

JMI Hospital Requisite to set up hospital

STAR BUSINESS REPORT

JMI Hospital Requisite Manufacturing Limited (JHRML), a medical device and component manufacturer, has decided to set up a hospital in the capital city.

To this end, the listed company has formed a subsidiary named JMI Specialized Hospital Limited, which will have an authorised capital of Tk 50 crore and a paid-up capital of Tk 20 crore.

Authorised capital is the maximum value of the shares that a company is legally allowed to issue to its shareholders whereas paid-up capital is the amount that is actually paid by shareholders.

JHRML will hold a 65 percent stake in the new entity, according to a filing on the Dhaka Stock Exchange.

The hospital will be set up on a rented building in Dhanmondi and the operations are expected to begin by June 2024, said JHRML Company Secretary Md Safiqur Rahaman.

Shares of JHRML surged 9.46 percent to Tk 84.50 on the DSE yesterday. Established in 2008 as a joint-venture company with South Korea, JHRML is a manufacturer of medical devices and their components, according to its website.

It made a profit of Tk 40.72 crore in the year that ended on June 30 of 2022, up 30 percent from a year earlier.

The company has not published the earnings data for the last fiscal year, which ended in June. Its profit fell 45 percent year-on-year to Tk 19.92 crore in the July-March period of 2022-2023, DSE data showed.

IDLC posts lower profit in Q2

STAR BUSINESS REPORT

IDLC Finance Ltd posted 13 per cent lower profit year-on-year to Tk 37.83 crore in the April-June quarter of 2023 owing to a fall in net interest income, investment income and other earnings.

The profit of the non-bank financial institution stood at Tk 43.65 crore in the identical quarter of 2022.

Thus, the consolidated earnings per share slipped to Tk 0.91 in the second quarter of 2023 from Tk 1.05 in April-June of 2022, according to the unaudited financial statements.

The profit also fell to Tk 72.33 crore in the first half of the year from Tk 91.87 crore a year ago, a decrease of more than 21 per cent. So, the consolidated EPS slipped to Tk 1.74 from Tk 2.21 during the period.

The EPS decreased due to a fall in net interest income, investment income, commission exchange and brokerage and other operating incomes, said IDLC in a filing on the Dhaka Stock Exchange.

The consolidated net operating cash flow per share narrowed to a negative Tk 2.40 in January-June of 2023 against Tk 25.43 negative in the same half of 2022.

The NOCFPS increased due to a hike in cash generation from terms and other deposits, loans and bank borrowing, the filing said.

The consolidated net asset value per share rose to Tk 43.80 on June 30 this year from Tk 43.56 on December 31 last year.

China moves to boost consumption

AFP, Beijing

Chinese authorities announced new measures to boost consumption on Monday, as fresh economic data suggested that the country's post-Covid recovery is running out of steam and growth is slowing.

Official figures released Monday showed factory activity contracting for the fourth straight month in July, adding to a run of dismal economic data that has ramped up calls for government support measures.

A sluggish job market and general uncertainty over the future mean consumer confidence is low.

China's State Council released on Monday a 20-point plan to increase consumption across the board, touching on housing, culture and tourism, as well as green consumption such as electric vehicles.

The measures aim to increase the supply of subsidised rental accommodation and try to solve other problems around housing, particularly for young people.

Once a driving force behind the economy, a crisis in the real estate sector means many developers are now fighting for their survival, exacerbating a crisis of confidence among potential buyers.

The State Council also said it would support the expansion of large-scale festivals and sporting events both on and offline, as well as an increase in spending on services involving catering and healthcare.

Infrastructure in rural areas will be improved to boost digital and green consumption, it added.

Officials told reporters they would "unleash consumption potential by optimising policy and institutional design" in the second half of the year.

Earlier on Monday the official manufacturing



Rafiqul Islam and Shiuli Aktar are seen inside the cowshed of their dairy farm in Ikor Char village under Baliakandi upazila of Rajbari. The couple have gone beyond mere self-sufficiency thanks to their growing dairy farm, which is inspiring other locals to follow suit.

