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15,790.93

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10,057.09

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2,683.56

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2,939.40

(Friday closings)

**Commodities**

**Gold** ▼  
\$1,058.00  
(per ounce)

**Oil** ▼  
\$72.26  
(per barrel)  
(As of Friday)

SOURCE: AFP

**News in Brief**

**DBH mutual fund debuts today**

**STAR BUSINESS REPORT**

DBH First Mutual Fund, a Tk 120 crore closed-end fund, debuts on bourses today.

LR Global Bangladesh Ltd is the asset manager of the 10-yearly mutual fund of Delta Brac Housing (DBH) Finance Corporation Ltd.

Of the fund, Tk 40 crore has been raised through initial public offering (IPO), while Tk 60 crore was raised through pre-IPO placement.

Sponsors funded the remaining Tk 20 crore, with Tk 10 per unit.

The fund's IPO was oversubscribed by more than 13 times. A total of Tk 530 crore was deposited against a Tk 40 crore public subscription.

Bangladesh General Insurance Company Ltd is the trustee and Standard Chartered Bank is the custodian of the mutual fund.

**Banking reforms law on cards**

BSS, Sylhet

Finance Minister Abul Maal Abdul Muhith has said the government is determined to ensure transparency and good policy for the country's banking sector.

"We've a plan to pass a banking reform law this fiscal in parliament," he said.

The minister was addressing a two-day conference of the officials of anti-money laundering cell of Bangladesh Bank on Friday.

He said a certain section of banks in the country through their system is supporting international terrorism instead of working for the development of the people and the country.

"That's why, he hoped, that the condition of our economy could be changed through carrying out reforms and good policy for the banking sector."

Chaired by Deputy Governor of Bangladesh Bank, Ziaul Hasan Siddiqui, the function was also addressed, among others, by Governor Dr Atiur Rahman as special guest.

Rahman said money laundering and spending money on terrorism are the main hindrances in the growth of socio-economy of Bangladesh like other countries.

He said the central bank has stepped up various time-befitting efforts to overcome the situation in this regard.

The BB boss said Bangladesh for the first time had formulated a money laundering prevention law in 2002 among South Asian countries.

## Shipbuilding shows signs of pick-up

SOHEL PARVEZ

Two local firms gear up to resume the construction of shipyards expecting foreign orders for vessels, as demand has showed signs of a pick-up with recovery from the global recession.

Khan Brothers Shipbuilding Ltd and Narayanganj Shipbuilders Ltd stalled work to establish shipyards after the global financial crisis depressed global demand for new ships.

"We have already started construction. We had slowed work mainly to bypass fallout from the recession," said Tofayel Kabir Khan, managing director of Khan Brothers Shipbuilding Ltd, a concern of Khan Brothers Group.

He also blamed the suspension of construction partly on difficulty in obtaining bank loans. The shipyard is being built on the bank of Meghna at Gazaria, Munshiganj, at an estimated cost of Tk 100 crore.

"The deadlock in receiving loans appears to be easing as some banks are coming out and extending loans to shipbuilding. Now we hope to get a loan to establish the shipyard by year-end."

Khan Brothers, which plans to develop the shipyard on about 50 acres, began building shipyards to build vessels in early 2008, inspired by global demand for vessels at around 10,000 units by 2012.

Small and medium vessels account for about 55 percent of the projected 10,000 ships, insiders said.

According to shipyard operators, Bangladeshi shipyards can tap global demand with small and medium-sized ships, as traditional shipbuilding nations, such as China and Korea, focus on large ships.

With a long maritime history and a favourable geographical location,



A vessel built by Western Marine Shipyard in Chittagong is up for delivery.

Bangladesh enjoys various advantages, such as cheap labour, a presence of nearly 100,000 skilled and semiskilled workers and industry-related educational and training institutes.

Two leading local shipmakers -- Ananda Shipyard and Slipways Ltd and Western Marine Shipyard Ltd -- have bagged orders to make over 40 small vessels of about \$600 million, mainly from European buyers.

