



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To The Trustee of IDLC Balanced Fund

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of IDLC Balanced Fund, which comprise the Statement of Financial Position as at June 30, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the fund as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (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 both the Fund and Asset Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules), 2001 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Report on other Legal and Regulatory Requirements:

In accordance with the Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Fund so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income of the Fund dealt with by the report are in agreement with the books of account and returns; and
- d) The investment was made both as per Rule 56 and Fifth (5th) Schedule of Bangladesh Securities and Exchange Commission Mutual Fund Bidhimala (Rules), 2001.

Dated, Dhaka
July 16, 2020



Malek Siddiqui Wali
Chartered Accountants

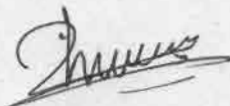
IDLC Balanced Fund
Statement of Financial Position
As at June 30, 2020

Particulars	Notes	As at June 30, 2020 Taka	As at June 30, 2019 Taka
ASSETS			
Non-Current Asset			
Preliminary and issue expenses	5.00	4,971,982	6,202,371
		<u>4,971,982</u>	<u>6,202,371</u>
Current Asset			
Investment in securities at market price*	6.00	326,658,495	485,409,129
Accounts Receivables	7.00	3,648,730	1,381,251
Advance and Prepayments	8.00	618,831	771,873
Cash and cash equivalents	9.00	268,160,555	303,858,287
		<u>599,086,611</u>	<u>791,420,540</u>
Total Assets		<u>604,058,593</u>	<u>797,622,911</u>
OWNERS' EQUITY			
Capital Fund	10.00	674,059,330	734,204,550
Unit Premium Reserves		2,249,839	-
Investor's Balances		1,383	6,015
Retained earnings	11.00	(76,206,441)	54,538,782
Total Equity		<u>600,104,111</u>	<u>788,749,347</u>
LIABILITIES			
Non-Current Liabilities			
		-	-
Current Liabilities			
Accounts payable	12.00	3,954,482	8,873,564
		<u>3,954,482</u>	<u>8,873,564</u>
Total Liabilities		<u>3,954,482</u>	<u>8,873,564</u>
Total Equity and Liabilities		<u>604,058,593</u>	<u>797,622,911</u>
Net asset value (NAV) per unit:			
At cost	14.00	<u>9.76</u>	<u>10.80</u>
At market price	15.00	<u>8.90</u>	<u>10.74</u>

* The investment in securities was presented historically at cost in asset section and related provision for unrealized loss shown as liability. During the year, these investment are shown at market value (net off provision for unrealized loss). The comparative information has also been rearranged in this respect.

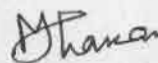
The annexed notes from 1 to 24 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 16, 2020 and were signed on its behalf by:



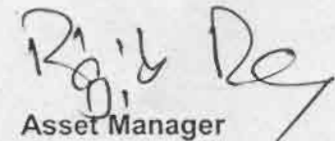
Chairman, Trustee

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.

Dated, Dhaka
July 16, 2020

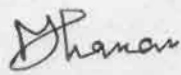
IDLC Balanced Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on June 30, 2020

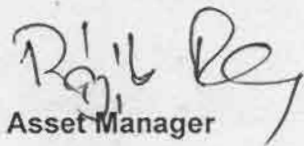
Particulars	Notes	July 01, 2019 - June 30, 2020	July 01, 2018 - June 30, 2019
		Taka	Taka
INCOME			
Interest income	16.00	26,581,479	17,191,295
Net gain on sale of securities	17.00	(47,915,077)	18,900,123
Dividend income	18.00	12,767,917	17,028,478
Total Income		(8,565,681)	53,119,896
EXPENDITURE			
Management fee		10,570,369	11,820,047
Brokerage Commission		1,309,475	6,736,621
Amortization of preliminary and issue expenses	5.00	1,230,389	1,227,027
Trustee fee		1,131,499	1,345,488
Custodian fee		882,280	945,790
BSEC annual fee		652,231	775,367
Tax deducted at source		579,129	776,888
Publication and other expenses	19.00	559,751	579,111
Bank charges and excise duty		266,140	190,318
Sales Agent Commission		95,410	60,403
CDBL - Settlement and Demat charges		84,061	429,025
Audit fee		34,500	34,500
Total Expenditure		17,395,234	24,920,584
Income before provision for the year		(25,960,914)	28,199,312
Write back of Provision/(Provision) for diminution in value of investments	13.00	(53,389,990)	13,285,958
Net income for the year		(79,350,905)	41,485,270
Earnings per unit during the year	20.00	(1.18)	0.57