PHOTO: SUZIT KUMAR DAS

Rajbari couple become role models for dairy farming

SUZIT KUMAR DAS, Faridpur

Rafiqul Islam and Shiuli Aktar, a couple who live in Ikor Char village under Baliakandi upazila of Rajbari, once found it difficult to ensure proper nutrition for their two children.

Considering how a cow would serve as a steady supply of nutritious milk, the pair eventually decided to buy one for Tk 18,000 back in 2006.

About Tk 12,000 of the amount was borrowed from a local branch of the Jubo Unnayan Proshikhon Kendra, which is a government agency that provides vocational education in rural areas.

The cow was a bit thin at first but after some much-needed nurturing, it started producing enough milk to not only provide for the family, but their neighbours too.

The couple then learnt of the widespread demand for milk given its nutrient-rich qualities and decided to expand their little operation.

Now, they have 13 cows producing more than 200 litres of milk each day, all of which is sold for about Tk 58 per litre at local markets.

"We struggled a lot to come this position," said Islam, who received training on dairy farming from the Jubo Unnayan Proshikhon Kendra.

And inspired by their success, at least 20 other people in the area have set up their own dairy

farms.

"We haven't looked back since the start. The number of cows is increasing every year and so is the amount of milk produced," he added.

Aktar informed that they initially lacked the money to even set up a cowshed.

Other than dairy farming, Islam and Aktar also purchase calves from farms in neighbouring districts, such as Kushtia, Magura and Jashore, and nurture them

"We had to build a shed using polythene but after money started accumulating from selling milk, we were able to erect a proper structure by spending Tk 5 lakhs," she said.

Other than dairy farming, Islam and Aktar also purchase calves from farms in neighbouring districts, such as Kushtia, Magura and Jashore, and nurture them into selling condition.

The pair have sold six cows so far this year, earning roughly Tk 13 lakh in total.

With their earnings, Islam and Aktar have expanded their farm by about 2.2 acres for Tk 40 lakh and also built a house

for Tk 12 lakh.

Including his 13 dairy cows and five calves, they only keep 20 cows on their farm at a time to ensure that the cattle are properly tended to.

"We raise our cows like our children," said Aktar, adding that they only sell their cattle to farms where they are well taken care of. She also said that even housewives in the area have become interested in dairy farming considering their success.

"We can make a profit of Tk 4,000 daily after meeting expenses from selling milk," Aktar added.

Selina Khatun, a housewife of the same village, said she used to sit idle while waiting for her expat husband to send her living expenses.

"But now that I have five cows and three calves, I don't have to wait for money from my husband," she added.

Abdul Khalek, another resident of Ikor Char village said, he took advice on dairy farming from Islam while working at his farm about five years ago.

"Now, I have eight cows that give some 70 litres of milk daily," he added.

Manabendra Majumdar, livestock officer Baliakandi upazila, said Islam and Shiuli Aktar struggled a lot to come to their current position.

"Now, they are the role model for dairy farming in our upazila," he added.

Islami Bank takes PLC suffix

STAR BUSINESS REPORT

The name of Islami Bank Bangladesh Ltd has been changed to Islami Bank Bangladesh PLC, Bangladesh Bank said in a circular yesterday.

As per the Company (Second Amendment) Act 2020, banks would have to change the name of the company and the Articles of Association to assume the PLC suffix.

They will also have to take permission from the central bank to do so.

In Bangladesh, the companies are switching to the PLC (Public Limited Company) suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020.

A PLC is a public company and is the equivalent of a US publicly traded company that carries the Inc. or corporation designation.

The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

How much investment is needed for tax-saving

JASIM UDDIN RASEL

The Income Tax Act 2023 has specified the amount of tax rebate you will get to reduce your tax liability. But your investment allowance is not specified.

Investment allowance is very important for an individual taxpayer because an individual taxpayer's tax liability is calculated on his taxable income after deducting the allowable exemptions that he earned throughout the income year. And tax rebate is one of the ways to save a taxpayer's tax.

If a taxpayer wants to reduce the tax by availing the tax credit, he has to invest or donate in the particular areas cited in the Income Tax Act. If the investment or donation is as per income tax law, it is considered an investment allowance. And on this amount, an individual taxpayer gets the tax rebate facility, which is deducted from the tax liability.

