

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.42%	0.46%	\$1,267.80	\$55.70	0.33%	Closed	0.05%	0.36%	BUY TK 81.95	94.10	106.11	0.71
6,072.99	11,385.43	(per ounce)	(per barrel)	33,685.56		3,382.31	3,371.21	SELL TK 83.35	97.70	109.71	0.74

রোগ নির্ণয়ে সর্বাধুনিক যন্ত্রপাতি ও সর্বোচ্চ মান।
প্রতিটি ডায়াগনস্টিক টেস্ট, আইসিইউ, সার্জারী ও ডায়ালাইসিসে ন্যূনতম ৩০% সঞ্চয়।

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ফারাত প্লাজা, ৭০ ব্রিকগেড, পল্লব মোড়
ফোন : +৮৮০-২-৯৬৪২৯৭
Hotline: 01991150900

Star BUSINESS

DHAKA MONDAY NOVEMBER 6, 2017, KARTIK 22, 1424 BS

NBR demands Tk 925cr unpaid VAT from Robi

SOHEL PARVEZ
The National Board of Revenue yesterday demanded Tk 925 crore from Robi Axiata as unpaid value-added tax after an audit found discrepancy between its own records and the mobile operator's database.
The Large Taxpayers Unit analysed data stored in Robi's computers and its submitted returns from January 2013 to December 2016 and found that the operator did not pay Tk 553.61 crore as VAT and Tk 158.20 crore as VAT-at-source.
A five-member audit team, led by Assistant Commissioner Bodruzzaman Munshi, found that the country's second largest operator did not pay VAT on merger fee and spectrum charge and made unlawful rebate claims, all of which amount to Tk 213.19 crore.
"It means that the company did not pay VAT properly," said a senior official of the LITU VAT, seeking to remain unnamed.
The LITU has issued five notices to Robi,



asking the operator to explain why it should not be asked to deposit the amount to the state coffers within 15 days.
Contacted, Ekram Kabir, vice-president of Robi Axiata, said: "A show-cause notice is a regular process and we will provide our legal rationale accordingly."
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Low-cost WB funds for entrepreneurs

STAR BUSINESS REPORT
Bangladeshi entrepreneurs in the power, energy and bridges sectors can access low-cost funds for up to 20 years thanks to a new credit from the World Bank.
The funds became available after the government signed two agreements with the Washington-based lender involving \$457 million yesterday.
Of the amount, \$357 million will be used to help develop private sector-led infrastructure projects under the Investment Promotion and Financing Facility Project II (IPFF II).
The project will build local financial institutions' capacity to provide long-term funds to private companies to undertake infrastructure projects in sectors such as power and energy, ICT, land ports, roads, and bridges, said a WB statement.
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Govt to build 3,600MW LNG-based power plant

STAR BUSINESS REPORT
Bangladesh is set to get 3,600 megawatts of electricity from a LNG-based power plant at Payra, the largest yet, as part of the government's efforts to give the economy the impetus needed to meet the growth aspirations.
North-West Power Generation Co., an enterprise of Bangladesh Power Development Board, and Siemens yesterday signed a primary agreement for setting up the plant in Patuakhali.
The estimated cost for the plant is \$2.8 billion, of which \$2.4 billion would come as loan and \$400 million as equity, according to Power Division documents.
But Nasrul Hamid, state minister for power and energy, said the total cost would be \$4 billion.
Some 20 percent of the plant's cost will be in equity that will be borne equally by North-West and Siemens. Siemens will mobilise the rest of the funds.
This will be the largest investment from Germany or any European country. Power will be brought to the capital through a transmission line,

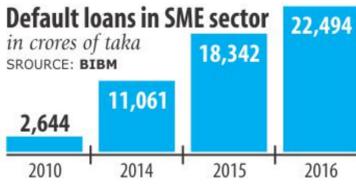


AM Khurshedul Alam, managing director of North-West Power, and Sunil Mathur, CEO of Siemens South Asia, exchange documents after signing a deal yesterday. Tawfiq-e-Elahi Chowdhury, prime minister's energy affairs adviser, and Nasrul Hamid, state minister for power, were also present.
according to the Power Division documents.
A total of three power units will be set up under the joint venture, Hamid said. The first two will go into operation in 2020 and the last one in 2021.
The other LNG-based power plant, which would be between 3,000MW and 3,500MW, would be in Moheshkhali.
Work for setting up a 1,320-MW coal-based power plant at Payra is also on way and the LNG-based power plant will be built on a 100-acre land beside it.
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13 banks overshoot SME lending targets

Banks, non-banks asked not to lend excessively to traders

AKM ZAMIR UDDIN
Thirteen banks have overshoot their annual SME loan disbursement targets in just six months in a sign of aggressive lending, which the central bank terms suspicious.
They disbursed 105 percent to 242 percent of their annual targets in January-June this year, Bangladesh Bank data shows.
"It is good that the banks disbursed a hefty amount of loans to small and medium enterprises," said a BB official.
But the central bank will keep an eye on these banks to see if they showed other credits as SME loans, he said.
Exim Bank's target for the entire year was Tk 5,375 crore but it disbursed Tk 5,666 crore or 105 percent of the target in only six months.
Meghna Bank disbursed 200 percent of its annual SME lending target of Tk 265 crore in the period while NCC Bank achieved 242 percent of its target of Tk 900 crore.
Trust Bank disbursed 115 percent of the target of Tk 600 crore and NRB Commercial Bank 205 percent of its target of Tk 250 crore.
The nine other banks that overshoot their



targets are Bank Al-Falah, Citibank NA, State Bank of India, Woori Bank, Modhumoti Bank, NRB Bank, City Bank, Bank Asia and Exim Bank.
The BB official said, "The trend is suspicious as the banks showed a large amount of SME loans in their statements. So, we will check whether the disbursed loans really went to the SME sector."
On the other hand, 19 banks, including eight state-run lenders, could not reach even 50 percent of their SME loan disbursement targets in the first half.
Sonali Bank disbursed only 37.3 percent of its annual SME loan target of Tk 2,500 crore and Farmers Bank lent 20 percent of its annual target of Tk 576 crore.
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SME default loans rise eightfold in 7yrs: study