The annexed notes from 1 to 24 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 16, 2020 and were signed on its behalf by:



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

Dated, Dhaka
July 16, 2020


Mateen Siddiqui Wali
Chartered Accountants

IDLC Balanced Fund
Statement of Changes in Equity
For the year ended on June 30, 2020

Particulars	Amount in Taka				
	Capital Fund	Unit Premium	Investor's Balances	Retained Earnings	Total Equity
Opening Balance	734,204,550	-	6,015	54,538,782	788,749,347
Sponsor's Contribution	-	-	-	-	-
Fund Collected/ (redeemed) during the period, net	(60,145,220)	2,249,839	-	-	(57,895,381)
Investor's Balances	-	-	(4,632)	-	(4,632)
Net income during the year	-	-	-	(79,350,905)	(79,350,905)
Dividend paid during the year	-	-	-	(51,394,319)	(51,394,319)
Balance as at June 30, 2020	674,059,330	2,249,839	1,383	(76,206,441)	600,104,111

Statement of Changes in Equity
For the year ended on June 30, 2019


Particulars	Amount in Taka				
	Capital Fund	Unit Premium	Investor's Balances	Retained Earnings	Total Equity
Opening Balance	789,843,870	15,119,682	-	20,963,423	825,926,975
Sponsor's Contribution	-	-	-	-	-
Fund Collected/ (redeemed)	(55,639,320)	(2,106,819)	-	(1,176,677)	(58,922,816)
Investor's Balances	-	-	6,015	-	6,015
Net income during the year	-	-	-	41,485,270	41,485,270
Dividend paid during the year	-	(13,012,863)	-	(6,733,234)	(19,746,097)
Balance as at June 30, 2019	734,204,550	-	6,015	54,538,782	788,749,347

The annexed notes from 1 to 24 form an integral part of these Financial Statements.

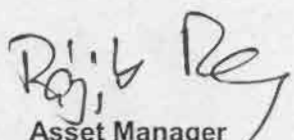
The financial statements were approved by the Board of trustees on July 16, 2020 and were signed on its behalf by:


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.

Dated, Dhaka
July 16, 2020



Malek Siddiqui Wali
Chartered Accountants

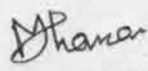
IDLC Balanced Fund
Statement of Cash Flows
For the year ended on June 30, 2020

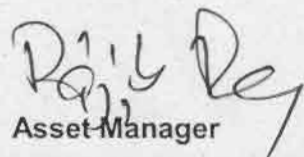
Particulars	For the year ended on June 30, 2020 Taka	For the year ended on June 30, 2019 Taka
A. Cash flows from/(used in) operating activities		
Investment in marketable securities	(268,395,896)	(1,655,027,882)
Investment in IPO shares	(60,500,000)	(3,030,120)
Proceeds from sell of marketable securities	386,341,462	1,727,964,151
Interest income realized in cash	24,172,639	16,356,001
Dividend income received in cash	12,767,917	21,294,767
Advance and Prepayments	(1,630,689)	(1,936,164)
Account Payables	-	1,500
Payment made for expenses	(14,225,618)	(22,249,365)
Net cash used in operating activities	78,529,815	83,372,887
B. Cash Flows from investing activities	-	-
C. Cash flows from financing activities		
Redemption of Unit Capital, net	(76,300,380)	(61,755,510)
Unit Premium Reserves, net	2,540,632	(3,130,591)
(Payable settled with)/Payable to Investors	(4,940,802)	5,142,606
Investor's Fund	1,383	6,015
Dividend paid for the period	(35,528,381)	(13,776,532)
Net cash flow from financing activities	(114,227,548)	(73,514,012)
D. Net cash flows (A+B+C)	(35,697,733)	9,858,875
E. Cash and cash equivalents at the beginning of the year	303,858,287	293,999,412
F. Cash & cash equivalents at the end of the year	268,160,554	303,858,287
Net Operating Cash flow per unit for the year	1.17	1.14

