



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস  
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2<sup>nd</sup> Floor, Dhaka-1000, Bangladesh.

Extension Office: Property Heights, 1<sup>st</sup> Floor

12, R.K. Mission Road, Dhaka - 1000.

PHONE: 9513471, 9569867

PABX: 9576118-9, 9576128

FAX: +88-02-9516236

Email: [wali@satcombd.com](mailto:wali@satcombd.com)

Web: [www.msw-bd.com](http://www.msw-bd.com)

**INDEPENDENT AUDITORS' REPORT  
to the Trustee of  
IDLC Balanced Fund**

We have audited the accompanying Statement of Financial Position of **IDLC Balanced Fund** as at June 30, 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Equity, Statement of Cash Flow and Notes for the period then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements:**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

**Auditor's 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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

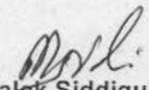
**Opinion:**

In our opinion the financial statements prepared in accordance with Generally Accepted Accounting Principles(GAAP), Bangladesh Accounting Standard/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the fund affairs as of June 30, 2018 and of the results of its operations and its cash flows for the period then ended and comply with the requirements of Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules) 2001, Trust Deed and other applicable laws and regulations.

**We also report that:**

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts as required by law have been kept by the fund so far as it appeared from our examination of those books;
- The fund Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;
- The expenditures incurred and payments made were for the purpose of the fund business.
- The profit or loss statement of concerned year has reflected Tk.17,392,454 as provision (loss) for marketable securities in lieu of required provision of Tk. 31,622,643 which effectively creates shortfall of provision of Tk.14,230,189. If provision is correctly accounted for in accordance with BFRS-9, the profit for the year would be Tk. 6,733,233 instead of current profit of Tk. 20,963,423 and Net Asset Value(NAV) per unit at market value would be Tk.10.28 instead of Tk. 10.46 (Presented in the Financial Statements)

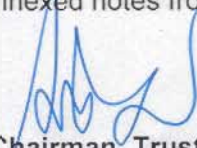
Dated: Dhaka  
July 11, 2018

  
Malek Siddiqui Wali  
Chartered Accountants

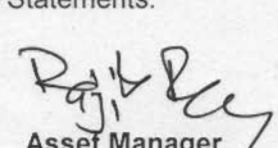
**IDLC Balanced Fund**  
**Statement of Financial Position**  
As at June 30, 2018

Particulars	Notes	June 30, 2018
		Taka
<b>ASSETS</b>		
<b>Non-Current Asset</b>		
Preliminary and issue expenses	5	7,429,398
		<u>7,429,398</u>
<b>Current Asset</b>		
Investment in securities at cost price	6	525,839,939
Other receivables	7	19,462,209
Prepayments	8	956,563
Cash and cash equivalents	9	293,999,412
		<u>840,258,123</u>
<b>Total Assets</b>		<u><u>847,687,521</u></u>
<b>OWNERS' EQUITY</b>		
Capital Fund	10	789,843,870
Unit Premium Reserve		15,119,682
Retained earnings	11	20,963,423
<b>Total Equity</b>		<u>825,926,975</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
		-
<b>Current Liabilities</b>		
Accounts payable	12	4,368,093
Provision for diminution in value of investments	13	17,392,454
		<u>21,760,546</u>
<b>Total Liabilities</b>		<u>21,760,546</u>
<b>Total Equity and Liabilities</b>		<u><u>847,687,521</u></u>
<b>Net asset value (NAV) per unit:</b>		
At cost	14	10.68
At market price	15	10.46

The annexed notes from 1 to 22 form an integral part of these Financial Statements.

