

এসআইবিএল রিটেইল ব্যাংকিং
 জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স
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 যে কোন প্রয়োজনে ০৯৬৬২০০৯২২



Star BUSINESS

DHAKA THURSDAY FEBRUARY 11, 2016

Regulator warns GP on audit delay

MUHAMMAD ZAHIDUL ISLAM

The audit firm appointed by the telecom regulator to look into Grameenphone's accounts and network usage has complained that the operator is not cooperating.

Bangladesh Telecommunication Regulatory Commission has warned Grameenphone and criticised it for not cooperating with the auditor.

The BTRC's warning came after a complaint from the auditor, Toha Khan Zaman & Co, which was scheduled to start work four months ago. The auditor alleged that Grameenphone is trying to delay the process.

In a statement, Grameenphone said: "We are not against the audit. However, we have requested the BTRC to give us clarity on the status of a previous audit outcome."

In 2011, the BTRC first moved to audit Grameenphone, claiming Tk 3,034 crore from the company in evaded tax and revenue sharing. The issue is still pending with the High Court after the telecom company challenged the appointment of the previous auditor.

In a letter to Grameenphone yesterday, the BTRC said: "GP should not try, by raising some irrelevant issues in a ludicrous manner, to hinder the lawful activities of BTRC."

"It is expected that upon completion of the new audit, the issues raised by GP regarding the previous audit will be resolved."

Grameenphone said it received the regulator's warning letter and was still analysing it.

The letter also reads that if Grameenphone does not cooperate, it will amount to a violation of Telecom Act 2001 and the terms laid out in its licence.

"We are running out of time and by the look of it, we don't think we can complete the audit in time," said a senior official of Toha Khan Zaman & Co, a chartered accounting firm. "We have not been even able to enter the Grameenphone premises."

The BTRC signed the auditing deal with Toha Khan Zaman & Co on October 6 last year. According to the deal, the auditor was supposed to start work within 14 days of signing the deal and complete it within 180 days.

Now, Toha Khan Zaman has only two months to complete the audit.

"We have already found several anomalies in the documents we received from the regulator. We cannot discuss it with the media as we have a contractual binding with BTRC," the official told The Daily Star yesterday.

The issue was raised at a meeting of the commission, and it is not happy with the operator's role, said Shahjahan Mahmood, chairman of BTRC.

Grameenphone said some pending issues should be settled before the start of the audit. "We need to know what will happen to the government demand in the previous audit," said Mahmud Hossain, chief corporate affairs officer of Grameenphone.

In a letter to the regulator on October 20 last year, Grameenphone raised questions on how the BTRC could open a new audit when the previous issue was still pending with the High Court.

Joint business council with EU soon

STAR BUSINESS REPORT

Bangladesh and the European Union will form a joint business council soon to boost trade between the two partners, Commerce Minister Tofail Ahmed said yesterday.

"We will form the joint business council very soon. The Netherlands will hold a seminar on EU-Bangladesh very soon in Dhaka," Ahmed told reporters after a meeting with a high-powered parliamentary delegation of the EU, at his secretariat office in Dhaka.

Representatives from the private sector will be incorporated in the Bangladesh-EU council to take business ties between the two partners to a new height.

The minister briefed the delegation on the progress made by Bangladesh for safer working environment at the factory level under the Sustainability Compact.

After the Rana Plaza building collapse, Bangladesh signed the International Labour Organisation-brokered Sustainability Compact with the EU in 2013, committing to responsible business behaviour. Later, the US and Canada joined the deal.

So far, two follow-up meetings of the Sustainability Compact were held to review the progresses of workplace safety and labour rights.

Bangladesh has fulfilled almost all the conditions put in the Compact and the EU delegation is also satisfied with the progresses, according to Ahmed.

The three agencies -- Accord, Alliance and the National Action Plan -- have completed inspections of 3,800 factories for deficiencies in structural, electrical and fire safety, Ahmed said.

Of the total, 1,356 were inspected by the Accord, a platform of 200 European retailers; 829 by the Alliance, another inspection agency of 27 North American retailers; and 1,549 by the NAP, an initiative of the ILO and the government.

During the inspection, only 37 factories were closed down and 40 partially, after structural flaws were found in them.

"More than 98 percent of the factories are safe," Ahmed said.

Titas Gas share price battered by cuts in distribution charges

SARWAR A CHOWDHURY

Titas Gas Transmission and Distribution Company lost more than Tk 3,000 crore in market value over the last five months after a recent change in distribution charges.

On August 30 last year, the market value, or market capitalisation, of Titas Gas stood at Tk 7,518 crore. It came down to Tk 4,411 crore on February 3 this year, according to data from Dhaka Stock Exchange.

Similarly, the share price of Titas Gas, which never fell below Tk 60 in the last two years, came down to Tk 42 last week. The current market price is far below the net asset value of Tk 58.75 per share, meaning the company's share is underpriced.

