



Square Pharmaceuticals said its profit growth slowed in the first quarter of the current financial year as its operating expenses soared, while Square Textiles saw its profit dip owing to higher spending aimed at ensuring energy supply. PHOTO: COLLECTED

Orion Pharma’s profit more than doubles

STAR BUSINESS REPORT

Orion Pharma Ltd's profit more than doubled in the July-September quarter of the ongoing financial year of 2022-23.

The pharmaceuticals company raked in Tk 16.85 crore in profit in the quarter, up 140 per cent from Tk 7.02 crore during the identical quarter in 2021-22.

Thus, its consolidated earnings per share stood at Tk 0.72 in the three months to September, which was Tk 0.30 during the same quarter a year earlier.

The EPS went up as two of Orion Pharma's subsidiaries – Orion Power Meghnaghat Ltd and Dutch Bangla Power & Associates Ltd – are fully operational now, said the parent company in a filing on the Dhaka Stock Exchange.

The consolidated net operating cash flow per share surged to Tk 2.25 in July-September from Tk 1.52. The consolidated net asset value per share (including revaluation surplus) was Tk 92.65 on September 30 and Tk 82.53 on June 30.

Shares of Orion Pharma were down 9.13 per cent on the DSE yesterday.

Profit of Square’s two firms hit by rising costs

STAR BUSINESS REPORT

Square Pharmaceuticals Ltd and Square Textiles Ltd, two concerns of Square Group, saw their profit hit by higher expenses in the July-September quarter of 2022-23 owing to higher raw materials and fuel prices and the energy crisis.

The cost of production has gone up for the companies in Bangladesh, like those around the world, for the increase in the price of raw materials, fuels and energy amid the supply disruption and the exchange rate volatility caused by the Russia-Ukraine war.

So, Square Pharmaceuticals said its profit growth slowed in the first quarter of the current financial year as its operating expenses soared.

The country's largest pharmaceutical company's profit rose 10 per cent year-on-year to Tk 550 crore in July-September from a year ago, according to the first quarter financial statement.

The drug maker registered 8 per cent year-on-year growth in its gross revenue to Tk 1,881 crore during July-September.

While its cost for goods sold grew 7 per cent, its operating expenses, which

include sale and distribution expenses, administrative expenses and finance costs, rose 19 per cent to Tk 295 crore in the three months to September from the identical quarter a year ago prior.

Square Pharma, however, closed 0.43 per cent higher at Tk 211 on the Dhaka Stock Exchange (DSE) yesterday.

However, the net operating cash flow

The country’s largest pharmaceutical company’s profit rose 10 per cent year-on-year to Tk 550 crore in July-September from a year ago, according to the first quarter financial statement

per share dropped to Tk 5.87 in July-September of 2022 from Tk 6.61 a year ago.

Square Textiles saw its profit dip by 17 per cent in July-September owing to higher spending aimed at ensuring energy supply amid the gas and electricity crisis and fuel price hikes.

Since November 2021, the government has hiked the diesel price twice, sending

it to Tk 109 per litre from Tk 65 to minimise the subsidy on petroleum products.

In Bangladesh, the electricity crisis has deepened owing to a fall in gas supply after the government put on hold buying liquefied natural gas from the international markets in order to save the foreign currency reserves, whose level has dropped by more than 23 per cent year-on-year in November for the escalated imports against lower export and remittance receipts.

Square Textiles made a profit of Tk 37.68 crore in July-September this year, down from Tk 45.37 crore during the same quarter in 2021. Thus, the EPS of the textile miller declined to Tk 1.91 in the three months to September from Tk 2.30.

The net operating cash flow per share slumped by half to Tk 2.82 from Tk 5.23 during the period.

In a posting on the DSE, Square Textiles said its net cash flow decreased due to the volatility in business operations, realisation from debtors and import payments.

Its shares closed unchanged at Tk 67.50 on the DSE yesterday.

MTB, TallyKhata offer loans to small businesses

STAR BUSINESS DESK

Mutual Trust Bank (MTB) and TallyKhata, a digital platform for small and micro businesses in Bangladesh, recently launched an “MTB TallyKhata Digital Loan”, which is essentially working capital loans for small businesses.

Md Khurshid Alam, executive director of Bangladesh Bank, inaugurated the new product at Six Seasons Hotel in Dhaka, said a press release.

