

# Star BUSINESS



## Boards of three more banks reconstituted

### STAR BUSINESS REPORT

The Bangladesh Bank (BB) yesterday reconstituted the boards of three private commercial banks due to a lack of good governance.

The reconstituted banks are NRB Commercial Bank, NRB Bank, and Meghna Bank.

Arief Hossain Khan, executive director and spokesperson of the central bank, confirmed the matter, adding that the next course of action would be declared today.

The banking regulator has now reconstituted a total of 14 banks since the political changeover on August 5 last year.

The central bank removed the Parvez Tamal-led NRBC Bank board, the Mohammed Mahtabur Rahman-led NRB Bank board, and the HN Ashequr Rahman-led Meghna Bank board.

Despite being a chairman of NRBC Bank, Tamal had been serving a role more akin to that of a managing director, and the central bank found significant irregularities linked to him.

At Meghna Bank, HN Ashequr Rahman, a former member of parliament and Awami League leader, along with the family members of former land minister Saifuzzaman Chowdhury, exerted undue influence.

In the case of NRB Bank, Mohammed Mahtabur Rahman had held chairmanship since 2016, turning into something of a one-man institution.

The banking regulator has formed new boards for the three lenders, appointing seven board members for each, including former central bank executive directors, chartered accountants, and sponsor shareholders.

All seven new members of NRB Commercial Bank's board are independent directors, among whom Ali Hossain Prodhania, former

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## New committee formed to review reserve heist

### STAR BUSINESS REPORT

The interim government has formed a new committee, headed by Asif Nazrul, adviser for law, justice, and parliamentary affairs, to review the reserve heist from Bangladesh Bank that took place in 2016.

On March 12, the Cabinet Division issued a gazette notification announcing the formation of the six-member committee, which includes Muhammad Fouzul Kabir Khan, adviser for power, energy, and mineral resources; Faiz Ahmed Taiyeb, special assistant for the ministry of posts, telecommunications, and information technology; Ahsan H Mansur, governor of Bangladesh Bank; Ali Ashfaq, director of Biman Bangladesh Airlines; and Nazrul Huda, chairman of Rupali Bank.

The committee will review the progress of the investigation into the Bangladesh Bank reserve heist of February 2016, assess other government measures taken in this regard, determine responsibility for the incident, and provide necessary recommendations to prevent the recurrence of such an incident.

The gazette notice stated that the committee would submit its recommendations within three months of the issuance of the notification.

The Financial Institutions Division will provide secretarial support to the committee, which may co-opt members, if necessary, the notice added, specifying that meetings of the committee will be held as required.

## Receiver for Beximco no longer necessary

### High Court says

### STAR BUSINESS REPORT

The High Court (HC) yesterday said a receiver for managing the companies of Beximco Group is no longer necessary.

Considering the interests of thousands of workers and employees, the HC allowed Beximco Group to continue managing its companies on their own in strict compliance with the law.

However, the HC upheld the receiver's actions and ordered the authorities concerned to take necessary steps against individuals or institutions responsible for sanctioning questionable loan facilities to the companies of Beximco Group.

Delivering its verdict on a writ petition, the HC ordered the Bangladesh Bank to take necessary steps to recover the defaulted and classified loans, amounting to Tk 53,000 crore, within the bounds of the law.

"...There is no doubt to find that Bangladesh Bank as well as its respective scheduled banks and financial institutions have miserably failed to perform and observe their statutory or legal obligations towards disbursement of loan as well as realisation of the defaulted and classified loan amount from the respective companies of Beximco

**Considering the interests of thousands of workers and employees, the HC allowed Beximco Group to continue managing its companies on their own in strict compliance with the law**

Group of Companies; the consequence of which shall ultimately be borne by the public in general," the HC bench of Justice Farah Mahbub and Justice Debasish Roy Chowdhury observed.

"The appointment of receiver in the instant case has not been made within the framework of the respective statutes, rules, regulations or circulars of Bangladesh Bank," the bench said.

The conduct of the Bangladesh Bank and all scheduled banks and financial institutions concerned in sanctioning loan facilities to Beximco Group in violation of banking rules and regulations had become questionable, it added.

