



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



Russell Bedford
taking you further
Member of Russell Bedford International
a global network of independent professional services firms

*Auditors' Report and
Audited Financial Statements
Of*

IDLC Balanced Fund

For the year ended June 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the unitholder of IDLC Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IDLC Balanced Fund** (the Fund), which comprise the statement of financial position as at June 30, 2023, 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, 2023 and of the results of its operations and cash flows for the year then ended and comply with the Securities and Exchanges Rules 2020 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 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 obtain 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 Standers (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 2020, the Securities and Exchange Commission (Mutual Fund) Act, 2001 we also report the following:

- a) 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;
- b) 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;
- c) 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

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

Signature of the auditor: 

Name of the Auditor: **Mohammed Forkan Uddin FCA** DVC : 2308080886AS584360
Managing Partner Date, Dhaka : 08-08-2023

Enrolment No. 886



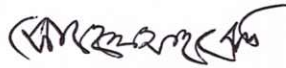
IDLC Balanced Fund
Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in BDT	
		June 30, 2023	June 30, 2022
ASSETS			
Non Current Asset			
Preliminary and Issue Expenses	5	1,290,900	2,517,928
		<u>1,290,900</u>	<u>2,517,928</u>
Current Asset			
Investment in Securities at Market Price	6	315,468,600	350,754,102
Interest, Dividend & Trade Receivables	7	21,692,702	1,154,580
Advances, Deposits and Prepayments	8	507,078	492,672
Cash and Cash Equivalents	9	182,886,919	143,452,134
		<u>520,555,299</u>	<u>495,853,489</u>
Total Assets		<u>521,846,199</u>	<u>498,371,416</u>
OWNERS' EQUITY			
Capital Fund	10	484,328,290	407,221,780
Unit Premium / (Discount)	11	(49,695,761)	(52,721,668)
Investors' Available Balance		3,574	2,269
Fair Value Reserve	12	-	12,815,709
Retained Earnings	13	84,142,565	127,747,936
Total Equity		<u>518,778,668</u>	<u>495,066,025</u>
LIABILITIES			
Non Current Liabilities			
		-	-
Current Liabilities			
Fees & Commission Payables	14	2,762,943	2,716,458
Other Payables	15	302,727	587,389
Unclaimed Dividend	16	1,862	1,544
		<u>3,067,532</u>	<u>3,305,391</u>
Total Liabilities		<u>3,067,532</u>	<u>3,305,391</u>
Total Equity and Liabilities		<u>521,846,199</u>	<u>498,371,416</u>
Net Asset Value (NAV) Per Unit			
At Cost Price	17	<u>10.80</u>	<u>11.84</u>
At Market Price	18	<u>10.71</u>	<u>12.16</u>

The annexed notes from 1 to 28 an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on July 16, 2023 and were signed on its behalf by:


Chairman, Trustee
Investment Corporation of


Member, Trustee
Investment Corporation of Bangladesh


Asset Manager
IDLC Asset Management Ltd.

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

Signature of the Auditor: 

Name of the Auditor: Mohammed Forkan Uddin FCA
Managing Partner
Enrolment No. 886

DVC : 2308080886AS584360
Date, Dhaka : 08-08-2023



IDLC Balanced Fund

Statement of Profit or Loss and Other Comprehensive Income


For the year Ended June 30, 2023

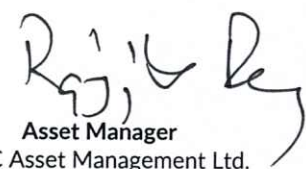
Particulars	Notes	Amount in BDT	
		June 30, 2023	June 30, 2022
INCOME			
Capital Gain	19	28,974,746	104,460,547
Dividend Income	20	12,223,213	12,458,804
Interest Income	21	10,423,341	5,037,592
Total Income		51,621,301	121,956,943
EXPENDITURE			
Management fee		8,789,609	9,417,239
Amortization of preliminary and issue expenses	5	1,227,027	1,227,027
Brokerage Commission		1,228,622	2,777,613
Trustee fee		839,444	935,432
Publication and Other Expenses	22	367,898	391,329
BSEC annual fee		477,418	537,521
Tax deducted at source		1,183,534	195,422
Custodian fee		712,586	770,910
Bank charges and excise Duty		308,454	207,147
Sales agent commission		326,642	127,428
CDBL - settlement and demat Charges		137,624	247,439
Audit Fee		34,500	34,500
Total Expenditure		15,633,357	16,869,007
Income Before Provision		35,987,944	105,087,936
(Provision) / write back of provision for diminution in value of investments	23	(4,257,285)	-
Net Income		31,730,659	105,087,936
Other comprehensive income			
Fair value reserve	12	(12,815,709)	(55,440,708)
Total Comprehensive Income		18,914,950	49,647,228
Earnings Per Unit	24	0.66	2.58

