

# LankaBangla Al-Arafah Shariah Unit Fund

For the year ended 31 December 2019

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**AUDITOR'S REPORT  
TO THE TRUSTEES  
OF**

**LANKABANGLA AL-ARAFAH SHARIAH UNIT FUND**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of **LankaBangla Al-Arafah Shariah Unit Fund** (hereinafter referred to as the "Fund") namely the Statement of Financial Position as at 31 December 2019 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the fund prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), give a true and fair view of the state of the statement of financial position as at 31 December 2019 and of the results of its financial performance and cash flows for the year then ended and comply with Securities and Exchanges Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable Laws and Regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants 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 (IESBA Code) requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We focused on the valuation and existence of investments in different types of securities because these investments represent the principal element of the net asset value as disclosed in the statements of financial position in the financial statements.



### Others Information

The Management is responsible for the Other Information. The other information comprises all of the information in the Annual Report other than the financial statement and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. However, we have nothing to report regarding other information.

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

The Asset Manager of the fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations 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 and error.

In preparing the financial statements, management is responsible for assessing 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 there is any intention to liquidate the Fund or cease operations, or has no realistic alternative but to do so.

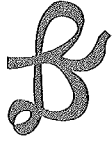
Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the audit of the financial statements

Our objective is 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 guaranty that an audit conducted in accordance with ISAs will always detect a materials 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 IASs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. However, we have not come across any significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



পিনাকী এণ্ড কোম্পানী  
Pinaki & Company

Chartered Accountants



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

In accordance with the Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules 2001, we also report that

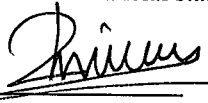
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- (b) In our opinion, proper books of account as required by law have been kept by the fund so far as it appeared from our examination of those books; and
- (c) The Fund's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and dealt with by this report are in agreement with the books of accounts.

**Md. Kahir Mahmood, FCA**  
Pinaki & Company  
Chartered Accountants  
Dhaka – 04 February 2020

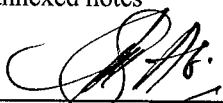
**LankaBangla Al-Arafah Shariah Unit Fund**  
**Statement of Financial Position**  
**As at 31 December 2019**

PARTICULARS	NOTES	Amount in Taka	
		31.12.19	31.12.18
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Preliminary and issue expenses	6	4,451,724	5,300,224
		<u>4,451,724</u>	<u>5,300,224</u>
<b>Current Assets</b>			
Investments (at cost price)	7	293,579,811	271,542,709
Advance, deposit and prepayments	8	170,311	180,971
Accounts receivables	9	3,337,763	3,893,532
Cash and cash equivalents	10	16,485,844	65,424,450
		<u>313,573,729</u>	<u>341,041,662</u>
<b>TOTAL ASSETS (A)</b>		<u><b>318,025,453</b></u>	<u><b>346,341,886</b></u>
<b>LIABILITIES</b>			
Accounts payables	11	210,695	8,486,965
Less: (Provision)/Writeback of provision against diminution in value of securities		74,086,436	7,622,355
Liability for expenses	12	3,329,097	3,994,973
		<u>77,626,228</u>	<u>20,104,293</u>
<b>TOTAL LIABILITIES (B)</b>		<u><b>77,626,228</b></u>	<u><b>20,104,293</b></u>
<b>NET ASSETS (A-B)</b>		<u><b>240,399,225</b></u>	<u><b>326,237,593</b></u>
<b>OWNERS' EQUITY</b>			
Unit capital fund	13	306,405,000	314,340,000
Unit premium reserve	14	194,349	(706,915)
Retained earnings		(66,200,124)	12,604,508
		<u>240,399,225</u>	<u>326,237,593</u>
<b>Net Asset Value (NAV) Per Unit</b>			
At cost price	15	10.26	10.62
At market price	16	7.85	10.38

These financial statements should be read in conjunction with annexed notes

  
 \_\_\_\_\_  
 Trustee

Authorized Signatory of  
 Investment Corporation  
 of Bangladesh (ICB)

  
 \_\_\_\_\_  
 Asset Manager

Authorized Signatory of  
 LankaBangla Asset Management  
 Company Ltd.

