

Latifur Rahman: a role model for new generation of businessmen

Leading industrialists, entrepreneurs recall his ethical practices at ICC Bangladesh discussion

STAR BUSINESS REPORT

New generation businessmen in Bangladesh should follow the ethics and principles practised by the iconic and legendary entrepreneur Latifur Rahman to succeed and serve the country honestly, said industrialists and entrepreneurs yesterday.

"Please read the biography of Latifur Rahman if you want to be a good businessman," said Syed Manzur Elahi, an industrialist and chairman of Apex Group.

He spoke at a virtual discussion organised by the International Chamber of Commerce - Bangladesh (ICC-B).

Colleagues of Rahman, leaders of trade bodies and chambers, entrepreneurs, and family members recalled the ethical practices, values and leadership qualities of the late entrepreneur.

Rahman, a towering figure in the business and corporate world of Bangladesh and chairman of Transcom Group, passed away at his village home in Cumilla on July 1 at the age of 75.

He had to start from scratch after the independence of the country to build the current business empire in a glowing example of how a man can be successful by strictly following principles and ethics.

Rahman's family businesses were nationalised after the independence but he did not stop. Rather, he continued to build businesses after business.

Today, Transcom has 16 operational entities from



Latifur Rahman

- » Born on 28 August 1945
- » Alumnus of Saint Francis School in Dhaka, St Edmund's School in Ceylon and St Xavier's College in Kolkata
- » Led Transcom Group, which originated with tea plantations in 1885, to become one of the fastest growing and diversified business houses in Bangladesh
- » Transcom Group's annual turnover is Tk 7,500 crore and employs more than 17,000 people
- » Served as president of the Metropolitan Chamber of Commerce and Industry for seven times and president of the Bangladesh Employers' Federation twice
- » He was a member of the executive board of the International Chamber of Commerce, vice-president of the ICC-Bangladesh and member of Brac's governing body, member of the Bangladesh Better Business Forum and Advisory Committee on World Trade Organisation.
- » He was chairman of National Housing Finance & Investments
- » He was awarded the Oslo Business for Peace Award; Business Executive of the Year by American Chamber of Commerce Bangladesh (2001); the Saarc Outstanding Leader award; and the Lifetime Achievement Award by the UK Bangladesh Catalysts of Commerce and Industry
- » He passed away on 1 July 2020

medicine, foods, lighting, electronics to media. It is the local business partner of international brands Pizza Hut, KFC, PepsiCo and Philips. It employs more than 17,000 people.

"It is hard to speak about the legacies of Latifur Rahman in a short time," said Mahbubur Rahman, president of the ICC-B.

"We lost a man who taught us not to lose ourselves in any difficulties. It is a great lesson that we learnt from him," said Rubana Huq, president of the Bangladesh

Garment Manufacturers and Exporters Association.

"He taught us how to turn tragedies into strength," said Huq.

He never thought of leaving Bangladesh even after the death of his grandson. Rather, he stood with determination and fought against all kinds of difficulties, she said.

His grandson Faraaz Ayaz Hossain was cruelly killed by a band of Islamist terrorists on July 1, 2016.

Rahman was the longest-serving

president of the Metropolitan Chamber of Commerce and Industry.

"Everybody knows about his ethical business behaviour. He made us proud on the international stage," said Anis Khan, vice-president of the country's oldest chamber.

Rokia Afzal Rahman, vice-president of the ICC-B, said it is hard to believe that he was no more.

"Latifur Rahman was an integral part of the business

chamber. He had a unique quality. Latifur Rahman had a lot of fellow-feelings."

The former caretaker government adviser recalled Latifur Rahman's outstanding contribution to the ICC.

"Even our generation has a lot of things to learn from Latifur Rahman because of his integrity and honesty."

Matiur Rahman, the editor of the Prothom Alo, the country's largest-circulated Bangla daily, said from his student life, he had a dream to take part in building a nation and a free media.

"A good proximity of mind and philosophy was found between Matiur Rahman and Latifur Rahman. So, I responded to the call of Latifur Rahman and became the editor of the Prothom Alo."

Transcom Group is the owner of the newspaper.

"I found him as a source of inspiration. It is our duty to materialise his dreams," Matiur Rahman said.

Mahfuz Anam, the editor of The Daily Star, the country's leading English daily, said: "I can't believe that we have to commemorate at this time. I am one of the few people who had the opportunity to work with him."

Transcom Group is also a majority shareholder of The Daily Star.

"We [Mahfuz Anam and Matiur Rahman] can proudly say that we are one of the freest editors and our spirit of freedom comes from Latifur Rahman. I remember him every moment," Anam said.

