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BUSINESS

DHAKA TUESDAY FEBRUARY 5, 2019, MAGH 23, 1425 BS • starbusiness@thecurrentstar.net

Banks waive Tk 422cr interest in 9 months against default loans

AKM ZAMIR UDDIN

Banks waived interests amounting to Tk 422.14 crore against their bad loans in the first nine months of 2018, as habitual defaulters continue to enjoy impunity for their delinquency.

This is, however, 48 percent down from Tk 819 crore in the same period a year ago, largely because some waivers were not duly reported to the central bank by the lenders.

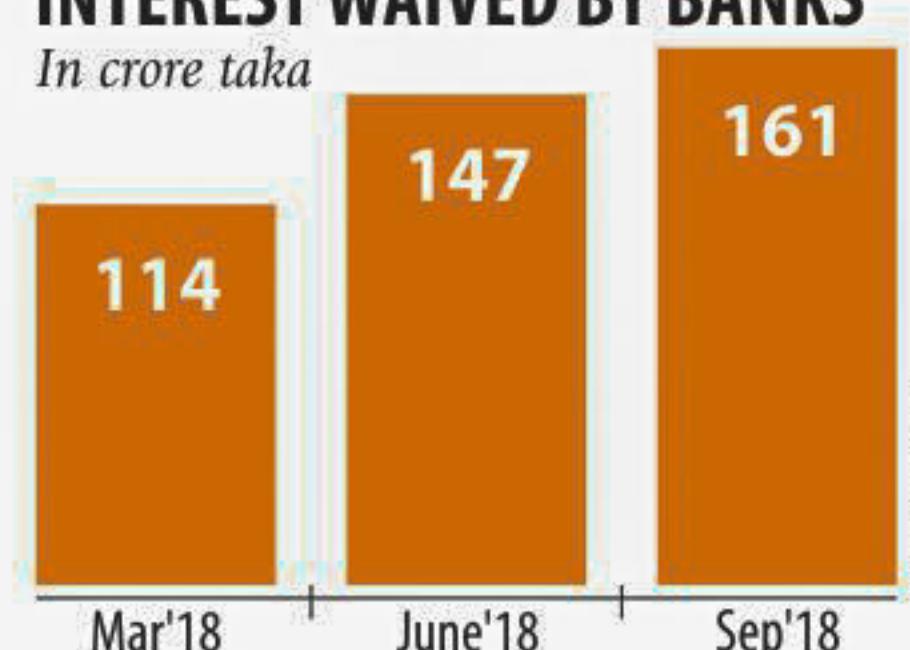
The practice of handing out interest waiver took off recent years following pressure from influential corners. But, such facilities failed to curb the bulging default loans.

Banks' non-performing loans hit nearly Tk 1 lakh crore at the end of September last year -- the largest yet in Bangladesh's 48-year-history.

In the same quarter, the amount of toxic loans increased 11.23 percent to Tk 99,370 crore. The amount is up 24 percent from a year earlier. Some Tk 764 crore was waived in 2016 and Tk 1,753 crore in 2017, according to data from the central bank.

The interest exemption is usually given to the habitual and influential defaulters that

INTEREST WAIVED BY BANKS



subsequently creates a moral hazard in the financial sector, said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

"It is ultimately demoralising for good borrowers," he added.

Meanwhile, a Bangladesh Bank official said the total amount of interest waived in the first nine months of 2018 was more.

In some cases, some state-owned banks did not submit interest waiver-related information to the central bank breaching the rules, he said. For instance, Sonali Bank had waived interest amounting to Tk 72.29 crore to a habitual defaulter in July last year, but the state-lender did not submit the information to the central bank, he said.

Between January and September last year, Sonali waived Tk 28.16 crore, according to its statement submitted to the central bank.

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Online bookstores eye huge February sales

MUHAMMAD ZAHIDUL ISLAM

Online bookstores are offering discounts, cashback and discounted delivery in February with the view to exploiting the book-buying frenzy during the month centring on the Ekushey Book Fair.

