

## ACI to sell entire stake in Tetley

STAR BUSINESS REPORT

ACI Ltd yesterday said it agreed to sell its stakes in Tetley ACI Bangladesh Ltd (TABL) at Tk 10.61 crore to its joint venture partner Tata Consumer Products (TCP).

ACI and TCP Overseas Holdings Limited signed a 50:50 joint venture agreement in 2002 to establish TABL.

TCP offered to buy the entire shareholding of ACI – 3,250,000 shares – at TABL at over Tk 32 each.

Tata Consumer Products offered to buy ACI's shares in the tea firm as part of its long-term business plan, said ACI in a filing on the Dhaka Stock Exchange (DSE).

Tata seeks to take over the full ownership of TABL at a time when rising domestic consumption is buoying the tea market of Bangladesh.

**In Bangladesh, branded tea dominates the market with a 75 per cent share, while the rest goes to non-branded producers**

About 92 million kilogrammes of tea were sold in 2021, up 8.25 per cent from a year ago. The consumption was close to the pre-pandemic level of 95.20 million kgs.

ACI said both companies reached an amicable agreement, subject to finalising a draft settlement agreement and signing of the deal.

Under the agreement, ACI will sell its entire shareholding at Tk 10.61 crore. In addition, the company will receive variable earnings up to a maximum of Tk 3.38 crore.

Shares of ACI remained unchanged at Tk 260.2 on the DSE.

The filing said ACI and TCP, together with TCP's parent company Tata Consumer Products UK Group Ltd, intend to finalise and sign the agreement shortly and complete the transfer of shares and enter into the transitional services agreements as soon as possible.

TABL has been serving local consumers since 2003 through its blended tea brands Tata Tea and Tetley.

In Bangladesh, branded tea dominates the market with a 75 per cent share, while the rest goes to non-branded producers.



Workers are seen loading goods, mostly onions and rice imported from India, onto a truck at the Hili land port in Dinajpur. Cross-border trade through land ports in the country has halved in recent times as importers are finding it difficult to open letters of credit amid the ongoing dollar crisis.

PHOTO: KONGKON KARMAKER

# Dollar crisis cuts trade thru land ports in half

KONGKON KARMAKER

Cross-border trade through land ports in Bangladesh has halved over the past month as importers are facing severe difficulties in opening letters of credit (LCs) amid the country's US dollar shortage.

Importers say banks are issuing LCs for only a handful of consumables, such as rice and onion. As a result, shipments of other items, including animal feed and coal, have slowed considerably.

Imports through land ports in the country have dropped by almost 50 per cent on average due to the dollar crisis and unstable rates for the greenback in global markets.

Besides, rising international commodity prices resulting from ongoing inflationary pressure worldwide has exacerbated the situation by increasing the cost of purchases from abroad.

Traders had been facing difficulties in opening LCs from the end of October, but their troubles deepened halfway through the current month due to continued depreciation of the local currency.

"Most banks are rejecting our requests to open LCs citing that they do not have the authority," said Mostaq Ahmed, a trader of the Hili land port in Dinajpur.

Bangladesh Bank had tightened the rules regarding the opening of LCs for non-essential items earlier this year in a bid to ease the pressure of import payments on the economy.

However, Mostaq, who imports



edible goods, said he tried and failed to open LCs at several banks in Hakimpur upazila of Dinajpur and Panchbibi upazila in Joypurhat midway through November.

Traders at other land ports in the region, namely Sonahar in Kurigram, Banglabandha in Panchagarh, Burimari in Lalmonirhat, Biral in Dinajpur and Sonamasjid in Chapainawabganj, are enduring similar experiences.

Officials say the ports will mostly likely miss their revenue targets this year considering the decline in imports, which will also impact the earnings of a large number of people working at these facilities.

Sarkar Rakib Ahmed, president of the Clearing and Forwarding Agents Association of Sonahar, said the port is mainly used to import food items alongside stone, coal and limestone.

However, shipments have dropped by as much as 60

per cent due to difficulties in opening LCs. Also, there have been unusual delays in the release of LC payments even after importers paid their dues in full, he added.

Md Shaheed, an importer of Hili land port, said he could not import wheat and rice bran from India as banks declined to open an LC even though these items are essential for making animal feed.

He then informed that shipments of bran through the port have remained halted since October 20 as banks are opening LCs only for importing onion and rice, leading to a 70 per cent decline in his business.

During normal times, Hili land port is mainly used for importing rice, wheat, maize, mustard cakes, molasses, rock, ginger, garlic, onion and chilly, among other items.

Harun Ur Rashid, president of the Importers and Exporters Group at Hili land port, said

banks seem to have silently imposed a restriction on opening LCs for most goods due to the dollar crisis.

"If we need 10 LCs, banks are releasing just 2 of them," he added.

Rashid went on to say that trade through the port has fallen by some 30 per cent amid the current situation.

"Previously, around 300 trucks loaded with various goods would enter Bangladesh through the port each day but now, the number is around 200," he said, adding that banks hardly provide LCs for importing cattle and poultry feed items.

Port and customs authorities of Hili land port say that around 4.68 lakh tonnes of goods were imported between July and October in the current fiscal while it was around 6.64 lakh tonnes during the same period last year.

Kudrat-e-Khuda Milon, president of the Importers and Exporters Group of Banglabandha land port, said banks have almost completely stopped issuing fresh LCs.

"Only goods of previous LCs are being imported through the port at present," he added.

