

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.36%	▼ 1.52%	\$1,769.26 (per ounce)	\$84.86 (per barrel)	▲ 0.94%	▲ 1.81%	▲ 0.29%	▲ 0.40%	BUY TK 84.70	97.18	114.93	12.93
7,243.27	12,682.97			61,305.95	29,068.63	3,173.91	3,572.37	SELL TK 85.70	100.98	118.73	13.59



# Star BUSINESS

DHAKA SUNDAY OCTOBER 17, 2021, KARTIK 1, 1428 BS • starbusiness@thedailystar.net

## Heyday for junk stocks as manipulation drives prices up

**AHSAN HABIB**  
Production of Emerald Oil, a listed rice bran oil producer, has discontinued since 2017, so it has been incurring losses every year since then. But its stock has risen a staggering 223 per cent in the last one year.

The astounding surge has propelled the manufacturer to the list of the top 20 gainers of the Dhaka Stock Exchange (DSE).

Emerald Oil is not the single case. Rather, some other junk stocks are also on the list, raising the question about the overall efficiency of the market.

Since October 2020, 10 companies in the list were from the B and Z category. Of them, seven were from the B category and three from the Z category.

When a company does not provide at least 10 per cent dividend, it is categorised in the B

category. It is included in the Z category, if it fails to make a profit or halts production.

"I am happy to see the market index is rising after a long time. But I am not happy to see the abnormal rise of such companies," said Faruq Ahmed Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"The abnormal rise of these companies proves that our stock market is driven by rumour, greed and manipulation."

He says some people trade among themselves to bid up the prices and spread speculations. Out of greed, general investors poured funds into these stocks.

"Quality investment is rare in the market, so the index is also unrelated to the economy. Therefore, when profit-taking takes place, people panic."

Among the 10 low-performing companies, the production of C&A

### PRICE SPIKE: JUNK STOCKS VS DSEX

Period: last one year

DSEX gained 51%  
15 junk stocks soared 52%-235%

All 29 junk stocks rose 52% on average

### STATUS OF TOP 20 GAINERS

A category: 10  
B category: 7  
Z category: 3\*

\*Two firms shut for years; one incurring losses



Textiles and Emerald Oil has been closed for several years. Aramit Cement, another Z category stock, has been in the red since 2017.

Dacca Dyeing, Maksons Spinning, Salvo Chemical, RD Food, Beacon Pharmaceuticals, Metro Spinning, and Mozaffar Hossain & Spinning Mills are placed in the B category for declaring an insignificant amount of dividends for years.

"The abnormal price surge of these companies indicates that the market has inefficiency, and it is driven by speculation," said

Shahidul Islam, CEO of VIPB Asset Management Company.

"This is not a good sign for a market."

When poor companies outpace the growth of the index, the fundamental purpose of the capital market, which is capital allocation, is hampered, Islam clarified.

The DSEX, the benchmark index of the premier bourse of the country, went up 51 per cent between October last year and October 12 this year.

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## E-COMMERCE SCAMS

# No remedy in sight for victims

REFAYET ULLAH MIRDHA

The wait for tens of thousands of customers and merchants who are victims of scams perpetrated by 10 e-commerce firms is lingering on as there are no strong efforts on the part of the government to realise the money and compensate them.

The commerce ministry has said it has little to do as per laws as some customers have already filed cases against digital commerce firms such as Evaly and E-orange, and the court will now decide how to recover the funds.

However, legal experts say the ministry should form a board or appoint administrators to run the companies and work to repay the money to customers and vendors.

Figures quoted by law-enforcement agencies, customers and merchants indicate that nearly Tk 3,000 crore of payments and dues are stuck with the e-commerce platforms, namely Evaly, E-orange, Qoom, Dhamaka Shopping, and Dalalplus.

The commerce ministry has formed three committees, published standard operating procedures and held several inter-ministerial meetings, and all of the attempts are aimed at thwarting future cons in the e-commerce industry.

But no visible initiative has been taken to recoup the money from the errant e-commerce firms and refund customers who had been lured by deep discounts on expensive items such as mobile phones, television sets, motorbikes, and cars.

"We do not have options to recover the

### TAKEAWAYS

- ▶ Three committees formed so far
- ▶ Standard operating procedures published
- ▶ Nearly Tk 3,000cr stuck with Evaly, e-Orange, Qoom, Dhamaka Shopping, Dalalplus
- ▶ Platforms accused of not delivering goods on time
- ▶ They were delaying delivery against advance payments

money from the companies as the ministry can't go beyond the law," said AHM Shafiquzzaman, additional secretary to the commerce ministry.

