



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 Growth Fund
Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of IDLC Growth 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 20, 2020



Malek Siddiqui Wali
Chartered Accountants

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

Particulars	Notes	June 30, 2020	June 30, 2019
		Taka	Taka
ASSETS			
Non-Current Asset			
Preliminary and issue expenses	5.00	4,866,238	5,876,472
		<u>4,866,238</u>	<u>5,876,472</u>
Current Asset			
Investment in securities at market price	6.00	155,303,775	199,953,006
Accounts Receivables	7.00	1,828,749	14,006,544
Advance and Prepayments	8.00	498,440	557,125
Cash and cash equivalents	9.00	137,112,480	106,656,869
		<u>294,743,444</u>	<u>321,173,544</u>
Total Assets		<u>299,609,682</u>	<u>327,050,016</u>
OWNERS' EQUITY			
Capital Fund	10.00	335,037,170	303,163,660
Investors' Available Balance	11.00	1,486	1,087
Retained earnings	12.00	(37,482,532)	22,091,581
Total Equity		<u>297,556,124</u>	<u>325,256,328</u>
LIABILITIES			
Non-Current Liabilities			
		-	-
Current Liabilities			
Accounts payable	13.00	2,053,558	1,793,688
		<u>2,053,558</u>	<u>1,793,688</u>
Total Liabilities		<u>2,053,558</u>	<u>1,793,688</u>
Total Equity and Liabilities		<u>299,609,682</u>	<u>327,050,016</u>
Net asset value (NAV) per unit:			
At cost	15.00	<u>9.65</u>	<u>10.73</u>
At market price	16.00	<u>8.88</u>	<u>10.73</u>

The annexed notes from 1 to 25 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 20, 2020 and were signed on its behalf by:



Trustee
Bangladesh General Insurance Co. Ltd.



Asset Manager
IDLC Asset Management Limited

Signed in terms of our report of even date annexed

Dated, Dhaka
July 20, 2020


Malek Syediqui Wali
Chartered Accountants

IDLC Growth 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	May 07, 2018 - June 30, 2019
		Taka	Taka
INCOME			
Interest income	17.00	11,572,859	12,162,963
Net gain/(loss) on sale of securities	18.00	(17,825,152)	18,559,462
Dividend income	19.00	5,598,765	7,382,370
Total Income		(653,527)	38,104,795
EXPENDITURE			
Management fee		5,903,589	7,246,897
Amortization of preliminary and issue expenses	5.00	1,010,234	1,175,846
Brokerage Commission		553,144	3,406,292
Trustee fee		505,940	632,064
Publication and other expenses	20.00	463,907	461,994
BSEC annual fee		293,339	353,018
Tax deducted at source		308,994	474,777
Custodian fee		213,210	321,935
Bank charges and excise duty		150,728	135,345
Sales Agent Commission		131,476	528,605
CDBL - Settlement and Demat charges		34,571	217,817
Audit fee		34,500	34,500
Total Expenditure		9,603,633	14,989,091
Income before provision for the year		(10,257,161)	23,115,704
Provision for diminution in value of investments	14.00	(25,543,596)	(119,961)
Net income for the year		(35,800,757)	22,995,743
Earnings per unit during the year	21.00	(1.069)	0.759

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The financial statements were approved by the Board of trustees on July 20, 2020 and were signed on its behalf by:


Trustee

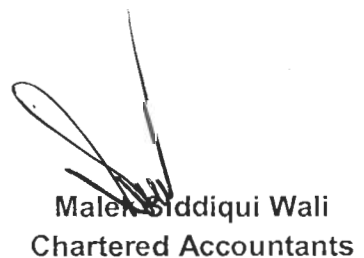
Bangladesh General Insurance Co. Ltd.


