



এম এম রহমান এন্ড কোং
M M Rahman & Co.
Chartered Accountants



*Auditors' Report and
Audited Financial Statements
Of
IDLC Asset Management
Shariah Fund
For the year ended June 30, 2021*



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INDEPENDENT AUDITOR'S REPORT

To the unitholders of IDLC Asset Management Shariah Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IDLC Asset Management Shariah Fund** (the Fund), which comprise the statement of financial position as at June 30, 2021, and 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, prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) give a true and fair view of the state of the fund's affairs as at June 30, 2021 and of the results of its operations and cash flows for the year then ended and comply with the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Emphasis of Matter:

We draw attention to the Note no. 4.04.1 to the Financial Statements against which we have not modified our auditor's opinion, the fund has a policy to measure the listed securities at fair value through profit or loss and related unrealized loss and right back of unrealized loss has been charged in the Statement of Profit or Loss and unrealized gain has been recognized in other comprehensive income through the Statement of Changes in Equity. However, according to the paragraph 5.7.1 of IFRS 9 Financial Instruments, a gain or loss on a financial asset that is measured at fair value shall be recognized in profit or loss. Therefore, the policy was not in compliance with the IFRS 9.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, 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 responsibility for the audit of the financial statements

The objectives of our audit 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Report on other legal and regulatory requirements

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

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the fund so far as it appeared from our examination of these books;
- The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- The expenditure incurred was for the purposes of the fund's business.

Name of Firm: M M Rahman & Co., Chartered Accountants

Registration No. of the firm: Reg. No.

DVC: 2108110886AS 206285

Signature of the Auditor .....

Dated, Dhaka 11-08-2021

Name of the Auditor (Mohammed Forkan Uddin FCA,
Partner/Enrolment No. 886)





IDLC Asset Management Shariah Fund

Statement of Financial Position

As at June 30, 2021

ASSETS	Notes	Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
Preliminary and issue expenses	5.00	5,091,578	6,035,901
DSE Shariah Index		386,888	508,290
Total non current asset		5,478,467	6,544,190
Investment in securities at market price	6.00	134,378,780	26,954,800
Accounts receivables	7.00	19,445,976	1,756,837
Advance and Prepayments	8.00	195,424	192,356
Cash and cash equivalents	9.00	57,171,063	163,388,481
Total current asset		211,191,243	192,292,474
Total assets		216,669,710	198,836,664
EQUITIES			
Capital fund	10.00	174,242,460	201,782,710
Fair value reserve		13,620,218	-
Investor's balances	11.00	471	21
Retained earnings	12.00	27,495,157	(4,221,380)
Total equity		215,358,306	197,561,352
LIABILITIES			
Current Liabilities			
Accounts payable	13.00	1,311,404	1,275,313
Total current liabilities		1,311,404	1,275,313
Total Liabilities		1,311,404	1,275,313
Total Equity and Liabilities		216,669,710	198,836,664
Net asset value (NAV) per unit:			
At cost	14.00	11.58	9.95
At market price	15.00	12.36	9.79

The annexed notes from 1 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of trustees on July 15, 2021 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 separate report the annexed date even.

Name of Firm: M M Rahman & Co., Chartered Accountants
Registration No. of the firm: Reg. No.

Signature of the Auditor
Name of the Auditor (Mohammed Forkan Uddin FCA,
Partner/Enrolment No. 886)

DVC : 2108110886AS206285
Dated, Dhaka 11-08-2021






IDLC Asset Management Shariah Fund

Statement of Profit or Loss and Other Comprehensive Income
For the year ended on 30 June 2021

	Notes	Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
INCOME			
Profit earned on deposits	16.00	1,887,479	1,449,861
Net gain on sale of securities	17.00	32,210,650	1,457,525
Dividend income	18.00	3,913,750	306,976
Total Income		38,011,879	3,214,362
EXPENDITURE			
Management fee		4,322,483	2,560,588
Amortization of preliminary and issue expenses	5.00	944,322	574,355
Trustee fee		351,252	207,736
Publication and other expenses	19.00	465,858	197,621
Brokerage Commission		1,559,467	180,059
BSEC annual fee		202,510	120,963
Amortization of DSE Shariah Index Fee		121,401	111,710
Tax deducted at source		16,272	72,493
Audit fee		34,500	34,500
Custodian fee		139,599	33,917
Sales Agent Commission		44,783	32,106
CDBL charges		152,027	64,153
Bank charges and excise duty		200,952	180
Total Expenditure		8,555,426	4,190,380
Income before provision for the year		29,456,453	(976,018)
Write Back of Provision / (Provision) for diminution in value of investments	20.00	3,207,575	(3,207,575)
Net Income / (loss) for the year		32,664,028	(4,183,593)
Earnings per unit during the year	21.00	1.87	(0.21)
Other comprehensive income/ (loss) for the year			
Fair Value Reserve		13,620,218	-
Total comprehensive income / (loss) for the year		46,284,246	(4,183,593)