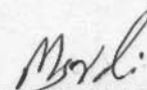
  
**Chairman, Trustee**  
Investment Corporation of  
Bangladesh

  
**Member, Trustee**  
Investment Corporation of  
Bangladesh

  
**Asset Manager**  
IDLC Asset Management Limited

Signed in terms of our report of even date annexed

July 22, 2018  
Dated, Dhaka

  
**Malek Siddiqui Wali**  
Chartered Accountants

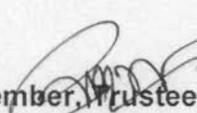
**IDLC Balanced Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended June 30, 2018

Particulars	Notes	July 21, 2017 - June 30, 2018 Taka
<b>INCOME</b>		
Interest income	16	18,840,006
Net gain/(loss) on sale of securities	17	33,999,504
Dividend income	18	9,963,800
<b>Total Income</b>		<b>62,803,310</b>
<b>EXPENDITURE</b>		
Management fee		12,029,111
Brokerage Commission		5,423,195
Amortization of preliminary and issue expenses	5	1,159,793
Trustee fee		1,377,359
BSEC annual fee		500,000
Custodian fee		965,406
Publication and other expenses		573,467
Sales Agent Commission		1,116,572
CDBL - Annual Fee, Settlement and Demat charges		385,684
Bank charges and excise duty		293,180
Tax deducted at source		589,167
Audit fee		34,500
<b>Total Expenditure</b>		<b>24,447,434</b>
<b>Income before provision for the year</b>		<b>38,355,876</b>
(Provision)/Write back of Provision for diminution in value of investments	13	(17,392,454)
<b>Net income for the year</b>		<b>20,963,423</b>
<b>Earnings per unit during the year</b>	19	<b>0.265</b>


The annexed notes from 1 to 22 form an integral part of these Financial Statements.

  
**Chairman, Trustee**

Investment Corporation of  
Bangladesh

  
**Member, Trustee**

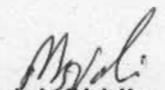
Investment Corporation of  
Bangladesh

  
**Asset Manager**

IDLC Asset Management  
Limited

Signed in terms of our report of even date annexed

July 22, 2018  
Dated, Dhaka

  
**Malek Siddiqui Wali**  
Chartered Accountants

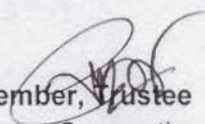
**IDLC Balanced Fund**  
**Statement of Changes in Equity**  
For the year ended June 30, 2018

Particulars	Amount in Taka			
	Capital Fund	Unit Premium	Retained Earnings	Total Equity
Opening Balance	-	-	-	-
Sponsor's Contribution	100,000,000	-	-	100,000,000
Fund Collected from General Investors	689,843,870	15,119,682	-	704,963,552
Net income during the year	-	-	20,963,423	20,963,423
Dividend paid during the year	-	-	-	-
<b>Balance as at June 30, 2018</b>	<b>789,843,870</b>	<b>15,119,682</b>	<b>20,963,423</b>	<b>825,926,975</b>

The annexed notes from 1 to 22 form an integral part of these Financial Statements.

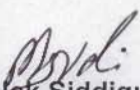
Signed in terms of our report of even date annexed

  
Chairman, Trustee  
Investment Corporation of  
Bangladesh

  
Member, Trustee  
Investment Corporation of  
Bangladesh

  
Asset Manager  
IDLC Asset Management  
Limited

July 22, 2018  
Dated, Dhaka

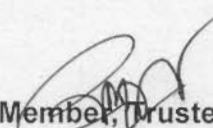
  
Malek Siddiqui Wali  
Chartered Accountants

**IDLC Balanced Fund**  
**Statement of Cash Flows**  
For the year ended June 30, 2018

Particulars	July 21, 2017 - June 30, 2018 Taka
<b>A. Cash flows from/(used in) operating activities</b>	
Investment in marketable securities, net	(1,597,836,796)
Investment in IPO shares	(4,574,450)
Investment in Right Shares	(3,190,000)
Proceeds from sell of marketable securities	1,099,079,099
Interest income realized in cash	18,435,411
Dividend income received in cash	5,697,511
Advance, Deposit and Prepayments	(2,833,922)
Payment made for expenses	(26,257,026)
<b>Net cash used in operating activities</b>	<b>(511,480,173)</b>
<b>B. Cash flows from investing activities</b>	
Investment withdrawal/ (made) in Corporate Bond	-
Investment withdrawal/ (made) in Preference shares	-
Investment withdrawal/ (made) in non-listed ordinary shares	-
<b>Net cash from/(used in) financing activities</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>	
Unit Capital	789,843,870
Unit Premium Reserve	15,119,682
Investor's Fund	516,033
Dividend paid for the period	-
<b>Net cash flow from financing activities</b>	<b>805,479,585</b>
<b>D. Net cash flows (A+B+C)</b>	<b>293,999,412</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
<b>F. Cash &amp; cash equivalents at the end of the year (D+E)</b>	<b>293,999,412</b>
<b>Net Operating Cash flow per unit for the year</b>	<b>(6.48)</b>