Asset Manager

IDLC Asset Management Limited

Signed in terms of our report of even date annexed

Dated, Dhaka
July 20, 2020


Maler Siddiqui Wali
Chartered Accountants

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

Particulars	Amount in Taka				
	Capital Fund	Unit Premium	Investors' Available Balance	Retained Earnings	Total Equity
Opening Balance	303,163,660	-	1,087	22,091,582	325,256,329
Sponsor's Contribution	-	-	-	-	-
Unit issue	23,415,960	169,151	-	(2,551,898)	21,033,213
Dividend converted into unit fund	8,288,399	-	-	(8,288,399)	-
Unit Premium converted into unit fund	169,151	(169,151)	-	-	-
Investors' Available Balance	-	-	399	-	399
Net income during the year	-	-	-	(35,800,757)	(35,800,757)
Cash Dividend during the year	-	-	-	(12,933,060)	(12,933,060)
Balance as at June 30, 2020	335,037,170	-	1,486	(37,482,532)	297,556,125

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

Particulars	Amount in Taka				
	Capital Fund	Unit - Premium	Investors' Available Balance	Retained Earnings	Total Equity
Opening Balance	-	-	-	-	-
Sponsor's Contribution	100,000,000	-	-	-	100,000,000
Unit Issue	277,091,570	1,249,817	-	-	278,341,387
Unit redemption	(73,927,910)	(1,249,817)	-	(904,162)	(76,081,888)
Investors' Available Balance	-	-	1,087	-	1,087
Net income during the year	-	-	-	22,995,743	22,995,743
Balance as at June 30, 2019	303,163,660	-	1,087	22,091,581	325,256,329

The annexed notes from 1 to 25 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 20, 2020 and were signed on its behalf by:



Trustee

Bangladesh General Insurance Co. Ltd.



Asset Manager

IDLC Asset Management Limited

Signed in terms of our report of even date annexed

Dated, Dhaka
July 20, 2020



Malek Siddiqui Wali
Chartered Accountants

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

Particulars	Notes	July 01, 2019 -	May 07, 2018 -
		June 30, 2020	June 30, 2019
		Taka	Taka
A. Cash flows from/(used in) operating activities			
Investment in marketable securities, net		(121,145,703)	(939,472,865)
Investment in IPO shares		(33,000,000)	(5,713,990)
Proceeds from sell of marketable securities		168,980,602	750,118,935
Interest income realized in cash		10,171,715	11,683,724
Dividend income received in cash		5,598,765	7,382,370
Advance, Deposit and Prepayments		(1,725,678)	(557,126)
Payment made for expenses		(6,524,642)	(19,044,766)
Net cash used in operating activities		22,355,059	(195,603,717)
B. Cash flows from investing activities		-	-
C. Cash flows from financing activities			
Unit Capital Issuance, net		20,864,067	303,095,988
Unit Premium Reserve		169,146	(836,489)
Investor's Fund		399	1,087
Dividend paid for the period		(12,933,060)	-
Net cash flow from financing activities		8,100,552	302,260,586
D. Net cash flows (A+B+C)		30,455,611	106,656,869
E. Cash and cash equivalents at the beginning of the year		106,656,869	-
F. Cash & cash equivalents at the end of the year (D+E)		137,112,480	106,656,869
Net Operating Cash flow per unit for the year	22	0.67	(6.45)

The annexed notes from 1 to 25 form an integral part of these Financial Statements.

The financial statements were approved by the Board of trustees on July 20, 2020 and were signed on its behalf by:



Trustee

Bangladesh General Insurance Co. Ltd.



Asset Manager

IDLC Asset Management Limited

Signed in terms of our report of even date annexed

Dated, Dhaka
July 20, 2020



Malek Siddiqui Wali
Chartered Accountants

IDLC Growth Fund

Notes to the Financial Statements

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

1. Introduction of the Fund and its activities

1.01 Legal status and Key partners of the Fund

IDLC Growth Fund (here-in-after referred to as “the Fund”), a Trust property, was established on September 11, 2017 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on October 29, 2017 registered as a Mutual Fund from the Bangladesh Securities and Exchange Commission with an initial target of 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/2017/85.

