

CURRENCIES

As on Thursday

USD

78.40

EUR

104.97

GBP

121.28

JPY

0.79

IDLC

financing happiness

NCC BANK

Small Business Loan

NCC Bank Ltd.

Where Credit and Commerce Integrates

star

BUSINESS

DHAKA MONDAY SEPTEMBER 23, 2013, e-mail:business@thedailystar.net

TK 28CR SCAM ACC sues SB Group owners, Commerce Bank officials

STAR BUSINESS REPORT

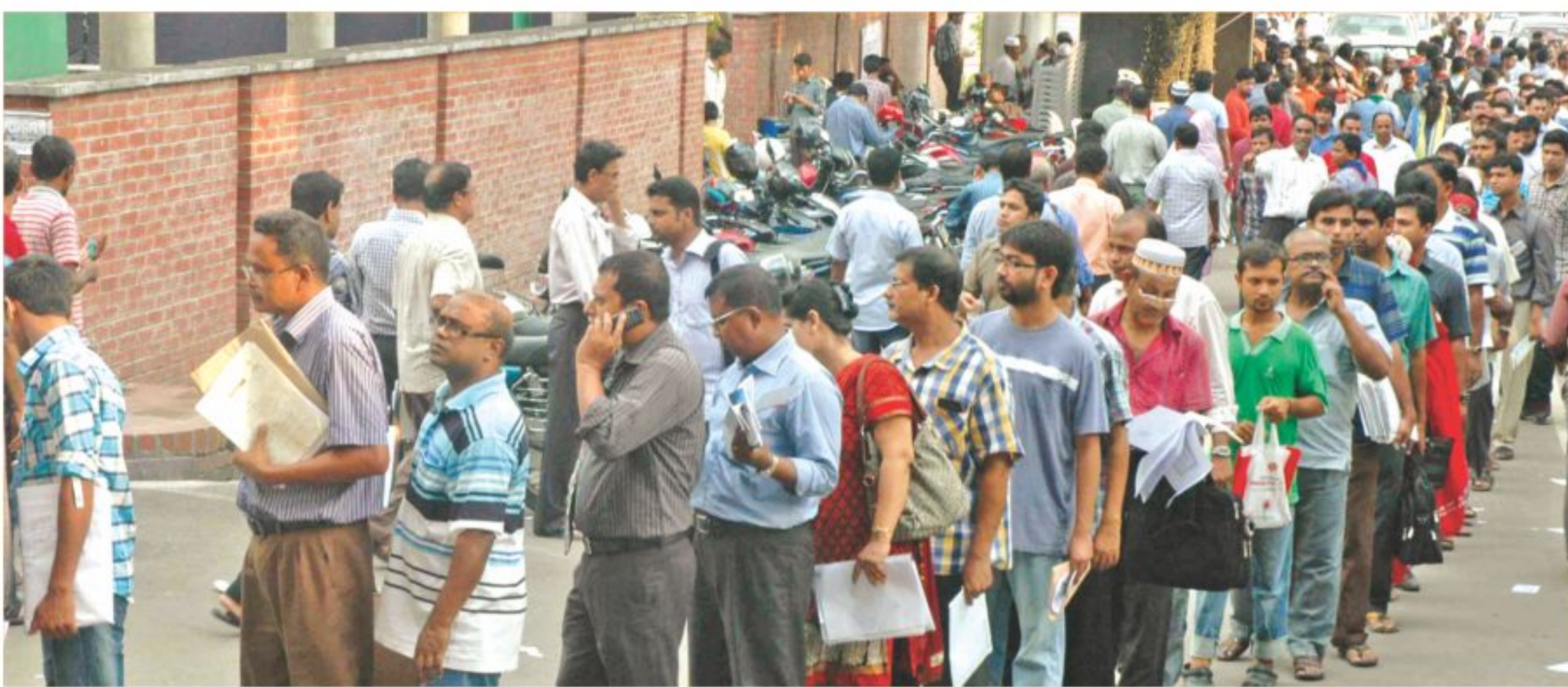
The Anti-Corruption Commission yesterday filed two separate cases against the owners of two business entities and five officials of Bangladesh Commerce Bank Ltd for misappropriating more than Tk 28 crore from the bank.

