

**Bangladesh General Insurance Company Limited**  
Trustee of Rupali Life Insurance First Mutual Fund  
57 Dilkusha Commercial Area  
Dhaka 1000

**Rupali Life Insurance First Mutual Fund**

Auditors' report and financial statements  
for the year ended 30 June 2017

**S. F. AHMED & CO**

Chartered Accountants

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## Rupali Life Insurance First Mutual Fund

### Auditors' Report to the Trustee For the year ended 30 June 2017

We have audited the accompanying financial statements of Rupali Life Insurance First Mutual Fund (the Fund), which comprise the statement of financial position (balance sheet) as at 30 June 2017, statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain a reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion


In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of the Fund's affairs as of 30 June 2017 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

We further report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- the said financial statements are in agreement with the books of account maintained by the Fund and examined by us;
- the investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001; and
- the expenditure incurred and payments made were for the purpose of the Fund's business.

Dhaka, Bangladesh  
Dated, 06 August 2017



  
S. F. AHMED & CO  
Chartered Accountants

**Rupali Life Insurance First Mutual Fund**

**Statement of Financial Position (Balance Sheet)**  
As at 30 June 2017

	Notes	2017 BDT	2016 BDT
<b>Assets</b>			
Investment in listed securities	5	251,707,726	190,897,967
Investment in primary and non-listed securities	6	19,563,600	10,311,120
Investment in initial public offering (IPO)	7	8,000,000	-
Advances, deposits and prepayments	8	400,000	400,000
Preliminary expenses	9	2,735,107	3,367,254
Interest receivable	10	1,540,494	6,920,229
Investment in FDR	11	20,000,000	20,000,000
Cash and cash equivalents	12	53,418,626	82,325,980
<b>Total assets</b>		<b>357,365,553</b>	<b>314,222,550</b>
<b>Less: Liabilities</b>			
Accounts payable	13	4,110,375	1,775,959
Other liabilities	14	752,175	1,269,719
<b>Total liabilities</b>		<b>4,862,550</b>	<b>3,045,678</b>
<b>Net assets</b>		<b>352,503,003</b>	<b>311,176,872</b>
<b>Equity</b>			
Capital fund	15	304,110,800	294,584,890
Retained earnings	16	43,787,748	16,591,982
Reserve for unrealised gains on investment	17	4,604,455	-
<b>Total equity</b>		<b>352,503,003</b>	<b>311,176,872</b>
<b>Net asset value (NAV) per unit:</b>	18		
<b>At cost</b>		<b>11.44</b>	<b>11.39</b>
<b>At market price</b>		<b>11.59</b>	<b>10.56</b>

These financial statements should be read in conjunction with annexed notes

for Rupali Life Insurance First Mutual Fund

  
Trustee  
Bangladesh General Insurance Company Ltd

  
Asset Manager  
Prime Finance Asset Management Company Ltd

See annexed report to the date



Dhaka, Bangladesh  
Dated, 06 August 2017

  
S. F. AHMED & CO  
Chartered Accountants

Rupali Life Insurance First Mutual Fund

Statement of Profit and Loss or other Comprehensive Income (Profit and Loss Statement)  
For the year ended 30 June 2017

	Notes	2017 BDT	2016 BDT
<b>Income</b>			
Capital gain on sale of shares	19	14,531,925	3,654,671
Interest on bonds		558,525	264,784
Dividend income	20	7,876,235	7,463,274
Finance income	21	3,251,391	9,164,053
Other income	22	1,205,776	980,986
<b>Total income (A)</b>		<b>27,423,852</b>	<b>21,527,768</b>
<b>Expenditure</b>			
Management fees	23	6,191,470	7,267,412
Annual fees	24	326,329	338,773
Custodian fees	25	350,000	294,816
Trustee fees	26	307,150	385,357
Preliminary expenses written off	9	632,147	632,605
Printing and publication		-	96,600
Advertisement expenses		224,243	123,280
CDBL charges		116,905	76,009
Audit fees		86,250	86,250
Bank charges		32,060	67,385
<b>Total expenditure (B)</b>		<b>8,266,554</b>	<b>9,368,487</b>
<b>Net profit before provision (A - B)</b>		<b>19,157,298</b>	<b>12,159,281</b>
(Provision) / write back of provision against diminution in value of securities	27	24,240,637	798,294
<b>Net profit for the year</b>		<b>43,397,935</b>	<b>12,957,575</b>
<b>Basic earnings per unit for the year</b>	28	<b>1.43</b>	<b>0.44</b>

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for Rupali Life Insurance First Mutual Fund

Trustee  
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Dhaka, Bangladesh  
Dated, 06 August 2017

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Rupali Life Insurance First Mutual Fund

Statement of Changes in Equity  
for the year ended 30 June 2017

Particulars	Capital fund BDT	Unit transaction reserve BDT	Retained earnings/ (losses) BDT	Investment diminution reserve	Total equity BDT
<b>Year 2017</b>					
Balance as at 1 July 2016	294,584,890	-	16,591,982	-	311,176,872
Unit subscription	9,525,910	-	-	-	9,525,910
Dividend paid during the year	-	-	(16,202,169)	-	(16,202,169)
Net profit for the year	-	-	43,397,935	-	43,397,935
Investment diminution reserve	-	-	-	4,604,455	4,604,455
<b>Balance at 30 June 2017</b>	<b>304,110,800</b>	<b>-</b>	<b>43,787,748</b>	<b>4,604,455</b>	<b>352,503,003</b>
<b>Year 2016</b>					
Balance as at 1 July 2015	326,707,200	32,550	29,738,433	-	356,478,183
Unit repurchased/ surrendered	(32,122,310)	-	-	-	(32,122,310)
Reserve made during the year	-	980,986	-	-	980,986
Transferred to income	-	(980,986)	-	-	(980,986)
Transferred to retained earnings	-	(32,550)	-	-	(32,550)
Transferred from unit transaction reserve	-	-	32,550	-	32,550
Dividend paid during the year	-	-	(26,136,576)	-	(26,136,576)
Net profit for the year	-	-	12,957,575	-	12,957,575
<b>Balance as at 30 June 2016</b>	<b>294,584,890</b>	<b>-</b>	<b>16,591,982</b>	<b>-</b>	<b>311,176,872</b>