After initial public subscription, the size of the fund was BDT 28.09 crore.

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: Bangladesh General Insurance Company Ltd (BGIC)

Registered Address: 42, Dilkusha C/A Motijheel Dhaka

Custodian: BRAC Bank Limited

Registered Address: Anik Tower, 220/B, Tejgaon Gulshan Link Road Tejgaon, Dhaka 1208

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 Growth 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 Institution and Individuals. 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 Growth Fund is to generate long-term capital appreciation from a portfolio of predominantly equity & equity related 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, 2020.

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

3.06 Comparative Information

The financial statements exhibits the comparative information as required IAS-1. The comparative financial information was for 13 months (approximate) for the period from May 07, 2018 to June 30, 2019.

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:

4.02.1 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, 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 based 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 Fee for Custodian Services will be 0.05% p.a. of balance securities held by the fund, calculated on average market value per month. Besides this, the fund will bear all other expenses viz (a) transaction fee of BDT 200.00 per transaction, (b) local duties and fees like stamp duty on transactions, stamp duty on transfer deed, (c) levies, brokerage, registrar's fees' local counsel / representation, external auditors at the client's request, depository fees, etc. However, a fee cap of 0.09% p.a. on balance securities held by the fund, calculated on the average market value per month will be applicable if the total expenses (including custodian fees, transaction fees and other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for Custodian Services will be realized semi-annually at the end of the period.

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. 1,000,000 (Taka Ten lac) only to the Bangladesh Securities and Exchange Commission (BSEC) 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 50%, 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 ~~the fund~~
- (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 Growth 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 General

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

4.20 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 Growth 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	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
Financial Instruments: Recognition and Measurement	IFRS-9	Applied

	As at June 30, 2020	As at June 30, 2019
	Taka	Taka
5.00 Preliminary and issue expenses		
Opening Balance	5,876,472	7,052,318
Less: Amortized during the year	(1,010,234)	(1,175,846)
	4,866,238	5,876,472
5.01 Preliminary and issue expenses		
Formation Fee	2,809,350	2,809,350
Management Fee	2,904,629	2,904,629
Application & Registration Fees paid to BSEC	1,010,000	1,010,000
CDBL Fees	90,640	90,640
Trust Deed Registration Fees	100,000	100,000
Printing and Publication	458,522	458,522
Bank Charges and other expenses	296,942	296,942
	7,670,083	7,670,083
Less: Interest income from Escrow Account	(617,765)	(617,765)
	7,052,318	7,052,318
Less: Amortized balance	(1,175,846)	-
Opening balance	5,876,472	7,052,318
6.00 Investment in securities at market price		
Investment in listed securities	145,303,775	199,953,006
Investment in Initial Public Offering	10,000,000	-
	155,303,775	199,953,006
6.01 Investment in listed securities at Cost		
Bank	-	39,609,917
Corporate Bond	28,186,580	-
Engineering	15,973,878	46,456,122
Food & Allied	11,218,899	-
Fuel & Power	27,885,063	15,161,100
Information & technology	-	1,572,800
Mutual Fund	20,964,141	9,392,896
Pharmaceuticals	28,122,172	52,291,404
Telecommunication	38,564,074	35,173,328
Textile	-	194,810
Travel & Leisure	52,526	220,590
Investment in listed securities at Cost price	170,967,332	200,072,967
Less: Diminution value of investment	(25,663,557)	(119,961)
Investment in listed securities at market price	145,303,775	199,953,006
<i>Details are mentioned in Annexure A</i>		
6.02 Investment in IPO*		
Walton Hi-Tech Industries Limited	10,000,000	-
	10,000,000	-

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

7.00 Accounts Receivables

Accrued Interest	(Note: 7.1)	1,828,749	427,604
Accounts receivable - Sale of Securities		-	13,527,306
Other Receivable	(Note: 7.2)	-	51,634
		1,828,749	14,006,544

