

AMBALA FOUNDATION

Auditor's Report & Financial Statements for the year ended on 30 June 2016



S. F. AHMED & CO.

Chartered Accountants... from 1958

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INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of **Ambala Foundation**, which comprise the consolidated statement of financial position (balance sheet) as at 30 June 2016 and the consolidated statement of profit or loss and other comprehensive income, statement of receipts and payments, consolidated statement of cash flows and consolidated statement of changes in capital fund for the year ended 30 June 2016 and a summary of significant accounting policies and other explanatory information of Microfinance Program.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies summarized in the note 3 to 5 to the financial statements and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted in Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of **Ambala Foundation** as of June 30, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting policies summarized in the note 3 to 5 to the financial statements.



We also report that:

- 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 account as required by law and MRA Act & Rule have been kept by **Ambala Foundation** so far as it appeared from our examination of these books;
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and



Dated, Dhaka;
28 September 2016

S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

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AMBALA FOUNDATION
Statement of Financial Position
As at 30 June 2016

Notes	Amount in Taka			Amount in Taka			
	FY 2015-2016			FY 2014-2015			
	Micro Finance	Development	Total	Micro Finance	Development	Total	
Non-Current Assets							
Property, Plant & Equipment	6	8,090,341	69,309,152	77,399,493	5,159,534	25,934,024	31,093,558
Intangible Assets	7	756,833	-	756,833	1,085,833	-	1,085,833
Other Non Current Assets	8	68,327	-	68,327	40,482	-	40,482
Total Non-Current Assets		8,915,501	69,309,152	78,224,653	6,285,849	25,934,024	32,219,873
Current Assets							
Investment FDR	9	162,364,928	1,535,696	163,900,624	140,021,757	17,315,326	157,337,083
Advance, Security & Prepaid	10	10,048,729	65,920,468	75,969,197	5,776,824	80,230,533	86,007,357
Loan to Group Members	11	1,327,061,229	482,443	1,327,543,672	727,319,967	-	727,319,967
Donation Receivable	12	-	-	-	-	8,761,399	8,761,399
Others Current Assets	13	-	-	-	-	-	-
Cash in Hand and at Bank	14	27,632,917	6,045,208.00	33,678,125	7,201,337	4,536,097	11,737,434
Total Current Assets		1,527,107,803	73,983,815	1,601,091,618	880,319,885	110,843,355	991,163,240
Total Assets		1,536,023,304	143,292,967	1,679,316,271	886,605,734	136,777,379	1,023,383,113
Capital Fund and Reserves							
Retained Surplus	15	83,393,647	17,901,456	101,295,103	27,606,942	20,610,538	48,217,480
Reserve Fund		9,265,961	-	9,265,961	3,067,438	-	3,067,438
Development Program Fund	16	-	925,490	925,490	-	2,531,876	2,531,876
Disaster Management Fund	17	-	-	-	2,941,940	-	2,941,940
Total Capital Fund and Reserves		92,659,608	18,826,946	111,486,554	33,616,320	23,142,414	56,758,734
Non Current Liabilities							
Long Term Borrowings-PKSF	18	61,883,326	-	61,883,326	85,706,660	-	85,706,660
Long Term Borrowings-Non PKSF	19	933,085,540	520,000	933,605,540	487,421,105	2,751,077	490,172,182
		994,968,866	520,000	995,488,866	573,127,765	2,751,077	575,878,842
Current Liabilities							
Member Savings	20	377,439,003	49,467	377,488,470	213,448,742	-	213,448,742
Short Term Loan & Liability	21	16,984,753	95,905,531	112,890,284	31,825,078	89,596,842	121,421,920
Loan Loss Provision	22	16,452,649	4,780	16,457,429	10,017,113	-	10,017,113
PF, WF, Gratuity, IT etc.	23	35,678,299	26,568,277	62,246,576	19,115,590	17,737,795	36,853,385
Accounts Payable	24	1,840,126	1,417,966	3,258,092	5,455,126	3,549,251	9,004,378
Total Current Liabilities		448,394,830	123,946,021	572,340,851	279,861,649	110,883,888	390,745,538
Total Capital Fund and Liabilities		1,536,023,304	143,292,967	1,679,316,271	886,605,734	136,777,379	1,023,383,113

The annexed notes form an integral part of this financial statement.



M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director



Dewan Taufiq Hossain
Director

Singed as per our separate report of even date.

Dated, Dhaka
29 September 2016



S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

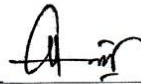
AMBALA FOUNDATION
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June, 2016

Notes	Amount in Taka					
	FY 2015-2016			FY 2014-2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Income						
Service Charge	244,540,468	24,467,538	269,008,006	116,340,550	3,160,404	119,500,954
Interest on Regular & FDR account	10,017,509	529,543	10,547,051	6,960,365	520,475	7,480,840
Others Income	1,206,600	616,094	1,822,694	1,224,104	110,658	1,334,762
Donation, Subscription & Reimbursable Income	10,705,855	2,140,687	12,846,542	338,600	3,558,342	3,896,942
Donor grants	-	11,348,622	11,348,622	-	21,310,493	21,310,493
Total	266,470,432	39,102,484	305,572,916	124,863,619	28,660,372	153,523,991
Expenditure						
Salary & benefits	60,446,908	739,195	61,186,103	39,055,582	608,038	39,663,620
General & Administration expenses						
Office rent & utilities	6,176,649	65,656	6,242,305	4,302,245	60,738	4,362,983
Printing & stationary	2,943,644	6,571	2,950,215	2,048,958	19,639	2,068,597
Communication	1,280,651	36,663	1,317,314	991,038	58,724	1,049,762
Tours & travel	3,612,050	118,043	3,730,093	2,609,093	171,055	2,780,148
Repairs & maintenance	2,066,555	99,183	2,165,738	1,517,419	18,649	1,536,068
Advertisement & publications	521,428	4,650	526,078	384,065	610	384,675
Legal expenses	1,410,250	205,997	1,616,247	1,038,375	100,000	1,138,375
Training / Workshop / Meeting etc.	1,017,337	34,320	1,051,657	482,244	-	482,244
Other admin & general expenses	7,180,436	208,802	7,389,238	4,116,912	472,693	4,589,605
Gratuity, pension & insurance premium	1,457,218	1,773,778	3,230,996	1,562,586	-	1,562,586
Sub-total	27,666,218	2,553,663	30,219,881	19,052,935	902,108	19,955,043
Financial expenses						
Interest to PKSF & Bank	83,015,496	6,358	83,021,854	43,905,744	-	43,905,744
Interest on savings	11,126,535	780	11,127,315	6,647,398	-	6,647,398
Interest on other loan fund	17,085,589	24,547,200	41,632,789	6,080,748	904,063	6,984,811
Sub-total	111,227,620	24,554,338	135,781,958	56,633,890	904,063	57,537,953
Programmatic expenses						
Programmatic exp. & contributions	-	13,643,726	13,643,726	-	22,484,152	22,484,152
Sub-total	-	13,643,726	13,643,726	-	22,484,152	22,484,152
Expenses for provision & reserve						
Expenses for provision & reserved	8,319,903	9,633	8,329,536	5,759,726	-	5,759,726
Sub-total	8,319,903	9,633	8,329,536	5,759,726	-	5,759,726
Depreciation on non current assets						
Depreciation	1,732,824	361,872	2,094,696	1,344,687	404,573	1,749,260
Sub-total	1,732,824	361,872	2,094,696	1,344,687	404,573	1,749,260
Total expenditure	209,393,473	41,862,428	251,255,901	121,846,820	25,302,934	147,149,754
Excess of income over expenditure	57,076,959	(2,759,944)	54,317,015	3,016,799	3,357,438	6,374,237
	266,470,432	39,102,484	305,572,916	124,863,619	28,660,372	153,523,991

The annexed notes form an integral part of this financial statement.



M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director



Dewan Taufiq Hossain
Director

Signed as per our separate report of even date.