The annexed notes from 1 to 24 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 16, 2020 and were signed on its behalf by:



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

Dated, Dhaka
July 16, 2020


Malek Siddiqui Wali
Chartered Accountants

IDLC Balanced Fund

Notes to the Financial Statements

As at and for the year ended on June 30, 2020

1.00 Introduction of the Fund and its activities

1.01 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: Symphony (Level – 04), Plot # SE (F): 9, Road # 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka 1212.

1.02 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.

2.00 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.

3.00 Basis of preparation

3.01 Statement of compliance

These financial statements have been prepared in conformity with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

3.02 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.

3.03 Functional currency and presentational currency

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

3.04 Closure of Accounting year of the Fund

These financial statements are prepared for the period from July 01, 2019 to June 30,

3.05 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

4.00 **Significant accounting policies**

4.01 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.

4.02 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:

4.02.01 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, 2020.

4.03 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

4.04 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 and accounted for in the financial statements under accrual basis accounting system.

4.05 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.

4.06 Management fee

As per *Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001*, the Asset Management Company shall be entitled to charge the Fund a 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 the NAV of the Fund and paid at the end of each quarter.

4.07 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.

4.08 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.

4.09 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) Rules, 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. 10,00,000 (Taka Ten lac) only to the Bangladesh 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 IAS -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 Unit premium reserves

The general investors invest in IDLC Balanced Fund by purchasing Fund's units through the Asset Manager or its approved selling agents. Investors buy or sale units of the Fund at the purchase price or surrender price, NAV/unit, published weekly at daily newspaper and Asset Manager's website. If the purchase price is greater than the face value, i.e. Tk. 10/unit, the investors are buying the units at premium and the Fund creates unit premium reserves from selling the units more than the face value. Similarly when investors redeem or sale their units at surrender rate which is more than the face value, they realized a portion of unit premium reserves and Fund's performance as well.

4.16 Departure from IFRS and IAS

a. The Fund has written off Preliminary and issue expenses over a period of 07 (seven) years on a straight-line method according to Rule-65(3) Ka of *Bangladesh 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".

4.17 Statement of cash flows

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

4.18 Earnings per unit

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

4.19 Per unit key financial ratio

Key financial ratios on per unit basis are disclosed in Annexure - C under Rule - 69 of *Bangladesh Securities & Exchange Commission (Mutual Fund) Rules, 2001*.

4.20 General

Figures appearing in these financial statements have been rounded off to nearest Taka.

4.21 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of IASs and IFRSs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. IDLC Balanced Fund applied following IAS and IFRS:

Name of the IAS	IAS/IFRS No.	Status
Presentation of Financial Statements	1	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Not Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	N/A
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	Not applied
Investment Property	40	N/A
Agriculture	41	N/A
Financial Instruments: Recognition and Measurement	IFRS-9	Applied

