



**IMPRESS CAPITAL LIMITED**

*unlocking opportunities*



# 2018-19

**ANNUAL REPORT**







ANNUAL REPORT 2018-19



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## **IMPRESS CAPITAL LIMITED**

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260/B Tejgaon Industrial Area  
Dhaka 1205, Bangladesh

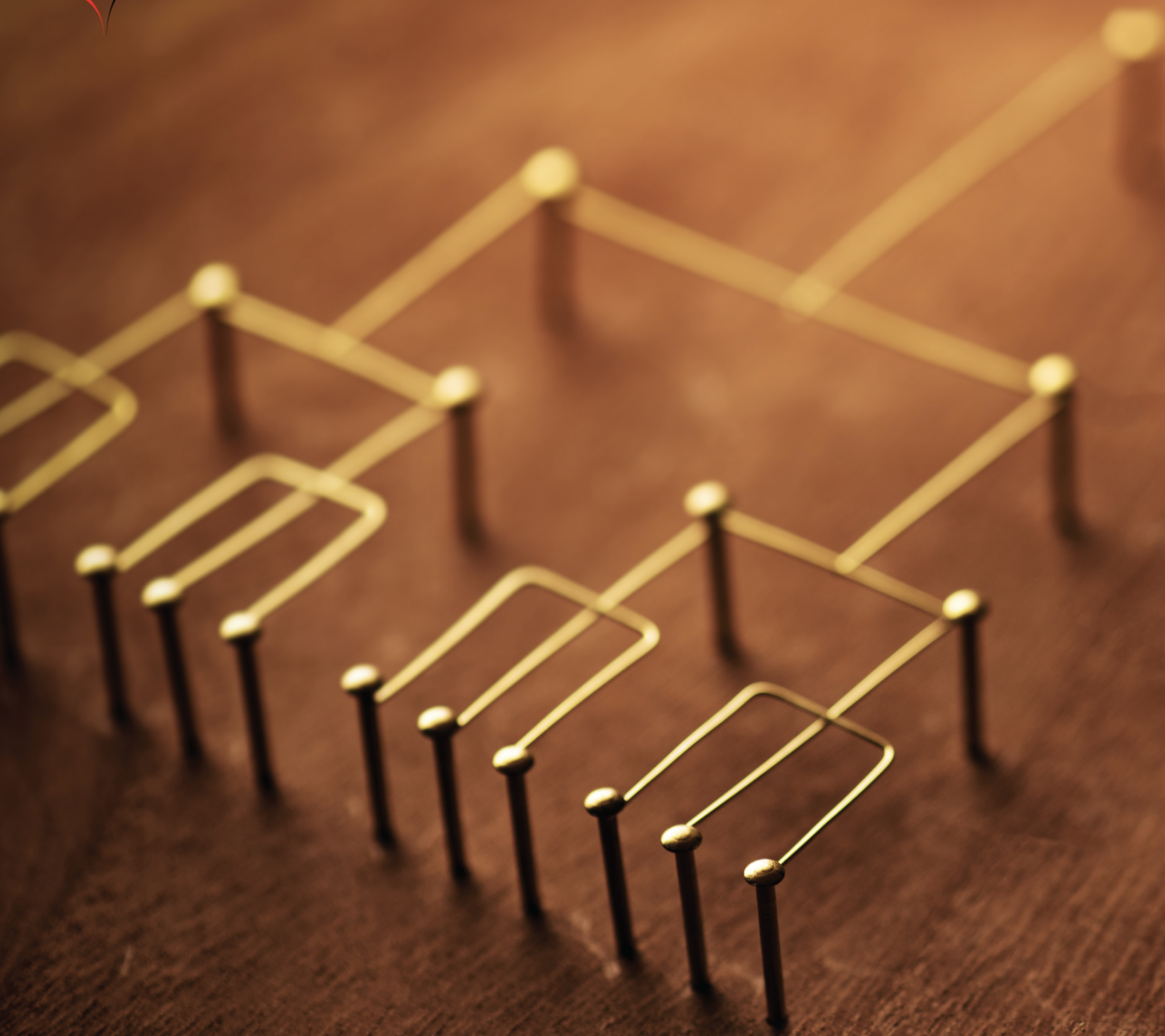
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CHAIRMAN'S MESSAGE







Dear **Unit Holders/Well-wishers:**

Please accept best compliments from Impress Capital Limited (ICL).

I, on behalf of the Board of Directors, would like to present you the Annual Report of ICL Balanced Fund and BCB ICL Growth Fund for the year 2018-19 and happy to present before you a year where ICL revealed fair resilience.

ICL always endeavors to contribute positively to its stakeholders' lives, continuously by operating in a sustainable and ethical manner.

ICL launched the ICL Balanced Fund, first of its kind in Bangladesh, an open-ended style based mutual fund in August 2016. Successfully, since then till the end of June 2019, the Fund has generated a total return of 21% (since inception till June 2019), including BDT 0.5 per unit and BDT 0.8 per unit of cash dividend, which was paid during 2016-17 and 2017-18 respectively. I would like to announce a cash dividend of BDT 0.185 per unit, for the unit holders of ICL Balanced Fund for the period of 2018-19. ICL launched its 2nd open-end mutual fund namely BCB ICL Growth Fund, to offer a suitable investment option for individuals with above average risk-taking ability. You will be even happier to know that; the BCB ICL Growth Fund has generated a total return of 1.6% (since inception till June 2019) outperforming the market by 7.26%. ICL plans on growing unitholders' wealth in long-term. In this backdrop, ICL focuses on growing the Net Asset Value (NAV) of the Funds consistently rather than focusing solely on dividend income.

ICL always intends to offer complete investment solution to the Investors in Bangladesh, mainly the hardworking individuals having lack of options to invest beyond traditional fixed deposit schemes. With that in mind, ICL continuously improvise to bring new investment solutions for individuals across every sphere of life. As a result, in July 2019, understanding the imperatives of social aspects of Apparel Sector, ICL has launched the first ever Impact-based Unit Fund in the country named "Esquire ICL Apparel Fund". The objective of this fund is to catalyse inclusive funding mechanism by mopping in resources from lower-income segment and scale up positive impact for the people of Apparel Sector. ICL is also in process to launch first-ever Impact Fund- "Build Bangladesh Social Entrepreneur Fund", an amount of US\$ 10 million.

ICL believes that investing a large sum of money at one go may not always be suitable for many of our existing and prospective valuable unit holders. Keeping this in mind, in the year 2018, ICL has introduced a systematic investment plan (SIP), where you will enjoy the flexible option to invest a fixed amount on a periodic basis. It starts from only BDT 1,000+ for ICL Balanced Fund and BCB ICL Growth Fund and you will enjoy a discount of 1% from the Net Asset Value (NAV) per unit upon investments.

ICL would like to serve your investment needs for many years to come. In future, we have plans to offer more solutions to meet your specific investment objectives. We are also working on digital solutions to offer you better services in the days to come.

Thank You once again, for your faith upon us. We promise to live up to your expectations throughout the entire journey.

Warm and Kind Regards,



**Reaz Ahmed Khan**  
Chairman  
Impress Capital Limited







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## KNOW YOUR ASSET MANAGER





## I. OVERVIEW ON ICL

Impress Capital Limited (ICL), an emerging wealth management firm in Bangladesh, was incorporated as a private limited company on June 11, 2014, under the Company's Act, 1994.

As a wealth management company, ICL's principle activities are primary investment management, secondary investment management and providing advisory services. Apart from these, the company has its own equity investments. Bangladesh Securities and Exchange Commission (BSEC) thereafter issued an asset management license in favor of ICL effective from February 02, 2015 and registration certificate to act as the Fund Manager to Alternative Investment Funds in August 3, 2017. The company is presently operating with an authorized capital of BDT 500 million and paid-up capital of BDT 100 million. The corporate office of the company is located at Evergreen Plaza (1st Floor), 260/B, Tejgaon I/A, Dhaka 1208.

In October 2017 and October 2018 consecutively, a reputed credit rating agency, Credit Rating Information and Services Limited (CRISL) rated your Asset Manager, ICL with the following entity ratings:

- Long Term: A- (Investment Grade with Adequate Safety)
- Short Term: ST-3 (Good Grade)

Valid for the period of up to October 2019.

## II. BRIEF ON PRODUCTS AND SERVICES OFFERED BY ICL

### Primary Investment Management

#### Impact Fund:

***Build Bangladesh Social Entrepreneurs Fund:*** ICL signed a memorandum of understanding (MOU) with JC Management Company on August 09, 2019 with intention to launch a USD 10 million Build Bangladesh Social Entrepreneurs Fund. The Bangladesh Securities & Exchange Commission (BSEC) has approved the fund on its 659th meeting dated September 03, 2019. United Nations Development Programme (UNDP) will act as the Impact Advisor of the fund. The fund will be invested in equity and equity linked securities of mainly non-listed companies of Bangladesh.





## Secondary Investment Management

### Mutual Funds:

**ICL Balanced Fund:** A 'Balanced Style' open-end mutual fund with objective to generate capital appreciation as well as regular income by investing in the capital market and money market instruments.

**BCB ICL Growth Fund:** A 'Growth Style' open-end mutual fund with objective to identify and invest in listed undervalued companies with high and sustainable growth potential over long-term, to increase the value of Investors' wealth.

**Esquire ICL Apparel Fund:** An 'Impact-based' growth style open-end mutual fund with objective to catalyze new funding mechanism to scale up positive impact for the people of apparel sector and invest in listed undervalued companies with high and sustainable growth potential over long-term, to increase the value of Investors' wealth.

**ICL INCTL Shariah Fund:** A 'Shariah-based' open-end mutual fund with (subject to the approval of the regulator) objective to provide economically viable financial Shariah based solution and invest in listed undervalued companies with high and sustainable growth potential over long-term by respecting Shariah laws, to increase the value of Investors' wealth.

### Institutional Investment:

**ICL Value:** A 'Customized' secondary investment management product for institutions with objective to invest mainly in listed capital market equity instruments for long term, based on its objectives and rigorous investment research.

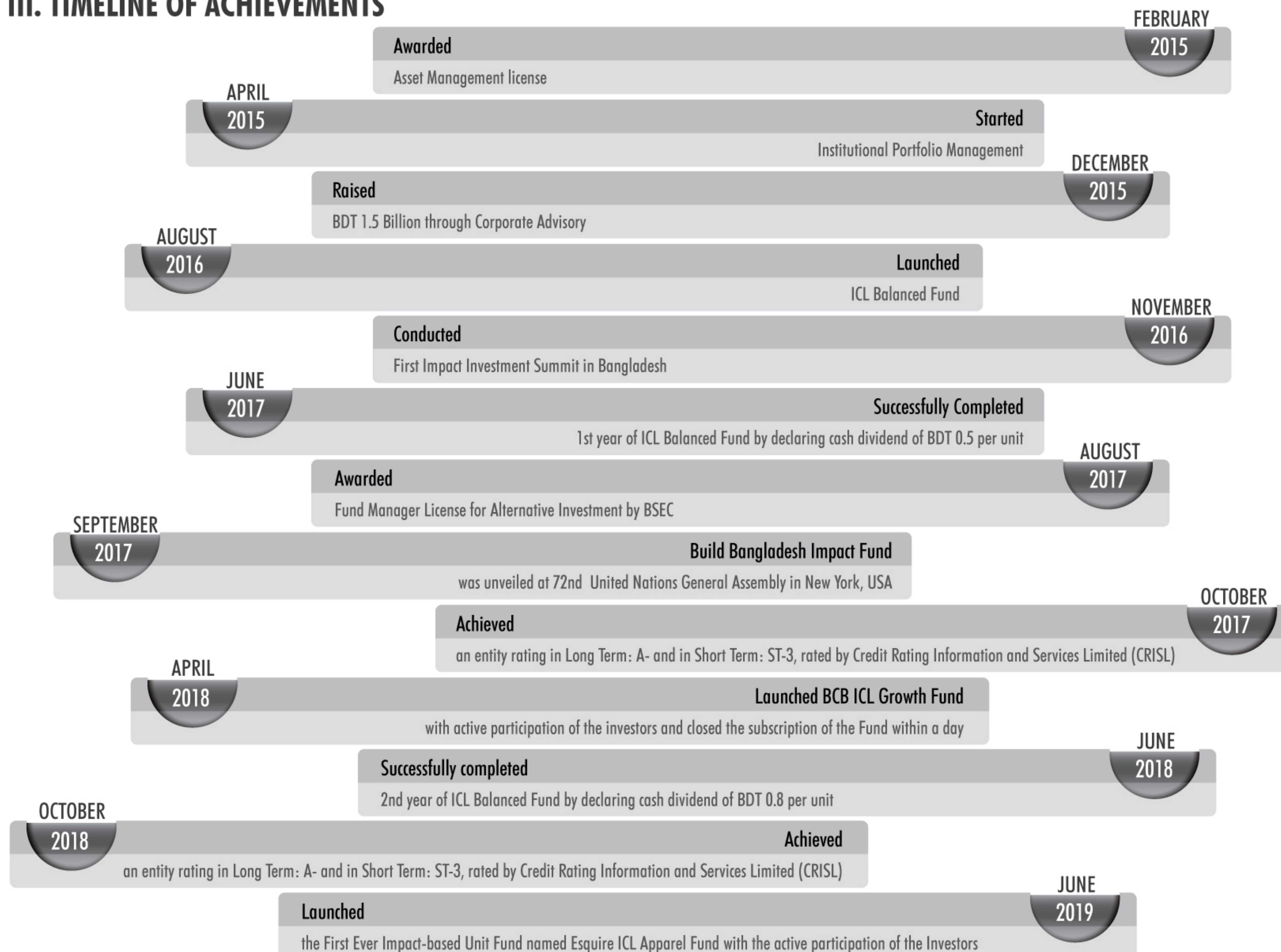
**ICL Meraj:** A 'Customized Islamic Shariah Compliant' secondary investment management product for institutions with objective to invest mainly in Shariah complied investments.

### Advisory Lead

ICL offers a broader umbrella of Financial Advisory Services namely Structured Finance, Capital Restructuring, Valuation and Appraisal for Private Companies.