Dated, Dhaka
29 September 2016




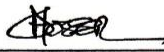
S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

AMBALA FOUNDATION
Receipts & Payments Statement
Period from 1st July 2015 to 30th June 2016

	Amount in Taka			Amount in Taka		
	FY 2015-2016			FY 2014-2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Receipts						
Opening Balance						
Cash in hand	510,042	49,356	559,398	545,118	13,607	558,725
Cash at bank	6,691,295	4,486,741	11,178,036	8,878,433	5,676,943	14,555,375
Sub-Total	7,201,337	4,536,097	11,737,434	9,423,551	5,690,550	15,114,100
Long Term Borrowings-PKSF	55,500,000	-	55,500,000	50,000,000	-	50,000,000
Long Term Borrowings-Non PKSF	796,872,901	-	796,872,901	464,450,000	650,000	465,100,000
Development Program Fund	-	15,486,199	15,486,199	-	28,538,497	28,538,497
Member Savings Receipt	400,082,208	48,905	400,131,113	261,066,613	-	261,066,613
General & Others Loan /Fund Account	411,224,518	60,096,476	471,320,994	193,022,080	50,637,614	243,659,694
PF, WF, Security , IT etc.	20,523,970	4,999,978	25,523,948	11,998,330	7,020,742	19,019,072
Loan to Group Members Recovery	1,449,256,663	167,557	1,449,424,221	773,130,058	496,794	773,626,852
Advance, Security & Prepaid	4,023,078	304,011,567	308,034,645	2,080,075	128,468,429	130,548,504
Investment Withdrawal	57,784,778	15,761,307	73,546,086	50,739,917	7,075,749	57,815,666
Accounts payable & provision	-	839,913	839,913	-	-	-
Stock & Stores	-	-	-	49,185	-	49,185
Suspense Accounts	-	-	-	41,183	-	41,183
Sale/Fixed Assets Sale	27,000	-	27,000	-	21,297	21,297
Revenue Income Received	245,940,451	1,981,561	247,922,012	117,673,399	4,067,475	121,740,874
Sub-Total	3,441,235,568	403,393,464	3,844,629,031	1,924,250,839	226,976,596	2,151,227,436
Total receipts	3,448,436,905	407,929,561	3,856,366,465	1,933,674,390	232,667,146	2,166,341,536
Payments						
Capital Expenditure	6,225,670	1,907,000	8,132,670	3,488,919	525,000	4,013,919
Long Term Borrowings-PKSF	79,323,334	-	79,323,334	36,991,227	-	36,991,227
Long Term Borrowings-Non PKSF	417,445,902	2,230,004	419,675,906	157,688,874	825,000	158,513,874
Development Program Fund	-	5,335,578	5,335,578	-	10,714,415	10,714,415
Member Savings Return	246,017,183	-	246,017,183	161,268,389	231,766	161,500,155
General & Others Loan /Fund Account	438,873,366	54,378,845	493,252,211	183,930,933	35,479,586	219,410,519
PF, WF, Security, IT etc.	2,459,419	3,122,932	5,582,350	4,935,107	2,036,487	6,971,594
Loan to Group Members	2,052,417,000	650,000	2,053,067,000	1,199,908,000	-	1,199,908,000
Advance, Security & Prepaid paid	8,146,383	325,789,771	333,936,154	4,987,227	144,987,199	149,974,425
Payment against Provision	3,011,344	1,032,104	4,043,448	-	461,111	461,111
Investment against Provision	86,600,000	-	86,600,000	119,900,000	17,585,000	137,485,000
Material / Stock & Stores	-	-	-	1,850	-	1,850
Sub-Total	3,340,519,600	394,446,234	3,734,965,834	1,873,100,525	212,845,564	2,085,946,088
Staff Salary & Benefits	51,760,153	350,795	52,110,948	33,148,274	274,623	33,422,897
General & Administrative Expenses	23,389,873	257,485	23,647,358	16,204,456	434,963	16,639,419
Financial Cost	5,134,362	6,358	5,140,720	4,019,799	-	4,019,799
Programmatic Expenses	-	6,823,480	6,823,480	-	14,575,899	14,575,899
Sub-Total	80,284,387	7,438,119	87,722,506	53,372,529	15,285,485	68,658,014
Closing Cash & Bank Balance						
Cash in hand	2,534,598	39,777	2,574,375	510,042	49,356	559,398
Cash at bank	25,098,319	6,005,431	31,103,750	6,691,295	4,486,741	11,178,036
Sub-Total	27,632,917	6,045,208	33,678,125	7,201,337	4,536,097	11,737,434
Total payments	3,448,436,905	407,929,561	3,856,366,465	1,933,674,390	232,667,146	2,166,341,536


M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director


Dewan Taufiq Hossain
Director

Singed as per our separate report of even date.

Dated, Dhaka
29 September 2016




S. F. Ahmed & Co.
Chartered Accountants

AMBALA FOUNDATION
Statement of Cash Flows
For the year ended June, 2016

Particular	Amount in Taka			Amount in Taka		
	FY 2015-2016			FY 2014-2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
A. Cash flows form operating activities						
Surplus for the period	57,076,959	(2,759,944)	54,317,015	3,016,798	3,357,439	6,374,237
Add: Amount considered as non cash items Expenses						
Expenses for provision & reserve	8,319,903	9,633	8,329,536	5,759,726	-	5,759,726
Depreciation for the year	1,732,824	361,872	2,094,696	1,344,687	404,573	1,749,260
Non cash staff salary & benefits	8,686,755	388,400	9,075,155	5,907,308	333,415	6,240,723
Non cash general & administrative expenses	4,276,345	2,296,177	6,572,523	2,848,479	467,144	3,315,623
Non cash financial cost	106,093,258	24,547,980	130,641,238	52,614,092	904,063	53,518,155
Non cash program cost	-	6,820,246	6,820,246	-	7,908,254	7,908,254
Sub-total of non cash items expenses	129,109,087	34,424,309	163,533,396	68,474,292	10,017,449	78,491,741
Less: Amount considered as non cash items income						
Non cash FDR & Revenue income	(20,529,982)	(37,120,923)	(57,650,904)	(7,190,221)	(24,592,898)	(31,783,118)
Sub-total of non cash items income	(20,529,982)	(37,120,923)	(57,650,904)	(7,190,221)	(24,592,898)	(31,783,118)
Increase/decrease in disbursement to members	(603,160,337)	(482,443)	(603,642,780)	(426,777,942)	496,794	(426,281,148)
Increase /decrease in payment for provision	(3,011,344)	(192,191)	(3,203,535)	-	(461,111)	(461,111)
Increase/decrease in loan, advance & prepaid	(4,123,305)	(21,778,204)	(25,901,509)	(2,907,152)	(16,518,770)	(19,425,922)
Net cash used in operating activities	(444,638,922)	(27,909,395)	(472,548,317)	(365,384,224)	(27,701,097)	(393,085,321)
B. Cash flows from Investing Activities						
Increase/decrease in acquisition of property, plant and equipment	(6,198,670)	(1,907,000)	(8,105,670)	(3,488,919)	(503,703)	(3,992,622)
Increase/decrease in short term investment	(28,815,222)	15,761,307	(13,053,915)	(69,160,083)	(10,509,251)	(79,669,334)
Increase/decrease in others current assets	-	-	-	88,518	-	88,518
Net Cash Used in Investing Activities	(35,013,892)	13,854,307	(21,159,585)	(72,560,484)	(11,012,954)	(83,573,438)
C. Cash Flows from financing Activities						
Increase/decrease in Long Term Borrowings-PKSF	(23,823,334)	-	(23,823,334)	13,008,773	-	13,008,773
Increase/decrease in Long Term Borrowings-Non PKSF	379,427,000	(2,230,004)	377,196,996	306,761,126	(175,000)	306,586,126
Increase/decrease in members savings	154,065,025	48,905	154,113,930	99,798,224	(231,766)	99,566,458
Increase/decrease in short term loan & others current liabilities	(27,648,848)	5,717,631	(21,931,217)	9,091,147	15,158,028	24,249,175
Increase/decrease in staff EP,EG,EW & ES fund	18,064,551	1,877,046	19,941,597	7,063,223	4,984,255	12,047,478
Increase/decrease in Development Program Fund	-	10,150,621	10,150,621	-	17,824,082	17,824,082
Net Cash Used in Financing Activities	500,084,394	15,564,199	515,648,593	435,722,494	37,559,599	473,282,093
D. Net cash increase / Decrease (A+B+C)	20,431,580	1,509,111	21,940,692	(2,222,214)	(1,154,453)	(3,376,666)
Add. Cash and Bank Balance Beginning of the year	7,201,337	4,536,097	11,737,434	9,423,551	5,690,550	15,114,100
Cash and Bank Balance at the end of the year	27,632,917	6,045,208	33,678,125	7,201,337	4,536,097	11,737,434