Syed Mahbubur Rahman, managing director of MTB, Shahadat Khan, chief executive officer of TallyKhata, Soumya Basu, country manager of VISA, and Muhammad Nazem Hassan Satter, general manager of SME Foundation, were present.

By using the app, small businesses can apply for working capital loans from now on and the loan may be approved within a very short period.

Midland Bank gets ISO certificate

STAR BUSINESS DESK

Midland Bank recently announced receiving an International Organization for Standardization (ISO) certificate from BSI Group India Private for compliance with international standards over establishing, implementing and maintaining information security management systems.

Md Ahsan-uz Zaman, managing director of the bank, received the certificate from Anindita Dutta Choudhury, regional sales manager of BSI Group India Private, at the lender's head office in Dhaka on Monday, said a press release.

Upasana Gupta, business development manager of BSI Group India Private, Moshikul Islam, chief executive officer of Enterprise InfoSec Consultants, Md Zahirul Islam, chief financial officer of the bank, Mostafa Sarwar, head of customer relationship management, and Md Rashed Akter, head of retail, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (NOV 15, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 72	-3.6 ↓	6.35 ↑
Coarse rice (kg)	Tk 47-Tk 52	-2 ↓	5.38 ↑
Loose flour (kg)	Tk 60-Tk 62	7.96 ↑	79.41 ↑
Lentil (kg)	Tk 100-Tk 105	5.13 ↑	17.14 ↑
Soybean (litre)	Tk 175-Tk 180	10.94 ↑	24.56 ↑
Potato (kg)	Tk 22-Tk 28	-3.85 ↓	-3.85 ↓
Onion (kg)	Tk 50-Tk 55	16.67 ↑	-16 ↓
Egg (4 pcs)	Tk 43-Tk 48	-6.19 ↓	22.97 ↑
SOURCE: TCB			

Tax calculation

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contributing monthly Tk 5,000 to the Recognised Provident Fund. The total amount for 12 months was Tk 60,000 and it shall be included as taxable income. And two festival bonuses equivalent to a monthly basic salary each, Tk 120,000 (Tk 60,000X2) shall also be included with taxable income. No exemption for these two incomes.

Karim earned a total of Tk 12 lakh. Out of this income, he gets an exemption of Tk 3.90 lakh. Finally, his taxable income is Tk 8.10 lakh on which he has to pay tax and it shall be written in serial 01. If this taxable income was below Tk 3 lakh then he shall not be eligible to pay any tax.

Now he will calculate the tax liability. His total tax liability comes at Tk 51,500, which shall be written in serial 5. Is it big?

No worries, in the third step, he will learn how to minimise this tax and maximise wealth!

The author is lead consultant of Taxpert, an online tax training centre.

SALARY AND TAXABLE INCOME				
Sl	Salary break-down	Income	Exemption	Taxable income
1	Basic salary	600,000	-	600,000
2	House rent allowance	300,000	300,000	-
3	Conveyance allowance	60,000	30,000	30,000
4	Medical allowance	60,000	60,000	-
5	RPF	60,000	-	60,000
6	Festival bonus	120,000	-	120,000
TOTAL		1,200,000	390,000	810,000

SLAB-WISE TAX RATES			
	Taxable income	Tax rate	Tax liability
First	300,000	0%	-
Next	100,000	5%	5,000
Next	300,000	10%	30,000
Balance	110,000	15%	16,500
TOTAL		810,000	51,500

Retailers, brands ask for innovation

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The weeklong events are being organised by the BGMEA and Bangladesh Apparel Expo.

Anne-Laure Descours, chief sourcing officer of Puma, said Bangladesh needs to go for synthetic raw materials production as the country was already strong in cotton fibre-made garment items.

She also said the setting up of green garment factories would continue as the country was the champion of green units worldwide. Descours called for innovation, quality and reskilling of workers for sustainability in the garment sector.

Francisco Javier Losada Montero, chief sustainability officer of Inditex, said Bangladesh was already in a very good position regarding innovation.

Bangladesh needs to improve in online trading and establishing strong collaborations between the retailers and suppliers, he said.

Circularity is going to be a new innovative idea in productivity for the sector to save on water consumption, he said.

Rita Lohani, director for operations of Walmart Sourcing, Bangladesh, suggested bringing diversity in products and improving the efficiency in garment production as those were related to the sustainability.

The next 10 years are important for the country's garment sector as Bangladesh has already come a long way in the garment trade, she said.

