



A farmer is seen tending to pumpkin plants being grown on fallow land outside his house at Rasulpur char in Fulchhari upazila of Gaibandha. Many farmers cultivate pumpkin as it is a low-cost crop with sufficient demand. However, they are unable to get the full benefits as the region lacks connectivity.

PHOTO: MOSTAFA SHABU

Ju-un Nahar made MD for Coca-Cola in Bangladesh

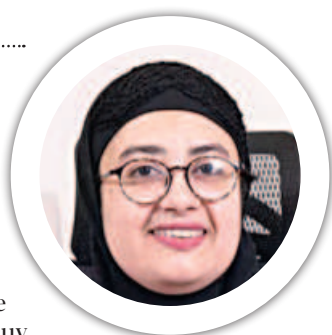
STAR BUSINESS REPORT

Coca-Cola has named Ju-un Nahar Choudhury as the new managing director of Coca-Cola Bangladesh Ltd. She is the first Bangladeshi as well as the first woman from the country to hold the post. She replaced Ta Duy Tung, who was appointed in 2021.

Choudhury started her career with Unilever as a management trainee in marketing, working in various roles. She led a team that won a Guinness world record for the nationwide "Lifebuoy hand-washing campaign", according to a press release.

Her other roles include positions with Rickett Benckiser, Danone Indonesia, and Apex.

"I am humbled to lead Bangladesh on this Coca-Cola journey and I am committed to steering our brands and franchise operations to new heights," Choudhury said in the press release.



Plastic goods exports triple in 13 years

International Plastic Fair will begin in Dhaka tomorrow

STAR BUSINESS REPORT

Plastic product exports from Bangladesh tripled in 13 years thanks to the rising local production of global standards, Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), said yesterday.

Bangladesh shipped \$209.86 million worth of plastic goods in the 2022-23 fiscal year, which was only \$68.76 million in the 2010-11 fiscal year, according to data of the BPGMEA.

Bangladesh is now the 12th largest exporter of plastic products in the world and the country has the potential to do a lot better in the days to come, Ahmed said.

The BPGMEA leader shared the information at a press conference at its Paltan office in Dhaka yesterday to announce the schedule of the

upcoming four-day International Plastic Fair (IPF) scheduled to begin on January 24.

Twenty countries along with Bangladesh are expected to participate in the exhibition, according to the joint organisers: the BPGMEA and the Yorker Trade and Marketing Service Co Ltd.

The countries are China, Taiwan, India, Vietnam, Sri Lanka, Pakistan, Indonesia, South Korea, the USA, the UK, Hong Kong, Italy, Japan, Malaysia, Austria, Singapore, Turkey, the United Arab Emirates, Thailand and Egypt.

Some 300 foreign companies at 700 stalls and 54 local companies at 161 stalls are scheduled to showcase their products at International Convention City Bashundhara in Dhaka.

The International Plastic Fair is one of the biggest events in the region and will help in attracting

more investment and expanding the market, the BPGMEA president said.

Along with modern products, the fair will also house new machinery, which will play an effective role in the local plastic sector to face the future challenges, he said.

Local plastic goods makers at present export their items to 126 countries, including the USA, Canada and different countries in the European Union along with China, India and Nepal.

The local plastic sector is growing at 20 percent annually and every year new plastic factories are being established in the country, the BPGMEA president said.

New models and high-quality products are coming to the market and plastic has now emerged as an indispensable product in the global arena, he said.

Europe, Africa crude market tightens on Red Sea disruptions

REUTERS, London

The Brent crude market structure and some physical markets in Europe and Africa are reflecting tighter supply resulting partly from concern about shipping delays due to vessels avoiding the Red Sea, according to traders, LSEG data and analysts.

The disruptions have combined with other factors such as outages and rising Chinese demand to increase competition for crude supply that does not have to transit the Suez Canal, and analysts say this is most evident in European markets.

In a sign of tighter supply, the structure of the benchmark Brent crude futures market hit its most bullish in two months

on Friday, as tankers diverted from the Red Sea following air strikes by the United States and Britain on targets in Yemen.

