

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

CAPM IBBL Islamic Mutual Fund
For the Period ended June 30, 2018



Solution....Begins



রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS

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Solution.....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



Auditors' Report to the Trustee Board of CAPM IBBL Islamic Mutual Fund

We have audited the accompanying financial statements of **CAPM IBBL Islamic Mutual Fund** ('the Fund'), which comprise the Statement of Financial Position as at **June 30, 2018**, Statement of Profit or loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 20 and Annexure-A.

Management's Responsibility for the Financial Statements

Management of the fund is responsible for the preparation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to the fraud or error. In making those risk assessments, the auditors consider internal control relevant to the fund's preparation and fair presentation of the Financial Statements 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. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management of the fund, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion, the financial statements present fairly, give a true and fair view of the financial position of **CAPM IBBL Islamic Mutual Fund** at **June 30, 2018** and their financial performance and Cash Flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable rules and regulations.

We also report that:

- we have obtain all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit and made due verification thereof;
- in our opinion proper books of accounts as required by the law have been kept by the Fund so far as it appeared from our examination of those books;
- the Fund's Statement of Financial Position and Statement of profit or loss and other comprehensive Income along with the annexed notes thereto deal with by this report are in agreement with books of account of the Fund; and
- the expenditure incurred was for the purpose of the Fund's business.

Dated : Dhaka
August 12, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants



CAPM IBBL ISLAMIC MUTUAL FUND

Statement of Financial Position

As at June 30, 2018

Particulars	Notes	Amount in Tk.
		June 30, 2018
ASSETS		
Investment	6	243,632,607
Other receivables	7	5,741,329
Advance, Deposit & Prepayments	8	3,395,649
Cash and cash equivalents	9	423,310,794
Total Assets		676,080,379
OWNERS' EQUITY & LIABILITIES		
Owners' Equity:		
Unit Capital	10	668,535,000
Reserve pre operating income		3,107,984
Retained earnings	11	(1,238,812)
Total Owners' Equity		670,404,172
Current Liabilities		
Accounts payable	12	5,676,207
Total Current Liabilities		5,676,207
Total Equity & Liabilities		676,080,379
Net asset value (NAV) per unit:		
At cost	13	10.18
At market price	14	10.03

The annexed notes 1 to 20 and Annexure-A an integral part of these financial statements


MD & CEO
Asset Manager

CAPM Company Limited


Member
Trustee

Investment Corporation of Bangladesh


Chairman
Trustee

Investment Corporation of Bangladesh

Signed in terms of our separate report of even date.

Dated: Dhaka
August 12, 2018




Rahman Mostafa Alam & Co.
Chartered Accountants



CAPM IBBL ISLAMIC MUTUAL FUND
Statement of Profit or Loss and Other Comprehensive Income
For the period from February 22, 2018 to June 30, 2018

Particulars	Notes	Amount in Tk.
		Feb 22,2018 to June 30,2018
Income		
Profit income	15.00	17,351,535
Net gain on sale of marketable securities	16.00	883,539
Dividend income	17.00	879,111
Total Income		19,114,185
Expenditure		
Management fee		3,903,490
Advertisement & Publicity Expenses		42,600
Bank Charge, Commission & Excise Duty		2,531
Annual Fees		7,326
Custodian Fee		217,347
Bidding Fee (Book-Building)		9,000
Brokerage Fee-Sale		38,674
CDBL & BO Charge		64,328
Other Operating Expenses		13,500
Audit Fee		25,000
Biniyog Shiksha Tahobil		10,000
Total Expense		4,333,796
Profit before adjustment of provision		14,780,389
Provision for unrealized Gain/Loss during the period	18.00	(16,019,201)
Profit for this year		(1,238,812)
Earnings per unit during the period	19.00	(0.02)

The annexed notes 1 to 20 and Annexure-A an integral part of these financial statements

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Signed in terms of our separate report of even date.

Dated: Dhaka
August 12,2018



Rahman Mostafa Alam & Co.
Chartered Accountants



CAPM IBBL ISLAMIC MUTUAL FUND
Statement of Changes in Equity
For the period from February 22, 2018 to June 30, 2018

Particulars	Unit Capital	Reserve pre - operating income	Retained Earnings	Total Equity
Balance as at February 22, 2018	668,535,000	3,107,984	-	671,642,984
Net profit during the period	-	-	(1,238,812)	(1,238,812)
Balance as at June 30, 2018	668,535,000	3,107,984	(1,238,812)	670,404,172

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CAPM IBBL ISLAMIC MUTUAL FUND
Statement of Cash Flows
For the period from February 22, 2018 to June 30, 2018