The annexed notes from 1 to 22 form an integral part of these Financial Statements.

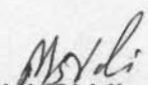
  
**Chairman, Trustee**  
Investment Corporation of  
Bangladesh

  
**Member, Trustee**  
Investment Corporation of  
Bangladesh

  
**Asset Manager**  
IDLC Asset Management  
Limited

Signed in terms of our report of even date annexed

July 22, 2018  
Dated, Dhaka

  
**Malek Siddiqui Wali**  
Chartered Accountants

**IDLC Balanced Fund**  
**Notes to the Financial Statements**  
As at and for the year ended June 30, 2018

**1. Introduction of the Fund and its activities**

**1.1 Legal status and Key partners of the Fund**

IDLC Balanced Fund (here-in-after referred to as "the Fund"), a Trust property, was established on February 05, 2017 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on March 07, 2017 registered as a Mutual Fund from the Bangladesh Securities and Exchange Commission with an initial paid-up capital of Tk. 500 million divided into 50 million units of Tk. 10.00 each under the Securities and Exchange Commission (Mutual Fund), Rules, 2001 as an Open end Mutual Fund vide registration no. BSEC/MUTUAL FUND/2017/77.

Investment Corporation of Bangladesh (ICB), the Trustee of the Fund, in its 170th meeting held on July 18, 2017 approved the size of the Fund to be increased upto Tk. 1,500 million.

Key partners of the Fund are as Follows:

Sponsor: IDLC Finance Limited

Registered Address: Bay's Galleria (1st Floor), 57 Gulshan Avenue, Dhaka 1212

Trustee & Custodian: Investment Corporation of Bangladesh (ICB)

Registered Address: BDBL Bhaban, 8, RAJUK Avenue, Dhaka 1000, Bangladesh

Asset Manager: IDLC Asset Management Limited

Registered Address: South Avenue Tower (5th Floor), Unit No. 502, House No. 50, Road No. 3, 7 Gulshan Avenue, Dhaka 1212

**1.2 Principal activities and nature of operation**

IDLC Balanced Fund is an Open end Mutual Fund which is a professionally managed portfolio of equity stocks and fixed income instruments. Investors buy units of the Fund and the Asset Manager pools that money to make investments on their behalf. An unit represents a portion of the fund's holdings.

The target group of investors comprises both Institute and Individual. Units of the Fund may be bought / surrendered through IDLC Asset Management Limited and authorized selling agents appointed by the Asset Manager from time to time and any other procedure as prescribed by the Asset Manager. Surrender of units is allowed only through IDLC AML or the selling agents from which the units are originally purchased.

**2 Objectives**

The objective of the IDLC Balanced Fund is to generate capital appreciation along with current income in the form of dividend from a combined portfolio of equity, debt and money market instruments.

**3. Basis of preparation**

**3.1 Statement of compliance**

These financial statements have been prepared under historical cost convention and in conformity with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund), Rules, 2001 and other applicable

### 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 currency and presentational currency

These financial statements are presented in Bangladeshi Taka, which is also the Fund's functional currency.

### 3.4 Closure of Accounting year of the Fund

These financial statements are prepared for the period from July 21, 2017 to June 30, 2018.

### 3.5 Components of financial statements

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

## 4 Significant accounting policies

### 4.1 Investment policy

The Fund shall invest subject to Bangladesh Securities and Exchange Commission (Mutual Fund), Rules, 2001 and only in those securities, deposits and investments approved by the Bangladesh Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development and Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regards.

