

## BUDGET FY2023-24: NECESSITY VS AMBITION IN A PRE-ELECTION SETTING

June 01, 2023

### Yearly Notations

FY2022A – Actual

FY2023R – Revised

FY2024B – Budget

### EXECUTIVE SUMMARY

FY2023-24 budget sizes at USD 70.5 bn, having a revenue target of USD 46.3 bn and deficit of USD 23.9 bn (5.2% of GDP vs. 5.1% in FY2022-23R). Annual Development Program (ADP) stands at USD 24.4 bn (34.5% of budget), 15.6% up from FY2022-23 Budget (revised).

- Of the total budget deficit (USD 23.9 bn), USD 14.4 bn (60% of deficit) would be financed from domestic sources. Of this, USD 12.3 bn will be sourced from the banking sector.
- GDP growth rate for FY2022-23 has been revised to 6.03% from the original 7.5% target. For FY2023-24, GDP growth rate has been targeted at 7.5%, with the expectation of a revived economy despite challenges.
- FY2023-24 budget continues keeping inflation as a top priority but recognizes the changed reality amid recent global developments. As such, Inflation for FY2022-23 is revised to 7.5%, from the original 5.6% expectation in the last budget. Inflation for FY2023-24 is targeted at 6%.
- The strategy pivots to mobilizing internal resources, increasing efficiency in expenditure management, and finding cost-effective financing sources from home & abroad to meet the external and domestic economic challenges.

### Key Insights from the FY24 budget

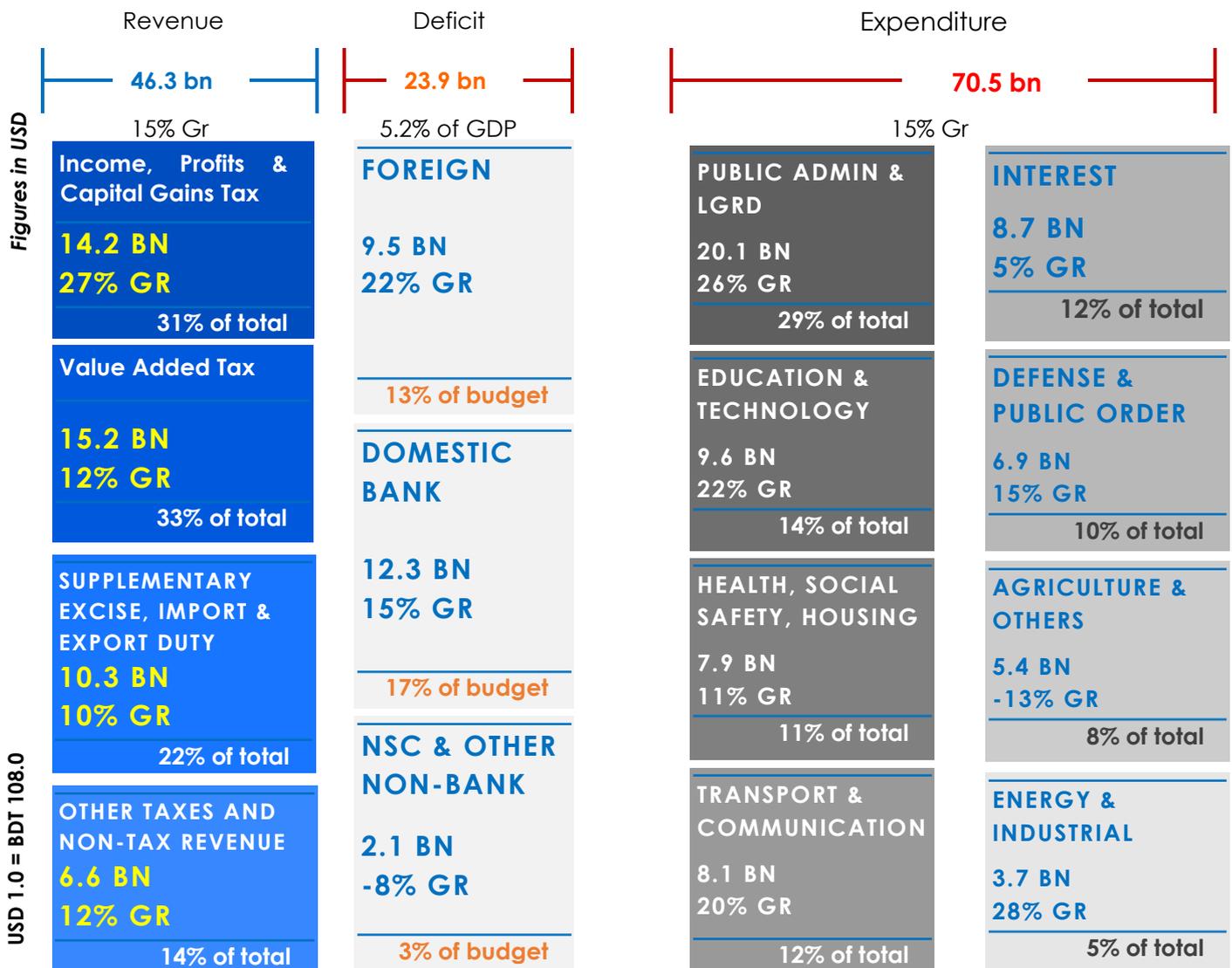
- Given the current context of economic challenges as well as IMF engagements, the Government of Bangladesh (GoB) has sharpened its focus on broadening the revenue base via a more inclusive approach across existing and new avenues. A higher focus has been given to domestic sourcing - VAT & other indirect revenue sources getting importance.
- As a pre-election budget, strong emphasis has been placed on social safety related spendings, completing development projects and highlighting progress over the period. Alongside, the majority of revenue approaches in taxation have been largely unchanged across industries.
- A greater focus on domestic manufacturing and export prioritization is to reduce pressure on the external front. Promoting remittance and discouraging non-essential imports could further stave off the BoP pressures. Amid FX reserve concerns, the GoB is consciously taking austerity moves, putting economic necessity ahead.
- Particular focus is given on digital inclusion of people and businesses, and digitization of activities in alignment with SMART Bangladesh plan.
- Substantial efforts are made to enhance social security driven spendings, in the form of cash benefits as well as infrastructure support.
- Noticeable changes have been introduced to make revenue collection efforts more streamlined. Introducing the new Income Tax Act 2023 alongside simplification of several practices and rules related to tax filing, return processing, auditing, etc. would help.

