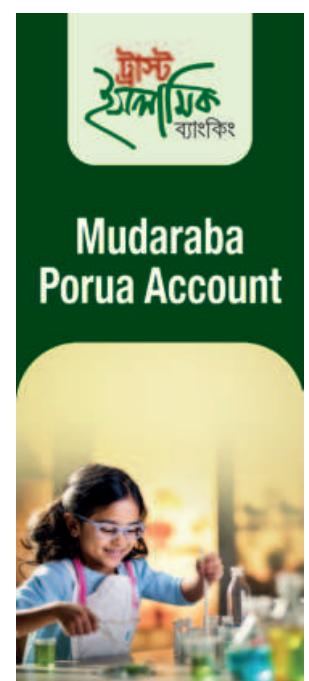


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## Dozens of zombie firms still trading as if nothing is wrong

Regulators say investors are free to trade bad shares, while analysts urge a market clean-up

AHSAN HABIB

Nearly four dozen companies have been languishing in the junk category of the Dhaka Stock Exchange (DSE) for at least five years, yet their shares continue to trade on the country's main market and sometimes even appear among the top gainers.

Year after year, these firms fail to post profits or pay dividends, while many do not hold annual general meetings on time. These are the criteria that place companies in the Z category, known as the junk group.

In theory, Z-category stocks should warn investors. In practice, the label does little to scare away trading, and the shares of such firms continue to change

### KEY FACTS

13 companies are incurring losses for more than a decade  
33 companies are incurring losses for over five years  
Accumulated losses of 27 firms stood at Tk 27,000 crore until June 2024  
Five companies even failed to publish financials properly



### What do stakeholders suggest?

Liquidation of continually loss-making companies  
Protecting general investors from manipulators

### What is the impact of poor performance?

- Giving a negative message to foreign investors
- Not showing the real picture of the economy

SOURCE: DSE • PHOTO: SAURAV HOSSAIN SIAM

hands.

Analysts say allowing companies that owe more than they have is like "letting zombies roam the market". They argue that these firms should either be delisted or liquidated so that investors can get back some of their hard-earned money.

Regulators, however, have long opposed such a market clean-up. Both the Bangladesh Securities and Exchange Commission (BSEC) and the DSE maintain that investors must take responsibility for their own choices. If investors wish to trade speculative stocks, the regulators say, they are free to do so.

Delisting removes a company's shares from public trading. Shareholders

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