



**UTTARA FINANCE**  
CAPITAL MANAGEMENT LIMITED



Daily  
Business  
News

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BUSINESS NEWS ANALYSIS REPORT

## Capital Market News

### BSEC urges IDRA to take steps to enlist 21 insurance cos on bourses

The Bangladesh Securities and Exchange Commission has urged the Insurance Development and Regulatory Authority to take necessary steps for listing 21 insurance companies on the country's stock exchanges. The BSEC sent a letter to IDRA on Wednesday regarding the issue.

Earlier on November 29, 2020, the BSEC issued a notification to exempt 26 companies from complying with certain provisions of public issue rules, 2015 for filing applications for initial public offer under the fixed price method. Of the 26 companies, two have already been listed on the stock exchanges and three filed

applications with the BSEC for IPOs. Of the remaining 21 companies, 17 are life insurance companies and four are general insurance companies.

The life insurance companies are Sonali Life Insurance Company Limited, Homeland Life Insurance Co Limited, Golden Life Insurance Co Limited, Sunflower Life Insurance Co Limited, BAIRA Life Insurance Co Limited, Best Life Insurance Co Limited, NRB Global Life Insurance Co Limited, Protective Islami Life Insurance Co Limited, Zenith Islami Life Insurance Limited, Alfa Islami Life Insurance Limited, Diamond Life Insurance Company Limited, Guardian Life Insurance Limited, Jamuna Life Insurance Company Limited, Mercantile Islami Life Insurance Company Limited, Swadesh Life Insurance Company Limited, Trust Islami Life Insurance Limited, and LIC (Bangladesh) Limited.

The non-Life insurance companies are Meghna Insurance Co Limited, South Asia Insurance Co Limited, Islami Commercial Insurance Company Limited and Sikder Insurance Company Limited. There are 50 listed insurance companies on the stock exchanges. Of them, 38 are general insurance companies and 12 are life insurance companies.

<http://www.newagebd.net/article/140966/bsec-urges-idra-to-take-steps-to-enlist-21-insurance-cos-on-bourses>

### Stocks ended marginally higher amid rising turnover

Stocks ended marginally higher for the second straight sessions on Wednesday as investors continued their buying appetite on insurance sector issues. The market opened on a positive note which persisted till the end of the session as investors were

mostly active on insurance stocks like the previous day.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 29.42 points or 0.48 per cent to settle at 6,051. DSEX added 37 points in the two consecutive sessions. Two other indices also edged higher with the DSE 30 Index, comprising blue chips, advanced 6.38 points to finish at 2,183 and the DSE Shariah Index (DSES) gained 4.59 points to close at 1,288.

Market experts said stocks stayed afloat as bargain hunters showed their appetite riding on the news that the special facility to legalise undisclosed income is likely to continue in the next fiscal year. The finance bill 2021 may include the continuation of the special facility to whiten black money in stocks which can have a positive impact on the market, they said.

Turnover, a crucial indicator of the market, crossed Tk 21 billion-mark again and amounted to Tk 21.09 billion, which was 4.0 per cent higher than the previous day's mark of Tk 20.32 billion. Overall market participants displayed a portfolio restructuring strategy while many investors rushed to participate in hyped-up insurance sector stocks, said a merchant banker. Gainers took a modest lead over the losers, as out of 372 issues traded, 182 advanced, 156 declined and 34 issues remained unchanged on the DSE trading floor.

Beximco - the flagship company of Beximco Group- continued to dominate the turnover chart with shares worth Tk 1.75 billion changing hands, followed by Pioneer Insurance (Tk 829 million), BBS Cables (Tk 610 million), Orion Pharma (358 million) and Confidence Cement (Tk 341 million). Popular Life Insurance was the day's top gainer, posting a 9.98 per cent gain while Sonar Bangla Insurance was the worst loser, losing

8.70 per cent following its lower than expected dividend declaration.