The annexed notes from 1 to 28 an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on July 16, 2023 and were signed on its behalf by:


Chairman, Trustee
Investment Corporation of Bangladesh


Member, Trustee
Investment Corporation of Bangladesh


Asset Manager
IDLC Asset Management Ltd.

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

Signature of the Auditor: 

Name of the Auditor: Mohammed Forkan Uddin FCA
Managing Partner
Enrolment No. 886

DVC : 2308080886AS584360
Date, Dhaka : 08-08-2023



IDLC Balanced Fund
Statement of Changes in Equity
For the year Ended June 30, 2023

Amount in BDT

Particulars	Capital fund	Unit premium/ (discount)	Investors' balance	Fair value reserve	Retained earnings	Total equity
Opening Balance	407,221,780	(52,721,668)	2,269	12,815,709	127,747,936	495,066,025
Unit Subscribed / (Redeemed) During the Period, Net	77,106,510	3,025,907	-	-	-	80,132,417
Fair Value Reserve	-	-	-	(12,815,709)	-	(12,815,709)
Investors' Balance	-	-	1,305	-	-	1,305
Net Income During the year	-	-	-	-	31,730,658	31,730,658
Dividend Paid During the year	-	-	-	-	(75,336,029)	(75,336,029)
As at June 30, 2023	<u>484,328,290</u>	<u>(49,695,761)</u>	<u>3,574</u>	<u>0.00</u>	<u>84,142,565</u>	<u>518,778,668</u>

Statement of Changes in Equity
For the year Ended June 30, 2022

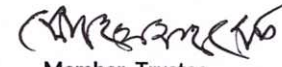
Amount in BDT

Particulars	Capital fund	Unit premium/ (discount)	Investors' balance	Fair value reserve	Retained earnings	Total equity
Opening Balance	585,768,250	(16,817,193)	1,701	68,256,417	110,525,240	747,734,415
Unit Subscribed / (Redeemed) During the Period, Net	(178,546,470)	(35,904,475)	-	-	-	(214,450,945)
Fair Value Reserve	-	-	-	(55,440,708)	-	(55,440,708)
Investors' Balance	-	-	568	-	-	568
Net Income During the Year	-	-	-	-	105,087,936	105,087,936
Dividend Paid During the Year	-	-	-	-	(87,865,240)	(87,865,240)
As at June 30, 2022	<u>407,221,780</u>	<u>(52,721,668)</u>	<u>2,269</u>	<u>12,815,709</u>	<u>127,747,936</u>	<u>495,066,025</u>

The annexed notes from 1 to 28 an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on July 16, 2023 and were signed on its behalf by:


Chairman, Trustee
Investment Corporation of Bangladesh


Member, Trustee
Investment Corporation of Bangladesh


Asset Manager
IDLC Asset Management Ltd.

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

Signature of the Auditor: 

Name of the Auditor: Mohammed Forkan Uddin FCA
Managing Partner
Enrolment No. 886

DVC : 2308080886AS584360
Date, Dhaka : 08-08-2023



IDLC Balanced Fund
Statement of Cash Flows
For the year Ended June 30, 2023

Particulars	Notes	Amount in BDT	
		June 30, 2023	June 30, 2022
A. Cash Flows From/ (Used in) Operating Activities			
Interest Income Realized in Cash		9,007,575	7,040,264
Capital Gain / (Loss) Realized in Cash		28,974,746	104,460,547
Dividend Income Received in Cash		9,596,233	12,609,239
Advances, Deposits and Prepayments		(1,323,541)	(1,230,666)
Payment Made for Expenses		(11,896,541)	(14,971,970)
Net Cash Flows From/ (Used in) Operating Activities		34,358,472	107,907,415
B. Cash Flows From/ (Used in) Investing Activities			
Investment in Marketable Securities		(323,613,375)	(615,921,411)
Investment in IPO Shares		(3,828,740)	(20,404,270)
Proceeds from Sell of Marketable Securities		328,005,967	867,870,662
		563,853	231,544,981
C. Cash Flows From/ (Used in) Financing Activities			
Unit Capital, Net		77,106,510	(178,546,470)
Unit Premium / (Discount)		3,025,907	(35,904,475)
Payable to Investors		(285,550)	(2,286,518)
Investor's Balance		1,305	568
Dividend Paid for the year		(75,335,711)	(87,871,547)
Net Cash Used in Financing Activities		4,512,460	(304,608,443)
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		39,434,786	34,843,953
E. Opening Cash and Cash Equivalents		143,452,134	108,608,182
F. Closing Cash and Cash Equivalents (D+E)		182,886,919	143,452,134
Net Operating Cash flow Per Unit	25	0.71	2.65

