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 From September 25, 2012
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star BUSINESS

DHAKA TUESDAY SEPTEMBER 25, 2012, e-mail: business@thedailystar.net

BB warns state banks on classified loans

STAR BUSINESS REPORT

The central bank yesterday warned four state-owned commercial banks (SCBs) of rises in their classified loans and deteriorating risk management in recent months.

The word of warning, which comes following the Hall-Mark Group loan scandal, was conveyed at a quarterly meeting between Bangladesh Bank and the SCBs, chaired by Governor Atiur Rahman.

The regulator also asked the four banks to recover the classified loans by the year-end, or else the central bank would be compelled to take stern action against them, said a senior BB official present at the meeting.

"The governor wanted to know why these banks' classified loans



have increased in recent months," SM Aminur Rahman, the managing director and chief executive officer of Janata Bank, confirmed to The Daily Star.

The Hall-Mark Group swindle and its consequences, including purchased bills settlement, to the

banking industry, were also discussed at the meeting.

Rahman said the governor has asked the SCBs to strengthen their internal risk management so that classified loans could be curtailed and forgeries are avoided.

He said the governor also asked the SCBs to monitor the authorised dealer branches that deal with foreign trade.

Classified loans, also known as non-performing loans, of the SCBs rose to Tk 11,772 crore in June 2012 from Tk 10,120 crore in March 2012, according to data from BB.

The classified loans accounted for 13.54 percent of the total disbursed loans of these banks, the data showed.

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Bidding for New Mooring terminal now depends on shipping ministry

DWAIPAYAN BARUA, Ctg

The future of a bidding process to appoint a private operator for New Mooring Container Terminal at the Chittagong Port now depends on the decision from the shipping ministry.

However, the bidding process is already halted by a recent directive from a review panel of the Central Procurement Technical Unit (CPTU).

The ministry is also taking preparations on how to deal with the CPTU directive legally.

Though the process for preparing the bidding documents started in February 2001, the terminal having five berths could not be made operational as no operator

could be appointed till date.

The construction of the terminal was complete in 2007.

Once the terminal is fully operational, the capacity and productivity of the port will almost double, said analysts.

Five international and local firms submitted their bids on August 30 to operate and manage the terminal on a supply-operate-transfer basis.

But the offers could not be opened as the CPTU review panel on August 29 asked the port authority not to take any step following appeals made by two international bidders who brought allegation of irregularities in the bidding.

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ACC to probe 'irregularities' in bidding

DWAIPAYAN BARUA, Ctg

The Anti Corruption Commission has opened a probe into the alleged irregularities in a bidding process to appoint a private operator for New Mooring Container Terminal at Chittagong Port.

The anti-graft body has already sought a number of documents regarding the bidding from the Chittagong Port Authority (CPA).

An ACC official on September 19 sent a letter to the port authority seeking the documents and asked to submit those by tomorrow.

Captain Nazmul Alam, deputy conservator of the CPA, said they received the letter on Sunday evening.

Nazmul said they are taking necessary preparations to send those documents.

If necessary they would seek more time from the ACC to send all the

Subscriber sues 11 GP officials

STAFF CORRESPONDENT, Ctg

A Grameenphone subscriber in Chittagong yesterday sued 11 officials of the mobile operator, including its chief executive officer, for what the user said was misappropriation of consumers' money by providing lucrative offers.

SHM Habibur Rahman Azad filed the case with the Court of Metropolitan Magistrate Muntasir Ahmed, said his lawyer.

Grameenphone officials said they are yet to know about any such case.

Kazi Monirul Kabir, chief communication officer of Grameenphone, said: "We have not been informed yet about any such case filed against our CEO and other officials. Once we know about it, we will take appropriate legal steps to mitigate the matter."

Advocate Iftexhar Saimul, the counsel for the plaintiff, said the case was lodged under sections 34, 406 and 420 of the penal code.

"The court accepted the case and ordered a judicial probe," Saimul added.

The defendants include CEO Tore Johnsen, COO Kabir, Chief Financial Officer Fridtjof Rusten, Chief Technology Officer Tanveer Mohammad, Chief Corporate Officer Mahmud Hossain and Chief Marketing Officer Alen Bonke.

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IDCOL to install 1,500 solar-powered irrigation pumps by 2016

SUMAN SAHA

The Infrastructure Development Company Ltd (IDCOL) plans to install 1,500 solar-powered irrigation pumps across Bangladesh by 2016, in a bid to promote alternative energy and limit reliance on fossil fuels.

The new pumps will run on a combined 12 megawatts (MW) of power to be generated by solar panels, projected to save the government nearly Tk 65 crore in fuel-subsidy costs spreading across 20 years.