7.01 Accrued Interest

Accrued Interest on Fixed Deposits	638,312	427,604
Accrued Interest on APSCL BOND	1,190,437	-
	1,828,749	427,604

7.02 Other Receivable

	-	51,634
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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	272,015	303,166
Trustee fee	226,425	253,960
	498,440	557,125

9.00 Cash and cash equivalents

Cash at bank	(Note: 9.1)	31,585,652	43,209,369
Term Deposits (FDR)	(Note: 9.2)	105,526,828	63,447,500
		137,112,480	106,656,869

9.01 Cash at bank

Name of Bank	Account Name	Account No.	Type		
BRAC Bank Limited	IDLC Growth Fund	1551203826228001	CA	23,245,952	19,301,091
	IDLC Growth Fund - Trading	1501203826228006	CA	1,734,523	1,489,003
	IDLC Growth Fund - Operations	1501203826228005	CA	2,842,733	409,706
ONE Bank Ltd	IDLC Growth Fund - Trading	0013000002087	SND	1,184,221	21,847,372
	IDLC Growth Fund - Dividend Disbursement	0013000002123	SND	9,432	-
Standard Chartered Bank	IDLC Growth Fund	02130870901	SND	2,568,792	162,198
				31,585,652	43,209,369

*Bank balance have reconciled at the year end and found in order.

9.02 Term Deposits

Name of Institution	Account No.	Rate	Term		
IDLC Finance Limited	10552236735008	8.75%	3 Months	28,526,828	-
	10552236735009	8.75%	3 Months	9,000,000	-
	10552236735010	8.75%	3 Months	9,000,000	-
	10552236735011	8.75%	3 Months	9,000,000	-
	10552236735012	8.75%	3 Months	43,000,000	-
	10552236735013	8.75%	3 Months	7,000,000	-
IPDC Finance Limited	04938	8.75%	3 Months	-	7,482,500
	04939	8.75%	3 Months	-	7,482,500
	04940	8.75%	3 Months	-	7,482,500
United Finance Ltd.	0667648619	8.75%	3 Months	-	41,000,000
				105,526,828	63,447,500

10.00 Capital Fund

Opening balance	303,163,660	-
Sponsor's Contribution	-	100,000,000
Unit issue to General Investors, net	31,873,510	203,163,660
	335,037,170	303,163,660

10.01 Capital Allotment

Allotment Year	Basis of allotment	No. of unit	Face value per Unit (Taka)	Amount in Taka	Amount in Taka
2018 - 2019	Sponsor's Contribution	10,000,000	10	-	100,000,000
2018 - 2019	General Investors	20,316,366	10	-	203,163,660
2019 - 2020	General Investors	3,187,351	10	31,873,510	-
Total		33,503,717		31,873,510	303,163,660

(All the transactions are held through Banking Channel)

11.00 Investors' Available Balance

1,486 **1,087**

Investors' available balance represents the residual balance kept for converting into Unit Capital from the General Investors of Systematic Investment Plan (SIP).

12.00 Retained earnings

Opening balance	22,091,581	-
Less: Dividend paid during the year	(21,221,459)	-
	870,123	-
Add: Profit during the year	(35,800,757)	22,995,743
	(34,930,634)	22,995,743
Less: Units redeemed with realization of Fund's performance	(2,551,898)	(904,162)
	(37,482,532)	22,091,581

13.00 Accounts payable

Management fees	1,419,772	1,499,824
Custodian fees	277,331	177,783
Tax deductible at source from Fixed Deposits	118,812	48,755
Sales agent commission	89,860	17,008
Publication and other expenses	51,520	-
Audit fees	34,500	34,500
Payable to Investor	55,742	-
CDBL - Settlement and Demat charges	6,020	15,816
	2,053,558	1,793,688

