

Yunus wanted to visit India before China

His press secretary tells The Hindu

STAR REPORT

Chief Adviser Prof Muhammed Yunus had shown interest in visiting India before travelling to China, but New Delhi did not respond positively to Dhaka's request, his Press Secretary Shafiqul Alam has said.

"We, in fact, showed our interest and asked the Indian side as early as in December last year for a bilateral visit of Chief Adviser Prof Yunus to India," Shafiqul told The Hindu newspaper of India on Tuesday.

"This was done weeks before his visit to China was finalised. Unfortunately, we didn't receive a positive response," he added.

Shafiqul also said Prof Yunus was keen to maintain warm ties with India.

The chief adviser travelled to China yesterday on a four-day visit. He will SEE PAGE 6 COL 6



Chief Adviser Prof Muhammad Yunus pays his tribute to the martyrs of the Liberation War on the Independence Day at the National Memorial in Savar yesterday. PHOTO: PTD

BAISHAKH CELEBRATIONS DU Fine Arts 26th batch won't be a part of it

DU CORRESPONDENT

The 26th batch of the Dhaka University's Faculty of Fine Arts yesterday said they will not take part in this year's Pahela Baishakh celebrations.

In a statement, they alleged that this year's organising committee had sidelined the batch that was supposed to organise the event.

Sudipta Basak Arnob, a student from the Department of Oriental Art, told The Daily Star that in previous years, the outgoing batch was responsible for organising the Mangal Shobhajatra, but this year, students have been completely sidelined.

He claimed that the batch has been excluded from the organising committee, with only a handful of teachers overseeing the festival.

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Robbers pose as Rab men in daring heist

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Around 4:40am, the robbers came in three minibuses and a car. They approached the security guards and claimed, "We are Rab personnel, and a magistrate is with us. We are going to raid the house - open the gate immediately!"

Some of them were wearing what appeared to be Rab vests. When the security guards asked them to wait until the morning, the robbers began hurling abuse at them and threatened to kill them if they refused to open the gate. Some of the robbers then climbed over the gate and forcibly opened it, the case statement said.

Entering the premises, the robbers tied up the security guards, caretaker Sheikh Riayul Islam, and driver Bijoy Mia. They then broke into the ground floor office of SM Sourcing, assaulted

its office assistant Delwar, and wanted to know where the owner was. They robbed Tk 45,100 from him.

The gang then went to the third floor and attempted to break into the SM Sourcing office. Hearing the noise, office assistants Tony, Imran, and Siam from the fourth-floor office came down.

The robbers caught them, beat them up, and forced them to hand over the office keys along with the keys to the landlord's apartment. They looted Tk 22 lakh and vandalised office furniture, according to the case statement.

Meanwhile, another group broke into the fourth-floor office, where they ransacked a cabinet and took away Tk 13 lakh.

After this, they forced their way into Hannan's apartment, where they broke open a cabinet and looted Tk 1.50 lakh,

gold earrings, and a chain weighing around 2.5 bhoris. The value of the ornaments could be around Tk 3.75 lakh.

When the robbers tried to forcibly take Hannan downstairs and put him in their vehicle, a Dhanmondi police patrol team arrived at the spot and rescued him.

The robbers attacked police personnel with iron chains and rods, injuring several cops.

Meanwhile, locals caught and beat up four of the robbers before handing them over to the police.

Police recovered two "Rab" vests, three caps with "Rab" written on them, Tk 45,100, a travel bag containing iron chains and screwdrivers, and two mobile phones, according to the case statement.

Beacon Pharma tricked general shareholders

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selling its products to Beacon Medicare—but the larger export earnings went directly to the privately-owned firm.

Had Beacon Pharma exported directly, these profits would have been included in its earnings, benefiting general investors with higher dividends.

A representative from Beacon Pharma admitted selling drugs to its sister concern, but said it was "a temporary measure due to logistical issues". He also denied that the move caused the general shareholders any financial loss.

Former Awami League lawmaker from Brahmanbaria 5 Mohammad Ebadul Karim is the managing director of Beacon Pharma and chairman of Beacon Medicare. His son Mohammad Nazul Karim is the managing director of Beacon Medicare.

Despite ceasing direct exports, Beacon Pharma continued to boast about its international market presence in its annual reports until FY23. This misleading information helped maintain an illusion of strong business performance. However, in the FY24 report, the company finally dropped any mention of exports, exposing the misleading nature of its previous reports.