The project will cost Tk 530 crore. IDCOL, a non-bank financial institution, will finance Tk 370 crore: Tk 160 crore in soft loans and Tk 210 crore in grants to be provided by the World Bank, KWF and other donor agencies.

The remaining Tk 160 crore will be provided by the equity participants.

IDCOL is currently working with Network for Universal Service and Rural Advancement, Rural Communication Network and Services Ltd and Grameen Shakti, to set up the solar irrigation pumps -- but it is open to applications from interested parties.

IDCOL will review the proposals based on a number of criteria, such as financial capability, technical know-how and viability of the project.

IDCOL has already installed seven solar irrigation pumps in as many upazilas, with plans to set up another 50 pumps by the year-end.

"We want to install more solar irrigation pumps across the



IDCOL

IDCOL has installed this solar-powered irrigation pump in Dhamrai recently.

country as it will ensure a sustainable energy solution and reduce dependence on diesel-run irrigation pumps," said Mahmood Malik, IDCOL's chief executive officer.

Bangladeshi farmers, at present, rely on some 266,000 electrically powered water pumps which consume around 1,300MW to irrigate 1.7 million hectares of land.

And during the peak growing season, a further 1.3 million diesel-run pumps, using up 900,000 tonnes of fuel, are operated to irrigate the additional 3.4 million

hectares of land, data from Bangladesh's power and energy ministry revealed.

Currently, the government provides around Tk 24-26 per litre of diesel as subsidy.

"Installation of solar irrigation pump will certainly help the country to save a huge amount of foreign currency," Malik said.

Based on a number of criteria that includes the capability to produce at least three crops a year, off-grid areas and immunity to floods, the company has already selected 100 upazilas to set up the solar pumps.

The installation of a solar pump with a capacity to lift around 5 lakh litres of water, sufficient to irrigate 15-20 acres, and other costs will require around Tk 35 lakh.

The low maintenance costs, together with the 20 to 25 years of warranty, make the solar irrigation pumps attractive to farmers, according to Malik.

A farmer has to pay Tk 1,000-Tk 3,000 for each bigha of land as irrigation charge for a crop season.

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FBCCI seeks extension of tax return deadline

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday demanded a month's extension of the deadline for the income tax return submission as many payers could not submit tax in time.

The FBCCI urged the National Board of Revenue (NBR) and the finance ministry to extend the deadline to October 31 from September 30 now.

It might not be possible for many businessmen to submit their returns by September 30, for delayed publication of a circular on changes in taxation in the national budget for fiscal 2012-13, FBCCI said in a statement.

Moreover, many taxpayers are yet to know the details of the changed tax zones and tax appellate zones, according to the statement.

The NBR held income tax fairs in Dhaka, Chittagong and other divisional cities from September 16-22 to facilitate the taxpayers for easy submission of returns.

SEC to review overvaluation of 17 companies

GAZI TOWHID AHMED

The Securities and Exchange Commission (SEC) will review the overvaluation of assets of 17 companies, an official said yesterday.

The decision taken last week at a meeting came after a recommendation from a government probe committee on the stockmarket crash of last year.

"We will reexamine the overvaluation of assets and companies' financial statements to ensure transparency and accountability in the market," the SEC official said.

The securities regulator will also investigate irregularities in the issuance of rights and preference shares of all listed firms, he said, asking not to be named.

The market watchdog will take action against companies, issue managers and valuers if securities rules are violated, he added.

A four-member panel, headed by Krishi Bank's Chairman Khondker Ibrahim Khaled, had conducted an inquiry into the market crash that happened during the February-March period of last year.

The committee submitted a 300-page report to the government on April 7 of the same year.

The study found the crash to have been brought about by the swindling activities of around 100 individuals and business organisations amounting to Tk 20,000 crore.

A total of eight companies -- Libra Infusion, Sonali Ansh Industries, Rahim Textile, BD Thai Aluminum, Orion Infusion and Ocean Container -- overvalued their assets, the probe report found.

As a result, the net asset value of these companies shot up between 104 percent and 3,500 percent.