The annexed notes from 1 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of trustees on July 15, 2021 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
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Signed in terms of our separate report the annexed date even.

Name of Firm: M M Rahman & Co., Chartered Accountants
Registration No. of the firm: Reg. No.

Signature of the Auditor 
Name of the Auditor (Mohammed Forkan Uddin FCA,
Partner/Enrolment No. 886)

DVC: 2108110886AS206285

Dated, Dhaka 11-08-2021



IDLC Asset Management Shariah Fund

Statement of Changes in Equity
For the year ended on 30 June 2021

Amount in Taka

Particulars	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 year, net	(27,540,250)	-	-	(892,202)	(28,432,452)
Investor's Balances	-	-	450	-	450
Net income/(loss) during the year	-	-	-	32,664,028	32,664,028
Fair Value Reserve	-	13,620,218	-	-	13,620,218
Purification of Income	-	-	-	(55,289)	(55,289)
Balance as at June 30, 2021	174,242,460	13,620,218	471	27,495,157	215,358,306

For the year ended 30 June 2020

Particulars	Capital fund	Fair value reserve	Investor's balances	Retained earnings	Total equity
Opening Balance	-	-	-	-	-
Sponsor's Contribution	50,000,000	-	-	-	50,000,000
Fund Collected/ (redeemed) during the period, net	151,782,710	-	-	(37,786)	151,744,924
Investor's Balances	-	-	21	-	21
Net income/(loss) during the period	-	-	-	(4,183,593)	(4,183,593)
Balance as at June 30, 2020	201,782,710	-	21	(4,221,380)	197,561,352

The annexed notes from 1 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of trustees on July 15, 2021 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 separate report the annexed date even.

Name of Firm: M M Rahman & Co., Chartered Accountants
Registration No. of the firm: Reg. No.

DVC: 2108110886AS206285

Signature of the Auditor
Name of the Auditor (Mohammed Forkan Uddin FCA,
Partner/Enrolment No. 886)

Dated, Dhaka 11-08-2021



IDLC Asset Management Shariah Fund

Statement of Cash Flows

For the year ended on 30 June 2021

Notes	Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
A. Cash flows from / (used in) operating activities		
Investment in marketable securities	(425,357,014)	(54,367,223)
Investment in IPO shares	(699,790)	(10,000,000)
Proceeds from sell of marketable securities	348,721,403	35,662,373
Interest income realized in cash	3,264,947	-
Dividend income received in cash	3,689,726	-
Advance and Prepayments	(1,504,871)	(192,356)
Payment made for expenses	(5,848,494)	(9,459,258)
Net cash flow from / (used in) operating activities	(77,734,093)	(38,356,464)
B. Cash flows from investing activities	-	-
C. Cash flows from / (used in) financing activities		
Issuance of Unit Capital, net	(27,535,335)	201,744,924
Unit Premium Reserve	(897,117)	-
Purification of Income	(51,322)	-
Investor's Fund	450	21
Net cash flow from / (used in) financing activities	(28,483,324)	201,744,945
D. Net cash surplus / (deficit) for the year (A+B+C)	(106,217,418)	163,388,481
E. Cash and cash equivalents at the beginning of the year	163,388,481	-
F. Cash and cash equivalents at the end of the year (D+E)	57,171,063	163,388,481
Net Operating Cash flow per unit for the year	22.00 (4.46)	(1.90)

The annexed notes from 1 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of trustees on July 15, 2021 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 separate report the annexed date even.

Name of Firm: M M Rahman & Co., Chartered Accountants
Registration No. of the firm: Reg. No.

DVC: 2108110886AS206285

Signature of the Auditor 

Dated, Dhaka 11-08-2021

Name of the Auditor (Mohammed Forkan Uddin FCA,
Partner/Enrolment No. 886)



IDLC Asset Management Shariah Fund

Notes to the Financial Statements

As at and for the year ended on June 30, 2021

1.00 Introduction of the Fund and its activities

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

1.02 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.