BREACH OF RULES

International Accounting Standards (IAS) require companies to disclose related party transactions in full, so that investors can assess whether sales to sister concerns are being conducted at fair market prices.

However, Beacon Pharma did not disclose whether it was selling its products to Beacon Medicare at below-market rates, keeping investors unaware of how much profit was being transferred to the private firm.

According to the Bangladesh Securities and Exchange Commission (BSEC), any significant business change—such as stopping exports—must be disclosed within two hours of the decision. Beacon Pharma violated this rule.

"If a company stops all exports, it must disclose this information. Failing to do so is a direct violation of securities laws," said Faruq Ahmad Siddiqi, former chairman of BSEC. He further said that establishing a separate entity to handle sales in this way suggests a deliberate attempt to deprive shareholders by shifting profits elsewhere.

Beacon Pharmaceuticals, which launched operations in 2006, started to sell its drugs to Beacon Medicare in 2018-19, the very year the sister concern was founded.

But its financial favours to Beacon Medicare didn't stop with exports. The listed company also provided generous credit facilities, allowing its sister concern to delay payments.

In FY23, Beacon Medicare owed Tk 160 crore in trade receivables against drug purchase—out of Beacon Pharma's total of Tk 208 crore. In FY24, trade receivables climbed further to Tk 275 crore, yet the company stopped reporting how much of this was owed by Beacon Medicare, according to Beacon Pharma's financial statements.

Beacon Pharma was also lending

large sums to its sister concerns. By FY23, Beacon Medicare had received Tk 162 crore in loans, while additional funds were funnelled into other related companies, including Beacon Development, Beacon Business Solution, Mek Auto Bricks, Mek Parmateek, Beacon Nutraceuticals, and Beacon Oncology, its annual report shows.

Beacon Pharmaceuticals took out Tk 669 crore in short-term bank loans that year but lent Tk 262 crore—39 percent of the loan amount—to its sister concerns. While the listed firm earned Tk 22 crore in interest from these loans, questions remain about whether these loans were given at below-market rates. If so, this would indicate that Beacon Pharma was offering financial benefits to its sister concerns at the expense of its own profitability.

Besides, there is a limit on how much listed companies can lend to private firms owned by their directors. According to BSEC regulations, such loans cannot exceed 50 percent of the paid-up value of the directors' shareholding.

However, Beacon Medicare's Chairman Ebadul Karim and his family hold 39.86 percent of Beacon Pharma shares, with a paid-up value of Tk 92 crore. This means they were legally allowed to receive a maximum of Tk 46 crore in loans—not the Tk 262 crore they actually obtained.

"This is a blatant violation of securities laws," Siddiqi said. "A listed company cannot lend such excessive amounts to its sister concerns."

TRANSFER PRICING

The way Beacon Pharmaceuticals structured its exports and loans raises serious concerns about transfer pricing—a practice where a company shifts profits by selling goods or services to a related entity at artificially low prices. While transfer pricing itself is not illegal, it becomes problematic when it is used to manipulate earnings, avoid taxes, or unfairly divert profits from public shareholders to private entities.

In this case, Beacon Pharma sells its products to Beacon Medicare, which then exports them abroad. If these sales were made at below-market prices, it would mean that Beacon Pharma's shareholders were losing out on profits that were instead being captured by the privately held Beacon Medicare.

Meanwhile, Beacon Pharma's financial health has been deteriorating. Its debt-equity ratio nearly doubled in the past year, rising from 0.82:1 to 1.46:1, signalling increasing financial risk. Meanwhile, its return on assets has plummeted from 10.11 percent in FY21 to just 2.75 percent in FY24. Its net profit margin stood at a weak 4.86 percent in FY24—far below competitors.

In the same year, the net profit margin was 26 percent for Square Pharmaceuticals, 10 percent for Ranata, 13 percent for Beximco Pharmaceuticals and 8 percent for ACME. Even Ibn Sina's profit margin was around 6 percent—the company has a reputation for selling products at low prices.

'BETRAYAL'

For investors like Abdul Mannan,

the lack of disclosure was a major betrayal. "I had no idea the company had stopped exporting directly," he said. "The company misled us by continuing to claim it was an export-oriented business."

What the company has done is window dressing as it gave a perception that it is an export-oriented company, but the benefit of the export was divided and a portion went to its owners' company, said AF Nesaruddin, former president of the Institute of Chartered Accountants of Bangladesh (ICAB).

