



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



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*Auditors' Report and
Audited Financial Statements
Of*

IDLC Income Fund

For the year ended June 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the unitholder of IDLC Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IDLC Income 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 Fund 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.

Emphasis of Matter

We draw attention to note 4.02 of the financial statements, which describes the fund's valuation policy. The nature of the Investment in Securities suggests that the said investment shall fall under the category of 'fair value through profit and loss' following IFRS 9 (Financial Instruments). Therefore, the fair value gain or loss should be presented in the Statement Profit or Loss rather than the Statement of Other Comprehensive Income.

Other Matter

The financial statements of IDLC Income Fund for the year ended June 30, 2022, were audited by Malek Siddiqui Wali Chartered Accountants who expressed an unmodified opinion on those statements on July 24, 2022.

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 2020, 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

Name of Firm:

M M Rahman & Co.,
Chartered Accountants

Signature of the auditor:



Name of the Auditor:

Mohammed Forkan Uddin FCA
Managing Partner

DVC : 2308090886A5788601

Date, Dhaka : 09-08-2023

Enrolment No.

886



IDLC Income Fund

Statement of Financial Position

As at June 30, 2023

Particulars	Notes	June 30, 2023 BDT	June 30, 2022 BDT
ASSETS			
Non-Current Asset			
Preliminary and Issue Expenses	5	1,269,780	1,694,983
		1,269,780	1,694,983
Current Asset			
Investment in Securities at Market Price	6	49,467,341	50,292,781
Investment in Non Listed Corporate Bonds	7	9,422,932	13,628,352
Investment in Govt. / Govt. Backed Securities	8	276,797,504	168,243,706
Account Receivables	9	2,092,917	138,842
Advances, Deposits and Prepayments	10	644,096	311,849
Cash and Cash Equivalents	11	338,262,478	147,969,921
		676,687,268	380,585,451
Total Assets		677,957,048	382,280,434
OWNERS' EQUITY			
Capital Fund	12	632,692,240	363,554,380
Unit Premium / (Discount)	13	20,885,793	8,801,968
Investors' Balance		112	53
Fair Value Reserve	14	219,125	1,564,675
Retained Earnings	15	19,004,938	6,729,211
Total Equity		672,802,208	380,650,287
LIABILITIES			
Non-Current Liabilities			
		-	-
Current Liabilities			
Account Payables	16	5,154,830	1,630,138
Unclaimed Dividend	17	10	9
		5,154,840	1,630,147
Total Liabilities		5,154,840	1,630,147
Total Equity and Liabilities		677,957,048	382,280,434
Net Asset Value (NAV) Per Unit			
At Cost Price	18	10.63	10.43
At Market Price	19	10.63	10.47

The annexed notes form an integral part of these Financial Statements.

The financial statements were approved by the Board of Trustees on July 13, 2023 and were signed on its behalf by:

Trustee

Sandhani Life Insurance Co. Ltd.

Asset Manager

IDLC Asset Management Ltd.

Signed in terms of our report of even date annexed.

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Mohammed Forkan Uddin FCA
Managing Partner
886

DVC : 2308090886AS788601
Date, Dhaka : 09-08-2023

Enrolment No.



IDLC Income Fund

Statement of Profit or Loss and Other Comprehensive Income

As at and for the year ended June 30, 2023

Particulars	Notes	July 01, 2022 - June 30, 2023	June 25, 2021 - June 30, 2022
		BDT	BDT
INCOME			
Interest Income	20	34,217,623	7,584,527
Capital Gain	21	9,822,468	5,666,622
Dividend Income	22	3,961,650	565,675
Income Against Load		450,511	-
Total Income		48,452,252	13,816,824
EXPENDITURE			
Management Fee		3,988,597	1,157,253
Brokerage Commission		43,484	34,186
Amortization of Preliminary and Issue Expenses	5	425,202	432,191
Trustee fee		327,635	95,060
Custodian Fee		299,225	51,973
Amortization of BSEC Fee		569,800	165,322
Tax Deducted at Source		654,661	47,903
Publication and Other Expenses	23	334,421	296,597
Bank Charges and Excise Duty		413,797	176,168
Sales Agent Commission		339,973	242,120
CDBL - Settlement and Demat Charges		35,481	44,099
Audit Fee		80,500	69,000
Total Expenditure		7,512,775	2,811,873
Net Income for the year		40,939,477	11,004,951
Other Comprehensive Income		40,939,477	11,004,951
Fair value reserve		(1,345,550)	1,564,675
Total Comprehensive Income		39,593,927	12,569,626
Earnings Per Unit During the year	22	0.65	0.30

