

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-2.14%) lost 95.75 points and closed the week at 4,384.48 points. The blue-chip index DS30 (-2.02%) lost 30.13 points and stood at 1,462.25 points. The Shariah-based index DSES (-2.77%) lost 28.97 points and stood at 1,015.93 points. The large cap index CDSET (-2.47%) lost 21.93 points and closed at 864.51 points. DSEX, DS30 and CDSET showed negative YTD returns of -1.54%, -3.38% and -3.92% respectively whereas DSES showed positive YTD return of +1.61%.

Total Turnover During The Week (DSE): BDT 24.1 billion (USD 290.0 million)

Average Daily Turnover Value (ADTV): BDT 4.8 billion ($\Delta\%$ Week: -22.9%)

Market P/E: 12.68x

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a negative movement of 1.57% in the first session. Market turned around in the second session by +0.56% and continued to be positive in the third session (+0.70%). Market turned negative in the fourth session by 1.26% and ended in negative at -0.57%.

Sectoral Performance:

- All financial sectors showed negative performance during this week. General Insurance booked the highest loss of 2.64% followed by NBFIs (-1.51%), Life Insurance (-1.21%), Banks (-1.09%) and Mutual Funds (-0.76%).
- All the non-financial sectors showed negative performance during this week. Telecommunication booked the highest loss of 3.88% followed by Power (-3.36%), Engineering (-2.50%), Food & Allied (-1.60%), and Pharmaceuticals (-1.33%).

Macroeconomic arena:

- January's deposit growth is the lowest since February last year, in a development that can be viewed as the direct impact of the capping of interest rate on savings to 6%.
- The High Court on Tuesday asked the government and the Bangladesh Bank to explain in four weeks why their recent decision setting the ceiling on bank lending rate at 9% with effect from April 1 would not be declared illegal.
- Bangladesh Economic Zones Authority (BEZA) has received investment proposals amounting to around 20.50 billion US Dollar from 151 local and foreign business entities
- NBR has reached a consensus over offering a string of tax incentives to promote long-term debt market in Bangladesh.
- Non-performing loans (NPLs) in the industrial sector soared by 14.51% year-on-year to BDT 451.27 billion at the end of December last year due mainly to willful defaulters.
- The government is set to make NIDs mandatory for the people willing to open accounts with Sanchaya Bank (Post Office).

Stock Market arena:

- Ibn Sina Pharmaceuticals is set to invest in a polymer manufacturing plant that would primarily supply pet bottles, bottle caps and other pharma-related plastic products to the drug maker
- IDLC Finance Limited on Tuesday launched its first 'Venture Capital Fund' worth of BDT 450 million to invest in early stage tech-based start-ups in the country.
- Robi has submitted an application to the BSEC for listing the company on the two bourses and sought for a special exemption from the post-IPO lock in period for their existing shareholders.
- Local technology conglomerate Walton started exporting two advanced technical products, air conditioners and smartphones to India and USA, to be distributed in those markets under different branding.

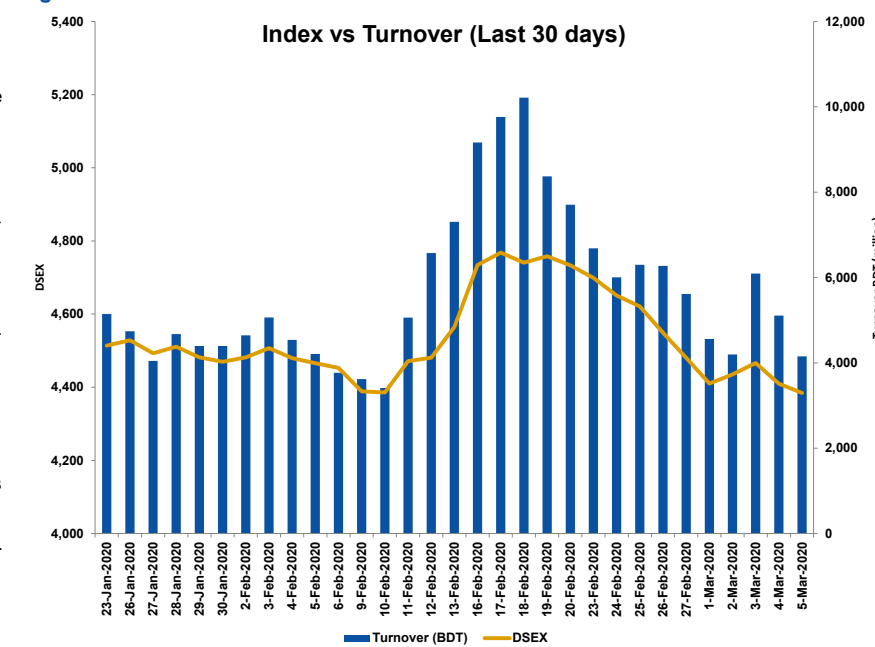
Table 1: Index

Index	Closing	Opening	Δ (Pts)	30-Dec-2019	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	4,384.48	4,480.23	-95.75	4,452.93	-2.14%	-1.54%
DS30	1,462.25	1,492.37	-30.13	1,513.35	-2.02%	-3.38%
DSES	1,015.93	1,044.91	-28.97	999.83	-2.77%	1.61%
CDSET	864.51	886.44	-21.93	899.76	-2.47%	-3.92%

Table 2: Market Statistics

		This Week	Last Week	%Change
Mcap	Mn BDT	16,953,650.5	17,664,055.0	-4.0%
	Mn USD	203,941.4	212,487.1	
Turnover	Mn BDT	24,107.9	31,262.3	-22.9%
	Mn USD	290.0	376.1	
Average Daily Turnover	Mn BDT	4,821.6	6,252.5	-22.9%
	Mn USD	58.0	75.2	
Volume	Mn Shares	1,025.0	1,089.3	-5.9%

Figure 1: DSEX & Turnover in last four weeks



Associate:
Md. Rafiqul Islam
 mrafiqulislam@bracepl.com

Associate:
Md Mahirul Quddus
 mmahirul.quddus@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Central Pharmaceuticals Limited	16.70	8.70	92.0%	2,000.7	445.81	4.1x	1.0x
Chittagong Vegetable	139	83.30	66.7%	3,506.5	213.59	NM	10.6x
Hakkani Pulp & Paper	87.30	53.70	62.6%	1,658.7	171.77	NM	3.2x
In Tech Online Ltd.	20.70	13.20	56.8%	648.3	43.28	9.4x	2.0x
Orion Pharma Ltd.	42.40	27.80	52.5%	9,921.6	460.44	11.6x	0.6x
Orion Infusion	80.80	53.50	51.0%	1,645.1	474.76	40.5x	6.7x
ICB Employees Provident MF 1 Scheme 1	6.80	4.60	47.8%	510.0	22.76	NM	0.6x
SK Trims & Industries Limited	72.60	49.40	47.0%	6,149.2	330.83	30.7x	6.3x
Nahee Aluminium Composite Panel Ltd.	49.70	35.10	41.6%	3,175.2	238.37	14.4x	3.8x
Olympic Accessories Limited	8.30	6.00	38.3%	1,407.1	133.24	NM	0.6x

