

**1ST JANATA BANK MUTUAL FUND
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**



**INDEPENDENT AUDITORS REPORT
TO THE UNIT HOLDERS
OF
1ST JANATA BANK MUTUAL FUND**

Opinion

We have audited the financial statements of 1st Janata Bank 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 1st Janata Bank 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>Valuation of Investments:</p> <p>The Fund's investment portfolio presented in the Statement of Financial Position at market value Tk. 2,824,867,983 represents 89.91% of the total assets Tk. 3,141,914,059 and at cost value Tk. 3,067,659,852 represents 97.64% of the total assets Tk. 3,141,914,059 as at June 30, 2022. This is considered to be the key driver of the Fund's capital and revenue</p>	<ul style="list-style-type: none"> 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. Obtained year-end share holding positions from the fund and through directional testing assessed the completeness of the report; Obtained the CDBL report and share portfolio and



<p>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>	<p>cross checked against each other to confirm status of financial instruments;</p> <ul style="list-style-type: none">• The fair value per share of for each investment has been agreed to the closing price as per the DSE website.• 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.
<p>Note no. 5.00 & 6.00 to the financial statements</p>	
<p>Dividend from investment:</p> <p>Dividend from investment Tk.88,296,400 constitutes the majority portion 23.87% of the income generated from the funds.</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">• Comparing observable inputs against independent sources and externally available market data.• Re-performing the calculations used to check Accuracy and correctness of information.• Assessing the adequacy revenue recognition, measurement and disclosures made in relation to the income in the financial statements
<p>Note no. 16.00 to the financial statements</p>	
<p>Liabilities for expenses:</p> <p>This account represents the Liabilities for expense Tk.2,728,735 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">• Obtained the provisions register and tested for completeness of credits recorded in the register on a sample basis.• Obtained a sample of bill payable recording process and cross check it with ledger.• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.• Reviewed on a sample basis payment calculations owed to regulatory bodies. <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>Advance, Deposit & Prepayments:</p> <p>The fund has types of advance, deposit & prepayments Tk.7,897,562 such as BSEC, DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees.</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> <ul style="list-style-type: none">• Obtain BSEC, DSE, CSE, AIT, Advance trustee fee-ICB & CDBL annual fees and went through the terms and conditions of the agreement and assess imply able amount for advances.• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards, the security and exchange

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	Rules 1987, security exchange commission (Mutual Fund) Rules 2001 and other applicable laws and regulations.
Note no. 10.00 to the financial statements	

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.
- 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) Rule, 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) Rule, 2001;
- e) the expenditure incurred and payments made were for the purpose of the Fund Business, and
- 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.: 2208240596AS763324





1ST JANATA BANK MUTUAL FUND
Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
A Asset			
Investment in marketable securities-at Fair Value	05	2,025,192,875	2,176,692,367
Investment in non-listed securities-at Fair Value	06	799,675,108	1,026,885,552
Cash & cash equivalents	07	251,497,153	142,136,716
Preliminary & Issue Expenses	08	9,861,959	11,060,632
Others Receivable	09	47,789,402	110,232,307
Advance, Deposit & Prepayments	10	7,897,562	7,729,997
Total assets		3,141,914,059	3,474,737,570
B Liabilities			
Liabilities for expenses	11	2,728,735	2,458,648
Unclaimed Dividend	7.01	7,771,995	-
Other liabilities	12	404,197	10,404,219
Total liabilities		10,904,927	12,862,867
C Net assets (A-B)		3,131,009,132	3,461,874,703
D Equity			
Capital Fund	13	2,899,233,480	2,899,233,480
Dividend Equalization & TRR Reserve		160,770,843	160,770,843
Unrealized Gain		-	24,064,070
Retained Earnings		71,004,810	377,806,312
		3,131,009,132	3,461,874,703
Net Assets Value (NAV)-at Cost	14	3,373,801,001	3,437,810,634
No. of unit		289,923,348	289,923,348
		11.64	11.86
Net Assets Value (NAV)-at Fair Value	14	3,131,009,132	3,461,874,703
No. of unit		289,923,348	289,923,348
		10.80	11.94

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


Asset Manager

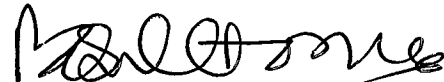
Bangladesh RACE Management PCL



Trustee

Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA
Partner, Enrolment No. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants



Dhaka
Date: August 14, 2022



1ST JANATA BANK MUTUAL FUND
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