These financial statements should be read in conjunction with annexed notes

for Rupali Life Insurance First Mutual Fund

Trustee  
Bangladesh General Insurance Company Ltd

Asset Manager  
Prime Finance Asset Management Company Ltd



Dhaka, Bangladesh  
Dated, 06 August 2017

Rupali Life Insurance First Mutual Fund

Statement of Cash Flows  
For the year ended 30 June 2017

	2017 BDT	2016 BDT
<b>A. Cash flows from operating activities</b>		
Finance income	9,189,651	4,437,568
Capital gains on sale of shares	14,531,925	3,654,671
Dividend income	7,876,235	7,463,274
Cash paid for operating expenses	(5,785,474)	(3,542,507)
Financial expenses	(32,060)	(67,385)
<b>Net cash from operating activities</b>	<b>25,780,277</b>	<b>11,945,621</b>
<b>B. Cash flows from investing activities</b>		
Cash paid for investment in capital market	(41,217,148)	(68,137,960)
Cash paid for investment in IPO	(8,000,000)	-
Cash paid for investment in FDR	-	(20,000,000)
<b>Net cash used in investing activities</b>	<b>(49,217,148)</b>	<b>(88,137,960)</b>
<b>C. Cash flows from financing activities</b>		
Capital fund	9,525,910	(34,982,400)
Cash received on account of transaction of unit	1,205,776	980,986
Dividend paid to the unit-holders	(16,202,169)	(23,276,486)
<b>Net cash used in financing activities</b>	<b>(5,470,483)</b>	<b>(57,277,900)</b>
<b>D. Net changes in cash and cash equivalents (D=A+B+C)</b>	<b>(28,907,354)</b>	<b>(133,470,239)</b>
<b>E. Opening cash and cash equivalents</b>	<b>82,325,980</b>	<b>215,796,219</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>53,418,626</b>	<b>82,325,980</b>
<b>Net operating cash flow per unit</b>	<b>0.85</b>	<b>0.41</b>

for Rupali Life Insurance First Mutual Fund

  
Trustee  
Bangladesh General Insurance Company Ltd

  
Asset Manager  
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Dhaka, Bangladesh  
Dated, 06 August 2017



**Rupali Life Insurance First Mutual Fund**

**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

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**1. The Fund and legal status**

Rupali Life Insurance First Mutual Fund (the Fund) is an open-ended fund registered with Sub-Registrar's office and Bangladesh Securities and Exchange Commission (BSEC). Bangladesh Securities and Exchange Commission has given its permission for formation of the Scheme on 31 March 2015. As per Trust Deed the size of the Fund is BDT 500,000,000 (BDT five hundred million only). Actual Fund size at the date of formation was BDT 326,707,200 out of which BDT 200,000,000 (BDT two hundred million) was subscribed by the Sponsor, Rupali Life Insurance Company Limited and rest of the amount was subscribed by several individuals and institutions.

Bangladesh General Insurance Company Limited (BGIC) is the Trustee while BRAC Bank Ltd is the Custodian of the Fund. Rupali Life Insurance Company Ltd is the Sponsor and Prime Finance Asset Management Company Ltd is managing the operations of the Fund (here-in-after called as Asset Manager/ Asset Management Company).

**2. Objectives**

The objective of the Fund is to give benefit to its unit-holders through earnings capital gains on sale of securities as well as dividends and interest income from its investments. Most of the investments of the Fund were made in quoted securities. The net income of the Fund is distributable to the unit-holders on a yearly declaration basis.

**3. Basis of preparation**

**3.1 Statement of compliance**

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and as per requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 and other applicable laws and regulations.

**3.2 Basis of measurement**

The financial statements have been prepared on a going concern basis under historical cost convention.

**3.3 Functional currency and presentation currency**

These financial statements are presented in Bangladesh Taka (BDT), which is also the Fund's functional currency.

**3.4 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

**3.5 Reporting period**

These financial statements are prepared for the period one year from 1 July 2016 to 30 June 2017.

**3.6 Taxation**

The income of the Fund is exempt from income tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for taxation is required to be made in the accounts.

**4. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



Rupali Life Insurance First Mutual Fund

Notes to the Financial Statements  
For the year ended 30 June 2017

**4.1 Investment policy**

The investment policy of the Fund is summarised below. All these investments are to be approved by Bangladesh Securities and Exchange Commission, Bangladesh Bank and any other authorities as required.

- (i) at least 60% of total assets of the Fund is to be invested in capital market out of which at least 50% will be in listed securities;
- (ii) not more than 25% of total asset of the Fund shall be invested in fixed income securities;
- (iii) not more than 15% of total asset of the Fund shall be invested in pre-IPOs at a time.
- (iv) not more than 10% of the Fund shall be invested in IPOs at a time.
- (v) all amounts collected for the Fund is to be invested only in cashable or transferable instruments, securities either in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitised debts;
- (vi) the Fund shall get the securities purchased or transferred in its name;
- (vii) asset management company shall make the investment decisions and place orders for securities to be purchased or sold for the Fund's portfolio only, etc.