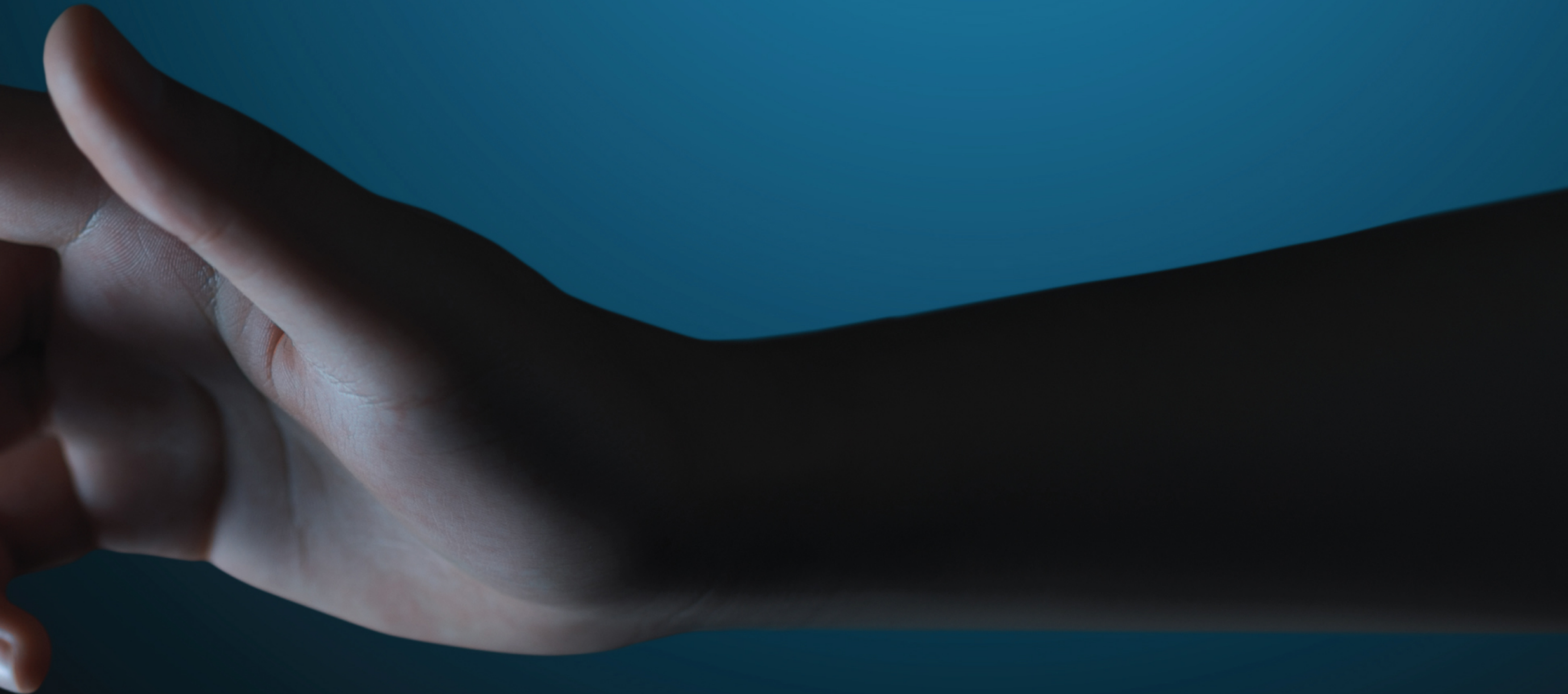
## III. TIMELINE OF ACHIEVEMENTS















## **V. ETHICAL STANDARD OF YOUR ASSET MANAGER**

Your asset manager, ICL, upholds highest ethical standards, which is very important in the wealth management industry to provide best services to you. Several instances of following ethical standard by ICL are illustrated below:

### **1. Rigorous Research**

ICL can ensure best services to the clients in terms of wealth management since it nurtures a vibrant research team. The research team scrupulously conducts economic, sector, and company specific research to ensure diligence, independence and objectivity, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions. These activities show fair dealing, prudence and care towards the clients also.

### **2. Lowest Brokerage Commission Facility**

ICL Balanced Fund and BCB ICL Growth Fund execute trades with four leading brokerage companies in the country. As your asset manager, ICL negotiates for the best offer, given quality and execute trades with lowest brokerage commission.

### **3. Suitability of the Products**

Your asset manager, ICL, gives effort to scrutinize the investors' investment experience, risk and return objectives, and financial constraints so that it can come up with products that are suitable to the investors' financial situation and consistent with their objectives, mandates, and constraints. Since there are different product portfolios with different mandates, strategies, or styles, ICL makes investment recommendations or take investment actions that are consistent with the stated objectives and constraints of the product in concern.

### **4. Transparency through Quarterly Unit holders' Statement**

ICL always tries to give value to your hard-earned money invested in the fund and behold the trustworthiness by ensuring transparency. ICL distributes Unit holders' statements at the end of each quarter to the Unit holders to maintain healthy and trustworthy relationship.

### **5. Encouraging Knowledge Seeking**

ICL, as an employer, encourages learning of the employees so that they can contribute to the advancement of the investors by applying their knowledge. ICL, in this regard, provides the employees with best work life balance and privilege to pursue professional programs like Chartered Financial Analyst (CFA), Chartered Accountancy (CA), etc.



## VI. INVESTORS' AWARENESS SESSIONS

Globally, mutual funds are popular among investors across the institutions and individuals, as one of the best wealth creating investment solution over the long-term.

However, in Bangladesh, the concept of mutual fund is just emerging. With intention to create awareness about mutual funds, ICL visited numerous institutions during 2018-19.

ICL is pleased to let you know that over the year 2018-19, ICL conducted Investors' Awareness Sessions & Knowledge Sharing Sessions in the following places:

- The Legal Circle
- Wartsila Bangladesh Limited
- Karnaphuli Fertilizer Company Limited (KAFCO)
- Neer Limited
- Grameenphone Limited
- Save the Children
- Esquire Knit Composite Limited
- Esquire Electronics Limited

### Knowledge Sharing Session

- BRAC EPL Stock Brokerage Limited
  1. Head Office
  2. Motijheel Branch
  3. Gulshan Branch
  4. Dhanmondi Branch
  5. Comilla Branch
  6. Chittagong Branch
  7. Sylhet Branch
  8. Noakhali Branch

Following are the snapshots of such sessions:



Investors' Awareness Session at Save the Children (Bangladesh)



Investors' Awareness Session at Grameenphone Investment Fair 2019



Investors' Awareness Session at Karnaphuli Fertilizer Company Limited



Knowledge Sharing Session at BRAC EPL Stock Brokerage Limited







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## MANAGEMENT DISCUSSION AND ANALYSIS







The 2018-19 can be encapsulated on our efforts that focused on following broad objectives:

## I. FUND HIGHLIGHTS

Mutual Fund Category:	Open-end Mutual Fund	
Life and Size of the Fund:	Perpetual and Unlimited size	
Sponsor:	<b>ICL Balanced Fund</b>	Impress Capital Limited
	<b>BCB ICL Growth Fund</b>	Bangladesh Commerce Bank Limited (BCB)
Trustee:	<b>ICL Balanced Fund</b>	Bangladesh General Insurance Company Limited (BGIC)
	<b>BCB ICL Growth Fund</b>	Investment Corporation of Bangladesh (ICB)
Custodian:	BRAC Bank Limited	
Asset Under Management (AUM):	<b>ICL Balanced Fund</b>	BDT 342,371,784 (As on June 30, 2019)
	<b>BCB ICL Growth Fund</b>	BDT 311,699,858 (As on June 30, 2019)
Face Value:	BDT 10/Unit	
Net Asset Value (NAV) per Unit:	<b>ICL Balanced Fund</b>	BDT 10.80/Unit (As on June 30, 2019) at market value
	<b>BCB ICL Growth Fund</b>	BDT 10.16/Unit (As on June 30, 2019) at market value
Minimum Investment Amount:	100 Units for Individuals	
	10,000 Units for Institutions	
Transparency:	NAV is calculated on a weekly basis and published on ICL's website	
Target Group:	Individuals- both resident and non-resident	
	Institutions- both local and foreign	
	Mutual funds and collective investment schemes	
Dividend:	<b>ICL Balanced Fund</b>	Minimum 70% (seventy percent) of realized income of the fund is distributed as dividend in Bangladeshi Taka each accounting year
	<b>BCB ICL Growth Fund</b>	Minimum 50% (fifty percent) of realized income of the fund is distributed as dividend in Bangladeshi Taka each accounting year
Dividend Distribution:	The dividend is distributed within 45 (forty-five) days from the date of declarations	
Transferability:	The Units of the Fund are transferable by way of inheritance/gift and/or as per law of the land	
Encashment:	The Unit Holders can surrender and encash their units to the Asset Manager and through selling agents appointed by the Asset Manager	
Reports and Accounts:	Every Unit Holder is entitled to receive annual report along with the yearly and half-yearly statements of accounts as and when published	





## II. REVIEW OF MUTUAL FUNDS OF ICL

We would like to reinstate that your money is invested with a long-term view. Your Asset Manager, ICL, believes in “Investment” philosophy opposite to the ‘Trading’ school-of-thoughts, in line with the basic investment guidelines. As a result, during the year, we continued to hold on to our long-term investments in ICL Balanced Fund and BCB ICL Growth Fund, despite the noise created during the period by a downward slopping market. ICL Balanced Fund and BCB ICL Growth Fund have generated a total return of 21% and 1.6% as against DSEX Index Return of 19.04% and -5.66% respectively since inception till June 30, 2019. The Funds’ maturity also played a crucial role in the outperformance by 1.96% (as on June 30, 2019) for ICL Balanced Fund and 7.26 % (as on June 30, 2019) for BCB ICL Growth Fund.

## III. ECONOMIC OVERVIEW

Bangladesh is currently the fifth fastest-growing economy in the world and its growth outlook remains strong and stable, according to the World Bank report, “Bangladesh Development Update 2019”. The World Economic Outlook has projected that the economy of Bangladesh will have a GDP worth of USD 314.65 billion in 2018-19<sup>1</sup>. The World Bank forecasts a conservative 7.3% growth for Bangladesh's economy for the fiscal year 2018-19.

On the other hand, global growth remains submissive due to the China-US trade war, Brexit uncertainty, and geopolitical tension by the ever-rising threat of US sanctions<sup>2</sup>. Global growth is forecast at 3.2% in 2019, later picking up at 3.5% in 2020.

Compared to the global scenario, Bangladesh has demonstrated commendable performance in the FY 2018-19 with respect to growth dynamics. The export and remittance have shown significant growth due to BDT depreciation and there was a significant import decline that improved current account balance in the Q4 of 2018-19. Though foreign currency reserve was on the decline in the first half of YoY 2018-19, greater amount of Foreign Direct Investment (FDI) and turning back from sharp depletion to growth recovery of NFA (Net Foreign Assets) have eased liquidity squeeze and restored Taka to USD interbank normalcy.

The major highlights of our economy:

- The Bangladeshi Taka (BDT) has depreciated against the United States Dollar (USD) from BDT 83.73 per USD in June’18 to BDT 84.50 per USD in June’19. Forex reserve at the end of FY2018-19, can now finance 7 months of import payments with USD 32.5 billion (average of immediate 12 months imports figure).
- 12 months’ average inflation up to June 2019 was around 5.48%, where non-food inflation was on the rise. Worldwide crude oil price has been forecasted at average USD 67 a barrel in 2019 and 2020<sup>3</sup>. Expected increase in oil price may contribute to the energy inflation.

<sup>1</sup> <https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx>

<sup>2</sup> <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>

<sup>3</sup> <https://www.thebalance.com/oil-price-forecast-3306219>



- Bangladesh has GDP per capita (PPP) of USD 1,827, growing over 9.07% YoY 2018-19. IMF has projected it to be USD 2,276.9 by 2024.
- The country's export earnings grew by 10.55%, YoY to USD 40.53 billion in the FY 2018-19, rising on a high volume of garment shipment in a favorable external business environment. Import payments grew by 6.05% registering USD 52.0 billion up to May 2019. Recent 2% cash incentives disbursement for sending remittance has registered 9.60% growth in remittances.
- Bangladesh received net FDI USD 3.61 billion in 2018, its highest yet, thanks to the one-off payment of USD 1.47 billion by Japan Tobacco Inc. to purchase Akij Group's tobacco business. That marked an increase of 67.94% from a year earlier, according to the United Nations Conference on Trade and Development (UNCTAD).
- Government borrowing through National Savings Certificate (NSC) and from the Bank had a crowding-out effect on the private sector registering 11.29% credit growth YoY 2018-19<sup>4</sup>.
- Lastly, Finance Minister on 23rd June disclosed in parliament a list of the country's top 300 loan defaulters, who embezzled BDT 509.42 billion<sup>5</sup>. This figure makes up around half the total default loans of BDT 1.02 trillion with banks and non-banking institutions until 2018. Non-performing loan was 11.87% of total outstanding loans in Q3 of 2018-19.

Overall, the economy's growth prospect has slowed down a bit due to the liquidity pressure, which needs policy-level intervention. With the regulators taking steps, the economy will rebound in no time.

## IV. MARKET OVERVIEW

In FY 2018-19, DSEX and DS30 indices have witnessed 0.3% and -1.6% return<sup>6</sup>, respectively, as the corporate profitability was hit by a higher cost of funding and import cost of raw material. The rise in interest rate was triggered by the liquidity crisis and the upsurge of non-performing loans in the banking industry while import cost increased due to the depreciation of BDT. Higher interest rate lured short-term oriented investors to pull back their fund and invest in the fixed income instruments. As the market became bearish, fundamentally good scrips, also took the hit.

We would like to assure you that, short-run volatility is the feature of the capital market and your return in the long-run will be uninfluenced by such event. Your Asset Manager conducts rigorous investment research to identify the best scrips in each of the sectors. The recent bear run helped us to accumulate the scrips in our portfolio at favorable price, which are likely to contribute towards your wealth maximization, in the years to come.

All in all, with a rigorous investment process and asset allocation abilities, your Asset Manager will always try to generate optimum return for you in the long run.

