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M M Rahman & Co.
Chartered Accountants

*Auditors' Report and
Audited Financial Statements
Of
IDLC Balanced Fund
For the year ended June 30, 2022*



INDEPENDENT AUDITOR'S REPORT

To the unitholders of IDLC Balance 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, 2022, 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, 2022 and of the results of its operations and cash flows for the year then ended and comply with the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements.

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibility for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

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

- 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
Managing Partner

DVC : 2207250886AS611962

Date : July 25, 2022

Enrolment No.

886



IDLC Balanced Fund

Statement of Financial Position
As at June 30, 2022

ASSETS

Non Current Asset

Preliminary and Issue Expenses

Current Asset

Investment in Securities at Market Price

Account Receivables

Advances, Deposits and Prepayments

Cash and Cash Equivalents

Total Assets

OWNERS' EQUITY

Capital Fund

Unit Premium / (Discount)

Investors' Available Balance

Fair Value Reserve

Retained Earnings

Total Equity

LIABILITIES

Non Current Liabilities

Current Liabilities

Account Payables

Unclaimed Dividend

Total Liabilities

Total Equity and Liabilities

Net Asset Value (NAV) Per Unit

At cost price

At market price

Notes	Amount in Taka	
	June 30, 2022	June 30, 2021
5	2,517,928	3,744,955
	2,517,928	3,744,955
6	350,754,102	589,164,872
7	1,154,580	51,935,214
8	492,672	734,959
9	143,452,134	108,608,182
	495,853,489	750,443,227
	498,371,416	754,188,182
10	407,221,780	585,768,250
11	(52,721,668)	(16,817,193)
	2,269	1,701
12	12,815,709	68,256,417
13	127,747,936	110,525,240
	495,066,025	747,734,415
	-	-
14	3,303,847	6,445,917
15	1,544	7,850
	3,305,391	6,453,767
	3,305,391	6,453,767
	498,371,416	754,188,182
16	11.84	11.60
17	12.16	12.77

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

Chairman, Trustee

Investment Corporation of Bangladesh

Member, Trustee

Investment Corporation of Bangladesh

Asset Manager

IDLC Asset Management Ltd.

As per our annexed report of same date.

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Enrolment No.

Mohammed Forkan Uddin FCA
Managing Partner
886

DVC : 2207250886AS611962

Date : July 25, 2022



IDLC Balanced Fund

Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

Notes	Amount in Taka		
	June 30, 2022	June 30, 2021	
INCOME			
Capital Gain	18	104,460,547	123,405,103
Dividend Income	19	12,458,804	16,550,476
Interest Income	20	5,037,592	10,010,100
Total Income		121,956,943	149,965,680
EXPENDITURE			
Management fee		9,417,239	11,163,482
Amortization of preliminary and issue expenses	5	1,227,027	1,227,027
Brokerage Commission		2,777,613	5,140,546
Trustee fee		935,432	1,235,700
Publication and Other Expenses	21	391,329	436,457
BSEC annual fee		537,521	715,817
Tax deducted at source		195,422	211,247
Custodian fee		770,910	1,046,704
Bank charges and excise Duty		207,147	251,848
Sales agent commission		127,428	61,307
CDBL - settlement and demat Charges		247,439	382,526
Audit Fee		34,500	34,500
Total Expenditure		16,869,007	21,907,162
Income Before Provision for the Year		105,087,936	128,058,518
(Provision)/ write back of provision for diminution in value of investments		-	57,496,486
Net Income for the Year		105,087,936	185,555,004
Other comprehensive income			
Fair value reserve	12	(55,440,708)	68,256,417
Total Comprehensive Income		49,647,228	253,811,421
Earnings Per Unit During the Year	22	2.58	3.17

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

Chairman, Trustee

Investment Corporation of Bangladesh

Member, Trustee

Investment Corporation of Bangladesh

Asset Manager

IDLC Asset Management Ltd.

As per our annexed report of same date.

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Enrolment No.

