

**UFS- PADMA LIFE ISLAMIC UNIT FUND**

For the year ended on December 31, 2020

## Independent Auditors' Report

To the Trust Board of

**UFS- PADMA LIFE ISLAMIC UNIT FUND**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **UFS- PADMA LIFE ISLAMIC UNIT FUND** as at **December 31, 2020**, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 25 and Annexure - A to E.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Fund as at **December 31, 2020**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1 and Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable rules 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 this report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Assets Manager is responsible for the other information. The other information comprises the information included in the Annual report, but not included in the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

#### Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was 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 this matter.



Risk	Our response to the risk
<b>Investment in securities-at market price</b>	
Refer note no. 04 ,05 and 06 the Statement of Financial Position	
<ul style="list-style-type: none"> <li>The investments of the fund comprise 61.90% of total Assets. These investments comprise of; 1) Marketable Investments at market value; and 2) Investment in IPO. These investments are valued at fair value based on market information. Therefore, the valuation of the investments has a significant impact on the financial results of the Fund. Due to the amount of the investments in relation to the financial statements as a whole we identify the existence and valuation of investments as a key audit matter.</li> </ul>	<p><b>Our procedure includes:</b></p> <p><b>Control test:</b> testing the effectiveness of the entity's control around the recording and re-assessment of the amount of Investment in securities-at market price.</p> <p><b>Test of details:</b></p> <ul style="list-style-type: none"> <li>Determining the existence of the investments by obtaining a Statement of Central Depository of Bangladesh Limited (CDBL). The custodian of demits shares in Bangladesh.</li> <li>Determining that the used price is based on the method which is defined for the relevant investment category. We performed this procedure by comparing the used valuations of the investments with our independent valuation which is based on observable market prices. In performing these procedures we have used our valuation specialists.</li> <li>Recoverability determined by applying subsequent test of realization of income and investment.</li> </ul> <p><b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding Investment in securities-at market value.</p> <p><b>Our result:</b> the result of our testing is satisfactory and we considered the Investment in securities-at market price to be acceptable and recorded in correctly.</p>

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

The Fund has no employees and its portfolio management, risk management, and registration of subscriptions and redemptions are therefore performed by Universal Financial Solutions Limited (UFS). The financial administration, and the investment and shareholders administration are outsourced to Investment Corporation of Bangladesh (ICB) trust and Universal Financial Solutions Limited (UFS) is

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responsible for monitoring these processes as The Asset Management Company (AMC).

Assets Manager (UFS) and Trustee (ICB) is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Securities and Exchange Commission (Mutual Fund) Rules 2001 require the Assets Manager to ensure investment policy, internal control and risk management functions of the Fund's.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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.
- 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's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of 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 the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





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

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 auditors' 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 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;
- c) the Fund's statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Fund business.

**Firm's Name** : Rahman Mostafa Alam & Co. Chartered Accountants

**Signature** :



**Auditor's Name** : Mohammad Mofizul Haque Rinku FCA. (Enr. No: 1204)

**Date** : 27<sup>th</sup> January, 2021

**Place** : Dhaka

**DVC**

: 2102011204AS631229





**UFS-PADMA LIFE ISLAMIC UNIT FUND**  
**Statement of Financial Position**  
As at December 31, 2020

Particulars	Notes	Amount in Taka	
		December 31, 2020	December 31, 2019
<b>Assets</b>			
Investments in listed securities at market value	4.0	301,000,068	190,005,314
Investment in non-listed securities- market value	5.0	4,770,444	4,788,536
Investment in IPO	6.0	10,496,700	1,502,340
Investment in MTDR	7.0	100,000,000	-
Advances, deposits and prepayments	8.0	343,968	277,299
Preliminary expenses	9.0	5,614,652	7,649,268
Receivables	10.0	2,317,929	2,695,614
Cash and cash equivalents	11.0	86,361,881	212,702,567
<b>Total Assets (A)</b>		<b>510,905,642</b>	<b>419,620,938</b>
<b>Liabilities</b>			
Accounts payables	12.0	5,080,128	332,161
<b>Total Liabilities (B)</b>		<b>5,080,128</b>	<b>332,161</b>
<b>Net Assets Value (A-B)</b>		<b>505,825,514</b>	<b>419,288,777</b>
<b>Equity</b>			
Capital fund	13.0	468,055,000	468,055,000
Units transaction reserve	14.0	1,965,955	1,965,955
Retained earning/loss		35,804,559	(50,732,178)
<b>Total Equity</b>		<b>505,825,514</b>	<b>419,288,777</b>
<b>Total no. of units of the fund</b>		<b>46,805,500</b>	<b>46,805,500</b>
<b>Net Asset Value (NAV) per unit</b>			
At cost value	15.0	10.74	10.19
At market value	16.0	10.81	8.96

The annexed notes 1 to 26 and annexure A to E form an integral part of these financial statements.

