

**IDLC Asset Management Shariah Fund**

**For the Period ended 31 December 2020**

**IDLC Asset Management Shariah Fund**  
**Statement of Financial Position**  
As at December 31, 2020

Particulars	Notes	December 31, 2020	June 30, 2020
		Taka	Taka
<b>ASSETS</b>			
<b>Non-Current Asset</b>			
Preliminary and issue expenses	3	5,559,859	6,035,901
		<b>5,559,859</b>	<b>6,035,901</b>
<b>Current Asset</b>			
Investment in securities at market price	4	146,284,319	26,954,800
Accounts Receivables	5	5,592,781	1,756,837
Prepayments	6	508,182	700,646
Cash and cash equivalents	7	42,195,326	163,388,481
		<b>194,580,607</b>	<b>192,800,764</b>
<b>Total Assets</b>		<b>200,140,466</b>	<b>198,836,664</b>
<b>OWNERS' EQUITY</b>			
Capital Fund	8	157,972,860	201,782,710
Fair Value Reserve		30,164,259	-
Investor's Balance		117	21
Retained earnings	9	10,690,601	(4,221,380)
<b>Total Equity</b>		<b>198,827,837</b>	<b>197,561,351</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
			-
<b>Current Liabilities</b>			
Accounts payable	10	1,312,629	1,275,313
		<b>1,312,629</b>	<b>1,275,313</b>
<b>Total Liabilities</b>		<b>1,312,629</b>	<b>1,275,313</b>
<b>Total Equity and Liabilities</b>		<b>200,140,466</b>	<b>198,836,664</b>
<b>Net asset value (NAV) per unit:</b>			
At cost	11	10.68	9.95
At market price	12	12.59	9.79

The annexed notes from 1 to 19 form an integral part of these Financial Statements.

  
**Chairman, Trustee**  
Investment Corporation of  
Bangladesh

  
**Member, Trustee**  
Investment Corporation of  
Bangladesh

  
**Asset Manager**  
IDLC Asset Management Limited

**IDLC Asset Management Shariah Fund**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the period ended on December 31, 2020

Particulars	Notes	July 01 - December 31, 2020 Taka	November 22 - December 31, 2019 Taka
<b>INCOME</b>			
Profit earned on mudaraba deposits	13	1,513,445	-
Net gain on sale of securities	14	17,395,398	-
Dividend income	15	1,951,000	-
<b>Total Income</b>		<b>20,859,843</b>	<b>-</b>
<b>EXPENDITURE</b>			
Management fee		2,202,609	494,371
Brokerage Commission		912,356	-
Amortization of preliminary and issue expenses	3	476,042	103,487
Publication and other expenses		286,563	1,800
Trustee fee		179,105	37,949
BSEC annual fee		103,289	21,999
Amortization of DSE Shariah Index Fee		85,980	52,658
CDBL - Settlement and Demat charges		56,506	-
Custodian fee		56,161	-
Sales Agent Commission		9,689	22,080
Bidding fees for IPO application		18,000	-
Bank charges and excise duty		44,152	-
<b>Total Expenditure</b>		<b>4,430,451</b>	<b>734,344</b>
<b>Income before provision for the period</b>		<b>16,429,392</b>	<b>(734,344)</b>
Writeback of Provision for diminution in value of investments	16	3,207,575	-
<b>Distributable profit for the period</b>		<b>19,636,967</b>	<b>(734,344)</b>
<b>Other Comprehensive Income</b>			
Fair Value Reserve		30,164,259	-
<b>Total Comprehensive Income</b>		<b>49,801,226</b>	<b>(734,344)</b>
<b>Number of outstanding units</b>		<b>15,797,286</b>	<b>20,117,000</b>
<b>Earnings per unit during the period</b>	17	<b>1.24</b>	<b>(0.037)</b>

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Bangladesh

  
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Bangladesh

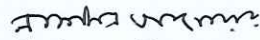
  
**Asset Manager**  
IDLC Asset Management Limited

**IDLC Asset Management Shariah Fund**  
**Statement of Changes in Equity**  
As at December 31, 2020


Particulars	Amount in Taka				
	Capital Fund	Fair Value Reserve	Investor's Balances	Retained Earnings	Total Equity
Opening Balance	201,782,710	-	21	(4,221,380)	197,561,352
Fund Collected/ (redeemed) during the period, net	(43,809,850)	-		(4,716,535)	(48,526,385)
Investor's Balances	-	-	95	-	95
Net income during the period	-	-	-	19,636,967	19,636,967
Fair Value Reserve	-	30,164,259	-	-	30,164,259
Purification of Income	-	-	-	(8,450)	(8,450)
<b>Balance as at December 31, 2020</b>	<b>157,972,860</b>	<b>30,164,259</b>	<b>117</b>	<b>10,690,601</b>	<b>198,827,837</b>

The annexed notes from 1 to 19 form an integral part of these Financial Statements.