A total number of 306,707 trades were executed in the day's trading session with a trading volume of 574.31 million shares and mutual fund units. The market cap of DSE rose to Tk 5,083 billion on Wednesday, up from Tk 5,066 billion in the previous session.

<https://thefinancialexpress.com.bd/stock/stocks-ended-marginally-higher-amid-rising-turnover-1623838961>

### CSE revises its Shariah index

The Chittagong Stock Exchange (CSE) has revised its index for the Shariah-compliant securities to offer Muslim investors Halal equities. Pious Muslims avoid owning companies that are engaged in the business of religiously forbidden products – such as pork, alcohol – or services – such as a nightclub and interest-based banking.

The port-city bourse said in a statement on Wednesday that the bi-annual review would be effective from 4 July. Based on the index committee's review of the activities and performance of listed companies, 13 scrips have been selected to be included in the list of Shariah-compliant securities.

The newly added companies are ACI Ltd, Associated Oxygen, Bangas, Beacon Pharmaceuticals, Dominage Steel Building Systems, E Generation, Genex Infosys, Golden Harvest Agro Industries, Lub-rref (Bangladesh), Mithun Knitting and Dyeing, Prime Textile Spinning Mills, Samata Leather Complex, and Walton Hi-tech Industries Ltd.

On the other hand, eight have been discarded from the existing list. These are CVO Petrochemical Refinery Ltd,

Fu-Wang Ceramic Industry, GQ Ball Pen Industries, H.R. Textile Mills, Intraco Refueling Station, Queen South Textile Mills, Runner Automobiles, and Shepherd Industries.

In the Bangladesh market, in line with the global trend, Shariah-compliant securities are gaining popularity among individuals, Islamic financial institutions, and also Shariah-compliant investment schemes. High demand for Shariah-compliant scrips is often reflected through the strength in Shariah indices at both local bourses. However, after the revision, CSE Shariah Index would include 134 companies from 347 listed securities.

<https://www.tbsnews.net/economy/stocks/cse-revises-its-shariah-index-261898>

### 10 firms to raise Tk120cr from small-cap platform

Mostafa Metal Industries will raise Tk11 crore, Subra Systems Tk12 crore, Krishibid Feed Tk22 crore and Achia Sea Foods Tk15 crore with qualified investors offers. Ten private companies have sought approval of the Bangladesh Securities and Exchange Commission (BSEC) to raise Tk120 crore from the small-cap platforms of stock exchanges.

Mostafa Metal Industries will raise Tk11 crore, Subra Systems Tk12 crore, Krishibid Feed Tk22 crore, and Achia Sea Foods Tk15 crore with qualified investors offers (QIOs). Besides, Master Feed Agrotec, Oryza Agro Industries, Mamun Agro Products, Agro Organica, BD Paints, and Bonita Accessories want to raise Tk10 crore each by using the same method.

Subra Systems, Krishibid Feed, Achia Sea Foods, Master Feed Agrotec, BD Paints, and Bonita Accessories had earlier wanted to raise funds with an

initial public offering (IPO) but they failed. Then they applied to the commission for QIO to get relaxation in relevant rules.

BSEC has recently decided to relax rules on QIO to allow companies with more than Tk30 crore paid-up capital to enter the small capital board. The small-cap platform was formed in 2019 to attract businesses with a small capital base to the stock market. With a view to making the small-cap board active, the commission now wants to get some companies listed on the board within this financial year.

BSEC has already allowed Nialco Alloys Limited to raise Tk7.5 crore from the small-cap platform of the Chittagong Stock Exchange. Issue managers are not very much interested in bringing in small-cap companies to the market as they pay low fees, sources said.

<https://www.tbsnews.net/economy/stocks/10-firms-raise-tk120cr-small-cap-platform-261892>

## Economy News

### Provision shortfalls of 11 banks up 77pc

Eleven banks collectively witnessed a 76.99-per cent or Tk 5,502.46 crore increase in provision shortfalls in the January-March period of 2021 due mainly to a further deterioration in the financial state of the scam-hit Janata Bank.