  
**Pinaki & Company**  
 Chartered Accountants

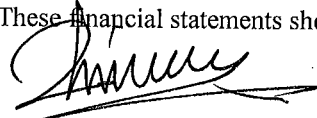
Dated : 04-02-2020

Place: Dhaka

**LankaBangla Al-Arafah Shariah Unit Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2019**

PARTICULARS	NOTES	Amount in Taka	
		01.01.19 to 31.12.19	02.04.18 to 31.12.18
<b>INCOME</b>			
Gain/(Loss) on sale of marketable securities	17	1,112,929	8,510,277
Dividend income	18	6,976,283	5,698,874
Profit on bank deposit and MTDR	19	1,166,800	14,428,583
		<b>9,256,012</b>	<b>28,637,734</b>
<b>EXPENSES</b>			
Management fees		5,840,385	5,679,923
Amortization of preliminary and issue expenses		848,501	639,282
CDBL settlement and demat charges		59,247	85,831
CDBL fees		35,288	-
Custodian fees		384,013	280,492
Trustee fees		434,354	418,659
BSEC annual fees		320,429	183,723
Audit fees		25,000	25,000
Brokerage commission		556,205	558,830
Selling agents' commission		79,352	120,457
Bank charges and excise duty		31,888	71,176
Advertisement and publication expenses		230,200	181,086
Other expenses	20	178,101	166,412
<b>Total Expenses</b>		<b>9,022,963</b>	<b>8,410,871</b>
<b>Profit/(Loss) Before Provision During the Year</b>		<b>233,049</b>	<b>20,226,863</b>
<b>Other Comprehensive Income</b>			
Provision for diminution in value of Marketable Securities	21	(66,464,081)	(7,622,355)
<b>Net Profit/(Loss) After Provision During the Year</b>		<b>(66,231,032)</b>	<b>12,604,508</b>
<b>Earnings Per Unit (EPU) During the Year</b>	22	<b>(2.16)</b>	<b>0.40</b>

These financial statements should be read in conjunction with annexed notes



Trustee

Authorized Signatory of  
Investment Corporation of  
Bangladesh (ICB)

Dated : 04-02-2020  
Place: Dhaka



Asset Manager

Authorized Signatory of  
LankaBangla Asset Management  
Company Ltd.



**Pinaki & Company**  
Chartered Accountants

**LankaBangla Al-Arafah Shariah Unit Fund**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Particulars	Amount in Taka		
	Unit Capital Fund	Unit Premium/Discount	Retained Earnings
<b>Opening balance as at 01 January 2019</b>	314,340,000	(706,915)	12,604,508
Unit fund new subscription during the year	8,670,500	-	-
Unit fund surrender during the year	(16,605,500)	-	-
Unit premium during the year	-	1,671,304	-
Unit discount during the year	-	(770,040)	-
Net profit/(loss) during the year	-	-	(66,231,032)
Cash dividend paid	-	-	(12,573,600)
<b>Closing balance as at 31 December 2019</b>	<b>306,405,000</b>	<b>194,349</b>	<b>(66,200,124)</b>
			<b>240,399,225</b>

Particulars	Amount in Taka		
	Unit Capital Fund	Unit Premium/Discount	Retained Earnings
<b>Opening balance as at 31 December 2018</b>	314,340,000	(706,915)	12,604,508
Unit fund raised during the formation period	411,500,000	-	-
Unit fund new subscription during the period	13,290,000	-	-
Unit fund surrender during the period	(110,450,000)	-	-
Unit premium during the period	-	282,364	-
Unit discount during the period	-	(989,279)	-
Net profit/(loss) during the period	-	-	12,604,508
<b>Closing balance as at 31 December 2019</b>	<b>314,340,000</b>	<b>(706,915)</b>	<b>12,604,508</b>
			<b>326,237,593</b>

  
**Trustee**

Authorized Signatory of Investment Corporation of  
 Bangladesh (ICB)

Dated : 04-02-2020  
 Place: Dhaka

  
**Asset Manager**

Authorized Signatory of LankaBangla Asset  
 Management Company Ltd.