"Brent is the most impacted futures contract when it comes to Red Sea/Suez Canal disruptions," said Viktor Katona, lead crude analyst at Kpler. "So who suffers the most on the physical front? Undoubtedly, it's European refiners."

The premium of the first-month Brent contract to the six-month contract rose to as much as \$2.15 a barrel on Friday, the highest since early November. This structure, called backwardation, indicates a perception of tighter supply for prompt delivery.

The nearby month of the US crude market shifted into a backwardation this week, albeit a shallower one than for

Brent, reflecting nearby tightness.

In the North Sea crude market, the differential of Forties crude to benchmark dated Brent has reached the highest since late November and the prices of some other grades considered a local alternative to Middle East crude have soared.

The price of Norway's Johan Sverdrup crude, an alternative to medium sour Middle East crude, started to jump in December and has risen more in January, trading at a \$2.80 premium to dated Brent, up from a more than \$2 discount before the disruptions.

The rise in Johan Sverdrup demand could be at least partly linked to worries around delays to Middle East crudes arriving in Europe, trading sources said.

Less Middle Eastern crude is heading to Europe. The volume going to Europe from the Middle East nearly halved to about 570,000 barrels per day in December from 1.07 million bpd in October, Kpler data shows.

"The Red Sea issues are causing delays so refiners need to cover back locally," a trade source said. "The market is tight with the loss of barrels from the Gulf," another added.

In Asia, the average spot premiums for Middle Eastern oil benchmarks Dubai, Oman and Murban have rebounded, bolstered in part by supply disruption concerns. US crude differentials have yet to show any impact, trading largely in a range this year.

Corporate profit squeezed by energy cost, currency shock

FROM PAGE B1

Square Pharmaceuticals posted the highest profit among all the companies, taking home Tk 1,898 crore in FY23. United Power Generation made a profit of Tk 1,333 crore, Beximco Pharmaceuticals Tk 452 crore, Meghna Petroleum Tk 442 crore and Padma Oil Tk 349 crore.

ACI Ltd topped the list of the companies in terms of sales, with its turnover standing at Tk 11,535 crore. BSRM Ltd's sales amounted to Tk 11,506 crore, BSRM Steel Tk 8,452 crore, Beximco Ltd Tk 6,881 crore, Walton Tk 6,637 crore, Square Pharmaceuticals Tk 6,247 crore, and GPH Ispat Tk 5,765 crore.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, said businesses suffered in the last fiscal year as the costs of raw materials and utilities rose. "Many textile millers had to cut production by 30 percent to 40 percent amid the gas crisis. Similarly, many firms struggled to open LCs." Because of the spike of the dollar price from Tk 100 to Tk 120, an importer's LC opening limit has been squeezed from \$1 to \$0.83, said Khokon, explaining the impact. The demand for goods also reduced in the western markets amid global economic inflationary pressure. Bangladesh's exports grew 6.67 percent year-on-year to \$55.55 billion in FY23. Speaking about the current business scenario, Khokon, also the chairman

of Maksos Spinning Mills, said the situation is comparatively better but it has not returned to the pre-crisis level.

Among the sectors, fuel saw the highest profit margin of 33 percent on the back of interest incomes from fixed deposits. Hotels came second with the segment's profitability rising to 27 percent.

Amin Ahmad, chairman of Best Holdings, explains why the hotel segment has fared well. "We have a minimum raw materials cost. So, the profit margin is higher," he said, adding that labour costs account for a major portion of the expenses.

The profit margin in the food processing, telecom, and IT sectors was 15 percent, 14 percent and

11 percent, respectively. The pharmaceuticals and power sectors witnessed a profit margin of 10 percent and 9.49 percent.

At less than 3 percent, the textile and tannery sector's profit margin was the lowest among the sectors.

The food sector's profitability stood at 15 percent. However, if the share of heavyweight British American Tobacco is excluded, the profit margin of the segment would fall to 3.49 percent.

Ali Imam, managing director of Edge Asset Management Company, blamed the higher freight costs and supply chain disruptions for the spike in expenditures.

"Most of the businesses in Bangladesh are highly

leveraged, so a higher interest rate has raised their finance cost."

He said due to the absence of good corporate governance and efficient management, businesses could not find any innovative solution to face the challenging situation.

