



STOCKS	
DSEX	CSCX
▼ 0.18%	▼ 0.08%
7,237.14	12,676.21

COMMODITIES		As of Friday
	Gold	▲ \$1,749.86 (per ounce)
	Oil	▲ \$78.09 (per barrel)

ASIAN MARKETS				Friday Closings
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.27%	▲ 2.06%	▼ 0.49%	▼ 0.80%	
60,048.47	30,248.81	3,061.35	3,613.07	

CURRENCIES					STANDARD CHARTERED BANK
	USD	EUR	GBP	CNY	
BUY TK	84.40	97.75	114.43	12.77	
SELL TK	85.40	101.55	118.23	13.43	



# star BUSINESS

DHAKA MONDAY SEPTEMBER 27, 2021, ASHWIN 12, 1428 BS ● starbusiness@thedailystar.net

## Rise and fall of Elias Brothers

MOHAMMAD SUMAN, Cig

Messrs Elias Brothers, popularly known as MEB, grew into one of the leading industrial conglomerates in Bangladesh in 1990s and was a darling of banks and financial institutions.

But its fall from the grace was equally noteworthy, which provides an example how a sound business can sink because of a lack of farsightedness of its owners, futile political ambitions, and a pile of debts.

The journey of the company began after Mohammad Elias started commodity trading in 1950s, a decade after passing his eighth grade.

He gained primary knowledge about business by running the firm in the Chakrai-Khatunganj market in Chattogram city, the largest wholesale hub for consumer goods in Bangladesh that is located near his home town in Bakolia.

In 1962, when he was 25, he set up trading company MEB, along

### MESSRS ELIAS BROTHERS

#### CHRONICLE

<b>1962</b> Starts commodity-based trading business	»	<b>1972-73</b> Becomes sole distributor of Lever Brothers (Unilever)
<b>1987-2000</b> Expands business into various sectors	»	<b>2000-2005</b> Most of the bank loans were taken
<b>2004-2008</b> Large losses were incurred	»	<b>2010-2012</b> Most of the bank default loan cases were filed

with his elder brother Ahmed Hussain.

Initially, MEB's concentration was in consumer goods. Gradually, it expanded into areas

such as galvanised plain sheets, ship-breaking, agro-industry, glass sheet, soybean oil, beverages, paper, board, garments, and brickfields.

The investment into the businesses came from the profits it made as Elias always preferred cash transactions to bank loans in order to import goods and expand.

Its footprint grew massively: MEB alone controlled about 15-20 per cent of the country's commodity market in the 1990s. It had also been the sole distributor of British manufacturing company Lever Brothers for almost three

decades after independence.

But the course of the group took a turn in the wrong direction when Elias died on April 29, 1997.

His son Shamsul Alam and niece Nurul Absar, also the son of Ahmed Hussain, took over as the managing director and the chairman of the group, respectively.

The companies were divided among the heirs. The third-generation got involved after 2005. But they have not been able to get back the market position MEB once held.

The involvement of Alam in politics in 2008 took a toll on the

#### A BIG DEFAULTER

Total defaulted loans (with interest): Tk **938cr**

Defaulted loans with banks: Tk **893cr**

Defaulted loans with non-banks: Tk **45cr**

#### MAJOR BANKS WITH DEFAULTED LOANS

Agrani Bank - Tk <b>280cr</b>	City Bank - Tk <b>55cr</b>
National Bank - Tk <b>183cr</b>	Bank Asia - Tk <b>39cr</b>
Eastern Bank - Tk <b>73cr</b>	One Bank - Tk <b>30cr</b>
Islami Bank - Tk <b>63cr</b>	Standard Bank - Tk <b>24cr</b>
AB Bank - Tk <b>62cr</b>	Shahjalal Islami Bank - Tk <b>18cr</b>
Mercantile Bank - Tk <b>55cr</b>	

#### REASONS BEHIND THE DOWNFALL

Lack of experience of the second generation, political ambition and family feuds

family business.

After failing to get the nomination from the Awami League in the 2008 parliamentary elections, he joined BNP and became the vice-president of the city unit.

This was when the condition of the group started deteriorating as the owners lost focus, according to traders. It even retreated from commodity trading, its core business until 2009-10.

Elias had set up one and half a dozen companies, but only three are now in operations today. The rest were either shut or are non-operative because of financial constraints, lack of experience among the successors and family feuds.

MEB, whose founder did not rely on loans to power growth in its early stages, is currently on the list of the top 100 loan defaulters.

At present, the group's bad loans amounted to Tk 938 crore with 17 banks and financial institutions.

