

Govt bags Tk 326cr tax from stock brokers

STAR BUSINESS REPORT

The government received Tk 326 crore as revenue from tax on brokerage commission last fiscal year, a 154 percent rise in tax collection over the previous fiscal.

The government also bagged Tk 121 crore as tax from share sales by sponsor shareholders and placement holders in fiscal 2010-11, when a 5 percent tax on such sales was imposed for the first time.

The growth in tax on brokerage commission, according to a fortnightly publication of the Dhaka Stock Exchange, was mainly backed by increase in share transactions on the premier bourse during the period.

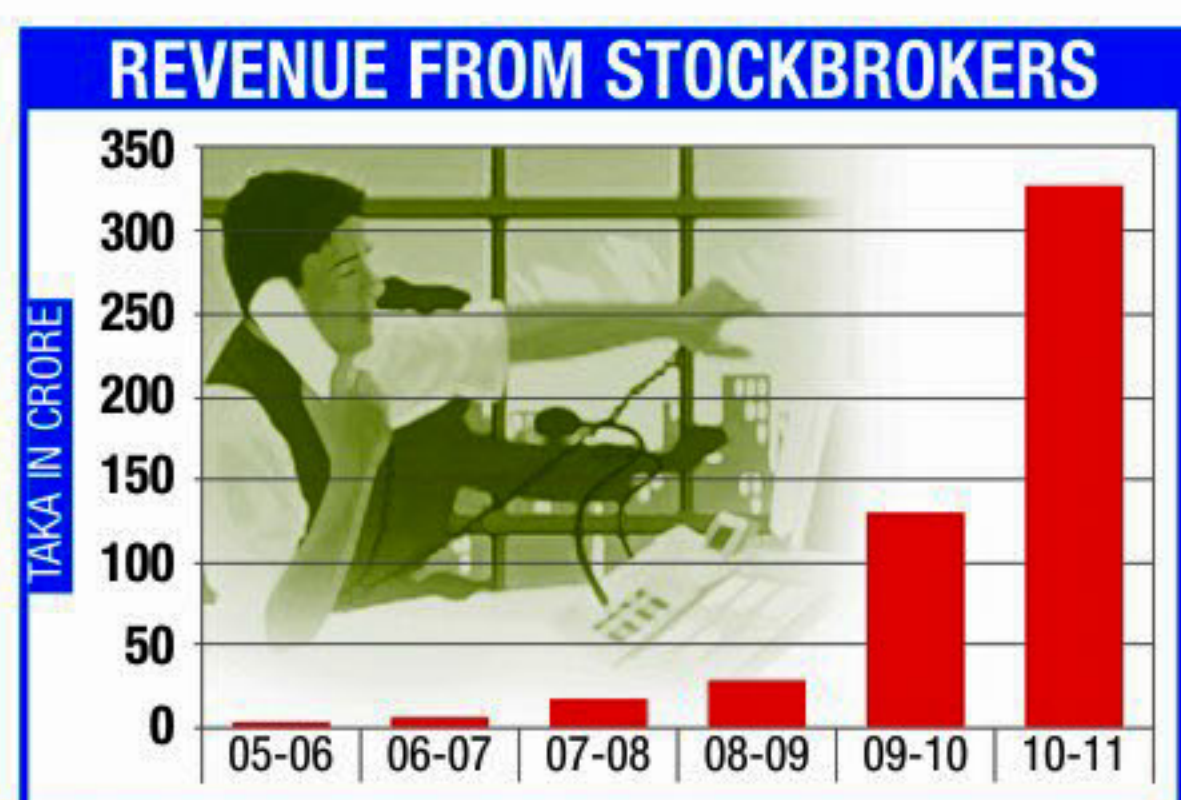
Last fiscal year, the benchmark index of the prime bourse rose to its highest ever level at 8,918 points, while the highest ever single-day turnover on the bourse was Tk 3,249 crore on December 5 after a record breaking rally in the turnover.

The other reason was doubling the ratio of tax deductible at source for brokerage commission of the stockbrokers from 0.025 percent in 2009-10 to 0.05 percent in 2010-11.

Usually, the DSE management first collects the tax from stockbrokers on sell-buy commission and then submits the total amount to the National Board of Revenue.

"The stockbrokers' contribution to the state coffers saw the huge growth due mainly to a massive rise in share transactions," said Shakil Rizvi, president of the DSE.

The increase in the tax ratio by 100 percent from



0.05 percent to 0.1 percent last fiscal year also contributed to the huge tax collection, he said.

"Although we had urged the government not to increase the tax ratio further, the government doubled the tax ratio," he said.

After the market debacle, it became difficult for the members or stockbrokers to survive as their business volume marked a steep fall, he said.

Moreover, Rizvi said, the brokerage commission is ultimately borne by the investors. Since the members pay tax on the turnover irrespective of their profit or loss, their tax burden is multiplying with the transaction volume, he added.

Some others, however, said the brokerage tax could be even higher unless the market saw a massive correction in share prices during the January-February period.

