

Philippine Stock Exchange index (PSEi)

5,970.33

▲ 65.58 PTS.

▲ 1.11%

MONDAY, OCTOBER 17, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P610.00 +P2.00 +0.33%	ACEN ACEN Corp. P5.91 +P0.01 +0.17%	AEV Aboitiz Equity Ventures, Inc. P58.00 +P0.10 +0.17%	AGI Alliance Global Group, Inc. P8.30 +P0.27 +3.36%	ALI Ayala Land, Inc. P23.95 +P0.45 +1.91%	AP Aboitiz Power Corp. P31.90 +P0.60 +1.92%	BDO BDO Unibank, Inc. P118.00 -P2.00 -1.67%	BPI Bank of the Philippine Islands P90.50 -P1.00 -1.09%	CNVRG Converge ICT Solutions, Inc. P12.80 +P0.30 +2.40%	EMI Emperador, Inc. P19.60 ---
GLO Globe Telecom, Inc. P2,200.00 ---	GTCAP GT Capital Holdings, Inc. P395.20 +P0.20 +0.05%	ICT International Container Terminal Services, Inc. P172.00 +P2.20 +1.30%	JFC Jollibee Foods Corp. P232.00 +P1.00 +0.43%	JGS JG Summit Holdings, Inc. P41.15 +P0.10 +0.24%	LTG LT Group, Inc. P7.97 -P0.04 -0.50%	MBT Metropolitan Bank & Trust Co. P49.50 -P0.55 -1.10%	MEG Megaworld Corp. P2.03 -P0.01 -0.49%	MER Manila Electric Co. P295.00 -P1.00 -0.34%	MONDE Monde Nissin Corp. P11.08 -P0.42 -3.65%
MPI Metro Pacific Investments Corp. P3.49 -P0.01 -0.29%	PGOLD Puregold Price Club, Inc. P27.50 -P0.60 -2.14%	RLC Robinsons Land Corp. P16.32 -P0.48 -2.86%	SCC Semirara Mining and Power Corp. P41.50 +P1.00 +2.47%	SM SM Investments Corp. P799.00 +P37.00 +4.86%	SMC San Miguel Corp. P99.40 +P1.00 +1.02%	SMPH SM Prime Holdings, Inc. P33.00 +P1.20 +3.77%	TEL PLDT, Inc. P1,450.00 +P20.00 +1.40%	URC Universal Robina Corp. P112.00 +P0.10 +0.09%	WLCON Wilcon Depot, Inc. P28.75 +P0.35 +1.23%

PHL is 'most important' for Norway's \$3.5-B fund

NORFUND, an investment fund based in Norway, is looking at investing in renewable energy projects in the Philippines, which it now considers its "most important market" because of the country's impact on improving climate initiatives.

"The total size of the fund by the end of last year was probably around \$3.5 billion, so that is the total value, but as to how much is allotted for the Philippines, we don't know yet. It all comes down [to] the number of projects we have here," Inge Stølen, senior investment manager for Norfund's clean energy, said in a chance interview last week.

Norfund is the Norwegian Investment Fund for developing countries.

It invests in clean energy to increase energy access and supply.

In 2020, Norfund sold its investments in SN Power, allowing it to open new deals to reinvest capital in projects that are considered crucial to fighting poverty and reducing carbon emissions. SN Power has existing partnerships in the Philippines.

"From having a hard time arguing to do Philippines, Philippines now — based on the sale of SN Power and the climate funding — this is probably the most important market we have," Mr. Stølen said during the Norway-Philippines Maritime and Energy Conference last week.

Mr. Stølen told *BusinessWorld* that Norfund is willing to invest in any

type of renewable energy project. "It should [offer] good return for investors," he said about possible projects.

"If there is a sufficient number of good projects in the country we can invest significant amounts in one market," Mr. Stølen said.

He said that the factors Norfund is looking at in target markets are how they align with the fund's goals.