Table 4: Top Ten Losers

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
Far Chemical Industries Limited	11.20	368.40	-97.0%	2,442.6	512.05	16.0x	0.8x
Standard Ceramic	412.60	621.80	-33.6%	2,665.7	205.01	NM	32.5x
International Leasing	3.40	4.80	-29.2%	754.2	49.26	19.1x	0.3x
FAS Finance & Investments Limited	3.90	5.30	-26.4%	581.4	36.28	6.4x	0.3x
City General Insurance	16.00	21.10	-24.2%	1,090.7	22.86	11.1x	1.2x
Prime Insurance	19.70	25.60	-23.0%	805.3	1.47	14.0x	1.1x
Shaympur Sugar	26.50	34.20	-22.5%	132.5	.32	NM	NM
Northern Jute	404.40	508.90	-20.5%	866.2	181.44	18.1x	7.1x
Samata Leather	141.30	176.30	-19.9%	1,458.2	56.76	366.4x	9.8x
Emerald Oil Industries Ltd.	12.10	15.00	-19.3%	722.5	5.76	106.3x	0.8x

Table 5: Top Ten Most Traded Shares

Company Name	Close	Open	Δ%	Mcap (mn BDT)	Vol (mn BDT)	P/E	P/B
VFS Thread Dyeing Limited	29.30	22.90	27.9%	3,003.4	613.04	14.8x	1.8x
Far Chemical Industries Limited	11.20	368.40	-97.0%	2,442.6	512.05	16.0x	0.8x
Square Pharmaceuticals	185.20	197.10	-6.0%	156,353.1	506.94	11.8x	2.4x
LafargeHolcim Bangladesh Limited	42.30	46.60	-9.2%	49,126.1	492.02	27.3x	3.2x
Orion Infusion	80.80	53.50	51.0%	1,645.1	474.76	40.5x	6.7x
Orion Pharma Ltd.	42.40	27.80	52.5%	9,921.6	460.44	11.6x	0.6x
Central Pharmaceuticals Limited	16.70	8.70	92.0%	2,000.7	445.81	4.1x	1.0x
Silva Pharmaceuticals Limited	20.10	17.10	17.5%	2,743.7	431.58	18.7x	1.3x
Indo-Bangla Pharmaceuticals Limited	24.10	22.80	5.7%	2,687.3	404.14	14.2x	1.9x
Grameenphone Ltd.	263.80	260.70	1.2%	356,209.1	357.81	10.3x	8.4x

Table 8: Most Appreciated YTD in BRAC EPL Universe

Top 10 Most Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
Bangladesh Steel Re-Rolling Mills Limited	63.40	29.92%	14,966.7	9.3x
LafargeHolcim Bangladesh Limited	42.30	25.89%	49,126.1	27.3x
Glaxo Smithkline	2,162.40	23.12%	26,049.2	89.6x
M.I. Cement Factory Limited	47.90	22.82%	7,113.2	NM
MJL Bangladesh Limited	75.50	19.27%	23,914.8	12.9x
Doreen Power Generations and Systems Limited	65.90	11.88%	8,650.1	8.2x
Khulna Power Company Limited	52.10	11.56%	20,705.2	16.4x
BBS Cables Limited	64.10	9.01%	11,189.9	7.8x
Bata Shoe	755.50	8.53%	10,335.2	21.4x
Shasha Denim Limited	26.60	7.69%	3,572.9	13.7x

Table 6: Sector Indices

Sector Name	Week Close	Week Open	Year Open	%Δ Week	%Δ YTD
Banks	1178.13	1191.12	1319.28	-1.09%	-10.70%
NBFIs	1528.49	1551.94	1565.13	-1.51%	-2.34%
Mutual Funds	630.39	635.25	591.17	-0.76%	6.63%
General Insurance	1772.90	1820.91	1927.02	-2.64%	-8.00%
Life Insurance	2011.77	2036.40	2194.70	-1.21%	-8.33%
Telecommunication	3697.04	3846.18	3993.59	-3.88%	-7.43%
Pharmaceuticals	2560.63	2595.16	2492.51	-1.33%	2.73%
Fuel & Power	1559.75	1613.95	1515.21	-3.36%	2.94%
Cement	1366.11	1424.93	1132.29	-4.13%	20.65%
Services & Real Estate	1025.28	1038.98	886.70	-1.32%	15.63%
Engineering	2352.67	2413.03	2257.22	-2.50%	4.23%
Food & Allied	12341.48	12542.20	12121.49	-1.60%	1.81%
IT	2051.01	2059.49	1823.13	-0.41%	12.50%
Textiles	1126.01	1154.73	1042.04	-2.49%	8.06%
Paper & Printing	5966.60	5950.65	5233.20	0.27%	14.01%
Tannery	1879.49	1909.19	1826.45	-1.56%	2.90%
Jute	9624.28	8801.29	11393.28	9.35%	-15.53%
Ceramics	421.17	432.53	459.10	-2.63%	-8.26%
Miscellaneous	1838.56	1864.02	1745.96	-1.37%	5.30%

Table 7: Sector Trading Matrix

Sector Name	Daily average this week	Daily average last week	% Change	% of Total Turnover	P/E	P/B
Banks	226.8	360.1	-37.02%	4.83%	6.3x	0.7x
NBFIs	111.6	109.8	1.68%	2.37%	88.9x	2.1x
Mutual Funds	95.1	107.8	-11.72%	2.02%	NM	0.5x
General Insurance	131.7	177.9	-25.99%	2.80%	12.5x	1.2x
Life Insurance	70.3	93.2	-24.61%	1.50%	NM	8.3x
Telecommunication	95.2	269.4	-64.68%	2.02%	10.5x	7.7x
Pharmaceuticals	982.6	1,038.7	-5.40%	20.91%	16.9x	2.2x
Fuel & Power	360.7	489.9	-26.36%	7.68%	10.2x	1.8x
Cement	161.8	230.3	-29.75%	3.44%	27.7x	2.5x
Services & Real Estate	101.2	136.5	-25.87%	2.15%	61.3x	0.8x
Engineering	652.5	842.7	-22.56%	13.88%	14.2x	1.4x
Food & Allied	201.7	302.6	-33.34%	4.29%	22.1x	7.0x
IT	174.5	175.8	-0.75%	3.71%	18.3x	2.7x
Textiles	812.2	938.4	-13.45%	17.28%	NM	0.8x
Paper & Printing	94.3	79.8	18.10%	2.01%	296.2x	1.5x
Tannery	74.9	103.2	-27.46%	1.59%	23.2x	2.0x
Jute	44.0	46.6	-5.49%	0.94%	NM	4.4x
Ceramics	64.3	63.9	0.61%	1.37%	26.2x	1.6x
Miscellaneous	244.8	312.4	-21.66%	5.21%	20.3x	1.1x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Top 10 Least Appreciated Stocks	Close	Δ% YTD	Mcap (mn BDT)	P/E
BRAC Bank	38.50	-32.57%	47,485.0	9.2x
Lankabangla Finance	15.20	-15.56%	7,800.3	13.8x
Prime Bank	15.40	-15.38%	17,437.2	7.1x
City Bank	17.90	-15.17%	18,193.3	7.0x
Dutch-Bangla Bank	62.30	-12.62%	31,150.0	6.3x
Bank Asia Ltd.	16.40	-9.89%	19,120.9	7.7x
Eastern Cables	180.50	-9.39%	4,332.0	NM
Padma Oil Co.	174.30	-9.31%	17,122.0	6.2x
Grameenphone Ltd.	263.80	-7.70%	356,209.1	10.3x
Shahjalal Islami Bank	21.60	-7.69%	20,161.9	13.9x

Important News: Business & Economy

Banks' deposit growth contracts in anticipation of interest rate cap

- Deposit growth in banks saw a steep decline in January, in a development that can be viewed as the direct impact of the capping of interest rate on savings to 6%. In January, banks' deposits stood at BDT 11.39 trillion, up 0.06% from the previous month, according to data from the central bank. January's deposit growth is the lowest since February last year. However, in January last year the deposit growth was 0.07% in the negative. Between February and December last year, deposit growth hovered between 0.46% and 2.38%.
- The Association of Bankers, Bangladesh (ABB), a forum of managing directors of banks, though took the decision to provide not more than 6% for FDRs from February 1. Between January and February this year, customers withdrew about BDT 6 billion from the bank because of the lower interest rate. We should spend more time to understand the impact of the 6% interest cap on deposits, said the managing director of Mutual Trust Bank. Lenders usually try to show a strong balance sheet in December given the year end, so they take it easy in the new year.

