

**Auditor's Report
and
Audited Financial Statements
of
Rupali Life Insurance First Mutual Fund
For the year ended 30 June 2023**

Rupali Life Insurance First Mutual Fund
For the year ended 30 June 2023

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AHZ HALIM KHAIK CHOUOHURY
Chartered Accountants
Exclusive Correspondent Firm of PKF International

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF RUPALI LIFE INSURANCE FIRST MUTUAL FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of "Rupali Life Insurance First Mutual Fund" (the "Fund"), which comprise the statement of financial position as at 30 June 2023 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of "Rupali Life Insurance First Mutual Fund" as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001, Trust Deed and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements **as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.**

Sl. No.	Key Audit Matter	Auditor's Response
1.	<p>Valuation and existence of Investments:</p> <p>The valuation and existence of the portfolio of investments is considered as a key audit matter due to the magnitude of potential misstatement as the portfolio of investments represents the principal element of the net asset of the Fund. Valuation of investments is required to be in compliance with the valuation policy as approved by the Trustee in compliance with Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.</p>	<p>Principal audit procedures performed:</p> <p>We gained an understanding of the internal control structure and operating effectiveness of key controls surrounding valuation and existence of investments.</p> <p>We tested the valuation of the investments by testing the compliance with the valuation policy as approved by the Trustee in compliance with Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 and by comparing the investment valuation from prices obtained from independent sources.</p> <p>We tested the existence of the Investments by obtaining and reconciling the direct confirmations of the holdings from following sources:</p> <ul style="list-style-type: none"> • Custodian of the Fund • CDBL • Brokerage House <p>We agreed the holdings as per above confirmations with the Fund's accounting records. We reviewed the reconciliations for the cases where differences were observed, if any.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Asset Management Company (AMC) is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein of this other information; we are required to report the fact. However, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Asset Management Company (AMC) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 and Trust Deed, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Asset Management Company (AMC) is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the financial reporting process of the fund.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion the effectiveness of the fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the fund to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. However, we have not come across any significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We also report the following:

- we have obtained **all** the information and explanations which to the best of our knowledge and belief were necessary **for the purposes** of our audit and made due verification thereof;
- the **statement of financial position**, statement of profit or loss and other comprehensive income and **statement of cashflow** dealt with by this report are in agreement with the books of accounts and returns;
- in our opinion**, **proper** books of accounts as required law have been kept the Fund so far as it appeared from our examination **of those books**;
- the **expenditure incurred** and payments were made for the purpose of the Fund's business; and
- The investment made by** the Fund is as per Rule 56 of Securities and Exchange Commission (Mutual Fund) (Bdhimala, 2001.

14 August 2023
Dhaka.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrollment # 804
DVC# 2308140804AS574867

Rupali Life Insurance First Mutual Fund
Statement of Financial Position (Balance Sheet)
As at 30 June 2023

Figures in Tk

Particulars	Notes	As at 30 June 2023	As at 30 June 2022
Assets			
Investment in securities	5	235,420,134	250,555,528
Investment in mutual funds	6	41,989,599	40,953,985
Advance, deposits and prepayments	7	525,552	550,583
Dividend receivables	8	659,864	179,230
Other current assets	10	49,513	41,527
Cash and cash equivalents	11	17,357,278	57,557,654
Total assets		296,001,941	349,838,507
Equity and liabilities			
Equity			
Unit capital	12	291,448,290	331,079,350
Unit premium reserve		1,535,715	-
Retained earnings	13	2,298,626	17,195,423
Total equity		295,282,631	348,274,773
Current liabilities			
Current liabilities	14	719,310	1,563,734
Total current liabilities		719,310	1,563,734
Total equity and liabilities		296,001,941	349,838,507
Net Asset Value (NAV) per unit			
At cost	15	11.20	11.26
At market price	16	10.13	10.52

These financial statements should be read in conjunction with the annexed notes.
For and on behalf of Trustee and Asset Manager of Rupali Life Insurance First Mutual Fund



Trustee

Bangladesh General Insurance
Company Ltd.



Asset Manager

Prime Finance Asset
Management Company Ltd.

Signed in terms of our separate report of even date annexed.