"There is transfer pricing," he said, adding that as Beacon Pharmaceuticals is not an investment company, it should not lend to its sister concern by taking bank loan.

"All of this affected the listed firm's profit. Had the company exported directly, it would get export incentive and tax rate benefit. This means, the company is a loser in two ways," he added.

According to him, this is an overall governance issue, too, for the company as it did not comply with the rules and its auditor did not raise any flag to protect the interest of general shareholders.

BEACON'S RESPONSE

Md Jalal Uddin, CFO and head of IT at Beacon Pharma, claimed that the switch to exporting through Beacon Medicare was a temporary move due to logistical issues.

"Now, we have all arrangements in place to export drugs directly, so we are going to export directly from next month (March)... It is not just that you approached for comments for a report and so we are going to start exporting directly. We are ready in reality."

He acknowledged that the company should have disclosed its decision to export through Beacon Medicare. However, he argued that the company did not conceal the change, as it was shown in financial reports that exports had become zero in FY20.

"I hope investors are already aware that Beacon Pharmaceuticals is not exporting drugs directly," he added, insisting that general shareholders did not lose any money as a result of exports through the sister concern.

Regarding the high trade receivables at Beacon Medicare, Jalal said the company has been collecting funds faster now, reducing receivables to Tk 134 crore despite rising sales to the company.

About the loans to sister concerns, the official claimed that the interest rate charged on loans provided to them is the same as what Beacon Pharmaceuticals paid to banks. "So, Beacon Pharmaceuticals is not facing any loss from the loans."

Jalal acknowledged that neither Beacon Pharmaceuticals nor Beacon Medicare is receiving any export incentives.

Md Shah Alam Mridha, a partner of Habib Sarwar Bhuiyan & Co, which audited the financial statements of Beacon Pharma, did not respond to our email.

BSEC's Spokesperson Abul Kalam Said the regulatory body has opened an investigation into the matter. "We will take action, if we find any breach of securities rules."

Yunus 'extremely vague' about polls timeline

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independence is etched in history.

"We do not want our history distorted like it used to be under the Awami League regime."

Prof Yunus in his televised address said the next national election would be held between December this year and June 2025.

Fakhrul termed the statement "extremely vague" because December and June are six months apart. "This is not a roadmap. We have repeatedly demanded a clear timeline and election at the earliest. Without that, the current crisis will not be resolved."

The BNP is not calling for an election just to assume power, he said. "We demand the election in the interest of the nation, to protect the nation, to protect independence and sovereignty, and to establish an elected government and parliament."

BNP Standing Committee Member Mirza Abbas and other leaders of the party paid tributes to the martyrs of the Liberation War at the National Memorial in Savar.

Abbas told reporters that the Awami League's fall was not the

second independence for the country.

"We have a new taste of independence by ousting the autocrat through the student-people movement in July-August. Many call it the second independence, but ... there is no such thing called the second independence in Bangladesh."

"Those who say so, want to demean Independence Day; they did not play any role in the 1971 Liberation War. That is why they want to demean this day. I say, they should stop now."

OTHER PARTIES

Ruhin Hossain Prince, general secretary of the Communist Party of Bangladesh, said, "Prof Yunus was unclear about the election. It further raises concerns that the election might not be held on time."

The government can make the reforms necessary to ensure a fair electoral process and still hold the election by December, he told The Daily Star.

"If elections are not held by December, different groups may take advantage of the situation and create a crisis. That would go against the spirit of the mass uprising."

Biplobi Workers Party General Secretary Saiful Huq said after the chief adviser's speech, "the questions that existed regarding the election have become more prominent" because there was no clear indication of when the election will take place.

Zonayed Saki, chief coordinator of Gono Samhati Andolan, said a clear election roadmap was needed for political and economic stability.

However, Sarwar Tushar, joint convener of the National Citizen Party, said Prof Yunus' statement that the election would be held between December and June was itself a roadmap.

Once the July Charter is published and amendments are made to the Representation of the People Order and the Appointment of Chief Election Commission and Commissioners Act, the election timeline will become clear, he said.

Similarly, Mia Golam Parwar, secretary general of Jamaat-e-Islami, said that if reforms are extensive, the implementation will take time.

"Prof Yunus has been making this statement for a long time," he added.

Polls just to put a party in power

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the Liberation War, Nahid said some were yet to grasp the significance of the 2024 mass uprising and the people's victory.