<https://www.thedailystar.net/business/news/banks-deposit-growth-contracts-anticipation-interest-rate-cap-1876570>

Most Private Commercial Banks (PCB) still remain undecided

- The central bank's special fund proposal for investment in the capital market has not seen much progress, as most of the private commercial banks (PCBs) are yet to make any concrete decision to that end. The Bangladesh Bank (BB) issued a circular on February 10 last, allowing all the scheduled banks to create a BDT 2.0 billion special fund each for a period of five years for investment in the capital market.
- Some PCBs are yet to take any decision on availing such a funding facility from the BB and some are still weighing the proposal while few others are continuing investing in the market in line with the existing scope. The City Bank Limited, the only PCB that got the BB support, received BDT 500 million through the repo facility for forming the special fund.

<https://today.thefinancialexpress.com.bd/first-page/most-pcb-still-remain-undecided-1583341318>

The Metropolitan Chamber of Commerce and Industry (MCCI) portrays a mixed picture, lists challenges

- Outlining multiple challenges facing the country on business and fiscal fronts, the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, a leading trade body, has suggested that the government take steps to overcome those and help achieve the desired economic growth. According to the MCCI, the challenges that need to be addressed properly are inflationary pressure, slower growth in export and import, shortfall in tax collection, slow private-sector credit growth, a fall in the key indexes of the capital market, lack of investors' confidence and a lower rate of foreign investment and vulnerability of the banking sector.
- One of the major objectives of the government is to transform the country into a middle-income country by 2021. The MCCI thus suggests that the government accelerate the economic growth rate to about 10% from the present 8.15%, expand exports and stimulate investment.

<https://today.thefinancialexpress.com.bd/first-page/mcci-portrays-a-mixed-picture-lists-challenges-1583340415>
<https://www.newagebd.net/article/101260/major-economic-indicators-on-uncomfortable-ride-mcci>

Capital flight through trade mis-invoicing staggeringly high

- Bangladesh lost a staggering USD 7.53 billion on an average between 2008 and 2017 to trade mis-invoicing during its foreign commerce with its 135 trading partners. The loss accounted for 17.95% of Bangladesh's international trade with all trading partners during the period.
- Bangladesh's loss to trade mis-invoicing with the 36 advanced economies averaged USD 3.29 billion during the decade, which is 14.62% of the country's global trade. In 2017, the most recent year for which data are available, the total value gap in trade between advanced economies and developing countries was USD 817.6 billion.

<https://www.thedailystar.net/business/news/capital-flight-through-trade-mis-invoicing-staggeringly-high-1876546>

Bangladesh Securities and Exchange Commission (BSEC) for allowing Trading Right Entitlement Certificate (TREC) to foreign firms

- The securities regulator has moved to issue fresh TREC (Trading Right Entitlement Certificate), to any firms, including foreign ones, for conducting trading operations in the country's capital market. The move came in line with the demutualization act which said the TRECs will be opened after five years of completing the exchanges' demutualization process. As part of its move, the securities regulator has formulated the draft rules and has already sought opinions on it from both the bourses and DSE Brokers Association (DBA).
- Presently, there are 250 TREC holders in the DSE while 148 TREC holders are conducting trading operations in the Chittagong Stock Exchange (CSE). The existing TREC holders are also the shareholders of the stock exchanges. The fresh TREC holders, if allowed, will only be allowed to get license for conducting trading operations in the capital market.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-allowing-trec-to-foreign-firms-1583336558>

South Korean company to invest USD 6 million in Mongla Export Processing Zone (EPZ)

- South Korean Company Ms Jong Hyun Hi-Tech Industries Company Limited is going to establish a polyester staple fiber (PSF) manufacturing industry with an investment of USD 6.0 million in Mongla Export Processing Zone (MEPZ). The product, which will be produced in the factory, would be used as inner lining of jackets and raw materials of polyester yarn, that will be helpful for export oriented forward linkage industries in reducing lead-time. This foreign owned company will produce annually 10,000 metric tonnes of polyester staple fiber and create employment opportunities for 313 Bangladeshi nationals.

<https://thefinancialexpress.com.bd/economy/bangladesh/south-korean-company-to-invest-60m-in-mongla-epz-1583319191>

High Court (HC) asks Bangladesh bank (BB) to explain lending rate limit legality

• The High Court on Tuesday asked the government and the Bangladesh Bank to explain in four weeks why their recent decision setting the ceiling on bank lending rate at 9% with effect from April 1 would not be declared illegal. The finance ministry secretary and the Bangladesh Bank governor were asked to reply to the rule within four weeks.

• The BB on February 24 issued a circular setting the limit on interest for all kinds of loans, except credit card, at 9% after months of discussion with the banks. Before the BB circular was issued, most banks cut down the interest rate of deposits to 6% from February 1 as the government moved to implement the 9-per cent lending rate.

• Petitioner submitted in the court that it was clear that the 9% interest rate was set for the businesses whose development was allegedly being impeded because of high interest rate being charged for their loans or investments by scheduled banks. He said that 5 million depositors would be losers as the banks would be forced to cut down the deposit rate to 6% to implement the 9-per cent lending rate. He submitted that non-bank financial institutions like leasing companies or co-operative companies, which are out of the preview of the 9% interest rate, could charge interest arbitrarily. He submitted that the middle-income group of people would suffer a lot as a consequence of significant reduction in the interest against bank deposits. It would also impact the depositors' income through fixed deposit schemes, he submitted.

<https://www.newagebd.net/article/101165/hc-asks-bb-to-explain-lending-rate-limit-legality>
<https://www.thedailystar.net/business/news/hc-questions-legality-bbs-9pc-interest-rate-cap-1876093>

Inflation drops further in February

• Point-to-point inflation slightly declined in February to 5.46% from that of 5.57% in January as both food and non-food inflations eased in the month. Food inflation dropped to 4.97% in February from 5.12% a month ago while Non-food inflation eased to 6.23% in the month from that of 6.30% in January when it hit a 40-month high on cost escalation for house rent and education materials.

• Following volatility in prices of some food items such as onions towards the end of last year and some pressure on rice prices, food prices overall appear to have been relatively stable in February. There is a risk of rising food and non-food inflation due to the direct and knock-on effects of the recent increase in electricity prices, disruption of import supply chain, from China in particular, because of the coronavirus and increased demand as Ramadan approaches.

<https://thefinancialexpress.com.bd/economy/inflation-drops-further-in-february-1583244632>
<https://www.newagebd.net/article/101170/inflation-drops-in-feb>
<https://www.thedailystar.net/business/news/food-inflation-tumbles-42-month-low-february-1876138>

Private sector credit growth slumps further to 9.2% in January

• The private sector credit growth declined to 9.2% in January amid heavy government borrowing from the banking sector and the government's move to cut lending rate for banks to 9%. The private sector credit growth in all the seven months of the fiscal year 2019-2020 remained far below the Bangladesh Bank's projection of 14.8% growth for FY20. The

private sector credit growth in January was the lowest after 2008 when the growth rate tumbled below 9 per cent.