"The ministry is working to safeguard the interests of the consumers, e-commerce companies and merchants so that they are not cheated."

The new committee will assign various government agencies like the National Board of Revenue and Bangladesh Bank to play their parts.

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## Evaly website down

STAR BUSINESS REPORT

The website of Evaly, an e-commerce platform that is currently embroiled in controversy, yesterday became unavailable as its server was down, according to a post on the company's official Facebook page.

Evaly's banking activities have been temporarily halted as its Chairperson Shamima Nasrin and Managing Director Mohammad Rassel were recently placed behind bars, it said.

Under these circumstances, uncertainty emerged over how Evaly would bear the cost of its servers and office maintenance alongside the salaries paid to employees.

"We are sincerely sorry that our servers have gone down and our efforts to restart the servers are ongoing," the company said.

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## 17 e-commerce firms fined

AT A GLANCE

- ▶ A total of Tk 6 lakh was imposed as fines
- ▶ Period: July 2017 to August 2021
- ▶ Daraz Bangladesh was fined the highest Tk 323,000
- ▶ Evaly, e-Orange and Dhamaka not fined
- ▶ e-CAB and a2i building complaint resolution system

SUKANTA HALDER

The consumer rights watchdog of Bangladesh has fined 17 e-commerce firms for their failure to deliver products as promised and deceiving customers through false advertisements.

The Directorate of National Consumer Rights Protection (DNCRP) imposed a combined fine of around Tk 6 lakh on the platforms.

The firms are Daraz Bangladesh, Ajkerdeal, Daily Shopping, Othoba, Shohoz, Picaboo, Rokomari, BoiBazar, BDSHOP, Gharbazar, PriyoShop, Bikroy, Foodpanda, Pathao, Chaldal, Falguni Shop, and Kiksha.

A DNCRP official said the e-commerce firms were fined for violating consumers' right protection laws for the period from July 2017 to August 2021.

The offences include not handing over products as promised, not showing price list, not using cover of goods, and deceiving buyers with false advertisements.

Daraz Bangladesh, a popular e-commerce company, was fined the highest Tk 323,000.

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## \$11.38B LOANS FOR NUCLEAR POWER PLANT

# Govt to repay \$569m in first instalment in 2027

REJAUL KARIM BYRON and REFAYET ULLAH MIRDHA

The government will pay \$569 million as the first annual instalment against the loan taken from Russia for the construction of the Rooppur nuclear power plant, the largest infrastructure development project in Bangladesh.

The first instalment will be paid in March 2027, according to Shaukat Akbar, the project director.

The \$11.38 billion loan covers 90 per cent of the project cost.

As per the agreement, the government has to complete repaying the loan in 20 years, running from March 2027 to 2047, he said.

The repayment period is 30 years, including a grace period of 10 years which will come to an end in 2027.

However, the government has been paying the interest of the loan and till date has not missed a payment.

The Russian loan carries an interest rate of LIBOR plus 1.75 per cent. The interest rate will not exceed 4 per cent.

The agreement was signed between Bangladesh and Russia in 2016 while disbursements began in 2017.



Of the Rooppur nuclear power plant's two units which would generate a combined 2,400 megawatts of electricity, the first (1,200MW) is expected to become operational from 2023 and the second in 2024. The photo was taken at the project site in Pabna's Ishwardi upazila yesterday.

AHMED HUMAYUN KABIR TOPU

Akbar shared this information with a group of journalists at the Bangladesh Atomic Energy Commission in Dhaka last Thursday.

### The Electricity Cost

The price at which each unit of electricity will be purchased from the Rooppur plant will not exceed the existing price level of base load power plants, said Akbar, indicating coal-based power plants.

He, however, declined to state the exact figure.

A Bangladesh Power Development Board (BPDB) official said the government has gradually started purchasing electricity from the coal-based power plant at Payra.

It is around Tk 6 per unit, said the BPDB official.

Of the Rooppur plant's two units which would generate a combined 2,400 megawatts (MW) of electricity, the first (1,200MW) is expected to become operational from 2023 and the second unit in 2024.

### Fuel Requirement

Uranium will fuel the Rooppur plant, according to the project director.

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