Particulars	Amount in Tk.
	Feb 22,2018 to June 30,2018
Cash flows from operating activities	
Profit income realized in cash	14,694,278
Gain on sale of investment	883,539
Operating expenses	(19,304,305)
Net cash used in operating activities	<u>(3,726,488)</u>
Cash flows from investing activities	
Acquisition of shares from secondary market	(244,602,504)
Investment in IPO	(8,200,000)
Investment returned from IPO	7,473,690
Proceeds from sale of shares in secondary market	18,414,535
Net cash used in investing activities	<u>(226,914,279)</u>
Cash flows from financing activities	
Dividend paid	-
Net cash used in financing activities	<u>-</u>
Net cash flows	<u>(230,640,767)</u>
Cash and cash equivalents at the beginning of the period	653,951,561
Cash and cash equivalents at the end of the period	<u><u>423,310,794</u></u>
Net operating cash flows	(3,726,488)
Number of outstanding units	66,853,500
Net operating cash flows per unit	<u><u>(0.06)</u></u>

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Trustee

Chairman
Trustee

CAPM Company Limited Investment Corporation of Bangladesh Investment Corporation of Bangladesh





**CAPM IBBL Islamic Mutual Fund
Notes to the Financial Statements
For the year ended 30 June 2018**

1 Introduction

CAPM IBBL Islamic Mutual Fund is (here-in-after referred to as “ The Fund”), a Trust property, was established on 13 November 2016 under the Trust Act, 1882, registered under the Registration Act, 1908 and subsequently on 26 December 2016 registered as a Closed-End Mutual Fund from the Bangladesh Securities and Exchange Commission under Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 with an initial tenure of Ten Years. The total paid-up capital of the Fund is Tk. 668.54 million divided into 66.854 million units of Tk. 10 each. The Fund was enlisted with the Stock Exchanges as of 05 March 2018 and started its Investment operations from 22 February 2018.

Investment Corporation of Bangladesh (ICB) is the Trustee and Custodian of the Fund and CAPM (Capital & Asset Portfolio Management) Company Limited is the Asset Manager of the Fund.

2 Closure of Accounting year of the Fund

The Fund will be consistently closing its books of account as at 30 June every year. Although the fund was established on 13 November 2016, the operations of the fund started from 22 February 2018.

3 Objectives

The Objective of the fund is to generate attractive risk adjusted returns and disburse competitive dividend to the unit holders in the long-run by investing in a diverse arena of Shariah compliant eligible equity and debt securities of Bangladesh Capital and Money Market.

4 Significant accounting policies

4.1 Basis of accounting

These financial statements are prepared under historical cost convention and in conformity with the Generally Accepted Accounting Principles (GAAP) following Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

4.2 Reporting Period

The Financial Statements of this Fund has been covered the period from 22 February, 2018 (listing date 5 March, 2018 with Stock Exchanges) to 30 June 2018.

4.3 Marketable investments

a) Investment in shares which are actively traded on a quoted market are designated at fair value (market price) through statement of profit or loss and other comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of profit or loss and other comprehensive income.

b) Stock dividend (Bonus shares) are added with existing shares with at zero cost which results in decrease of per unit cost price of the existing shares. However, bonus shares are shown at fair value on the statement of financial position date.





4.4 Dividend income

Dividend income will recognize on the declaration of dividend and subsequent approval by Annual General Meeting (AGM).

4.5 Preliminary and issue expenses

Preliminary and issue expenses are being written off fully with the income of Escrow Bank Account of the Fund

4.6 Management fee

Management fee is charged as per Trust Deed as well as the provision of the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001.

4.7 Trustee fee

The Trustee is entitled to an annual Trusteeship Fee @ 0.15% of the Net Asset Value (NAV) of the Fund only payable semi-annually during the life of the Fund as per Trust Deed.

4.8 Custodian fee

The Fund shall pay to the custodian a safe keeping fee @ 0.15% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum. Any out of pocket expenses may be applicable to the Fund operation time to time.

4.9 Taxation

Income of the Fund is exempted from tax as per SRO no. 333-AIN/Income tax/2011 dated 27 October 2011.

5.0 Dividend policy

Pursuant to the Securities and Exchange Commission (Mutual Fund) Rules 2001 or any amendments of the Rules by Bangladesh Securities and Exchange Commission time to time, the Fund shall distribute by way of dividend in quarterly, semi-annually and / or annually as decided in the trustee meeting to the holders of the units after the closing of the annual accounts an amount which shall minimum 70% of the realised income.

5.1 Earnings per unit

Earnings per unit has been calculated in accordance with BAS-33 "Earnings per Share" and shown on the face of Revenue account.