In the January-March quarter of 2021, Janata Bank became a fresh defaulter in terms of maintaining provision against its classified loans and Probashi Kallyan Bank managed to get rid of the provision shortfall status. Provision shortfalls in the banks increased to Tk 12,648.7 crore in the

March-end quarter of 2021 from Tk 7,146.24 crore in the December-end quarter of 2020.

Apart from Janata Bank, BASIC Bank, Agrani Bank, Rupali Bank, Bangladesh Commerce Bank, National Bank, Dhaka Bank, Mutual Trust Bank, Bangladesh Krishi Bank, Standard Bank and Social Islami Bank also failed to maintain provisions.

Janata Bank, which is holding the highest Tk 13,570.81 crore out of the total Tk 95,085.35 crore in defaulted loans in the banking sector, contributed almost half of the sector's provision shortfalls. Janata Bank failed to maintain adequate provision against its defaulted loans in the January-March quarter 2021 due mainly to a spike in its bad loans, the worst type of classified or defaulted loans against which the maintaining of a 100-per cent provision is a must, taking its provision shortfall to Tk 5,255.17 crore.

A BB official said that Janata Bank's financial state continued worsening as the bank in the last 10 years approved a large amount of loans in violation of banking rules and regulations. As a result, 23 per cent of the bank's total outstanding loans amounting to Tk 57,082 crore turned defaulted.

Over Tk 9,000 crore in loans given to AnonTex and Crescent Group turned defaulted, causing a severe deterioration in the financial state of Janata Bank.

Apart from Janata, provision shortfall of another scam-hit bank BASIC Bank shot up to Tk 3,564.66 crore in the March-end quarter of 2021 from Tk 3,288.16 crore in the December-end quarter of 2020. BASIC Bank's provision shortfall was the second highest among the eleven banks.

State-owned Agrani suffered the third highest, Tk 1,356.47 crore, in

provision shortfall at the end of first quarter of 2021 whereas its provision shortfall was Tk 1,319 crore at the end of fourth quarter of 2020. Rupali Bank's provision shortfall dropped to Tk 788.41 crore in the March-end quarter of 2021 from Tk 821.79 crore in the previous quarter.

Provision shortfall of Bangladesh Commerce Bank stood at Tk 458.51 crore, that of National Bank at Tk 388.12 crore, that of Dhaka Bank at Tk 246.23 crore, that of Mutual Trust Bank at Tk 195.49 crore, that of Bangladesh Krishi Bank at Tk 164.73 crore, that of Standard Bank at Tk 157.91 crore and that of Social Islami Bank at Tk 73 crore.

<http://www.newagebd.net/article/140965/provision-shortfalls-of-11-banks-up-77pc>

## Company News

### BSRM profit soars 197pc in Jul-Mar

Profit of BSRM Ltd soared 197 per cent year-on-year to Tk 273 crore in the first nine months of the 2020-21 fiscal year powered by higher sales, lower finance and operating costs. The Chattogram-based steel maker's sales rose 4.4 per cent year-on-year to Tk 4,216 crore in the July-March period. At the same time, its net finance costs dropped 63 per cent to Tk 69 crore from Tk 191 crore. BSRM, one of the biggest steel makers of Bangladesh, reduced its operating costs during the period by 12.5 per cent to Tk 119 crore. The news of posting such a huge profit also gave a boost to the price of the company's stocks.

<https://www.thedailystar.net/business/news/bsrm-profit-soars-197pc-jul-mar-2112529>

## Nestle opens Tk 150cr infant formula plant

Nestle Bangladesh yesterday started processing, filling and packaging the company's infant formula at its Tk 150 crore factory in Sreepur, Gazipur. The state-of-the-art plant with an annual production capacity of 6,000 tonnes will create around 1,000 direct and indirect jobs. At the primary stage, Lactogen 2 and Lactogen 3 will be processed there. Later, Lactogen 1 and Nano would be processed.