The annexed notes from 1 to 28 an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on July 16, 2023 and were signed on its behalf by:


Chairman, Trustee
Investment Corporation of Bangladesh


Member, Trustee
Investment Corporation of Bangladesh


Asset Manager
IDLC Asset Management Ltd.

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

Signature of the Auditor : 

Name of the Auditor : Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No. 886

DVC : 2308080886AS584360

Date, Dhaka : 08-08-2023



IDLC Balanced Fund

Notes to the Financial Statements

As at and For the Period Ended June 30, 2023

1.00 Introduction of the Fund and its Activities

1.01 Legal status and Key partners of the Fund

IDLC Balanced Fund (here-in-after referred to as "the Fund"), a Trust property, was established on February 05, 2017 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on March 07, 2017 registered as a Mutual Fund from the Bangladesh Securities and Exchange Commission with an initial paid up capital of BDT 500 million divided into 50 million units of BDT 10 each under the Securities and Exchange Commission (Mutual Fund) Rules, 2001 as an Open End Mutual Fund vide registration no. BSEC/MUTUAL FUND/2017/77.

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

Key partners of the Fund are as Follows:

Sponsor	: IDLC Finance Ltd.
Registered Address	: Bay's Galleria (1 st Floor), 57 Gulshan Avenue, Dhaka 1212.
Trustee & Custodian	: Investment Corporation of Bangladesh
Registered Address	: BDBL Bhaban, 8, RAJUK Avenue, Dhaka 1000.
Asset Manager	: IDLC Asset Management Ltd.
Registered Address	: Symphony (Level - 04), Plot - SE (F): 9, Road - 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka 1212.

1.02 Principal activities and nature of operation

IDLC Balanced Fund is an Open End Mutual Fund which is a professionally managed portfolio of equity stocks and fixed income instruments. Investors buy units of the Fund 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 Institutions and Individuals. Units of the Fund can be subscribed/ redeemed through IDLC Asset Management Ltd. 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 Asset Management Ltd. or the selling agents from which the units are originally purchased.

2.00 Objectives

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

3.00 Basis of preparation

3.01 Statement of compliance

These financial statements have been prepared in conformity with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Securities and Exchange Rules, 2020, 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 Reporting period of the Fund

The financial period of the fund cover 1 year from July 01, 2022 to June 30, 2023.

3.05 Components of financial statements

- (i) Statement of Financial Position
- (ii) Statement of Profit or Loss and Other Comprehensive Income
- (iii) Statement of Changes in Equity
- (iv) Statement of Cash Flows
- (v) Notes to the Financial Statements

4.00 Significant accounting policies

4.01 Investment policy

The Fund shall invest subject to 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 Rule 58 of 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:

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 June 30, 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, 2023.

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 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.



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 Gain / Losses

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.

Interest Income

Interest income comprises of interest income on fund kept at the Bank accounts, FDR with Banks and NBFIs, Investment in listed / non-listed Corporate Bonds 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 Securities & Exchange Commission (Mutual Fund) Rules, 2001, the expenses are being written off over a period of 7 (seven) years in a straight line basis.

4.06 Management fee

As per Securities and Exchange Commission (Mutual Fund) Rules, 2001, the Asset Management Company is 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 BDT 50,000,000 (five crore);
- (ii) @ 2.0% per annum for additional amount of the weekly average NAV of the Fund over BDT 50,000,000 (five crore) but up to BDT 250,000,000 (twenty five crore);
- (iii) @ 1.5% per annum for additional amount of the weekly average NAV of the Fund over BDT 250,000,000 (twenty five crore) but up to BDT 500,000,000 (fifty crore);
- (iv) @ 1.0% per annum for additional amount of the weekly average NAV of the Fund over BDT 500,000,000 (fifty crore).

