

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.02%	▲ 1.15%	\$1,826.19 (per ounce)	\$72.61 (per barrel)	▲ 0.48%	▲ 2.05%	▼ 0.16%	▼ 0.43%	BUY TK 84.25	98.99	115.80	12.80
7,052.82	12,324.49			58,129.95	29,128.11	3,083.85	3,581.73	SELL TK 85.25	102.79	119.60	13.46

Stock market climbs to new peak

Key index surged past 7,000 points

AHSAN HABIB

The Dhaka bourse scaled new heights yesterday, crossing 7,000 points as buoyant investors increased their bets in hopes that the market would maintain its upward trend in the coming days.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), surged 71 points, or 1.02 per cent, to close at 7,052. This is the highest level the index has reached since its inception in 2013.

The DS-30, the blue-chip index, rose 37 points to 2,533.

"Due to lower interest rates in the banking sector, many savers have chosen the stock market to keep their funds to ensure a sizeable profit," said a top official of a merchant bank.

The banking sector has enforced a maximum 6 per cent deposit rate and 9 per cent lending rate from April 1, 2020. As a result, savings at banks are carrying a negative return if inflation is taken into account.

The government has

also lowered the ceiling for investments in the national savings instruments, leaving the investors with only one option: the stock market.

"So, the market has been on an upward trend for the last few months," said the merchant banker, adding that investors were more confident.

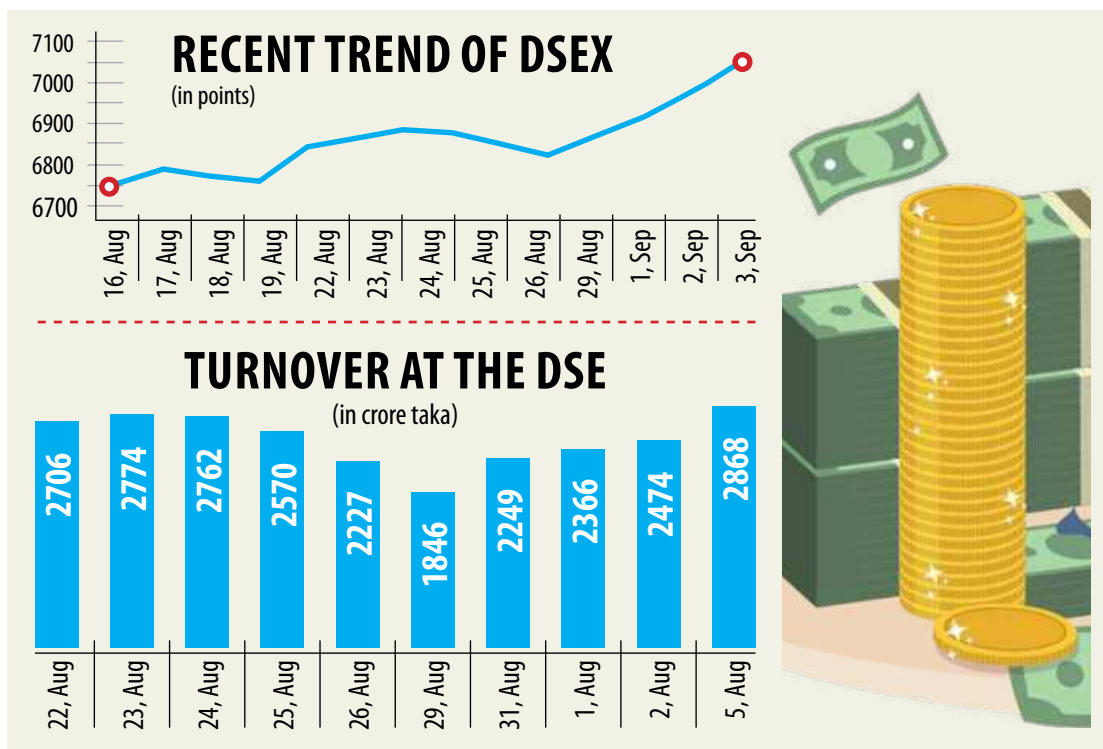
The DSEX has surged 75 per cent since the pandemic arrived on the shores of Bangladesh in March last year.

In fact, stock markets worldwide have been climbing new heights, powered by mass coronavirus vaccination and rebounding economies.

In the US, the S&P 500, the broad market index, set a new record high last week. The Nasdaq Composite traded up 0.90 per cent for its own all-time high 15,265.89, reported CNBC.

The benchmark indices in Indian markets closed at a fresh record on Friday.

Md Moniruzzaman, managing director of IDLC Investments Ltd, said the market rallied



SOURCE: DSE

thanks to the new leadership team at the Bangladesh Securities and Exchange Commission (BSEC) and its steps to improve governance.

Easy money at a lower interest rate in the money market, additional liquidity injection by the central bank, and the government's proactive role to support the economy through various schemes helped the market, he said.

Turnover, an important indicator of the market, reached Tk 2,868 crore from Tk 2,474 crore a day earlier, up about 16 per cent.