In the middle of unprecedented challenges, ahead of an imminent election, the budget FY2023-24 appears to seek a balance between achieving the economic goals and keeping stakeholders on its side. With strong pressure on the external front, pending commitments with international partners and weakened macro landscape, GoB is trying to shore up revenues and protect FX reserves, while adhering to its long-term ambitions. At the same time, GoB is turning to populist choices including cash-focused social safety net distributions, non-enhancement of tax rates, and completion of showcase projects ahead of election. Inflation continues to take the spotlight, and we perceive this budget as a transition point requiring GoB to manage the situation by balancing all sides. This may turn challenging, and meanwhile the economy will remain susceptible to exogenous shocks.

\*\* For more details on numbers and statistics of the national budget for FY2023-24, please refer to the Appendix.

Scan QR code to view the full budget.



**BUDGET FY2023-24: THE FISCAL SKELETON**


Figures in BDT billion	2023-24 Budget	Change*	% of Budget	% of GDP	2022-23 Revised	2021-22 Actual
<b>Expenditure</b>						
Non-Development Current Expenditure	4,362	11.8%	57.3%	8.7%	3,901	3,077
Development Expenditure	2,776	14.9%	36.4%	5.5%	2,416	1,952
Other Expenditure	480	66.4%	6.3%	1.0%	288	153
<b>Total Expenditure</b>	<b>7,618</b>	<b>15.3%</b>	<b>100.0%</b>	<b>15.2%</b>	<b>6,605</b>	<b>5,182</b>
ADP	2,630	15.6%	34.5%	5.3%	2,276	1,861
Interest Payment	944	4.8%	12.4%	1.9%	900	778
<b>Revenue</b>						
NBR Tax	4,300	16.2%	56.4%	8.6%	3,700	2,929
Non-NBR Tax	200	11.1%	2.6%	0.4%	180	67
Non-Tax Receipt	500	11.1%	6.6%	1.0%	450	351
<b>Total Revenue</b>	<b>5,000</b>	<b>15.5%</b>	<b>65.6%</b>	<b>10.0%</b>	<b>4,330</b>	<b>3,346</b>
<b>Deficit Financing</b>						
External	1,025	22.3%	13.5%	2.0%	838	650
Domestic	1,554	10.7%	20.4%	3.1%	1,404	1,152
Bank	1,324	14.7%	17.4%	2.6%	1,154	755
<b>Budget Deficit</b>	<b>2,618</b>	<b>15.1%</b>	<b>34.4%</b>	<b>5.2%</b>	<b>2,275</b>	<b>1,835</b>
<b>GDP (Estimated)</b>	<b>50,068</b>	<b>12.8%</b>	<b>6.6x</b>	<b>100.0%</b>	<b>44,393</b>	<b>39,717</b>

\*Change over FY2022-23 Revised, Source: Ministry of Finance

## TAX RATE FOR COMPANIES

- GoB has kept the corporate tax unchanged for the companies (please see table below) for FY24. However, GoB has eased the condition of transaction made through bank transfer.

Description	Existing FY 2022-23	In case of failure to comply with the condition*	Proposed Tax rate 2023-2024
Publicly traded company that transfer more than 10% of its paid up capital through IPO	20.0%	22.5%	Unchanged
Publicly traded company that transfer 10% or less than 10% of its paid up capital through IPO	22.5%	25.0%	Unchanged
Non-publicly traded company	27.5%	30.0%	Unchanged
One person company	22.5%	25.0%	Unchanged
Publicly traded bank, insurance, and financial institution (except merchant bank)	37.5%	N/A	Unchanged
Non-publicly traded bank, insurance, and financial institution	40.0%	N/A	Unchanged
Merchant Bank	37.5%	N/A	Unchanged
Company producing all sorts of tobacco items including bidi, cigarette, chewing tobacco and gul	45.0% + 2.5% (Surcharge)	N/A	Unchanged
Publicly traded mobile operator company	40.0%	N/A	Unchanged
Non-Publicly traded mobile operator company	45.0%	N/A	Unchanged
Association of persons	27.5%	30.0%	Unchanged
Artificial juridical person and other taxable entities	27.5%	30.0%	Unchanged
Private university, private medical, private dental and engineering college of private college solely dedicated to imparting education on ICT	15.0%	N/A	Unchanged

\*Condition: all receipts and income must be received through bank transfer and every single transaction above BDT 500,000 and annual investment over BDT 3.6 Mn of expense and investment must be made through bank transfer.

Source: Ministry of Finance, BRAC EPL Research

### Tax at Source reduction:

- In order to facilitate business and investment, instead of filing 29 returns and statements related to tax deduction at source in the existing law, only 12 returns are proposed in the proposed law.
- GoB introduced the following reductions in FY2022-23. With no additional changes made in the current budget, these are assumed to continue:
  - Supply of trading goods : 5% from 7%
  - Supply of books (except GoB supply) : 3% from 7%
  - Supply of raw materials to Manufacturers : 4% from 7%
  - Bank interest for company : 20% from 10%
  - Export Proceeds : 1% from 0.5%
  - Terminal operation/ship handling : introduced 5% on gross bill

## PERSONAL TAXES RATES

- The proposed tax-exempted income ceiling for individual has increased in various level. The tax rate applicable for individual taxpayers remained unchanged from FY2022-23. (See Annex at Page 12).
- The zero capital gain on listed securities and rules on advance tax over dividends have not been changed.
- The threshold for imposing surcharge on income tax has been increased from BDT 30.0 Mn to BDT 40.0 Mn. A minimum surcharge of 10% on income tax would be applicable if the net wealth of an individual exceeds BDT 40.0 Mn, which would increase to 35% for individuals who have net wealth exceeding BDT 1.0 Bn.