**4.2 Valuation policy**

Valuation of various investments of the Fund is made as under:

- (i) listed securities (other than mutual fund) held in the portfolio of the Fund, the average quoted closing market price at the stock exchange(s) on the date of valuation shall be taken into account for calculation of net asset value (NAV) of the Fund;
- (ii) for securitised debts, debentures, margin or fixed deposits, held in the portfolio of the Fund, the accrued interest on such instruments on the date of valuation shall be taken into account for calculation of NAV of the Fund;
- (iii) for mutual funds held in the portfolio of the Fund, the average quoted closing market price at the stock exchange(s) on the date of valuation and the circular no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 of Bangladesh Securities and Exchange Commission shall be taken into account for the calculation of NAV of the Fund. As per that circular mutual funds need not to maintain provision when the average cost price of open-ended mutual fund is lower than or equal to the latest repurchase price/surrender value and will required to maintain provision when the average cost price of mutual fund is greater than the latest repurchase price/surrender value of the open end funds i.e. Required provision = average cost price - latest surrender value (i.e. Not over 5% discount of NAVcmp).

**4.3 Net Asset Value (NAV) calculation**

NAV per unit is being calculated using the following formula:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

Where,

VA : Value of total assets of the Fund as on date

LT : Total liabilities of the Fund as on date

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding.}$$

VA: Value of all securities in vault + value of all securities placed in lien + cash in hand and at bank + value of all securities receivables + receivables of proceeds of sale of investments + dividend receivables net of tax + interest receivables net of tax - issue expenses amortised as on date - printing, publication and stationery expenses amortised as on date.

LT: Value of all securities payable + payable against purchase of investments + payable as brokerage and custodial charges + payable as Trustee fees + all other payable related to printing, publication and stationery + accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

**4.4 Dividend policy**

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 as amended, the Fund is required to distribute its profit in the form of dividend either in cash or bonus share or both to its unit-holders. The amount of dividend shall not be less than 70% of annual profit during the year, net all provisions.





**Rupali Life Insurance First Mutual Fund**

**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**4.5 Management fees**

As per Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules), 2001 the Fund has to pay management fee to Prime Finance Asset Management Company Limited at the rates mentioned below:

<u>Slab</u>	<u>Rate of fees</u>
On the weekly average NAV upto Taka 5.00 crore	2.50%
On next 20.00 crore of the weekly avrage NAV	2.00%
On next 25.00 crore of the weekly avrage NAV	1.50%
On rest of the weekly avrage NAV	1.00%

**4.6 Trustee fees**

As per Trust Deed, the Trustee shall be paid an annual trusteeship fee of Taka 200,000/- (Taka two hundred thousand) only or @ 0.10% of the NAV of the Fund whichever is higher on semi-annual in advance basis, during the life of the Fund or as may be agreed upon between the parties.

**4.7 Custodian fees**

As per Trust Deed, the Fund shall pay to the custodian a safe keeping fee @ 0.05% of balance securities held by the Fund calculated on the basis of average month end value per annum and trade settlement fees of Taka 200 per trade. In any case total custodian fee shall not exceed 0.07% of the initial fund size annually. Any out of pocket expenses may be applicable to the Fund operation from time to time.

**4.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances and short term fixed deposits.

**4.9 Provisions**

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period.

**4.10 Revenue recognition**

**Capital gains**

Capital gains or losses are recognised on being realised based on cumulative weighted average cost method.

**Dividend income**

Dividend income is recognised on being declared by the investee-company if it is made within the balance sheet date.

**Finance income**

Finance income comprises of interest income on fund kept at the bank account, FDR with banks and non-banking financial institutions, unsecured subordinated bonds and preference shares. Interest income is recognised as it accrues.

**4.11 Statement of cash flows**

Cash flows from operating activities have been presented under direct method according to BAS 7 "Statement of Cash Flows".

**4.12 Departure from BFRS**

The Fund has written-off preliminary and issue expenses over a period of seven years on a straight-line method according to Rule-65(3)(Ka) of SEC (Mutual Fund) Rules, 2001 which contradicts with Paragraph 69(a) of BAS-38 "Intangible Assets", as it states that "no intangible or other asset is recognised when expenditure on start-up activities (i.e. start-up costs) is incurred to provide future economic benefits".