"We are going to be the third shipyard capable of making global standard vessels for foreign buyers by the end of the year," said Khan.

Khan Brothers expects to develop its capacity to deliver four ships a year.

Ferdousar Rahman, senior general manager of Khan Brothers, said the shipyard would have the capacity to make vessels up to 15,000 DWT (dead weight tonnage).

"But we will be able to make ships between 3,000-10,000 DWT as well," said Rahman, also a naval architect from BUJET.

Shah Abdul Latif, managing director of Narayanganj Shipbuilders Ltd,

said the company had been quiet during the financial crisis.

"It appears that fallout from the recession on the global shipbuilding market is easing. Now we can resume work," he said. "We will seek bank loans soon to complete the project."

The official of Narayanganj Shipbuilders, which plans to set up the shipyard off the Meghna River near Gazaria, Munshiganj, said the company is receiving queries from overseas.

"We are optimistic about beginning civil construction from next month."

Sakhawat Hossain, managing director of Western Marine Shipyard Ltd, also said the company is on an expansion mode to take advantage of recovery in global demand for new ships.

"The market has started picking up. We expect a rise in orders for new vessels by the end of this year."

sohel@thedailystar.net

## Nitol plans tie-up with India's Meru to launch cabs

MD HASAN

Nitol Motors Ltd and Indian taxi service provider Meru Cabs are set to go into a joint venture to introduce 10,000 "high-tech" cabs in phases in Dhaka.

Both laid out a plan to invest Tk 700 crore in computerised cab services in the capital.

"We may go for 50-50 investment partnership," said Abdul Matlub Ahmad, chairman of Nitol Niloy Group, the parent company of Nitol Motors.

City dwellers are expected to get cabs from any location by making phone calls as the service is aided by the GPS based technology. The new service will be in place by year-end.

Meru, the single largest radio cab service in India with a fleet of more than 3,500 cabs, will take care of the technical side. Meru Cabs offers metered taxi services in some Indian cities such as Mumbai, Hyderabad, Delhi and Bangalore through a fleet of modern, air-conditioned cars equipped with GPS-based technology.

Earlier, Nitol Motors introduced 1,600 Indian cabs in Dhaka city, but most are now abandoned due to lack of maintenance. Presently, only 500 cabs are plying the city roads.

"We incurred huge losses earlier by running cab business as there was no maintenance system," Ahmad said, adding: "Under the new venture, we will go for completely GPS-based system so that we can ensure maintenance and customers' satisfaction."

GPS is a satellite navigation system now commonly used for automobile system. It typically uses a GPS navigation device to acquire position data to locate the user on a road in the unit's map database. Using the road database, the unit can give directions to other locations along roads also in its database.

The Nitol Niloy Group boss said the cab service will run through a call centre so that anyone can have access to cabs from any location in the city.

"We'll import cabs, which are economical for us -- to provide services affordable to passengers."

Meru's high officials are scheduled to arrive in Dhaka this week to finalise the deal.

An expert suggests a systematic transportation with the utilisation of the existing road infrastructure. "Otherwise, introducing new cab services may turn into a burden for city dwellers," said Dr Sarwar Jahan, head of the Department of Urban and Regional Planning at Bangladesh University of Engineering and Technology.

Nitol Motors, the sole distributor of Indian TATA vehicles in Bangladesh, is also assembling TATA vehicles here. hasan@thedailystar.net



## Wal-Mart chief meets RMG leaders

STAR BUSINESS REPORT

C Douglas McMillon, president and CEO of Wal-Mart International, left Dhaka on Friday after a short, unannounced visit.

During his 24-hour trip, McMillon met top leaders of Bangladesh Garment Manufacturers and Exporters Association.

By one estimate, 30 percent of Bangladesh's garments exports to the US went to Wal-Mart, the world's largest retail chain. The US is the single largest importer of Bangladeshi garments.