M. Azizur Rahman
Chairperson



Arif Sikder
Executive Director



Dewan Taufiq Hossain
Director



AMBALA FOUNDATION
Statement of Changes in Capital Fund
For the year ended 30 June, 2016

Particular	FY 2015-2016			FY 2014-2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Opening balance	30,674,380	20,610,538	51,284,917	24,854,479	17,308,676	42,163,155
Add: Opening Adjustment	(0)	(0)	(0)	-	2,210	2,210
Prior year adjustment	81,963	-	81,963	336,710	(18,391)	318,320
Surplus for the Year	57,076,959	(2,759,944)	54,317,015	3,016,799	3,357,438	6,374,237
Closing balance	87,833,302	17,850,594	105,683,896	28,207,988	20,649,933	48,857,921
Add: Adjustment during the year	4,826,307	53,071	4,879,378	2,466,392	5,817	2,472,209
Less: Adjustment during the year	-	(2,210)	(2,210)	-	(45,213)	(45,213)
Less: Transferred to reserve	(9,265,961)	-	(9,265,961)	(3,067,438)	-	(3,067,438)
Total Fund (After transfer to reserve)	83,393,648	17,901,455	101,295,103	27,606,942	20,610,538	48,217,479
Add: Reserve fund	9,265,961	-	9,265,961	3,067,438	-	3,067,438
Balance as on 30-06-2016	92,659,609	17,901,455	110,561,064	30,674,380	20,610,538	51,284,917

M. Azizur Rahman

M. Azizur Rahman
Chairperson

Arif Sikder

Arif Sikder
Executive Director

Dewan Taufiq Hossain

Dewan Taufiq Hossain
Director



Ambala Foundation
Notes to the Financial Statement
For the year ended June 30, 2016

1.0 BACKGROUND

1.01 ORGANIZATION BACKGROUND

In terms of global population density Bangladesh is one of the highest ranking countries in the world accompanied with poor socio-economic conditions, acute malnutrition, low literacy rate and very high population growth rate which triggers the country towards severe poverty and dreadful environmental crisis. A group of young and energetic students with innovative mind realized its consequences and came forward to put their efforts together to contribute for development of the poor and destitute people and to reduce the poverty and environmental impact from local level to national level. Keeping this notion in their mind these group of student established Ambala Foundation as a non-profit and non-political voluntary organization in 1994 and initiated their development activities in all over the Bangladesh from 1998.

Ambala Foundation received its legal status through getting registered with various government departments like Directorate of Social Service (DSS), NGO Affairs Bureau (NGOAB), Micro-credit Regulatory Authority (MRA) and Directorate of Youth Development (DYD). After getting it's recognition from the government Ambala Foundation widened its scope of operation throughout the country in multi-dimensional fields. Now after completion of financial year it has changed its name into Ambella Foundation.

1.02 VISION / GOAL OF THE ORGANIZATION

Reducing poverty through eliminating inequality, promotion of education, socio-economic development, strengthen environment and climate change adaptability.

1.03 MAJOR OBJECTIVES

- Eradicate inequality through establishing human rights and social harmony.
- Ensure women empowerment and child rights.
- Create scope to education for poor and disadvantaged community.
- Strengthen adaptability to climate change and environmental risk.
- Ensure good governance, transparency and social accountability.
- Improve public health proving with service delivery and making awareness.
- Ensure accessibility to financial institution and income for better livelihood.
- Social development through proper use of media and information technology.
- Socio-economic development through research and publication.



2.0 Corporate Information of the Organization

1	Name of the MFI/NGO	Ambala Foundation
	Acronym of the MFI/NGO	Ambala Foundation
2	Year of establishment	February 12, 1994
	Year of commencement	1998
3	Legal Entity/ Registration	<ul style="list-style-type: none"> Registered on 01st January 2008 with Microcredit Regulatory Authority (MRA) No. 00350-01308-00086
		<ul style="list-style-type: none"> Registered on 28th February 1994 with the Department of Social Services. No. Dha- 03055
		<ul style="list-style-type: none"> Registered on 28th June 1995 with NGO Affairs Bureau. No. 952
		<ul style="list-style-type: none"> Registered on 27th July 2009 with Directorate of Youth Development. No. Jouoao/Munshigonj Sadar-60/Munshi-160
4	Nature of operations (programs)	Operating Microfinance Program and Development Program.
5	Statutory Audit conducted up to	June 30, 2016
6	Name of statutory auditor for last year	S. F. Ahmed & Co.
7	Name of statutory auditor for current year	S. F. Ahmed & Co.
8	No. Executive Committee meeting held FY 2015-2016	08
9	Date of Last AGM held	August 22, 2015

2.1 List of Executive Committee Members

	Name	Qualification	Profession	Present Address
1	M. Azizur Rahman (Chairperson)	MA	Chairman, Board of Trusty, National Museum BD. Former Secretary & Chief Information Commissioner (State Minister status) of Information Commission. Peoples Republic of BD.	358, South Paiek Para Mirpur, Dhaka.
2	Salina Akhter (Vice-chairperson)	MA	Service	Al haramain Aziz Garden, 203, 204 Malibagh, Flat-E6, Motijheel, Dhaka.
3	Arif Sikder (Secretary General)	MA, MBA	Service	House-67, Block-ka, PCculture Housing Society, Shyamoli, Dhaka-1207
4	S.M. Mahedi Hasan (Finance Secretary)	MSS	Service	12/4 Road -2, Shyamoli, Dhaka-1207.
5	Salina Iqbal (Executive Member)	MA	Service	14/5 Babor Road, Mohammadpur, Dhaka



Basis of Preparation of Financial Statements

3.0 Basis of Accounting

The financial report has been prepared under the historical cost conventions on accrual basis except service charges which are computed following cash basis of accounting.

3.01 Preparation of Financial Statements

Financial statements are prepared in accordance with Bangladesh Financial Reporting Standard (BFRS) except for service charge on loan to members, which are recognized on cash basis as disclosed in the Summary of Significant Accounting Policies. The financial statements are expressed in Bangladeshi Taka.

Ambala Foundation's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

3.02 Reporting Period

The financial statements cover the period from 1st July 2015 to 30th June 2016.

4.0 Summary of significant accounting policies

4.01 Currencies

The financial statements are presented in Bangladesh Taka which is the MFI's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka.

4.02 Revenue Recognition

As per BAS-18 "Revenue", Revenue is to be recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of revenue and related cost can be measured reliably.

Accordingly, Income from Service Charge on loan is recognized on cash basis when it is collected and other income is recognized when it is earned in the relevant period.

4.03 (i) Interest income

Interest on bank accounts, fixed deposits, revenue is recognized as the interest accrues unless collectability is in doubt.

Service charge on loan

The Organization is collecting Service Charges from beneficiaries/end users at a declining rate of minimum 25% and maximum 27% on the loan provided to them. The principal loan and proportional service charges are collected in 46 equal weekly installments.



Service charges are accounted for on cash basis. The amount of service charges actually collected from the beneficiaries is recognized as income. The service charges due but not collected are not recognized as income.

Interest expenses

Interest expenses have been accounted for on accrual basis.

(ii) Interest paid on savings

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. The interest rate on mandatory savings is 6%. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk. 50. Each center members deposits a minimum of Tk. 50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

A minimum savings of 10% of the loan amount is required for the first loan period.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.

b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. The interest on this program is 8% annually, compounded monthly. The special voluntary savings accounts are like a current account. Beneficiaries can save monthly one time or withdraw the amount on demand. This voluntary savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special voluntary savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special voluntary savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDI**. It is tied up with fixed deposit. Profit will be given at different rate based on different period (6 & 10 years) & deposited amount (1,000-100,000 tk.). Amount of deposits will be doubled in 6 years period & tripled in 10 years period. The special savings accounts are like a current account. This term savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. Profit will be given in this program at 12.00% to 14.40% annually, compounded monthly. The special savings accounts are like a current account. This savings stands for those who deposit voluntarily beyond their regular savings.