**Asset Manager**  
Universal Financial Solutions Limited

**Chairman, (Trustee)**  
Investment Corporation of Bangladesh (ICB)

Signed in terms of our separate report of even date.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditor's Name : Mohammad Mofizul Haque Rinku FCA (Enr. No: 1204)

Date : 27th January, 2021

Place : Dhaka

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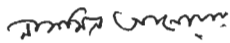


**UFS-PADMA LIFE ISLAMIC UNIT FUND**  
**Statement of Profit or Loss and other Comprehensive Income**  
For the year ended on December 31, 2020

Particulars	Notes	Amount in Taka	
		January 01, 2020 to December 31, 2020	January 01, 2019 to December 31, 2019
<b>Income</b>			
Profit on sale of investment	17.00	27,245,218	7,266,501
Finance income	18.00	7,248,060	2,483,627
Dividend income	19.00	5,123,233	7,931,356
<b>Total Income</b>		<b>39,616,512</b>	<b>17,681,484</b>
<b>Expenses</b>			
Management fees	20.00	7,955,303	7,944,813
Selling, distribution and promotional expenses		1,000	3,000,000
Amortization of preliminary expenses		2,034,616	2,029,057
Brokerage fees		423,146	221,243
Printing and publications expenses		383,184	338,664
CDBL connectivity fee		37,800	39,450
Diminution of Advance and Prepayments	21.00	370,166	562,257
Other expenses	22.00	1,120,759	318,483
IPO subscription fee		42,000	12,000
Trustee fees		860,159	859,308
Monthly CDS fees		7,894	11,209
Audit fee		25,000	25,000
Dividend Purification charges		42,980	-
Custodian fees		401,883	357,789
<b>Total Expenses</b>		<b>13,705,891</b>	<b>15,719,273</b>
<b>Profit earned before any provision</b>		<b>25,910,621</b>	<b>1,962,211</b>
Provision		-	(49,115,103)
Reversal Provision against marketable Investment	23.00	57,591,665	-
<b>Profit earned after provision Reverse</b>		<b>83,502,286</b>	<b>(47,152,892)</b>
Unrealized gain on securities	Annexure-A	3,034,451	-
<b>Total profit</b>		<b>86,536,737</b>	<b>(47,152,892)</b>
Total distributable profit/(loss)		25,910,621	(47,152,892)
Weighted number of units		46,805,500	42,654,815
<b>Earning per units during the year</b>	24.0	<b>1.85</b>	<b>(1.11)</b>

The annexed notes 1 to 26 and annexure A to E form an integral part of these financial statements.

  
**Asset Manager**  
Universal Financial Solutions Limited

  
**Chairman, (Trustee)**  
Investment Corporation of Bangladesh (ICB)

Signed in terms of our separate report of even date.

**Firm's Name** : Rahman Mostafa Alam & Co. Chartered Accountants

**Signature** :

**Auditor's Name** : Mohammad Mofizul Haque Rinku FCA (Enr. No: 1204)

**Date** : 27th January, 2021

**Place** : Dhaka

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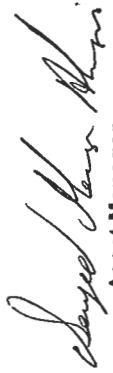




**UFS-PADMA LIFE ISLAMIC UNIT FUND**  
Statement of Changes in Equity  
For the year ended on December 31, 2020

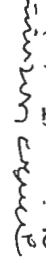
Particulars	Capital fund	Retained earnings	Unit transaction reserve	Total equity
Balance at January 01, 2020	468,055,000	(50,732,178)	1,965,955	419,288,777
Unit subscribed	-	-	-	-
Unit surrendered	-	-	-	-
Net profit/(loss) before provision during the year- purified	-	25,910,621	-	25,910,621
Reversal of Provision against marketable Investment	-	57,591,665	-	57,591,665
Unrealized gain on marketable investment	-	3,034,451	-	3,034,451
Unit transaction reserve, net	-	-	-	-
<b>Balance at December 31, 2020</b>	<b>468,055,000</b>	<b>35,804,559</b>	<b>1,965,955</b>	<b>505,825,514</b>
<b>Balance at January 01, 2019</b>	<b>318,055,000</b>	<b>(3,443,875)</b>	<b>1,965,955</b>	<b>316,577,080</b>
Unit subscribed	150,000,000	-	-	150,000,000
Unit surrendered	-	-	-	-
Net profit/(loss) before provision during the year	-	1,962,211	-	1,962,211
Prior year adjustment	-	(135,411)	-	(135,411)
Unit transaction reserve, net	-	-	-	-
Provision against marketable investment	-	(49,115,103)	-	(49,115,103)
<b>Balance at December 31, 2019</b>	<b>468,055,000</b>	<b>(50,732,178)</b>	<b>1,965,955</b>	<b>419,288,777</b>

The annexed notes 1 to 26 and annexure A to E form an integral part of these financial statements.

