

6-month moratorium

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Bank was Tk 2,220 crore in December last year, of which public deposit was Tk 1,300 crore, government deposit Tk 570 crore, and other banks' deposit Tk 350 crore.

The bank's accumulated loss was Tk 490 crore in June last year before being taken off by the Bangladesh Bank (BB) and its overall capital shortfall was Tk 1,733 crore. At the same time, its classified loan was about 64 percent of the total loan.

The finance ministry gazette said during the moratorium period a depositor will be allowed to withdraw highest Tk 10,000 per month while the bank can take new deposits. There will also be no restriction on withdrawing money from these new deposits, the gazette said.

The government made the move—first of its kind against any local commercial bank—at the directives of Bangladesh Bank.

BB Deputy Governor Nazrul Huda said some activities of the bank have been suspended for six months. "This is not closing down a bank," he said.

"We had two options for Oriental Bank considering its present situation—either liquidation or reconstitution," Huda said, adding, "We have chosen the second one in the interests of the depositors."

The government slapped the moratorium for preparations of the reconstitution process. "I think the bank can be reconstituted within this period," he said.

"We will bring reforms in the bank during this six-months for resuming all activities," Asaduzzaman Khan, Oriental Bank administrator appointed by the central bank, told The Daily Star yesterday after receiving the government decision.

"We will work hard to make it a good financial institution in the next six months," he added.

He said all the branches of the bank will remain open and their officials will get salaries as usual during the period.

"We will be able to conduct seven types of transaction during this period," he said, referring to the government decision.

The Oriental Bank is allowed to operate transactions of letter of credits (LC) against import and export opened before beginning of the moratorium period.

Moreover, all import related transactions by the exporters are allowed in the bank, the gazette said, adding that remittance withdrawal facilities will remain open.

The utility service providers will be able to withdraw their money deposited in Oriental Bank as utility bills and at the same time exporters will be able to withdraw money from export earnings.

On issuing demand draft (DD) and pay order, the gazette said the bank is allowed to issue DD and pay order only after 100 percent cash deposit of the amount.

It said Bangladesh Bank will consider resuming any other activity of Oriental Bank during this moratorium period for the interest of both the depositors and the bank.

The Bangladesh Bank will prepare necessary schemes for Oriental Bank as per Clause 77(4) of the Bank Company Act, 1991.

According to the clause, the central bank will be able to reconstitute Oriental Bank or merge it with other banks for the interest of the depositors and banking sector. There can be arrangements for increasing the bank's capital through issuing shares by private placement.

Meanwhile, nobody can challenge the moratorium over Oriental Bank in any court and nobody can file cases for recovery of their loans by Oriental Bank during the six-month period.

However, the bank can file civil and criminal cases to recover its outstanding loans.

Asaduzzaman Khan said the BB took off the bank amid an acute liquidity crisis. "We have found a big hole in the bank after taking over the charge. It needs huge capital injection in the bank to overcome the crisis," he said.

Russia, India

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Two Russian reactors are already under construction in India, where rapid economic growth is driving a demand for additional supplies of energy.

Some of the reactors will be at the Kudankulam nuclear power station in Tamil Nadu and others at additional sites, an Indian government official said.

The two countries are also exploring Indian investment in the Sakhalin-3 oil and gas exploration blocks in the Pacific. Oil Minister Murli Deora said on Wednesday New Delhi would ask Russia for a stake in the project during Putin's visit.

Russia, however, faces competition from the United States and the lucrative Indian nuclear power and arms markets.

Last month, US President George W Bush signed legislation effectively ending a US ban on civilian nuclear trade with the country. In 2005, Washington and New Delhi struck a framework agreement to boost ties in the military sector.

But for now India is the second-biggest buyer of Russian weapons after China. Up to 80 percent of weapons and hardware now in use by New Delhi has been supplied by Moscow, say experts.

Earlier in the week, Russian Defence Minister Sergei Ivanov said Russia would pitch its MiG-35 combat jet in an Indian tender for 126 fighter aircraft.

He added Russia was ready to start negotiations about India's participation in developing a fifth generation fighter due to make its first flight no later than 2009.

India and Russia on Wednesday

crisis," he said.