04 August 2023

Dhaka

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrolment No-804
DVC# 2308140804AS574867

Rupali Life Insurance First Mutual Fund
Statement of Profit or Loss and Other Comprehensive Income (Revenue Account)
For the year ended 30 June 2023

Particulars	Notes	Figures in tk	
		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Income			
Capital gain	17	6,546,511	19,396,494
Dividend income	ANEX-D	9,207,203	9,673,302
Interest on debenture / bond		-	241,850
Interest income	18	1,092,660	1,946,762
Other income	19	-	765,675
Total income		16,846,374	32,024,083
Expenses			
Management fees		6,268,354	6,765,406
Trustee fees		317,890	374,628
Custodian fees		228,696	228,695
Annual BSEC fees		367,427	330,949
Advertisement expenses		212,980	258,979
Amortisation of preliminary expenses		-	204,785
COBL charges		50,602	732,941
Audit fees		86,250	86,250
PO Charge-DSC		11,000	14,000
Finance expense (Bank charge)		71,554	70,774
Brokerage commission		150,983	667,674
Tax expenses		952,621	-
Total expenses		8,718,357	9,735,081
Profit for the year before provision		8,128,017	22,289,002
(Provision)/Write back of provision against diminution in value of investment		(6,470,846)	(5,661,284)
Profit for the year		1,657,171	16,627,718
Other comprehensive income		-	-
Total comprehensive income for the year		1,657,171	16,627,718
Number of units outstanding		29,144,829	33,107,935
Profit available for distribution for the period		1,657,171	16,627,718
Earnings per unit for the year	24.	0.06	0.50

These financial statements should be read in conjunction with the annexed notes.
For and on behalf of Trustee and Asset Manager of Rupali Life Insurance First Mutual Fund


Trustee

Bangladesh General Insurance
Company Ltd.


Asset Manager

Prime Finance Asset
Management Company Ltd.

Signed in terms of our separate report of even date annexed.

14 August 2023
Dhaka

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrolment No-804
DVC# 2308140804AS574867

Rupali Life Insurance First Mutual Fund
Statement of Changes in Equity
For the year ended 30 June 2023

Figures in Tk

Particulars	Unit capital	Unit premium reserve	Retained earnings	Total
Balance as at 01 July 2022	331,079,350	-	17,195,423	348,274,773
Adjustment of unit capital	(39,631,060)	-	-	(39,631,060)
Dividend paid during the year	-	-	(16,553,968)	(16,553,968)
Addition during the year	-	1,535,715	-	1,535,715
Profit for the year	-	-	1,657,171	1,657,171
Balance as at 30 June 2023	291,448,290	1,535,715	2,298,626	295,282,631
Balance as at 01 July 2021	327,495,660	-	46,417,097	373,912,757
Adjustment of unit capital	3,583,690	-	-	3,583,690
Dividend paid during the year	-	-	(45,849,392)	(45,849,392)
Profit for the year	-	-	16,627,718	16,627,718
Balance as at 30 June 2022	331,079,350	-	17,195,423	348,274,773

For and on behalf of Trustee and Asset Manager of
Rupali Life Insurance First Mutual Fund


Trustee

Bangladesh General Insurance
Company Ltd.


Asset Manager

Prime Finance Asset Management
Company Ltd.



Rupali Life Insurance First Mutual Fund
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Figures in Tk	
	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
A. Cash flows from operating activities		
Dividend from investment in securities	8,726,569	9,494,072
Interest on bank deposits and bonds	1,084,674	3,251,152
Cash paid for operating expenses	(9,466,447)	(13,469,100)
Capital gain	6,546,511	19,396,494
Finance expense	(71,554)	(70,774)
Net cash from/(used in) operating activities	6,819,753	18,601,844
B. Cash flows from investing activities		
Cash received from/Investment in capital market	7,628,934	(36,360,814)
Net cash from/(used in) investing activities	7,628,934	(36,360,814)
C. Cash flows from financing activities		
Capital fund	(39,631,060)	3,583,690
Account of transaction of unit	1,535,715	15,900
Dividend paid during the year	(16,553,718)	(45,849,392)
Net cash from/(used in) financing activities	(54,649,063)	(42,249,802)
D. Net changes in cash and cash equivalents (D=A+B+C)	(40,200,376)	(60,008,772)
E. Opening cash and cash equivalents	57,557,654	117,566,426
F. Closing cash and cash equivalents (F=D+E)	17,357,278	57,557,654
Net operating cash flows per unit for the year	0.23	0.56

For and on behalf of Trustee and Asset Manager of
Rupali Life Insurance First Mutual Fund


Trustee

Bangladesh General Insurance Company
Ltd.


Asset Manager

Prime Finance Asset Management Company Ltd.

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

1. Fund profile

The Rupali Life Insurance First Mutual Fund was established under a Trust Deed executed among the Rupali Life Insurance Company Limited as 'Sponsor' and Bangladesh General Insurance Company Limited as "Trustee" and BRAC Bank Limited as "Custodian". The Trust Deed was executed on 18 December 2013. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 27 January 2014 vide registration BSEC/Mutual Fund/2014/51 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001. The prospectus was approved by the BSEC which publication 05 January 2015 in accordance with the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

Prime Finance Asset Management Company Limited is the Manager of the Fund. 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.