<sup>4</sup> <https://www.thedailystar.net/business/news/record-fdi-2018-1762024>

<sup>5</sup> <http://today.thefinancialexpress.com.bd/first-page/300-defaulters-gobble-up-tk-509-billion-loans-in-over-three-yrs-1561222644>

<sup>6</sup> [https://www.dsebd.org/recent\\_market\\_information.php](https://www.dsebd.org/recent_market_information.php)





## V. INVESTMENT POLICY THE FUNDS

- a **Style:** ICL Balanced Fund is a balanced style-based fund whereas BCB ICL Growth Fund is a growth style-based fund.
- .
- b **Investment Objective:** The investment objective of ICL Balanced Fund is to generate moderate double-digit risk-adjusted expected total return per annum over stated investment horizon. As for BCB ICL Growth Fund, the objective is to generate higher double-digit risk-adjusted expected total return after stated investment horizon.
- .
- c **Risk Objective:** ICL Balanced Fund is tailored towards investors with “Moderate” willingness and capability to take risk, whereas BCB ICL Growth Fund is tailored towards investors with “High” willingness and capability to take risk.
- .
- d **Funds’ Investment Horizon:** 3 years to 10 years.
- .
- e **Suitability:** ICL Balanced Fund is suitable for the investors who want long term capital appreciation along with regular income from the Fund in form of dividend. On the other hand, BCB ICL Growth Fund is suitable for the investors who want above average growth of their investment and look for higher risk-adjusted return over fixed income return.
- .
- f **Asset Allocation:**
  - 75% - 90% in Equities
  - 10% - 15% in Fixed Income Securities, Cash and Cash Equivalent
- .
- g **Legal Framework and Restrictions**
  - As per সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, a mutual fund is formed as a Trust under Trust Act, 1982 and the Trust Deed is registered under Registration Act, 1908. ICL Balanced Fund’s Trust Deed has been registered on March 29, 2016 and the Trustee of the Fund is Bangladesh General Insurance Company Limited. BCB ICL Growth Fund’s Trust Deed has been registered on November 9, 2017 and the Trustee of the Fund is Investment Corporation of Bangladesh. The entire conduct of the Funds is governed by সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The Trustees actively observe and monitor the Funds on a regular basis, to ensure that your Funds are operated by being fully compliant with সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. Custodian of the Funds is BRAC Bank Limited to ensure safe custody of each asset owned by the Funds.

**Following are the legal restrictions both the funds need to abide by:**

- The Funds invest 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 & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in these regards.



- All money collected under the Funds are invested only in encashable/transferable instruments, securities either in money market or capital market, or privately placed pre-IPO equity shares, preference shares, debentures or securitized debts.
- The Funds purchase or transfer all their assets in the name of the Funds.
- Only the Asset Management Company makes the investment decisions and places orders for securities purchased or sold for the Funds' portfolio.
- Time to time updated investment restrictions notified by BSEC is enforced in ICL Balanced Fund's investment decisions.
- The Funds do not invest in, or lend to, any other scheme under the same Asset Management Company.
- The Funds do not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- The Funds or the Asset Management Company on behalf of the Fund do/ does not give or guarantee term loans for any purpose or take up any activity in contravention of the বিধিমালা.
- BCB ICL Growth Fund can transfer investment from one scheme to another, if the transfer of listed securities is made in current market price through spot market, the investment objective of the scheme (which receives the securities) matches the transferred securities.
- The Funds buy and sell securities on the basis of deliveries and in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the customs and practices of the stock exchanges and in no case put themselves in a position whereby they have to make short sale or carry forward transactions.
- The Funds do not take any loan for investment purpose.
- The Funds do not involve in option trading or short selling or carry forward transactions. The Funds do not buy their own Units.

#### **h. Taxation:**

As per SRO No. 333-Act/Income Tax/2011 dated November 10, 2011 which was published in power of section 44(4b), the Income Tax Ordinance, 1984 states that the Funds are exempted from tax on capital gains and dividend income. There is no double taxation, tax is paid only at the unit holder's level, once. However, as per Section 53F (2) of the Income Tax Ordinance, 1984, 5% TDS shall be deducted on any interest or share of profit earned from any saving deposits or fixed deposits or any term deposit maintained with any scheduled bank.

Please see Appendix for the tax rates applicable to different category of Investors.





**i. Asset Allocation Restrictions:**

- Not less than 60% of the total assets of each of the Funds is invested in capital market instruments, out of which at least 50% is always invested in listed securities.
- Not more than 25% of the total asset of each of the Funds is invested in fixed income securities (FIS).
- Not more than 15% of the total asset of each of the Funds is invested in pre-IPOs at one time.
- The Funds invest not more than 10% of their individual total assets in any single company.
- The Funds invest not more than 15% of any company's paid up capital.
- The Funds invest not more than 20% of their individual total assets in shares, debentures or other securities of a single company or group.
- The Funds invest not more than 25% of their individual total assets in shares, debentures or other securities in any single industry.

## **VI. INVESTMENT MANAGEMENT PROCESS AT ICL**

ICL, Your asset manager, believes in long-term value investment. Comprehensive research is the heart of the investment process at ICL that consists of three steps; planning, implementation and evaluation.

### **Step one: Planning**

ICL's Research Team conducts thorough equity and macro research to find appropriate investment opportunities. We follow top to bottom approach that starts with economy followed by various sectors and ends with individual companies.

- 1. Economic Analysis:** Investment Research Team at ICL continuously tracks and evaluates the macroeconomic (both local and global) factors and events, which may have the significant impact on the economy. The team conducts sophisticated macroeconomic modeling to forecast the changes in the economic indicators. Economic Analysis at ICL, works as fuel for further sectoral and company specific analysis.
- 2. Sector Analysis:** Based on the outcome of economic analysis, Investment Research Team identifies potential sectors for investment. In-depth sector analysis provides the Investment Research Team with evidence of how well a sector is expected to perform and what are the sectors to focus for stock selection.



3. **Company Analysis:** Analyzing and identifying undervalued companies which matches the investment theme of the funds under ICL management, is one of the major responsibilities of the Investment Research Team. The Team thoroughly covers around 30 companies that have sound corporate governance and sustainable business performance in the long run.

#### Step Two: Implementation

Based on the findings of the Research team, Investment Committee takes appropriate steps to make investment decisions.

**Investments:** Initially, Investment Management team constructs a target portfolio according to the themes of the Fund and determines the target risk. Then the team starts acquiring stocks based on research input at reasonable price. We exert various mechanism to forecast market movement and get good deals.

#### Step three: Monitoring and Evaluation

Investment Research Team continuously monitors and evaluates the performance of the companies and notify the Investment Committee upon finding any discrepancy. Investment Committee takes necessary action accordingly. This dynamic decision-making process helps ICL perform better in the long run.

ICL's investment management process is highly structured and the process is strictly followed. ICL focuses on active investment management by selecting investments that can optimize its investor's value at minimum risk.





**IMPRESS CAPITAL LIMITED**



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## SYSTEMATIC INVESTMENT PLAN (SIP)









A Systematic Investment Plan or SIP is a very convenient and disciplined way of investing money in mutual funds. SIP allows an investor to invest a certain pre-determined amount at a regular interval (monthly, quarterly, semi-annually, annually, etc.). A SIP is a planned approach towards investments and helps to inculcate the habit of saving and building wealth for the future.

## I. SUITABILITY

Any investor can invest in Funds managed by ICL through SIP, after considering his/her risk objectives and risk tolerance.

## II. BENEFITS OF SIP

### A. Flexibility & Affordability:

SIP offers a systematic approach towards investment by allowing unit holders to invest starting from BDT 1,000+ by mentioning pre-determined amount for a specified period.

### B. Flexible Tenor:

An investor can invest in the plan with an investment horizon of 2 years/3 years/5 years/10 years. Although, it is encouraged to continue SIP investments with a long-term perspective, there is no compulsion. Investors can discontinue the plan at any time after satisfying all the terms and conditions described in 'Surrender Process' which is discussed later.

### C. No Minimum Lot Size:

Under SIP, there will be no minimum lot size. Based on the investment amount and available weekly NAV at that point of time, units will be credited to investor's account. However, any fraction amount remaining will be converted when it sums up to one unit. The fractional amount will be kept as liability of the fund in a separate account head and will be adjusted with the next available investment amount. For example, if one investor invests BDT 3,000 at the time when the NAV of the fund is BDT 15.5, he/she will be credited 193 units initially. The remaining 0.55 units will be adjusted with the subsequent SIP payments and credited to the investors account when it sums up to one unit.

### D. Cost Averaging:

SIP scheme can help the investors to be benefited from cost averaging. Due to investments made in regular intervals, investors can buy more units in bearish market and less units when the market is bullish. This is particularly helpful for retail investors because they can avoid investing larger sums in bull market and smaller sums in bear market.

### E. Discounted Purchase:

SIP investors can purchase units at 1% discount from weekly sales price offered to other investors who did not subscribe to SIP.

### F. CIP (Cumulative Investment Plan) option for SIP Investment:

SIP investors can enjoy cash dividend or Cumulative Investment Plan (CIP) where, the new units of the fund will be allotted to the investors





which will be equivalent to the cash dividend. For example, if an investor is entitled to BDT 100 cash dividend from the fund, he/she will have the flexibility to invest the dividend amount to buy additional units of the fund at the available weekly NAV at that point.

### **III. BUY PROCESS**

Investors will get SIP units based on the ongoing weekly sale price of the units of the fund at that point of time. An investor can invest through SIP in following two ways:

- i. The investor may fill up the auto debit authorization form provided by the Asset Manager to debit his/her bank account to credit a specific amount for a specified period to the account of “ICL Balanced Fund” or “BCB ICL Growth Fund” or,
- ii. The investor may provide post-dated account payee cheque in favor of “ICL Balanced Fund” or “BCB ICL Growth Fund” mentioning specific investment amount to the asset manager/selling agents at a regular interval (monthly, quarterly, semi-annually, annually, etc.).

### **VI. SURRENDER PROCESS**

If, an investor wants to terminate the SIP before two (2) years, 1% discount from the repurchase/surrender price will be applicable on total accumulated invested amount on the date of cancellation of the scheme.

After receiving the surrender application form, the investor will be paid within 5 (Five) working days through an account payee cheque/BEFTN, as per client's request in case the withdrawal amount is equivalent or below BDT 5 million. In case, the withdrawal amount is above BDT 5 million, the investor shall receive the fund within 7 (Seven) working days of receiving the surrender request.

### **V. FORMS AND DOCUMENTS**

Prospectus, application form, repurchase/surrender form and other related forms are available at office of ICL, respective selling agents and at the website of ICL.



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## INVESTMENT REVIEW OF THE YEAR







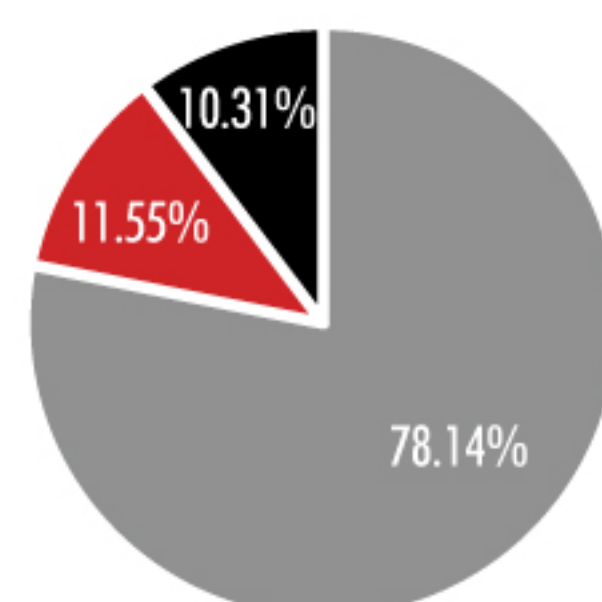


## I. ASSET ALLOCATION OF THE FUNDS

As on June 30, 2019, Global Industry Classification Standard (GICS) methodology - wise the asset allocation of ICL Balanced Fund was:

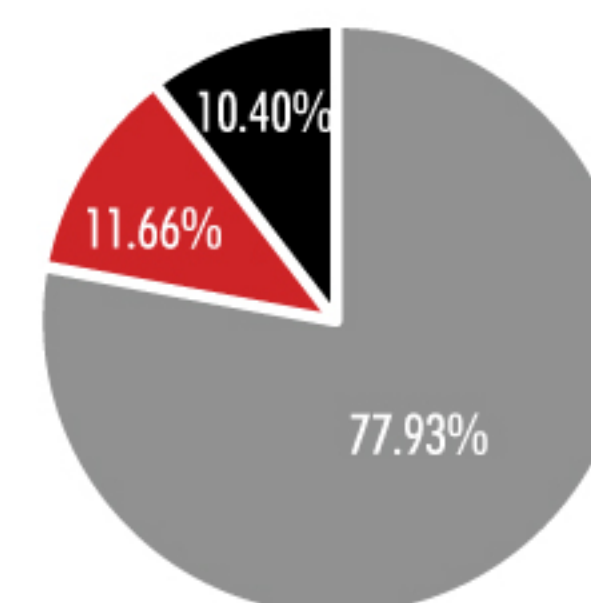
Row Labels	Cost Value (BDT)	Market Value (BDT)
Cash and cash equivalent	<b>35,674,447</b>	<b>35,674,447</b>
Cash and cash equivalent	35,674,447	35,674,447
Equity Investments	<b>270,506,637</b>	<b>267,283,931</b>
Communication Services	33,265,016	30,838,808
Consumer Discretionary	4,270,790	4,799,020
Consumer Staples	40,371,581	39,433,190
Energy	51,489,913	55,119,000
Financials	56,669,767	56,495,331
Healthcare	84,043,009	79,730,858
Information Technology	70,430	393,704
Materials	326,130	474,020
Fixed Income Investments	<b>40,000,000</b>	<b>40,000,000</b>
FDR	40,000,000	40,000,000
<b>Grand Total</b>	<b>346,181,084</b>	<b>342,958,378</b>

Asset Class Allocation at Cost Price



Equity Investments Fixed Income Investments Cash & cash equivalent

Asset Class Allocation at Market Price



Equity Investments Fixed Income Investments Cash & cash equivalent

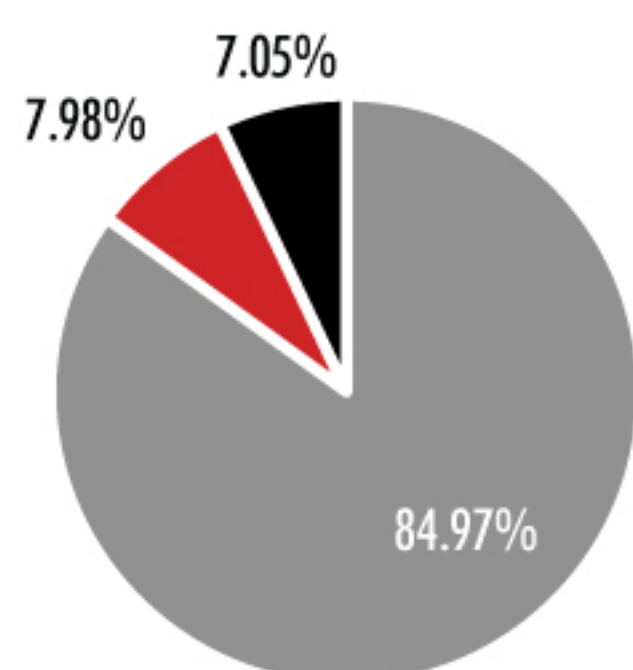




As on June 30, 2019, Global Industry Classification Standard (GICS) methodology - wise the asset allocation of BCB ICL Growth Fund was:

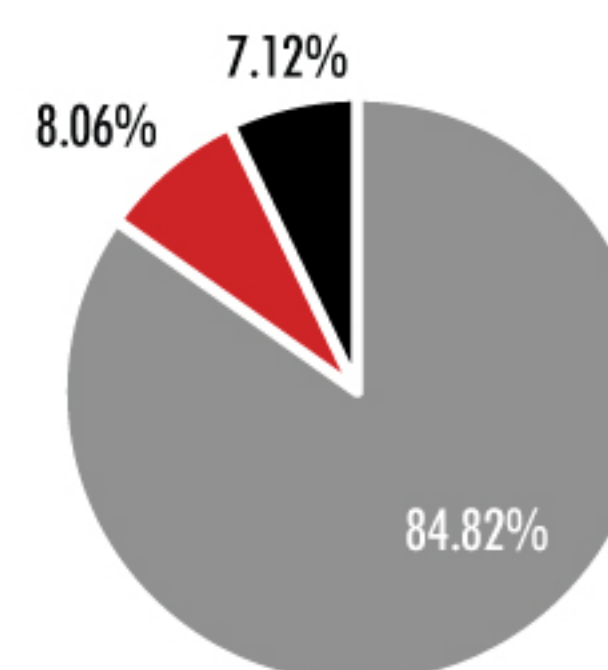
Row Labels	Cost Value (BDT)	Market Value (BDT)
Cash and cash equivalent	<b>22,086,558</b>	<b>22,086,558</b>
Cash and cash equivalent	22,086,558	22,086,558
Equity Investments	<b>266,097,404</b>	<b>263,062,138</b>
Communication Services	31,024,571	28,769,500
Consumer Discretionary	4,270,790	4,799,020
Consumer Staples	41,616,190	41,005,966
Energy	54,131,708	57,871,090
Financials	52,567,006	52,489,921
Healthcare	82,090,579	77,258,917
Information Technology	70,430	393,704
Materials	326,130	474,020
Fixed Income Investments	<b>25,000,000</b>	<b>25,000,000</b>
FDR	25,000,000	25,000,000
<b>Grand Total</b>	<b>313,183,962</b>	<b>310,148,696</b>

Asset Class Allocation at Cost Price



Equity Investments Fixed Income Investments Cash & cash equivalent

Asset Class Allocation at Market Price



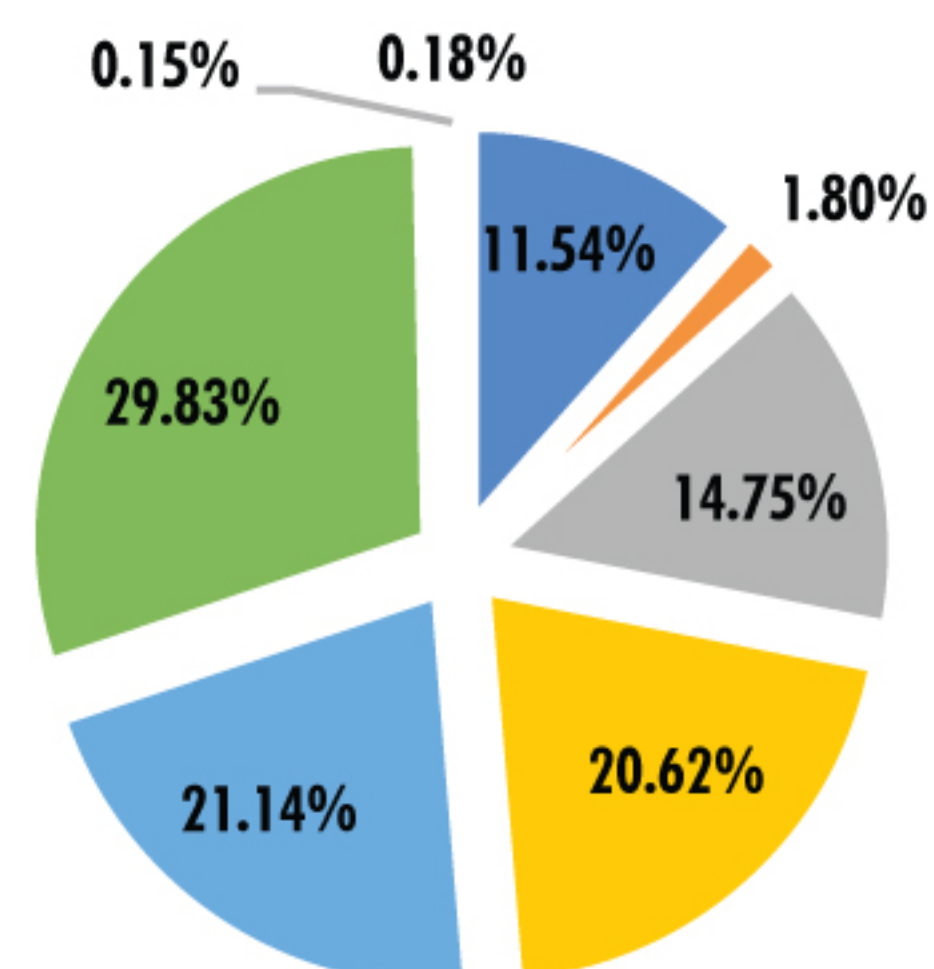
Equity Investments Fixed Income Investments Cash & cash equivalent



## II. SECTOR-WISE ALLOCATION OF EQUITY INVESTMENTS AT MARKET VALUE

As on June 30, 2019 the sector-wise allocation of equity investments of ICL Balanced Fund was:

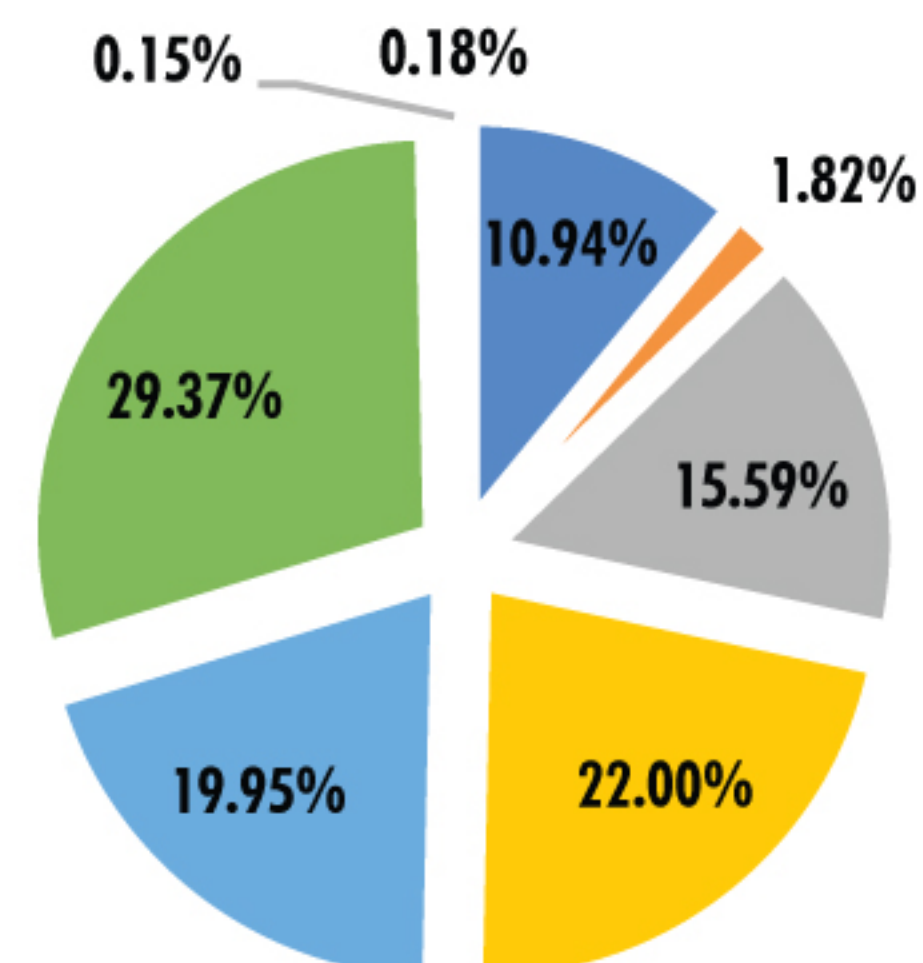
**Sector-wise Allocation of Equity Investments of ICL Balanced Fund**



■ Communication Services ■ Consumer Discretionary ■ Consumer Staples ■ Energy ■ Financials ■ Healthcare ■ Information Technology ■ Materials

As on June 30, 2019 the sector-wise allocation of equity investments of BCB ICL Growth Fund was:

**Sector-wise Allocation of Equity Investments of BCB ICL Growth Fund**



■ Communication Services ■ Consumer Discretionary ■ Consumer Staples ■ Energy ■ Financials ■ Healthcare ■ Information Technology ■ Materials

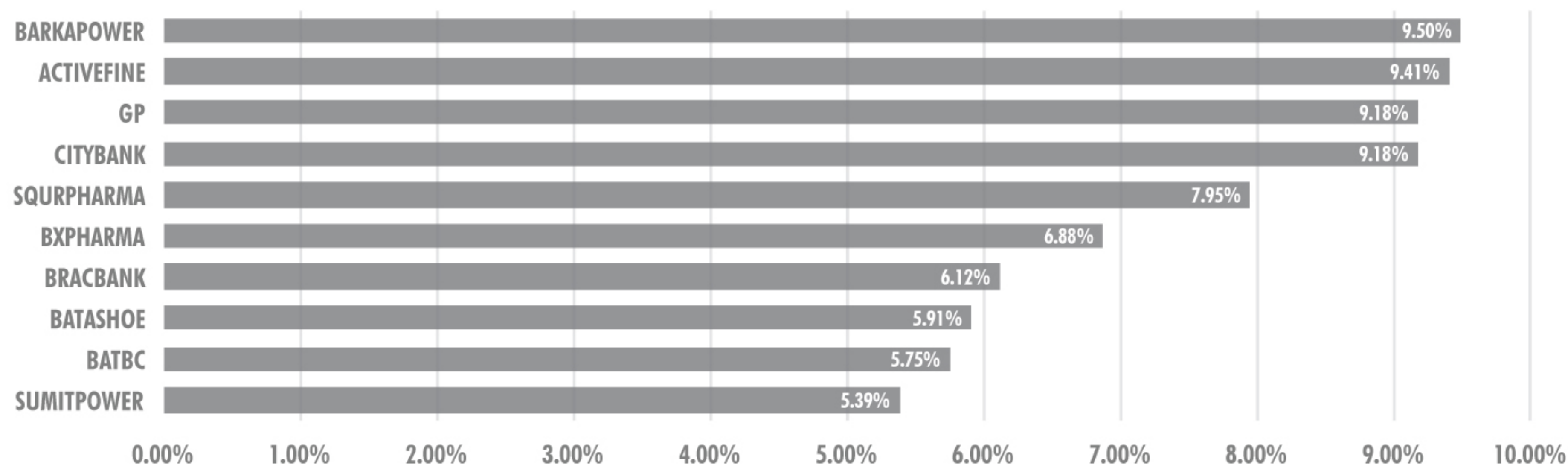




### III. TOP TEN HOLDINGS OF THE FUNDS BASED ON TOTAL ASSETS

During the year under consideration the top ten holdings of ICL Balanced Fund was:

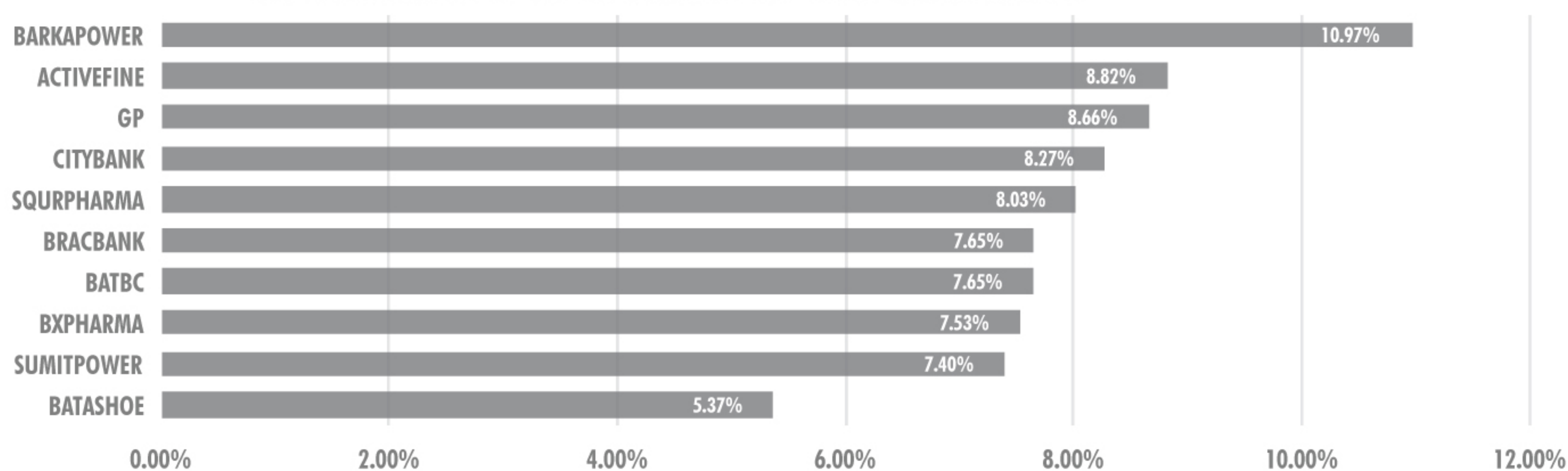
#### TOP TEN HOLDINGS OF ICL BALANCED FUND BASED ON TOTAL ASSETS



\* The exposure will be brought down to 10% or below within six months as per the regulation.