Minister defends rice prices

STAR BUSINESS REPORT

Agriculture Minister Matia Chowdhury yesterday defended the current prices of rice saying that a price fall would discourage people from farming.

"An apprehension whether farmers would stick to agriculture surfaced in 2009. We are over with that fear," said Chowdhury.

The minister's remark coincided with a 3.13 percent spike in prices of coarse rice.

Rice rose to Tk 32-34 from Tk 31-33 a kg a month ago, influenced by government purchase of the grain from millers at Tk 29 since early June.

The minister said rice prices went up to Tk 45 during the tenure of the immediate-past caretaker government. "This government has brought down the prices," she said.

A further fall from the level will hurt farmers, said Chowdhury at a discussion on emerging research initiatives for agriculture and food security.

The Asia Foundation, supported by USAID, organised the discussion at Ruposhi Bangla Hotel where lawmakers and agriculture scientists also spoke.

Food production in Bangladesh rose 89 percent to 3.36 crore tonnes in fiscal 2010-11 from fiscal 1990-91.

Despite the progress, the country faces challenges of boosting food production further for its growing population against a gradual fall in arable land, and threats of a possible negative impact



Agriculture Minister Matia Chowdhury, second from right, attends a seminar on agriculture and food security, at Ruposhi Bangla Hotel in Dhaka yesterday. The Asia Foundation, supported by USAID, organised the discussion.

of climate change on agriculture.

Soaring food prices and bans on exports by producing countries reinforce the need for boosting domestic food production.

"Import dependency is a risky game," said MA Sattar Mandal, vice chancellor of Bangladesh Agricultural University, presenting a paper.

He said Bangladesh will have to develop crop varieties that can tolerate salinity or drought to face the negative impact of climate change.

He also stressed the need for increased investments in agriculture research and capacity building of scientists and agricultural officials.

Prof Mandal emphasised investment in soil health management and curbing conversion of crop land to non-farm activities. Subsidy for

farm input should be continued and farmers should be given profit incentives, he added.

"It's a big factor to boost crop production," he said.

To ensure food security, Chowdhury suggested scientists work on developing crop varieties to boost production in the south as the north is leaning towards commercialisation and industrialisation to tap the prospects of regional connectivity.

"North Bengal has given us a lot already. But it will not give us too much in future. The future of agriculture lies in the south," she said.

At the discussion, lawmakers sought correct data on population to determine the country's annual food requirement and discourage establishment of industries on farmland.



A high-level meeting of legal and judicial experts took place at Bangladesh International Arbitration Centre (BIAC) in the capital on Saturday. Mahubur Rahman, chairman of BIAC, attended the programme.



Abu Naser Mohammad Abdus Zaher, chairman of Islami Bank Bangladesh Ltd, inaugurates the 73rd ATM booth of the bank in Sirajganj recently. Mohammad Abdul Mannan, managing director, was also present.

BARVIDA spells concern over car-import plan

STAR BUSINESS REPORT

Vehicle buyers may have to pay more for reconditioned Japanese cars as the National Board of Revenue has sent a proposal to the commerce ministry to cut the maximum age of used cars for import from five years to three, said sector leaders yesterday.

If the proposal is approved, the price of a Tk10-lakh car will be Tk 40 lakh in no time due to the depreciation factor, said Abdul Hamid Sharif, secretary general of Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA).

Importers had to obtain certificates from Japan Auto Appraisal Institute (JAAI), the only organisation of Japan government to conduct export inspections of used cars, said Sharif at a press meet organised by BARVIDA in Dhaka.

But the NBR has proposed to obtain a roadworthiness certificate from a Japanese registered company, Japan Export Vehicle Inspection Centre Co Ltd (JEVIC), he added. JEVIC is involved in pre-shipment inspections or certification of used vehicles.

Sharif said JAAI itself was enough to certify used cars' age, fitness, costs and roadworthiness. "So the cost will be higher if the importers are made bound to obtain two certificates for the same purpose."

Every importer used to spend Tk 3,375 to get a JAAI certificate for the inspection of each car, Sharif said. "But now an importer will have to spend Tk 48,700 more to get the same certificate."

Sharif said the government wants to discourage imports of used cars so that more new cars are brought to the country, a move meant to fill the market with low-quality cars, he alleged.

United Kingdom, New Zealand, Canada, Australia and 180 other countries import used vehicles from Japan.

Abdul Mannan Chowdhury, president of BARVIDA said Bangladesh will lose a lot of foreign currency if the new proposal gets through.

Bangladesh imports around 30,000 used cars from Japan, Chowdhury said.

A five-year-old used car from Japan can run more than 10 years but the new Indian cars do not have such longevity, he said.

Google "Places" drops outside customer reviews

REUTERS, Chicago

Google Inc has removed excerpts of customer reviews from sites such as Yelp and TripAdvisor from Google Places, its competing online service aimed at helping consumers search for local businesses.