SB Group, in connivance with the bank officials and a surveyor – Rafid Inspection, swindled Tk 25 crore from the bank showing forged documents of lands used as mortgage, according to one of the case statements.

Another case statement said SB Group misappropriated more than Tk 3 crore on forged documents for importing onion and chemicals from India and China.

The accused are SB Group Chairman and Managing Director Shahjahan Bablu, Director Abul Kashem; Commerce Bank's Senior Vice President SM Waliullah, Assistant Vice President and Khilgaon branch manager Abu Sayeed, former executive officer Kamrul Islam, Senior Executive Officer of foreign exchange branch Sudhir Chandra Sarkar, executive officer AZM Tariquzzaman, and owner of Rafid Inspection SM Hasnat Chowdhury.

The scams took place between 2011 and 2012.



People wait in line for tax filing and related services at the Officers' Club in Dhaka yesterday, the last day of the National Board of Revenue's annual tax fair.

NBR logs highest revenues at tax fair

STAR BUSINESS REPORT

The weeklong tax fair ended yesterday amid a rush of taxpayers, enabling the revenue authority to register its highest revenues from the showcase.

The event fetched the National Board of Revenue (NBR) Tk 1,117.4 crore this year, up 34.46 percent from the previous year, thanks to its expansion throughout the country. This year, the show was held in all divisional cities, 54 district towns and three hilly districts.

It also beat previous records of visitor turnout and tax returns submission.

Year	Service recipients	New TINs	Returns submitted	Tax (in Tk/crore)
2010	60,512	5,638	52,544	113
2011	75,120	10,041	62,272	414
2012	346,867	16,287	97,867	831
2013	510,145	12,337	132,017	1,117

"The fair marked huge crowd and spontaneous participation of taxpayers, particularly on the last day," the NBR said in a statement.

This was the fourth time that the NBR held the tax fair, offering people one-stop services such as assistance with filing of tax returns and tax payment either manually or electronically.

Taxpayers said the show enabled them to complete tax-related work without any hassle, unlike in field offices where they have to deal with delays and rent-seeking behaviour of staff.

One offering which went down well with the visitors is the assistance with the online registration and re-registration of taxpayer identification numbers (TINs), launched in July to establish an electronic payment system.

So much so that the NBR had to increase the number of service booths at Officers' Club in Dhaka.

READ MORE ON B3

Deposit rate cuts hardly benefit borrowers

SAJJADUR RAHMAN

Borrowers are yet to reap any significant benefits from the recent cuts in deposit rates, according to bankers and businesspeople.

Banks were offering 12.50 percent or more for fixed deposits three months ago. Though the rates have come down to 10-11.50 percent now, some banks having adequate liquidity cannot offer more than 11 percent even for fixed deposits of three years and above.

Top bankers said they have been unable to immediately pass the benefits on to the borrowers as they continue to pay higher interest on their deposits taken earlier.

A rise in banks' nonperforming loans is also holding them back from reducing the lending rates.

"With all good intentions, we cannot cut lending rates at the moment," said Helal Ahmed Chowdhury, managing director of Pubali Bank.

And for that, Chowdhury has identified three reasons -- a dull investment demand before the elections, new loan provisioning rules and an increasing tendency among businesses to take foreign currency loans.

Economic Trends for August 2013, a monthly publication of Bangladesh Bank, shows term loans to large and medium industries cost a borrower 12.50-17.50 percent interest, which goes up to 21.50 percent for small industries.

Working capital for large and medium industries costs 12.50-17.50 percent, which is up to 19 percent for small industries.

Interest rates for trade financing still hover between 13.50 percent and 19.50 percent, according to BB data. Housing loans cost 15.50-19 percent, and consumer credit 13-20 percent.

The City Bank, a local private lender, raised its rates for term loans to small industries by 1 percentage point to 21.50 percent in August from 20.50 percent in the previous month, the Economic Trends shows.

The bank, however, reduced the rates for working capital to large and medium industries by half a percentage point to 16 percent.