The Fund shall not invest:

- (i) less than 60% (sixty percent) of the total assets in capital market instruments out of which at least 50% (fifty percent) shall be invested in listed securities.
- (ii) more than 25% (twenty five percent) of the total assets in shares, debentures or other securities in any one industry.
- (iii) more than 20% (twenty percent) of the total assets in shares, debentures or other securities of a single company or group.
- (iv) more than 15% (fifteen percent) of the total asset in Pre-IPOs at one time.
- (v) more than 15% (fifteen percent) of any company's total paid up capital.
- (vi) more than 10% (ten percent) of the total asset in any one particular company.

### 4.2 Valuation policy

As per section 58 of Bangladesh Securities and Exchange Commission (Mutual Fund), Rules, 2001, the fund shall fix the valuation method for the Scheme subject to the prior approval of the Commission. The investment valuation policy of the Fund will be as follows:

#### 4.2.1 Listed Securities

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on June 30, 2018.

### 4.3 Net asset value (NAV) calculation

The Fund intends to determine its NAV per unit on the last business day of each week by dividing the value of the net asset of the Fund (the value of total assets less total liabilities as per Rule 60 of the Bangladesh Securities and Exchange Commission (Mutual Fund), Rules, 2001 by the total number of outstanding units. The Fund will use the following formula to derive the NAV per unit:

Total NAV = VA - LT

NAV per unit = Total NAV / No. of units outstanding.

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + 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

#### 4.4 Revenue recognition

##### **Capital gains**

Capital gains/losses are recognized on being realized based on Average Costing method.

##### **Dividend income**

Dividend income is recognized on being declared by the investee-company based on the record date as the cut off date.

##### **Finance income**

Finance income comprises of interest income on fund kept at the bank accounts, FDR with Banks & NBFIs, etc.

#### 4.5 Preliminary and issue expenses

Preliminary and issue expenses represent expenditures incurred prior to the commencement of operations and establishment of the Fund. As per Rule 65 (3) of *Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001*, the expenses are being written off over a period of 7 (seven) years.

#### 4.6 Management fee

As per *Bangladesh Securities and Exchange Commission (Mutual Fund) Regulation, 2001*, the Asset Management Company shall be entitled to charge the Fund an annual management fee for Investment Management at the following rate:

- (i) @ 2.5% per annum of weekly average Net Asset Value (NAV) of the Fund up-to Tk. 50,000,000 (Taka five crore);
- (ii) @ 2.0% per annum for additional amount of the weekly average NAV of the Fund over Tk.50,000,000 (Taka five crore) but up to Tk. 250,000,000 (Taka twenty five crore);
- (iii) @ 1.5% per annum for additional amount of the weekly average NAV of the Fund over Tk. 250,000,000 (Taka twenty five crore) but up to Tk. 500,000,000 (Taka fifty crore);
- (iv) @ 1.0% per annum for additional amount of the weekly average NAV of the Fund over Tk. 500,000,000 (Taka fifty crore).

The management fee is calculated on every closing day of the week on that week's average NAV of the Fund and accumulated up to the date of the financial statements.

#### 4.7 Trustee fee

The Trustee shall be paid an annual Trusteeship fee of @ 0.15% of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis during the life of the Fund or as may be agreed upon between the parties.



#### 4.8 Custodian Fee

The Fund shall pay to the Custodian (i.e. ICB) a safe keeping fee @ 0.15% of balance securities (dematerialized and non-dematerialized) held by the Fund calculated on the basis of average month end value per annum. The fee for the Custodian services will be realized in semi-annually basis.

#### 4.9 Commission Payable to Selling Agent(s)

The Fund shall pay commission to the authorized selling agent(s) to be appointed by the Asset Manager at the rate of 0.45% - 1.00% on the total sale amount of unit sales, accruable on collection basis and payable at the end of the quarter. The Selling Agent Commission will be applicable for sales of unit; not on surrender of units. If individuals are appointed as selling agents by the Asset Manager, the commission payable to them will vary and fixed as per Bangladesh Securities and Exchange Commission (Mutual Fund) Regulation, 2001. The selling agent commission may change in future with prior approval from the Trustee.