Bangladesh Bank dissolved the board of directors of the problem-ridden Oriental Bank in June last year and appointed an administrator from the central bank.

Later, the central bank investigated the bank's scam and found that its majority shareholder Obaidul Karim, former managing director Chowdhury Koyes Sami, and a number of officials were involved in misappropriating about Tk 595 crore.

Following the central bank's direction, the Oriental Bank management yesterday filed criminal cases against 24 people found guilty in investigation.

Sources said apart from these 24 people, a number of politically influential persons, including BNP leader and former lawmaker Mosaddek Ali Falu, embezzled a huge amount of money from the bank during the immediate past government's rule.

There are records of shutting down one foreign bank and two local financial institutions.

OWNERSHIP CHANGING AND LOSSES MOUNTING

When the bank was set up in 1987, a Jeddah-based Al-Baraka Investment and Development Company and local Amanullah Group — former owner of Pepsi franchise, had major stakes in it with 34.67 and 40.46 per cent and then it was called Al-Baraka Bank (later renamed Oriental Bank). From the very beginning the bank gave loans to influential people violating regulations and these loans were never recovered. Consequently, it has been always on a losing streak.

One of the bank's big defaulters Abul Khair Litu and his Bengal Group took a huge loan. The bank also gave loans against fictitious names and organisations. The bank filed criminal cases against Litu and obtained arrest warrant. Litu escaped arrest by an ad interim bail.

In January 2002, Al-Baraka sold its shares to a number of Hong Kong-based investors while in December 2001 Amanullah Group also sold its shares to five local companies. It was learnt that Litu purchased those shares using fictitious names and established his control over the bank's management. Consequently, the bank's condition continued to deteriorate.

In 2005, the bank's ownership once again changed hands and Orion Group and its sister organisations bought 83 per cent of the shares. Orion Group's Chairman Obaidul Karim told Dainik Prothom Alo that they have now 42 per cent of those shares while the other 41 per cent belonged to foreign companies. He also said he bought the shares for Tk 34 crore from Litu.

But the bank's situation did not improve this time either and continued to turn from bad to worse day by day. There are allegations that loans have been taken in real and fictitious names violating bank rules. Karim however denied these allegations while talking to Prothom Alo.

Following the labelling of 'problem bank', the bank had an observer appointed by BB who remains present in the bank's board meetings. Over the last few years a number of special Memorandum of Understanding (MoU) were signed between BB and Oriental but things did not improve.

A BB source said the BB-appointed observer used to be present in the bank's board meeting but the bank's influential directors used to get loans from the branches and those loan proposals did not require the board's approval. The bank's higher management also connived with the corrupt practice of the directors, sources said.

CPD accords

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government officials, professionals, academics, development practitioners and civil society leaders attended the ceremony.

CPD Executive Director Debapriya Bhattacharya presided over the reception ceremony.

signed a cooperation agreement for future development and manufacture of multipurpose transport aircraft.

Defence Minister AK Antony said plans to buy at least 300 Russian T-90 tanks, as well as fighters and military helicopters, were also discussed.

After the Cold War alliance between Moscow and New Delhi collapsed together with the Soviet Union, Russia has maintained a "strategic partnership" with India, supporting its Asian ally's quest for a bigger international role.

India is reciprocating.

"New Delhi is bending over backwards to ensure good ties with Russia," Brahma Chellany, an analyst with the New Delhi-based Centre for Policy Research, told Reuters.

India has observer status in the Shanghai Cooperation Organisation, a regional group uniting Russia, China and four ex-Soviet Central Asian republics.

The Kremlin has also promised to back India's ambitions to become a permanent UN Security Council member if a decision is made to expand the current five-member group, which includes the United States, Russia, France, Britain and China.

However, close political ties have so far failed to ignite a trade boom. Annual turnover stands at around \$2 billion, which the two sides aim to boost to \$10 billion by 2010.

"This is a problem," Chellany said. "Russia and India need to rebuild the trade relationship to maintain a strategic relationship."

Kibria killing

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Appellate Division and appealed the HC order. But the matter still remains pending for hearing.

Besides Kibria, four others were killed in the grenade attack carried out shortly after a rally at Baiderbazar of Habiganj.