---

## START-UP BUSINESS

---

- To foster startup and entrepreneurship development, a special allocation of BDT 1.0 Bn has been kept in the proposed budget.
- Proposed implementation of refinancing schemes for CMSME startups and women-owned enterprises by relaxing collateral to facilitate access to credit for the underprivileged.
- Benefits introduced in the last budget that did not change:
  - Benefit of setting off and carrying forward losses over a period of nine years.
  - Turnover tax at 0.1% instead of 0.6% continuous in FY2023-24.

---

## CAPITAL MARKET

---

- The tax rules regarding capital gain and dividend from investing in listed companies remain unchanged. No additional communication regarding the capital market has been made in the budget.

---

## TELECOMMUNICATION & IT

---

### No Change in Tax

- Turnover tax is kept at 2%.
- Corporate tax rate is kept at 40% for listed telcos.

### Incentives/Tariffs Continuing in FY2023-24 Budget:

- Extension of existing VAT exemption facility continues for production of Computer, Laptops, Desktops, Notebooks, Notepads, Tabs etc. This could positively affect **DAFFODILCOM (Bloomberg: DAFODILC BD)**.

### Proposed Developments in FY24 Budget:

- VAT exemption in excess of 5% on the production stage on optical fiber cable proposed till June 30, 2024. We understand all telcos including **Robi (DSE ROBI: Bloomberg: ROBI BD)** and **Grameenphone (DSE: GP, Bloomberg: GRAM BD)** could experience decrease in maintenance costs for their optical fiber infrastructure.
- This VAT exemption **positively** affect **BDCOM (Bloomberg: BDCOM BD)** directly as it produces optical fiber and some of the listed ISP companies that could be moderately affected from the proposal include **AAMRANET (Bloomberg: AAMRANET BD)**, **AAMRATECH (Bloomberg: AAM BD)**, **DAFFODILCOM (Bloomberg: DAFODILC BD)**, **AGNISYS (Bloomberg: AGNISYS BD)**, **ADNTEL (Bloomberg: ADNTEL BD)** and **INTECH (Bloomberg: INTECH BD)** as they use optical fiber cables for high speed connectivity.
- 5% VAT on software production and customization services is imposed. In addition, 25% CD (previously 5%) and 15% (previously 5%) VAT on imported software are proposed. These proposals **negatively** affect **AGNISYS (Bloomberg: AGNISYS BD)**, **AAMRATECH (Bloomberg: AAM BD)**, **BDCOM (Bloomberg: BDCOM BD)**, **DAFFODILCOM (Bloomberg: DAFODILC BD)**, **GENEXIL (Bloomberg: GENEXIL BD)**, and **ITC (Bloomberg: ITC BD)**.
- VAT on mobile phone manufacturer/assembler is proposed by 2% - 2.5% in various levels. This could slightly increase the price of mobile handsets.

---

## TOBACCO

---

- GoB has proposed to increase the minimum MRP of 10-stick cigarettes: BDT 150.0 for premium segment, BDT 113.0 for high segment, BDT 67.0 for medium segment, and BDT 45.0 for low segment.
- Supplementary duties for cigarettes have increased for low segment (from 57% to 58%) and been kept unchanged for the rest at 65%. Considering the inflationary pressure, we estimate the price increase would work in favor of tobacco companies such as **British American Tobacco Bangladesh (DSE: BATBC, BLOOMBEG: BATB BD)**.
- In the previous budget, the Medium segment saw the highest increase in price (+8.82%) and the low segment saw the lowest increase (+2.56%). In this budget, the case is opposite – Medium segment saw the lowest price increase

(5.63%) while the Low segment had the highest increase (+12.50%). We believe the GoB is aiming to shore up the state coffers by effectively taxing all the segments.

- Customs duty on Electric Cigarettes and similar personal electric vaporizing devices has been increased from 5% to 25%. A possible increase in the price of substitutes benefits companies such as **BATBC**.
- Other segments such as bidi, gul, and jarda remain same as last year.
- SD on cigarette paper imported by commercial importers has been increased from 100% to 150%. This may present minor benefits to compliant companies such as **BATBC**.

**Table: Existing and proposed price slabs and supplementary duty structure**

	Existing price per 10 sticks	Proposed price per 10 sticks	% Change	Existing SD	Proposed SD	SD Change (bps)
Premium	142	150	+5.63%	65%	65%	unchanged
High	111	113	+1.80%	65%	65%	unchanged
Medium	65	67	+3.08%	65%	65%	unchanged
Low	40	45	+12.50%	57%	58%	100

Source: Ministry of Finance, BRAC EPL Research

Handmade Non-filter Bidi				
	Existing Price	Proposed Price	% Change	SD
25 sticks	18	18	0%	
12 sticks	9	9	0%	30% (unchanged)
8 sticks	6	6	0%	

Source: Ministry of Finance, BRAC EPL Research

Handmade Filter Bidi				
	Existing Price	Proposed Price	% Change	SD
20 Sticks	19	19	0%	
10 Sticks	10	10	0%	40% (unchanged)

Source: Ministry of Finance, BRAC EPL Research

**Corporate Tax Rate (Unchanged)**

All sorts of tobacco including cigarette, bidi, chewing tobacco, gul, manufacturing

Existing  
FY 2022-23

45% + 2.5%  
(Surcharge)

Proposed  
FY 2023-24

45% + 2.5%  
(Surcharge)

## BANKS, FINANCIAL INSTITUTIONS & MFS

- BB has completed formulating the outline for setting up the digital bank. GoB hopes to launch a digital bank by In FY2023–24. GoB is also developing a machine learning and artificial intelligence (AI)-based credit rating system to spot fake and anonymous borrowers.

