

Deposit, lending growth fuels IDLC's profit

GAZI TOWHID AHMED

IDLC Finance's net profit rose 165.34 per cent to Tk 42.75 crore year-on-year in the July-September period of this year thanks to the firm's growth in deposit and lending.

The growth in small and medium enterprises and consumer segment business also helped in increasing the profit in the third quarter.

IDLC's deposit and lending businesses—corporate, small and medium enterprises, and consumer division client segments— all recorded good business growth, said Selim RF Hussain, managing director of the non-bank financial institution.

In the last nine months of this year, deposits grew 13 percent, or Tk 380 crore, to Tk 3,297 crore, while lending increased 17 percent, or Tk 646 crore, to Tk 4,346 crore.

As on September, 2014, deposits accounted for 85 percent of IDLC's funding portfolio, he said. "We are confident of achieving continued quality growth in our

SME and consumer segment businesses."

IDLC's two capital market subsidiaries—IDLC Securities and IDLC investments—have been negatively impacted by a bearish stockmarket and low turnover in the first six months leading up to June, but they are doing better in Q3, he said.

"The non-performing loan ratio of the company is very low compared to other NBFIs mainly because of our focus on quality growth of assets and the continued improvements in the credit and collection function across all three client segments."

IDLC's non-performing loan ratio will stand at 1.9, due to smart management of loans in the upcoming year, Hussain said.

IDLC offers 9.5 percent interest for deposit, while other similar operatives offer 12-13 percent, he said. The company's earnings stood at Tk 2.13 for each share, with market price standing at Tk 77.6.

IDLC is going to be the strongest brand among NBFIs due to its professional workforce, he said.

ERD launches database for aid transparency

STAR BUSINESS REPORT

The Economic Relations Division (ERD) yesterday launched a web-based software application for better management of foreign aid. Finance Minister AMA Muhith unveiled the online software -- Aid Information Management System (AIMS) -- at a ceremony organised by ERD at its office in the capital.

The new system will give everyone access to information pertaining to the inflow and disbursement of foreign aid.

Aid data is important towards understanding national resources coming from both domestic and external sources, Muhith said.

Over the last 10 years, the country received foreign assistance worth \$1.85 billion each year and was among the top 20 aid recipients globally. Foreign aid constitutes over 35 percent of the development budget of Bangladesh.

"I am very encouraged that ERD has launched the aid management system, which will enhance transparency and ensure better management of foreign assistance," said Prime Minister's Economic Affairs Adviser Mashur Rahman.

It would be helpful to predict aid flow for national budgets, improve the overall alignment of assistance with the country's priorities and help better target the use of growing domestic resources, he said.

Installation of a system is the easiest part, but ensuring its practical use would be the real challenge, he said.

ERD now needs to train all stakeholders including the ministry officials to familiarise them with the system, he said.

Foreign assistance in gross domestic product stands even less than 2 percent, said M Abdul Mannan, state minister for finance and planning.

Bangladesh dependence on foreign assistance is falling gradually, he said.

The overall objective of such an online database is to provide a common aid data sharing platform for all stakeholders to increase aid transparency, strengthen mutual accountability and improve efficient aid management, said Mohammad Mejbahuddin, ERD secretary.

Aid transparency is a cardinal element to developing effectiveness as it helps cut costs of managing foreign assistance, he said.

The online reporting to AIMS will soon replace the offline reporting to ERD wings currently done by development partners on a regular basis, he added. The system developed by Bangladesh is compliant with the data standard set by the International Aid Transparency Initiative, ERD said.

The development partners need to log into the system to provide data. Seventeen development partners have registered so far.

Govt to import wheat from Ukraine

STAR BUSINESS REPORT

The government is set to import 2.5 lakh tonnes of wheat, each unit at \$297.50, from Ukraine through state level arrangement.

Finance Minister AMA Muhith approved the proposal for the import in a meeting with the cabinet committee on economic affairs yesterday. The proposal comes with a waiver from the Public Procurement Regulations.