Famous for its low prices helped by an innovative inventory management system, Wal-Mart operates in 15 countries at more than 8,424 retail units under 53 different banners.

"The Wal-Mart CEO came to visit our readymade garment industry, as Bangladesh become one of the important sourcing country in recent years for the company," said Abdus Salam Murshedy, president of BGMEA.

McMillon stressed developing a special economic zone for the garments industry, with adequate gas and electricity supply to ensure uninterrupted production, he said.



## Biman flies to London non-stop

STAR BUSINESS REPORT

Biman opened its non-stop Dhaka-London flight yesterday with 297 travellers on board. It was a journey without a break, officials said.

An aircraft, 323-seater Boeing 777-200 ER, leased by the state-owned carrier, took off from Zia International Airport at 9.20am, said a senior Biman official.

The carrier will operate three non-stop flights a week on the Dhaka-London route. Also, it will fly to London via Dubai once a week.

Biman officials said the introduction of non-stop flight between Dhaka and London would cut travellers flying hours to 11 hours on average from about 15-hour travel.

Biman initiated the non-stop flights between Dhaka and London after Prime Minister Sheikh Hasina inaugurated the airline's new logo and livery, coloured in the Boeing 777-200ER and Boeing 737-800 NG.

Biman has leased these planes to operate on long-haul and short-to-mid haul routes.

Earlier, British Airways, which left Dhaka in March 2009, had operated non-stop flights to London.

## NBR to scan dodgy tax files

SAYEDA AKTER

The National Board of Revenue (NBR) is set to examine tax files of both companies and individuals -- submitted under a universal self-assessment system -- as the board has fallen short of the revenue target under the system.

The latest move by the central tax administration comes after it has found severe anomalies in tax returns submitted by a large number of taxpayers under the system, said a senior official of the board.

Under the universal self-assessment system, no assessing officer determines a taxpayer's income or computes tax liability, but the payer does by himself.

The government also failed to get expected responses from the provision for legalising undisclosed income -- part of the reason why the board has taken the step.

According to a review by private think-tank Centre for Policy Dialogue, NBR has received only Tk 0.35 crore in tax on the undisclosed income of Tk 3

crore, which was legalised in the July-September period.

"This is frustrating that many taxpayers are not taking the offer by the government. Rather they are exploiting the facility to dodge tax. As we have detected huge anomalies in tax returns, we are going to examine tax files," said the NBR official.

The government introduced the universal self-assessment system to encourage voluntary filing of actual tax returns, but audit is necessary as a mechanism to prevent taxpayers from suppressing actual income figures.

According to the income tax ordinance, the board can audit selective returns filed under the system. But tax officials across the country can audit files with permission from the board.

More than 90 percent of income taxpayers have submitted returns under the system introduced in 2007.

NBR has already sent orders to all income tax offices to check files in 13 categories for individual taxpayers. For companies, files will be reviewed in nine.

The NBR has ordered officials to

examine tax files of individual taxpayers to check illogical losses in business, a tendency to show income below the taxable ceiling, an abnormal decline in income, claimed excess tax-exemption, non-institutional loan below Tk 5 lakh or institutional loan without evidence, foreign remittance from individuals or organisations without evidence, and no logical explanation of wealth.

For companies, taxmen will audit files that showed lower income, deeper losses and less profit than last year.

NBR has found that many large taxpayers have submitted tax returns showing virtually no taxable income this year, while the same taxpayers paid a substantial amount of tax last year.

The board has also identified a number of big taxpayers who have submitted returns showing a significant decline in income, compared to last year.

The board has sought lists of suspicious taxpayers with detailed information that falls in one category or two, by March 15.

## Goldman CEO gets \$9m stock bonus

AP, New York

Goldman Sachs Group Inc CEO Lloyd Blankfein is getting a \$9 million stock bonus for 2009, a modest payday by Wall Street standards that appears aimed at quelling criticism of the bank's compensation practices.

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