Padma Bank MD resigns

STAFF CORRESPONDENT

Tarek Reaz Khan, managing director of the embattled Padma Bank, has resigned from his post citing personal reasons.


Tarek Reaz Khan

Khan, who took charge of Padma Bank in March last year on a three-year tenure, handed in his resignation letter to the bank on Sunday, a director of the bank confirmed to The Daily Star. He asked not to be named.

The director, who asked not to be named, did not share the contents of the letter.

Faisal Ahsan Chowdhury, the deputy MD of Padma Bank, said he was unaware of Khan stepping down.

"He is on leave as his wife is suffering from cancer," Chowdhury said.

Khan, who was the ten-year-old bank's fourth MD and chief executive officer, did not respond to The Daily Star's request for comment.

Neither did the bank's chairman Chowdhury Nafeez Sarafat.

Khan's resignation comes at a time when the bank is mired in a liquidity crisis.

It was struggling to make the instalments every six months for a Tk 55 crore penalty it faces for failing to maintain the minimum level of cash reserve from 2017 to 2019.

The penalty was supposed to be cleared by 2025 but Padma will get until April 2028 to do so after the Bangladesh Bank board last month agreed to the time extension considering its fund crunch.

This comes after the BB in March 2021 waived a Tk 89 crore penalty for the bank levied for its failure to maintain the minimum level of liquidity between October 2017 and December 2019.

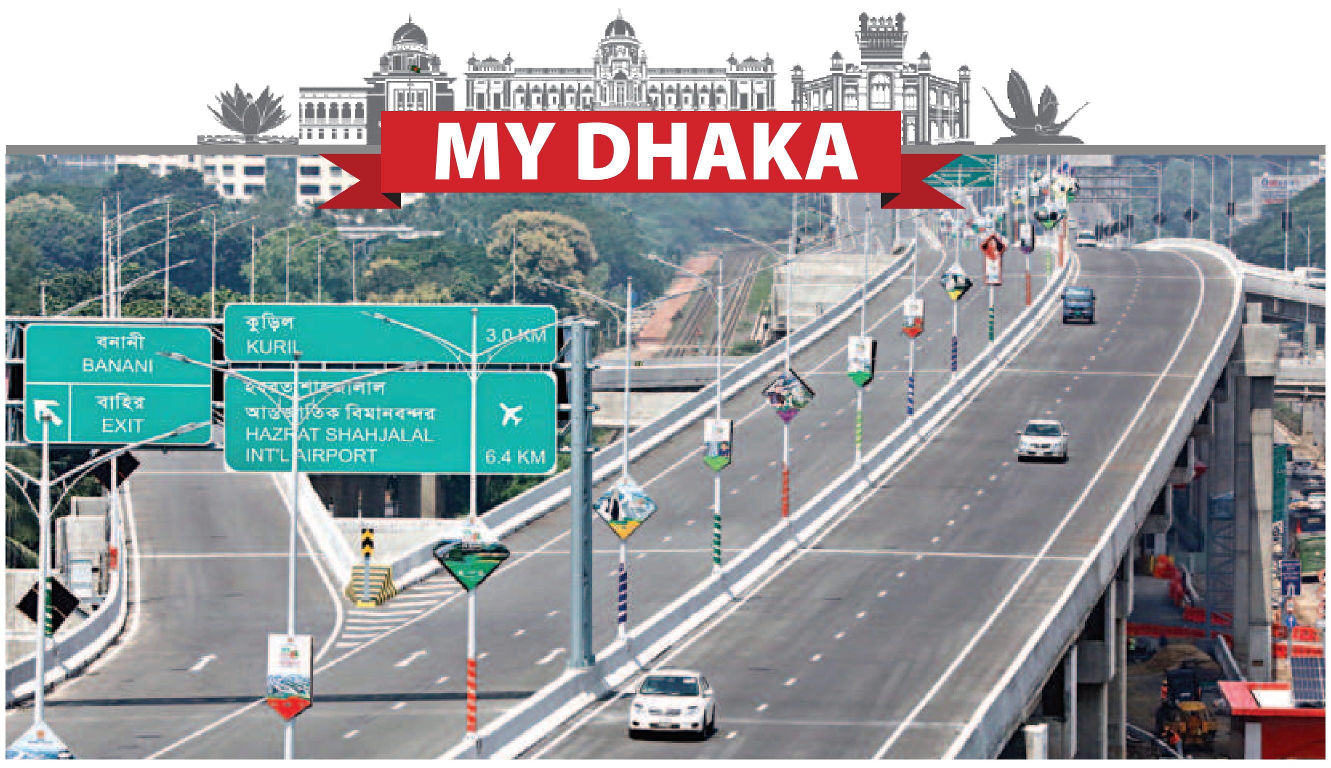
The bank, which was called Farmers Bank until 2019, is also unable to return Tk 25.4 crore to the Bangladesh Telecommunication Regulatory Commission.