---

## PHARMACEUTICALS

---

- VAT exemption is proposed at the production stage of anti-malarial and anti-tuberculosis drugs. A Few listed pharmaceuticals producing both drugs are **Square Pharmaceuticals Limited (DSE: SQURPHARMA, Bloomberg: SQUARE BD)**, and **IBN Sina Pharmaceutical Industry Limited (DSE: IBNSINA, Bloomberg: IBNSIN BD)**, while **ACI Limited (DSE: ACI, Bloomberg: ACI BD)** and **Renata Limited (DSE: RENATA, Bloomberg: RENATA BD)** produce anti-malarial medicines.
- Existing VAT exemption for Linear Alkyl Benzene Sulphonic Acid (LABSA) has been extended and would **benefit Wata Chemicals Limited (DSE: WATACHEM, Bloomberg: WATACH BD)**.
- MoF has proposed adding 100 new anti-cancer and 3 new anti-diabetic drugs' raw materials to the list of imported raw materials eligible for concessionary rates. This will **benefit Beacon Pharmaceuticals PLC (DSE: BEACONPHAR, Bloomberg: BPL BD)**, **Square Pharmaceuticals (DSE: SQURPHARMA, Bloomberg: Square BD)**, **Beximco Pharmaceuticals (DSE: BXPBARMA, Bloomberg: BXPBAR BD)**, and **Renata Limited (DSE: Renata, Bloomberg: RENATA BD)**.
- MoF has added Silicon tube, a raw material for cannula, to the list of raw materials eligible for concessionary rates. This will help lower production costs for medical supplies manufacturing companies. **JMI Hospital Requisite Manufacturing Ltd (DSE: JHRML, Bloomberg: JHRML BD)** and **JMI Syringes & Medical Devices Ltd (DSE: JMISMDL, Bloomber: JSMD BD)** are potential **beneficiaries**.

---

## CONSUMER DURABLES

---

### Introduction of New Duty:

- To encourage the expansion of heavy industries in the country, 15% Customs Duty has been applied on lift and skip hoists. We believe **Walton (DSE: WALTONHIL, Bloomberg: WALTONHI BD)** will benefit from being a local manufacturer.
- As local switch/socket manufacturers face competition from imported products, concessional facilities on import of raw materials will be provided. We expect **Walton** to benefit from this.

### Extension of Existing Benefits:

- VAT exemption facility for production of refrigerator and freezers till June 30, 2024.
- VAT exemption facility for production of Washing Machine, Microwave Oven, Electric Oven, Blender, Juicer, Mixer, Grinder, Electric Kettle, Multi Cooker and Pressure Cooker till June 30, 2025.
- The proposed extension of existing benefits is expected to **benefit** both **Walton and Singer (DSE: SINGERBD, Bloomberg: SINGER BD)**.

---

## POWER AND FUEL

---

- Power generation capacity has been increased to 26,700 MW at present from 4,900 MW in 2009. GoB plans to set up 34 power plants with a total capacity of 10,443 MW.
- Signing of an agreement is at final stage for import of 500 MW electricity from a hydroelectric power plant to be constructed in collaboration with Nepal. In addition, a tripartite MoU between Bangladesh, Bhutan and India for import of electricity from Bhutan is going to be signed soon.
- GoB proposed 7.5% VAT from existing 5.0% VAT for manufacturing LPG cylinder for FY2023-24. It may **negatively** impact MJL Bangladesh (**DSE: MJLBD, Bloomberg: MJL BD**) and Energypac Power Generation Limited (**DSE: EPGL, Bloomberg: EPGL BD**).
- Preferential Import Facility for coal intended for power generation plants.

---

## FOOD & FAST-MOVING CONSUMER GOODS SECTOR

---

- VAT has been increased in hygiene and toilet articles from 5% to 7.5%. **Reckitt Benckiser (DSE: RECKITBEN, Bloomberg: RECKIT BD)** and **ACI Limited (DSE: ACI, Bloomberg: ACI BD)** may have to increase their products' prices to pass it off to the customers.
- VAT exemption limit has been increased for Handmade Biscuits (from BDT 150 per kg to BDT 200) and Cakes, excluding Party Cake (from BDT 250 per kg to BDT 300). This may pose a minor setback for companies such as **Olympic Industries Limited (DSE: OLYMPIC; Bloomberg: OLYMPI BD)**, **Fu Wang Food Limited (DSE: FUWANGFOOD; Bloomberg: FUWF BD)**, and **Bangas Limited (DSE: BANGAS; Bloomberg: BANGAS BD)**.
- Current VAT and SD exemption on the import of certain raw materials used in the production of sanitary napkins and diapers will be extended, benefiting companies such as **ACI**.
- 15% VAT has been imposed on importing Non-Fortified Basmati Rice.
- Total Tax Incidence (TTI) on import of Shelled Cashew Nuts has increased from 15.25% to 43%. Companies such as **Rahima Food Corporation Limited (DSE: RAHIMAFOOD; Bloomberg: RAHIMA BD)**, processing cashew nuts locally will **benefit** from this change.

---

## AGRICULTURE

---

- Import of rice transplanters, dryers, all types of sprayer machines, and potato planters is exempt from Advance Tax. **ACI** is likely to benefit from this.
- Existing duty rates are unchanged on the import of the main inputs of the agricultural sector, especially fertilizers, seeds, pesticides, etc. **ACI** is a key player in these markets.

