

STANDARD CHARTERED BANK

BUY TK

83.50

SELL TK

84.50

এসআইবিএল

সুপার ডিপিএস

বিশেষ সঞ্চয় কিম

প্রাক্কলিত মুনাফা:

৩ বছর

৫ বছর

১০ বছর

৯.২৫%

৯.৫০%

১০%

ইসলামী শরীয়াহ'র এর মূদারাবা নীতির ভিত্তিতে পরিচালিত।

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BUSINESS

DHAKA FRIDAY AUGUST 2, 2019, SRABAN 18, 1426 BS

starbusiness@thedailystar.net

# Kamal goes tough on BASIC Bank

## Non-life insurers agree to stick to 15pc commission

**STAR BUSINESS REPORT**

Finance Minister AHM Mustafa Kamal is finally cracking the whip on the wayward BASIC Bank, instructing shuttering of all branches that are in the red for three years in a row along with a host of other strict actions.

"The loss-making branches of the last two years will get time until the end of this year to turn around their situation. If they fail to, they will have to face closure," Kamal said yesterday in a discussion with the management and board of BASIC Bank.

In 2018, 18 out of the 68 branches of BASIC Bank were loss-making. The number increased to 33 in June this year.

Furthermore, errant officials of the troubled state-run bank who show negligence in their job will be let go and officials of intelligence agencies appointed to track down the habitual defaulters.

"The bank once had extraordinary momentum and overnight it went the other way."

The officials involved in the financial scams



Finance Minister AHM Mustafa Kamal attends a meeting with the officials of BASIC Bank at its head office in Dhaka yesterday. NBR Chairman Mosharraf Hossain Bhuiyan and BASIC Bank Chairman Alauddin A Majid were present.

between 2009 and 2013 will be brought to book, he said.

During the period, Tk 4,500 crore was swindled out of the bank.

Multiple investigations found that the then Chairman Sheikh Abdul Hye Bacchu plundered the bank with the help of the board.

Last year, the bank incurred a net loss of Tk 353 crore. As of now, the bank's cumulative losses stand at Tk 3,006 crore.

As of June, default loans account for 59 percent of its total outstanding loans.

"There are 2,100 employees working in the bank's 72 branches and we do not know what they do," Kamal said.

According to a central bank probe report, the then management and board led by Bacchu recruited huge number of employees violating the rules and increased the number of branches to maintain them.

**STAR BUSINESS REPORT**

Non-life insurance companies have finally agreed not to give more than 15 percent commission to agents as per the rules of the regulator, in what can be viewed as a shot in the arm for the flagging sector.

The development comes after the Bangladesh Insurance Association (BIA), a forum of sponsors, yesterday warned its members not to violate the decision.

"We will not allow any company to go beyond 15 percent," Sheikh Kabir Hossain, president of the BIA, told reporters at a briefing at Dhaka Club.

All insurers, the Insurance Development and Regulatory Authority (IDRA) and the Bangladesh Bank have agreed to work together to implement the commission rate set by the regulator in 2012.

Mahbubur Rahman, chairman of Eastland Insurance and president of the International Chamber of Commerce-Bangladesh, said they have to follow the decision for the sake of the industry.

Insurance penetration rate is less than one percent in Bangladesh and yet 46 non-life companies are competing with each other to hook business.

Many of the companies offer as high as 60 percent of the premium as commission to get business, which, according to good companies, is hurting the industry.

Amid this situation, the IDRA issued a notice seven years ago asking insurers to follow its order on agent's commission.

When compliant insurers had tried to abide by the IDRA rule, errant companies grabbed the business by giving exorbitant commission. The financial health of many insurance companies is wobbling due to the payment of high commission, said Nasir Uddin Ahmed, executive member of the BIA.

Asked how the violators would be detected, the BIA president said all the insurers will be extra cautious and if anyone is found to be giving more commission they will be easily identified.

"We will convey the information to the regulator for proper action. The IDRA can impose a fine on a company and the officials concerned and it can also repeal the licence of the violator," said Hossain, also the chairman of the Sonar Bangla Insurance Company.

## INCENTIVE FOR REMITTERS

# No verification for remittance below \$1,000

**STAR BUSINESS REPORT**

Bangladesh Bank plans to allow remitters to receive the government-announced 2 percent incentive directly in their accounts without any verification if they send amounts below \$1,000.

However, sources of income and other documents will be verified in case of remittance above \$1,000 to avoid misuse of the fund.

The banking regulator has prepared a draft guideline in this regard and sent it to the finance ministry for approval, said Ahmed Jamal, deputy governor of Bangladesh Bank.

"We will issue a circular after getting the approval."

He shared the info responding to a question on the possibility of the miscreants sending money abroad through hundi and bringing it back as remittance to receive the incentive.

Jamal spoke at an event where Bangladesh Bank announced the Monetary Policy Statement for FY2020 on Wednesday.