Rupali Life Insurance First Mutual Fund

Notes to the Financial Statements  
For the year ended 30 June 2017

	2017 BDT	2016 BDT			
<b>5. Investment in listed securities</b>					
Investment in securities at market price	251,707,726	215,138,604			
Less: Provision for unrealised loss	-	24,240,637			
	<u>251,707,726</u>	<u>190,897,967</u>			
Details are in Annex A.					
<b>6. Investment in primary and non-listed securities</b>					
Evince Textiles Ltd	-	311,120			
Investment in Mutual Fund	19,563,600	10,000,000			
	<u>19,563,600</u>	<u>10,311,120</u>			
Details are in Annex B.					
<b>7. Investment in initial public offering (IPO)</b>					
BBS Cables Limited	<u>8,000,000</u>	-			
<b>8. Advances, deposits and prepayments</b>					
Security deposit	<u>400,000</u>	<u>400,000</u>			
This represents the amount deposited with Central Depository Bangladesh Limited (CDBL) as security deposit.					
<b>9. Preliminary expenses</b>					
Formation fees	1,964,375	2,429,264			
Advertisement	486,413	591,783			
Business development	122,389	148,777			
CDBL charge	126,826	154,826			
Printing and stationery	35,104	42,604			
	<u>2,735,107</u>	<u>3,367,254</u>			
Movement of preliminary expenses is given below:					
Opening balance	3,367,254	3,999,859			
Less: Amortisation during the year	632,147	632,605			
Closing balance	<u>2,735,107</u>	<u>3,367,254</u>			
Preliminary and issue expenses represent expenditures incurred prior to the commencement of operations and establishment of the Fund which will be amortised within seven (7) years as per Rule 65(3)(ka) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.					
<b>10. Interest receivable</b>					
Interest on BO account	666,606	6,478,117			
Interest on fixed deposit	873,888	442,112			
	<u>1,540,494</u>	<u>6,920,229</u>			
<b>11. Investment in fixed deposit</b>					
	<b>Issue date</b>	<b>Maturity date</b>	<b>Interest rate</b>		
FDR no.					
PFI # TDR - 6503/16	23-Jun-17	22-Dec-17	8.75%	10,000,000	10,000,000
PFI # TDR - 6504/16	23-Jun-17	22-Dec-17	8.75%	10,000,000	10,000,000
				<u>20,000,000</u>	<u>20,000,000</u>



Rupali Life Insurance First Mutual Fund

Notes to the Financial Statements  
For the year ended 30 June 2017

	2017 BDT	2016 BDT
<b>12. Cash and cash equivalents</b>		
<b>Cash at bank:</b>		
BRAC Bank Ltd a/c no. 1505201944151002	379,833	370,155
BRAC Bank Ltd a/c no. 1505201944151001	6,237,123	12,647,044
BRAC Bank Ltd a/c no. 1505101944151001	32,668,331	21,628,723
BRAC Bank Ltd a/c no. 1505201944151003	1,150,941	1,119,318
	40,436,228	35,765,240
Cash at BO account	12,982,398	26,560,740
Short term investment	-	20,000,000
	<b>53,418,626</b>	<b>82,325,980</b>
<b>13. Accounts payable</b>		
Management fees (Prime Finance Asset Management Company Limited)	3,984,925	1,513,455
Custodian fees	18,711	9,885
Trustee fees	20,489	166,369
Audit fees	86,250	86,250
	<b>4,110,375</b>	<b>1,775,959</b>
<b>14. Other liabilities</b>		
Tax deducted at source	-	480,017
VAT deducted at source	752,175	789,702
	<b>752,175</b>	<b>1,269,719</b>
<b>15. Capital fund</b>		
Paid up fund	<b>304,110,800</b>	<b>294,584,890</b>

2017				
Capital fund	Percentage of holdings	No of shares holding	price per share (BDT)	Percentage of holdings
Subscribed by sponsor	65.77%	20,000,000	10	200,000,000
Subscribed by resident Bangladeshi	34.23%	10,411,080	10	104,110,800
	<b>100.00%</b>	<b>30,411,080</b>		<b>304,110,800</b>

2016				
Capital fund	Percentage of holdings	No of shares holding	price per share (BDT)	Percentage of holdings
Subscribed by sponsor	20,000,000	67.89%	10	200,000,000
Subscribed by resident Bangladeshi	9,458,489	32.11%	10	94,584,890
	<b>29,458,489</b>	<b>100.00%</b>		<b>294,584,890</b>



**Rupali Life Insurance First Mutual Fund**

**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

	2017 BDT	2016 BDT		
<b>16. Retained earnings</b>				
Opening balance	16,591,982	29,738,433		
Add: Net profit for the year	43,397,935	12,957,575		
	<u>59,989,917</u>	<u>42,696,008</u>		
Add: Transferred from unit transaction reserve	-	32,550		
	<u>59,989,917</u>	<u>42,728,558</u>		
Less: Dividend paid during the year for the last period	16,202,169	26,136,576		
Closing balance	<u><u>43,787,748</u></u>	<u><u>16,591,982</u></u>		
<b>17. Reserve for unrealised gains on investment</b>				
Opening balance	-	-		
Add: Unrealise gain/(loss) as per Annexure A	5,032,855	-		
Unrealise gain/(loss) as per Annexure B	(428,400)	-		
	<u>4,604,455</u>	<u>-</u>		
Less: Decrease during the year	-	-		
Closing balance	<u><u>4,604,455</u></u>	<u><u>-</u></u>		
<b>18. Net asset value (NAV)</b>				
	<b>At cost</b>	<b>At market value</b>		
	2017 BDT	2016 BDT	2017 BDT	2016 BDT
Value of net asset	<u>347,898,548</u>	<u>335,417,511</u>	<u>352,503,003</u>	<u>311,176,872</u>
Number of units	<u>30,411,080</u>	<u>29,458,489</u>	<u>30,411,080</u>	<u>29,458,489</u>
Net Asset Value per unit	<u><u>11.44</u></u>	<u><u>11.39</u></u>	<u><u>11.59</u></u>	<u><u>10.56</u></u>
<b>19. Capital gains on sale of shares</b>			<u><u>14,531,925</u></u>	<u><u>3,654,671</u></u>
Details are in Annex C.				
<b>20. Dividend income</b>			<u><u>7,876,235</u></u>	<u><u>7,463,274</u></u>
Details are in Annex D.				
<b>21. Finance income</b>				
Interest on fixed deposit			2,481,274	1,480,945
Interest income on STD account			770,117	3,104,991
Interest on BO account			-	4,578,117
			<u><u>3,251,391</u></u>	<u><u>9,164,053</u></u>
<b>22. Other income</b>				
Income from transaction of units			1,205,776	980,986
			<u><u>1,205,776</u></u>	<u><u>980,986</u></u>
<b>23. Management fees</b>			<u><u>6,191,470</u></u>	<u><u>7,267,412</u></u>
Management fees is payable on weekly average NAV to Prime Finance Asset Management Company Limited as per as per rule 65(2) of Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules), 2001 and as per trust deed.				
<b>24. Annual fees</b>			<u><u>326,329</u></u>	<u><u>338,773</u></u>
The Fund paid this amount to Bangladesh Securities and Exchange Commission calculated @ 0.1% of capital fund or BDT 50,000 whichever is higher as annual fee according to Rule 11 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules), 2001.				