During the year under consideration the top ten holdings of BCB ICL Growth Fund was:

#### TOP TEN HOLDINGS OF BCB ICL GROWTH FUND BASED ON TOTAL ASSETS



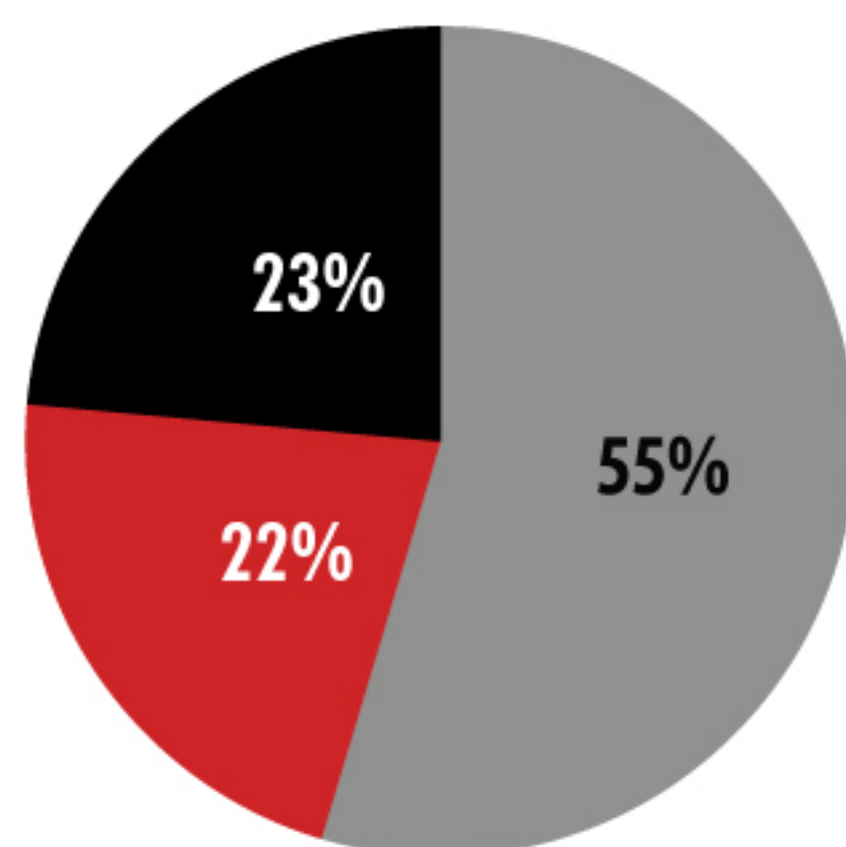
\* The exposure will be brought down to 10% or below within six months as per the regulation.



#### IV. REALIZED INCOME OF THE FUNDS (%)

The realized income of ICL Balanced Fund was:

Realized Income of ICL Balanced Fund (%)



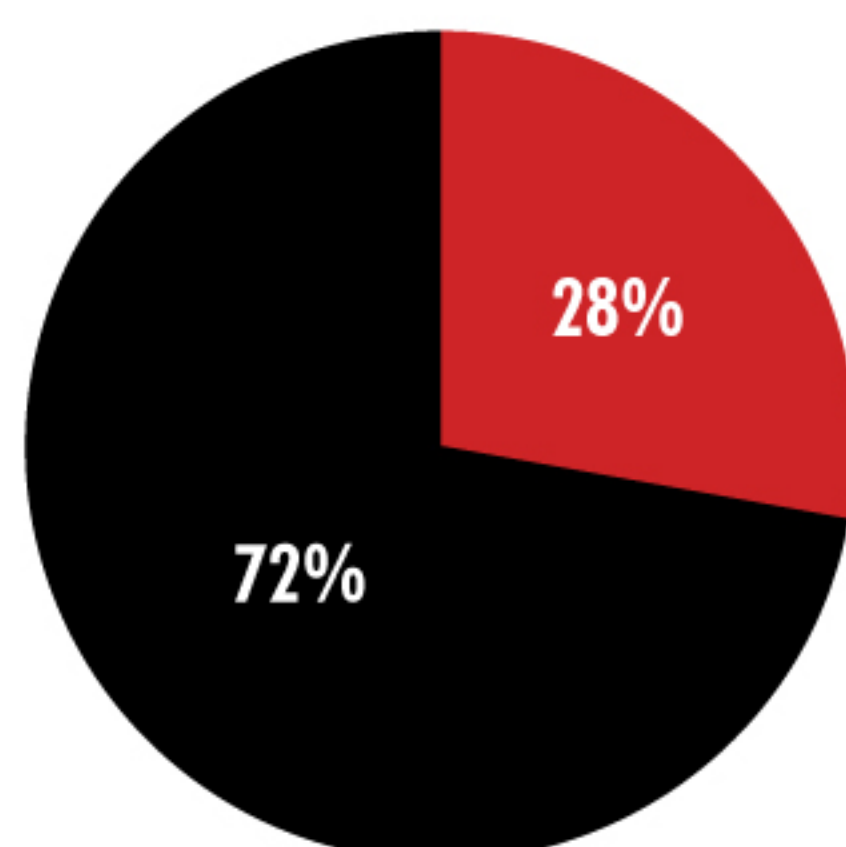
Capital Gain   Dividends   Interest Income

Realized Income of ICL Balanced Fund (in BDT Million)



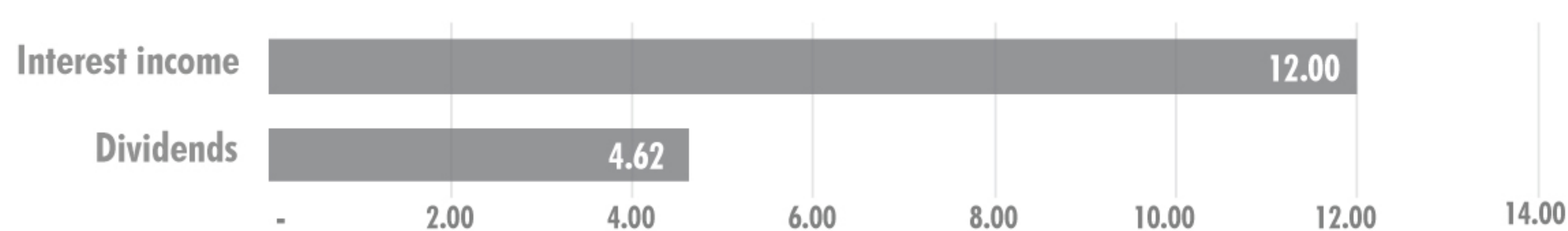
The realized income of BCB ICL Growth Fund was:

Realized Income of BCB ICL Growth Fund (%)



Dividends   Interest Income

Realized Income of BCB ICL Growth Fund (in BDT Million)









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## FUND EXPENSES ANALYSIS









## I. ANNUAL EXPENSES STATUS

As per the Securities and Exchange Commission (Mutual Fund) Rules, 2001, annual expenses of the Funds shall not exceed 4% of the average monthly net asset value for the accounting year.

ICL Balanced Fund and BCB ICL Growth Fund incurred annual expenses of BDT 9,596,139 and BDT 10,827,321 which are around 2.80% and 2.88% of the average AUM respectively for the period.

## II. MANAGEMENT FEE STRUCTURE

Asset Under Management	Income Sharing
Not more than 5 crores	Not more than 2.5% of the average weekly net wealth during accounting
More than first 5 crores till 25 crores	Not more than 2% of the average weekly net wealth during accounting
More than second 25 crores till 50 crores	Not more than 1.5% of the average weekly net wealth during accounting
More than 50 crores and till infinity	Not more than 1% of the average weekly net wealth during accounting

## III. PRELIMINARY EXPENSES AND AMORTIZATION

ICL Balanced Fund is amortizing its preliminary expenses of BDT 2,110,637 over a period of 7 years. During the year under consideration, the Fund has charged BDT 304,737 accordingly. BCB ICL Growth Fund is amortizing its preliminary expenses of BDT 3,677,619 over a period of 7 years. During the year under consideration, the Fund has charged BDT 790,435 accordingly.

## IV. TRUSTEE FEES

According to the trust deed, ICL Balanced Fund pays an annual Trusteeship fee of Taka 200,000 (two hundred thousand) only or @ 0.10% of the Net Asset Value (NAV) of the fund to the Trustee, whichever is higher on semi-annual in advance basis, during the life of the Fund applicable from the effective date (the date of registration of the Trust Deeds). The Trustee Fee for the year 2018-2019 of ICL Balanced Fund is BDT 334,867. As for BCB ICL Growth Fund, the Fund pays an annual Trusteeship fee of @0.15% of the NAV of the Fund on semi-annual advance basis, from the date of operation of the Fund. The Trustee Fee for the year 2018-2019 of BCB ICL Growth Fund is BDT 532,341.





## V. CUSTODIAN CHARGES

ICL Balanced Fund and BCB ICL Growth Fund pay the Custodian @0.05% and @0.06% safe keeping fees of balance securities held by each of the Funds calculated based on average market value per month. Besides this, the Funds bear all other expenses, which are:

- Transaction fees of BDT 200 per transaction;
- Local duties and fees like stamp duty on transactions, stamp duty on transfer deed; and
- Levies, brokerage, registrar's fees, local council/counsel/representation, external auditors 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 semiannually.

During the year under consideration total Custodian Fee incurred for ICL Balanced Fund was BDT 234,803 and that for BCB ICL Growth Fund was BDT 302,421.

## VI. CDBL (CENTRAL DEPOSITORY BANGLADESH LIMITED) CHARGES

During the year under consideration, total CDBL charge for ICL Balanced Fund was BDT 151,044. As for BCB ICL Growth Fund, the CDBL charge was BDT 173,942.

## VII. BSEC ANNUAL FEES

The Funds pay @0.10% of the Fund value or BDT 50,000 (Taka Fifty Thousand), whichever is higher, to Bangladesh Securities and Exchange Commission per annum. Accordingly, for the year under consideration the BSEC annual fees for ICL Balanced Fund was BDT 365,211. As for BCB ICL Growth Fund, the Fund paid BDT 508,621 to BSEC for the year under consideration.

## VIII. AUDIT FEES

Hoda Vasi Chowdhury & Co was the statutory auditor of ICL Balanced Fund for the period and was paid an audit fee of BDT 63,250 including VAT (Value Added Tax). As for BCB ICL Growth Fund, Mahfel Huq & Co. was the statutory auditor and was paid an audit fee of BDT 23,000 including VAT (Value Added Tax) for the year under consideration.



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## AUDITORS REPORT AND AUDITED FINANCIAL STATEMENTS OF ICL BALANCED FUND

FOR THE YEAR ENDED ON 30 JUNE 2019









## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ICL Balanced Fund**

### **Report of the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of ICL Balanced Fund (here-in-after referred to as “the Fund”), which comprise the statement of financial position for the year ended 30 June 2019, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give true and fair view, in all material respects, the statements of financial position of the fund for the year ended 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and comply with Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 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 Auditors' 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





## Others 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 auditors' 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. However, we have nothing to report regarding other information.

## Management's Responsibility for the Financial Statement

The Asset Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Securities and Exchange Rules, 1987, 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 and error.

In preparing the financial statements, the Fund's ability to continue as a going concern should be assessed, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting till the tenure of the Fund unless there is any intention to liquidate the Fund or 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 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 skepticism 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. However, we have not come across any significant audit findings.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 accounts as required by law have been kept by the Fund so far as it appeared from our examination of these books; and
- c) the Fund's statements of financial position and statement of profit and loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka

*Hoda Vasir Choudhury*  
Chartered Accountants



ICL Balanced Fund  
Statement of Financial Position  
As at 30 June 2019

Assets	Notes
Investment-at market price	5
Receivables	6
Advances, deposits and prepayments	7
Cash and cash equivalents	8
Preliminary and issue expenses	9
<b>Total Assets</b>	
<b>Less : Liabilities</b>	
Accrued expenses and others	10
<b>Net assets</b>	
<b>Unitholder's Equity</b>	
Unit capital	11
Unit transaction reserve	12
Investment diminution reserve (Annexure A)	
Retained earnings	
<b>Total Equity</b>	
<b>Net Asset Value (NAV) per unit:</b>	
At cost price	13
At market price	14

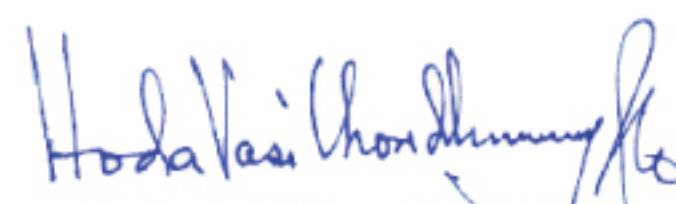
Amount in BDT	
30 June 2019	30 June 2018
267,283,930	327,860,897
1,514,264	16,233,475
339,788	380,702
75,674,447	24,403,954
1,152,158	1,456,895
<b>345,964,587</b>	<b>370,335,923</b>
3,592,803	5,547,081
<b>342,371,784</b>	<b>364,788,842</b>
316,974,030	310,070,000
6,805,582	6,903,946
-	12,767,637
18,592,172	35,047,259
<b>342,371,784</b>	<b>364,788,842</b>
<b>10.90</b>	<b>11.35</b>
<b>10.80</b>	<b>11.76</b>

These financial statements should be read in conjunction with annexed notes

  
Trustee  
Bangladesh General Insurance Company Limited

Dhaka,  
'29 July 2019

  
Asset Manager  
Impress Capital Limited

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants





ICL Balanced Fund  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2019

Income	Notes
Net gain/(loss) on sale of marketable securities	15
Dividend income	16
Interest income	17
<b>Less: Expenses</b>	
Audit fees	
BSEC annual fees	
BO A/C maintenance charge	
Management fees	
Trustee fees	
Custodian fees	
CDBL fees	
Amortization of preliminary expenses	
IPO subscription fees	
Printing & Publications	
Bank charges and others	18
<b>Income before provision for the year</b>	
(Provision) / Write back of provision for diminution in value of investments	
<b>Net income for the year</b>	
<b>Other comprehensive income</b>	
Unrealized gain- increase or decrease for the year	
<b>Total profit including unrealized gain-increase or decrease for the year</b>	19
<b>Number of outstanding units</b>	
<b>Earnings per unit for the year</b>	

	Amount in BDT
1 July 2018 to 30 June 2019	1 July 2017 to 30 June 2018
11,566,345	24,259,627
4,613,644	10,452,802
4,989,371	4,235,705
21,169,360	38,948,134
63,250	63,250
365,211	224,041
1,800	-
6,523,003	7,296,146
334,867	386,409
234,803	249,152
151,044	110,780
304,737	304,737
45,000	20,000
1,282,280	378,428
290,144	543,146
9,596,139	9,576,089
11,573,221	29,372,045
(3,222,707)	-
8,350,514	29,372,045
-	(6,381,362)
8,350,514	22,990,683
31,697,403	31,007,000
0.26	0.95

These financial statements should be read in conjunction with annexed notes

  
Trustee  
Bangladesh General Insurance Company Limited

Dhaka,  
29 July 2019

**IMPRESS CAPITAL LIMITED**

  
Asset Manager  
Impress Capital Limited  
  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants



ICL Balanced Fund  
Statement of Changes in Equity  
For the year ended 30 June 2019