---

## CONSTRUCTION MATERIAL

---

- GoB proposed a fixed 3% source tax of locally produced 33 to 500 KV cables from 2% to a maximum of 7%. Such a move is to **benefit BBS Cables Limited (DSE: BBSCABLES, Bloomberg: BBSCABL BD)**.
- GoB proposed to increase the existing specific rate of duty of cement clinker from BDT 500 to BDT 700 per metric ton. Besides, it also proposed to increase the specific rate of duty from BDT 750 to BDT 950 for commercial importers. Such a move is expected to benefit **LafargeHolcim Bangladesh Limited (DSE: LHBL, Bloomberg: LHBL BD)** compared to its peers, owing to its backward integration.
- GoB has suggested to reduce tax rate at source on imports of manganese. Also, VAT on the import of terephthalic acid, ethylene glycol, and hot rolled stainless steel sheet in coil is slashed to 5% from 15%, which are raw material for steel production; Steel companies like **BSRM Limited (DSE: BSRMLTD, Bloomberg: BASR BD)**, **BSRM Steel (DSE: BSRMSTEEL, Bloomberg: BSRM BD)**, **GPH Ishpat (DSE: GPHISPAT, Bloomberg: GPH BD)**, etc. are expected to get minor benefit from it.

---

## RMG

---

- Withdraw full exemption and imposition of 5 percent VAT at the local manufacturing stage on poly propylene staple fiber and to continue existing exemption on import of basic raw material till June 30, 2024
- Regulatory duty on specified textile products were withdrawn (Under HS Code 6101-6217)

---

## OTHERS

---

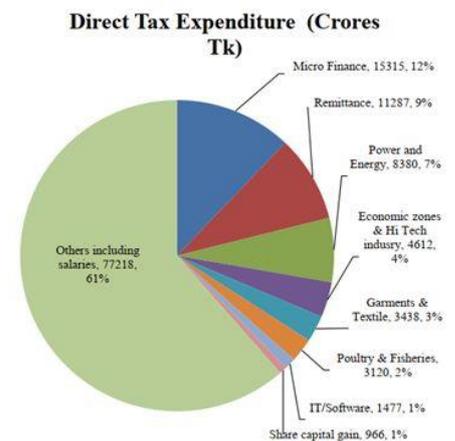
- GoB proposed to impose 15% VAT on ball point pen at the manufacturing stage – a material news for companies such as **GQ Ball Pen Industries Limited (DSE: GQBALLPEN, Bloomberg: GQBALL BD)**.
- GoB proposed to increase the existing Customs Duty of Sandpaper / Abrasive Cloth from 10% to 15% in order to provide greater protection to the local industry.

- GoB proposed to reduce the existing duty on import of Turbo jet Engine from 15% to 0% to equalize with the existing duty exemption on similar products.
- GoB has withdrawn the "minimum value" of products under 35 headings, rationalized the "minimum value" of products under 9 headings, and re-fixed the minimum value of products under 6 headings.
- Earnings stripping rule has been included; however, details are yet to come.
- VAT has been increased to 7.5% from 5% on kitchen towel (24-26 gsm), Toilet tissue (18-24 gsm), Napkin tissue (20-24 gsm), Facial tissue/pocket tissue (12-16 gsm), and Hand towel/Paper towel/clinical bed. Companies such as **Bashundhara Paper Mills Limited (DSE: BPML, Bloomberg: BPML BD)** may lose from this.
- Containers of all types would be exempt from Advance Tax. For example, insulated or Refer Containers had AT of 5%.
- Benefits offered to International Residential Hotels regarding exemptions on duties and VAT on specified items offered back in FY23 have been revoked.

## NEW DEVELOPMENTS:

### TACKLING THE TAX SUBSIDIES: GOB INTRODUCES DIRECT TAX EXPENDITURE

- GoB has introduced the concept of "Direct Tax Expenditure", which includes all rebates, discounts, exemptions, reduced rates, and exclusions in computing taxes, all of which otherwise represent Taxes forgone or subsidized by GoB. GoB intends to add this as part of the total subsidies provided going forward.
- Based on NBR estimate, the Direct Tax Expenditure in FY21 amounted to BDT 1,258 Bn, or 3.56% of total GDP. From projected FY24 budget, estimated Direct Tax Expenditure is BDT 1,782 Bn. Adding this to other subsidies would bring total subsidy to BDT 2,892 Bn.



Source: FY24 Budget

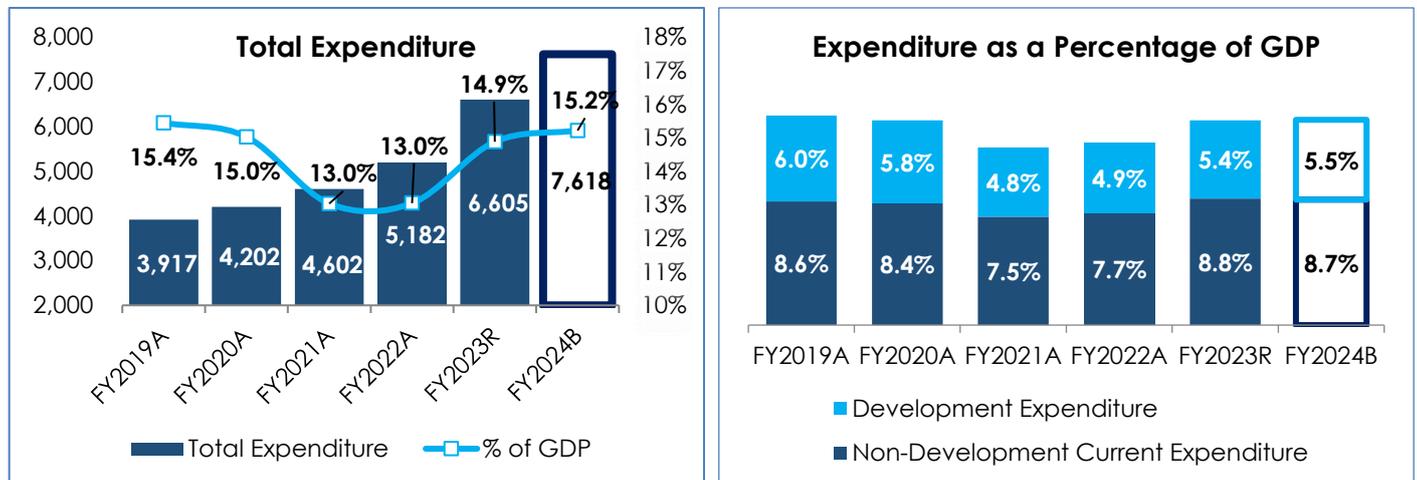
### INCOME TAX ACT 2023 COMING LIVE:

GoB is progressing with the Income Tax Act 2023, to be passed this session. The new act, created in Bangla, includes:

- Reducing official's discretionary power
- Included accounting methods, depreciation and amortization rules, provisions related to capital gains, income from intangible assets, transfer pricing, alternative dispute resolution provisions, etc.
- Simplifies several practices and rules related to tax filing, return processing, auditing etc.

## APPENDICES

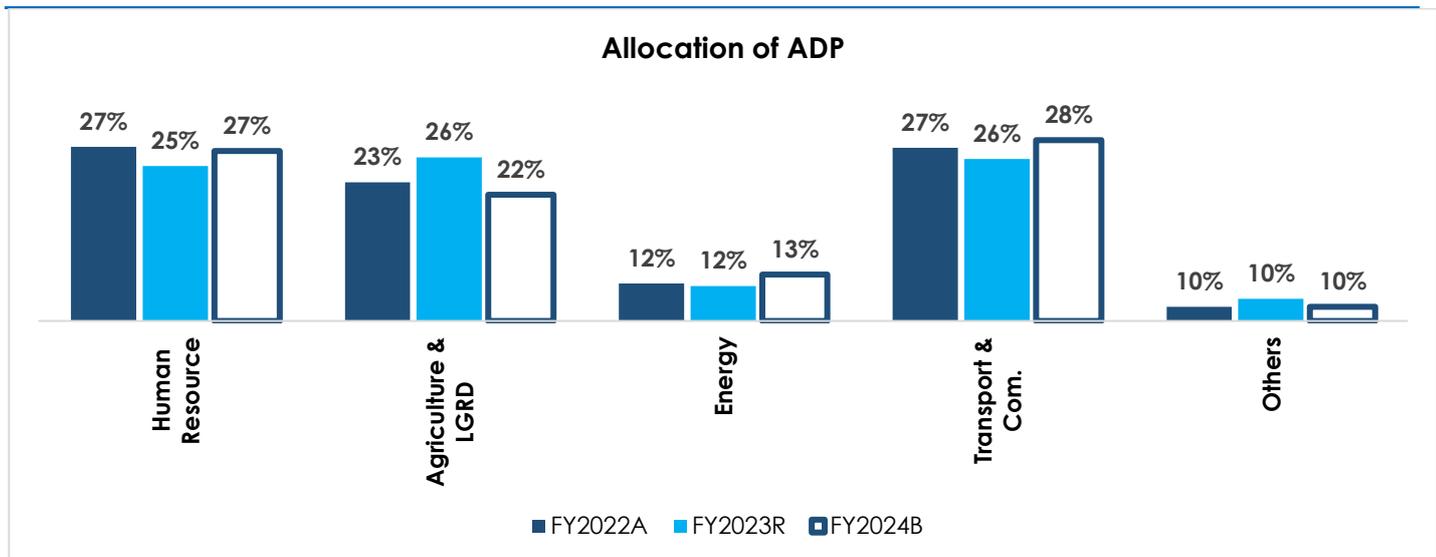
### GOVERNMENT EXPENDITURES



Source: Ministry of Finance

Source: Ministry of Finance

### ALLOCATION OF ADP

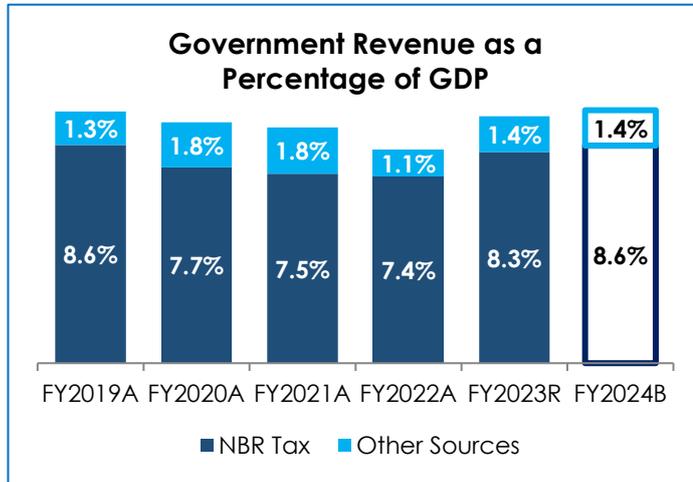


Figures in BDT billion	2023-24 Budget	Change *	% of Total	2022-23 Revised	2021-22 Actual
Human Resource	709	23%	27%	576	511
Agriculture & LGRD	581	-3%	22%	597	437
Energy	347	28%	13%	271	226
Transport & Com.	741	25%	28%	593	508
Others	252	6%	10%	238	178
<b>Total</b>	<b>2,630</b>	<b>16%</b>	<b>100%</b>	<b>2,276</b>	<b>1,861</b>

