

## At IMF push, central bank hunts for scam money

The lender slaps new condition of 'diagnostic exams' in state banks

REJAUL KARIM BYRON

Bangladesh Bank has opened a probe into the whereabouts of the Sonali Bank money embezzled by Hall-Mark Group, on advice from the International Monetary Fund.

The financial intelligence unit of the central bank will also see whether the amount has been siphoned off abroad or kept inside the country, said BB officials.

In the backdrop of big scams in different state banks, the IMF may tag a major condition of conducting special diagnostic examinations in those banks before releasing the third instalment of its \$1 billion loan for Bangladesh.

A central bank official said they have launched the drive as the IMF and the Anti-Corruption Commission (ACC) have enquired about the money.

The Hall-Mark Group and some other businesses swindled about Tk 3,557 crore from Sonali Bank showing fake documents. Of the amount, Hall-Mark alone embezzled Tk 2,626 crore.

An IMF team, now in Dhaka, wanted to know from the BB what steps it has taken to realise the amount. The mission has also enquired about the scam involving BASIC Bank, the official said.

Since November 27, the IMF has been in talks with the central bank over the Hall-Mark issues.

The BB has already informed the global lender that it has sought information relating to the Hall-Mark Group from all banks, and as soon as the information will be available, those will be conveyed to the IMF.

On realising the embezzled money, the central bank told the IMF that Sonali Bank has already securitised a portion of the money swindled by the Hall-Mark Group by taking the Group's land as mortgage.

The BB also told the lender that the irregularities came to light first in a BB investigation and stern actions were taken against other banks where such irregularities were detected.

A total of 23 other banks were involved in 'bill purchase' by Hall-Mark Group from Sonali Bank's Ruposhi Bangla branch.

The BB has carried out a special investigation into the branches of those banks. Irregularities on the part of branch officials of some banks were found and those were referred to the anti-graft body for taking further actions.

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PALASH KHAN

Models showcase gold ornaments at a fashion show at Sonargaon Hotel in Dhaka last night. Rocks Creation of Bangladesh and Shree Ganesh Jewellery House of India signed an agreement to invest Tk 50 crore each in the jewellery industry of Bangladesh.

## India to accept BSTI certification

STAR BUSINESS REPORT

India will accept the certification of Bangladesh Standards and Testing Institution (BSTI) on goods exported from Bangladesh, except for cement, Commerce Secretary Mahub Ahmed said yesterday.

The new move will fast-track shipments from Bangladesh and save time.

India will need to amend a law to allow the validity of BSTI certification, Ahmed told journalists after a meeting with his Indian counterpart SR Rao at his secretariat.

Ahmed also said India will consider export of 15 lakh bales of cotton every year to Bangladesh so that the country does not suffer from a crisis.

Rao is in Dhaka now with a high-powered business delegation.

The Indian commerce secretary also demanded establishment of more haats along the border areas to help business flourish, Ahmed said.

Rao agreed to set up a Jamdani quality-testing lab in Kolkata for Jamdani saris exported from Bangladesh.

Bangladeshi exporters were demanding a

Kolkata-based testing lab for Jamdani as the testing delays in facilities situated in other parts of India were creating non-tariff barriers, Ahmed said.

The Indian official also agreed to lift the obligation of 'eco-mark' certification for products from Bangladesh.

Rao also called for easing the naval transit conditions so that the Indian goods can be carried easily, Ahmed said.

He demanded duty-free entry of 225 Indian products to Bangladesh.

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## SEC punishes Rajshahi Digital Plus for forgery

STAR BUSINESS REPORT

The Securities and Exchange Commission yesterday fined a non-listed company Tk 10 lakh for submitting a forged certificate to get regulatory approval for raising paid-up capital.

Rajshahi Digital Plus Ltd submitted an application to the SEC on November 12, seeking permission to increase its paid-up capital.

But the regulator found the auditor certificate submitted along with the application to be false, the SEC said in a statement.

The stockmarket regulator also decided to blacklist the company, meaning it will never get permission to raise paid-up capital.

The SEC will also inform the Registrar of Joint Stock Companies and Firms, Rajshahi division about the company's forgery.

The market watchdog at a regulator meeting also fined managing directors and directors of four listed companies Tk 1 lakh each.

The companies are: Raspit Data Management and Telecommunications, Fahad Industries, Amam Sea Food Industries, and Khaza Mosaic Tiles and Stone Industries.

All four companies failed to submit quarterly or half-yearly or yearly audited financial reports to the commission within stipulated time.

At yesterday's meeting, the SEC gave permission to AFC Agro Biotech Ltd to increase its paid-up capital by Tk 2.96 crore.

The non-listed firm will issue 29.65 lakh ordinary shares of Tk 10 each to increase the paid-up capital to Tk 38 crore from Tk 35.03 crore.

The SEC also approved 20 percent quota for affected investors in the IPO of mutual funds.

## India again pushes for special economic zone

STAR BUSINESS REPORT

Indian businesses yesterday reiterated a demand for a separate economic zone for them to increase Indian investment in Bangladesh and narrow the bilateral trade gap that heavily favours India.

"We want a separate special economic zone to invest in and also to re-export to India," said RV Kanoria, president of the Federation of Indian Chambers of Commerce and Industry (FICCI). Kanoria spoke at a seminar on 'investment opportunities in Bangladesh' jointly organised by the trade bodies of the countries at Sonargaon Hotel in the capital.

An Indian delegation led by SR Rao, secretary to the Indian commerce ministry, is in Dhaka now.

The current balance of bilateral trade between the two countries heavily tilts towards India, as Bangladesh is a net importer of Indian food items, cotton, vehicles and other equipment.

Bangladesh imported goods worth around \$5 billion in fiscal 2011-12 through formal channels, against exports of nearly \$590 million, according to data from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Kanoria urged the Bangladesh government to introduce a multi-purpose visa regime for Indian businesspeople.

Asking for removing non- and paratiff barriers, he also called upon the governments of both the countries to

improve infrastructure in the bordering areas.

SR Rao said the best value addition at the cheapest rates is possible only in Bangladesh.

"Bangladesh should not consider India as a competitor rather the country should extend its cooperation to India for future development of trade of both the countries," Rao said.

Abdul Matlub Ahmad, president of India Bangladesh Chamber of Commerce and Industry, said Bangladesh has failed to fully utilise the trade benefit that arose out of the removal of duty by India on almost all products of Bangladesh.

This is because Bangladesh's export basket is not so rich, he said.

The largely untapped market of the Northeast India can also be an attractive destination for goods made by Indian investors in Bangladesh, said FBCCI President Kazi Akram Uddin Ahmed.

He said investment in Bangladesh is well protected by law, and sought Indian investment in textile, electronics, information technology, frozen food, leather, ceramic, light engineering and shipbuilding sectors.

Arif Ahmed, deputy director of Board of Investment in Bangladesh, said the actual Indian investment in Bangladesh was \$25.74 million in 2011, down from \$43.19 million a year ago.

The government is now working to develop seven special economic zones across the country for both the domestic and foreign investors.

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