

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.50%	▲ 0.74%	\$1,911.56	\$42.76	▲ 1.12%	▲ 1.11%	▲ 0.42%	▼ 0.71%	BUY TK 83.95	97.20	107.57	12.35
4,902.15	8,435.38	(per ounce)	(per barrel)	40,431.60	23,671.13	2,543.57	3,312.67	SELL TK 84.95	101.00	111.37	12.98



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BUSINESS

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Big borrowers gain, SMEs still in pain

Fund disbursement from stimulus packages for small businesses, farmers has been slow; packages for corporate groups have higher success rate

AKM ZAMIR UDDIN

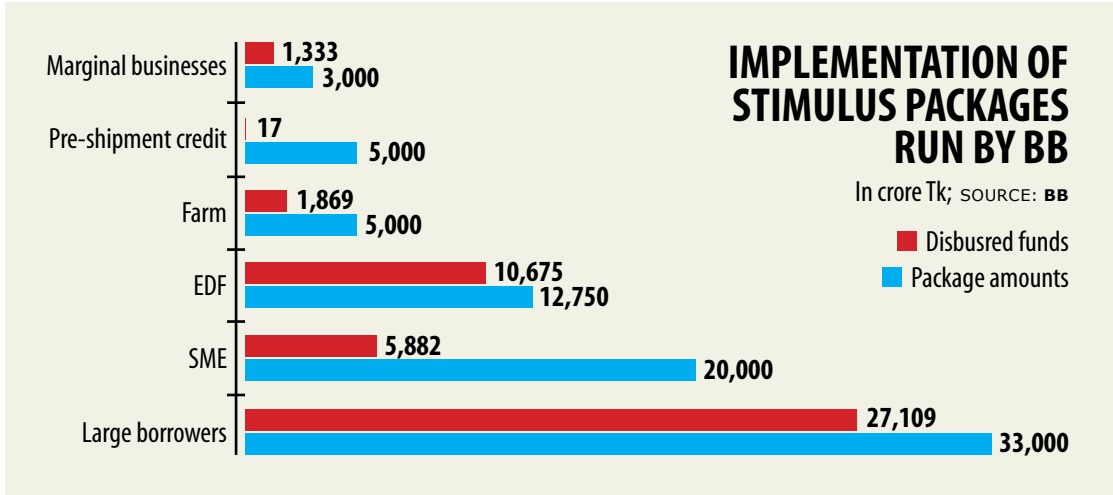
They were the hardest hit when the coronavirus pandemic struck the country in March, but the implementation of the stimulus packages the government unveiled for small and medium enterprises (SMEs), farmers and low-income groups more than six months ago has been slow because of the reluctance of banks.

In contrast, disbursement from the stimulus package meant for large industries and the service sector was faster.

Both the central bank and the government have taken initiatives recently to speed up disbursement from the packages for small enterprises and low-income people but lenders are yet to pay any heed.

Soon after the deadly virus arrived on the shores of the country, the government and the central bank rolled out 19 stimulus packages worth Tk 106,117 crore to tackle the economic fallout brought on by the pandemic.

Banks have been given the responsibility to distribute more than Tk 80,000 crore from the



stimulus packages in the form of soft loans.

The packages dedicated to corporate groups have a higher success rate as such entities operate in an organised manner.

For instance, 81.87 per cent of the Tk 33,000-crore package for large industries and the service sector was approved by lenders as of October 6. The whole fund of the package may be disbursed by this month, a Bangladesh Bank

official said.

Similarly, as much as 84 per cent of the Export Development Fund, which rose to \$5 billion from \$3.5 billion, was disbursed since October 5.

“Big businesses are highly organised and they have submitted the required documents to banks in the quickest possible time that helped implement the two stimulus packages easily,” said Emranul Huq, managing director of Dhaka Bank.

Large businesses have also submitted their business continuity plan to banks on time, helping lenders make a decision quickly, he said.

But the stimulus packages for the SME and farm sectors have seen sluggish implementation as lenders are reluctant to promote the packages, a central bank official said.

Banks disbursed about Tk 5,882 crore among 26,664 borrowers since September under the stimulus package worth Tk 20,000 crore dedicated for the SME sector, which is considered the backbone of the economy.

The central bank unveiled the package on April 13 and it later said half of the package’s amount would be provided from the BB in the form of the refinance scheme.

The loan will be given at 9 per cent interest. Of the interest rate, 4 per cent will be borne by the borrowers and 5 per cent by the government.

The SME sector was hit hard by the ongoing economic fallout than the large businesses.

SMEs usually make a large portion of profit ahead of Eid-ul-Fitr and Eid-ul-Azha, the largest religious festivals for Muslims.

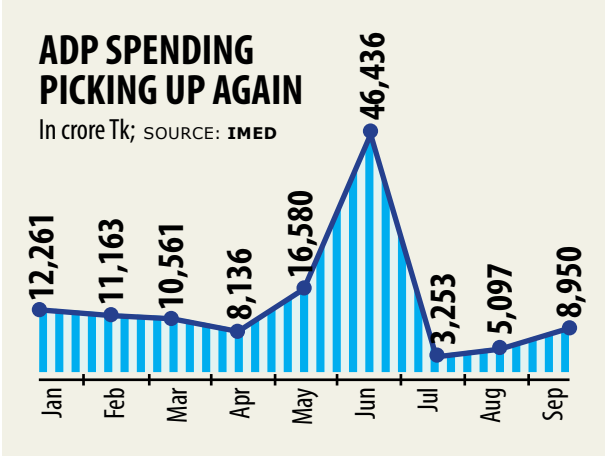
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ADP spending rebounds after pandemic pause

REJAUL KARIM BYRON and JAGARAN CHAKMA

Development spending rose 16 per cent year-on-year to Tk 8,950 crore in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic.