		As at June 30, 2020	As at June 30, 2019
	Notes	Taka	Taka
5.00 Preliminary and issue expenses			
Opening Balance	(Note: 5.1)	6,202,371	7,429,398
Less: Amortized during the year		(1,230,389)	(1,227,027)
		<u>4,971,982</u>	<u>6,202,371</u>
5.01 Preliminary and issue expenses			
Formation Fees		5,000,000	5,000,000
Management Fees		3,200,000	3,200,000
Application & Registration Fees paid to BSEC		1,010,000	1,010,000
CDBL Fees		40,000	40,000
Trust Deed Registration Fees		160,870	160,870
Printing and Publication		852,559	852,559
Bank Charges		31,305	31,305
		<u>10,294,733</u>	<u>10,294,733</u>
Less: Interest income from Escrow Account		(1,705,542)	(1,705,542)
		<u>8,589,191</u>	<u>8,589,191</u>
Less: Amortized balance		(2,386,820)	(1,159,793)
Opening balance		<u>6,202,371</u>	<u>7,429,398</u>
6.00 Investment in securities at market price			
Investment in listed securities at cost	(Note: 6.01)	374,154,982	489,515,625
Investment in Initial Public Offering (IPO)	(Note: 6.02)	10,000,000	-
Investment at cost value		<u>384,154,982</u>	<u>489,515,625</u>
Less: Provision against unrealized loss in portfolio		(57,496,486)	(4,106,496)
Investment at market value		<u>326,658,495</u>	<u>485,409,129</u>
<i>Please see Annexure A for Details calculation.</i>			
6.01 Investment in listed securities			
Bank		-	95,504,018
Corporate Bond		59,074,613	-
Engineering		33,955,971	115,892,077
Food & Allied		24,042,338	-
Fuel & Power		61,067,987	39,215,080
Information Technology		-	1,572,800
Mutual Fund		48,216,384	25,413,196
Pharmaceuticals		62,039,636	126,726,153
Telecommunication		85,705,526	84,776,902
Textile		-	194,810
Travel & Leisure		52,526	220,590
		<u>374,154,982</u>	<u>489,515,625</u>
<i>Details are mentioned in Annexure A</i>			
6.02 Investment in IPO*			
Walton Hi-Tech Industries Limited		<u>10,000,000</u>	-
		<u>10,000,000</u>	-

*This is application money for IPO investment under Mutual Fund quota.

		As at June 30, 2020	As at June 30, 2019
	Notes	Taka	Taka
7.00 Accounts Receivables			
Accrued Interest	(Note: 7.1)	3,648,730	1,239,889
Other Receivable	(Note: 7.2)	-	141,362
		<u>3,648,730</u>	<u>1,381,251</u>
7.01 Accrued Interest			
Accrued Interest on Fixed Deposits		3,648,730	1,239,889
Accrued Interest on Bank Accounts		-	-
		<u>3,648,730</u>	<u>1,239,889</u>
7.02 Other Receivable			
		-	141,362
		<u>-</u>	<u>141,362</u>
This represents the excess amount of tax deducted at source from the accrued interest on the cash balances with Bank accounts.			
8.00 Advance and Prepayments			
Annual fee - BSEC		575,424	763,708
Trustee fee		43,407	8,165
		<u>618,831</u>	<u>771,873</u>
9.00 Cash and cash equivalents			
Cash at bank	(Note: 9.01)	41,561,256	135,382,037
Term Deposits (FDR)	(Note: 9.02)	226,599,299	168,476,250
		<u>268,160,555</u>	<u>303,858,287</u>

9.01 Cash at bank

Name of Bank	Account Name	Account No.	Type		
Southeast Bank Limited	IDLC Balanced	13500000001	SND	14,689	1,018,137
	IDLC Balanced Fund - Trading	13500000003	SND	7,490	487,559
	IDLC Balanced Fund - Operations	13500000004	SND	27,209	17,786
BRAC Bank Limited	IDLC Balanced Fund	1203957267003	CA	5,421,924	13,447,995
	IDLC Balanced Fund - Trading	1203957267001	CA	26,434,460	2,832,385
	IDLC Balanced Fund - Operations	1203957267002	CA	2,046,436	6,512,323
ONE Bank Ltd.	IDLC Balanced Fund - Trading	0013000002076	SND	2,190,052	109,453,866
Standard Chartered Bank	IDLC Balanced Fund	02-1308406-01	CA	5,418,996	1,611,987
				<u>41,561,256</u>	<u>135,382,037</u>

