

# India's Tata sues ex-chief for alleged breach of confidentiality

AFP, Mumbai

Indian salt-to-steel conglomerate Tata upped the ante in their bitter dispute with ousted former chairman Cyrus Mistry on Tuesday, saying they were suing him for breach of confidentiality.

Tata Sons, the holding company of India's sprawling \$103 billion Tata Group, accused Mistry in a legal notice sent to his lawyers of causing "irreparable harm and damage" to the company by making public sensitive documents, the Press Trust of India (PTI) reported.

In the latest twist in an increasingly acrimonious battle between Mistry and India's most famous family conglomerate, Tata said its ex-chief had acted recklessly in providing financial information and minutes from board meetings to a companies dispute hearing last week.

"By passing on confidential and sensitive information accessed by you in your capacity as a director of Tata Sons to companies owned and controlled by your family... you have acted in complete violation of your confidentiality undertaking to Tata Sons, your fiduciary duties towards Tata Sons and your obligations under the Tata Code of Conduct," read the legal notice, according to PTI.

"Such reckless failure on your part... has caused irreparable harm and damage to Tata Sons and Tata Group," it added.

Tata said they intended to pursue all means available under law with regard to

the alleged breach of confidentiality, according to PTI and other reports. Neither Tata Sons nor Mistry were immediately available for comment.

Mistry was sacked as chairman of Tata Sons in October. His dismissal shocked India's business community and saw family patriarch Ratan Tata take interim charge of the sprawling conglomerate that he led for more than two decades.

Tata, who made way for Mistry in 2012, was said to be unhappy with the direction his successor was taking. India's most famous family conglomerate but the latter claims he was illegally dismissed and accused the group of corporate malpractice at last week's National Company Law Tribunal (NCLT) hearing in Mumbai.

Tata and Mistry, pillars of India's proud but dwindling Parsi community, have been engaged in an undignified public battle since the ouster, releasing accusations and counter-accusations against each other almost daily, plunging the world-renowned group into turmoil.

The 150-year-old conglomerate, which was founded under British colonial rule has long been a source of pride for India but the Tata-Mistry feud is threatening its reputation and has wiped around \$9 billion from the collective stock market value of the group's eight main companies.

Tata owns Britain's Tetley Tea and Jaguar Land Rover, and the Anglo-Dutch steel firm Corus. It operates in more than 100 countries.



Analysts attend a programme to present the findings of the Bangladesh Tax Landscape Study, at The Daily Star Centre in Dhaka yesterday. Story on B1

## PepsiCo awards Transcom Beverages as bottler of the year

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Asrar Alam was also awarded the "President Ring of Honour", the most prestigious award for any individual, while Anisur Rahman was awarded as "Pepsi Game Changer".

Sohel Rana, territory development manager, won the "Region Ring of Honour" award and Rezaul Karim, customer executive, was awarded as "CE of the Year" for their outstanding performance in 2016.

Transcom Beverages had won the title of "International Bottler of the Year" in 2009, the most prestigious award from

PepsiCo.

The most popular brand 7up has been awarded as the "Best Beverage Brand" for the last seven years in a row by Bangladesh Brand Forum, along with the award for the best plant in the entire region.

Transcom Beverages is the sole franchisee of PepsiCo in Bangladesh for bottling, distributing and marketing of world renowned CSD (carbonated soft drinks) brands like Pepsi, 7up, Mirinda, Mountain Dew, Slice, Diet Pepsi, 7up Lite and international drinking water brand Aquafina in Bangladesh.



Azharul Islam, chairman of Uttara Bank Ltd, inaugurates the 229th branch of the bank in Sarojganj, Chuadanga recently. Tofazzal Hossain, a director, and Mohammed Rabiu Hossain, managing director and CEO, were also present.



Mustafa Anwar, chairman of Islami Bank Bangladesh Ltd, inaugurates the 318th branch of the bank in Tungipara of Gopalganj yesterday. Mohammad Abdul Mannan, managing director and CEO of the bank, directors and other senior officials were also present.

## Stop illicit capital flight: analysts

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Citing a CPD study, he said half of the potential taxpayers pay taxes. "Tax evasion also exists in corporate tax."

Referring to illicit capital flight out of the country, he said huge amounts of funds are transferred from Bangladesh through trade mispricing by local businesses.

Multinational companies should not be seen as the only source of fund outflow through transfer mispricing.

Khan suggested imposition of property tax to ensure equity in the society.

On the government's plan to implement the new VAT law in July next year, he said common people should be made aware and be engaged to ensure smooth implementation of the law.

Bangladesh's per capita debt is \$378 and the debt burden would be low if it could curb illegal capital flight, said Rezaul Karim Chowdhury, executive director of Coastal Association for Transformation Trust, referring to the illicit capital flight figure between 2004 and 2013.

Many Bangladeshis have accounts in Swiss banks, while names of some Bangladeshis came in the recently leaked Panama papers. Subsequently, he called for investigation by the authorities.

"It will be an injustice if we cannot prevent illicit capital flow out of the country," Chowdhury added.

