

Garment exporters want revision of rules for tax at source

STAR BUSINESS REPORT

Garment makers yesterday called upon the National Board of Revenue to collect 0.3 percent tax at source on 10 percent of their profits from exports, instead of overall profits.

The NBR now collects source tax at 0.3 percent on overall profit on apparel export by an individual company in a year, which was introduced in the current budget, scrapping the previous provision of 0.8 percent tax on 10 percent of profit.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, proposed the option at a pre-budget meeting with revenue officials at the NBR office in Dhaka.

Islam said, although the NBR reduced the source tax to 0.3 percent from 0.8 percent, the revenue office has started collecting the tax on overall profit, which is a major deviation from what they had actually demanded.

"We also want removal of value added tax on the local purchase of raw materials, as

the option to impose such taxes is not allowed in the current law," Islam added.

He also proposed removing all taxes on the import of materials to construct pre-fabricated factory buildings at the 'garment village' and fireproof colour coating.

Rafez Alam Chowdhury, president of Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association, proposed authorising the association to issue certificates of 'utilisation permission', which is a statement of required materials to manufacture export goods.

"We need to build a long-term partnership between the tax office and garment exporters so that we can remove all barriers in business through discussion," said Farid Uddin, a member of the NBR, while chairing the meeting.

Aslam Sunny, acting president of Bangladesh Knitwear Manufacturers and Exporters Association, and Abdus Salam Murshedy, a former BGMEA president, also spoke.

Panic sales pull stocks down

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission will sit with the Dhaka bourse today to discuss the current market situation and the developments in the capital market.

DSEX, the benchmark index of the Dhaka Stock Exchange, declined 19.28 points or 0.46 percent, before finishing the day at 4,099.2 points.

"As the investors remained pessimistic

about a stable political calm in the coming days, they continued liquidating their holdings in adverse prices," said IDLC Investments.

The merchant bank also said corporate declarations by some of the listed companies played a vital role in the price movements.

LankaBangla Securities said the market continued to struggle below the 4,150 points level amid panic sales throughout the day.

Outlook stable, Moody's says

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On economic strength, the country was assessed as moderate (-), on institutional strength as very low (+), on fiscal strength as low (-) and on susceptibility to event risk as moderate.

Growth expanded by 6.1 percent last fiscal year, and is expected to rise at a similar pace this year. At these levels, GDP growth is significantly above the 3.5 percent median for peers in the B-rating category.

However, potential growth is constrained by infrastructure deficiencies, Moody's said, adding that volatile political situation remains a looming risk to Bangladesh's robust economic performance.

Bangladesh saw its longest ever political blockade, associated with strikes, in its history in the last few months, which turned deadly as more than 100 people

were killed in largely horrific petrol bomb attacks and the economy lost 1 percent of GDP.

Although fiscal deficits are manageable, public finances are constrained by weak revenue collections. The government has recently embarked on wide-ranging revenue reforms based on automated systems.

Moody's said such reforms, if successful, would result in a considerable widening of the tax base.

Following two consecutive years of surpluses, the current account slipped into the negative territory this fiscal year due to a widening trade deficit. However, the country's financing needs are modest and easily met through low-cost, concessional external borrowing, while foreign reserves are buoyant and near a record high.

Property tax on the way: Muhith

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The National Board of Revenue received Tk 208 crore in surcharge on wealth in fiscal 2013-14 from 10,152 individuals who have a net wealth of more than Tk 2 crore each. The collection was Tk 101 crore in the previous year, according to NBR.

But taxmen and analysts said the number of wealthy people will be far more if the government calculates the value of lands and apartments on the basis of the market prices. "A surcharge is on for the last few years, but the time has come to rethink it," said Muhith.

Muhith also discussed probable allocation and his government's priorities in the upcoming budget to be placed in June, focusing on the economic situation and GDP growth prospects, land scarcity for investors, new VAT law, corporate tax and public-private partnerships.

The finance minister said the power and transportation sectors will continue to get the highest allocation. "This time, areas of human development will get special attention."

