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**EBL FIRST MUTUAL FUND  
INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**



**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS  
OF  
EBL FIRST MUTUAL FUND**

**Opinion**

We have audited the financial statements of EBL First Mutual Fund, which comprise the statement of financial position as at 30 June 2022, and 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 of the statement of financial position of EBL First Mutual Fund as at 30 June 2022, and of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standard 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 these requirements. 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, in 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 the auditors' professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Risk	Our response to the risk
<p><b>Valuation of Investments:</b></p> <p>The Fund's investment portfolio presented in the Statement of Financial Position at market value Tk. 1,406,002,782 represents 90.46% of</p>	<ul style="list-style-type: none"> <li>Testing the key controls over identification, Measurement and management of valuation risk as well as evaluating the methodologies and input parameters used by the Fund in determining fair values.</li> </ul>





<p>the total assets Tk. 1,554,351,076 and at cost value Tk. 1,555,520,356 represents 100% of the total assets Tk. 1,554,351,076 as at June 30, 2022. Unrealized Loss in Securities Tk. 149,517,574. This is considered to be the key driver of the Fund's capital and revenue Performance.</p> <p>The market value of financial instruments that are traded in an active market is determined based on quoted market prices.</p> <p>Due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<ul style="list-style-type: none"><li>• Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report;</li><li>• Obtained the CDBL report and share portfolio and cross checked against each other to confirm status of financial instruments;</li><li>• The market value per share of investment made in each company has been agreed to the DSE website.</li><li>• Assessing the adequacy of the disclosures in the financial statements against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.</li></ul>
<p>Note no. 5.00 &amp; 6.00 to the financial statements</p>	
<p><b>Dividend from investment:</b></p> <p>Dividend from investment Tk.54,743,168 constitutes the majority portion 37.74% of the income generated from the fund.</p>	<p>We have tested the design and operating effectiveness of controls around the due and receivable recording process</p> <ul style="list-style-type: none"><li>• Comparing observable inputs against independent sources and externally available market data.</li><li>• Re-performing the calculations used to check Accuracy and correctness of information.</li><li>• Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements</li></ul>
<p>Note no. 16.00 to the financial statements</p>	
<p><b>Liabilities for expenses:</b></p> <p>This account represents the Liabilities for expense Tk. 6,028,262 balance payable to third parties throughout the next fiscal year. Some provisions, such as management fee and other fee, have lent to the fund. The rest are accounted for as vendors/suppliers and accrued liabilities.</p>	<p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none"><li>• Obtained the provisions register and tested for completeness of credits recorded in the register on a sample basis.</li><li>• Obtained a sample of bill payable recording process and cross check it with ledger.</li><li>• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li><li>• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.</li><li>• Reviewed on a sample basis payment calculations owed to regulatory bodies.</li></ul> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p>Note no. 11.00 to the financial statements</p>	
<p><b>Advance, Deposit &amp; Prepayments:</b></p> <p>The fund has types of advance, deposit &amp;</p>	<p>We have tested the maintaining effectiveness of the advance deposit and assets position held by the Fund from trusted sources. Additionally, we performed the following</p>







<p>prepayments Tk. 4,772,750 such as BSEC, DSE, CSE, AIT, Advance trustee fee-ICB &amp; CDBL annual fees.</p>	<ul style="list-style-type: none"><li>• Obtain BSEC, DSE, CSE, AIT, Advance trustee fee-ICB &amp; CDBL annual fees and went through the terms and conditions of the agreement and assess imply able amount for advances.</li><li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, the security and exchange Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.</li></ul>
<p>Note no. 10.00 to the financial statements</p>	

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Bangladesh Securities & Exchange Commission (Mutual Fund) Rule, 2001, 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.

A member of



Independent legal & accounting firms



- 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 (consolidated) 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.

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

In accordance with the Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001, we also report the following:

- a) we have obtained all the information and explanation 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 account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the investment was made as per Rule 56 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001; and
- e) the expenditure incurred and payments made were for the purpose of the Fund Business,
- f) the information and explanation required by us have been received and fund satisfactory.

