

Envoy Textiles to raise Tk 87cr through preference shares

STAR BUSINESS REPORT

Envoy Textiles is set to raise Tk 87 crore by issuing non-convertible cumulative preference shares in order to bring sustainable finishing machine and build captive power.

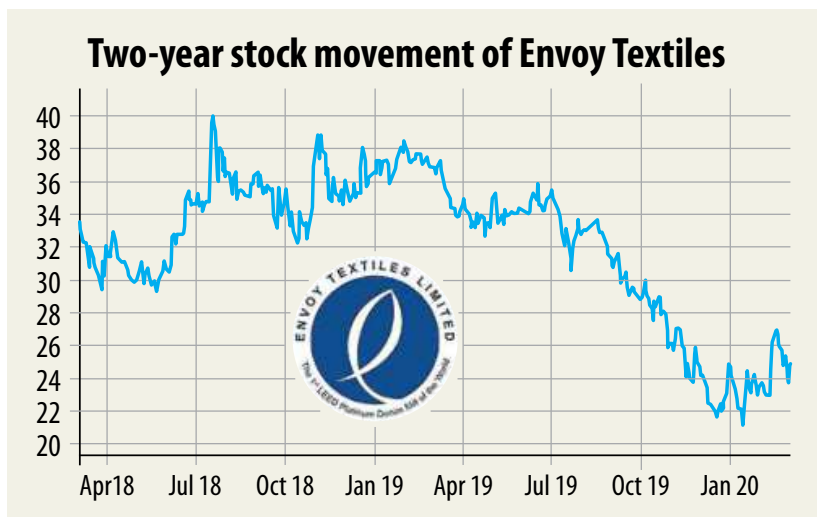
The preference share would be fully redeemable, with a tenure of five years. The shares would be issued to banks, insurance companies, institutional investors and eligible investors.

The face value of the preference shares would be Tk 1 crore for institutional investors and Tk 50 lakh for eligible investors.

The Bangladesh Securities and Exchange Commission yesterday gave Envoy Textile, which made its debut on the stock exchange in 2012, the go-ahead to issue the preference shares.

“We will utilise the fund to purchase sustainable finishing machine where chemical would be used at a very low level,” said Kutubuddin Ahmed, chairman of Envoy Textile.

The other funds would be used



in forming captive power of 10 megawatts and repayment of short-term loan, Ahmed said.

Envoy's profit after tax shot up 68 per cent year-on-year to Tk 55.4 crore in the 2018-19 financial year. During the period, its revenue increased 20.6

per cent to Tk 911.85 crore.

Asked about the impact of the coronavirus pandemic on Envoy Textile, Ahmed said they are lucky that they brought in raw materials in hordes before the virus spread.

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Market cheers as KDS Accessories boosts production

STAR BUSINESS REPORT

KDS Accessories has enhanced its production capacity of elastics and label and garment accessories products by introducing a machine in order to meet higher demand.

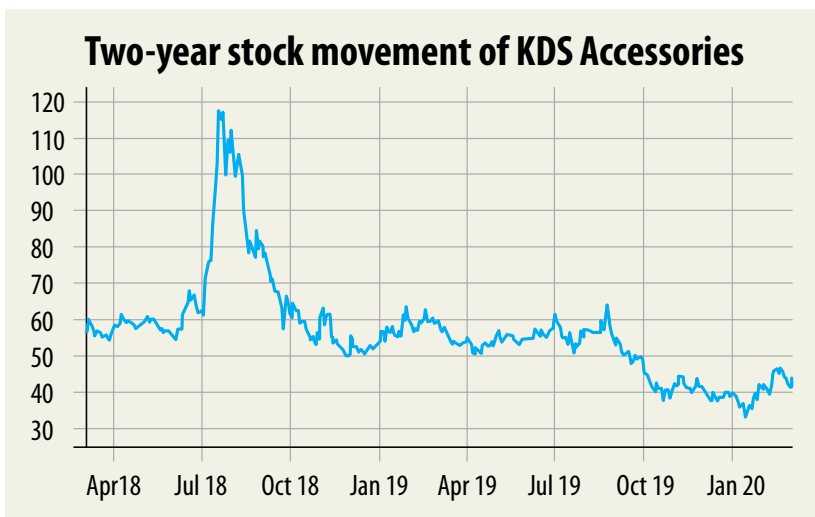
The highest capacity will be 4 crore pieces per year and it may generate approximate additional sales revenue of Tk 33.3 lakh per month and Tk 4 crore annually on utilisation of highest capacity.

The commercial production started from Saturday, KDS Accessories said in a posting on the Dhaka Stock Exchange website yesterday.

The news sent the company's share price up: KDS Accessories closed at Tk 44.20, 5.71 per cent higher than the previous day.