Typically, the month-long fair, which opens its gates on February 1, accounts for more than half of the books sold in a year.

Rokomari.com, the country's largest online platform for selling books, is offering a flat 25 percent discount in February and customers also can enjoy an additional 10 percent cashback if the payment is made through bKash.

The platform, which typically delivers 1,000-2,000 books a day, sees its orders to shoot up to 5,000-6,000 a day in February, said Mahmudul Hasan Sohag, chairman of Onnorokom Group, the parent company of Rokomari, which has more than two lakh titles in stock.

In a similar vein, newly-launched prothoma.com, a concern of the Bangla daily Prothom Alo, is extending 25 percent discount and discounted delivery charge for the month of February. For purchases of Tk 1,500 or more the delivery would be free of cost.

"People still want to read books in paper format even in this digital era," Rakib Bayany, an assistant manager of Prothom Alo Digital, which is responsible for prothoma.com.

At the same time, they do not want to sit in long traffic to get to a brick-and-mortar bookstore. "So there are plenty of prospects for online marketplaces," he added.

Besides, it is difficult to find different genres of books in one place except during the month-long Ekushey Book Fair organised by the Bangla Academy since 1978, said the chief of Rokomari, which has more than two lakh titles in stock.



Prothoma, which was launched on January 31, have so far listed about 500 books and within the next one week books of the biggest publishers in Dhaka and Kolkata will be posted, according to Bayany.

E-commerce giant Daraz is also selling books on its platform.

It is mostly selling literature and novels and most of its orders are generated from Dhaka, Chattogram and Sylhet, said said Shayantanu Twisha, public relations and communication manager of Daraz, which also saw a spike in book sales in February.

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Mahindra looks to grow as a 'localised' brand

Sees huge prospects in Bangladesh

JAGARAN CHAKMA

Mahindra & Mahindra Ltd sees huge potential for business in Bangladesh after the country emerged as one of the top three export destinations for the Indian automaker, said a top executive of the company.

Mahindra made its foray into Bangladesh in 1994 and has presence in diverse business segments such as two-wheelers, commercial vehicles, personal vehicles, tractors and agri-business, construction equipment and generator, along with IT and solar power.

"We want to develop Mahindra as a localised brand in Bangladesh to drive our global image since we believe in localisation in the countries we operate in," said Arvind Mathew, chief of international operations of the automaker, through an email correspondence with The Daily Star recently.

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COLLECTED
A technician works at a Mahindra SUV assembling plant in Chakan, Pune of India. The photo was taken recently.

Liberty Fashion ready to resume operations: owner

STAR BUSINESS REPORT

The owner of Liberty Fashion Wears Ltd, which was shut more than five years ago after its factory was declared vulnerable by an international retailer, wants to resume production.

The closure came after an engineer of the British retail giant Tesco visited the factory in June 2013 and arbitrarily said that the factory building was unsafe without carrying out any inspection and testing the building materials, said Mozammel Huq, managing director of the factory.

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Reduce property registration cost Realtors demand; REHAB fair begins tomorrow

STAR BUSINESS REPORT

Realtors yesterday demanded a reduction in the registration cost of properties which they said was hampering the growth of the sector.

The Real Estate and Housing Association of Bangladesh (REHAB) made the appeal at a press conference ahead of its annual fair scheduled to kick off in the capital tomorrow.

Apart from the amount paid as the price of a flat or plot, a customer has to spend at least an additional 15 percent of it as registration cost.

"If the registration fee is reduced to 6 to 7 percent, more people can afford to buy an apartment," Liakat Ali Bhuiyan, first vice president of the REHAB, told journalists at the National Press Club.

He claimed that real estate accounts for around 15 percent of the country's gross domestic product and it would increase if the government cuts the registration fee.

Bhuiyan said they intend to provide quality housing to people at reasonable prices to resolve housing problems of city-dwellers.

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