On the DSE, 208 stocks advanced, 130 fell, and 37 remained unchanged.

"Investors hope that the market will soar further, so they are pouring in their money," said a market analyst, adding that the key index has risen almost every

day in the last few months.

Low paid-up capital-based and low-performing companies were hot cakes in the last few months, said Sharif Anwar Hossain, president of the DSE Broker's Association.

"These stocks have become riskier. In fact, the stock market is always risky. But people make profits within such a reality. So, analysis is necessary."

READ MORE ON B3

NRB Commercial Bank fined for breaching stock investment ceiling

AKM ZAMIR UDDIN

Bangladesh Bank yesterday fined NRB Commercial Bank Tk 23.50 lakh for its aggressive investments in the capital market in breach of rules.

In July, the bank's stock market exposure stood at 27.33 per cent of its capital against the ceiling of 25 per cent.

The central bank asked it to pay the fine within the next three days. Missing the deadline would result in the amount being debited from the bank's current account maintained with the central bank.

As per the Banking Companies Act 1991, a bank's investment in the capital market is limited to 25 per cent of its capital, which includes paid-up capital, share premium, statutory reserve and retained earnings.

On August 25, the central bank issued a notice on NRB Commercial Bank asking it to explain why it would not take punitive measures as per the Act.

The bank confessed in a reply on August 29, saying it would not repeat the mistake in the days to come.



The bank also faces a Tk 50,000 fine per day until it adjusts its investment with the limit in line with the Act.

Contacted, Golam Awlia, managing director of NRB Commercial Bank, said the bank had unintentionally breached the rule.

"We decreased the investment in the share market soon after the central bank issued the letter," he said.

"We are a highly compliant bank and following the central bank's rules and regulations. Such a mistake will not recur."

Established in 2013, the bank raised Tk 120 crore through an initial public offering in February, becoming the first private lender to go public in 12 years.

BB officials say a good number of banks had recently breached the Act by investing a large amount of funds in the capital market. Against this backdrop, more banks will face the same penalty within a day or two.

READ MORE ON B3



For inquiries, call us at
16704

Premium Quality Tiles Brand

Evaly owes Tk 206cr to merchants

Plans to settle dues of Tk 311 crore to retail customers

CHRONOLOGY OF EVENTS SINCE MARCH 2021

- Mar: BB inspection finds Evaly's liabilities to be Tk 407cr
- Jul 19: Commerce ministry asks Evaly to explain and submit plans to clear dues
- Aug 19: Evaly says its liabilities amount to Tk 543cr
- Aug 26: Dues to customers Tk 311cr
- Sep 2: Liabilities to merchants Tk 206cr
- Sep 2: Now seeks 5 months to clear dues to customers

STAR BUSINESS REPORT

E-commerce company Evaly said it owed around Tk 206 crore to merchants.

It also said it would clear customers liability involving Tk 311 crore through regular business and drawing investments by five months.

On Thursday, the company came up with

the plan in its final reply to a commerce ministry show-cause notice.

"Evaly said the repayment would be made from the profit of the business and expected investment," said Hafizur Rahman, additional secretary of the commerce ministry, yesterday.

Asked if it was possible for the company to settle the customers' liability, he said the matter would be discussed in a meeting later.

The ministry will hold a meeting on the Evaly issues with a committee formed to check the e-commerce issues within the next one week to take necessary action.

"We may seek more information, but it depends on the committee's opinion," Rahman said.

Rahman said Evaly had wanted to meet with commerce ministry officials, but the ministry declined following advice from its lawyer.

The additional secretary said protection of the interests of all parties was vital, and it was also expected that the committee would try to guard the interests of customers and merchants.

In the reply, Evaly said it was doing business through contractual agreements with the merchants, who shared 15-20 per cent of the profits with the e-commerce platform from the sales.

READ MORE ON B2



PHOTO: RASHED SHUMON

Consumer complaints rising

MAHMUDUL HASAN and SUKANTA HALDER

Rights violations have compounded sufferings of consumers in Bangladesh, with the number of complaints rising a staggering 61 per cent in the span of a year.

Consumers lodged 14,764 complaints with the Directorate of National Consumer Rights Protection (DNCRP) in fiscal 2020-21, up from 9,195 complaints a year ago. In fiscal 2018-19, the DNCRP received 7,515 complaints from consumers on various grounds.

With the latest figure, the directorate recorded a total of 47,738 complaints since fiscal year 2013-14.

The spike in consumer complaints is mainly due to growing awareness on how the relevant authorities can address their issues, Bablu Kumar Saha, director general of the DNCRP, told The Daily Star.

"Another reason is a recent rise in online retail fraudulence," he said.

However, a majority, or 44,630 complaints, have been resolved while 6,935 entities have been penalised.

Although the directorate officials have intensified the drives they regularly conduct in markets across the country, the plight of customers continues to rise. The directorate officials also fined many entities over different consumer rights violations, including sale of goods, medicine or services at a price higher than the fixed rate.

Other breaches include sale of adulterated and counterfeit goods,

medicine and food, food processed under unhygienic conditions, tampering with weights and withholding retail prices.