Rupali Life Insurance First Mutual Fund

Notes to the Financial Statements  
For the year ended 30 June 2017

	2017 BDT	2016 BDT
<b>25. Custodian fees</b>	<u>350,000</u>	<u>294,816</u>
The fund paid custodian fee to the BRAC Bank Ltd calculated @ 0.05% of balance securities held by the Fund calculated on the basis of average month end value per annum and trade settlement fees of BDT 200 per trade.		
<b>26. Trustee fees</b>	<u>307,150</u>	<u>385,357</u>
The amount is paid to the Trustee, Bangladesh General Insurance Company Limited, as per Trust Deed as Trusteeship fee of Taka 200,000/- (Taka two hundred thousand) only or @ 0.10% of the net asset value (NAV) of the Fund whichever is higher.		
<b>27. (Provision)/ write back of provision</b>		
Opening balance	24,240,637	25,038,931
Add: Provision made during the year	-	-
	<u>24,240,637</u>	<u>25,038,931</u>
Less: Provision reversed/ write back during the year	24,240,637	798,294
Closing balance	<u>-</u>	<u>24,240,637</u>
The amount represents the excess provision made in the previous period against the investment. Based on the market price of investment as on 30 June 2017 it is not required to keep any provision. For this reason the excess provision is reversed.		
<b>28. Basic earnings per unit (EPU) for the year</b>		
Net profit/ (loss) for the year	43,397,935	12,957,575
Number of unit	30,411,080	29,458,489
<b>EPU</b>	<u>1.43</u>	<u>0.44</u>

**Events after balance sheet date**

The Board of Trustee of the Fund has approved cash dividend at the rate of 12%, i.e., Taka 1.20 (Taka one and paisa twenty) per unit for the period ended 30 June 2017 at the meeting held on 06 August 2017.

**29. General**

29.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.

29.2 Figures of previous year have been rearranged wherever considered necessary, to conform the current year's presentation.

for Rupali Life Insurance First Mutual Fund

  
Trustee  
Bangladesh General Insurance Company Ltd

  
Asset Manager  
Prime Finance Asset Management Company Ltd



Dhaka, Bangladesh  
Dated, 06 August 2017

Rupali Life Insurance First Mutual Fund

Annex A

----/1

Details of investment in listed securities  
As at 30 June 2017

Sector	Sl. no.	Name of company	No. of share	Average cost	Total cost		Market value	Total market value		Unrealised gain/(loss)
					BDT	BDT		BDT	BDT	
Bank	1	Al-Arafah Islami Bank Ltd	66,669	17.18	1,145,040	18.70	1,246,710	101,670		
	2	Bank Asia Ltd	84,437	18.45	1,557,504	17.00	1,452,316	(105,188)		
	3	Brac Bank Ltd	19,128	76.43	1,461,893	80.70	1,543,630	81,737		
	4	The City Bank Ltd	63,000	35.63	2,244,467	37.40	2,356,200	111,733		
	5	Prime Bank Ltd	186,540	26.12	4,873,100	22.80	4,253,112	(619,988)		
	6	Standard Bank Ltd	228,194	15.82	3,610,698	11.50	2,624,231	(986,467)		
	7	Southeast Bank Ltd	40,207	19.23	773,282	18.50	743,830	(29,453)		
	8	Trust Bank Ltd	73,711	23.57	1,737,296	26.40	1,945,970	208,674		
	9	Islami Bank Bangladesh Ltd	85,648	36.66	3,139,636	32.20	2,757,866	(381,771)		
					<b>20,542,917</b>		<b>18,923,865</b>	<b>(1,619,052)</b>		
Cement	1	Confidence Cement Ltd	43,615	139.05	6,064,448	134.60	5,870,579	(193,869)		
	2	Heidelberg Cement Bangladesh Ltd	21,960	539.95	11,857,317	449.00	9,860,040	(1,997,277)		
	3	Premier Cement Mills Ltd	38,499	92.83	3,573,885	90.40	3,480,310	(93,576)		
					<b>21,495,650</b>		<b>19,210,929</b>	<b>(2,284,722)</b>		
Engineering	1	BSRM Steel Ltd	1,400	100.13	140,177	90.90	127,260	(12,917)		
					<b>140,177</b>		<b>127,260</b>	<b>(12,917)</b>		
Financial institutions	1	IDLC Finance Ltd	111,727	58.53	6,539,323	70.80	7,910,272	1,370,949		
	2	Lanka Bangla Finance Ltd	34,938	42.20	1,474,458	55.70	1,946,047	471,589		
	3	Peoples Leasing and Fin. Services Ltd	31,906	53.57	1,709,279	10.40	331,822	(1,377,456)		
					<b>9,723,060</b>		<b>10,188,141</b>	<b>465,081</b>		
Food and allied	1	British American Tobacco Bangladesh Company Ltd	1,415	2,805.15	3,969,288	2,829.30	4,003,460	34,171		
	2	Shahjibazar Power Co. Ltd	32,000	143.61	4,595,450	144.30	4,617,600	22,150		
	3	Olympic Industries Ltd	26,668	306.61	8,176,672	278.50	7,427,038	(749,634)		
					<b>16,741,411</b>		<b>16,048,098</b>	<b>(693,313)</b>		