READ MORE ON B3

TCB starts open market sales of onion

STAR BUSINESS REPORT

The Trading Corporation of Bangladesh (TCB) yesterday started selling onion at Tk 55 a kilogram in open markets across the country to cool the prices of the vegetable.

Consumers cannot buy more than a kg of onion at one time from the state-owned trading corporation, which will sell the essential cooking item through its dealers via trucks, the commerce ministry said in a statement.

Prices of imported onion in Bangladesh increased 270 percent year-on-year to Tk 90 a kg after bad weather in India—the country's main source of the vegetable—created a supply crunch. India hiked its export price to \$900 a tonne from \$250.

Meanwhile, Commerce Minister GM Quader instructed the TCB to make onion available to low-income people.

He also directed the commerce ministry and the related department to take all steps and keep import, supply and prices of onion stable, according to the statement.

The minister also requested the central bank to reduce credit interest and LC margin for onion imports.

READ MORE ON B3

Runner to make motorbike engines

SUMAN SAHA

Runner Automobiles Ltd, a motorcycle maker, plans to manufacture motorbike engines locally in the next two years, its officials said.

The company has so far invested around Tk 200 crore in its 100-bigha plant at Bhaluka in Mymensingh, and will make further investment to set up the full-fledged manufacturing unit.

"Currently, we make chassis and body in our factory and plan to start manufacturing engines in 2015," Hafizur Rahman Khan, chairman of the company, said.

At present, the company has the capacity to produce 1.5 lakh motorcycles a year, and once the new unit is up and running, the capacity will double, Khan said.

Producing engines locally will increase the value addition of the product by around 25 percent, he said.

"Our aim is to manufacture motorcycles using the locally-made components. The new plant will help us move one step ahead



towards the goal," Khan said, adding that other manufacturers will be able to buy engines from Runner.

The new plant will help the country save a huge amount of foreign exchanges spent on importing such engines, he said.

Runner Group is extending technical support and incentives to some small and medium enterprises that make and supply the component parts, including seat, side cover, indicator light, head light, back

light, cables and wiring harness, to Runner and other companies.

"It is an urgent need to build a strong backward linkage industry if we want to turn Bangladesh into a motorcycle manufacturing hub," Khan said.

In 2012 the company sold a total of 33,576 units of motorcycle in Bangladesh, down by 28.48 percent from 2011, said M Anwarul Azim, director (international operations) of the company.

In the first six months of 2013, the company sold 14,194 units, he said, adding that Runner has a 16 percent share in the motorcycle market.

The company has also started exporting on a limited scale, Azim said. Their potential markets could be the northeastern states of India, Nepal, the UAE and some African countries, he said.

"We need long-term policy supports from the government to help the industry grow further," said Khan, the chairman of the company.

For the local market, the company uses the brand names -- Dayang-Runner and Freedom-Runner, while for the overseas markets the brand name will be Runner.

The company sells various models, with the prices ranging from Tk 72,000 to Tk 1.35 lakh for 50cc to 150cc motorcycles.

Runner Automobiles started its business in 2000, with a paid-up capital of only Tk 1.5 crore, as a distributor of Dayang Motors, a joint venture between Thai and Chinese companies.

Remittances from top six countries on the decline

STAR BUSINESS REPORT

Remittance inflow to Bangladesh from top six countries has been on a gradual decline, according to Bangladesh Bank statistics.