The management fee is calculated every day based on the NAV of the Fund and paid at the end of each quarter.

4.07 Trustee fee

The Trustee is paid a Trusteeship fee @ 0.15% of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis during the life of the Fund.

4.08 Custodian Fee

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



4.09 Commission Payable to Selling Agent(s)

The Fund pays commission to the authorized selling agent(s) 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 is 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 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 Income Tax Act 2023, 6th Schedule Part 1 (10)(ka); hence no provision for tax is required.

4.11 BSEC Registration Fees and Annual Fees

The Fund has paid BDT 1,000,000 (ten lac) only to the Bangladesh Securities and Exchange Commission (BSEC) as Registration Fee as per Rule 10 of Securities & Exchange Commission (Mutual Fund) Rules, 2001. In addition to that, the Fund pays 0.10% of the Net Asset Value (NAV) of the fund or BDT 100,000 (one Lac), whichever is higher, as annual fee as per Rule 11 of Securities & Exchange Commission (Mutual Fund) Rules, 2001.

4.12 Dividend policy

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

The general investors buy or sale units of the Fund at the purchase price or surrender price, NAV / unit, published weekly in daily newspaper and Asset Manager's website. If the purchase price is greater than the face value, (i.e. BDT 10 / unit), the investors are buying the units at premium and the Fund creates unit premium 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 realize a portion of unit premium and Fund's performance as well.

4.16 Departure from IFRS and IAS

- (i) 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 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".
- (ii) The fund is required to maintain provision for the erosion on value of marketable securities according to Rule 67(1) of Securities & Exchange Commission (Mutual Fund) Rules, 2001 which contradicts with IFRS 9.

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 Statement of Profit or Loss and Other Comprehensive Income.

4.19 Per unit key financial ratio

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

4.20 General

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

4.21 Application of International Accounting Standards (IASs):

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

Name of the IAS / IFRS	IAS/IFRS No.	Status
Presentation of Financial Statements	IAS 1	Applied
Statements of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	N/A
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	N/A
Employee Benefits	IAS 19	N/A
Borrowing Costs	IAS 23	N/A
Related Party Disclosures	IAS 24	Applied
Financial Instruments: Presentation	IAS 32	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	N/A
Investment Property	IAS 40	N/A
Agriculture	IAS 41	N/A
Financial Instruments: Recognition and Measurement	IFRS 9	Applied

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

IDLC Balanced Fund has maintained the following compliance standards mentioned in 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.	5 th Schedule (1) and Rule 56	Complied
No more than 10% of total fund assets shall be invested in any one particular company.	5 th Schedule (2) and Rule 56	Complied
No more than 15% of any company's total paid up capital is held by the fund.	5 th Schedule (3) and Rule 56	Complied
No more than 20% of total fund assets are invested in shares, debentures or other securities of a single company or group.	5 th Schedule (4) and Rule 56	Complied
No more than 25% of total fund assets are invested in shares, debentures or other securities in any one industry.	5 th Schedule (5) and Rule 56	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.	5 th Schedule (6) and Rule 56	Complied
The Fund has not invested in or lent to another Scheme under management of IDLC Asset Management Limited.	5 th Schedule (7) and Rule 56	Complied
The Fund has not taken any loan for investment purpose.	5 th Schedule (8) and Rule 56	Complied
Total Expenditure except preliminary expense shall not greater than 4% of weekly average net asset value at market price.	5 th Schedule (10) and Rule 56	Complied