"Most of the companies could not pass on the cost stemming from an elevated level of raw materials and input costs by raising prices. So, their profits dropped."

According to Ali Imam, companies with good corporate governance, loyal customers, pricing power, low debt and surplus cash will fare well in the coming months and will be well-positioned to clock higher sales and profits.

Bangladesh Lamps Limited						
Head office: House-22, Road-4, Block-F, Banani, Dhaka-1213						
2nd Quarterly Financial Statements (October-December 2023)						
STATEMENT OF FINANCIAL POSITION (UN - AUDITED)						
AS AT 31 DECEMBER 2023						
	As at 31 December 2023	As at 30 June 2023				
	Taka	Taka				
ASSETS						
Non-current assets						
Property, plant and equipment	103,267,544	112,501,922				
Intangible asset	15,283,048	16,156,365				
Capital work-in-progress	19,098,287	23,007,678				
Right-of-use asset (ROU)	96,324,373	103,204,681				
Investments:						
At cost	88,527,133	88,527,133				
Fair value adjustment	530,755,303	533,220,535				
	619,282,436	621,747,668				
Loans and deposits	5,654,883	5,558,340				
Total non-current assets	858,910,571	882,176,654				
Current assets						
Inventories	839,717,371	663,437,488				
Trade and other receivables	90,974,293	162,395,709				
Advance, deposit and prepayments	34,975,185	48,060,346				
Advance income tax	417,226,161	385,176,032				
Cash and cash equivalent	128,905,624	139,817,744				
Total current assets	1,511,798,634	1,398,887,319				
TOTAL ASSETS	2,370,709,205	2,281,063,973				
EQUITY & LIABILITIES						
Capital and reserves						
Share capital	100,265,500	100,265,500				
Reserves and surplus	606,218,626	731,055,584				
Shareholders' equity	706,484,126	831,321,084				
Non-current liabilities						
Deferred liability - gratuity payable	22,893,640	18,647,975				
Deferred tax liability	42,592,492	44,661,186				
Lease liabilities- Net off current portion	86,441,576	91,883,236				
Total non-current liabilities	151,927,708	155,192,397				
Current liabilities						
Lease liabilities- Current portion	20,400,000	20,400,000				
Short term finance	981,274,774	869,243,761				
Trade and other payables	249,026,412	175,822,504				
Other liabilities	52,588,843	24,573,106				
Unclaimed dividend	1,572,340	1,654,950				
Provision for tax	207,435,002	202,856,171				
Total current liabilities	1,512,297,371	1,294,550,492				
TOTAL EQUITY & LIABILITIES	2,370,709,205	2,281,063,973				
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN - AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2023						
	1 July to 31 December 2023	1 July to 31 December 2022	1 October to 31 December 2023	1 October to 31 December 2022		
	Taka	Taka	Taka	Taka		
Revenue	762,777,851	900,976,727	399,487,847	404,951,525		
Cost of sales	(626,524,877)	(713,557,828)	(324,491,342)	(374,237,720)		
Gross profit	136,252,974	187,418,899	74,996,505	130,713,805		
Other income	360,000	1,427,953	360,000	1,427,953		
Operating expenses	(207,710,512)	(187,862,616)	(97,556,566)	(83,303,651)		
Profit/(loss) before finance cost	(69,097,638)	70,944,125	(22,200,061)	38,848,107		
Finance cost	(49,783,254)	(53,888,714)	(25,110,011)	(21,418,208)		
Finance income	5,945,860	9,105,718	2,378,887	4,885,344		
Net finance cost	(44,797,404)	(44,783,006)	(22,731,124)	(16,532,864)		
Profit/(loss) before contribution to workers participation fund & welfare fund	(109,895,042)	46,211,119	(44,931,183)	22,305,643		
Contribution to workers participation fund & welfare fund	-	(2,311,012)	-	(1,052,648)		
Profit/(loss) before income tax	(109,895,042)	44,900,107	(44,931,183)	21,252,994		
Income tax:						
Current tax	(4,578,828)	(11,832,644)	(2,399,088)	(5,519,087)		
Deferred tax	1,822,171	675,830	911,021	768,338		