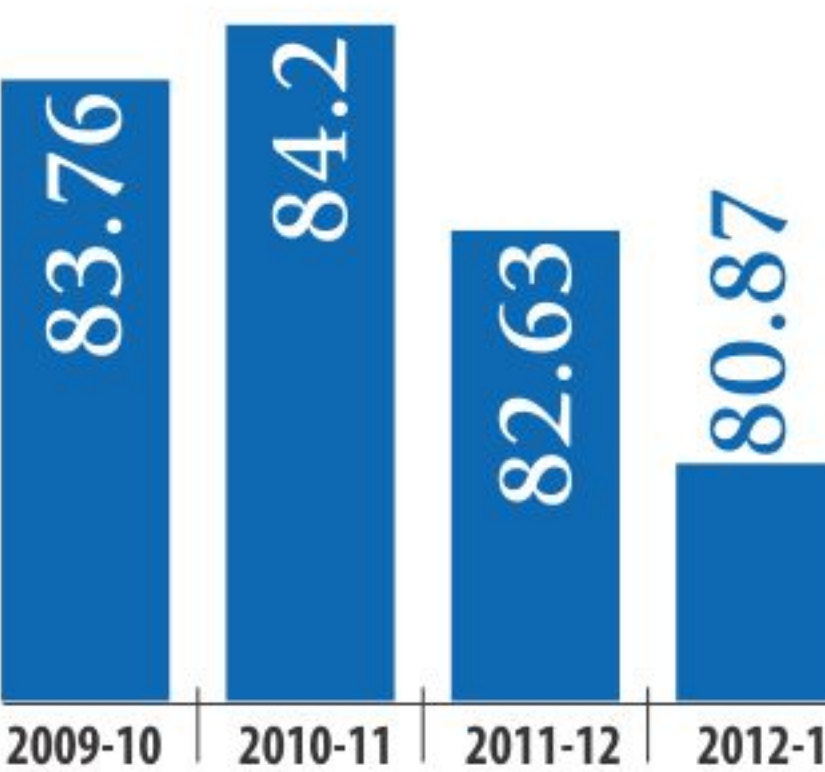
The six countries -- Saudi Arabia, United Arab Emirates, Kuwait, the US, the UK and Malaysia -- accounted for \$11.69 billion or 80.87 percent of Bangladesh's total remittance inflow of \$14.46 billion in fiscal 2012-13.

Contribution of these countries was 82.63 percent, 84.20 percent and 83.76 percent in fiscal 2011-12, 2010-11 and 2009-10 respectively.

The Bangladeshi diaspora in Saudi Arabia sent the highest amount of foreign currencies, worth nearly \$3.83 billion, in 2012-13, followed by the UAE at \$2.83 billion and the US at \$1.86 billion, central bank data shows.

Remittance inflow from the UAE, Oman, Bahrain, Kuwait, Libya, the US, Malaysia, Singapore, Australia and South

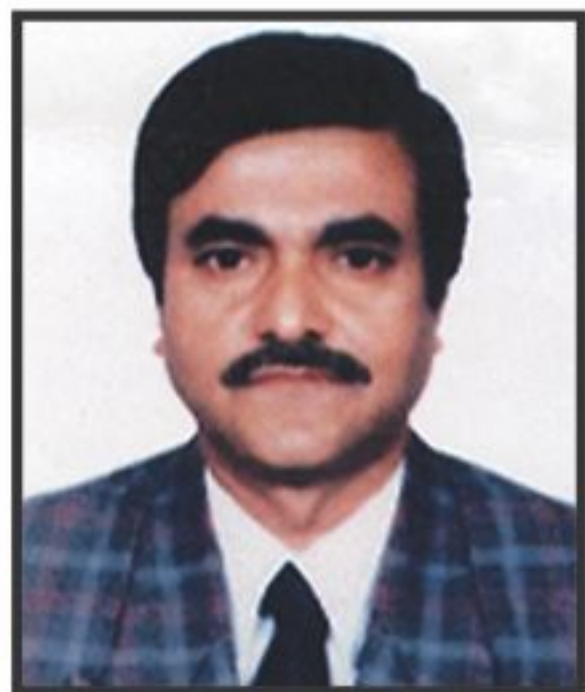
INFLOW OF REMITTANCES
FROM SAUDI ARAB, UAE, KUWAIT, USA, UK
AND MALAYSIA (IN % OF TOTAL)



Korea increased in 2012-13 compared to that a year ago.

However, remittances from Qatar, the UK, Germany, Japan, Italy and Hong Kong witnessed a negative growth in 2012-13 compared to 2011-12.

OBITUARY



Md. Sharif Uddin Khan
(1953-2013)

Mr. Md. Sharif Uddin Khan, Head of Credit Administration Department (CAD) of Mutual Trust Bank Ltd. (MTB) passed away on September 21, 2013 at his hometown in Kushtia from a massive cardiac arrest (Inna Lillahe Wa Inna Ilaihi Rajeun). He was 60 years old.

