**ASIAN MARKETS** 

**TOKYO** 

**V** 0.05%

**V** 0.14%

MUMBAI

**V** 0.27%

Oil Flat

\$49.28

এসআইবিএল রিটেইল ব্যাংকিং ফ্রি অনলাইন সেবা

এসআইবিএল ইসলামিক কনজ্যুমার ফাইন্যান্স এসআইবিএল হোম ফাইন্যান্স এসআইবিএল অটো ফাইন্যান্স

জীবনের জন্য, জীবন যাপনের জন্য

যে কোন প্রয়োজনে ০৯৬১২০০১১২২

# DHAKA THURSDAY MAY 19, 2016

COMMODITIES

\$1,270.30

Merger fees too high to bear: Axiata

Robi's parent company writes letter to Tarana Halim and BTRC chief

MUHAMMAD ZAHIDUL ISLAM

**STOCKS** 

DSEX

CSCX

0.90%

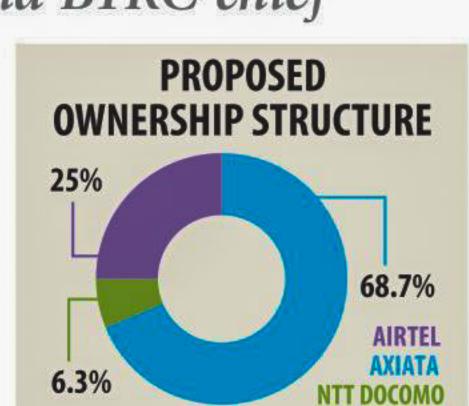
................ Robi's parent company Axiata Group has urged regulators to reverse their recommendation for fees and charges of about Tk 700 crore for the merger with Airtel to go ahead.

"We regret that the company would not be in a position to proceed with the proposed merger should such a fee be levied," Jamaludin Ibrahim, president and group chief executive officer of Axiata Group, said in a letter to Tarana Halim, state minister for telecom.

The letter was also sent to Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission or BTRC.

The merger will provide more certainty to Axiata Group's future investment, without which its business sustainability in Bangladesh will be at risk, according to Ibrahim.

Last week, the BTRC sent a set of recommendations to the government, one of which is a payment of about Tk 750 crore, including Tk 510 crore in spectrum charges.



The new merged entity will have to pay Tk 510 crore in charges for using Airtel's existing spectrum, which was bought at a price lower than what the other operators paid.

SOURCE: TELECOM DIVISION

For example, Airtel in 2005 bought 15 MHz of spectrum in the 1,800 band for 15 years at a cost of Tk 340 crore, which means the price of spectrum per MHz per year was Tk 1.51 crore.

**READ MORE ON B3** 

#### PM approves mobile number portability

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina has approved the long pending guideline on 'mobile number portability' (MNP) that will empower subscribers to switch operators by keeping their current numbers.

The service will intensify competition in the market and push it to maturity, according to telecom experts. Md Faizur Rahman

Chowdhury, the telecom secretary, said they received the final approval from the Prime Minister's Office and will now send it to Bangladesh Telecommunication Regulatory Commission. The prime minister is also the in-charge of the telecom ministry.

"BTRC will take necessary steps and arrange an auction to appoint a company to render the service," said Chowdhury.

**READ MORE ON B3** 

ATMs supplied

Technomedia 9%

30%

by firms

Leads

Corporation

Other 10 firms

## Banks giving low-cost loans to manufacturers

**RECIPIENTS OF FUNDS** 

Names of

Firms

**Premiaflex Plastics** 

Flamingo Fashion

Mahmuda Attires

Sohagpur Textile

**PN** Composite

REJAUL KARIM BYRON

**CURRENCIES** 

**BUY TK** 77.90

SHANGHAI

1.28%

........... Banks are providing industrial loans at a maximum cost of 6.5 percent -which is almost half the going interest rates -from a fund provided by the World Bank, a development that will put a smile on the faces of businesses.

At present, the rate of interest on industrial

loans is 11 to 12 percent, which businessmen say reins in their investment. The WB last year provided \$291 million to

Names of

Banks

EBL

EBL

**EBL** 

UCBL

**EXIM** 

Bangladesh to extend long-term foreign currency credit to private sector firms. Subsequently, the government created a fund using the WB loan for disbursement through a select few commercial banks. As of now, a total of 30 credit proposals have been

received by the Bangladesh Bank, of which five have been sanctioned. The highest rate of interest on the loans is 6.5 percent, according to bank officials.

