

Rupali Life Insurance First Mutual Fund

Statement of Financial Position (Balance Sheet) as at 30 September 2022

	<u>Notes</u>	Un-audited 30 September 2022 Taka	Audited 30 June 2022 Taka
ASSETS			
Investment in securities at market price	4	276,350,584	291,509,513
Advance, deposits and prepayments	5	400,000	400,000
Accrued interest	6	354,554	41,527
Other assets	7	106,926	150,583
Cash dividend receivables	8	179,230	179,230
Investment in FDR	9	10,000,000	10,000,000
Cash and cash equivalents	10	46,644,394	47,557,653
Total assets		334,035,688	349,838,506
LIABILITIES			
Accounts payable	11	3,184,203	1,526,653
Other liabilities	12	3,095,510	37,081
Unclaimed dividend		-	-
Total liabilities		6,279,713	1,563,734
Net assets		327,755,975	348,274,772
EQUITY			
Capital fund	13	332,374,770	331,079,350
Retained earnings	14	(4,618,795)	17,195,422
Total equity		327,755,975	348,274,772
Net Asset Value (NAV) per unit:	15		
at cost		10.85	11.26
at market price		9.86	10.52

The annexed notes 1 to 19 form an integral part of these financial statements.


Md. Hasan Imam
 Head of Finance & Fund Management
 Prime Finance Asset
 Management Company Ltd.

Dhaka, 29 October 2022


Moir Al Kashem
 Managing Director & CEO
 Prime Finance Asset
 Management Company Ltd.

Rupali Life Insurance First Mutual Fund

Statement of Profit and Loss and Other Comprehensive Income for the period ended 30 September 2022

	<u>Notes</u>	<u>30 September 2022 Taka</u>	<u>30 September 2021 Taka</u>
INCOME			
Capital gain on sale of shares		4,404,341	6,549,922
Interest income	16	313,026	650,897
Total income		4,717,367	7,200,819
EXPENSES			
Management fees	17	1,577,060	1,615,188
Advertisement expenses		103,500	144,900
Initial expenses		-	42,158
Custodian fees	18	43,657	53,798
Trustee fees	19	80,490	83,032
CDBL charges		17,098	25,503
IPO Charge-DSC		5,000	-
Realized loss on transaction of unit		12,954	-
Total expenses		1,839,759	1,964,579
Profit before provision		2,877,608	5,236,240
(Provision)/Write back of provision for unrealized loss on investment		(8,137,858)	19,012,692
Net profit for the period		(5,260,250)	24,248,932
Other Comprehensive income:			
Unrealised gain on investment		-	16,075,068
Comprehensive income for the period		(5,260,250)	40,324,000
Earning per Unit		(0.16)	1.22

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Rupali Life Insurance First Mutual Fund

Statement of Changes in Equity for the period ended 30 September 2022

	Capital Fund Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2021	327,495,660	46,417,096	373,912,756
Unit subscription	3,583,690	-	3,583,690
Dividend paid during the year	-	(45,849,392)	(45,849,392)
Net profit for the year	-	16,627,719	16,627,719
Balance as at 30 June 2022	331,079,350	17,195,422	348,274,772
Unit subscription	1,295,420	-	1,295,420
Dividend paid during the year	-	(16,553,968)	(16,553,968)
Net profit for the year	-	(5,260,250)	(5,260,250)
Balance as at 30 September 2022	332,374,770	(4,618,795)	327,755,975

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Dhaka, 29 October 2022


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Rupali Life Insurance First Mutual Fund

Cash Flow Statement for the year ended 30 September 2022

	Un-audited 30 September 2022 <u>Taka</u>	Audited 30 June 2022 <u>Taka</u>
A. Cash flows from operating activities:		
Capital gain	4,404,341	19,396,494
Interest received	-	3,251,152
Dividend received	-	9,494,072
Cash paid for operating expenses	2,932,830	(13,469,101)
Financial expenses	-	(70,773)
<i>Net cash flows from operating activities</i>	7,337,171	18,601,844
B. Cash flows from investing activities		
Cash received from/ (paid for) investment in capital market	7,021,072	(36,360,815)
Cash received from encashment of FDR	-	40,000,000
<i>Net cash used for investing activities</i>	7,021,072	3,639,185
C. Cash flows from financing activities:		
Capital fund - Sale/(Repurchase)	1,295,420	3,583,690
Cash received/(paid) on account of transaction of unit	(12,954)	15,900
Dividend paid to the Unitholders	(16,553,968)	(45,849,392)
<i>Net cash used in financing activities</i>	(15,271,502)	(42,249,802)
D. Net increase in cash and cash equivalents (A+B+C)	(913,259)	(20,008,773)
E. Opening cash and cash equivalents	47,557,653	67,566,426
F. Closing cash and cash equivalents (D+E):	46,644,394	47,557,653
 Net operating cash flow per unit	 0.22	 0.56

