the Ministry of Labour and Employment's Green Factory Award 2025.

Hussain, along with Industries Ministry Adviser Adilur Rahman Khan, handed over the awards to the recipients.

The government recognised 30 factories in 16 categories with the award for their initiatives to curb environmental pollution and adopt eco-friendly technologies.

The 30 factories were selected from a shortlist of 72 based on environmental management, worker welfare, safety, and innovation.

Adilur Rahman said it was not only an award but also a form of "green initiative" deeply rooted in the country's industrial policy.

Currently, Bangladesh has the highest number of factories—248—that have attained the Leadership in Energy



Zaraif Ayaat Hossain, right, head of strategy & transformation of Transcom Group, receives Green Factory Award 2025 on behalf of Eskayek Pharmaceuticals Ltd and Transcom Electronics Ltd from Brigadier General (ret'd) M Sakhawat Hussain, labour and employment adviser, and Adilur Rahman Khan, industries ministry adviser, at a function in Dhaka yesterday.

PHOTO: COLLECTED

and Environmental Design (LEED) certificate.

Of them, 105 are in the platinum category and 129 in gold. Nine out of the world's 10 greenest factories are also in Bangladesh, he said.

On behalf of the award recipients, Uzma Chowdhury, director (corporate finance) of Pran-RFL Group, said they tried to establish such factories as the focus was not only on production but also on caring for the environment.

They have always prioritised the environment and social efficiency since the establishment of Chorka Textile and Habiganj Agro Limited, she said.

They have been exporting garment items and processed foods from these two factories, she also said.

The factories have solar systems, energy-efficient machinery, rainwater harvesting systems, energy management systems, and effluent treatment plants (ETP), while ensuring workplace safety, said Chowdhury.

The award-winning factories under the readymade garment (knit) category are Chorka Textile Ltd, Echotex Ltd, and Fakir Fashion Limited.

Those under the woven garment category are Tarasima Apparels Ltd, Auko-Tex Ltd, and Square Fashions Ltd.

The textile category had four—Akij Textile Mills Limited, Pioneer Denim Limited, KDS Textile Mills Ltd (Unit-2), and Four H Dyeing and Printing Ltd.

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## NBR officials' pen-down strike enters second day

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Officials of the National Board of Revenue (NBR) continued their nationwide pen-down strike for a second consecutive day yesterday, demanding the removal of the NBR chairman and the cancellation of recent transfer orders.

The latest round of the protest began on Monday with a three-hour work stoppage.

Yesterday, demonstrators extended it to five hours, from 9 am to 2 pm.

Staff staged a sit-in at the NBR headquarters at Agargaon area of the capital, while officials outside the capital joined in at their respective offices.

The NBR Unity Reform Council, a platform of protesting staff from the tax, customs and VAT departments, announced that demonstrations would continue today and tomorrow, from 12 pm to 5 pm, if their demands are not met.

International passenger services and export-related activities have been kept outside the purview of the strike.

On Monday, the council said it would launch an indefinite countrywide shutdown from Saturday unless the revenue chief is removed and transfer orders for colleagues who led last month's protests are revoked.

The government on May 12 issued a gazette notification, separating revenue policy and implementation, and eventually dissolving the NBR.

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