An official of a private bank in Joypurhat, on condition of anonymity, said Bangladesh Bank has imposed tougher restrictions on opening LCs as the dollar crisis is getting worse every day.

"Before opening any LCs, we send it to Dhaka for approval after starting the process here," he said, adding that it has become a lengthy process.

## How wealthy am I?

JASIM UDDIN RASEL

In the third step, Abdul Karim has provided information about the investment of Tk 200,000 to avail the tax rebate. But in assets and liabilities statements, he shall give total assets and liabilities as of 30 June 2022 from where he will discover how wealthy he is.

If a taxpayer has gross wealth exceeding Tk 40 lakh, or owns a motor car, or has investment in house property or apartment in the city corporation, he shall mandatorily include the assets and liabilities statement.

If the taxpayer does not meet any of the conditions, he may avoid this page. In that case, he shall only fill up the first page and the last page of the tax return form. So, it's easier and less time-consuming to prepare the tax return.

However, a taxpayer may include this statement voluntarily even though the above criteria are not met. But it will be wise to avoid it since this statement preparation is comparatively complex.

Karim has gross assets of more than Tk 40 lakh, so he will fill up this statement.

There are three different pieces of information to provide in this page: assets, liabilities and lifestyle expenses.

First, he writes the date June 30, 2022, in the headline of the statement and below the line, he has to write his name and insert the TIN.

He has both agricultural and non-agricultural assets. He is paying a monthly instalment to a land developer for a five-katha plot in Purbachal. The plot has not been registered yet but he paid Tk 35.50 lakh that he mentioned in serial 01 providing the address and the size of the plot.

In serial 02, he mentioned the agricultural land 10 katha that he inherited. As he has not bought it, he gave the description without citing any value.

He has DPS and insurance which he writes under serial 03. He has deposited Tk 7.50 lakh in DPS which he gets from the DPS statement collected from the bank. He has paid Tk 6.25 lakh in insurance premiums which he writes in other investments.



He does not own motor vehicles, so he left this item blank. His wife has about 15 bhoori gold which she received during the marriage. As the gold came from relatives, he only mentioned the quantity. No monetary value was given.

Karim has furniture and electronics items in his house and writes Tk 2.5 lakh and Tk 1.5 lakh, respectively, in serial 6 and 7.

He has collected the bank statement for the period of July 1, 2021, to June 30, 2022, to attach with this tax return form. He noticed that he has Tk 75,000 balance on June 30, 2022. In addition, on the day, he had about Tk 5,000 cash in hand. He writes both information in serial 8.

Since he has no other assets, he left blank the serial 9.

Now, he has added all the asset amounts and found that his total assets are worth Tk 54.05 lakh, well above the threshold of Tk 40 lakh that makes this statement mandatory for him.

He has a personal loan against his salary. Based on the loan statement, the balance was Tk 75,000 on June 30, 2022, which he writes in serial 10. There are no more liabilities. So, by deducting the total liabilities from the total assets, his net wealth comes to Tk 53.30 lakh. This is the wealth of Abdul Karim.

The author is lead consultant of Taxpert, an online tax training centre.

## Stocks close higher

STAR BUSINESS REPORT

All indexes of the Dhaka Stock Exchange (DSE) rose yesterday although most of the shares did not see any activity due to poor participation of investors amid the persisting economic uncertainty.

The DSEX, the benchmark index of the premier bourse in Bangladesh, gained 17 points, or 0.27 per cent, to close at 6,232.

Turnover, an important indicator of the market, inched up 4 per cent to Tk 339 crore from the previous session's Tk 323 crore.

The DS30, the blue-chip index, advanced 0.58 per cent to 2,202 while the DSES, the shariah-compliant index, added 0.73 per cent to 1,363.

Of the securities, only 47 advanced, 41 declined, and 216 did not show any price movement.

The market started positively but the risk-averse investors are following an "wait and see" approach as investors are uncertain about the future market movement, said International Leasing Securities Ltd in its daily market analysis.

On the day, the IT sector rose 2.8 per cent, the tannery sector was up 1.9 per cent, and the pharmaceuticals sector added 0.9 per cent.

The paper sector suffered the worst correction, falling 2.9 per cent. The life insurance sector gave up 0.6 per cent and the general insurance was down 0.4 per cent.

Aamra Networks secured the top spot on the gainers' list with a 9.97 per cent rise. Chartered Life Insurance Company advanced 9.92 per cent, while Apex Foods,

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Expecting good yields, Mahabub Hossain, a vegetable grower of Sonnasgasa village under Jashore's Keshabpur upazila, cultivated cauliflower about two-and-a-half months ago. Currently, cauliflower is being sold for Tk 50-60 per kilogramme at wholesale. The photo was taken from Sonnasgasa village on Saturday.

PHOTO: HABIBUR RAHMAN

## Associated Oxygen posts lower profit in Jul-Sep

STAR BUSINESS REPORT

Associated Oxygen Limited reported a 16.35 per cent year-on-year decline in profit to Tk 4.50 crore in the July-September quarter of 2022.

The producer and supplier of industrial and medical gases made a profit of Tk 5.38 crore in the identical quarter of 2021.

Thus, it posted earnings per share of Tk 0.41 in July-September against Tk 0.49 in the identical period of 2021, according to the unaudited financial statements.

The net operating cash flow per share slipped to Tk 0.71 in the first quarter of 2022-23 whereas it was Tk 0.83 a year earlier.

The net asset value per share stood at Tk 18.85 on September 30 and Tk 18.56 on June 30.

AOL is a producer and supplier of industrial and

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