This is the first positive growth since March this year as the expenditure from the annual development programme (ADP) dipped every month since then compared to a year ago because of the crisis, data from the Implementation Monitoring and Evaluation Division (IMED) showed.



ADP outlay in September last year was Tk 7,717 crore. Greater use of foreign aid despite the government’s halt on the release of the funds against the low priority projects drove the growth last month.

Between July and September, the ministries and divisions spent Tk 17,301 crore, which was 0.25 per cent down in the same period a year ago.

The spending in the first quarter was 8.06 per cent of the Tk 214,611 crore set aside for the current ADP. The expenditure in July and August was 3.89 per cent of the total development budget and it was 1.52 per cent in July.

The use of foreign aid rose more than 62 per cent to Tk 3,205 crore in September from Tk 1,976 crore in the same month a year ago.

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Reconstruct People’s Leasing to return money

Depositors urge central bank

STAR BUSINESS REPORT

The swindled depositors of People’s Leasing and Financial Services (PLFS) yesterday demanded the central bank move to return their money by reconstructing the company.

The Individual and Small Depositors’ Council of the non-bank financial institution, a platform that has been agitating for more than a year to recover their funds from PLFS, brought out a human chain in the capital’s Motijheel.

The forum later submitted a memorandum to the central bank governor as well.

As much as 6,000 depositors of PLFS are now in a dire strait because of the ongoing liquidation process of the NBFI, the platform said at a press conference after the human chain.

“The depositors repeatedly communicated with the central bank

but failed to get back the money,” said Mohammad Atiqur Rahman Atiq, chief coordinator of the platform.

Although some senior officials of the central bank have been monitoring PLFS since 2015, some plunderers siphoned off a huge amount money from the NBFI, he said. The central bank did not take any punitive measure against the scamsters, Atiq added.

Individuals and businesses deposited Tk 2,036.22 crore at the NBFI. Of the deposits, a large amount had been plundered, according to a central bank report.

Prashanta Kumar Halder, a former managing director of Reliance Finance and NRB Global Bank, swindled more than Tk 3,500 crore from four NBFI, including PLFS. Some former directors of the NBFI were also involved.

Against the backdrop, the central bank applied to the High Court to liquidate the NBFI. The court accepted

the central bank’s plea and appointed a liquidator.

Liquidation of PLFS means closing its operations permanently and Bangladesh Bank, with the court’s permission, will take actions to settle liabilities by selling off its assets.

Some business groups have recently requested the finance ministry to allow them to reconstruct PLFS. The ministry has sought legal opinions from the central bank to this end.

Bangladesh Bank Governor Fazle Kabir told the depositors that the central bank had already suggested the finance ministry reconstruct the company, said Samia Binte Mahbub, joint convener of the platform.

“We will give a one-month ultimatum to take initiatives to return the depositors’ money. If steps are not taken, we will go for a tough movement,” Samia said.

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Depositors of the People’s Leasing and Financial Services stage a demonstration before City Centre building in the capital’s Motijheel yesterday demanding that Bangladesh Bank recover their funds by restructuring the non-bank financial institution.

SK ENAMUL HAQ

No tax fair, online return submission this year

Individuals apprehensive about visiting tax offices

SOHEL PARVEZ

Individual taxpayers will have to submit their income tax returns at tax offices this year as the National Board of Revenue (NBR) has decided against holding its annual tax fair to avoid mass gatherings and curb the risk of the spread of coronavirus, said officials.

The decision has raised concerns among taxpayers over whether they would face hassles at the tax offices instead of the instant service they typically get at the fair, which usually takes place in November.

Despite its lack of user-friendliness, the online returns filing system is being preferred by some taxpayers this year amid the pandemic. However, the digital tax filing system has not been updated, for which it is not ready for taxpayers, said officials.

Taxmen, however, said they were preparing to create a taxpayer-friendly atmosphere at field offices so that individuals could file their wealth and annual income statements without hassle.

“We will provide all the services to taxpayers in a fair-styled environment,” said Motaher Hossain, commissioner of tax zone-11.

The field office of tax has already sent



People are taking assistance for submitting their tax returns during a tax fair in Chattogram in November 2018.

STAR/FILE

AT A GLANCE

- » NBR started holding tax fair from 2010
- » It received Tk 2,613cr taxes from the show last year
- » The show gains popularity among taxpayers
- » Taxpayers will not be able to submit returns online

NBR DIRECTIVES TO FIELD OFFICES

- » Provide ‘visible and exceptional’ services
- » Create a festive mood among taxpayers
- » Set up booths to accept tax returns from the first day of November
- » Set up help desks

This year, Islam said he would have to go round from one tax circle to another to submit his returns and that of his family members.

“This is going to be a hassle as the option to submit returns online is not available,” he said.

“My colleagues are also worried about getting acknowledgement receipts against submitted returns on the spot.”

“Still, we do not get tax payment certificates without paying extra to tax offices. The question is whether we will have to visit tax offices later and pay extra to collect acknowledgement slips of submitted returns,” he said.

“It would have been helpful for us if we could file returns online. But that is not possible,” said Islam.

For expectant mother Lam-ya Mostaque, this is a very big problem.

Joining the Bangladesh Institute of International and Strategic Studies as a research officer two years back, she is comparatively new to submitting income tax returns.

Having heard about the hassles of submissions through tax office visits, Mostaque said she was content with her last two tax fair visits.

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