

Two mutual funds declare 13pc, 13.5pc dividends

STAR BUSINESS REPORT

The trustee board of two funds of the Capital & Asset Portfolio Management (CAPM) Company yesterday announced dividends for unitholders for the year ending on June 30, 2021.

For CAPM BDBL Mutual Fund 1, it approved 13 per cent cash dividend for each unit of Tk 10.

The net asset value (NAV) stands at Tk 59.40 crore on the basis of cost price and Tk 59.18 crore on the basis of market price at the close of operations on the last day of the financial year.

The NAV per unit at cost price and

market price are Tk 11.85 and Tk 11.81 respectively. The net profit is Tk 12.09 crore with earnings of Tk 2.41 per unit.

For CAPM IBBL Islamic Mutual Fund, it approved 13.5 per cent cash dividend for each unit of Tk 10.

The NAV stands at Tk 77.71 crore on the basis of cost price and Tk 80 crore on the basis of market price.

The NAV per unit at cost price and market price are Tk 11.62 and Tk 11.97 respectively. The net profit is Tk 12.62 crore with earnings of Tk 1.89 per unit.

The board gave the approvals, alongside that for accounts and audit reports, at a meeting yesterday.

Delta knocks oil demand outlook

REUTERS, London

Rising demand for oil abruptly reversed course in July and is set to proceed more slowly for the rest of the year due to the spread of the Covid-19 Delta variant, the International Energy Agency said on Thursday.

“Growth for the second half of 2021 has been downgraded more sharply, as new Covid-19 restrictions imposed in several major oil consuming countries, particularly in Asia, look set to reduce mobility and oil

use,” the Paris-based IEA said.

“We now estimate that demand fell in July as the rapid spread of the Covid-19 Delta variant undermined deliveries in China, Indonesia and other parts of Asia,” it said in its monthly oil report.

The IEA put the demand slump last month at 120,000 barrels per day (bpd) and predicted growth would be half a million bpd lower in the second half of the year compared to its estimate last month, noting some changes were due to revisions in data.

Little progress in 8 months

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The government intends to go for joint venture investment.

Twenty-five steps have been identified to ensure profitability and revive the sick industries by forming joint ventures to attract foreign direct investment.

If the government gives the final nod for FDI, the process will go ahead, said an official of the industries ministry.

Sources said several meetings were held with stakeholders, investors and managing directors of 15 sugar mills to find out how to come out from losses.

The BSFIC has received seven investment proposals from companies to upgrade the sugar mills.

One of the proposals jointly sent by companies from Japan, Thailand and the United Arab Emirates have expressed their intention to form a joint venture with the government to upgrade the shuttered mills, ensure profitability and export by-products.

Sutech Engineering Co of Thailand,

Sharkara International of the UAE and Sojitz Machinery Corporation of Japan will invest about Tk 7,000 crore under the joint venture within two years.

The representatives of the companies met with the industries ministry and placed final business plans, said a local agent.

“Negotiation is underway with the investors,” said Md Arifur Rahman Apu, chairman of the BSFIC.

“The government will take the final decision on the modernisation of the sugar mills.”

According to the business plan, the three companies will supply a high-yield variety of cane free of cost and produce food products from by-products and high-end spirits for exports.

The high-yield variety can produce 80 tonnes of sugarcane per hectare per year compared to 20 tonnes from the local variety of the crop.

The proposal said the investors would mobilise 60 per cent of the investment, and the rest would come from the government.

Mills fear sugarcane shortage

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“I have lost everything and it is not possible for me to return to the business now,” Islam said.

Md Sagar Hossain, president of sugarcane growers association in Rangpur, said cultivation has declined in the district this year as most farmers were unwilling to stay in the industry after sustaining losses last season.

Shahjahan Ali Badsha, general secretary of the Federation of Bangladesh Sugar Mill Farmers, said sugarcane farmers were devastated by the arbitrary decision to shut down six mills.

“We demonstrated across the country in protest but the government retained its decision,” he added.

