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Your Right to Know

PLUS 4 PAGES STAR BUSINESS JACKET ON SAVINGS

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"Now the main objective of the administration is to serve the people.... You [public servants] have to ensure transparency and accountability at all stages."

PRESIDENT ABDUL HAMID (PAGE 5)

"Why would the railway take the responsibility if someone falls victim to an accident by obstructing rail communications?"

RAILWAYS MINISTER NURUL ISLAM SUJAN (PAGE 16)

"Frankly it's getting harder for me to want to make a deal with Iran, because they behave very badly."

US PRESIDENT DONALD TRUMP (PAGE 8)

Bad loans put Janata in trouble

Provisioning shortfall reaches a staggering Tk 8,256cr, bad loans Tk 21,410cr

THREE BIG BAD LOANS

AnonTex Group: Tk **5,282**crCrescent Group: Tk **3,152**cr

Ranka Shoel Composite Textile;

Ranka Denim: Tk **670**cr

"Large provisioning shortfall means the interests of the depositors are at risk."

AHSAN H MANSUR, EXECUTIVE DIRECTOR, POLICY RESEARCH INSTITUTE OF BANGLADESH.

SAJJADUR RAHMAN and AKM ZAMIR UDDIN

State-run Janata Bank's provisioning shortfall has hit a whopping Tk 8,256 crore, the highest-ever deficit for any bank in the country, putting depositors' money at risk.

And this happened because of a few big errant clients, including AnonTex and Crescent Group, who took hundreds of crores of taka as loans from the bank, but did not pay back, said bank sources.

After BASIC Bank, Janata is going to be the second case of how a relatively good bank turns bad due to poor lending practices, they mentioned.

The state-owned BASIC Bank, which according to the then finance minister AMA Muhith was looted, had faced a provisioning shortfall of Tk 4,063 crore

in December 2016. It was the highest provisioning shortfall at that time, and the bank is yet to recover.

Banks are run mostly by people's money, and when a loan is disbursed, a bank has to set aside a certain amount, as prescribed by the central bank, from its profits to compensate a probable loss. This is called provisioning, which safeguards the depositors' money.

As per Bangladesh Bank regulations, a bank has to keep 0.50 percent to 5 percent of the total loan amount as provisioning for regular loans, 20 percent for substandard loans (three monthly instalment failure), 50 percent for doubtful loans (nine monthly instalment failure) and 100 percent for bad loans (irrecoverable).

RELATED STORY ON PAGE 5

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To help fight spread of dengue fever, mosquito nets have been put up at a ward at the city's Shaheed Suhrawardy Medical College Hospital yesterday. Cases of dengue infections have been on the rise, particularly in the capital, since March this year. The High Court on Monday expressed disappointment over the measures taken by the two Dhaka city corporations to control Aedes mosquitoes, responsible for transmitting dengue virus.

PHOTO: PALASH KHAN



Boris Johnson UK's next PM

Vows to get Brexit done on October 31

AFP, London

Boris Johnson yesterday won the race to become Britain's next prime minister, heading straight into a confrontation over Brexit with Brussels and parliament, as well as a tense diplomatic standoff with Iran.

The former London mayor easily beat his rival, Foreign Secretary Jeremy Hunt, in a vote of members of the governing Conservative party.

He is expected to be confirmed as prime minister today when his predecessor

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Mob yells drowned father's cries for help

Family tells how 28-year-old Siraj got killed when he went to meet his daughter; experts blame frustration, distrust of police

STAR REPORT

Md Siraj, 28, died because he loved his daughter. When a mob descended upon him, suspecting him to be a kidnapper, the deaf man could not even express his innocence for he could not speak.

"He would have been alive if he had not gone to see his daughter," said Siraj's father Abdur Rashid. Siraj was killed by a mob on Saturday in Mizmiz area of Narayanganj.

"After his wife left him and married another person, she took her daughter with her to live in Mizmiz area. But my son used to miss his daughter a lot," Rashid said.

On his final day, Siraj had borrowed Tk 100 from his family members, which he used to buy a packet of chips and bangles for his daughter. He had been going to see her at her school for the past two months.

Seeing the 28-year-old, an unknown face in the area, near the gate of a school, a mob set upon him.

Siraj's life ended in the silence of the screams of a mob and now Abdur Rashid, the helpless father, is seeking justice for his son's murder.

"He died because he went to see his daughter."

While Siraj was being murdered by a mob, a few kilometres away in the capital's Badda, another mob mercilessly beat up and killed Taslima Begum Renu, a mother of two kids, suspecting her of being a child abductor.

