

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.33%	▲ 0.60%	▲ \$1,898.70 (per ounce)	▲ \$39.27 (per barrel)	▲ 1.65%	▼ 0.67%	▼ 0.19%	▼ 0.20%	BUY TK 83.95	97.49	107.64	12.20
4,995.32	8,575.48			38,697.05	23,029.90	2,496.11	3,218.05	SELL TK 84.95	101.29	111.44	12.83

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# BUSINESS

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## Loan rescheduling urge ebbs further amid payment holiday

AKM ZAMIR UDDIN

Loan rescheduling in the banking sector declined further in the second quarter of the year on the back of the ongoing loan moratorium facility introduced to help borrowers weather the fallouts of the coronavirus pandemic.

Between April and June, banks rescheduled defaulted loans amounting to Tk 2,658 crore, down 30.60 per cent from three months earlier and 481 per cent from a year ago, according to data from the central bank.

But there is no scope to be complacent because of the falling rescheduling as loan classification has come to a halt due to the moratorium facility, said experts.

Both the volume of classified and rescheduling of loans will escalate exponentially once the moratorium is lifted, they warned.

On March 19, after the country was struck

with the pandemic, the banking regulator asked lenders not to consider businesspeople as defaulters if they fail to repay instalments until June 30. As the crisis prolongs, the deadline has been extended initially to September 30 and then to December this year.

The banking sector has faced the upheaval of large loan rescheduling in recent years, drawing criticism from different quarters as lenders have done so riding on either the relaxed facility offered by the central bank or sidestepping banking norms.

For instance, defaulted loans to the tune of Tk 52,770 crore were regularised last year -- the highest in a single year -- based on the relaxed loan rescheduling rules. Under the policy, defaulters were allowed to regularise defaulted loans for 10 years by making 2 per cent down payment.

The move helped banks bring down the defaulted loans in 2019, when it stood at 9.32 per cent of their total outstanding loans, down from 10.30 per cent a year earlier.

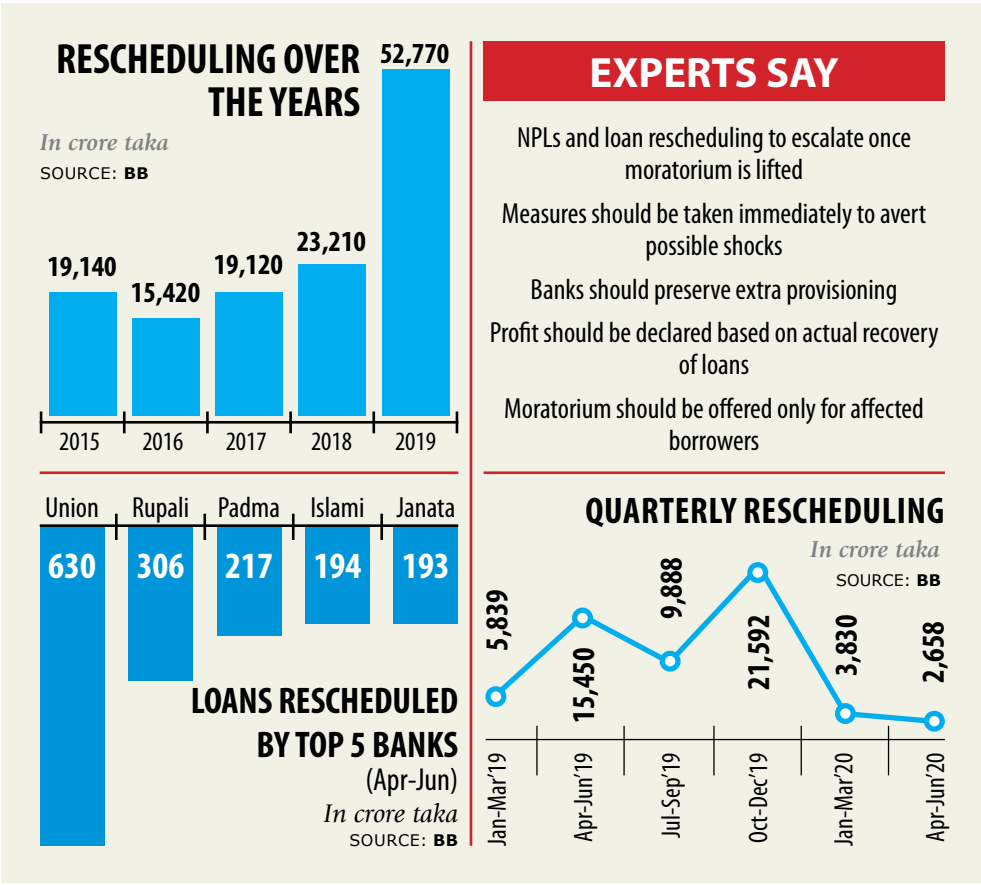
Despite the moratorium, non-performing loans went up to Tk 96,116.65 crore in the first half this year. It was Tk 94,313 crore in December last year.