2. Nature of the Fund

The Rupali Life Insurance First Mutual Fund is an open-ended mutual fund. The Fund's main objective is to assist in stabilising the capital market, provide liquidity in the market, and declare an attractive dividend to the unit holders. Units are offered for public subscriptions continuously. The Units are transferable and can be redeemed by surrendering them to Fund.

3. Basis of accounting**3.1 Statement of compliance**

The financial statements have been prepared on the accrual basis accounting, under historical cost convention as modified for investments, which are 'market-to-market' and in compliance with the International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards (IASs), so far adopted and applicable to the Fund. The disclosures of information are made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, and other applicable laws and regulations. In case there are differences between IFRSs and local statutory requirements such as Mutual Fund Rules, the local regulations remain prevailed.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

The financial statements are presented in Bangladeshi BDT (BDT), which is also the functional currency of the Fund.

3.4 Reporting period

The financial statements are prepared for a period from 1 July 2022 to 30 June 2023.

3.5 Components of the financial statements

Following are the components of the financial statements:

- (i) Statement of financial position (balance sheet);
- (ii) Statement of profit or loss and other comprehensive income (revenue account);
- (iii) Statement of changes in equity;
- (iv) Statement of cash flows;

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

- (v) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the Fund.

4. Significant accounting policies

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

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- A. Policy of investment in securities
- B. Valuation policy
- C. Net asset value calculation
- D. Revenue recognition
- E. Management fee
- F. Trustee fee
- G. Custodian fee
- H. Annual BSEC fee
- I. Taxation
- J. Dividend policy
- K. Cash and cash equivalents
- L. Provisions
- M. Statement of cash flows
- N. Earnings per unit
- O. Unit premium or discount

- A. Policy of investment in securities**
- (i) The fund shall invest subject to the Securities and Exchanges Commission (Mutual Fund) Rules 2001 and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and any other competent authority in this regard.
- (ii) At least 60% of total assets of the Fund are to be invested in capital market instruments. Out of which at least 50% are to be invested in listed securities.
- (iii) Not more than 25% of the total assets of the Fund shall be invested in any fixed-income securities.
- (iv) Not more than 15% of the total assets of the Fund shall be invested in pre-IPOs at a time.
- (v) All amounts collected for the Fund are to be invested only in encashable/transferable instruments, securities either in the money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitised debts.
- (vi) The **Schemes** of the Fund shall not invest more than 10% of its total assets in any one particular company.
- (vii) The **Schemes** of the Fund shall not invest in more than 15% of any company's paid-up capital.
- (viii) The **Schemes** of the Fund shall not invest more than 20% of its assets in shares, debentures or the other securities **of a single** or group.
- (ix) The **Schemes** of the Fund shall not invest more than 25% of its total assets in shares, debentures or other securities **in any one** industry.
- (x) The Fund shall **not** invest in or lend to another Scheme managed by Prime Finance Asset Management Company.
- (xi) The Fund shall **get** the securities purchased or transferred in the name of the Fund.

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

B. Valuation policy

- (i) IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.
- (ii) Investments in securities that are actively traded on a quoted market and securities that are not actively traded on the quoted market but their fair value can be measured those are designated at fair value (market price) through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI). Gains arising from an increase in the fair value of such financial assets are recognised in other comprehensive income and losses arising from diminution in the fair value of such financial assets are recognised as provision against fall in value of investment in the statement of profit or loss as per Rule 67 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.
- (iii) The market value of listed securities are valued at closing quoted market price on the Dhaka and Chittagong stock exchanges on the date of valuation i.e., on June 30, 2023.
- (iv) The fair value of non-listed securities is valued based on the reporting date offering/repurchase value of the instruments i.e., on June 30, 2023.

C. Net Asset Value (NAV) calculation

NAV per unit is being calculated using the following formula:

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

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

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and bank balances + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivable, net off tax + Interest receivable, net off tax - Issue expenses amortised on that date - Printing, publication and stationery expenses amortised on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable against trustee fee + 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.

D. Revenue recognition

- (i) Income arising from the sale of investments are included in the Statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place.
- (ii) The cash dividend is recognised on an accrual basis. Dividends are recognised immediately after the record date as per industry practice, though as per IFRS-9 (Financial Instrument) dividends should be recognised when shareholders' right to receive dividends are established.
- (iii) Interest income is recognised on an accrual basis.
- (iv) Capital gain is recognised on being realised.