LankaBangla Al-Arafah Shariah Unit Fund

Statement of Cash Flows

For the year ended 31 December 2019

PARTICULERS	Amount in Taka	
	01.01.19 to 31.12.19	02.04.18 to 31.12.18
<b>A. Cash flows from operating activities</b>		
Gain on sale of securities	(909,558)	8,507,570
Dividend income received in cash	5,877,422	3,651,415
Profit on bank deposit and MTDR	1,805,588	17,760,789
Payment made for expenses	(8,315,000)	(13,459,118)
<b>Net Cash from Operating Activities</b>	<b>(1,541,548)</b>	<b>16,460,656</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of shares from secondary market	(214,974,847)	(469,918,972)
Investments in IPO	(24,500,000)	(25,275,000)
Investments returned from IPO	18,496,870	17,116,440
Proceeds from sale of shares in secondary market	193,188,256	213,408,241
<b>Net Cash from Investing Activities</b>	<b>(27,789,721)</b>	<b>(264,669,291)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of units	10,341,805	425,072,365
Payments made for re-purchase of units	(17,375,542)	(111,439,280)
Dividend paid	(12,573,600)	-
<b>Net Cash from Financing Activities</b>	<b>(19,607,337)</b>	<b>313,633,085</b>
<b>Net cash flows (A+B+C)</b>	<b>(48,938,606)</b>	<b>65,424,450</b>
Cash and cash equivalents at the beginning of the year	65,424,450	-
<b>Cash and cash equivalents at the end of the year</b>	<b>16,485,844</b>	<b>65,424,450</b>
<b>Net Operating Cash Flows Per Unit (NOCFU)</b>	<b>(0.05)</b>	<b>0.52</b>

  
Trustee

Authorized Signatory of  
Investment Corporation of  
Bangladesh (ICB)

  
Asset Manager

Authorized Signatory of  
LankaBangla Asset Management  
Company Ltd.

Dated : 04-02-2020

Place: Dhaka



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**1.00 Introduction**

LankaBangla Al-Arafah Shariah Unit Fund (hereafter called as "the Fund") was established under a Trust Deed signed on May 17, 2017 between Al-Arafah Islami Bank Limited Employees' Gratuity Fund Trust as a 'Sponsor' and Investment Corporation of Bangladesh (ICB) as a "Trustee". The Fund was registered under the Trust Act 1882 and subsequently registered with Bangladesh Securities and Exchange Commission (BSEC) on July 06, 2017 vide Registration code no. BSEC/Mutual Fund/2017/81 under Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001. The operations of the Fund was commenced on April 02, 2018.

Al-Arafah Islami Bank Limited Employees' Gratuity Fund Trust is the Sponsor of the Fund while Investment Corporation of Bangladesh (ICB) is the Trustee and Custodian of the Fund. LankaBangla Asset Management Company Limited is managing the operations of the Fund.

**2.00 Closure of Accounting year of the Fund**

The Fund has been consistently closing its books of account as at 31 December and consisting every year.

**3.00 Objectives**

The objective of the fund is to generate capital appreciation and income by investing in the permissible markets at appropriate percentages as determined by the Asset Manager.

**4.00 Significant Accounting Policies**

**4.01 Basis of Accounting**

These financial statements are prepared under historical cost convention and in conformity with the Generally Accepted Accounting Principles (GAAP) following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and comply with Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund), Rules, 2001 and other applicable rules and regulation.

**4.02 Valuation Policy**

a) Listed securities (other than mutual fund) are valued on a conservative basis at cost price. Mutual Fund securities are valued at lower of 85% of Net Asset Value (NAV), cost price and market price as per SRO No. SEC/CMRRCD/2009-193/172 dated 30 June 2015.

b) Stock dividend (Bonus shares) are added with existing shares with at zero cost.

**4.03 Income Recognition**

i) Gains / (losses) arising on sale of investment are included in the Statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place. Capital gains / (losses) are recognized or being realized based on weighted average cost basis.

