

# star BUSINESS

## Regulator moves to end insurance fund misuse

SUKANTA HALDER

With evidence surfacing of a couple of insurance companies misusing funds of policyholders, the insurance regulator has directed them to refrain from borrowing from banks using life funds as collaterals.

The Insurance Development and Regulatory Authority (IDRA) found two life insurance companies, including Fareast Islami Life Insurance Company, to have allowed their directors and their associated enterprises to borrow from banks against fixed deposits created with premiums provided by policyholders.

In a circular issued this week, the regulator said some life insurance companies were helping individuals and firms get loans from banks and financial institutions enabling such use of fixed deposits or by becoming guarantors.

Insiders say such borrowers became defaulters and banks and financial institutions subsequently claimed the fixed deposits.

Life funds of policyholders were similarly being misused, creating scopes for funds to be claimed by banks or loan embezzlement, said the IDRA, asking insurance companies not to extend loans against such life funds.

A life fund is an amount of money that is paid to and invested by insurance companies for life

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## STOCK EXPOSURE Cost price to decide banks' limit: BB

STAR BUSINESS REPORT

Banks in Bangladesh have been allowed to calculate their stock market exposure limit on the basis of the purchasing price of the securities they own instead of their market value.

Stock market intermediaries have long demanded the Bangladesh Bank permit banks to compute their exposure on the basis of costs. On Tuesday, the finance ministry also recommended the central bank bring about changes to the rules.

Yesterday, the central bank, in a notice, said the purchasing price of shares of other companies, mutual funds, debentures and corporate bonds would be considered in calculating the highest exposure limit of banks.

As per the Banking Companies Act 1991, a bank's investment in the capital market is limited to 25 per cent of its capital, which includes paid-up capital, share premium, statutory reserve, and retained earnings.

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**TELETALK AT A GLANCE**

- State-run operator began journey in 2005
- It has the lowest number of subscribers now
- Number of current customers 67 lakh
- It holds only 3.7pc market share

**A DEFaulTER**

- Teletalk often defaults on paying govt fees
- It hasn't paid Tk 100cr of spectrum assignment fee
- BTRC wrote it a letter to pay the fee soon
- It didn't pay Tk 5cr fine for illegal VoIP
- It didn't pay Tk 1,585cr for 3G spectrum assignment fee
- It owes another Tk 40cr to government

## Teletalk's dues to govt pile up

MAHMUDUL HASAN

State-run mobile network operator Teletalk has yet again failed to pay fees to the Bangladesh Telecommunication Regulatory Commission (BTRC) for the spectrum it acquired in the latest auction.

The commission has recently written to the operator, seeking Tk 100.75 crore in spectrum assignment fees and value added tax. But it didn't make the payment, breaching the guidelines of the telecom regulator.

According to the instructions for Radio Frequency Auction 2022, some 10 per cent of the total amount of the payable spectrum assignment fee was supposed to be paid within 60 days from the notification date of the auction result.

Teletalk acquired the spectrum through the auction that took place on March 31 this year and was supposed to clear the 10 per cent of fee by June 30.

The commission requested Teletalk to pay the fees for the spectrum as soon as possible,

including a 15 per cent late fee.

"It's our job to notify whoever fails to pay the dues. In this case, we have told them to pay the fee, including the late fee," said Subrata Roy Maitra, vice-chairman of the BTRC.

This was not the first time

Banglalink paid Tk 2.8 crore.

The BTRC slapped the highest Tk 5 crore fine on Teletalk, but it hasn't paid the fine yet.

Teletalk owes Tk 1,631 crore to the government, Mustafa Jabbar, telecom minister, told parliament in June.

SERVICES

Teletalk often ranks the lowest among the operators in Bangladesh when it comes to delivering quality services, according to various reports of the BTRC and global independent agencies.

It has failed to ensure the standard call success rate and the call drop rate in the Dhaka division, excluding the two city corporations in the capital.

According to the result of a nationwide drive test of the BTRC last year, the average call success rate of Teletalk was 96.8 per cent and the call drop was 2.59 per cent.

However, the call success rate should be 97 per cent or more, while the call drop should be less than 2 per cent and the call setup time should be less than seven seconds, according to the policy of the BTRC.