		Amount in BDT	
		June 30, 2023	June 30, 2022
5.00	Preliminary and Issue Expenses		
	Opening Balance	2,517,928	3,744,955
	Less: Amortized During the Period	(1,227,027)	(1,227,027)
		<u>1,290,900</u>	<u>2,517,928</u>
5.01	Opening Balance		
	Formation Fee	5,000,000	5,000,000
	Management Fee	3,200,000	3,200,000
	Application and Registration Fees Paid to BSEC	1,010,000	1,010,000
	CDBL Fees	40,000	40,000
	Trust Deed Registration Fees	160,870	160,870
	Printing and Publication	852,559	852,559
	Bank Charges	31,305	31,305
		<u>10,294,733</u>	<u>10,294,733</u>
	Less: Interest Income from Escrow Account	(1,705,542)	(1,705,542)
		<u>8,589,191</u>	<u>8,589,191</u>
	Less: Amortized Balance	(6,071,262)	(4,844,236)
		<u>2,517,928</u>	<u>3,744,955</u>
6.00	Investment in Securities at Market Price		
	Investment in Listed Securities at Cost Price	319,725,885	322,938,393
	Investment in Initial Public Offering (IPO)	-	15,000,000
		<u>319,725,885</u>	<u>337,938,393</u>
	Add / (Less): Unrealized Gain / (Loss)	(4,257,285)	12,815,709
	Investment at market value	<u>315,468,600</u>	<u>350,754,102</u>
	<i>Please see Annexure A for Details calculation.</i>		
6.01	Investment in Listed Securities at Cost Price		
	Bank	49,911,970	48,369,223
	Cement	25,209,907	-
	Corporate Bond	28,728,509	42,963,355
	Food & Allied	45,326,080	27,591,268
	Insurance	-	73,120
	Pharmaceuticals & Chemicals	121,188,090	120,997,086
	Tannery Industries	90,310	-
	Telecommunication	49,271,020	82,944,340
		<u>319,725,885</u>	<u>322,938,393</u>
	<i>Details are mentioned in Annexure A.</i>		
6.02	Investment in Initial Public Offering (IPO)*		
	Achia Sea Foods Ltd.	-	15,000,000
		<u>-</u>	<u>15,000,000</u>
	<i>*This is application money for IPO investment under Mutual Fund quota.</i>		
7.00	Interest, Dividend & Trade Receivables		
	Interest Receivables	1,859,246	443,480
	Receivables on Sale of Securities	17,648,655	-
	Dividend Receivables	2,184,800	711,100
		<u>21,692,702</u>	<u>1,154,580</u>



7.01 Interest Receivables

Term Deposits

Amount in BDT	
June 30, 2023	June 30, 2022
1,859,246	443,480
1,859,246	443,480

7.02 Dividend Receivables

Marico Bangladesh Limited
Grameenphone Ltd.

492,300	711,100
1,692,500	-
2,184,800	711,100

8.00 Advances, Deposits and Prepayments

Annual fee - BSEC
Trustee fee

507,078	479,420
-	13,252
507,078	492,672

9.00 Cash and Cash Equivalents

Bank Deposit
Term Deposit

9.01
9.02

30,886,919	37,659,498
152,000,000	105,792,637
182,886,919	143,452,134

9.01 Bank Deposit

Bank	Account No.	Type		
Southeast Bank Ltd.	0083 13500000003	SND	225,338	-
	0083 13500000004	SND	1,393	-
Standard Chartered Bank	02-1308406-01	CD	37,152	909,161
	1501203957267001	CA	23,350,732	3,564,399
BRAC Bank Ltd.	1501203957267002	CA	323,397	760,447
	1501203957267003	CA	240,151	134,425
The City Bank Ltd.	1123351611001	CETA	5,450,547	1,246,067
	1123351611003	CETA	1,243,389	30,984,536
	1123351611002	CETA	14,821	60,462
Total			30,886,919	37,659,498

9.02 Term Deposit

Bank	Account No.		
Export Import (Exim) Bank of Bangladesh Ltd.	11460100034431	-	8,231,652
	11460100034415	-	8,231,652
	11460100034423	-	8,231,652
	11460100034456	-	8,231,652
	11460100034449	-	8,231,652
	11360100070551	-	8,246,875
	11360100070544	-	8,246,875
	11360100070577		8,246,875
	11360100070569		8,246,875
	11360100070585		8,246,875
	0121001237786		7,800,000
	0121001237829		7,800,000
	0121001237861		7,800,000



		Amount in BDT	
		June 30, 2023	June 30, 2022
IDLC Finance Limited	10552236450785	8,000,000	-
	10552236450780	8,000,000	-
	10552236450781	8,000,000	-
	10552236450782	8,000,000	-
	10552236450783	8,000,000	-
	10552236450784	8,000,000	-
	10552236450779	7,000,000	-
	10552236450786	8,850,000	-
	10552236450787	8,850,000	-
	10552236450788	8,850,000	-
	10552236450789	8,850,000	-
	10552236450790	8,850,000	-
	10552236450791	8,850,000	-
	10552236450792	8,850,000	-
	10552236450793	8,850,000	-
	10552236450794	8,850,000	-
10552236450795	8,850,000	-	
10552236450796	8,500,000	-	
Total		152,000,000	105,792,637

