



**Aziz Halim Khair Choudhury**  
*Chartered Accountants*

Exclusive Correspondent Firm of PKF International

**Bangladesh General Insurance Company Ltd**  
**Trustee of UFS-Pragati Life Unit Fund**

**Auditors' Report**  
**And**  
**Audited Financial Statements**  
**UFS-Pragati Life Unit Fund**  
**Managed by Universal Financial Solutions Limited**  
**for the year ended 31 December 2020**

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF UFS- PRAGATI LIFE UNIT FUND  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **UFS- Pragati Life Unit Fund** (the "Fund"), which comprise the statement of financial position as at 31 December 2020 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and the 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.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects, the financial position of **UFS- Pragati Life Unit Fund** as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001, Trust Deed and other applicable laws and regulations.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Valuation and existence of Investments:</b> The valuation and existence of the portfolio of investments is considered as a key audit matter due to the magnitude of potential misstatement as the portfolio of investments represents the principal element of the net asset of the Fund. Valuation of Investments is required to be in compliance with the valuation policy as approved by the Trustee in compliance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001.</p>	<p><b>Principal audit procedures performed:</b> We gained an understanding of the internal control structure and operating effectiveness of key controls surrounding valuation and existence of investments.</p> <p>We tested the valuation of the investments by testing the compliance with the valuation policy as approved by the Trustee in compliance with Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 and by comparing the investment valuation from prices obtained from independent sources.</p> <p>We tested the existence of the Investments by obtaining and reconciling the direct confirmations of the holdings from following sources:</p> <ul style="list-style-type: none"> <li>• Custodian of the Fund</li> <li>• CDBL</li> <li>• Brokerage House</li> </ul> <p>We agreed the holdings as per above confirmations with the Fund's accounting records. We reviewed the reconciliations for the cases where differences were observed, if any.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Asset Management Company (AMC) 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein of this other information; we are required to report the fact. However, we have nothing to report in this regard.

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

The Asset Management Company (AMC) is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala 2001 and Trust Deed, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are responsible for overseeing the financial reporting process of the fund.

**Auditor's Responsibility 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 assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 the 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 risk 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 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 in preparing financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the fund 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.

**Materiality** is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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**

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 law have been kept the Fund so far as it appeared from our examination of those books;
- (c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by this report are in agreement with the books of accounts and returns;
- (d) the expenditure incurred and payments were made for the purpose of the Fund's business; and
- (e) the investment made by the Fund is as per Rule 56 of Bangladesh Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001.

11 February 2021  
Dhaka, Bangladesh



**Aziz Halim Khair Choudhury**  
Chartered Accountants  
Firm Reg.: 23556/79

Signed by  
**Md. Aftab Uddin Ahmed FCA**  
Senior Partner  
ICAB Enrollment # 804  
DVC: 2102140804AS566176

**UFS-PRAGATI LIFE UNIT FUND**  
**Statement of Financial Position**  
**As at 31 December 2020**

Particulars	Notes	Figures in Tk.	
		31 December 2020	31 December 2019
<b>Assets</b>			
Investments at market value	4.0	53,931,978	46,204,069
Investment in IPO	5.0	10,496,700	1,502,340
Preliminary and issue expenses	6.0	1,940,925	2,566,118
Receivables	7.0	3,782,777	654,936
Advances and prepayments	8.0	136,872	145,883
Cash and cash equivalents	9.0	9,730,112	10,467,047
<b>Total Assets</b>		<b>80,019,364</b>	<b>61,540,393</b>
<b>Current liabilities</b>			
Accounts payable	10.0	35,041	20,302
Accrued expenses	11.0	45,000	64,758
<b>Total current liabilities</b>		<b>80,041</b>	<b>85,060</b>
<b>Net Assets</b>		<b>79,939,323</b>	<b>61,455,334</b>
<b>Owners' Equity</b>			
Unit fund	12.0	66,222,580	70,055,600
Units transaction reserve		(2,096,764)	(2,399,795)
Retained earning		14,536,839	(6,200,471)
Investment revaluation reserve	13.0	1,276,668	-
<b>Total Equity</b>		<b>79,939,323</b>	<b>61,455,334</b>
<b>Net Asset Value (NAV) per unit</b>			
At cost value	14.0	11.88	10.89
At market value	15.0	12.07	8.77

These financial statements should be read in conjunction with annexed notes.

