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# **AUDITORS' REPORT**

**OF**

## **FINANCIAL STATEMENTS**

**OF**

### **EBLNRB MUTUAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

**DVC: 2208211480AS298623**



*Since -1967*

## **K. M. ALAM & CO.** **CHARTERED ACCOUNTANTS**

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Tel : 02223386990, 0247123083

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**Independent Auditor's Report  
To the Unit Holders  
of  
EBL NRB Mutual Fund**

**Opinion**

We have audited the financial statements of EBL NRB Mutual Fund (the Fund), which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EBL NRB Mutual Fund as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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 for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and is doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**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. Key audit matters were identified 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. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public limited entities, our results from those procedures.

Risk	Our response to the risk
Dividend Income:	



<p>Dividend Income constitutes 20% of the income generated from the fund.</p>	<p>With respect to Dividend Income in respect of Fund Management we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>• The design and operating effectiveness of key controls around Dividend Income recognition process.</li> <li>• Carried out analytical procedures and recalculated Dividend Income for the period.</li> <li>• Ensured on a sample basis that the Dividend Income was being deposited in the designated bank account.</li> </ul>
<p><b>Financial Income:</b></p>	
<p>Financial Income constitutes 7% of the income generated from the fund.</p>	<p>With respect to Financial Income in respect of Fund Management we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>• The design and operating effectiveness of key controls around Financial Income recognition process.</li> <li>• Carried out analytical procedures and recalculated Financial Income for the period.</li> <li>• Ensured on a sample basis that the Financial Income was being credited in the designated bank account.</li> </ul>
<p><b>Investments in Securities:</b></p>	
<p>The Fund's investment portfolio which is carried at market value makes up 90% of the total assets as at 30 June 2022. This is considered to be the key driver of the Fund's assets and revenue performance.</p> <p>The market value of financial instruments that are upgraded in an active market is determined based on the market price as on 30 June 2022.</p>	<p>With respect to Valuation of Investments in respect of Fund Management we carried out the following procedures:</p> <ul style="list-style-type: none"> <li>• The design and operating effectiveness of key controls around Valuation of Investments recognition process.</li> <li>• Carried out analytical procedures and calculated Valuation of Investments at fair value for the period.</li> <li>• Ensured on a sample basis that the Valuation of Investments was correct and exists at the balance sheet date.</li> <li>• Comparing observable inputs against independent sources and externally available market data.</li> </ul>

**Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala-2001 and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 Fund's financial reporting process.

**Auditor's Responsibilities 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 of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these 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 risks 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 on 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability 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's 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.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and the relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) 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;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- c) The Fund's Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Fund together with the Annexed Notes dealt with by the report are in agreement with the books of accounts and returns; and
- d) The investment was made as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001; and
- e) The expenditure incurred and payments made were for the purpose of the Fund's business.
- f) The information and explanation required by us have been received and found satisfactory.

Place: Dhaka  
Date: 14 August 2022

**Md. Belayet Hossian FCA**  
Partner

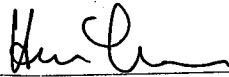
• K. M. Alam & Co.  
Chartered Accountants  
DVC: 2208211480AS298623

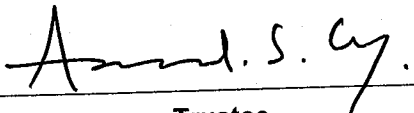


EBL NRB Mutual Fund  
Statement of Financial Position  
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>Assets</b>			
Investment in marketable securities-at fair value	5.00	1,943,435,441	1,974,968,244
Investment in non-listed Securities-at fair value	6.00	419,096,187	686,800,409
Cash & Cash equivalents	7.00	229,965,201	56,183,242
Preliminary & Issue Expenses	8.00	9,839,677	10,945,429
Others receivables	9.00	26,154,744	26,096,238
Advance, deposit & prepayments	10.00	6,446,484	6,246,614
<b>Total asset</b>		<b>2,634,937,733</b>	<b>2,761,240,175</b>
<b>Liabilities</b>			
Liabilities for expenses	11.00	1,427,155	1,167,241
Unclaimed Dividend	7.01	1,161,324	-
Other liabilities	12.00	572,012	8,510,790
<b>Total Liabilities</b>		<b>3,160,491</b>	<b>9,678,031</b>
<b>Net Assets</b>		<b>2,631,777,242</b>	<b>2,751,562,144</b>
<b>Owners' Equity</b>			
Capital Fund	13.00	2,242,613,030	2,242,613,030
Dividend Equalization & TRR Reserve		114,050,992	114,050,992
Unrealized Gain		949,829	259,677,723
Retained Earnings		274,163,391	135,220,399
<b>Total Equity</b>		<b>2,631,777,242</b>	<b>2,751,562,144</b>
Net Assets Value (NAV)-at Cost	14.00	2,630,827,413	2,491,884,421
No. of unit		224,261,303	224,261,303
		11.73	11.11
Net Assets Value (NAV)-at Fair Value	14.00	2,631,777,242	2,751,562,144
No. of unit		224,261,303	224,261,303
		11.74	12.27

