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Cash-strapped Islami Bank lends to AnonTex

MD MEHEDI HASAN

Distressed Islami Bank has approved a Tk 700 crore loan to a concern of AnonTex Group, one of the five large borrowers of Janata Bank that has been enjoying undue facilities despite making negligible repayment in 13 years.

The loan was approved to the AnonTex concern Shob Meher Spinning Mills at the 1997th meeting of the executive committee of Islami Bank that was held on August 24, according to meeting minutes.

This comes after AnonTex, an export-oriented garment manufacturer founded in 2004, managed a major favour the previous month from Janata Bank -- a possibly unwitting move by the state lender that paved the way for this fresh loan from Islami.

In November last year, the Janata board extended a Tk 3,359.19 crore interest waiver to AnonTex on the condition that it pays back the principal amount within June 15 this year. Otherwise, the loans will be shown as classified.

At the end of 2022, AnonTex's liabilities to Janata stood at Tk 7,726 crore, which is 334 percent of the bank's paid-up capital -- and overshoots the state-owned commercial bank's single borrower exposure limit by a wide margin.

AnonTex, whose website boasts British brands Tesco and New Look and Spain's Zara as clients and \$150 million as annual turnover, failed to repay the sum.

The loans were not classified; rather, AnonTex was given until the end of the year to clear its liabilities to Janata -- while the loans remain unclassified.

As per the Bank Company (Amendment) Act 2023, an entity cannot get fresh credit if it has defaulted on its loans anywhere.

Shob Meher Spinning Mills has Tk 105 crore outstanding with Janata, according to Md Younus (Badal), managing director and chairman of AnonTex Group -- and is part of the amount due by December 31.

Previously, under the Bank Company Act 1991, default by any concern or director of a group would lead to the entire group becoming ineligible for fresh loan facilities. This was modified in the much-criticised Bank Company (Amendment) Act 2023 such that only the defaulting concern or the individual would be barred from getting fresh loans and not the entire group.

Asked why Islami agreed to fresh credit to a known problematic borrower when it is dealing with enormous problems of its own, Mohammed Monirul Moula, its managing director and chief executive officer, said: "The loan sanctioning is still in process, so I cannot share further details right now. But the company is absolutely eligible for the loan."

Documents show that Islami Bank's Foreign Exchange Corporate Branch at Dilkusha has already disbursed Tk 140 crore to Shob Meher Spinning Mills until September 7.

"I am not sure if [Islami] has approved the [Tk 700 crore] loan," the AnonTex MD Younus told The Daily Star yesterday.

The loan would serve as working capital for Shob Meher Spinning Mills, which was established in 2016, and was solicited a while back after Janata suspended working capital loans for AnonTex, he said.

"We have been banking with Islami Bank for Shob Meher Spinning Mills for a long time as Janata provided NOC (no-objection certificate) to us for doing business with another bank," Younus added.

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WALKWAY TO STOP ENCROACHMENT DISAPPEARS

The two photos of the same place on the bank of the Turag next to Aminbazar Bridge on the edge of the capital were taken four years apart. The walkway on the bank seen in the 2019 photo has been wiped out as seen in the photo taken last week. Cargo vessels illegally using the place as a jetty and encroachment by traders are to blame for this, say locals.

PHOTO: ANISUR RAHMAN

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Dhaka airport to finally get a second runway

Construction to begin next year

RASHIDUL HASAN

The government has plans to build a second runway at Hazrat Shahjalal International Airport as air traffic is projected to increase after construction of the third terminal is done.

However, the runways will be very close to each other, due to space constraints, and two planes will not be able to land or take off simultaneously.

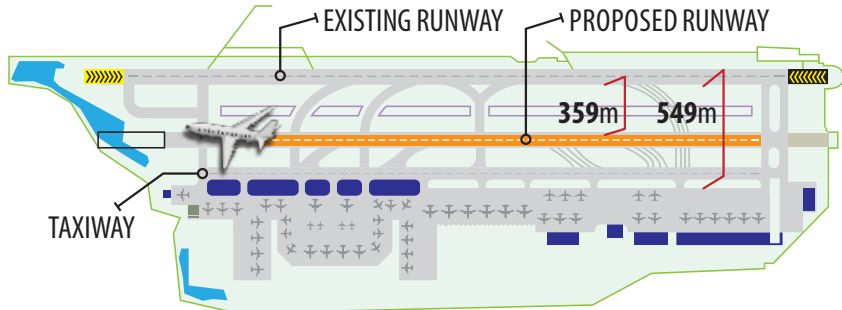
According to a top official of a foreign airlines, now planes often have to wait in queues on the taxiway for 30 to 40 minutes during take-offs. Landing also gets delayed sometimes because of air traffic at the HSIA.

"The long wait makes it hard for us to maintain flight schedules and it increases operational costs," says the official.

When the third terminal is opened,

the frequency of flights will increase, and the situation will worsen. "This is why Dhaka airport needs a second independent runway."

of Bangladesh (CAAB) has done a feasibility study on the second runway and presented its findings to the civil aviation ministry in July.



Aviation experts say the growing air traffic and the number of passengers can best be handled if both the runways could be used simultaneously.

The Civil Aviation Authority

Physical work on the second runway is likely to begin after construction of the third terminal is complete in May next year.

"Once the third terminal is in use,

passenger handling capacity will significantly rise, new airlines will begin operating here, and many more people will use the airport every day," says CAAB Chairman Air Vice Marshal M Mafidur Rahman.

At least 12 foreign airlines have sought permission to operate flights to and from Dhaka.

Besides, Emirates and Kuwait Airways have sent applications to CAAB for increasing their number of flights.

As to why a simultaneously usable runway is not being considered, Mafidur says there is not enough room at the HSIA.

Runways should be at least 1,035 metres apart for planes to take off or land simultaneously using Instrument Landing System (ILS), according to rules set by the International Civil Aviation Authority.

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India's 8th or 7th for Sri Lanka?

STAFF CORRESPONDENT

India will have an eye on extending their record haul while Sri Lanka would want to get level with the Indians when they square off in the final of the Asia Cup in Colombo today.

The match is scheduled to kick off at the R Premadasa Stadium at 3:30pm Bangladesh time.

India, the record eight-time champions, had an unflustered run to the final of the competition before a reality check against Bangladesh in a largely inconsequential final Super Four match against Bangladesh on Friday.

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Construction workers with no safety gear are building a footbridge over Dhaka-Aricha highway near Savar Bank Town. In the absence of regulation, such unnecessary risk-taking is all too common in Bangladesh.

PHOTO: PALASH KHAN

Road march will go on until the govt resigns Says Fakhrul in Rangpur

OUR CORRESPONDENT, Dinajpur

BNP Secretary General Mirza Fakhrul Islam Alamgir has said that the youth road march will continue until the government steps down.

He was speaking at a rally in front of the party office at Rangpur city's Grand Hotel intersection yesterday morning before the start of a road march to Dinajpur.

Three pro-BNP bodies -- Jubo Dal, Swachhchasebak Dal and Chhatra Dal -- organised the programme to press home the party's one point demand -- resignation of the government and general elections under a non-party interim government.

Fakhrul demanded parliamentary polls under a neutral interim government after the reformation of the Election Commission.

"People don't want to see any more elections like those of 2014 and 2018."

Accusing the Awami League of committing electoral irregularities, he said not only BNP but also the other political parties have said that no fair election is possible under the incumbent government.



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