The annexed notes form an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on July 13, 2023 and were signed on its behalf by:

Trustee

Sandhani Life Insurance Co. Ltd.

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
886

DVC : 2308090886AS788601
Date, Dhaka : 09-08-2023

Enrolment No.



IDLC Income Fund

Statement of Changes in Equity

As at and for the year ended June 30, 2023

Particulars	Capital Fund	Unit Premium/ (Discount)	Investors' Balances	Fair Value Reserve	Retained Earnings	Total Equity
	BDT	BDT	BDT	BDT	BDT	BDT
Opening Balance	363,554,380	8,801,968	53	1,564,675	6,729,211	380,650,287
Fund Subscribed / (Redeemed) during the year, Net	269,137,860	12,083,825	-	-	-	281,221,685
Investor's Balance	-	-	59	-	-	59
Net Income during the year	-	-	-	-	40,939,477	40,939,477
Fair Value Reserve	-	-	-	(1,345,550)	-	(1,345,550)
Dividend paid during the year	-	-	-	-	(28,663,750)	(28,663,750)
As at June 30, 2023	<u>632,692,240</u>	<u>20,885,793</u>	<u>112</u>	<u>219,125</u>	<u>19,004,938</u>	<u>672,802,208</u>

Statement of Changes in Equity

For the year ended June 30, 2022

Particulars	Capital Fund	Unit Premium/ (Discount)	Investors' Balances	Fair Value Reserve	Retained Earnings	Total Equity
	BDT	BDT	BDT	BDT	BDT	BDT
Opening Balance	-	-	-	-	-	-
Sponsor's Contribution	10,000,000	-	-	-	-	10,000,000
Fund Subscribed / (Redeemed) during the year, Net	353,554,380	8,801,968	-	-	-	362,356,348
Investor's Balance	-	-	53	-	-	53
Net Income during the year	-	-	-	-	11,004,951	11,004,951
Fair Value Reserve	-	-	-	1,564,675	-	1,564,675
Dividend paid during the year	-	-	-	-	(4,275,740)	(4,275,740)
As at June 30, 2022	<u>363,554,380</u>	<u>8,801,968</u>	<u>53</u>	<u>1,564,675</u>	<u>6,729,211</u>	<u>380,650,287</u>

The financial statements were approved by the Board of Trustees on July 13, 2023 and were signed on its behalf by:


Trustee
Sandhani Life Insurance Co. Ltd.


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
886

DVC : 2308090886AS788601

Date, Dhaka : 09-08-2023

Enrolment No.