The Mobile Network Experience Report published recently by Opensignal, an independent global standard for analysing consumer mobile experience, showed Banglalink, Grameenphone and Robi are joint winners of

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the state-run mobile phone operator has failed to clear bills. In fact, Teletalk's repeated failures to make payments against spectrum and other fines.

In June, the BTRC fined four mobile phone operators — Teletalk, Robi, Axiata, Grameenphone and Banglalink — Tk 7.65 crore in total for operating illegal VoIP (Voice Over Internet Protocol).

Robi, Grameenphone and

Of the sum, Tk 1,585 crore was for the 3G spectrum assignment fee that Teletalk acquired in 2012.

Speaking to The Daily Star, Md Shahab Uddin, managing director of Teletalk Bangladesh, said: "After getting the letter from the BTRC, we have sought money from the ministry. Once we get the money, we will pay it."

TELETALK FAILS TO ENSURE STANDARD



Both manufacturers and traders are suffering the consequences of repeated power outages throughout the day as it significantly hampers their ability to make or sell products. Here, shopkeepers are seen waiting in the dark for customers and this perhaps best sums up the current situation.

PHOTO: STAR

Prime Bank

## STOCKS MANIPULATION

## Hiru, relatives get away with slap on the wrist

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has slapped a far lighter punishment on controversial investor Abul Khayer Hiru compared to the gains he made from his manipulation, in a disturbing development that may set a bad example.

In violation of securities rules, Hiru and his associates had realised and unrealised gains of more than Tk 68 crore by manipulating the stocks of NRB Commercial Bank and Fortune Shoes. But they were fined only Tk 5.25 crore.

As per an investigation of the Dhaka Stock Exchange (DSE), Hiru and associates bought 4.47 crore shares and sold 2.6 crore shares of NRB Commercial Bank between May 5 to May 24 of 2021, according to a letter sent to the manipulators.

The letter detailed how the manipulation took place.

Kazi Sadia Hasan, wife of Hiru, Abul Kalam Matber, his father, Konika Afrose, his sister, DIT Co-Operative, his firm, and Kazi Farid Hasan, his brother-in-law, were among the manipulators.

Using 11 beneficiary owners (BO) accounts, the investor and his associates collectively traded more than 39.98 per cent of the total trade volume of shares and fetched capital gains of Tk 15.22 crore from the trading.

They also had a significant amount of unrealised gains of Tk 23.3 crore during the investigation period.

In violation of the securities rules, the account-holders carried out serial trading, sending the share price of the lender to Tk 33.80 from Tk 12.40, according to the DSE probe.

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## Offer new trading board for startups says ICT state minister

STAR BUSINESS REPORT

Startups have huge potential to grow, so the stock market should allow them to raise funds although they face some challenges in making profits at the primary stage, State Minister for Information and Communication Technology (ICT) Zunaid Ahmed Palak said yesterday.

Startups are doing well, so the stock market regulator should consider providing support to those in different ways, he said, adding that a separate trading board could be launched for startups.

The ICT Division would provide technological support worth \$7 million to \$10 million to the Bangladesh Securities and Exchange Commission (BSEC) to enable upgrades of international standard in the technology used by the stock market, he said.

Palak was addressing a conference on "Capital Market of Bangladesh: Prospects and Opportunities for Tech Startups and Growth Stage Companies" organised by Dhaka Stock Exchange (DSE) at its office.

Prof Shibli Rubayat Ul Islam, chairman of the BSEC, said he has told the BSEC and DSE to work on launching a new board so that they can raise funds from the stock market easily.

Startups initially face many challenges for which they can hardly log profits but they need a huge amount of funds in this stage. The new board will allow startups to raise funds even if they incur loss, he said.

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STOCKS	
DSEX	CSCX
0.19%	0.31%
6,312.25	18,540.93

  

COMMODITIES	
Gold	Oil
\$1,782.9 (per ounce)	\$89.45 (per barrel)

  

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.08% 58,298.80	▲ 0.69% 27,932.20	▲ 0.55% 3,269.86	▲ 0.80% 3,189.04