10.00 Capital Fund

Opening Balance	407,221,780	585,768,250
Add: Units Subscribed During the Period	106,068,410	57,322,770
Less: Units Redeemed During the Period	(28,961,900)	(235,869,240)
	484,328,290	407,221,780

10.01 Capital Allotment, Net

Allotment period	Investor Category	No. of Units	Face Value		
2017 - 18	Sponsor	10,000,000	10	100,000,000	100,000,000
2017 - 18	General	68,984,387	10	689,843,870	689,843,870
2018 - 19	General	(5,563,932)	10	(55,639,320)	(55,639,320)
2019 - 20	General	(6,014,522)	10	(60,145,220)	(60,145,220)
2020 - 21	General	(8,829,108)	10	(88,291,080)	(88,291,080)
2021 - 22	General	(17,854,647)	10	(178,546,470)	(178,546,470)
2022 - 23	General	7,710,651	10	77,106,510	-
Total		48,432,829		484,328,290	407,221,780

All the transactions are held through Banking Channel.

11.00 Unit Premium / (Discount)

Opening Balance	(52,721,668)	(16,817,193)
Add: Units Subscribed / (Redeemed) During the Period	3,025,907	(35,904,475)
	(49,695,761)	(52,721,668)

12.00 Fair Value Reserve

Opening Balance	12,815,709	68,256,417
Add: Increase / (Decrease) During the Period	(12,815,709)	(55,440,708)
	-	12,815,709



		Amount in BDT	
		June 30, 2023	June 30, 2022
13.00	Retained Earnings		
	Opening Balance	127,747,936	110,525,240
	Less: Dividend Paid During the Period	(75,336,029)	(87,865,240)
		52,411,906	22,660,000
	Add: Net Income During the Period	31,730,659	105,087,936
		84,142,565	127,747,936
14.00	Fees & Commission Payables		
	Management Fees	2,261,719	2,238,886
	Payable Trustee Fee	7,727	-
	Custodian Fees	336,529	379,074
	Sales Agent Commission	115,189	50,746
	Audit Fees	34,500	34,500
	CDBL Fees	7,278	13,252
		2,762,943	2,716,458
15.00	Other Payables		
	Publication and Other Operational Expenses	45,380	44,491
	Payable to Investors	257,347	542,898
		302,727	587,389
16.00	Unclaimed Dividend		
	Up to 1 year	1,853	1,508
	Over 1 year but Within 3 year	8	35
		1,862	1,544
17.00	Net Asset Value (NAV) Per Unit at Cost Price		
	Total Asset Value at Market Price	521,846,199	498,371,416
	Less: Unrealized Gain / (Loss)	(4,257,285)	12,815,709
	Total Asset Value at Cost Price	526,103,484	485,555,707
	Less: Fees & Commission Payables	2,762,943	2,716,459
	Other Payables	302,727	587,389
	Unclaimed Dividend	1,862	1,544
	Total NAV at Cost Price	523,035,952	482,250,316
	Number of Units	48,432,829	40,722,178
		10.80	11.84
18.00	Net Asset Value (NAV) Per Unit at Market Price		
	Total Asset Value at Market Price	521,846,199	498,371,416
	Less: Fees & Commission Payables	2,762,943	2,716,459
	Other Payables	302,727	587,389
	Unclaimed Dividend	1,862	1,544
	Total NAV at Market Price	518,778,667	495,066,025
	Number of Units	48,432,829	40,722,178
		10.71	12.16