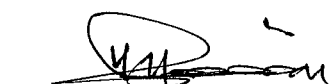
Particulars	Note	Amount in Taka	
		30-Jun-22	30-Jun-21
A INCOME			
Net profit on sale of investment	15	248,143,423	40,991,293
Dividend from investment	16	88,296,400	108,668,550
Financial income	17	33,421,757	102,347,030
Total income		369,861,580	252,006,873
B EXPENDITURE			
Management fees	18	36,880,926	35,089,913
Amortization of preliminary & issue exp.	08	1,198,673	1,198,673
Trustee fees	19	3,347,027	2,875,527
BSEC annual fee	20	2,899,233	2,899,233
CDBL charges	21	538,386	331,127
Custodian fees	22	3,138,770	2,875,725
CSE annual fee		600,000	600,000
DSE annual fee		600,000	600,000
Bank charges		177,950	167,182
Audit fee		58,500	45,000
Expenses for Capital Market Stabilization Fund	23	637,813	-
Printing publication & IPO expenses		859,384	1,093,951
Total expenditure		50,936,661	47,776,331
Profit before Provision (A-B)		318,924,919	204,230,543
(Total Provision for VAT, Tax and writeoff)/ write back against erosion of fair value		(248,826,068)	531,327,028
Net Profit after Provision transferred to retained earnings		70,098,851	735,557,571
Earnings per unit (EPU) for the year	24	0.24	2.54

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


Asset Manager

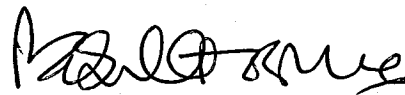
Bangladesh RACE Management PCL




Trustee

Investment Corporation of Bangladesh

See annexed report of the date



Md. Iqbal Hossain FCA
Partner, Enrolment No. 596 (ICAB)
Zohar Zama Jabir Rashid & Co.
Chartered Accountants



Dhaka
Date: August 14, 2022



1ST JANATA BANK 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 as at July 01, 2021	2,899,233,480	160,770,843	24,064,070	377,806,312	3,461,874,703
Dividend for 2020-2021 (Cash)	-	-	-	(376,900,352)	(376,900,352)
Unrealized Gain	-	-	(24,064,070)	-	(24,064,070)
Net profit for the year	-	-	-	70,098,851	70,098,851
Balance at June 30, 2022	2,899,233,480	160,770,843	-	71,004,810	3,131,009,132

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 as at July 01, 2020	2,899,233,480	160,770,843	-	(357,751,259)	2,702,253,063
Unrealized Gain	-	-	24,064,070	-	24,064,070
Net profit for the year	-	-	-	735,557,571	735,557,571
Balance at June 30, 2021	2,899,233,480	160,770,843	24,064,070	377,806,312	3,461,874,703

Asset Manager
Bangladesh RACE Management PCL

Trustee
Investment Corporation of Bangladesh

See annexed report of the date

Md. Iqbal Hossain FCA
Partner, Enrolment No. 596 (ICAB)

Dhaka

Date: August 14, 2022

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants





1ST JANATA BANK MUTUAL FUND
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
A. Cash flows from operating activities		
Dividend income	86,215,549	109,589,796
Financial income	85,744,196	99,470,169
Net profit on sale of investment	248,143,423	40,991,293
Other operating expenses	(59,635,487)	(42,204,087)
Net cash from operating activities	360,467,680	207,847,171
B. Cash flows from investing Activities		
Net investment in securities	118,021,114	(373,818,013)
Net cash from investing Activities	118,021,114	(373,818,013)
C. Cash flows from financing activities		
Dividend paid (2020-2021)	(376,900,352)	-
Unclaimed Dividend	7,771,995	-
Net cash from financing activities	(369,128,357)	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	109,360,437	(165,970,842)
E Opening Cash & Cash Equivalents	142,136,716	308,107,557
F Closing Cash & Cash Equivalents (D+E)	251,497,153	142,136,716
Net Operating Cash Flow Per Unit (NOCFPU)	1.24	0.72

Asset Manager

Bangladesh RACE Management PCL

Trustee

Investment Corporation of Bangladesh

See annexed report of the date

Md. Iqbal Hossain FCA

Partner, Enrolment No. 596 (ICAB)

Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dhaka

Date: August 14, 2022





1ST JANATA BANK MUTUAL FUND
Notes to the Accounts
For the year ended 30th June 2022

1. The fund and legal status

1ST JANATA BANK MUTUAL FUND (hereinafter called as "Fund") was established under a Trust Deed signed on 28 January 2010 between 1ST JANATA BANK MUTUAL FUND (JBL) as a 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as a "Trustee" under the Trust Act 1882 and Registration Act 1908. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 09 February 2010 vide registration code no. SEC/Mutual Fund/2010/19 under the Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001. The operations of the Fund was commenced on 20 September 2010 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.