Mohammed Forkan Uddin FCA
Managing Partner
886

DVC : 2207250886AS611962

Date : July 25, 2022



IDLC Balanced Fund

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

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 Year, 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	407,221,780	(52,721,668)	2,269	12,815,709	127,747,936	495,066,025

For the year ended June 30, 2021

Particulars	Capital fund	Unit premium/ (discount)	Investors' balance	Fair value reserve	Retained earnings	Total equity
Opening Balance	674,059,330	1,073,162	1,383	-	(75,029,764)	600,104,111
Unit Subscribed / (Redeemed) During the Year, Net	(88,291,080)	(17,890,355)	-	-	-	(106,181,435)
Fair Value Reserve	-	-	-	68,256,417	-	68,256,417
Investors' Balance	-	-	318	-	-	318
Net Income During the Year	-	-	-	-	185,555,004	185,555,004
As at June 30, 2021	585,768,250	(16,817,193)	1,701	68,256,417	110,525,240	747,734,415

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

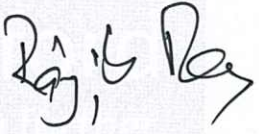

 Chairman, Trustee

Investment Corporation of Bangladesh



Member, Trustee

Investment Corporation of Bangladesh



Asset Manager

IDLC Asset Management Ltd.

As per our annexed report of same date.

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 : 2207250886AS611962
 Date : July 25, 2022

Enrolment No.



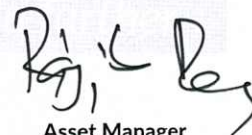
IDLC Balanced Fund
Statement of Cash Flows
For the year ended June 30, 2022

Notes	Amount in Taka	
	June 30, 2022	June 30, 2021
A. Cash Flows From/ (Used in) Operating Activities		
Investment in Marketable Securities	(615,921,411)	(1,298,374,378)
Investment in IPO Shares	(20,404,270)	(30,483,840)
Proceeds from Sell of Marketable Securities	972,331,208	1,266,934,929
Interest Income Realized in Cash	7,040,264	11,212,678
Dividend Income Received in Cash	12,609,239	15,544,226
Advances, Deposits and Prepayments	(1,230,666)	(2,067,644)
Payment Made for Expenses	(14,971,970)	(18,242,792)
Net Cash Flows From/ (Used in) Operating Activities	339,452,396	(55,476,820)
B. Cash Flows From/ (Used in) Investing Activities	-	-
C. Cash Flows From/ (Used in) Financing Activities		
Unit Capital, Net	(178,546,470)	(88,291,080)
Unit Premium / (Discount)	(35,904,475)	(17,890,355)
Payable to Investors	(2,286,518)	2,104,182
Investor's Balance	568	1,701
Dividend Paid for the Year	(87,871,547)	-
Net Cash Used in Financing Activities	(304,608,443)	(104,075,552)
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	34,843,953	(159,552,372)
E. Opening Cash and Cash Equivalents	108,608,182	268,160,554
F. Closing Cash and Cash Equivalents (D+E)	143,452,134	108,608,182
Net Operating Cash flow Per Unit	8.34	(0.95)

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


Chairman, Trustee
Investment Corporation of Bangladesh


Member, Trustee
Investment Corporation of Bangladesh


Asset Manager
IDLC Asset Management Ltd.

As per our annexed report of same date.

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 : 2207250886AS611962
Date : July 25, 2022



IDLC Balanced Fund
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 unto 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 / surrendered 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, 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 period of the fund cover 1 year from July 01, 2021 to June 30, 2022.



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, 2022.

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 SRO No. 333-Ain/Aikor/2011 dated November 10, 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for tax is required.

In Finance Act, 2016, 5% Income tax at source was applied to any Mutual Fund from the interest accrued on savings deposits or fixed deposits or any term deposit maintained with any Schedule Bank including a co-operative Bank or any bank run on Islamic principles or non-banking financial institutions or any leasing company or any housing finance company.

