

**Independent Auditor's Report
&
Audited Financial Statements
of
ICL INCTL Shariah Fund
For the period ended June 30, 2024**

Independent Auditor's Report

To the trustee of ICL INCTL Shariah Fund

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **ICL INCTL Shariah Fund** (the "Fund"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the fund give a true and fair view of the financial position of the fund as at 30 June 2024, and of its financial performance and its statement of cash flows for the period then ended in accordance with IFRS Standards as explained in note: 2, the Securities and Exchange Rules, 2020 and the Securities and Exchange Commission (Mutual Fund) Rules, 2001.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the fact as disclosed in:

Note: 3 to the financial statements, which describes that the fund has exceeded the limit of 10% investment of its total assets to a single scheme during the investment to share of MARICO (10.48%) and GP (11.89%) which is an infringement of clause 2 of the 5th schedule of the Securities and Exchange Commission (Mutual Fund) Rules, 2001.

Our opinion is not modified in this regard.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of trustee of the fund.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the fund in accordance with IFRSs as explained in note: 2, the Securities and Exchange Rules, 2020 and the Securities and Exchange Commission (Mutual Fund) Rules, 2001 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 Responsibilities for the audit of the Financial Statements

Our objectives 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 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 skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement in 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 relevant 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 develop audit procedures that are appropriate in the circumstances.
- 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 group's and 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 group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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.

Report on other Legal and Regulatory Requirements

In accordance with, the Securities Exchange Rules, 2020 and the Securities and Exchange Commission (Mutual Fund) Rules, 2001,

we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made do verification thereof;
- ii. in our opinion, proper books of accounts as required by law have been kept by the fund so far as it appeared from our examination of those books;
- iii. the Fund's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv. the expenditure incurred was for the purposes of the Fund's operation;

Firm Name : Hussain Farhad & Co., Chartered Accountants

Registration No : 4/452/ICAB-84

Signature of the auditor :



Name of the auditor : Asifur Rahman FCA, Partner/Enrollment No.: 904

DVC No. : 2409010904AS101547

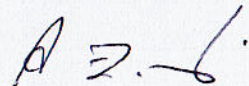
Place : Dhaka

Dated : 01 September 2024

ICL INCTL Shariah Fund
Statement of Financial Position
As at 30 June 2024

		<u>Amount in BDT</u>
	<u>Notes</u>	<u>30 June 2024</u>
Assets		
Investment-at market price	3	47,510,783
Receivables	4	496,882
Advances, deposits and prepayments	5	165,445
Cash and cash equivalents	6	44,642,421
Preliminary and issue expenses	7	2,933,166
Total Assets		95,748,697
Less : Liabilities		
Accrued expenses and other payables	8	20,705,126
Net Assets		75,043,571
Unitholder's Equity		
Unit capital	9	75,309,190
Unit transaction reserve	10	92,043
Retained earnings		(357,663)
Total Equity		75,043,571
Net Asset Value (NAV) per unit:		
At cost price	12	10.18
At market price	13	9.96

These financial statements should be read in conjunction with annexed notes



Trustee

Bangladesh General Insurance
Company Limited



Asset Manager

Impress Capital Limited

Dhaka
Dated: 19 AUG 2024
DVC: 2409010904AS101547

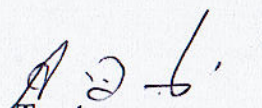



Hussain Farhad & Co.
Chartered Accountants

ICL INCTL Shariah Fund
Statement of Profit or Loss and Other Comprehensive Income
For the period ended on 30 June 2024

		<u>Amount in BDT</u>
		06 Dec 2023 to 30 Jun 2024
	<u>Notes</u>	
Income		
Net gain/(loss) on sale of marketable securities	14	(793,699)
Dividend income	15	610,000
Profit earned on deposits	16	3,672,924
		<u>3,489,225</u>
Less: Expenses		
Management fees		1,351,280
Trustee fees		60,441
Custodian fees		45,914
CDBL fees		12,884
Amortization of preliminary expenses		377,303
Printing & Publication		99,187
Audit fees		46,000
IPO application charge		5,000
Subscription fees for EI		25,000
Purification of Income	17	1,293
Bank charges and others	18	194,162
		<u>2,218,464</u>
Income before provision for the year		<u>1,270,761</u>
(Provision) / Write back of provision for diminution in value of investments		(1,628,424)
Net income for the year		<u>(357,663)</u>
Number of outstanding units		7,530,919
Earnings per unit for the period	19	(0.05)