1ST JANATA BANK 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 289,923,348 units of BDT 10 each. The units of the Fund are transferable.

2. Objectives

The objective of 1ST JANATA BANK 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

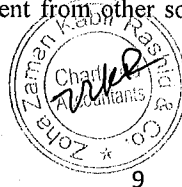
These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

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 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.

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 summarized below has set in accordance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 including amendments if

- (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 the 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, 1st Janata Bank 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. 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. 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 either in cash to its unit holders an amount which shall not be less than 70% of annual profit during the year, net provisions. net of provisions and net of negative retained earning 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 amortized on that date + Printing, publication and stationery expenses amortized 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 recognized as per IAS-18 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.





1ST JANATA BANK MUTUAL FUND
Notes to the Financial Statements
For the year ended June 30, 2022

		Amount in Taka	
		30-Jun-22	30-Jun-21
05.00 Investment in marketable securities-at Fair Value			
Capital Market Securities-Listed:	05.01	2,025,192,875	2,176,692,367
		<u>2,025,192,875</u>	<u>2,176,692,367</u>

05.01 Capital Market Securities-Listed:

Sector/Category	Number of Shares	Amount in Taka			
		Cost	Fair Values As on June 30, 2022	Req. Provision /Excess Gain	Fair Value As On June 30, 2021
Bank	37,339,528	722,680,036	634,167,437	(88,512,599)	800,479,963
Cement	54,533	20,160,850	11,370,131	(8,790,720)	27,733,161
Corporate Bond	19,044	20,125,318	20,500,866	375,548	329,713
Engineering	9,097	1,611,261	1,480,082	(131,179)	23,296,616
Food and Allied	290,706	176,644,594	157,998,711	(18,645,883)	30,529,600
Fuel and Power	2,114,615	191,440,848	156,595,148	(34,845,701)	164,389,514
Insurance	505,348	56,555,486	41,797,111	(14,758,375)	50,605,114
Miscellaneous	297,066	48,682,983	42,953,931	(5,729,052)	15,304,500
Mutual Funds	10,297,556	131,824,947	99,033,671	(32,791,276)	136,125,439
NBFI	2,964,422	213,635,682	159,907,259	(53,728,423)	238,963,532
Pharma	1,282,261	521,909,343	559,299,290	37,389,947	542,368,980
Tannery	-	-	-	-	6,557,811
Telecommunication	476,332	176,519,113	140,089,241	(36,429,871)	140,008,423
Total	55,650,508	2,281,790,460	2,025,192,875	(256,597,585)	2,176,692,367

06.00 Investment in non-listed securities-at Fair Value

Capital Market Securities-Unit Fund and Bond	06.01	643,805,716	871,016,156
Non-Listed Private Equity-BSEC approved	06.02	155,869,392	155,869,396
		<u>799,675,108</u>	<u>1,026,885,552</u>

06.01 Capital Market Securities-Non Listed:

Particulars	Amount in Taka			
	Cost	Fair Values As on June 30, 2022	Req. Provision /Excess Gain	Fair Values As on June 30, 2021
ICB AMCL Converted First Unit Fund	-	-	-	696,449
1st ICB Unit Fund	-	-	-	4,115,427
2nd ICB Unit Fund	-	-	-	1,560,010
3rd ICB Unit Fund	-	-	-	1,263,266
4th ICB Unit Fund	-	-	-	519,674
5th ICB Unit Fund	-	-	-	1,417,951
6th ICB Unit Fund	-	-	-	1,870,540
7th ICB Unit Fund	-	-	-	1,120,465
8th ICB Unit Fund	-	-	-	2,363,427
ICB AMCL SECOND NRB UNIT FUND	-	-	-	5,121,720
HFAML Unit Fund	3,000,000	3,598,570	598,570	3,573,629
Capital Market Securities-Non Listed- Unit Fund	3,000,000	3,598,570	598,570	23,622,558



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

Investment in Non-Listed Securities (Bond)

