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 প্রথম বছরে ৯৯,০৯৮ ডায়ালাইসিস সম্পন্ন।  
 ফকিরহা গ্রাম, ৭০ ব্রিজেড, পাকুড়া মোড়  
 ফোন: +৮৮০-২-৯৬৪২৯৭  
**Hotline: 01991150900**

**SIBL Foundation Hospital & Diagnostic Center**  
 (SIBL Foundation Hospital, Diagnostic & Dialysis Center)

# IDB to sell shares in Islami Bank

**STAR BUSINESS REPORT**

Islamic Development Bank has expressed its intention to sell off over two-thirds of its holdings in Islami Bank Bangladesh -- the second major sponsor to do so.

The proposal was made at a board meeting of IBBL on March 30, according to the local bank's chairman, Arastoo Khan. At present, IDB holds 7.5 percent of IBBL's shares.

Areef Suleman, IDB representative in IBBL, said the Saudi-based multilateral development lender wants to bring its holdings down to around 2 percent, which is the bare minimum for a seat in the board, two directors who attended the meeting told The Daily Star.

IDB said it thinks that Islamic banking is well established, and even flourishing, in Bangladesh; its withdrawal from the country now would not have a negative impact, the directors said.

"Still, we want IDB in the board as its presence enhances quality and governance," Khan told The Daily Star.

The Jeddah-based lender wants to reinvest the money from the sale to help some African countries set up Islamic banks, according to one of the directors.

At the going market rate, IDB would get about Tk 300 crore from the sale.

As of March 31, IDB holds over 12.078 crore shares worth nearly Tk 394 crore based

**Individuals and companies that have 2% or more shares in IBBL**

Yousif Abdullah Al-Rajhi	7.58
Islamic Development Bank	7.5
Investment Corporation Bangladesh	2.35
Platinum Endeavors	2
Paradise International	2
BLU International	2
ABC Ventures	2
Grand Business	2.02
Excel Dyeing and Printing	2
Ibn Sina Trust	2.24
Al-Rajhi Co for Industry & Trade	9.94
Public Institution for Social Security Kuwait	6.46
Kuwait Finance House	5.25
Kuwait Awqaf Public Foundation	4.31

SOURCE: IBBL

# NBR collects Tk 566cr as it celebrates Halkhata festival

**STAR BUSINESS REPORT**

For the first time yesterday, taxmen celebrated the centuries-old tradition of 'Halkhata' on the eve of the Bengali New Year to encourage taxpayers to clear their dues and be compliant.

The total amount of tax collected yesterday was Tk 566 crore, with income tax accounting for Tk 306 crore, customs duties Tk 207 crore and value added tax Tk 53 crore.

The National Board of Revenue (NBR) welcomed taxpayers with sweets and traditional snacks at its field offices that were decorated to infuse a festive mood into both the taxpayers and taxmen. It celebrated the last day of the just concluded Bangla calendar year termed the Chaitra Sankranti.

"The response from taxpayers has been good. I expect the NBR to continue this ceremony so it becomes a part of the revenue culture," said Md Abdur Razzaque, member of the NBR.

Halkhata is a festival celebrated by Bengali shopkeepers and traders on Pahela Baishakh by opening a new ledger.

"By holding the traditional ceremony, we want to create a culture where taxpayers will spontane-



**An official of the National Board of Revenue offers sweets to a taxpayer yesterday, at a programme at a field office of the tax administrator in Dhaka, to celebrate the last day of Bangla calendar.**

ously come up to pay up tax arrears. We want to build a relation of confidence with them and break the perception of fear regarding tax offices," said Md Alamgir Hossain, commissioner of the Large Taxpayers Unit (LTU) of income tax, at a discussion.

The LTU income tax organised the discussion as part of the halkhata celebrations, which focuses on the voluntary payment of arrears instead of realisation through other measures, such as freezing bank accounts.

Yesterday, the LTU, which deals with tax matters of 1,141 high tax paying individuals and entities, received Tk 29 crore as arrears and advance taxes, particularly from banks and insurance companies.

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# Potato exports fail to pick up

**SOHEL PARVEZ**

Potato exports have remained low ever since Russia barred the entry of the vegetable in May 2015 on food safety grounds after detecting some diseased consignments.

