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NRB Commercial (NRBC) Bank has often made headlines for alleged money laundering, loan irregularities, over-expenditure and recruitment anomalies. In 2017, Bangladesh Bank had to intervene to dissolve the bank's board and remove its managing director Dewan Mujibur Rahman over a loan scandal involving Tk 700 crore. The then chairman Farasath Ali had to resign from the board. Both Mujibur and Farasath were banned from bank directorship for two years by the BB, and the board was subsequently restructured. The new board is headed by a chairman against whom allegations of irregularities were already rife, and the bank continues to be dogged by anomalies. A six-month investigation by The Daily Star based on hundreds of pages of documents reveals numerous irregularities and even gun toting inside the bank.

The second installment of this four-part series tells the story of how the bank's Uttara branch sought to hide the trail of capital flight in the name of RMG export.

Capital flight covered up

ZYMA ISLAM and PARTHA PRATIM BHATTACHARJEE

Export proceeds worth at least \$3.45 million (Tk 34.41 crore) were not repatriated by six customers of NRB Commercial Bank's Uttara branch, and the branch concealed the trail of the capital flight, according to the bank's internal audit and case documents.

Additionally, five of these companies failed to make any exports at all against LCs worth

\$8.27 million (Tk 90 crore), leaving the bank grappling with dollars going out and none coming back in.

The amount was later turned into forced loans by the branch over the last four years, according to the bank's internal audit report dated August 19, 2021.

Meeting minutes show that

these forced loans were then converted into general loans to be rescheduled again and again, thereby covering up the tracks.

These companies, one of which is linked to Adnan Imam, the chairman of the bank's executive committee, collected bills against the orders without submitting shipping

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Kejriwal held over liquor policy scam



NDTV ONLINE

Delhi Chief Minister Arvind Kejriwal was arrested yesterday by India's anti-money laundering probe agency in a case linked to the state's liquor policy.

The arrest came hours after the Delhi High Court refused to grant protection to Kejriwal, who is Aam Aadmi Party's national convener, from any coercive action by the agency.

He became the first sitting Indian CM of an Indian state who has been arrested.

Kejriwal, 55, is a front-ranking leader of a loosely-crafted opposition alliance under the banner of Inclusive National Developmental Alliance (INDIA) which seeks to topple the government of Prime Minister Narendra Modi in the coming parliamentary elections to be held in April-May.

BJP had demanded Kejriwal's resignation as chief minister on moral grounds.

Kejriwal was scheduled to be produced before a court later yesterday.

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External debt crosses \$100b for first time

MD MEHEDI HASAN

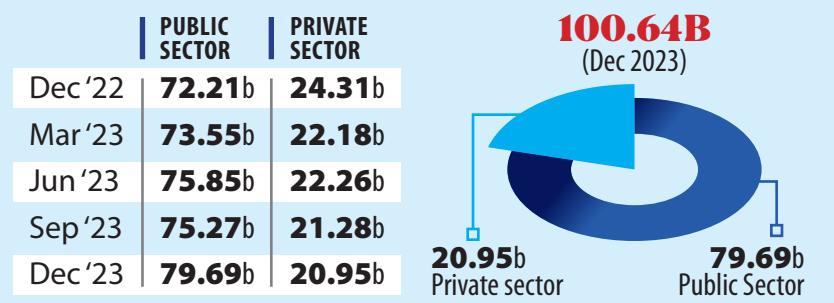
Bangladesh's external debt has crossed the \$100 billion mark for the first time, indicating a challenging future amid foreign exchange shortage.

At the end of 2023, the overall external debt stood at \$100.6 billion, up from \$96.5 billion a year earlier, as per the latest data from the Bangladesh Bank.

Of the external debt, \$79.69 billion was taken by the public sector and the rest by the private sector. About 85 percent of the loans are long-term and the rest are short-term.

The debt buildup, which is still within the threshold recommended by the International Monetary Fund (IMF), is becoming a headache for the country given the unfavourable developments on various economic fronts.

BANGLADESH'S EXTERNAL DEBT in US \$



"This is concerning that the external debt is increasing," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

To tackle the situation, the supplier credit that is being taken from China and Russia must be stopped now, he said.

Supplier credit is an agreement in a commercial contract under which an exporter will supply goods or services to a foreign buyer on credit terms.

If external debt continues to rise, with it the repayment challenges will mount as the country's earning capacity is slowing, both in terms of revenue and foreign exchange, said Mansur, a former economist of the IMF.

Both external debt and debt servicing are growing, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

In the first five months of the fiscal year, the government's spending on interest payments for foreign debt surged 136.7 percent year-on-year to \$562 million.

"The latest batch of external debt is costly, so we have to be alert that there is no problem in debt servicing," Rahman said.

The returns against the foreign loans are coming in local currency and because of the devaluation of the local currency against the dollar, the cost of foreign debt will increase, he said.

The foreign loans that are piled up in the pipeline for projects will have to be repaid in local currency.

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HOW THE COVERUP HAPPENED

1. RMG companies exported goods but did not repatriate the dollars received in payment.
2. Bank spends the dollars to settle LCs but the bank receives partial or no dollars coming in. Bank pays the dollars out of pocket.
3. Bank turns this into forced loans that the RMG companies can settle in local currency (taka).
4. Forced loans turned into general loans, removing trace of capital flight.
5. General loans rescheduled over and over again.



Abdul Monem Limited Welcomes Coca-Cola İçecek to refresh Bangladesh.

Coca-Cola İçecek (CCI) has signed an agreement for the acquisition of Coca-Cola Bangladesh Beverages Limited (CCBB). CCI is a multinational beverage company headquartered in Turkey and it is a part of the Coca-Cola System. CCI operates in 11 countries which are Türkiye, Pakistan, Kazakhstan, Iraq, Uzbekistan, Azerbaijan, Kyrgyzstan, Jordan, Tajikistan, Turkmenistan, and Syria. CCBB and Abdul Monem Limited are two bottling companies that produce and distribute sparkling (carbonated beverage) and still (bottled water) brands of The Coca-Cola Company in Bangladesh.

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