#### 4.10 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.

In Finance Act, 2016, 5% Income tax at source was applied to any Mutual Fund from the interest accrued on savings deposits or fixed deposits or any term deposit maintained with any Schedule Bank including a co-operative Bank or any bank run on Islamic principles or non-banking financial institutions or any leasing company or any housing finance company.

#### 4.11 BSEC Registration Fees and Annual Fees

The Fund has paid Tk. 1,000,000 (Taka Ten lac) only to the Securities and Exchange Commission (SEC) as Registration Fee as per Rule - 10 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001. In addition to that the Fund will have to pay 0.10% of the fund size per annum as annual fee as per Rule - 11 of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001.

#### 4.12 Dividend policy

- (i) The Fund shall distribute minimum 70%, or as may be determined by the Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001 from time to time, of the annual net profit of the Fund as dividend at the end of each accounting year after making provision for bad and doubtful investments.
- (ii) The Fund may create a dividend equalization reserve by suitable appropriation from the income of the Scheme to ensure consistency in dividend disbursement for each year.
- (iii) Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the Auditor if market value of investments goes below the acquisition cost and the method of calculation of this provision will be incorporated in the notes of accounts.
- (iv) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (v) The Asset Management Company will dispatch the Dividend warrants, at the expense of the Fund, within 45 days from the declaration of such dividend and submit a statement within next 7 (seven) days to the Commission, Trustee and the Custodian.
- (vi) Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared.

- (vii) There will be a Cumulative Investment Plan (CIP) scheme in this Unit Fund. Under this scheme a unit holder instead of receiving dividend may reinvest such dividend income accrued for purchasing Unit at a rate determined by IDLC Asset Management Ltd. The unit holders may change their dividend preference in future as per their need.

#### 4.13 Provisions

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 BAS -37.

#### 4.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits when it has a short maturity of three months or less from the date of acquisition.

#### 4.15 Related party disclosure

As per Bangladesh Accounting Standard (BAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 20.

#### 4.16 Departure from BFRS and BAS

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 BAS 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 BAS 39.

#### 4.17 Statement of cash flows

Cash flows from operating activities have been presented under direct method according to BAS-7.

#### 4.18 Earnings per unit

Earnings per unit has been calculated in accordance with BAS-33 "Earnings per Share" and shown on the face of Profit or Loss & Other Comprehensive Income.

#### 4.19 General

- i) Figures appearing in these financial statements have been rounded off to nearest Taka.
- ii) This is the First year Financial statements for the Fund, therefore no comparisons data are applicable.

#### 4.20 Application of Bangladesh Accounting Standards (BASs):

The Financial Statements have been prepared in compliance with requirement of BASs and BFRSs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. IDLC Balanced Fund applied following BAS and BFRS:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	N/A
Revenue	18	Applied
Employee Benefits	19	N/A
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Financial Instruments: Presentation	32	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	N/A



