

# Star BUSINESS

## MAJOR SCAMSTERS AND MONEY SWINDLED

### ALLEGED SCAMSTERS: SHEIKH ABDUL HYE BACCHU AND ASSOCIATES

Affected bank: BASIC Bank  
Amount of money swindled: Tk **4,500cr**  
Period: 2009 to 2013  
Legal process: ACC filed **60** cases since July 2014; Bacchu was not made accused

### ALLEGED SCAMSTERS: PK HALDER AND ASSOCIATES

Affected NBFs: International Leasing and Financial Services, Peoples Leasing and FAS Finance  
Amount siphoned off: Tk **10,000cr**  
Period: 2009 to 2019  
Legal process: ACC filed **34** cases against Halder

### ALLEGED SCAMSTER: HALL-MARK GROUP

Affected bank: Sonali  
Amount swindled: Tk **3,550cr**  
Period: 2010 to 2012  
Legal process: Sonali Bank filed 16 cases, ACC filed **11** cases



### ALLEGED SCAMSTER: CRESCENT GROUP

Affected bank: Janata  
Amount swindled: Tk **1,746cr**  
Period: 2017 to 2018  
Legal process: ACCI filed **5** cases

### ALLEGED SCAMSTERS: MD MAHABUBUL HAQUE CHISTRY AND ASSOCIATES

Affected bank: Farmers Bank (Now Padma)  
Amount swindled: Over Tk **3,500cr**  
Period: 2014 to 2016  
Legal process: ACC filed **15** cases

### ALLEGED SCAMSTER: BISMILLAH GROUP

Affected banks: Janata, Prime, Jamuna, Shahjalal Islami and Premier Bank  
Amount swindled: Tk **1,175cr**  
Period: 2006 to 2012  
Legal process: ACCI filed **12** cases

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## CEPA with India should be partially reciprocal

### Say economists, businesses

REFAYET ULLAH MIRDHA

The proposed comprehensive economic partnership agreement (CEPA) with India should be partially reciprocal, not fully, as India has a big economy and a huge basket of diversified products for export, said economists and businesses.

An inter-ministerial meeting of the government on Monday approved starting negotiations with India for signing a CEPA.

Bangladesh is lobbying with major trading partners to retain its preferential trade benefits once it makes the United Nations status graduation from a least developed to a developing country in 2026.

A CEPA with India will be a good initiative for deepening relationships in trade, investment and connectivity, said Mustfizar Rahman, a distinguished fellow of the Centre for Policy Dialogue.

**If a fully reciprocal CEPA is signed in the beginning, Bangladesh may not be able to enjoy benefits from the trade deal which covers investment, trade and services sectors, said Mustfizar Rahman, a distinguished fellow of CPD**

But it should not be fully reciprocal as India's economy is big, he said.

Currently, Bangladesh's share in bilateral trade is one fourth, with India dominating with a lot of export items.

So, if a fully reciprocal CEPA is signed in the beginning, Bangladesh may not be able to enjoy benefits from the trade deal which covers investment, trade and services sectors, Rahman said.

The deal will obviously waive a handsome amount of import duties on Indian products, impacting revenue generation, which is a concern for Bangladesh, he said.

Rahman, however, said the CEPA should not be considered only a measure for tariff reductions but also a platform for attracting foreign investment and trade not only from India but also from other countries.

The deal should also facilitate investment from other countries into Bangladesh and allow duty benefits on export of goods from Bangladesh to India, he said.

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# Scams crippling banking sector

AKM ZAMIR UDDIN and SOHEL PARVEZ

A little-known firm named SB Exim allegedly swindled Tk 200 crore from Bangladesh Commerce Bank Ltd (BCBL) using forged documents in the name of exporting terracotta tiles in 2018.

The firm laundered the fund since it did not bring back the export proceeds as happen in the case of genuine exporters.

BCBL was later forced to create a loan against the payments made to the borrower as it had not received the money from foreign banks.

Subsequently, the loan defaulted and BCBL rescheduled it in November last year without informing the central bank.

In a shocking move, the Bangladesh Bank allowed BCBL to reschedule the defaulted loan in violation of its own rules since banks can't regularise bad loans that have been secured through forgery.

In Bangladesh, such financial scams in the banking sector are not rare. In fact, they seem to take place every now and then amid a lack of governance and inaction from regulators.

As a result, the public, who are the main sources of funds for lenders, are losing trust in the banking sector, whose job is to support the economy.

The crisis in the banking sector has reached a point where even the top court of the country has had to make observations about the anomalies facing it.

Yesterday, a High Court bench, during the hearing of a petition filed in a loan related corruption case, observed that serious crimes are being committed in the banking sector.

"If the offences continue to be committed, how will the country progress?" questioned the bench of Justice Md Nazrul Islam Talukder and Justice Khizir Hayat asked.

This is not the first time the High Court has made such an observation.

In January 2021, the HC said a section of Bangladesh Bank officials, tasked with monitoring the activities of banks and financial institutions, are harbouring

financial thugs for personal gains.