• A fall in deposit growth amid the government's move to implement 9 per cent lending rate and 6 per cent deposit rate is leading the banking sector to a liquidity crisis and thus resulted in a lower credit flow to the businesses, a former adviser to an interim government said. Besides, bankers said that the businesses might have adopted a go-slow approach amid talks on enforcing 9 per cent lending rate from April 1 this year. The government's heavy borrowing from the sector was another reason for the continued sharp fall in private sector credit growth, Policy Research Institute executive director said.

<https://www.newagebd.net/article/101166/pvt-sector-credit-growth-slumps-further-to-92pc-in-january>

Bangladesh Bank asks NBFIs to find ways to restructure weak peers

• The central bank yesterday asked non-bank financial institutions to explore avenues to restructure their weak peers with a view to improving the image of the financial sector. Some NBFIs are struggling to survive as they faced a wide-range of financial scams in recent years. The central bank sought suggestions from the Bangladesh Leasing and Finance Companies Association (BLFCA) on how to restructure the weak NBFIs as well.

• The lenders requested the central bank to extend emergency liquidity support to the NBFIs against their cash reserve requirement and the statutory liquidity ratio, except those struggling owing to poor corporate governance. The association sought similar supports from the finance ministry on Monday in order to make the NBFIs sector vibrant.

<https://www.thedailystar.net/business/news/bb-asks-nbfis-find-ways-restructure-weak-peers-1876054>

Single-digit interest rate: Investment Corporation of Bangladesh (ICB) wants in on new regime

• The Investment Corporation of Bangladesh, or ICB, has requested the government to cut interest rate on term deposits it took from banks to support the stock market. In a recent letter to the finance ministry, the ICB asked for slashing the interest rate to 5.5% in line with the government's effort to cut the interest rate of deposits and loans. Presently, the corporation has some BDT 106.71 billion in costlier deposits it took on various occasions, bearing interest rate ranging from 8.0% to 11%. Under the present interest rate, the ICB needs to pay BDT 11.53 billion annually to the depositors. It has already paid BDT 5.767 billion half-yearly interest.

<https://thefinancialexpress.com.bd/economy/single-digit-interest-rate-icb-wants-in-on-new-regime-1583211308>

Bangladesh Economic Zones Authority (BEZA) gets USD 20.5 billion investment proposals

• Bangladesh Economic Zones Authority (BEZA) has received investment proposals amounting to around 20.50 billion US Dollar from 151 local and foreign business entities. Out of the investment proposals, around USD 2.80 billion has already been invested in different special economic zone (SEZs). Around USD 4.808 billion will come as foreign

direct investment (FDI) from different companies in Japan, China, South Korea, India, Thailand, Australia, the UK, the Netherland and the USA.

- Many entrepreneurs from home and abroad have already started construction works of their industrial units in the economic zones, while many are taking preparations to set up factories there. The economic zones have already created direct employment opportunities for around 30,000 people, and through the proposed industrial units, there will be direct employment scope for at least 0.80 million people.

<https://thefinancialexpress.com.bd/economy/beza-gets-205b-investment-proposals-1583225836>

Envoy Textiles to raise BDT 870 million through preference shares

- Envoy Textiles is set to raise BDT 870 million by issuing non-convertible cumulative preference shares in order to bring sustainable finishing machine and build captive power. The preference share would be fully redeemable, with a tenure of five years. The shares would be issued to banks, insurance companies, institutional investors and eligible investors. The face value of the preference shares would be BDT 10 million for institutional investors and BDT 5 million for eligible investors.

- The chairman of Envoy Textile said that they will utilize the fund to purchase sustainable finishing machine where chemical would be used at a very low level. The other funds would be used in forming captive power of 10 megawatts and repayment of short-term loan, he said.

<https://www.thedailystar.net/business/news/envoy-textiles-raise-BDT-87cr-through-preference-shares-1876102>

Import fall pushes up tax revenue shortfall

- Tax revenue shortfall aggravated further, hovering to a deficit worth BDT 374.97 billion against its target until January of the current fiscal year (FY), 2019-20, largely due to fall in import of revenue-generating commodities. Tax on import-export stage posted 1.04 % growth with the highest shortfall of BDT 158.26 billion against its target, according to the National Board of Revenue (NBR) provisional data disclosed on Monday. The NBR's VAT Wing also faced shortfall worth BDT 120.21 billion, while Income Tax Wing BDT 96.49 billion.

- The NBR's aggregate revenue collection posted a poor 8.47 % growth in July-January period of FY 20 over the corresponding period of last year. Average growth in revenue collection during last five years was 13.16 %. The NBR collected aggregate revenue worth BDT 1.26 trillion in the first seven months of the FY, against its target of BDT 1.64 trillion for the period. In the first half of the current FY, shortfall against revenue collection target was BDT 315.08 billion.

<https://today.thefinancialexpress.com.bd/first-page/import-fall-pushes-up-tax-revenue-shortfall-158317090>

National Board of Revenue (NBR) agrees on tax sops

- The National Board of Revenue, or NBR, has reached a consensus over offering a string of tax incentives to promote long-term debt market in Bangladesh. The incentives include

withdrawal of upfront tax on debt securities, tax at source on trading stage of such tools and waiver of discriminatory tax measure on zero-coupon bonds, officials say. The board has agreed to lift advance tax, which is deducted at source on debt securities. It would also consider collecting tax on lump sum amount of commission instead of imposing levies on per transaction during trading of debt securities in the secondary market.

- The NBR also agreed to review the existing discriminatory tax measure on zero-coupon bonds. Currently, tax is imposed on investment in zero-coupon bonds by financial institutions, but other organisations and individuals enjoy exemptions. Officials said that the simplification of tax measures is under active consideration of the income tax wing of the board. Tax officials and other parties agreed to relax the measures in a meeting held on February 24 last.

- Currently, the NBR collects upfront tax at a rate of 5.0 % on profit, coupon or interest of debt securities or bond as per Income Tax ordinance, 1984, section 51. There is also .05 % tax at source on per transaction amount of secondary market trading as per income tax law. It is applicable to all types of securities. Recently, the Bangladesh Securities and Exchange Commission, or BSEC, placed a proposal to impose a lump sum amount of commission on debt securities.

<https://today.thefinancialexpress.com.bd/first-page/nbr-agrees-on-tax-sops-1583170652>
<https://www.newagebd.net/article/101082/nbr-may-withdraw-upfront-tax-on-bonds>
<https://today.thefinancialexpress.com.bd/first-page/nbr-agrees-on-tax-sops-1583170652>

Importing 9 essential food items: Banks asked to enforce 9% lending rate right away

- Bangladesh Bank (BB) on Monday asked scheduled banks to implement 9% lending rate immediately in importing nine types of food items. The nine essential products are edible oil, onion, sugar, gram, spices, fruits, dates, chickpeas and pulses. Secretary of Consumers Association Bangladesh (CAB) said the demand for sugar, edible oil, gram, khesari dal, onion, meat, fish, date and other fruits etc increases five to twenty times during Ramadan.