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

iii) Profit from bank deposit and MTDR is recognized on accrual basis.



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**4.04 Preliminary and Issue Expenses**

Preliminary and issue expenses are being written off over a period of seven years on a straight-line method.

**4.05 Management Fees**

The management fee of the Fund is to be paid to the asset management company per annum on weekly average net asset value (NAV) accrued and payable semi-annually. As per the prospectus and the provisions of the Securities & Exchange Commission (Mutual Fund) Rules, 2001, the fee is calculated using the following slabs:

<u>NAV (Taka)</u>	<u>Percentage</u>
On weekly average NAV up to Taka 50 million	2.5
On next 200 million of weekly average NAV	2.0
On next 250 million of weekly average NAV	1.5
On rest of weekly average NAV	1.0

**4.06 Trustee Fees**

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

**4.07 Selling Agents'**

The Fund pays commissions to the authorized selling agent(s) appointed by the Asset Management Company at 1.00% on subscription amount.

**4.08 Custodian Fees**

Investment Corporation of Bangladesh (ICB), the custodian of the Fund is entitled to receive a safekeeping fee @ 0.15% on the balance of securities held by the Fund calculated on the average month end value per annum as per Trust Deed.

**4.09 Taxation**

The income of the Fund is fully 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 has been made.

**4.10 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.

**4.11 Earnings Per**

Earnings per unit has been calculated in accordance with IAS-33 "Earnings per Share" and shown on the face of the statement of profit or loss and other comprehensive income.



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**4.12 Events after the Reporting Period**

The Board of Trustees of the Fund has declared and approved dividend at the rate of 0 % per unit for the period ended 31 December 2019 at its meeting held on 04 February 2020

**4.13 Provision**

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting period according to IAS -37.

**4.14 Departure from IFRS and IAS**

a. The Fund has written off Preliminary and issue expenses over a period of seven (07) years on a straight-line method according to Rule-65(3) Ka of Securities & Exchange Commission (Mutual Fund) Rules , 2001 which contradicts with Paragraph 69(a) of IAS 38 'Intangible Assets ', as it states that "no intangible or other asset is recognized when expenditure on start-up activities (i.e. Start-up costs) is incurred to provide future economic benefits".

b. The Fund is required to maintain provision for the erosion on value of marketable securities according Rule-67(1) of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001 which contradicts with IAS 39.

**5.00 General**

- i. Figures appearing in these financial statements have been rounded off to nearest Taka; and
- ii. Comparative figures and account titles in the financial statements have been rearranged / reclassified where necessary to conform with current year's presentation.



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**As at 31 December 2019**

No.	Particulars	Amount in Taka	
		31.12.19	31.12.18

**06.00 Preliminary and issue expenses**

Opening balance	5,300,224	-
Add: Preliminary and issue expenses incurred	-	9,947,499
Less: Interest on escrow account	-	4,007,993
Amortization during the year	848,500	639,282
	<b>4,451,724</b>	<b>5,300,224</b>

**07.00 Investments (Annexure-A)**

Investment in marketable securities - at market price	293,579,811	271,542,709
	<b>293,579,811</b>	<b>271,542,709</b>

\*\*\*\*\* "For valuation of listed securities the average close price of Dhaka Stock Exchange for respective securities has been taken into consideration from the current accounting year, which previously was also done by considering the close price of Dhaka Stock Exchange."

**08.00 Advance, Deposit and Prepayments**

Trustee fee ICB	23,673	244
Annual fee to BSEC	135,926	180,727
Annual fees-CDBL	10,712	-
	<b>170,311</b>	<b>180,971</b>

**09.00 Accounts Receivable**

Receivable from brokerage house	-	1,057,424
<b>Profit Receivable</b>		
MSND	-	638,788
Cash dividend receivable	3,337,763	2,197,320
	<b>3,337,763</b>	<b>3,893,532</b>