Still, the financial crimes in the banking industry show no signs of slowing down.

This is because the government has not taken any strict measure to rein in irregularities. And, there is an unholy nexus among politicians, bankers and business magnets to swindle funds from banks, according to experts.

In a disappointing sign, both the government and the central bank took several measures such as relaxing the rules on loan classifications and rescheduling, helping the industry camouflage the scams and thus paint a rosy picture.



Although several earth-shaking financial felonies took place in the sector, most of the main accusers are yet to face any music, encouraging the wrong doers to get bolder and helping the culture of impunity to take root.

For instance, BASIC Bank, which was once one of the top-rated banks until Sheikh Abdul Hye Bacchu was appointed board chairman in 2009, has been facing a reputation crisis following the scams that took place between 2009 and 2014.

In December 2009, the state-run lender's soured loans accounted for only 4.81 per cent of its total loans. In March, default loans made up 55 per cent of the total outstanding loans.

The Anti-Corruption Commission (ACC) has so far

filed 60 cases in connection with the scam, but ironically Bacchu was not accused in the lawsuits.

Earlier, a little-known Hall-Mark Group put Sonali Bank, another state lender, in spotlight after its erstwhile Ruposhi Bangla Hotel branch lent the company and five other firms Tk 3,547 crore between 2010 and 2012 based on fake documents.

Both the then board and the management of Sonali Bank were largely responsible for the scam. The bank has hardly recovered the swindled fund from the scammers.

Another scamster, Prashanta Kumar Halder, allegedly jeopardised the financial health of four non-banks after he and his cohorts laundered more than Tk 2,500 crore. Fugitive for about two years, he was arrested in India on May 14.

Mu'inul Islam, an economics professor at the University of Chittagong, says the government has not taken any exemplary action against delinquent borrowers.

"What is even more alarming is that the central bank has relaxed policies to help banks show a lower amount non-performing loans compared to the actual amount." "A vested quarter is laundering money from the country, but the government has hardly taken any measure to stop them."

Scammers mainly launder the fund in the form of under-invoicing and over-invoicing in the name of exports and imports.

Had the laundering been tackled, Bangladesh's foreign exchange reserves would have been in a much better shape today, according to the economist.

"This means we would have been able to avoid the ongoing volatility in the foreign exchange market to a large extent."

Bad loans totalled Tk 113,441 crore in March this year, just shy of the highest-ever of Tk 116,288 crore recorded in September 2019.

ABM Mirza Azizul Islam, a former finance adviser to a caretaker government, says that there is an unholy nexus between politicians, bankers and business magnets to embezzle funds from banks.

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## Despite huge hype, Biman's first Toronto flight half empty

RASHIDUL HASAN

In spite of massive preparations undergoing for long, Biman Bangladesh Airlines' much-awaited maiden commercial flight on the Dhaka Toronto route will run today with around 138 seats empty.

So far 160 tickets for the flight to Toronto has been sold online while 171 for the return flight to Dhaka, Managing Director and CEO Zahid Hossain told The Daily Star.

The flights will be run using Boeing 787-9 Dreamliner aircraft which has 298 seats.

Sources in Biman said if the number of passengers did not increase, the flight would not be commercially viable. Initially the Biman authorities claimed it would be a direct flight but later announced that there would be a stopover in Istanbul, Turkey for 1 hour for refuelling.

During the stopover, passengers will not be allowed to disembark.

However, the flight will return directly to Dhaka from Toronto, Biman said in a press release yesterday.

Two weekly flights will be operated on the route. The return fare in economy class has been fixed at Tk 1.80 lakh, said sources at the Biman Bangladesh Airlines.

The maiden flight of BG-305 will leave Hazrat Shahjalal International Airport at 3:30am on July 27.

This will recur every Sunday and Wednesday.

The flight will land in Istanbul around 9:00am local time and then fly again to reach Toronto around 2:00pm local time. The return flight will also begin every Sunday and Wednesday at 9:00pm and 7:30pm respectively local time. It will be non-stop for 16 hours before making the landing in Dhaka.



Farmers reap jute harvests in advance as some 680 hectares of plantations in Bogura's Sariakandi upazila have been damaged for recent floods. They apprehend another deluge while water of the adjoining Jamuna river has been rising for the past three days. The photo was taken at Batir Char in the upazila on Monday.

PHOTO: MOSTAFA SHABUI

## BB moves to cut banks' energy consumption

STAR BUSINESS REPORT

The Bangladesh Bank yesterday set a target for banks to cut their electricity and energy consumption for the next one year in keeping with the government's move aimed at saving power amid deepening energy and foreign exchange crises.

Banks have to cut back on their allocation for the use of petrol, diesel, gas and lubricants by at least 20 per cent, said the central bank in a notice.

The budget has to be slashed by 10 per cent in the July-December period of 2022 and by another 10 per cent between January and June of 2023.

Besides, banks will have to save 25 per cent of their budget set aside for paying electricity bills.

The funds that would be freed up from the

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