

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	STANDARD CHARTERED BANK
▼ 1.35%	▼ 1.20%	\$1,791.80 (per ounce)	\$82.38 (per barrel)	▼ 0.55%	▼ 1.58%	▼ 0.01%	▲ 0.10%	BUY TK 84.85	94.30	113.75	13.04	
6,917.91	12,190.28			58,340.99	29,302.66	3,227.15	3,592.70	SELL TK 85.85	98.10	117.55	13.71	



প্রাইম এমএসএমই ব্যাংকিং

প্রাইম লেনদেন

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BUSINESS

DHAKA THURSDAY NOVEMBER 25, 2021, AGRAHAYAN 10, 1428 BS
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# 15 individuals, 19 firms keep topping NBR’s honours chart

SUKANTA HALDER and AHSAN HABIB

The National Board of Revenue (NBR) introduced tax cards more than a decade ago and expanded its associated list from fiscal 2015-16 to recognise compliant taxpayers in various sectors and professions.

An analysis shows that 15 individuals and 19 conglomerates have been winning the recognition as top taxpayers of the country for the past straight six years.

The individuals are Md Kaus Mia, a businessman; Golam Dastagir Gazi, another businessman; Mahfuz Anam, editor and publisher of The Daily Star; Matiur Rahman, editor of the Prothom Alo; Mohammad Abdul Malek, editor of the Dainik Azadi; Sheikh Fazle Noor Taposh, a lawyer; and Pran Gopal Dutta, a physician.

The individuals also include Drug International’s Khwaja Tajmahal, MA Haider Hussain, Mohammad Yusuf, Hosne Ara Hossain, Rubaiyat Farzana Hossain, Laila Hossain, Palmal Group of Industries Managing Director Nafis Sikder, and national cricketer Tamim Iqbal Khan.

Yesterday, they were among the 75 individuals who were honoured by the NBR for the payment of the highest amount of taxes for 2020-21. The tax administration also recognised 54 companies.

Finance Minister AHM Mustafa Kamal inaugurated the award presentation event organised at the Officers’ Club Dhaka.

Among the 19 companies are Islami Bank Bangladesh, Standard Chartered Bank, HSBC, Grameenphone, Nestlé Bangladesh, Titas Gas Transmission and Distribution Company, Unilever Bangladesh, British American Tobacco Bangladesh, Coats Bangladesh, American Life Insurance Company, Square Pharmaceuticals, and Apex Footwear.

The remaining ones are Mediastar Ltd, Transcraft Ltd, Badsha Textiles Mills, Noman Terry Towel Mills, Rifat Garments, SN Corporation, and ASBS.

Mediaworld Ltd, Infrastructure Development Company Ltd, Bay Developments Ltd, Bata Shoe Company (Bangladesh) Ltd, and Lalmai Footwear won the recognition for the fifth consecutive year.

“We are delighted to be able to play our part in supporting the incredible growth-journey of our nation,” said Naser Ezaz

Bijoy, chief executive officer of Standard Chartered Bangladesh, after receiving the tax card.

“As one of the longest-serving financial institutions of Bangladesh and the largest international bank in the country, it has always been our mission to serve as a partner in progress to our nation.”

“We are grateful and would like to express our humble recognition of the vital role the institution is playing in Bangladesh’s sustainable development through driving domestic resource mobilisation, by embracing technology and progressive policy formulation.”

AK Azad, managing director of Rifat Garments, says he is feeling encouraged.

“Our exports are rising continuously, so we are honoured to get the recognition for our contribution to the country.”

Bangladesh’s ongoing prosperous journey.”

The government’s recognition is a true testament to Unilever’s continuous contribution to the internal revenue of Bangladesh, said Zaved Akhtar, chief executive officer and managing director of Unilever Bangladesh.

“We will continue our partnership with the government and larger ecosystem and fuel the growth momentum and progress toward our vision of a developed country by 2041.”

“We are on a mission to bring real change, improve people’s lives and protect nature,” he added.

Syed Md Aminul Karim, a former member for income tax policy at the NBR, said companies continuing to top the list of the largest taxpayers indicated that they had good corporate practices.

tax officials track the expenditure of individuals to assess actual incomes.

Md Kamrul Hassan, chief financial officer of Transcom Ltd, received the tax card, crest and a certificate of honour from NBR Chairman Abu Hena Md Rahmatul Muneem on behalf of Transcraft.

He also received the same on behalf of the late Latifur Rahman and his wife Shahnaz Rahman, the current chairman of Transcom Group.

Matiur Rahman received a tax card, crest and certificate of honour. He also received the same on behalf of Mediastar.

Uzma Chowdhury, director (finance) at Pran-RFL Group, accepted the award on behalf of Pran Dairy.

Shykh Seraj, a director and head of news of Channel i, received the recognition on behalf of Faridur Reza Sagar, the company’s



“I pay tax as I make a profit,” Kaus Mia, owner of Hakimpuri Jarda, told The Daily Star recently.