4.11 BSEC Registration Fees and Annual Fees

The Fund has paid 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 will have to pay 0.10% p.a. of the fund size 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 Taka	
		June 30, 2022	June 30, 2021
5.00 Preliminary and Issue Expenses			
Opening Balance	5.01	3,744,955	4,971,982
Less: Amortized During the Year		<u>(1,227,027)</u>	<u>(1,227,027)</u>
		<u>2,517,928</u>	<u>3,744,955</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		<u>(1,705,542)</u>	<u>(1,705,542)</u>
		<u>8,589,191</u>	<u>8,589,191</u>
Less: Amortized Balance		<u>(4,844,235)</u>	<u>(3,617,209)</u>
		<u>3,744,955</u>	<u>4,971,982</u>
6.00 Investment in Securities at Market Price			
Investment in Listed Securities at Cost Price	6.01	322,938,393	498,409,255
Investment in Initial Public Offering (IPO)	6.02	<u>15,000,000</u>	<u>22,499,200</u>
		<u>337,938,393</u>	<u>520,908,455</u>
Add / (Less): Unrealized Gain / (Loss)		12,815,709	68,256,417
Investment at market value		<u>350,754,102</u>	<u>589,164,872</u>
<i>Please see Annexure A for Details calculation.</i>			
6.01 Investment in Listed Securities at Cost Price			
Bank		48,369,223	107,888,748
Corporate Bond		42,963,355	59,074,613
Engineering		-	23,788,451
Financial Institutions		-	33,162,500
Food & Allied		27,591,268	52,527,224
Insurance		73,120	200,000
Pharmaceuticals & Chemicals		120,997,086	105,506,440
Telecommunication		82,944,340	116,261,279
		<u>322,938,393</u>	<u>498,409,255</u>
<i>Details are mentioned in Annexure A.</i>			
6.02 Investment in Initial Public Offering (IPO)*			
Baraka Patenga Power Ltd.		-	22,499,200
Achia Sea Foods Ltd.		<u>15,000,000</u>	<u>-</u>
		<u>15,000,000</u>	<u>22,499,200</u>
<i>*This is application money for IPO investment under Mutual Fund quota.</i>			
7.00 Account Receivables			
Interest Receivables	7.01	443,480	2,446,152
Receivables on Sale of Securities		-	48,482,812
Dividend Receivables	7.02	<u>711,100</u>	<u>1,006,250</u>
		<u>1,154,580</u>	<u>51,935,214</u>
7.01 Interest Receivables			
Term Deposit		443,480	-
Corporate Bond		-	2,446,152
		<u>443,480</u>	<u>2,446,152</u>



Amount in Taka	
June 30, 2022	June 30, 2021

7.02 Dividend Receivables

First Security Islami Bank Ltd.	-	265,000
National Credit and Commerce Bank Ltd.	-	431,250
Marico Bangladesh Ltd.	711,100	310,000
	<u>711,100</u>	<u>1,006,250</u>

8.00 Advances, Deposits and Prepayments

Annual fee - BSEC	479,420	712,457
Trustee fee	13,252	22,502
	<u>492,672</u>	<u>734,959</u>

9.00 Cash and Cash Equivalents

Bank Deposit	9.01	37,659,498	108,608,182
Term Deposit	9.02	105,792,637	-
		<u>143,452,134</u>	<u>108,608,182</u>

9.01 Bank Deposit

Bank	Account No.	Type	Amount	
Southeast Bank Ltd.	0083 13500000001	SND	-	14,278
	0083 13500000003	SND	-	6,709
	0083 13500000004	SND	-	27,441
Standard Chartered Bank	02-1308406-01	CD	909,161	93,715,489
	1501203957267001	CA	3,564,399	7,710,402
BRAC Bank Ltd.	1501203957267002	CA	760,447	3,186,787
	1501203957267003	CA	134,425	3,939,570
	0013000002076	SND	-	7,505
The City Bank Ltd.	1123351611001	CETA	1,246,067	-
	1123351611003	CETA	30,984,536	-
	1123351611002	CETA	60,462	-
Total			37,659,498	108,608,182

9.02 Term Deposit

Bank	Account No.	Amount	
Export Import (Exim) Bank of Bangladesh Ltd.	11460100034456	8,231,652	-
	11460100034449	8,231,652	-
	11460100034431	8,231,652	-
	11460100034415	8,231,652	-
	11460100034423	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	-
	Total		105,792,637

10.00 Capital Fund

Opening Balance	585,768,250	674,059,330
Add: Units Subscribed During the Year	57,322,770	20,975,910
Less: Units Redeemed During the Year	(235,869,240)	(109,266,990)
	<u>407,221,780</u>	<u>585,768,250</u>



Amount in Taka	
June 30, 2022	June 30, 2021

10.01 Capital Allotment

Allotment Year	Investor Category	No. of Units	Face Value	Amount	
				June 30, 2022	June 30, 2021
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)	-
Total		40,722,178		407,221,780	585,768,250

All the transactions are held through Banking Channel.

