

# 'Need favourable legal framework to recover NPLs'

AM JAHID

A favourable legal framework should be made in consultation with the attorney general and legal experts in order to facilitate the recovery of non-performing loans (NPLs), according to Selim RF Hussain, chairman of the Association of Bankers, Bangladesh (ABB).

Hussain, also managing director and chief executive officer of BRAC Bank, made this comment while informing journalists at his office about the outcome of a recent meeting with a delegation of bankers.

He said a lot of planning is needed to formulate the right legal framework and that officials responsible for dealing with NPL cases should have proper knowledge about the financial sector and related issues.

"Otherwise, it will not be possible to reduce NPLs," he added.

Regarding the crisis-hit sharia-based banks, Hussain said they should not have been kept alive through special liquidity support and instead be allowed to gradually die.

As per a report on Tuesday, S Alam Group and its concerns took Tk 95,331 crore from six banks between 2017 and June this year, with 79 percent of the sum coming from Islami Bank Bangladesh.

Hussain alleged that central bank officials were instrumental in allowing loan irregularities.

For example, a major conglomerate was able to pilfer money from several banks with the direct involvement of some senior central bank officials.

"The financial health of these banks started to deteriorate after the company took control of their operations. So, the culture of loan repayment was destroyed," he said.

Responding to a question on what steps should be taken for the crisis-hit Shariah-based banks, he said each financial institution must become independent and sustainable in the long run.

"If they are not, then according to the market economy, those institutions should be allowed to gradually die as commonly seen in developed countries," Hussain added.

Citing how ailing it is not sustainable to keep ailing banks alive using public money, Hussain said the situation has worsened due to the poor macroeconomic policies adopted over the last two years.

"Steps should have been made much earlier to stop whatever created this situation."

The Bangladesh Bank should not have been kept weak banks alive by supplying money," he added.



## STAR BUSINESS REPORT

Indexes of stock markets in Bangladesh maintained their losing streak for a fourth straight trading day yesterday as skittish investors made fresh bets on lucrative blue-chip stocks amid price fluctuations.

A Dhaka-based investor said the situation of the market remained volatile as the interim government was yet to take any tangible measures to bring back good governance in the market.

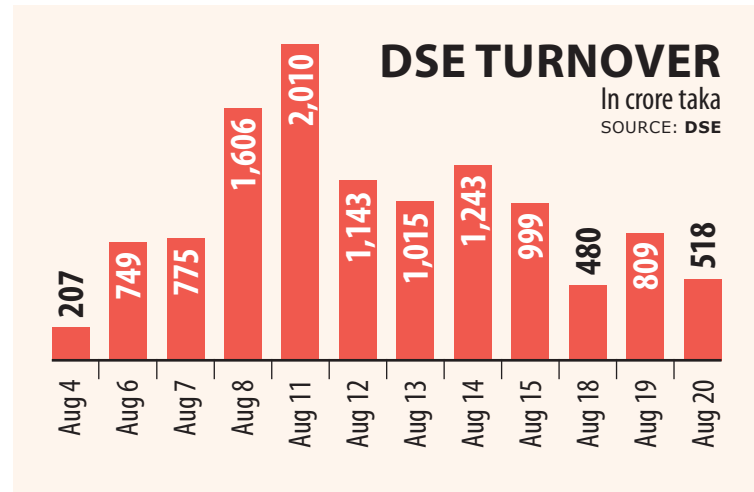
He also acknowledged that it would take some time, for new chairmen had been appointed at the Bangladesh Securities and Exchange Commission and the Dhaka Stock Exchange (DSE) after the fall of the Sheikh Hasina-led Awami League government.

The benchmark index of the DSE edged down by 60.13 points, or 1.04 percent, from that on the day before to close at 5,715.

Likewise, the DSES, the index that represents Shariah-based companies, dropped 16.46 points, or 1.32 percent, to 1,229 and the DS30, the index that is composed of blue-chip firms, slipped 27.87 points, or 1.31 percent, to 2,093.

