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BUSINESS



BSEC makes more major moves

Fines manipulators Tk 134cr; launches special audit into three Beximco firms

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday decided to conduct a special audit into three major concerns of much-discussed Beximco Group and fined 21 individuals and firms Tk 134 crore for their involvement in the manipulation of shares of Bangladesh Finance and two concerns of Orion Group.

A penalty of Tk 70.57 crore was slapped on 11 persons and firms for manipulating share prices of Bangladesh Finance while six persons and three firms were fined Tk 63.61 crore for doing the same with shares of Orion, the capital market regulator said in a statement after a meeting chaired by BSEC Chairman Khandaker Rashid Maqsood yesterday.

The capital market regulator also said it would carry out special audits into the activities and audited accounts of three listed companies of Beximco Group – Bangladesh Export Import Company Ltd, BEXIMCO Pharmaceuticals Ltd, and Shinepukur Ceramics Limited.

“We will issue an order to hire an independent chartered accountancy firm to conduct a special audit into the activities and audited accounts of the firms. The auditor will work based on terms of reference and submit its report to the commission,” BSEC Spokesperson Mohammad Rezaul Karim said.

The commission will decide what steps to take based on the report, he added.


The latest moves come as part of a series of measures taken by the capital market regulator to curb manipulation and bring discipline to a market that large and institutional investors have lost confidence in.

Last week, the new commission, which assumed charge after the previous commission resigned following the ouster of Awami League on August 5 this year, fined Abul Khayer Hiru as well as his relatives and associates Tk 134 crore for manipulating stocks of Fortune Shoes, Delta Life Insurance, NRB Commercial Bank, and Sonali Paper & Board.


In early October, the BSEC imposed a fine of Tk 428 crore on five firms and four individuals for manipulating Beximco Ltd's stocks, an unprecedented penalty in the country's capital market.

In September, the BSEC formed an investigation committee to examine any irregularities in the issuance of two bonds related to Beximco and in the selection of Bashundhara Group's ABG as the strategic partner of the Chittagong Stock Exchange.


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STOCKS	
DSEX ▼	CASPI ▼
0.02%	0.21%
5,166.83	14,439.80