E. Management fee

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:

Details of fee calculation

Details of fee calculation	Rate of Fees
On the weekly average NAV upto BDT 5.00 crore	2.5%
On next 20.00 Crore of the weekly average NAV	2%
On next 25.00 Crore of the weekly average NAV	1.5%
On rest of the weekly average NAV	1%

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

F. Trustee fee

As per Trust Deed the Trustee, Bangladesh General Insurance Company Limited, shall be paid an annual Trusteeship fee of BDT 200,000 (BDT 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.

G. Custodian fee

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 BDT 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.

H. Annual BSEC fee

As per Rule 11 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, Fund is required to pay an annual fee to BSEC an amount equal to 0.10% of the NAV of the Fund or BDT 100,000 whichever is higher.

I. Taxation

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

J. Dividend policy

As per Rule 66 of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001, the Fund is required to distribute in the form of a dividend to its unitholders an amount which shall not be less than 70% of annual profit during the year, net of provisions. Being a "Growth scheme" in nature, the Fund shall distribute at least 50% of the total net profit earned in the respective year or as determined by the Commission from time to time.

K. Cash and cash equivalents

Cash and cash equivalents comprise bank balances and term deposits.

L. Provisions

A provision is a liability of uncertain timing or amount. Where the Fund has a present obligation arising from past events, the settlement of which is expected to result in an outflow from the fund of resources embodying economic benefits. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date under IAS-37 'Provisions, Contingent Liabilities and Contingent Assets.

Provision is made against diminution in the market value of investment as per Rule 67 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

As per Bangladesh Securities and Exchange Commission directive no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 investment in closed/ open-ended mutual funds have to maintain provision but the Fund maintained full provision against that investment considering market value and cost of the investments considering conservative approach.

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.

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

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

M. Statement of cash flows

Cash flows have been prepared under the direct method according to IAS-7 'Statement of Cash Flows.

N. Earnings per unit

Earnings per unit have been calculated following IAS-33 'Earnings per Share' and shown on the face of the statement of profit or loss and other comprehensive income (revenue account).

O. Unit premium or discount

Income or expense generated from transaction of unit of the fund are shown in the statement of profit

P. Approval of the financial statements were authorized for issue in accordance with a resolution of the funds board of trustee on 13 August 2023.



Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

Particular	Figures in Tk		
	As at 30 June 2023	As at 30 June 2022	
Investment in securities			
Listed securities (note 5.1)	235,420,134	250,555,528	
	235,420,134	250,555,528	
5.1 Sector wise break up of investments in listed securities as at 30 June 2023:			
Sector/Category	Total cost	Total market value	Surplus/ (Deficit)
Pharmaceutical and chemicals	56,780,091	64,311,487	7,531,396
IT	3,203,784	3,157,482	(46,302)
Tannery industries	6,431,738	6,455,663	23,925
Cement	20,719,760	13,878,206	(6,841,554)
Engineering	51,362,777	38,949,197	(12,413,581)
Food and allied	4,706,241	4,668,300	(37,941)
Telecommunication	12,539,549	10,313,874	(2,225,675)
Corporate bond	5,576,130	5,100,000	(476,130)
Bank	3,751,268	4,301,050	549,782
Financial institution	2,906,407	872,000	(2,034,407)
Textile industries	4,810,935	2,834,675	(1,976,260)
Fuel and power	84,465,885	73,328,200	(11,137,685)
Paper and Printing	3,145,278	3,248,000	102,722
Miscellaneous	4,503,113	4,002,000	(501,113)
	264,902,956	235,420,134	(29,482,822)
Details are in Annex A.			
Investment in mutual funds			
Open-ended mutual funds (note 6.1)		24,271,099	25,007,026
Closed-ended mutual funds (note 6.2)		17,718,500	15,946,959
		41,989,599	40,953,985
6.1 Open-ended mutual funds as at 30 June 2022			
Total cost	Total market/fair value	Surplus/ (Deficit)	
UFS-Popular Life Unit Fund	19,992,000	18,635,400	(1,356,600)
WIPB SEBL 1st Unit Fund	5,879,400	5,635,699	(243,701)
	25,871,400	24,271,099	(1,600,301)
6.2 Closed-ended mutual funds as at 30 June 2022			
Total cost	Total market/fair value	Surplus/ (Deficit)	
IFIC Bank 1st Mutual Fund	4,112,070	4,112,070	-
Grameen One : Scheme Two	5,004,705	4,943,007	(61,698)
UR Global Bangladesh Mutual Fund One	2,104,200	2,104,200	-
AB Bank 1st Mutual fund	1,112,220	1,112,220	-
Reliance One the first scheme of Reliance Insurance Mutual Fund	3,081,870	3,081,870	-
Vanguard AML BD Finance Mutual Fund One	2,365,134	2,365,134	-
	17,780,198	17,718,500	(61,698)
Details are in Annex B.			
Advance, deposits and prepayments			
Central Depository Bangladesh Limited (CDBL)		400,000	400,000
Custodian fees		125,552	150,583
Total		525,552	550,583
Dividend receivables			
ACTIVEFINE		264,440	-
LAHABANGLA		8,816	-
BEINGSUKUK		29,857	-
		33,000	-