2.00 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.



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 2020 to June 30, 2021.

3.05 Comparative information

The financial statements exhibits the comparative information as required IAS-1. The comparative financial information was for 8 months (approximate) for the period from November 22, 2019 to June 30, 2020.

3.06 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

To generate profit by investing in a portfolio of Shariah compliant securities as per Shariah Investment Guidelines. The fund intends to deliver the profit among the investors in the form of dividend as well as capital appreciation, strictly adhering to the Shariah principles.

4.02 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.

4.03 Shariah Screening Policies and Guidelines

Apart from following the regulatory guideline for investment, the Fund will strictly follow the Shariah based screening policies and guidelines as described below:

(a) **Business Activities Based Screening**

The basic business of the investee company should be in consistence with the Shariah Law. Although no universal consensus exists among contemporary Shariah scholars on the prohibition of companies, most Shariah Boards have advised against investment in companies involved in the activities of:

- Advertising and Media (newspapers are allowed, sub-industries are analyzed individually)
- Alcohol
- Embryonic or stem cell research and cloning
- Financials (Conventional Banks, Insurance and Leasing/Finance Companies)
- Gambling
- Pork
- Pornography
- Tobacco
- Trading of gold and silver as cash on deferred basis

(b) **Accounting-Based Screens**

After removing companies with non-compliant business activities, the rest of the companies are examined for compliance in financial ratios, as certain ratios may violate compliance measurements. Three areas of focus are leverage, cash, and the share of revenues derived from non-compliant activities. All of these are subject to evaluation on an ongoing basis.

(c) **Other Shariah Compliant Instruments**

The Fund may also invest in other Shariah Compliant instruments as and when they are available for investment, specifically:

- i. In particular Term Certificates, Mudaraba Certificates, Musharika, Murabaha, Term Finance Certificates and all other asset backed securities;
- ii. In contracts, securities or instruments of companies, organizations and establishments issued on the principles of Bai' Mu'ajjal, Bai' Salam, Istisna'a, Mudaraba, Murabaha and Musharika;
- iii. In the form of Riba-free cash deposits with Islamic Banks or financial institutions with the object of maintaining sufficient liquidity to meet the day-to-day requirement and to take advantage of suitable investment opportunities as and when
- iv. In other instruments that may be allowed and confirmed as Shariah Compliant by the Fund's Shariah Supervisory Board from time to time;



4.04 Valuation policy

As per Rule 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:

4.04.1 Listed Securities

i) Listed securities (other than mutual Fund) has valued at 'Fair Value Through Profit or Loss' as per Securities and Exchange Commission (Mutual Fund) Rules, 2001 and related unrealized loss and right back of unrealized loss has been charged in the Statement of Profit or Loss and unrealized gain has been recognized in other comprehensive income through in the Statement of changes in equity under prudence approach. Mutual Fund securities are valued as per SRO No. SEC/CMRRCD/2009-193/172 dated 30 June 2015.

ii) 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, 2021.

4.04.2 Non-Listed Securities

The Fund shall follow the method approved by the Commission for valuation of the non-listed investment, if any, and the Asset Management Company and the Trustee shall periodically review the non-listed investment, if any. The auditors shall comment on such investment in the annual report of the Scheme of the Fund.

The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.

Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company

4.04.3 Others

For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.

In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

4.05 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:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding.}$$

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.

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

4.26 Application of Compliance Standards by Bangladesh Securities & Exchange Commission (BSEC):

IDLC Asset Management Shariah Fund has maintained the following compliance standards mentioned in Bangladesh Securities & Exchange Commission, (Mutual Fund) Rules, 2001.