These financial statement should be read in conjunction with annexed notes.


  
**Asset Manager**  
Bangladesh RACE Management PCL

  
**Trustee**  
Bangladesh General Insurance Company Limited

Signed in terms of our separate report of even date annexed

Dated: Dhaka  
August 14, 2022



  
**K. M. ALAM & CO.**  
Chartered Accountants

**EBL NRB Mutual Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2022**

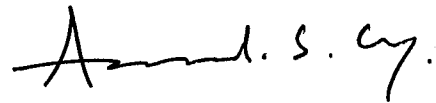
Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>Income</b>			
Net profit on sale of securities	15.00	303,263,837	27,595,011
Dividend from investment	16.00	84,643,459	60,637,667
Interest income	17.00	29,618,560	37,662,158
<b>Total Income</b>		<b>417,525,856</b>	<b>125,894,836</b>
<b>Expenses</b>			
Management Fees	18.00	32,077,892	28,261,989
Amortization of Preliminary & Issue Expenses	8.00	1,105,752	1,105,752
Trustee fees	19.00	2,788,740	2,207,692
BSEC annual fee	20.00	2,242,613	2,242,613
Custodian fees	21.00	1,864,355	1,541,667
CDBL Charges	22.00	532,408	333,691
DSE annual fee		600,000	600,000
CSE annual fee		600,000	600,000
Bank Charges		111,240	156,881
Audit Fee		60,000	60,000
Expenses for Capital Market Stabilization Fund	23.00	188,656	-
Printing Publication & IPO Expenses		624,432	747,488
<b>Total Expenses</b>		<b>42,796,088</b>	<b>37,857,774</b>
<b>Net profit before provision</b>		<b>374,729,768</b>	<b>88,037,062</b>
(Total Provision for VAT, Tax and Write off)/ write back against erosion of fair value		(101,229,994)	343,541,752
<b>Net Profit after Provision transferred to retained earnings</b>		<b>273,499,774</b>	<b>431,578,814</b>
<b>Other Comprehensive Income:</b>			
Unrealised gain/ (loss)		(258,727,894)	-
<b>Total profit or loss and other comprehensive income</b>		<b>14,771,880</b>	<b>431,578,814</b>
Earnings Per Unit for the year (EPU)	24.00	1.22	1.92

These financial statement should be read in conjunction with annexed notes.



Asset Manager

Bangladesh RACE Management PCL



Trustee

Bangladesh General Insurance Company Limited

Signed in terms of our separate report of even date annexed



K. M. ALAM & CO.  
Chartered Accountants

Dated: Dhaka  
August 14, 2022



EBL NRB Mutual Fund  
Statement of Changes in Equity  
For the year ended June 30, 2022

Amount in Taka

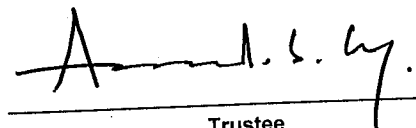
Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2021	2,242,613,030	114,050,992	259,677,723	135,220,399	2,751,562,144
Net profit for the year	-	-	-	273,499,774	273,499,774
Dividend paid 2020-2021 (Cash)	-	-	-	(134,556,782)	(134,556,782)
Unrealized Gain	-	-	(258,727,894)	-	(258,727,894)
Balance at June 30, 2022	2,242,613,030	114,050,992	949,829	274,163,391	2,631,777,242