“I pay tax because it is a good thing to do. How will the state bear its expenses if we don’t pay tax?”

“We remain committed to continuing our contribution towards the economic development of the country alongside providing world-class financial protection to the people,” Ala Ahmad, chief executive officer of MetLife Bangladesh, told The Daily Star.

“Insurance is vital for sustained economic growth, and we are honoured to represent the insurance sector as one of the major contributing sectors for

And it appears that they play a responsible role in society, he said.

But a large number of firms with a good amount of income continues to remain outside the scanner of the tax authority for its lack of capacity to dig deeper to assess actual incomes.

“The same is also true for many individuals who earn a lot but show little in their tax returns,” said Karim, now an adjunct faculty of the banking and insurance department of the University of Dhaka.

Recalling his experiences, he mentioned a taxpayer who showed Tk 3 lakh as annual income but was later found to be paying Tk 10 lakh in tuition fees for his children at an international school in Dhaka.

“We are yet to tax the incomes from land and flat sales properly,” he said, suggesting

managing director.

In the print and electronic media category, Somoy Media and East West Media Group were named as the highest taxpayers.

The finance minister said Bangladesh was doing well in all economic indicators, including revenue earnings.

He requested people to participate more and more in paying taxes to build a Golden Bengal.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, urged the authorities to ensure that tax card-holders were provided privileges as mentioned in the tax card policy.

“We appeal for considering the issue of withdrawal of advance income tax to facilitate business,” he said.

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## Latifur, Shahnaz honoured again for exemplary tax compliance



Latifur Rahman



Shahnaz Rahman



Matiur Rahman



Mahfuz Anam

STAR BUSINESS REPORT

The National Board of Revenue yesterday honoured the late Latifur Rahman, founding chairman of Transcom Group, and Shahnaz Rahman, the conglomerate’s current chairman, as the country’s top taxpayers for their exemplary tax compliance in 2020-21.

This is the second year in a row that the tax authority has recognised them for their outstanding tax records.

Latifur, who passed away on July 1, 2020, was among the top taxpayers in the senior citizen category for his income in the fiscal year 2019-20, a distinction he previously received in 2015-16, while his wife Shahnaz was named as one of the highest female taxpayers in Dhaka city earlier.

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## Pathao cuts commission on bike trips

*Move may put Uber under pressure*

MAHMUDUL HASAN

Pathao has decided to substantially cut its commission on bike rides in line with demands from drivers in a move that could potentially increase the company’s competitiveness and put pressure on rival Uber.

From today, the home-grown ride-hailing platform’s commission will be 10 per cent during peak hours (8:00am to 11:00am and 5:00pm to 8:00pm) and up to 15 per cent during off-peak hours. This is the lowest commission on bike rides among all ridesharing platforms in Bangladesh.

Global ridesharing giant Uber currently takes roughly a 25 per cent cut on all trip fares in Bangladesh.

Previously, Pathao charged 15 per cent as commission on two-wheel rides in Dhaka and 25 per cent in Chattogram and Sylhet. The new commission structure is applicable nationwide.

The move comes following a six-point demand from the Dhaka Ridesharing Drivers Union, which includes fixing

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## Shwapno sees operating profit finally

*Profits up two straight quarters*

AHSAN HABIB

Shwapno, the largest retail chain in Bangladesh, has at last logged operating profits, a development that is likely to make the investors of its parent company, Advanced Chemical Industries (ACI), happy.

In the April to June period of 2020-21, the retail chain netted operating profits of Tk 94.9 lakh and continued the momentum in the July to September period of 2021-22, earning Tk 37 lakh in profit, according to ACI Logistics, which runs the chain.



materials, but before paying interest or tax.

The retail chain has been incurring losses since its inception in 2008. Because of the continuous losses, even ACI has fallen into red, disappointing investors.

Sabbir Hasan Nasir, executive director of ACI Logistics, says the stickiness of the loyal customers, who want to see home delivery and the brick-and-mortar operation under one platform, improved in the post-Covid-19 era, especially when Shwapno increased its presence by providing hyper-local convenience.

“Our operational excellence has reduced operating and buying costs and improved stock loss. Because of our relationship with our partners and growers and a shift in our overall portfolio, the gross margin rose.”

“If the momentum continues, we will break even within three years,” he told The Daily Star yesterday.

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## No plan to raise fertiliser price: Razzaque

STAR BUSINESS REPORT

The government will not increase fertiliser prices at the moment even though their prices have risen four times in the international markets, said Agriculture Minister Muhammad Abdur Razzaque yesterday.

He also said the government had no plan to subsidise diesel prices.

“The process of subsidising diesel for irrigation is quite complicated. It is used in pumps or elsewhere in the name of irrigation.”

He made the comments at a press briefing at the agriculture ministry on the outcome of his 11-day visit to the Netherlands and the United Kingdom from November 9 to 19.