The company decided to purchase the machine at \$0.091 million in mid-October.

“The new machine will be able to produce elastics and label with printing and everything,” said Biplob



Kanti Banik, chief financial officer of KDS Accessories, adding that the instrument was bought with the company's own funds.

As the textile sector is expanding, the demand for accessories is also enhancing. To meet the demand the

company expanded its production capacity, Banik added.

The company's main contribution to its revenue came from carton: it contributed 77 per cent or Tk 178 crore.

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HC questions legality of BB's 9pc interest rate cap

STAR BUSINESS REPORT

The High Court yesterday questioned the legality of a Bangladesh Bank's decision that instructed banks to set a maximum 9 per cent interest rate on all loans except credit cards.

The court issued a rule asking the respondents to explain why the central bank's decision should not be declared illegal.

The finance secretary and the BB governor and its general manager for banking regulation and policy have been made respondents to the rule.

The HC bench of Justice Abu Taher Md Saifur Rahman and Justice Md Zakir Hossain came up with the ruling after hearing a writ petition that challenged the legality of the BB's decision.

During the hearing, petitioner's lawyer Barrister Sayedul Haque Suman told the court that about two lakh people would be benefited following the BB's decision, whereas about 50 lakh depositors and their family members would be victimised.

On March 1, Md Mahfuzur Rahman, an apprentice lawyer, submitted the writ petition.

The central bank's February 24 decision may severely affect the already under-pressure banking sector and such capping of the interest rate is unlawful against the establishment of financial policies and international practices of free market economy, he said in the petition.

The limit will further stifle the availability of loans needed to set up and expand small, medium and large businesses and commercial entities and industries, he said.

The significant reduction in the interests or profits charged by banks would impact the income of depositors via fixed deposit schemes, resulting in serious prejudice to middle income groups of the country, the lawyer said.

Therefore, the BB decision is a violation of the fundamental right of “equality before law” guaranteed in the constitution, he added.



BSCIC estate in Rajshahi sees cost revision for 3rd time

Expenditure up 31 per cent

STAR BUSINESS REPORT

The proposed Rajshahi BSCIC Industrial Estate-2 project has been revised for a third time, raising its cost by 31 per cent to Tk 172.70 crore.

The Executive Committee of the National Economic Council (ECNEC) accepted the new proposal during a meeting chaired by Prime Minister Sheikh Hasina at the NEC conference room in the capital's Sher-e-Bangla Nagar yesterday.

The project, which was initially estimated to cost Tk 128.81 crore, received the green light on March 22 in 2016 with construction expected to last from July 2015 to June 2018.

The third revision was made to accommodate changes in layout, incorporate new components, lengthen the project's duration and re-estimate the civil work costs.

The first revision saw costs increase by 2.27 per cent to Tk 131.74 crore and the second revision maintained the estimated expenditure while the project's duration was extended by a year.

As of June 2019, the BSCIC spent Tk 87.23 crore, or 66.21 per cent of the cost.

Some of the major activities to be undertaken for the project are the acquisition of 50 acres land, construction of a two-storey building, a pump house and pump driver quarter, entry gate and boundary wall, and setting up of a deep tube-well and water pipeline.

The project is expected to create 5,000 jobs.

The meeting also approved the expansion and modernisation of the Amin Bazar landfill at a cost of Tk 786.26 crore. The Dhaka North City Corporation (DNCC) will implement the project, for which development will begin in July 2020 and end in June 2023.

Under the accepted scheme, the DNCC will set up new landfill sites, incineration plants and infrastructural facilities on 80 acres of land for the resource recovery and disposal of medical



waste.

The DNCC will also develop an environment-friendly and hygienic way to collect, transport and dump waste materials. At the resource recovery facilities, wastes will be recycled to produce biogas and organic fertilisers.

The ECNEC also approved five more projects: emergency water supply; widening and strengthening of the

(Jhenaidah)-Shoilaakupa-Langalbandh (Shreepur)-Wapda district highways; protecting the right bank of the Jamuna river from Munshiganj to Khanpura and Kazirhat to Rajdardia of Bera upazila of Pabna; protecting the left and right banks of the Dharala river, including flood control in Kurigram sadar, Rajarhat and Fulbari upazila; and protecting the Padma river from erosion in Charbagdanga and Shajahanpur in Chapainawabganj district.

AIIB lends \$200m to enhance electricity coverage

STAR BUSINESS REPORT

The Asian Infrastructure Investment Bank (AIIB) has approved a \$200-million loan to Bangladesh to increase access to electricity and improve service efficiency in the



capital of Dhaka and the country's western zone.

While the government of Bangladesh has implemented various programmes to meet growing demand for power, mainly as a result of rapid industrialisation and urbanisation, a lot of the population still lack access to electricity.