**IDLC Balanced Fund**  
**Notes to the Financial Statements**  
**As at June 30, 2018**

	Notes	June 30, 2018
		Taka
<b>5. Preliminary and issue expenses</b>		
Opening Balance	(Note: 5.1)	8,589,191
Less: Amortized during the year		(1,159,793)
		<u>7,429,398</u>
<b>5.1 Preliminary and issue expenses</b>		
Formation Fee		5,000,000
Management Fee		3,200,000
Application & Registration Fees paid to BSEC		1,010,000
CDBL Fees		40,000
Trust Deed Registration Fees		160,870
Printing and Publication		852,559
Bank Charges		31,305
		10,294,733
Less: Interest income from Escrow Account		(1,705,542)
		<u>8,589,191</u>
<b>6. Investment in securities at cost price</b>		
Investment in listed securities	(Note: 6.1)	523,156,069
Investment in non - listed securities (Initial Public Offering)	(Note: 6.2)	2,683,870
		<u>525,839,939</u>
<b>6.1 Investment in listed securities</b>		
Bank		221,855,052
Engineering		89,899,242
Food & Allied		92,700,340
Fuel & Power		46,885,561
Mutual Fund		59,346,407
Pharmaceuticals		166,670
Telecommunication		12,234,367
Textile		68,430
		<u>523,156,069</u>
<i>Details are mentioned in Annexure A</i>		
<b>6.2 Investment in IPO*</b>		
SK Trimmings & Industries		483,870
VFS Thread & Dyeing Ltd		2,200,000
		<u>2,683,870</u>
<i>*This is application money for IPO investment under Mutual Fund quota</i>		
<b>7. Accounts Receivables</b>		
Dividend receivable	(Note: 7.1)	4,266,289
Interest Receivables	(Note: 7.2)	404,596
Accounts receivable - Sale of Securities		14,652,349
Other Receivable	(Note: 7.3)	138,976
		<u>19,462,209</u>
<b>7.1 Dividend receivables</b>		
The City Bank Limited		<u>4,266,289</u>



June 30, 2018

Taka

**7.2 Interest Receivables**

Interest Receivables - Fixed Deposits  
Interest Receivables - Bank Accounts

278,588  
126,008  
**404,596**

**7.3 Other Receivable**

This represents the excess amount of tax deducted at source from the accrued interest on the cash balances with Bank accounts.

**138,976**

**8. Prepayments**

Annual fee - BSEC  
Trustee fee

861,471  
95,092  
**956,563**

**9. Cash and cash equivalents**

Cash at bank  
Term deposits (FDR)

(Note: 9.1) 201,849,833  
(Note: 9.2) 92,149,579  
**293,999,412**

**9.1 Cash at bank**

Name of Bank	Account Name	Account No.	Type	
Southeast Bank Limited	IDLC Balanced Fund	0083-13500000001	SND	422,810
	IDLC Balanced Fund - Trading	0083-13500000003	SND	424,944
	IDLC Balanced Fund - Operations	0083-13500000004	SND	465,179
BRAC Bank Limited	IDLC Balanced Fund	1501203957267003	CA	7,870,997
	IDLC Balanced Fund - Trading	1501203957267001	CA	187,756,202
	IDLC Balanced Fund - Operations	1501203957267002	CA	4,255,451
Standard Chartered Bank	IDLC Balanced Fund	02-1308406-01	CA	654,250
				<b>201,849,833</b>

**9.2 Term deposits**

Name of Institution	Account No.	Term	Rate	
IDLC Finance Limited	10552236450739	3 Months	10.50%	7,247,146
	10552236450741	3 Months	10.50%	748,447
	10552236450740	3 Months	10.50%	748,447
	10552236450745	3 Months	10.50%	8,206,289
	10552236450743	3 Months	10.50%	8,522,840
	10552236450731	3 Months	10.75%	9,232,388
	10552236450732	3 Months	10.75%	9,232,388
	10552236450733	3 Months	10.75%	9,232,388
	10552236450734	3 Months	10.75%	9,232,388
	10552236450735	3 Months	10.75%	9,232,388
	10552236450736	3 Months	10.75%	9,232,388
	10552236450737	3 Months	10.75%	9,232,388
	10552236450738	3 Months	10.75%	2,049,697
				<b>92,149,579</b>

June 30, 2018

Taka

**10. Capital Fund**

Sponsor's Contribution	100,000,000
Fund collected in Initial Public Offering (IPO)	400,000,000
Issuance of New Units	289,843,870
	<b>789,843,870</b>

**11. Retained earnings**

Opening balance	-
Less: Dividend paid during the year	-
	-
Add: Profit during the year	20,963,423
	<b>20,963,423</b>

**12. Accounts payable**

Management fee	3,234,931
Custodian fee	395,889
Audit fee	34,500
CDBL fee	68,980
Payable to Investor	516,033
Sales Agent Commission	49,851
Publication & Other Operational Expense	67,909
	<b>4,368,093</b>

**13. Provision/(Write back of provision) for diminution in value of investments**

Opening Balance	-
Add: Provision / (Write Back of provision) during the year (listed securities)	17,392,454
Required provision against diminution in value of investments at the end of the period	<b>17,392,454</b>

As per Rule 67(1) of Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001, 55% of total diminution value in listed securities (BDT. 31,622,643) as of reporting date was kept as provision during the year.

