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Bad loans pile up

Legal complications, political influence frustrate govt, central bank's recovery move

REJAUL KARIM BYRON

The volume of bad loans at banks has increased despite recovery measures by governments and the central bank over the last two decades.

Bank officials say the efforts to recover debts do not succed for legal complications and political clout of the borrowers.

The banks have filed cases against those liable for around 55 percent of the loans in default, but could not recover much due to legal foot-dragging.

The lenders appear helpless when it comes to recovering defaulted loans from politically influential quarters.

Borrowers involved with the ruling alliance or party can reschedule their repayment plans at will and get off the defaulters' list. They however get listed as defaulters when their party is in opposition.

As of March, loans in default added up to Tk 38,774 crore. Of the amount, Tk 23,586 crore were classified and Tk 15,188 crore written-off loans.

The central bank adopted the policy of writing off loans in 2003, said bank sources.

Here, the sources added, write-off does not mean exempting the borrower from paying back the debt; rather it means removing from a bank's balance sheet a loan deemed uncollectible.

Since introduction of the policy, defaults on loans decreased only in the first year.

In December 2003, default loans amounted to Tk 16,000 crore. After a year, they came down to Tk 14,200 crore.

They however kept growing again in the years afterwards.

In March, bad debts excluding those written off totalled Tk 23,586 crore.

The banks have filed 37,481 cases against those in default on Tk 21,007 crore loans till December 31, 2008, BB statistics show.

The four state-owned banks have filed 22,612 cases for recovering Tk 11,558 crore bad loans, the specialised banks 6,626 cases for Tk 2,021 crore and the private commercial banks 8,161 cases for Tk 7,313 crore.

Some of the cases have been waiting for disposal for around three decades. In many cases, the banks get verdict in their favour only to be stayed by the higher court.

A Sonali Bank official said the SOBs' inability to hire competent lawyers is a major reason why they have a higher number of cases to be disposed of.

A central bank official said though laws have been amended to help banks recover loans, the success rate is not satisfactory yet.

Often banks get decrees from the Artha Rin Adalat (loan tribunal) for recovering the loans. But borrowers file writ petitions with the higher court, causing the cases to drag on for years.

SM Aminur Rahman, managing director of Janata Bank Ltd, told The Daily Star that assigning more High Court benches to resolve writs

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This "park" in Karwan Bazar was cleared of land grabbers during the tenure of the last caretaker government but as seen in the photo it is hardly what it is supposed to look like.

PHOTO: SHAWKAT JAMIL

Cabinet reshuffle soon

HASAN JAHID TUSHER

Reshuffle in the cabinet will be made within a day or two as Prime Minister Sheikh Hasina plans to include 10 more ministers and state ministers in the council of ministers, said sources.

"It is at the final stage. The names of the new ministers and state ministers are likely to be announced on Sunday," said a source at the Prime Minister's Office.

The cabinet division might send the names to Bangabhaban Secretariat today for making preparations for the oath-taking ceremony as the premier is set to leave for Egypt on July 14, said the source.

However, another source

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Special police unit mulled to combat terrorism, militancy

3,125-strong technology-based unit; proposal sent to PMO

SHARIFUL ISLAM

The police headquarters has sent a proposal to the Prime Minister's Office (PMO) for formation of a 3,125-member specialised and technology-based police unit to combat militancy and terrorism.

Sources said the proposed unit, National Police Bureau of Counter Terrorism, will have forces having expertise in information technology (IT), modern banking and cyber crime to safeguard the country from terrorist strike, cyber-based attack and high-tech crimes.

The specialised police unit will also work to know in advance about any possible threat on the life of prime minister and other high profile political personalities.

Sources in the police headquarters said a plan has been prepared to recruit

32,031 police personnel in the next three years between 2009 and 2011 in line with the present government's decision. The proposed police unit has been included in the plan.

The recruitment plan was sent to the PMO through the home ministry on June 11 for consideration of the prime minister, the sources added.

The police headquarters initiated the move to form the specialised unit after the prime minister gave a positive nod during her meeting with top police officials in the Police Week in April.

The organogram for the proposed police unit has already been finalised. An official of the rank of inspector general (a post proposed in the draft police ordinance which is awaiting government approval) will be at the helm of the unit.

Prof Muzaffer welcomes probe into TIB activities

STAFF CORRESPONDENT

The government can investigate the activities of Transparency International Bangladesh and graft allegations, if any, against its officials, Prof Muzaffer Ahmad said yesterday.

"TIB's latest report 'Parliament Watch 2009' that became the talk of the town in the past week didn't have any ill intention," said the former chairman of TIB.