14.00 Provision/(Write back of provision) for diminution in value of investments

Unrealized loss in Portfolio at the end of the period	27,849,885	119,961
Less: Provision for unrealized loss in Listed Mutual Funds at Market price	(3,640,348)	-
	24,209,537	119,961
Add: Provision for unrealized loss in Listed Mutual Funds revalued at 85% of NAV of respective Mutual Funds	1,454,020	-
Required provision against diminution in value of investments at the end of the period	25,663,557	119,961
Less: Opening balance for the period	(119,961)	-
Provision required for the period	25,543,596	119,961

15.00 Net asset value (NAV) per unit at cost

Total Asset at Market Price	299,609,682	327,050,016
Less: Unrealized Gain/(Loss)	(25,663,557)	(119,961)
Total Asset Value at Cost Price	325,273,239	327,169,977
Less: Account Payables	(2,053,558)	(1,793,688)
Total Net Asset Value (NAV) at Cost Price	323,219,681	325,376,289
Number of units	33,503,717	30,316,366
NAV per unit at cost	9.65	10.73

16.00 Net Asset Value (NAV) per Unit at Market Price

Total Net Asset Value (NAV) at Cost Price	323,219,681	325,376,289
Less: Provision for erosion of value of securities	(25,663,557)	(119,961)
Total net asset value at market price	297,556,124	325,256,328
Number of units	33,503,717	30,316,366
NAV per unit at market price	8.88	10.73

	July 01, 2019 - June 30, 2020	May 07, 2018 - June 30, 2019
	Taka	Taka
17.00 Interest income		
Fixed Deposit Receipt (FDR)	7,163,325	3,492,118
Listed Bond (APSCL)	1,190,437	-
Cash at Bank (STD Account)	3,219,097	8,670,845
	11,572,859	12,162,963
18.00 Gain / (Loss) from Listed Securities		
ADN Telecom Limited	527,502	-
Active Fine Chemicals Limited	-	(945,049)
Aman Feed Limited	-	211,512
Ashuganj Power Station Company Limited's non convertible Bond	8,324	-
Asian Tiger Sandhani Life Growth Fund	2,093,290	-
Bank Asia Limited	-	(71)
BBS Cables Limited	-	1,536,451
BRAC Bank Limited	(1,235,791)	1,192,351
Beximco Pharmaceuticals Limited	(899,902)	265,958
Coppertech Industries Ltd.	443,992	-
British American Tobacco Bangladesh	-	5,825,240
Dhaka Bank Limited	(2,616,580)	1,239,505
Dutch-Bangla Bank Limited	-	173,118
Delta Life Insurance Company Limited	-	(53,577)
Genex Infosys Limited	313,414	784,023
Grameenphone Limited	(273,469)	(3,177,481)
Green Delta Mutual Fund	23,043	-
Ifad Autos Limited	(5,077,128)	400,216
Indo-Bangla Pharmaceuticals Limited	-	765,077
IPDC Finance Limited	-	(956,987)
Kattali Textile Limited	-	711,149
Khulna Power Company Limited	-	956,416
LankaBangla Finance Limited	-	(653,005)
Mercantile Bank Limited	-	(1,547,114)
M. L. Dyeing Limited	-	726,124
Nahee Aluminum Composite Panel Limited	-	2,816,727
New Line Clothings Limited	120,732	203,494
Olympic Industries Limited	-	(112,441)
Prime Bank Limited	-	(1,735,775)
Renata Limited	105,831	-
Seapearl Beach Resort & Spa Ltd.	448,809	-
Shepherd Industries Limited	-	177,600
Silva Pharmaceuticals Limited	-	876,905
Silco Pharmaceuticals Limited	335,647	289,717
Singer Bangladesh Limited	(548,545)	4,708,532
S. K. Trims Limited	-	1,465,602
Square Pharmaceuticals Limited	(5,925,377)	(1,121,731)
S.S. Steel Limited	132,925	827,153
Summit Power Limited	(82,885)	2,093,857