Statement of Changes in Equity  
For the year ended June 30, 2021

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Unrealized Gain	Retained Earnings	Total Equity
Balance at July 01, 2020	2,242,613,030	114,050,992	-	(296,358,415)	2,060,305,607
Net profit for the year	-	-	-	431,578,814	431,578,814
Unrealized Gain	-	-	259,677,723	-	259,677,723
Balance at June 30, 2021	2,242,613,030	114,050,992	259,677,723	135,220,399	2,751,562,144



Asset Manager  
Bangladesh RACE Management PCL

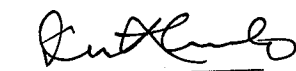


Trustee  
Bangladesh General Insurance Company Limited

See annexed report of the date

Dated: Dhaka  
August 14, 2022

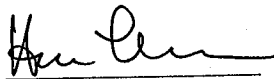


  
K. A. ALAM & CO.  
Chartered Accountants

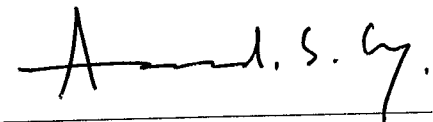


EBL NRB Mutual Fund  
Statement of Cash Flows  
For the year ended June 30, 2022

Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
<b>A. Cash flows from operating activities:</b>		
Net profit on sale of securities	303,263,837	27,595,011
Dividend from investment	73,749,761	67,308,419
Interest income	39,633,969	41,157,001
Operating expenses	(49,569,070)	(32,830,144)
<b>Net cash flow from operating activities</b>	<b>367,078,497</b>	<b>103,230,287</b>
<b>B. Cash flows from Investing Activities</b>		
Net Investment in securities	(59,901,080)	(223,300,369)
<b>Net cash from investing Activities</b>	<b>(59,901,080)</b>	<b>(223,300,369)</b>
<b>C. Cash flows from Financing Activities</b>		
Dividend paid (2020-2021)	(134,556,782)	-
Unclaimed Dividend	1,161,324	-
<b>Net cash from Financing Activities</b>	<b>(133,395,457)</b>	<b>-</b>
<b>D. Net cash flows (A+B+C)</b>	<b>173,781,959</b>	<b>(120,070,082)</b>
<b>E. Cash &amp; Cash Equivalents at the Beginning of the period</b>	<b>56,183,242</b>	<b>176,253,324</b>
<b>F. Cash &amp; Cash Equivalents at the end of the period (D+E)</b>	<b>229,965,201</b>	<b>56,183,242</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>1.64</b>	<b>0.46</b>



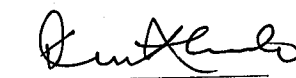
**Asset Manager**  
Bangladesh RACE Management PCL



**Trustee**  
Bangladesh General Insurance Company Limited

See annexed report of the date

Dated: Dhaka  
August 14, 2022

  
**K. A. ALAM & CO.**  
Chartered Accountants



**EBL NRB Mutual Fund**  
**Notes to the Accounts**  
**For the year ended June 30, 2022**

**1. The fund and legal status**

EBL NRB Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 19 August 2010 between Eastern Bank Limited (EBL) as a 'Sponsor' and the Bangladesh General Insurance Company Limited as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 30 August 2010 vide registration code no. SEC/Mutual Fund/2010/27 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund were commenced on 23 May 2011 by listing with Dhaka and Chittagong Stock Exchanges.

As provided in Trust Deed, Bangladesh RACE Management PCL, an asset management company, is the Fund Manager. Bangladesh RACE Management PCL was incorporated as a private limited company under Companies Act 1994 on March 2008.

EBL NRB Mutual Fund is a close-end Mutual Fund. The fund tenure by order of the Government of Bangladesh and Bangladesh Securities & Exchange Commission (BSEC) through the exercise of section 20A Securities and Exchange Ordinance, 1969 (XVII OF 1969) without prejudice to any other laws & conditions has been extended to May 15, 2031. The objectives of the Fund are to provide regular dividend to the investors by investing the Fund both in capital and money market instruments. The Fund consists of 224,261,303 units of BDT 10 each. The units of the Fund are transferable.

**2. Objectives**

The objective of EBL NRB First Mutual Fund is to provide attractive dividends to its unit-holders by earning superior risk adjusted return from a diversified investment portfolio.

**3. Basis of preparation**

**3.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and as per requirements of the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001, Trust Deed and other applicable laws and regulations.

**3.2 Basis of measurement**

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

**3.3 Functional and presentational currency**

These financial statements are presented in BDT, which is also the Fund's functional and presentational 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 from 01 July 2021 to 30 June 2022.

