

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.44%	▼ 0.59%	\$1,840.40	\$60.94	▲ 0.43%	Closed	Closed	Closed	BUY TK 83.95	100.75	115.37	12.85
5,485.01	9,585.07	(per ounce)	(per barrel)	51,531.52				SELL TK 84.95	104.55	119.17	13.51



# Star BUSINESS

DHAKA FRIDAY FEBRUARY 12, 2021, MAGH 29, 1427 BS • starbusiness@thedailystar.net

## Administrator appointed to Delta Life Ins

### Case filed over Tk 35.18cr VAT evasion

AHSAN HABIB

The Insurance Development & Regulatory Authority (IDRA) yesterday appointed an administrator with immediate effect to one of the sector's leading entities, Delta Life Insurance Company, explaining that it was

to protect policyholders' interests.

Meanwhile, the VAT Audit, Intelligence and Investigation Directorate filed a case against the Delta under the VAT act alleging that it had evaded paying Tk 35.18 crore in VAT.

The insurance regulator's logic behind appointing Sultan-ul-abedin Mollah, a former IDRA member, was the unearthing of many rule and regulation breaches, which came to light through special and investigative audits.

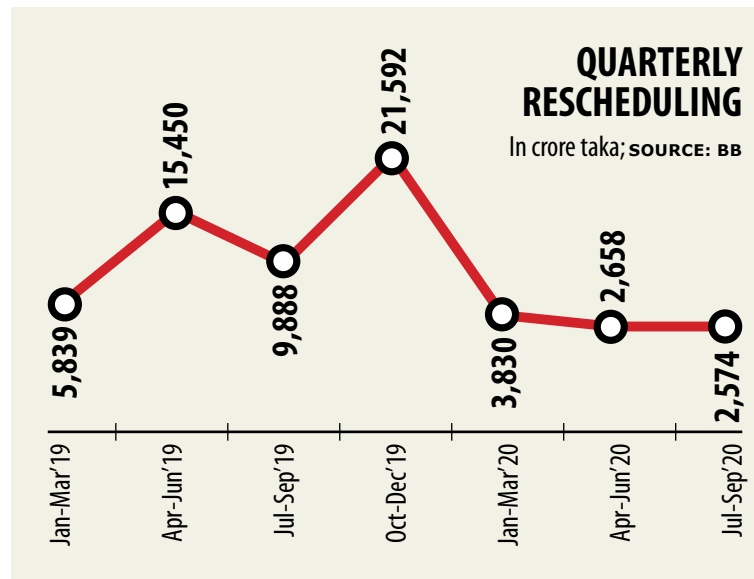
The IDRA ran the special audit through the Howladar Yunus & Co in 2019 and then the investigative one through the Fames & R Chartered Accountants to verify allegations of shareholders and policyholders.

"On the basis of the Delta's answer on audit objections, we found that there were breaches of rules and regulations in at least 22 ways," the IDRA said in a show cause notice.

In some cases, the company's answers were not acceptable to the auditor. Moreover, in cases where the company did acknowledge breach of rules, there were no statements on when and how it will be corrected, read the notice.

The Fames traced 25 specific ways through which interests of policyholders have been impacted. It recommended running more investigations encompassing 10 ways through which there has been a breach of rules, said the IDRA.

## Tk 12,140cr defaulted loans rescheduled, written-off



### LOANS WRITTEN OFF

In crore taka; SOURCE: BB

Quarter	Value (In crore taka)
Q1'19	557
Q2'19	674
Q3'19	409
Q4'19	957
Q1'20	33.49
Q2'20	992
Q3'20	2,083

AKM ZAMIR UDDIN

Banks swept under the rug Tk 12,140 crore in defaulted loans in the nine months to September last year by rescheduling and writing those off.

Had such instruments not been used, the banking industry's defaulted loans would have shown up to be much higher.

Non-performing loans (NPLs) stood at Tk 88,734 crore as of December, down 5.93 per cent year-on-year, showed data from Bangladesh Bank.

The central bank unveiled a moratorium facility for 2020 to insulate borrowers from the economic hardship caused by the coronavirus pandemic, in a move that reined in the escalation of defaulted loans and brought them down.

The central bank is yet to prepare the statement of rescheduled and written-off loans for the last quarter of 2020.

The amount of rescheduled and written-off loans rose last year as the majority of banks used the two tools to reduce defaulted loans in the

October to December quarter.

Some banks were also forced to classify a large amount of delinquent loans between January and September as per instructions of the central bank.

The central bank asked lenders to classify the loans after carrying out routine and special inspections, pushing the defaulted loans up, said some central bank officials.

Some banks hid defaulted loans by showing them as unclassified in violation of banking norms.

Banks have classified some loans as defaulted assets on their own as the recovery has been feeble for years, said three managing directors, wishing not to be named given the sensitivity of the matter.

This indicates that the asset quality of banks weakened in a true sense last year despite the moratorium, they said.

The amount of rescheduled loans stood at Tk 9,063 crore in the nine months to September, down 68 per cent year-on-year.

The figure of written-off loans surged 140 per cent year-on-year to Tk 3,077 crore during the same period.

Writing off allows banks to clean their balance sheet of toxic assets. Lenders have to keep 100 per cent provisioning against the delinquent loans.