As at June 30, 2020 As at June 30, 2019

Notes Taka Taka

9.02 Term Deposits

Name of Institutio	Term	Account No.		
IDLC Finance Limited	3 Months	10552236450758	40,752,611	-
	3 Months	10552236450759	45,846,688	-
	3 Months	10552236450760	45,000,000	-
	3 Months	10552236450761	7,500,000	-
	3 Months	10552236450762	7,500,000	-
	3 Months	10552236450763	47,000,000	-
	3 Months	10552236450769	8,250,000	-
	3 Months	10552236450770	8,250,000	-
	3 Months	10552236450771	8,250,000	-
	3 Months	10552236450772	8,250,000	-
IPDC Finance Limited	3 Months	04941	-	8,353,750
	3 Months	04942	-	8,353,750
	3 Months	04943	-	8,353,750
	3 Months	04944	-	8,353,750
	3 Months	04945	-	8,353,750
	3 Months	04946	-	8,353,750
	3 Months	04947	-	8,353,750
United Finance Ltd	3 Months	0667648615	-	110,000,000
			226,599,299	168,476,250

10.00 Capital Fund

Opening Balance	734,204,550	789,843,870
Units subscribed by the General investors during the period	58,013,340	37,721,470
Units redeemed by the General investors during the period	(118,158,560)	(93,360,790)
	674,059,330	734,204,550

10.01 Capital Allotment

Allotment Year	Basis of allotment	No. of unit	Face value per share	Amount in Taka
2017 - 2018	Sponsor's Contribution	10,000,000	10	100,000,000
2017 - 2018	General Investors	68,984,387	10	689,843,870
2018 - 2019	General Investors	(5,563,932)	10	(55,639,320)
2019 - 2020	General Investors	(6,014,522)	10	(60,145,220)
Total		67,405,933		674,059,330

(All transactions are held through Banking Channel)

	As at June 30, 2020	As at June 30, 2019
Notes	Taka	Taka
11.00 Retained earnings		
Opening balance	54,538,782	20,963,423
Less: Dividend paid during the year	(51,394,319)	(6,733,234)
	3,144,463	14,230,189
Add: Profit during the year	(79,350,905)	41,485,270
	(76,206,441)	55,715,459
Less: Units redeemed with realization of Fund's performance	-	(1,176,677)
	<u>(76,206,441)</u>	<u>54,538,782</u>
12.00 Accounts payable		
Management fee	2,476,933	2,876,416
Payable to Investor	723,852	5,658,639
Custodian fee	391,550	96,115
Provision for TDS on Fixed Deposits	182,437	133,307
Publication & Other Operational Expense	75,520	26,500
Sales Agent Commission	55,411	22,166
Audit fee	34,500	34,500
CDBL fee	6,431	19,642
Dividend unclaimed	7,850	6,280
	<u>3,954,482</u>	<u>8,873,564</u>
13.00 Provision/(Write back of provision) for diminution in value of investments		
Required provision against diminution in value of investments at the end of the period	57,496,486	4,106,496
Less: Opening balance for the period	(4,106,496)	(17,392,454)
Provision required/(write back) for the period in Profit or Loss statement	<u>53,389,990</u>	<u>(13,285,958)</u>
<i>Please see Annexure A and Annexure B for Details calculation.</i>		
14.00 Net asset value (NAV) per unit at cost		
Total Asset at Market Price	604,058,593	797,622,911
Less: Provision against Unrealized gain/(loss) in portfolio	(57,496,486)	(4,106,496)
Total net asset value at cost	661,555,079	801,729,407
Less: Accounts payable	(3,954,482)	(8,873,564)
Total net asset value at cost	<u>657,600,597</u>	<u>792,855,843</u>
Number of units	67,405,933	73,420,455
NAV per unit at cost	<u>9.76</u>	<u>10.80</u>
15.00 Net asset value (NAV) per unit at market price		
Total Asset at Market Price	604,058,593	797,622,911
Less: Accounts payable	(3,954,482)	(8,873,564)
Total net asset value at market price	<u>600,104,111</u>	<u>788,749,347</u>
Number of units	67,405,933	73,420,455
NAV per unit at market price	<u>8.90</u>	<u>10.74</u>