IDLC Income Fund

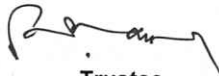
Statement of Cash Flows

As at and for the year ended June 30, 2023

Particulars	Notes	July 01, 2022 -	June 25, 2021 -
		June 30, 2023	June 30, 2022
		BDT	BDT
A. Cash Flows From / (Used in) Operating Activities			
Capital Gain / (loss) realized from marketable securities		9,822,468	5,666,622
Interest Income from Govt. / Govt. Backed Securities		12,161,663	-
Interest Income from Non Listed Corporate Bonds		348,837	-
Interest income realized in cash		15,499,820	6,246,766
Dividend income - received in cash		3,961,650	565,675
Income against Exit Load		450,511	-
Advance, Deposits & Prepayments		(1,237,635)	(560,584)
Payment made for Expenses		(5,428,165)	(3,526,019)
Net Cash Used in Operating Activities		35,579,149	8,392,460
B. Cash Flows From / (Used in) Investing Activities			
Investment in marketable securities, net		(15,758,430)	(68,468,819)
Investment in IPO shares		(3,828,740)	(19,233,310)
Investment in Non Listed Corporate Bonds		-	(13,002,629)
Investment in Govt. / Govt. Backed Securities		(768,584,650)	(167,670,510)
Proceeds from sale of marketable securities		19,067,060	38,974,023
Proceeds from sale of Govt. / Govt. Backed Securities		663,838,337	-
Proceeds from sale of Non Listed Corporate Bonds		4,651,163	-
Net Cash Used in Investing Activities		(100,615,260)	(229,401,245)
C. Cash Flows From / (Used in) Financing Activities			
Unit Capital, Net		269,137,860	363,554,380
Unit Premium / (Discount), Net		12,083,825	8,801,968
Payable to Investors		2,770,672	898,036
Investors' Balance		60	53
Dividend paid for the year		(28,663,750)	(4,275,731)
Net Cash Flows from Financing Activities		255,328,668	368,978,706
D. Net Cash Flows (A+B+C)		190,292,556	147,969,921
E. Cash and Cash Equivalents at the Beginning of the year		147,969,921	-
F. Cash and Cash Equivalents at the End of the year		338,262,478	147,969,921
Net Operating Cash Flow Per Unit	25	0.56	0.23

The annexed notes form an integral part of these Financial Statements.

The financial statements were approved by the Board of Trustees on July 13, 2023 and were signed on its behalf by:



Trustee

Sandhani Life Insurance Co. Ltd.



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 : 2308090886AS788601

Date, Dhaka : 09-08-2023



IDLC Income Fund

Notes to the Financial Statements

As at and for the year ended June 30, 2023

1 Introduction of the Fund and its activities

1.01 Legal status and Key Partners of the Fund

IDLC Income Fund (here-in-after referred to as "the Fund"), a Trust property, was registered on April 12, 2021 under The Trust Act, 1882 and Registration Act, 1908 through a Trust Deed entered into between IDLC Asset Management Ltd. and Sandhani Life Insurance Co. Ltd. The Fund was registered by the BSEC on April 28, 2021 under the Securities and Exchange Commission (Mutual Fund), Rules, 2001. The initial target size of the Fund will be BDT 100 Million divided into 10 Million Units of BDT 10 each. Size of the Fund will be increased from time to time by the Asset Manager subject to approval of the Trustee and with due intimation to the BSEC. Registration no. of this Fund is BSEC/MUTUAL FUND/2021/118.

After initial public subscription, the size of the fund was BDT 10 crore.

Key Partners of the Fund are as Follows:

Sponsor & 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.
Trustee	: Sandhani Life Insurance Co. Ltd.
Registered Address	: Sandhani Life Tower, Rajuk Plot No - 34, Bangla Motor, Dhaka - 1000.
Custodian	: BRAC Bank Ltd.
Registered Address	: Anik Tower, 220/B, Tejgaon Gulshan Link Road Tejgaon, Dhaka 1208.

1.02 Principal Activities and Nature of Operation

IDLC Income Fund is an Open end Mutual Fund which is a professionally managed portfolio of Government Securities, 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 (local and foreign) and Individuals (resident and non-resident). Units of the Fund may be subscribed / redeemed 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 Asset Management Ltd. or the selling agents from which the units are originally purchased.

2 Objectives

The objective of the IDLC Income Fund is to generate return annually through investments in a range of fixed income securities; predominantly in Government securities as well as investment grade corporate bonds and money market instruments while maintaining the optimum balance of yield, safety and liquidity.

3 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, 1987, 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 year 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 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.

