

## NBR may roll back VAT hike on motor garage services

### STAR BUSINESS REPORT

The National Board of Revenue (NBR) is expected to retract its decision to impose a 15 percent value added tax (VAT) on services provided at automobile garages and workshops.

The tax administration yesterday assured owners and workers of such workshops that it would reduce VAT to the previous rate of 10 percent in the face of protests from stakeholders.

Led by the Bangladesh Automobile Workshop Malik Samity, over 100 protesters formed a human chain in front of the NBR headquarters yesterday, demanding the VAT rate be reduced to 5 percent.

Md Zahurul Haque, senior vice-president of the Bangladesh Automobile Workshop Malik

Samity, criticised the NBR for imposing the VAT without consulting stakeholders.

"The hike in VAT would harm our businesses," he said.

He also expressed concerns about a new ordinance that reduced the value-added tax threshold from Tk 3 crore to Tk 50 lakh, stating that it would disproportionately burden small and medium-sized enterprises.

Haque also argued that VAT should be levied on landowners instead of workshop owners, calling the current policy a "forceful imposition."

Following the protest, the NBR held a meeting with representatives of the Bangladesh Automobile Workshop Malik Samity and assured them that VAT would be charged at

the previous rate of 10 percent.

The VAT hike is part of the NBR's broader initiative to increase revenue collection as Bangladesh has one of the lowest tax-GDP ratios in the world.

On January 9, the revenue board raised VAT and supplementary duties on nearly 100 goods and services, a decision that was met with criticism from many quarters.

Similar to this retraction, the NBR also assured restaurant owners amid protests that it would reduce the VAT from 15 percent to 5 percent.

Alongside that, the NBR is also considering reducing the VAT on some other items, including clothes, sweets, mobile talktime, and internet services.

However, the NBR has not issued any official announcements yet.

## Bangladesh's power subsidies

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said the government still needs to subsidise the sector for capacity payments to power plants currently under construction.

Moazzem added that the government could reduce the subsidy burden by retiring inefficient and old power plants and suspending capacity charges when plants are not generating electricity.

Electricity prices increased by 8.5 percent in February of last year and by 5 percent three times in 2023.

BIPPA, representing mostly owners of power plants run by furnace oil, made the presentation on the relevance of those plants.

The power producers said that summer power demand (March to September) may reach 18,232 megawatts (MW), with heavy fuel oil (HFO) based plants possibly required to generate up to

4,149 MW.

The association calculated that while gas-fired plants have a capacity of 10,667 MW, they may only generate up to 6,400 MW, and coal based plants may generate up to 5,558 MW.

"Even under a conservative scenario where median peak demand is 16,000 MW, HFO-based power plants are relevant as they would be required to produce up to 2,878 MW and will continue to be so," said the analysis presented by Imran Karim, a former president of the organisation.

Currently, there are 5,525 MW of HFO based power plants, a figure projected to decrease to 4,025 MW by 2030.

The presentation showed that independent power producers are facing payment delays of 120-180 days despite a 30-day payment term in their purchase agreements.

These delays have forced companies to borrow additional working capital, incurring an extra Tk 3,200 crore in interest costs.

Moreover, foreign currency shortages have hindered companies' ability to open letters of credit (LCs) for fuel imports, forcing them to operate below capacity.

According to PDB officials, PDB has now been struggling to pay the overdue payments to the power plants.

The power plants have outstanding dues of around Tk 21,000 crore, with around Tk 9,000 crore under the BIPPA.

Adviser to the Ministry of Power, Energy and Mineral Resources Muhammad Fouzil Kabir Khan, Power Division Secretary Farzana Mamta, PDB Chairman Md Rezaul Karim, incumbent president of BIPPA David Hasan and members joined the meeting.

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inflow of work orders from international clothing retailers and brands.

Its vice-chairman, Salman FRahman, who is now behind bars, was an influential adviser to deposed prime minister Sheikh Hasina.

The state advisory council is determined to ensure that every worker of the 16 factories receives their service benefits, said Hussain.

The council is trying to identify ways to raise and disburse those funds in a transparent manner, and this may take a few more days, he said.

Since the workers are highly skilled, the government is trying to find them jobs, such as at factories connected with Bangladesh Export Processing Zones Authority and Bangladesh Economic

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Zones Authority, he said.

The workers of Beximco Industrial Park have announced plans to stage a demonstration in front of the park today, said Tariqul Islam, an administrative executive of Beximco Group.

They will demand that the 16 factories be kept operational, citing that these were profitable entities with many pending work orders from globally reputed clothing retailers and brands, he said.