It owes Tk 280 crore to Agrani Bank, Tk 183 crore to National Bank, Tk 83 crore to Southeast Bank, Tk 73 crore to Eastern Bank, and Tk 63 crore to Islami Bank.

Another Tk 62 crore is owed to AB Bank, Tk 55 crore to Mercantile Bank, Tk 55 crore to City Bank, Tk 39 crore to Bank Asia, Tk 30 crore to One Bank, Tk 24 crore to Standard Bank, and Tk 18 crore to Shahjalal Islami Bank.

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## Victims of Destiny, Jubok scams can be compensated

*Says Tipu Munshi*

STAR BUSINESS REPORT

As high as 60 per cent of victims of Destiny and Jubok scams could be compensated by selling the assets of the two multi-level marketing companies, according to Commerce Minister Tipu Munshi.

Destiny and Jubok earned crores of taka by swindling thousands of people. The victims now want their money back.

"The commerce ministry has not completed the valuation of the current assets of the two companies. However, it is assumed that the value of their properties appreciated a lot over the last 10 years," Munshi told The Daily Star yesterday.

"I want the money to return to the victims of Destiny and Jubok, but the decision should come from the court."

On Wednesday, Munshi, during an inter-ministerial meeting, urged Law Minister Anisul Huq to review whether it was possible to sell the assets of Destiny and Jubok to pay compensation to the victims.

Munshi also discussed with the law minister whether it was possible to appoint an administrator and assessor to assess the value of Destiny and Jubok properties.

The Anti-Corruption Commission has confiscated Tk 550 crore worth of properties of Destiny Group in connection with two money laundering cases, according to media reports.



The properties include more than 1,028 acres of land and about 50 flats owned by the company and its top officials.

Formed in 1994, Jubok lured funds by promising abnormal returns. Because of its illegal activities, the central bank shut it down in 2006.

To date, 3.03 lakh people have claimed money by producing documents against four Jubok concerns, including Jubok Housing and Real Estate Development Ltd.

Speaking at a workshop in Dhaka yesterday, the commerce minister said the government had been trying to draw up an e-commerce policy so that emerging online businesses could run smoothly without deceiving consumers.

The Economic Reporters' Forum and the Bangladesh Competition Commission (BCC) jointly organised the event on competition laws and healthy competition in the markets at the conference room of the BCC.

E-commerce is the reality of the business in the world now. And the whole e-commerce sector couldn't be shut for 10 to 12 errant companies, Munshi said.

Currently, more than 30,000 people are involved in the e-commerce sector in Bangladesh.

Munshi said customers should have been aware of the errant companies.

For instance, selling a motorbike at Tk 1.50 lakh or Tk 2 lakh against the real market price of Tk 2.5 lakh is almost impossible.

"Nevertheless, the people, many of whom are innocent, have invested, and they are now in trouble," the minister said.

He did not reply when asked whether the money could be recovered.

Md Mofizul Islam, chairperson of the BCC, said it was investigating Evaly in a suo moto case for selling goods through an unusual cash-back offer.

## Meghna Condensed Milk drowning in losses

*Stocks still flying high despite poor performance*

AHSAN HABIB

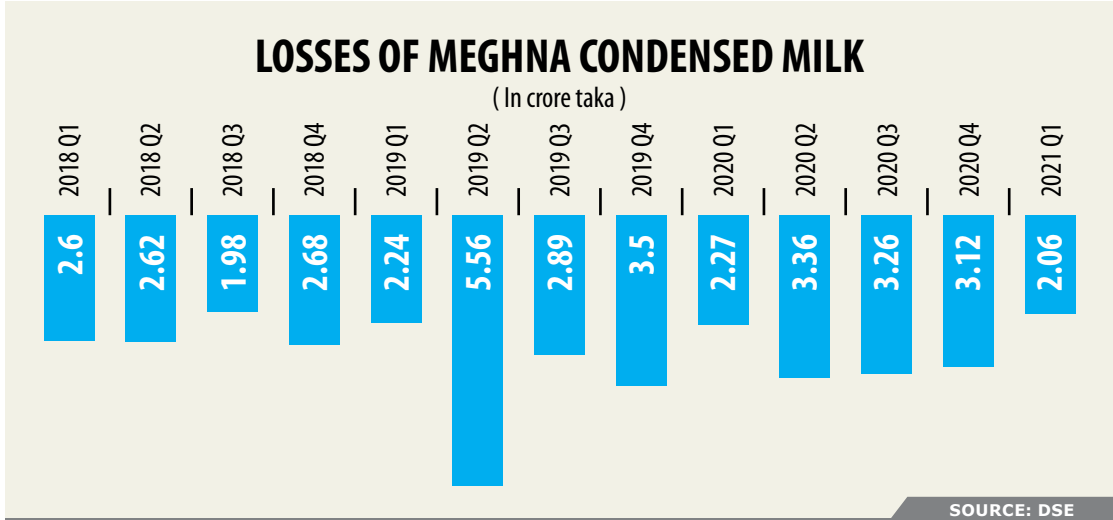
A steep rise in debt and a fall in sales have sent Meghna Condensed Milk, a listed concern of Meghna Group of Industries-KA (MGOLD) Ltd, into the stock market's non-performing category.

