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BUSINESS

DHAKA FRIDAY SEPTEMBER 16, 2011, e-mail:business@thedailystar.net

Investment cap for mutual funds goes

STAR BUSINESS REPORT

The Securities and Exchange Commission yesterday decided to let mutual funds invest in securities freely, in a move that will increase the flow of funds to the cash-strapped stockmarket.

"The SEC has lifted the investment ceiling for mutual funds as they urged the regulator to do so," said Saifur Rahman, an executive director of SEC.

The new decision will remain in force until December 31, he said.

As per the securities law, a mutual fund was allowed to invest 10 per cent of its capital in a single security and 25 percent in one sector.

"From now, we can invest freely in any sector or stock," said an asset manager.

Asset managers on Wednesday urged the stockmarket regulator to relax the ceiling of investment to increase the credit flow to the market which is now experiencing high volatility mainly due to a liquidity crunch.

The SEC approved the rights offer of Premier Leasing and Finance Ltd. The company will issue 52.09 lakh ordinary shares of Tk 100 each, totalling Tk 52.09 crore. The company will offer one rights share for each existing share.

The net asset value (NAV) of the company is Tk 156.07, while the earnings per share are Tk 151.01, according to the last audited financial report.

Meanwhile, the SEC has approved the prospectus of a Tk 50 crore closed-end mutual fund of Sandhani Life Unit Fund. The face value of each unit is Tk 10. Alif Asset Management Ltd will be the asset manager for it.

The SEC also approved the trust deed of a Tk 100 crore of MTB Unit Fund. Mutual Trust Bank will provide Tk 20 crore and Tk 80 crore will be collected from the capital market. The asset manager of the fund is Alliance Asset Management.

NBR honours 350 taxpayers

Income Tax Day observed countrywide

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday honoured 350 long-time and highest taxpayers in the country, marking Income Tax Day for the fourth year to create awareness of the importance of paying tax.

The tax authority handed over crests and certificates to 90 taxpayers in Dhaka at a function at Officers' Club.

Similar programmes were also organised in other cities.

Dividing in two categories -- long time and highest taxpayers -- the tax administrator picked five taxpayers from each of all six city corporations and five taxpayers from each of 64 districts.

Among the five from each city corporation and each district, the NBR honoured two taxpayers for paying tax for a long time and three for becoming the highest taxpayers in fiscal 2010-11.

Finance Minister AMA Muhith handed over the crests and certificates to these taxpayers out of the total 9 lakh taxpayers in the country. NBR Chairman Nasiruddin Ahmed and other officials were present at the ceremony.

"I feel honoured. It's a great feeling. Such recognition gives inspiration to continue paying tax. I will try to pay more tax to get this recognition," said Asadul Islam after receiving the award for becoming the second highest taxpayer in Narayanganj district.

Islam, managing director of clothing firm Asrotex Group, said he paid Tk 17 lakh as an individual in fiscal 2010-11 and was nominated for the award for the first time.

"I saw others being honoured in the past years and thought how I can become the highest taxpayer," said Islam.

Though this was the fourth year the tax administrator honoured large and long time taxpayers in its bid to boost revenue by creating awareness among people, many still do not pay tax fearing



Finance Minister AMA Muhith leads a procession of the National Board of Revenue in Dhaka yesterday to mark Income Tax Day.

hassles.

The NBR also held rally in the morning and engaged students in the campaign.

"We should not evade tax. If we all pay tax regularly and properly, it will help our country progress," said Yunus Ali, who became the largest taxpayer in Dhaka district.

Ali, who has been paying tax since 1990, said the recognition he and others received should inspire others.

Aminul Islam, second highest taxpayer from Munshiganj district, said he was happy to be honoured by the government.

"I am very much delighted. I feel good when I think that the tax I pay is used for the welfare of people," said the taxpayer from Munshiganj.

To encourage people to pay tax and help eliminate the fear of hassles, the tax administrator also organised fairs in the past couple of years, including the Income Tax Fair.

This year the fair will begin tomorrow

in all divisional cities and run until September 22.

Visitors will get tax identification number (TIN) instantly, submit tax returns and deposit payable tax apart from other assistances at the fair.

To ease tax payment and registration, the NBR also takes various steps including creating scope for the taxpayers to submit their returns online.

It has also installed a tax calculator at its website to help the taxpayers assess the amount of their payable taxes.

Azizur Rahman, a long time taxpayer from Rajbari district, said the government should ensure an environment where the taxpayers can get services without any harassment by tax officials.

"Sometimes tax officials demand bribe during the submission of income tax returns. This should go. We want them to help us so that we can pay tax easily," said Rahman, who has been paying tax for the last 38 years.

RELATED STORY AND CHART ON B3

Non-food items

quicken inflation

REJAUL KARIM BYRON

Inflation rose 0.33 percentage points to 11.29 percent in August, compared to a month earlier, mainly due to a rise in prices of non-food items.

Food inflation fell 0.77 percentage points, but non-food inflation went up 2.36 percentage points, according to data released by Bangladesh Bureau of Statistics yesterday.

A central bank high official said a rise in non-food inflation is caused by seasonal factors. On the eve of Eid-ul-Fitr, a huge number of financial transactions took place that contributed to the rise in inflation.