For and on behalf of UFS- Pragati Life Unit Fund

Trustee  
Bangladesh General Insurance Company Limited

Assets Manager  
Universal Financial Solutions Limited

See annexed report of date

11 February 2021  
Dhaka, Bangladesh

Aziz Halim Khair Choudhury  
Chartered Accountants

Signed by:  
**Md. Aftab Uddin Ahmed FCA**  
Senior Partner

**UFS-PRAGATI LIFE UNIT FUND**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2020**

Particulars	Notes	Figures in Tk.	
		2020	2019
<b>Income</b>			
Net gain on sale of marketable securities	16	7,647,844	5,749,273
Interest income	17	167,560	189,226
Dividend income	18	1,132,161	1,500,624
<b>Total Income</b>		<b>8,947,565</b>	<b>7,439,124</b>
<b>Less: Expenses</b>			
Management fee		1,492,725	1,649,105
Brokerage fees		151,969	119,937
Amortization of preliminary expenses		625,193	623,485
BSEC annual fee		63,734	71,143
Trustee fee		199,156	198,692
Custodian fee		17,674	96,928
IPO subscription fees		37,000	15,000
Printing and publications		307,834	406,824
CDDL charges		65,196	64,002
Audit fee		45,000	40,000
Bank charges, TDS and excise duty		74,947	65,777
<b>Total Expenses</b>		<b>3,080,428</b>	<b>3,350,892</b>
<b>Profit before provision for the year</b>		<b>5,867,137</b>	<b>4,088,231</b>
(Provision)/ write back against diminution in value of securities		14,870,173	(11,933,136)
<b>Net profit/(loss) for the year</b>		<b>20,737,310</b>	<b>(7,844,905)</b>
<b>Add: Other comprehensive income</b>			
Unrealized gain on securities		1,276,668	-
<b>Total profit during the period</b>		<b>22,013,978</b>	<b>(7,844,905)</b>
<b>Earning per unit during the year</b>	<b>19</b>	<b>3.13</b>	<b>(1.12)</b>

These financial statement should be read in conjunction with annexed notes



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**UFS- Pragati Life Unit Fund**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

Particulars	Unit Fund	Units transaction reserve	Investment revaluation reserve	Retained earnings	Figures in Tk.
					Total equity
<b>Balance at 1 January 2019</b>	70,085,000	(2,400,175)	-	4,447,834	72,132,659
Unit subscribed	-	-	-	-	-
Unit resubscribed	600	-	-	-	600
Unit surrendered	(30,000)	-	-	-	(30,000)
Unit transaction reserve	-	380	-	-	380
Net profit/ (loss) for the year	-	-	-	(7,844,905)	(7,844,905)
Dividend for the year 2018	-	-	-	(2,803,400)	(2,803,400)
<b>Balance at 31 December 2019</b>	<b>70,055,600</b>	<b>(2,399,795)</b>	<b>-</b>	<b>(6,200,471)</b>	<b>61,455,334</b>
<b>Balance at 1 January 2020</b>	70,055,600	(2,399,795)	-	(6,200,471)	61,455,334
Unit subscribed	6,166,980	-	-	-	6,166,980
Unit resubscribed	-	-	-	-	-
Unit surrendered	(10,000,000)	-	-	-	(10,000,000)
Unit transaction reserve	-	303,031	-	-	303,031
Profit/ (loss) for the year	-	-	-	20,737,310	20,737,310
Unrealized gain on securities	-	-	1,276,668	-	1,276,668
<b>Balance at 31 December 2020</b>	<b>66,222,580</b>	<b>(2,096,764)</b>	<b>1,276,668</b>	<b>14,536,839</b>	<b>79,939,323</b>

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**UFS-PRAGATI Life Unit Fund**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

Particulars	Figures in Tk.	
	2020	2019
<b>A. Cash Flows from operating activities:</b>		
Interest income	167,560	189,226
Dividend income	1,434,724	1,155,853
Advance and Prepayments	9,011	(5,473)
Received from sale of securities	-	797,671
Profit on sale of investments	7,647,844	5,749,273
Payment made for expenses	(2,460,254)	(2,805,838)
<b>Net cash from/(used in) operating activities (A)</b>	<b>6,798,885</b>	<b>5,080,712</b>
<b>B. Cash Flows from investing activities:</b>		
IPO Application	(20,690,850)	(3,456,420)
Investment in Marketable Securities, net	16,685,018	7,879,454
<b>Net cash used in investing activities (B)</b>	<b>(4,005,832)</b>	<b>4,423,034</b>
<b>C. Cash Flows from financing activities:</b>		
Proceeds from issuance of units	6,166,980	-
Payment made for repurchase of units	(10,000,000)	(30,000)
Dividend Paid	-	(2,802,800)
Premium/Discount	303,031	380
<b>Net cash from/(used in) financing activities (C)</b>	<b>(3,529,989)</b>	<b>(2,832,420)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (D=A+B+C)</b>	<b>(736,936)</b>	<b>6,671,325</b>
Opening cash and cash equivalents (E)	10,467,047	3,795,722
Closing cash and cash equivalents (D+E)	<b>9,730,112</b>	<b>10,467,047</b>
<b>Net Operating Cash Flow Per Unit</b>	<b>1.03</b>	<b>0.73</b>

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**UFS - PRAGATI LIFE UNIT FUND**  
**Investment In Marketable Securities - Other than Mutual Fund**  
**As At December 31, 2020**

Annexure-A  
Figures in Tk.