A target of collecting 9 lakh tonnes of wheat through import has been set in this fiscal year's budget.

Bidders sometimes fail to supply wheat on time although it is imported through international bidding, according to the proposal.

Last fiscal year, tender was floated to import wheat under 10 packages, but the concerned bidders could not supply wheat even after getting the work order.

The tender under four packages had to be cancelled later. Work orders of four bidders were cancelled and their performance guarantee money was forfeited, the food ministry said.

Wheat is being imported through state level arrangement alongside international bidding to ensure satisfactory stock of wheat, the ministry said.

The government has so far imported 3.12 lakh tonnes of wheat from Ukraine, of which 2 lakh tonnes were imported in the last fiscal year.

The cabinet committee on economic affairs also okayed construction of an LPG (liquefied petroleum gas) bottling plant at Kumira in Chittagong under public private partnership initiative.

Around 1 lakh tonnes of LPG gas will be imported from Singapore, Malaysia, Saudi Arabia, Abu Dhabi and Kuwait and will be sold in different areas of Bangladesh.

Under this project, the government has a plan to produce and distribute LPG in 6.5 kg, 12.5 kg, 20 kg, 40 kg and 50 kg cylinders in union, upazila and small towns as per the demand of the customers, the energy division proposal said.

Around 1 lakh tonnes of LPG is bottled at government and non-government levels in country, much lower from its demand of 5 lakh tonnes.

The bottling plant will require Tk 248 crore in addition to develop 10 acres of land. The cost for land development has been estimated at around Tk 22 crore.

The government will provide the land and private entrepreneurs will bear the rest of the cost.

The government has decided not to extend residential gas lines to new areas, according to the proposal. New gas connection will be given to areas where lines exist.

After the meeting of the economic affairs committee, a meeting of the cabinet committee on purchase gave nod to the proposal for import of 1 lakh tonnes of fertiliser at a cost of Tk 270 crore.

Brain Station-23: Power of conviction

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"The local banks are now procuring a huge amount of software. So, we want to grab this segment with quality software," he said, adding that development of local software will help the country save large sums of foreign currency.

Companies operating in Bangladesh can also make big savings by purchasing software from local companies.

The work rate charged by the company is either hour based or project based, depending on the service offered, and the applicable business model. Rates can range between \$15 and \$20 an hour.

The company mainly hires winners of different programming contests, and pays its employees from Tk 15,000 to Tk 150,000 a month, depending on the job profile, he said.

Local software and IT vendors exported services and products worth \$124.72 million in fiscal 2013-14, up 22.71 percent from the previous year, according to data from Export Promotion Bureau. Bangladesh was recently recognised by AT Kearney as the 26th best destination for IT outsourcing globally. AT Kearney, a leading management consultancy firm with offices

in more than 40 countries, included Bangladesh in its Top 50 Global Services Location Index for the first time recently.

In terms of cost competitiveness in outsourcing services, Bangladesh ranks first, according to the study.

Bangladesh Association of Software and Information Services set a target to earn \$1 billion from such exports and create 1 million professionals in five years.

The global market of business process outsourcing and IT services stood at \$952 billion in 2013, of which or \$304 billion was BPO based, according to HfS Research, an American consultancy firm.

Over 700 companies, including software developers and outsourcing service providers are now in operation in Bangladesh, but 10-15 companies are doing well, he said.

Kabir, who is also the co-founder of Biponee.com, a leading e-commerce site in Bangladesh, urged the government to improve road connectivity in the capital to take the industry forward. "Traffic jams are increasing our operating costs significantly," Kabir graduated in electrical and electronic engineering from BUET and did his MBA from East West University in 2011.



FSIBL

AAM Zakaria, managing director of First Security Islami Bank, attends a programme to mark the bank's 15th anniversary at Hotel Agrabad in Chittagong on Saturday. Syed Waseque Md Ali, deputy managing director, was also present.