Asma Kibria, wife of the slain leader, yesterday told The Daily Star that had there been a fair probe, the killers would have been tried and sentenced by this time.

Form the outset, she and her family have been calling for a neutral international probe into the killing, fearing the investigators might not be allowed free rein to the job.

They alleged that the then government had been doing everything to pervert the course of investigation as "some of its ministers and high-profile leaders had a role in the murder".

The Kibria family pointed out that the local investigators then would never dare interrogate them let alone linking them.

The frustration is heavy but still overrode by hope. "Since a non-party government is ruling now, we hope there will be a fair investigation into the murder," said Asma Kibria. "The caretaker government has expressed its will to hold a violence-free election. But if fair trials into the political killings are not ensured, who will guarantee that the killers won't come up with new killing missions during the election period?" she asked.

Talking to The Daily Star, complainant Majid Khan yesterday said the police so far have arrested eight of the 10 charge-sheeted accused.

AKM Abdul Quayum, who was a vice-president of Habiganj BNP before being expelled from the party, Ayat Ali, Kajal Mia, Selim Ahmed, Tajul Islam, Shahed Ali, Jainal Abedin Jalal, Jamir Ali, Jainal Abedin Mumin and Muhibur Rahman are behind bars while the other two—Kajal Mia and Muhibur Rahman—are on the run.

Of the accused, Tajul, Shahed, Jamir and Mumin have already given confessional statements to a magistrate. They, however, later moved to a higher court and sought to retract their statements. They claimed they had made the confession under duress in police custody.

Majid Khan said: "According to the investigators, Quayum got Kibria killed with an intent to win from the constituency. Usually it's the party high command that decides who would contest from which constituency. Now the question is who among the high-ups had assured Quayum that he would be on the BNP ticket?"

He also regretted that the source of the grenade could not yet be known.

"Though the proceedings remain stalled, the caretaker government could still order a fresh investigation to ensure a quick and fair trial of the killing," he observed.

Meantime, Quayum's son Ruhul Quayum has also demanded a reinvestigation. "My father has been made a scapegoat in the local BNP politics," he noted. Now is the time to find the real culprits, he said, adding: "My father would not have been in jail, had there been a neutral investigation." Pointing out to Harkatul Jihad (HuJI) activists claiming the responsibility for the grenade attack, Ruhul said, "But IO Munshi Atiqur Rahman of CID deliberately left this part [the claim] out of the HuJI operatives' confessional statements as it would contradict the charge-sheet he had already submitted."

The Criminal Investigation Department was tasked with the murder case probe while Officer-in-Charge of Habiganj Sadar Police Station Shafiuzzaman took up the case filed under the Explosives Substances Act.

On March 14, 2005, the high-powered government committee comprising senior officials of different law enforcement and intelligence agencies submitted the investigation report. It accused 10 local BNP leaders and workers and mentioned that the grenade might have been brought from the frontier area of Sylhet.

Six days later, the CID pressed charges against the 10, describing Quayum as one of those who had orchestrated the killings.

OC Shafiuzzaman pressed charges against the same 10 people on April 20 in the other case. He said that Quayum had collected the grenade from Chunarughat area but he did not mention the supplier's name.

According to all three probe reports, the motive for the killing was election politics. Kibria was killed so that Quayum could win from the Habiganj-3 constituency in the upcoming election.

The similarities between the three probe reports have raised questions whether the two charge sheets just followed the government investigation report.

According to the documents, Quayum assumed that the potential local BNP candidates Abu Leis Mobin Chowdhury, GK Gaus and Chowdhury Ashrafur Bari Noman would be blamed for the killing and that would clear his way to be a candidate.

The BNP-led four-party alliance nominated Noman, former district BNP general secretary and a lawyer, for Habiganj-2 constituency Kibria was elected from.

Demolition drive

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magistrate Kamal Pasha, who led the eviction team, said. The illegal grabbers had narrowed the road, he added.

Some roadside shops and a kitchen market were also demolished during the drive in the morning.

"We first asked them to vacate the land and many did so," Pasha said.

After cleaning up the Bhasantek area, the team went to Mirpur Kalsi road near the journalist colony and tore down the wall of another two-storyed mosque there.