Compliance Standards	Reference	Status
Minimum of 60% of total fund assets invested in capital market instruments, of which at least 50% shall be invested in listed securities.	Rule 55	Complied
The Fund hasn't allowed any advances or loans for any purpose	5th Schedule Rule 56 (1)	Complied
No more than 10% of total fund assets shall be invested in any one particular company.	5th Schedule Rule 56 (2)	Complied
No more than 15% of any company's total paid up capital is held by the fund.	5th Schedule Rule 56 (3)	Complied
No more than 20% of total fund assets are invested in shares, debentures or other securities of a single company or group.	5th Schedule Rule 56 (4)	Complied
No more than 25% of total fund assets are invested in shares, debentures or other securities in any one industry.	5th Schedule Rule 56 (5)	Complied
Any transfers made by the Fund from one scheme to another if - *Are made at current market price of the listed securities through spot market and ** The investment objective of the scheme (which receives the securities) matches with the transferred securities.	5th Schedule Rule 56 (6)	Complied
The Fund has not invested in or lent to another Scheme under management of IDLC Asset Management Limited	5th Schedule Rule 56 (7)	Complied
The Fund has not taken any loan for investment purpose.	5th Schedule Rule 56 (8)	Complied
Total Expenditure except preliminary expense shall not greater than 4 % of weekly average net asset value at market price	5th Schedule Rule 56 (10)	Complied



		Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
5.00 Preliminary and issue expenses			
Opening balance	5.01	6,035,901	6,610,256
Less: Amortized during the year		944,322	574,355
Closing Balance		<u>5,091,578</u>	<u>6,035,901</u>
5.01 Preliminary and issue expenses (opening Balance)			
Formation Fees		2,010,600	2,010,600
Pre-formation Management Fees		2,171,193	2,171,193
Application & Registration Fees paid to BSEC		1,010,000	1,010,000
CDBL Fees		37,558	37,558
Trust Deed Registration Fees		127,779	127,779
Printing and Publication		764,538	764,538
Other Expenses		488,587	488,587
		<u>6,610,256</u>	<u>6,610,256</u>
Less: Amortized balance		574,355	-
Opening balance		<u>6,035,901</u>	<u>6,610,256</u>
6.00 Investment in securities at Market price			
Investment in listed securities at cost	6.01	120,758,562	20,162,375
Investment in Initial Public Offering (IPO)	6.02	-	10,000,000
Investment at cost value		<u>120,758,562</u>	<u>30,162,375</u>
Add: Unrealized Profit/(Loss) in portfolio	Annexure A	13,620,218	(3,207,575)
Investment at Market value		<u>134,378,780</u>	<u>26,954,800</u>
6.01 Investment in listed securities at cost			
Bank		9,146,500	-
Engineering		16,618,719	-
Food & Allied		17,586,994	-
Fuel & Power		10,835,516	-
Pharmaceuticals		38,338,836	-
Telecommunication		28,231,996	20,162,375
Total		<u>120,758,562</u>	<u>20,162,375</u>
Details are mentioned in Annexure A			
6.02 Investment in Initial Public Offering (IPO)			
Walton Hi-Tech Industries Limited		-	10,000,000
Total		<u>-</u>	<u>10,000,000</u>
*This is application money for IPO investment under Mutual Fund quota.			
7.00 Accounts Receivables			
Accrued income on Mudaraba Term Deposits		-	1,449,861
Dividend receivables	7.01	531,000	306,976
Accounts Receivables - Sale of Securities		18,914,976	-
Total		<u>19,445,976</u>	<u>1,756,837</u>



Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
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7.01 Dividend receivables

Marico Bangladesh Limited	166,000	-
First Security Islami Bank Limited	365,000	-
Unilever Consumer Care Limited (GlaxoSmithKline)	-	306,976
Total	531,000	306,976

8.00 Advance and Prepayments

Annual fee - BSEC	195,424	189,161
Trustee fee	-	3,195
Total	195,424	192,356

9.00 Cash and cash equivalents

Cash at bank	9.01	57,171,063	33,388,481
Mudaraba Term deposits (MTD)	9.02	-	130,000,000
Total		57,171,063	163,388,481

9.01 Cash at bank

Name of Bank	Account Name	Account No.	Type	Balance	Balance
Shahjalal Islami Bank Ltd.	IDLC Asset Management Shariah Fund	11100000323	Mudaraba SND	-	1,332,039
	IDLC Asset Management Shariah Fund - Operations	11100000417	Mudaraba SND	-	44,309
	IDLC Asset Management Shariah Fund - Portfolio	11100000418	Mudaraba SND	-	-
Standard Chartered Bank	IDLC Asset Management Shariah Fund	01-1309915-01	Saadiq	38,589,218	32,012,133
Export Import (Exim) Bank of Bangladesh Ltd.	IDLC Asset Management Shariah Fund	11313100055566	Mudaraba SND	13,368,663	-
	IDLC AML Shariah Fund - Operations	11313100055585	Mudaraba SND	2,209,859	-
	IDLC AML Shariah Fund -Trading	11313100055577	Mudaraba SND	3,003,323	-
Total				57,171,063	33,388,481

