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Aamar Bond not IFIC's

Little-known realtor uses IFIC Bank's name to issue Tk 1,000cr bonds

AHSAN HABIB

A real estate company has issued bonds by offering eye-popping returns to raise funds for a gigantic housing project in Gazipur, a normal development on the surface. However, the way the Tk 1,000 crore bonds have been presented to prospective investors has raised questions, because it looks as if a private commercial bank has rolled out the financial instrument, and not the realtor.

What is more, the possibility of a conflict of interest has surfaced since an influential businessman, Salman F Rahman, and his son Ahmed Shayan Fazlur Rahman, are partners of the realtor as well as shareholders of the bank.

All of these came together to create a dizzying investment avenue for risk-takers, and it could pose a graver risk to the bank that is owned mostly by the government and retail investors than to Salman and his son.

IFIC Bank PLC, the private bank in question, has recently announced the completion of the subscription of the five-year IFIC Aamar Bond, meaning all the bonds worth Tk 1,000 crore have already been sold in just over a month.

- IFIC allows real estate company to issue bonds using its name
- The Tk 1,000cr bonds carry high risk of default
- The name "IFIC Aamar Bond" is misleading for investors
- High-level conflict of interest involved
- Bond issuer STL has no experience in real estate
- Salman F Rahman and his son Ahmed Shayan Fazlur Rahman are the partners of STL and shareholders of IFIC
- Beximco, where Salman and his son have stakes, gave land to the realtor
- Beximco may get the construction job of the Tk 6,094cr housing project

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"It's nothing but a complete financial engineering to raise funds.... I don't know how the BSEC has approved the bond that is huge in size."

Faruq Ahmad Siddiqi
former chairman of the BSEC.



"Since STL is a new company, it will need time to generate revenue, so a bank will pay on behalf of the company first and the lender will take it from the company later."

Mohammad Rezaul Karim, BSEC spokesperson

"The projected cash flow [of STL] is adequate to cover the repayment."

Beximco

"This type of trickery is rare in the banking sector. The central bank should ask IFIC Bank to explain how it allowed its name to be used in such a manner."

Managing Director of a private bank



This canal in Gazipur's Baimail area has turned into a narrow drain due to accumulation of silt and years of waste dumping by garment washing plants and dying factories. The photo was taken along the Kailakoir-Tangail road recently.

PHOTO: RASHED SHUMON

ATTACK ON CJ'S RESIDENCE Fakhrul denied bail again

Prosecution seeks maximum penalty for Abbas in graft case

COURT CORRESPONDENT

A Dhaka court yesterday denied BNP Secretary General Mirza Fakhrul Islam Alamgir bail in a case filed over the October 28 attack on the chief justice's residence for the second time.

The first time he was rejected bail in the case was on October 29.

At the hearing yesterday, Fakhrul's lawyer Masud Ahmed Talukder told the court that his 81-year-old client had a heart disease and other ailments.

He was not present at the scene of the vandalism, and police did not submit a remand petition after arresting him, Masud added.

Besides, the three witnesses named by police are not residents of the capital.

"It is a matter of regret that Fakhrul, the secretary general of a major political party, is arrested in a case filed over throwing crude bombs, vandalising vehicles and assaulting policemen," he said.

Since the prosecutors have not specifically mentioned how Fakhrul was involved, his bail petition should be approved, said the lawyer.



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'King's parties' rounded up for polls

RASHIDUL HASAN and

TUHIN SHUBHRA ADHIKARY

Little-known and recently-formed political parties have started announcing that they are taking part in the polls, as the government seeks to get as many registered parties as possible to run.

These small parties are said to be being bolstered to make the January 7 election look participatory since the BNP, its allies, and some other parties have decided to boycott any election under Sheikh Hasina-led government, analysts said.

With the election around a month and a half away, Bangladesh Kalyan Party and Bangladesh Muslim League, who had been with the BNP waging an oust-the-government movement, had a sudden change of heart and announced yesterday that they would join the race.

Their move came within a week after Awami League General Secretary Obaidul Quader said many political parties and individuals would eventually decide to take part in the polls.

Yesterday, Quader hinted again that more parties would join. "To those who were worried as to who will participate and who will not ... flowers have started to bloom. More flowers will soon be in bloom.

Hundreds will be there before the deadline for submitting nomination forms. Hence, there is no reason to worry. We are happy."

Trinamool BNP, Bangladesh Nationalist Movement (BNM), and Bangladesh

With the election around a month and a half away, Bangladesh Kalyan Party and Bangladesh Muslim League, who had been with the BNP waging an oust-the-government movement, had a sudden change of heart and announced yesterday that they would join the race.

Supreme Party (BSP), which got the Election Commission's registration this year, are frantically trying to absorb breakaway BNP leaders and leaders of some little known Islamist parties.