<https://www.dhakatribune.com/business/2020/03/02/importing-9-essential-food-items-banks-asked-to-enforce-9-lending-rate-right-away>
<https://www.newagebd.net/article/101085/bangladesh-bank-asks-banks-to-set-9pc-lending-rate-now-for-essential-goods-import>
<https://thefinancialexpress.com.bd/trade/bb-fixes-90pc-interest-rate-on-import-of-nine-essentials-1583164900>

Remittance: the only bright spot

- Remittance kept up its strong growth momentum last month as migrant workers sent home 10.16% more than they did a year earlier, in a major boost to the economy under stress from sliding exports. In February, expatriate Bangladeshis sent home USD 1.45 billion to take the tally to USD 12.49 billion so far in fiscal 2019-20. The eight-month receipts were up 20.05% year-on-year, according to data from the Bangladesh Bank. The 2% cash subsidy for remitters from this fiscal year has been the main driver behind the spike, according to economists and BB officials. If the trend continues, remittance will hit a milestone of USD 20 billion come the end of the fiscal year, said BB officials. Some USD 16.4 billion flew in to the country last fiscal year.

- Exports fell 5.21% year-on-year to USD 22.92 billion in the first seven months of the fiscal

year, according to data from the Export Promotion Bureau. The country's balance of payment would have faced severe crisis if remittance had failed to maintain the upward trend. The current account deficit contracted 60% year-on-year to USD 1.34 billion in the first half of the fiscal year. The overall balance, another major component of the balance of payment, stood at USD 27 million during the period. A year earlier, it was USD 513 million in the deficit. Besides, the foreign exchange reserve is at a comfortable level thanks to the strong growth of remittance, said a former economist of the International Monetary Fund.

<https://www.thedailystar.net/business/news/remittance-the-only-bright-spot-1875130>
<https://www.newagebd.net/article/101000/remittance-tops-125b-in-july-feb>
<https://today.thefinancialexpress.com.bd/trade-market/july-feb-remittance-flow-crosses-12b-1583079964>

9% interest rate on loans: petition challenges legality of central bank decision

- A writ petition was filed with the High Court today, challenging the legality of Bangladesh Bank's decision that instructed the scheduled banks to set a maximum 9% interest rate on all loans except credit cards. An apprentice lawyer submitted the petition praying to the HC to issue a rule upon the respondents to explain why the directive issued by the central bank on February 24 should not be declared illegal.

- In the writ petition, the apprentice lawyer said the central bank's decision may severely affect the already suffering banking sector and such restriction about reducing the interest rate is unlawful against establishment of financial policies and international practices of free market economy. The notification does not mention any reason behind directing all scheduled banks to charge interest rate at a maximum rate of 9%, he said in the petition, adding that such restriction will further stifle the availability of loans necessary for setting up and expansion of small, medium and large businesses and commercial entities. Consequence of significant reduction in the interest or profit charged by the bank would also sharply fall impacting upon income of the depositors via fixed deposit schemes, resulting in serious prejudice to middle income group of the country, and therefore, Bangladesh Bank's decision is a violation of the fundamental right of "equality before law" guaranteed under article 27 of the constitution, the writ petitioner said in the petition.

<https://www.thedailystar.net/business/9-percent-interest-rate-on-all-loans-1874965>
<https://thefinancialexpress.com.bd/economy/writ-challenges-bb-circular-on-single-digit-loan-interest-1583055991>

4 banks move to form special funds for stocks

- Four banks have moved to form special funds for the capital market investment complying with a Bangladesh Bank directive. The four banks are Dhaka Bank, Sonali Bank, Rupali Bank and The City Bank. The Bangladesh Bank on February 10 allowed each bank to form a BDT 2 billion special fund by taking low-interest loans from the central bank to invest in the stock market.

- The fund would be valid till February, 2025 and the banks would be allowed to take money under the scope till January 13, 2025. The investment is exempted from calculation of banks' capital market exposure. The central bank would issue the fund to the banks against the treasury bills or bonds held by them at the rate of 5%.

<https://www.newagebd.net/article/101006/4-banks-move-to-form-spl-funds-for-stocks>

Rural areas power agent banking

- The agent banking is booming, mostly in rural areas, supported by a large inflow of remittances, according to Bangladesh Bank officials. An agent banker is the owner of an outlet, who conducts banking transactions on behalf of a bank. The volume of remittances inflow through this channel was recorded at BDT. 155.3 billion at the end of December 2019, up by 106% over a year earlier. This is equivalent to over 11% of total remittances Bangladesh pulls in annually. The bulk of remittances was transacted in rural Bangladesh.

- The central bank statistics shows that the growth in such banking in urban areas got momentum only in 2019, although the number in cities is still below one-fourth of rural agents. While 21 commercial banks, mostly private lenders, own licenses, 19 are operational. Bank Asia, a private bank, is believed to be the pioneer of the system, although it existed in many parts of the world, including in Africa. Loan disbursement by 19 holders of licenses of agent banking strengthened in 2019 with an aggregate disbursement of BDT 4.4 billion. This buoyancy in remittance growth was significantly higher than the total deposits of BDT. 75.2 billion with the system in December in 2019.

<https://today.thefinancialexpress.com.bd/first-page/rural-areas-power-agent-banking-1583084877>

The Bangladesh Telecommunication Regulatory Commission (BTRC) to block illegal handsets imported after Aug, 2019

- The Bangladesh Telecommunication Regulatory Commission on Sunday warned mobile phone users that it would block soon the handsets brought to the country illegally after August 1, 2019. However, the handsets, which became connected with the network before August last year, would be allowed to access telecom network even if they were brought to the country illegally. As per the mobile phone importers information, around 30% of the country's total handsets are illegally brought to the country and retailed to the customers through different platforms.

- On February 24, the commission floated an international tender for the supply, installation and operation of the National Equipment Identity Registrar (NEIR). Under the circumstance, handsets of a large number of mobile phone users, especially those of the marginalized and less educated ones, might become invalid when the commission would enforce it.

<https://www.newagebd.net/article/101002/btrc-to-block-illegal-handsets-imported-after-aug-2019>
<https://today.thefinancialexpress.com.bd/last-page/no-network-for-illegal-handsets-after-july-1583085420>

The Bangladesh Energy Regulatory Commission (BERC) raises power prices from March

- The Bangladesh Energy Regulatory Commission (BERC) announced fresh hike in electricity tariffs, both in retail and bulk levels, on Thursday despite strong opposition from rights groups, political parties and trade-bodies. The hiked tariffs will come into effect from March 1 (Sunday), and will continue until further notice. The regulator raised the average electricity tariff by 5.3% or BDT 0.36 to BDT 7.13 per unit (1 kilowatt-hour) from existing BDT 6.77 per unit. The commission increased the bulk or wholesale level electricity tariff by 8.40% or BDT 0.40 to BDT 5.17 per unit from existing BDT 4.77 per unit on an average.

- The BERC also slapped a 5.0% simple interest rate against unpaid bills at once for retailers instead of the existing 2.0% compound interest rate. Value added tax (VAT) will also be applicable on electricity bills of retail-level consumers.

- The Consumers Association of Bangladesh (CAB) opined that the rise in power tariffs is 'not rational'. The CAB Chairman said the tariff hike will certainly put extra pressure on people of all classes and will also affect the country's business competitiveness in global market.

<https://today.thefinancialexpress.com.bd/public/first-page/berc-raises-power-prices-from-march-1582826748>

<https://www.thedailystar.net/frontpage/news/electricity-gets-costlier-1873798>

Industrial defaulted loans soar 14.51% in 2019

- Non-performing loans (NPLs) in the industrial sector soared by 14.51% year-on-year to BDT 451.27 billion at the end of December last year due mainly to willful defaulters. During the one year period, NPLs in industrial loans increased by BDT 57.17 billion. Large industrialists who received huge bank loans did not repay in spite of enjoying loan restructuring facilities launched in 2015.

- Under the special policy issued by the central bank, defaulters got the opportunity to regularize their loans for 10 years, including one-year grace period, at 9% interest rate, just by making 2% down payment. Large industrial groups misused the BB's restructuring facility.