"We had to knock down the mosque and one wall of a graveyard also as those were creating obstacle to widening the road," the magistrate said.

Meanwhile, The Rajdhani Unnayan Kartipakkha (Rajuk) authorities pulled down several illegal establishments in Gulshan during a separate drive yesterday, Rajuk sources said. Magistrate Emdadul Dastagir led the eviction team.

CHITTAGONG DRIVE

A clash between police and encroachers erupted yesterday during an eviction drive and left at least four people injured in the city's Shantinagar area under Bayazid Bostami Police Station.

The injured, Jamal, Amir Hossain, Saiful and Saidur Rahman, were admitted to Chittagong Medical College Hospital (CMCH).

Sources and witnesses said a team of district administration with a 150-strong force led by Magistrate Matuil Islam, a senior assistant commissioner, launched an eviction drive in the Shantinagar area at 10:30am to recover vast government lands being occupied by encroachers.

The situation turned explosive

at around 12:30pm when hundreds of rowdy encroachers with brick-bats and sticks put up a strong resistance to the eviction team.

The magistrate ordered police to fire tear gas shells and blank shots to disperse the mob after police failed to contain the situation by clubbing them. Shots were fired from the mob as well, witnesses said.

No one was bullet-hit during the hour-long battle where both sides traded at least 250 shots, they added.

Magistrate Matuil said police alone fired around 200 blank shots and there were no casualties as he had instructed the cops not to cause any. "The drive will continue until all illegal occupants or habitants on the land are evicted."

Sources in the administration said thousands of encroachers had long been occupying a vast government property measuring around 26 acres. The grabbers even formed a cooperative society there to establish their authority on the land.

A total of 29 cases have so far been lodged both by the administration and the encroachers over the 'disputed' land, the sources added.

CHANDPUR DRIVE

The joint forces of army and police and the Roads and Highways Department (RHD) demolished over 200 illegal shops, houses, workshops and garages on both sides of the Chandpur-Comilla Highway yesterday.

Starting from the Chandpur bus stand, the drive stretched up to Mohamaya Bazar, some 10 kilometers east of the district town.

The eviction team also demolished the nameplate of immediate past BNP MP GM Faisal Haque's building at Ashikathi just beside Chandpur-Comilla Highway.

Joint forces

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and 21 bullets at around 5:00am, reports our Chittagong correspondent quoting sources.

The accomplices of recently detained UP Chairman of the area Abu Jafar might have hidden it, said a Rab official.

LALMONIRHAT

Our Lalmonirhat correspondent adds: Army men arrested an associate of ex-deputy minister for food and disaster management and the President of district BNP Asadul Habib Dulu from Mazar village of Haribhanga in Lalmonirhat on Wednesday night.

The arrestee, Jalal Uddin, is a district Samrak Dal leader and the president of Lalmonirhat District Truck and Tank Lorry Association.

The army men interrogated him about arms and Dulu's trace till 4:00pm yesterday and later handed over to Lalmonirhat Sadar police.

Lalmonirhat police also arrested 21 people including a maize trader on different charges.

NATORE

An army team arrested Rahim Newaz, a relative of former deputy minister Ruhul Quddus Talukdar Dulu and also secretary of Natore sadar BNP, from Nicha Bazar of the town, reports UNB.

Police said he is accused in several criminal cases.

MAGURA

Army men picked up former organising secretary of district unit of Awami Jubo League Mizanur Rahman Hasan alias 'Boma Hasan' from Kancha Bazar in the town. Hasan is accused in criminal cases including ones for bomb making, sources said.

KISHOREGANJ

The joint forces arrested seven people

including Pakundia upazila BNP Secretary Mahmuduzzaman Ripon on Wednesday night, police said.

SATKHIRA

The joint forces arrested Sarful Munshi, an activist of Janajuddha faction of Purbia Banglar Communist Party and Al-Ferdous alias Alfa, an alleged smuggler, from different areas of the district by the joint forces last night, police said.

KHAGRACHARI

The army and police arrested five BNP activists — Arif, 16, Ismail, 27, Monjur Hossain, 26, Abul Kalam, 25, and Monjurul Alam, 25, — from different villages of Manikchhari upazila.