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

Particular	Figures in Tk	
	As at 30 June 2023	As at 30 June 2022
BARAKAPOWER	262,218	-
Beta Shoe Company Bangladesh Limited	44573	18,800
City Bank Limited	-	31,334
Hedelberg Cement Bangladesh Limited	16960	44,096
MARICO Limited	-	85,000
	659,864	179,230
Other current assets		
Interest receivable on FDR	49,513	41,527
	49,513	41,527
Cash and cash equivalents		
STD accounts (note 11.1)	4,458,748	39,959,677
Investment in FDR	10,000,000	10,000,000
BO Account	2,898,530	7,597,977
	17,357,278	57,557,654
11.1 STD accounts		
Name of the bank and branches	Account no.	
BRAC Bank Limited, Foreign		
Exchange Branch	1505201944151002 (Operational Acc)	415,937
		416,777
BRAC Bank Limited, Foreign		
Exchange Branch	1505201944151001 (Operational Acc)	2,098,009
		12,674,265
BRAC Bank Limited, Foreign		
Exchange Branch	1505101944151001 (Dividend Payment Acc)	688,693
		25,608,836
BRAC Bank Limited, Foreign		
Exchange Branch	1505201944151003 (Operational Acc)	1,256,109
		1,259,799
	4,458,748	39,959,677
11.2 Investment in FDR		
Name of FDR	Account no.	
Beta Brac Housing Finance Corporation Ltd.	71000192579	1000000
		10,000,000
	10,000,000	10,000,000
Unit capital		
Opening balance	331,079,350	327,495,660
Unit sold during the year	291,448,290	4,570,770
Unit surrendered by holder	622,527,640	332,066,430
Closing balance	(331,079,350)	(987,080)
	291,448,290	331,079,350
Retained earnings		
Opening balance	17,195,423	46,417,097
Profit for the year	1,657,171	16,627,718
Dividend paid for the last year	18,852,594	63,044,815
Closing balance	(16,553,968)	(45,849,392)
	2,298,626	17,195,423
Current liabilities		
Payable to Prime Finance Asset Management Company Ltd.	508,821	1,440,403
Payable to custodian fees	-	-
Audit fees payable	86,250	86,250
Other payable (note 14.1)	124,239	37,081
	719,310	1,563,734

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

Particular	Figures in Tk	
	As at 30 June 2023	As at 30 June 2022
Other payable		
Tax deducted at source	49,499	901
VAT deducted at source	74,490	36,180
Dividend payable	250	-
	<u>124,239</u>	<u>37,081</u>
Net asset value per unit (at cost price)		
Total assets (Investment considered at cost price)	327,146,761	374,512,482
Less:	(719,310)	(1,563,734)
Net asset value (NAV)	<u>326,427,451</u>	<u>372,948,748</u>
Number of units	29,145,308	33,107,935
NAV per unit at cost	<u>11.20</u>	<u>11.26</u>
Net asset value per unit (at market value)		
Total assets	296,064,482	349,838,507
Less:	(719,310)	(1,563,734)
Net asset value (NAV)	<u>295,345,172</u>	<u>348,274,773</u>
Number of units	29,145,308	33,107,935
NAV per unit at market value	<u>10.13</u>	<u>10.52</u>
Capital gain		
Capital gain on sale of marketable securities	<u>6,546,511</u>	<u>19,396,494</u>
Details are in Annex C.		
Interest income		
Interest on fixed deposit	695,486	1,512,131
Interest on STD Account	397,174	434,631
	<u>1,092,660</u>	<u>1,946,762</u>
Other income		
Income from transaction of unit	-	15,900
Writeback of provision	-	749,775
	-	<u>765,675</u>

Notes of Statement of Cash flow

Particulars	01 July 2022 to 30 June 2023
Receipt from Dividend Income:	
Dividend income as per P/L	9,207,203
Add: Receivable in Dividend- Last year	179,230
Less: Receivable in Dividend -This Year	(659,864)
Total	<u>8,726,569</u>
Receipts from Interest Income:	
Interest income as per P/L	1,092,660
Add: Receivable in Interest-Last year	41,527
Less: Receivable in Interest-This year	(49,513)
Total	<u>1,084,674</u>
Payment from Operating Expenses:	
Total Operating Expenses as per P/L	8,647,054
Add: Last year A/c Payable without dividend warrant payable	1,563,734
Less: Current year A/c payable without dividend warrant payable	(719,310)
Add: Advanced and Prepayments last year	400,000
Less: Advanced and prepayments this year	(400,000)
Add: Prepaid Custodian fee this year	125,552
Less: Prepaid custodian fee last year	(150,583)
	<u>9,466,447</u>