9.02 Mudaraba Term deposits (MTD)

Name of Institution	Account No.	Term	Balance	Balance
Islami Bank Bangladesh Ltd.	2095584	3 Months	-	45,000,000
	2095585	3 Months	-	45,000,000
	2095586	3 Months	-	40,000,000
Total			-	130,000,000



Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
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10.00 Capital Fund

Opening Balance	201,782,710	-
Sponsor's Contribution	-	50,000,000
Units issue to General Investor, net	(27,540,250)	151,782,710
Total	174,242,460	201,782,710

10.01 Capital Allotment

Allotment Year	Basis of allotment	No. of Unit	Face value per Unit (Taka)	Amount in Taka
2019 - 2020	Sponsor's Contribution	5,000,000	10	50,000,000
2019 - 2020	General Investors	15,178,271	10	151,782,710
2020 - 2021	General Investors	(2,754,025)	10	(27,540,250)
Total		17,424,246	-	174,242,460

11.00 Investors' Balance

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Investors' 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	(4,221,380)	-
Add: Profit/(Loss) during the year	32,664,028	(4,183,593)
	28,442,648	(4,183,593)
Less: Units redeemed with realization of Fund's performance, net	(892,202)	(37,786)
	27,550,446	(4,221,380)
Less: Purification of Income	(55,289)	-
Closing Balance	27,495,157	(4,221,380)

13.00 Accounts payable

Management fee	1,059,716	1,038,495
Trustee fee	658	-
Tax payable for the profit on Mudaraba Special Notice Deposit	-	72,493
Custodian fee	94,082	33,917
Audit fee	34,500	34,500
CDBL fee	24,361	1,973
Payable to Investor	-	9,889
Sales Agent Commission	29,571	10,026
Publication and other operational expense	64,550	74,020
Purification of income	24.00	3,967
Total	1,311,404	1,275,313



Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
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14.00 Net Asset Value (NAV) per unit at cost

Total Asset at Market Price	216,669,710	198,836,664
Less: Unrealized gain/(loss) in portfolio	13,620,218	(3,207,575)
Total Asset Value at Cost Price	203,049,492	202,044,239
Less: Accounts payable	1,311,404	1,275,313
Total Net Asset Value (NAV) at Cost Price	201,738,088	200,768,927
Number of units	17,424,246	20,178,271
NAV per unit at cost	11.58	9.95

15.00 Net Asset Value (NAV) per unit at market price

Total Asset at Market Price	216,669,710	198,836,664
Less: Accounts payable	1,311,404	1,275,313
Total Net Asset Value (NAV) at market price	215,358,306	197,561,352
Number of units	17,424,246	20,178,271
NAV per unit at market price	12.36	9.79





	Amount in Taka June 30, 2021	Amount in Taka June 30, 2020
16.00 Profit earned on deposits		
Mudaraba Term Deposit (MTD)	403,992	1,449,861
Mudaraba Special Notice Deposit (MSND)	1,411,094	-
Accrued TDS Reverse from last year	72,393	-
Total	1,887,479	1,449,861
17.00 Gain/ (Loss) from Listed Securities		
Associated Oxygen Limited	495,508	-
BBS Cables Limited	78,329	-
Berger Paints Bangladesh Ltd.	118,523	-
Bangladesh Submarine Cable Company Limited	1,929,993	-
Beximco Pharmaceuticals Ltd.	10,636,648	352,821
Dominage Steel Building Systems Limited	1,294,970	-
eGeneration Limited	720,313	-
Export Import (Exim) Bank of Bangladesh Limited	42,037	-
First Security Islami Bank Limited	(508,618)	-
Grameenphone Ltd.	2,107,564	165,685
Genex Infosys Limited	(717,918)	-
Islami Bank Bangladesh Limited	323,692	-
Islamic Finance & Investment Ltd.	(1,243,377)	-
LafargeHolcim Bangladesh Limited	6,477,629	-
Nahee Aluminum Composite Panel Ltd.	(1,226,695)	-
Olympic Industries Ltd.	(935,657)	-
Robi Axiata Limited	(332,400)	-
Shahjalal Islami Bank Ltd.	(892,535)	-
Singer Bangladesh Limited	3,068,664	-
Shahjibazar Power Co. Ltd.	(22,844)	-
Square Pharmaceuticals Ltd.	1,379,463	-
Reckitt Benckiser(Bd.)Ltd.	4,022,821	-
Walton Hi-Tech Industries Ltd.	3,119,602	-
United Power Generation & Distribution Company Ltd.	2,274,938	-
Unilever Consumer Care Limited (GlaxoSmithKline)	-	939,019
Total	32,210,650	1,457,525
18.00 Dividend income		
Grameenphone Ltd.	1,894,500	-
Bangladesh Submarine Cable Company Limited	330,000	-
Square Pharmaceuticals Ltd.	399,500	-
Beximco Pharmaceuticals Ltd.	291,000	-
Dominage Steel Building Systems Limited	7,500	-
Singer Bangladesh Limited	290,250	-
LafargeHolcim Bangladesh Limited	170,000	-
Marico Bangladesh Limited	166,000	-
First Security Islami Bank Limited	365,000	-
Unilever Consumer Care Limited (GlaxoSmithKline)	-	306,976
Total	3,913,750	306,976
19.00 Publication and other expenses		
Printing and publication expenses	239,313	121,526
Renewal and registration expenses	20,000	25,000
BO Account Maintenance Fee	2,300	3,600
Other operational expenses	195,245	42,495
IPO subscription fees	9,000	5,000
Total	465,858	197,621

