

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
1.50%	1.44%	\$1,912.21	\$41.78	38,034.14	23,360.30	2,485.71	3,316.94	83.95	98.61	107.85	12.21	
5012.12	8,597.43	(per ounce)	(per barrel)					BUY TK	84.95	102.41	111.65	12.83

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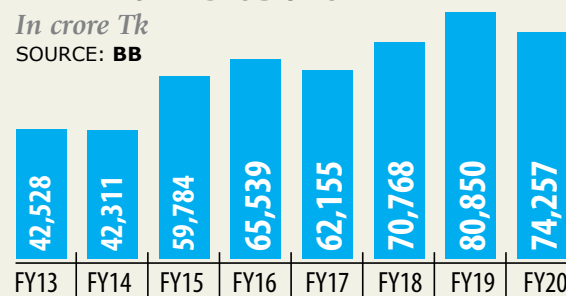
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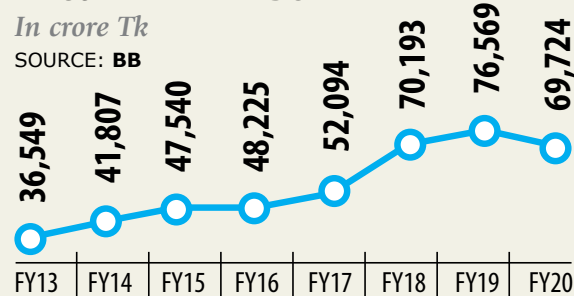
DHAKA TUESDAY SEPTEMBER 22, 2020, ASHWIN 7, 1427 BS • starbusiness@thedailystar.net

Term loans shrink as industries weaken

TERM LOAN DISBURSEMENT



RECOVERY TRENDS



AKM ZAMIR UDDIN

Disbursement of industrial term loans contracted 8.15 per cent year-on-year to Tk 74,257 crore in the last fiscal year due to the economic meltdown brought on by the coronavirus pandemic.

The dismal figure exposed the stagnation of the country's industrial sector has been confronting, prompting experts to call on the central bank to take immediate measures to boost the industrial sector by providing term loans to businesses.

A term loan is a credit from a bank for a specific amount that has a specified repayment schedule. The minimum repayment period is more than a year and it carries either a fixed

or floating interest rate.

Businesses often take the loan to set up new industrial plants or expand the existing ones, thus contributing to the economy.

The term loan disbursement has started to face a major blow when the country embraced the lockdown in the last week of March to contain the coronavirus pandemic.

Term loans given out by banks stood at Tk 12,132 crore in the last quarter of FY20, down 45.43 per cent from a year ago, according to data from the central bank.

The recovery of term loans also registered negative growth for the first time in recent years because of the eroding capacity of businesses to repay.

Lenders recovered term loans worth Tk 69,724 crore in FY20, in contrast to Tk 76,569 crore a year ago.

However, defaulted term loans did not face any escalation thanks to the

central bank's initiative that allowed loan moratorium facility to borrowers from January to September this year.

Thanks to the payment holiday, borrowers' credit rating will not be downgraded even if they fail to pay instalments.

Defaulted term loans stood at Tk 32,380 crore as of June this year, down from 19.14 per cent year-on-year.

"The overall disbursement situation of the term loan is not unexpected given the ongoing financial meltdown," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The central bank should immediately take a set of policies to revive the term loan disbursement, he said.

The central bank may extend the ongoing loan moratorium facility for another three months to December.

"But this will not give any solution to expediting the term loan disbursement. The facility for the affected businesses may be extended by a year," said Mansur, also a former high official of the International Monetary Fund.

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SR Group accused of evading Tk 18cr VAT

STAR BUSINESS REPORT

Two restaurants owned by SR Group have evaded value-added tax of more than Tk 18 crore by concealing sales records of Tk 200 crore, the VAT Intelligence Directorate said in a statement yesterday.

The VAT Intelligence Directorate, an office under the National Board of Revenue, uncovered the tax-dodging after it went through commercial records and documents it seized during a raid at the group's head office in the capital's Nikunja 1 last week.

The VAT detectives uncovered that SR Group is evading a huge amount of VAT by hiding the actual sales of the two restaurants: Food Village Ltd located on the Dhaka-Rangpur highway in Bogura's Sherpur and Food Village Plus, which is located on the same highway in Hatikumrul in Sirajganj.

Food Village Plus reported sales of Tk 23.1 crore from February 2017 to July 2020 and it paid Tk 2.52 crore in VAT against the sales, according to the Sirajganj VAT Circle.

But the documents showed that the actual sales were Tk 123.30 crore. This meant Food Village Plus has evaded a VAT of Tk 9.44 crore.

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Nine apparel exporters in a tight spot as German retailer yet to clear dues

REFAYET ULLAH MIRDHA

Nine small and medium-sized garment factories are in big trouble as a German retailer is not paying them on the pretext of being hit by the coronavirus pandemic although the buyer received the goods before the crisis began.

Colloseum bought t-shirts, polo shirts and sweaters worth \$15 lakh from the Bangladeshi suppliers between December

last year and February this year through its Hong Kong vendor Asia Today Ltd.

The suppliers are Kappa Fashion Wear, Base Fashion Wear, Dynasty Sweater (BD), Bakhrabad Knitting Industries, Anzir Apparels, IRIS Fashions, Gramtech Knit Dyeing & Garment Industries Ltd, Seo Wan Bangladesh and Disney Sweater.

The German retailer owes a few lakh dollars to some buying houses as well.

READ MORE ON B2

COLLOSEUM OWES NINE LOCAL GARMENT SUPPLIERS

Shipment value in \$

Kappa Fashion Wear	Base Fashions	Anzir Apparels
152,938.96	566,919.95	214,483.50
Seo Wan Bangladesh	Dynasty Sweater	Iris Fashions
83,137	16,453.80	140,949.60
Disney Sweater	Bakhrabad Knitting Industries	Gramtech Knit Dyeing Finishing
21,054	66,923.23	38,262

BB eases payment rules to boost onion import

STAR BUSINESS REPORT

The central bank yesterday allowed onion importers to open letters of credit by using the 90-day deferred payment tool as part of efforts to help them import the kitchen staple easily.

The deferred payment will be applicable under the buyer's and supplier's credit, according to a central bank notice.

Deferred payment is a loan arrangement in which the borrower is allowed to start

making payments at some specified time in the future. It is often used in retail settings where a person buys and receives an item with a commitment to begin making payments at a future date.

The buyer's credit is a short-term loan facility extended to an importer by an overseas lender such as a bank or financial institution to finance the purchase of capital goods, services, and other big-ticket items.

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CALL FOR NOMINATIONS

THE CATEGORIES ARE:

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2. OUTSTANDING WOMAN IN BUSINESS OF THE YEAR 2019
3. ENTERPRISE OF THE YEAR 2019
4. BEST FINANCIAL INSTITUTION OF THE YEAR 2019
5. YOUNG BUSINESS PERSON OF THE YEAR 2019

The Daily Star and DHL have decided to hold their prestigious Business Award in the midst of the pandemic because we want to honour business leaders who, in spite of tremendous challenges and complying fully with health guidelines, are keeping the wheels of the economy running and thereby serving the nation and the people.

LAST DATE FOR SUBMITTING NOMINATIONS IS OCTOBER 10, 2020.

***ALL PREVIOUS WINNERS ARE NOW ELIGIBLE FOR NOMINATIONS ALSO.**

For further details & nomination submission please log on to our website:

www.dhl.com.bd/bba. You can also submit nominations via e-mail to: bbawards@dhl.com

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