Place: Dhaka,  
Dated: 14 August, 2022

**Md. Iqbal Hossain FCA**  
Partner, Enrolment No. (596) ICAB  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
DVC No.: 2208240596AS365253








**EBL FIRST MUTUAL FUND**  
**Statement of Financial Position**  
**As at 30 June 2022**

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>A Assets</b>			
Investment in marketable securities-at Fair Value	5.00	903,083,764	1,073,074,340
Investment in non-listed securities-at Fair Value	6.00	502,919,018	435,986,660
Cash & cash equivalents	7.00	132,047,797	149,485,192
Preliminary & Issue Expenses	8.00	2,434,857	2,775,887
Other Receivables	9.00	9,092,889	44,012,999
Advance, Deposit & Prepayments	10.00	4,772,750	4,714,191
<b>Total assets</b>		<b>1,554,351,076</b>	<b>1,710,049,269</b>
<b>B Liabilities</b>			
Liabilities for expenses	11.00	6,028,262	1,082,926
Unclaimed Dividend	7.01	4,794,394	-
Other liabilities	12.00	702,830	6,149,497
<b>Total Liabilities</b>		<b>11,525,487</b>	<b>7,232,422</b>
<b>C Net assets (A-B)</b>		<b>1,542,825,589</b>	<b>1,702,816,847</b>
<b>D Equity</b>			
Capital Fund	13.00	1,447,542,220	1,447,542,220
Dividend Equalization & TRR Reserve		66,905,434	66,905,434
Retained Earnings		28,377,935	188,369,193
<b>Total Equity</b>		<b>1,542,825,589</b>	<b>1,702,816,847</b>
<b>Net Assets Value (NAV)-at Cost</b>	14.00	1,692,343,163	1,769,928,716
No. of unit		144,754,222	144,754,222
		<b>11.69</b>	<b>12.23</b>
<b>Net Assets Value (NAV)-at Fair Value</b>	14.00	1,542,825,589	1,702,816,847
No. of unit		144,754,222	144,754,222
		<b>10.66</b>	<b>11.76</b>

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

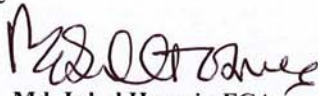
  
**Asset Manager**  
Bangladesh RACE Management PCL

  
**Trustee**  
Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka  
Date: August 14, 2022



  
**Md. Iqbal Hossain FCA**  
Partner, Enrolment no. 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



**EBL FIRST MUTUAL FUND**  
**Statement of Profit or Loss & other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>A INCOME</b>			
Net profit on sale of investment	15.00	64,062,840	118,724,636
Dividend from Investment	16.00	54,743,168	56,002,846
Financial Income	17.00	26,266,210	35,126,780
<b>Total Income</b>		<b>145,072,218</b>	<b>209,854,262</b>
<b>B EXPENDITURE</b>			
Management fee	18.00	20,158,825	19,455,341
Amortization of preliminary & issue exp.	8.00	341,030	341,030
Trustee fee	19.00	1,000,000	1,000,000
BSEC annual fee	20.00	1,447,542	1,447,542
Custodian fee	21.00	1,534,949	1,407,993
CDBL charges	22.00	524,850	529,688
CSE annual fee		591,119	589,509
DSE annual fee		591,119	589,509
Bank Charges		183,956	92,506
Audit fee		51,750	45,000
Expenses for Capital Market Stabilization Fund	23.00	4,054,400	-
Printing Publication & IPO expenses		748,917	323,750
<b>Total expenditure</b>		<b>31,228,458</b>	<b>25,821,868</b>
<b>Profit before Provision(A-B)</b>		<b>113,843,760</b>	<b>184,032,394</b>
(Total Provision for VAT, Tax & writeoff)/ write back against erosion of fair value		(85,654,529)	193,764,245
<b>Net Profit after Provision transferred to retained earnings</b>		<b>28,189,231</b>	<b>377,796,639</b>
<b>Earnings Per Unit (EPU) for the year</b>	<b>24.00</b>	<b>0.19</b>	<b>2.61</b>

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


  
**Asset Manager**  
 Bangladesh RACE Management PCL

  
**Trustee**  
 Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka  
 Date: August 14, 2022



  
**Md. Iqbal Hossain FCA**  
 Partner, Enrolment no.596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants





**EBL FIRST MUTUAL FUND  
Statement of Changes in Equity  
For the year ended June 30, 2022**

*Amount in Taka*

Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Retained Earnings	Total Equity
Balance at July 01, 2021	1,447,542,220	66,905,434	188,369,193	1,702,816,847
Dividend for 2020-2021 (Cash)	-	-	(188,180,489)	(188,180,489)
Net profit for the year	-	-	28,189,231	28,189,231
<b>Balance at June 30, 2022</b>	<b>1,447,542,220</b>	<b>66,905,434</b>	<b>28,377,935</b>	<b>1,542,825,589</b>