Some 34 factories in the world have this kind of plant and Nestle Bangladesh joins this league with this plant. Industries Minister Nurul Majid Mahmud Humayun inaugurated the plant through an online programme where Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (BIDA), was also present.

Around 10,000 tonnes of infant formula is sold in Bangladesh every year and Nestle holds 55 to 60 per cent of the market share with its two brands Lactogen and Nan. The company has been selling its products in Bangladesh for more than 26 years.

<https://www.thedailystar.net/business/news/nestle-opens-tk-150cr-infant-formula-plant-2112549>

## Two banks, one NBFIs to issue Tk 14b bonds

The boards of directors of three companies, including two banks, have decided to issue bonds worth Tk 14 billion. According to separate filings with the Dhaka Stock Exchange (DSE) on Wednesday, National Credit and Commerce Bank will issue non-convertible subordinated bonds worth Tk 7.0 billion, Dhaka Bank to issue Tk 4.0 billion perpetual bonds, and Delta Brac Housing Finance Corporation will issue Tk 3.0 billion zero-coupon bonds.

**NCC Bank:** The board of directors of the bank has approved in principle for issuing of 'NCC Bank Non-Convertible Subordinated Bond-2' valuing Tk 7.0 billion only to have capital support under Tier 2 Capital of Basel III subject to the approval of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. Each share of the bank, which was listed on the DSE in 2000, closed at Tk 14 each on Tuesday.

**Dhaka Bank:** The board of directors of the bank has decided to raise Tk 4.0 billion through the issuance of contingent-convertible Perpetual Bond as additional Tier-1 (AT-1) capital to support the bank's Basel-III compliance in line with Bangladesh

Bank guidelines on the risk-based capital adequacy of December 2014 subject to the approval of regulatory authorities- Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). Each share of the bank, which was listed on the DSE in 2000, closed at Tk 13.10 each on Tuesday.

**DBH:** The board of directors of Delta Brac Housing Finance Corporation has decided to raise Tk 3.0 billion through the issuance of non-convertible zero-coupon bonds (in face value, in single or multiple tranches) only through private placement. Tenure of the bond is up to four years from the issue date subject to the approval of regulatory authorities -Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). Each share of the company, which was listed on the DSE in 2008, closed at Tk 80.60 each on Tuesday.

<https://thefinancialexpress.com.bd/stock/two-banks-one-nbfi-to-issue-tk-14b-bonds-1623818854>

## Price Sensitive News

Trading Code: SAIHAMTEX

News Title: SAIHAMTEX: Credit Rating Result

News: National Credit Ratings Limited (NCR) has announced the Surveillance Entity Rating of the Company as "AA" in the long term and "ST-2" in the short term along with a developing outlook based on audited financial statements of the Company as on June 30, 2020.

Post Date: 2021-06-17

Trading Code: PRAGATIINS

News Title: PRAGATIINS: Qualified Opinion

News: (Continuation news of PRAGATIINS); and EPS has been overstated. 2. Compliance with IDRA Regulation: The company has not made proper investment in designated instruments in the manner as prescribed in SRO No. 353-1aw/2019 dated 11 November 2019 issued by IDRA. As well as the company has not submitted the report on category of investment in assets in the prescribed manner as prescribed in Schedule # 1 of the said SRO. (end)

Post Date: 2021-06-17

Trading Code: PRAGATIINS

News Title: PRAGATIINS: Qualified Opinion

News: (Continuation news of PRAGATIINS): as at 31/12/2020 whereas the balance as at 31/12/2019 was Tk. 2,530,031. The amount of Tk. 10,030,031 has been calculated for the employees who have left the company during the year after completing minimum five years' service. No provision has been made for the employees who have completed 5 years' service and continuing with the company. As a result, the provision for gratuity and expenses has been understated (cont.2)