Note:9.1

**09.01 Cash Dividend Receivable**

Active Fine Chemicals Limited	180,000	-
Beximco Pharmaceuticals Limited	259,472	93,750
Renata Limited	70,000	152,000
Silco Pharmaceuticals Limited	3,798	-
Square Pharmaceuticals Limited	483,000	432,000
Shahjibazar Power Co. Limited	705,561	312,500
Summit Power Limited	-	815,652
Olympic Industries Limited	250,000	109,147
BBS Cables Limited	320,000	50,000
<b>Balance Carried Forward</b>	<b>2,271,830</b>	<b>1,965,049</b>



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**As at 31 December 2019**

No.	Particulars	Amount in Taka	
		31.12.19	31.12.18
<b>09.01 Cash Dividend Receivable</b>			
	<b>Balance Brought Forward</b>	<b>2,271,830</b>	<b>1,965,049</b>
	Coppertech Industries Limited	8,333	-
	Genex Infosys Limited	3,522	-
	IT Consultants Limite	350,000	-
	Esquire Knit Composite Limited	252,533	-
	New Line Clothings Limited	5,844	-
	Square Textile Limited	60,996	-
	VFS Thread Dyeing Limited	-	9,851
	Unique Hotel & Resorts Limited	384,704	220,000
	SK Trims & Industries Limited	-	2,420
		<b>3,337,763</b>	<b>2,197,320</b>
<b>10.00 Cash and Cash Equivalent</b>			
	Cash at bank-MSND Account with	<b>Note: 10.1</b>	
	Cash at bank - CD Account with	<b>Note: 10.2</b>	
		16,455,128	65,423,052
		30,716	1,398
		<b>16,485,844</b>	<b>65,424,450</b>
<b>10.01 Cash at Bank-MSND Account with</b>			
	Al-Arafah Islami Bank Ltd. (Banani Branch)		
	Acc. No.01301	16,455,128	65,423,052
		<b>16,455,128</b>	<b>65,423,052</b>
<b>10.02 Cash at Bank - CD Account with</b>			
	Al-Arafah Islami Bank Ltd. (Banani Branch )		
	Acc. No. 16395	30,716	1,398
		<b>30,716</b>	<b>1,398</b>
<b>11.00 Accounts Payable</b>			
	Payable for IPO-Book Building (EKCL and ADN Telecom)	-	2,103,315
	Broker house-Share purchase	210,695	6,383,650
		<b>210,695</b>	<b>8,486,965</b>
<b>12.00 Liability for Expenses</b>			
	Management fees	2,797,874	3,491,560
	Custodian fees	169,529	193,096
	Audit fees	25,000	25,000
	Selling agents' commission	130,252	120,457
	Advertisement and publication expenses	15,000	15,000
	Dividend purification	191,442	149,860
		<b>3,329,097</b>	<b>3,994,973</b>



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**As at 31 December 2019**

No.	Particulars	Amount in Taka	
		31.12.19	31.12.18

**13.00 Unit Capital Fund**

Opening Balance	314,340,000	-
Add: Unit fund during the period	-	411,500,000
Add: New subscription of 867,050 units of Taka 10 each	8,670,500	13,290,000
Less: New surrendered of 1,660,550 units of Taka 10 each	(16,605,500)	(110,450,000)
	<b>306,405,000</b>	<b>314,340,000</b>

**14.00 Unit premium reserve**

Opening balance	(706,915)	-
Add: Unit premium during the year	1,671,304	282,364
Less: Unit discount during the year	(770,040)	(989,279)
	<b>194,349</b>	<b>(706,915)</b>

**15.00 Net Asset Value (NAV) per unit at cost price**

Total asset value at cost price	318,025,453	346,341,886
Less: Accounts payable	(210,695)	(8,486,965)
Less: Liability for expenses	(3,329,097)	(3,994,973)
	<b>314,485,661</b>	<b>333,859,948</b>
Number of units	30,640,500	31,434,000
NAV per unit at cost price	<b>10.26</b>	<b>10.62</b>

**16.00 Net Asset Value (NAV) per unit at market price**

Net asset value at cost price	314,485,661	333,859,948
Provision for diminution in value of marketable securities during the year	(74,086,436)	(7,622,355)
	<b>240,399,225</b>	<b>326,237,593</b>
Number of units	30,640,500	31,434,000
NAV per unit at market price	<b>7.85</b>	<b>10.38</b>