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

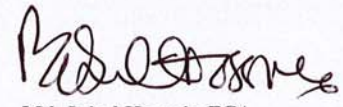
Particulars	Capital Fund	Dividend Equalization & TRR Reserve	Retained Earnings	Total Equity
Balance at July 01, 2020	1,447,542,220	66,905,434	(189,427,446)	1,325,020,208
Net profit for the year	-	-	377,796,639	377,796,639
<b>Balance at June 30, 2021</b>	<b>1,447,542,220</b>	<b>66,905,434</b>	<b>188,369,193</b>	<b>1,702,816,847</b>

  
Asset Manager  
Bangladesh RACE Management PCL

  
Trustee  
Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka  
Date: August 14, 2022

  
**Md. Iqbal Hossain FCA**  
Partner, Enrolment no. 596 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants







**EBL FIRST MUTUAL FUND**  
**Statement of Cash Flows**  
**For the year ended June 30, 2022**

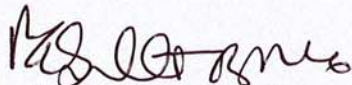
Particular	Amount in Taka	
	30-Jun-22	30-Jun-21
<b>A. Cash flows from operating activities:</b>		
Net profit on sale of investment	64,062,840	118,724,636
Dividend from Investment	53,963,640	33,169,834
Financial Income	43,140,705	55,627,581
Operating expenses	(26,701,488)	(30,564,033)
<b>B. Net cash flows from operating activities</b>	<b>134,465,697</b>	<b>176,958,019</b>
<b>Cash flows from investing activities:</b>		
Net investment in securities	31,483,002	(96,213,048)
<b>C. Net cash used in investing activities</b>	<b>31,483,002</b>	<b>(96,213,048)</b>
<b>Cash flows from financing activities:</b>		
Dividend paid (2020-2021)	(188,180,489)	-
Unclaimed Dividend	4,794,394	-
<b>Net cash from financing activities</b>	<b>(183,386,094)</b>	<b>-</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(17,437,396)</b>	<b>80,744,971</b>
E. Opening cash and cash equivalents	149,485,192	68,740,222
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>132,047,797</b>	<b>149,485,192</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>0.93</b>	<b>1.22</b>

  
Asset Manager  
Bangladesh RACE Management PCL

  
Trustee  
Investment Corporation of Bangladesh

See annexed report of the date

Place: Dhaka  
Date: August 14, 2022

  
Md. Iqbal Hossain FCA  
Partner, Enrolment no. 596 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants





**EBL First Mutual Fund**  
**Notes to the Financial Statements**  
**For the year ended 30th June 2022**

**1. The fund and legal status**

EBL First Mutual Fund (hereinafter called as "Fund") was established under a Trust Deed signed on 05 April 2009 between Eastern Bank Limited (EBL) as a 'Sponsor' and Investment Corporation of Bangladesh as a "Trustee". The Fund was registered under the Trust Act 1882 as well as under the Bangladesh Securities and Exchange Commission (BSEC) on 19 April 2009 vide registration code no. SEC/Mutual Fund/2009/09 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund was commenced on 19 August 2009 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 First Mutual Fund is a close-end Mutual Fund of twenty years' tenure. 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 14,47,54,222 units of BDT 10 each. The units of the Fund are transferable.

**2. Objectives**

The objective of EBL 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 (IFRSs) and International Accounting Standards (IASs) 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 and accrual 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 on-going 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 (clause: 3.2.22) In the event the weight-age of shares exceed the limits laid down in the Offer Document or in the Bidhimala for the relative movement in the market prices of the investments including subscription of right shares or through any disinvestments, the Asset Management Company shall make its 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 transaction 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 First 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.