  
Asset Manager

Universal Financial Solutions Limited



  
Chairman, (Trustee)

Investment Corporation of Bangladesh (ICB)





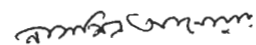


**UFS-PADMA LIFE ISLAMIC UNIT FUND**  
**Statement of Cash Flows**  
For the year ended on December 31, 2020

Particulars	Amount in Taka	
	December 31, 2020	December 31, 2019
<b>Cash flows from operating activities:</b>		
Finance income	7,064,727	2,483,627
Dividend income	5,123,233	5,100,331
Profit on sale of investment	27,245,218	7,266,501
Advance payments	(66,669)	(277,299)
Receivables actualized	561,019	2,245,310
liabilities pay off	(332,161)	(1,825,495)
Payment made for expenses	(6,591,147)	(13,037,746)
<b>Net cash from/(used in) operating activities (A)</b>	<b>33,004,220</b>	<b>1,955,229</b>
<b>Cash flows from investing activities:</b>		
Securities buy	(87,920,239)	(69,305,804)
Securities sell	54,093,133	12,025,010
Investment in MTDR	(100,000,000)	-
IPO application	(25,517,800)	(20,000,000)
IPO refund	-	15,172,480
<b>Net cash used in investing activities (B)</b>	<b>(159,344,906)</b>	<b>(62,108,314)</b>
<b>Cash flows from financing activities:</b>		
Proceed from capital fund	-	150,000,000
<b>Net cash from/(used in) financing activities (C)</b>		<b>150,000,000</b>
<b>Net increase/(decrease) in cash Flows (D=A+B+C)</b>	<b>(126,340,686)</b>	<b>89,846,915</b>
Opening cash and cash equivalents (E)	212,702,567	122,855,652
<b>Closing cash and cash equivalents (D+E)</b>	<b>86,361,881</b>	<b>212,702,567</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>0.71</b>	<b>0.05</b>



**Asset Manager**  
Universal Financial Solutions Limited



**Chairman, (Trustee)**  
Investment Corporation of Bangladesh (ICB)





**UFS-PADMA LIFE ISLAMIC UNIT FUND**  
Investment in Listed Securities- Other than Mutual Funds  
As at December 31, 2020

Annexure-A (i)