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

No.	Particular	Amount in Taka	
		01.01.19 to 31.12.19	02.04.18 to 31.12.18
<b>17.00</b>	<b>Gain/(Loss) on sale of marketable securities</b>		
	Al-Arafah Islami Bank Limited	(364,363)	(4,143,907)
	First Security Islami Bank Limited	-	(2,462,079)
	Shahjalal Islami Bank Limited	(407,984)	4,026,566
	Islamic Finance & Investment Limited	-	(69,391)
	Active Fine Chemicals Limited	(309,573)	350,023
	AFC Agro Biotech Limited	347,933	1,492,050
	Beximco Pharmaceuticals Limited	574,510	(156,332)
	Indo-Bangla Pharmaceuticals Limited	19,240	926,950
	Marico Bangladesh Limited	-	195,615
	Renata Limited	1,474,827	(33,535)
	Salvo Chemical Industry Limited	(672,782)	(553,473)
	Silco Pharmaceuticals Limited	301,893	-
	Silva Pharmaceuticals Limited	444,396	432,098
	Square Pharmaceuticals Limited	(854,801)	-
	Confidence Cement Limited	-	(614,691)
	Heidelberg Cement Bangladesh Limited	-	(274,046)
	Linde Bangladesh Limited	543,816	75,606
	MJL Bangladesh Limited	(65,077)	-
	Summit Power Limited	(463,722)	686,098
	BBS Cables Limited	-	1,677,286
	Coppertech Industries Limited	347,460	916,966
	Singer Bangladesh Limited	2,110,390	-
	S. S. Steel Limited	860,016	-
	Grameenphone Limited	(4,597,484)	-
	Genex Infosys Limited	794,620	-
	IT Consultants Limited	(608,991)	-
	Olympic Industries Limited	(2,079,493)	1,477,854
	Olympic Accessories Limited	-	(240,787)
	Quasem Industries Limited	-	(333,761)
	Fortune Shoes Limited	-	813,390
	Alif Manufacturing Company Limited	-	34,875
	Kattali Textile Limited	369,273	495,121
	M.L. Dyeing Limited	281,724	412,616
	New Line Clothings Limited	212,820	-
	Pacific Denims Limited	(48,786)	-
	Ring Shine Textiles Limited	1,530,687	-
	VFS Thread Dyeing Limited	434,734	768,861
	Eastern Housing Limited	152,806	-
	Sea Pearl Beach Resort & Spa Limited	310,560	-
	Unique Hotel & Resorts Limited	(32,995)	-
	IBBL Mudaraba Perpetual Bond	165	-
	Aman Feed Limited	-	1,511,268
	SK Trims & Industries Limited	507,110	1,099,035
		<b>1,112,929</b>	<b>8,510,277</b>





**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

No.	Particular	Amount in Taka	
		01.01.19 to 31.12.19	02.04.18 to 31.12.18

**18.00 Dividend income**

Al-Arafah Islami Bank Limited	-	1,500,000
Islami Bank Bangladesh Limited	680,000	-
Active Fine Chemicals Limited	180,000	-
Beximco Pharmaceuticals Limited	258,511	92,784
Indo-Bangla Pharmaceuticals Limited	3	-
Marico Bangladesh Limited	-	39,316
Renata Limited	69,972	151,939
Silco Pharmaceuticals Limited	3,798	-
Square Pharmaceuticals Limited	477,252	426,859
MJL Bangladesh Limited	-	133,421
Summit Power Limited	-	735,881
Shahjibazar Power Co. Limited	705,490	312,469
Heidelberg Cement Bangladesh Limited	-	104,912
BBS Cables Limited	319,744	49,960
Coppertech Industries Limited	8,333	-
Genex Infosys Limited	3,522	-
IT Consultants Limite	340,340	-
Esquire Knit Composite Limited	252,533	-
Kattali Textile Limited	13	-
M.L. Dyeing Limited	8	-
New Line Clothings Limited	5,844	-
Square Textile Limited	60,380	-
VFS Thread Dyeing Limited	44	9,851
Grameenphone Limited	1,956,080	1,185,125
Olympic Industries Limited	244,725	106,484
BBS Cables Limited	-	-
Unique Hotel & Resorts Limited	369,816	166,584
Eastern Housing Limited	199,840	-
SK Trims & Industries Limited	35	2,419
AIBL 1st Islamic Mutual Fund	840,000	680,870
	<b>6,976,283</b>	<b>5,698,874</b>