19.00 Capital Gain

AB Bank Limited	-
BRAC Bank Limited	(339,603)
The City Bank Limited	-
Dutch-Bangla Bank Ltd.	-
First Security Islami Bank Limited	-
Global Islami Bank Limited	(1,503,068)
IFIC Bank Ltd.	-
Mercantile Bank Ltd.	-
National Credit and Commerce Bank Ltd.	-
South Bangla Agriculture & Commerce Bank Ltd.	-
Union Bank Limited	-
LafargeHolcim Bangladesh Limited	(667,612)
APSCL Non-Convertible and Fully Redeemable Coupon Bearing Bond	1,523,583
GPH Ispat Ltd.	-
IFAD Autos Limited	-
Mostafa Metal Industries Limited	-
Singer Bangladesh Limited	-
LankaBangla Finance Limited	-
British American Tobacco bangladesh Company Limited	-
BD THAI FOOD & BEVERAGE Limited	-
Olympic Industries Ltd.	4,999,726
Baraka Patenga Power Limited	-
Intraco Refueling Station Limited	-
Power Grid Company of Bangladesh Ltd.	-
Shahjibazar Power Co. Ltd.	1,519,492
Genex Infosys Limited	1,241,112
Chartered Life Insurance Company Limited	388,833
Islami Commercial Insurance Company Limited	299,584
Meghna Insurance Company Limited	332,696
Sena Kalyan Insurance Company Limited	-
Sonali Life Insurance Company Limited	-
Union Insurance Company Limited	-
Trust Islami Life Insurance Limited	427,794
Beximco Limited	(49,600)
Bangladesh Shipping Corporation	294,926
Master feed Agrotec Ltd.	-
Oryza Agro Industries Ltd	-
ACI Limited	-
ACME Pesticides Limited	-
BD Paints Limited	761,279
Beximco Pharmaceuticals Ltd.	(110,650)
The IBN SINA Pharmaceutical Industry Ltd.	-
Marico Bangladesh Limited	19,294
Navana Pharmaceuticals Limited	7,964,157
Orion Pharma Ltd.	4,776,387
Star Adhesives Limited	-
Square Pharmaceuticals Ltd.	(2,118,568)
Al-Madina Pharmaceuticals Limited	130,669
SAIF Powertec Limited	-
ACHIA SEA FOOD LTD.	1,071,318
Bangladesh Submarine Cable Company Limited	8,012,998
Grameenphone Ltd.	-
Malek Spinning Mills Ltd.	-
Matin Spinning Mills Ltd.	-
Paramount Textile Limited	-

Amount in BDT	
June 30, 2023	June 30, 2022
-	(171,866)
(339,603)	5,303,798
-	185,902
-	(747,487)
-	9,760
(1,503,068)	-
-	(274,791)
-	747,994
-	(899,744)
-	1,077,283
-	740,315
(667,612)	13,473,688
1,523,583	699,650
-	(263,420)
-	-
-	48,768
-	165,572
-	(633,116)
-	15,283,756
-	191,256
4,999,726	-
-	9,767,590
-	-
-	(2,518,189)
1,519,492	-
1,241,112	-
388,833	-
299,584	-
332,696	-
-	997,779
-	1,156,470
-	493,733
427,794	-
(49,600)	-
294,926	-
-	61,293
-	60,037
-	(48,851)
-	760,397
761,279	-
(110,650)	44,042,137
-	-
19,294	2,176,199
7,964,157	-
4,776,387	-
-	601,528
(2,118,568)	3,238,365
130,669	-
-	89,703
1,071,318	-
8,012,998	14,333,052
-	(5,809,168)
-	(430,466)
-	282,627
-	268,995
28,974,746	104,460,547



20.00 Dividend Income

BRAC Bank Limited
LafargeHolcim Bangladesh Limited
APSCCL Non-Convertible and Fully Redeemable Coupon Bearing Bond
British American Tobacco Bangladesh Company Limited
ACI Limited
Beximco Pharmaceuticals Ltd.
The IBN SINA Pharmaceutical Industry Ltd.
Marico Bangladesh Limited
Bangladesh Submarine Cable Company Limited
Grameenphone Ltd.

Amount in BDT	
June 30, 2023	June 30, 2022
891,211	807,912
1,269,000	-
3,781,050	1,834,300
1,666,360	2,048,745
-	893,750
1,056,843	1,068,806
-	-
328,200	1,536,840
-	1,074,140
3,230,550	3,194,313
12,223,213	12,458,804

21.00 Interest Income

Term Deposit
Corporate Bond
Bank Deposit

8,055,934	4,050,716
-	76,010
2,367,407	910,866
10,423,341	5,037,592

22.00 Publication and Other Expenses

Renewal and Registration Fees
Printing and Publication Expenses
BO Account Maintenance Fees and Howla Charges
Other Operational Expense
IPO Subscription Fees

20,000	20,000
284,951	288,949
-	3,600
40,947	52,780
22,000	26,000
367,898	391,329

23.00 Provision/ (Write Back of Provision) for Diminution in Value of Investments

Opening Balance
Required Provision / (Write Back of Provision) Against Diminution in Value of Investments