STAR BUSINESS REPORT
Default loans in the SME sector have increased by more than eight times in the last seven years, a survey revealed yesterday.
In 2016, Tk 22,494 crore out of the Tk 136,176 crore disbursed by banks became defaulted; the amount of such default loans was only Tk 2,644 crore in 2010.
The default loan in the small and medium enterprise sector reached Tk 11,061 crore in 2014 and Tk 18,342 crore in 2015.
The Bangladesh Institute of Bank Management (BIBM) conducted the survey and released the research paper titled "Impact of SME financing on banks' profitability: An inquiry across banks in Bangladesh" at a seminar at the institute.
Md Masudul Haque, an assistant professor of the BIBM, presented the findings of the survey. Khondkar Ibrahim Khaled, a former deputy governor of the Bangladesh Bank, presided over the programme.
SME financing does not contribute much to banks' profit, said SK Sur Chowdhury, a deputy governor of the BB. "But banks will have to concentrate more on the sector as SMEs will turn into big businesses in future," he said.
Chowdhury said banks will have to meet their SME financing target. He urged banks to introduce collateral-free loan products for SMEs to support new entrepreneurs.
It should be strictly monitored to check whether the disbursed loan is being used properly, said Moshir Rahman Chowdhury, managing director of AB Bank.
Arif Khan, managing director of IDLC Finance, said his non-bank financial institution has lent over Tk 3,000 crore to the SMEs, of which only 2 percent is nonperforming.

Govt securities can now be traded on DSE

STAR BUSINESS REPORT
Capital market investors can now buy and sell government securities through the Dhaka Stock Exchange in a development that is expected to make the country's bond market more vibrant.
The decision came at the quarterly coordination meeting of regulators -- Bangladesh Bank, Bangladesh Securities and Exchange Commission, Insurance Development and Regulatory Authority, Registrar of Joint Stock Companies and Firms, Microcredit Regulatory Authority, Department of Cooperatives and Bangladesh Telecommunication Regulatory Commission.
At the meeting held yesterday at the central bank headquarters in Dhaka, it was decided that the central bank's Market Infrastructure Module will be linked with the DSE so that investors can buy and sell government securities through the stock market, according to a BB official.
As per a regulation set by the National Board of Revenue, investors will have to count 0.05 percent tax if they settle any transaction of government securities through the trading platform.
"Such tax may discourage investors to settle transactions through the DSE," the official said.

So, the BB and the BSEC will jointly request the NBR to withdraw the tax for the sake of making the secondary bond market vibrant, he said.
The overall investment in the secondary bond market now stands at about Tk 140,000 crore, which is poor considering the volume of the country's private sector.
The higher interest rate on national savings certificates made the secondary bond market unappealing, as the government was forced to squeeze its auction for its securities due to a large investment in the savings tools.
The government is now borrowing through the savings tools that carry interest rates of 11.04 percent to 11.76 percent. It can also take loans from banks at 2.95 percent to 8.07 percent interest.
Banks, non-bank financial institutions, government and non-government organisations and corporate entities are allowed to invest in the secondary bond market through a bank.
The BSEC earlier requested the central bank to allow banks to show their investment in the corporate bonds as liquidity coverage ratio of BASEL III.
The central bank informed the BSEC at the meeting that the issue has been accepted positively and it would take a decision at the earliest.
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Honda investing \$29m in motorcycle plant

STAR BUSINESS REPORT
Japanese Honda Motor Co is investing \$29 million in a new joint venture plant with a target to increase its annual production capacity to 200,000 motorcycles by 2021.
Bangladesh Honda Private Ltd (BHL) and the Bangladesh government started construction of the new 25-acre plant inside Abdul Monem Economic Zone (AMEZ) in Munshiganj district yesterday.
Honda owns 70 percent of the stakes in BHL while the rest is owned by state-owned Bangladesh Steel Engineering Corporation.



BHL primarily has a target to go into production in the new plant in the middle of next year, Bangladesh Honda said in a statement.
According to the officials, BHL will manufacture the parts in the plant.
Over 350 persons can be employed in the plant, said Shah Muhammad Ashiqur Rahman, head of finance and commercial of BHL.
At the groundbreaking ceremony yesterday, Shinji Aoyama, operating officer for Honda Motor Co for Asia and Oceania, said, "We believe the motorcycle market in Bangladesh is growing at a faster rate because of the growing population and a steady rise of the economy."
He said the new investment has been made keeping in mind the growing demand for motorcycles in Bangladesh.
"We hope we can supply the motorcycles at an affordable price to our local customers in Bangladesh."
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Quality material ensures Quality structure