The CDSET index, for shares of companies which account for large amounts in market capitalisation, which refers to the total value of their shares at present, also went down by 1.08 percent to 1,126.18 points.

# Stock indexes drop for fourth day



Chittagong Stock Exchange also saw an identical downward trend as its all-share price index plunged 185.92 points, or 1.12 percent, to settle the day at 16,430.

Most of the sectors which represent such large-cap stocks posted a negative performance yesterday, according to the daily market update by BRAC EPL Stock Brokerage.

Telecommunication experienced the highest loss of 2.91 percent, followed by food and allied, non-bank financial institutions (NBF) and pharmaceuticals which logged losses of 1.85 percent, 1.84 percent and 1.05 percent respectively.

Other sectors which suffered losses include banking (0.80

percent), engineering (0.72 percent) and fuel and power (0.13 percent).

Jute, tannery, and fuel and power were the top three sectors that closed in the positive.

Turnover, meaning the total value of shares traded at the country's premier bourse, stood at Tk 518.6 crore, a decrease of 37.75 percent compared to the previous day's trading session.

The banking sector dominated the turnover chart, accounting for 22.18 percent of the day's total market turnover.

The contribution of the block trades, meaning high volume transactions in securities that are privately negotiated and executed outside of the open market, was 3.8 percent of the day's overall

market turnover.

Greenphone was the most traded share with a turnover of Tk 53.4 crore.

Out of the 397 issues that were traded on the DSE, prices of 64 scrips increased, 301 declined and 32 did not witness any price movements.

Stocks of Al-Arafah Islami Bank, BRAC Bank, Navan Pharmaceuticals, Pragati Life Insurance, Midland Bank, JMI Hospital Requisite Manufacturing, MJI Bangladesh, Power Grid Company of Bangladesh, United Commercial Bank and Lub-ref Bangladesh drew investors the most, according to LankaBangla Financial Portal.

Islami Bank Bangladesh, Greenphone, BAT Bangladesh, Renata, Beximco Pharmaceuticals, Olympic Industries, National Bank, Robi Axiata, IFIC Bank and LafargeHolcim Bangladesh displayed a poor performance.

Aman Feed topped the gainers' chart with a rise of 7.08 percent.

Desh Garments, NRB Bank, Al-Arafah Islami Bank, Lub-ref Bangladesh, Midland Bank and Pragati Life Insurance showcased a strong performance.

Navana Pharmaceuticals, Hami Industries, Saiham Cotton Mills and Al-Haj Textile Mills were also on the gainers' list.

Islami Bank Bangladesh shed the most, losing 4.78 percent.

# Demonstrators storm IDRA office

Chairman confined to his room, army called in

## STAR BUSINESS REPORT

Around 300 people, including staff members of Sonali Life Insurance, staged a demonstration in front of the office of IDRA Chairman Mohammad Jainul Bari over corruption allegations.

An IDRA official told The Daily Star that protesters had stormed the office and confined the chairman to his room until at least 11pm last night.

"We were confined to our office for hours and couldn't work," the official added.

Chanting slogans on the IDRA premises, the protesters also demanded the withdrawal of an administrator that was appointed by the IDRA to improve Sonali Life's condition.

Another official of the IDRA said all vehicles that had left since the afternoon with officials and employees were checked to ensure that the chairman cannot leave the office.

Around evening, after the lift of the IDRA building was shut down, 20-25 individuals came up the stairs and vandalised the main gate of the regulator's office, the official said.

The volatile situation forced the IDRA

administration to call in the army, the official added.

IDRA Chairman Bari said, "The employees of Sonali Life vandalised the main gate of the IDRA office. One of our officials and a security guard were injured. Initially, it was reported that the guard had suffered a head injury."

Mohammad Rabiul Hassan Rasel, a manager of Sonali Life, said, "After entering the regulator's office, some of our officials hit us. As a result, some of our employees were injured."

He could not provide a clear explanation for the vandalism that had occurred.

In a press release yesterday, Bangladesh Insurance Association (BIA) said some field-level employees of "a life insurance company" had been trying to spoil the working environment of the IDRA to destabilise the insurance sector.

