

## Five NBFIs race against time to raise capital

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday refused to extend the deadline for non-bank financial institutions (NBFIs) to raise their capital base to a minimum of Tk 100 crore.

In a notice last year, the central bank asked the NBFIs to raise their paid-up capital to at least Tk 100 crore by June 30 this year from Tk 50 crore to minimise risks.

Of the 31 NBFIs operating in the country, five companies -- IIDFC, Fareast Finance, Hajj Finance, Reliance Finance and National Finance -- have asked the central bank for a time extension.

"There is no scope for the time

extension. They failed to raise the capital despite repeated requests," said SK Sur Chowdhury, deputy governor of the central bank.

"One year is enough time to raise paid-up capital," said BB Governor Atiur Rahman.

"I hope the financial institutions which are yet to raise the capital to Tk 100 crore will do so by the deadline," said Rahman, citing examples of banks that have raised their paid-up capital to Tk 400 crore in time.

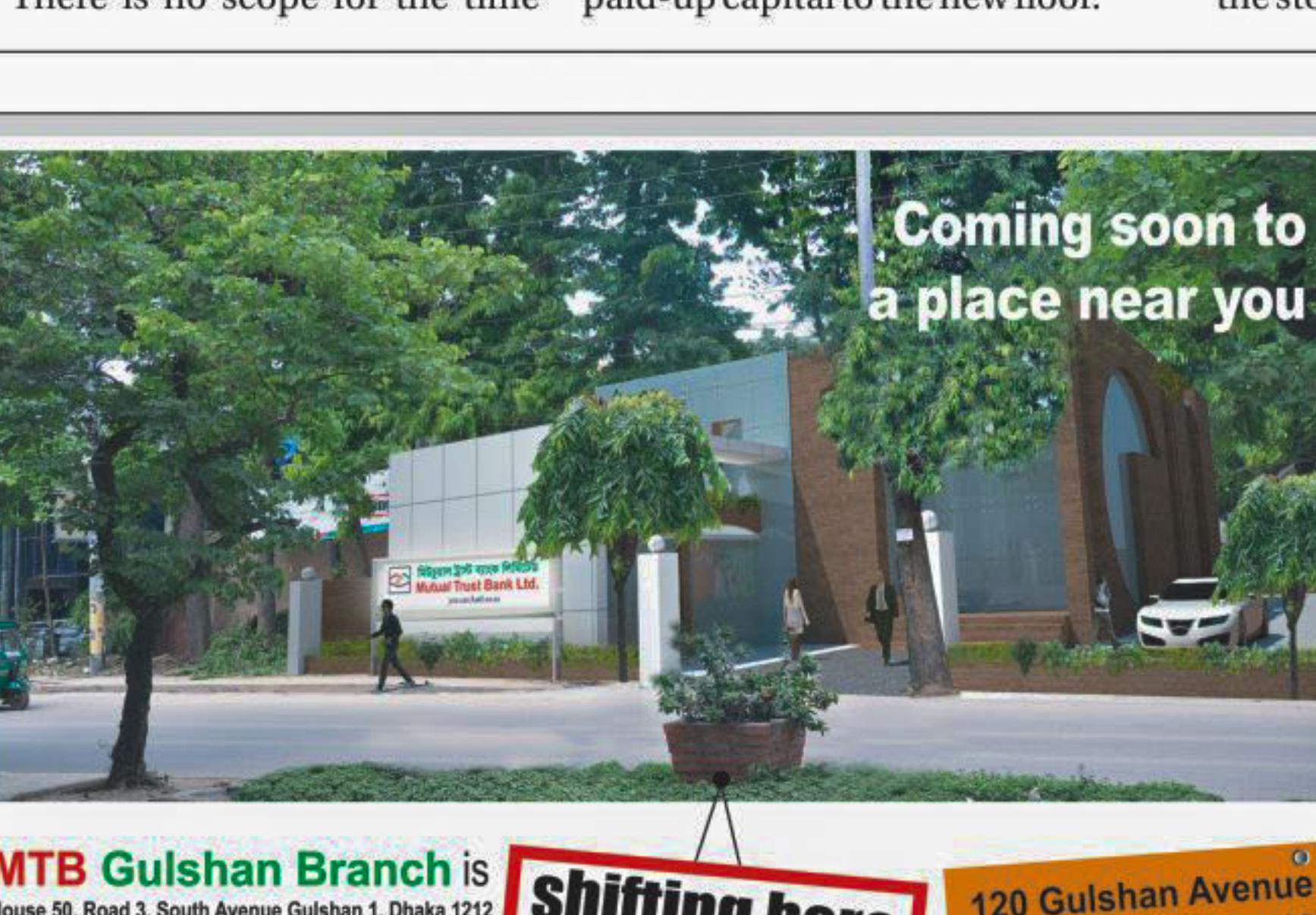
The central bank advised the NBFIs to float initial public offers, issue rights or bonus shares to mobilise funds required to take their paid-up capital to the new floor.

