

A curious case of swindle at BASIC Bank

REJAUL KARIM BYRON and
SARWAR A CHOWDHURY

For most, it might take a lifetime to manage a bank balance of Tk 1 crore. But thanks to BASIC Bank's reckless lending practice, a select few gobbled up hundreds of crores of taka—in just a few days.

All of them presented supporting documents of companies that do not exist: frauds could easily have been detected if the state-run specialised bank had the intent to find out.

For instance, one borrower withdrew Tk 338.07 crore from BASIC Bank's Gulshan branch in 2012 and 2013 in the name of five fake companies. The borrower is yet to be identified.

One of the fake companies was Surma Steel and Steel Trading Company, for which the BASIC board approved a loan of Tk 64.05 crore on March 3, 2013.

In a letter attached with the loan proposal, the bank's Gulshan branch wrote to the head office stating that Surma Steel's business did not warrant a huge loan and that there was no information on the client.

Neither could it visit the client's office nor could it collect a CIB report, legal opinion on collateral, stock report, vetting and searching.

Curiously, the head office instructed the branch to resend the loan proposal—with a back date and no mention of the negative reports. The branch duly obliged and the board approved the loan, said a central bank report.

The company took out Tk 30.5 crore through 10 cheques a day after the sanction letter was issued on

Surma Steel, a fake company, took out Tk 64.05 crore loans from BASIC's Gulshan branch in 2013, helped by the bank's board

March 10, 2013; another Tk 20 crore through three cheques three days later and Tk 14.05 crore shortly afterwards.

There had been no transactions in the account after the loans were withdrawn. Furthermore, the central bank never received any suspicious transaction report on the account.

Later, the branch imposed Tk 9.04 crore interests on the loan and transferred the amount to the bank's income.

BASIC Bank is yet to realise any fund from the client, the report said.

Surma Steel's account identifier was SFG Shipping Lines, another fake company.

From the Gulshan branch—prior to Surma Steel's loans—SFG Shipping Lines took Tk 67.97 crore loans, S Suhu Shipping Lines Tk 59.7 crore, Shifan Shipping Lines Tk 77.41 crore and S Resource Shipping Lines Tk 68.94 crore.

One person named Jewel withdrew the entire amount through cheques.

Despite this, the BASIC board

allowed the person to appropriate a fresh amount by approving the loan proposal for Surma Steel, the Bangladesh Bank report observed.

In another case, the bank has allowed three members of a family to swindle Tk 247.68 crore from its Gulshan branch through three non-existent companies, according to the report.

In 2012, two companies, Enterprise and Brothers Enterprise, owned by an uncle and a nephew took out Tk 106 crore and Tk 69 crore respectively from the branch.

As in the previous cases, the entire amount was withdrawn and no transactions took place in the accounts after that, the central bank inspection report said.

Later in 2013, Monica Trading International, a company owned by another uncle, opened a current account with the Gulshan branch, of which ARSS Enterprise was the identifier. The company withdrew Tk 72.68 crore from the branch between January and May last year.

Although the bank knew there was no possibility of realising the previous loans from the uncle and nephew, the board gave the opportunity to another member of the same family to gobble up a huge amount in the name of fresh loans, the BB report observed.

The report also found that the Gulshan branch allowed fake and defaulting companies to swindle Tk 1,000 crore in 2013, defying the central bank's instructions to rectify its irregularities in disbursing around Tk 1,300 crore a year ago.

READ MORE ON B3

Bar on import of wooden trawlers to save fish stock

SOHEL PARVEZ

The government has put a ban on import and construction of wooden trawlers for fishing in the Bay of Bengal.

"We have taken the decision to arrest overexploitation of our marine fish stock," said Syed Arif Azad, director general of the Department of Fisheries (DoF).

Insiders, however, said the decision came to prevent 'trial fishing' by using the trawlers auctioned off by the government following confiscation from foreign fishermen who wander off into Bangladeshi territory.

The government disposes off the boats on condition that the buyers would not use them for fishing in the seas.

However, a section of the buyers go to the High Court for permission to allow them to catch fish in the sea.

With such orders from the court, 77 wooden trawlers, including 45 having trial fishing permission, are engaged in the Bay

Apart from these, 148 officially approved trawlers and nearly 44,000 fishing boats also ply in the sea,

With court orders, 77 wooden trawlers, including 45 having trial fishing permission, are engaged in the Bay

Around 150 officially-approved trawlers and nearly 44,000 fishing boats also ply in the sea

Catches of fish rose 1.73% year-on-year to 5.88 lakh tonnes in fiscal 2012-13

threatening sustainability of marine stock, according to industry operators and experts.

Despite the catches of fish rising 1.73 percent year-on-year to 5.88 lakh tonnes in fiscal 2012-13, catches by trawlers slipped 0.49 percent to 73,030 tonnes in 2012-13 from the previous year, according to the DoF.

Wooden trawlers are not allowed for fishing in the deep-sea for safety and security reasons, said Nasiruddin Md. Humayun, director of marine under the DoF.

Currently, most of the wooden trawlers that are engaged in fishing in the sea are 25-30 years old, he said.

Moreover, they all are engaged in bottom trawling, which is harmful for sustainability of various fishes and food chain, he added.

To stop trial fishing, the fisheries ministry is considering either incorporating a provision that stipulates that detained trawlers be scrapped after auction or handing over the detained trawlers to government agencies instead of holding auction, the insiders said.

"It is a good initiative. It will rein in over-fishing," said AKM Nowsad Alam, professor of Bangladesh Agricultural University's fisheries technology department.

He said the wooden trawlers are outdated and spill oil in the sea. They are also risky for fishing in deep water as they do not have modern equipment and technologies.

READ MORE ON B3

1190 sq-ft. 3 Bedroom Apartment with 2 Baths & 1 Car Space for Sale in D'Oasis, Uttara

1140 sq-ft. 3 Bedroom Apartment with 3 Baths & 1 Car Space for Sale in BDDL Gold Palace, Khilgaon

1600 sq-ft. 3 Bedroom Luxury Apartment with 3 Baths for Sale in Vintage Sharaf Bliss, Ziggata

1160 sq-ft. 3 Bedroom Apartment with 3 Baths & 1 Car Space for Sale in Night Shade, Mirpur

1160 sq-ft. 3 Bedroom Apartment with 3 Baths & 1 Car Space for Sale in New Elephant Road

www.lamudi.com.bd/1145-sq-ft-type-sa-3-bedroom-apartment-for-sale-in-doasis-uttara-16712-28

www.lamudi.com.bd/1140-sq-ft-3-bedroom-type-a-flat-at-bddl-gold-palace-khilgaon-4128-28

www.lamudi.com.bd/single-unit-luxury-flat-at-ziggata-16062-28

www.lamudi.com.bd/1160-sq-ft-type-a-3-bedroom-apartment-for-sale-in-night-shade-mirpur-6469-28

www.lamudi.com.bd/1160-sq-ft-type-a-3-bedroom-apartment-for-sale-in-new-elephant-4196-28.html

[www.lamudi.com.bd/1](http://www.lamudi.com.bd/1145-sq-ft-type-sa-3-bedroom-apartment-for-sale-in-doasis-uttara-16712-28)