Net profit/(loss) for the period	(112,651,699)	33,743,293	(46,420,250)	16,502,245		
Other comprehensive income/(loss)						
Changes in fair value of shares available for sale	(2,485,232)	(29,638,004)	(8,409,142)	(85,914,458)		
Deferred tax income/(expense)	246,523	2,963,800	949,914	8,391,445		
Net other comprehensive income/(loss)	(2,238,709)	(26,674,204)	(7,459,228)	(77,523,013)		
Total comprehensive income/(loss)	(114,890,408)	6,879,089	(53,880,478)	(61,020,768)		
Earnings per share (per value Tk. 10 each)	(11.23)	3.28	(4.63)	1.63		
STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2023						
	1 July to 31 December 2023	1 July to 31 December 2022				
	Taka	Taka				
A. Cash flows from operating activities						
Collection from customers	950,243,910	1,025,599,397				
Payment to suppliers	(658,186,348)	(665,971,029)				
Payment to employees	(111,105,643)	(99,223,439)				
Payment for services received	(106,332,041)	(70,573,570)				
Cash payment of VAT	(109,501,814)	(146,928,811)				
Contribution to provident fund	(2,318,940)	(1,203,658)				
	(37,200,876)	41,698,890				
Interest paid	(43,658,981)	(28,558,375)				
Income tax paid	(32,050,129)	(27,919,368)				
	(112,909,986)	(14,778,853)				
B. Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	360,000	-				
Payment for acquisition of property, plant and equipment & intangible assets	(2,423,415)	(30,000,658)				
	(2,063,415)	(30,000,658)				
C. Cash flows from financing activities						
Payment of lease liability- Principal portion	(5,441,659)	(4,992,347)				
Dividend paid	(82,610)	(69,340)				
	(5,524,269)	(5,061,687)				
D. Effect of exchange rate changes in cash and cash equivalent						
	(2,445,463)	(5,509,870)				
E. Net cash inflows/(outflows) for the period (A+B+C+D)						
	(122,943,133)	(55,351,068)				
F. Opening cash and cash equivalents						
Cash and cash equivalents	139,817,744	315,862,822				
Short term finance	(869,243,761)	(668,066,546)				
G. Closing cash and cash equivalents (E+F)						
Cash and cash equivalents	128,905,624	316,742,778				
Short term finance	(981,274,774)	(724,297,570)				
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2023						
	Share Capital	Capital Reserve	General Reserve	Fair value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 July 2023	100,265,500	2,305,167	237,861,460	479,898,481	10,990,476	831,321,084
Distribution of cash dividend	-	-	-	(10,026,550)	(10,026,550)	(20,053,100)
Transfer to general reserve	-	-	963,926	-	(963,926)	-
Net profit for the period	-	-	-	(112,909,699)	(112,909,699)	(225,819,398)
Other comprehensive income/(loss)	-	-	-	(2,238,709)	-	(2,238,709)
Balance as at 31 December 2023	100,265,500	2,305,167	238,825,386	467,679,772	(112,909,699)	706,484,126
Balance as at 1 July 2022	93,706,080	2,305,167	180,895,763	488,448,182	82,266,333	852,622,525
Distribution of cash dividend	-	-	-	(18,741,215)	(18,741,215)	(37,482,430)
Transfer to general reserve	-	-	56,965,691	-	(56,965,691)	-
Net profit for the period	-	-	-	32,861,433	32,861,433	65,722,866
Other comprehensive income/(loss)	-	-	-	(26,674,204)	-	(26,674,204)
Balance as at 31 December 2022	93,706,080	2,305,167	237,861,454	466,774,978	39,425,859	800,068,538
COMPARATIVE STATEMENT FOR INFORMATION OF THE SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2023						
		2023	2022			
		Taka	Taka			
Earnings per share (EPS)		(11.23)	3.28			
Net assets value per share (NAVPS)		70.46	83.78			
Net operating cash flow per share (NOCFPS)		(11.26)	(1.47)			
Company Secretary		Chief Financial Officer	Director			
Director		Managing Director & CEO				
The detail of the published quarterly financial statements is available in the website of Bangladesh Lamps Limited. The address of the website is www.blil.com.bd						