

# Star BUSINESS

DHAKA FRIDAY NOVEMBER 24, 2017, AGRAHAYAN 10, 1424 BS

রোগ নির্ণয়ে সর্বাধুনিক যন্ত্রপাতি ও সর্বোচ্চ মান। প্রতিটি ডায়াগনস্টিক টেস্ট, আইসিইউ, সার্জারী ও ডায়ালাইসিসে ন্যূনতম ৩০% সঞ্চয়।

SIBL Foundation Hospital & Diagnostic Center  
SIBL Foundation Hospital, Diagnostic & Dialysis Center

ফার্মাট প্রজা, ৭০ ব্রিজেড, পল্লব মন্ডল  
ফোন: +৮৮০-২-৯৬৪২২৯৭  
Hotline: 01991150900

## FIVE YEARS PAST TAZREEN FASHIONS FIRE

# Bankrupt owner laments ignoring compliance

REFAYET ULLAH MIRDHA

Once Delwar Hossain was a very busy businessperson having to travel frequently, getting breakfast in Paris and dinner in London, with his Western buyers.

Now he goes to and fro over Dhaka's streets trying to manage money to pay back his Tk 150 crore bank loan.

But he does not pass the busy times of the past as the owner of Tazreen Fashions which burned down in a devastating fire on November 24, 2012 is out of business. The fire changed the life of this successful businessman.

"I have even transferred my three children from a highly rated English medium school to another school as I cannot pay the high monthly tuitions," Hossain told The Daily Star recollecting the tragic fire on its fifth anniversary.

All this happened because of non-compliance to regulations of running a garment factory. And it was his ignorance to compliance.

The exit was locked during the



Delwar Hossain

factory fire in Ashulia, some 35 kilometres north-west from the capital. Unable to come out, workers kept groping around in thick black smoke originating from burning stocks of mélange fabrics.

Some of those who did manage to come down from the second floor found themselves trapped as the open space on the ground floor

was filled with stockpiles of fabrics.

At least 113 workers met a fiery end. Many children lost their fathers and mothers, many their wives, others their sons and daughters.

Every garment factory owner needs to be compliant to the rules to save workers' lives, now admits a repentant Hossain. He was kept in

jail for around seven months till August 2014 before coming out on bail from the High Court.

Tazreen Fashion is one of the seven garment factories which, along with two printing factories, were under Tuba Group. In 2012, the parent company exported apparel items worth over \$48 million (nearly Tk 400 crore).

Once employing 12,000 workers in different units, Hossain said he exported garments worth \$38 million in 2011 and \$33 million in 2010.

"In a final attempt at re-establishing myself in the business, I employed 1,000 workers in a small factory in the city's Badda area but failed," he said.

"Finally I rented out 56,000 square feet of space to two garment exporters in October this year," he added while narrating his attempts at repaying the bank loan and meeting day-to-day expenditures.

The two exporters have already begun production in the factory.

READ MORE ON B3

# Govt seeks better data on aid going to NGOs: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith has sought cooperation from international development partners so the government can have better data on the aid going to non-government and civil society organisations.

"The data relating to aid channelled through different NGOs and civil society organisations are barely reported to the system," he said.

Muhith spoke at the Global Partnership of Effective Development Cooperation Forum in Busan, South Korea on Tuesday.

The minister said much of the information of aid channelled through these organisations remain undocumented and beyond public knowledge.

"We are addressing these points and urge better cooperation from our country level development partners," Muhith said in his speech, a copy of which was sent to reporters by his office yesterday.

He said development cooperation continues to be a part of political and strategic interests of the donor countries which may not always be aligned with the developing country aspirations.

Technical assistance does not always add value in terms of strengthening national



AMA Muhith

capacity or meaningful transfer of knowledge and technologies, he said.

"These call for the global partnership to undertake some critical review of these issues," he said.

Muhith added: "We are facing some challenges in regard to managing data from different development partners. While some partners have deep interest in data disclosure, some are not so enthusiastic about it."

A number of ministers during a regular cabinet meeting on Monday demanded stricter monitoring of the activities of the local and international NGOs operating in Bangladesh.

READ MORE ON B3

# Unhealthy competition rife among new banks: study

STAR BUSINESS REPORT

A private commercial bank had provided a Tk 130 crore loan to a company for establishing a power plant.

The renowned company specialised in manufacturing and trading furniture and home appliances and had no experience in electricity generation, for which it became a defaulter on failing to run the plant within a year.

Unable to abide by the terms and conditions even after the loan was rescheduled, the company approached a fourth generation bank which took over the loan despite the business going bad.

The company is now listed as a defaulter with the new bank, paying not a single instalment in the past eight months.

The events were revealed in a research paper, "Loan takeover in Bangladesh: Is it a healthy practice?" presented by Mohammed Sohaib Mustafa, associate professor of the Bangladesh Institute of Bank Management (BIBM), at a roundtable.

The BIBM organised the event in its auditorium yesterday to discuss loan takeovers in the banking industry.