SI No.	Sector	Company Name	No of Unit	Weighted Average Price	Total Cost Price	Market Price	Total Market Price	Unrealized Gain/(Loss)
1	Bank	BRACBANK	126,558	56.08	7,097,170	44.30	5,606,519	(1,490,650)
2		CITYBANK	229,552	32.84	7,538,979	24.80	5,692,890	(1,846,089)
3	Food and Allied	OLYMPIC	13,400	198.51	2,660,020	191.10	2,560,740	(99,280)
4		BXPHERMA	50,850	98.89	5,028,510	190.50	9,686,925	4,658,415
5	Pharmaceuticals & Chemicals	SOURPHARMA	27,813	220.20	6,124,352	219.50	6,104,954	(19,399)
6		ACMELAB	13,400	75.37	1,009,912	74.70	1,000,980	(8,932)
7	Engineering	MARICO	800	2,402.00	1,921,600	2,138.80	1,711,040	(210,560)
8		SINGERBD	17,000	178.50	3,034,440	175.60	2,985,200	(49,240)
9	Travel & Leisure	SEAPEARL	11,581	9.52	110,300	79.10	916,057	805,757
10		BATASHOE	1,000	1,120.30	1,120,300	702.70	702,700	(417,600)
11	Telecommunication	GP	14,953	371.92	5,561,281	347.10	5,190,186	(371,095)
12		ROBI	186,004	10.00	1,860,040	15.00	2,790,060	930,020
13	IT	GENEXIL	75,550	61.17	4,621,384	55.00	4,155,250	(466,134)
14		CRYSTALINS	19,277	10.00	192,770	39.40	759,514	566,744
15	Insurance	ESQUIRENIT	48,398	45.00	2,177,910	26.30	1,272,867	(905,043)
16		MLDYEING	9,012	6.90	62,202	50.00	450,600	388,398
17	Textile	RINGSHINE	146,292	8.61	1,259,517	6.40	936,269	(323,248)
18		VFSTDL	9,299	8.03	74,625	22.50	209,228	134,603
	<b>Total</b>				<b>51,455,310</b>		<b>52,731,978</b>	<b>1,276,668</b>

**Investment in Mutual Fund**

SI No.	Sector	Company Name	No of Unit	Cost Price	Total Cost Price	Market Price	Total Market Price	Unrealized Gain/(Loss)
1	Mutual fund	LRGLOBMF1	150,000	8.00	1,200,000	6.60	990,000	(210,000)
		<b>Total</b>			<b>1,200,000</b>		<b>990,000</b>	<b>(210,000)</b>
	<b>Grand Total</b>				<b>52,655,310</b>		<b>53,721,978</b>	<b>1,066,668</b>



As per BSEC circular No. SEC/CMRRCD/2009-193/172, dated 30 June 2015 Mutual Fund has separate provision method for investment in Mutual Funds which has been given below (Valuation of Mutual Fund is given in Annexure-A)

Mutual Fund Valuation								
SI NO	Sector	Company Name	No of Unit	Cost Price	Total Cost Price	Market Price	Total Market Price	Unrealized Gain/(Loss)
2	Mutual fund	LRGLOBMF1	150,000	8.00	1,200,000	6.60	990,000	(210,000)
					1,200,000		990,000	(210,000)

Particular Funds NAV (Published 27.12.20)	85% Last NAV (Tk./unit)	Required provision in Amount	Loss Recovery	Total Market Price After Provision
11.39	9.68	-	210,000	1,200,000
<b>Total</b>		-	210,000	<b>1,200,000</b>

Investment in Securities other than Mutual Fund	Total cost price	Total market price	Unrealized gain/(loss)
Investment in Mutual Fund	51,455,310	52,731,978	1,276,668
Unrealized loss recovery investment in mutual fund due to provisioning according to BSEC rules	1,200,000	990,000	(210,000)
	-	210,000	210,000
	<b>52,655,310</b>	<b>53,931,978</b>	<b>1,276,668</b>