Badsha also alleged that production costs have risen since sugarcane growers were not getting the adequate amount of farming materials, such as fertiliser, pesticides, and seeds, from mill authorities.

“They have yet to even sign a contract with the farmers,” he said.

The Bangladesh Sugar and Food Industries Corporation had decided to discontinue operations at six loss-making sugar mills last year in a bid to revamp their production practices.

Exxon, Chevron look to make renewable fuels

REUTERS

US oil major Exxon Mobil Corp, along with Chevron Corp, is seeking to bulk up in the burgeoning renewable fuels space by finding ways to make such products at existing facilities, sources familiar with the efforts said.

The two largest US oil companies want to produce sustainable fuels without ponying up billions of dollars that some refineries are spending to reconfigure operations to make such products.

Renewable fuels account for 5 per cent of US fuel consumption, but are poised to grow as various sectors adapt to cut overall carbon emissions to combat global climate change.

Both Chevron and Exxon have massive refining divisions that contribute heavily to their overall carbon emissions. The companies have been criticized for a less urgent approach to renewable investments than European rivals Royal Dutch Shell Plc and TotalEnergies, and have generally spent a lower percentage of their capital than those companies on “green” technologies.

The companies are looking into how to process bio-based feedstocks like vegetable oils and partially-processed biofuels with petroleum distillates to make renewable diesel, sustainable aviation fuel (SAF) and renewable gasoline, without meaningfully increasing capital spending.

Commercial production of renewable fuels is costlier than making conventional motor gasoline unless coupled with tax credits.

A task force was created at Exxon’s request within international standards and testing organization ASTM International to determine the capability of refiners to co-process up to 50 per cent of certain types of bio-feedstocks to

produce SAF, according to the sources.

Exxon did not respond to a request for comment.

Chevron is looking into how to run those feedstocks through their fluid catalytic crackers (FCC), gasoline-producing units that are generally the largest component of refining facilities.

“Our goal is to co-process biofeedstocks in the FCC by the end of 2021,” a Chevron spokesperson told Reuters, to supply renewable products to consumers in Southern California.

The company is partnering with the US

Environmental Protection Agency (EPA) and California Air Resources Board (CARB) to develop a path to produce fuel that would qualify for emissions credits.

A source familiar with the matter said if approved by the EPA and CARB, Chevron would be able to produce and generate credits for renewable gasoline.

That product is not yet commercially available, but can reduce carbon dioxide emissions by 61 per cent to 83 per cent, depending which feedstock is used, according to the California Energy Commission.



REUTERS/FILE

The Chevron Pascagoula Refinery is pictured in Pascagoula, Mississippi, US.

Increase use of ICT for skilled manpower

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“With the discovery of newer technology, the cost of production and distribution of goods and services will be reduced at an unprecedented rate as machines will help people,” he added.

About 70 SME entrepreneurs from different parts of the country took part in the two-hour webinar.

Md Mafizur Rahman, managing director of the SME Foundation, presided over the event, where Tanvir Faisal, deputy manager of the organisation, presented the keynote paper.

Habibur Rahman, program assistant of the a2i Programme, Shamim Ahmed Deowan, chairman of the department of robotics and mechatronics engineering at the University of Dhaka, and Sajal Chandra Banik, professor of the department of mechanical engineering at the Chittagong University of Engineering and Technology, attended the event.

Uniform tariff for broadband internet

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In June, the BTRC fixed the prices of broadband internet for end-users at a maximum Tk 1,200 for 20 Mbps per month.

It fixed a maximum of Tk 500 for 5 Mbps and Tk 800 for 10 Mbps for all users across the country.

However, ISPs were not complying with the directive, saying the transmission costs of internet and bandwidth were too high for them to ensure a margin.

So, they had demanded a reduction in transmission fees and the rate of wholesale bandwidth to comply with the BTRC’s ‘one country one rate’.

As per the new rate, ISPs will pay Tk 13 to Tk 300 per Mbps to NTTN operators per month, depending on categories, down from Tk 30 to Tk 2,000 now.