"This is not desirable at all. The BIA has called on field-level employees to refrain from such programmes," it said.

Although the names of all life insurance companies are being mentioned in the sit-in programme, employees from only one life insurance company have been identified, it added.

"The BIA strongly condemns the intentional use of the names of all the insurance companies and urges those concerned to refrain from such activities in the future," it mentioned.

## FROM PAGE B1

The three new directors are shareholders of the bank, namely BNP Vice-Chairman Abdul Awal Mintoo, Moazzem Hossain from Hosaf Group, and Zakaria Taher.

The four independent directors are Md Zulkar Nain, a former Bangladesh Bank executive director, Mukhlesur Rahman, former managing director of Shimanto Bank PLC, Melita Mehjabeen, a professor of the Institute of Business Administration at the University of Dhaka, and Md Abdus Sattar Sarker, a chartered accountant.

Associates of the S Alam Group came to the board of directors in May, after the Sikder family's grip on the bank loosened as Parveen Haque Sikder lost her directorship.

The S Alam associates who lost their directorship include Md Reazul Karim, former managing director of Premier Bank, who was nominated by Chattogram-based KY Steel. The others are Ahsanul Karim, a senior

lawyer of the Supreme Court, who was chosen by Chattogram's Sundarban Consortium Ltd, AKM Tofazzal Haque, a professor at Chittagong University, who was selected by Chattogram's East Coast Holdings Ltd, and Ershad Mahmud, brother of former foreign minister Hasan Mahmud, who was picked by Stitches and Weave Ltd, based in Chattogram.

Sponsor director Moazzam Hossain, founder of Hosaf Group of Companies, which is based in Dhaka, was retained on the board.

The other directors that were dropped include independent directors Prof Md Helal Uddin Nizami of Chittagong University, chartered accountant Ratna Dutta, and ABM Zahurul Huda, a former executive director of the Bangladesh Bank.

Ratna Dutta's husband, Subrata Kumar Bhownik, is an executive director of the S Alam Group.

Sponsor director Khalilur Rahman, the

# No special liquidity

FROM PAGE B1 "Action will be taken if any official, irrespective of the organisation, is found responsible," he said, adding that the same applies for central bank officials as well.

Regarding the ongoing inflationary pressure, Mansur said the inflation rate would come down to around 5 to 6 percent within the next seven to eight months. The central bank will increase the policy rate until the inflationary pressure begins to decline, he added.

The business delegation led by FBCCI President Mahbul Alam included former FBCCI president

and BNP Vice Chairman Abdul Awal Mintoo, BKMEA Executive President Mohammad Hatem and Metropolitan Chamber of Commerce and Industry President Kamran T Rahman.

The businesspeople present demanded punishment for people who scammed and looted banks in the pretext of doing business.

At the meeting, FBCCI President Alam urged to stabilise the interest rates on bank loans, ensure adequate US dollar supply and provide support to affected industries and commercial establishments.

# Economy seeing

FROM PAGE B1 trade, is currently experiencing severe congestion, with container volumes exceeding capacity by 50 percent, as per data till August 14.

Additionally, the daily number of vehicles transporting goods from the port has plummeted, further exacerbating supply chain disruptions.

Expressing that the banking sector is still under pressure, the firm

said that high levels of non-performing loans (around 10 percent) and capital flight have been masked by the previous regime.

"The sector has also been hit by inflation, declining foreign exchange reserves, and slowing economic growth, further straining financial stability," LightCastle said.

LightCastle also flagged other challenges, including the energy sector's rising

payables, bureaucratic inefficiencies, and the need for constitutional reforms.

These issues, if left unaddressed, could hinder the country's economic progress, it added.

However, the ongoing institutional changes and renewed political consciousness among the youth, spurred by recent student movements, offer hope for long-term structural changes, the firm noted.

# How BSEC wasted funds on ineffective roadshows

FROM PAGE B1 "Most importantly, the BSEC used the funds of listed companies, which are ultimately shareholders' funds, and this impacted the profit of the companies. Did the roadshows benefit investors? Not at all."

