

STOCKS	
DSEX 6,930.07	CSCX 12,195.09

COMMODITIES	
Gold \$1,864.04 (per ounce)	Oil \$82.17 (per barrel)

ASIAN MARKETS			
MUMBAI 60,686.69	TOKYO 29,609.97	SINGAPORE 3,228.45	SHANGHAI 3,539.10

CURRENCIES				
\$ USD	€ EUR	£ GBP	¥ CNY	STANDARD CHARTERED BANK
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BUSINESS

DHAKA MONDAY NOVEMBER 15, 2021, KARTIK 30, 1428 BS ● starbusiness@thedailystar.net

Listed pharmas post higher profits as demand picks up

AHSAN HABIB

Almost all listed pharmaceutical companies in Bangladesh logged higher profits in July to September thanks to higher sales as people shook off coronavirus fears to avail treatments and the lower cost of bank finances.

Among the 10 major drug companies in Bangladesh, the profits of eight -- ACI Ltd, Acme Laboratories, Beximco Pharmaceuticals, Ibn Sina, Renata, Square Pharmaceuticals, Orion Infusion, and Indo-Bangla Pharmaceuticals -- rose.

The earnings of Orion Pharmaceuticals and Silva Pharmaceuticals dropped.

The pharmaceuticals business saw slowdown at the heights of the pandemic in Bangladesh. Though the crisis hit the country in March 2020, it intensified in the first few months in 2021. People were reluctant to leave their houses to go to hospitals unless it was emergency.

Similarly, many doctors had cut business hours, but their service has almost returned to normalcy as coronavirus caseloads have dropped sharply in the last several months.

"As a result, the sales and profits of pharmaceutical companies went up," said M Mohibuz Zaman, chief operating officer of ACI Pharmaceuticals.

Profits of ACI Ltd, the parent company of ACI Pharmaceuticals, stood at Tk 30.12 crore in the first quarter, up a staggering 647 per cent from Tk 4.03 crore a year ago, according to the financial statements.

Md Moniruzzaman, managing director of IDLC Investments, one of the leading merchant banks in Bangladesh, echoed Zaman.

"This year, almost all drug-makers

COMPANY NAME	GROWTH (IN %)
ACI Ltd	155
Acme	41
Ibn Sina	39
Beximco	36
Square	27
Renata	12

REASONS BEHIND HIGHER PROFITS

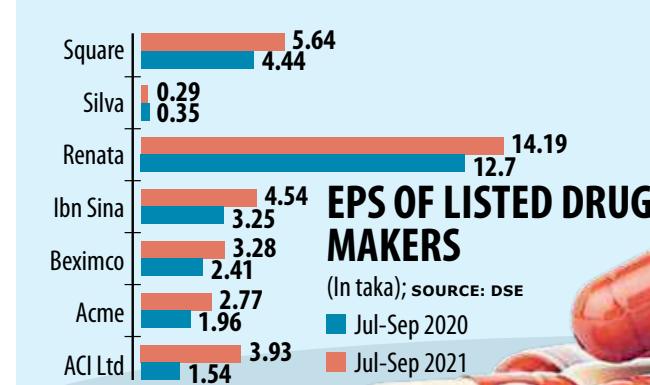
Higher sales of prescription medicines

A rise in seasonal diseases such as cold and fever

Higher sales of Covid-related medicines

Better export earnings

Lower rates of interest



witnessed a big jump in their profits than their usual growth of 10 to 12 per cent," he said.

ACI Ltd's profit grew 155 per cent compared to the same quarter a year ago. The profits of Acme Laboratories were up

41 per cent, Ibn Sina's 39 per cent, Beximco Pharma's 36 per cent, and Square Pharmaceuticals' 27 per cent.

"The profits of the listed drug makers were sales-driven," said Moniruzzaman.

The sales were higher in the quarter for a confluence of factors.

A huge number of people contracted Covid-19, so the demand for virus-related medicines was higher.

In the export markets, pharmaceuticals shipment from Bangladesh grew 33 per cent year-on-year in the July-September quarter on the back of anti-coronavirus drugs and the cash incentives from the government.

Medicines worth \$56 million were exported during the period, up from \$42.17 million in the same three-month period last year, data from the Export Promotion Bureau showed.

The lower interest rate on bank loans, owing to the lending rate cap enforced by the central bank since April last year, contributed to the sharp increase in the

profits, according to Moniruzzaman.

The July to September quarter is the peak season for the pharmaceutical industry, and the period produced good profits, said Md Jubayer Alam, company secretary of Renata.

Renata clocked profits of Tk 139 crore in the first quarter of 2021-22, which was Tk 126 crore a year ago. Its earnings per share were the highest among all the listed drug-makers at Tk 14.19, the company's financial statements showed.

Many senior doctors had stopped private practices at their chambers last year due to the pandemic, sending the sales of medicines lower. Now, consultations are done in person.

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Italian company wants to recycle Savar tannery waste

SUKANTA HALDER

An Italian company has proposed being authorised to manage Savar Tannery Industrial Estate's (STIE) solid waste so that it could recycle it into biogas and fertilisers.

Ilsa SPA in its website says it produces and markets biostimulants and products with a specific action, organic and organo-mineral fertilizers, solids and liquids.

The proposal alongside a draft memorandum of understanding for conducting a feasibility study is now with the Ministry of Industries, forwarded by the Bangladesh Small and Cottage Industries Corporation (BSCIC).

It will work to transfer green technology in a joint venture between Bangladesh and Italy and increase Italian investment in Bangladesh, said Italian Ambassador to Bangladesh Enrico Nunziata paying a courtesy call on the BSCIC chairman at his office yesterday.