For IIGs, the monthly tariff has been fixed at Tk 365 for 50-100 Mbps for Dhaka and Tk 399 for the other parts of the country.

The new rates came following 37 meetings with stakeholders over the last decade.

The new tariff rates will remain effective for five years from September, said the commission.

“This pricing is as a big positive step, which will bring dynamism to the telecom sector,” said Posts and Telecommunications Minister Mustafa Jabbar while inaugurating

the tariff at a virtual ceremony yesterday.

“As a result, there will be no more problems in the implementation of the one country one rate for the internet service at the customer level.”

Aminul Hakim, president of the Internet Service Providers Association of Bangladesh, said the fixation of pricing for transmission services was a positive step.

“This will make it easier to provide internet services.”

Md Arif Al Islam, managing director of Summit Communications Ltd, a private NTTN operator, said the pricing would speed up the transmission service.

He demanded state-owned NTTN operator Bangladesh Telecommunication Company Ltd comply with the new tariff.

The move comes at a time when ISPs witnessed a surge in demand for broadband connections after the Covid-19 pandemic forced people to work from home and shop online and students to take part in remote learning.

The number of broadband internet connections surpassed the one-crore mark in June for the first time, with an 18 per cent increase year-on-year.

Before the pandemic, there were 57 lakh broadband users. It means that connections soared 76 per cent since February last year.

BTRC Chairman Shyam Sunder Sikder presided over the inauguration.

Kuwait’s economic makeover under threat

REUTERS, Kuwait

Thousands of small and medium Kuwaiti businesses could go to the wall after being walloped by the pandemic, potentially torpedoing a private sector central to the country’s efforts to remake its unorthodox and oil-pumped economy.

The government, which spends more than half of its annual budget on the salaries of Kuwaitis who mostly work in state jobs, has encouraged citizens to set up their own businesses over the past decade in an effort to engineer a private sector.

The aim has been to ease state finances, reduce reliance on the imported labour of expatriates who make up most of the population, and also help Kuwait diversify away from oil, which brings in 90 per cent of state revenues but is looking increasingly precarious as the world moves away from fossil fuels.

When to submit wealth statement

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of tax policy at the NBR, suggest that young taxpayers should furnish asset-liability statements along with their tax returns.

“Because this will be helpful for them keep track of the accumulation of their wealth and liabilities over time. If they do not keep track of their wealth accrued during their income periods, they will find it difficult to provide correct information when they will need to comply with rules of furnishing wealth statements,” he said.

Senior citizens, who do not have

prospects of asset accumulation, may skip giving asset liability statement in case their wealth does not exceed Tk 40 lakh, he said.

Snehasish Barua, partner of chartered accountancy firm Snehasish Mahmud & Co, said regular submission of asset liability statement would be beneficial for taxpayers.

“You get an opening balance when you regularly furnish this information. It provides a trail of growth of asset,” he said.

Jasim Uddin Rasel, a tax consultant, suggest giving actual information.

“There is a common misconception

that overstating assets is beneficial in the future. This intention may create problems in the future when the taxpayer’s file will be selected for audit by the tax authority,” he said.

“If the taxpayers can not give a satisfactory answer, then legal consequences may result in a penalty and punishment,” he said.

Also, he said, “Inflating wealth may create financial loss. A surcharge may need to be paid if the amount of net wealth exceeds a particular ceiling due to overstating assets. Taxpayer shall show what he/she has exactly on June 30 to avoid trouble in the future.”

Rice import duty cut to 25pc till Oct

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Last month, the food ministry had recommended the revenue authority to cut the duty. The ministry has urged the NBR to slash the import tariff to allow private businesses to buy 10 lakh tonnes of grain from abroad and increase the supply in the local market.

The aim is to stabilise the prices as they are well above the international rates.


In July, the average price of the coarse grain of Boro harvest was Tk 44 per kilogram (kg), which would be 38 per cent higher than the price of the grain imported from India.