As there is no realistic prospect of recovering them, these loans are shifted to off-balance sheet records. A majority of loans are held by the habitual defaulters.

Writing off loans has become a better tool than rescheduling as some defaulters frequently regularise NPLs by taking advantage of the relaxed facility, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"Defaulted loans may escalate this year after the central bank lifted the loan moratorium. This will fuel both rescheduled and written-off loans," he said.

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## Top taxpayers honoured

STAR BUSINESS REPORT

It was a day of recognition for tax compliance and the joy of being honoured. This recognition came from the National Board of Revenue (NBR).

In a bid to encourage compliance and bring more people under the tax net in a country where avoidance and evasion are rampant, the NBR yesterday honoured the highest taxpayers with tax cards and crests for abiding the rules.

Including the 141 highest taxpayers at the national level, the NBR honoured a total of 665 individual taxpayers throughout the country. Of them, 524 were awarded for becoming the highest and longest time taxpayers for fiscal 2019-20.

"We are really delighted. Our family has been paying taxes for many years and becoming honoured. Seven of our family members have become top taxpayers in various categories this year," said Rubaiyat Farzana Hussain after being presented with a tax card and crest at a ceremony at the NBR headquarters for being the highest taxpayer in the salaried individual category.

Hussain is general manager of Drug International. Along with her sister, Hosne Ara Hussain, also general manager of Drug



**Md Kaus Mia, second from right, who has been the highest taxpayer for a decade, receives a token of appreciation from State Minister for Public Administration Farhad Hossain and NBR Chairman Abu Hena Md Rahmatul Muneem at a function at NBR office in Dhaka yesterday.**

International, were recognised by the NBR at the event where State Minister for Public Administration Farhad Hossain was present.

Finance Minister AHM Mustafa Kamal joined the event virtually to greet the winners for fiscal 2019-20. NBR Chairman Abu Hena Md Rahmatul Muneem chaired the event.

"This recognition will inspire

us to feel an obligation that we are a real partner of the country's development," said SK Bashir Uddin, managing director of Akij Group, one of the largest business houses, after receiving a card on behalf of Sheikh Akij Uddin Limited.

Akij is one of the highest taxpayers out of the 141 taxpayers for last fiscal. It got recognition in

the others category.

In addition to the others category, the NBR honoured a total of 76 individuals and 53 companies as the biggest and compliant taxpayers out of around 25 lakh regular taxpayers who file annual income tax returns.

Shehzad Munim, managing director of British American Tobacco Bangladesh, said businesses got a lot of support during the difficult days of pandemic after receiving the award.

Yasir Azman, chief executive of Grameenphone, said they could resolve a number of disputes in 2020.

Syed Abul Hossain, former communications minister, who became one of the top taxpayers among businessmen, said the recognition will encourage taxpayers to pay more taxes.

At the event, the tax authority also honoured Md Kaus Mia, who has been topping the position of highest taxpayers for a decade. It awarded Laila Hussain, another highest taxpayer in the women's category.

Among companies, the NBR honoured Unilever Bangladesh and Standard Chartered Bangladesh.

Field offices of tax honoured the rest of the highest taxpayers in their respective offices yesterday.

## Kamal irked by delays in NBR's automation

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday expressed his disappointment to the taxmen for failing to keep the promise he made to the prime minister to automate the tax collection system.

"I promised the prime minister and the people that the tax system would be automated soon but there is no progress in the process," he said at a programme organised by the NBR to honour top taxpayers.

Kamal said that despite being the finance minister, he could not automate the National Board of Revenue because of the delays caused by a section of officials of the tax administrator, which is also the implementing agency of the automation system. He also expressed anger at the event that the NBR organises every year at its office in Dhaka to disburse tax cards among the best tax payers.

"I am saying again that the people of the country want to pay tax but we are failing to collect it. Now, we will have to collect the tax money from the people," Kamal added.

The country's tax-GDP ratio has



**AHM Mustafa Kamal**

remained the same at 10 per cent for some years, he said, adding that if tax collection is not improved, the dream of becoming a developed country will remain a dream only.

He urged the NBR officials to stop being lazy and take steps to automate the tax collection system without further delay.

Tax leakage has reduced to some extent thanks to the installation of cash register machines across the country, he said while asking the NBR to instal more such machines to boost revenue collection.

## Bangladesh, Maldives look to enhance trade

### Will sign MoUs soon, says foreign ministry

DIPLOMATIC CORRESPONDENT

Bangladesh and Maldives will establish two regular consultation mechanisms as the two South Asian nations aim to boost cooperation on trade and business.

The two mechanisms include a joint commission for comprehensive cooperation led by the respective foreign ministers and annual foreign office consultations led by the respective foreign secretaries.

The two countries also agreed to establish a direct shipping line through a shipping agreement to further increase bilateral trade.

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## We Mourn

We deeply mourn the sad demise of valiant freedom fighter Zainul Haque Sikder. It is an irreparable loss for the country and business community.

He was one of the renowned business personalities of the country. He founded National Bank Ltd. and Sikder Group. His farsighted vision has taken Sikder Group to the pinnacle of success.

Dhaka Bank family is profoundly shocked at the demise of Zainul Haque Sikder and pray for the eternal salvation of his departed soul.

May The Almighty Allah give strength and sabr to the family to bear the loss.

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**Zainul Haque Sikder**

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