Particulars	Amount in BDT				
	Unit fund	Unit transaction reserve	Investment Diminution reserve (Annexure A)	Retained earnings	Total equity
Balance as at 1 July 2018	310,070,000	6,903,946	12,767,637	35,047,259	364,788,841
Unit subscribed during the year	43,225,730	-	-	-	43,225,730
Unit repurchased during the year	(36,321,700)	-	-	-	(36,321,700)
Net profit during the year	-	-	-	8,350,514	8,350,514
Profit on unit subscribed	-	4,274,196	-	-	4,274,196
Loss on redemption of units	-	(4,372,560)	-	-	(4,372,560)
Cash dividend paid for the year 2016-17	-	-	-	(24,805,600)	(24,805,600)
Investment diminution reserve during the year	-	-	(12,767,637)	-	(12,767,637)
<b>Balance as at 30 June 2019</b>	<b>316,974,030</b>	<b>6,805,582</b>	<b>-</b>	<b>18,592,172</b>	<b>342,371,784</b>
Balance as at 1 July 2017	315,402,000	7,648,356	19,148,999	21,405,264	363,604,619
Unit subscribed during the year	124,197,000	-	-	-	124,197,000
Unit surrendered during the year	(129,529,000)	-	-	-	(129,529,000)
Net profit for the year	-	-	-	29,372,045	29,372,045
Profit on unit subscribed	-	29,828,688	-	-	29,828,688
Loss on redemption of units	-	(30,573,098)	-	-	(30,573,098)
Cash dividend paid for the year 2016-17	-	-	-	(15,730,050)	(15,730,050)
Investment diminution reserve during the year	-	-	(6,381,362)	-	(6,381,362)
<b>Balance as at 30 June 2018</b>	<b>310,070,000</b>	<b>6,903,946</b>	<b>12,767,637</b>	<b>35,047,259</b>	<b>364,788,842</b>

  
Trustee  
Bangladesh General Insurance Company Limited

  
Asset Manager  
Impress Capital Limited





ICL Balanced Fund  
Statement of Cash Flows  
For the year ended 30 June 2019

**A. Cash flows from operating activities**

Net gain/(loss) on sale of marketable securities  
Dividend income received  
Interest income received  
Payment made for expenses

***Net cash flows from operating activities***

**B. Cash flows from investing activities**

Investment in marketable securities, net  
(Investment) in/ refund from IPO

***Net cash used in investing activities***

**C. Cash flows from financing activities**

Unit subscribed  
Unit surrendered  
Cash dividend paid

***Net cash generated from financing activities***

Net cash flows for the year

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Net operating cash flows

Number of outstanding units

Net operating cash flows per unit for the year

  
Trustee  
Bangladesh General Insurance Company Limited

	Amount in BDT	
	1 July 2018 to 30 June 2019	1 July 2017 to 30 June 2018
	11,566,345	24,259,627
	8,551,071	7,626,732
	4,621,894	6,358,436
	(9,703,878)	(8,880,271)
	15,035,433	29,364,524
	53,267,433	(119,768,691)
	2,277,340	5,463,150
	55,544,773	(114,305,541)
	47,499,926	154,025,688
	(42,004,039)	(158,713,192)
	(24,805,600)	(15,730,050)
	(19,309,713)	(20,417,554)
	51,270,493	(105,358,571)
	24,403,954	129,762,525
	75,674,447	24,403,954
	15,035,433	29,364,524
	31,697,403	31,007,000
	0.47	0.95

  
Asset Manager  
Impress Capital Limited



ICL Balanced Fund  
Notes to the Financial Statements  
For the year ended 30 June 2019

## 01. Introduction

ICL Balanced Fund ("the Fund") is an open-end mutual fund sponsored by Impress Capital Limited. The Fund got its approval from Bangladesh Securities & Exchange Commission on May 05, 2016 vide registration number BSEC/Mutual Fund/2016/65 under Securities and Exchange Commission (Mutual Fund) Rules, 2001. The current address of the fund is Evergreen Plaza (1st floor), 260/B, Tejgaon I/A, Dhaka-1208.

Bangladesh General Insurance Company Limited (BGIC) is the trustee and BRAC Bank Limited is the custodian of the fund. Impress Capital Limited is the Asset Manager.

## 02. Closure of accounting year of the Fund

The Fund has been consistently closing its books of accounts as at 30 June every year.

## 03. Objective

The objective of the Fund is to generate regular income as well as capital appreciation by investing in capital market and money market instruments at appropriate percentages as determined by the Asset Manager.

## 04. Significant accounting policies

### 4.1 Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Bangladesh Financial Reporting Standards (BFRSs), Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Mutual Fund) Rules, 2001.

### 4.2 Investment policy

- i) The Fund shall invest subject to the 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 & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in these regards.
- ii) Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50% shall be invested in listed securities.
- iii) Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).
- iv) Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.
- v) All money collected under the Fund shall be invested only in encashable/transferable instruments, securities whether in money market or





Capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.

vi) The Fund shall get the securities purchased or transferred in the name of the Fund.

vii) Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.

viii) Time to time updated investment restrictions notified by BSEC shall be enforced in the Fund's investment decisions.

#### **4.3 Valuation policy**

i) Listed securities (other than mutual Fund) are valued on a conservative basis at lower of cost or market value deviating from BAS-39' Financial Instruments: Recognition and Measurement'. Mutual Fund (close end) securities are valued at lower of 85% of Net Asset Value (NAV), cost price and market price whereas mutual fund (open end) securities are valued at lower of cost price and surrender value / repurchase price as per SRO No. SEC/CMRRCD/2009-193/172 dated 30 June 2015.

ii) Pursuant to Rule 58(2) of Securities and Exchange Commission (Mutual Fund) Act, 2001, the Fund valued non-listed securities on a consistent basis duly authenticated by Trustee of the Fund.

iii) Market value is determined by taking the closing price of the securities in Dhaka Stock Exchange (DSE) at the statement of financial position date.

#### **4.4 Revenue recognition**

i) Gains / 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. Capital gains/losses are recognized or being realized based on weighted average cost basis.

ii) Dividends are recognized immediately after the record date as it is due.

iii) Interest income is recognized on accrual basis.

#### **4.5 Preliminary and issue expenses**

Preliminary and issue expenses are being written off over a period of seven years on a straight-line method.

#### **4.6 Management fees**

The management fee of the Fund is to be paid to the asset management company per annum on weekly average net asset value (NAV) accrued and payable semi-annually. As per the Prospectus and the provisions of the Securities & Exchange Commission (Mutual Fund) Rules, 2001, the fee is calculated using the following slabs:



NAV (Taka)	Percentage
On weekly average NAV up to Taka 50 million	2.5
On next 200 million of weekly average NAV	2
On next 250 million of weekly average NAV	1.5
On rest of weekly average NAV	1

#### 4.7 Trustee fees

The Trustee is entitled to an annual Trusteeship fee of Taka 200,000 (two hundred thousand) only or @ 0.10% of the Net Asset Value (NAV) of the Fund whichever is higher on semi-annual in advance basis, during the life of the Fund applicable from the effective date (the date of registration of this Trust Deed).

#### 4.8 Custodian fees

The Fund shall pay to the Custodian a safe keeping fee @ 0.05% of the balance (dematerialized and non- dematerialized) securities held by the Fund calculated on the basis of average month end value per annum.

#### 4.9 Fund registration and annual fees

As per the section 11 of Securities and Exchange Commission (Mutual Fund) Rules, 2001, every year the Fund is required to pay an Annual Fee to BSEC which is equal to 0.10% of the Fund or Taka 50,000 which ever is higher.

#### 4.10 Taxation

The income of the Fund is fully exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; hence no provision for tax is required.

#### 4.11 Dividend policy

Pursuant to Rule 66 of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 or any amendments of the Rules by Bangladesh Securities and Exchange Commission time to time, the Fund shall distribute by way of dividend to the holders of the units after the closing of the accounts an amount which shall be minimum 70% of the annual net profit as decided in the trustee meeting.

#### 4.12 Earning per unit

Earnings per unit has been calculated in accordance with BAS-33 "Earnings per Share" and shown on the face of the Statement of profit or loss and other comprehensive income.

#### 4.13 Events after the reporting period

The Board of Trustees of the Fund has declared and approved dividend at the rate of BDT 0.185 per unit for the year ended 30 June 2019 at its meeting held on 29 July 2019.

#### 4.14 General

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





## 5. Investments-at market price

Investment in listed securities (Annexure A)  
Investment in non-listed securities  
Investment in IPO

5.1

		Amount in BDT	
		30 June 2019	30 June 2018
		267,283,930	324,690,897
		-	970,000
		-	2,200,000
		267,283,930	327,860,897

### 5.01 Investment in IPO

VFS Tread Dyeing Ltd.

	-	2,200,000
	-	2,200,000

## 6. Receivables

Interest receivables (FDR)  
Dividend receivables  
Trade Receivable

6.1

6.2

6.3

	702,778	603,750
	811,486	4,748,913
	-	10,880,811
	1,514,264	16,233,475

### 6.1 Interest receivables (FDR)

IDLC Finance Ltd.  
IPDC Finance Ltd.

	-	603,750
	702,778	
	702,778	603,750

### 6.2 Dividend receivables

Bata Shoe Company (Bangladesh) Limited  
City Bank Limited.  
IBBL Mudaraba Perpetual Bond

	188,475	194,250
	623,011	2,017,889
	-	2,536,774
	811,486.40	4,748,913

### 6.2 Trade Receivables

BRAC EPL Stock Brokearge Ltd.  
City Brokerage Ltd.

	-	7,183,507
	-	3,697,304
	-	10,880,811

## 7. Advances, deposits & prepayments

BSEC Annual Fees  
Trustee Fees Half Yearly  
BO Account Maintenance Fees  
CDBL Annual Fees

	337,928	365,211
	1,860	13,691
	-	1,800
	-	-
	339,788	380,702



**8. Cash and cash equivalents**

Cash at banks  
Fixed Deposit Receipt (FDR)

**8.01 Cash at banks****SND accounts with:**

Midland Bank Limited (A/C No. 00111060000064)  
Prime Bank Limited (A/C No. 20721060003555)  
Standard Chartered Bank (A/C No. 02130884001)

**8.02 Fixed Deposit Receipt (FDR) with:**

IDLC Finance Limited  
IPDC Finance Limited

**09. Preliminary and issue expenses**

Opening balance as on 01 July 2018  
Amortization during the year  
Closing balance as on 30 June 2019

**10. Accrued expenses and others**

Audit fees  
Agent commission  
Custodian fees  
Management fees  
Trustee fees  
Trade payable  
Payable to investors  
Payable to Impress Capital Limited  
Payable for newspaper advertisement  
Payable for IPO  
Provision for tax

		Amount in BDT	
		30 June 2019	30 June 2018
8.1	Cash at banks	35,674,447	9,403,954
8.2	Fixed Deposit Receipt (FDR)	40,000,000	15,000,000
		<b>75,674,447</b>	<b>24,403,954</b>
	8.01 Cash at banks		
	SND accounts with:		
	Midland Bank Limited (A/C No. 00111060000064)	25,304,170	9,089,242
	Prime Bank Limited (A/C No. 20721060003555)	10,101,315	314,712
	Standard Chartered Bank (A/C No. 02130884001)	268,962	-
		<b>35,674,447</b>	<b>9,403,954</b>
	8.02 Fixed Deposit Receipt (FDR) with:		
	IDLC Finance Limited	-	15,000,000
	IPDC Finance Limited	40,000,000	
		<b>40,000,000</b>	<b>15,000,000</b>
	09. Preliminary and issue expenses		
	Opening balance as on 01 July 2018	1,456,895	1,761,632
	Amortization during the year	(304,737)	(304,737)
	Closing balance as on 30 June 2019	<b>1,152,158</b>	<b>1,456,895</b>
	10. Accrued expenses and others		
	Audit fees	63,250	63,250
	Agent commission	-	10,670
	Custodian fees	125,400	122,726
	Management fees	3,224,686	3,603,416
	Trustee fees	-	-
	Trade payable	-	-
	Payable to investors	79,128	1,388,906
	Payable to Impress Capital Limited	-	56,000
	Payable for newspaper advertisement	23,000	22,138
	Payable for IPO	77,340	-
	Provision for tax	-	279,975
		<b>3,592,803</b>	<b>5,547,081</b>





## 11. Unit capital

Beginning of the year (31,007,000 units of Tk. 10 each)  
 Units subscribed during the year (4,322,573 units of Tk.10 each)  
 Units re-purchased during the year (3,632,170 units of Tk.10 each)  
 Total number of units at the end of the year (31,697,403)

	Amount in BDT	
	30 June 2019	30 June 2018
Beginning of the year	310,070,000	315,402,000
Units subscribed during the year	43,225,730	124,197,000
Units re-purchased during the year	(36,321,700)	(129,529,000)
Total number of units at the end of the year	316,974,030	310,070,000

## 12. Unit transaction reserve

Opening balance  
 New subscription (4,322,573 units)  
 Less: Premium reserve paid for re-purchase (3,632,170 units)

Opening balance	6,903,946	7,648,356
New subscription (4,322,573 units)	4,274,196	29,828,688
Less: Premium reserve paid for re-purchase (3,632,170 units)	(4,372,560)	(30,573,098)
	6,805,582	6,903,946

## 13. Net Asset Value (NAV) per unit at cost

Total Net Asset Value (NAV) at market price  
 Less: Unrealized gain (Annexure A)  
 Total Net Asset Value (NAV) at cost  
 Number of units  
 NAV per unit at cost price

Total Net Asset Value (NAV) at market price	342,371,784	364,788,842
Less: Unrealized gain (Annexure A)	3,222,707	12,767,637
Total Net Asset Value (NAV) at cost	345,594,491	352,021,204
Number of units	31,697,403	31,007,000
NAV per unit at cost price	10.90	11.35

## 14. Net Asset Value (NAV) per unit at market price

Total Net Asset Value (NAV) at market price  
 Number of units  
 NAV per unit at market price

Total Net Asset Value (NAV) at market price	342,371,784	364,788,842
Number of units	31,697,403	31,007,000
NAV per unit at market price	10.80	11.76



**15. Net gain/(loss) on sale of marketable securities**  
**Sectorwise break-up of gain on sale of investments are as under:**

Bank  
Cement  
Corporate Bond  
Engineering  
Financial Institution  
Food & Allied  
Fuel & Power  
IT  
Insurance  
Miscellaneous  
Mutual Fund  
Paper & Printing  
Pharmaceuticals & Chemicals  
Service & Real Estate  
Tannery Industries  
Telecommunication  
Textile