Such roadshows can only be held by BIDA and with government funds, he said.

A number of roadshows were even held after the government instructed organisations to cut costs and restrict foreign tours.

The BSEC planned to organise another roadshow in Brazil last month, but

it was postponed due to the anti-discrimination students movement.

A top banker said: "I don't know how a roadshow in Brazil would help us. The people of our country have little connection with Brazil. And Brazil does not even account for any significant investment."

"It is no more than organising a picnic with the fund of listed companies."

As such, it could not be expected that the country would attract foreign investors through these roadshows. In fact, the foreign portfolio investment

despite the roadshows.

To hide the failure of the roadshows, the BSEC verbally ordered the DSE not to publish data on foreign portfolio investments publicly.

Al Amin said foreign investors are not interested in coming to a market that frequently adopts artificial market price mechanisms such as floor prices.

At the same time, there are very few investible products in the market.

The governance in the market is also problematic as policies change frequently and on a case-to-case basis, he added.

Foreigners started offloading their shares in 2020 when they predicted that the local currency would face significant devaluations.

The imposition of the floor price mechanism during the pandemic also severely dented their confidence.

Bangladesh's forex reserve has almost halved in the past two years. At the same time, the taka has depreciated by around 35 percent compared to the US dollar, as per central bank data.

Furthermore, when the BSEC launched floor

prices in 2020 to stop the freefall of market indices, it went against the regulatory guidelines of many other countries. This was because they recognised that the mechanism risked rendering the local market illiquid as share selling would become tougher due to floor prices.

The floor prices were gradually removed but were brought back in mid-2022 amid the Russia-Ukraine war.

Prof Shibli Rubayat-Ul Islam, former chairman of the BSEC, could not be reached for comment.

# State agencies go tough

chairman of Chattogram-based KDS Group, was also dropped from the board. Barred from selling shares of banks

Based on a request from the central bank, the stock market regulator barred S Alam and his family members from selling any

part of their stake in Islami Bank, Social Islami Bank, First Security Islami Bank, Global Islami Bank, Union Bank, and Bangladesh Commerce Bank.

The Bangladesh Securities and Exchange Commission sent a letter instructing the Dhaka Stock Exchange,

Chittagong Stock Exchange, and Central Depository Bangladesh to this end.

The letter lists 56 companies owned by 25 relatives of S Alam, all of whom have come under the restriction. The BSEC asked the intermediaries to follow the order immediately.

**সিলেট গ্যাস ফিল্ডস লিমিটেড**  
(পেট্রোবাংলার একটি কোম্পানী)  
**Sylhet Gas Fields Limited**  
(A Company of Petrobangla)