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2023

Particular	Figures in Tk	
	As at 30 June 2023	As at 30 June 2022
Financial expense:		
Bank charge		71,554
Total		<u>71,554</u>
Earnings per unit for the year		
Profit for the year (numerator)	1,657,171	16,627,718
Number of units (denominator)	29,144,829	33,107,935
Earnings Per Unit	<u>0.06</u>	<u>0.50</u>
Reconciliation between net profit to operating cash flow		
Profit for the year	8,128,017	22,289,002
Add: Amortisation on initial expenses	-	204,785
Less: Other income	-	(15,900)
Operating cash flow before changes in working capital	<u>8,128,017</u>	<u>22,477,887</u>
Changes in working capital:		
Decrease/ (increase) of accrued income	(8,237)	1,062,540
Decrease/ (increase) of prepaid custodian fees	25,031	(150,584)
Decrease/ (increase) of cash dividend receivables	(480,634)	(179,230)
Decrease/ increase of other liabilities	87,158	(730,371)
Decrease/ increase of accounts payable	(931,582)	(3,878,399)
Net operating cash flows	<u>(1,308,264)</u>	<u>(3,876,044)</u>
Net operating cash flows per unit for the year:	<u>6,819,753</u>	<u>18,601,844</u>
Net cash inflow/(outflow) from operating activities (numerator)	6,819,753	18,601,844
Number of units (denominator)	29,144,829	33,107,935
Net operating cash flows per unit (NOCFPU)	<u>0.23</u>	<u>0.56</u>

*Net operating cash flow per share (NOCFPS) has been decreased due to payment of fees and expenses in time.

Events after reporting:

The Board of Trustee of the Fund has approved cash dividend at the rate of 0.70% i.e., Taka 0.07 (seven paisa) per unit for the year ended 30 June 2023 at the meeting held on 13th August 2023.

Related party disclosure:

Name of the Party	Relation ship	Nature of Transaction	As at 30 June 2022	Addition During the Year	Payment during the year	As at 30 June 2023
Prime Finance Asset Management Company Limited	Asset Manager	Management fee	1,440,403	6,268,354	7,199,936	508,821

Others:

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

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

12.3 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction herewith.


Trustee

General Insurance Co


Asset Manager

Prime Finance Asset Management Company Ltd.

Rupali Life Insurance First Mutual Fund
Details of investment in listed securities
As at 30 June 2023

Sl. no.	Sector	Company	Number of unit share	Number of sellable Unit	Average cost (BDT)	Total cost (BDT)	Market price per unit (BDT)	Total market price (BDT)	Unrealised Gain/ Loss (BDT)
	Pharmaceutical and chemicals	ACI	5,552	5,552	266.97	1,482,224	260.20	1,444,630	(37,594)
1	Pharmaceutical and chemicals	ACMELAB	25,000	25,000	87.78	2,194,538	86.00	2,150,000	(44,538)
2	Pharmaceutical and chemicals	ACTIVEFINE	352,630	352,630	31.43	11,083,250	19.30	6,805,759	(4,277,491)
3	Pharmaceutical and chemicals	BDPAINTS	51,419	51,419	33.49	1,722,112	17.90	920,400	(801,712)
4	Pharmaceutical and chemicals	MARICO	1,000	1,000	2,131.89	2,131,891	2,421.50	2,421,500	289,609
5	Pharmaceutical and chemicals	RENATA	24,872	24,872	781.65	19,441,213	1,217.90	30,291,609	10,850,396
6	Pharmaceutical and chemicals	SQUIREPHARMA	96,652	96,652	193.73	18,724,863	209.80	20,277,590	1,552,727
7	Pharmaceutical and chemicals		86,270	86,270	37.14	3,203,784	36.60	3,157,482	(46,302)
1	IT	AMARATECH				56,780,091		64,311,487	7,531,396
	Sub-total					3,203,784		3,157,482	(46,302)
1	Fuel and Power	BARKAPOWER	262,218	262,218	28.98	7,598,905	21.30	5,585,243	(2,013,662)
2	Fuel and Power	DESCO	118,880	118,880	43.35	5,153,181	36.60	4,351,008	(802,173)
3	Fuel and Power	EPGL	57,307	57,307	48.38	2,772,243	35.20	2,017,206	(755,037)
4	Fuel and Power	JAMUNAOIL	44,129	44,129	197.84	8,730,530	179.90	7,938,807	(791,723)
5	Fuel and Power	KPCL	100,000	100,000	32.11	3,211,430	26.60	2,660,000	(551,430)
6	Fuel and Power	LINDEBD	6,159	6,159	1,340.13	8,253,873	1,397.70	8,608,434	354,561
7	Fuel and Power	MJLBD	88,731	88,731	106.38	9,439,028	86.70	7,692,978	(1,746,050)
8	Fuel and Power	PADMAOIL	16,791	16,791	262.50	4,407,634	209.20	3,512,677	(894,957)
9	Fuel and Power	POWERGRID	100,000	100,000	61.50	6,150,276	52.40	5,240,000	(910,276)
10	Fuel and Power	SAIFPOWER	80,000	80,000	35.98	2,878,245	29.70	2,376,000	(502,245)