He said internal resource mobilisation has improved significantly in recent years. Internal resource mobilisation was up only 3 percent of GDP between 1983 and 2008, but it rose close to 3 percent in the last six years. The government is going to set a Tk 1.76 lakh crore revenue target for the next fiscal year.

The minister hoped the budget size of Bangladesh would double to Tk 500,000 crore in 2018 from this year's Tk 244,000 crore.

In response to queries on the scarcity of lands for investors, Muhith said the government is trying to address the issue.

He reiterated that the VAT law will be implemented from July 2016.

Finance Secretary Mahub Ahmed said the government would attach importance to human resource development in the budget.

Nojibur Rahman, chairman of NBR, believed that it is possible to achieve the revenue target of Tk 176,000 crore. On reducing the corporate tax rate (42.5 percent), he said talks are on but policymakers will take the final decision.

Cost of shipping to India set to drop

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It is then shipped to any port in India or Bangladesh, Mehdi said.

After the signing of the final agreement, any ship from India will be able to come directly to Dhaka and anchor in an inland port.

For instance, to import a tonne of rice from Kolkata it now costs \$90, but after the signing of the agreement it will come down to \$35, said SK Mahfuz Hamid, managing director of Gulf Orient Seaways, who also attended the meeting in New Delhi.

Once the deal is live, Bangladeshi ships will be able to carry goods to India, he said. Goods are now carried by foreign ships.

For coastal shipping, a draft standard operating procedure has already been prepared, which will be finalised in the next two months through negotiations between the two countries, said a shipping ministry official.

Meanwhile, Khan said the two sides agreed on several other matters for

increasing trade and commerce through river routes -- including extension of Protocol on Inland Water Transit and Trade (PIWTT) -- at the meeting in the Indian capital.

The shipping secretary said the tenure of PIWTT has been extended to five years from the existing three.

The river protocol was signed under the India-Bangladesh Trade Agreement, and since the tenure of the trade agreement was extended to five years, so was the protocol tenure.

Bangladesh also proposed for allowing plying of passenger vessels in the river protocol, according to minutes from the meeting.

Mehdi said if it is agreed then Bangladeshi passengers will be able to travel to India through river routes at a low cost.

"It is not possible under the existing river protocol," he said, adding that the country would send in a separate draft agreement for that end.

Forex reserves hit record high at \$24b

FROM PAGE B1

Currently Bangladesh ranks second in South Asia in forex reserves, right behind India, which has \$339.99 billion.

Healthy reserves allow a country to get

higher credit rating and help its private sector get loans from foreign sources at low interest rates.

The current reserves will help keep the local currency stable against the dollar, the central bank official said.

Pran supports Nepal quake victims

STAR BUSINESS DESK

Pran stood beside the earthquake victims of neighbouring Nepal by giving food products, Pran said in a statement yesterday.

Eleash Mridha, director of Pran, handed over the food items such as 3,000 cartons of biscuits and fruit drinks as part of its corporate social responsibility to Hari Kumar Shrestha, ambassador of Nepal to Bangladesh, at a programme held at the Nepal Embassy in Dhaka, it said.

Sushil K Lamsal, deputy chief of mission at the Nepal Embassy, and Arifur Rahman, head of export marketing of Pran, were also present.

