

STOCKS		COMMODITIES		ASIAN MARKETS			
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.44%	▲ 0.24%	\$1,422.00 (per ounce)	\$104.24 (per barrel)	▲ 1.00%	▲ 2.64%	▲ 1.26%	Flat
6,249.35	11,287.74			19,290.18	9,708.79	3,095.32	2,955.77

CURRENCIES				
STANDARD CHARTERED BANK				
	USD	EUR	GBP	JPY
BUY TK	72.28	99.83	113.65	0.86
SELL TK	73.28	105.26	119.28	0.94



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STAR BUSINESS

DHAKA THURSDAY MARCH 31, 2011, e-mail:business@thedailystar.net

Dividend controversy hits Padma Oil, trade on hold

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) yesterday suspended the trading of Padma Oil Company Ltd on charges of illegally revising dividends earlier declared by the state-owned fuel company.

Padma Oil announced a 100 percent cash dividend in December last year but split it into a 50 percent cash dividend and a 50 stock dividend months later.

"The Board of Directors of the company [Padma Oil] changed recommended dividends prior to holding an AGM which is tantamount to contravening an SEC notification," the premier bourse said in a Web posting.

The DSE had earlier sought opinions from the Securities and Exchange Commission about the trading suspension of Padma Oil saying that revised dividends could impact the market.

In reply, the SEC on Tuesday said the DSE can suspend the trading of Padma Oil, as the revision of announced dividends by the company was not a legal move.

In December last year, Padma Oil announced 100 percent cash dividends but did not inform the SEC or the DSE about its board meeting for the dividend recommendation, although it was a legal requirement.

In January, a Padma Oil shareholder filed a writ petition with the

High Court, which stayed the dividend for three months. The petitioner alleged that the company violated the listing rules by recommending a 100 percent cash dividend.

In line with the securities rule, a listed company must notify regulators and bourses before holding a board meeting for a dividend declaration.

On March 20, Padma Oil at a board meeting recommended a 50 percent cash dividend and a 50 stock dividend revising the previous declaration.

Padma Oil last traded on the secondary market on Tuesday, with each share closing at Tk 733.20 on the DSE.

Taxpayers evaded Tk 21,000cr

TIB study points to challenges, reforms

STAR BUSINESS REPORT

Taxpayers evaded paying Tk 21,000 crore in taxes last fiscal year, and tax evasion is one of the major challenges the National Board of Revenue (NBR) faces in enhancing revenue collection, said a study published by Transparency International, Bangladesh (TIB).

If the amount had been collected, the actual NBR revenue would have been 34 percent more than it was in fiscal 2009-10, the study showed. It is 2.8 percent of the national income in the same year, TIB said.

The tax officials' involvement in corrupt practices, a high rate of indirect tax and people's unwillingness to pay taxes due to apparently complex procedures are the main challenges the NBR is facing now, according to the study.

needs legal and institutional reforms to make it a pragmatic organisation. The board also suffers from an acute manpower shortage that also needs to be addressed," he said.

"At the same time, the NBR needs to take measures to control corruption and eliminate flaws in the tax collection system."

The TIB spent two years for conducting the research involving 713 taxpayers from different professions. The organisation plans to discuss the research findings with different stakeholders and send its recommendations to the government.

Akbar Ali Khan, former adviser to a caretaker government, however, was skeptic about the findings and said the number of participants in the study was insignificant, while there are 23 lakh TIN (taxpayer's identification number) holders in the country.

board and reduce the tax slabs to make the taxation system a taxpayer friendly one.

AB Mirza Azizul Islam, former finance adviser to a caretaker government, also said the research findings could be questioned for the small sample size.

"The researchers have taken a small sample size and compared the amount of tax evasion with Friedrich Schneider's Economics of the Hidden Economy, which often is not found as a flawless one," he said.

"Whatever the methodological flaws, the problems identified in the research seem to be real and the government and the NBR have to address those and go for huge reforms."

Badiur Rahman, former chairman of NBR, underscored the need of the government's willingness to formulate practical policies and implement those.

Western Marine to deliver two more ships to German buyer

STAFF CORRESPONDENT, Ctg

Western Marine Shipyard will deliver two more large vessels to a German owner today, four months after it handed two same-size ships to the same company.

The two 100-metre ice-class vessels -- EMS Lake and EMS Dollart -- each having a capacity of 5,200 DWT (deadweight tonnage) and 12 nautical miles per hour speed will be delivered to Grona Shipping GmbH at a ceremony at Chittagong Dry Dock Ltd.

Industries Minister Dilip Barua is expected to attend the function as chief guest, said Western Marine Managing Director Sakhawat Hossain at a press conference yesterday.

Each vessel was built at a cost of Tk 80 crore under a Tk 960 crore project to deliver 12 ships to the



German company by 2012.

Hossain said the two vessels were built in the last four months in compliance with all the latest International Maritime Organisation guidelines under the supervision of Germanischer Lloyd.

The vessels are designed and equipped to sustain in cryogenic weather condition, he said.

"Around 3,000 tonnes of ice-class steel were fabricated by using 60 tonnes of welding electrodes to build the ships," he said.

Local engineers have played a major role in building the ships, Hossain said. A total of 39 foreign experts worked to build the previous two ships, while this time only 15 foreign experts worked.

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Correction

In a graph published yesterday with the report "Govt targets 28pc higher revenue receipts", it was mistakenly shown that the target of revenue collection by NBR is Tk 92,000 crore in fiscal 2011, while the amount is an estimated Tk 1,63,000 crore for fiscal 2012. Actually, the figures should be Tk 72,590 crore for 2011 and Tk 92,000 crore for 2012. We

Ashuganj Fertiliser suspends production

OUR CORRESPONDENT, Brahmanbaria

Urea production at Ashuganj Fertiliser Chemical Company in Brahmanbaria has been suspended due to a technical glitch in the plant since Tuesday night.

Subhash Chandra Das, managing director of the company, said they shut the production when a leakage in the compressor of the plant was found at about 8pm on Tuesday.

Engineers and technicians of the factory are working round the clock to repair the glitch and it will take two days to resume the production, said Das.

Ashuganj Fertiliser produces 1,400 tonnes urea a day and the work suspension cost them Tk 1.40 crore in losses a day, said an official.

Urea distribution to dealers will not be hampered due to the suspension, as sufficient amount of urea is stored in the factory, the managing director added.

It is notable that the company stopped its production for 19 times in last nine months due to several technical

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ফোন: ০২ ৯৮৯৩৯৮১, ৯৮৯৮৬৮৩, ০১৭৩০০৬৯৬৫০; ফ্যাক্স: ০২ ৮৮৫৪০০৪



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- **Exporter of the Year - SMEs (Non RMG and Textiles) with an annual export turnover less than US\$3 million**

For nomination forms and other details, visit the hsbc.com.bd website or call **01717064057**. Nominations need to be submitted on or before **21 April 2011**.

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