- Economists blamed Lack of good governance, corruption, political interference in approving loans, and a culture of impunity for the endless journey of NPLs for the soaring industrial loans. Willful defaulters are present in all sectors. A large amount of bank loans is sanctioned to the industrial sector causing the amount of default loans to be high in this sector.

<https://www.dhakatribune.com/business/2020/02/27/industrial-defaulted-loans-soar-14-51-in-2019>

NBR likely to slash tax exemptions in next budget

- The authorities are planning to scale back tax exemptions for sectors like ICT, power, charity and fisheries in the upcoming budget after flagrant abuse. The National Board of Revenue, or NBR, has uncovered the evidence of abuse in the blanket tax waiver facility offered to a number of "priority" sectors.

- The International Monetary Fund, or IMF, has initiated a move to assess the tax expenditure in Bangladesh. An IMF mission will conduct 'Bangladesh tax expenditure assessment' during its visit in the country from March 8 to 19. An analysis of income tax wing has found some 34 statutory regulatory orders were issued during FY 2018-19, after passage of the budget to offer tax waivers. Of the tax exemptions, some 20 regulatory orders offered tax exemptions to charities.

<https://today.thefinancialexpress.com.bd/first-page/nbr-likely-to-slash-tax-exemptions-in-next-budget-1582993665>

Post office savings: Government moves to make NID mandatory

- The government is set to make use of national identity cards mandatory for the people willing to open accounts with Sanchaya Bank which belongs to Bangladesh Post Office. The latest move is seen as a blow to the people who misuse the facility. However, a steep drop in interest rates on post office savings has already attracted a great deal of public attention.

- Savings accounts in post offices saw soaring deposits in recent years thanks to high interest rates offered by the government to tempt people in urban and rural areas to use formal channels for parking their funds. Deposits in ordinary accounts in post offices more than doubled to BDT 29.30 billion in the fiscal year 2018-19 from BDT 13.25 billion four years back. A similar trend has been seen in cases of fixed deposit accounts in post offices. In the fiscal year 2018-19, savers deposited BDT 139.50 billion in fixed deposit accounts in post offices, which was more than two and half times the deposits received in the fiscal year 2014-15. A customer can deposit a maximum amount of BDT 3.0 million in one name or singly and maximum BDT 6.0 million in joint name.

<https://today.thefinancialexpress.com.bd/public/last-page/govt-moves-to-make-nid-mandatory-1582914623>

NBFIs can now invest up to 20% of capital in Commercial Papers

- The central bank has slightly squeezed financing capacity of non-banking financial institutions (NBFIs) in commercial paper (CP) for avoiding concentration of investment in the short-term security. The NBFIs are now allowed to invest up to 20% of their total capital in any CPs instead of 30% earlier, according to revised guidelines on CP for the NBFIs issued by the Bangladesh Bank (BB) on Thursday. Moreover, no NBFI can invest more than 10% of its total capital in a single company's CP, it added. Under the existing guidelines, the NBFIs will not invest in any CP issued by the organization in which its directors or their affiliates have interest.

- The CP is defined as a secured or unsecured promissory note which shall be issued for maturities between a minimum of 30 days and a maximum of one year. Market operators, however, said such revision on investment capacity of the NBFIs may not impact the market significantly as issuing of such instrument is yet to get momentum in Bangladesh. The CP is a short-term money-market security issued or sold usually by large corporate entities for funding operating expenses as well as current assets such as account receivables and inventories.

<https://today.thefinancialexpress.com.bd/public/first-page/nbfis-can-now-invest-up-to-20pc-of-capital-in-cps-1582826823>

<https://www.thedailystar.net/business/news/bb-cuts-nbfis-investment-limit-commercial-paper-1873825>

Construction materials' prices show downward trend amid low demand

- The prices of basic construction materials like steel rod and cement have been maintaining a downward trend in recent times mainly due to low demand, insiders have said. They also said the declining trend in investment in construction after the government's crackdown against casino and other illegal businesses last year and common people's reluctance to construction on the back of inflated living expenses are responsible for this.

The demand for building materials and its prices usually maintain an upward trend during the dry season or months before and after January, which has proved to be different this year, they added.

- The 72-grade steel rod manufactured by a leading brand was selling for BDT 61,500 which was BDT 69,000 in the middle of last year and BDT 64,500 early October last. According to the Trading Corporation of Bangladesh (TCB) market monitoring data, the price of 60 grade steel rod ranged between BDT 58,000 and 61,000 on Tuesday which were between BDT 62,000 and BDT 66,000 a year ago.

- The Secretary General of Bangladesh Steel Manufacturers Association (BCMA) said both the steel rod and cement sectors have been facing challenges due to weak demand in recent times. The demand for cement and rod declined by 30% in February comparing to the same period of previous years, he said, adding that raw materials' prices in the international market have been remaining stable. Per tonne of scrap metal, raw material of steel products, in the international market has been selling at USD300 to USD 330 for the last several months. Per 50-kilogramme cement bag distributed by different brands now cost between BDT 380 and BDT 450, which were BDT 430-BDT 490 in the middle of the last year.

<https://today.thefinancialexpress.com.bd/public/trade-market/construction-materials-prices-show-downward-trend-amid-low-demand-1582829057>

Coronavirus can't tame Bangladesh's growth momentum: Finance Ministry

- Bangladesh's export and import activities will both be affected by the coronavirus pandemic but the country would not face much difficulty in attaining its GDP growth target of 8.20% for this fiscal year, according to an official document. The strong growth in the flow of remittance will contribute to furthering of domestic demand, said the finance ministry document prepared on the potential impact of the virus on the economy. Besides, the increased public expenditure under the annual development programme, the implementation of mega projects and increased investment owing to setting up of economic zones will have positive impact on the macroeconomic indicators.

- China is the biggest trading partner of Bangladesh and the biggest source for raw materials. The world's second largest economy accounted for more than a fifth of the country's imports of USD 56 billion in fiscal 2018-19, Bangladesh Bank data showed. China supplies 26% of the active pharmaceuticals ingredients (APIs), the raw materials for medicines, of Bangladesh. If the API supply grinds to a halt, the sector's production will be interrupted. This will also impact pharmaceutical exports. A number of mega infrastructure projects being implemented by Chinese companies will face problems.

- The top seven items that are imported from China are: yarn, woven textile fabrics, knit textile fabrics, garment accessories, mobile phone parts, apple and garlic. The top four items are raw materials for the garment industry, which accounts for about 84% of the country's exports.

<https://www.thedailystar.net/business/news/coronavirus-cant-tame-bangladeshs-growth-momentum-1873864>

Dismal foreign aid use against ambitious targets

- The civil aviation and tourism ministry is one of the largest recipients of development budget this fiscal year. But it managed to spend a paltry 5.7% of the BDT 38.64 billion

allocation in the first seven months. What is even worse, it couldn't spend a penny from its foreign-aided portion, which stands at BDT 25 billion.

- The ministries and division got BDT 718 billion in fiscal 2019-20 on the back of huge pipelines of the cheap funds. But they were able to spend 27.96%, or BDT 200.73 billion, of the total outlay. Foreign aid utilization in the annual development program dropped 10.88% over the seven months although the government has set an ambitious target for spending from external sources. The government plans to spend USD 8 billion from the pipeline this fiscal year, up from USD 6.2 billion a year earlier.