**14. Net asset value (NAV) per unit at cost**

Total Asset at Cost Price	847,687,521
Less: Accounts payable	(4,368,093)
<b>Total net asset value at cost</b>	<b>843,319,428</b>
Number of units	78,984,387
NAV per unit at cost	<b>10.68</b>

**15. Net asset value (NAV) per unit at market price**

Total net asset value at cost	843,319,428
Less: Provision for erosion of value of securities	17,392,454
<b>Total net asset value at market price</b>	<b>825,926,975</b>
Number of units	78,984,387
NAV per unit at market price	<b>10.46</b>

If total diminution value in listed securities (BDT. 31,622,643) as of reporting date was kept as provision then the total Net Asset Value (NAV) per unit at market price would be 10.28.

July 21, 2017 -  
June 30, 2018

Taka

**16. Interest income**

Term Deposit (FDR)  
Cash at Bank (STD Account)

10,793,396  
8,046,611  
**18,840,006**

**17. Gain / (Loss) from Listed Securities**

AB Bank Limited  
Advanced Chemical Industries Limited  
Advent Pharma Ltd.  
Al-Arafah Islami Bank Limited  
BBS Cables Ltd.  
Bangladesh Submarine Cable Company Ltd.  
Beximco Pharmaceuticals Ltd.  
BRAC Bank Limited  
British American Tobacco Bangladesh Company Ltd.  
DBH First Mutual Fund  
Dutch-Bangla Bank Limited  
Eastern Bank Ltd.  
EXIM Bank  
Grameenphone Ltd.  
Green Delta Mutual Fund  
IDLC Finance Limited  
Investment Corporation of Bangladesh  
Ifad Autos Limited  
Intraco Refueling Station Limited  
LankaBangla Finance Limited  
Mercantile Bank Ltd.  
Nahee Aluminum Composite Panel Ltd.  
National Credit and Commerce Bank Ltd.  
Olympic Industries Ltd.  
ONE Bank Ltd.  
OIMEX Electrode Ltd.  
Queen South Textile Mills Ltd.  
Singer Bangladesh Ltd.  
Square Pharmaceuticals Ltd.  
The City Bank Ltd.  
Western Marine Shipyard Limited

(132,632)  
855,114  
640,316  
644,319  
(10,766,768)  
(2,612,291)  
(3,822,249)  
4,670,331  
110,281  
172,203  
(266,035)  
2,215,094  
-317,355  
6,954,244  
-262,728  
-1,437,081  
-1,007,607  
7,737,097  
939,815  
1,807,501  
391,654  
2,093,243  
-371,422  
79,950  
494,118  
3,087,457  
539,153  
-1,297,726  
7,607,196  
11,828,484  
3,425,830  
**33,999,504**

**18. Dividend income**

Grameenphone Limited  
Bangladesh Submarine Cable Company Ltd.  
Square Pharmaceuticals Ltd.  
Advanced Chemical Industries Limited  
Olympic Industries Ltd.  
Nahee Aluminum Composite Panel Ltd.  
OIMEX Electrode Ltd. (fractional share)  
The City Bank Ltd.