- (i) shall invest not less than 40% (forty percent) of the total assets of the Scheme of the Fund in Government Securities or Government Backed Securities;
- (ii) investment in Government Securities shall not however exceed 60% of the total assets of the Fund;
- (iii) not more than 50% of the total assets of the Fund shall be invested in listed securities;
- (iv) not more than 20% of the total assets of the Fund shall be invested in non-listed securities at any particular date. In case of investment in non-listed Corporate Bonds or Pre-IPO placement shares, the asset manager shall obtain approval of the commission;
- (v) non-listed securities that are "Investment Grade" and enjoy "Very Strong" credit rating by a licensed credit rating agency are eligible for investment under this Scheme of the Mutual Fund;
- (vi) the Fund shall not invest more than 10% of its total assets in any one company or a group of companies under the control of a parent company. This condition shall not be applicable for investment in Government Securities; and
- (vii) the Fund shall not invest more than 10% of paid up capital (or other securities such as Bond or Debenture) issued by any 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 been 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. Mutual Fund securities are valued as per SRO No. SEC/CMRRCD/2009-193/172 dated June 30, 2015; and
- (ii) Market value is determined by taking the closing quoted Market Price of the securities only on the Dhaka Stock Exchange on the date of valuation i.e. on June 30, 2022.

Non-listed Securities

As per IFRS 9 "Financial Instruments", Financial Assets are classified as either (i) Amortized Cost, (ii) Fair Value through Profit or Loss or (iii) Fair Value through Other Comprehensive Income. In case of valuation of Investment in Zero Coupon Bond and 91 Days Bangladesh Government Treasury Bills, we have followed amortized cost method, as it meets both of the following assessment criteria:

- (i) **Business Model Assessment:** The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- (ii) **Contractual Cash Flow Assessment:** The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on a specified date.

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:

Total NAV = VA - LT

NAV Per Unit = Total NAV / No. of units outstanding.

VA: Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

LT: Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

4.04 Revenue Recognition

Interest Income

Interest income comprises of interest income on fund kept at the Bank accounts, FDR with Banks and NBFIs, Corporate Bonds, Zero Coupon Bond, 91 Days Bangladesh Government Treasury Bills etc. and accounted for in the financial statements under accrual basis accounting system.

Capital Gains / 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.

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 the Trust Deed, the expenses are being written off over a period of 5 (five) years in a straight line basis.

4.06 Management Fee

In consideration for the services rendered to the Mutual Fund under this Agreement, the Asset Manager shall be entitled to annual management fee which shall be equivalent to the maximum fee of 0.70% per annum as per the Trust Deed - payable at the end of each quarter

4.07 Trustee Fee

The Trustee is paid a Trusteeship fee of @ 0.05% p. a. of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis, from the formation date during the life of the fund.

4.08 Custodian Fee

The Custodian has physical possession of the stock and securities of the Fund and is responsible for safekeeping of the securities. The Fund pays to the Custodian in the following fee structure:

Asset held with the Custodian	% on average asset size	Maximum Fee
For the first BDT 500,000,000	0.05%	250,000
For the next BDT 250,000,000	0.04%	100,000
For the next BDT 250,000,000	0.03%	75,000
Rest Amount		50,000

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 sale 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 200,000 (two lac) 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 will have to pay 0.10% of the 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) Before declaring any dividend, the investment in financial assets and securities (both listed and non-listed) should be fair-valued in accordance with IFRS to calculate the profit / loss of the mutual fund;
- (ii) Any unrealized gain from both listed securities and non-listed securities may be considered either through "Profit & Loss account" or "Other Comprehensive Income" as decided by Asset Manager, approved by Trustee and commented by the Auditor;
- (iii) The accounting year of the Fund shall be July 01 to June 30 or as determined by the Commission;
- (iv) The Fund shall distribute minimum 70% (seventy percent), or as may be determined by the Securities and 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;
- (v) 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;
- (vi) 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;
- (vii) Surpluses arising simply from the valuation of investments shall not be available for dividend;
- (viii) 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;
- (ix) Before registration for transfer of ownership, a transferee shall not possess the right to any dividend declared; and
- (x) 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 at 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 realized a portion of unit premium and Fund's performance as well.

4.16 Departure from IFRS and IAS

The Fund has written off Preliminary and issue expenses over a year of 5 (five) years on a straight-line basis according to the Trust Deed which contradicts with Paragraph 69(a) of IAS 38 "Intangible Assets", as it states that "no intangible or other asset is recognized when expenditure on start-up activities (i.e. Start-up costs) is incurred to provide future economic benefits".