The words "quorum crisis" used in the newspaper report was not right, but it is a fact that most of the parliament sessions commenced late," Muzaffer, trustee board member of TIB, said.

SEE PAGE 15 COL 4

Bhasani University closed sine die

50 hurt as students-villagers clash over trifling matter

OUR CORRESPONDENT, Tangail

Maulana Bhasani University of Science and Technology (MBUST) was closed yesterday for an indefinite period following a fierce clash between students and local people that left at least 50 persons injured.

Several student messes and shops adjacent to the university were also ransacked during the two hours long clash.

Failing to bring the situation under control, the university authorities declared it closed sine die and asked the students to vacate the hostels within 6:00 pm yesterday.

Three students, including a female student, received rubber-bullet wounds as police fired several tear gas shells and rubber bullets to disperse the students and local people. They were rushed to Tangail General Hospital.

Police said the clash erupted between the two groups following an altercation between a student and a shopkeeper over price of green chili at Santosh Bazar in Tangail, adjacent to the campus, in the morning.

SEE PAGE 15 COL 6



Following a collision with a dredger while entering Chittagong Port channel, MV Modern sinks in the outer anchorage with its load of gypsum yesterday.

PHOTO: BANGLAR CHOKH

Cargo ship capsizes near Ctg Port

STAFF CORRESPONDENT, Ctg

A lighter vessel laden with 1,000 tonnes of gypsum capsized in the Bay after it hit a dredger of Chittagong Port Authority (CPA) in the main channel of the port in Karnaphuli estuary yesterday morning.

The vessel's crew managed to take it to nearby Parky beach in Anwara upazila before it capsized.

CPA officials said movement of vessels in the port channel was not hampered.

One of the dredging arms of Khanak, and the holding crane were completely damaged in the accident.

Lighter vessel MV Modern, after loading gypsum from mother vessel Ali Murtoza at the outer anchorage, was

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War criminals not barred in UZ polls

No provision in new upazila parishad law

SHAKHAWAT LITON

War criminals, earlier barred from contesting elections to parliament, city corporations and municipalities, can now participate in upazila parishad polls because of loopholes in the new upazila parishad act passed by parliament.

The last caretaker government promulgated an ordinance for upazila parishad, barring war criminals convicted by national or international tribunals from contesting the upazila parishad polls. The ordinance was enforced in the January 2009 elections.

But the Awami League-led government did

not ratify the ordinance in parliament. It rather revived the Upazila Parishad Act 1998 with some amendments by passing a bill on April 6, not imposing any restriction on the war criminals' contesting the polls.

Because of this, war criminals, who committed crimes against humanity during the Liberation War in 1971, cannot be prevented now from contesting the upazila parishad polls unless the law is amended, observed officials at Election Commission Secretariat.

The Election Commission last month sent proposals to the LGRD ministry on amending

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Sircar's graft should be probed through legal process

BBC dialogue told

STAFF CORRESPONDENT

The corruption allegations against BNP leader and former speaker Jamiruddin Sircar should be investigated under the country's formal legal system, said speakers at the BBC's Bangladesh Sanglap yesterday.

Replying to a question from the audience Health and Family Welfare Minister AFM Ruhul Haque said if anyone like the former speaker (Jamiruddin) commits such corruption, his or her membership in parliament should be cancelled.

"The parliamentary standing committee has submitted its report based on documents. It gave the accused the chance to

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JS body has right to probe

Says speaker

STAFF CORRESPONDENT

Speaker Abdul Hamid yesterday rejected the questions raised by BNP leaders on the legality of the parliamentary committee to probe the corruption of former speaker Jamiruddin Sircar, deputy speaker Akhtar Hamid Siddiqui and chief whip Khandaker Delwar Hossain.

In an interview with the BBC Bangla Service, Hamid said decisions would be taken in the Jatiya Sangsad on the

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Ensure better health services to people

PM urges govt, non-govt institutions

UNB, Dhaka

Prime Minister Sheikh Hasina has urged family planning workers, local public representatives, non-governmental organisations and institutions to be more active in providing people with facilities of population control service centres.

She made the call on the occasion of the World Population Day 2009 observed yesterday amid concerns over public health status and population growth.

Her call was contained in a message read out by Health Minister AFM Ruhul Haque at the inaugural function of the population day at the city's Osmani Auditorium.

Sheikh Hasina was scheduled to attend the function as chief guest, but did not.

In the message, the PM said if the country's population

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IN MEMORIAM

SYED ISHTIAQ AHMED, Barrister-at-Law
Our deepest respect on his 6th Death
Anniversary 12 July, 2009



Syed Ishtiaq Ahmed Smriti Parishad
and
Syed Ishtiaq Ahmed & Associates