Established in 2013, the bank became a hotbed for financial irregularities in less than three years of setting up shop. More than Tk 3,500 crore was siphoned out from the bank between 2013 and 2017, according to the BB.

Allegations of corruption against Muhiuddin Khan Alamgir and Md Mahabubul Haque Chisty, the then board chairman and chairman of the audit committee respectively, became deafening and depositors, which included government agencies, started pulling out money.

The two were forced to resign in November 2017, and the government stepped in to rescue the bank in 2018.

The state-owned financial institution Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank bought 60 percent stakes in the bank for Tk 715 crore.



KAWLA TO FARMGATE IN 9 MINUTES

Dhaka Elevated Expressway fulfilling commuters' dreams

RBR

The song "Top of the World" by The Carpenters was the only way for me to describe my euphoria upon reaching my work place in Kazi Nazrul Islam Avenue at Farmgate in just under 35 minutes.

I experienced an almost child-like cheerfulness when I took the Dhaka Elevated Expressway from Kawla point and landed at an exit on Indira Road in just under 9 minutes, leaving behind the chaotic traffic below.

I did not have to wait at my regular six to seven deadly traffic signals en route to work through the Mymensingh road. On top of that, I completely bypassed the airport crossing traffic because of the two new Bus Rapid Transit overpasses.

Thus, in 20 minutes or so, I was in Farmgate from Uttara. For me, this was as good as dying and going to heaven.

For the last 18 years or so, I have been commuting to work from the suburbs of Uttara, pushing through insane traffic jams day in and day out. On many nightmarish occasions, it took me two and a half hours to reach Farmgate, Karwan Bazar, or the Sonargaon crossing.

I will talk about one chaotic night, when I reached home at 4:00am after leaving a social event in Dhanmondi around midnight. Such delays also occur when we face VIP movements or any political event.

I am not exaggerating my traffic anxiety one bit -- Uttara truly was a forsaken place.

I actually schemed so many detours -- through Beribandh, Bashundhara and Badda crossing into Hatirjheel, Banani via Gulshan on to Hatijheel, and more.

But now, all this traffic-related road angst comes to a befitting end, and for just Tk 80, thanks to the Expressway.

It is true that when you land in Farmgate, the jam is just as pronounced as ever, but one signal can easily be managed compared to facing signals throughout the entire commute.

নগদ
ডাক বিভাগের ডিজিটাল লেনদেন

Many Dhakaites are arguing on the pros and cons of this route, and the toll fare seems a little high for some. But for those living in Uttara, Gazipur, and beyond, this is nothing short of a godsend.

I will be spending Tk 4,800 extra on tolls monthly, but I will be able to escape all of the usual signal traffic below. I will also be able to save fuel.

The fine calculations that all the drivers and commuters are doing now should keep in mind that not all gains are monetary.

With the Expressway, we don't have to deal with ill-behaving motorbikes and minibuses, whimsical jaywalkers, or wait at signals for 15 to 20 minutes.

From the health aspect, we have to spend less time cooped up in cars, meaning our backs will live to fight another day, and our minds will be much less drained from dealing with arduous gridlocks.