Rupali Life Insurance First Mutual Fund

Details of investment in listed securities  
As at 30 June 2017

Annex A  
---/2

Sector	Name of company	no. of share	Average cost BDT	Total cost BDT	Market value BDT	Total Market Value BDT	Unrealised Gain/(Loss) BDT
Fuel and power	1 Dhaka Electric Supply Company Ltd	53,351	61.83	3,298,792	50	2,662,215	(636,577)
	2 Jamuna Oil Company Ltd	36,822	209.49	7,713,825	207	7,625,836	(87,989)
	3 Khulna Power Company Ltd	66,565	64.26	4,277,293	59	3,940,648	(336,645)
	4 Linde Bangladesh Ltd	5,835	1,345.67	7,852,001	1,277.50	7,454,213	(397,789)
	5 Padma Oil Company Ltd	11,291	285.92	3,228,280	255.90	2,889,367	(338,913)
	6 Summit Power Ltd	81,044	40.06	3,246,731	40.80	3,306,595	59,865
	7 MJL Bangladesh Ltd	55,423	122.44	6,786,253	121.50	6,733,895	(52,359)
			<b>36,403,174</b>			<b>34,612,768</b>	<b>(1,790,406)</b>
Insurance	1 Delta Life Insurance Company Ltd	22,169	118.27	2,621,935	99.00	2,194,731	(427,204)
	2 Fareast Islami Life Insurance Company Ltd	11,632	83.87	975,600	75.60	879,379	(96,221)
	3 Meghna Life Insurance Company Ltd	13,573	164.09	2,227,206	55.60	754,659	(1,472,547)
	4 Sunlife Insurance Company Ltd	29,818	66.36	1,978,857	23.60	703,705	(1,275,153)
	5 Phonix insurance limited ltd	3,000	47.47	142,414	25.50	76,500	(65,914)
	6 Rupali Insurance Company Ltd	63,935	60.11	3,843,064	41.00	2,621,335	(1,221,729)
			<b>11,789,076</b>			<b>7,230,309</b>	<b>(4,558,767)</b>
IT	1 IT Consultants Ltd	37,000	52.88	1,956,475	48.70	1,801,900	(154,575)
			<b>1,956,475</b>			<b>1,801,900</b>	<b>(154,575)</b>
Miscellaneous	1 Berger Paints Bangladesh Ltd	1,913	2,131.88	4,078,285	2,100.00	4,017,300	(60,985)
				<b>4,078,285</b>		<b>4,017,300</b>	<b>(60,985)</b>
Mutual fund	1 Grameen One : Scheme Two	251,000	13.70	3,438,616	15.20	3,815,200	376,584
	2 IFIC Bank 1st Mutual Fund	776,845	6.55	5,087,433	7.00	5,437,915	350,482
	3 NLI First Mutual Fund	825,710	9.90	8,173,538	14.80	12,220,508	4,046,970
	4 Reliance One" the First Scheme of Insurance Mutual Fund	822,579	8.60	7,071,879	11.00	9,048,369	1,976,490
	5 Southeast Bank 1st Mutual Fund	633,517	9.36	5,927,415	13.70	8,679,183	2,751,768
			<b>29,698,881</b>			<b>39,201,175</b>	<b>9,502,294</b>
Tannery	1 Bata Shoe Company (Bangladesh) Ltd	14,229	1,230.31	17,506,097	1,131.30	16,097,268	(1,408,829)
			<b>17,506,097</b>			<b>16,097,268</b>	<b>(1,408,829)</b>



Rupali Life Insurance First Mutual Fund

Details of investment in listed securities  
As at 30 June 2017

Annex A  
---/3

Sector	Name of company	no. of share	Average cost BDT	Total cost BDT	Market value BDT	Total Market Value BDT	Unrealised Gain/(Loss) BDT
Pharmaceutical and chemicals	1 Active Fine Chemicals Ltd	164,140	48.36	7,937,036	50.70	8,321,898	384,862
	2 Beximco Pharmaceuticals Ltd	33,500	106.82	3,578,304	113.00	3,785,500	207,196
	3 Reckitt Benckiser (Bd.) Ltd	3,091	1,693.10	5,233,370	1,505.10	4,652,264	(581,106)
	4 Renata Ltd	8,411	1,104.82	9,292,639	1,157.10	9,732,368	439,729
	5 Square Pharmaceuticals Ltd	121,221	225.23	27,302,629	290.10	35,166,212	7,863,583
			<b>53,343,978</b>			<b>61,658,242</b>	<b>8,314,265</b>
Corporate bond	1 25% convertible bonds of BRAC Bank Ltd	1,965	1,000.00	1,965,000	1,050.00	2,063,250	98,250
	2 IBBL Mudaraba Perpetual Bond	3,500	869.82	3,044,363	971.00	3,398,500	354,137
				<b>5,009,363</b>		<b>5,461,750</b>	<b>452,387</b>
Services and real estate	1 Summit Alliance Port Ltd	30,000	40.20	1,206,008	41.10	1,233,000	26,992
				<b>1,206,008</b>		<b>1,233,000</b>	<b>26,992</b>
Telecommunication	1 Bangladesh Submarine Cable Company Ltd	22,053	119.13	2,627,142	120.10	2,648,565	21,423
	2 Grameenphone Ltd	13,000	321.10	4,174,321	344.40	4,477,200	302,879
				<b>6,801,463</b>		<b>7,125,765</b>	<b>324,302</b>
Textile	1 Envoy Textiles Ltd	27,641	43.31	1,197,055	39.50	1,091,820	(105,235)
	2 Evince Textiles Ltd	95,000	22.82	2,168,098	22.60	2,147,000	(21,098)
	3 Familytex (BD) Ltd	127,795	20.56	2,627,025	8.90	1,137,376	(1,489,649)
	4 Metro Spinning Ltd	75,212	13.68	1,029,157	8.70	654,344	(374,813)
	5 Pacific Denims Ltd	19,844	10.00	198,440	24.50	486,178	287,738
	6 Shepherd Industries Ltd	6,075	10.00	60,750	39.70	241,178	180,428
	7 Square Textile Ltd	38,194	72.43	2,766,293	67.70	2,585,734	(180,559)
	8 Nurani Dyeing and Sweater Ltd	19,204	10.00	192,040	22.20	426,329	234,289
			<b>10,238,857</b>			<b>8,769,958</b>	<b>(1,468,899)</b>
<b>Grand Total</b>			<b>246,674,872</b>			<b>251,707,726</b>	<b>5,032,855</b>





