



PRAGATI LIFE INSURANCE  
Khalilur Rahman, chairman of Pragati Life Insurance, inaugurates the Pragati Training Institute recently. Jalalul Azim, managing director, was also present.

# Business of new and worn banknotes thriving in Delhi

REUTERS, New Delhi

Rakesh Kumar is not like most of the street vendors in Old Delhi. The hand-painted sign on his wooden counter, "exchange damaged, old notes," reveals a different story. He sells money.

For the past 40 years, Kumar has offered customers new banknotes for soiled or damaged ones for a fee that earns him about 100,000 rupees (\$1,600) a year. It has also helped him pay for the marriages of his three children.

"We charge commission depending on the condition of the note," the 58-year-old Kumar said while examining some 1,000-rupee notes nibbled by rats. "Around 30-40 people come to us daily."

Getting fresh banknotes or using soiled ones can be difficult in India. Shopkeepers and other merchants routinely refuse to accept such notes, while people require loose change and fresh

notes for regular use.

This business of notes is livelihood for hundreds in Old Delhi, with vendors offering convenience to customers by charging a fee of up to 20 percent to replace damaged banknotes. A mildly damaged 500 rupee note, for instance, can be exchanged for 480 rupees, while a bundle of crisp, new 10 rupee notes valued at 1,000 rupees is priced at 1,050 rupees.

Such roadside vendors work jointly with agents who collect old notes and submit them at the Reserve Bank of India (RBI) office in central Delhi to claim their exchange value according to rules. The same agents also source new notes and distribute them to vendors for a piece of the profit.

The business, however, goes beyond these roadside counters.

Around 10 shops in an Old Delhi lane display new rupee banknotes in glass showcases to attract customers, with one shop

even having a dedicated counter to repair notes using glue and adhesive tape. In this labyrinth of narrow lanes, one can see dozens of men counting hundreds of old and new notes.

One such dealer, who declined to be identified because he was not comfortable speaking to the media, said he sourced worn banknotes from customers and deposited them in bulk with the RBI to settle the claim.

The dealer and his son showed a text message confirming a recent electronic credit from the RBI and several physical letters from the central bank processing claims which ran into thousands of rupees.

"If a note is damaged, will you go to the RBI? What if you travel by bus and your pocket is picked," said the dealer. "A maximum of 350 notes can be deposited in an envelope; we deposit them every week on Friday."

The dealer, who crouched next

to around 50 bundles of 10 rupee banknotes, said he sources new notes from banks and outside Delhi. As he spoke, he tracked commodity prices on his Samsung tablet and said he makes a profit of 400,000 rupees (\$6,450) annually from this 70-year-old family business.

Other than Old Delhi, agents near the RBI office offer everything from home delivery of bundles of freshly minted banknotes to instant exchange of damaged notes for a fee.

Inside the RBI's head office in Delhi, there are counters to exchange notes, where one needs to display an identity card issued by India's election commission. People with documents such as a government-issued driver's licence are denied entry.

The RBI Note Refund Rules say all banks are expected to exchange soiled notes from customers. But banks often lack new notes and

require proper identification documents, while some staffers are uncooperative and refuse to change notes.

The central bank has identified bank branches for exchanging currency notes in each state, including 258 across Delhi, it said in an emailed response to questions. The RBI did not reply to any direct questions on the business of banknotes in Old Delhi.

On visiting one of the state bank branches with a torn note, the teller asked this reporter to go to the RBI office. When reminded that her bank is a designated RBI branch, the sullen teller did exchange the note but said: "RBI has put everything on our head". When another man asked her for two bundles of 10 rupee notes for his brother's pilgrimage, the teller said no new notes were available.

This perpetuates the money changing market, which adjusts its rates depending on the season.

## Ficci elects office bearers for next term

STAR BUSINESS DESK

Rupali Chowdhury, managing director of Berger Paints Bangladesh, was elected president of Foreign Investors' Chamber of Commerce and Industry (Ficci) for 2013-2015, the chamber said in a statement yesterday.

Geoff Strong, president of Chevron Bangladesh, was elected vice president of Ficci, according to the statement.

Fourteen other members of the chamber's executive committee were also elected.



## NRB Bank gets corporate banking chief

STAR BUSINESS DESK

Zeeshan Hasib has joined NRB Bank Ltd as senior executive vice president and head of corporate banking, the bank said in a statement yesterday.

Prior to joining NRB Bank, he also worked with HSBC in senior roles within corporate banking, and with Standard Chartered Bank before that.

Hasib is a certified 'credit professional' accorded by Omega UK and a 'trade professional' conferred by Standard Chartered Bank, UK. Hasib is an MBA from the Colorado State University, and started his banking career with Société Générale in 1998.