Many globally reputed clothing retailers and brands are working with Beximco's textile and garment factories, which are most likely still profitable, said Amirul Haque Amin, president of the National Garment Workers Federation.

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## Cement sector struggles

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the issuance of approvals from local government bodies, including city corporations, municipalities, and urban development authorities, which are crucial for construction projects.

People also face hurdles in obtaining necessary clearances due to the absence of elected public representatives in the local government bodies, further stalling individual construction projects, he said.

Bangladesh boasts 42 cement factories with a combined production capacity of 84 lakh tonnes per month, according to the Bangladesh Cement Manufacturers Association.

However, Dalmi said sales have plummeted to just 34 lakh tonnes per month, leaving the industry operating at a mere 45 percent of its capacity.

This sector, where annual growth in consumption typically ranges from 9 to 10 percent, saw an unprecedented decline in sales of around 12 percent in 2024, he said.

The industry's woes are compounded by soaring costs of production, driven by hikes in electricity and fuel prices, he added.

"We are now in a

## Patuakhali's new coal-fired power plant starts trial run

### OUR CORRESPONDENT, Patuakhali

A new 1,320-megawatt coal-fired power plant constructed on the banks of the Rambabu river in Kalapara upazila of Patuakhali, some 270 kilometres south of capital Dhaka, has started generating electricity on a trial basis.

One of its two 660MW units was turned on around noon yesterday, said officials.

Initially it generated 170MW of electricity and its full 660MW capacity will be gradually added to the national grid, Md Tawfiq Islam, director of the project, told The Daily Star.

Efforts are underway to get the second unit running by March and, following trial runs, to start commercial production at both units by either May or June, he added. Once operational, the plant will meet around 10 percent of the country's demand, said Ashraf Uddin, the plant's supervising engineer.

Construction of the plant in Londa village began in 2019, but production was delayed due to various challenges. "We are delighted to finally begin trial production after overcoming all obstacles," he said.

### Bangladesh Lamps Limited

Head office: House-22, Road-4, Block-F, Banani, Dhaka-1213

2nd Quarterly Financial Statements (October-December 2024)

STATEMENT OF FINANCIAL POSITION (UN - AUDITED)

AS AT 31 DECEMBER 2024

As at  
31 December 2024  
Taka As at  
30 June 2024  
Taka

ASSETS	Non-current assets	Property, plant and equipment	138,203,898	98,583,822
	Intangible asset	45,013,136	47,585,734	
	Right-of-use asset (ROU)	82,518,529	89,451,593	
	Investments:			
	At cost	88,527,133	88,527,133	
	Fair value adjustment	366,902,876	339,465,928	
		455,430,009	427,993,061	
	Loans and deposits	4,100,911	5,093,759	
	TOTAL non-current assets	725,266,483	668,707,969	

Current assets	Inventories	916,499,869	685,805,486
	Trade and other receivables	159,247,578	182,391,573
	Advance, deposit and prepayments	56,099,609	54,698,767
	Advance income tax	469,767,155	439,401,229
	Cash and cash equivalent	48,593,983	37,956,748
	TOTAL current assets	1,650,208,194	1,400,253,803
	TOTAL ASSETS	2,375,474,677	2,068,961,772

EQUITY & LIABILITIES	Capital and reserves	Share capital	100,265,500	100,265,500
	Reserves and surplus	373,405,670	412,298,115	
	Shareholders' equity	473,671,170	512,563,615	

Non-current liabilities	Deferred liability - gratuity payable	19,630,026	16,978,991
	Deferred tax liability	25,761,950	26,014,479
	Lease liabilities - Net off current portion	74,828,911	80,760,318
	TOTAL non-current liabilities	120,220,887	123,753,788

Current liabilities	Lease liabilities- Current portion	20,400,000	20,400,000
	Short term finance	1,277,346,810	1,002,931,164
	Trade and other payables	224,844,957	157,570,204
	Other liabilities	35,446,402	33,571,533
	Unclaimed dividend	1,475,221	1,497,061
	Provision for tax	222,069,230	216,674,407
	TOTAL current liabilities	1,781,582,620	1,432,644,369
	TOTAL EQUITY & LIABILITIES	2,375,474,677	2,068,961,772

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN - AUDITED)				
FOR THE HALF YEAR ENDED 31 DECEMBER 2024				
1 July to 31 December	1 July to 31 December	1 July to 31 December	1 July to 31 December	1 July to 31 December
2024 Taka	2023 Taka	2023 Taka	2023 Taka	2023 Taka
Revenue	89,137,419	762,777,851	477,456,491	399,473,847
Cost of sales	(70,414,633)	(136,524,877)	(86,680,707)	(52,440,342)
Gross profit	19,722,786	136,252,974	114,766	