Annex B

Rupali Life Insurance First Mutual Fund

Details of investment in primary and non-listed securities  
As at 30 June 2017

Sector	Name of Fund	no. of share	Average cost	Repurchase price/ surrender value		Unrealised gain/ (loss) (based on MP)	95% of NAV	Provision	Unrealised gain ( based on NAV)
				BDT	BDT				
Mutual Fund	Investment in Mutual Fund: UFS- Popular Life Unit Fund	1,785,000	11.20	10.96	(428,400)	11.27	N/A	119,595	
					<u>(428,400)</u>			<u>119,595</u>	

1. As per Bangladesh Securities and Exchange Commission circular ref. no. SEC/CMRRC/2009-193/172 dated 30 June 2015 Mutual Funds need not to maintain any provision when the average cost price (CP) of a mutual fund is lower than or equal to the latest repurchase price (RP)/surrender value (SV) of the open ended funds.

2. Mutual funds will maintain provision when the average cost price (CP) of a mutual fund is greater than the latest repurchase price (RP) /surrender value (SV) of the open funds.

i.e Required provision (RP) = Average cost price (CP) - Latest surrender value (SV) (i.e. Not over 5% discount of NAVCmp)



**Rupali Life Insurance First Mutual Fund**

**Annex C**

Details of capital gains/(losses) on sale of securities  
For the year ended 30 June 2017

-----/1

Sector	Sl. no.	Name of Companies	2017 BDT
Bank	1	City Bank Ltd	221,809
	2	Islami Bank Bangladesh Ltd	154,321
	3	United Commercial Bank Ltd	669,360
	4	Eastern Bank Ltd	70,384
	5	Al-Arafah Islami Bank Ltd	1,003,582
	6	Prime Bank Ltd	(22,966)
	7	Southeast Bank Ltd	453,298
	8	Standard Bank Ltd	(219,395)
	9	One Bank Ltd	679,865
	10	Bank Asia Ltd	(56,199)
	11	BRAC Bank Ltd	28,408
	12	Trust Bank Ltd	44,427
			<b>3,026,894</b>
Financial Institutions	1	IDLC Finance Ltd	724,438
	2	Lankabangla Finance Ltd	237,677
	3	Delta Brac Housing Finance Corporation Ltd	287,718
			<b>1,249,833</b>
Mutual Funds	1	Grameen One:Scheme Two	249,797
	2	PHP First Mutual Fund	21,682
	3	Southeast Bank 1st Mutual Fund	39,166
	4	MTB Unit Fund	675,959
	5	Reliance Insurance Mutual Fund - Scheme1	548,203
			<b>1,534,807</b>
Engineering	1	Singer Bangladesh Ltd	118,715
	2	BSRM Steels Ltd	(755)
	3	Appollo Ispat Complex Ltd	226,391
	4	IFAD Autos Ltd	6,463
	5	Yeakin Polymer Ltd	906,425
			<b>1,257,238</b>
Fuel and Power	1	Padma Oil Co. Ltd	(200,974)
	2	Summit Power Ltd	663,996
	3	Jamuna Oil Company Ltd	5,790
	4	Titas Gas Trans. & Dist. Co. Ltd	(15,052)
	5	Khulna power company Ltd	(12,551)
	6	Baraka Power Ltd	1,848,064
	7	MJL Bangladesh Ltd	667,898
	8	United Power Generation Distribution Company Ltd	213,371
			<b>3,170,539</b>



Rupali Life Insurance First Mutual Fund

Annex C

-----/2

Details of capital gains/(losses) on sale of securities  
For the year ended 30 June 2017