It is estimated that poor power supply has resulted in about 2-3 per cent loss to Bangladesh's gross domestic product annually, with significant sums spent on diesel generators for backup.

By 2025, the \$750-million Dhaka and Western Zone Transmission Grid Expansion Project is expected upon completion to reduce the number of annual power outages to 15 from 60, reduce transmission loss to 2.50 per cent from 2.76 per cent and add

7,440 megawatt-amperes of power transmission capacity, said the Beijing-based lender in a statement yesterday.

The project, which will lead to the construction of 408 kilometres of transmission lines, will also have a positive environmental impact, reducing average annual carbon dioxide emissions by 455,785 tonnes.

The objective of the proposed project is also to strengthen institutional capacity of state-run Power Grid Company of Bangladesh (PGCB).

“AIIB's investment gives much-

needed financing to provide affordable, reliable and modern energy, especially in areas where people lack basic infrastructure,” said AIIB Vice President and Chief Investment Officer DJ Pandian in the press release.

The project will also help the power sector tackle climate change impact, making the grid more climate-resilient, he added.

The latest lending took the total approved and proposed loans to Bangladesh to \$1,915 million.

Bangladesh is currently the fastest growing economy in South Asia, growing at more than 7.5 per cent per annum in the last three years.

The country is also rapidly urbanising with nearly half its population expected to live in urban areas by 2025.

These trends, combined with a policy push to achieve universal electricity access for Bangladesh's population, present a tremendous growth opportunity for the country's infrastructure sector in the near future.

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Coca-Cola to invest \$200m in Bangladesh

Says its global chief

STAR BUSINESS REPORT

The Coca-Cola Company, one of the world's top three beverage manufacturers, plans to further expand its Bangladesh operations by investing \$200 million over the next five years, said its chairman and chief

executive officer James Quincey.

“We have an enduring belief that our business is only as sustainable as the communities in which we operate. This means that for our business to be viable and grow, the communities must also grow,” said Quincey while addressing the press at the Radisson Blu

Dhaka Water Garden hotel yesterday.

Coca-Cola has already invested more than \$100 million in Bangladesh but to expand its operations in a sustainable manner, the company will need to understand and align itself with the country's priorities, he added.

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Broccoli winning hearts in Barishal

SUSHANTA GHOSH, Barishal

Broccoli is gaining popularity as an alternative to the traditional vegetables the farmers in Barishal grow, as it is letting them take home comparatively higher returns.

The green plant assisted the farmers at Jagua union in Barishal sadar upazila to rake nearly 1.5 times higher returns than pumpkin, bottle gourd, bitter gourd, papaya and mangetout.

In October last year, six farmers sowed broccoli seeds for the first time in the area in a separate land, which will be less than 1 acre in total, according to local growers.

The six earned about Tk 45,000 for every Tk 15,000 they invested on an average, whereas the profit would hit a maximum Tk 30,000 in case of pumpkin and others, they added.

The number of broccoli farmers is growing every day.

“All of us are targeting double the acreage next year,” said Litu Sarker, a farmer of the district's Bamnikathi village.



The Department of Agricultural Extension (DAE) has no official data on broccoli farming in the zone, said Toufikul Alam, a deputy director of the government agency.

“The farmers have started broccoli farming for the first time this season. We will start collecting information once the acreage gets bigger,” he added.

Sarker used a 20-decimal land to grow broccoli, which is high in many nutrients, including fibre, vitamin C, vitamin K, iron and potassium.

He used to cultivate local bitter gourd, papaya, bottle gourd and pumpkin. “But this time I tried a new vegetable and it worked for me.”

Sarker spent about Tk 12,000 on seeds, organic fertiliser and labour to plough and prepare the land for broccoli farming. He made a profit of Tk 40,000 in just three months.

It is a must to sow broccoli seeds by October. The vegetable gets ready for sales within two months and it can be sold from the land for the next three months, he said.

“When I planted broccoli seeds worth Tk 900 in a 20-decimal land five months ago, all of my fellow farmers discouraged me, as we had little knowledge about the vegetable,” said Sheikh Munje Elahi Dulal, a farmer of Bamnikathi village.

But his hard work paid off when he started making profits: he earned Tk 10,000 in January. He has now another 200 broccolis left, from where he hopes to earn Tk 12,000 more.

Dulal was one of the first few farmers who came to know from the local doctors and agricultural officers about the health benefits of broccoli and its rising demand as a nutritious vegetable.

He made lower profits than his peers, as he used to give many broccolis for free to encourage people to go for its farming.

“Many people have visited my land to see how I am growing the vegetable. A lot of doctors have requested me to call them when broccolis are ready for sales,” he added.

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