ASIAN MARKETS

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DHAKA THURSDAY MARCH 28, 2019, CHAITRA 14, 1425 BS starbusiness@thedailystar.net

19 firms to invest Tk 650cr in pharma PLANNED

JAGARAN CHAKMA

STOCKS

CSCX

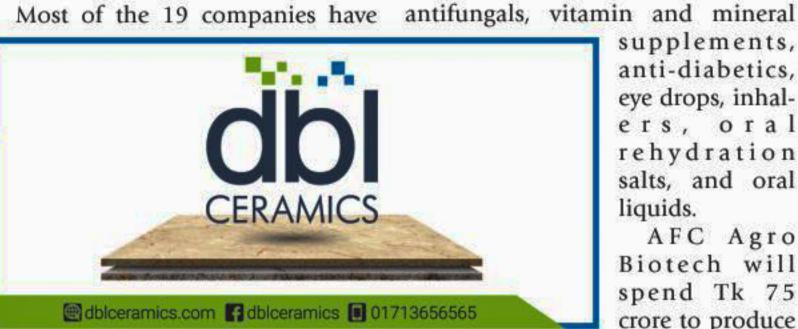
DSEX

COMMODITIES

Gold A

...... The pharmaceuticals industry is gearing up to expand as 19 companies have got the go-ahead in the last one year to set up facilities at a combined investment of around Tk 654.82

will boost competition as there are already more than 200 manufacturers in operations to grab shares in the



completed setting up their facilities and they will start operations within the next one and a half years, said Major General Md Mustafizur Rahman, director general of the Directorate General of Drug Administration (DGDA). The move will create a lot of job

The entry of these new companies opportunities, industry insiders say.

JR Pharmaceuticals, the biggest among the investors, will invest Tk 106 crore to produce different drugs, local market worth around Tk 25,000 including antibiotics, anti-ulcer drugs, antihistamines, antivirals, supplements,

anti-diabetics, eye drops, inhalers, oral rehydration salts, and oral liquids.

AFC Agro Biotech will spend Tk 75 crore to produce

TOP INVESTORS	INVESTMENT IN CRORE TAKA
JR Pharmaceuticals	106
Bimco Animal Health	92.6
AFC Agro Biotech	75
Senetive	50
Inver Pharmaceuticals	49
Promixco	47.49
Vision Drugs	47

advanced drugs used in organ trans-

Lilian Pharmaceuticals

Peartop Pharma

Doctors Industries

A senior official of AFC Agro says it would also be going into making an active pharmaceutical ingredient plant to manufacture raw materials for the industry.

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40.42

34.50

10.50

Sonali Bank: once bitten, twice shy

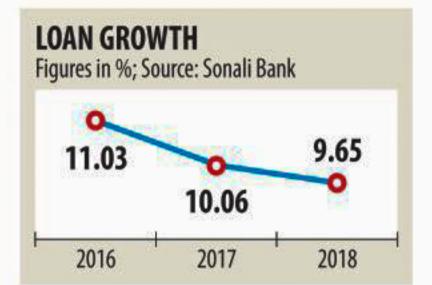
Logged in lowest loan-deposit ratio last year

JEBUN NESA ALO

...... Sonali Bank has emerged as an anomaly in the banking sector, logging in almost half the loan-deposit ratio than other banks last year, at a time when most were gasping to contain their ratio to within the authorised limit.

At the end of 2018, Sonali's loandeposit ratio stood at 42.43 percent, whereas the ratio was beyond 85 percent for most other banks.

When all the banks were fighting for deposits by offering high interest rates, Sonali sat still. The bank offered interest rate of 6 to 7 percent on deposits throughout last year, when most of the private banks were giving upwards of 10 percent rate.



3.17 percent a year earlier. Its loan growth was 9.65 percent

last year, down from 10 percent in the previous year. At the end of 2018, its total depos-

its stood at Tk 1.09 lakh crore against the loan balance of Tk 46,408 crore, according to the bank's annual report.

"We adopted a conservative bank-Subsequently, its deposit growth in ing policy after the Hall-Mark loan chairman of the largest state bank. Between 2010 and 2012, Hall-Mark

Group swindled Tk 3,500 crore out of the bank, sinking the bank to a loss of Tk 3,153 crore in 2012.

The bank has made an about turn in its financial health since.