Signed in terms of our report of even date annexed

  
Chairman, Trustee

Investment Corporation of Bangladesh

  
Member, Trustee

Investment Corporation of  
Bangladesh

  
Asset Manager

IDLC Asset Management  
Limited

**IDLC Asset Management Shariah Fund**  
**Statement of Cash Flows**

For the period ended on December 31, 2020

Particulars	Notes	July 01 - December 31, 2020	November 22, 2019 - December 31, 2019
		Taka	Taka
<b>A. Cash flows from/(used in) operating activities</b>			
Investment in marketable securities		(262,098,328)	-
Investment in IPO shares		(543,540)	-
Proceeds from sell of marketable securities		189,505,652	-
Interest income realized in cash		2,963,306	-
Dividend income received in cash		1,229,976	-
Advance, Deposit and Prepayments		(167,202)	(906,804)
Payment made for expenses		(3,548,280)	(6,573,546)
<b>Net cash used in operating activities</b>		<b>(72,658,414)</b>	<b>(7,480,349)</b>
<b>B. Cash Flows from investing activities</b>			
		-	-
<b>C. Cash flows from financing activities</b>			
(Redemption) / Issuance of Unit Capital, net		(43,809,850)	201,170,000
Unit Premium Reserves, net		(4,716,535)	(220)
Investor's Fund		96	-
Purification		(8,450)	-
<b>Net cash flow from financing activities</b>		<b>(48,534,740)</b>	<b>201,169,780</b>
<b>D. Net cash flows (A+B)</b>		<b>(121,193,154)</b>	<b>193,689,431</b>
<b>E. Cash and cash equivalents at the beginning of the period</b>		<b>163,388,481</b>	<b>193,689,431</b>
<b>F. Cash &amp; cash equivalents at the end of the period (A+B+C)</b>		<b>42,195,326</b>	<b>193,689,431</b>
<b>Net Operating Cash flow per unit for the period</b>	18	<b>(4.60)</b>	<b>(0.37)</b>

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**Chairman, Trustee**  
Investment Corporation of  
Bangladesh

  
**Member, Trustee**  
Investment Corporation of  
Bangladesh

  
**Asset Manager**  
IDLC Asset Management Limited

# IDLC Asset Management Shariah Fund

## Notes to the Financial Statements

As at and for the period ended on December 31, 2020

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

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

IDLC Asset Management Shariah Fund (here-in-after referred to as “the Fund”), a Trust property, was established on April 13, 2019 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on May 23, 2019 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/2019/101.

After initial public subscription of the fund, the paid-up capital of the fund was BDT 20.10 crore.

Key partners of the Fund are as Follows:

Sponsor & 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
Trustee:	Investment Corporation of Bangladesh (ICB)
Registered Address:	BDBL Bhaban, 8, RAJUK Avenue, Dhaka 1000, Bangladesh
Custodian::	BRAC Bank Limited
Registered Address:	Anik Tower, 220/B, Tejgaon Gulshan Link Road, Tejgaon, Dhaka 1208

#### 1.2 Principal activities and nature of operation

IDLC Asset Management Shariah Fund is an Open end Mutual Fund which is a professionally managed portfolio of shariah complied equity stocks and fixed income instruments. Investors buy units of the Fund by paying an amount equivalent to the purchase price and the Asset Manager makes investments on their behalf. An unit represents a portion of the fund's holdings.

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

### 2 Objectives

The objective of the Fund is to generate profit by investing in a portfolio of Shariah compliant securities as per Shariah Investment Guideline. The fund intends to deliver the profit among the investors in the form of dividend as well as capital appreciation. The Fund will also exercise a rigorous compliance factor called “**Purification**” to remove any impure part from the final profit of the portfolio and dispose this through donation to charitable organizations. This will be a key differentiator of the Fund from other Shariah investment vehicles currently available in Bangladesh.