	July 01, 2019 - June 30, 2020	July 01, 2018 - June 30, 2019
Notes	Taka	Taka
16.00 Interest income		
Term Deposit (FDR)	19,516,212	8,418,051
Cash at Bank (STD Account)	7,065,267	8,773,244
	<u>26,581,479</u>	<u>17,191,295</u>
17.00 Gain / (Loss) from Listed Securities		
Active Fine Chemicals Limited	-	(2,729,549)
ADN Telecom Limited	530,766	-
Advent Pharma Limited	-	416,414
Ashuganj Power Station Co. Ltd's non convertible Bond	61,906	-
Asian Tiger Sandhani Life Growth Fund	5,834,425	-
Aman Feed Limited	-	540,023
Bank Asia Limited	-	(108,438)
BBS Cables Limited	-	3,383,738
Beximco Pharmaceuticals Limited	(2,427,745)	1,550,031
BRAC Bank Limited	(2,619,447)	10,253,792
British American Tobacco bangladesh Co. Limited	-	17,015,008
Coppertech Industries Limited	441,605	-
Dhaka Bank Limited	(6,521,465)	(10,718,470)
Delta Life Insurance Co. Limited	-	(107,405)
Dutch-Bangla Bank Limited	-	121,781
Genex Infosys Limited	312,709	791,094
Grameenphone Limited	(1,022,576)	2,422,834
Grameen One : Scheme Two	-	(6,493,020)
Green Delta Mutual Fund	44,551	-
Ifad Autos Limited	(18,070,450)	(6,709,516)
Indo Bangla Pharmaceuticals Limited	-	756,654
Intraco Refueling Station Limited	-	555,381
IPDC Finance Limited	-	(2,954,136)
Kattali Textiles Limited	-	707,245
Khulna Power Company Limited	-	2,074,474
LankaBangla Finance Limited	-	(1,634,233)
M.L. Dyeing Limited	-	723,686
Mercantile Bank Limited	-	(3,818,562)
Nahee Aluminum Composite Panel Limited	-	6,502,398
New Line Clothings Ltd.	121,938	204,320
Olympic Industries Limited	-	(3,214,370)
Prime Bank Limited	-	(5,161,892)
Queen South Textile Mills Limited	-	277,153
Renata Limited	491,220	-
Seapearl Beach Resort & Spa Limited	434,579	-
Shepherd Industries Limited	-	422,030
Silco Pharmaceuticals Limited	335,984	289,717
Silva Pharmaceuticals Limited	-	878,428
Singer Bangladesh Limited	1,063,917	10,024,591

	July 01, 2019 - June 30, 2020	July 01, 2018 - June 30, 2019
Notes	Taka	Taka
SK Trims Industries Limited	-	1,503,445
Square Pharmaceuticals Limited	(13,966,723)	(2,061,730)
S. S. Steel Limited	132,925	832,420
Summit Power Limited	(424,330)	4,913,822
The City Bank Limited	(12,668,867)	(5,133,911)
Unique Hotel & Resorts Limited	-	(347,056)
United Power Generation and Distribution Co. Limited	-	8,721,187
VFS Thread Dyeing Limited	-	1,166,386
Western Marine Shipyard Limited	-	(6,955,642)
	(47,915,077)	18,900,123
18.00 Dividend income		
Beximco Pharmaceuticals Limited	757,500	305,039
British American Tobacco Bangladesh Co. Limited	948,120	-
Coppertech Industries Limited	8,339	-
DBH First Mutual Fund	613,984	-
Dhaka Bank Limited	-	615,000
Grameen Scheme 2	-	2,525,621
Grameenphone Limited	2,854,374	2,333,025
Green Delta Mutual Fund	417,082	-
IFAD Autos	-	1,337,724
Intraco Refueling Station Limited	-	6,605
IPDC Finance Limited	-	451,300
Kattali Textile Limited	-	20
New Line Clothings Limited	5,855	-
Prime Bank Limited	-	3,631,834
Renata Limited	545,694	-
Seapearl Beach Resort & Spa Ltd. (fractional share)	22	-
Silco Pharmaceuticals Limited	3,798	10
Singer Bangladesh Limited	1,463,000	137
SK Trims & Industries Limited	-	2,455
Square Pharmaceuticals Limited	1,173,900	-
Summit Power Limited	3,976,250	5,415,000
The City Bank Limited (fractional share)	-	24
Unique Hotel & Resorts Limited	-	394,790
VFS Thread Dyeing Limited	-	9,895
	12,767,917	17,028,478
19.00 Publication and other expenses		
Printing and publication expenses	414,556	361,634
CDBL Annual maintenance fees	52,900	52,900
Other operational expenses	82,495	127,778
BO account maintenance fees	1,800	1,800
IPO subscription fees	8,000	35,000
	559,751	579,111