The price edged up 4 per cent in July from Tk 42 a kg in June, according to data from the Department of Agricultural Marketing.

CAPM IBBL Islamic Mutual Fund		
Asset Manager: CAPM Company Limited		
PRICE SENSITIVE INFORMATION		
This is for information of all concerned that the Trustee Committee of ‘CAPM IBBL Islamic Mutual Fund’ has approved the Audited Accounts for the year ended 30 June 2021 and took the following decisions:		
i. Proposed Dividend	: 13.50% Cash Dividend (i.e. Tk. 1.35 per unit)*	
ii. Record Date	: 8th September 2021	
iii. Date and Time of Trustee Meeting	: 12 August 2021 at 3:00 p.m.	
iv. Financial Information:		
Net Profit for the period	(1st July 2020 to 30th June 2021)	126,262,666
Earnings Per Unit during the period	(1st July 2020 to 30th June 2021)	1.89
Net Asset Value Per Unit @ Cost	(As on 30th June 2021)	11.62
Net Asset Value Per Unit @ Market	(As on 30th June 2021)	11.97
Net Operating Cash Flow Per Unit	(1st July 2020 to 30th June 2021)	0.79
*Based on Net Income and Considering write back of provision on unrealized loss made during previous years the Trustee Board declared a Cash Dividend of 13.50% (i.e. Tk. 1.35 per unit), for the year payable to holders of the units as on record date.		
** ‘CAPM IBBL Islamic Mutual Fund’ (closed end) was enlisted with Stock Exchanges as of 05 March 2018.		
By order of the Trustee Committee Trustee of ‘CAPM IBBL Islamic Mutual Fund’ Investment Corporation of Bangladesh		
Note:		
1. The financial statements for the year ended 30 June 2021 are available on the website of ‘CAPM Company Limited’ (www.capmbd.com)		
2. Abridged audited accounts have been published in ‘The Daily Star’, ‘Artho Suchok (Online)’, ‘The Daily Prothom Alo’, ‘Ajker Bazzar (Online)’ and ‘Sunbd24.com (Online)’ on 13 August 2021.		
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CAPM IBBL Islamic Mutual Fund



Registered Address: Rupsha Tower, Flat - C4, Plot - 07, Road - 17, Banani C/A, Dhaka-1213, Phone: 022222-91611, 82269

Financial Statement (Audited)

STATEMENT OF FINANCIAL POSITION as at 30 June 2021

	Taka	Taka
	30-Jun-21	30-Jun-20
ASSETS		
Investments	508,833,003	321,918,738
Advance, Deposit and prepayments	11,700,985	11,685,215
Accounts Receivables	1,245,632	1,455,590
Cash and cash equivalents	284,770,114	271,932,570
TOTAL ASSETS (A)	806,549,734	606,992,113
LIABILITIES		
Accounts Payables	6,343,968	5,776,354
TOTAL LIABILITIES (B)	6,343,968	5,776,354
NET ASSETS (A-B)	800,205,767	601,215,759
OWNERS' EQUITY		
Unit Capital	668,535,000	668,535,000
Reserve Pre-Operating Income	3,107,984	3,107,984
Investment diminution reserve	23,094,583	(49,632,758)
Retained earnings	105,468,199	(20,794,466)
	800,205,767	601,215,759
Net Asset Value (NAV) per unit:		
At cost	11.62	10.85
At market price	11.97	8.99

Statement of Profit or Loss and Other Comprehensive Income for the period from 01 July 2020 to 30 June 2021