Bangladesh Lamps Limited					
Sadar Road, Mohakhali Dhaka - 1206					
STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 MARCH 2015					
	As at 31 March 2015	As at 31 March 2014			
Assets					
Property, plant and equipment	128,081,002	133,788,230			
Capital work in progress	772,204	487,500			
Intangible assets	494,543	600,958			
Investments					
At cost	55,346,573	55,346,573			
Fair value adjustment	(28,343,681)	(30,756,187)			
	25,002,892	24,590,386			
Loans and deposits	4,395,004	4,294,242			
Total non-current assets	407,434,066	425,274,299			
Inventories	185,093,613	188,302,789			
Trade and other debtors	250,624,376	253,587,686			
Advance, deposits and prepayments	18,786,567	7,864,882			
Advance income tax	15,008,330	140,615,412			
Cash and cash equivalents	39,685,937	59,806,653			
Total current assets	653,114,243	709,147,422			
Total assets	1,060,548,309	1,134,421,721			
Equity					
Share capital	93,706,000	93,706,000			
Reserves and surplus	438,173,058	520,112,057			
Total equity	531,879,058	613,818,057			
Liabilities					
Long term loan	2,626,909	7,789,803			
Deferred liability - gratuity payable	48,953,337	45,217,818			
Deferred tax liability	4,022,824	5,125,756			
Total non-current liabilities	55,603,070	58,133,377			
Current portion of long term loan	20,651,574	20,651,574			
Short term finance	170,946,243	253,588,940			
Trade and other creditors	134,524,562	140,827,696			
Accrued expenses	10,533,055	10,788,518			
Other liabilities	9,777,298	9,678,311			
Provision for tax	115,729,293	110,061,763			
Provision for royalty	22,862,226	19,967,136			
Total current liabilities and provisions	497,064,321	574,475,248			
Total liabilities	552,667,291	628,613,545			
Total equity and liabilities	1,084,546,349	1,242,431,600			
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 1ST QUARTER ENDED 31 MARCH 2015					
	1 January to 31 March 2015	1 January to 31 March 2014			
Sales (net of VAT and SD)	341,721,209	293,404,991			
Cost of goods sold	(280,794,224)	(250,801,915)			
Gross profit	60,927,011	42,603,076			
Other income	2,189,109	3,113,632			
Operating expenses	(71,255,209)	(57,800,292)			
Profit from operation	11,880,911	5,916,412			
Finance expense	(3,366,949)	(6,566,311)			
Finance income	3,105,453	3,493,522			
Net finance expense	(261,496)	(3,072,789)			
Profit before contribution to WPPF	11,619,415	2,843,623			
Contribution to WPPF	(553,310)	(135,368)			
Profit before income tax	11,066,105	2,708,255			
Income tax:					
Current tax	(4,687,530)	(1,274,407)			
Deferred tax	1,104,842	763,140			
Net profit for the period	7,483,517	2,197,088			
Other comprehensive income/(loss):					
Changes in fair value of available-for-sale financial assets	(92,412,505)	(29,375,505)			
Total comprehensive income/(loss)	(84,928,988)	(27,178,417)			
Earning per share (per value Tk. 10 each)	0.80	0.23			
STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1ST QUARTER ENDED 31 MARCH 2015					
	1 January to 31 March 2015	1 January to 31 March 2014			
Cash flows from operating activities:					
Collection from customers	329,000,029	309,245,516			
Collection from other income	2,195,109	3,113,632			
	331,195,138	312,359,148			
Payment to suppliers	(181,467,677)	(186,712,691)			
Payment to employees	(28,707,240)	(28,413,317)			
Income tax payments	(3,387,938)	(2,108,681)			
VAT & Supplementary duty payments	(32,170,799)	(46,802,361)			
Other payments for expenses & services	(12,441,029)	(18,871,353)			
	(268,173,783)	(283,908,403)			
Net cash flows from operating activities	63,021,355	28,450,745			
Cash flows from investing activities:					
Payment for acquisition of property, plant and equipment	(327,794)	(8,100)			
Net cash used in investing activities	(327,794)	(8,100)			
Cash flows from financing activities:					
Dividend paid	(10,270)	(20,951)			
Repayment of long term loan	(5,162,894)	(5,162,894)			
Net cash used in financing activities	(5,173,164)	(5,183,845)			
Net changes in cash and cash equivalents	57,520,397	18,258,799			
Opening cash and cash equivalents	(59,783,287)	(47,765,470)			
Closing cash and cash equivalents	(2,262,890)	(29,506,671)			
Closing cash & cash equivalents represent the following:					
Cash & cash equivalents	39,685,937	10,766,071			
Short term finance	(172,946,243)	(175,210,751)			
	(133,260,306)	(164,444,680)			
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1ST QUARTER ENDED 31 MARCH 2015					
	Share Capital	General Reserve	Fair Value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2015	93,706,000	2,305,167	171,299,487	330,756,187	698,066,841
Net profit after tax for the 1st quarter 2015				7,483,517	7,483,517
Other comprehensive income/(loss)			(92,412,505)		(92,412,505)
Balance as at 31 March 2015	93,706,000	2,305,167	171,299,487	338,239,704	698,066,841
Balance as at 1 January 2014	93,706,000	2,305,167	170,154,699	305,912,632	672,077,908
Net profit after tax for the 1st quarter 2014				2,197,088	2,197,088
Other comprehensive income/(loss)			(29,375,505)		(29,375,505)
Balance as at 31 March 2014	93,706,000	2,305,167	170,154,699	308,107,215	672,077,908