	July 01, 2019 - June 30, 2020	July 01, 2018 - June 30, 2019
Notes	Taka	Taka
20.00 Earnings per unit		
Net income for the year (A)	(79,350,905)	41,485,270
Outstanding number of units (B)	67,405,933	73,420,455
Earnings per unit (A÷B)	<u>(1.18)</u>	<u>0.5650</u>

The Earnings per unit decreases from previous year mainly due to provision for erosion of value of securities.

21.00 Net Operating Cash flow per share

Net Operating cash flow for the year (A)	78,529,815	83,372,887
Outstanding number of units (B)	67,405,933	73,420,455
Net Operating Cash flow per share (A÷B)	<u>1.17</u>	<u>1.14</u>

22.00 Reconciliation between net profit to operating cash flow

Net Profit before wrote back of provision/(provision)	(25,960,914)	28,199,312
Amortization charged	1,230,389	1,227,027
Operating cash flow before changes in working capital	(24,730,525)	29,426,339

Changes in Working capital:

Decrease/(Increase) of investment	105,360,643	40,430,809
Decrease/(Increase) of prepayments	153,042	184,690
Decrease/(Increase) of accounts receivables	(2,267,479)	18,080,958
(Decrease)/Increase of account payables	(4,919,082)	4,505,471
Payment made for Preliminary expenses	-	-
	<u>98,327,124</u>	<u>63,201,929</u>

Less: Non-operating items

Increase of payables to investors	(4,934,786)	(5,142,606)
Increase of Dividend unclaimed balances	1,570	(6,280)
	<u>4,933,216</u>	<u>5,148,886</u>

Net operating cash flows

	<u>78,529,815</u>	<u>97,777,154</u>
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23.00 Events after the reporting period

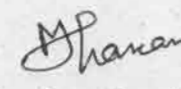
The Board of Trustees of the Fund has approved no dividend for the period ended on June 30, 2020 at the meeting held on July 16, 2020.

24.00 Date of authorisation

The Trustee Board has authorised these financial statements for issue on July 16, 2020.

Dated, Dhaka
July 16, 2020


Chairman, Trustee
Investment
Corporation of
Bangladesh


Member, Trustee
Investment
Corporation of
Bangladesh


Asset Manager
IDLC Asset Management Limited

Annexure A

IDLC Balanced Fund
Details of investment in Listed Securities
 As at June 30, 2020

(Amount in Taka)