## Poultry farmers bearing brunt of political mess

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The farmers have to sell day-old chick at Tk 15-20 on an average against cost of Tk 35 per piece.

One kg broiler is selling at Tk 70-80 at farm level, while production costs Tk 110-120. Breeders have lost around Tk 382 crore in the last three months.

The expected demand for feed in the last 13 weeks was around 6 lakh tonnes. The demand has now fallen by 35-40 percent and the losses rose to Tk 1,000 crore in three months, said Fazle Rahim Khan Shahriar, secretary of the Feed Industries Association Bangladesh.

The industry has lost Tk 975 crore from commercial broiler poultry farming, said Rafiqul Haque, secretary of the World's Poultry Science Association—Bangladesh Branch.

The market for animal medicines has squeezed down to 63 percent of usual and lost Tk 158 crore in the last 13 weeks, said M Nazrul Islam, general secretary of Animal Health Companies Association of Bangladesh.

Md Helal Uddin, vice-president of Federation of Bangladesh Chambers of Commerce and Industry, urged political leaders to come to a peaceful settlement saving the farmers from deep losses.

Poultry leaders demanded the government make banks reschedule loans, waive bank interests, and provide financial support to restart the closed farms.

The poultry industry accounts for 4 percent of the gross domestic product. The country has six grandparent stock farms, 60-70 parent stock farms and hatcheries and 70,000 poultry farms. The sector has so far invested around Tk 25,000 crore.

They also urged the political parties to keep the vehicles carrying eggs, chicks, chicken and feed out of shutdowns and blockades and demanded security of their profession and investment.

The leaders also forwarded memorandums to Prime Minister Sheikh Hasina, Leader of the Opposition Khaleda Zia and Jatiya Party Chairman HM Ershad to resolve political unrest.



BKASH  
Mohammed Nasir Uddin Chowdhury, managing director of LankaBangla Finance Ltd (LBFL), and Kamal Quadir, chief executive of bKash, exchange documents of an agreement for collection of monthly payments of LBFL Money Builder through bKash, at a programme at the latter's corporate office in Dhaka recently.



IFIC BANK  
MM Haikal Hashmi, deputy managing director of IFIC Bank, and Rajnish Kaul, chief operating officer of Airtel Bangladesh, exchange documents of an agreement to provide IFIC mobile banking services to Airtel customers, at the mobile operator's corporate office in Banani, Dhaka recently.

## The bleak bend of RMG

FROM PAGE B4

In brief, there are multiple challenges at our front and the negative coverage just continues to fuel the burning fire in the sector.

Truth is we started getting negative international attention ever since Tazreen fire, and with the Rana Plaza collapse it has just escalated beyond tolerance. When eleven people, including a six-year-old boy, dies during a cotton harvesting season in Uzbekistan, and when accounts of child and forced labour in that country are brought to surface, that barely makes a story.

When findings about Cambodia's workforce suggest that child labour and unemployment remain major issues in the country with around 350,000 aged 12-17 years, 240,000 are working under hazardous conditions, and with nearly half of child labourers working more than 48 hours per week, that makes a report and does not create a media sensation. When 110 workers faint at a factory in Kandal in the third week of November, that also does not prompt a media eruption; it remains as just a report.

Yet, Bangladesh is continuing to make headlines globally. And the manufacturing community remains vulnerable to steady critique. While manufacturers need to carefully bridge with workers and ensure that nothing

short of best is done to ensure full compliance, there are also ground realities that a manufacturer needs to deal with, which include audits and their charges.

With Accord and Alliance announcing their plans, so far audits are what the manufacturers have seen. We have only seen issues being raised, solutions being asked for and compliance bar going up by the minute. But who is to compensate for the factory upgrades? Frantic phone calls from fellow manufacturers indicate that all of us are having an extremely challenging time in terms of the wage increase. On top of that if there are no partners to invest in sustainable improvement projects, then whom are we going to run to?

So far only a few retailers and brands have agreed to pay the upcharges and the rest are all renegotiating and are retracting. This is the simple truth. Everyone needs to know that most of the manufacturers are having extreme difficulty with paying the salaries of the workers with increased wages as most of the brands have not been agreeing to pay the upcharge. Who will bail the sector? The government? The buyers? The banks? In this land of ours, do we dare seek any refuge in anyone else other than God?

The writer is the managing director of Mohammadi Group, a leading garment

## Singapore's soul searching over foreign workers

FROM PAGE B4

Many of the current 1.3 million foreign workers do low-paid jobs shunned by locals - from construction to domestic work.

Jobs in the construction industry, for instance, are dominated by male workers from India, Bangladesh and Sri Lanka who earn a basic monthly salary of between \$5460 (\$370) and \$5700, according to campaign group Transient Workers Count Too.