(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. It's 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. And the investment in 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 going concern and has been paying dividend. 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 First Mutual Fund**  
Notes to Financial Statements  
For the year ended 30th June, 2022

Amount in Taka	
30-Jun-22	30-Jun-21

**05.00 Investment in marketable securities-at Fair Value**

Capital Market Securities-Listed:	5.01	903,083,764	1,073,074,340
		<b>903,083,764</b>	<b>1,073,074,340</b>

**5.01 Capital Market Securities-Listed:**

Sector/ Category	No. of Shares	Amount in Taka			
		Cost Value	Fair Value as on 30 Jun 2022	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2021
Bank	19,680,860	408,788,887	345,974,082	(62,814,805)	393,087,947
Cement	48,902	22,652,873	10,196,067	(12,456,806)	15,565,507
Corporate Bond	180	159,878	193,770	33,892	182,610
Engineering	-	-	-	-	19,980,408
Food and Allied	171,597	111,373,317	93,262,970	(18,110,347)	5,552,730
Fuel and Power	1,558,972	100,605,651	85,379,888	(15,225,763)	162,162,863
Insurance	124,348	7,321,211	5,767,542	(1,553,670)	591,987
Miscellaneous	12,016	21,639,735	20,846,558	(793,176)	-
Mutual Funds	8,350,621	85,376,423	74,911,078	(10,465,345)	110,349,515
NBFI	72,070	4,993,730	3,459,360	(1,534,370)	27,484,544
Pharma	405,736	156,154,196	143,484,491	(12,669,705)	164,390,253
Tannery	8,346	9,653,651	7,813,525	(1,840,126)	10,951,649
Telecommunication	605,435	137,003,068	111,794,434	(25,208,635)	162,774,328
<b>Total</b>	<b>31,039,083</b>	<b>1,065,722,621</b>	<b>903,083,764</b>	<b>(162,638,857)</b>	<b>1,073,074,340</b>

**06.00 Investment in non-listed securities-at Fair Value:**

Capital Market Securities-Non Listed	06.01	426,121,283	359,188,918
Non-Listed Private Equity-BSEC approved	06.02	76,797,735	76,797,742
		<b>502,919,018</b>	<b>435,986,660</b>

**06.01 Capital Market Securities-Non Listed:**

Particulars	Amount in Taka			
	Cost Value	Fair Value as on 30 Jun 2022	Required (Prov.)/ Excess	Fair Value as on 30 Jun 2021
ICBAMCL Converted First Unit Fund	-	-	-	1,027,548
First ICB UNIT Fund	-	-	-	4,034,733
Second ICB Unit Fund	-	-	-	502,070
Third ICB Unit Fund	-	-	-	5,397,615
Fourth ICB Unit Fund	-	-	-	8,773,342
Fifth ICB Unit Fund	-	-	-	7,581,741
Sixth ICB Unit Fund	-	-	-	2,330,706
Seventh ICB Unit Fund	-	-	-	6,242,590
Eighth ICB Unit Fund	-	-	-	9,347,897
ICB AMCL Second NRB Unit Fund	-	-	-	3,764,492
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>52,576,364</b>

**Investment in Non-Listed Securities (Bond)**

Best Holding Ltd. Convertible Bond	32,000,000	32,000,000	-	35,289,280
Premier Bank Ltd. Corporate Bonds	338,000,000	350,522,713	12,522,713	207,323,274
Regent Spinning Mills Corporate Bond-2015	40,000,000	40,000,000	-	64,000,000
<b>Capital Market Securities-Non Listed Bond</b>	<b>410,000,000</b>	<b>422,522,713</b>	<b>12,522,713</b>	<b>306,612,554</b>
<b>Total of Unit Fund and Bond</b>	<b>413,000,000</b>	<b>426,121,283</b>	<b>13,121,283</b>	<b>359,188,918</b>



A member of



Independent legal & accounting firms





Amount in Taka	
30-Jun-22	30-Jun-21

**06.02 Non-Listed Private Equity -BSEC approved:**

Particulars	Amount in Taka			
	Cost Value	Fair Value as on 30 Jun 2022	Required (Prov./ Excess)	Fair Value as on 30 Jun 2021
Padma Bank Ltd.	44,722,223	44,722,223	-	44,722,230
Multi Securities & Services Ltd.	32,075,512	32,075,512	-	32,075,512
<b>Total of BSEC approved Private Equity Investment</b>	<b>76,797,735</b>	<b>76,797,735</b>	<b>-</b>	<b>76,797,742</b>
<b>Net Provision Taken (5.01+6.01+6.02)</b>			<b>(149,517,574)</b>	<b>(67,111,870)</b>