-	-
4,257,285	-
4,257,285	-

24.00 Earnings Per Unit

Net Income for the period
Number of Units

31,730,659	105,087,936
48,432,829	40,722,178
0.66	2.58

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

25.00 Net Operating Cash Flow Per Unit

Net Operating Cash Flow for the period
Number of Units

34,358,472	107,907,415
48,432,829	40,722,178
0.71	2.65

26.00 Reconciliation of Net Profit with Cash Flows From/ (Used in) Operating Activities

Income Before Provision
Amortization charged
Operating cash flow before changes in working capital

35,987,944	105,087,936
1,227,027	1,227,027
37,214,971	106,314,963

Changes in working capital:

(Increase) / Decrease of Investment
(Increase) / Decrease of Advances, Deposits and Prepayments
(Increase) / Decrease of Account Receivables
Increase / (Decrease) of Account Payables
Increase / (Decrease) of Unclaimed Dividend

18,212,508	182,970,064
(14,406)	242,287
(20,538,122)	50,780,634
(238,177)	(3,142,070)
318	(6,306)
(2,577,878)	230,844,608

Annexure A

IDLC Balanced Fund
 Details of Investment in Securities
 As at June 30, 2023

A. Investment in Listed Securities

Sl.	Sector	Scriptcode	Name of The Company	No. of Securities	Avg. Cost	Total Cost Price	Market Value	Total Market Price	% of Total Assets	Unrealized Gain/ (Loss)
1	Bank	BRACBANK	BRAC Bank Limited	1,277,402	39.07	49,911,970	35.80	45,730,992	8.76%	(4,180,978)
2	Cement	LHBL	LafargeHolcim Bangladesh Limited	355,000	71.01	25,209,907	69.50	24,672,500	4.73%	(537,407)
3	Corporate Bond	APSCLBOND	APSC Non-Convertible and Fully Redeemable Coupon Bearing Bond	5,772	4,977.22	28,728,509	5,500.00	31,746,000	6.08%	3,017,491
4	Food & Allied	BATBC	British American Tobacco Bangladesh Company Limited	83,318	499.25	41,596,168	518.70	43,217,046.60	8.28%	1,620,878
5		OLYMPIC	Olympic Industries Ltd.	25,000	149.20	3,729,911	153.60	3,840,000.00	0.74%	110,089
6	Pharmaceuticals & Chemicals	BXPBARMA	Beximco Pharmaceuticals Ltd.	330,055	157.86	52,101,413	146.20	48,254,041.00	9.25%	(3,847,372)
7		IBNSINA	The IBN SINA Pharmaceutical Industry Ltd.	34,800	285.26	9,927,000	286.60	9,973,680.00	1.91%	46,680
8		MARICO	Marico Bangladesh Limited	20,040	2,329.62	46,685,676	2,421.50	48,526,860.00	9.30%	1,841,184
9		SQURPHARMA	Square Pharmaceuticals Ltd.	62,000	201.19	12,474,000	209.80	13,007,600.00	2.49%	533,600
10	Tannery Industries	MIKFOOTWEAR	MK Footwear PLC	9,031	10.00	90,310	11.00	99,341.00	0.02%	9,031
11	Telecommunication	GP	Grameenphone Ltd.	161,900	304.33	49,271,020	286.60	46,400,540.00	8.89%	(2,870,480)
Sub-Total						319,725,885		315,468,600	60.45%	(4,257,285)

B. Investment in Initial Public Offering (IPO)

Sub-Total						-		-	0.00%	-
Grand Total						319,725,885		315,468,600	60.45%	(4,257,285)



Annexure B

IDLC Balanced Fund

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

	Particular	June 30, 2023	June 30, 2022	June 30, 2021
(a)	Net Asset Value per unit at Cost price	10.80	11.84	11.60
(b)	Net Asset Value per unit at Market price	10.71	12.16	12.76
(c)	Per unit income other than investment	0.215	0.124	0.171
(d)	Per unit income from Capital Gain / (Loss) & Dividend Income	0.851	2.871	2.389
(e)	Per Unit Expense	0.323	0.414	0.374
(f)	Per unit provision for diminution value of Investment	(0.088)	-	-
(g)	Per unit net income / (loss)	0.743	2.581	3.168
(h)	Highest Subscribed / Surrender Price per unit during the year	10.76	13.32	13.60
(i)	Lowest Subscribed / Surrender Price per unit during the year	10.11	11.45	8.99