Unite to take Asia forward

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"Asian recovery is interlinked with global recovery. Being in a global village, you cannot remain in isolation. You cannot remain insulated from the rest of the world," said Mahbubur Rahman, president of ICCB, at a press briefing organised to share the outcomes of the conference.

Consumption expansion in China and India, and the relationship between these two countries will be critical in shaping the Asian agenda in future, he added.

The conference observed that the financial crisis and recession of 2008-09 appeared to have pushed the world economy to a slower growth trajectory; the average growth in the last four years was decidedly lower than the preceding four years.

The nature and pace of recovery remain tentative, facing formidable structural impediments, financial uncertainties and inter-regional imbalances that could aggravate ongoing problems, ICCB said in a statement on the outcome of the event.

Rahman said Asia has been able to strengthen its resilience to global risks and will continue to be a source of global economic dynamism.

But gradual fiscal consolidation and supportive monetary policy could strengthen the continent's resilience to risks, according to the ICCB president.

However, it will not automatically result in growth acceleration. For that, appropriate growth policies need to be pursued.

Inequality has increased with a concurrent decrease in poverty in the region, the ICCB said. In this backdrop, food security should be ensured, particularly in the

South Asian region.

Other than providing a set of recommendations in areas ranging from trade, investment, regional cooperation, governance and environment, the conference also recognised the shift towards China and India in the 21st century.

"If they see eye to eye, trade in Asia will reach new heights," Rahman said.

Participants also observed that climate change would impact air quality and water.

It would be the biggest challenge in the environmental domain in the region in the coming days, Rahman said.

In addition to focusing on the good relationship between the two emerging Asian giants, the conference also underscored the importance of good governance and inclusive politics.

"These are essential prerequisites for accelerated investment and growth."

By committing to a new transformative growth paradigm, developing Asia can lead a process of development towards a future that is sustainable, Rahman said.

The new development paradigm though will need to be conscious about rising inequality and environmental degradation and take corrective measures to address the attendant concerns.

The ICCB president is also hopeful that the two-day conference would benefit Bangladesh and take the country to the next stage.

Latifur Rahman, vice-president of ICCB, and a member of Paris-based ICC's executive board, said the conference's participants are going back more enriched.

"This is the strength of having quality speakers."

Don't mix business with politics

FROM PAGE B1

"Along with restoration of stability and growth in advanced economies in 2-3 percent range, these performances can be an important pull factor for global recovery."

The stronger long-term growth performance of developing Asia is mainly explained by economic fundamentals, according to Ahmed.

The higher growth is spurred by a rapidly rising national investment rate and expansion of exports.

"South Asia has been a bit of a laggard and export-orientation and trade openness started very late in the day. But slowly, it is catching up."

Asia has done much better than others during the financial crisis of 2008-09

mainly due to better performance of the Chinese and Indian economies, said Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue.

"Chindia' has driven the growth in Asia," he said, while slotting the Asian economies into three categories of "Dazzling, Dancing and Dazed".

Dazzling Asia includes the higher income countries like Japan, Singapore and South Korea; Dancing Asia has the upcoming China, India and Malaysia and the dormant economies of Bangladesh, Nepal, Pakistan and Sri Lanka form the Dazed Asia.

Bhattacharya stressed more integration between the Asian countries for sustained economic growth.

Dazed Asia should establish a new phase of relationship in terms of sub-divisional

or connectivity projects with other Asian countries.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said regional cooperation is necessary for the overall development of the Asian economy. Aftab-ul Islam, president of American Chamber of Commerce in Bangladesh, said regional cooperation does not get a momentum in South Asia mainly due to mistrust among neighbouring countries.

He stressed the need for enhancing people-to-people contact in the region with more exchanges between businesspersons and civil society members.

South Asian countries can benefit immensely from cooperating with each other, he said, while citing Nepal's capability

to address the region's electricity shortage with its 80,000 megawatts of hydropower.