These financial statements should be read in conjunction with annexed notes


Trustee
 Bangladesh General Insurance Company Limited

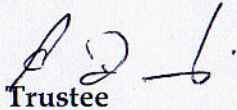

Asset Manager
 Impress Capital Limited

Dhaka
 Dated: 19 AUG 2024
 DVC: 2409010904AS101547

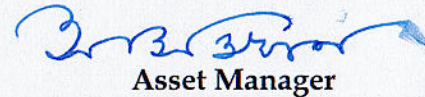

Hussain Farhad & Co.
 Chartered Accountants

ICL INCTL Shariah Fund
Statement of Changes in Equity
For the period ended on 30 June 2024

Particulars	Unit Capital	Unit Transaction Reserve	Unrealized Gain (Annexure A)	Amount in BDT	
				Retained Earnings	Total Equity
Balance as at 06 Dec 2023	127,380,000	-	-	-	127,380,000
Unit subscribed during the period	10,905,790	-	-	-	10,905,790
Unit repurchased during the period	(62,976,600)	-	-	-	(62,976,600)
Unit transaction reserve	-	92,043	-	-	92,043
Net profit during the period	-	-	-	(357,663)	(357,663)
Unrealized Gain during the period	-	-	-	-	-
Balance as at 30 June 2024	75,309,190	92,043	-	(357,663)	75,043,571


Trustee

Bangladesh General Insurance
Company Limited


Asset Manager

Impress Capital Limited

Dhaka

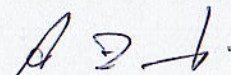
Dated: **19 AUG 2024**

DVC:



ICL INCTL Shariah Fund
Statement of Cash Flows
For the period ended on 30 June 2024

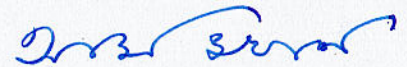
Particulers	Amount in BDT 06 Dec 2023 to 30 Jun 2024
A. Cash flows from operating activities	
Net gain/(loss) on sale of marketable securities	(793,699)
Dividend income received	530,000
Profit received on deposits	3,256,042
Payment made for expenses	(1,301,539)
<i>Net cash flows from operating activities</i>	<u><u>1,690,804</u></u>
B. Cash flows from investing activities	
Investment in marketable securities, net	(49,139,207)
Receivable from Broker	-
Preliminary & Issue expenses	(3,310,469)
<i>Net cash used in investing activities</i>	<u><u>(52,449,676)</u></u>
C. Cash flows from financing activities	
Sponsor's contribution	25,000,000
IPO subscription	102,380,000
Issuance of new units	10,956,951
Repurchase of units	(42,935,658)
<i>Net cash generated from financing activities</i>	<u><u>95,401,293</u></u>
 Net cash flows for the year	 <u><u>44,642,421</u></u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>44,642,421</u></u>
 Net operating cash flows	 1,690,804
Number of outstanding units	7,530,919
Net operating cash flows per unit for the period	0.22



Trustee
Bangladesh General Insurance Company
Limited

Dhaka

Dated: 19 AUG 2024



Asset Manager
Impress Capital Limited



ICL INCTL Shariah Fund
Notes to the Financial Statements
As at and for the period ended 30 June 2024

1.00 The fund and the legal status

ICL INCTL Shariah Fund (the Fund), an open-end mutual fund sponsored by Impress Newtex Composite Textiles Limited was established on the 14th day of March 2023 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on the 2nd day of April 2023 got registration from the Bangladesh Securities and Exchange Commission as a mutual fund under the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001. Key partners of the fund are as follows:

Sponsor	:	Impress Newtex Composite Textiles Limited
Trustee	:	Bangladesh General Insurance Company Limited
Asset manager	:	Impress Capital Limited
Custodian	:	BRAC Bank Limited

The Fund commenced its operation on 06th December 2023.

2.00 Significant Accounting Policies

2.01 Basis of Accounting

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Fund. The disclosures of information are made in accordance with the requirements of Deed, Securities and Exchange Rules 2020, securities and exchange commission (Mutual Fund) Rules, 2001 and other applicable rules and regulations.

2.02 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods.

2.03 Presentation of financial statements

The financial statements are prepared and presented covering the period from 06 December 2023 to 30 June 2024.