He said the events of 1971 and 2024 were interconnected, and the spirit of the Liberation War was revived through last year's movement. He accused certain groups of attempting to create a contradiction between the two with "dishonest intentions."

"We believe '71 and '24 are not separate. The promise of equality in '71 remained unfulfilled, allowing a fascist regime to rule Bangladesh for 15 years. In '24, we advocated for the same egalitarian society," Nahid said in response to BNP leader

Mirza Abbas's remark that the July uprising should not be called "second independence" in a sovereign Bangladesh.

Highlighting the NCP's demand for justice, reform, and an election for a constituent assembly, the party chief said, "We believe that the nation can progress towards democracy only if we follow this path."

He criticised efforts to cling to outdated systems and warned against manipulating elections to remain in power.

"Through the '24 uprising, the '71 Liberation War, and the independence movement of '47, we have created a historic opportunity

for a free, sovereign, and dignified state. We must not destroy these possibilities for the sake of power," he said.

The fight for independence, democracy, and justice had been a continuous struggle, he said, expressing hope that the people's struggle would soon bear fruit.

He also condemned attempts to rehabilitate fascist forces, vowing that the Citizen Party would resist such efforts and rebuild a democratic state where justice prevails, and no more bloodshed is needed.

NCP's Chief Coordinator Nasiruddin Patwary and other top leaders were also present at the event.

Yunus to join Boao Forum for Asia today

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4:15pm Bangladesh time on a special China Southern Airlines flight arranged by China yesterday. Nazmul Islam, Bangladesh ambassador to China, and a vice governor of Hainan Province received him at Qionghai Bo'ao International Airport.

The chief adviser will hold a bilateral meeting with Chinese President Xi Jinping at the Great Hall of China tomorrow morning.

They would discuss various strategic bilateral issues, trade and investment, cooperation in agriculture, infrastructure, renewable energy, and the Rohingya crisis, along with other matters of mutual interest, Foreign Secretary Jashim Uddin told the media on Tuesday.

Following the meeting, Prof Yunus will participate in an investment dialogue with Chinese business leaders to inform Chinese investors about Bangladesh's business-friendly environment and attract more Chinese investment in the country.

He will also take part in the High-Level Roundtable on Sustainable Infrastructure and Energy Investment; High-Level Roundtable on Bangladesh 2.0 - Manufacturing and Market Opportunities; and High-Level Roundtable on Social Business, Youth Entrepreneurship, and the World of Three Zeros.

The participants will include CEOs of various companies, experienced members of the social business circle, senior officials from

renowned Chinese companies, business representatives, and young professionals from Bangladesh and China, according to Jashim Uddin.

On the morning of March 29, Peking University of China will confer an honorary doctorate degree upon Prof Yunus. After receiving the degree, he will deliver a speech.

In the afternoon, he will give an exclusive interview to China Media Group. The interview will cover various aspects of the multidimensional relationship between Bangladesh and China, future policy directions, and Bangladesh's stance on contemporary global issues.

The chief adviser will return home on the same day.

Independence Day celebrated

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the National Memorial early in the day. He stood in solemn silence for a few minutes in memory of the martyrs.

A smartly turned-out contingent drawn from the Bangladesh Army, Navy, and Air Force presented a state salute at the time.

After paying his respects, the chief adviser left the memorial premises, following which the National Memorial was opened to the public for paying homage.

Family members of Birsreshthos, wounded freedom fighters, and other valiant liberation warriors paid their

respects. Members of the Advisory Council and foreign diplomats also offered their tributes.

Chief Justice Dr Syed Refaat Ahmed paid his respects by placing a wreath at the National Memorial around 6:15am.

He was accompanied by Appellate Division judges Justice Md Ashfaqul Islam, Justice SM Emdadul Hoque, Justice AKM Asaduzzaman, and Justice Farah Mahbub; High Court Division judges; and Registrar General of the Supreme Court Dr Aziz Ahmed Bhuiyan.

Around 8:00am, BNP leaders paid

tribute to the martyrs at the National Memorial. Among them were BNP Standing Committee Member Mirza Abbas, Chairperson's Adviser Aman Ullah Aman, and Senior Joint Secretary General Ruhul Kabir Rizvi Ahmed.

Leaders of the National Citizen Party, led by its convener Nahid Islam, also paid tribute to the martyrs of the 1971 Liberation War by placing floral wreaths.

NCP Member Secretary Akhter Hossen, Senior Joint Convener Ariful Islam Adib, and Chief Coordinator Nasir Uddin Patwary were present, among others.