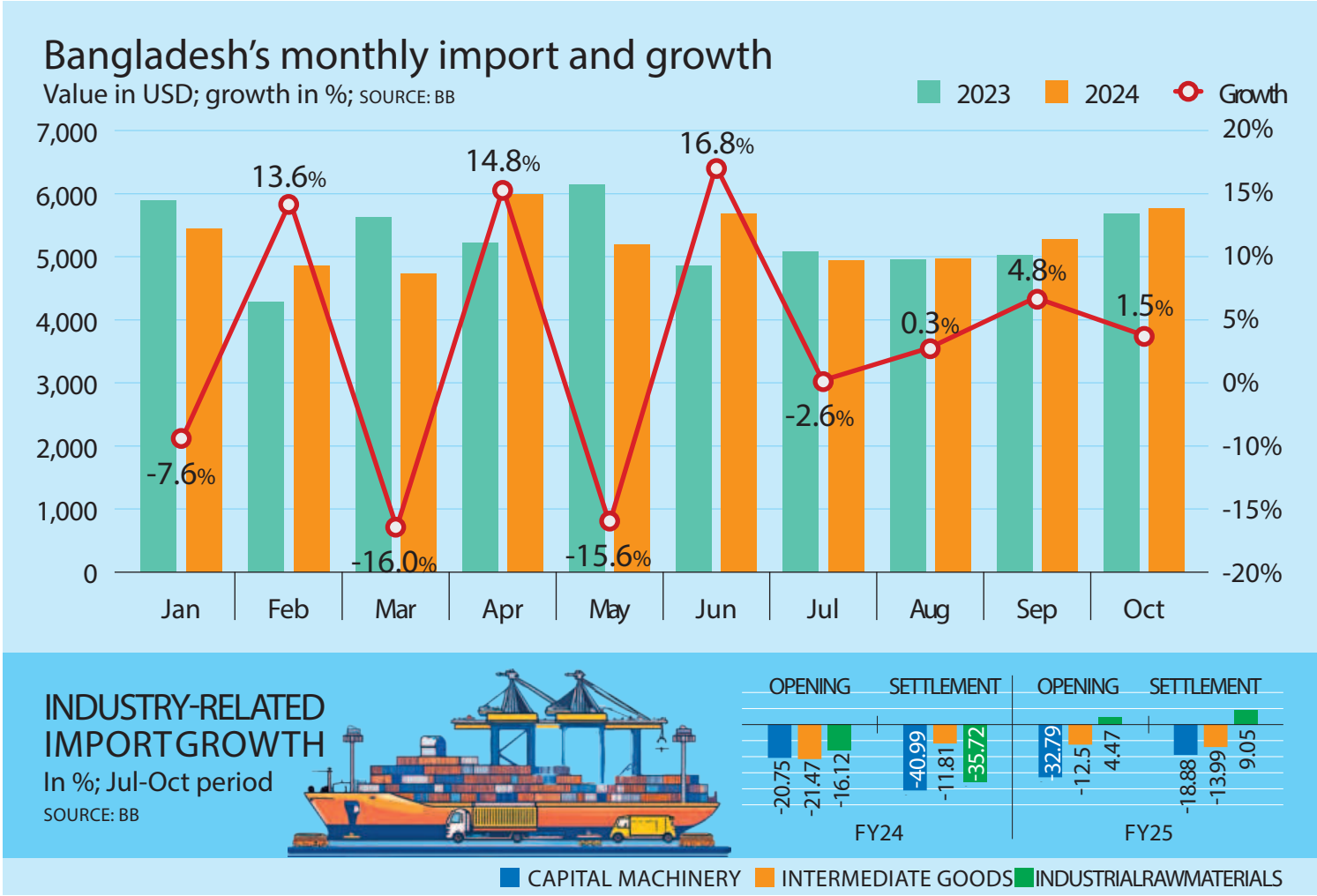


COMMODITIES	
Gold ▼	Oil ▲
\$2,663.41	\$68.23
(per ounce)	(per barrel)



ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.32%	▲ 0.53%	▲ 0.42%	▲ 0.59%
81,249.08	39,367.58	3,810.98	3,422.66

Signs of trend reversal as imports continue to rebound



REJAUL KARIN BYRON and JAGARAN CHAKMA

Despite capital machinery imports decreasing sharply, the resurgence in Bangladesh's overall imports continued for a third straight month in October due to increased production in industries, especially export-oriented sectors, signalling that there may be some light at the end of the tunnel.

The country's imports had dropped sharply for the past two fiscal years, declining 10.61 percent in FY24 and 15.76 percent in FY23.

However, there are some indicators that the trend may be reversing. Overall imports increased by 2.04 percent during the first four months of the current fiscal year. In the same period last fiscal year, it registered a 20.64 percent decline.

In October this year, imports increased by 3.11 percent whereas they fell by 10.40 percent in the same month last year.

Bangladesh began to see a surge in import costs after demand surged following the lifting of restrictions imposed during the Covid-19 pandemic. The breakout of the Russia-Ukraine war only led to these costs to inflate further.

To combat this, the Bangladesh Bank adopted various import-control measures, which caused a further slowdown. These restrictions began to be slowly lifted by the interim government, which assumed power following a political changeover in early August.

On a positive note, investors and economists said imports had rebounded this fiscal year despite dropping due to nationwide unrest in July and August, when mass protests

halted normal business operations.

Bangladesh's Purchasing Managers' Index (PMI), which provides a gauge of economic dynamism, indicated an accelerated economic expansion driven by the agriculture, manufacturing, and services sectors in the past two months after three months of contraction.

The PMI rose 6.5 percentage points to 62.2 in November from a month ago, according to the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange

there will be no fresh investments," he said, adding that industrial units were slowly returning to normal production.

According to central bank data on letter of credit (LC) settlements, the import of industrial raw materials increased by 9.04 percent during the first four months of FY25 after reducing by 35.72 percent during the corresponding period last fiscal.

This data matched export figures, which increased by 8.33 percent in the first four months of the year.

The increasing import of industrial raw materials means that industries are trying to squeeze the most out of their current capacity, Reaz said.

Anwar ul Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries, said businessmen could not import raw materials last fiscal due to restrictions on opening letters of credit due amid a US dollar crunch.

However, this situation has been mitigated to some extent, which is why raw material imports increased slightly.

Still, he said there was no reason for optimism, labelling the increase "insignificant".

"The growth is insignificant as exports dropped by 9 percent last fiscal year," he said.

Another way to measure export growth is by analysing whether work orders have increased, but that has not happened in this case, Parvez said.