CAPM IBBL Islamic Mutual Fund
Notes to financial statements
for the period from February 22, 2018 to June 30, 2018

	Amount in Tk.
	June 30, 2018
6.00 Investment	
Investment in marketable securities - at market	243,632,607
	<u>243,632,607</u>
7.00 Other receivables	
(a) Profit Receivable (Provisional):	
Mudaraba Short Notice Deposit (MSND)	4,246,510
Mudaraba Term Deposit Receipt (MTDR)	615,708
	<u>4,862,218</u>
(b) Cash Dividend Receivable	
Bata Shoe Limited	500,000
Islami Insurance Bangladesh Limited	236,250
Reckitt Benckiser(Bd.) Limited	142,861
	<u>879,111</u>
Total (a+b)	<u><u>5,741,329</u></u>
8.00 Advance, Deposit & Prepayments	
Advance Payment for Publication	34,440
Advance Payment for BSEC	661,209
Advance Payment for CDBL	500,000
Advance IPO Application	2,200,000
	<u>3,395,649</u>
9.00 Cash and cash equivalents	
Cash at bank - MSND Account with:	
Shahjalal Islami Bank Ltd. (Uttara Ladies branch)	11,077,441
Union Bank Ltd. (Banani branch)	147,233,353
Mudaraba Term Deposit Receipt (MTDR)	265,000,000
	<u>423,310,794</u>
9.01 Mudaraba Term Deposit Receipt (MTDR)	
Union Bank Ltd. (Atibazar branch)	100,000,000
Union Bank Ltd. (Banani branch)	65,000,000
Social Islami Bank Ltd. (Mohammadpur branch)	10,000,000
Social Islami Bank Ltd. (New Eskaton branch)	50,000,000
Shahjalal Bank Ltd. (Uttara Ladies branch)	40,000,000
	<u>265,000,000</u>
10.00 Unit Capital	
66,853,500 units of Tk 10 each	668,535,000
	<u><u>668,535,000</u></u>





Amount in Tk.

June 30, 2018

11.00 Retained earnings	
Opening balance	-
Net income during the period	(1,238,812)
	<u>(1,238,812)</u>
12.00 Accounts payable	
Management fee Payable	4,521,657
Custodian fee Payable	217,347
Payable to Audit Fee	25,000
Payable to Brokerage House	912,203
	<u>5,676,207</u>
13.00 Net asset value (NAV) per unit at cost	
Total net asset value at cost	680,682,044
Number of units	66,853,500
NAV per unit at cost	<u>10.18</u>
14.00 Net asset value per unit at market value	
Total net asset value at market price	670,404,172
Number of units	66,853,500
NAV per unit at market price	<u>10.03</u>
15.00 Profit income	
Profit income from MSND account	10,014,993
Profit income from MTDR account	7,336,542
	<u>17,351,535</u>
16.00 Net gain on sale of marketable securities	
Confidence Cement Limited	(227,188)
Grameenphone Limited	100,030
Intraco Refueling Station Limited	961,480
Linde Bangladesh Limited	41,873
Square Pharmaceuticals Limited	7,344
	<u>883,539</u>
17.00 Dividend income	
Bata Shoe Limited	500,000
Islami Insurance Bangladesh Limited	236,250
Reckitt Benckiser(Bd.) Limited	142,861
	<u>879,111</u>
18.00 Provision for Unrealized Gain/Loss during the period	
Investment in marketable securities - at market	243,632,607
Investment in marketable securities - at cost	259,651,809
Total Unrealized Loss	<u>(16,019,201)</u>





Amount in Tk.

June 30, 2018

19.00 Earnings per unit

Net profit for the year (A)	(1,238,812)
Number of units (B)	66,853,500
Earnings per unit (A÷B)	<u><u>(0.02)</u></u>

20.00 Events after the reporting period

The Board of Trustees of the Fund has declared and approved no dividend for the period ended 30 June 2018 at its meeting held on 08 August 2018.

**MD & CEO
Asset Manager**

**Member
Trustee**

**Chairman
Trustee**

CAPM Company Limited Investment Corporation of Bangladesh Investment Corporation of Bangladesh





Annexure-A: Investment in marketable securities
CAPM IBBL Islamic Mutual Fund
As at June 30, 2018

<i>Amount in Taka</i>			
Name of the Company	Total Acquisition Cost	Total Market Value	Excess (Deficit)
Confidence Cement Limited	44,816,205	43,209,653	(1,606,552)
Grameenphone Limited	27,633,383	22,815,679	(4,817,705)
Square Pharmaceuticals Limited	12,072,330	11,615,175	(457,156)
Bata Shoe Limited	29,458,414	28,255,500	(1,202,914)
Islami Insurance Bangladesh Limited	32,064,000	27,877,500	(4,186,500)
IFAD Autos Limited	17,401,872	16,620,000	(781,872)
Shahjibazar Power Company Limited	37,645,140	32,760,000	(4,885,140)
Linde Bangladesh Limited	26,144,168	26,390,385	246,217
Reckitt Benckiser (Bd.) Limited	17,658,791	17,646,548	(12,243)
Intraco Refueling Station Limited	266,310	1,175,759	909,449
Quasem Industries Limited	5,064,149	5,139,589	75,440
Golden Harvest Agro Industries Limited	716,430	750,000	33,570
Renata Limited	1,788,450	1,918,820	130,370
Queen South Textile Mills Limited	6,922,166	7,458,000	535,834
	259,651,809	243,632,607	(16,019,201)