4.17 Statement of Cash Flows

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

4.18 Earnings Per Unit

Earnings Per Unit has been calculated in accordance with IAS 33 "Earnings Per Share" and shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

4.19 General

- (i) Figures appearing in these financial statements have been rounded off to nearest BDT.
- (ii) Comparative figures and account titles in the financial statements have been rearranged / reclassified where necessary to conform with current year's presentation.

4.20 Application of International Accounting Standards (IASs):

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

Name of the IAS / IFRS	IAS / IFRS No.	Status
Presentation of Financial Statements	IAS 1	Applied
Statement 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	IFRS 9	Applied



Notes	June 30,	June 30,
	2023	2022
	BDT	BDT
5 Preliminary and Issue Expenses		
Opening Balance	1,694,983	2,127,174
Less: Amortized during the year	(425,202)	(432,191)
	1,269,780	1,694,983
5.01 Opening Balance		
Formation Fees	1,000,000	1,000,000
Pre-Formation Management fee	112,778	112,778
Application and Registration Fees Paid to BSEC	210,000	210,000
CDBL Fees	20,125	20,125
Trust Deed Registration Fees	91,000	91,000
Printing and Publication	682,261	682,261
Bank Charges	43,285	43,285
	2,159,448	2,159,448
Less: Interest Income from Escrow Account	(32,274)	(32,274)
	2,127,174	2,127,174
Less: Amortized Balance	(432,191)	-
	1,694,983	2,127,174
6 Investment in Securities at Market Price		
Investment in Listed Shares and Corporate Bonds	49,248,216	33,728,106
Investment in Initial Public Offering (IPO)	-	15,000,000
Investment at Cost Value	49,248,216	48,728,106
Add/ (Less): Unrealized Gain/ (Loss)	219,125	1,564,675
	49,467,341	50,292,781
<i>Please see Annexure A for Details calculation.</i>		
6.01 Investment in Listed Shares and Corporate Bonds		
Corporate Bond	49,157,906	33,399,476
Tannery Industries	90,310	73,120
Pharmaceuticals & Chemicals	-	255,510
	49,248,216	33,728,106
6.02 Investment in Initial Public Offering (IPO)		
Achia Sea Foods Ltd.	-	15,000,000
	-	15,000,000
<i>*This is application money for IPO investment under Mutual Fund quota.</i>		
7 Investment in Non Listed Corporate Bonds		
Investment in Zero Coupon Bonds	8,351,466	13,002,629
Add: Accrued Interest	1,071,466	625,724
	9,422,932	13,628,352
<i>Please see Annexure B for Details calculation.</i>		
8 Investment in Govt. / Govt. Backed Securities		
Investment in Treasury Bills (91 Days / 182 Days / 364 Days)	272,416,823	167,670,510
Add: Accrued Interest	4,380,681	573,196
	276,797,504	168,243,706
<i>Please see Annexure C for Details calculation.</i>		
9 Accounts Receivables		
Term Deposits	2,092,917	138,842
	2,092,917	138,842



Notes	June 30,	June 30,
	2023	2022
	BDT	BDT

10 Advances, Deposits and Prepayments

BSEC Fee

644,096	311,849
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11 Cash and Cash Equivalents

Bank Deposits

11.01

90,922,103	94,118,304
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Term Deposits

11.02

247,340,375	53,851,618
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338,262,478	147,969,921
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11.01 Bank Deposits

Bank	Account No.	Type		
Southeast Bank Ltd.	13500000005	SND	4,918,424	17,224
	13500000011	SND	13,871	222
	13500000012	SND	6,527	68
BRAC Bank Ltd.	1501204896856001	IBCA	73,821,041	1,001,003
	204896856002	IBCA	9,213,182	-
Standard Chartered Bank	02936613601	CD	1,008,092	7,291
	1123350355001	CETR	753,026	85,032,691
The City Bank Ltd.	1123350355002	CETR	164,323	6,939,039
	1123350355003	CETR	942,806	1,102,276
	1123350355004	CETR	3,646	1,433
NCC Bank Ltd.	0103-0325000848	CA	77,165	17,057
			90,922,103	94,118,304