Eastern Bank has approved a total of \$13.85 million for three firms: Premiaflex Plastics Ltd, Flamingo Fashions, and Mahmuda Attires Ltd.

Premiaflex Plastics Ltd got a \$3.5 million loan at an interest rate of six-month LIBOR plus 3.25 percent and five years' tenure. The LIBOR (London Interbank Offered Rate) is less than 1 percent at present.

LIBOR is the rate at what banks charge each other for short-term loans **Amount of Loans** in the London interbank market. It also serves as a global benchmark for short-term interest rates. The LIBOR will be followed because the loans will be given in foreign currency.

Flamingo Fashions, a knitwear factory, got \$6.5 million at six-month

will be used for importing capital machinery, is 5.5 years including a six-month grace period. Mahmuda Attires Ltd got \$3.85 million loan under

LIBOR plus 3.5 percent. The tenure of the loan, which

(in millions of \$)

3.5

3.85

6.1

10.51

the same terms and conditions. Exim Bank has approved a \$10.51 million loan for PN Composite Ltd, a knitwear factory, at an interest rate of

six-month LIBOR plus 3.25 percent. The repayment period is five years, which includes a year's grace period. Sohagpur Textile Mills got \$6.1 million from United Commercial Bank Ltd. The rate of interest on the loan is

six-month LIBOR plus 3.25 percent and the repayment period is 5.5 years including one year's grace period. The other 25 credit proposals are currently under review by the BB. "If they meet the WB criteria, the loans

will be granted for disbursement very soon," said a central bank official.

READ MORE ON B3

### Alliance appoints Moriarty as country director

STAR BUSINESS REPORT

The Alliance for Bangladesh Worker Safety, a platform of 28 North American retailers and brands, appointed former US Ambassador James F Moriarty as country director on Tuesday. Moriarty was the executive director of the Alliance,

prior to his new assignment. He will now lead strategic oversight and out-

reach activities with key stakeholders in Bangladesh's government, garment industry, and nongovernmental and nonprofit organisa-

tions, the Alliance said in a statement. "As our operations team continues to work to empower factory workers and

owners, we saw an opportunity to increase our engagement with key stake-

holders and focus on long-term sustainability," said Ellen Tauscher, independent chair of the Alliance. With safety inspections completed in all Alliance facto-

Bangladesh. As country director, Moriarty will spend more time in Bangladesh working with the Alliance's partners to support Bangladesh's efforts to improve garment factories after the Alliance comes to a close in 2018.

ries, 1.2 million workers trained in fire safety at least

once, and 50 percent of factory repairs now complete,

there has been significant progress in Alliance activities in

**James F Moriarty** 

Moriarty comes aboard as Managing Director Rabin Mesbah transitions to lead the building and fire safety division of ELEVATE, the management firm responsible for designing, managing and executing all Alliance remediation and training efforts in Bangladesh.

"Under Mesbah's leadership, we have made considerable progress in the past two and a half years, and I am looking forward to having even more active engagement with key stakeholders to help us achieve our shared vision of a safer RMG industry for Bangladeshi workers," Moriarty said.

"I am confident that together, we can catalyse progress toward our goal of ensuring that Bangladesh's garment factories and workers remain safe after 2018, and I am proud to help chart the course on this effort."

"I now look forward to taking the learning and experiences from the Alliance to other countries and other industries as I support the work of ELEVATE globally," Mesbah said.



# NBR still waiting on full ATM import data

SAJJADUR RAHMAN 

machines.

The Customs Intelligence and Investigation Directorate of the National Board of Revenue is yet to get information on around 3,000 automated teller machines (ATMs) that were imported, officials said. The directorate hinted that unscrupulous businesses

ATMs under the guise of computer accessories, which are subjected to 7 percent duty as opposed to 31 percent for cash

might have brought in the

Many of the machines were also brought in as "samples" to avoid paying taxes.