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BSEC continues with its tough stance on gamblers

Slaps BBS Cables and some serial traders with big fines

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission yesterday came up with a set of new conditions for junk stocks and slapped several companies with big fines as part of its efforts to go tough on the rogue players.

The stock market regulator took the decisions at a meeting chaired by its new chairman Shibli Rubayet Ul Islam. The top officials of BBS Cables and some other companies were fined for their involvement in gambling.

BSEC made it mandatory to reform the board of directors of the companies if they remain in the Z category for two years or more. Junk stocks belong to the Z category.

In case of failure, they will not be allowed to remain on the board of any other listed company or stock market intermediary company, BSEC said in a statement.

Moreover, special audits will be conducted and observers will be appointed in these companies to restore good governance.

If a company still fails to improve the situation within four years, the commission will go for tougher actions and it may delist the company, according to the statement.

During the period, the shares of directors and sponsors of the junk stocks will remain frozen.

There are other changes to the conditions for which companies will be downgraded to the Z category.

If a company fails to declare a dividend for two years in a row, it will be downgraded to the Z category.

If a company fails to hold an annual general meeting or remains in net operating loss or negative cash flow in the preceding two years after starting operation, it would be categorised as a junk stock.

The trade settlement period for junk stocks has been reduced to three days from nine days.

For market manipulation and insider trading, BSEC fined Khadija Tahera, spouse of the chairman of BBS Cables, Tk 3 crore; Abu Noman Howlader, managing director of the company, Tk 10 lakh; Md Forhad Hossain, brother-in-law of the MD, Tk 30 lakh; and Syed Ferdous Raihan Kirmany, a nominated director, Tk 5 lakh.

It also fined all directors of BBS Cables Tk 10 lakh each for making delay in disclosing price-sensitive information.

The regulator also fined Kabir Ahmed and his associates Tk 25 lakh; Prudential Capital, a stockbroker, Tk 55 lakh; Abdul Quaium and his associates Tk 1.80 crore; Md Nazrul Islam and his associates Tk 25 lakh; Syed Anisur Rahman Tk 25 lakh; and Hasan Jamil Tk 35 lakh for serial trading.

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Govt looks to implement plans on ease of doing business on time

STAR BUSINESS REPORT

Local companies will enjoy a reduction in production costs and time alongside an overall improvement to the business climate through the implementation of the government's plans on the ease of doing business, according to Finance Minister AHM Mustafa Kamal.

"Improving Bangladesh's ranking on the World Bank's Ease of Doing Business Index will save us time as well as a lot of unnecessary costs," Kamal said while addressing a virtual meeting of the national steering committee yesterday.

"We have to make sure that those who are responsible for implementing various aspects of the plan complete their tasks in a timely fashion before being given final certification," he added.

At the meeting, organised by the finance ministry, speakers discussed how to best streamline the implementation of the plans.

The national steering committee, headed by Kamal, consists of representatives from 11 different government bodies and is committed to improving the country's business environment.

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Electronic cash devices to be rolled out on 25 Aug

100 devices will be installed on a pilot basis

SOHEL PARVEZ

The National Board of Revenue is finally going to roll out the much-talked electronic fiscal devices (EFDs) as part of its effort to curb evasion of value-added tax paid by customers while purchasing goods and services.

The revenue collector aims to install 100 EFDs on a pilot basis at stores and businesses in Dhaka and Chattogram cities to see the results before embarking on a nationwide rollout.

Some 80 EFDs will be installed at shops in Dhaka and 20 in the port city. This will be inaugurated on August 25, according to Md Jamal Hossain, member for VAT implementation at the NBR.

"After the launch, we will gradually install the devices throughout the country. The EFDs will be instrumental in preventing VAT evasion. None will be able to dodge machines."

The EFDs will be provided for free to 25 types of businesses, including shops, hotels, restaurants, sweet stores, clothing, furniture and electronics outlets and jewellers.



"All they have to do is to use the device to record sales," Hossain said. The NBR had decided to set up the EFDs and sales data controllers (SDCs) three years ago after its previous bid to enforce the use of electronic cash registers (ECRs) failed mainly because of an absence of any electronic system to monitor transactions at shops

through the devices and ensure that VAT—the biggest source of revenue for the state—is coming to the coffer properly.

Now, the tax administrator said the EFDs will be connected to a central server at the NBR and will generate real-time data of sales, ensuring transparency and curbing the scope for evasion -- which is rampant.

Officials said the NBR completed the preparation and planned to inaugurate the e-device on the occasion of the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

But it had to postpone the plan due to the Covid-19 outbreak and subsequent shutdown aimed at taming the virus.

The government has approved the purchase of 100,000 EFDs for Tk 316 crore at the beginning of the fiscal year from a consortium of Shenzhen-based SZZT Electronics and local Synesis IT.