11.02 Term Deposits

Bank	Account No.		
Exim Bank Limited	09960100052733	-	8,471,910
	09960100052725	-	8,471,910
	09960100052717	-	8,471,910
	09960100052791	-	832,976
	09960100052808	-	832,976
	09960100053202	-	6,769,936
	0121001224711	-	8,000,000
	0121001224729	-	6,000,000
	0121001224745	-	6,000,000
	IDLC Finance Limited	10552255266631	9,000,000
10552255266632		9,000,000	-
10552255266633		9,000,000	-
10552255266634		9,000,000	-
10552255266635		9,000,000	-
10552255266619		6,112,500	-
10552255266620		6,112,500	-
10552255266621		5,603,125	-
10552255266623		7,131,250	-
10552255266624		7,131,250	-
10552255266636		6,000,000	-
10552255266637		6,000,000	-
10552255266606		7,912,182	-
10552255266607		7,912,182	-
10552255266608		7,912,182	-
10552255266609		7,912,182	-
10552255266610		48,003,831	-
10552255266611		48,003,831	-
10552255266612		9,495,230	-
10552255266613		6,329,134	-
10552255266614	6,329,134	-	
10552255266615	8,439,864	-	
		247,340,375	53,851,618



Notes	June 30,	June 30,
	2023	2022
	BDT	BDT

12 Capital Fund

Opening Balance	363,554,380	-
Sponsor's Contribution	-	10,000,000
Add: Units Subscribed During the year	387,012,390	394,258,190
Less: Units Redeemed During the year	(117,874,530)	(40,703,810)
	632,692,240	363,554,380

12.01 Capital Allotment, Net

year	Unit holders	No. of Unit	Face		
2021 - 2022	Sponsor	1,000,000	10	10,000,000	10,000,000
2021 - 2022	General	35,355,438	10	353,554,380	353,554,380
2022 - 2023	General	26,913,786	10	269,137,860	-
Total		63,269,224		632,692,240	363,554,380

All transactions are held through Banking Channel.

13 Unit Premium / (Discount)

Opening Balance	8,801,968	-
Units Subscribed/ (Redeemed) During the year, Net	12,083,825	8,801,968
	20,885,793	8,801,968

14 Fair Value Reserve

Opening Balance	1,564,675	-
Add: Increase / (Decrease) During the year	(1,345,550)	1,564,675
	219,125	1,564,675

15 Retained Earnings

Opening Balance	6,729,211	-
Less: Dividend Paid for 2021-22	(6,725,756)	(4,275,740)
	3,455	(4,275,740)
Add: Profit during the year	40,939,477	11,004,951
Less : Dividend Paid for 2022-23 (Interim)	(21,937,994)	-
	19,004,938	6,729,211

16 Accounts Payables

Management Fee	1,104,304	378,574
Trustee Fee	3,694	11,647
Payable to Investor	3,668,708	898,036
Custodian Fee	167,871	24,885
Publication and Other Operational Expense	36,070	30,820
Sales Agent Commission	137,529	242,120
Audit Fee	34,500	34,500
CDBL Fee	2,155	9,556
	5,154,830	1,630,138

17 Unclaimed Dividend

Up to 1 year	10	9
	10	9



Notes	June 30,	June 30,
	2023	2022
	BDT	BDT

18 Net Asset Value (NAV) Per Unit at Cost

Total Asset Value at Market Price	677,957,048	382,280,434
Less: Unrealized Gain / (Loss)	219,125	1,564,675
Total Asset Value at Cost Price	677,737,923	380,715,759
Less: Account Payables	(5,154,830)	(1,630,138)
Unclaimed Dividend	(10)	(9)
Total NAV at Cost Price	672,583,083	379,085,612
Number of Units	63,269,224	36,355,438
	10.63	10.43

19 Net Asset Value (NAV) Per Unit at Market Price

Total Asset Value at Market Price	677,957,048	382,280,434
Less: Account Payables	(5,154,830)	(1,630,138)
Unclaimed Dividend	(10)	(9)
Total NAV at Market Price	672,802,208	380,650,287
Number of Units	63,269,224	36,355,438
	10.63	10.47