### 3.6 Taxation

The income of the Fund is exempted 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 tax is required.

## 4. Significant accounting policies

The accounting policies set out below have been applied throughout the period presented in these financial statements.

### 4.1 Investment policy

The investment policy of the Fund as summarised below has set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 including amendments if any:

- (i) as per Rule 55 (02) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, 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) as per fifth schedule, no term loan and advance shall be given from mutual fund.
- (iii) as per fifth schedule not more than 10% of total assets of one scheme of a mutual fund shall be invested in one company's share.
- (iv) as per fifth schedule not more than 15% of paid-up capital of a company's share shall be invested from all schemes of a mutual fund.
- (v) as per fifth schedule not more than 20% of one or group of companies' share, debenture or other securities shall be invested from all schemes of a mutual fund.
- (vi) as per fifth schedule not more than 25% in one sector/industry's share, debenture or other securities shall be invested from all scheme of a mutual fund.
- (vii) as per fifth schedule investment or loan from one scheme to another scheme shall not be made under one asset management company
- (viii) as per fifth schedule a mutual fund shall not make any loan for investment purpose
- (ix) as per fifth schedule, no expenses shall be charged in year more than 4% of weekly average NAV annually.
- (x) as per trust deed 2.2.22, In the event the weight-age of share exceed the limits laid down in the Offer Document or in the Bidhimala for thr relative movement in the market prices of the investments including subscription of right shares or through any disinvestments, the Asset Management Company shall make it's best endeavors to bring the exposure within the prescribed limits within six months of the event. But in any case the Asset Management Company shall not invest further in such securities or sectors while the deviation exists.

### 4.2 Valuation of Investment at Fair Value:

Fair Value is a market-based measurement. It is to estimate the price at which an orderly transection to sell the assets or to transfer the liability would take place between market participants at the measurement date under current market condition. As per IFRS-13, EBL NRB Mutual Fund (the fund) adopts the assumption the market participants would use when pricing the assets, including assumptions about risk (a) the risk inherent in a particular valuation technique used to measure fair value (such as pricing model); and (b) the risk inherent in quoted price/input to the valuation technique.



- (i) For Capital Market Securities-Listed:  
The Capital Market Securities-Listed are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of Valuation i.e., on June 30, 2022 as per IFRS-13 Fair Value Measurement, Capital Market Securities-Listed (Mutual Fund) are valued considering the quoted market price and last disclosed NAV on June 30, 2022 by the methodology provided by BSEC vide directive no. SEC/CMRRCD/2009/193/172 dated June 30, 2015.
- (ii) For Capital Market Securities-Non listed:  
Capital Market Securities-Non listed (Unit Fund) are valued at the repurchase price which is enforceable on June 30, 2022 declared by respective AMC and this is also a quoted price as per IFRS-13 Capital Market Securities-Non listed (Bond) are valued at fair value by applying the methodology as per IFRS-13 using Present Value technique under Income approach and in compliance with Rules 58 of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001. For the fiscal year 2021-2022, a provision has been taken against "The Regent Corporate Bond-2015" due to COVID-19 pandemic related uncertainty in timely repayment of the Bond's receivables.
- (iii) For Non-Listed Private Equity -BSEC approved:  
The Fund has invested in the equity of two non-listed companies. Both of which are regulated, one of them is regulated by Bangladesh Bank and other is regulated by Bangladesh Securities and Exchange Commission.  
The investment in shares of Padma Bank Limited has been approved by BSEC vide letter no. SEC/MF & SPV/MF-02/2009/467 dated May 31, 2012. Padma Bank is a Bangladesh Bank Regulated entity and going concern. Moreover, Padma Bank Ltd. has investment from Govt. Banks and financial institutions which owns 65% of the total equity of the banks. Therefore, Padma Bank Ltd. is considered a going concern and investment is held at cost. The investment in shares of Multi Securities and Services Limited has been approved by BSEC vide letter no. SEC/MF & SOV/MF-02/2009/783 dated November 04, 2015. The company is regulated by BSEC and is a going concern and has been paying dividends. Using prudence and conservative principal of accounting this investment is also held at cost.

#### 4.3 Dividend Policy

As per Rule 66 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 as amended, the Fund is required to distribute its profit in the form of dividend in cash to its unit holders an amount which shall not be less than 70% of annual profit during the year, net of provisions and net of negative retained earnings brought forward balance.