Prior to the ban, shipment of the tuber had hit a record high of about 1 lakh tonnes in 2013-14, spurred by the demand from Russia.

Since July last year, about 30,000 tonnes of potato were shipped, with the total exports expected to be 35,000-40,000 tonnes at the end of the fiscal year, said officials of Plant Quarantine Wing under the Department of Agricultural Extension (DAE).

Last fiscal year, potato export slumped 58 percent to 37,270 tonnes -- a direct manifestation of the embargo from Russia.

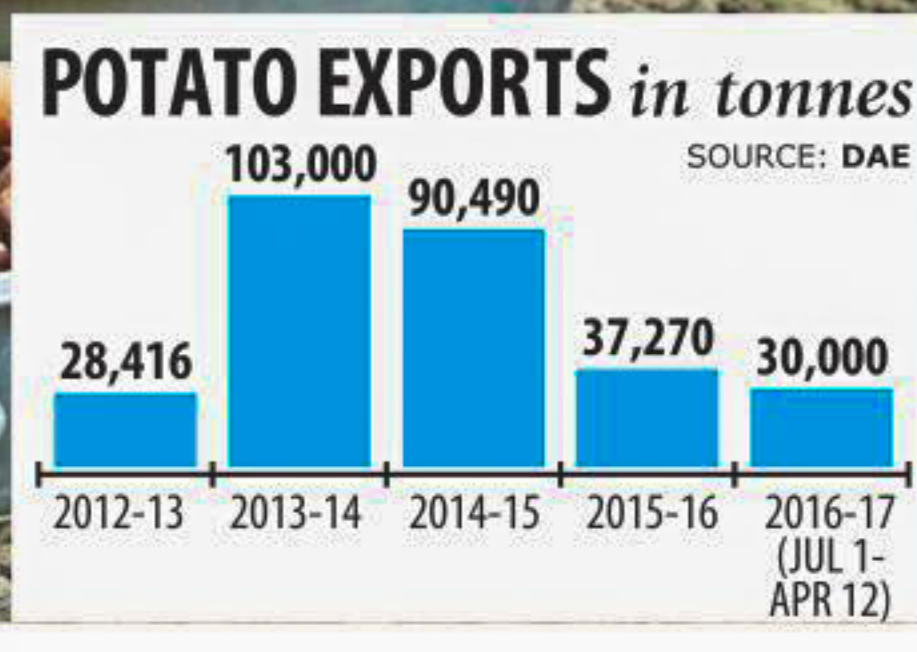
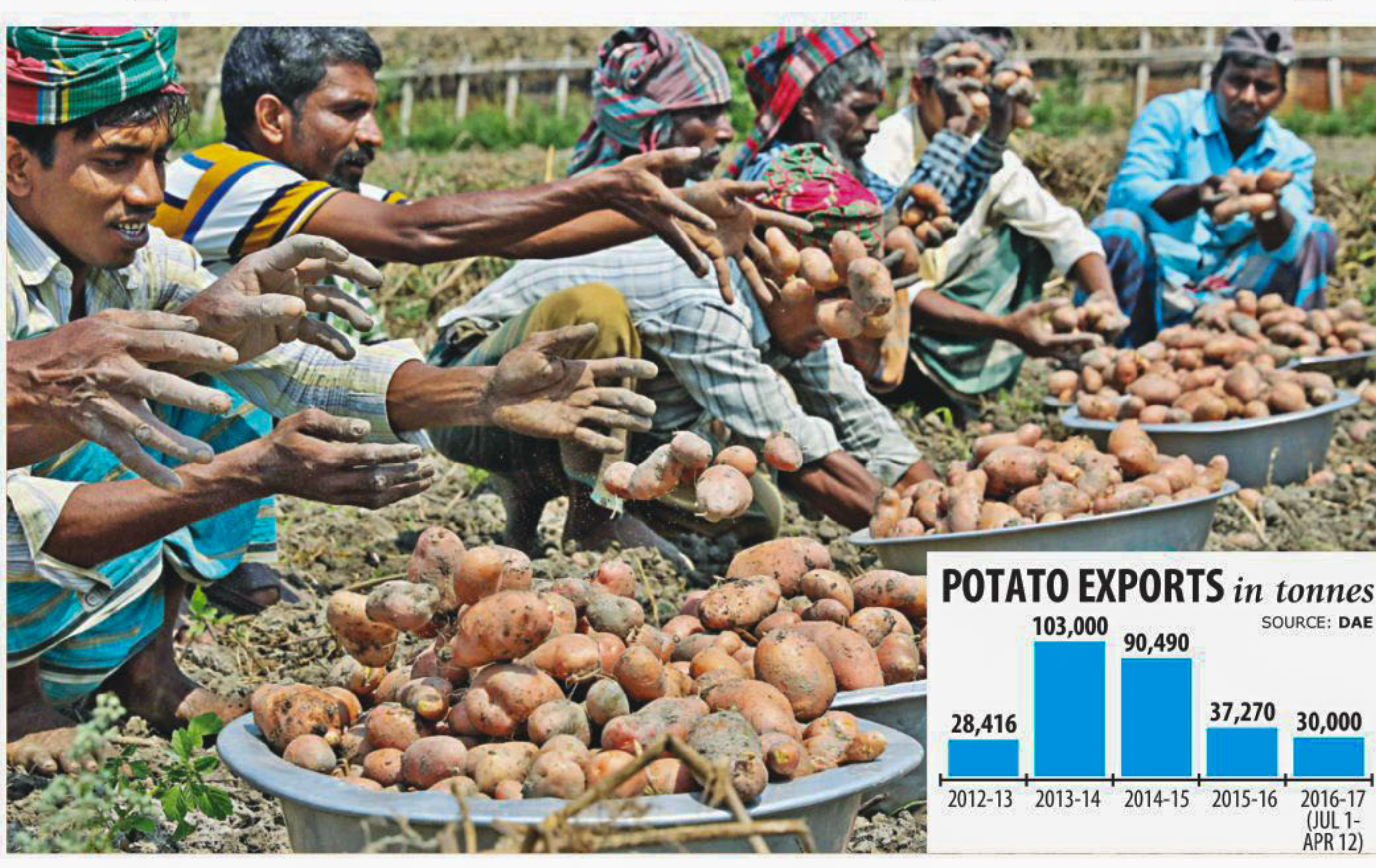
The lack of availability of export-quality potato has dampened the prospect of increased exports this fiscal year, said Md Zahirul Islam Khan, proprietor of Agro Tech BD, an exporter of the vegetable.