A. Investment in Listed Securities:									
Sl.	Sector	Name of the Company	No. of Share	Avg. Cost	Total Cost	Market Value	Total Market Value	% of Total Assets	Unrealized Gain/ (Loss)
1	Bond	Ashuganj Power Station Company Limited's non convertible Bond	11,869	4.977	59,074,613	5,051	59,950,319	9.92%	875,706
					59,074,613		59,950,319	9.92%	875,706
1	Engineering	Coppertech Industries Ltd.	5,953	9.52	56,696	20.70	123,227	0.02%	66,531
2		Singer Bangladesh Limited	190,000	178.42	33,899,274	147.00	27,930,000	4.62%	(5,969,274)
					33,955,971		28,053,227	4.64%	(5,902,744)
1	Food & Allied	British American Tobacco Bangladesh Company Ltd.	23,703	1,014.32	24,042,338	907.60	21,512,843	3.56%	(2,529,496)
					24,042,338		21,512,843	3.56%	(2,529,496)
1	Fuel & Power	Summit Power Limited	1,507,500	40.51	61,067,987	35.10	52,913,250	8.76%	(8,154,737)
					61,067,987		52,913,250	8.76%	(8,154,737)
1	Mutual Funds	DBH First Mutual Fund	1,966,937	8.30	16,332,892	6.90	13,571,865	2.25%	(2,761,027)
2		Green Delta Mutual Fund	4,009,057	7.95	31,893,493	6.50	26,058,936	4.31%	(5,824,557)
					48,216,384		39,630,801	6.56%	(8,585,584)
1	Pharmaceuticals	Beximco Pharmaceuticals Limited	223,460	79.29	17,718,160	69.20	15,463,432	2.56%	(2,254,728)
2		Renata Limited	28,505	1,088.09	31,015,917	1,026.20	29,251,831	4.84%	(1,764,086)
3		Square Pharmaceuticals Ltd.	54,000	246.40	13,305,560	172.50	9,315,000	1.54%	(3,990,560)
					62,039,636		54,030,263	8.94%	(8,009,373)
1	Telecom	Grameenphone Ltd.	231,000	371.02	85,705,526	238.80	55,162,800	9.13%	(30,542,726)
					85,705,526		55,162,800	9.13%	(30,542,726)
1	Travel & Leisure	Seapearl Beach Resort & Spa Ltd.	5,515	9.52	52,526	79.10	436,237	0.07%	383,710
					52,526		436,237	0.07%	383,710
Sub-Total					374,154,982		311,689,739	51.60%	(62,465,243)
B. Investment in Initial Public Offering (IPO)					10,000,000		10,000,000	1.7%	-
Walton Hi-Tech Industries Limited					384,154,982		321,689,739	53.25%	(62,465,243)
Grand Total					384,154,982		321,689,739		(57,496,486)
Add: Revaluation of Provision for Listed Mutual Funds at 85% of NAV					-		-		4,968,756

IDLC Balanced Fund
Revaluation of Listed Mutual Funds
As at June 30, 2020

		(Amount in Taka)						
SI #	Name of Mutual Funds	No. of Unit	Cost Price (Tk.)	Market Price (Tk.)	Unrealized Loss (based on Market Price)	Last 85% NAV (Tk./share)	Unrealized Loss (based on NAV)	Unrealized Loss Recovery
01.	DBH First Mutual Fund	1,966,937	8.30	6.90	(2,761,027)	7.45	(1,687,079)	1,073,948
02.	Green Delta Mutual Fund	4,009,067	7.95	6.50	(5,824,557)	7.47	(1,929,748)	3,894,809
Total					(8,585,584)		(3,616,827)	4,968,756

Note: As aligned with the Directive provided by Bangladesh Securities and Exchange Commission (BSEC) vide Ref. no. SEC/CMRRCD/2009-193/172, dated - June 30, 2015, we have quoted the NAV per share of DBH First Mutual Fund as Tk. 8.76 & Green Delta Mutual Fund as Tk. 8.79 as published on June 25, 2020 in the Asset Manager's (LR Global Bangladesh Limited) official website.

IDLC Balanced Fund

Disclosure under Rule - 69 of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001

Particular	June 30, 2020	June 30, 2019	June 30, 2018
(a) Net Asset Value per unit at Cost	9.76	10.80	10.68
(b) Net Asset Value per unit at Market	8.90	10.74	10.46
(c) Per unit income other than investment	0.394	0.234	0.239
(d) Per unit income from Capital gain/(loss) & Dividend Income	(0.521)	0.489	0.557
(e) Per Unit Expense	0.258	0.339	0.310
(f) Per unit provision for diminution value of Investment	0.792	0.056	0.220
(g) Per unit net income / (loss)	(1.177)	0.565	0.265
(h) Highest Purchase / Surrender Price per unit during the year	9.98	10.92	11.55
(i) Lowest Purchase / Surrender Price per unit during the year	8.78	9.72	10.05
(j) Highest Price - earning ratio during the year		93.60	215.44
(k) Lowest Price - earning ratio during the year		52.55	46.80