The consortium was asked to supply 10,000 EFDs initially.

Shops with an annual turnover of more than Tk 50 lakh will be asked to use the EFDs and SDCs initially, said Hossain.

READ MORE ON B3

Cement-makers' plight seems to be over

JAGARAN CHAKMA

Cement manufacturers can breathe a sigh of relief at least for now as the sector has been showing some signs of recovery for the last two months from the coronavirus pandemic.

"The economic front of a developing country like Bangladesh can't remain silent for long. Demand will start to rise bit by bit and things will look up soon as cement is a basic ingredient," said Mohammed Amirul Haque, managing director of Premier Cement.

The sector had been reeling from the unprecedented collapse in demand in April and May because of the pandemic, which hammered activity and brought the construction sector to a grinding halt.

Sales have started to bounce back almost to the pre-pandemic level in June and July.

"We have got some orders from the construction sector and our factory is booked until next September," Haque said.

Though sales are picking up, the cement makers are running way below their capacity.

"The sector is yet to turn around to the fullest as factories can utilise only half their production capacity now," said Alamgir Kabir, president of the Bangladesh Cement Manufacturers Association (BCMA).

"Not only the Covid-19 pandemic but also the countrywide floods have

CEMENT INDUSTRY AT A GLANCE

- Per capita cement use: **181kg**
- Market size: **Tk 25,500cr**
- Active cement factories: **37**
- Total investment: **Tk 30,000 crore**
- Direct employment: **60,000**
- Indirect employment: **10 lakh**
- Consumption: **33m tonne**
- Production capacity: **58m tonne**

wreaked havoc on development work and the cement sector is bearing the brunt," said Mohammad Shahidullah, managing director of Metrocem Cement.

On top of that, the manufacturers were unable to collect dues from dealers and contractors as they too

were devastated by the pandemic. About the loans from the government-announced stimulus package, Shahidullah said 10 per cent of working capital is not sufficient for heavy industries like cement.

The sector is now banking on individual customers and the situation will not improve much until corporate consumption begins, he said, adding that demand from the government's infrastructure projects will rise to the expected levels once floods and the pandemic die down.

Last year too was not so rosy for the cement manufacturers as well: they were put in a tight corner when overproduction led to unhealthy competition.

Because of the pandemic, the growth of the sector will come down to 7 per cent this year from the 12-15 per cent average growth it clocked in the last few years, said Asadul Haque Sufiyan, chief operating officer of Bengal Cement Ltd.

However, after the lockdown announced to curb the spread of the virus was partially lifted on May 30, sales increased slightly as middle-income people and expatriates started purchasing the key construction material, he said.

"But the government's purchase for development projects is still far from expectation," he added.

READ MORE ON B2

NBR files case as Facebook's local agent breaks VAT rules

STAR BUSINESS REPORT

The revenue authority has filed a case against the local sales partner of social media giant Facebook on allegation of non-compliance with the value-added tax law.

The VAT Audit, Intelligence & Investigation Directorate (VATAIID) under the National Board of Revenue filed the case after finding that digital ad agency Httpool Bangladesh was not operating from the address it had used while obtaining VAT registration, according to a press release.

Httpool Bangladesh got its VAT registration using an address at Karwan Bazar in the capital in May this year, said the VAT directorate, adding that it did not find "existence" or "activities" of the firm during investigation.

"As per rules, VAT offices should be informed in case of any change in the office address of a company. But no notice was given in this regard," said VATAIID Director General Moinul Khan in an email.

The address mentioned in the VAT registration is now used as the chamber of some lawyers, Khan said over phone.

VAT detectives disclosed the findings after an investigation launched on the basis of a complaint. Httpool announced its



YouTube and Google to reach out to their target customers online, buying ad space on these digital platforms was a convoluted and opaque exercise until recently.

The VATAIID found that Httpool had collected ad revenues worth Tk 6.22 crore from 31 firms through 198 acknowledgement receipts and deducted Tk 93.32 lakh as VAT against the advertisements.

The field office of the NBR said Httpool did not submit VAT returns even though it got registration three months ago.

Rules bind submission of VAT returns on a monthly basis, Khan said in the press statement, adding that the VAT deducted from the clients was not deposited to the state coffer as the Facebook agent did not furnish returns every month.

"We have lodged the case under the VAT law for non-filing of VAT returns and nonexistence of the company's office in the given address," he said, adding that further investigation is ongoing.

The case has now been forwarded to the VAT Commissionerate of Dhaka South.

The Daily Star contacted Benchmark PR, the public relations partner of Facebook in Bangladesh, but no comment came at the time of going to print.