MTB deeply mourns the death of Mr. Khan and prays to the Almighty so that his family might have the strength to bear this irreparable loss with fortitude.



Forex reserves hit \$16b again

STAR BUSINESS REPORT

Foreign currency reserves have again reached \$16 billion although imports have started rising at the start of the current fiscal year. Forex reserves first crossed the \$16 billion mark in August.

READ MORE ON B3

THE ULTIMATE APARTMENT IN DHAKA

READY FOR IMMEDIATE SALE @ SHANTINAGAR

SIZE : 1960 & 2070 SFT.
FULLY FURNISHED | FULLY LOADED
FULLY AIR CONDITIONED
BUYER CAN EXPECT VERY HIGH RENTAL

শেলেটেক শরৎ মেলা ২০১৩
শেলেটেক SHELTECH
01713-091704, 01713-091705, 01713-091713

GETTING THE BEST DEAL ON THE LATEST SAMSUNG SMART PHONES.
LEARNING HOW TO USE IT FROM YOUR KID: PRICELESS

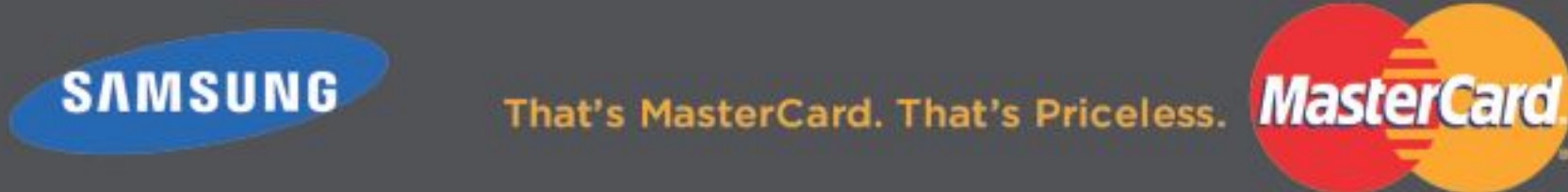


USE YOUR MASTERCARD® DEBIT OR CREDIT CARD TO
GET 10% OFF ON SAMSUNG SMART PHONES**.

This Promotion is valid for:

Samsung GALAXY S4, Samsung GALAXY GRAND, Samsung GALAXY Note 4
Samsung GALAXY S4 mini

Visit SAMSUNGsmartphonecafe & TRADINGCOM and ask for offer details.
Terms & Conditions apply.



* MasterCard and Maestro are the registered trademarks of MasterCard International Incorporated. Only licensed banks in Bangladesh can issue the relevant payment cards under the MasterCard family of brands. ** The above offers are subject to the individual merchants terms and conditions. Only valid merchants listed above accept Maestro. Please check with the merchants before availing yourself of the offer. The products and services are sold or provided solely by such merchants under such terms and conditions as determined by such merchants, and neither MasterCard International Incorporated nor any of its subsidiaries or affiliates accept any liability whatsoever in connection with these products and services and any loss or damage whatsoever (direct or indirect) caused by or related to such products and services is the sole responsibility of the individual merchant. Neither MasterCard International Incorporated nor its subsidiaries, affiliates and partner banks make any warranties or representations whatsoever in respect of the quality, merchantability, suitability or availability of the products and services included in these offers and under no circumstances shall the inclusion of any product or service be construed as an endorsement or recommendation of such product or service by MasterCard International Incorporated, its subsidiaries, affiliates and partner banks. Any dispute in this regard shall be directly taken up with MasterCard. These offers are subject to force majeure events. MasterCard reserves the absolute right to vary, amend or withdraw any of the featured offers and to amend the terms and conditions applicable to these offers at any time and without prior notice. In case of any disputes, cardholders are required to present the relevant card payment receipts of the relevant sale for further investigation. In all such cases, the decision of MasterCard International Incorporated shall be final and binding. Other terms and conditions apply.