"We are deprived of our rights as we face different types of problems while buying products and services," said Delwar Hossain, a resident of the capital.

COMPLAINTS AT RIGHTS PROTECTION OFFICE

- ▶ 14,764 filed in FY'21, up 61% year-on-year
- ▶ 48,000 filed so far
- ▶ Majority resolved, 6,935 entities fined Tk 4.83cr
- ▶ Consumers received Tk 1.19cr of fine

"Recently, I wanted an imported item but there was no mention of the maximum retail price on the cover. So I had to pay the price fixed by the shop owner," he said last week.

The Daily Star on August 19 witnessed one of the market monitoring drives conducted daily by Magfur Rahman, an assistant director of the directorate.

The team found some date-expired medicines at Belle Vue Pharm in the capital's Shahbagh.

Following further investigation, the pharmacy's owner, Zafar Iqbal, was fined Tk 40,000 under Section 51 of the Consumers' Right Protection

Act 2009. He was also issued a warning.

Iqbal told The Daily Star that he was having to get by with just a handful of employees for the pandemic.

"I am tidying up the shop on recently opening after a lockdown. I could not remove the date-expired medicines from the shelves. I will not do this again in the future and will be careful from now on," he said.

In another drive, a mobile team led by Assistant Director Abdul Jabbar Mandal went to Palash Enterprise on the second floor of Karwan Bazar kitchen market in the capital.

The shop was found selling imported olive oil whose containers had no label mentioning the price, expiration date and name of the importer.

The shop's owner, Harun Rashid, was fined Tk 5,000. He said each container was priced Tk 1,250 and that the importer was at fault for not putting any label.

"If we find any violation of the act, we fine the businesses and try our best to make the traders do business while obeying the rules," said Mandal.

The directorate's monitoring drives are now 70 times more frequent than what it was in fiscal 2010-11.

In fiscal 2020-21, there were 11,953 market drives, through which 22,996 entities were fined a total of Tk 13.36 crore.

READ MORE ON B3

No decision yet on annual tax fair

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has not yet taken any decision regarding holding the annual income tax fair this time around amidst the Covid-19 pandemic, said Chairman Abu Hena Md Rahmatul Muneem yesterday.

"The government is still cautious about coronavirus. Therefore, no final decision has been taken about the income tax fair. Slowly everything is opening up. If everything returns to normalcy, the fair may be organised," he told a press conference at the NBR headquarters.

The income tax fair usually takes place in November every year to raise awareness and encourage taxpayers to comply with rules.

Last year, the NBR did not hold its annual tax fair to avoid the usual mass gatherings and curb the risk of the spread of coronavirus.

Individual taxpayers had to submit their income tax returns at tax offices last year. At yesterday's event, Muneem also talked about the ratio of tax to gross domestic product (GDP).



There is no reason to be worried about taxes even though it is low, he said, adding that the tax-GDP ratio would have been above 17 per cent if tariff and tax benefits given to facilitate industrialisation and economy had been taken into account.

Bangladesh has one of the lowest tax-GDP ratios in South Asia.

"Taxes in Bhutan, the Maldives, and Nepal come from tourism, but our taxes come from the industries. In this case, we have to consider many things," he said.

However, the NBR aims to generate the highest possible revenue in order to achieve the government's goal to become a middle-income country by 2030 and a developed country by 2041, he said.

BSEC gives nod to largest banking IPO

STAR BUSINESS REPORT

The stock market regulator yesterday gave the go-ahead to a Union Bank proposal for raising Tk 428 crore through an initial public offering (IPO), the largest amount by any bank in Bangladesh.

The lender would issue 42.80 crore ordinary shares at a face value of Tk 10, the Bangladesh Securities and Exchange Commission (BSEC) said in a press release after approving the proposal in a meeting.

The Union Bank IPO will be the fourth largest amount after that of Robi Axiata, Grameenphone and Mobil Jamuna.

Robi raised Tk 523 crore, Grameenphone Tk 486 crore and Mobil Jamuna Tk 460 crore. With the IPO proceeds, Union Bank plans to finance small and medium enterprises, buy government securities and invest in stocks, said the BSEC.

Its weighted average earnings per share in the last five years was Tk 1.82.

Meanwhile, the regulator also approved plans of two banks and one financial institution to issue bonds.



The meeting, chaired by BSEC Chairman Prof Shibli Rubayat Ul Islam, accepted Shahjalal Islami Bank's plan to raise Tk 500 crore, Islami Bank's bid to raise Tk 800 crore and LankaBangla Finance's plan to raise Tk 265 crore.

Issuing perpetual bonds, Islami Bank would raise Tk 720 crore through private placement and rest Tk 80 crore through public offer while Shahjalal Islami Bank Tk 450 crore and Tk 50 crore through the respective modes.

Price of per unit of the two banks' bond is Tk 5,000 for general investors, said the BSEC.

The commission also approved LankaBangla Finance's non-convertible zero coupon bond bearing a discount rate of 7.25 per cent to 9 per cent.

READ MORE ON B3