**07.00 Cash & cash equivalents:**

Operational Accounts			
Padma Bank Limited-(A/C-0132200389131)		-	30,000,000
Eastern Bank Limited-(A/C-01011320000017)		26,834,703	14,371,988
South East Bank Limited-(A/C-008313100000004)		50,713,382	95,259,104
Dhaka Bank-(A/C-2011520000037)		10,731,192	-
Padma Bank Limited-(A/C0113000389123)		10,395,930	5,173,397
One Bank Limited-(A/C-01230000642)		28,474,672	322,378
Premier Bank Ltd. (A/C-010413600000001)		-	-
IPO & Dividend Accounts:			
Eastern Bank Limited-(A/C-1011360198462)		-	31,025,885
Brac Bank Limited-(A/C-1513101851339001)		-	11,724,281
Eastern Bank Limited-(A/C-1141360096303)		-	21,731,949
South East Bank Limited-(A/C-13100000039)		-	67,226
South East Bank Limited-(A/C-8313100000132)		-	-
South East Bank Limited-(A/C-8313100000187)		-	35,178
Southeast Bank Limited A/C -13100000250		-	570,917
One Bank Limited-A/C-0013000001186		-	5,780,182
Eastern Bank Limited-A/C-01011320000030		-	2,805,525
Bank Asia Ltd-4936000129		1,901	498,634
Bank Asia Ltd-4936000136		1,002,096	1,012,865
Bank Asia Ltd-4936000151		3,893,920	-
		<b>132,047,797</b>	<b>220,379,510</b>
Unclaimed Cash Dividend from Previous year	<b>7.01</b>	-	<b>(70,894,317)</b>
		<b>132,047,797</b>	<b>149,485,192</b>

**7.01 Unclaimed Cash Dividend**

Year 2020-2021	3,893,920	-
Year 2018-2019	898,573	909,342
Year 2017-2018	1,901	484,810
Year 2016-2017	-	545,852.25
Year 2015-2016	-	34,028
Year 2013-2014	-	5,442,581
Year 2012-2013	-	63,681
Year 2011-2012	-	20,474,915
Year 2010-2011	-	29,219,406
Year 2009-2010	-	11,465,034
Year 2014-2015	-	-
Year 2008-2009	-	2,254,668
	<b>4,794,394</b>	<b>70,894,317</b>

**08.00 Preliminary & Issue Expenses:**

Opening balance	2,775,887	3,116,917
Less: Amortization during the year	341,030	341,030
	<b>2,434,857</b>	<b>2,775,887</b>





		Amount in Taka	
		30-Jun-22	30-Jun-21
<b>09.00</b>	<b>Other Receivables:</b>		
	Receivable from Brokerhouse	98,805	18,923,947
	Dividend Receivable	4,642,902	3,863,374
	Interest Receivable	4,351,183	21,225,678
		<b>9,092,889</b>	<b>44,012,999</b>
<b>09.01</b>	<b>Dividend Receivable</b>		
	AB Bank Ltd.	160,041	-
	Bata Shoe Company (BD) Ltd.	20,865	-
	Berger Paints Bangladesh Ltd.	240,320	-
	City Bank Ltd.	538,125	-
	Dhaka Bank Ltd.	-	275,683
	EXIM Bank Ltd.	77,100	277,556
	First Securities Islami Bank	965,208	-
	Heidelberg Cement Bangladesh Ltd.	127,145	97,804
	IBBL 2nd Perpetual Mudaraba Bond	-	14,184
	Islami Bank Bangladesh Limited	-	922,883
	Multi Securities and Services Ltd.	474,630	-
	NCC Bank Ltd.	1,687,573	252,450
	One Bank Ltd.	-	97,894
	Singer BD	-	34,178
	Standard Bank Ltd.	239,726	919,459
	Social Islami Bank Ltd	-	150,117
	Southeast Bank Ltd.	-	821,166
	Union Bank Ltd.	112,169	-
		<b>4,642,902</b>	<b>3,863,374</b>
<b>10.00</b>	<b>Advance, Deposit &amp; Prepayments:</b>		
	Advance income tax (AIT) at source	1,721,469	1,659,689
	Security Deposit (CDBL)	500,000	500,000
	Prepayments	2,551,281	2,554,502
		<b>4,772,750</b>	<b>4,714,191</b>
<b>10.01</b>	<b>Prepayments:</b>		
	Advance BSEC Annual fee	1,447,542	1,447,542
	Advance CDBL Annual fee	14,230	14,230
	Advance CSE Annual fee	294,755	296,365
	Advance DSE Annual fee	294,755	296,365
	Advance Trustee fee-ICB	500,000	500,000
		<b>2,551,281</b>	<b>2,554,502</b>
<b>11.00</b>	<b>Liabilities for expenses:</b>		
	Management fee	49,256	-
	Custodian fee	694,516	659,348
	Audit fee	40,500	40,500
	Payable to Brokerhouse	4,888,656	142,827
	Publication Expenses	325,100	210,000
	Postage & Currier expense	30,234	30,234
		<b>6,028,262</b>	<b>1,082,926</b>
<b>12.00</b>	<b>Other liabilities:</b>		
	Other liabilities (Tax & VAT)	702,830	6,149,497
		<b>702,830</b>	<b>6,149,497</b>
<b>13.00</b>	<b>Capital Fund:</b>		
	Size of capital fund	1,447,542,220	1,447,542,220
	144,754,222 units of Taka 10 each	<b>1,447,542,220</b>	<b>1,447,542,220</b>