	30 June 2019	30 June 2018
	(7,188,944)	2,234,657
	3,198,427	(427,301)
	(1,539,921)	-
	379,353	8,664,066
	(995,816)	
	1,298,912	(1,600,850)
	(870,775)	965,704
	824,905	7,810,293
	-	323,957
	1,717,533	1,756,473
	(10,000)	
	8,156,728	
	7,489,534	4,210,390
	(2,362,459)	(2,907,125)
	(12,065)	
	6,594,529	2,513,387
	(5,113,597)	715,978
	<b>11,566,345.36</b>	<b>24,259,627</b>

**16. Dividend income**

Bank  
Cement  
Corporate Bond  
Mutual Fund  
Textile  
Tannery Industries  
Paper & Printing  
Pharmaceuticals & Chemicals  
Fuel & Power  
Financial Institutions  
Food & Allied  
IT  
Service & Real Estate  
Telecommunication  
Miscellaneous

	823,023	2,982,889
	273,750	2,536,774
	-	175,000
	309,895	
	619,275	619,750
	100,600	
	378,000	676,400
	6,605	329,000
	-	660,000
	-	640,800
	-	24,691
	-	133,785
	2,100,000	1,659,250
	2,496	14,463
	<b>4,613,643.81</b>	<b>10,452,802</b>





## 17. Interest income

Fixed Deposit Receipts (FDR)  
Short Notice Deposit (SND) A/C

## 18. Bank charges and others

Bank charges  
Excise duty-FDR & Bank  
Tax at source-FDR & Bank

## 19. Earnings per unit for the year

Net profit for the period (A)  
Number of units (B)  
Earnings per unit (A÷B)

	Amount in BDT	
	30 June 2019	30 June 2018
	2,586,528	1,981,178
	2,402,843	2,254,527
	4,989,371	4,235,705
	21,695	19,696
	87,000	87,000
	181,449	127,298
	290,144	233,994
	8,350,514	8,350,514
	31,697,403	30,747,799
	0.26	0.27

  
Trustee

Bangladesh General Insurance Company Limited

  
Asset Manager  
Impress Capital Limited



ICL Balanced Fund  
Investment in Marketable Securities  
As at 30 June 2019

## Annexure A

Amount in BDT

Sl No.	Sectors	Name of the Scrip	Number of Shares	Weighted Average Price	Total Cost Value	Market Price	Total Market Value	Unrealized gain/ (loss)
1	Bank	BRACBANK	333,250	63.54	21,173,552	66.10	22,027,825.00	854,273
		CITYBANK	1,090,270	29.13	31,756,328	27.80	30,309,506.00	(1,446,822)
		EBL	110,000	34.00	3,739,887	37.80	4,158,000.00	418,113
2	Engineering	COPPERTECH	23,810	10.00	238,100	10.00	238,100.00	-
		RUNNERAUTO	12,899	75.00	967,425	96.30	1,242,173.70	274,749
		SSSTEEL	8,803	10.00	88,030	26.80	235,920.30	147,890
3	Fuel & Power	BARKAPOWER	1,200,000	27.38	32,852,175	29.60	35,520,000.00	2,667,825
		SUMITPOWER	470,000	39.65	18,637,738	41.70	19,599,000.00	961,262
4	Food & Allied	BATBC	15,350	1297.07	19,910,010	1368.10	21,000,335.00	1,090,325
5	IT Sector	GENEXIL	7,043	10.00	70,430	55.90	393,703.70	323,274
6	Pharmaceuticals & Chemicals	ACTIVEFINE	994,200	32.74	32,546,106	27.40	27,241,080.00	(5,305,026)
		BXPHARMA	267,408	88.97	23,791,539	83.50	22,328,568.00	(1,462,971)
		SILCOPHL	18,988	10.00	189,880	24.60	467,104.80	277,225
		SQURPHARMA	112,350	244.91	27,515,485	264.30	29,694,105.00	2,178,620
7	Telecommunication	GP	80,440	394.86	31,762,676	364.70	29,336,468.00	(2,426,208)
		ADNTEL	50,078	30.00	1,502,340	30.00	1,502,340.00	-
8	Tannery Industries	BATASHOE	17,950	1139.92	20,461,571	1026.90	18,432,855.00	(2,028,716)
9	Textile	ESQUIRENIT	64,177	45.00	2,887,965	44.70	2,868,711.90	(19,253)
		NEWLINE	19,481	10.00	194,810	24.00	467,544.00	272,734
10	Travel	SEAPEARL	22,059	10.00	220,590	10.00	220,590.00	-
As at 30 June 2019			4,918,556		270,506,637		267,283,930	(3,222,707)







8.

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## AUDITORS REPORT AND AUDITED FINANCIAL STATEMENTS OF BCB ICL GROWTH FUND

FOR THE YEAR ENDED ON 30 JUNE 2019









## **Independent Auditor's Report To The Trustee of BCB ICL Growth Fund**

### **Report of the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of BCB ICL Growth Fund (here-in-after referred to as "the Fund"), which comprise the statement of financial position for the year ended 30 June 2019, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give true and fair view, in all material respects, the statements of financial position of the fund for the year ended 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and comply with Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 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 Auditors' 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.

#### **Others 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 auditors' 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. However, we have nothing to report regarding other information.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Asset Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Securities and Exchange Rules, 1987, 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 and error.

In preparing the financial statements, the Fund's ability to continue as a going concern should be assessed, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting till the tenure of the Fund unless there is any intention to liquidate the Fund or 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 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 skepticism 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. However, we have not come across any significant audit findings.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules, 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 accounts as required by law have been kept by the Fund so far as it appeared from our examination of these books; and
- c) the Fund's statements 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.

Dhaka, July 21, 2019

**Mahfel Huq & Co.**  
Chartered Accountants



BCB ICL Growth Fund  
Statement of Financial Position  
As at 30 June 2019

		Amount in BDT
Particulars	Notes	30 June 2019
<b>Assets</b>		
Investments at market price	03	263,062,138
Preliminary and issue expenses	04	3,677,619
Other receivables	05	889,433
Cash and cash equivalents	06	47,086,558
Advance, deposits and prepayments	07	311,631
<b>Total Assets</b>		<b>315,027,379</b>
<b>Less : Liabilities</b>		
Accounts payables	08	3,327,521
<b>Net assets</b>		<b>311,699,858</b>
<b>Owner's Equity</b>		
Unit capital	09	306,648,240
Unit transaction reserve	10	3,051,675
Investment diminution reserve (Annexure -A)		(2,940,706)
Retained earnings	77	4,940,649
		<b>311,699,858</b>
<b>Net Asset Value (NAV) per unit:</b>		
At market price	16	<b>10.16</b>
At cost price	17	<b>10.26</b>

These Financial Statements should be read in conjunction with the annexed notes

on behalf of BCB ICL Growth Fund

  
Trustee  
Investment Corporation of Bangladesh

Signed as per our annexed report of even date

Dhaka,  
July 21, 2019

  
Asset Manager  
Impress Capital Limited

  
Mahfel Huq & Co.  
Chartered Accountants





BCB ICL Growth Fund  
Statement of Profit or Loss and Other Comprehensive Income  
For the period ended 30 June 2019

		Amount in BDT
		05 April 2018 to 30 June 2019
Particulars	Notes	
Income		
Dividend income	12	4,621,796
Interest income	13	11,995,890
Capital gain/(loss)	14	(849,716)
Total		15,767,970
Less: Expenses		
Management fees		7,180,951
Amortization of preliminary expenses		790,435
Trustee fees		532,341
Bank charges and others		26,370
Subscription fees		48,000
CDBL charges		173,942
Custodian expenses		302,421
Tax at source	15	545,541
Excise duty		145,000
BSEC annual fees		508,621
Miscellaneous expenses		116,536
Printing and publication expenses		403,413
DSE EII registration fees		25,000
Audit fees		23,000
Agent commission		5,750
Total	17	10,827,321
Income before provision for the year		4,940,649
(Provision) / Write back of provision for diminution in value of investments		(2,940,706)
Net income for the year		1,999,943
Number of outstanding units		30,664,824
Earnings per unit during the period (EPU)	18	0.07

These Financial Statements should be read in conjunction with the annexed notes

on behalf of BCB ICL Growth Fund

  
Trustee  
Investment Corporation of Bangladesh

Dhaka,  
July 21, 2019

Signed as per our annexed report of even date

  
Asset Manager  
Impress Capital Limited  
  
Mahfel Huq & Co.  
Chartered Accountants



BCB ICL Growth Fund  
Statement of Changes in Equity  
For the period ended 30 June 2019

Particulars	Amount in BDT				
	Unit capital	Unit transaction reserve	Investment Diminution reserve (Annexure A)	Retained earnings	Total equity
Opening balance	-	-	-	-	-
Unit subscribed	356,799,320	-	-	-	356,799,320
Unit surrendered	(50,151,080)	-	-	-	(50,151,080)
Net profit for the period	-	-	-	4,940,649	4,940,649
Unit transaction reserve	-	3,051,675	-	-	3,051,675
Cash dividend paid	-	-	-	-	-
Investment diminution reserve	-	-	(2,940,706)	-	(2,940,706)
Balance as at 30 June 2019	306,648,240	3,051,675	(2,940,706)	4,940,649	311,699,858

These Financial Statements should be read in conjunction with the annexed notes

on behalf of BCB ICL Growth Fund

  
Trustee  
Investment Corporation of Bangladesh

  
Asset Manager  
Impress Capital Limited

Signed as per our annexed report of even date

Dhaka,  
July 21, 2019

  
Mahfel Huq & Co.  
Chartered Accountants





BCB ICL Growth Fund  
Statement of Cash Flows  
For the year ended 30 June 2019

Particulars	Amount in BDT
	05 April 2018 to 30 June 2019
<b>A. Cash flows from operating activities</b>	
Income realized	14,878,537
Payment made for expenses	(6,792,705)
<b>Net cash flows from operating activities</b>	<b>8,085,832</b>
<b>B. Cash flows from investing activities</b>	
Investment in marketable securities	(266,231,135)
Preliminary and issue expenses	(4,468,054)
<b>Net cash used in investing activities</b>	<b>(270,699,189)</b>
<b>C. Cash flows from financing activities</b>	
Sponsor's contribution	100,000,000
IPO subscription	150,000,000
Issuance of new units	106,799,320
Surrender of units	(50,151,080)
Unit transaction reserve	3,051,675
<b>Net cash generated from financing activities</b>	<b>309,699,915</b>
<b>Net cash flows for the period</b>	<b>47,086,558</b>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	47,086,558
<b>Net operating cash flows per unit during the period</b>	<b>0.26</b>

These Financial Statements should be read in conjunction with the annexed notes

  
Trustee  
Investment Corporation of Bangladesh

on behalf of BCB ICL Growth Fund

Signed as per our annexed report of even date

Dhaka,  
July 21, 2019

  
Asset Manager  
Impress Capital Limited  
  
Mahfel Huq & Co.  
Chartered Accountants



BCB ICL Growth Fund  
Notes to the Financial Statements  
As at and for the period ended 30 June 2019

## 01. The fund and the legal status

BCB ICL Growth Fund (the Fund), an open end mutual fund sponsored by Bangladesh Commerce Bank Limited was established on November 9, 2017 under the Trust Act, 1882 and registered under the Registration Act, 1908 and subsequently on December 4, 2017 obtained registration from the Bangladesh Securities and Exchange Commission as a mutual fund under the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001. The key partners of the fund are as follows:

### Audited Financial Statements

Sponsor	Bangladesh Commerce Bank limited
Trustee	Investment Corporation of Bangladesh
Asset manager	Impress Capital Limited
Custodian	BRAC Bank Limited

The Fund commenced its operation on 5 April 2018.

## 02. 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 so far adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The disclosures of information are made in accordance with the requirements of Deed, Securities and Exchange Rules 1987, 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 ongoing 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 year from 05 April 2018 to 30 June 2019.





## **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) is disclosed at closing quoted market prices prevailed as at 30 June 2019.
- 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 SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under Section 44(4) clause (b) of Income Tax Ordinance, 1984; 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 after adjusting interest income from escrow accounts 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) and



@ 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 quarterly 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.

## **4.12 Annual Fees to BSEC**

The Fund will have to pay @ 0.10% of the Fund value or BDT 50,000 (Fifty thousand), whichever is higher, as annual fee in terms of the Securities and Exchange Commission (Mutual Fund) Rules 2001.

## **4.13 Earnings Per Unit**

Earnings per unit has been calculated in accordance with Bangladesh Accounting Standard – 33 “Earnings per Share” and shown on the face of statement of profit or loss and other comprehensive income.