#### 4.4 Cash & cash equivalents

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

#### 4.5 Net asset value 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 tax + Interest receivable, net of 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 as 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.



#### 4.6 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. Provision for market unrealised loss shall be made in accordance with the rule 3(d) of 6th schedule and in case of provision write back it shall be vice versa. As per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rule-2019, the BSEC has introduced concept of Risk Based Capital Adequacy to the capital market and in relation there is a requirement to build up Total Risk Requirement (TRR). As AMC, Bangladesh RACE Management PCL has built up adequate TRR on Balance Sheet as prudent risk management. Further in interest of unitholders the dividend equalization reserve may be used to enhance a period's dividend payout using this reserve built up in previous period.

#### 4.7 Revenue recognition

Gains/losses arising on sale of investment are included in the Profit and Loss Statement on the date at which the transaction takes place. Dividend and interest income are recognised as per IAS-18 and IFRS-15 and Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.

#### 4.8 Statement of cash flows

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



EBL NRB Mutual Fund  
Notes to the Financial Statements  
For the year ended June 30, 2022

		Amount in BDT	
		30-Jun-22	30-Jun-21
05.00	Investment in marketable securities at fair value		
	Capital Market Securities-Listed	5.01	1,943,435,441
			1,974,968,244
			<u>1,943,435,441</u>
			<u>1,974,968,244</u>

5.01 Capital Market Securities-Listed:

Sector/Category	Amount in Taka				
	No. of Shares	Cost Value	Fair Value 30 June 2022	Required (Provision)/ Excess	Fair Value 30 Jun 2021
Bank	46,801,336	759,586,983	750,890,810	(8,696,173)	716,153,462
Cement	132,909	48,184,829	27,711,527	(20,473,302)	42,304,935
Corporate Bond	775	730,500	834,288	103,788	786,238
Engineering	-	-	-	-	2,016,840
Food and Allied	355,760	224,818,974	193,355,560	(31,463,414)	15,741,720
Fuel and Power	5,600	9,546,824	8,092,000	(1,454,824)	9,187,529
Insurance	374,039	40,350,846	30,872,202	(9,478,644)	96,389,015
Miscellaneous	243,102	38,551,425	33,617,193	(4,934,232)	123,167,842
Mutual Funds	10,983,469	101,546,834	99,288,427	(2,258,407)	112,747,991
NBFI	536,945	29,232,814	21,183,099	(8,049,715)	182,874,476
Pharma	1,698,512	604,713,087	701,235,507	96,522,420	585,294,191
Tannery	-	-	-	-	9,025,148
Telecommunication	259,622	92,217,734	76,354,830	(15,862,904)	79,278,860
<b>Total</b>	<b>61,392,069</b>	<b>1,949,480,850</b>	<b>1,943,435,441</b>	<b>(6,045,409)</b>	<b>1,974,968,244</b>

6.00 Investment in non-listed securities-at fair value

Capital Market Securities-Non Listed	6.01	295,995,238	563,699,460
Non-Listed Private Equity-BSEC approved	6.02	123,100,949	123,100,949
		<u>419,096,187</u>	<u>686,800,409</u>

6.01 Capital Market Securities-Non Listed

Particular	Amount in Taka			
	Cost Value	Fair Value 30 June 2022	Required (Provision)/ Excess	Fair Value 30 Jun 2021
ICB AMCL SECOND NRB Unit Fund	-	-	-	67,024
HFAML Unit Fund	3,000,000	3,598,570	598,570	3,573,629
<b>Capital Market Securities-Non Listed-Unit Fund</b>	<b>3,000,000</b>	<b>3,598,570</b>	<b>598,570</b>	<b>3,640,652</b>

Investment in Non Listed Securities (Bond):

Best Holding Ltd. Convertible Bond	96,000,000	96,000,000	-	105,867,840
Premier Bank Ltd. Corporate Bonds	150,000,000	156,396,667	6,396,667	350,190,967
Regent Spinning Mills Corporate Bond -2015	40,000,000	40,000,000	-	104,000,000
<b>Capital Market Securities-Non Listed-Bond</b>	<b>286,000,000</b>	<b>292,396,667</b>	<b>6,396,667</b>	<b>560,058,807</b>
<b>Total of Unit Fund and Bond</b>	<b>289,000,000</b>	<b>295,995,238</b>	<b>6,995,238</b>	<b>563,699,460</b>