Sector	Sl. no.	Name of Companies	2017 BDT
Textile	1	Al-Haj Textile Mills Ltd	62,577
	2	Metro Spinning Ltd	(129,740)
	3	RN Spinning mills Ltd	(1,767,796)
	4	Envoy Textiles Ltd	361
	5	Familytex BD Ltd	(70,718)
	6	Evince Textiles Ltd	296,686
	7	Pacific Denims Ltd	1,012,299
	8	Shepherd Industries Ltd	715,509
	9	Nurani Dyeing and Sweater Ltd	638,500
			<b>757,678</b>
Pharmaceuticals and Chemicals	1	Beximco Pharmaceuticals Ltd	164,036
	2	GlaxoSmithKline(GSK) Bangladesh Ltd	(6,510)
	3	Renata Ltd	58,470
	4	Square Pharmaceuticals Ltd	4,721
	1	Active Fine Chemicals Ltd	890,451
	2	Salvo Chemical Company Ltd	(317,915)
	3	The ACME Laboratories Ltd	279,445
	4	Far Chemical Industries Ltd	33,966
			<b>1,106,665</b>
Cement	1	Heidelberg Cement Bangladesh Ltd	219,201
	2	Confidence Cement	571,263
	3	Aramit Cement	(118,729)
	4	M.I. Cement Factory Ltd	242,645
			<b>914,379</b>
IT	1	BDCOM Online Ltd	119,693
	2	Agni Systems Ltd	73,268
			<b>192,961</b>
General Insurance	1	Phoenix Insurance	(475,213)
	2	Takaful Islami Insurance Ltd	(76,704)
			<b>(551,917)</b>
Life Insurance	1	Delta Life Insurance	(144,328)
	2	Fareast Islami Life	(250,942)
	3	Rupali Life Insurance Co. Ltd	(242,907)
			<b>(638,177)</b>
Telecommunications	1	Grameenphone Ltd	16,320
	2	Bangladesh Submarine Cable Company Ltd	65,904
			<b>82,224</b>



Rupali Life Insurance First Mutual Fund

Annex C

Details of capital gains/(losses) on sale of securities  
For the year ended 30 June 2017

-----/3

Sector	Sl. no.	Name of Companies	2017 BDT
Miscellaneous	1	Aramit	(51,406)
	2	BEXIMCO	(1,555)
	3	The Peninsula Chittagong Ltd	(256,388)
			<u>(309,348)</u>
Services and Real Estate	1	United Airways Bangladesh Ltd	(323,271)
	2	Summit Alliance Port Ltd	131,225
			<u>(192,046)</u>
Food and Allied	1	Agricultural Marketing Company Ltd (Pran)	790,471
	2	Olympic Industries Ltd	79,866
			<u>870,337</u>
Tannery	1	Fortune Shoes Ltd	2,059,858
			<u>2,059,858</u>
Total			<u><u>14,531,925</u></u>



**Rupali Life Insurance First Mutual Fund**

Annex D

Details of dividend income  
For the year ended 30 June 2017

----/1

Sector	Sl. No.	Name of company	Dividend received
			BDT
Bank	1	Al-Arafah Islami Bank Ltd	287,338
	2	Prime Bank Ltd	274,464
	3	Standard Bank Ltd	108,664
	4	Mutual Trust Bank Ltd	1,105,769
	5	Islami Bank Bangladesh Ltd	44,500
	6	United Commercial Bank Ltd	101,319
			<b>1,922,054</b>
Cement	1	Confidence Cement Ltd	90,860
	2	MI Cement Limited	101,200
			<b>192,060</b>
Engineering	1	BSRM Steel Ltd	2,800
	2	Olympic Industries Ltd	36,400
	3	Yeakin Polymer Ltd	6
	4	Appollo Ispat Ltd	81,908
			<b>121,114</b>
Financial institutions	1	IDLC Finance Ltd	206,031
	2	Lankabangla Finance Ltd	96,644
			<b>302,675</b>
Food and allied	1	British American Tobacco Bangladesh Company Ltd	57,480
			<b>57,480</b>
Fuel & Power	1	Dhaka Electric Supply Company Ltd	34,351
	2	Khulna Power Company Ltd	117,950
	3	Linde Bangladesh Ltd	54,860
	4	Padma Oil Company Ltd	126,968
	5	Titas Gas Transmission and Distribution Ltd	50,000
	6	Summit Power Ltd	448,083
			<b>832,212</b>
Insurance	1	Delta Life Insurance Company Ltd	68,042
	2	Fareast Islami Life Insurance Company Ltd	56,648
	3	Meghna Life Insurance Company Ltd	22,049
	4	Rupali Insurance Company Ltd	42,535
			<b>189,274</b>
Mutual Fund	1	NLI First Mutual Fund	942,144
	2	First Scheme of Reliance Insurance Mutual Fund	795,609
	3	Southeast Bank 1st Mutual Fund	623,873
			<b>2,361,626</b>
Pharmaceuticals & Chemicals	1	Reneta Ltd	48,192
	2	Square Pharmaceuticals Ltd	392,771
	3	MJL Bangladesh Ltd	159,000
	4	Active Fine Chemicals Ltd	95,442
	5	ACME Laboratories Limited	88,596
	6	Reckitt Benckiser (Bd.) Ltd	169,455
			<b>953,456</b>
Tannery	1	Bata Shoe Company (Bangladesh) Ltd	303,075
			<b>303,075</b>



Rupali Life Insurance First Mutual Fund

Annex D

Details of dividend income  
For the year ended 30 June 2017

----/2

Sector	Sl. no.	Name of company	Dividend received
			BDT
IT	1	Agni Systems Ltd	61,750
			<u>61,750</u>
Telecommunication	1	Grameenphone Ltd	354,000
			<u>354,000</u>
Textile	1	Envoy Textiles Ltd	90,472
	2	Metro Spinning Ltd	45,106
	3	Square Textile Ltd	86,819
			<u>222,397</u>
Miscellaneous	1	Berger Paints Bangladesh Ltd	3,063
			<u>3,063</u>
		<b>Grand Total</b>	<u><u>7,876,235</u></u>