From the social aspect, you no longer have to mark calendars for days when it's best to venture to the rest of Dhaka city, like Dhanmondi, or New Market. Now, you can go when the mood takes you. Plus, it also opens up Uttara to more people.

With the Metro Rail and now the Expressway, the connectivity within Dhaka and its outskirts has become so much more trouble-free.

So, coming from someone who had to commute from Uttara to Farmgate the "old fashioned way" for around 18 years -- all hail the Elevated Expressway!

Another mahout killed in elephant attack

OUR CORRESPONDENT, *Moulvibazar*

A 45-year-old mahout died after being attacked by an elephant in the Sagarnal union of Moulvibazar's Juri upazila on Monday evening.

The deceased Golam Mustafa worked for MA Rahman Atiq, former chairman of Karmadha union in Kulaura upazila, who also owns the elephant.

Incidentally, another mahout named Russell Mia, 40, also died in an attack by the same elephant on May 7.

Mustafa's body was sent to Moulvibazar Sadar Hospital for autopsy yesterday morning, say police.

Atiq said, "My elephant has been roaming the Harargaj and Sagarnal hills for months now. I wanted it back, so I sent Mustafa with six others. He was attacked in the process of fetching the elephant."

Financial assistance will be provided to his family, he added.

Meanwhile, Humayun Kabir, inspector of Juri Police Station, said, "If the victim's family files a complaint with police, legal action will be taken against the owner of the elephant."

Bangladeshi siblings drown in Gulf of Oman

UNB, *Chattogram*

Two Bangladeshi migrants drowned in the Gulf of Oman while taking a bath in Al Shifa beach area in Muscat early Monday.

The deceased were identified as Abbas, 25, and his brother Azad, 20, sons of late Ahmed Hossain, hailing from Chandgaon Para under Nazirhat Municipality of Chattogram's Fatikchhari upazila.

According to locals, the two brothers had been living in the Hamriyah area of Oman for a long time.

After their father died recently, they along with other family members returned to Bangladesh.

Later, both went back to Oman leaving behind their mother.

Quoting family members, Md Shahjahan, councillor of Nazirhat Municipality, said the two brothers went to Al-Sifah Beach around 3:00am (local time) on Monday. While bathing, Abbas and Azad were carried away by a strong wave and went missing.

Later, Oman Royal Police recovered the bodies of the two brothers.

Their bodies were kept in the morgue of Qurum Royal Police Hospital in Muscat, Councillor Shahjahan added.

151 Bangladeshis return home from Libya

UNB, *Dhaka*

A total of 151 Bangladeshi nationals, who were detained in Libya for residing there illegally, were brought back home yesterday.

They arrived at Hazrat Shahjalal International Airport around 6:45am from the Benghazi Ganfuda Detention Centre with the help of the International Migration Organisation (IMO).

Major General Abul Hasnat Mohammad Khairul Bashar, Ambassador of Bangladesh to Libya, visited them at Benghazi Benina Airport on Monday.

He also asked them to avoid illegal and risky immigration.

Earlier, on July 31, some 131 detained Bangladeshis returned home from Libya's Tripoli with the help of IOM through the necessary process.

Burden of capacity charges heavier than thought

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companies are taken into account, this figure stands at Tk 99,279 crore, according to year-wise production and fixed cost data obtained from the Power Development Board.

As of last year, there were at least 151 power plants in the country -- 63 in public sector and 88 in private sector.

Of these 151 plants, The Daily Star has identified 68 plants -- 42 in the public sector and 26 in private sector -- that produced 10 percent or less of their Plant Load Factors (PLF) for at least one of the last five fiscal years. In those low-performing years, the total fixed costs for the state-owned plants were Tk 4,141 crore, while the private companies took Tk 7,739 crore.

PLF -- a measure of a power plant's capacity utilisation -- is calculated by dividing the total electricity generation in a year by its annual net generation capacity, multiplied by 100.

