

PRAGATI LIFE INSURANCE LIMITED

**Certificate on
Status Report on Utilization of Right Issue Proceeds
As at 31 December 2020**

**MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS
BGIC Tower (4th Floor)
34, Topkhana Road, Dhaka-1000
Phone: +88-02-9581786, 9553143
Fax: +88-02- 9571005
E-mail: asarkar@mahfelhuq.com
Web: www.mahfelhuq.com**



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com



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Certificate on Status Report on Utilization of Right Issue Proceeds of Pragati Life Insurance Limited

We have been engaged by **Pragati Life Insurance Limited** to certify whether the Company has complied with the conditions of Rights Shares Issue in relation to the utilization of proceeds from Rights Issue, as required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969 (XVII).

The Management's Responsibilities

Those charged with governance and management of the company are responsible for utilizing the Rights Issue proceeds, preparation, fair presentation and furnishing of the status report on utilization of Rights Issue proceeds from Rights Issue in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 regarding Corporate Governance Guidelines and other applicable rules and regulations.

Our Responsibilities

Our responsibility is to audit all the relevant documents in connection with the utilization of proceeds from Rights Issue with reference to the TOR formulated by BSEC and certify whether the proceeds have been utilized and status report prepared in accordance with the conditions of Rights Issue Approval Reference No. BSEC/CI/RI-122/2019/163 against with the following criterions:

- a) Whether Rights Issue proceeds have been utilized for the purpose/ heads as specified in the Rights Share Offer Document (ROD);
- b) Whether Rights Issue proceeds have been utilized in line with the conditions of the Commission's consent/ approval letter for the Rights Issue;
- c) Whether utilization of Rights Issue proceeds have been completed within the time schedule/ implementation schedule as specified in the Rights Share Offer Document (ROD);
- d) Whether utilization of Rights Issue proceeds is accurate and is for the purpose of the Company as mentioned/ specified in the Rights Share Offer Document (ROD);
- e) Whether assets have been procured/ imported/ constructed maintaining proper/ required procedure as well as at a reasonable price as applicable; and whether Auditors' Report has been made on verification of all necessary documents/ papers/ vouchers in support of utilization of Rights Issue proceeds making reconciliation with Bank Statement.

We report that:

- i) With respect to item (a) Right Issue proceeds amounted Tk. 230,273,265 have been fully utilized as per the purposes/ heads specified in the Right Share Offer Document;
- ii) With respect to item (b), Rights Issue proceeds have been utilized in line with the conditions of the Bangladesh Securities and Exchange Commission approval letter for the Rights Issue;



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- iii) With respect to item (c), we found that Pragati Life Insurance Limited utilized the rights issue proceeds before the end of 31 December 2020 as per scheduled time 6 (Six) months as specified in the right share offer document.
- iv) With respect to item (d), nothing has come to our attention that causes us to believe that utilization of Rights Issue Proceeds is not accurate and not for the purposes of the company as mentioned in the Right Share Offer Document;
- v) With respect to item (e), the company has utilized the full amount of Rights Issue fund by purchasing financial assets and maintaining required procedure which we have verified through sufficient appropriate documents. The company made the following investments:
- Investment in Bangladesh Govt. Treasury Bond Tk. 150,000,000
 - Investment in Fixed Deposit with Bank Tk. 80,273,265

Conclusion

We have examined relevant documents and obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the annexed status report on utilization of Rights Issue proceeds.

Date: 12 January 2021
Place: Dhaka


Mahfel huq & Co.
Chartered Accountants

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REPORT ON UTILIZATION OF RIGHTS SHARES ISSUE PROCEEDS
For the Subscription Closing at October 20, 2020

Schedule - A

Name of the Company	: Pragati Life Insurance Limited
Amount (BDT) of Capital raised through Right Issue	: Tk. 230,273,265
Date of Close of Subscription	: October 20, 2020
Start of Subscription Receiving Date	: September 24, 2020
Last Date of Full Utilization of Fund as per Rights Share Offer Document (ROD)	: Within 06 Months of receiving the Rights Shares Proceed

Sl. No.	Purpose Mentioned in the Prospectus	Time Line as per Prospectus	Amount as per Prospectus	Total Utilized Amount	Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	Remarks
a)	Investment in Bangladesh Govt. Treasury Bond	Within 06 Months of receiving the Rights Shares Proceed	150,000,000	150,000,000	100.00%	-	0.00%	
b)	Investment in Fixed Deposit with Bank & Financial Institutions	Within 06 Months of receiving the Rights Shares Proceed	80,273,265	80,273,265	100.00%	-	0.00%	
Total			230,273,265	230,273,265		-		

Notes:

A) At the point of our audit, the unutilized amount was Tk. Nil.

B) The company has 15,351,551 numbers of ordinary shares as per the Audited Financial Statements of 31 December 2019 which face value is Tk.10 each. And the Rights Issue was for 1:1 with a premium of Tk.5 per share, which approval reference No. BSEC/CI/RI-122/2019/163 from Bangladesh Securities and Exchange Commission. By this authorization power the company issued 15,351,551 number ordinary share @ Tk.15 included Tk. 5 as a premium and raised Tk.153,515,510 as Share capital and Tk.76,757,755 as Share premium, totaling amount Tk.230,273,265.

The company has utilized the full amount of Rights Issue fund by the following ways:

- Investment in Bangladesh Govt. Treasury Bond Tk. 150,000,000
- Investment in Fixed Deposit with Bank & Financial Institutions Tk. 80,273,265

Company Secretary

Chief Executive Officer

Director

Director

Chairman



Mahfel Huq & Co.
Chartered Accountants



Reconciliation of Bank Balance
For the Period ended 31 December 2020

Name of Bank : **SOUTHEAST BANK LTD.**
Branch : **Kawran Bazar Branch**
Account No. : **1513100000510**
Account Type : **Special Notice Deposit**

Particulars	BDT	Particulars	BDT
Valid Subscription Received	230,273,265.00	Advance Income Tax on interest	104,447.12
Excess Subscription	527,515.00	Excise Duty	40,000.00
Interest Received	1,044,471.19	Accounts Maintenance Fee including VAT	575.00
Reversal entry for different reasons	1,920,295.00	Transfer for Investment in FDR	80,273,265.00
		Transfer for Investment in BGTB	150,000,000.00
		Refund of Excess Subscription to Shareholders cleared by bank	370,365.00
		Refund of Excess Subscription to Underwriters cleared by bank	148,230.00
		Reversal entry for different reasons	1,920,295.00
		Debit sum of Bank Statement	232,857,177.12
		Closing balance as per Bank Statement	908,369.07
Credit Sum of Bank Statement	233,765,546.19	Refund of excess subscription cheques still to be cleared by bank	8,920.00
		Closing balance as per Ledger	899,449.07

On behalf of Board of Directors:

Company Secretary

Chief Executive Officer

Director

Director

Chairman