Sultan Hafeez Rahman, executive director of Brac Institute of Governance and Development, said Asian countries have to be more open and should invest in fundamental research.

Adeeb Hossain Khan, council member of the Institute of Chartered Accountants of Bangladesh, said Bangladesh is gradually getting importance on the global front due to its larger population base.

As a result, Japan's Honda and Uniqlo and India's CEAT have already set up operations in Bangladesh, he said. Salehuddin Ahmed, former governor of Bangladesh Bank, also emphasised more regional cooperation.

"Asia cannot grow alone."

Novo Nordisk high official due today

STAR BUSINESS DESK

Karin Wierinck, corporate vice president of people and organisation for Novo Nordisk International operations, is scheduled to arrive in Dhaka for a short visit today.

Wierinck will meet with Novo Nordisk Bangladesh's management, visit BIRDEM and attend an award ceremony of the DLP programme, the company said in a statement yesterday.



Bangladesh Lamps Limited					
Financial Statements		Sadar Road, Mohakhali			
3rd Quarter 2014		Dhaka - 1206			
STATEMENT OF FINANCIAL POSITION (UN - AUDITED)					
AS AT 30 SEPTEMBER 2014					
	As at	As at			
	30 September 2014	31 December 2013			
	Taka	Taka			
Assets					
Property, plant and equipment	138,762,327	163,421,982			
Capital work in progress	2,154,374	630,000			
Intangible assets	707,054	1,025,222			
Investments:					
At cost	55,346,673	55,346,673			
Fair value adjustment	356,565,341	305,912,432			
	411,912,014	361,259,105			
Loans and deposits	4,845,497	3,340,953			
Total non-current assets	558,381,266	529,677,262			
Inventories	238,590,025	248,351,772			
Trade and other debtors	279,539,360	248,436,940			
Advance, deposits and prepayments	12,994,498	6,570,222			
Advance income tax	142,922,012	123,360,941			
Cash and cash equivalents	27,781,491	2,715,841			
Total Current assets	701,827,386	629,435,718			
Total assets	1,260,208,652	1,159,112,980			
Equity					
Share capital	93,706,080	93,706,080			
Reserves and surplus	537,013,604	497,113,514			
Total equity	630,719,684	590,819,594			
Liabilities					
Long term loan	12,952,696	28,441,377			
Deferred liability - gratuity payable	45,117,032	44,898,845			
Deferred tax liability	6,344,646	10,247,909			
Total non-current liabilities	64,414,374	83,588,131			
Current portion of long term loan	20,651,574	20,651,574			
Short term finance	288,897,483	250,421,311			
Trade and other creditors	109,078,241	75,002,648			
Accrued expenses	12,965,731	12,486,967			
Other liabilities	10,608,709	9,576,627			
Provision for tax	105,658,336	96,641,298			
Provision for royalty	17,214,520	19,924,830			
Total current liabilities and provisions	565,074,594	484,705,255			
Total liabilities	629,488,968	568,293,386			
Total equity and liabilities	1,260,208,652	1,159,112,980			
STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED)					
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014					
	1 January to	1 January to	1 July to	1 July to	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013	
	Taka	Taka	Taka	Taka	
Sales (net of VAT and SD)	877,630,757	794,456,126	340,717,825	217,253,359	
Cost of goods sold	(672,687,264)	(587,911,082)	(259,343,753)	(174,731,661)	
Gross profit	204,943,493	206,545,044	81,374,072	42,521,698	
Other income	16,667,544	10,115,089	1,637,163	3,481,738	
Operating expenses	(199,958,186)	(210,149,217)	(72,393,560)	(54,728,067)	
Profit/(loss) from operation	21,652,851	6,510,916	10,617,675	(8,724,631)	
Finance expense:					