Between FY 2017-18 and FY 2021-22, eight of the 68 plants produced less than 10 percent in each of the five years while six plants produced less than 10 percent in four consecutive years. Eleven of these 14 plants are state-run.

Together, these 68 plants were paid Tk 29,146 crore in capacity payments during these five fiscal years, which is 29 percent of total expenditure in capacity charges, according to PDB data.

The CPD estimates that as much as 25 percent of the total yearly subsidy allocations goes to the power sector, most of which is channeled to meet the capacity payments.

"In our calculation, the overcapacity will reach 50 percent by 2025. The power plants that have low efficiency should be phased out immediately. But the government keeps those plants as it wants to show that it has increased production capacity in its tenure," said CPD Research Director Dr Khondaker Golam Moazzem.

DEMAND-SUPPLY GAP

The country's total gas supply from domestic production and imports is far too short of the demand. Currently, the gas supply stands at 2,700 to 2,900 mmcfd against the demand for 3,600 to 3,800 mmcfd.

Due to this demand-supply gap, the government has to ration gas from one sector to another. This ultimately affects the power sector, which presently gets around 1,200mmcfd of gas against the demand for around 1,700 to 1,800 mmcfd.

"I don't know how the government plans to build more gas-fired power plants without ensuring gas for those power plants and how it guarantees to supply gas," said Prof M Tamim, an energy expert.

Prof Tamim, who teaches at Petroleum and Mineral Resources Engineering department of Buet, said at least three gas-fired power plants are ready to operate, but they cannot start production as the government is unable to supply gas as per the agreements.

Recent PDB data show Tongi 105MW power plant has zero gas supply against its demand for 26 mmcfd.

"We face a severe gas crisis in this area. We generate electricity when we get adequate gas," plant Manager Mohammad Atiqur Rahman said.

Mohammad Jahangir Alam, additional chief engineer of Shiddirganj plant, said the plant has been under maintenance since 2019.

"The Russian contractor is unable to supply some equipment due to the Russia-Ukraine war," he said.

Except for Tongi and Siddhirganj power plants, the six other plants that produced less than 10 percent PLF are Khulna Power Station, Bangla Trac Power Unit 1, DGD Dhaka, Bhola Power Plant, Kutubdia Power Plant and Sandwip Power Plant.

Several units of Ghorashal power plant, Chattogram Power Station, Bibiyana Power Station, Shikalbaha 150MW, Shikalbaha 225MW Power Stations are the other state-owned gas-fired power plants that produced under 10 percent of their PLF for at least one year out of the last five years.

The 11 diesel-fired power plants in the public sector sat completely idle for at least two of the five years. During this period, they received operations and maintenance cost worth Tk 592 crore.

"Some power plants are not getting gas supply, which is a problem. But when the companies set up the plants, they took bank loans. They need to repay the loan no matter what. Besides, there is staff salary, operations cost and so on. That is why the provision for capacity payments has been put in place," said Mohammad Hossain, director general of Power Cell under the Power Division.

'WRONG MODEL'

Experts have long been criticising the model in Bangladesh's power sector, especially the capacity payments rate that disproportionately benefits the big corporations.

In July this year, a government report itself acknowledged that the practice of paying capacity charges to power plants is a reflection of ill-motivated contracts.

"This system is not sustainable," said the report by the Implementation, Monitoring and Evaluation Division (IMED) of the Planning Commission.

However, the report has since been taken down from the government website, and two officials involved in preparing the report were withdrawn and made Officers on Special Duty, which is considered a punishment in civil bureaucracy.

According to Prof Tamim, Bangladesh is "misusing" the capacity payment model.

For example, among the power plants earning huge capacity charges are some furnace oil and diesel-based plants known as "peaking" power plants. These plants are meant to supply only during emergency or during peak hour -- hence the name.

"The power plants that are meant to supply electricity only during crisis period usually produce 5 to 15 percent of the Plant Load Factor. But we sign contracts with them to pay for the whole year. This is the problem," said Prof Tamim.