Some indicators of the financial sectors, including exports, remittances and foreign exchange reserve, have shown an excellent trend in recent months, but the victory from the ongoing

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## StanChart to issue Tk 850cr zero coupon bond

STAR BUSINESS DESK

Standard Chartered Bangladesh has received regulatory approvals as the first bank to issue a Tk 850 crore zero-coupon bond in the country.

It is a non-convertible, unsecured, fully redeemable, zero coupon bond, the bank said in a statement.

The maturity period for the product will be five years from the date of issue. Green Delta Insurance Company will act as the trustee for this issue.

It marks another pioneering transaction for the British multinational lender in Bangladesh and is an important milestone in the development of the country's debt capital market, according to the bank.

"As the only multinational universal bank in Bangladesh, we are in a unique position of channelling capital where it matters the most," said Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh.

"As a trusted and reliable issuer with a 'AAA' credit rating for over a decade, we believe our offering will support the development of Bangladesh's capital market on one hand, while offering depositors a new avenue to invest in a product that offers attractive tax-adjusted returns."

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MD FAZLUR RAHMAN

Registration of new firms in Bangladesh rose to an all-time high of 11,110 in the last fiscal year, highlighting the expansion of business activities and people's enthusiasm about setting up fresh ventures, official figures showed.

The figure is 24.32 per cent higher from the fiscal year of 2018-19, when 8,936 registrations were taken, according to data from the Office of the Registrar of Joint Stock Companies and Firms (RJSC).

"The economic activities hampered for a few months because of the coronavirus pandemic are now picking up," said Md Mokbul Hossain, registrar of the RJSC.

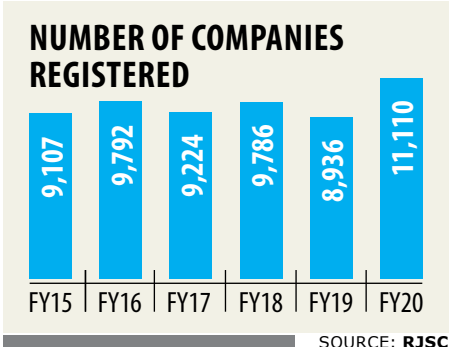
The office of the RJSC is mandated to provide name clearances and registration to all public companies, private companies, liaison offices or branches of foreign companies, trade organisations, societies and partnership firms in Bangladesh.

Registration obtained for setting up new companies rose 50 per cent to 9,010 in FY20 from 6,945 a year ago. Some 250 registrations were taken to establish societies and 1,827 for partnership firms, respectively up from 229 and 1,740 a year ago.

In the first two months of the current fiscal year, 2,279 registrations were

obtained from the RJSC, including 1,892 for companies, 45 for societies and 228 for partnership firms.

Some 245,655 registrations were secured from the RJSC so far. They include 3,532 for public limited companies, 175,932 for private limited companies, 932 for foreign firms, 49,180 for partnership firms, 1,121 for trade bodies and 14,958 for societies.