4.04 Property, Plant and Equipment

Recognition

- Its expected useful life is more than one year
- It is tangible assets and
- Future economic benefit associated with the item will flow to entity.

Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates:

The rates of depreciation applied are as follows:

Particulars	Rate
Furniture & Fixtures	10%
Equipments	20%
Vehicles	20%
Bicycles	20%
Motorcycles	20%

Subsequent Recognition

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the organization and its cost reliably measured. The cost of the day to day servicing of the property and equipment are recognized in the statement of income and expenditure as incurred expenditure.

Sale of Property, Plant and Equipment

Sale price of property, plant and equipment are determined on the basis of fair value of the assets. Gain or losses on sale of property, plant and equipment are recognized in the statement of income and expenditure incurred as per provision of IAS-16, property, plant and equipment.

4.05 Basis of Reporting

Financial statements presentation follows the recommendations and guideline of the partners & donors. They also conform to specific sections of IFRS (International Financial Reporting Standard) applicable for non-profit organization.

4.06 Grant/Donation Accounting

Grants are recognized as income in accordance with Bangladesh Accounting Standard (BAS) 20, "Accounting for Government Grants and Disclosure of Government Assistance", over the periods necessary to match them with the corresponding costs as incurred.



4.07 Donor Grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, Ambala Foundation donor grants are for the funding of projects and programs, and for these grants, income is recognized to equate the expenditure incurred on projects and programs. Donor's grants that are utilized for the purchase of fixed assets are spent as program-related expenditure. All donor grants received are initially recorded at fair value as liabilities in Grants Received in Advance Account. For ongoing projects and programs, any expenditure yet to be funded but for which funding has been agreed upon at the end of the reporting period is recognized as donation receivable.

5.0 Significant Organization Policies

5.01 Loan Classification & Loan Loss Provision Policy

Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. At the end of the each month, Ambala Foundation calculate required provision for loan loss based on the loan classification and provisioning methodology which is shown below and any adjustment, if required, are made and accounted for in the financial statements:

85Loan Classification

Particulars	Status of Loan	Loan Loss Provision Ratio
1 to 30 days due	Watchful Loan (WL)	5%
31 to 180 days due	Sub Standard Loan (SSL)	25%
181 to 365 days due	Doubtful Loan Outstanding (DLO)	75%
365+ days past due	Bad Loan Outstanding (BLO)	100%

5.02 Write Off Policy

The write off of loans, if necessary, are charged against the provision for loan losses. Loans within their maturity period are classified as "current loan". Loan which remains outstanding over a year of their maturity period is considered as "Bad loans".

Loan recovery efforts for delinquent loans over two years have been taken but loan collectability has proved extremely difficult. The list of such loans is presented to Governing Body for write off approval. Generally loans are written off twice a year. Any collections realized from loans previously written off are credited to the statement of income and expenditure.

5.03 Policy on Loan to beneficiaries under the Microfinance Program

Main Process of the Microfinance Program

Ambala Foundation microfinance is implemented through a group model whereby members from groups of five and subsequently form centers composed of roughly six groups. Center meetings are held each week by field/credit officer. At such meetings, members can submit loan applications, make loan repayments and deposit savings.

Target families are identified on the basis of sex, age and household income, after which interested persons are invited for group discussions regarding Ambala Foundation microfinance products and regulations.



Ambala Foundation activities include providing micro-finance loans to group members without collateral, on a service charge basis under various components. This represents various loans outstanding with the clients in the following categories:

Various Component of the Microfinance Program

JAGORAN (Microfinance Program for Rural & Urban People)

This is to allow rural people to finance their economic activities. RMC & UMC loans are working capital loans given to poor and disadvantaged households. RMC & UMC loan ranges from Tk. 10,000 to 49,000 are given for refund within one year and service charge minimum 25% and maximum 27% (declining rate) per year.

SUFOLON (Microfinance Program for Agriculture)

This loan is exclusive for agriculture, enterprise, livestock etc. activities and is designated to increase the farm and business activities. The seasonal loan also enhances "Social food security net" of the households. Seasonal loan ranges from Tk. 10,000 to Tk. 1,000,000 are given for Agri Production and refund within 3-9 months and service charge monthly 2% & minimum 25% and maximum 27% (declining rate) per year.

Grihayan Loan (Microfinance Program for House Construction)

To reduce the housing vulnerability of the disadvantaged rural community this loan is taken from the housing fund of Bangladesh Government and disbursed among the right deprived disadvantage community people particularly those who are victims of river erosion, cyclone, flood and fire with view to build and rebuild their houses. This loan is given from three years and the rate of interest is 05% and minimum 25% and maximum 27%.

AGROSOR (Microfinance Program for Entrepreneurs)

Available to both men & women, the micro-enterprise program provides services on either a group or individual basis. Most members are recruited through surveys, with the majority of loans given on an individual basis. A small number of micro-credit member's graduate from the micro-credit program to become micro-enterprise program members.

Subsequently more emphasis will be put towards such members. The micro-enterprise program seeks members who would like to expand their businesses; the loan amount is not intended as start-up capital. Ambala Foundation seeks members with a minimum of 02 years business experience, a visible venture and those who have scope to generate employment opportunities. ME loan ranges from Tk. 50,000 to Tk. 10,00,000 are given for refund within one year and service charge minimum 25% and maximum 27% (declining rate) per year.

BUNIAD (Microfinance Program for Ultra and Extreme Poor)

This loan is exclusive for ultra-poor beneficiaries. The ultra-poor loan ranges from Tk. 10,000 to TK. 49,000 are given for refund within one year and service charge maximum 19.90% (declining rate) per year.



5.04 Savings collection

There are four types of members savings collected by the Ambala Foundation:

- Regular Savings.
- Monthly Voluntary Savings (MVS).
- SAMRIDI Savings.
- One Time Savings (OTS).

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk. 50. Each center members deposits a minimum of Tk. 50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.

b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. Beneficiaries can save monthly one time or withdraw the amount on demand .This savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDI**. It is tied up with fixed deposit. Amount of deposits will be doubled in 6 years period & tripled in 10 years period. The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

5.05 Motorcycle Loan

Motorcycle loan can be provided to staff to expedite the field work and project implementation of Ambala Foundation with the approval from the approval committee. The concerned staff has to be a valid license holder if he wants to avail this loan. The amount of loan, duration of loan, number of installments etc. is to be decided by the approval committee. The motorcycle has to be registered under the name of the Ambala Foundation.



Ambala Foundation provides the motorcycle allowance to staff. The amount of motorcycle allowance is based on the mileage run verified from the log book of each loaner. The motorcycle allowance is Tk. 3.00 per KM, Tk. 600.00 for monthly maintenance and provided to the respective staff in the following month.

If any staff resigns or retires or terminated before paying all installments, he will have to hand over the motorcycle to Ambala Foundation. If the life of Motorcycle exceeds 5 years, the staff may pay all the rest of the installments, the authority will hand over the motorcycle to the concerned staff. If the staff pays all the installments, the authority will hand over the motorcycle to the concerned staff. The cost of providing motorcycle loan to staff is recovered through monthly salary deductions.

5.06 Member welfare fund

Ambala Foundation has created a Member welfare fund to cover the outstanding risk of death members.

5.07 Employees' Provident Fund

Ambala Foundation maintains recognized contributory provident fund for its eligible permanent employees. The fund is operated by the Board of Trustee. All confirmed employees are contribution 10% of their basic salary as subscription of the fund. Ambala Foundation also contributes equal amount of the employees.

5.08 Employees' Gratuity Fund

Ambala Foundation makes provision for an Employee Gratuity fund, on the basis of one month's basic salary for each completed year in employment (based on basic salary of the last month). The fund is held as a provision within 'other liabilities', and is not externally funded. Gratuity is disbursed upon retirement or resignation of employees provided the employee has completed five years service at the rate of one month's basic salary last drawn for each completed year of service.