<https://www.thedailystar.net/business/news/dismal-foreign-aid-use-against-ambitious-targets-1874812>

Many companies miss Initial Public Offering (IPO) fund use deadlines

- Many listed companies failed to utilize the IPO (initial public offering) funds within the stipulated time mentioned in their prospectuses. Some of them even could not complete the fund use within the extended time while few companies allegedly earned interests on IPO proceeds or attempted to misuse the funds. The reports of the companies as of December 31, 2019 show that the proceeds from IPOs, mainly allocated for new projects, construction, acquisition, installation of plants and import of machinery, remained unutilized.

- The companies which are yet to complete the utilization of IPO funds include the Peninsula Chittagong, ACME Laboratories, Esquire Knit Composite, Regent Textile Mills and Pacific Denims. The companies, however, extended the timeframe of completing fund utilization following approval by their respective annual general meeting. The BSEC has decided to conduct special audit on misuse of IPO proceeds of two companies.

<https://thefinancialexpress.com.bd/stock/many-cos-miss-ipo-fund-use-deadlines-1582950097>

Important News: Capital Market

Ibn Sina Pharma to set up backward linkage

- Ibn Sina Pharmaceuticals is set to invest in a polymer manufacturing plant that would primarily supply pet bottles, bottle caps and other pharma-related plastic products to the drug maker. The plant, which would be situated at Gazipur's Maowna, would be under a subsidiary named Ibn Sina Polymer. Ibn Sina Polymer's paid-up capital would be BDT 100 million and authorized capital of BDT 400 million. The drug maker will invest BDT 65 million in IBN Sina Polymer and the remaining BDT 35 million would come from Ibn Sina Trust.

<https://www.thedailystar.net/business/news/ibn-sina-pharma-set-backward-linkage-1876540>

Bangladesh Telecommunication Regulatory Commission (BTRC) gets more time to respond to Grameenphone's case

- A Dhaka court has granted the telecom regulator additional time to respond to the case filed by Grameenphone questioning the validity of the regulator's audit claim. BTRC asked for an additional two months of time to respond to the case and the court approved it on Tuesday. In April last year, the BTRC demanded that GP pay an unpaid audit claim of BDT 125.8 billion, which the company refused to pay questioning the audit process. The telecom

operator moved to the lower court, questioning the regulator's audit claim validity.

- GP later attempted to seek a temporary injunction on the BTRC claim, which was denied. Then, GP moved to the High Court with the same request. In October, a High Court bench issued a two-month injunction against the BTRC move. Later, the BTRC appealed to the Appellate Division, seeking a stay order on the injunction and won the legal battle. The Appellate Division ordered GP to pay BDT 10 billion within February 23. On February 23, the telecom operator paid BDT 10 billion to BTRC. The next day, the Appellate Division ordered the company to deposit BDT 10 billion more to the BTRC within three months.

<https://tbsnews.net/bangladesh/telecom/btrc-gets-more-time-respond-grameenphones-case-51427>

Robi seeks exemption from post-IPO lock in

- Robi Axiata Ltd has submitted its application for initial public offering (IPO) recently to the Bangladesh Securities and Exchange Commission (BSEC). The second largest telecom operator of the country has also sought a special exemption from the post-IPO lock in period for their existing shareholders. According to the updated public issue rules, sponsors and directors of a newly listed company cannot sell their stake in the first three years after debut. Robi, in its IPO application, has sought an exemption from that rule for their existing shareholders so that they can transfer their stakes at any time. They sought the opportunity to sell shares off market, not in public trading board of the stock exchanges, according to the application.

- Robi has three significant foreign shareholders and they may need to transfer their stakes any time if their global or regional strategic plan demands, said a top Robi official. After the IPO if they have to wait three years for that transferring, it will be a problem for them. That is why Robi attached the point in IPO application, added the official.

- The company also has written to the BSEC that its existing shareholders agreed to float shares in stock market with an expectation of corporate tax reduction and withdrawal of minimum 2% tax on turnover as discussed with and applied to the finance ministry of Bangladesh. The company seeks 10% point reduction of corporate tax for 10 years, which is 45% for non-listed telecom operators and 40% for the listed ones from the sector

<https://tbsnews.net/economy/stock/robi-seeks-exemption-post-ipo-lock-51016>

Norway wants amicable solution to GP's issues

- Norway wants a quick and amicable solution to the problems the country's leading mobile operator Grameenphone is facing in running its operations, said a top diplomat from the Nordic country. The Norwegian government has a substantial share in Telenor, and if the Grameenphone issue is settled quickly, the country can make more investment in Bangladesh.

- Last year, an audit by the Bangladesh Telecommunication Regulatory Commission (BTRC) into Grameenphone's books from its inception in 1997 until 2014 found that the carrier owed BDT 125.79 billion to the commission in revenue share, taxes and late fees. The BTRC then directed Grameenphone to pay the amount. The telecom operator then went to the court. Eventually, the Supreme Court ordered the operator to pay BDT 20 billion to the BTRC. On February 23, Grameenphone paid BDT 10 billion.

<https://www.thedailystar.net/business/news/norway-wants-amicable-solution-gps-issues-1876105>

IDLC launches Venture Capital fund

- IDLC Finance Limited on Tuesday launched its first 'Venture Capital Fund' worth of BDT 450 million to invest in early stage tech-based start-ups in the country. The non-banking financial institution (NBF1), through this fund, plans to make investments in local companies that provide technology-enabled solutions to the consumers and businesses.

- The objective of IDLC Venture Capital Fund is to provide investors with risk-adjusted returns through investing in, nurturing, and then exiting from early stage companies. Individual investors can invest with a minimum ticket size of BDT 5.0 million, and institutional investors can invest with a minimum ticket size of BDT 20 million. The fund tenure will be seven years with an extendable period of two years.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-launches-vc-fund-1583255973>

<https://www.thedailystar.net/business/news/bangladeshi-start-ups-homing-billion-dollar-valuation-1876150>

Envoy Textiles to raise BDT 870 million through preference shares

- Envoy Textiles is set to raise BDT 870 million by issuing non-convertible cumulative preference shares in order to bring sustainable finishing machine and build captive power. The preference share would be fully redeemable, with a tenure of five years. The shares would be issued to banks, insurance companies, institutional investors and eligible investors. The face value of the preference shares would be BDT 10 million for institutional investors and BDT 5 million for eligible investors.

- The chairman of Envoy Textile said that they will utilize the fund to purchase sustainable finishing machine where chemical would be used at a very low level. The other funds would be used in forming captive power of 10 megawatts and repayment of short-term loan, he said.

<https://www.thedailystar.net/business/news/envoy-textiles-raise-BDT-87cr-through-preference-shares-1876102>

Robi files for IPO at last

- Mobile phone operator Robi has submitted an application to the Bangladesh Securities and Exchange Commission (BSEC) for listing the company on the Dhaka and Chittagong stock exchanges. The operator plans to raise BDT 3.88 billion for network expansion in anticipation of revenue-generating opportunities in the areas of Internet-of-Things, home and enterprise.

- The face value of the shares will be BDT 10 and there will be no premium. Of the shares, 387.8 million will be offered to the public retail and institutional investors in Bangladesh, while the remaining 136.1 million will be for employees and directors of Robi under the employee share purchase plan. In total, BDT 5.24 billion would be raised.

<https://www.thedailystar.net/business/news/robi-files-ipo-last-1875634>

<https://www.dhakatribune.com/business/2020/03/02/robi-axiata-submits-application-for->

[listing-to-bsec
https://www.newagebd.net/article/101084/robi-seeks-bsec-nod-to-float-BDT-523cr-ipo](https://www.newagebd.net/article/101084/robi-seeks-bsec-nod-to-float-BDT-523cr-ipo)

Walton has great prospects. But questions hang over its IPO prospectus.