Mustafa said there was an "unhealthy competition" among new banks to take over loans from older ones and that his research

team found ill motives working behind it in most of the cases.

Loan takeover is a global practice but in Bangladesh there is no positive motive behind it, he said.

In another instance, the research paper showed how a good loan turned into a bad one due to unhealthy competition.

A borrower of the real estate sector was properly paying instalments against a second generation bank's Tk 200 crore loans when a new bank offered a 1.5 percent interest discount, an additional credit of Tk 100 crore and maturity extension from the ongoing eight to 12 years.

The borrower accepted it, but business in the sector declined, causing it to face difficulties in paying the instalments. Ultimately, the borrower became a defaulter.

The research paper said the borrower was sanctioned 1.5 times what it was eligible to get, which was sufficient to classify the loan.

New banks are providing loan limits beyond their clients' capacity just to get some business for which loan takeovers are not resulting in successes, said Mustafa.

Bankers cannot work freely to make proper assessments in cases of loans being taken over, said Khondkar Ibrahim Khaled, former deputy governor of



BIBM

Khondkar Ibrahim Khaled, a former deputy governor of Bangladesh Bank, speaks at a roundtable organised by the Bangladesh Institute of Bank Management in Dhaka yesterday.

Bangladesh Bank.

Referring to Meghna Bank managing director Mohammed Nurul Amin's resignation on November 2, he said a professional banker resigned due to the pressure of unprofessional owners.

Khaled, also the former chairman of Bangladesh Krishi Bank, said the banking sector was under the grip of "some miscreant owners".

For instance, he said a private

bank's managing director was changed thrice in three years due to the interference of unprofessional owners. The bank has been searching for an executive for the top post for several months.

He said such banks would eventually get an executive in exchange of money but it would be a servant, not a professional.

Loan takeover is needed in the banking industry for improvements in service quality but banks

have to make proper assessments beforehand, said Helal Ahmed Chowdhury, supernumerary professor of BIBM and former managing director of Pubali Bank.

Loan takeover amounted to Tk 8,161 crore last year, with state banks accounting for Tk 615 crore, foreign banks Tk 30.20 crore, Islami banks Tk 1,641 crore and private commercial banks Tk 5,874 crore, according to the study.

# Robi counts Tk 46.9cr losses in Q3

STAR BUSINESS REPORT

Robi reported a net loss of Tk 46.9 crore in the July-September quarter mainly because of its continued investment aimed at improving network quality.

The loss came after it recorded a net profit of Tk 68.5 crore in the second quarter.

The second largest mobile phone operator's profit after tax was only Tk 1.8 crore in the third quarter last year.

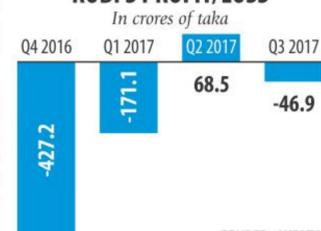
Robi's year-to-date cumulative loss stands at Tk 150 crore, largely owing to the merger with Airtel and the investment it needed to improve the quality of network.

Though the operator's net profit has been fluctuating over the quarters, its revenue grew 26.13 percent year-on-year to Tk 1,748 crore in July-September period driven by solid growth in data business segment.

Mahtab Uddin Ahmed, chief executive officer of the operator, said the operator always strives to provide the best network to customers.

READ MORE ON B3

## ROBI'S PROFIT/LOSS



SOURCE: AXIATA

HAVAL Have it all. All-Terrain 7 Seat SUV

4x4 AUSTRALIA OF THE YEAR 2017

Double VVTI

ACE AUTOS www.haval.com.au | 01841448800 See. Drive. Believe.



Archie Norman, chairman of Marks and Spencer; Steve Rowe, CEO, and Jil McDonald, managing director for clothing, home & beauty, visit Green Eco Fab, a factory of Viyellatex Group, in Gazipur yesterday. David Hasanat, chairman of Viyellatex, was present.

# Dhaka stocks close higher

STAR BUSINESS REPORT

Dhaka stocks closed higher yesterday, the last trading session of the week, riding on gains in the large cap sector.

The benchmark index of Dhaka bourse, DSEX, gained 33.18 points to close at 6,322.51. The daily turnover was Tk 854.54 crore, down by 4.8 percent from the previous session.

Most of the sessions in the week were on an upward curve due to active participation of retail investors. The broad index gained 0.6 percent this week compared to the previous week.

READ MORE ON B3

5th BAPA foodpro INTERNATIONAL EXPO www.foodpro.com.bd

2nd DAY

Food, Beverage Machinery & Food Ingredients Expo

23 -25 November, 2017 International Convention City Bashundhara (ICCB) Dhaka, Bangladesh

4th Rice & Grain Tech Expo Bangladesh

Auto Rice Mill Machineries

16 Participating Nations 250+ Stall

Organized by: BAPA, es SOLUTIONS, Bangladesh Auto Major & Trucking Will Demers Association

7th agro Bangladesh Expo 2017 Agriculture Machinery & Agro Chemical Expo

Hot Line: 01713-386062