Its loan recovery from top 20 defaulters soared 59 times to Tk 1,811 crore last year from Tk 31 crore in 2017, according to the annual report. Sonali, however, could not recover a single paisa from Hall-Mark Group.

The classified loans declined 19 percent to Tk 12,093 crore.

"Now, it is next to Islami Bank when it comes to making profit," he said at the bank's annual conference, which was held on Monday at the auditorium of the Institution of Diploma Engineers, Bangladesh.

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trade fair starts

Bangladeshis to attain

"I have heard that

Embassy of Thailand

Addressing as the

increasing day by day.

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2018 was 2.78 percent, down from scam," said Md Ashraful Moqbul, ADD COLOR TO YOUR DREAM **Apartment Purchase Home Construction** © 16219 or 09604016219

DSE index, turnover lowest in 3 months

STAR BUSINESS REPORT

Thin participation of institutional investors brought down both the key index and turnover of the Dhaka Stock Exchange to three-month lows yesterday.

The DSEX, the benchmark index of the premier bourse, fell 27.58 points or 0.49 percent to 5,502.48. **READ MORE ON B3**



Fibre from plastic waste

Raw Tech to invest Tk 50cr to produce polyester staple fibre

REFAYET ULLAH MIRDHA

CURRENCIES

SHANGHAI

Raw Tech, a Bangladesh-Hong Kong joint venture, is set to invest Tk 50 crore to produce fibres from wasted plastic bottles with a view to grabbing a share of the market for polyester staple fibres currently dominated by Chinese firms.

The construction work for the factory spanning eight bighas of land at Bhaluka under Mymensingh district is on way, with production expected to start from December, according to Ridwan Haque, managing director of Raw Tech.

Of the Tk 50 crore invested in the venture, the partner from Hong Kong provided Tk 5.50 crore and Raw Tech took a loan of Tk 25 crore from Bangladesh Infrastructure Finance Fund. The rest came from Hague. Raw Tech has targeted to churn

out 600 tonnes of plastic staple fibre in a month and log in Tk 60 crore in sales in a year. "We will not face any shortage of

raw materials as tonnes of plastic bottles are thrown away every day," Haque said.

The company will have plastic bottle collection booths in different parts of the country. Raw Tech is hoping to export the plastic fibres to China, India and Pakistan.

While cotton is the main raw material for producing fibres, of late some countries, especially China, are doing good business in polyester staple fibres that are made through recycling of wasted plastic goods.

READ MORE ON B3

Ring Shine Textiles' IPO bid draws flak

This is too

amount |Tk

150cr| to be

raised when

in the mar-

ket, says an

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liquidity crisis

there is a

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AHSAN HABIB

The stockmarket regulator's decision to allow Ring Shine Textiles to raise Tk 150 crore has come under fire from analysts, who termed it an ill-thoughtout step given the performance of such companies thus far.

......

"This is too huge an amount to be raised when there is liquidity crisis in the market," said the managing director of a merchant bank requesting anonymity to speak candidly on the matter.

It would be the highest amount raised by a textile company.

Besides, textile companies that have huge paid-up capital have performed poorly, the managing director added.

Textiles after raising the funds from the market would be Tk 435.05 crore, which is the second highest in the sector. So far, seven textiles companies

with more than Tk 200 crore in paidup capital got listed and all are trading at face value or lower than that. The companies are Alif Manufacturing, C&A Textiles,

Familytex, Far East Knitting,

Generation Next, Maksons Spinning, and RN Spinning Mills. Only Far East Knitting is trading at more than its Tk 10 face value and the rest are trading between Tk 3.40 and Tk 9.40.

C&A Textiles has already been downgraded to the junk category while Familytex and Maksons Spinning were sent to the 'B' category for their bad performances.

The high capital-raising textile companies could not generate matching earnings, so they ended up being a burden on investors' portfolios, said market insiders.

> Conversely, the textile companies that are performing well and paying good dividends like Square Textiles and Envoy Textiles have much lower paid-up capital than Ring Shine.