Sl No	Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Market Price/Unit	Total Market Price	Unrealized gain/(Loss)	% of Total Asset (Cost to Cost)	% of Total Asset (market to market)
1	Pharmaceuticals	ACTIVEFINE	100,000	34.84	3,484,260	16.90	1,690,000	(1,794,260)	0.77%	0.33%
2	Pharmaceuticals	ACMELAB	28,570	70.50	2,014,195	74.70	2,134,179	119,984	0.45%	0.42%
3	Tannery	BATASHOE	12,000	1,175.03	14,100,300	702.70	8,432,400	(5,667,900)	3.13%	1.65%
4	Engineering	BSCABLES	242,437	91.93	22,287,010	54.80	13,285,548	(9,001,462)	4.95%	2.60%
5	Fuel and Power	BARKAPOW	371,807	27.91	10,377,427	25.70	9,555,440	(821,987)	2.31%	1.87%
6	Pharmaceuticals	BYPHARMA	200,018	90.45	18,092,074	190.50	38,103,429	20,011,355	4.02%	7.47%
7	Engineering	COPPERTECH	5,952	9.52	56,687	21.10	125,587	68,901	0.01%	0.02%
8	Insurance	CRYSTALINS	19,277	10.00	192,770	39.40	759,514	566,744	0.04%	0.15%
9	Textile	ESQURENIT	88,323	45.00	3,974,535	26.30	2,322,895	(1,651,640)	0.88%	0.46%
10	Textile	FEKDL	113,925	15.10	1,720,750	10.40	1,184,820	(535,930)	0.38%	0.23%
11	Telecommunication	GP	125,157	317.56	39,745,325	347.10	43,441,995	3,696,670	8.83%	8.51%
12	Textile	GENEXIL	409,848	61.25	25,104,532	55.00	22,541,640	(2,562,892)	5.58%	4.42%
13	Fuel and Power	LINDEBD	214,609	5,487	1,176,284	1,281.10	7,029,396	(135,888)	1.59%	1.38%
14	Bank	ISLAMIBANK	5,487	37.88	207,884	26.80	147,064	(60,820)	0.07%	0.10%
15	Fuel and Power	ISLAMIINS	10,250	30.48	312,382	50.80	520,700	208,318	0.07%	0.10%
16	Food and allied	MJLBO	42,000	116.71	4,901,874	76.90	3,229,800	(1,672,074)	1.09%	0.63%
17	Textile	NEWLINE	5,155	2,204.93	11,366,433	2,138.80	11,025,514	(340,918)	2.53%	2.16%
18	Food and allied	OLYMPIC	11,104	9.35	103,779	17.00	188,768	84,989	0.02%	0.04%
19	Textile	RINGSHINE	118,783	241.86	28,728,358	191.10	22,699,431	(6,028,927)	6.38%	4.45%
20	Telecommunication	ROBI	191,004	8.70	1,660,905	6.40	1,222,426	(438,480)	0.37%	0.24%
21	Service & Real Est.	SAIFPOWER	469,019	10.00	4,690,190	29.80	13,976,766	9,286,576	1.04%	2.74%
22	Engineering	SINGERBD	424,981	22.68	9,636,505	18.00	7,649,658	(1,986,847)	2.14%	1.50%
23	Pharmaceuticals	SOURPHARMA	131,345	176.03	23,120,347	175.60	23,064,182	(56,165)	5.14%	4.52%
24	Fuel and Power	SUMITPOWER	184,368	194.18	35,801,399	219.50	40,668,776	4,867,377	7.86%	7.93%
25	Textile	VFSTDL	329,706	42.20	13,912,240	38.90	12,825,563	(1,086,676)	3.09%	2.51%
		<b>Total</b>	<b>8,455</b>	<b>8.83</b>	<b>290,754,381</b>	<b>22.50</b>	<b>293,420,185</b>	<b>2,665,804</b>	<b>64.62%</b>	<b>57.49%</b>

**Investment in Listed Securities- Mutual Funds**  
As at December 31, 2020

Sector	Name of script	No. of Unit	Cost Price/Unit	Total Cost Price	Market price/Unit	Total Market Price	Un realized gain/(Loss)	% of Total Asset (Cost to Cost)	% of Total Asset (market to market)
Mutual Fund	AIBL15TIMF	902,367	7.74	6,981,677	8.40	7,579,883	598,206	1.55%	1.49%
	<b>Total</b>	<b>902,367</b>	<b>7.74</b>	<b>6,981,677</b>	<b>8.40</b>	<b>7,579,883</b>	<b>598,206</b>	<b>1.55%</b>	<b>1.49%</b>



Investment in non listed securities  
As at December 31, 2020

Sector	Name of script	Number of shares	Cost Price/Unit	Total Cost	Repurchase price/Unit	Market value	Un realized gain/(Loss)
Opened End Mutual Fund	A.T.C Shanah Unit Fund	469,925	10.64	5,000,002	9.72	4,567,671	(432,331)
Total		469,925		5,000,002		4,567,671	(432,331)

Mutual Fund Valuation (Provision against unrealized losses), for opened-End Mutual Funds as per BSEC Directive (No. SEC/MRCD/2009-193/172)

Mutual Fund Valuation							
Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Repurchase value/ Unit	Total Market Price	Unrealized Gain/(Loss)
Opened End Mutual Fund	A.T.C Shanah Unit Fund	469,925	10.64	5,000,002	9.72	4,567,671	(432,331)
Required Provision	NAV of MF	9.77					
	5% of NAV	0.49					
	Net RP	0.49					
	RP in amount	229,558					
	Loss Recovery	202,773					
	MP after RP	4,770,444					
	Un. Value after RP	4,770,444					(229,558)

Total Investment in Marketable Securities (Listed + Non Listed)  
As at December 31, 2020

Details	Cost Price	Market Price	Unrealized gain/(Loss)
Investment in Listed Securities Other than Mutual Fund	290,754,381	293,420,185	2,665,804
Investment in Mutual Fund (after valuation)	6,981,677	7,579,883	598,206
Investment in Non Listed Securities	5,000,002	4,770,444	(229,558)
Total values of Marketable Securities	302,736,060	305,770,511	3,034,451

Investment in Capital Market Instrument  
Investment in IPO

Annx- (Aii)			
As atn December 31, 2020			
Sector	Name of script	Number of shares	Total Cost
Engineering	MIRAKHITER	87,300.00	5,499,900
Food & Allied	INDEXAGRO	69,400.00	4,996,800
			10,496,700