5.09 Employees' Security Fund

Ambala Foundation has created an employee security fund to cover the risks of accident or deprivation of eye-sight. Security amount collects from the respective staff at the rate of Tk.10, 000 to Tk. 15,000 at the time of joining in the service or collecting installment basis from the respective staff. Security amounts refund with 6% interest compounded annually to the respective staff at the time of retirement or termination from the service. The fund is held as a provision within other liabilities.

5.10 Accommodation Facilities for Staff

Ambala Foundation provides accommodation facilities at each branch for the respective staff and charges as seat rent at lump-sum of Tk.200 to Tk. 300 per month per respective staff.

5.11 Incentive for Microfinance program

Ambala Foundation provides incentive for microfinance staff. Incentive paid monthly on the basis of performance.



5.12 Employees' Deposit Pension Scheme

Ambala Foundation has introduced a Savings Scheme for all employees. This scheme called "EDPS". It has been started from July 2014. All level of employees' may avail this scheme. The term of scheme is 5 to 10 years. Scheme started from Tk. 100 (multiple) to maximum Tk. 5,000. This scheme will be helpful for family members of employees' at the time of family crisis, in absence of employees. Interest will be given at 13.20% after maturity of the scheme but if withdrawal is made before the maturity interest will be given at 8%.

5.13 Special Advance Salary

Ambala Foundation provides special advance salary to regular staff to overcome the medical treatment, natural disaster, arising out of death of any family member. One can apply for this loan after completion at least 6 month membership of provident fund. A staff is allowed to avail that much amount which is maximum of 02 months equivalent total salary without any interest. The duration of this loan will be maximum 12 months.

5.14 Loan Against Provident Fund

Employee can take loan at 80% amount of his own contribution if loan is taken within 5 years and if loan is taken after 5 years employee can take 80% of his/her total fund (Own & Organization). Interest charged at 10% on loan, maximum duration of repayment will be 36 months.

5.15 Taxation and VAT

Under the Income Tax Ordinance (ITO), 1984 as amended, Ambala Foundation is subject to taxation for some of its projects and properties. As per 6th Schedule, Part-A, para-1A of ITO 1984, Income from Microfinance activities are Tax exempted. Ambala Foundation submits its Return for tax for the organization as a whole Ambala Foundation and TIN number is 871703359207/ Taxes Circle-09(Company), Taxes Zone 05, Dhaka.

Under the Value Added Tax (VAT) Act. 1991, VAT Registration Number is for Head Office 91111288361.

5.16 Other Facilities to Beneficiaries

Ambala Foundation provides pass book to beneficiaries for recording their loan and savings related transactions. During the loan period members are eligible to take the pass book by paying Tk. 5 for each one and Tk. 10 for Loan Application form. If any member loses the pass book, he will pay Tk. 10 to take another pass book. The income from selling of pass books is being recognized as income in the Statement of Comprehensive Income in the period in which they are incurred. Ambala Foundation activities also include providing microfinance loans to beneficiaries without loan processing fee. Ambala Foundation activates also include providing microfinance loans to beneficiaries without admission fee & any other services. After completion of 3 weeks membership, the member will be eligible to take the first period loan. Ambala Foundation also provides an opportunity of rebate against service charge if the loan installments are paid in advance.



5.17 General

- i. Where necessary, comparative figures and accounts titles in the financial statements have been rearranged to conform to the current year's presentation.
- ii. The figures appearing in the financial statements have been rounded off to the nearest Taka.



AMBALA FOUNDATION
Notes to the Statement of Financial Position

Amount in Taka					
2016			2015		
Micro Finance	Development	Total	Micro Finance	Development	Total

6. Property, Plant and Equipment

Cost						
Opening balance	8,750,717	27,616,749	36,367,466	6,305,904	27,166,099	33,472,003
Add: Purchase/ Adjustment during the year	10,043,087	1,907,000	11,950,087	4,924,033	566,650	5,490,683
Add: Adjustment during the year	-	41,830,000	-	-	-	-
Less : Sale/ Adjustment during the year	(6,024,721)	-	(6,024,721)	(2,479,220)	(47,933)	(2,527,153)
Total Cost	12,769,083	71,353,749	42,292,832	8,750,717	27,684,816	36,435,533
Less : Accumulated Depreciation						
Opening balance	3,591,183	1,682,725	5,273,908	2,536,495	1,364,705	3,901,200
Add: Addition/ Adjustment during the year	1,386,269	361,872	1,748,141	1,072,844	404,573	1,477,417
Less Adjustment in the Year	(298,711)	-	(298,711)	(18,156)	(18,486)	(36,642)
Accumulated Depreciation	4,678,742	2,044,597	6,723,339	3,591,183	1,750,792	5,341,975
Written Down Value	8,090,341	69,309,152	35,569,493	5,159,534	25,934,024	31,093,558

7. Intangible assets

Cost						
Opening balance	1,645,000	-	1,645,000	1,145,000	-	1,145,000
Add: Purchase/ Adjustment during the year	-	-	-	500,000	-	500,000
Total Cost	1,645,000	-	1,645,000	1,645,000	-	1,645,000
Less : Accumulated Amortisation						
Opening balance	559,167	-	559,167	282,833	-	282,833
Add: Addition/ Adjustment during the year	329,000	-	329,000	276,334	-	276,334
Accumulated Amortisation	888,167	-	888,167	559,167	-	559,167
Written Down Value	756,833	-	756,833	1,085,833	-	1,085,833

8. Others Non Current Assets

Cost						
Opening balance	90,426	-	90,426	87,076	-	87,076
Add: Purchase/ Adjustment during the year	45,400	-	45,400	3,350	-	3,350
Total Cost	135,826	-	135,826	90,426	-	90,426
Less : Accumulated Depreciation						
Opening balance	49,944	-	49,944	37,768	-	37,768
Add: Addition/ Adjustment during the year	17,555	-	17,555	12,176	-	12,176
Accumulated Depreciation	67,499	-	67,499	49,944	-	49,944
Written Down Value	68,327	-	68,327	40,482	-	40,482

9. Investment FDR

	162,364,928	1,535,696	163,900,624	140,021,757	17,315,326	157,337,083
9.1 FDR for SAVINGS	14,898,989	-	14,898,989	21,439,044	-	21,439,044
Opening balance	21,439,044	-	21,439,044	7,589,467	-	7,589,467
Add: Addition principal during the year	14,000,000	-	14,000,000	31,600,000	-	31,600,000
Add: Adjustment from receivable	193,682	-	193,682	(18,198,325)	-	(18,198,325)
Less : FDR withdrawal	(20,721,151)	-	(20,721,151)	(70,306)	-	(70,306)
Less: Adjustment tax & charged	(12,587)	-	(12,587)	71,054	-	71,054
Add: Earned interest investment during the year	-	-	-	447,155	-	447,155
Closing balance	14,898,989	-	14,898,989	21,439,044	-	21,439,044
9.2 FDR for DMF	-	-	-	3,050,089	-	3,050,089
Opening balance	3,050,089	-	3,050,089	1,774,161	-	1,774,161
Add: Addition principal during the year	-	-	-	4,700,000	-	4,700,000
Add: Adjustment from receivable	-	-	-	17,236	-	17,236
Less : FDR withdrawal	(3,109,803)	-	(3,109,803)	(3,540,336)	-	(3,540,336)
Less: Adjustment tax & charged	(3,937)	-	(3,937)	(19,345)	-	(19,345)
Add: Earned interest investment during the year	63,650	-	63,650	118,373	-	118,373
Closing balance	-	-	-	3,050,089	-	3,050,089
9.3 FDR for Reserve Fund	10,263,965	-	10,263,965	3,284,604	-	3,284,604
Opening balance	3,284,604	-	3,284,604	3,874,672	-	3,874,672
Add: Addition principal during the year	9,200,000	-	9,200,000	5,100,000	-	5,100,000
Less : FDR withdrawal	(2,283,857)	-	(2,283,857)	(5,922,774)	-	(5,922,774)
Less: Adjustment tax & charged	(1,500)	-	(1,500)	(26,013)	-	(26,013)
Add: Earned interest investment during the year	64,718	-	64,718	258,719	-	258,719
Closing balance	10,263,965	-	10,263,965	3,284,604	-	3,284,604