**19.00 Profit on bank deposit and MTDR**

**MSND Account with:**

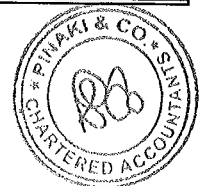
Al-Arafah Islami Bank Ltd. (Banani Branch)

**MTDR Account with:**

Al-Arafah Islami Bank Ltd. (Banani Branch)

Shahjalaj Islami Bank Ltd. (Uttara Ladies  
Branch)

	1,166,800	9,652,470
	-	3,588,613
	-	1,187,500
	<b>1,166,800</b>	<b>14,428,583</b>



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

No.	Particular	Amount in Taka	
		01.01.19 to 31.12.19	02.04.18 to 31.12.18

**20.00 Other expenses**

Shariah board meeting expenses	66,301	54,612
Eligible investor registration fees	-	25,000
Trustee meeting expenses	95,000	50,000
IPO application fees	15,000	34,000
BO account maintenance charges	1,800	2,800
	<b>178,101</b>	<b>166,412</b>

**21.00 Provision for diminution in value of marketable securities**

Opening balance

Provision for diminution in value of Marketable Securities	(7,622,355)	-
<b>Unrealized loss during the year</b>	(66,464,081)	7,622,355
<b>Required provision for diminution in value of marketable securities at the end of the year</b>	(74,086,436)	-
	<b>(66,464,081)</b>	<b>(7,622,355)</b>

**22.00 Earnings per unit**

<b>Net Profit/(Loss) After Provision During the Year</b>	(66,231,032)	12,604,508
Number of units	30,640,500	31,434,000
<b>Earnings per unit during the Year</b>	<b>(2.16)</b>	<b>0.40</b>



**LankaBangla Al-Arafah Shariah Unit Fund**  
Investment in Marketable Securities Other Than Mutual Fund  
As at 31 December 2019

Sectors Name	Name of the Companies	No. of Shares	Average Cost Price Per Share	Market Price Per Share	Total Acquisition Cost	Total Market Value	Annexure-A	
							Amount in Taka	
							Gain/(Loss)	
Bank	Islami Bank Bangladesh Limited	980,000	24.62	19.10	24,130,295	18,718,000	(5,412,295)	
	Active Fine Chemicals Limited	1,148,408	23.85	14.70	27,388,727	16,881,598	(10,507,130)	
Pharmaceuticals & Chemicals	Beximco Pharmaceuticals Limited	222,981	78.94	69.40	17,601,462	15,474,881	(2,126,580)	
	Renata Limited	7,700	1,203.77	1,096.50	9,269,032	8,443,050	(825,982)	
	Salvo Chemical Industry Limited	237,019	17.19	10.30	4,074,958	2,441,296	(1,633,663)	
	Silva Pharmaceuticals Limited	20,886	9.09	30.30	189,880	632,846	442,966	
	Square Pharmaceuticals Limited	123,050	267.04	190.00	32,859,220	23,379,500	(9,479,720)	
Engineering	BBS Cables Limited	352,000	90.06	58.80	31,699,986	20,697,600	(11,002,386)	
	Coppertech Industries Limited	12,499	9.52	23.50	119,040	293,727	174,687	
	S.S. Steel Limited	10,123	8.70	22.50	88,030	227,768	139,738	
	Esquire Knit Composite Limited	168,355	43.45	28.30	7,315,602	4,764,447	(2,551,155)	
Textile	New Line Clothings Limited	20,844	9.35	14.80	194,810	308,491	113,681	
	Ring Shine Textiles Limited	310,381	8.70	10.30	2,698,967	3,196,924	497,957	
	Square Textile Limited	30,498	49.54	31.00	1,510,742	945,438	(565,304)	
	Intraco Refueling Station Limited	660,000	20.53	13.60	13,547,605	8,976,000	(4,571,605)	
Fuel & Power	Linde Bangladesh Limited	2,000	1,307.99	1,299.00	2,615,983	2,598,000	(17,983)	
	Shahjibazar Power Co. Limited	257,025	88.68	70.00	22,794,224	17,991,750	(4,802,474)	
Food & Allied	Olympic Industries Limited	50,000	231.59	165.00	11,579,493	8,250,000	(3,329,493)	
	ADN Telecom Limited	50,078	30.00	30.00	1,502,340	1,502,340	-	
IT Sector	Genex Infosys Limited	8,099	8.70	67.40	70,430	545,873	475,443	
	IT Consultants Limited	749,000	42.26	33.90	31,650,147	25,391,100	(6,259,047)	
Telecommunication	Grameenphone Limited	50,000	470.95	285.80	23,547,706	14,290,000	(9,257,706)	
	Sea Pearl Beach Resort & Spa Limited	11,581	9.52	41.30	110,300	478,295	367,995	
Travel & Leisure	Unique Hotel & Resorts Limited	192,352	56.03	43.90	10,777,592	8,444,253	(2,333,340)	
	Eastern Housing Limited	150,000	49.53	41.30	7,428,936	6,195,000	(1,233,936)	
<b>Total</b>		<b>3,465,790</b>			<b>284,765,506</b>	<b>211,068,175</b>	<b>(73,697,331)</b>	