Amount in BDT	
30-Jun-22	30-Jun-21

6.02 Non Listed Private Equity-BSEC approved

Particular	Amount in Taka			
	Cost Value	Fair Value 30 June 2022	Required (Provision)/ Excess	Fair Value 30 Jun 2021
Padma Bank Ltd.	63,888,890	63,888,890	-	63,888,890
Multi Securities & Services Ltd.	59,212,059	59,212,059	-	59,212,059
<b>Total Non Listed Private Equity-BSEC approved</b>	<b>123,100,949</b>	<b>123,100,949</b>	<b>-</b>	<b>123,100,949</b>
			<b>949,829</b>	<b>259,677,723</b>

(Net Provision)/ Unrealized Gain Taken (5.01+6.01+6.02)

07.00 Cash and cash equivalents :

Operational accounts:

Southeast Bank Ltd (A/C-1310000009)	133,449,694	18,501,275
The Premier Bank Ltd (A/C-14913500004)	1,978,100	1,982,250
One Bank Ltd (A/C-12300000711)	70,676,697	20,016,988
Padma Bank Ltd (A/C-0113000390685)	16,692,921	15,106,308
Dhaka Bank Ltd (A/C-2011520000048)	5,619,817	-
Eastern Bank Ltd (A/C-1011320140134)	20,638	21,379
<b>IPO &amp; Dividend accounts</b>		
Eastern Bank Ltd (A/C-1011320140495)	-	191,006
One Bank Ltd (A/C-123000001244) closed	-	569
Southeast Bank Ltd (A/C-1310000193) closed	-	-
Southeast Bank Ltd (A/C-1310000256) closed	-	147,672
Southeast Bank Ltd (A/C-1310000136) closed	-	-
Bank Asia Ltd (A/C-4936000124)	1,496	394,753
Bank Asia Ltd (A/C-4936000142)	561,343	918,946
Bank Asia Ltd (A/C-4936000157)	964,495	-
	<b>229,965,201</b>	<b>57,281,146</b>

Less: Unclaimed Dividend from previous year

07.01

	-	1,097,905
	<b>229,965,201</b>	<b>56,183,242</b>

07.01 Unclaimed Cash Dividend:

Year 2020-2021	964,495	-
Year 2018-2019	195,333	552,936
Year 2017-2018	1,496	383,825
Year 2016-2017	-	141,840
Year 2013-2014	-	569
Year 2009-2010	-	18,734
	<b>1,161,324</b>	<b>1,097,905</b>

08.00 Preliminary and issue expenses :

Opening balance	10,945,429	12,051,181
Less: Amortization during the period	1,105,752	1,105,752
	<b>9,839,677</b>	<b>10,945,429</b>

09.00 Other receivables :

Interest receivable	3,058,159	13,073,569
Dividend receivable	14,209,947	3,316,248
Receivables from Brokerhouse	8,886,637	9,706,421
	<b>26,154,744</b>	<b>26,096,238</b>

10.00 Advance deposit and prepayment :

Advance income tax deducted at source (AIT)	1,459,989	1,446,131
Security Deposit- CDBL	500,000	500,000
Prepayments	4,486,495	4,300,483
	<b>6,446,484</b>	<b>6,246,614</b>