The minister said the Netherlands would send a mission to Bangladesh in March as part of its efforts to enhance trade relations and cooperation in the agriculture sector.

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## Provision shortfall at banks worsens

AKM ZAMIR UDDIN

The provision base of banks in Bangladesh deteriorated further in the third quarter of 2021 because of an increase in bad loans, highlighting the worsening health of the banking industry.

The shortfall widened to Tk 6,204 crore in September, up 50 times in contrast to Tk 123 crore in December last year, data from the Bangladesh Bank showed.

The deficit was 135 per cent higher year-on-year, leading analysts to urge banks to strengthen the provision base in order to improve their financial condition.

A provision shortfall occurs when a financial obligation exceeds the amount of cash available. It can be temporary, arising out of a unique set of circumstances, or persistent, indicating poor financial management practices.

Banks have to earmark 0.50 per cent to 5 per cent of their operating profit as a provision against general category loans, 20 per cent against classified loans of substandard category, and 50 per cent against classified loans of doubtful category.

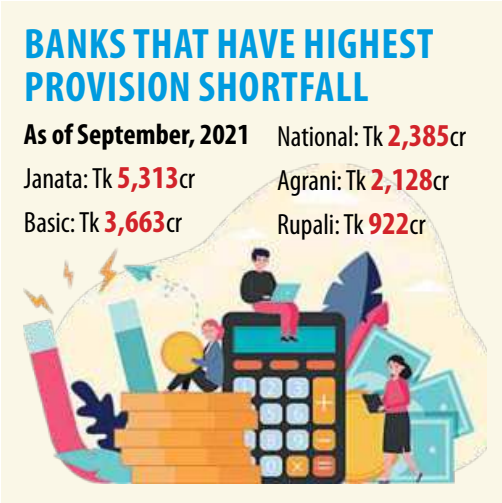
It has to set aside 100 per cent against classified loans of bad or loss category. The provision situation may erode further as default loans are expected to jump next year once the central bank lifts the relaxed loan classification policy.

The central bank has been following the relaxed policy since March last year to help businesses tackle slowdown caused by the coronavirus pandemic.

Between July and September, the shortfall rose due to the lacklustre performance of 10 banks, which had a combined deficit of Tk 15,351 crore.

The banks are Janata, BASIC, National, Agrani, Rupali, Bangladesh Commerce, Dhaka, Mutual Trust, Standard, and Bangladesh Krishi Bank.

The overall provision shortfall in the banking sector stood at Tk 5,583 crore in June. Some banks fared well in the third quarter, preventing the shortfall from surging further.



Of the 10 banks, some have been facing a shortfall for years due to a lack of corporate governance.

The deficit at the state-run banks was Tk 10,376 crore in September, which stemmed from a wide range of financial scams.

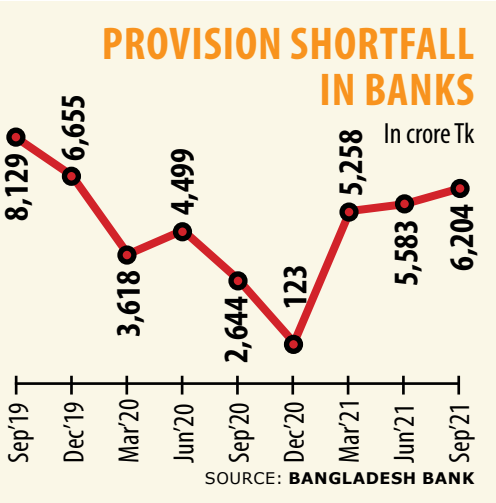
Janata Bank alone had a shortfall of Tk 5,313 crore, central bank data showed. The state lender earlier faced a number of scams.

The provision shortfall in the banking sector had narrowed throughout 2020 after borrowers were granted a moratorium support by the central bank.

The payment holiday had barred banks from downgrading the credit status of borrowers even if they failed to pay instalments regularly. As a result, defaulted loans did not increase on paper, allowing lenders to put aside a lower amount of funds to cover bad loans.

The central bank withdrew the moratorium support partially in March this year, pushing up both non-performing loans (NPLs) and the provision shortfall.

Up until September, NPLs stood at Tk 101,150 crore, up 14 per cent from nine months earlier and 7.1 per cent year-on-year. This was the first



time after 21 months the figure has crossed the Tk 1 lakh crore mark.

Salehuddin Ahmed, a former governor of the central bank, said that the widening provision shortfall indicated that the banking sector was in trouble.

“Corporate governance at many banks has weakened in recent times due to financial irregularities.”

The shortfall sends a negative signal to the global community, tarnishing the sector’s image. Global banks usually show unwillingness to open letters of credit with the lenders facing a provision shortfall.

Some banks have recently emphasised branding, ignoring the importance of building up provision. “This is illogical,” Ahmed said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that his bank had taken approval from the central bank to manage the provision in phases.

The provision shortfall of the private commercial bank stood at Tk 157 crore in September. It will have to manage the required provision within the next three years.

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