3,794,500  
180,000  
973,000  
596,000  
139,500  
14,462  
50  
4,266,289  
**9,963,800**

**19. Earnings per unit**

Net income for the year (A)	20,963,423
Outstanding number of units (B)	78,984,387
Earnings per unit (A÷B)	<u>0.2654</u>

**20. Related party transaction**

Relationship	Name of the related party	Nature of transaction	Closing balance as on 30.06.2018
Sponsor of the Fund	IDLC Finance Limited	Fixed Term Deposits	92,149,579
Trustee of the Fund	Investment Corporation of Bangladesh	Trustee Fees	1,472,457
Custodian of the Fund	Investment Corporation of Bangladesh	Custodian Fees	569,517
Asset Manager	IDLC Asset Management Limited	Management Fees	8,794,180
		Sales agent commission	1,066,721

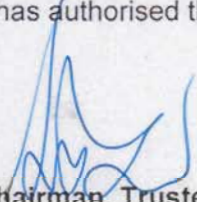
**21. Events after the reporting period**

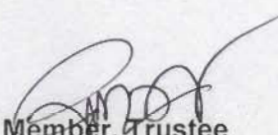
The Board of Trustees of the Fund has approved dividend at the rate of Tk. 0.25 Per unit i.e. 2.50% for the year ended June 30, 2018 at the meeting held on July 22, 2018.


**22. Date of authorisation**

The Trustee Board has authorised these financial statements for issue on July 22, 2018.

July 22, 2018  
Dated, Dhaka

  
**Chairman, Trustee**  
 Investment Corporation of  
 Bangladesh

  
**Member, Trustee**  
 Investment Corporation of  
 Bangladesh

  
**Asset Manager**  
 IDLC Asset  
 Management Limited



**IDLC Balanced Fund**  
**Details of Investment in Listed Securities**  
**As at June 30, 2018**

Sl.	Sector	Name of the Company	No. of Share	Avg. Cost	Total Cost	Market Value	Total Market Value	% of Total Assets	Unrealized Gain/ (Loss)
									(Amount in Taka)
1	Bank	BRAC Bank Limited	1,115,450	73.26	81,716,027	71.20	79,420,040	9.64%	(2,295,987)
2		The City Bank Limited	2,367,823	35.69	84,504,943	33.60	79,558,853	9.97%	(4,946,090)
7		Dhaka Bank Limited	2,742,669	20.28	55,634,083	14.20	38,945,900	6.56%	(16,688,183)
					<b>221,855,052</b>		<b>197,924,793</b>		<b>(23,930,260)</b>
1	Engineering	IFAD Autos Limited	710,000	126.62	89,899,242	110.60	78,526,000	10.61%	(11,373,242)
					<b>89,899,242</b>		<b>78,526,000</b>		<b>(11,373,242)</b>
1	Food & Allied	British American Tobacco Bangladesh Company Ltd.	23,162	3,416.23	79,126,640	3,456.70	80,064,085	9.33%	937,445
2		Olympic Industries Ltd.	49,025	276.87	13,573,700	224.40	11,001,210	1.60%	(2,572,490)
					<b>92,700,340</b>		<b>91,065,295</b>		<b>(1,635,045)</b>
1	Fuel & Power	Intraco Refueling Station Limited	26,316	10.00	263,160	44.10	1,160,536	0.03%	897,376
2		Summit Power Limited	1,245,038	37.45	46,622,401	37.90	47,186,940	5.50%	564,539
					<b>46,885,561</b>		<b>48,347,476</b>		<b>1,461,915</b>
1	Mutual Funds	Grameen Mutual Fund Scheme 2	3,647,249	16.27	59,346,407	17.10	62,367,958	7.00%	3,021,551
					<b>59,346,407</b>		<b>62,367,958</b>		<b>3,021,551</b>
1	Pharmaceuticals	Advent Pharma Ltd.	16,667	10.00	166,670	34.20	570,011	0.02%	403,341
					<b>166,670</b>		<b>570,011</b>		<b>403,341</b>
1	Telecom	Grameenphone Ltd.	31,642	386.65	12,234,367	388.90	12,305,574	1.44%	71,207
					<b>12,234,367</b>		<b>12,305,574</b>		<b>71,207</b>
1	Textile	Queen South Textile Mills Ltd.	6,843	10.00	68,430	62.30	426,319	0.01%	357,889
					<b>68,430</b>		<b>426,319</b>		<b>357,889</b>
	<b>Grand Total</b>				<b>523,156,069</b>		<b>491,533,426</b>	<b>61.72%</b>	<b>(31,622,643)</b>