2.04 Investment

All purchases and sales of securities that require delivery within the time-frame established by regulation or market convention are recognized at the date of trading i.e. the date on which the Fund commits to purchase or sell the investment. Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost after being confirmed on respective AGM date.

a) Investment is recorded in the statement of financial position at fair value.

b) Fair value of listed securities (other than mutual fund) are disclosed at closing quoted market prices prevailed as at 30 June 2024.

c) Fair value of listed mutual funds is valued at intrinsic value as per BSEC directive (No. SEC/ CMRRCD /2009-193/172).

2.05 Revenue Recognition

a) Gain/losses arising on sale of investment are included in the statement of Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place.

b) Cash dividend is recognized when the Funds' right to receive payment is established.

c) Interest income is recognized on accrual basis.

2.06 Taxation

The income of the Fund is exempted from Income Tax as per 6th Schedule, Part-1, Para-10 of Income Tax Act 2023 hence no provision for tax is required.

2.07 Amortization of Preliminary and Issue Expenses

Preliminary and issue expenses represent expenditure incurred prior to commencement of operations and establishment of the Fund. These costs are amortized within Seven years' tenure as per deed and securities and exchange commission (Mutual Fund) Rules, 2001.

2.08 Dividend Policy

Pursuant to rules 66 of securities and exchange commission (Mutual Fund) Rules, 2001 the Fund is required to distribute its profit by way of dividend either in cash or re-investment units or both to the unit holders after closing of the annual accounts an amount that shall not be less than fifty percent (50%) of annual profit earned during the year.

2.09 Management Fees

As per the securities and exchange commission (Mutual Fund) Rules, 2001, the Fund shall pay a management fee to the Asset Management Company:

@2.50 percent per annum of the weekly average NAV up to BDT 50,000,000 (Fifty million)

@ 2.00 percent per annum for additional amount of the weekly average NAV up to BDT 250,000,000 (Two hundred fifty million) over BDT 50,000,000 (Fifty million) and

@1.50 percent per annum for additional amount of the weekly average NAV up to BDT 500,000,000 (Five hundred million) over BDT 250,000,000 (Two hundred fifty million) and

@1.00 percent per annum for additional amount of the weekly average NAV over BDT 500,000,000 (Five hundred million), accrued and payable Half-yearly at the end of the period.

2.10 Trustee Fees

The Trustee shall be paid an annual Trusteeship fee of @ 0.15% of the Net Asset Value (NAV) of the Fund on semi-annual in advance basis, from the date of operation of the Fund applicable from the effective date (the date of registration of this Trust Deed).

2.11 Custodian Fees

The Fund shall pay to the Custodian a safe keeping fee @0.06% per annum on the balance securities held by the Fund calculated on the basis of average market value per month. Besides this, the fund will bear all other expenses like (a) transaction fee of BDT 200 per transaction, (b) local duties and fees like stamp duty on transactions, stamp duty on transfer deed, (c) Levies , brokerage, registrars fees, local council/ counsel/ representation, external auditor's at the client's requests, depository fees etc. However, a fee cap of 0.07% per annum on securities held by the fund, calculated on the average market value per month would be applicable, if the total expenses (including custodian fees, transaction fees & other expenses, mentioned above) per annum go higher than the mentioned fee cap amount. The fee for custodian service will be realized semi-annually.

2.12 Annual Fees to BSEC

The Fund will have to pay @ 0.10% of the Fund value or BDT 100,000 (One Lac), whichever is higher, as annual fee in terms of the securities and exchange commission (Mutual Fund) Rules, 2001.

2.13 Earnings Per Unit

Earnings per unit have been calculated by dividing Net Profit for the period by the number of un-redeemed units and are shown on the face of the statement of profit or loss and other comprehensive income.

2.14 General

- a) Figures appearing in these financial statements have been rounded off to nearest Taka.
- b) Figures have been restated whenever necessary to conform to the current year's presentation.

2.15 Subsequent Event

The Board of the Trustee has recommended no cash dividend for the period on June 30, 2024, at its meeting held on 19 August 2024.