Square Textiles' paid-up capital is Tk 197.25 crore and Envoy Textiles' Tk 167.73 crore. Some of the textile

companies came to the market when they were not in a good position, The paid-up capital of Ring Shine said Abu Ahmed, a stockmarket ana-

They used the capital from the market to pay back bank loans, so that

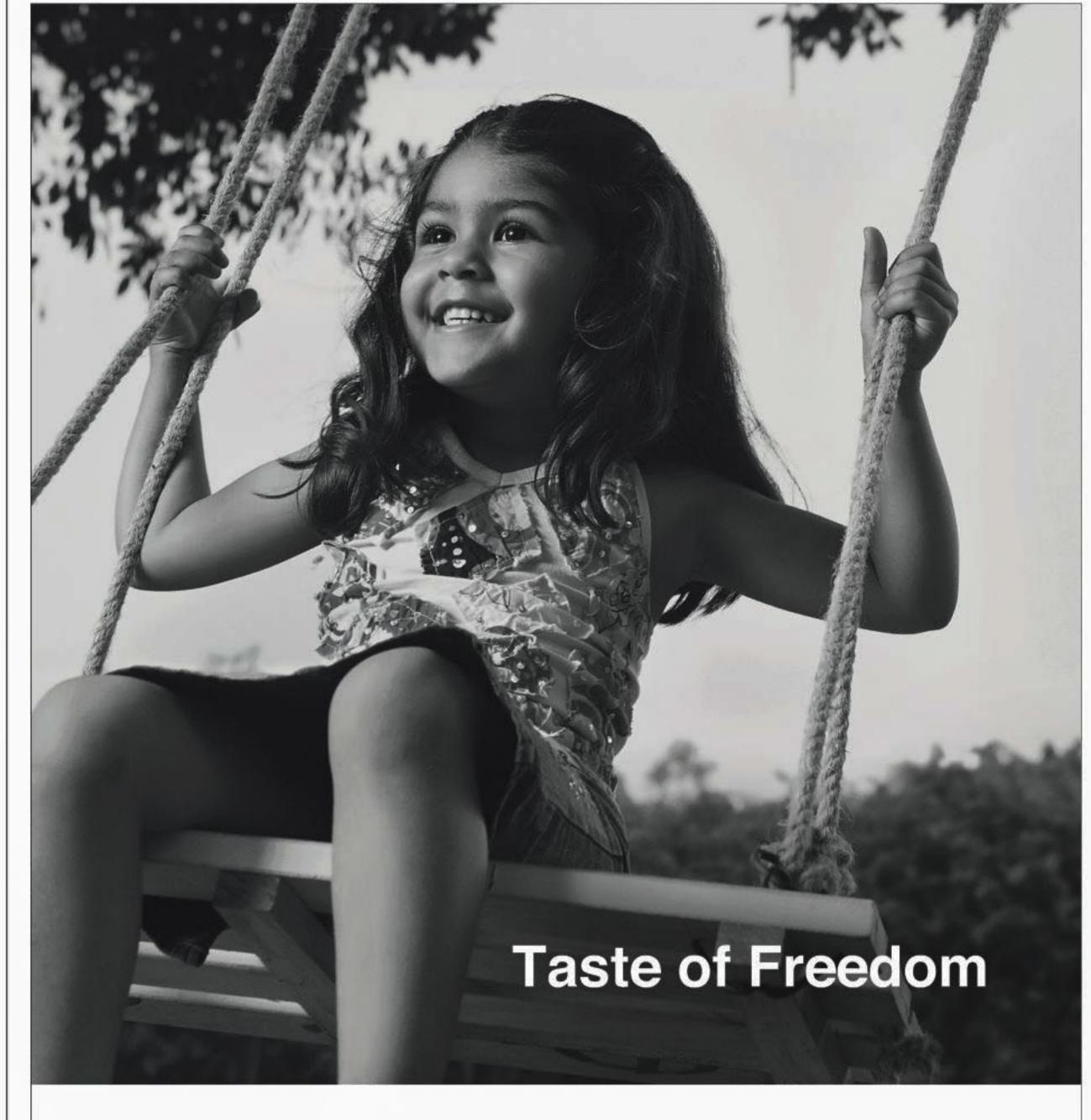
they can free up their mortgaged

"Historically, textile companies behaved very badly with stock investors, so the regulator should have considered it before giving them permission to raise such a huge amount," said Ahmed, also a former

economics department. Contacted, a top official of the Bangladesh Securities and Exchange Commission said Ring Shine got the approval solely on the basis of its performance.

chairman of the Dhaka University's

"But, we will have to think now as the trend is not good."



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