Amount in Taka					
2016			2015		
Micro Finance	Development	Total	Micro Finance	Development	Total

9.4 Deposit for DMF

Opening balance	-	-	-	14,536	-	14,536
Add: Adjustment with FDR DMF	-	-	-	(0)	-	(0)
Add: Addition during the year	-	-	-	-	-	-
Less: Adjustment tax & charged	-	-	-	(271)	-	(271)
Add: Interest earned during the year	-	-	-	409	-	409
Less: Withdrawal	-	-	-	(14,673)	-	(14,673)
Closing balance	-	-	-	-	-	-

9.5 FDR-Lien & PF, GP, WF Etc.

	136,597,895	1,535,696	138,133,591	110,787,793	16,894,059	127,681,852
Opening balance	110,787,793	17,315,326	128,103,119	51,303,796	6,038,808	57,342,603
Add: Addition during the year	63,400,000	-	63,400,000	78,500,000	17,585,000	96,085,000
Add: Interest earned during the year	9,818,371	436,552	10,254,924	4,161,863	420,035	4,581,899
Less: Adjustment tax & charged	(1,071,583)	25,087	(1,046,495)	(114,058)	(74,036)	(188,094)
Less: Recovery during the year	(31,669,968)	(15,761,307)	(47,431,275)	-	-	-
Less: Adjustment FDR during the year	-	(479,963)	-	-	-	-
Less: Withdrawal for FDR	(14,666,718)	-	(14,666,718)	(23,063,808)	(7,075,749)	(30,139,557)
Closing balance	136,597,895	1,535,696	138,133,591	110,787,793	16,894,059	127,681,852

9.6 Interest Receivable

	604,080	-	604,080	1,460,227	421,267	1,881,494
Opening balance	1,460,227	-	1,460,227	446,989	-	446,989
Add: Addition during the year	-	-	-	-	-	-
Add: Provision during the year	604,080	-	604,080	1,460,227	421,267	1,881,494
Add: Interest earned during the year	-	-	-	-	-	-
Less: Realised/Adjustment during the year	(1,460,227)	-	(1,460,227)	(446,989)	-	(446,989)
Closing balance	604,080	-	604,080	1,460,227	421,267	1,881,494

9.7 Bank Deposit Reserve Fund

Opening balance	-	-	-	535	-	535
Add: Addition principal during the year	-	-	-	-	-	-
Less: Adjustment tax & charged	-	-	-	(535)	-	(535)
Less : FDR withdrawal	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

10. Advance, Security & Prepaid

	10,048,729	65,920,468	75,969,197	5,776,824	80,230,533	86,007,357
Opening balance	5,776,824	80,230,533	86,007,358	3,657,464	39,908,096	43,565,560
Less: Opening transferred to Fund AC	-	-	-	-	(14,863)	(14,863)
Add: Disbursement during the year	8,146,383	325,789,771	333,936,154	4,987,227	144,987,199	149,974,425
Add: Adjustment during the year	6,350,610	104,763,996	111,114,606	3,844,057	117,149,479	120,993,536
Add: Interest during the year	-	-	-	-	-	-
Less: Recovery during the year	(4,023,078)	(304,011,567)	(308,034,645)	(2,080,075)	(128,468,429)	(130,548,504)
Less: Adjustment / Transfer during year	(6,202,010)	(140,852,265)	(147,054,276)	(4,631,848)	(93,330,949)	(97,962,797)
Closing balance	10,048,728	65,920,468	75,969,197	5,776,824	80,230,533	86,007,358

11. Loan to Group Members

	1,327,061,229	482,443	1,327,543,672	727,319,967	-	727,319,967
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11.1 MFP Loan to Beneficiaries-JAGORON & Grihayan

	170,802,704	482,443	171,285,147	193,246,286	-	193,246,286
Opening balance	193,246,286	-	193,246,286	141,807,150	496,794	142,303,944
Add: Disbursement during the year	326,685,000	650,000	327,335,000	409,689,000	-	409,689,000
Add: Balance transferred from UMC	553,736	-	553,736	55,543,089	-	55,543,089
Less : Recovery during the year	(347,573,518)	(167,557)	(347,741,075)	(411,640,549)	(496,794)	(412,137,343)
Less: Adjustment recovery	(2,108,800)	-	(2,108,800)	(3,197,205)	-	(3,197,205)
Add Adjustment	-	-	-	1,044,801	-	1,044,801
Closing balance	170,802,704	482,443	171,285,147	193,246,286	-	193,246,286

11.2 Loan to Beneficiaries-AGROSOR

	681,111,235	-	681,111,235	499,271,945	-	499,271,945
Opening balance	499,271,945	-	499,271,945	92,369,662	-	92,369,662
Add: Opening adjustment	1,030,628,000	-	1,030,628,000	-	-	-
Add: Disbursement during the year	1,989,359	-	1,989,359	745,596,000	-	745,596,000
Less : Recovery during the year	(847,346,382)	-	(847,346,382)	(337,991,953)	-	(337,991,953)
Less: Adjustment / Recovery	(3,431,686)	-	(3,431,686)	(1,827,239)	-	(1,827,239)
Add: Adjustment	-	-	-	1,125,474	-	1,125,474
Closing balance	681,111,235	-	681,111,235	499,271,945	-	499,271,945



	Amount in Taka					
	2016			2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
11.3 Loan to Beneficiaries-BUNIAD	4,124,071	-	4,124,071	-	-	-
Opening balance	5,728,727	-	5,728,727	55,543,089	-	55,543,089
Add. Disbursement during the year	8,701,000	-	8,701,000	-	-	-
Less : Recovery During the year	(10,277,139)	-	(10,277,139)	-	-	-
Less: Transferred to RMC/Jagoron	-	-	-	(55,543,089)	-	(55,543,089)
Less: Adjustment	(28,518)	-	(28,518)	-	-	-
Closing balance	4,124,071	-	4,124,071	-	-	-
11.4 Loan to Beneficiaries-SUFOLON	127,488,711	-	127,488,711	5,728,727	-	5,728,727
Opening balance	29,073,008	-	29,073,008	13,574,213	-	13,574,213
Add. Opening Adjustment	236,457,000	-	236,457,000	-	-	-
Add. Disbursement during the year	125,177	-	125,177	15,191,000	-	15,191,000
Less : Recovery During the year	(137,717,937)	-	(137,717,937)	(22,961,757)	-	(22,961,757)
Less: Adjustment	(448,537)	-	(448,537)	(74,729)	-	(74,729)
Closing balance	127,488,711	-	127,488,711	5,728,727	-	5,728,727
11.5 Loan to Beneficiaries-GRIHAYAN Loan	343,534,507	-	343,534,507	29,073,008	-	29,073,008
Opening balance	-	-	-	176,808	-	176,808
Add. Disbursement during the year	449,946,000	-	449,946,000	29,432,000	-	29,432,000
Add: Adjustment	1,500,000	-	1,500,000	-	-	-
Less : Recovery During the year	(106,341,688)	-	(106,341,688)	(535,800)	-	(535,800)
Less : Adjust / Transfer	(1,569,805)	-	(1,569,805)	-	-	-
Closing balance	343,534,507	-	343,534,507	29,073,008	-	29,073,008
12. Donation Receivable	-	-	-	-	8,761,399	8,761,399
Opening balance	-	8,761,399	8,761,399	-	8,762,899	8,762,899
Add. Disbursement during the year	-	-	-	-	-	-
Add. Adjusted during the year	-	2,296,604	2,296,604	-	-	-
Less : Recovery During the year	-	-	-	-	-	-
Less : Adjust / Transfer	-	(11,058,003)	(11,058,003)	-	(1,500)	(1,500)
Closing balance	-	-	-	-	8,761,399	8,761,399
13. Others Current Assets	-	-	-	-	-	-
13.1 Stock & Stores	-	-	-	-	-	-
Cost						
Opening balance	-	-	-	49,185	-	49,185
Add: Addition during the year	-	-	-	-	-	-
Add: Adjustment/Transfer	-	-	-	-	-	-
Less: Sale	-	-	-	(49,185)	-	(49,185)
Less: Withdraw for FDR	-	-	-	-	-	-
Total	-	-	-	-	-	-
13.2 Suspense Account	-	-	-	-	-	-
Opening balance	-	-	-	41,183	-	41,183
Add. Provision during the year	-	-	-	-	-	-
Less : Recovery during the year	-	-	-	(41,183)	-	(41,183)
Less : Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
14. Cash in Hand and at Bank	27,632,917	6,045,208	33,678,125	7,201,337	4,536,097	11,737,433.85
14.1 Cash in hand	2,534,598	39,777	2,574,375	510,042	49,356	559,398
Head Office	31,172	39,777	79,554	17,782	49,356	67,138
Branch Office	2,503,426	-	2,503,426	492,260	-	492,260
Total	2,534,598	39,777	2,582,980	510,042	49,356	559,398
14.2 Cash at Bank	25,098,319	6,005,431	31,103,750	6,691,295	4,486,741	11,178,036
Head Office	14,743,302	6,005,431	20,748,733	2,926,070	4,486,741	7,412,811
Branch Office	10,355,017	-	10,355,017	3,765,225	-	3,765,225
Total	25,098,319	6,005,431	31,103,750	6,691,295	4,486,741	11,178,036