The distribution charges were reset following the new tariff structure for gas consumption set by Bangladesh Energy Regulatory Commission (BERC) in August last year. The new margin became effective from September last year.

Although a major price sensitive information, it was not disclosed at the time. The information was revealed one and a half months later, on November 11, when it published the first quarterly earnings.

Due to the re-fixing of distribution margin, its net profit dropped 33.72 percent year-on-year. Earnings per share (EPS) also came down to Tk 1.57 from Tk 2.37, Titas Gas said in a posting on the DSE website.

A day later, in another posting on the DSE website, Titas Gas said the management has decided to appeal against the order of the BERC to re-fix the distribution margin.

The distribution charge for per cubic

metre of gas in the commercial category has been slashed 85.88 percent, in industrial and tea garden category 74.35 percent, captive power 73.77 percent, domestic 66.21 percent and CNG 0.64 percent.

The charges in the power and fertiliser categories, however, were raised 17.78 percent and 70.97 percent respectively.

But some stockbrokers, who were present during the public hearings of the BERC on the issue, speculated that the decision would cast a negative impact on the earnings of Titas Gas, and reacted smartly, according to market insiders.

The stockbrokers, especially those who provide brokerage services to overseas investors, sold off a bulk amount of shares from the foreigners' portfolio, the insiders said.

The huge sell-off pressure pulled down the stock price of Titas Gas from Tk 76 in August to below Tk 50 in November.

Due to the revision of the distribution fees, net profit of Titas Gas declined 55.5 percent year-on-year to Tk 187.06 crore during the first half of the fiscal year, although its revenue increased 38.55 percent year-on-year to Tk 5,179 crore during the period.



Revenue rises 13.35pc in July-January

STAR BUSINESS REPORT

Revenue collection rose 13.35 percent year-on-year to Tk 79,165 crore in the first seven months of fiscal 2015-16, according to the provisional data of the National Board of Revenue.

The collection target for this fiscal year is Tk 176,370 crore, which is 29 percent higher than last fiscal year's actual collection.

In July-January, 45 percent of the total revenue target has been met.

An NBR official said revenue collection was less than the target at the beginning, as there is a link between revenue and the government's implementation of budget.

The implementation of the annual development programme remains slow at the start of the year.

At the import and export level, collection growth was 17.40 percent, and at the local level, growth in VAT collection was 13.28 percent.

Raising private investment a major challenge: MCCI

STAR BUSINESS REPORT

Accelerating private sector investment is a major challenge for Bangladesh to achieve the 7 percent economic growth target in the current fiscal year, a leading chamber said.

MCCI PROJECTION FOR Q3

Month	Jan	Feb	Mar
EXPORT	3.47	4.46	3.66
IMPORT	21.22	28.25	4.65
FOREX RESERVE	4.46	4.94	3.95

The chamber, however, found the overall economic situation positive as shown by steady improvements in major economic indicators. "Although the progress made is below potential, the country experienced stable growth, inflation was under control, the exchange rate remained stable, and foreign exchange reserves rose and remained at a comfortable level."

The agriculture sector performed well, but continuous government support with inputs and finance will be needed to sustain the sector's growth. "Infrastructure deficits and gas and power supply problems were undermining the performance of the manufacturing as well as the agriculture sector."

The government will, therefore, need to adopt suitable measures to remove these bottlenecks to support the growth of these two important sectors, said the chamber.

The services sector is doing well but it will also need government support in respective areas. Most importantly, political harmony should be maintained to achieve the government's growth and inflation targets, MCCI said.

country's development. "Investors are yet to get back confidence. The prospective foreign investors have adopted a 'go-slow' strategy in making fresh investments since 2013," it said.

Investors think major impediments to new investment include poor infrastructure, a shortage of power and energy, a lack of consistency in policy matters, weak regulatory framework, a scarcity of industrial lands, and political uncertainty.

"The government needs to address these impediments to attract more FDI in line with its target of graduating to a middle-income country by 2021," the MCCI said.

Political stability also remains a hurdle to maintaining macroeconomic stability that is vital to achieving higher growth, said Metropolitan Chamber of Commerce and Industry in its quarterly economic review released yesterday.

"Presently, the investment rate is much below the target of 35 percent of GDP that is required for achieving the 7 percent growth," the chamber said in its review for October-December.

MCCI said the business climate must be improved substantially, as local and foreign investors usually consider three things before going for investment in any country -- political stability, easy availability of reasonably priced utilities and infrastructure, and easy access to bank loans at low interest rates.

The net foreign direct investment in July-November this fiscal year increased 6.88 percent to \$730 million from \$683 million in the same period in the previous fiscal year, said the chamber.

The investment is not enough for the

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- Environmental Sustainability
- Food Safety
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