On Monday night, her daughter, four-year-old Tuba, was getting ready.

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Key suspect in Taslima killing held

10 more attacked by mobs since Sunday

STAR REPORT

The Detective Branch of Dhaka Metropolitan Police yesterday arrested the prime suspect in the killing of Taslima Begum Renu by a mob on Saturday in Dhaka's Uttara Badda.

The accused, Ibrahim Ridoy, 19, a vegetable vendor in Uttara Badda, was arrested at his aunt's house in Narayanganj's Bhulta upazila.

Ibrahim told police during primary interrogation that he was involved, claimed Nazmul Hasan Firoz, senior assistant commissioner of DMP (east).

According to Firoz, a woman went to Ibrahim's store and claimed

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Dengue cases keep rising

Record 473 people hospitalised in a day; demand for blood spikes

HELEMIUL ALAM

Infected with dengue haemorrhagic fever, Abdur Razzak was admitted to Dhaka Medical College Hospital on Saturday.

As his platelet count was significantly low, doctors recommended an immediate platelet transfusion, and he was given the blood cells accordingly.

But the 25-year-old service holder's condition did not improve.

About a day and a half after the transfusion, Razzak started to bleed from his nose and mouth. Doctors then told his father Mohammad Solaiman, 60, to manage more blood donors right away.

Worried, Solaiman looked everywhere for the donors to save his only son. He finally got the blood at the DMCH blood bank yesterday morning.

"My son is about to receive the blood. His condition seems to be critical," Solaiman told The Daily Star last night.

Contacted, an official of the blood bank said Solaiman was lucky that his son's blood group is A positive, which is a common one. "Finding blood of the negative groups is a real challenge," he said.

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SMART ABOUT SAVINGS

People in Bangladesh rely on private savings for a secure life, in the absence of a universal public pension scheme and strong social security system. People look up to banks and NBFI's for saving and creating more value for their money to meet future needs. To cater to the savers, banks are increasingly bringing innovations to their savings products to meet the needs of savers at every stage of their life.

MORE ON STAR BUSINESS JACKET

Stocks rebound at last

AHSAN HABIB

Stocks rallied the best in six-and-a-half months yesterday after sinking for more than three weeks. The bounce back was due to the central bank and the capital market regulator teaming up to prop up the flagging market.

DSEX, the benchmark index of the Dhaka Stock Exchange, closed at 5,077 points after soaring 111 points, or 2.24 percent -- the biggest single day leap since January 8.

Between June 28 and July 22, the index had lost 463.6 points and investors' Tk 27,500 crore were wiped out.

The rebound comes as the Bangladesh Bank on Monday verbally asked banks and non-banks financial institutions that have the capacity to invest to support the market.

As per its information, 19 lenders have the scope to park Tk 2,000 crore in the market.

Similarly, the Bangladesh Securities and

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Flood victims take shelter on Balashir Ghat Road in Gaibandha's Fulchhari upazila. Around 500 families from nearby villages have been living on the road for the last 10 days with scanty supply of relief materials. The local authorities say over 300 villages are still marooned as all seven upazilas of the district are hit by floods. The photo was taken yesterday. Story on page 10.

PHOTO: MOSTAFA SHABUJ

GOVERNMENT PROCUREMENT

Millers favoured over growers

Only 30 percent of paddy purchase from farmers done with time running out

MOHAMMAD AL-MASUM MOLLA

The government has been making good progress in buying rice from millers but it is lagging far behind its target for buying paddy from farmers, who had protested recently for not getting decent price for their produce.

With only a month and week left until the government procurement ends, the food ministry has only been able to buy, as of July 15, less than 30 percent of its paddy purchase target of 4 lakh tonnes.

In stark contrast is the government's progress in buying rice from millers. Since the procurement began on April 25, it has bought 69 percent of its target of 11.5 lakh tonnes.

An expert has said the government is unlikely to achieve its buying targets before the deadline.

However, Food Minister Sadhan Chandra Majumder told The Daily Star on Monday, "We could not buy paddy directly from farmers in the last 10 days due to heavy rain and flood in some areas. But we have already formed 20 teams and sent them to various districts to expedite the paddy procurement."

He said they have also instructed local offices to speed up buying rice too.

On July 15, the minister asked all deputy commissioners to ensure that paddy is bought directly from farmers.

The offices of the Upazila Controller of Food buy paddy from farmers at the upazila level, and the offices of the District Controller of Food at the district level. The UNOs

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