The HC directed the central bank, the Bangladesh Financial Intelligence Unit (BFIU), and other relevant authorities to complete any ongoing investigation or inquiry into the matter.

If any wrongdoing is found, appropriate action must be taken in accordance with the law, said the HC.

The bench delivered the verdict after hearing the writ petition filed by Supreme Court lawyer Masood R Sobhan. Barrister Masood R Sobhan represented himself in the petition, while Barrister Muniruzzaman appeared for the central bank and Barrister Fida M Kamal represented Beximco Group during the hearing.

Following the same writ petition, the HC on September 5 last year directed the Bangladesh Bank to appoint a receiver to manage the companies of Beximco Group and attach all their properties for six months.

## A LIGHTHOUSE to businesses

### REFAYET ULLAH MIRDHA

In a war-ravaged country following the independence of Bangladesh, very few braved the risk of leaving a well-paid job to become a businessman.

Syed Manzur Elahi, chairman of Apex Footwear Ltd, was one of those visionaries who dedicated their lives to rebuilding the

s.Oliver and Wolverine proves that.

Elahi took "Made in Bangladesh" to new heights with his leather products, although he belonged to a family of legal minds.

The son of Syed Nasim Ali, the Chief Justice of undivided Bengal, Elahi was born on September 26, 1942, in Kolkata. While he could have followed the same path, he

no turning back.

After founding Apex Footwear Ltd, he transformed it into one of Bangladesh's largest footwear exporters.

As Apex Footwear gained prominence, more ventures appeared. Elahi was the mastermind behind Apex

### BUILT AN EMPIRE OF AT LEAST 10 COMPANIES AND INSTITUTIONS

- Apex Footwear
- Apex Tannery
- Mutual Trust Bank
- Pioneer Insurance
- East West University
- Sunbeams School
- Manusher Jonno Foundation
- Freedom Foundation
- Grey Advertising

### Legacy of Syed Manzur Elahi (1942 - 2025)

### LED VARIOUS CHAMBERS AND ASSOCIATIONS, INCLUDING

Bangladesh Association of Banks  
Central Depository Bangladesh  
Metropolitan Chamber of Commerce and Industry  
Bangladesh Employers' Association  
Dhaka University Alumni Association

nation with their entrepreneurial skills.

Elahi, a man who would go on to find massive success, started his journey as a humble businessman in the leather sector, which was not a very familiar segment at the time.

But through his dedication, the local tannery, leather and leather goods sectors turned into a multi-billion-dollar sector.

He never made compromises when it came to quality of goods and the fact that Apex products -- including shoes, wallets, sandals, belts, and different types of boots -- are seen at global retail giants such as Fila, Deichmann, Timberland, Aldo, H&M, Marks and Spencer,

chose entrepreneurship and industry.

After completing his education at St. Xavier's College in Kolkata and earning a master's degree in economics from the University of Dhaka, he briefly worked at British American Tobacco before venturing into business.

A French businessman gave him his first break, a chance to trade leather between Dhaka and Paris. From that moment, there was



### THE JOURNEY

Born on September 26 in Calcutta, British Indian 1942

Completed his Bachelor of Arts from St Xavier's College, Kolkata in 1962

Obtained Master's in Economics from DU in 1964

Joined British American Tobacco in 1965, entered the business world

Ventured into entrepreneurship in 1972

Acquired Orient Tannery in 1975, entered the leather industry

Established first export factory in 1990

Served as adviser of the caretaker govt twice in 1996 and 2001

Tannery, Mutual Trust Bank, Pioneer Insurance, and Grey Advertising. He also founded charitable institutions such as Manusher Jonno Foundation and educational institutions such as East West University and Sunbeams School.

His wisdom and vision also guided organisations such as the Centre for Policy Dialogue (CPD), the Diabetic Association of

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## Political will key to unlocking Bimstec's potential

Economists say Bimstec's intra-regional trade remains at 7% compared to Asean's 25%

### STAR BUSINESS REPORT

In spite of bridging South Asia and Southeast Asia, the seven-member Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) has failed to emerge as a powerful economic bloc due to a lack of political will and trade barriers, economists say.

The combined economic size of Bimstec members stands at around \$4.7 trillion, highlighting the bloc's vast potential for boosting intra-regional trade.