	July 01, 2019 - June 30, 2020	May 07, 2018 - June 30, 2019
	Taka	Taka
The City Bank Limited	(5,718,983)	1,703,062
Western Marine Shipyard Limited	-	(5,645,259)
Unique Hotel & Resorts Limited	-	(120,386)
United Power Generation and Distribution Co. Limited	-	3,515,708
VFS Thread and Dyeing Limited	-	1,162,846
	(17,825,152)	18,559,462
19.00 Dividend income		
Beximco Pharmaceuticals Limited	303,000	120,726
British American Tobacco Bangladesh	441,760	-
Coppertech Industries Limited	8,339	-
Dhaka Bank Limited	-	245,000
DBH First Mutual Fund	240,814	-
Grameen Phone Limited	1,228,800	1,025,000
Green Delta Mutual Fund	238,761	-
IFAD Autos Limited	-	521,400
Indo-Bangla Pharmaceuticals Limited (Fraction share)	-	10
IPDC Finance Limited	-	181,650
Kattali Textile Limited (Fraction share)	-	20
New Line Clothings Limited	5,855	-
Prime Bank Limited	-	1,437,500
Renata Limited	243,500	-
Sea Pearl Beach Resort & Spa Limited (Fraction share)	22	-
SK Trims & Industries Limited	-	2,455
Silco Pharmaceuticals Limited	3,798	-
Singer Bangladesh Limited	662,200	-
Square Pharmaceuticals Limited	519,120	-
Summit Power Limited	1,702,796	2,154,000
The City Bank Limited	-	1,539,055
Unique Hotel & Resorts Limited	-	145,642
VFS Thread Dyeing Limited	-	9,895
Western Marine Shipyard (Fraction share)	-	16
	5,598,765	7,382,370
20.00 Publication and other expenses		
Renewal and registration fees	-	25,000
Printing and publication expenses	401,207	323,898
BO account maintenance fees	1,800	5,400
CDBL Annual maintenance fees	52,900	66,696
IPO subscription fees	8,000	41,000
	463,907	461,994
21.00 Earnings per unit		
Net income for the year (A)	(35,800,757)	22,995,743
Outstanding number of units (B)	33,503,717	30,316,366
Earnings per unit (A÷B)	(1.069)	0.759

	July 01, 2019 - June 30, 2020	May 07, 2018 - June 30, 2019
	Taka	Taka
22.00 Net Operating Cash flow per share		
Net Operating cash flow for the year (A)	22,355,059	(195,603,717)
Outstanding number of units (B)	33,503,717	30,316,366
Net Operating Cash flow per share (A÷B)	<u>0.67</u>	<u>(6.45)</u>
23.00 Reconciliation between net profit to operating cash flow		
Net Profit before provision for diminution in value of investments	(10,257,161)	23,115,704
Amortization charged	1,010,234	1,175,846
Operating cash flow before changes in working capital	(9,246,926)	24,291,551
Changes in Working capital:		
Decrease/(Increase) of investment	19,105,635	(199,953,006)
Decrease/(Increase) of prepayments	58,685	(557,125)
Decrease/(Increase) of accounts receivables	12,177,795	(14,006,544)
Increase of account payables	259,870	1,793,688
Payment made for Preliminary expenses	-	(7,052,318)
	<u>31,601,986</u>	<u>(219,775,307)</u>
Net operating cash flows	<u>22,355,059</u>	<u>(195,483,756)</u>

24.00 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 20, 2020.

25.00 Date of authorisation

The Trustee Board has authorised these financial statements for issue on July 20, 2020.

Dated, Dhaka
July 20, 2020


Trustee

Bangladesh General Insurance Co. Ltd.