	Amount in Taka					
	2016			2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
15. Retained Surplus	92,659,608	17,901,456	110,561,065	30,674,380	20,610,538	51,284,917
Opening balance	30,674,379	20,610,538	51,284,918	24,854,479	17,308,676	42,163,155
Add: Opening adjustment	-	-	-	-	2,210	2,210
Prior year adjustment	81,963	-	81,963	336,710	(18,391)	318,320
	30,756,342	20,610,538	51,366,881	25,191,189	17,292,495	42,483,684
Add: Surplus/(Deficit) during the year	57,076,959	(2,759,944)	54,317,015	3,016,799	3,357,438	6,374,237
Add: Adjustment during the year	4,826,307	53,071	4,879,378	2,466,392	5,817	2,472,209
Less: Adjustment during the Year	-	(2,210)	(2,210)	-	(45,213)	(45,213)
	61,903,266	(2,709,083)	59,194,183	5,483,190	3,318,043	8,801,233
Total Capital After Adjustment	92,659,609	17,901,456	110,561,064	30,674,380	20,610,538	51,284,917
Less: Provision for Reserve Fund	(9,265,961)	-	(9,265,961)	3,067,438	-	3,067,438
Total Capital After Less Reserved	83,393,647	17,901,456	101,295,104	27,606,942	20,610,538	48,217,480
Add: Reserve Fund	9,265,961	-	9,265,961	3,067,438	-	3,067,438
Closing balance	92,659,608	17,901,456	110,561,065	30,674,380	20,610,538	51,284,917
16. Development Program Fund	-	925,490	925,490	-	2,531,876	2,531,876
Opening balance	-	2,531,878	2,531,878	-	3,047,702	3,047,702
Add: Receipt during the year	-	15,486,199	15,486,199	-	28,538,497	28,538,497
Add: Receipt/Adjust / Transfer donation during the	-	6,100	6,100	-	30,585	30,585
Add: Fund against bank interest during the year	-	-	-	-	-	-
Less: Return/Transfer in cash	-	-	-	-	(7,614,415)	(7,614,415)
Less: Return/Transfer donation during the year	-	(5,335,578)	(5,335,578)	-	-	-
Less: Fund adjusted current year	-	(11,763,110)	(11,763,110)	-	(21,310,493)	(21,310,493)
Less: Adjustment	-	-	-	-	(160,000)	(160,000)
Closing balance	-	925,489	925,489	-	2,531,876	2,531,876
17. Disaster Management Fund	-	-	-	2,941,940	-	2,941,940
Opening balance	2,941,940	-	2,941,940	1,825,934	-	1,825,934
Add: Opening adjustment	-	-	-	-	-	-
Add: Provision during the year	997,887	3,293	1,001,180	1,116,006	-	1,116,006
Less: Adjust / Transfer / Refund during the year	(3,939,827)	(3,293)	(3,943,120)	-	-	-
Closing balance	-	-	-	2,941,940	-	2,941,940
18. Long Term Borrowings-PKSF	61,883,326	-	61,883,326	85,706,660	-	85,706,660
Opening balance	85,706,660	-	85,706,660	72,697,887	-	72,697,887
Add: Receipt during the year	55,500,000	-	55,500,000	50,000,000	-	50,000,000
Less: Return during the year	(79,323,334)	-	(79,323,334)	(36,991,227)	-	(36,991,227)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	61,883,326	-	61,883,326	85,706,660	-	85,706,660
18.1 Long Term Borrowings-PKSF- RMC	10,250,000	-	10,250,000	23,450,000	-	23,450,000
Opening balance	23,450,000	-	23,450,000	31,800,000	-	31,800,000
Add: Receipt during the year	1,500,000	-	1,500,000	7,500,000	-	7,500,000
Less: Return during the year	(14,700,000)	-	(14,700,000)	(15,850,000)	-	(15,850,000)
Closing balance	10,250,000	-	10,250,000	23,450,000	-	23,450,000
18.2 Long Term Borrowings-PKSF- ME	20,800,000	-	20,800,000	17,140,000	-	17,140,000
Opening balance	17,140,000	-	17,140,000	18,780,000	-	18,780,000
Add: Receipt during the year	3,000,000	-	3,000,000	7,000,000	-	7,000,000
Less: Return during the year	(9,740,000)	-	(9,740,000)	(8,640,000)	-	(8,640,000)
Less: Adjust / Transfer	10,400,000	-	10,400,000	-	-	-
Closing balance	20,800,000	-	20,800,000	17,140,000	-	17,140,000
18.3 Long Term Borrowings-PKSF- UMC	8,150,000	-	8,150,000	13,950,000	-	13,950,000
Opening balance	13,950,000	-	13,950,000	16,500,000	-	16,500,000
Add: Receipt during the year	2,000,000	-	2,000,000	6,000,000	-	6,000,000
Less: Return during the year	(7,800,000)	-	(7,800,000)	(8,550,000)	-	(8,550,000)
Closing balance	8,150,000	-	8,150,000	13,950,000	-	13,950,000
18.4 Long Term Borrowings- PKSF- UP	1,583,326	-	1,583,326	3,666,660	-	3,666,660
Opening balance	3,666,660	-	3,666,660	5,566,662	-	5,566,662
Add: Receipt during the year	1,000,000	-	1,000,000	2,000,000	-	2,000,000
Less: Return during the year	(3,083,334)	-	(3,083,334)	(3,900,002)	-	(3,900,002)
Closing balance	1,583,326	-	1,583,326	3,666,660	-	3,666,660