			Amount in BDT
			30 June 2024
3	Investment-at market price		
	Investment in listed securities (Annexure-A)		47,510,783
	Investment in IPO		-
			47,510,783
4	Receivables		
	Profit receivable from Islamic Term Deposit	4.1	416,882
	Dividend Receivable (MARICO)		80,000
	Receivable from Broker		-
			496,882
4.1	Profit receivable from Islamic Term Deposit		
	Midland Bank PLC- Saalam Corporate Term Deposit		414,425
	City Bank PLC-Islamic Term Deposit		2,457
			416,882
5	Advances, deposits & prepayments		
	BSEC Annual Fees		100,000
	Advance Trustee Fees		65,445
			165,445
6	Cash and cash equivalents		
	Islamic Cash Deposit Account	6.1	22,936,713
	Islamic Term Deposit	6.2	21,705,708
			44,642,421
6.1	Cash at banks		
	Midland Bank PLC (Saalam Express Corporate A/C)		22,584,296
	Account No.: 88011970000045)		
	City Bank PLC (Islamic Cash Business A/C)		211,113
	Account No.: 1781200000001		
	City Bank PLC (Islamic Cash Business A/C)		141,304
	Account No. : 1781200000002		
			22,936,713
6.2	Islamic Term Deposit		
	Midland Bank PLC- Saalam CorporateTerm Deposit		12,249,000
	City Bank PLC-Islamic Term Deposit		9,456,708
			21,705,708
7	Preliminary and issue expenses		
	Opening Balance on Dec 06, 2023		3,310,469
	Amortization during the period		(377,303)
	Closing Balance on Jun 30, 2024		2,933,166



		<u>Amount in BDT</u>
		<u>30 June 2024</u>
8	Accrued expenses and other payables	
	Audit fees	46,000
	Custodian fees	38,744
	CDBL fees	119
	Management fees	541,939
	Trustee fees	60,441
	TDS payable	-
	Purification of Income	1,293
	Payable for Printing & Publication	16,531
	Payable to investors	20,000,059
		<u>20,705,126</u>
9	Unit capital	
	Sponsor's Contribution (2,500,000 units of Tk. 10 each)	25,000,000
	IPO subscription (10,238,000 units of Tk. 10 each)	102,380,000
	Units subscribed during the period (1,090,579 units of Tk.10 each)	10,905,790
	Units repurchased during the period (6,297,660 units of Tk. 10 each)	(62,976,600)
	Total number of units at the end of the period (7,530,919 units of Tk. 10 each)	<u>75,309,190</u>
10	Unit transaction reserve	
	New subscription (1,090,579 units)	51,161
	Add: Premium reserve paid for re-purchase (6,297,660 units)	40,883
		<u>92,043</u>
11	Retained Earnings	
	Opening balance	-
	Net profit during the year	(357,663)
		<u>(357,663)</u>
12	Net Asset Value (NAV) per unit at cost	
	Total Net Asset Value (NAV) at market price	75,043,571
	Less: Unrealized gain (Annexure A)	(1,628,424)
	Total Net Asset Value (NAV) at cost	<u>76,671,994</u>
	Number of units	7,530,919
	NAV per unit at cost price	<u>10.18</u>
13	Net Asset Value (NAV) per unit at market price	
	Total Net Asset Value (NAV) at market price	75,043,571
	Number of units	7,530,919
	NAV per unit at market price	<u>9.96</u>



Annexure-A

ICL INCTL Shariah Fund
Investment in Marketable Securities
As at 30 June 2024

Amount in BDT

Sl No.	Sector	Name of the Scrip	Number of Shares	Weighted Average Price	Total Cost Value	Market Price	Total Market Value	Unrealized Gain/ (Loss)	Exposure in terms of total Asset at Cost
1	Bank	SHAHJABANK	135,877	19.25	2,616,289	17.90	2,432,198	(184,091)	2.73%
2	Cement	LHBL	57,000	69.33	3,951,600	62.30	3,551,100	(400,500)	4.13%
3	Food & Allied	OLYMPIC	10,000	152.21	1,522,067	132.40	1,324,000	(198,067)	1.59%
4	Miscellaneous	BERGERPBL	50	1806.63	90,332	1844.70	92,235	1,903	0.09%
5	Pharmaceuticals & Chemicals	BXPHERMA	20,000	123.67	2,473,391	118.10	2,362,000	(111,391)	2.58%
6		MARICO	4,120	2436.08	10,036,664	2274.50	9,370,940	(665,724)	10.48%
7		RENATA	11,100	784.27	8,705,384	770.10	8,548,110	(157,274)	9.09%
8		SQURPHARMA	40,000	208.91	8,356,450	210.90	8,436,000	79,550	8.73%
9	Telecommunication	GP	46,000	247.54	11,387,030	247.70	11,394,200	7,170	11.89%
As at 30 June 2024					<u>49,139,207</u>		<u>47,510,783</u>	<u>(1,628,424)</u>	<u>51.32%</u>