That compares with the average Singaporean monthly wage of about \$54,433.

Employers must pay a government-imposed levy on each foreign worker they wish to hire, with a higher levy for lower-paid workers to regulate their numbers. Authorities could tighten that measure to slow the influx of foreign workers.

"The latest incident may further increase pressures to reduce Singapore's dependence on foreign workers," said Chua Hak Bin, a Singapore-based economist at Bank of America Merrill Lynch. "Construction as a segment is already seeing some of the steepest levy hikes and tightening in quotas."

Others, however, argue that policymakers should focus more on the workers' welfare and integration.

Many foreign workers live in crowded dormitory compounds,

some housing up to 8,000 people, on the fringes of the island.

"There is no policy for promoting integration. It is a separatist policy," said Bridget Tan, the founder and chief executive of the Humanitarian Organisation for Migration Economics in Singapore.

In their scarce free time, many gather in Little India, an area of narrow streets and rows of shophouses selling colourful fabrics, spices and groceries, a legacy of the 19th-century British colonial rulers who laid out the city in ethnic zones. Indians and Bangladeshis have congregated peacefully in large crowds in the area for years, eating and drinking, and illustrating decades of success of maintaining religious harmony in a polyglot community of ethnic Chinese, Malays and Indians that was convulsed by race riots in the late 1960s.

Authorities banned the sale and consumption of alcohol in the area this weekend. Police stepped up patrols at foreign worker dormitories and Prime Minister Lee Hsien Loong set up an inquiry. But some commentators say a deeper change of mind-set needs to take place.

"We seem to operate on a model of wanting the foreign workforce for their labour and economic value, yet wishing they would disappear at all other times," blogger Alex Au wrote.

## Business leaders to hoist white flags with calls for political peace

FROM PAGE B1

It would be difficult for the businesses to recover the losses for the prolonged shutdowns and blockades, said Ahmed.

"But the business houses have to maintain the operational and other costs including paying the bank interest rate," he said.

"If this situation continues, it will not be possible for entrepreneurs to repay loans, let alone the interest," he said, urging the central bank to take steps to waive the interest on loans until the political situation eases.

"We also request the central bank to take steps so that loans are not classified, if an entrepreneur fails to repay the instalments during the volatile period."



EASTERN HOUSING  
Manzurul Islam, chairman of Eastern Housing Ltd, presides over the company's 49th annual general meeting at Officers' Club in Dhaka yesterday. It declared 10 percent cash and 12.5 percent stock dividends for the year that ended on July 31. Dhiraj Malakar, managing director, was also present.

## Relaxed loan policy on way

FROM PAGE B1

The garment sector, which accounts for about 80 percent of the country's total exports, has been under tremendous pressure for the last few months.

As a result, the garment makers are not being able to bring imported raw materials to their factories from Chittagong port and export the finished goods on time, according to BGMEA. The situation has forced the exporters to go for expensive air shipment to meet deadlines.

Between January and September this year, 1.32 lakh tonnes of goods were air-shipped, imposing a financial

## BB stance bogus: Muhith

FROM PAGE B1

In reply, the BB had said the scope would encourage money laundering and lead to wastage of taxpayers' money.

"This incentive existed in the past. It stopped after Bangladesh Bank investigations found widespread irregularities," the official said.

**NATIONAL TUBES LIMITED**  
(An Enterprise of Bangladesh Steel & Engineering Corporation)  
API LICENSEE AND ISO:9001:2008 CERTIFIED COMPANY  
131-142, TONGI INDUSTRIAL AREA, GAZIPUR-1710.

CORRIGENDUM NOTICE

This is to notify all concerned that the Tender No. COM(1)/02(Spares)/Re:Tender-03/13 Dated: 02-12-2013 for procurement of Galvanizing Tank and Hydraulic Type Internal Bead Cutter Machine is hereby amended due to unavoidable circumstances as follows:

SI	Subject	As per tender Schedule	Amendment
1)	Tender documents last selling date	25-12-2013 (within office hour)	02-01-2014 at 11-15 AM
2)	Date & time of closing	26-12-2013 at 11-15 AM	02-01-2014 at 11-15 AM
3)	Date & time of opening	26-12-2013 at 11-30 AM	02-01-2014 at 11-30 AM
4)	Galvanizing Tank	Country of origin: Japan, Germany, India. (mention in Technical Specification)	All countries except Israel.
5)	Hydraulic Type Internal Bead Cutter Machine	Country of origin: Japan, Germany. (mention in Technical Specification)	All countries except Israel.

All other terms and conditions will remain unchanged. This corrigendum shall be part and parcel of the tender.

**(AKM ANWAR MORSHED)**  
Head of Commercial  
Phone : 9802737