A BBS official said spiralling fuel prices, transport fares, clothing prices and household costs were reasons behind the rise in non-food inflation.

However, huge subsidies in the fuel and power sectors compelled the government to go for increased bank borrowing, which in turn pushed non-food inflation up, said a finance ministry official.

According to central bank statistics, the government borrowed Tk 5,224 crore from the banking system from July 1 to August 31. But at the same time last year, the government did not borrow money and rather, repaid an amount of Tk 598 crore.

Of the total amount borrowed, the government took Tk 2,866 crore from the central bank, which was fresh money having more inflationary effect than borrowing from the commercial banks.

The finance ministry and Bangladesh Bank held meetings with the prime minister on Tuesday on inflation and subsidy, expressing concerns at the rise in inflation.

The finance ministry official said every month they have to spend about Tk 1,200 crore to Tk 1,300 crore on account of fuel and electricity. In the meeting, the prime minister gave directives to minimise subsidies in a way so that it has little effect on inflation.

David Cowen, chief of the visiting IMF mission, yesterday told a press conference that inflation has also been on the rise pushed by higher food prices and demand-side pressures. However, he said the inflation rate is projected to come down modestly by the end of the fiscal year, mainly due to more moderate expected increases in global commodity prices.

According to BBS statistics, food inflation was 12.70 percent in August which was 13.40 percent in July and non-food inflation was 8.76 percent in August, up from 6.46 percent in July.

A BB high official said the bank has tightened the monetary policy that resulted in a slight fall in credit growth. In the coming days, non-food inflation will fall further, the official said.

NOTICE

We bring out today four pages instead of our regular eight, as business activities are yet to pick up after the

IMF predicts 6.3pc GDP growth

STAR BUSINESS REPORT

Bangladesh's GDP growth will be 6.3 percent in the current fiscal year, driven by strong garment exports, rising remittance inflow and better electricity supply, the International Monetary Fund said yesterday.

The estimate is lower than the 7 percent growth forecast made by the Asian Development Bank and the Bangladesh government for fiscal 2011-2012.

The forecast came at a press briefing of IMF's Dhaka office.

The international lender said Bangladesh's economy expanded at a stronger pace in the last fiscal year, supported by rapid export growth and accommodative macroeconomic policies.

The comments from the Washington-based lender came on the last day of a visit by a top IMF delegation led by David Cowen, who visited Dhaka and Chittagong during September 5-15.

During the mission, discussions focused on the policy framework and structural reforms needed to ensure overall macroeconomic stability and lay the conditions for higher economic growth.



David Cowen

IMF said the broad targets set forth in the government's current budget and Bangladesh Bank's current monetary policy statement provide solid anchors.

However, the mission stressed that achieving these targets in the current fiscal year will require better coordination of fiscal and monetary policies.

"The balance of macroeconomic and financial risks could necessitate further policy adjustments to contain external as well as fiscal pressures and to avoid crowding out

private investment," IMF said.

On fiscal policy and debt management, Cowen welcomed the National Board of Revenue's progress on improving tax administration, which is contributing to major revenue increases.

He stressed that tax policy reforms, led by timely passage of near-finalised VAT and direct tax laws, provide a critical anchor to tax modernisation plans under formulation by the NBR.

IMF urged the finance ministry to move forward on public financial management reform, focusing its priorities on strengthening budget accountability and transparency and cash and debt management.

Cowen cautioned that increased reliance on domestic budgetary financing, including from Bangladesh Bank, threatens to undermine macroeconomic stability and necessitates greater interest flexibility to ensure a well-functioning treasury bill and bond market.

On external debt, the IMF official said, primary reliance on concessional borrowing is expected, in line with the debt management strategy being prepared by the finance ministry.

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Saturday, 24 September 2011

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(By appointment only)

Please call to register with our 24-Hour Helpline: 0173 6000 000 by Thursday, 22 September 2011

Dr Chin Chong Min

Urologist, Mount Elizabeth Hospital

Dr Chin graduated from the National University of Singapore in 1986. In the year 1991, he obtained his fellowship in surgery from the Royal College of Surgeons of Glasgow (FRCS) and Edinburgh (FRCSEd), as well as Masters of Medicine (M Med) in Surgery in Singapore. Dr Chin is renowned for his surgical expertise in cancers of the kidney, bladder, testis and prostate, and performs laparoscopic procedures for urological cancers. He is one of the few urologists who conducts Greenlight laser prostatectomy for men with Benign Prostate Enlargement (BPH).

Dr Jeffrey Chew

Orthopaedic Surgeon, Mount Elizabeth Hospital

Dr Jeffrey Chew completed his postgraduate degree in 1994. He received scholarships to conduct biomechanics research at the Mayo Clinic Biomechanics Laboratory, where he studied patello femoral tracking on various knee designs. He was subsequently awarded a clinical fellowship at the Adult Reconstructive Division, Department of Orthopaedic Surgery, Mayo Clinic, Rochester Minnesota from 1998 to 1999 where he did his subspecialty training. Together with Johnson and Johnson Medical, Dr Chew co-designed the PFC Sigma RPF High Flex Knee prosthesis, especially for the Asian population to allow for better range of knee flexion.

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