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Stocks slip as investors take profit

STAR BUSINESS REPORT

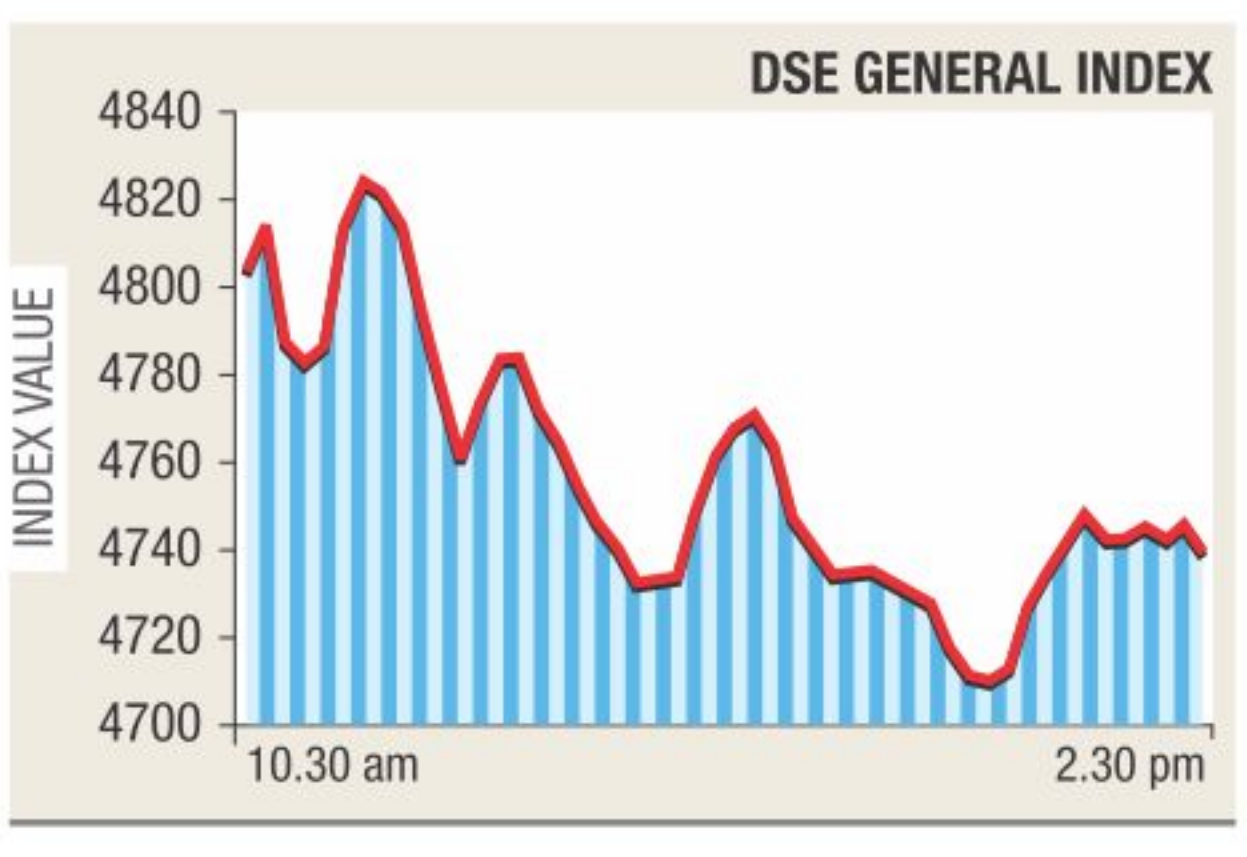
Share prices on the premier bourse fell yesterday as the majority of investors apparently booked profit from their previous purchase.

DGEN, the benchmark General Index of Dhaka Stock Exchange, finished the day at 4,736.97 points, after falling 63.45 points or 1.23 percent.

"The market is seeing profit-taking from the short term traders. The central bank has deferred the time for provisioning. Banks rallied for the last few days anticipating the news and traders realized their profits on the day," LankaBangla Securities, a leading stockbroker, said.

Turnover lost 11.47 percent to Tk 979 crore, compared to the previous day.

A total of 2.18 lakh trades were executed with 24.26 crore shares and mutual fund units changing hands on the Dhaka bourse.



Both of the recent top performing sectors, bank and cement, experienced a 4.07 percent and 2.10 percent correction on the day upon profit-booking.

Information technology joined the rally as the sector

gained 4 percent after a three-session break.

Of the 272 issues that traded on the DSE floor, 75 advanced, 187 declined and 10 remained unchanged.

United Airways featured in the most traded stocks chart of the day with 2.50 crore shares worth Tk 68.43 crore changing hands. RN Spinning Mills and Titas Gas were the next popular stocks of the day.

Aamra Technologies was the biggest gainer of the day, as it posted a 9.87 percent rise, while ICB AMCL First NRB Mutual Fund was the worst loser, plunging by 9.09 percent.

The Selective Categories Index of Chittagong Stock Exchange closed the day at 9,174.18 points after falling 182.95 points or 1.96 percent.

Losers beat gainers 136 to 53, with eight securities remaining unchanged on the port city bourse that registered transactions of 3.08 crore shares and mutual fund units worth Tk 111 crore.

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