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 Prime Finance Asset
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Dhaka, 29 October 2022

Rupali Life Insurance First Mutual Fund
Notes to the Financial Statements
as at and for the period ended 30 September 2022

1. The Fund

Rupali Life Insurance First Mutual Fund is an open-ended fund registered with Sub-Registrar's Office and Bangladesh Securities and Exchange Commission. 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 Tk. 500,000,000 (Taka five hundred million only). Actual fund size at the date of formation was Taka 326,707,200 out of which Taka 200,000,000 (Taka 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. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional currency and presentation currency

These financial statements are presented in Bangladesh Taka, which is also the Fund's functional currency. All financial information presented in Taka have been rounded off to the nearest taka.

2.4 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 recognized 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.

2.5 Reporting period

The financial period of the company covers one year from 1 July to 30 June. These financial statements are prepared for the period from 1 July 2022 to 30 September 2022.

3. Significant accounting policies

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

3.1 Investment policy

3.1.1 The Fund shall invest subject to the Mutual Fund Rules and only in those securities, deposits and investments approved by Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Regulatory Authority (IRA) of Bangladesh or any other competent authority in this regard.

3.1.2 The Schemes of the Fund shall not invest more than 10% of its total assets in any one particular company.

3.1.3 The Schemes of the Fund shall not invest in more than 15% of any company's paid-up capital.

3.1.4 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.

3.1.5 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.

3.1.6 Not less than 60% of the total assets of the Fund shall be invested in capital market instruments out of which at least 50% will be invested in listed securities.

3.1.7 Not more than 25% of the total asset of the Fund will be invested in Fixed Income Securities (FIS).

3.1.8 Not more than 15% of the total asset of the Fund shall be invested in pre-IPOs at one time.

3.1.9 The Fund shall not invest in or lend to another Scheme managed by Prime Finance Asset Management Company.

3.1.10 The Fund shall get the securities purchased or transferred in the name of the Fund.

3.2 Valuation policy

3.2.1 For listed securities other than 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 shall be taken into account for calculation of Net Asset Value (NAV) of the Fund.

3.2.2 For securitized 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 Net Asset Value (NAV) of the Fund.

3.2.3 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 Net Asset Value (NAV) of the Fund. As per circular no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 Mutual Funds need not to maintain provision when the Average Cost Price of close-end and open-end mutual fund is lower than 85% and 95% respectively of NAV at current market price.

3.2.4 Net Asset Value (NAV) calculation

The Fund will use the following formula to derive NAV per unit:

Total NAV = VA - LT

NAV per unit = Total NAV / 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 amortized as on date + Printing, publication and stationery expenses amortized 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.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank and Cash with BO Account.

3.4 Provisions

A provision is recognized 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 balance sheet date.

3.5 Income tax

The income of the fund is exempted from income tax under the provision of Sixth Schedule-Part A of Income Tax Ordinance 1984. For this reason no provision of tax has been made in the financial statements.

3.6 Revenue recognition

3.6.1 Capital gain

Capital gain is recognized on being realized.

3.6.2 Dividend income

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

3.6.3 Interest income

Interest income is recognized as it accrues.

3.7 Cash flow statement

Cash flows from operating activities have been presented under direct method.