The move, announced in Google's official blog on Thursday, follows the disclosure of a US antitrust

Arbitration court suggests fresh election to Dinajpur chamber

OUR CORRESPONDENT, Dinajpur

An arbitration court yesterday urged the commerce ministry to hold a fresh election to Dinajpur Chamber of Commerce and Industry with a new voter list as the court found flaws in the voter roll.

A letter sent to the director of the commerce ministry's Trade Organisation recommended that an administrator should lead the chamber through the 2011-13 election to its executive committee.

The court consisting of five members led by MA Kashem, chairman of the arbitration court of the Federation of Bangladesh Chambers of Commerce and Industry, wrote the letter on July 13 following a petition filed by Md Rafiqul Islam, former president of the Dinajpur chamber.

Two hearings on the petition were held on July 2-14 where the members of

the arbitration court were present.

The court ruled the membership of Mirza Ashfaq Hossain illegal as he was included on the voter list to contest the election without official approval.

But lawyers for Hossain argued that his post is political and temporary and he is a well-known businessman in the district and an executive member of the chamber.

In 2009, the chamber listed 1,319 voters which now rose to 2,169.

But many voters were found with the same TIN numbers, a clear sign of breaching the order of the commerce ministry, according to the court.

The election is scheduled to be held on July 29.

Nurul Moeen Minu, president of Dinajpur Chamber of Commerce and Industry, could not be contacted for comment.

Stocks rise on heavy buying

STAR BUSINESS REPORT

Stocks gained for a fourth day, driven by institutional investors' heavy buying amid a flow of fresh funds into the markets.

The benchmark general index, DGEN, the yardstick of Dhaka Stock Exchange, gained 49 points or 0.74 percent, to end the day at 6,710.

On the port city's bourse, the selective categories index, CSCX, indicator of Chittagong Stock Exchange, rose 46 points or 0.37 percent to 12,338.

Turnover on the premier bourse recorded the highest turnover this year and stood at Tk 1,958 crore, up Tk 59 crore from the previous day.

The market started the day on a positive note and gained more than 85 points as the investors' buying pressure pulled up the indices. DGEN gained 104 points in the last four days of trading.

"The market is behaving rationally and if the regulatory body fails to increase supply of shares into the market the market will be overheated," said Prof Salahuddin

Ahmed Khan, who teaches finance at Dhaka University.

Khan, also a former chief executive officer of the DSE, said it is important to think over why low-profile shares behaved abnormally without any price sensitive news.

A top official of the SEC said investors' confidence boosted the market.

"We are working hard to increase the supply of shares to the market to adjust the gap between demand and supply," he added.

More than 29 percent growth in Islami Bank's net profits gave investors new expectations for the banking sector, said LankaBangla Securities in its daily market analysis.

Of the total 264 issues traded on the DSE floor, 128 advanced, 127 declined and nine remained unchanged.

Among the major sectors, banks and pharmaceuticals advanced 1.9 percent and 0.8 percent, while non-bank financial institutions lost 0.4 percent, telecoms lost 1.9 percent and fuel and power lost 0.4 percent.

Square Pharmaceuticals has

gained 1.59 percent following their corporate declaration of 30 percent cash dividend and 35 percent stock dividend for the year ended 31 March, 2011.

BOC Bangladesh has advanced 3.95 percent following their declaration of 250 percent interim cash dividends for the year to December 31.

Grameenphone was the most traded share with 37 lakh shares worth Tk 80 crore changing hands.

GQ Ball Pen was the highest gainer of the day, posting a 8.5 percent rise, while Bangladesh Finance and Investment was the worst loser, slumping by 5.9 percent.

In another development, the Securities and Exchange Commission has fined Md Talha, managing director of Al-Haj Textile, Tk 3 lakh for not complying with securities laws in preparing financial statements.

The commission also fined directors Md Sohrwardi, Md Faroque, Harunur Rashid, Mizanur Rahman, Saidul Islam, Bakhteer Rahman and Prof Mamtaj Uddin Ahmed Tk 3 lakh each for the same offence.



Md Azfar Ali, managing director of Saraf Group of Companies, receives the Respected Company Award 2010-11 from Faruk Khan, commerce minister, at a programme in Dhaka recently. Business Asia, a magazine, sponsored the award.



Abu Sadek Md Sohel, additional managing director of Social Islami Bank, attends a workshop on "Environment risk rating and preparation of error-free investment proposal", organised by the bank, in Dhaka on Saturday.

Bangladesh Lamps Limited

Sadar Road, Mohakhali, Dhaka - 1206

Half Yearly Report - 2011

Based on the SEC directives, this is notified for general information that the statement of unaudited half yearly results of the Company as on 30th June 2011, has duly been despatched to all our shareholders and also the SEC, DSE and CSE within the stipulated time.

The half yearly financial statements can also be available in our web-site of the company. The address of the web-site is www.bl.com.bd.

Dhaka July 24, 2011

 Abdullah Ismail

 Company Secretary