"Another thing that's important with this mandate is the geography. We've basically looked at the markets that we're in and say which markets will give the most improvement for the climate. And we come up with five countries," Mr. Stølen said, identifying South Africa, India, Vietnam, Philippines and Indonesia. — **Ashley Erika O. Jose**



UNSPASH

Megawide's plant capacity seen to more than triple

MEGAWIDE Construction Corp.'s pre-cast plant capacity is expected to more than triple to 40,000 cubic meters per month (cu/m/month) by 2024 or 2025.

"The company has finalized its plan to expand its pre-cast plant capacity to approximately 40,000 cu/m/month, from the current 13,000 cu/m/month, in various high growth locations across the country," said the report of independent auditors from P&A Grant Thornton on the company's application of proceeds from its preferred shares offering.

Megawide recently opened a precast plant in Taytay, Rizal. The plant can produce over 35,000 cubic meters of precast annually, adding to the company's current production capacity of 96,000 cubic meters.

"The targeted capacity of 35,000-40,000 cu/m/month is originally projected to be achieved by the end of 2024-2025, subject to market conditions and operating environment," the report added.

The company has allocated P576.8 million to this project from its preferred shares offering proceeds of P4.36 billion.

The independent auditors reported that P133.5 million had been disbursed as of Sept. 30, 2022. "Disbursements for the quarter then ended amounted to P110.0 million."

"The expansion of its construction services and ancillary businesses require additional funding, and the company expects the progress of these initiatives to accelerate as soon as new infrastructure contracts are secured within the year," the auditors said.

According to Megawide, it expects its new pre-cast plant in Rizal to provide

and meet demand for existing and upcoming projects.

"It will ensure availability of precast for its infrastructure projects such as the ongoing Malolos-Clark Railway Project Package 1 and CP (contract package)-104 of the Metro Manila Subway project, which will begin construction this year," the company said in a statement.

The company is eyeing more opportunities in the affordable housing space, with precast as its main structural component. — **Arjay L. Balinbin**

SEC to penalize firms' inaccurate, false reports

THE Securities and Exchange Commission (SEC) will be imposing penalties for any inaccuracy and incompleteness in any reportorial requirements submitted by corporations starting Nov. 2.

"Any inaccuracy, incompleteness, false or misleading information in the submitted reports shall be penalized accordingly," the SEC said.

According to the notice, the penalty will range from P20,000 to P200,000 for the person who will certify the report while knowing about the inaccuracies.

Meanwhile, the auditor or any other person responsible may also be punished with a fine ranging from P40,000 to P400,000, if the certification is deemed to be "injurious or detrimental to the public."

The SEC said its Electronic Records Management Division will

accept all reports filed in the Electronic Filing and Submission Tool (e-FAST) regardless of the forms and contents.

The regulator's Compliance Monitoring Division (CMD) will then conduct its necessary diligence to ensure that the authorized representatives of the companies with inaccurate reports "shall be held liable for the corresponding penalty imposed."

The CMD or other operating departments monitoring the reports will be the ones to penalize any inaccurate, incomplete, false, or misleading information found in the submitted reports.

"No reports shall be returned to the filers for correction. Amendments shall no longer be allowed unless directed by the commission," the SEC said. — **Justine Irish D. Tabile**

High Court affirms reduced P&G value-added tax refund claim

THE Supreme Court (SC) has upheld a tax court ruling that granted Procter & Gamble Asia Pte. Ltd. (P&G) a P26.07-million refund representing its excess input value-added tax (VAT) traced to zero-rated sales covering the period July to December 2005.

In a resolution dated March 16 and made public on Oct. 14, the SC Third Division said the company failed to present a valid reason for the court to review the findings of the Court of Tax Appeals (CTA). "Considering that the issues at hand had already been passed upon and appreciated in full by the CTA, a special court exercising expertise on the subject of tax," it said.

It added that the findings of the tax court are regarded as "final, binding, and conclusive" by the High Court.

The petitioner is the Philippine regional operating headquarters of a multinational firm registered in Singapore.

P&G argued in its plea that the CTA erred in considering allegedly hearsay evidence in reducing its original claim of P53.62 million.

The tax tribunal earlier disagreed with this notion, saying the firm did not object to the evidence presented after it was formally offered.