The upskilling of labour is also important for the country for sustainable supply of garments, she added.

Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, said Denmark was providing support through International Labour Organization with regard to health and workplace safety.

Both Bangladesh and Denmark have been building partnerships for more business between the two

countries, she added.

Kutubuddin Ahmed, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), suggested forming a committee involving the BGMEA for solving the ongoing crises such as that involving energy.

Currently, the main problem in the sector is the energy crisis stemming from the Russia-Ukraine war, he said.

He also said transparency and traceability were the “product passport” for the garment business now.

Because a study in 2020 showed that 67 per cent of customers wanted sustainable products and 20 per cent of consumers wanted the brands to be proactive in aspects such as transparency and traceability of products, he said.

Bangladesh has already successfully traversed the first phase in garment business as the country has the highest number of green garment factories and is the second largest exporter after China, he added.

However, now the time has come to take to the second phase by improving workplace safety and utility, water and chemicals use, Ahmed said.

So, use of modern technologies is also very important, he said, adding that there was a type of technology which could recycle 90 per cent water used in the textile and garment industries.

China exported \$240 billion worth of garment items and ranks first in the world and Bangladesh is the second largest exporter with only \$42.62 billion.

So, there is a huge gap between the first and second biggest exporters and Bangladesh has a lot of scope to grab a bigger market share globally, he added.

He suggested enabling easy access to finance for garment exporters for adopting modern technologies.

While moderating the session, Miran Ali, vice president of the

BGMEA, focused on the current struggle faced by the manufacturers, as well as charting out a roadmap for improving the overall business environment of Bangladesh.

Another session titled “From global to local value chains – strategic alliance and collaborative capacity building for a diversified industry” focused on the important fact that Bangladesh should focus on diversification both in terms of fibre and markets.

Nasir Ezaz Bijoy, CEO, Standard Chartered Bank Bangladesh, highlighted how the financial sector could assist in this journey of diversification.

Bangladesh's graduation from LDC status and preparation for ensuring a smoother transition was also highlighted in this session.

“We need to improve our forecasting model and business risk management for the next 10 to 20 years,” said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, at another session.

He said inter-industry cooperation with potential business expansion and investments in jute, leather, fast moving consumer goods and automobiles aligning with the RMG would strengthen their capacity and international market outreach.

Ranjan Mahtani, chairman of Epic Group, shed light on how fashion was changing and where should the focus be on to adapt with the changing scenario.

Shahriar Alam, state minister for foreign affairs, said a section of people have been investing money abroad to appoint lobbyists to continue propaganda against the Bangladeshi garment items and for keeping the GSP status suspended for the country.

Those people should be identified and given an explanation and, if necessary, business relations with them need to be severed, he said in his opening remarks at the plenary session.

Japan’s economy shrinks unexpectedly

Inflation, global slowdown stoke further uncertainty

REUTERS, Tokyo

Japan's economy unexpectedly shrank for the first time in a year in the third quarter, stoking further uncertainty about the outlook as global recession risks, a weak yen and higher import costs took a toll on household consumption and businesses.

The world's third-biggest economy has struggled to motor on despite the recent lifting of Covid curbs, and has faced intensifying pressure from red-hot global inflation, sweeping interest rate increases worldwide and the Ukraine war.

Gross domestic product fell an annualised 1.2 per cent in July-

September, official data showed, compared with economists' median estimate for a 1.1 per cent expansion and a revised 4.6 per cent rise in the second quarter.

It translated into a quarterly decline of 0.3 per cent, versus a forecast of 0.3 per cent growth.

Japan has also been dealing with the challenge of the yen's slide to 32-year lows against the dollar, which has magnified cost-of-living strains by further lifting the price of everything from fuel to food items.

“The contraction was a surprise,” said Takeshi Minami, chief economist at Norinchukin Research Institute.

The lifting of Covid restrictions

offered some relief, Minami said, but “the outlook was clouded by uncertainty” over fresh virus cases.

“While the rise of inbound tourists is a bright spot for October-December and beyond, we see downside risks from the rising price of goods and the fear of another outbreak,” he said.”

Highlighting concern about a resurgence of the pandemic, Japan will face new daily Covid-19 infections topping 100,000 on Tuesday for first time in two months, Fuji Television reported.

Cases have been on the rise in recent weeks in what some authorities have called the eighth wave in the course of the pandemic.