The NBFIs, however, find it difficult to raise capital and pointed to the heavy-handed approach of the Securities and Exchange Commission (SEC) in approving their proposals.

Fareast Finance submitted its IPO proposal two months ago, but the SEC is yet to tell the company when the clearance will be given," said Asad Khan, president of Bangladesh Leasing and Finance Companies Association.

There are rights shares proposals of other NBFIs pending with the SEC, said Khan, also managing director of Prime Finance.

Twenty-two NBFIs are listed on the stock exchanges.



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India seeks to prop up rupee by  
boosting capital inflows

AFP, New Delhi

India on Tuesday said it was relaxing foreign investment rules in a move to bring in more capital to support the battered rupee.

The government said residents of Gulf nations and all European Union countries can invest directly in stock markets. Individual overseas investors will also be allowed to plow up to \$1 billion into the debt market.

The relaxation in overseas investment norms for individual investors is aimed at "enhancing the flow of foreign capital into India," the finance ministry said in a statement.

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## NBR earnings soar

Revenue rises 19.24pc in 10 months

REJAUL KARIM BYRON

Earnings by the tax administrator grew by 19.24 percent in the first 10 months of current fiscal year compared to the same period last year, thanks to a strong drive for tax mobilisation from domestic sources.

However, the National Board of Revenue (NBR) has to collect more than Tk 21,000 crore in the remaining two months to meet the revised target for the entire fiscal year.

An NBR official said they are upbeat about earning more than the required amount in the next two months from the tax dodgers apart from the normal collection from taxpayers.

Being encouraged by the strong performance this year, the government plans to set a 22 percent higher target next year than the current fiscal year's original target, he said. According to NBR statistics, revenue earnings in the July-April period were Tk 71,065 crore, up from the target of Tk 69,787 crore.

The NBR official said they had a collection target of Tk

### REVENUE RECEIPTS

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91,870 crore for the entire year. However, in the revised target the figure is going to be set at Tk 92,370 crore.

The current year's successes may encourage the NBR to set the next year's target at Tk 112,259 crore, 22.19 percent more than this fiscal year's original target.

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## Regulator okays IPO prospectus of Argon Denims

The SEC also approves Banglalion's proposal to issue zero coupon bonds

BUSINESS REPORT

The Securities and Exchange Commission yesterday approved initial public offering (IPO) prospectus of Argon Denims Ltd, which will raise Tk 132 crore from public.

The approval came at a meeting of the stockmarket regulator with its Chairman M Khairul Hossain in the chair.

Using a fixed-price method, Argon Denims will float three crore ordinary

shares of Tk 10 each at an offer price of Tk 44, including a premium of Tk 34, the SEC said in a statement.

The company will use the IPO proceeds to repay its bank loans and use in project expansion.

The company's earnings per share is Tk 5.46, according to its 2011 financial statements.

LankaBangla Investments Ltd is the issue manager of Argon Denims' IPO.

Argon Denims, a subsidiary of

Evince Group, will be the 26th company in the textile sector to be listed on the bourse.

At yesterday's meeting, the SEC also approved Banglalion Communications' proposal to issue 10 percent convertible zero coupon bonds to raise Tk 130 crore from public through private placement.

The WiMax data and telecoms service provider will use the fund in its 'broadband wireless access project'.

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