Asset Manager

IDLC Asset Management Limited

IDLC Growth Fund
Details of Investment in Listed Securities
As at June 30, 2020

Annexure A

(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	5,665	4,975.5657	28,186,580	5,051.00	28,613,915	9.6%	427,335
					28,186,580		28,613,915	9.6%	427,335
1	Engineering	Coppertech Industries Ltd.	5,953	9,524.0	56,696	20.70	123,227	0.0%	66,531
2	Engineering	Singer Bangladesh Limited	86,000	185.0835	15,917,181	147.00	12,642,000	4.2%	(3,275,181)
					15,973,878		12,765,227	4.3%	(3,208,651)
1	Food & Allied	British American Tobacco Bangladesh Company Ltd.	11,044	1,015.8366	11,218,899	907.60	10,023,534	3.3%	(1,195,365)
					11,218,899		10,023,534	3.3%	(1,195,365)
1	Fuel & Power	Summit Power Limited	691,864	40,304.3	27,885,063	35.10	24,284,426	8.1%	(3,600,637)
1	Pharmaceuticals & Chemicals	Beximco Pharmaceuticals Limited	100,000	79,247.3	7,924,735	69.20	6,920,000	2.3%	(1,004,735)
2	Pharmaceuticals & Chemicals	Renata Limited	12,883	1,089.4935	14,035,945	1,026.20	13,220,535	4.4%	(815,410)
3	Pharmaceuticals & Chemicals	Square Pharmaceuticals Ltd.	25,000	246.4597	6,161,492	172.50	4,312,500	1.4%	(1,848,992)
					28,122,172		24,453,035	8.2%	(3,669,137)
1	Telecom	Grameenphone Ltd.	105,600	365,190.1	38,564,074	238.80	25,217,280	8.4%	(13,346,794)
					38,564,074		25,217,280	8.4%	(13,346,794)
1	Travel & Leisure	Seapearl Beach Resort & Spa Ltd.	5,515	9,524.2	52,526	79.10	436,237	0.1%	383,710
					52,526		436,237	0.1%	383,710
	Sub-Total				150,003,191		125,793,654	47.8%	(24,209,537)
	Sub-Total								
1	Mutual Funds	DBH First Mutual Fund	830,260	8,291.3	6,883,955	7.45	6,182,116	2.1%	(701,839)
2	Mutual Funds	Green Delta Mutual Fund	1,783,846	7,893.2	14,080,186	7.47	13,328,005	4.4%	(752,180)
	Sub-Total				20,964,141		19,510,121	6.5%	(1,454,020)
	Sub-Total				10,000,000		10,000,000	3.3%	-
	Sub-Total				180,967,332		155,303,775	51.8%	(25,663,557)
	Grand Total				180,967,332		155,303,775	51.8%	(25,663,557)

C. Investment in Initial Public Offering (IPO)

Walton Hi-Tech Industries Limited

Grand Total

*The rate is considered higher of market rate and 85% of NAV as directed by the BSEC Directive no. SEC/CMR/CD/2009-193/172, dated - June 30, 2015. The 85% of NAV has been considered during valuation as this value is higher of market rate.

IDLC Growth Fund

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

Particular	June 30, 2020	June 30, 2019
(a) Net Asset Value per unit at Cost	9.65	10.73
(b) Net Asset Value per unit at Market	8.88	10.73
(c) Per unit income other than investment	0.344	0.401
(d) Per unit income from Capital gain/(loss) & Dividend Income	(0.365)	0.856
(e) Per Unit Expense	(0.29)	(0.49)
(f) Per unit provision for diminution value of Investment	(0.76)	(0.004)
(g) Per unit net income / (loss)	(1.069)	0.759
(h) Highest Purchase / Surrender Price per unit during the year	9.96	10.99
(i) Lowest Purchase / Surrender Price per unit during the year	8.78	9.71
(j) Highest Price - earning ratio during the year		709.61
(k) Lowest Price - earning ratio during the year		15.05

IDLC Growth Fund started its operations on May 07, 2018 and its first accounting year ended on June 30, 2019. Therefore, it has no comparative information for June 30, 2018.