"The prospective entrepreneurs have to take initiatives, make some investments and go through procedures to start new businesses. With this, they have shown credible interest. So, it is a more meaningful data," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"It also needs to be seen whether all the proposed ventures are set up finally," he said.

The office of the RJSC is the first fully automated office among all government offices in Bangladesh, Mokbul Hossain said.

"All services are provided online."

Service-seekers do not need to come to the RJSC to secure registration. They have to apply online and pay fees online. The name clearance is auto-generated.

After getting the name clearance, companies have to apply for registration and submit the required documents. The registration is given within four hours, which used to take a month in the past. It is also given electronically, said Hossain, also an additional secretary.

Payments to the RJSC can be made through debit and credit cards. The agency is also working to allow payment through mobile financial services.

But the office is yet to be fully paperless. Hard copies of some documents are still accepted.

Copies such as balance sheets, audit reports, share transfers documents, and copies of the annual general meetings have to be submitted in hard-copy forms.

"When you have a file containing 50 pages, it is better to examine and scrutinise

them using hardcopies," Hossain said.

To store documents as per the Companies Act, some hard copies also need to be obtained.

"We have detailed plans to digitalise all services," Hossain said.

He said while transferring shares, people do need to come to visit RJSC offices. Once the digital signature is in place, people will not need to do that. People even can do that anywhere in the world.

The RJSC is now working to introduce digital signatures for service-seekers. "This would allow the agency to scrutinise documents speedily and help establish a paperless office," Hossain said.

Last year, the agency signed agreements with the Bangladesh Investment Development Authority, the Bangladesh Economic Zones Authority, the Bangladesh Export Processing Zones Authority, and the Bangladesh Hi-tech Park Authority to share information and verify information through a one-stop service and put in place data integration.

A data centre and a data recovery centre should be established as soon as possible to keep electronic records, Hossain said.

It also issues certified companies of files and records. Companies need to secure permission from the agency if they want to wind up operations.

## Rooftop solar projects beam through pandemic haze

SOHEL PARVEZ

Like any other business, new clean energy ventures are facing disruptions to their tempo for the Covid-19 pandemic. Among them are rooftop-based solar projects focusing factory buildings. Yet some entrepreneurs pushed on with their projects even after the rogue virus brought businesses to their knees.

Paragon Poultry is one of those firms. The leading poultry breeder implemented three new rooftop solar projects of 750 kW during the pandemic to reduce cost and harness other benefits such as a reduction of temperature inside factory premises.

"Initially, the Covid-19 situation was a challenge for us. Later, we were able to overcome that," said Md Moshir Rahman, managing director of Paragaon Group, which also runs feed and frozen snacks businesses.

Paragon said it launched its first rooftop project of 723 kWp capacity in February 2018 and installed the second one in February this year.

Based on the experience, it found that there are a number of direct and indirect benefits of generating power using the otherwise unused space on factory roofs.

"It has a number of direct and indirect benefits. It generates one taka benefit for per watt of electricity compared to electricity bought from public electricity providers," said Rahman.

"We can sell excess electricity to the government too. Apart from the cash benefits, one of the biggest advantages is a reduction in house temperature," he said, citing that it was in the range of 3 to 4 degrees.

He said rooftop solar projects were very effective, particularly for poultry farms.

"Solar energy has an important role in carbon footprint, to reduce CO2 and helps to create a natural green environment," said the top executive of Paragon, whose rooftop-based solar panels have a power generation

capacity of over 1.5 MW.

The group also operates a 10 MW of solar power plant and a solar mini-grid.

Until now, solar projects of 15 MW have been installed on the rooftops of public



A rooftop solar power project of Paragon Poultry at Ghatail in Tangail. The project was launched in July this year.

PHOTO: COLLECTED

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### AT A GLANCE

- Paragon installed 3 new rooftop solar panels for 750KW during pandemic
- It generates more than 1.5MW of rooftop-based solar power
- The company can sell excess electricity to govt
- Rooftop solar panels help reduce temperature of the house
- So far rooftop solar projects for 15MW have been taken by public, private organisations
- Solar projects generate 415MW of electricity in Bangladesh