The quality of a large quantity of potato has deteriorated for rainfall during the harvesting period, he said.

Farmers planted potato on 5.28 lakh hectares this fiscal year, up 11.16 percent year-on-year. Production grew 19 percent year-on-year to 1.13 crore tonnes this fiscal year, according to DAE estimates.

Exporters are also finding it tough to compete with their peers from other countries, he added.

The domestic potato prices are high,



according to Ferdousi Begum, managing director of Ferdous Biotech.

In Dhaka, the tuber sold at Tk 15-20 a kilogram yesterday, up 25 percent from a month ago, according to Trading Corporation of Bangladesh.

The shipment of the tuber this fiscal year would have been higher had the government not halved the cash incentive for potato export to 10 percent from this year, she said.

Malaysia is the main destination for locally grown potatoes. The tuber is also sent to Singapore, the Middle East, Sri Lanka and Vietnam, according to exporters and government officials.

Exporters here have to compete with Pakistan, China and India in the export destinations, mainly Malaysia.

"We began exporting potato to Brunei this year," said Ferdousi, also the vice-president of the Bangladesh Potato Exporters Association.

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# Domestic borrowing remains sluggish

**REJAUL KARIM BYRON**

The government's net domestic borrowing in the first seven months of the fiscal year was only 17.9 percent of the target, mainly due to huge sale of savings instruments and slow development spending.

Between the months of July last year and January this year, the government's net domestic borrowing was Tk 11,222 crore against the budgetary target of Tk 61,548 crore for the whole year, according to data from the central bank.

The interest rate on bank deposits slid, which prompted a surge in savings instrument sales, said a finance ministry official.