Besides, the company's auditor was unable to secure enough documentation to provide any opinion on its future.

But despite all that, the company's share price soared by 189 per cent to Tk 20 per share in a three-month span until September 2, when its value began to fall.

Stocks of Meghna Condensed Milk declined 4 per cent to Tk 22 yesterday.

The condensed milk maker, which was listed on the Dhaka Stock Exchange in 2001, has been incurring losses since 2011. Its loss was Tk 12.1 crore in 2019-20 while it was Tk 12.4 crore a year earlier.



Its sales nosedived 44 per cent to Tk 3.61 crore in 2019-20, the same year that the company spent Tk 10.40 crore to pay back loans, according to the audited financial report.

"The company was in deep trouble due to its huge debt

but the share price rose due to manipulation," a stock broker said.

Meghna Condensed Milk owes about Tk 64 crore to banks, the financial report shows.

And due to its huge debt, its net asset value per share was around

Tk 59.5 in the negative, it said.

The DSE listed it as a Z-category company because of its poor dividend records.

The auditor of Meghna Condensed Milk gave a qualified opinion in its financial report, which is given when the auditor

feels there is a limitation on the scope of the audit examination or the auditor disagrees with the disclosure of a matter regarding financial statements.

The company's cash, credit and overdrafts was Tk 35 crore, of which the audit firm did not find any bank statement against Tk 22.7 crore to confirm the amount as loans were classified, the auditor said in its report.

"We did not get any bank statement to confirm the amount of its finance cost as those loan accounts were classified," it said.

"The company lent Tk 2.5 crore to its sister concern but there was no financial gain from this investment. Besides, we could not find any valid documents against this investment," the auditor added.

Officials of Meghna Condensed Milk could not be reached over phone for comments by the time this report was filed.

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## StanChart launches 'smart card'

*Will facilitate digital payments, officials say*



STAR BUSINESS REPORT

Standard Chartered Bangladesh yesterday launched a new type of credit card that offers discounts on the purchase of digital products and services, such as account payments for Netflix users or ordering food through Foodpanda.

With Covid-19 having changed consumer spending habits, the Standard Chartered Smart Credit Card provides local digital natives with a wide range of benefits centring around convenient borrowing, digital rewards and enhanced self-service capabilities.

Other than Foodpanda and Netflix, customers will get discounts for digital payments made at Daraz, Pizza Hut, Pathao Rides, and Spotify.

"It is a unique card because none of these discounts are given in our other cards," said Tawfique Imam, head of unsecured products at Standard Chartered Bangladesh.

Imam made these comments while speaking at a press conference at the Pan Pacific Sonargaon Dhaka.

"With this card, one can save as much as Tk 22,000 for purchasing products and services in one year," he added.

Before launching the new credit card, the bank carried out extensive client research that shows that particularly younger clients prefer simple borrowing features to be available with their card.

Besides, this unique credit card is the first in the market to be manufactured through a carbon-neutral process and bears the Certified Carbon Neutral logo.

"About 67 per cent of our employees are millennials and their purchasing behaviours and needs are evolving with ever changing technological advancement," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

Considering the fact that a large portion of the population falls into this age group, Standard Chartered thought of launching something that would uniquely cater to millennials and support their lifestyle.

The card also provides holders with an option to contribute to community projects that support disadvantaged youths, especially girls, and offers privileges for subscriptions with educational or lifestyle websites," Bijoy said.

READ MORE ON B2



Sale of the traditional Banarasi sari has been going slow, with people putting off celebrations and marriages amidst the pandemic. These customers were among the few The Daily Star found on roaming the Banarasi Pali market in the capital's Mirpur for two hours last Tuesday. The art of making the traditional Banarasi sari has evolved separately in Varanasi in India where its origins lay and in Mirpur, Dhaka where some of the artisans migrated after the 1947 partition and were stranded after the 1971 Liberation War. Spreading from Mirpur 10 to 11 and housing almost 100 shops, the Banarasi Pali is a haven for sari lovers -- buyers, sellers and makers alike.

PALASH KHAN