Best Holding Ltd. Convertible Bond	248,000,000	248,000,000	-	273,491,920
Regent Spinning Mills Corporate Bond-2015	60,000,000	60,000,000	-	120,000,000
Premier Bank Ltd. Corporate Bonds	319,000,000	332,207,146	13,207,146	453,901,678
Capital Market Securities-Non Listed- Bond	627,000,000	640,207,146	13,207,146	847,393,598
Total of Unit Fund and Bond	630,000,000	643,805,716	13,805,716	871,016,156

06.02 Non-Listed Private Equity -BSEC approved:

Particulars	Amount in Taka			
	Cost	Fair Values As on June 30, 2022	Req. Provision /Excess Gain	Fair Values As on June 30, 2021
Padma Bank Limited	63,888,890	63,888,890	-	63,888,894
Multi Securities & Services Ltd.	91,980,502	91,980,502	-	91,980,502
Total of BSEC approved Private Equity Investment	155,869,392	155,869,392	-	155,869,396
Net Provision Taken (5.01+6.01+6.02)			(242,791,869)	24,064,070

07.00 Cash and cash equivalents :

FDR Accounts

Padma Bank-0132200389127 - 40,000,000

Operational Accounts

One Bank Ltd.-(0123000000686)	59,853,054	48,731
BRAC Bank Ltd.-(1501202032682001)	17,694,154	16,932,085
City Bank Ltd.-(3101163392001)	8,713	5,364
Dhaka Bank Ltd.-(2011520000059)	13,286,880	-
Eastern Bank Ltd.-(1011220139894)	85	84
Janata Bank Ltd.-(004001375)	8,056	8,989
Premier Bank Ltd.-(010413600000003)	-	-
Southeast Bank Ltd.-(0013100000005)	131,804,777	23,943,897
Padma Bank Ltd.-(0113000164456)	38,533	5,831,460
Padma Bank Ltd.-(0113000082173)	20,731,722	54,391,131

Dividend & IPO Accounts

BRAC Bank Ltd.-(1513202210232001)	-	7,578,219
Southeast Bank Ltd.-(8313100000137)	-	114,130
Southeast Bank Ltd.-008313100000190	-	68,833
Southeast Bank Ltd.-008313100000253	-	1,038,286
One Bank Ltd.-(0013000001266)	-	79,317
City Bank Ltd.-(3101163393001)	-	18,298,755
Bank Asia Ltd.-(04936000131)	7,788	866,623
Bank Asia Ltd.-04936000139 (2018-19)	1,816,042	1,796,975
Bank Asia Ltd.-04936000154 (2020-21)	6,247,349	-

Unclaimed Cash Dividend from Previous Periods

07.01

251,497,153	171,002,880
-	(28,866,164)
251,497,153	142,136,716





		Amount in Taka	
		30-Jun-22	30-Jun-21
07.01 Unclaimed Cash Dividend:			
Year 2020-2021		6,247,349	-
Year 2018-2019		1,516,858	1,497,791
Year 2017-2018		7,788	841,110
Year 2016-2017		-	995,364
Year 2015-2016		-	66,336
Year 2014-2015		-	105,656
Year 2013-2014		-	70,937
Year 2010-2011		-	18,293,365
Year 2009-2010		-	6,995,605
		7,771,995	28,866,164
08.00 Preliminary and issue expenses :			
Opening balance		11,060,632	12,259,305
Less: amortization during the period		1,198,673	1,198,673
		9,861,959	11,060,632
09.00 Other receivables :			
Receivable from Brokerhouse		29,027,314	41,228,631
Dividend Receivable	09.01	9,543,202	7,462,351
Interest Receivable		9,218,886	61,541,325
		47,789,402	110,232,307
09.01 Dividend Receivable:			
AB Bank Ltd		197,650	-
Bangladesh General Insurance Co Ltd		-	22,385
Berger Paint BD Ltd		27,380	-
BRAC Bank Limited		-	61,472
City Bank Ltd		3,823,075	-
Dhaka Bank Ltd		-	315,346
Exim Bank Ltd		-	1,982,632
First Security Bank Ltd		-	72,874
Heidelberg Cement Bangladesh Ltd.		141,786	174,244
IBBL 2nd Perpetual Mudaraba Bond		-	25,610
Islami Bank Ltd		-	828,820
Islami Bank Ltd		-	310,048
Marico Bd Ltd		-	402,860
NCC Bank Ltd.		1,806,108	198,900
One Bank Ltd		-	1,460,395
Southeast Bank Ltd		1,392,126	1,568,657
Standard Bank Ltd		681,848	38,109
Union Bank Limited		112,169	-
Multi Securities & Services Ltd		1,361,061	-
		9,543,202	7,462,351
10.00 Advance, deposit and prepayments :			
Advance Income Tax (AIT)		2,096,099	1,989,325
Security Deposit- CDBL		500,000	500,000
Prepayments	10.01	5,301,463	5,240,672
		7,897,562	7,729,997