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

Opening Balance	3,207,575	-
(Write back of provision)/ Required provision against diminution in value of investments at the end of the year	(3,207,575)	3,207,575
Provision/(Write back of provision) for diminution in value of investments	-	3,207,575

21.00 Earnings per unit

Net income for the year (A)	32,664,028	(4,183,593)
Outstanding number of units (B)	17,424,246	20,178,271
Earnings per unit (A÷B)	1.87	(0.21)

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

Other Comprehensive Income (OCI) is not considered for Earnings Per Unit (EPU) calculation.

The Net Profit After Tax (NPAT) and EPU would have been BDT 29,456,453 and BDT 1.69 respectively if the recovery of previous years' provision for diminution in value of investments have not been considered in calculating the net profit.

22.00 Net Operating Cash flow per unit

Net Operating cash flow for the year (A)	(77,734,093)	(38,356,464)
Outstanding number of units (B)	17,424,246	20,178,271
Net Operating Cash flow per unit (A÷B)	(4.46)	(1.90)

23.00 Reconciliation between net profit to operating cash flow

Net Profit before wrote back of provision/(provision)	29,456,453	(4,183,593)
Amortization charged of preliminary expenses	944,322	574,355
Amortization charged of DSE Shariah Index fee	121,401	111,710
Operating cash flow before changes in working capital	30,522,176	(3,497,528)
Changes in Working capital:		
Decrease/(Increase) of investment	(90,596,187)	(26,954,800)
Decrease/(Increase) of prepayments	(3,068)	(192,356)
Decrease/(Increase) of Accounts receivables	(17,689,139)	(1,756,837)
Increase of account payables	36,092	1,275,313
Payment made for Preliminary expenses	-	(6,610,256)
Payment made for DSE Shariah Index	-	(620,000)
	(108,252,302)	(34,858,936)
Less: Non-operating items		
Purification of impure income	(3,967)	-
Net operating cash flows	(77,734,093)	(38,356,464)

24.00 Purification of Income

In reference to the policy Note - 4.15, following purification will require in the distributable income (if any) of the Fund during the year ended on June 30, 2021.

Name of the Stock	Type of Income	Income Earned (Tk.)	Dividend Purification Ratio*	Required purification Amount (TK)
		(A)	(B)	(C = A x B)
Marico Bangladesh Ltd.	Dividend	166,000	0.0239	3,967
First Security Islami Bank Ltd.	Dividend	365,000	-	-
				3,967

* The Dividend Purification (DP) ratio is taken from Dhaka Stock Exchange Shariah Index published on June, 2021.

According to the Shariah Advisory Guidelines of the Fund, the Shariah Board will decide the donation process for the required purification amount BDT 3,967 from the income of the Fund.