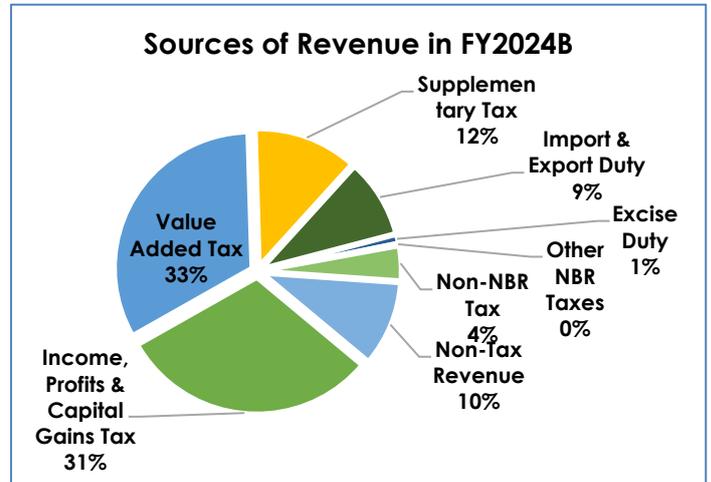
\*Change over FY2022-23 Revised, Source: Ministry of Finance

**APPENDICES**

**REVENUE COLLECTION**



Source: Ministry of Finance



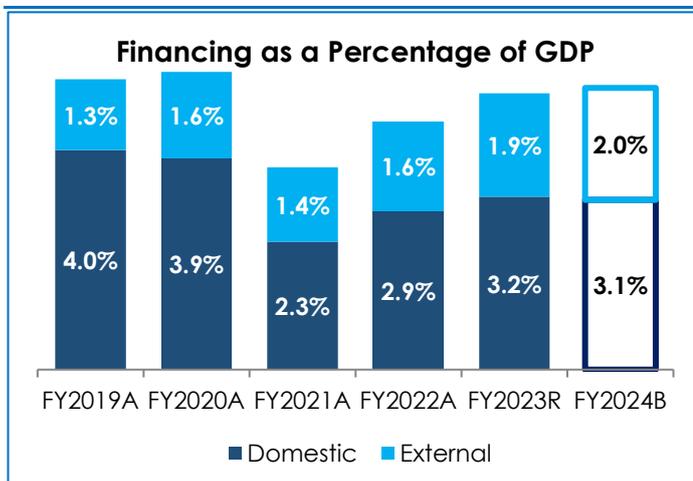
Source: Ministry of Finance

**SOURCES OF TAX**

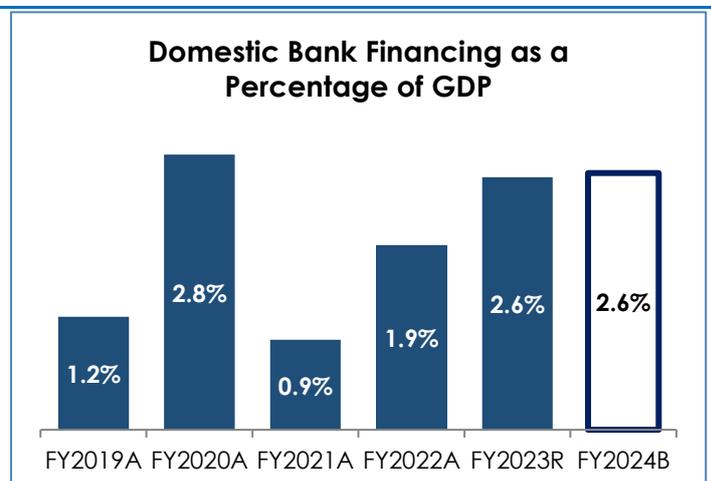
Figures in BDT billion	2023-24 Budget	Change*	% of Total	2022-23 Revised
Income, Profits & Capital Gains Tax	1,532.6	27%	31%	1,210.9
Value Added Tax	1,638.4	12%	33%	1,462.3
Supplementary Tax	607.0	13%	12%	536.8
Import & Export Duty	460.8	5%	9%	440.6
Excise Duty	45.8	16%	1%	39.4
Other NBR Taxes	15.4	53%	0%	10.1
Non-NBR Tax	200.0	11%	4%	180.0
Non-Tax Revenue	500.0	11%	10%	450.0
<b>Total</b>	<b>5,000.0</b>	<b>15%</b>	<b>100%</b>	<b>4,330.0</b>