বিদ্যুৎ ও জ্বালানী নিরাপত্তা  
সর্বোচ্চ আধিকার

গ্যাস ক্ষাতিব্ব সম্পর্কে এর স্বাক্ষর গ্রহণ  
করে ছাড়িয়ে পড়তে পারবে না।

**INTERNATIONAL TENDER NOTICE**

Ref. no. SGFL/BGFT/24-25/FP-03

Date: 20-08-2024

1. Ministry/Division	: Ministry of Power, Energy & Mineral Resources/Energy & Mineral Resources Division.					
2. Agency	: Sylhet Gas Fields Limited (A company of Petrobangla).					
3. Procuring entity name	: Sylhet Gas Fields Limited, (SGFL).					
4. Procuring entity district	: Sylhet.					
5. Invitation ref. no.	: SGFL/BGFT/24-25/FP-03 dated 20-08-2024.					
6. Invitation for	: Tender for Procurement of Portable Diesel Engine Driven Instrument Air Compressor Set with Spares Including Installation, Testing & Commissioning on Turn-Key Basis.					
<b>KEY INFORMATION</b>						
7. Procurement method	: Open tender method (OTM), Single stage one envelope system.					
<b>FUNDING INFORMATION</b>						
8. Budget and source of funds	: Own source of Sylhet Gas Fields Limited.					
<b>PARTICULAR INFORMATION</b>						
9. Project name	: N/A.					
10. Tender publication date	: N/A.					
11. Tender last selling date	: 21-10-2024.					
12. Place of tender selling	: Sylhet Gas Fields Limited, Dhaka Liaison Office, Petrobangla (13 <sup>th</sup> Floor), 3, Kawran Bazar C/A, Dhaka-1215.					
13. Date & time of selling of tender document	: The tender document will be available for sale from 27-08-2024 to 21-10-2024 during office hours on all working days.					
14. Tender closing date & time	: 22-10-2024 and 12-00 hrs (BST).					
15. Tender opening date & time	: 22-10-2024 and 12-15 hrs (BST).					
16. Place of tender receiving & opening	: Sylhet Gas Fields Limited, Procurement Department, P.O. Chiknagool, Sylhet, Bangladesh.					
<b>INFORMATION FOR TENDERER</b>						
17. Eligibility of Tenderer	: Bonafide manufacturers/suppliers or their authorized agents of all countries except the country/countries having no diplomatic relation with Bangladesh.					
18. Brief description of Goods	: Procurement of Portable Diesel Engine Driven Instrument Air Compressor Set with Spares Including Installation, Testing & Commissioning on Turn-Key Basis.					
19. Price of tender document	: Taka 4,000.00 (non-refundable).					
20. Special Instruction:	<p>a) If it is not possible to receive/open the tender on the scheduled date for any unavoidable circumstance (Strike, Holiday, Lockdown etc.) the same will be received/opened on the next working day at the same time and Venue.</p> <p>b) Tender must remain valid for 120 (one hundred twenty) days from the date of opening of the tender.</p> <p>c) Tenderer shall furnish with the Tender an acceptable Tender Security in the form of Demand Draft or Pay Order or Bank guarantee (as per format provided in the Tender Document) issued by a scheduled bank in Bangladesh or by any scheduled foreign bank operating in Bangladesh or by any reputed foreign bank duly endorsed with full obligation and liability by a scheduled bank of Bangladesh in the amount as under:</p> <table border="1" style="width: 100%; font-size: x-small;"> <thead> <tr> <th>Description of Goods</th> <th>Tender security amount</th> </tr> </thead> <tbody> <tr> <td>Procurement of Portable Diesel Engine Driven Instrument Air Compressor Set with Spares Including Installation, Testing &amp; Commissioning on Turn-Key Basis</td> <td>Taka 1,50,000.00 or USD 1,270.00</td> </tr> </tbody> </table> <p>d) The Tender Security must remain valid for 148 (one hundred forty-eight) days from the date of opening of the tender.</p> <p>e) The scope of supply, terms of supply and information require to be furnished by the Tenderers, etc. are included in the tender document.</p> <p>f) Tender(s) submitted after the deadline for receiving of tender(s) will be rejected and returned unopened to the Tenderer.</p> <p>g) The Tender must not be submitted by Fax or E-mail.</p> <p>h) This tender notice will also be available at Petrobangla Website: www.petrobangla.org.bd and SGFL Website: www.sgfl.org.bd</p>	Description of Goods	Tender security amount	Procurement of Portable Diesel Engine Driven Instrument Air Compressor Set with Spares Including Installation, Testing & Commissioning on Turn-Key Basis	Taka 1,50,000.00 or USD 1,270.00	
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Procurement of Portable Diesel Engine Driven Instrument Air Compressor Set with Spares Including Installation, Testing & Commissioning on Turn-Key Basis	Taka 1,50,000.00 or USD 1,270.00					
21. Name of Official inviting tender	: Deputy General Manager (Procurement)					
22. Designation of Official Inviting Tender	: Deputy General Manager (Procurement)					
23. Address of Official inviting tender	: Sylhet Gas Fields Ltd, P.O. Chiknagool, Sylhet, Bangladesh.					
24. Sylhet Gas Fields Limited reserves the right to reject any or all tender or annul the tendering process at any stage prior to award of contract without assigning any reason whatsoever and without incurring any liability to the affected Tenderer(s).						

Deputy General Manager (Procurement)

GD-217