Despite the growth of existing industries, fresh investment remains sluggish.

According to data, LC settlements for capital machinery imports declined 41 percent while LC openings for the same dropped 21 percent in the first four months of this fiscal year.

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Bangladesh (PEB), which jointly prepare the index.

Despite the positive outlook, the economy continues to face challenges from political uncertainty and disruptions due to protests, it said.

"The sharp decrease in capital machinery imports indicates that new investment plans are literally on hold," said M Masrur Reaz, chairman and chief executive officer of the Policy Exchange of Bangladesh.

"It is a matter of grave concern. Employment opportunities will not grow as

Govt detects anomalies in TCB card distribution

STAR BUSINESS REPORT

There was corruption in the distribution of family cards for subsidised commodity sales by the state-owned Trading Corporation of Bangladesh (TCB), according to Commerce Adviser Sk Bashir Uddin.

The TCB provides 1 crore families with subsidised food items. Of the beneficiaries, some 57 lakh have TCB smart cards.

At the Pran-RFL Media Award at the Economic Reporters' Forum (ERF) in Dhaka yesterday, the commerce adviser said that the interim government has identified that many of the family cards were distributed under false pretences to ineligible individuals.

Besides, the TCB's operations have been running seriously under capacity due to neglect by relevant authorities, he said.

Uddin also said the government now aims to strengthen the TCB so that it can import goods by itself for sale in domestic markets.

Although the government provides the TCB with subsidies amounting to Tk 4,500 crore each year, its annual expenditure is actually Tk 11,500 crore, he added.

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People looking to buy essential commodities at subsidised rates swarm an open-market sales truck of the state-run Trading Corporation of Bangladesh.

PHOTO: PRABIR DAS

Adani seeks fresh lifeline for power plant supplying Bangladesh

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Adani Power Ltd is seeking fresh concessions from New Delhi for its \$2 billion coal-fired plant in eastern India, which is currently struggling with a payments backlog from Bangladesh, the lone buyer of its electricity, reports Bloomberg.

In August, India's power ministry allowed Adani to sell electricity from the plant into India, but its location in a designated special economic zone, or SEZ, is hampering those domestic sales, people familiar with the matter said.

Unless the trade ministry grants an exemption, they said, the power produced would be considered imported – and subject to a tax.

The company is also asking to keep a waiver on customs duty applied to the imported coal that it uses to fire the 1.6-gigawatt facility, said the people, who sought anonymity because the discussions are not public.

Without these concessions, selling the power to India's price-sensitive consumers becomes effectively impossible.

Adani Power did not respond to an emailed request for comment.

The plant, which accounts for about a 10th of Bangladesh's power consumption, has already racked up as much as \$790 million of dues as of the end of September, Adani executives said on an analyst call in October.

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MUDARABA
FOREIGN CURRENCY
DEPOSIT ACCOUNT

Earn Globally
Save Locally
with Offshore Banking

- Currency: Dollar, Euro & Pound
- Completely income tax free
- 7.44% (approx) max. profit rate
- No account maintenance fee
- Term: 3 months to 5 years

aib
Al-Arafah
Islami Bank PLC.

Stop seeking tax exemptions

Salehuddin tells long-term beneficiaries

STAR BUSINESS REPORT

Finance Adviser Salehuddin Ahmed yesterday criticised long-term tax exemption beneficiaries who, despite receiving benefits for decades, continue to make demands for further protections.

"We have been taking care of the infant (business sectors) over the last 50 years with tax benefits, including tax waiver and incentives. Some are still demanding protection, meaning they are still infants," Ahmed said.

The adviser made the remarks while speaking at a programme organised by the National Board of Revenue (NBR) at its Dhaka headquarters to observe National VAT Day.

"I am not naming any specific sector, but those days are behind us now," he added.

Different business sectors must shift away from this dependency culture, as Bangladesh moves toward graduating from the United Nations least developed country category in 2026, Ahmed also said.

"If we don't discard this mindset, we won't be able to compete globally," he warned.

He also urged the NBR officials to remain vigilant to prevent tax evasion.

"If anyone evades tax now, it will hurt others, even their next generation (since the tax is used to benefit the society)," he said.

However, the adviser urged the NBR officials to become rational and patiently hear out complaints of businesses.

"Behave in a friendly manner. Listen to them and make rational decisions," he said.

"Their arguments also

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