20 Interest Income

Bank Deposits	
Term Deposits	
Treasury Bills	
TMSS Women Empowerment Zero Coupon Bond	

Notes	July 01, 2022 - June 30, 2023	June 25, 2021 - June 30, 2022
	BDT	BDT
	2,040,734	1,762,340
	15,413,161	4,623,268
	15,969,149	573,196
	794,579	625,724
	34,217,623	7,584,527

21 Capital Gain

Al-Madina Pharmaceuticals Limited	
Global Islami Bank Limited	
Union Bank Ltd.	
APSCL Non-Convertible and Fully Redeemable Coupon Bearing Bond	
BD Thai Food Ltd.	
Trust Islami Life Insurance Limited	
Chartered Life Insurance Company Limited	
Islami Commercial Insurance Company Limited	
Meghna Insurance Company Limited	
Sena Kalyan Insurance Company Limited	
Union Insurance Company Limited	
Star Adhesives Limited	
Achia Sea Foods Limited	
Master feed Agrotec Ltd.	
Mostafa Metal Industries Limited	
Oryza Agro Industries Ltd.	
ACME Pesticides Limited	
BD Paints Limited	
Navana Pharmaceuticals Limited	

	130,669	-
	(1,503,068)	-
	-	740,315
	-	1,540,932
	-	197,700
	427,794	-
	388,833	-
	299,584	-
	337,232	-
	-	997,779
	-	495,309
	-	601,528
	1,071,318	-
	-	170,942
	-	53,920
	-	60,275
	-	807,922
	808,731	-
	7,861,375	-
	9,822,468	5,666,622

22 Dividend Income

APSCL Non-Convertible and Fully Redeemable Coupon Bearing Bond	
--	--

	3,961,650	565,675
	3,961,650	565,675

23 Publication and Other Expenses

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

	-	25,000
	312,421	233,007
	-	10,190
	-	5,400
	22,000	23,000
	334,421	296,597

24 Earnings Per Unit

Net Income for the year	
Number of Units	
Earnings Per Unit	

	40,939,477	11,004,951
	63,269,224	36,355,438
	0.65	0.30

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

25 Net Operating Cash Flow Per Unit

Net Operating Cash Flow for the year	
Number of Units	
Net Operating Cash Flow Per Unit	

	35,579,149	8,392,460
	63,269,224	36,355,438
	0.56	0.23



Notes	July 01, 2022 -	June 25, 2021 -
	June 30, 2023	June 30, 2022
	BDT	BDT

26 Reconciliation of Net profit with Cash Flows From / (Used in) Operating Activities

Net Income for the year	40,939,477	11,004,951
Amortization of Preliminary and Issue Expenses	425,202	432,191
Amortization of BSEC Fees	-	165,322
Operating Cash Flow Before Changes in Working Capital	41,364,679	11,602,465
Changes in Working Capital:		
(Increase) / Decrease of Investment	(100,615,260)	(229,401,245)
(Increase) / Decrease of Advances, Deposits and Prepayments	(332,248)	(477,171)
(Increase) / Decrease of Account Receivables	(1,954,075)	(138,842)
(Increase) / Decrease of Accrued Interest of Non-listed Securities	(4,253,228)	(1,198,919)
Increase / (Decrease) of Account Payables	3,524,693	1,630,138
Increase / (Decrease) of Unclaimed Dividend	0.52	9
Payment Made for Preliminary and Issue Expenses	-	(2,127,174)
	(103,630,118)	(231,713,204)
Less: Non-Operating Items		
Increase of Payables to Investors	2,770,672	(898,036)
Increase of Unclaimed Dividend	(1)	(9)
	2,770,672	(898,045)
Less: items classified as investing activities		
Net Change in investing activities	(100,615,260)	(229,401,245)
Net Cash Used in Operating Activities	35,579,149	8,392,460

The prior-year figure has been rearranged wherever considered necessary to ensure comparability with the current period to comply with the requirement of BSEC Guideline.