**IDLC Asset Management Shariah Fund**  
**Notes to the Financial Statements**  
**As at and for the period ended on December 31, 2020**

Notes	December 31, 2020	June 30, 2020
	Taka	Taka
<b>3 Preliminary and issue expenses</b>		
Opening Balance	(Note: 3.1) 6,035,901	6,610,256
Less: Amortized during the period	(476,042)	(574,355)
	<b>5,559,859</b>	<b>6,035,901</b>
<b>3.1 Preliminary and issue expenses</b>		
Formation Fees		2,010,600
Pre-formation Management Fees		2,171,193
Application & Registration Fees paid to BSEC		1,010,000
CDBL Fees		37,558
Trust Deed Registration Fees		127,779
Printing and Publication		764,538
Other Expenses		488,587
		<b>6,610,256</b>
<b>4 Investment in securities at Market price</b>		
Investment in listed securities at cost	(Note: 4.1) 116,120,060	20,162,375
Investment in Initial Public Offering (IPO)	(Note: 4.2) -	10,000,000
	116,120,060	30,162,375
Add: Provision against Unrealized loss in portfolio	Annexure A 30,164,259	(3,207,575)
	<b>146,284,319</b>	<b>26,954,800</b>
<b>4.1 Investment in listed securities at cost</b>		
Cement	17,948,039	-
Engineering	12,215,344	-
Food & Allied	4,525,022	-
Fuel & Power	9,014,536	-
Pharmaceuticals	35,811,307	-
Telecommunication	36,605,812	20,162,375
<i>Details are mentioned in Annexure A</i>	<b>116,120,060</b>	<b>20,162,375</b>
<b>4.2 Investment in Initial Public Offering (IPO)</b>		
Walton Hi-Tech Industries Limited	-	10,000,000
	-	<b>10,000,000</b>
<i>*This is application money for IPO investment under Mutual Fund quota</i>		
<b>5 Accounts Receivables</b>		
Dividend receivables	1,028,000	306,976
Receivables of profit on Mudaraba Term Deposits	-	1,449,861
Trade receivables	4,564,781	-
	<b>5,592,781</b>	<b>1,756,837</b>
<b>6 Prepayments</b>		
Annual fee - BSEC	85,872	189,161
DSE Shariah Index	422,309	508,290
Trustee fee	-	3,195
	<b>508,182</b>	<b>700,646</b>
<b>7 Cash and cash equivalents</b>		
Cash at bank	(Note: 7.1) 42,195,326	33,388,481
Mudaraba Term deposits (MTD)	(Note: 7.2) -	130,000,000
	<b>42,195,326</b>	<b>163,388,481</b>

December 31, 2020	June 30, 2020
Taka	Taka

#### 7.1 Cash at bank

Name of Bank	Account Name	Account No.	Type	Balance	Balance
Shahjalal Islami Bank Limited	IDLC Asset Management Shariah Fund	11100000323	CA	-	1,332,039
	IDLC Asset Management Shariah Fund - Operations	11100000417	CA	1,081	44,309
Export Import Bank of Bangladesh Limited	IDLC Asset Management Shariah Fund	11313100055566	SND	2,291,358	-
	IDLC Asset Management Shariah Fund - Operations	11313100055585	SND	223,383	-
	IDLC Asset Management Shariah Fund - Trading	11313100055577	SND	39,674,505	-
Standard Chartered Bank	IDLC Asset Management Shariah Fund	01-1309915-01	CA	5,000	32,012,133
				<b>42,195,326</b>	<b>33,388,481</b>

#### 7.2 Mudaraba Term deposits (MTD)

Name of Institution	Account No.	Term		
Islami Bank Limited	2095584	3 Months	-	45,000,000
	2095585	3 Months	-	45,000,000
	2095586	3 Months	-	40,000,000
			<b>-</b>	<b>130,000,000</b>

#### 8 Capital Fund

Opening Balance	201,782,710	-
Sponsor's Subscription	-	50,000,000
Units (redeemed)/subscribed by Investors during the period	(43,809,850)	151,782,710
	<b>157,972,860</b>	<b>201,782,710</b>