	Taka	Taka
	01.07.20 to 30.06.21	01.07.19 to 30.06.20
INCOME		
Profit Income	18,639,823	24,081,462
Net gain on sale of marketable securities	37,299,625	2,229,951
Dividend income	11,659,214	10,665,671
Total	67,598,662	36,977,084
EXPENSES		
Management fee	11,067,121	10,351,034
Annual fee	771,898	764,473
Trustee fee	990,419	1,003,610
BSEC Annual fee	679,402	668,677
Custodian fee	937,076	841,731
CDBL & BO Charge	173,262	123,416
Brokerage fee	561,054	562,110
Bank charge, commission and excise duty	245,100	149,680
Audit fee	25,000	25,000
Advertisement & publicity expenses	266,800	251,800
Bidding fee (Book-Building)	43,000	13,000
Other operating expenses	25,000	49,000
Total Expenses	15,785,133	14,803,532
Net profit before provision for the year	51,813,529	22,173,552
Gain/(loss) on Marketable Securities (Unrealized)	-	-
Provision write back/(made) during the year	(74,449,138)	-
Net profit after provision for the year	126,262,666	22,173,552
Other Comprehensive Income		
Unrealized Gain/Loss on Marketable Securities	23,094,583	(54,051,484)
Total Comprehensive Income for the year	149,357,250	(31,877,932)
EPU after Considering Provision	1.89	(0.48)

Statement of Cash Flows for the Period from 01 July 2020 to 30 June 2021

	Taka	Taka
	01.07.20 to 30.06.21	01.07.19 to 30.06.20
A. Cash flows from operating activities		
Interest income realized	18,987,526	25,864,654
Dividend income received	11,521,468	10,895,087
Gain on sale of investment	37,299,625	2,229,950
Advance & Prepayments	(2,433,489)	(2,446,681)
Payment made for expenses	(12,723,300)	(12,525,626)
Net cash flows from operating activities	52,599,330	24,017,383
B. Cash flows from investing activities		
Acquisition of shares from secondary market	(262,077,878)	(282,758,775)
Investment in IPO Application	(87,239,092)	(13,577,340)
Investment returned from IPO	66,328,012	2,887,320
Proceeds from sale of shares in secondary market	243,227,172	279,830,923
Net cash used in investing activities	(39,761,786)	(13,617,873)
C. Cash flows from financing activities		
Dividend paid	-	(53,179,116)
Net cash flows from / (used in) financing activities	-	(53,179,116)
Net cash flows (A+B+C)	12,837,544	(42,779,606)
Cash and cash equivalents at the beginning of the Period	271,932,570	314,712,176
Cash and cash equivalents at the end of the Period	284,770,114	271,932,570
Net operating cash flows	52,599,330	24,017,384
Number of outstanding units	66,853,500	66,853,500
Net operating cash flows per unit	0.79	0.36

Statement of Changes in Shareholder's Equity for the period from 01 July 2020 to 30 June 2021

Particulars	Unit Capital	Reserve Pre-Operating Income	Investment Diminution Reserve	Amount in Taka	
				Retained Earnings	Total Equity
Opening Balance 01 July 2020	668,535,000	3,107,984	(49,632,758)	(20,794,466)	601,215,759
Net profit for the year	-	-	-	126,262,666	126,262,666
Investment Diminution Reserve	-	-	72,727,342	-	72,727,342
Balance as at 30 June 2021	668,535,000	3,107,984	(23,094,583)	105,468,200	800,205,767
Particulars	Unit Capital	Reserve Pre-Operating Income	Investment Diminution Reserve	Amount in Taka	
				Retained Earnings	Total Equity
Opening Balance 01 July 2019	668,535,000	3,107,984	(13,598,436)	64,566,266	727,610,815
Net profit for the year	-	-	-	(31,877,932)	(31,877,932)
Investment Diminution Reserve	-	-	(36,034,322)	-	(36,034,322)
Dividend Paid	-	-	-	(53,482,800)	(53,482,800)
Balance as at 30 June 2020	668,535,000	3,107,984	(49,632,758)	(20,794,466)	601,215,759

MD & CEO Asset Manager	Compliance Officer Asset Manager	Chairman Trustee	Member Trustee
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Notes:

- Earning per unit for both the periods have been calculated based on the number of outstanding shares for the period ended 30 June 2021.
- The full version of the un-audited financial statements is available in the office as well as website of CAPM Company Limited (www.capmbd.com).