27 Events After the Reporting year

The Board of Trustees of the Fund has approved 6.9% total cash dividend including 3.9% interim cash dividend for the year Ended June 30, 2023 at the Meeting held on July 13, 2023.

28 Date of Authorization

The Trustee Board has authorized these financial statements for issue on July 13, 2023.


Trustee

Sandhani Life Insurance Co. Ltd.


Asset Manager
IDLC Asset Management Ltd.



IDLC Income Fund
 Details of Investment in Shares, Corporate Bonds and Initial Public Offering
 As at June 30, 2023

A. Investment in Listed Shares and Corporate Bonds

Sl.	Sector	Name of The Company	No. of Securities	Avg. Cost	Total Cost Value	Market Value	Total Market Value	% of Total Assets	Unrealized Gain/ (Loss)
1	Tannery Industries	MK Footwear PLC	9,031	10.00	90,310	11.00	99,341	0.01%	9,031
2	Corporate Bond	APSCIL Non-Convertible and Fully Redeemable Coupon Bearing Bond	8,976	5,476.59	49,157,906	5,500.00	49,368,000	7.28%	210,094
					49,248,216		49,467,341	7.30%	219,125
Sub-Total					49,248,216		49,467,341	7.30%	219,125

B. Investment in Initial Public Offering (IPO)

					-		-	0.00%	-
Grand Total					49,248,216		49,467,341	7.30%	219,125

Annexure B

IDLC Income Fund
 Details of Investment in Zero Coupon Bonds
 As at June 30, 2023

A. Investment in Zero Coupon Bonds

Sl.	Name of the Securities	No. of Securities	Tenure in Year(s)	Avg. Cost	Total Cost	Yield	Accrued Interest	% of Total Assets	Fair Value
1	Thengamara Mohila Sabuj Sangha	5	2	865,333	4,326,663	7.50%	545,126	0.72%	4,871,789
2	(TMSS)**	5	3	804,961	4,024,803	7.50%	526,339	0.67%	4,551,142
					8,351,466		1,071,466	1.39%	9,422,931

Annexure C

IDLC Income Fund
 Details of Investment in Treasury Bills
 As at June 30, 2023

A. Investment in 91 Days Treasury Bills

Sl.	Name of the Securities	No. of Securities	Tenure in Day(s)	Avg. Cost	Total Cost	Yield	Accrued Interest	% of Total Assets	Fair Value
1	91 Days Bangladesh Government Treasury Bills	1	90	52,140,976	52,140,976	6.6081%	585,268	7.78%	52,726,244
					52,140,976		585,268	7.78%	52,726,244

B. Investment in 182 Days Treasury Bills

Sl.	Name of the Securities	No. of Securities	Tenure in Day(s)	Avg. Cost	Total Cost	Yield	Accrued Interest	% of Total Assets	Fair Value
1	182 Days Bangladesh Government Treasury Bills	1	182	96,621,600	96,621,600	7.0123%	2,041,900	14.55%	98,663,500
2		1	182	54,111,960	54,111,960	6.9974%	995,883	8.13%	55,107,843
3		1	182	48,779,415	48,779,415	7.0739%	709,029	7.30%	49,488,443
4		1	182	20,762,873	20,762,873	7.1199%	48,602	3.07%	20,811,474
					220,275,847		3,795,414	33.05%	224,071,261
	Grand Total				272,416,823		4,380,681	40.83%	276,797,504



Annexure D

IDLC Income Fund

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

Particular		June 30, 2023	June 30, 2022
(a)	Net Asset Value per unit at Cost	10.63	10.43
(b)	Net Asset Value per unit at Market	10.63	10.47
(c)	Per unit income other than investment	0.541	0.209
(d)	Per unit income from Capital gain / (loss) & Dividend Income	0.218	0.171
(e)	Per Unit Expense	0.119	0.077
(f)	Per unit provision for diminution value of Investment	-	-
(g)	Per unit net income / (loss)	0.647	0.303
(h)	Highest Purchase / Surrender Price per unit during the year	10.69	10.44
(i)	Lowest Purchase / Surrender Price per unit during the year	10.35	10.00