Some 50 tonnes to 60 tonnes of solid waste, such as fleshings, trimmings, and shavings, are currently being generated every day by 132 out of the 155 tanneries in operation.

During the peak four months of production centring the sacrifice of animals during Eid-ul-Azha, the amount goes up to 150 tonnes a day, according to the BSCIC.

In absence of dumping yards, all of the waste is being stored in a nearby vacant space under the open sky on a temporary basis, polluting the locality of Hemayeturin in Savar.

The government had shifted the tanneries from the city's Hazaribagh to Savar in 2017 aiming to make the leather sector more environment-friendly.

But the STIE still lacks proper solid waste management alongside a fully functional effluent treatment plant.

"We are struggling with solid waste. It will not be possible to manage. So we have to take help of foreign technology," said Md Mostaque Hassan, chairman of the BSCIC.

"The BSCIC will sign the MoU as soon as the ministry gives the approval. We hope to implement this initiative within a year," he said.

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MJL sees profits soar 71pc

STAR BUSINESS REPORT

MJL Bangladesh Ltd saw its profits surge to Tk 62.8 crore in the July-September quarter, up 71 per cent from Tk 36.7 crore during the same period a year ago, as the reopening of economic activities since August powered its lubricant sales.

The company registered revenue of Tk 606 crore in the quarter, up 30 per cent from Tk 506 crore a year ago.

"We had good business in the July-September quarter as industries and power plants ran, while there was increased vehicle movement," said Md Rokibul Kabir, company secretary of MJL Bangladesh.

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Singer faces Tk 94cr VAT evasion charge

SOHEL PARVEZ

A field office of the National Board of Revenue has brought a VAT evasion allegation against Singer Bangladesh Ltd and claimed nearly Tk 94 crore as indirect tax from the electronics and home appliance seller.

The multinational denied the allegation.

Inspections last May revealed that Singer had not registered 314 sales centres and 19 warehouses, said Large Taxpayers Unit, Value Added Tax, which collects the indirect tax from big local and multinational companies.

Singer's records of March officially showed it had 110 showrooms, said the NBR field office, adding that this discrepancy was a violation of rules.

Singer Bangladesh has three separate VAT registrations.

It itself is registered with the Customs, Excise & VAT Commissionerate, Dhaka (South) as a trading entity for selling imported and locally manufactured appliances.

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SINGER
TRUSTED FOR GENERATIONS

Its factory is listed with the LTU, VAT as a manufacturer. Another factory, International Appliance Ltd, is registered with the Customs, Excise & VAT Commissionerate, Dhaka (West).

The inspections found that a 15 per cent VAT should be realised from Singer on products delivered from two of the unregistered warehouses between December 2020 and April 2021, said the LTU, VAT.

The company's Genda, Savar warehouse delivered Tk 363.46 crore of appliances, the VAT on which amounts to Tk 54.52 crore, it said.

Similarly, Singer's Rajfulbaria, Savar warehouse delivered products of Tk 56.6 crore, on which VAT of Tk 8.49 crore is applicable, it added.

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INAUGURATION

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Stocks snap winning streak

STAR BUSINESS REPORT

The stock market dropped yesterday snapping a three-day gaining streak as quarterly earnings disclosures failed to cheer investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell 65 points, or 0.94 per cent, to 6,930.

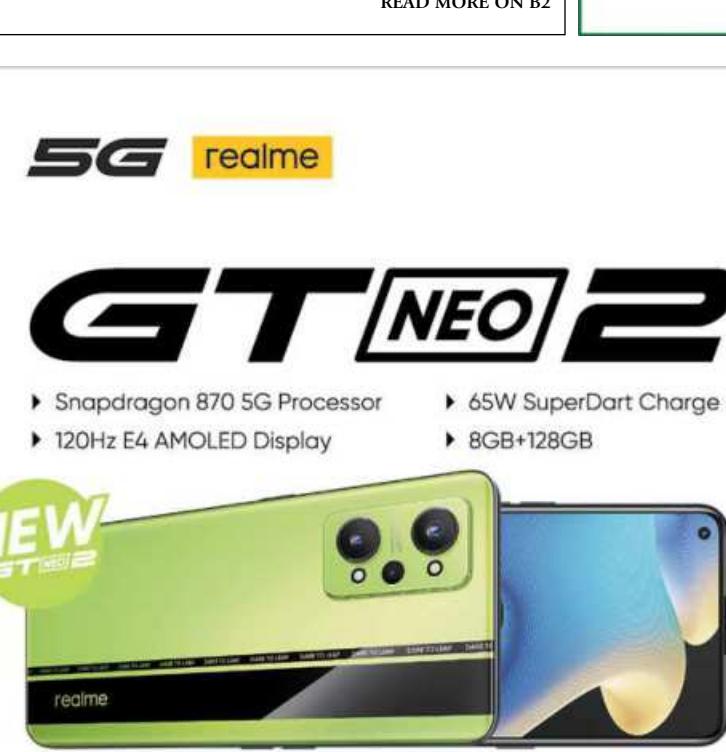
International Leasing Securities Ltd blamed the quick profit booking for the decline.

The risk-averse investors opted for booking profit as quarterly earnings disclosures from a number of companies during the trading hours failed to meet their expectations, it said in an analysis.

Among the sectors, tannery, IT and bank sectors posted price appreciation, while cement, travel and ceramic witnessed correction. The investors' activity was mostly centred on bank and pharmaceuticals sectors.

Turnover, an important indicator of the market, fell 28 per cent to Tk 1,102 crore. It was Tk 1,506 crore a day earlier. On the DSE, stocks of 68 companies advanced, 273 fell, and 32 remained the same.

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