## **4.14 General**

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





### 3. Investments at market price

Investment in marketable securities (Annexure-A)  
Total Balance

Amount in BDT

263,062,138  
263,062,138

### 4. Preliminary and issue expenses

Preliminary and issue expenses  
Less: Accumulated amortization  
Total Balance

4,468,054  
(790,435)  
3,677,619

### 5. Other receivables

Interest receivables on FDR  
Dividend receivables  
Interest receivables on STD  
Total Balance

5.1  
5.2

423,263  
454,645  
11,525  
889,433

#### 5.1 Dividend receivables

The City Bank Limited  
Bata Shoe  
Total Balance

432,616  
22,029  
454,645

#### 5.2 Interest receivables on STD

Interest receivable BRAC Bank Ltd.(1551203879009001)  
Interest receivable Southeast Bank Limited (00135000000003)  
Total Balance

113  
11,412  
11,525

### 6. Cash and cash equivalents

Cash at Bank  
Fixed Deposit Receipt (FDR)  
Total Balance

6.1  
6.2

22,086,558  
25,000,000  
47,086,558

#### 6.1 Cash at banks

STD accounts with:

BRAC Bank Limited (1551203879009001)  
Southeast Bank Limited (00135000000003)  
Standard Chartered Bank (02-1308839-01)  
Total Balance

6,829,674  
14,768,108  
488,776  
22,086,558



**6.2 Fixed Deposit Receipt (FDR)**

FDR with IPDC Finance Limited  
Total Balance

Amount in BDT

25,000,000

25,000,000

**7. Advance, deposits and prepayments**

BSEC annual fees (2019-20)  
Total Balance

311,631

311,631

**8. Accounts payables**

Management fees  
Trustee fees  
Custodian fees  
Payable to investor  
Payable for IPO  
Payable to broker  
TDS payable  
Audit fees payable  
Payable to printing and publication expenses  
Total Balance

3,008,435

11,171

175,800

1,475

77,340

6,000

1,300

23,000

23,000

3,327,521

**9. Unit capital**

Sponsor's contribution (10,000,000 units at Tk. 10 each)\*  
IPO subscription (15,000,000 units at Tk. 10 each)  
New subscription (10,679,932 units at Tk. 10 each)  
Unit surrender (5,015,108 units at Tk. 10 each)  
Total Balance

100,000,000

150,000,000

106,799,320

(50,151,080)

306,648,240

\*(Fund commenced its operation on 5 April 2018)

**10. Unit transaction reserve**

New subscription  
Total Balance

3,051,675

3,051,675





## 11. Retained earnings

Opening balance  
Net profit during the period  
Total Balance

Amount in BDT

-  
4,940,649  
4,940,649

## 12. Dividend income

BANK  
ENGINEERING  
TEXTILE  
CEMENT  
PHARMA & CHEMICAL  
TELECOMMUNICATION  
TANNERY  
MISC  
Total

2,116,014  
28,000  
309,885  
257,250  
214,770  
1,671,429  
22,029  
2,419  
4,621,796

## 13. Interest income

Interest income from FDR  
Interest income from SND A/C  
Total

13.1

6,407,638  
5,588,252  
11,995,890

### 13.1 Interest income from SND A/C

Interest income from BRAC Bank Ltd.(1501203879009001)  
Interest income from BRAC Bank Ltd. (1551203879009001)  
Interest income from Standard Chartered Bank (02130883901)  
Interest income from South East Bank Ltd. (00135000000003)  
Total

62,500  
3,409,995  
1,414  
2,114,343  
5,588,252



Amount in BDT

**14. Capital gain**

IT
PHARMA & CHEMICAL
FOOD & ALLIED
ENGINEERING
BANK
CEMENT
TEXTILE
FUEL & POWER
SERVICES & REAL ESTATE
MISC
<b>Total</b>

(1,665,205)
878,869
78,121
2,431,351
(5,961,223)
7,299,058
(5,742,331)
402,336
26,018
1,403,290
<b>(849,716)</b>

**15. Tax at source**

TDS on Interest income from BRAC Bank Ltd.(1501203879009001)
TDS on Interest income from BRAC Bank Ltd. (1551203879009001)
TDS on Interest income from Standard Chartered Bank (02130883901)
TDS on Interest income from South East Bank Ltd. (00135000000003)
TDS on FDR
<b>Total</b>

3,125
167,920
29
105,717
268,750
<b>545,541</b>

**16. Net Asset Value (NAV) at market price**

Net Asset Value (NAV) at market price
<b>Total Number of Unit</b>

311,699,859
30,664,824
<b>10.16</b>

**17. Net Asset Value (NAV) at cost price**

Net Asset Value (NAV) at market price
<b>Total Number of Unit</b>

314,640,564
30,664,824
<b>10.26</b>





## 18. Earnings per unit during the period (EPU)

Net income for the year

Total Number of Unit

Amount in BDT

1,999,944

30,664,824

0.07

Trustee

Investment Corporation of Bangladesh

on behalf of BCB ICL Growth Fund

Asset Manager

Impress Capital Limited

Dhaka,  
July 21, 2019



BCB ICL Growth Fund  
Investment in Marketable Securities  
As at 30 June 2019

## Annexure A

Amount in BDT

Sl No.	Sectors	Name of the Scrip	Number of Shares	Cost price/unit	Total Cost	Market price/unit	Total market value	Appreciation/ Erosion	% of total investment
1		GENEXIL	7,043	10.00	70,430	55.90	393,704	323,274	0.12
2		ACTIVEFINE	1,013,800	31.06	31,491,651	27.40	27,778,120	(3,713,531)	8.82
3	PHARMA	BXPHERMA	284,150	87.90	24,976,830	83.50	23,726,525	(1,250,305)	7.53
4		SILCOPHL	18,988	10.00	189,880	24.60	467,105	277,225	0.15
5		SQURPHARMA	95,676	274.00	26,214,873	264.30	25,287,167	(927,706)	8.03
6		SUMMITPOWER	558,712	39.80	22,235,661	41.70	23,298,290	1,062,629	7.40
7	F&P	BARKAPOW	1,168,000	27.03	31,572,049	29.60	34,572,800	3,000,751	10.97
8	TEL	ADNTEL	50,078	30.00	1,502,340	30.00	1,502,340	-	0.48
9		GP	74,766	437.94	32,743,008	364.70	27,267,160	(5,475,848)	8.66
10	TEXT	NEWLINE	19,481	10.00	194,810	24.00	467,544	272,734	0.15
11		EKCL	64,177	45.00	2,887,965	44.70	2,868,712	(19,253)	0.91
12	ENG	RUNNERAUTO	12,899	75.00	967,425	96.30	1,242,174	274,749	0.39
13		COPPERTECH	23,810	10.00	238,100	10.00	238,100	-	0.08
14		SSSTEEL	8,803	10.00	88,030	26.80	235,920	147,890	0.07
15	BANK	CITYBANK	937,713	27.87	26,137,642	27.80	26,068,421	(69,221)	8.27
16		BRACBANK	364,792	63.46	23,151,055	66.10	24,112,751	961,697	7.65
17		EBL	61,078	34.22	2,090,002	37.30	2,308,748	218,746	0.73
18	FOOD	BATBC	17,612	1,303.42	22,955,777	1,368.10	24,094,977	1,139,200	7.65
19	TANNERY	BATASHOE	16,468	976.12	16,074,725	1,026.90	16,910,989	836,264	5.37
20	TRAVEL	SEAPPEARL	22,059	10.00	220,590	10.00	220,590	-	0.07
As at 30 June 201					266,002,844		263,062,138	(2,940,706)	83.50



Trustee  
Investment Corporation of Bangladesh

Dhaka,  
July 21, 2019

on behalf of BCB ICL Growth Fund



Asset Manager  
Impress Capital Limited







9.

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## FREQUENTLY ASKED QUESTIONS (FAQ)









**I. What is mutual fund?**

A mutual fund is an investment vehicle made up of a pool of money collected from many investors to investing in securities such as stocks, bonds, money market instruments and other assets.

**II. What is open-end mutual fund?**

Open-end mutual fund shares are bought and sold on demand at their net asset value, or NAV, which is based on the value of the fund's underlying securities.

**III. What are units?**

Portion of ownership in a mutual fund is called a unit. This is the legal certificate of your investments with us. Investors can purchase or redeem units at the fund's current Net Asset Value (NAV) per share. When initial buy price per unit was BDT 10, we issued 100 units for an investment of BDT 1,000. For example, when NAV of the fund was BDT 12.35 on October 5, 2018, the purchase price for 100 units would be BDT 1,235 in the following week.

**IV. What is NAV?**

NAV stands for Net Asset Value. Net Asset Value of the fund is the market value of the total assets of the fund subtracted by the total liabilities and provisions against the fund. The NAV of the Fund is published weekly, based on per unit NAV, on the ICL website.

**V. How NAV is calculated?**

The following formulae will be used to determine the fund's NAV per unit:

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

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

$$\begin{aligned} \text{VA} = & \text{Value of all securities in vault} + \text{Value of all securities placed in lien} + \text{Cash in hand and at bank} + \text{Value of all securities receivables} \\ & + \text{Receivables of proceeds of sale of investments} + \text{Dividend receivables net of tax} + \text{Interest receivables net of tax} \\ & + \text{Issue expenses amortized as on date} + \text{Printing, publication and stationery expenses amortized as on date} \end{aligned}$$

$$\begin{aligned} \text{LT} = & \text{Value of all securities payable} + \text{Payable against purchase on investments} + \text{Payable as brokerage and customer charges} \\ & + \text{Payable as Trustee Fees} + \text{All other payable related to printing, publication and stationery} \\ & + \text{Accrued deferred expenses regarding management fee, annual fee, audit fee, and safe keeping fee.} \end{aligned}$$





**VI. How can an investor subscribe/purchase unit of Mutual Funds of ICL?**

An Investor can subscribe/purchase the units of Mutual Funds of ICL, through the Asset Manager, Impress Capital Limited (ICL) or designated Selling Agents (SA). To learn more about subscription please visit our website ([www.impresscapital.com](http://www.impresscapital.com)).

**VII. For how long do I need to remain invested in the fund?**

You can invest or withdraw any time by buying or selling the units. So, if you want, within a week you may withdraw.

**VIII. What documents needs to be submitted by an individual to subscribe/purchase the Funds managed by ICL?**

Investor needs to submit the following documents during subscription of ICL Balanced Fund:

- Copy of National ID of applicant and nominee
- Copy of Driving license (if any)
- Copy of Passport (if any)
- One copy of color photograph of nominee and one copy of color photograph of applicant
- ETIN certificate of applicant

**IX. Do the Funds issue investors any share certificate as proof of subscription of units in the fund?**

Every investor of the Funds is provided with an electronic certificate against each successful transaction.

**X. How can investors surrender/sell units of Mutual Funds of ICL?**

Investors can redeem or sell their subscribed or purchased units of their respective Funds at their will at the redemption prices announced by ICL. For surrendering units of a Mutual Fund of ICL, investors can visit our corporate office/office of Selling Agents during working days before 4.00 pm. ICL or Selling Agents will help investors surrender units of the Fund as per request. Please note that, the redemption price will be declared weekly based on the Net Asset Value (NAV) of the Fund.

**XI. What is surrender price?**

Surrender price is the price that you receive on redeeming or surrendering each unit of Fund you own. This price is calculated weekly based on the Net Asset Value (NAV).

**XII. How can investors get surrendered proceed of a Mutual Fund of ICL?**

The proceeds of unit surrenders will be either transferred to the Bank Account of the Investor or through A/C Payee Cheque in favor of the Investor.

**XIII. What can an investor get as return by investing in Mutual Funds of ICL?**

Any investor of a Mutual Fund managed by ICL will be benefitted by two types of income as return.

- Dividend declared by the Fund and
- Capital Gain on surrender of Units



**XIV. What is a Systematic Investment Plan (SIP) and how it is helpful for Unit holders?**

The details of the SIP have been explained in Chapter 4.

**XV. Who are the transaction agents/selling agents of the Funds?****A. BRAC EPL Stock Brokerage Limited****1. Head Office**

WW Tower (Level 8), 68 Motijheel, C/A Dhaka 1000 Tel: +880 2 9514721-30, Ext-124, Mob: +880 1709641241

**2. Gulshan Branch**

Symphony (3rd Floor), Plot No.S.E.(F)-9, Road No 142, Gulshan 1, Dhaka 1212 Tel: +880 2 9852446-50, Ext-101

**3. Motijheel Branch**

Suite: 1001-3, (9th Floor), DSE Annex Building, 9/E Motijheel C/A, Dhaka 1000 Tel: +880 2 9567663, +880 2 9562254

**4. Dhanmondi Branch**

Concord Royal Court, Road 27, Dhanmondi, Dhaka 1209 Tel: +880 2 9119272, Ext-101 Mob: +880 1730727935

**5. Chittagong Branch**

Ayub Trade Centre, (8th Floor) 1269/B S.K Mujib Road, Agrabad C/A. Chittagong 4100, Bangladesh,  
Tel: +88 031-2512908-12, Ext-111, Mob: +88 01730357987

**6. Comilla Branch**

35/32 (3rd Floor), Zilla School Road, Monohorpur, Kandirpar, Comilla 3500, Tel: +88 081-60002-6 Ext-101 Mob: +88 01730357993

**7. Sylhet Branch**

Firoz Tower, (2nd Floor) 891/Ka, Chowhatta, Sylhet 3100, Tel: +88 0821-728209, Ext-10, Mob: +88 01730727928

**8. Noakhali Branch**

Morshed Alam Complex, Level 4, Rail Gate, Chowmuhani, Noakhali 3821, Tel: 0321-53318, Ext-101, Mob: 01730315281

**B. City Brokerage Limited****1. Head Office**

Taj Casilina, SW (1) 4, Flat 4/D (3rd Floor), 25, Gulshan Avenue, Gulshan 1, Dhaka 1212, Direct: +88 02 8825326

**2. Motijheel Branch**

City Centre, Unit ID # 12A & 12B (12th floor), Level 13, 90/1, Motijheel C/A, Dhaka 1000, Tel: +880 2 9567018

**3. Dhanmondi Branch**

Road # 27 (Old), 32 (New) House # 312, Suvastu Zenim Plaza (2nd Floor) Dhanmondi, Dhaka 1205

**4. Nikunja Branch**

57, Zoar Shahara C/A, Lotus Kamal Tower (Ground Floor), Nikunja 2, Dhaka 1229 PABX: +880 2 8915330

**5. Chittagong Branch**

Ayub Trade Center (6th floor), 1269/B, SK Mujib Road, Agrabad C/A, Chittagong 4000, Tel: +880 312518363-5, Ext-101

**6. Sylhet Branch**

Holy Complex (1st Floor), East Dorga Gate, Sylhet 3100. PABX: +88 0821725575, +88 0821 722045, +88 0821 716155







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APPENDIX









## Applicable Tax Rates for Different Categories of Investors

Current Tax Status on Mutual Fund: FY- 2018/19

Category	Types of Benefit	Rate	Tax Implication	Reference (As per ITO 1984)
Individual	Dividend Income	10- 15%	Exempted: Up to BDT 50,000. After that, TIN Available: 10% Tax imposed No TIN: 15% Tax imposed	6th schedule, Part- A, Para- 22(A) & Section- 54
	Capital Gain	Nil	Fully exempted	SRO No. 196/2015, Date: June 30, 2015
	Investment Rebate	10-15% based on income class	Actual Investment, 25% of taxable income or BDT 1.5 crore, whichever is lower	Section- 44 (2 & 3) and 6th schedule, Part- B, Para- 27
Institution	Dividend Income	20%	No benefit	6th schedule, Part- A, Para- 22(A) & Section- 54
	Capital Gain	10%	No benefit	SRO No. 196/2015, Date: June 30, 2015
	Investment Rebate	N/A	No benefit	N/A
NRB	Dividend Income	30%	Exempted: Up to BDT 50,000	6th schedule, Part- A, Para- 22(A) & Section- 56(20)(b)
	Capital Gain	10%	No benefit	SRO No. 196/2015, Date: June 30, 2015 & Section- 56(17)
	Investment Rebate	10-15% based on income class	Actual Investment, 25% of taxable income or BDT 1.5 crore, whichever is lower	Sec 44(2 & 3) and 6th schedule, Part- B, Para- 27
Provident Fund	Dividend Income	N/A	Exempted	6th schedule, Part- A, Para- 4(1) & 6
	Capital Gain	N/A		
	Investment Rebate	N/A	N/A	N/A
Gratuity Fund	Dividend Income	N/A	Exempted	6th schedule, Part- A, Para- 6
	Capital Gain	N/A		
	Investment Rebate	N/A	N/A	N/A













**IMPRESS CAPITAL LIMITED**

*unlocking opportunities*

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