	Amount in Taka	
	30-Jun-22	30-Jun-21
10.01 Prepayments :		
Bangladesh Securities and Exchange Commission (annual fee)	2,899,233	2,899,233
Investment Corporation of Bangladesh (trustee fee)	1,773,776	1,712,985
Dhaka Stock Exchange Limited (annual fee)	302,465	302,465
Chittagong Stock Exchange Limited (annual fee)	302,465	302,465
Central Depository Bangladesh Limited (annual fee)	23,523	23,523
	<u>5,301,463</u>	<u>5,240,672</u>
11.00 Liabilities for expenses		
Audit Fee	40,500	40,500
Management Fee	51,608	-
Custodian Fee	2,026,286	1,922,907
CDBL charges and other payable	77,500	77,500
Preliminary expenses	207,741	207,741
Printing Publication Expenses	325,100	210,000
	<u>2,728,735</u>	<u>2,458,648</u>
12.00 Other Liabilities		
Other Liabilities (Tax & VAT)	404,197	10,404,219
	<u>404,197</u>	<u>10,404,219</u>
13.00 Capital Fund		
Size of capital fund		
289,923,348 units of Taka 10 each	2,899,233,480	2,899,233,480
	<u>2,899,233,480</u>	<u>2,899,233,480</u>
14.00 Net Asset Value (NAV)		
Total Net Assets Value at Cost	3,373,801,001	3,437,810,634
Number of unit	289,923,348	289,923,348
Per Unit NAV at Cost	<u>11.64</u>	<u>11.86</u>
a.Total Net Assets Value at Cost	3,373,801,001	3,437,810,634
b. (Unrealized loss) or Unrealized Gain	(242,791,869)	24,064,070
Total Net Assets Value at Fair Value (a+b)	<u>3,131,009,132</u>	<u>3,461,874,703</u>
Number of unit	289,923,348	289,923,348
Per Unit NAV at Fair Value	<u>10.80</u>	<u>11.94</u>
15.00 Net profit on sale of investment		
Net Profit on sale of Investment	276,777,611	47,258,024
Less: Loss on sale of Investment	(28,634,188)	(6,266,731)
	<u>248,143,423</u>	<u>40,991,293</u>
16.00 Dividend from investment		
Listed securities	83,270,534	104,765,518
Non-Listed securities	5,025,867	3,903,032
	<u>88,296,400</u>	<u>108,668,550</u>
17.00 Financial Income		
Interest Income from Bank Accounts	10,117,789	9,812,991
Interest Income from Corporate Bonds	23,303,968	92,534,040
	<u>33,421,757</u>	<u>102,347,030</u>
18.00 Management fees		
	36,880,926	35,089,913
	<u>36,880,926</u>	<u>35,089,913</u>





	Amount in Taka	
	30-Jun-22	30-Jun-21
19.00 Trustee fees	3,347,027	2,875,527
	<u>3,347,027</u>	<u>2,875,527</u>

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.

20.00 BSEC annual Fee	2,899,233	2,899,233
	<u>2,899,233</u>	<u>2,899,233</u>

Annual fee paid to BSEC as per Rules 11(1) of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.

21.00 CDBL Charges	538,386	331,127
	<u>538,386</u>	<u>331,127</u>

CDBL charge paid to Central Depository Bangladesh Limited (CDBL) as per Annex A 1 of CDBL Bye Laws (3.7).

22.00 Custodian fees	3,138,770	2,875,725
	<u>3,138,770</u>	<u>2,875,725</u>

Investment Corporation of Bangladesh (ICB), 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.

23.00 Expenses for Capital Market Stabilization Fund:	637,813	-
	<u>637,813</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 Earnings per unit for the year		
Net profit for the year (numerator)	70,098,851	735,557,571
Number of units (denominator)	289,923,348	289,923,348
Earnings per unit	<u>0.24</u>	<u>2.54</u>

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 7.00% on the capital fund of Taka 2,899,233,480.00 in the form of cash of using Tk 71,004,811.00 from retained earnings and Tk 131,941,532.60 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

- 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 names 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

Dhaka

Date: August 14, 2022



A member of



Independent legal & accounting firms