11.00 Unit Premium / (Discount)

Opening Balance	(16,817,193)	1,073,162
Add: Units Subscribed / (Redeemed) During the Year	(35,904,475)	(17,890,355)
	<u>(52,721,668)</u>	<u>(16,817,193)</u>

12.00 Fair Value Reserve

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

13.00 Retained Earnings

Opening Balance	110,525,240	(75,029,764)
Less: Dividend Paid During the Year	(87,865,240)	-
	<u>22,660,000</u>	<u>(75,029,764)</u>
Add: Net Income During the Year	105,087,936	185,555,004
	<u>127,747,936</u>	<u>110,525,240</u>

14.00 Account Payables

Management Fees	2,238,886	2,853,078
Custodian Fees	379,074	549,965
TDS Against Interest Income	-	122,308
Sales Agent Commission	50,746	17,228
Publication and Other Operational Expenses	44,491	10,250
Audit Fees	34,500	34,500
Payable to Investors	542,898	2,829,416
CDBL Fees	13,252	29,172
	<u>3,303,847</u>	<u>6,445,917</u>

15.00 Unclaimed Dividend

Up to 1 Year	1,508	-
Over 1 Year but Within 3 Years	35	7,850
	<u>1,544</u>	<u>7,850</u>

16.00 Net Asset Value (NAV) Per Unit at Cost Price

Total Asset Value at Market Price	498,371,416	754,188,182
Less: Unrealized Gain / (Loss)	12,815,709	68,256,417
Total Asset Value at Cost Price	485,555,708	685,931,765
Less: Account Payables	3,303,847	6,445,917
Unclaimed Dividend	1,544	7,850
Total NAV at Cost Price	482,250,317	679,477,997
Number of Units	40,722,178	58,576,825
	<u>11.84</u>	<u>11.60</u>

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

Total Asset Value at Market Price	498,371,416	754,188,182
Less: Account Payables	3,303,847	6,445,917
Unclaimed Dividend	1,544	7,850
Total NAV at Market Price	495,066,025	747,734,414
Number of Units	40,722,178	58,576,825
	<u>12.16</u>	<u>12.77</u>



Amount in Taka	
June 30, 2022	June 30, 2021

18.00 Capital Gain

AB Bank Ltd.	(171,866)	-
ACI Ltd.	(48,851)	-
ACME Pesticides Ltd.	760,397	-
APSCL Non-Convertible and Fully Redeemable Coupon Bearing Bond	699,650	-
Associated Oxygen Ltd.	-	495,508
Bangladesh Submarine Cable Company Ltd.	14,333,052	6,534,301
Baraka Patenga Power Ltd.	9,767,590	-
BBS Cables Ltd.	-	129,858
BD Thai Food & Beverage Ltd.	191,256	-
Berger Paints Bangladesh Ltd.	-	165,362
Beximco Pharmaceuticals Ltd.	44,042,137	31,112,467
BRAC Bank Ltd.	5,303,798	10,806,925
British American Tobacco Bangladesh Company Ltd.	15,283,756	34,974,580
Coppertech Industries Ltd.	-	66,772
Crystal Insurance Company Ltd.	-	787,316
DBH First Mutual Fund	-	(2,475,195)
Desh General Insurance Company Ltd.	-	340,950
Dominage Steel Building Systems Ltd.	-	1,301,750
Dutch-Bangla Bank Ltd.	(747,487)	-
eGeneration Ltd.	-	714,063
Export Import (Exim) Bank of Bangladesh Ltd.	-	(803,288)
First Security Islami Bank Ltd.	9,760	(1,006,310)
GPH Ispat Ltd.	(263,420)	-
Grameenphone Ltd.	(5,809,168)	(2,321,002)
Green Delta Mutual Fund	-	(5,505,057)
IFIC Bank Ltd.	(274,791)	(1,352,200)
Investment Corporation Of Bangladesh	-	(2,887,939)
Jamuna Bank Ltd.	-	(145,600)
LafargeHolcim Bangladesh Ltd.	13,473,688	21,278,997
LankaBangla Finance Ltd.	(633,116)	6,875,235
Malek Spinning Mills Ltd.	(430,466)	-
Marico Bangladesh Ltd.	2,176,199	-
Master feed Agrotec Ltd.	61,293	-
Matin Spinning Mills Ltd.	282,627	-
Mercantile Bank Ltd.	747,994	(1,145,518)
Mostafa Metal Industries Ltd.	48,768	-
National Credit and Commerce Bank Ltd.	(899,744)	-
NRB Commercial Bank Ltd.	-	390,569
Olympic Industries Ltd.	-	724,186
One Bank Ltd.	-	(3,147,622)
Oryza Agro Industries Ltd	60,037	-
Paramount Textile Ltd.	268,995	-
Power Grid Company of Bangladesh Ltd.	(2,518,189)	-
Reckitt Benckiser (Bd.) Ltd.	-	86,507
Renata Ltd.	-	2,054,404
Robi Axiata Ltd.	-	21,752,858
SAIF Powertec Ltd.	89,703	-
Sea Pearl Beach Resort & Spa Ltd.	-	184,067
Sena Kalyan Insurance Company Ltd.	997,779	-
Singer Bangladesh Ltd.	165,572	(177,296)
Sonali Life Insurance Company Ltd.	1,156,470	-
South Bangla Agriculture & Commerce Bank Ltd.	1,077,283	-
Square Pharmaceuticals Ltd.	3,238,365	3,495,682
Star Adhesives Ltd.	601,528	-
Summit Power Ltd.	-	(5,902,560)
Taufika Foods and Agro Industries Ltd.	-	423,917
The City Bank Ltd.	185,902	2,942,085
Union Bank Ltd.	740,315	-
Union Insurance Company Ltd.	493,733	-
Unique Hotel & Resorts Ltd.	-	-
Walton Hi-Tech Industries PLC	-	2,636,331
	104,460,547	123,405,103