Finance expense	(17,011,224)	(30,210,779)	(5,046,671)	(9,339,638)	
Finance income	9,115,654	17,852,904	2,602,698	5,503,595	
Net finance expense	(7,895,570)	(12,357,875)	(2,443,973)	(3,836,043)	
Profit/(loss) before contribution to WPPF	13,757,281	(5,846,959)	8,173,702	(12,560,674)	
Contribution to WPPF	(655,109)	-	(389,224)	319,701	
Profit/(loss) before income tax	13,102,172	(5,846,959)	7,784,478	(12,240,973)	
Income tax:					
Current tax	(9,017,038)	(3,972,281)	(6,526,263)	(1,086,267)	
Deferred tax	3,903,263	4,342,131	1,454,317	1,475,946	
Net profit/(loss) for the period	7,988,397	(5,477,109)	2,712,532	(11,851,294)	
Other comprehensive income/(loss):					
Changes in fair value of financial assets	50,652,909	(28,786,669)	100,008,241	(20,402,584)	
Total comprehensive income/(loss)	58,641,306	(34,263,778)	102,720,773	(32,253,878)	
Earning per share (par value Tk. 10 each)	0.85	(0.58)	0.29	(1.26)	
STATEMENT OF CASH FLOWS (UN-AUDITED)					
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014					
	1 January to	1 January to			
	30 September 2014	30 September 2013			
	Taka	Taka			
Cash flows from operating activities:					
Collection from customers	936,136,614	949,890,437			
Collection from other income	16,667,544	15,099,004			
	952,804,158	964,989,441			
Payment to suppliers	(583,834,121)	(441,776,783)			
Payment to employees	(94,131,608)	(80,653,154)			
Income tax payments	(19,561,071)	(18,313,772)			
VAT & Supplementary duty payments	(100,783,577)	(115,092,820)			
Other payments for expenses & services	(130,764,846)	(259,494,049)			
	(929,075,223)	(915,330,578)			
Net cash flows from operating activities	23,728,935	49,658,863			
Cash flows from investing activities:					
Payment for acquisition of property, plant and equipment	(4,145,103)	(5,857,744)			
Payment for investment in shares	-	(16,526,700)			
Net cash used in investing activities	(4,145,103)	(22,384,444)			
Cash flows from financing activities:					
Dividend paid	(17,505,673)	(28,718,062)			
Repayment of long term loan	(15,488,681)	(25,834,100)			
Net cash used in financing activities	(32,994,354)	(54,552,162)			
Net changes in cash and cash equivalents	(13,410,522)	(27,277,743)			
Opening cash and cash equivalents	(247,705,470)	(225,357,267)			
Closing cash and cash equivalents	(261,115,992)	(252,635,010)			
Closing cash & cash equivalents represent the following:					
Cash & cash equivalents	27,781,491	15,840,978			
Short term finance	(288,897,483)	(268,475,988)			
	(261,115,992)	(252,635,010)			
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)					
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014					
	Share	Capital	General	Fair value	Retained
	Capital	Reserve	Reserve	Reserve	Earnings
	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2014	93,706,080	2,305,167	170,154,699	305,912,432	18,741,216
Dividend	-	-	-	-	(18,741,216)
Net profit after tax for the period ended 30 Sep 2014	-	-	-	-	7,988,397
Other comprehensive income/(loss)	-	-	50,652,909	-	50,652,909
Balance as at 30 September 2014	93,706,080	2,305,167	170,154,699	356,565,341	7,988,397
Balance as at 1 January 2013	93,706,080	2,305,167	199,720,486	300,111,790	18,741,216
Dividend	-	-	-	-	(18,741,216)
Net Loss after tax for the period ended 30 Sep 2013	-	-	-	-	(5,477,109)
Other comprehensive income/(loss)	-	-	-	(28,786,669)	(28,786,669)
Balance as at 30 September 2013	93,706,080	2,305,167	199,720,486	271,325,121	(5,477,109)
Company Secretary (C.C)					
Chief Finance Officer					
Director					
This Financial Statements will be available in english site at www.bll.com.bd					