However, referring to the Association of Southeast Asian Nations (Asean), analysts said Bimstec's intra-regional trade accounts for just 7 percent of its total trade, compared to 25 percent for Asean.

"The absence of a well-defined trade framework is keeping Bimstec from realising its full potential," said Selim Raihan, a professor of economics at the University of Dhaka, at a policy dialogue in Dhaka yesterday. Speakers at the event, titled Regional Cooperation and Development: Curtain Raiser to the Sixth BIMSTEC Summit, said that unlike Asean, which has established free trade policies and value chain integration, Bimstec struggles with fragmented trade arrangements and weak institutional frameworks.

They urged Bimstec members to learn from Asean's success in fostering regional trade and economic integration.

Bimstec was established in 1997 to promote economic and technical cooperation. Its members are Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal.

Raihan, also the executive director of the South Asian Network on Economic Modeling (Sanem), said, "While an FTA framework was signed in 2004, there has been little tangible progress due to reluctance among member states and prolonged negotiations over tariff reductions and sensitive lists."

Sanem and the Bimstec Secretariat jointly organised the event at Sanem's Dhaka office.

The economist said that the lack of a comprehensive FTA, along with non-tariff barriers and protectionist policies, continues to hinder regional economic integration.

Globalisation is slowing and regionalism remains a viable strategy -- yet South Asia has not fully capitalised on it, said Zaidi Sattar, chairman of Policy Research Institute (PRI). "Bimstec must embrace strategic

### BIMSTEC'S KEY FIGURES

Combined GDP: \$4.7tn

Intraregional trade of total trade: 7%

Estimated infrastructure investment needed:

\$120b per year



### CHALLENGES

- Lack of a well-defined trade framework
- Non-tariff barriers, protectionist policies
- Weak institutional frameworks
- Limited funding, bureaucratic inefficiencies
- Infrastructure gaps in transport, logistics

regionalism, where countries within the bloc work together to offset global trade uncertainties," he said.

However, the economist said, differences in political will have long delayed trade integration, with member states prioritising nationalistic economic policies over collective growth.

Sattar said delays in implementing a Bimstec charter, which took 25 years to finalise, reflect the lack of urgency among the members.

Limited funding and bureaucratic inefficiencies within Bimstec Secretariat have further stymied progress, he pointed out.

## Fifth sukuk oversubscribed by three times as govt raises Tk 3,000cr

### STAR BUSINESS REPORT

The government yesterday received a huge response from investors centring its initiative to raise Tk 3,000 crore through sukuk, a Shariah-compliant bond, to fund the construction of bridges to connect rural roads.

In an auction of 7-year bonds, Bangladesh Bank (BB) received bids worth Tk 10,925 crore from Shariah-based banks and financial institutions, relevant branches and windows of conventional banks, provident funds, and individual investors.

The subscription amount was 3.64 percent higher than the face value of the bond, the BB said in a press release.

Due to the oversubscription, the BB proportionately allotted the sukuk among bidders, with the highest share worth Tk 2,144 crore going to Shariah-based banks.

The Islamic banks had submitted 10 bids totalling Tk 5,663 crore.

Conventional banks with Islamic branches and windows received the second highest allotment, followed by individual investors and provident funds.

The BB said the annual rate of return on the sukuk -- a financial certificate similar to a treasury bond and structured to generate returns in compliance with Islamic finance principles -- will be 9.25 percent.

In the fourth week of January this year, the BB announced the government's plan to raise funds to build bridges to connect rural roads, boost agricultural production, and improve socioeconomic conditions at the grassroots level.

With the latest auction, the government raised a total of Tk 22,000 crore through the issuance of sukuk.

Since its launch in December 2020, the Shariah-compliant bond enabled the government to raise Tk 19,000 crore over the past four years for the financing of various projects.

The BB said the CIBRR-2 socioeconomic sukuk, the fifth of its kind, will be used for the project titled "Construction of Important Bridges on Rural Roads", initiated by the previous government at the start of 2017.

The Tk 6,500 crore project is scheduled to be completed in June 2026.

The fifth sukuk will have a positive impact on rural road communication and socioeconomic development, the BB said.