4. Investment at cost price less provision for unrealised loss

	30 September 2022 Taka	30 June 2022 Taka
A. Investment in Securities at cost price (Annexure - 1)	265,510,819	274,365,129
Add: Unrealised gain on investment	<u>(31,253,832)</u>	<u>(23,809,602)</u>
	<u>234,256,987</u>	<u>250,555,528</u>
B. Investment in Mutual Fund (Annexure - 2)	43,651,598	41,818,359
Add: Unrealised gain on investment	<u>(1,558,001)</u>	<u>(864,374)</u>
	<u>42,093,597</u>	<u>40,953,985</u>
Closing balance (A+B)	<u>276,350,584</u>	<u>291,509,513</u>

The fund has not any non performing investment as at 30 September 2022

5. Advance, deposits and prepayments

This represents the amount deposited to Central Depository Bangladesh Limited (CDBL) as Security Deposit

6. Accrued interest

Interest on FDR	207,639	41,527
Interest on STD Account	<u>146,915</u>	<u>-</u>
	<u>354,554</u>	<u>41,527</u>

7. Other assets

Prepaid custodian fees	106,926	150,583
	<u>106,926</u>	<u>150,583</u>

8. Cash dividend receivables

	30 September 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
Dividend receivable from:		
BATASHOE	18,800	18,800
City Bank Ltd.	31,334	31,334
Heidelberg Cement	44,096	44,096
MARICO Limited	85,000	85,000
	<u>179,230</u>	<u>179,230</u>

9. Investment in FDR

FDR No.

DBHFCL: FDR: 71000192579

10,000,000	10,000,000
<u>10,000,000</u>	<u>10,000,000</u>

10. Cash and cash equivalents

Cash at Bank:

Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151002)	416,777	416,777
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151001)	12,578,417	12,674,265
Cash at bank (BRAC Bank Ltd., A/C No. 1505101944151001)	24,791,012	25,608,835
Cash at bank (BRAC Bank Ltd., A/C No. 1505201944151003)	1,259,799	1,259,799
Cash at BO Account	7,598,389	7,597,977
	<u>46,644,394</u>	<u>47,557,653</u>

11. Accounts payable

Payable to Prime Finance Asset Management Company Ltd.	3,017,463	1,440,403
Payable trustee fees	80,490	-
Audit fees payable	86,250	86,250
	<u>3,184,203</u>	<u>1,526,653</u>

12. Other liabilities

Tax deducted at source	3,045,830	901
VAT deducted at source	49,680	36,180
	<u>3,095,510</u>	<u>37,081</u>

13. Capital fund

	No. of <u>Unit</u>	Face value Per Unit <u>Taka</u>	30 September 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
Subscribed by Resident Bangladeshis	13,237,477	10	132,374,770	131,079,350
Subscribed by Sponsor	<u>20,000,000</u>	10	<u>200,000,000</u>	<u>200,000,000</u>
	<u><u>33,237,477</u></u>		<u><u>332,374,770</u></u>	<u><u>331,079,350</u></u>

14. Retained earnings

Opening balance		17,195,422	46,417,096
Dividend paid during the period for the last period		(16,553,968)	(45,849,392)
		641,455	567,703
Net profit/(loss) for the period		(5,260,250)	16,627,719
Closing balance		<u><u>(4,618,795)</u></u>	<u><u>17,195,422</u></u>

15. Net Asset Value (NAV):**at cost**

Value of net asset at cost	360,567,808	372,948,748
Number of units	<u>33,237,477</u>	<u>33,107,935</u>
Net Asset Value per unit	<u><u>10.85</u></u>	<u><u>11.26</u></u>

at market value

Value of net asset at market price	327,755,975	348,274,772
Number of units	<u>33,237,477</u>	<u>33,107,935</u>
Net Asset Value per unit	<u><u>9.86</u></u>	<u><u>10.52</u></u>

16. Interest income

	30 September 2022 <u>Taka</u>	30 September 2022 <u>Taka</u>
Interest on FDR	166,111	458,074
Interest income on STD Account	<u>146,915</u>	<u>192,823</u>
	<u><u>313,026</u></u>	<u><u>650,897</u></u>

17. Management fees

Management fees is payable to Prime Finance Asset Management Company Limited. As per Securities and Exchange Commission (Mutual Fund) 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 avreage NAV	2.00%
On Next 25.00 Crore of the weekly avreage NAV	1.50%
On rest of the weekly avreage NAV	1.00%

18. 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 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.

19. Trustee fees

As per Trust Deed the Trustee, Bangladesh General Insurance Company Limited, shall be paid an annual Trusteeship fee of TK. 200,000/- (Taka Two Hundred Thousand) only or @ 0.10% of the Net Asset Value (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.