**LankaBangla Al-Arafah Shariah Unit Fund**  
Investment in Mutual Fund  
As at 31 December 2019

Annexure-A							
Sectors Name	Mutual Fund	No. of Units	Average Cost Price Per Unit	Market Price Per Unit	Total Acquisition Cost	Total Market Value	Amount in Taka Gain/(Loss)
Mutual Fund	AIBL 1st Islamic Mutual Fund	1,050,000	8.39	7.20	8,814,305	7,560,000	(1,254,305)
		1,050,000			8,814,305	7,560,000	(1,254,305)
		4,515,790			293,579,811	218,628,175	(74,951,636)

As per BSEC Circular No. SEC/CMRRCD/2009-193/172, dated 30 June 2015 Mutual Fund has separate provision method for investment in Mutual Funds which has been given below (Valuation of Mutual Fund is given in Annexure-B):

Sectors Name	Mutual Fund	No. of Units	Average Cost Price Per Unit	Market Price Per Unit	Total Acquisition Cost	Total Market Value	Amount in Taka Gain/(Loss)
Mutual Fund	AIBL 1st Islamic Mutual Fund	1,050,000	8.39	8.02	8,814,305	8,425,200	(389,105)

Investment in securities at market price			Amount in Taka	
	Total Cost Price	Total Market Price	Gain/(Loss)	
Investment in securities other than Mutual Fund	284,765,506	211,068,175	(73,697,331)	
Investment in Mutual Fund	8,814,305	8,425,200	(389,105)	
	293,579,811	219,493,375	(74,086,436)	



**LankaBangla Al-Arafah Shariah Unit Fund**  
**Valuation of Mutual Fund**  
**As at 31 December 2019**

Annexure-B
Amount in Taka

As per BSEC Circular No. SEC/CMRRCD/2009-193/172, dated 30 June 2015 Mutual Fund Valuation

Name of the Mutual Fund	No. of Units	Face Value	Cost Price Per Unit (Tk.)	Total Cost Price (as of reporting date)	Market Price Per Unit (Tk.)	Total Market Price (as of reporting date)	Unrealised Gain/ (Loss) (based on MP)	Particular Funds NAV on 26/12/19	85% Last NAV (Tk./unit)	Required Provision	Unrealised (Loss) Recovery	Total Adjusted Market Price
AIBL 1st Islamic Mutual Fund	1,050,000	10.00	8.39	8,814,305	7.20	7,560,000	(1,254,305)	9.44	8.02	(389,105)	865,200	8,425,200