In some countries, governments are the sole buyers and they pay capacity charges only to the base-load power plants, which run 24/7. Under the contracts, governments must buy at least 80 percent of the electricity generated per year.

"The question of capacity charges arises only when the government fails to buy the agreed upon electricity," he noted.

As for the "peaking" power plants, Prof Tamim said that in many other countries, there is no question of paying capacity charges for such plants. Instead, tariffs for these plants are set at a rate higher than the base-load plants.

In countries with multiple-buyer system, including in India, governments or private sector suppliers enter into need-based contracts with the power plants and buy the required electricity at a negotiated price. This benefits both the plants and consumers, as there is a competitive environment.

"But we've signed contracts with them for at least 80 percent of the Plant Load Factor," Prof Tamim said.

In addition, some of these plants have long been out of operations and the government had a plan to scrap them in 2008-2009. But these plants are shown operational on papers, and they get large money to pay staff salaries and other expenses.

"The government does this to show high generation capacity," said Prof Tamim.

As of September 5, the country has 24,171MW power generation capacity a day, but produced highest 15,648MW on April 19. On September 3, the total power generation was 13,824MW against the demand for 14,399MW. When demand rises, PDB needs to shed the load which causes power outages.

Many plants are also in the pipeline and the government plans to increase the capacity to 40,000MW by 2030 and 60,000MW by 2040.

Power Cell Director General Mohammad Hossain said retirement of a power plant is a continuous process. "When a contract is over, the Power Development Board shuts the plant down."

When pointed out that this is not the case for many low-efficient and old plants, he said, "We have found such a scenario in some plants. Officials employed at those plants worry about their job status in case those plants are shut down. But the ministry always puts pressure [on PDB] to phase them out in time."

However, he stressed the need for keeping some plants idle in areas where there are no big plants for the emergency period.

"But if it is found that some plants are getting payment for years without producing electricity, it should be taken care of," he added.

Repatriation may start

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The Myanmar government said several voluntary organisations, including Asean Coordinating Centre for Humanitarian Assistance (AHA Centre) and UNHCR, will be engaged during the repatriation process.

The meeting in Naypyidaw also discussed other initiatives like livelihood activities, education and healthcare facilities for the repatriated Rohingyas in Rakhine.

Bangladesh is now hosting more than one million Rohingyas, most of whom fled Myanmar after the August 2017 military crackdown on the ethnic minority group in Rakhine.

Two attempts at Rohingya repatriation failed in 2018 and 2019, with the Rohingyas saying there was no guarantee of safety and citizenship in Myanmar.

Dhaka and Naypyidaw are now in talks for the repatriation of 3,000 Rohingyas by December this year.

Chinese Special Envoy for Asian Affairs Deng Xijun visited Dhaka twice this year -- in April and on August 1.

Bangladesh Foreign Secretary Masud Bin Momen also visited China and met the Chinese and Myanmar officials in Kunming on April 18.

Deng Xijun, during his meeting with Bangladesh officials, had said Myanmar agreed to settle the Rohingyas in their original villages -- a demand that the Rohingyas had been making in response to Myanmar's earlier plan of resettling Rohingya's in camps or model villages.

Tigers begin Super 4 against Pakistan

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group stage -- through a hamstring injury. It will be a tough ask for the team management to replace Shanto, who was one of Bangladesh's best batter in the last year or so.

However, the return of Liton Das, who joined the team after recovering from viral fever, will come as a big relief.

As far as personnel is concerned, Bangladesh may come up with a different team combination from the Afghanistan match, considering the threat from Pakistan's fearsome pace bowling attack comprising Shaheen Shah Afridi, Haris Rauf and Naseem Shah.

Pakistan's strong batting line-up, led by skipper Babar Azam who hit 151 in their opening match against Nepal, will also pose great challenge on the batting friendly surface of Gaddafi.

Although Bangladesh lost against Pakistan by 94 runs in their last meeting during the 2019 World Cup, the Tigers can take positives from their last win over the same opposition during the last 50-over Asia Cup five years ago.