Such moves are seen by many as the government's attempt to have more parties

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No transfer of official, cop without valid ground

Says Election Commissioner Md Alamgir

STAFF CORRESPONDENT

Election Commissioner Md Alamgir has said the Election Commission will not take any initiative to transfer any field-level administration and police officials unless there is a valid reason for it.

"If an official's actions demonstrate that they are not neutral, the EC will take steps to transfer them. We will take such initiatives only after it is found to be true," he told reporters at his office yesterday.

Alamgir said the commission moved on transferring the Jamalpur deputy commissioner even before the announcement of the schedule for the national election as he spoke in favour of the local lawmaker from the ruling party.

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Six private banks' bad loans soar 55pc in nine months

MD MEHEDI HASAN

Bad loans in six private banks increased by about 55 percent in the first nine months of the year, raising further alarms about the health of the banking sector.

At the end of September, the soured loans of National Bank, One Bank, AB Bank, Bangladesh Commerce Bank (BCB), Padma Bank and ICB Islamic Bank together stood at Tk 27,931 crore, according to data from the Bangladesh Bank.

The six lenders together accounted for 34.25 percent of the total defaulted loans of the 43 private banks at the end of the third quarter of 2023.

Of the six banks, cash-strapped National Bank's defaulted loans rose the most between January and September of this year: it stood at Tk 13,514.6 crore, up from Tk 6,658.5 crore.

Md Mehmood Husain, the managing director of National Bank, pinned the blame for the doubling of the defaulted loans in just nine months to a move away from the manual system for loan classification to an automated one.

"In recent months, we have recovered a good portion of the defaulted loans, so our bad loan figure will be less in the last quarter of the year."

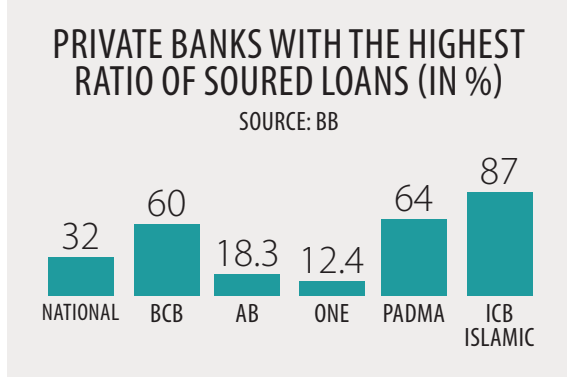
Thanks to the high volume of defaulted loans, which accounts for 32 percent of its total outstanding credit, the 40-year-old bank continues to face a staggering provisioning shortfall of Tk 1,379.75 crore as well as liquidity shortage.

Husain blamed the drying up of

could not be reached for comment.

The defaulted loans of BCB, where Chattogram-based conglomerate S Alam Group has a stake, increased 38.8 percent during the period to Tk 1,374 crore.

The increase in BCB's defaulted loans, which accounts for 60 percent of its total



government deposits for the liquidity shortage.

"We need more time to fix our problems," he added.

AB Bank, another first-generation private bank, saw the next big jump in defaulted loans in the first nine months of the year: by 48.6 percent to Tk 5,941 crore.

Tarique Afzal, the MD of AB Bank,

outstanding credit, was due to vacating the writs that were filed by the errant borrowers, said Md Tajul Islam, its MD and chief executive officer.

"On paper, our bad loans increased much. But in reality, it is not so high," he said, while citing BCB's spirited loan recovery in recent times.

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JP finally decides to join election

Chunnu says the party's polls preparations almost complete

STAFF CORRESPONDENT

Ending all speculation, Jatiya Party has announced that it will run in the general election as it has assurance from different stakeholders that the polls will be free and fair.

JP Secretary General Mujibul Haque Chunnu made the announcement at a press conference at the party chairman's Banani office yesterday.

The declaration came two days after a delegation of JP leaders, loyal to party Chief Patron Raushan Ershad, in a meeting with Home Minister Asaduzzaman Khan raised the concern that their participation in the polls hangs in the balance as party Chairman GM Quader was yet to make the final decision in this regard.

Chunnu yesterday said the party has completed almost all preparations for the January 7 parliamentary polls.

"We have always said that we want an environment of trust which would enable voters to go to the polling stations and cast their ballots freely.

"We have been assured by all the stakeholders concerned, including the Election Commission, that the polls will be free, fair, and acceptable, and the voters will be able to exercise their franchise freely," he said.

Chunnu said the JP chairman trusted the assurance and decided to run in the election.

"On the instructions of the party chairman, I am officially announcing that Jatiya Party will participate in the election."

Responding to a question, the JP secretary general said the party will not join any electoral alliance, and that it will field candidates in all 300 constituencies.

"We will not go for seat-sharing with any other party. We hope that we will be able to put up a strong contest in all 300 constituencies," Chunnu said.

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