Advanced Chemical Industries Limited

ACI Centre, 245 Tejgaon Industrial Area, Dhaka - 1208

Price Sensitive Information

This is for kind information of all concerned that the Board of Directors of the Company in its meeting held on Wednesday, 29 April 2015 at 2:35 p.m., has taken the following price sensitive decisions:

- 1 Recommended Dividend : a) **Cash dividend: @ 100%**
b) **Stock dividend: @ 15%**

	2014	2013
	Taka	Taka
2 Net profit (in million)	950.71	764.19
3 Basic EPS	27.65	22.27
4 Diluted EPS	27.47	22.18
5 Net profit-Consolidated (in million)	573.45	203.68
6 Basic EPS-Consolidated	16.68	5.94
7 Diluted EPS-Consolidated	16.58	5.94
8 Net Assets Value (NAV) per share	192.09	197.23
9 Net Assets Value (NAV)-Consolidated	124.27	141.36
10 Net Operating Cash Flows Per Share (NOCFPS)	30.99	16.08
11 NOCFPS-Consolidated	1.42	(4.51)

12 Date & Time of 42nd AGM : Thursday, 11 June 2015 at 10:30 a.m.

13 Venue of 42nd AGM : Officers Club, 26 Baily Road, Dhaka.

14 Record Date : Wednesday, 13 May 2015 (The shareholders, whose names would appear as shareholders in the Register of Members on the Record Date, shall be entitled to receive the Dividend, if approved as above).

Note: The Shareholders bearing BO Account are requested to update their respective account with 12 digit e-TIN and any other changes in the particulars through their Depository Participant (DP), and the Shareholders bearing Folio Numbers are requested to submit their e-TIN certificate to the Share Department of the Company latest by 10th May 2015; failing of which Income Tax will be deducted at source @ 15% instead of 10% from cash dividend as per amended IT ordinance 1984 u/s 54.

By Order of the Board

Sheema Abed Rahman
Company Secretary

Dated : 29 April 2015

Advanced Chemical Industries Limited

ACI Centre, 245 Tejgaon Industrial Area, Dhaka - 1208

Price Sensitive Information

The Board of Directors of the Company in its meeting held on Wednesday, 29 April 2015 at 2:35 p.m. has approved the un-audited Financial Statements for the 1st quarter ended 31 March 2015. The summarized financial information is as follows:

	1st Qtr ended 31 Mar 15	1st Qtr ended 31 Mar 14
	Taka	Taka
Revenue (in thousands)	3,186,441	2,932,854
Consolidated revenue (in thousands)	6,875,206	5,924,664
Gross profit (in thousands)	1,363,617	1,215,166
Consolidated gross profit (in thousands)	2,152,526	1,886,333
Profit after tax (in thousands)	200,140	186,659
Consolidated profit after tax (in thousands)	78,820	45,274
Earnings per share	5.78	5.43
Earnings per share-consolidated	2.28	1.32

	As of 31 Mar 15	As of 31 Dec 14
Financial performance		
Net operating cash flow per share	1.07	13.29
Net operating cash flow per share-consolidated	(2.66)	9.69
Financial		