\*Change over FY2022-23 Revised, Source: Ministry of Finance

**FINANCING THE DEFICIT**



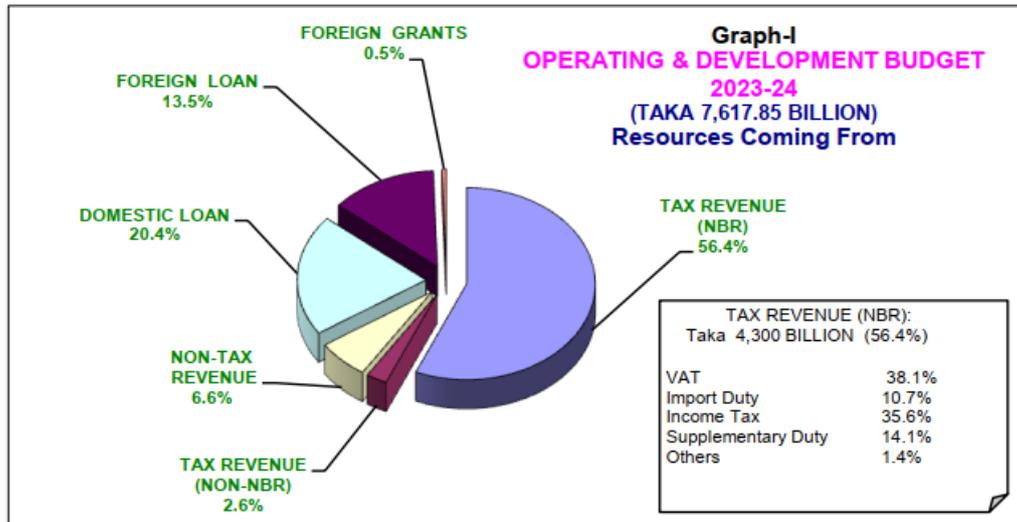
Source: Ministry of Finance



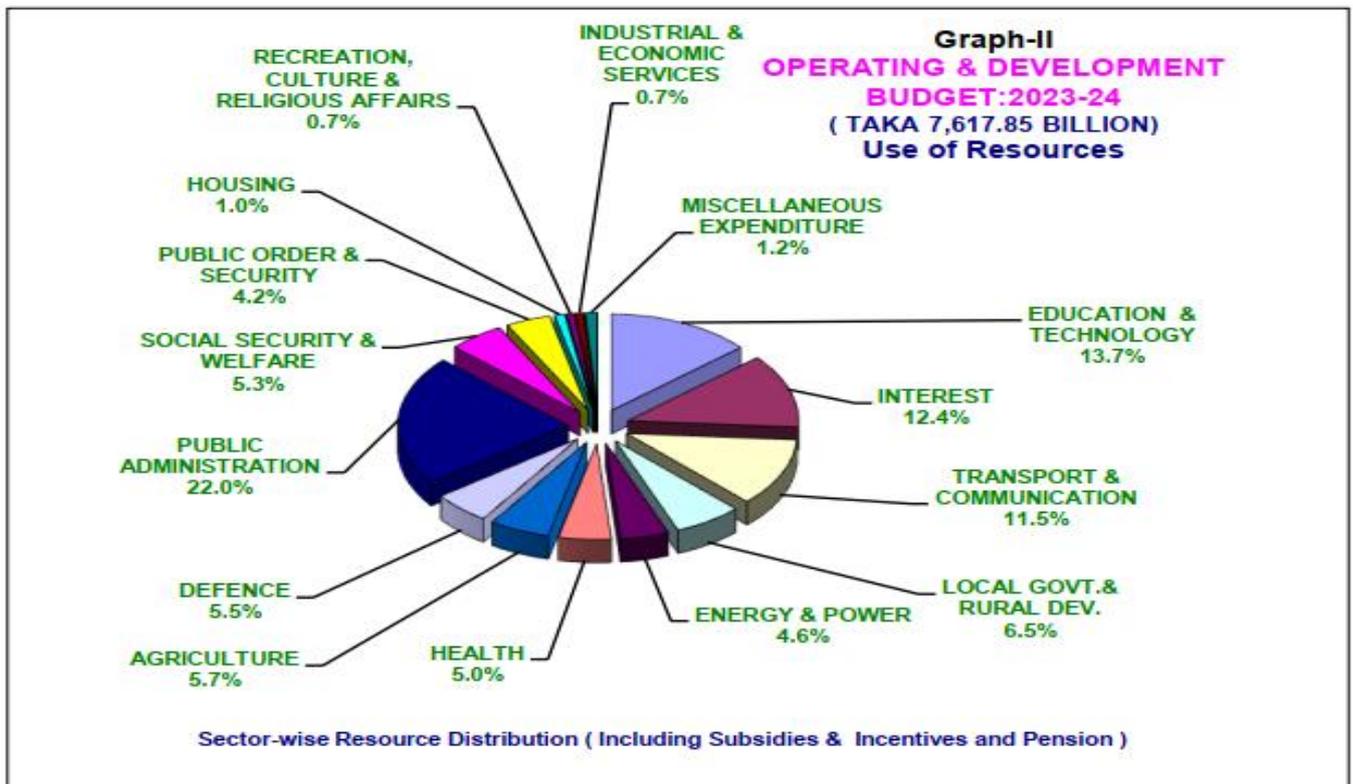
Source: Ministry of Finance

**APPENDICES**

**OPERATING & DEVELOPMENT BUDGET**



Source: Ministry of Finance



Source: Ministry of Finance

## APPENDICES

### TAX RATES FOR INDIVIDUALS

AS PER LAST BUDGET (FY2022-23)		PROPOSED (FY2023-24)	
Tax Exemption Threshold	in BDT	Tax Exemption Threshold	in BDT
General Taxpayers	300,000.0	General Taxpayers	350,000.0
Women, Third Gender & Senior Citizen (65 years+)	350,000.0	Women, Third Gender & Senior Citizen (65 years+)	400,000.0
Person with Disability	400,000.0	Person with Disability	475,000.0
War-wounded Freedom Fighters	425,000.0	War-wounded Freedom Fighters	500,000.0
General Tax Rate	Tax Rate	General Tax Rate	Tax Rate
On First, BDT 300,000.0	Nil	On First, BDT 350,000.0	Nil
On Next, BDT 100,000.0	5.0%	On Next, BDT 100,000.0	5.0%
On Next, BDT 300,000.0	10.0%	On Next, BDT 300,000.0	10.0%
On Next, BDT 400,000.0	15.0%	On Next, BDT 400,000.0	15.0%
On Next, BDT 500,000.0	20.0%	On Next, BDT 500,000.0	20.0%
On the Balance of Total Income	25.0%	On the Balance of Total Income	25.0%

Source: Ministry of Finance

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Salim Afzal Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Fahim Hassan	Research Analyst	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546
Hossain Zaman Towhidi Khan	Senior Research Associate	<a href="mailto:hztowhidi.khan@bracepl.com">hztowhidi.khan@bracepl.com</a>	01708 805 224
Billal Hossain	Research Associate	<a href="mailto:billal.hossain@bracepl.com">billal.hossain@bracepl.com</a>	01708 805 229
Md. Tanvir Ahmed	Research Associate	<a href="mailto:mtanvir.ahmed@bracepl.com">mtanvir.ahmed@bracepl.com</a>	01708 805 201
Syed Tawsifuzzaman	Research Associate	<a href="mailto:s.tawsifuzzaman@bracepl.com">s.tawsifuzzaman@bracepl.com</a>	01708 805 202

#### International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------	--	---------------

FOR SERVICE RELATED QUERIES, REACH OUT TO

 [care@bracepl.com](mailto:care@bracepl.com)

 Call 16285