	Amount in Taka	
	June 30, 2022	June 30, 2021
19.00 Dividend Income		
ACI Ltd.	893,750	-
APSCL Non-Convertible and Fully Redeemable Coupon Bearing Bond	1,834,300	-
Bangladesh Submarine Cable Company Ltd.	1,074,140	746,000
Beximco Pharmaceuticals Ltd.	1,068,806	909,645
BRAC Bank Ltd.	807,912	1,454,000
British American Tobacco Bangladesh Company Ltd.	2,048,745	3,421,710
Dominage Steel Building Systems Ltd.	-	7,500
First Security Islami Bank Ltd.	-	265,000
Grameenphone Ltd.	3,194,313	6,004,428
LafargeHolcim Bangladesh Ltd.	-	315,000
Marico Bangladesh Ltd.	1,536,840	310,000
National Credit and Commerce Bank Ltd.	-	431,250
Sea Pearl Beach Resort & Spa Ltd.	-	552
Singer Bangladesh Ltd.	-	406,530
Square Pharmaceuticals Ltd.	-	1,517,612
The City Bank Ltd.	-	761,250
	<u>12,458,804</u>	<u>16,550,476</u>
20.00 Interest Income		
Term Deposit	4,050,716	2,635,894
Corporate Bond	76,010	4,996,339
Bank Deposit	910,866	2,377,867
	<u>5,037,592</u>	<u>10,010,100</u>
21.00 Publication and Other Expenses		
Renewal and Registration Fees	20,000	20,000
Printing and Publication Expenses	288,949	249,662
BO Account Maintenance Fees and Howla Charges	3,600	88,550
Other Operational Expense	52,780	41,245
IPO Subscription Fees	26,000	37,000
	<u>391,329</u>	<u>436,457</u>
22.00 Earnings Per Unit		
Net Income for the Year	105,087,936	185,555,004
Number of Units	40,722,178	58,576,825
	<u>2.58</u>	<u>3.17</u>
<i>**Other Comprehensive Income (OCI) is not considered for Earnings Per Unit (EPU) Calculation.</i>		
23.00 Net Operating Cash Flow Per Unit		
Net Operating Cash Flow for the Year	339,452,396	(55,476,820)
Number of Units	40,722,178	58,576,825
	<u>8.34</u>	<u>(0.95)</u>
24.00 Reconciliation of Net Profit with Cash Flows From/ (Used in) Operating Activities		
Income Before Provision for the Year	105,087,936	128,058,518
Amortization charged	1,227,027	1,227,027
Operating cash flow before changes in working capital	<u>106,314,963</u>	<u>129,285,545</u>
Changes in working capital:		
(Increase) / Decrease of Investment	182,970,064	(136,753,473)
(Increase) / Decrease of Advances, Deposits and Prepayments	242,287	(116,128)
(Increase) / Decrease of Account Receivables	50,780,634	(48,286,484)
Increase / (Decrease) of Account Payables	(3,142,070)	2,499,285
Increase / (Decrease) of Unclaimed Dividend	(6,306)	-
	<u>230,844,608</u>	<u>(182,656,800)</u>