PATUAKHALI

Ten people including four BNP men were arrested during the joint forces' raids yesterday.

Pintu

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stand against me anymore."

Due to beating, Kabir received a serious head injury and his hands were fractured. He was later dumped into a nearby dustbin in a critical condition.

The locals admitted Kabir to National Institute for Diseases of Chest and Hospital for treatment after rescuing him but he left the hospital soon fearing further attack.

After recovery, Kabir went to Hazaribagh police station to file a regular case but the police refused to register it, Kabir alleged. He said he feared to file the case against Pintu as he was a sitting lawmaker then.

Assistant Public Prosecutor Saifur Rashid Sabui and Advocate Raich Uddin Ahmed stood for the complainant.

Manpower trade

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even threatened Malaysian employers and Malaysian outsourcing companies with possible suspension of supply of workers from Bangladesh if they are unwilling to allocate a major share of job demand letters for his own recruiting agency. His agency's name is Silver Line Associates located at Gulshan in Dhaka.

He even demanded from other recruiting agencies a portion of their job orders for his own agency and threatened them with complete loss of business if they refuse to share, the report noted.

"This kind autocratic attitude of Salim frustrated other recruiting agencies," said the report signed by DFI Director General Maj Gen Sadik Hasan Rumi.

It also suggested government initiatives so no agency can charge more than Tk 84,000 from an emigrating worker and for dealing with Malaysia at the government level for supplying manpower.

The report appreciated the new system of computerised online communication with Malaysia in the sector saying that distributing job demand letters to recruiting agencies equally is the main task of Baira, but its President MAH Salim established his monopoly on the business instead.

"There is no other country that is so actively involved with Malaysia in supplying manpower," it added.

Following submission of the report and widespread media coverage, the commerce ministry during the immediate past BNP government served a show cause notice to Baira asking it why its executive committee should not be suspended and an administrator not be appointed.

In reply to the notice, Baira wrote a letter to the ministry denying the allegations, asking for documents supporting the allegations, and

Polls to be held

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has undertaken reforms in various sectors, including the restructuring of the Election Commission and the Anti-Corruption Commission, as part of its recipe for creating the level playing field. The reforms will be accomplished as early as possible.

Asked how long it might take to complete the pre-election urgent tasks, he said: "You will later perceive how long it might take."

Asked about foreign diplomats' expectation that the government make a public commitment about the timeframe of the election, Chowdhury noted that the foreign diplomats are foreigners. "The country belongs to us. They want to know our programme and the processes we have started".

He further told a questioner "they (diplomats) have viewed the progress we have made so far as most positive. They also understand that while they may tender help and advice, it is we, Bangladeshis, who have to solve our own problems. We must ourselves be in the driver's seat."

The adviser said "the acid test of the sovereignty of a nation is the will and ability to resolve its own problems by itself."

Asked about the diplomats' concern about the recent deaths in custody, he said the government has taken up the matter very seriously and each such case will be examined. He said all possible means will be adopted to stop recurrence of such incident.

Asked if the government will ratify the international convention on anti-corruption, the adviser said the first meeting of the council of advisers discussed the matter and agreed in principle to ratify it after examining its legal aspects.

He said Bangladesh will stand by her international commitments and actions while the values enshrined in the UN Charter will be the guiding principle.

Bangladesh, he asserted, will not only continue to do UN peacekeeping but also enhance its participation. Dhaka will also attend the 14th Saarc summit in India and other major international and UN conferences during the tenure of the caretaker government.

Acting Foreign Secretary Touhid Hossain and other senior foreign ministry officials were present.

Ershad

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Syed JR Mudassir Husain, passed the order, transferring the case to another division bench headed by Justice M Hassan Ameen for hearing.

The appeal hearing is pending for disposal with a High Court bench headed by Justice Sharif Uddin Chaklader.

Moving the petition, the counsel for Ershad, Barrister Rafique-ul Huq, submitted that as his client joined the grand alliance, the case was taken up for hearing "all on a sudden".

"This 'adamant attitude' of the Justice creates a bona fide apprehension in the mind of my client that he will not get proper justice in this court," Barrister Huq submitted.