Royal Life Insurance First Mutual Fund
Details of investment in listed securities
As at 30 June 2023

Sr. no.	Sector	Company	Number of unit share	Number of sellable Unit	Average cost (BDT)	Total cost (BDT)	Market price per unit (BDT)	Total market price (BDT)	Unrealised Gain/ Loss (BDT)
11	Fuel and Power	SUMITPOWER	174,822	174,822	41.09	7,183,254	34.00	5,943,948	(1,239,306)
12	Fuel and Power	TITASGAS	145,000	145,000	40.12	5,817,125	40.90	5,930,500	113,375
13	Fuel and Power	UPGDCL	49,086	49,086	262.20	12,870,161	233.70	11,471,398	(1,398,763)
	Sub-total					84,465,885		73,328,200	(11,137,685)
1	Tannery	BATASHOE	6,349	6,349	1,013.03	6,431,738	1,016.80	6,455,663	23,925
	Sub-total					6,431,738		6,455,663	23,925
1	Food and Allied	BATBC	9,000	9,000	522.92	4,706,241	518.70	4,668,300	(37,941)
	Sub-total					4,706,241		4,668,300	(37,941)
1	Engineering	BBSCABLES	125,919	125,919	63.05	7,938,834	49.90	6,283,358	(1,655,476)
2	Engineering	BSRMLTD	40,600	40,600	97.94	3,976,334	90.00	3,654,000	(322,334)
3	Engineering	IFADAUTOS	100,431	100,431	59.27	5,952,823	44.10	4,429,007	(1,523,816)
4	Engineering	OLYMIC	71,596	71,596	227.65	16,299,061	153.60	10,997,146	(5,301,915)
5	Engineering	RUNNERAUTO	87,327	87,327	61.78	5,395,155	48.40	4,226,627	(1,168,528)
6	Engineering	SINGERBD	29,731	29,731	176.39	5,244,113	151.90	4,516,139	(727,974)
7	Engineering	SSSTEAL	97,200	97,200	20.10	1,953,899	16.60	1,613,520	(340,379)
8	Engineering	WALTONHIL	2,000	2,000	1,383.45	2,766,892	1,047.70	2,095,400	(671,492)
9	Engineering	DOMINAGE	70,000	70,000	26.22	1,835,666	16.20	1,134,000	(701,666)
	Sub-total					51,362,777		38,949,197	(12,413,581)
1	Corporate Bond	BXGSUKUK	60,000	60,000	92.94	5,576,130	85.00	5,100,000	(476,130)
	Sub-total					5,576,130		5,100,000	(476,130)
1	Miscellaneous	BEXIMCO	15,000	15,000	122.85	1,842,678	115.60	1,734,000	(108,678)
2	Miscellaneous	KFL	80,000	80,000	17.72	1,417,955	17.40	1,392,000	(25,955)
3	Miscellaneous	SKTRIMS	30,000	30,000	41.42	1,242,480	29.20	876,000	(366,480)
	Sub-total					4,503,113		4,002,000	(501,113)
1	Paper and Printing	BPML	40,000	40,000	78.63	3,145,278	81.20	3,248,000	102,722
	Sub-total					3,145,278		3,248,000	102,722