	Amount in Taka	
	30-Jun-22	30-Jun-21
<b>14.00 Net Asset Value (NAV)</b>		
Total Net Assets Value at Cost	1,692,343,163	1,769,928,716
No of unit	144,754,222	144,754,222
<b>Per Unit NAV at Cost</b>	<b>11.69</b>	<b>12.23</b>
a. Total Net Assets Value at Cost	1,692,343,163	1,769,928,716
b. (Unrealized loss) or Unrealized Gain	(149,517,574)	(67,111,870)
Total Net Assets Value at Fair Value (a+b)	<b>1,542,825,589</b>	<b>1,702,816,847</b>
No of unit	144,754,222	144,754,222
<b>Per Unit NAV at Fair Value</b>	<b>10.66</b>	<b>11.76</b>
<b>15.00 Net profit on sale of investment:</b>		
Net Profit on sale of investment	95,743,742	126,334,302
Less: Loss on sale of investment	31,680,902	7,609,665
	<b>64,062,840</b>	<b>118,724,636</b>
<b>16.00 Dividend from Investment:</b>		
Listed securities	53,135,368	52,681,799
Non-listed securities	1,607,800	3,321,047
	<b>54,743,168</b>	<b>56,002,846</b>
<b>17.00 Financial Income:</b>		
Interest Income from Corporate Bonds	20,138,376	29,941,581
Interest Income from Bank Accounts	6,127,834	5,185,199
	<b>26,266,210</b>	<b>35,126,780</b>
<b>18.00 Management fee:</b>	20,158,825	19,455,341
	<b>20,158,825</b>	<b>19,455,341</b>
<b>19.00 Trustee fee:</b>	1,000,000	1,000,000
	<b>1,000,000</b>	<b>1,000,000</b>
Investment Corporation of Bangladesh (ICB), 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 deed		
<b>20.00 BSEC annual fee:</b>	1,447,542	1,447,542
	<b>1,447,542</b>	<b>1,447,542</b>
Annual fee paid to BSEC as per Rules 11 (1) of Bangladesh Securities and Exchanges Commission (Mutual Fund) Bidhimala, 2001.		
<b>21.00 Custodian fee:</b>	1,534,949	1,407,993
	<b>1,534,949</b>	<b>1,407,993</b>
Investment Corporation of Bangladesh, the custodian of the fund is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on average month end value per annum as per Trust Deed.		
<b>22.00 CDBL charges</b>	524,850	529,688
	<b>524,850</b>	<b>529,688</b>
CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3,7).		
<b>23.00 Expenses for Capital Market Stabilization Fund:</b>	4,054,400	-
	<b>4,054,400</b>	<b>-</b>

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.





	Amount in Taka	
	30-Jun-22	30-Jun-21
<b>24.00 Earnings Per Unit (EPU) for the year</b>		
Net profit for the year (numerator)	28,189,231	377,796,639
Number of units (denominator)	144,754,222	144,754,222
<b>Earnings per unit</b>	<b>0.19</b>	<b>2.61</b>

**25.00 Events after the reporting period**

The Trustee of the Fund has approved dividend for the year ended June 30, 2022 at the rate of 6.00% on the capital fund of Taka 1,447,542,220.00 in the form of cash of using Tk 25,247,099.20 from retained earnings and Tk 61,605,434.00 from dividend equalization & TRR reserve, and the record date will be on September 06, 2022, at the meeting held on August 14, 2022.

**26.00 Others**

- (i) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (ii) Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.
- (iii) 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  
Investment Corporation of Bangladesh

Place: Dhaka  
Date: August 14, 2022