So, an individual taxpayer keeps small investments or donations in the specified sectors throughout the year. Therefore, if the amount of investment allowance is known at the beginning of the year, the taxpayer can plan and invest or donate throughout the income year.

Now the question is: how much you can invest or donate for tax saving?

As I said at the beginning, the Income Tax Act 2023 does not specify the amount of investment allowance. Previously, the investment allowance was mentioned, and then in the second step, the taxpayer could calculate tax credit amount using the tax rebate rates.

But the Income Tax Act 2023 specifies how much tax rebate an individual taxpayer will get. So, first figure out the tax rebate amount and then figure out the investment allowance.

The lower amount of the following three figures shall be the tax rebate of an individual taxpayer: 3 percent of taxable income; 15 percent of actual investment; or Tk 10 lakh.



So, you know that the lower amount among the three numbers mentioned above will be your tax rebate. Now we will find out how much you can invest to reduce your tax.

The law says that you will get 15 percent tax credit on your actual investment. So first calculate 3 percent of your taxable income. Suppose your taxable income is Tk 10 lakh. Then 3 percent of this taxable income is Tk 30,000. This amount is your tax rebate amount that will be deducted from your tax liability.

This shows you have got a big amount to save your tax and your investment will give you a better return at maturity. Therefore, investment is very important.

Now calculate the investment amount by dividing the Tk 30,000 by the tax rebate rate 15 per cent or 0.15, and the amount will be Tk 2 lakh. This is your investment allowance which shall be invested or donated in the specified areas per income tax act.

Jasim Uddin Rasel is the author of Smart Money Hacks

Oil inventory drops set stage for higher prices

REUTERS, London/Houston/Singapore

Oil inventories are beginning to fall in some regions as demand outpaces supply constrained by deep production cuts from Opec leader Saudi Arabia, providing support for prices which are expected to rise in coming months.

JP Morgan analysts said this month that oil inventories - which include crude and fuel products - now play a bigger role in determining oil prices than the US dollar because Western sanctions on Russia have accelerated oil trading in other currencies.

"We expect stocks to draw relatively aggressively in July, and by the end of August, we should be through the stock builds that we saw in the first half of the year," said Christopher Haines, an analyst at Energy Aspects.

"We are on the cusp of supply tightness. Saudi cuts are essentially accelerating the timeline."

Both the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries (Opec) expect oil demand to outpace supply this year, leading to overall inventory draws to the tune of 400,000 to 500,000 barrels per day (bpd), mostly accounted for by the second half of the year.

Although global oil inventories increased in May to their highest since

September 2021, according to the IEA, driven by a substantial rise in non-OECD countries, analysts say signs of tightness are appearing, in the United States in particular.

Stock declines have been geographically uneven so far, with inventory falls in the United States and Europe offset by increases in China and Japan.

The declines have also been skewed more towards fuel than crude, although the supply of sour crude, typically priced lower than sweet crude, has tightened because of the cuts introduced by Opec and its allies.

"It appears that the voluntary cuts announced by eight Opec+ countries in April plus the additional 1 million bpd of

unilateral Saudi cut that just started in July are having the desired effect, with sour barrels becoming scarcer," the JP Morgan analysts said.

Refineries running harder to meet rising summer demand as people drive and fly more partly explains the fall in inventories, the bank said, along with a drop in Russian oil exports this month.

The bank expects benchmark Brent prices, which traded around a three-month high of \$84 a barrel this week, to rise to \$86 a barrel by the end of the third quarter, before easing in the fourth quarter as inventories start to build again. UBS said it expected a rise to \$85-\$90 a barrel over coming months.

Crude stocks at the Cushing storage hub in Oklahoma fell by 2.9 million barrels in the week to July 14, the steepest draw in more than a year and a half according to the US Energy Information Administration (EIA) and shed a further 2.6 million barrels the following week, leaving them well below their five-year average.

For fuel, data from consultancy FGE Energy on key hubs in the United States, northern Europe, Japan, Singapore and Fujairah in the United Arab Emirates, shows that overall stocks have been drawing aggressively so far this month, both onshore and at sea.



Crude oil storage tanks are seen at an oil hub in Oklahoma, US.

PHOTO: REUTERS

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