Amit Kumar Das, second secretary of income tax of the National Board of Revenue, said the tax authority is focused on increasing tax compliance, citing the simplification of the tax return form as one of the measures to boost collections.

Subsequently, the number of tax return submission would rise to over 15 lakh by the end of fiscal 2016-17, he added.

"People want to pay tax. An enabling environment is necessary for this," said Ferdous Ara Begum, chief executive of Business Initiative Leading Development.

When the value-added tax system was introduced, it was told that the rate will decline automatically in line with expansion of VAT net.

Subsequently, she demanded cuts in the VAT rate.

## 1,600 garment workers in Ashulia sacked over unrest

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The companies posted the lists of the terminated workers with their photographs at the gates of their respective units.

Wishing not to be named, a security guard at Shad Fashion Ltd said some workers went back from the factory gate as their names were on the list.

The factory owners have filed five cases against the unruly workers, Nur Nabi, assistant superintendent of industrial police, told AFP.

Babul Akhter, head of the Bangladesh Garment and Industrial Workers Federation, accused the authorities of using a controversial military-era law to shut down the union on November 25.

Leaflets demanding the hike were also distributed in Ashulia, a hub of more than 350 of the most compliant garment factories in the country.

Initially, the unrest was confined to a few units but then it spread as workers of other garment factories went on strike as well.

As the situation snowballed into unrest, 60 factory owners suspended operations on December 11.

However, all of the units resumed their operations on Monday following a directive from the prime minister.

Owners of a number of factories yesterday said about 90 percent of their workers have re-joined.

Meanwhile, the core crisis management committee in the garment sector yesterday decided to take stern legal action against the instigators of the unrest.

The decision was taken at the committee's emergency meeting held at the labour and employment ministry with State Minister for Labour Mujibul Haque in the chair.

unrest were suspended, he added.

The problem began when leaders of the Garment Sramik Front, a union, demanded a minimum wage of Tk 16,000 a month from existing 5,300 at a regional conference of the union on November 25.

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"We will take stern action against those who instigated the workers in Ashulia and those who will be caught doing the same in future," the minister told The Daily Star by phone after the meeting.

"We are gathering information from different sources to know the identities of the instigators in the Ashulia labour unrest. We want to know the reasons why workers have gone for work abstention."

The minister also said if the workers want a salary hike they can demand it formally and not by work abstention or vandalising factories.

Meanwhile, a Dhaka court yesterday remanded Ekushey Television journalist Nazmul Huda for interrogation in police custody for two days after he was arrested on December 23 on charges of "inaccurate reporting" on the workers' protests.

Dhaka Chief Judicial Metropolitan Magistrate Md Mustafizur Rahman approved the remand after rejecting the journalist's bail plea. The investigation officer of the case sought a seven-day remand.

Earlier on Monday, a Dhaka court granted a three-day remand of 11 people, including Mini Akter Urmia, Savar upazila vice-chairman, and seven labour leaders.

## Banks plan to issue bonds to boost capital

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On the basis of the study, they also sent a roadmap to banks on how they would implement the framework.

In two quarters from January, the BB evaluated the banks' capital adequacy as per the Basel III standards.

Until December 31, 2015, the banks had to maintain their capital adequacy at 10 percent of their CRAR.

But from 2016 to 2019, the banks will have to maintain their capital at 0.625 percent in addition to 10 percent of their CRAR. Forty eight out of the 56 banks in Bangladesh could maintain their capital as per the new standards, according to a BB report.

CRAR is expected to increase gradually this year but statistics show in every quarter it has been decreasing due to some problematic banks.

Most of the private and foreign commercial banks succeeded in maintaining the new international standard for capital adequacy ratio, but the state banks' capital situation deteriorated in every quarter.

On September 30, the banks' average CRAR was 10.31 percent, which was 10.34 percent in June; three months earlier, it was 10.62 percent.

CRAR of the private banks was 11.83 percent in September, down slightly from 11.91 percent in the previous quarter. For state banks, it was 5.62 percent, down from 5.75 percent in the previous quarter.

The capital shortfall of six state owned commercial banks including BASIC and Sonali have been increasing every quarter. At the end of September, their capital shortfall stood at Tk 6,315 crore, which was Tk 6,070 crore three months earlier.

Sonali Bank's capital shortfall was Tk 2,274 crore, BASIC's Tk 2,424 crore, Rupali's Tk 1,368 crore, Janata's Tk 771 crore and Agrani's Tk 112 crore. However, Bangladesh Development Bank has a surplus of Tk 634 crore.



MA Rouf, chairman of Mutual Trust Bank, opens the 110th branch of the bank at Tetulia in Savar. Anis A Khan, managing director and CEO, and other senior officials were also present.

Habib Yousuf, regional general manager of Habib Bank in Bangladesh, and Tanjil Islam, chief operating officer of Thyrocare, a health care service provider, exchange documents after signing an agreement. HBL clients/debit cardholders will enjoy discounted rates at Thyrocare.



HBL and Thyrocare sign an agreement for discounted rates for HBL clients/debit cardholders.