10.01



	Amount in BDT	
	30-Jun-22	30-Jun-21
<b>10.01 Prepayments :</b>		
Annual fee-BSEC	2,242,613	2,242,613
Trustee fee- BGIC	1,549,208	1,363,196
Annual fee- CDBL	94,674	94,674
Annual fee - DSE	300,000	300,000
Annual fee - CSE	300,000	300,000
	<b>4,486,495</b>	<b>4,300,483</b>
<b>11.00 Liabilities for expenses :</b>		
Audit fee	54,000	54,000
Management fee	35,501	1,367
Payable to Brokerhouse	11,904	11,904
Custodian fee	1,000,650	894,971
Printing Publication & IPO expenses	325,100	205,000
	<b>1,427,155</b>	<b>1,167,241</b>
<b>12.00 Other Liabilities :</b>		
VAT and Tax Payable	422,012	8,360,790
Preliminary expenses	150,000	150,000
	<b>572,012</b>	<b>8,510,790</b>
<b>13.00 Capital Fund:</b>		
Size of capital fund		
224,261,303 units of Taka 10 each	2,242,613,080	2,242,613,030
	<b>2,242,613,030</b>	<b>2,242,613,030</b>
<b>14.00 Net Asset Value (NAV)</b>		
Total Net Assets Value at Cost	2,630,827,413	2,491,884,421
Number of unit	224,261,303	224,261,303
Per Unit NAV at Cost	<b>11.73</b>	<b>11.11</b>
a. Total Net Assets Value at Cost	2,630,827,413	2,491,884,421
b. (Unrealized loss) or Unrealized Gain	949,829	259,677,723
Total Net Assets Value at Fair Value (a+b)	<b>2,631,777,242</b>	<b>2,751,562,145</b>
Number of unit	224,261,303	224,261,303
Per Unit NAV at Fair Value	<b>11.74</b>	<b>12.27</b>
<b>15.00 Net profit on sale of securities :</b>		
Profit on sale of securities	310,329,471	35,274,332
Less: Loss on sale of securities	7,065,634	7,679,321
	<b>303,263,837</b>	<b>27,595,011</b>
<b>16.00 Dividend from investment:</b>		
Listed securities	81,795,611	58,702,520
Non-Listed securities	2,847,849	1,935,147
	<b>84,643,459</b>	<b>60,637,667</b>
<b>17.00 Interest Income:</b>		
Interest Income from Operational accounts	6,992,538	4,427,696
Interest Income from Corporate Bonds	22,626,022	33,234,463
	<b>29,618,560</b>	<b>37,662,158</b>
<b>18.00 Management fees:</b>	<b>32,077,892</b>	<b>28,261,989</b>
<b>19.00 Trustee fees :</b>	<b>2,788,740</b>	<b>2,207,692</b>

Bangladesh General Insurance Company Limited (BGIC) the trustee of the fund is entitled to get an annual trusteeship fee @ 0.10% of the net asset value per annum, payable semi-annually in advance basis during the entire life of the Fund as per Trust





		Amount in BDT	
		30-Jun-22	30-Jun-21
20.00	<b>BSEC annual fees :</b>	<u>2,242,613</u>	<u>2,242,613</u>
Annual fee (at the rate of 0.10% of the fund size) was paid to BSEC as per Rules 11(1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001			
21.00	<b>Custodial fees :</b>	<u>1,864,355</u>	<u>1,541,667</u>
BRAC Bank Limited, the custodian of the fund is entitled to receive a safekeeping fee @ 0.07% on the balance of securities calculated on average month end value per annum as per Trust Deed.			
22.00	<b>CDBL Charges :</b>	<u>532,408</u>	<u>333,691</u>
CDBL charge was paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3.7).			
23.00	<b>Expenses for Capital Market Stabilization Fund:</b>		
	Expenses for Capital Market Stabilization Fund	<u>188,656</u>	<u>-</u>
		<u>188,656</u>	<u>-</u>

In compliance with BSEC Rule-SEC/SRMIC/165-2020/part-1/166 unpaid/ unclaimed dividend with accrued interest has been transferred to BSEC Capital Market Stabilization Fund. This figure had been accrued as income in previous period but balance was not transferred to operation accounts, now full amount of unclaimed dividend and accrued interest transferred to CMSF fund as per new circular.

24.00	<b>Earnings Per Unit (EPU):</b>		
	Net profit after (provision)/writeback of unrealize loss	273,499,774	431,578,814
	Number of unit	<u>224,261,303</u>	<u>224,261,303</u>
		<u>1.22</u>	<u>1.92</u>

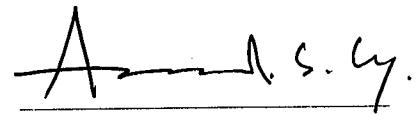
25.00 The Trustee of the Fund has approved dividend at the rate of 11.00% on the capital fund of Taka 2,242,613,030 in the form of cash. The record date is September 06, 2022 for the year ended 30 June 2022 at the meeting held on August 14, 2022.

26.00 **Others**

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- Figures and name of previous year have been rearranged wherever considered necessary, to conform with the current year's presentation.



Asset Manager  
Bangladesh RACE Management PCL



Trustee  
Bangladesh General Insurance Company Limited

Dated: Dhaka  
August 14, 2022