- Walton Hi-Tech Industries showed a staggering 290.6% surge in profits and 89.4% jump in its turnover in the 2018-19 financial year, just before its listing on the stock market. On closer look it appears Walton shifted large volumes of products in its last financial year but on credit to distributors, for the most part. At the same time, overall trade and receivables trebled to BDT 11.84 billion, which means the sales were made mostly on credit.
- In the last financial year, Walton Hi-Tech's sales to Walton Plaza rose 138.6% to BDT 16 billion. After the sales, Walton Hi-Tech's receivables from Walton Plaza stood at BDT 10.48 billion, which was BDT 4.4 billion a year earlier. So, its turnover rose about BDT 24.44 billion in a space of 12 months. A partner at Mahfel & Co. that audited Walton Hi-Tech's financial reports, said the company's aggressive marketing policy influenced its sales in the 2018-19 financial year.

<https://www.thedailystar.net/business/news/walton-has-great-prospects-questions-hang-over-its-ipo-prospectus-1875637>

Walton Hi-Tech's share bidding begins today

- The bidding period for eligible investors to discover the cut-off price of Walton Hi-Tech Industries' shares through electronic subscription system begins today (Monday). The electronic bidding will continue until 5.00pm on March 5 round-the-clock, officials said. Each eligible investor who intends to participate in the electronic bidding shall maintain a minimum investment of BDT 10 million in listed securities as on February 23.
- The Bangladesh Securities and Exchange Commission (BSEC) -- allowed Walton Hi-Tech to explore its cut-off price on January 7 - a requirement for going public under the book building method. As per the regulatory approval, the company will raise a capital worth BDT 1.0 billion using the book building method to expand business and repay bank loans. As per the book building method, the eligible investors, including mutual funds, will get 50% shares at the cut-off price through electronic bidding. The remaining 50% shares will be open to the IPO participants, including affected small investors and non-resident Bangladeshis, at a 10% discount on the cut-off price.
- Started its journey in 1977, Walton manufactures refrigerators, freezers, air conditioners, LED/LCD televisions, motorcycles, smart phones and home appliances. Walton is the biggest exporter in the field of electronics, with presence in more than 20 countries.

<https://today.thefinancialexpress.com.bd/stock-corporate/walton-hi-techs-share-bidding-begins-today-1583083365>

Walton starts exporting AC, smartphones to India, USA

- Local technology conglomerate Walton today started exporting two advanced technical products, air conditioners and smartphones to India and USA, to be distributed in those markets under different branding. Walton manufactured the products as an original equipment manufacturer (OEM), meaning they will not carry Walton branding. Bangladesh Hi-Tech Park Authority also declared Walton High-Tech Industries Limited a private Hi-Tech Park, so that they get additional tax benefits from the government.

- Walton meets its entire demand from local production and since 2018, stopped importing handsets manufactured elsewhere. Currently their production capacity is around 0.8 million smartphones and 2 million feature phones per month. The local brand also started exporting about 26,000 air conditioners to India today.
<https://www.thedailystar.net/online/walton-starts-exporting-ac-smartphones-india-and-usa-1874959>

ACI swims against the tide, enters shrimp export market

- ACI Agrolink, a subsidiary of Advanced Chemical Industries (ACI), has set foot in shrimp processing to make a breakthrough in the global seafood market and take the sector out of troubled waters. Bangladesh's shrimp exports have been on the wane since fiscal 2013-14 in the face of increased competition from countries such as India, Vietnam and Thailand, where low-priced vannamei shrimp are grown. The factory, which was set up at a cost of BDT 250 million, sits in the shrimp farming village Amian in Kaliganj upazila of Satkhira, one of the main shrimp growing districts.
- ACI Agrolink purchases black tiger shrimps directly from farmers, so there is next to no risk of bacterial contamination en route to the processing plant, which has the capacity to process 30 tonnes of shrimp daily. Besides, the locational advantage means the quality of shrimps sold will be better than the other processors'.
- ACI is entering the export-oriented sector at a time when half of the shrimp and fish processing factories have gone out of business due to shortage of a few essential raw materials. Currently, about 15 processing plants are engaged in exports.

<https://www.thedailystar.net/business/news/aci-swims-against-the-tide-enters-shrimp-export-market-1875118>

The Financial Reporting Council (FRC) urges Bangladesh Securities and Exchange Commission (BSEC) to take action against Advent Pharma, auditor Ahmed Zaker

- The Financial Reporting Council has requested the Bangladesh Securities and Exchange Commission to take punitive action against Advent Pharma and chartered accountant Ahmed Zaker & Co for anomalies in appointing auditor, breaching corporate governance and ambiguity in utilization of initial public offering proceeds. Despite approving KM Hassan & Co, chartered accountant as the company's auditor in the company's annual general meeting for the financial year 2018-19, the company audited the financial report by another auditor named Ahmed Zaker & Co.
- Advent Pharmaceuticals in 2018 raised BDT 200 million from the capital market through its IPO at an issue price of BDT 10 each share. The FRC didn't find any explanation about the utilization of IPO proceeds on agenda of any meeting held during 2018-19, and company's explanation regarding the issues was not satisfactory. Therefore, the FRC requested the BSEC to take action against the board of the company, its audit committee, corporate governance compliance auditor and auditor Ahmed Zaker & Co.

<https://www.newagebd.net/article/101005/frc-urges-bsec-to-take-action-against-advent-pharma-auditor-ahmed-zaker>

Yet another trailblazing act from Walton

- Local electronics giant Walton is set to flag off the country's first lift manufacturing plant, in a display of Bangladesh's growing industrial prowess. The plant established at a cost of BDT 500 million at the Walton Hi-Tech Industries (WHIL) at Chandra, Gazipur has begun test production.

Every year, Bangladesh needs more than 5,000 units of lifts and most of them are imported from China. The market size is not less than BDT 12 billion and it is growing at about 20% per year, helped by widening urbanization.

- Walton is manufacturing all three kinds of lifts -- passenger, cargo and capsule lifts -- that are popular in Bangladesh. Its passenger lift can carry a load of 300 kilogram to 3,000kg, meaning four people to 40 people at a time, while cargo elevators, which are mostly used in firms and factories, can move 800 kg to 4,500 kg in weight.

<https://www.thedailystar.net/business/news/yet-another-trailblazing-act-walton-1874806>

FRC finds Advent Pharma a wrongdoer

- The Financial Reporting Council (FRC), an auditors' watchdog of the country, found a few irregularities involving a pharmaceutical company. The listed company, Advent Pharma, had an approval of appointing M Hasan & Co to prepare its financial statement for the financial year 2018-19. But it later appointed Zaker & Co instead of M Hasan & Co, which was a complete violation of the approved resolution of the company's Annual General Meeting (AGM).

- The pharmaceutical company also failed to comply with the rule relating to corporate governance in its report.

<https://thefinancialexpress.com.bd/stock/frc-finds-advent-pharma-a-wrongdoer-1582864355>

Dhaka Bank to deliver customer service through WhatsApp

- From this month, customers of Dhaka Bank would be able to get real-time banking service through Whatsapp. The lender is set to roll out the novel digital banking model for its registered 0.25 million clients from the second week of March as part of its push towards digitization in order to attract tech-savvy customers.

- Customers would be able to transfer funds from Dhaka Bank to other banks and bKash, the country's largest mobile financial service provider, make utility payments and mobile top-ups. Customers can take the service both through messages and voice calls on the WhatsApp platform.

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<https://www.thedailystar.net/business/news/dhaka-bank-deliver-customer-service-through-whatsapp-1874815>