Subsequently, the government did not borrow a single taka from the banking system so far this fiscal year; rather, it repaid Tk 18,959 crore, according to central bank statistics.

In fiscal 2016-17, the government's target for borrowing from the banking system is Tk 38,938 crore.

On the other hand, the net non-bank government borrowing, which includes savings instruments, stood at Tk 29,980 crore during the seven-month period -- against the entire year's target of Tk 22,610 crore.

The rate of interest on savings instrument is significantly higher than any other interest rate prevailing in the domestic market, said a central bank report.

"This is the main cause of the low domestic borrowing."

The rate of interest on savings instruments is now more than double that on bank deposits, said a Bangladesh Bank official. As a result, savers are flocking to buy savings instruments.

At present, the rate of interest on savings instruments is around 12 percent, whereas the rate of interest on bank deposit is almost below 6 percent -- lower than the average inflation rate.

Savers now cash out as soon as their deposit schemes mature to buy savings instruments, said a BB official.

In the first seven months of the fiscal year, savings instruments amounting to Tk 41,100 crore were sold, up almost 45 percent year-on-year.

Subsequently, the government's high-cost borrowing is soaring, which is pushing up interest payment, the BB official said.

In the first seven months of the fiscal year, the government repaid Tk 8,485 crore as interest on savings instruments, which was Tk 6,130 crore a year earlier.

Another cause for the low borrowing is that the implementation of the development budget has not gone as per plan, said a finance ministry official.

In the first nine months of the fiscal year, only 45 percent of the revised development budgetary target could be spent.

Usually, the ministries and divisions spend more in the last one or two months of the fiscal year. As a result, the borrowing increases at that time.

Even then, bank borrowing would not be at par with the budgetary target this time, he said.

# BBS Cables gets IPO green light

**STAR BUSINESS REPORT**

Bangladesh Securities and Exchange Commission yesterday gave the green light to BBS Cables, a sister concern of Bangladesh Building Systems, to raise Tk 20 crore from the public.

The manufacturer of electric wires will float two crore ordinary shares of Tk 10 each through an initial public offering, the stockmarket regulator said in a statement.

The company will use the IPO proceeds for acquisition of plant and machinery, and partial repayment of bank loans.

Its earnings per share stood at Tk 2.46 and net asset value without revaluation per share at Tk 16.87 in June last year. Banco Finance and Investment and ICB Capital Management will jointly manage the IPO.

Located at Sreepur in Gazipur, BBS Cables is equipped with state-of-the-art technology to manufacture and test all types of quality cables, wires and conductors.

The BSEC also allowed Dutch-Bangla Bank to raise Tk 500 crore by issuing non-convertible subordinated bonds. The fund will be used to fulfil the requirements of Tier-II regulatory capital.

The bonds will have a maturity period of seven years.

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# Turnover on DSE drops to 2-month low

**STAR BUSINESS REPORT**

Turnover at the Dhaka Stock Exchange dropped to below Tk 600 crore yesterday, the lowest since February this year, amid a thin participation of investors.

Turnover, an important indicator of the market, fell 16.7 percent from the previous day to Tk 595.79 crore at the end of the day's trade. It was Tk 576.22 crore on February 6.

Many investors were inactive and remained on the sidelines to safeguard their position, a stockbroker said.

The market, however, remained flat with the DSEX, the benchmark index of the Dhaka Stock Exchange, declining only 0.51 points to finish the last day of the week at 5,645.86 points.

"The market underwent reshuffling by investors," IDLC Investments, a merchant bank, said



increase and engineering 0.2 percent.

Conversely, the telecom sector took the highest hit with a 1.1 percent fall in market capitalisation, followed by non-bank financial institutions 0.99 percent, general insurance 0.49 percent and pharmaceuticals 0.27 percent.

Regent Textile Mills was the day's best performer with 8.59 percent in gains, while Phoenix Insurance was the worst loser, shedding by 6.98 percent. Chittagong stocks also fell slightly yesterday with the bourse's benchmark index, CSCX, declining only 14.75 points or 0.13 percent to finish the day at 10,593.71 points.

Gainers, however, beat the losers as 106 advanced, 94 declined and 36 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.95 crore shares and mutual fund units worth Tk 47.83 crore in turnover.

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