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M M Rahman & Co.
Chartered Accountants

Purification till June 30, 2021

Name of the Stock	Type of Income	Income Earned (Tk.)	Dividend Purification Ratio*	Amount purified (Tk)
		(A)	(B)	(C = A x B)
GlaxoSmithKline(GSK) Bangladesh Ltd.	Dividend	306,976	0.0149	4,574
Grameen Phone Limited	Dividend	923,000	0.0042	3,876
Square Pharmaceuticals Ltd.	Dividend	399,500	0.0408	16,300
Bangladesh Submarine Cable Company Limited	Dividend	330,000	0.0661	21,813
Beximco Pharmaceuticals Ltd.	Dividend	291,000	0.0017	495
Singer Bangladesh Ltd.	Dividend	290,250	0.0004	116
Grameen Phone Ltd.	Dividend	971,500	0.0042	4,080
LafargeHolcim Bangladesh Ltd.	Dividend	170,000	0.0004	68
Total				51,322

25.00 Events after the reporting period

The Board of Trustees of the Fund has approved dividend per unit 1.40 Taka for the year ended on June 30, 2021 at the meeting held on July 15, 2021.

26.00 Date of authorization

The Trustee Board has authorized these financial statements for issue on July 15, 2021.



Chairman, Trustee
Investment Corporation of
Bangladesh



Member, Trustee
Investment Corporation
of Bangladesh



Asset Manager
IDLC Asset Management Limited





IDLC Asset Management Shariah Fund
Details of Investment in Listed Securities
As at June 30, 2021

Investment in listed Securities:

(Amount in Taka)

Sl. No.	Sector	Name of the Company	No. of Share	Avg. Cost	Total Cost	Market Price	Total Market Value	% of Total Assets	Unrealized Gain/ (Loss)
1	Bank	First Security Islami Bank	766,500	11.93	9,146,500	10.80	8,278,200	3.82%	(868,300)
					<u>9,146,500</u>		<u>8,278,200</u>	<u>3.82%</u>	<u>(868,300)</u>
2	Engineering	Singer Bangladesh Ltd.	96,750	171.77	16,618,719	179.70	17,385,975	8.02%	767,256
					<u>16,618,719</u>		<u>17,385,975</u>	<u>8.02%</u>	<u>767,256</u>
3	Food & Allied	Olympic Industries Ltd.	89,900	195.63	17,586,994	170.00	15,283,000	7.05%	(2,303,994)
					<u>17,586,994</u>		<u>15,283,000</u>	<u>7.05%</u>	<u>(2,303,994)</u>
4	Fuel & Power	United Power Generation & Distribution Company Ltd.	40,000	270.89	10,835,516	275.90	11,036,000	5.09%	200,484
					<u>10,835,516</u>		<u>11,036,000</u>	<u>5.09%</u>	<u>200,484</u>
5	Pharmaceuticals	Beximco Pharmaceuticals	118,900	106.92	12,712,828	177.30	21,080,970	9.73%	8,368,142
6		Marico Bangladesh Ltd.	8,300	2,113.95	17,545,744	2,229.20	18,502,360	8.54%	956,616
7		Square Pharmaceuticals Ltd.	44,250	182.60	8,080,264	215.50	9,535,875	4.40%	1,455,611
					<u>38,338,836</u>		<u>49,119,205</u>	<u>22.67%</u>	<u>10,780,369</u>
8	Telecommunication	Grameenphone Ltd.	48,500	285.42	14,624,681	349.40	16,945,900	7.82%	2,321,219
9		Bangladesh Submarine Cable Company Ltd.	95,000	135.52	13,607,316	171.90	16,330,500	7.54%	2,723,184
					<u>28,231,996</u>		<u>33,276,400</u>	<u>15.36%</u>	<u>5,044,404</u>
		Grand Total			<u><u>120,758,562</u></u>		<u><u>134,378,780</u></u>	<u><u>62.02%</u></u>	<u><u>13,620,218</u></u>





IDLC Asset Management Shariah Fund

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

Particular		June 30, 2021	June 30, 2020
(a)	Net Asset Value per unit at Cost	11.58	9.95
(b)	Net Asset Value per unit at Market	12.36	9.79
(c)	Per unit income other than investment	0.108	0.072
(d)	Per unit income from Capital gain/(loss) & Dividend Income	2.073	0.087
(e)	Per Unit Expense	0.491	0.208
(f)	Per unit provision for diminution value of Investment	-	0.159
(g)	Per unit net income / (loss)	1.875	(0.207)
(h)	Highest Purchase / Surrender Price per unit during the year	13.54	9.99
(i)	Lowest Purchase / Surrender Price per unit during the year	9.84	9.79
(j)	Highest Price - earning ratio during the year	263.83	
(k)	Lowest Price - earning ratio during the year	8.92	