An objection to the evidence presented will be considered waived if it is not raised in a timely manner, it noted citing Supreme Court jurisprudence.

It ruled P&G was not able to substantiate its original claim of zero-rated sales due to a lack of documents.

The country's tax code mandates that a sale subject to 0% VAT be written as a "zero-rated sale" on the company's official receipts.

A zero-rated sale is a transaction made by VAT-registered taxpayers that do not translate to any output tax.

"In any event, petitioner failed to adduce any special reason or argument that would otherwise impel the court to review the factual findings of the CTA en banc or recalibrate the evidence record," said the High Court. — **John Victor D. Ordoñez**

SG's Anchanto says PHL users growing, now 18% of customer base in Asia

SINGAPORE-based e-commerce solutions provider Anchanto on Monday said its customers in the Philippines now account for 18% of its total customer base in Asia, driving the company to launch new solutions for local businesses.

The Philippines is now "on par with other markets [in Asia] such as Malaysia, Singapore (SG), and Indonesia," Anchanto said in an e-mailed statement.

The software company, which is in its fifth year in the Philippines, said it attributes its growth to increasing local customers and partners.

"Anchanto entered the Philippines in 2017 amid the rising e-commerce trends and strong demand from businesses," the company said.

The company offers a technological infrastructure to local organizations by helping them navigate complexities and manage operations on a single platform.

"The company quickly grew and amplified its customer base, [which] led to its recent launch of new suite of software-as-a-service (SaaS) products to plug gaps and provide innovative solutions across the e-commerce and logistics industries," Anchanto said.

The company noted that in 2021, its customers processed over 3.9 million orders during the "11.11" and "12.12" sale seasons across Southeast Asia, with around 20% of its volume coming from the Philippines.

"Our local teams, our robust SaaS platforms, and our focus on delivering the best customer experience enable businesses in the region to scale their growth faster. For us, the last five years have been as much a journey of innovation as it is of trust," Anchanto Co-Founder and Chief Operating Officer Abhimanyu Kashika said. — **Arjay L. Balinbin**



ANCHANTO.COM

Tribunal sides with CoA on sale of Iligan power plants

THE Supreme Court (SC) has denied a petition that alleged the Commission on Audit (CoA) abused its discretion when it approved the request of a former Iligan City mayor to sell diesel power plants to Conal Holdings Corp. (CHC) for about P386.91 million in 2010.

In a 30-page resolution dated Aug. 16 and made public on Oct. 14, the SC full court said Iligan Rep. Celso G. Regencia, who filed the plea, failed to prove the agency's abuse of discretion.

"Other than bare allegations, though, petitioners did not submit any evidence to substantiate their claim," the tribunal said about the purchase price of the power plants.

Mr. Regencia and other private petitioners argued that former Iligan City Mayor Lawrence L. Cruz had given unwarranted benefits to the private holdings firm. The former mayor arranged the negotiated sale of Iligan Diesel Power Plant 1 and 2 to the firm.

The two power plants were constructed in the 1990s and were operated by National Power Corp. (Napocor), Power Sector Assets and Liabilities Management Corp. (PSALM), and Alsons International, Inc., an affiliate of CHC.

In 2007, the city government of Iligan bought the power plants since no public bidders participated in a scheduled auction. The auction stemmed from warrants of levy issued by the government on the real properties of the power plants against Napocor.

The city treasurer of Iligan sought to collect a total of over P350,000 of real property tax from the state-run NPC.

The following year, the city government proceeded to negotiate the sale of the properties with CHC, which offered P300 million to purchase the diesel plants.

In 2010, Napocor and PSALM relinquished their claims and rights over the power plants to Iligan City. The local legislative body of Iligan City then consented to the negotiated sale of the power plants to CHC pending the CoA's approval.

In 2012, state auditors upheld the city government's sale of the properties.

"There being no clear showing of arbitrariness or grave abuse of discretion by the CoA in this case, the court has no reason to set aside the assailed CoA decisions," said the High Court. — **John Victor D. Ordoñez**