



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 Nazeem 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

China’s economy loses momentum

Covid curbs hit factories, consumers

REUTERS, Beijing

China's economy suffered a broad slowdown in October as factory output grew more slowly than expected and retail sales fell for the first time in five months, underscoring faltering demand at home and abroad.

The world's second-largest economy is facing a series of headwinds including protracted Covid-19 curbs, global recession risks and a property downturn. In a sign of persistent weakness in sector, data on Tuesday also showed property investment falling at its fastest pace since early 2020 in October.

The downbeat data poses a

challenge for Chinese policymakers as they steer the \$17 trillion dollar economy through choppy waters, following recent moves to ease some Covid curbs and give financial support to the struggling property sector.

“October activity growth broadly slowed and missed market expectations, pointing to a weak start to Q4 as a worsening Covid situation, prolonged property downturn and slower export growth more than offset continued policy stimulus,” analysts at Goldman Sachs said in a note.

Industrial output rose 5.0 per cent in October from a year earlier,

missing expectations for a 5.2 per cent gain in a Reuters poll and slowing from the 6.3 per cent growth seen in September, data from the National Bureau of Statistics (NBS) showed on Tuesday.

Retail sales, a gauge of consumption, fell for the first time since May, when Shanghai was under a city-wide lockdown. Sales dropped 0.5 per cent, against expectations for a 1.0 per cent rise and compared with a 2.5 per cent gain in September.

A week-long National Day holiday did little to boost consumption in October, traditionally a popular month for domestic travels.



An employee producing clothes for exports at a factory in Lianyungang in China's eastern Jiangsu province on Monday. PHOTO: AFP

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.