Post Date: 2021-06-17

Trading Code: PRAGATIINS

News Title: PRAGATIINS: Qualified Opinion

News: The auditor of the Pragati Insurance Ltd. has given the "Qualified Opinion" paragraphs in the Auditor's Report for the year ended on 31 December 2020. Basis for Qualified Opinion: 1. Gratuity provision: As disclosed in Note # 2.06 (k) (ii) the company has a funded Gratuity Scheme for all eligible employees who have completed minimum 5 years of confirmed service with the company. As per Note # 26.00 the company reported an amount of Tk. 10,030,031 as Provision for Gratuity (cont.1)

Post Date: 2021-06-17

Trading Code: MERCANBANK

News Title: MERCANBANK: Issuance of Perpetual Bond (Amendment)

News: (Continuation news of MERCANBANK): Tk. 630.00 crore (90%) through Private Placement and Tk. 70.00 crore (10%) through Public Offer instead of previously decided 100% private placement of Tk. 700.00 crore, Contingent-Convertible BASEL III compliant Mercantile Bank Perpetual Bond as part of Additional Tier- I Capital subject to the approval from Regulatory Authorities as well as approval of the Shareholders of the Company. (end)

Post Date: 2021-06-17

Trading Code: MERCANBANK

News Title: MERCANBANK: Issuance of Perpetual Bond (Amendment)

News: Refer to their earlier news disseminated by DSE on 28.04.2021 regarding issuance of Perpetual Bond, the Company has further informed that the Board of Directors has decided to issue 'Mercantile Bank Perpetual Bond' of Tk. 700.00 crore in the following manner to comply with Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and Directive issued on 23 May 2021: (cont.)

Post Date: 2021-06-17

Trading Code: AMBEEPHA

News Title: AMBEEPHA: Qualified Opinion & Emphasis of Matter

News: (Continuation news of AMBEEPHA): the company filed an application to the Hon'ble High Court for condonation of default for not holding the AGM in time. On hearing the petition, the Hon'ble High Court in its' verdict has accepted the condonation petition and directed the company to hold the AGM within eight weeks on receipt of the copy of verdict. However, the company received the verdict on 01-06-2021. (end)

Post Date: 2021-06-17

Trading Code: AMBEEPHA

News Title: AMBEEPHA: Qualified Opinion & Emphasis of Matter

News: The auditor of the Ambee Pharmaceuticals Ltd has given the "Qualified Opinion" & "Emphasis of Matter" paragraphs in the Auditor's Report for the year ended on 30 June 2020. Basis for Qualified Opinion: The Company has not disclosed BDT 18,000,000 as VAT payable in their VAT return. Emphasis of matter: Due to some unavoidable circumstances, AGM of the company could not be held in time and accordingly, (cont.)

Post Date: 2021-06-17

Trading Code: SAMATALETH

News Title: SAMATALETH: Board Meeting schedule under LR 16(1)

News: As per Regulation 16(1) of the Dhaka Stock Exchange (Listing) Regulations, 2015, the Company has informed that a meeting of the Board of Directors will be held on June 22, 2021 at 4:30 PM to consider, among others, un-audited financial statements of the Company for the Second Quarter (Q2) period ended on December 31, 2020.

Post Date: 2021-06-17

Trading Code: IFADAUTOS

News Title: IFADAUTOS: Allotted 30 acres of land at Mirsarai-Feni Economic Zones

News: The Company has informed that Bangladesh Economic Zones Authority (BEZA) has allotted 30 acres of land in favor of IFAD Autos Limited to develop and operate industries, run commercial activities and to construct onsite infrastructures at Bangabandhu Sheikh Mujib Shilpa Nagar, at Mirsarai-Feni Economic Zones. Furthermore, the land is being allotted on lease for 50 years on a rental basis. The Company will disclose all information immediately after making Deed with Bangladesh Economic Zones Authority.

Post Date: 2021-06-17

# Daily Business News

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