"I am not saying that the bench of Justice Chaklader is biased, but my client apprehends the state of mind of that court is not even-handed," Barrister Huq told the court. Apprehension is good enough to refrain from hearing any case, he contended, referring to the case decisions.

Ershad was prosecuted for keeping ill-gotten money amounting to about Tk 2 crore and 11 sets of jewellery and other valuables at his residence.

One and half decades ago, Dhaka Divisional Special Sessions Judge's Court had found Ershad guilty in the corruption case and sentenced him to three years in jail.

Earlier, turning down Ershad's plea, the HC bench, headed by Justice Chaklader, had deferred for a fortnight the hearing of the appeal to overturn his conviction.

On the other hand, the government had filed another appeal against the conviction at the time for extending the jail term.

Outlaw killed

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forcing them to retaliate.

Alam received bullets during the "shootout" and died instantly, while his accomplices managed to flee.

Police said Alam was an accused in nine criminal cases including one for murder.

TIB

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become miserable for the honest people and many cannot afford good education for their children as all the expenses shot up due to the corruption, he said.

He demanded reformation of the Election Commission so that loan defaulters or owners of black money cannot take part in the election and make their money white. Raising question about the Bangladesh Bank's failure to identify the corruption of Oriental Bank, he recommended making the BB more effective.

He said the Public Service Commission has been appointing dull students under political consideration that will increase corruption in the long run.

M Hafizuddin Khan, a former adviser to the caretaker government, said laws of the ACC are not enough while the commissioners themselves lack competence for such work.

The main focus of the press conference was urging Bangladesh's accession to the UN Convention Against Corruption, ratification of which facilitates recovery of smuggled out resources of a country and initiates formulating laws that help to resist smuggling out of the black money from a country.

TIB Executive Director Iftekharuzzaman was also present at the press conference.

US, Iraqi troops

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Karrada, central Baghdad, a security source said.

In the flashpoint Sunni bastion of Fallujah west of Baghdad, two men and a woman were killed when a suicide bomber on a motorcycle tried to force his way into a post office in the centre of the city.

His bomb exploded outside the gate, police said.

A series of bomb attacks in Baghdad have targeted markets recently in a bid to inflict maximum civilian casualties.

On Monday, 88 people were killed when two car bombs exploded in the busy Haraj market which sells used electronic goods, clothing and household items.

It was the deadliest attack in Iraq this year.

New details also emerged about the downing of a private US security company helicopter on Tuesday, with US and Iraqi officials saying four of five Americans who died in the incident were shot execution-style. Violence was unrelenting in Iraq on Wednesday, with at least 69 people killed or found dead, including 33 tortured bodies found in separate locations in Baghdad.

With President Bush pushing a controversial plan to increase troops strength in Iraq, government spokesman Ali al-Dabbagh said the latest joint raid was aimed at clearing the Haifa Street area of "terrorists and outlaws" targeting residents. He promised such operations would continue as US and Iraqi troops prepare for a broader security crackdown to stanch the sectarian bloodletting that has turned Baghdad into a battlefield.

At 5 am Wednesday, Iraqi army and American troops moved into the Sunni stronghold to launch targeted raids in a third bid this month to clear the neighbourhood of militants. Armoured vehicles massed along Haifa Street, where a median with trees separates four lanes of traffic lined by tall apartment houses built by Saddam Hussein for loyalists and dissidents from other Arab countries, mainly Syria.

The US-Iraqi force faced fierce resistance from insurgents using hand-grenades, rocket-propelled grenades and small arms from the high-rises, the American military said. The explosions were so loud they could be heard across the capital. Black smoke rose from the area, located on the west bank of the Tigris River about a mile north of the Green Zone, site of the US and British embassies as well as the Iraqi government headquarters.

At one point, US and Iraqi forces rushed into an office building on the edge of Haifa Street and told all the employees to go home as they fanned out and sent snipers to the roof, according to Jabbar al-Mashhadani, a Cultural Ministry spokesman. The Association of Muslim Scholars, a hard-line Sunni group, condemned the raid as part of "a campaign of genocide" against Sunnis and said several buildings had been damaged and people killed. It said it had not determined the exact