Sr. no.	Sector	Company	Number of unit share	Number of sellable Unit	Average cost (BDT)	Total cost (BDT)	Market price per unit (BDT)	Total market price (BDT)	Unrealised Gain/ Loss (BDT)
1	Bank	CITYBANK	28,764	28,200	24.58	706,905	21.83	615,550	(91,355)
2	Bank	IBBLPBOND	3,500	3,500	869.82	3,044,363	1,053.00	3,685,500	641,137
	Sub-total					3,751,268		4,301,050	549,782
1	Cement	CONFIDCEM	64,000	64,000	122.98	7,870,879	89.00	5,696,000	(2,174,879)
2	Cement	ACIDELBCEM	16,960	16,960	539.95	9,157,564	266.50	4,519,840	(4,637,724)
3	Cement	PREMIERCEM	64,592	64,592	57.15	3,691,317	56.70	3,662,366	(28,951)
	Sub-total					20,719,760		13,878,206	(6,841,554)
1	Textile	ESQUIRNIT	33,500	33,500	35.25	1,180,857	34.50	1,155,750	(25,107)
2	Textile	ETL	123,322	123,322	17.21	2,121,785	10.40	1,282,549	(839,236)
3	Textile	FAMILYTEX	80,893	80,893	18.65	1,508,293	4.90	396,376	(1,111,917)
	Sub-total					4,810,935		2,834,675	(1,976,260)
1	Telecommunications	GP	35,987	35,987	348.45	12,539,549	286.60	10,313,874	(2,225,675)
	Sub-total					12,539,549		10,313,874	(2,225,675)
1	Financial Institutions	LANKABAFIN	29,857	29,857	40.10	1,197,128	26.00	776,282	(420,846)
2	Financial Institutions	PLFSL	31,906	31,906	53.57	1,709,279	3.00	95,718	(1,613,561)
	Sub-total		3,264,952			2,906,407		872,000	(2,034,407)



Rupali Life Insurance First Mutual Fund
Details of investment in mutual funds
As at 30 June 2023

A. Investment in open-ended mutual funds as at 30 June 2023

Sl. no.	Name of fund	No. of units	Average cost price (BDT)	Total cost (BDT)	Repurchase price/surrender value (BDT)	NAV per unit (BDT)	95% of net asset value (NAV) (per unit) (BDT)	Market Price based on repurchase price (BDT)	Market Price to be considered based on Circular* (BDT)	Provision (BDT)
1	UFS-Popular Life Unit Fund	1,785,000	11.20	19,992,000	10.44	10.74	10.20	18,635,400	18,635,400	(1,356,600)
2	VIPB SEBL 1st Unit Fund	587,940	10.00	5,879,400	9.85	10.09	9.59	5,791,209	5,635,699	(243,701)
	Sub-Total			25,871,400				24,426,609	24,271,099	(1,600,301)

B. Investment in closed-ended mutual funds as at 30 June 2023

SL. no.	Name of fund	No. of units	Average cost price (BDT)	Total cost (BDT)	Market price (BDT)	NAV per unit (BDT)	85% of net asset value (NAV) (per unit) (BDT)	Market Price based on 85% of NAV (BDT)	Market Price to be considered based on Circular* (BDT)	Provision (BDT)
1	IFIC Bank 1st Mutual Fund	664,761	6.19	4,112,070	5.10	10.10	8.59	5,706,973	4,112,070	-
2	Grameen One : Scheme Two	301,311	16.61	5,004,705	15.20	19.30	16.41	4,943,007	4,943,007	(61,698)
3	LR Global Bangladesh Mutual Fund One	300,000	7.01	2,104,200	6.40	10.57	8.98	2,695,350	2,104,200	-
4	AB Bank 1st Mutual fund	150,000	7.41	1,112,220	5.20	10.56	8.98	1,346,400	1,112,220	-
5	Reliance One the first scheme of Reliance Insurance Mutual Fund	273,661	11.26	3,081,870	10.30	13.80	11.73	3,210,044	3,081,870	-
6	Vanguard AML BD Finance Mutual Fund One	303,953	7.78	2,365,134	7.30	11.60	9.86	2,996,977	2,365,134	-
	Sub-Total			17,780,198				20,898,750	17,718,500	(61,698)
	Total			43,651,598				45,325,359	41,989,599	(1,661,999)

As per Bangladesh Securities and Exchange Commission circular ref. no. SEC/CMRRCD/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.

However, 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 thus, Required provision (RP) = Average cost price (CP) - Latest surrender value (SV) (i.e. Not over 5% discount of NAV/Cmp).



Rupali Life Insurance First Mutual Fund
Capital gain/loss on sale of securities
As at 30 June 2023

Particulars	Annexure-C Figures in Tk
RAMRANET	165,469
RAMRATECH	260,325
ACHIASF	991,035
ACI	2,638
ACOMELAB	81,480
AMCL (Pran)	1,165,436
AMPL	127,941
BATASHOE	(131,565)
BDPAINTS	950,792
BPML	554,754
BIOPHARMA	261,614
ESQUIRENIT	292,458
GHAL	37,117
ICDL	152,460
ISLAMIBANK	41,200
INIALCO	180,865
INIPOLYMER	100,989
PENINSULA	262,909
PREMIERCEM	(263,142)
PUL	25,420
SPOL	788,471
TILE	427,794
TITASGAS	81,667
MISCELLANEOUS LOSS	(11,616)
	6,546,511