#### 9 Retained earnings

Opening balance	(4,221,380)	-
Add: Profit/(Loss) during the period	19,636,967	(4,183,593)
	15,415,587	(4,183,593)
Less: Units redeemed with realization of Fund's performance, net	(4,716,535)	(37,786)
	10,699,052	(4,221,380)
Less: Purification during the process	(8,450)	-
	<b>10,690,601</b>	<b>(4,221,380)</b>

#### 10 Accounts payable

Management fee	1,090,493	1,038,495
Payable Trustee Fee	8,708	-
Tax payable for the profit on Mudaraba Deposits	-	72,493
Custodian fee	70,231	33,917
Audit fee	-	34,500
CDBL fee	21,539	1,973
Payable to Investor	-	9,889
Sales Agent Commission	8,657	10,026
Publication & Other Operational Expense	113,001	74,020
	<b>1,312,629</b>	<b>1,275,313</b>



	December 31, 2020	June 30, 2020
	Taka	Taka
<b>11 Net asset value (NAV) per unit at cost</b>		
Total Asset at Market Price	200,140,466	198,836,664
Less: Unrealized gain/(loss) in portfolio	30,164,259	(3,207,575)
Total asset value at cost	169,976,207	202,044,239
Less: Accounts payable	(1,312,629)	(1,275,313)
<b>Total net asset value at cost</b>	<b>168,663,578</b>	<b>200,768,927</b>
Number of units	15,797,286	20,178,271
NAV per unit at cost	<b>10.68</b>	<b>9.95</b>
<b>12 Net asset value (NAV) per unit at market price</b>		
Total Asset at Market Price	200,140,466	198,836,664
Less: Accounts payable	(1,312,629)	(1,275,313)
<b>Total net asset value at market price</b>	<b>198,827,837</b>	<b>197,561,352</b>
Number of units	15,797,286	20,178,271
NAV per unit at market price	<b>12.59</b>	<b>9.79</b>
	July 01 - December 31, 2020	November 22 - December 31, 2019
	Taka	Taka
<b>13 Profit earned on mudaraba deposits</b>		
Mudaraba Term Deposit (MTD)	403,992	-
Mudaraba Special Notice Deposit (MSND)	1,109,453	-
	<b>1,513,445</b>	-
<b>14 Gain / (Loss) from Listed Securities</b>		
Associated Oxygen Limited	495,508	-
BBS Cables Limited	78,329	-
Bangladesh Submarine Cable Company Limited	6,025	-
Beximco Pharmaceuticals Limited	6,941,948	-
Dominage Steel Building Systems	1,236,648	-
First Security Islami Bank Limited	(389,170)	-
Genex Infosys Limited	(717,918)	-
Grameenphone Limited	288,442	-
Islami Bank Bangladesh Limited	698,181	-
LafargeHolcim Bangladesh Limited	1,653,400	-
Nahee Aluminum Composite Panel Limited	(1,226,695)	-
Olympic Industries Limited	30,052	-
Reckitt Benckiser (Bangladesh) Ltd.	2,165,662	-
Shahjalal Islami Bank Ltd.	(892,535)	-
Shahjibazar Power Co. Ltd	(22,844)	-
Singer Bangladesh Limited	1,638,971	-
Square Pharmaceuticals Limited	192,181	-
United Power Generation and Distribution Co. Limited	2,099,610	-
Walton Hi-Tech Industries Ltd	3,119,602	-
	<b>17,395,398</b>	-
<b>15 Dividend income</b>		
Bangladesh Submarine Cable Company Limited	330,000	-
Beximco Pharmaceuticals Ltd	291,000	-
Dominage Steel Building Systems	7,500	-
Grameenphone Limited	923,000	-
Square Pharmaceuticals Limited	399,500	-
	<b>1,951,000</b>	-