Early this week, Finance Minister AHM Mustafa Kamal said the incentive will be given from July 1 when the guideline will be made effective.

For the first time, the government has introduced an incentive, which is 2 percent, on the money remitted by expatriate Bangladeshis with a view to encouraging the inflow of remittance through legal channels.

The government has allocated Tk 3,060 crore for the purpose in the current fiscal year.

## Global recognition for Dmoney

### A Hong Kong-based publishing house terms it a top convenient wallet to watch in 2019

**STAR BUSINESS REPORT**

Local financial technology service provider Dmoney Bangladesh Ltd has been named in the "10 Most Convenient Wallets to Watch in 2019" by APAC Business Headlines, a Hong Kong-based publishing house.

Dmoney is the only wallet from South Asia to make it to the top 10 and plans to roll out the service in Bangladesh in September with one crore customers aboard.

APAC Business Headlines is on a mission to create a healthier business environment in the Asia-Pacific region, according to a statement released yesterday.

The idea of Dmoney was formed when the founders sensed a strong opportunity for disruption in the financial services in Bangladesh, according to the magazine.

In 2016, Dmoney was co-founded by Sonia Bashir Kabir, and Aref Bashir, both Silicon Valley returnees, with a vision to be the catalyst of cash to digital transformation.

Anjan Chowdhury, a renowned entrepreneur of Bangladesh, is the chairman of the company.

"Watch out for Dmoney's launch in September where we will share exciting and game-changing tech disruptions," said Sonia, also the vice-chairman of the firm.

Aref Bashir and Sonia Bashir Kabir, cofounders of Dmoney

UPGO

Energy is Life

United Power Generation & Distribution Company Ltd.

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A concern of

UE

UNITED GROUP

Price Sensitive Information

Board of Directors of the Company in its 90<sup>th</sup> meeting held on **1<sup>st</sup> August 2019 (Thursday)** at 3:30 p.m approved the "Separate and Consolidated Financial Statements" for the year ended 30<sup>th</sup> June, 2019. The Board decided to disclose the following comparative statement and also taken the following price sensitive decisions:

1. Recommended Final Dividend: Cash Dividend @ 130% (BDT 13 per share) and 10% Stock Dividend (One Bonus Share for every ten shares held) out of the distributable Profit of the company for the year ended 30<sup>th</sup> June 2019.

2. Record Date: 08 September, 2019. Members whose names appear on the Depository Register as on the "Record Date" shall be entitled to receive the Dividend.

3. Date and Time of 12<sup>th</sup> AGM: 5<sup>th</sup> November 2019 (TUESDAY) at 10.30 a.m.

4. Venue of the AGM: Golf Garden, Army Golf Club, Airport Road, Dhaka.

5. Comparative Statement: Amount in Taka

Operational results	July - June 2019		July - June 2018	
	Consolidated	Separate	Consolidated	Separate
1. Earnings per Share (EPS):	16.08	10.03	-	9.59
2. Net operating Cash flows per share (NOCFPS):	16.14	9.75	-	9.00

Financial Position	As at June 2019		As at 30 June 2018	
	Consolidated	Separate	Consolidated	Separate
3. Net Asset Value (NAV):	62.80	36.53	-	34.00

Bonus Shares declared will be utilized for resource mobilization and implementation of the newly acquired power plant of Leviathan Global BD Ltd. (LGBDL) and this has been declared out of accumulated profit available for distribution.

NB: Details of the "Consolidated and Separate Financial Statements" will also be available in the company's website [www.unitedpowerbd.com](http://www.unitedpowerbd.com).

By order of the Board  
Sd/-

(B. H. Khan, FCA)  
Company Secretary

Date: 01 August 2019

## No duty benefit for boulders, rods of power plants

**STAR BUSINESS REPORT**

The National Board of Revenue (NBR) has removed boulders and rods from the list of items eligible for duty benefits during import for being a component of power plant construction.

Firms establishing power plants around the country have been availing the facility to import materials, including prefabricated buildings and even dredgers.

Since 1997 the customs authority has been offering the privilege to public and private power producing companies to import machinery, spare parts and materials needed for erecting the plants.

However, no specific list of products was mentioned in the notification.

And in absence of clarity, products not directly related to power plants were being imported by firms based on recommendations from the Power Division.

This resulted in disputes between importers and customs officials about whether the goods should be cleared without payment of duty.

In recent times, various electricity generation firms imported steel sheets and pipes, raising concerns of revenue loss among customs officials.

A senior official of Chittagong Customs House said a power generation company wants to enjoy duty benefit to import poles and cables to transmit electricity to the national grid.

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Ishwardi Export Processing Zone, Pakshey, Pabna, Bangladesh

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June 2019

Mahesh Ramanijan

MAHESH RAMANIJAN, PRESIDENT & CEO, U.S. GREEN BUILDING COUNCIL, PRESIDENT & CEO, GREEN BUSINESS CERTIFICATION INC.

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