"We have got information from all banks on their ATMs, but we are yet to get

import data of some suppliers, especially Technomedia Ltd, a major supplier of ATMs," said a senior official of the directorate. Technomedia has sought time extension a couple of

times already but it is yet to submit its import documents, he said. The directorate's move to investigate cash machine

imports and purchases came following the series of ATM frauds that took place between February 6 and 12 this year.

The incident, in which at least Tk 25 lakh was stolen, caused quite a stir among people as it was the first-of-itskind in the country.

Accordingly, the directorate issued a letter to the man-

aging directors of 53 banks that operate ATMs, asking them to provide data on their ATM purchases and imports in 10 days. Though all the banks have given their data to the

directorate, a few of the suppliers are yet to do so. The directorate in its investigation found that a total

of 13 suppliers imported 9,211 ATMs to Bangladesh. Of them, Technomedia

13%

machines, 3,245 of which were just for Dutch-Bangla Bank. "We have got data of around 1,000 ATMs from

Technomedia," said the

alone imported 4,387

official involved in the investigation. Joshoda Jibon Deb Nath, managing director of Technomedia, however,

told The Daily Star that it has given information on all the ATMs his company has imported.

"I have given all papers to the directorate. I took time as I was shifting my office," said Nath, who claimed to be an authorised dealer of US-based NCR

ATMs. All the ATMs were imported from NCR's plant in Hungary, he said.

Abul Kashem Mohammad Shirin, deputy managing director of Dutch-Bangla Bank, said: "We buy ATMs through tender and the lowest bidder gets the work order. So far, Technomedia supplied most of our machines."

READ MORE ON B3

### Culture of deadline extension for tax returns may go

SOHEL PARVEZ

The National Board of Revenue is considering putting an end to the culture of deadline extension for tax returns submission from next fiscal year by introducing a definite cut-off day for furnishing annual income statements.

The plan is likely to be unveiled early next month, when Finance Minister AMA Muhith will place the budget proposal for fiscal 2016-17, said insiders.

Taxpayers may have to pay a fine if they submit their returns after that day, NBR officials said.

To introduce the day, the revenue authority is likely to propose for revising the provisions related to the submission of income tax returns.

At present, individual taxpayers can furnish their returns

between July 1 and September 30 every year. But the deadline to submit income tax returns is extended almost every year in the face of demand from various trade bodies and professional groups, which some taxmen believe cause delays in scrutiny and audit of the

submitted returns. Since deadline extension has become the norm, taxpayers are not compelled to file their returns within the original window. Subsequently, the volume of submitted returns tends to be low until September 30, said

taxmen. Last year, the NBR extended the deadline for income tax returns by two months to November 30. In 2014, the deadline was extended twice, and the year before, thrice to

December 31. Insiders said the introduction of the cut-off or tax day

will end the practice of time extension in general.

READ MORE ON B3

### Wärtsilä to supply power generation equipment to Meghna Group

STAR BUSINESS REPORT

Finland's Wärtsilä will supply equipment to two power plants owned by Meghna Group of Industries, each producing 30 megawatts of electricity.

Both orders include Wärtsilä's three 34SG engines running on natural gas. The equipment will be delivered in late 2016, and the plants are scheduled to be fully operational in early 2017, the Helsinki-based company said in a statement yesterday.

The equipment from Wärtsilä will help boost availability and reliability of the power plants, ensuring uninterrupted power supply, said Luthfur Rahman, general manager of the power plants at Meghna Group.

Meghna Group is one of the leading business conglomerates in Bangladesh. It produces daily necessities and food products at its Meghnaghat Industrial Park in Narayanganj. The enhanced capacity from the installment of

Wärtsilä plants will help keep production running even when the power plants are undergoing maintenance, as the multi-unit configuration allows sequential maintenance —that is one unit at a time, Rahman Said. READ MORE ON B3

Rated by: Credit Rating Information and Services Limited (CRISL)

## MTB Credit Rating Improves to



**PREVIOUS RATING CURRENT RATING** AA-Long Term ST-2 ST-2 Short Term December 31, 2015 December 31, 2014 Based on Financials Date of Rating May 17, 2016 May 17, 2015 Validity Date May 16, 2017 May 16, 2016

: Indicating High Safety for Timely Repayment AA ST-2 : Indicating High Certainty of Timely Repayment Outlook: Stable



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