	July 01 - December 31, 2020	November 22 - December 31, 2019
	Taka	Taka
<b>16 Write back of provision/(Provision) for diminution in value of investments</b>		
Opening Balance	3,207,575	-
Required provision against diminution in value of investments at the end of the period	-	3,207,575
Add: Write Back of provision/(Provision) during the period	<b>3,207,575</b>	<b>(3,207,575)</b>
<b>17 Earnings per Unit (EPU)</b>		
Net income for the period (A)	19,636,967	(734,344)
Outstanding number of units (B)	15,797,286	20,117,000
Earnings per unit (A÷B)	<b>1.24</b>	<b>(0.037)</b>
Other Comprehensive Income (OCI) is not considered for Earnings per Unit (EPU) calculation.		
The NPAT and EPU would have been BDT. 16,429,392 and BDT 1.04 respectively if the recovery of previous period's provision for diminution in value of investments have not been considered in calculating the net profit (Note - 16).		
<b>18 Net Operating Cash flow per unit</b>		
Net Operating cash flow for the period (A)	(72,658,414)	(7,480,349)
Outstanding number of units (B)	15,797,286	20,117,000
Net Operating Cash flow per unit (A÷B)	<b>(4.60)</b>	<b>(0.37)</b>

#### 19 Purification Process

Following purification will require in the distributable income (if any) of the Fund during the period ended on December 31, 2020:

Name of the Stock	Type of Income	Income Earned (Tk)	Dividend Purification Ratio*	Required purification Amount (Tk)
		(A)	(B)	(C = A x B)
Square Pharmaceuticals Limited	Dividend	399,500	0.0408	16,299.60
Bangladesh Submarine Cable Company Limited	Dividend	330,000	0.0661	21,813.00
Beximco Pharmaceuticals Limited	Dividend	291,000	0.0017	494.70
<b>Total amount to be purified:</b>		<b>1,020,500</b>	<b>Purification amount:</b>	<b>38,607.30</b>

\* The Dividend Purification (DP) ratio is taken from Dhaka Stock Exchange Shariah Index

According to the Shariah Supervisory Guidelines of the Fund, the Shariah Board will decide the donation process for the required purification amount (BDT. 38,607.30) before disbursement of any dividend from the re-distributable income of the Fund.

#### 19.1 Purification in previous periods

Name of the Stock	Type of Income	Period ended on	Amount (Taka)	Beneficiary
GlaxoSmithKline (GSK) Bangladesh Ltd.	Dividend	June 30, 2020	4,573.94	Anjuman Mufidul Islam
Grameenphone Ltd.	Dividend	September 30, 2020	3,876.60	Anjuman Mufidul Islam

**IDLC Asset Management Shariah Fund**  
**Details of investment in Listed Securities**  
As at December 31, 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	Unrealized Gain/ (Loss)
1	<b>Cement</b>	LafargeHolcim Bangladesh Limited	423,000	42.43	17,948,039	47.80	20,219,400	2,271,361
					<b>17,948,039</b>		<b>20,219,400</b>	<b>2,271,361</b>
2	<b>Engineering</b>	Dominage Steel Building Systems Limited	3,000	9.26	27,778	34.50	103,500	75,722
3		Singer Bangladesh Limited	75,000	162.50	12,187,566	175.60	13,170,000	982,434
					<b>12,215,344</b>		<b>13,273,500</b>	<b>1,058,156</b>
4	<b>Food &amp; Allied</b>	Olympic Industries Ltd.	24,000	188.54	4,525,022	191.10	4,586,400	61,378
					<b>4,525,022</b>		<b>4,586,400</b>	<b>61,378</b>
5	<b>Fuel &amp; Power</b>	United Power Generation & Distribution Company Ltd.	34,000	265.13	9,014,536	263.50	8,959,000	(55,536)
					<b>9,014,536</b>		<b>8,959,000</b>	<b>(55,536)</b>
6	<b>Pharmaceuticals</b>	Beximco Pharmaceuticals Limited	139,400	85.57	11,928,407	190.50	26,555,700	14,627,293
7		Reckitt Benckiser(Bd.)Ltd.	2,080	3,646.84	7,585,419	4,046.80	8,417,344	831,925
8		Square Pharmaceuticals Ltd.	89,250	182.60	16,297,481	219.50	19,590,375	3,292,894
					<b>35,811,307</b>		<b>54,563,419</b>	<b>18,752,112</b>
9	<b>Telecom</b>	Bangladesh Submarine Cable Company Limited	129,000	135.52	17,482,440	166.10	21,426,900	3,944,460
10		Grameenphone Limited	67,000	285.42	19,123,372	347.10	23,255,700	4,132,328
					<b>36,605,812</b>		<b>44,682,600</b>	<b>8,076,788</b>
<b>Grand Total</b>					<b>116,120,060</b>		<b>146,284,319</b>	<b>30,164,259</b>