Amount in Taka	
June 30, 2022	June 30, 2021
Less: Non-operating items	
Increase / (Decrease) of Payables to Investors	(2,286,518) (2,105,565)
Increase / (Decrease) of Unclaimed Dividend	(6,306) -
	<u>(2,292,825) (2,105,565)</u>
Cash Flows From/ (Used in) Operating Activities	<u>339,452,396 (55,476,820)</u>

25.00 Events after the reporting period

The Board of Trustees of the Fund has approved 18.50% dividend for the year ended on June 30, 2022 at the meeting held on July 17, 2022.

26.00 Date of authorization

The Trustee Board has authorized these financial statements for issue on July 17, 2022.

Chairman, Trustee

Investment Corporation of Bangladesh

Member, Trustee

Investment Corporation of Bangladesh

Asset Manager

IDLC Asset Management Ltd.





IDLC Balanced Fund

Details of Investment in Securities
As at June 30, 2022

Annexure A

A. Investment in Listed Securities

Sl.	Sector	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	BRAC Bank Ltd.	1,142,281	42.34	48,369,223	41.50	47,404,662	9.51%	(964,562)
					48,369,223		47,404,662	9.51%	(964,562)
2	Corporate Bond	APSL Non-Convertible and Fully Redeemable Coupon Bearing Bond	8,632	4,977.22	42,963,355	5,570.00	48,080,240	9.65%	5,116,885
					42,963,355		48,080,240	9.65%	5,116,885
3	Food & Allied	British American Tobacco Bangladesh Company Ltd.	56,318	489.92	27,591,268	543.50	30,608,833	6.14%	3,017,565
					27,591,268		30,608,833	6.14%	3,017,565
4	Insurance	Meghna Insurance Company Ltd.	7,312	10.00	73,120	49.30	360,482	0.07%	287,362
					73,120		360,482	0.07%	287,362
5	Pharmaceuticals & Chemicals	BD Paints Ltd.	25,551	10.00	255,510	33.90	866,179	0.17%	610,669
6		Beximco Pharmaceuticals Ltd.	301,455	160.47	48,373,466	154.60	46,604,943	9.35%	(1,768,523)
7		Marico Bangladesh Ltd.	10,940	2,254.59	24,665,168	2,421.00	26,485,740	5.31%	1,820,572
8		Square Pharmaceuticals Ltd.	215,000	221.87	47,702,943	216.70	46,590,500	9.35%	(1,112,443)
					120,997,086		120,547,362	24.19%	(449,724)
9	Telecommunication	Bangladesh Submarine Cable Company Ltd.	223,329	184.79	41,268,220	219.10	48,931,384	9.82%	7,663,164
10		Grameenphone Ltd.	135,400	307.80	41,676,120	294.10	39,821,140	7.99%	(1,854,980)
					82,944,340		88,752,524	17.81%	5,808,184
	Sub-Total				322,938,393		335,754,102	67.37%	12,815,709
B. Investment in Initial Public Offering (IPO)									
	Achia Sea Foods Ltd.				15,000,000		15,000,000	3.01%	-
	Sub-Total				15,000,000		15,000,000	3.01%	-
	Grand Total				337,938,393		350,754,102	70.38%	12,815,709



IDLC Balanced Fund

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

Particular		June 30, 2022	June 30, 2021	June 30, 2020
(a)	Net Asset Value per unit at Cost price	11.84	11.60	9.76
(b)	Net Asset Value per unit at Market price	12.16	12.76	8.90
(c)	Per unit income other than investment	0.124	0.171	0.394
(d)	Per unit income from Capital Gain / (Loss) & Dividend Income	2.871	2.389	(0.521)
(e)	Per Unit Expense	0.414	0.374	0.258
(f)	Per unit provision for diminution value of Investment	-	-	0.792
(g)	Per unit net income / (loss)	2.581	3.168	(1.177)
(h)	Highest Subscribed / Surrender Price per unit during the year	13.32	13.60	9.98
(i)	Lowest Subscribed / Surrender Price per unit during the year	11.45	8.99	8.78