	Amount in Taka					
	2016			2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
18.5 Long Term Borrowings- PKSF- Seasonal	10,000,000	-	10,000,000	27,500,000	-	27,500,000
Opening balance	27,500,000	-	27,500,000	-	-	-
Add: Receipt during the year	26,500,000	-	26,500,000	27,500,000	-	27,500,000
Less: Return during the year	(44,000,000)	-	(44,000,000)	-	-	-
Closing balance	10,000,000	-	10,000,000	27,500,000	-	27,500,000
18.6 Long Term Borrowings- PKSF- ID	-	-	-	-	-	-
Opening balance	-	-	-	51,225	-	51,225
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	-	-	-	(51,225)	-	(51,225)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
18.6 Long Term Borrowings- PKSF- JAGORON	(326,685,000)	-	(326,685,000)	-	-	-
Opening balance	-	-	-	-	-	-
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(326,685,000)	-	(326,685,000)	-	-	-
Closing balance	(326,685,000)	-	(326,685,000)	-	-	-
18.6 Long Term Borrowings- PKSF- AGROSOR	(924,286,313)	-	1,136,969,688	-	-	-
Opening balance	-	-	-	-	-	-
Add: Receipt during the year	106,341,688	-	106,341,688	-	-	-
Less: Return during the year	(1,030,628,000)	-	(1,030,628,000)	-	-	-
Closing balance	(924,286,313)	-	1,136,969,688	-	-	-
18.6 Long Term Borrowings- PKSF- BUNIAD	1,440,555,663	-	1,440,555,663	-	-	-
Opening balance	-	-	-	-	-	-
Add: Receipt during the year	1,449,256,663	-	1,449,256,663	-	-	-
Less: Return during the year	(8,701,000)	-	(8,701,000)	-	-	-
Closing balance	1,440,555,663	-	1,440,555,663	-	-	-
19. Long Term Borrowings-Non PKSF	933,085,540	520,000	933,605,540	487,421,105	2,751,077	490,172,182
Opening balance	487,421,105	2,750,002	490,171,107	145,543,583	2,926,077	148,469,660
Add: Receipt during the year	796,872,901	-	796,872,901	464,450,000	650,000	465,100,000
Less: Adjust / Transfer / Refund during the year	80,904,154	-	80,904,154	-	-	-
Add: Adjustment	(417,445,902)	2	(417,445,900)	35,116,395	-	35,116,395
Less: Return during the year	(14,666,718)	(2,230,004)	(16,896,722)	(157,688,874)	(825,000)	(158,513,874)
Closing balance	933,085,540	520,000	933,605,540	487,421,105	2,751,077	490,172,181
20. Member Savings	377,439,003	49,467	377,488,470	213,448,742	-	213,448,742
20.1 Members Regular Savings	241,890,535	49,467	241,940,002	166,254,683	-	166,254,683
Opening balance	166,254,683	-	166,254,683	72,610,016	231,766	72,841,782
Add: Opening adjustment	-	-	-	(30)	-	(30)
Add: Receipt during the year	256,299,981	48,905	256,348,886	198,185,100	-	198,185,100
Add: Adjustment during the year	68,576,169	562	68,576,731	36,943,737	-	36,943,737
Less: Return during the year	(187,969,152)	-	(187,969,152)	(108,551,656)	(231,766)	(108,783,422)
Less: Adjust / Transfer / Refund during the year	(61,271,146)	-	(61,271,146)	(32,932,484)	-	(32,932,484)
Closing balance	241,890,535	49,467	241,940,002	166,254,683	-	166,254,683
20.2 Members Voluntary Savings -Weekly	-	-	-	-	-	-
Opening balance	-	-	-	15,548,382	-	15,548,382
Add: Last Year Non PKSF	-	-	-	30	-	30
Add: Receipt during the year	-	-	-	6,977,817	-	6,977,817
Less: Return during the year	-	-	-	(22,526,229)	-	(22,526,229)
Closing balance	-	-	-	-	-	-
20.3 Members Voluntary Savings -Monthly	66,007,468	-	66,007,468	28,950,059	-	28,950,059
Opening balance	28,950,059	-	28,950,059	20,761,992	-	20,761,992
Add: Receipt during the year	55,422,227	-	55,422,227	36,864,696	-	36,864,696
Add: Adjustment during the year	13,511,973	-	13,511,973	3,961,059	-	3,961,059
Less: Return during the year	(20,985,031)	-	(20,985,031)	(29,395,504)	-	(29,395,504)
Less: Adjust / Transfer / Refund during the year	(10,891,760)	-	(10,891,760)	(3,242,184)	-	(3,242,184)
Closing balance	66,007,468	-	66,007,468	28,950,059	-	28,950,059



	Amount in Taka					
	2016			2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
20.4 Members Savings-SAMRIDDI	47,212,000	-	47,212,000	14,622,000	-	14,622,000
Opening balance	14,622,000	-	14,622,000	-	-	-
Add: Receipt during the year	47,158,000	-	47,158,000	14,851,000	-	14,851,000
Add: Adjustment during the year	15,786,000	-	15,786,000	2,609,000	-	2,609,000
Less: Return during the year	(14,568,000)	-	(14,568,000)	(229,000)	-	(229,000)
Less: Adjust / Transfer / Refund during the year	(15,786,000)	-	(15,786,000)	(2,609,000)	-	(2,609,000)
Closing balance	47,212,000	-	47,212,000	14,622,000	-	14,622,000
20.5 Members Savings-OTS	22,329,000	-	22,329,000	3,622,000	-	3,622,000
Opening balance	3,622,000	-	3,622,000	-	-	-
Add: Receipt during the year	41,202,000	-	41,202,000	4,188,000	-	4,188,000
Add: Adjustment during the year	1,726,000	-	1,726,000	45,000	-	45,000
Less: Return during the year	(22,495,000)	-	(22,495,000)	(566,000)	-	(566,000)
Less: Adjust / Transfer / Refund during the year	(1,726,000)	-	(1,726,000)	(45,000)	-	(45,000)
Closing balance	22,329,000	-	22,329,000	3,622,000	-	3,622,000
21. Short Term Loan & Liability	16,984,753	95,905,531	112,890,284	31,825,078	89,596,842	121,421,920
21.1 ECBD General Account -Loan	(9,269,280)	1,371,398	(7,897,882)	31,825,078	89,596,842	121,421,920
Opening balance	31,825,078	8,803,296	40,628,374	16,089,802	49,223,541	65,313,343
Less: Opening transferred to payable	-	-	-	(1,093,282)	-	(1,093,282)
Add: Receipt during the year	391,991,518	613,150	392,604,668	193,022,080	50,637,614	243,659,694
Add: Adjustment during the year	17,256,267	524,575	17,780,842	8,859,102	44,227,908	53,087,010
Less: Return during the year	(437,414,900)	(1,358,476)	(438,773,376)	(183,930,933)	(38,217,328)	(222,148,261)
Less: Adjust / Transfer / Refund during the year	(12,927,243)	(7,211,147)	(20,138,390)	(1,121,691)	(16,274,893)	(17,396,584)
Closing balance	(9,269,280)	1,371,398	(7,897,882)	31,825,078	89,596,842	121,421,920
21.2 Employee Gratuity Fund Account - Loan	33,898,728	-	33,898,728	325,046	-	325,046
Opening balance	-	-	-	3,902,804	-	3,902,804
Add: Receipt during the year	31,669,968	-	31,669,968	44,825,818	-	44,825,818
Add: Adjustment during the year	2,228,760	-	2,228,760	-	-	-
Less: Return during the year	-	-	-	(48,403,576)	-	(48,403,576)
Closing balance	33,898,728	-	33,898,728	325,046	-	325,046
21.3 Employee DPS Fund Account - Loan	825,599	-	823,599	(44,500,772)	-	(44,500,772)
Opening balance	-	-	-	3,902,804	-	3,902,804
Add: Receipt during the year	-	2,000	2,000	-	-	-
Add: Adjustment during the year	825,599	-	825,599	-	-	-
Less: Return during the year	-	(2,000)	(2,000)	(48,403,576)	-	(48,403,576)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	825,599	-	823,599	(44,500,772)	-	(44,500,772)
21.4 Employee Welfare Fund Account - Loan	59,069,803	-	-	(44,500,772)	-	(44,500,772)
Opening balance	-	-	-	3,902,804	-	3,902,804
Add: Receipt during the year	57,784,778	-	57,784,778	-	-	-
Add: Adjustment during the year	1,285,025	-	1,285,025	-	-	-
Less: Return during the year	-	-	-	(48,403,576)	-	(48,403,576)
Closing balance	59,069,803	-	-	(44,500,772)	-	(44,500,772)
21.5 Employee Provident Fund Account - Loan	3,815,864	-	3,815,864	3,902,804	-	3,902,804
Opening balance	-	-	-	3,902,804	-	3,902,804
Add: Receipt during the year	-	-	-	-	-	-
Add: Adjustment during the year	3,815,864	-	3,815,864	-	-	-
Less: Return during the year	-	-	-	-	-	-
Closing balance	3,815,864	-	3,815,864	3,902,804	-	3,902,804
21.6 Employee Security Fund Account - Loan	324,250	-	324,250	325,046	-	325,046
Opening balance	-	-	-	3,902,804	-	3,902,804
Add: Receipt during the year	-	90,000	90,000	44,825,818	-	44,825,818
Add: Adjustment during the year	324,250	-	324,250	-	-	-
Less: Return during the year	-	(90,000)	(90,000)	(48,403,576)	-	(48,403,576)
Closing balance	324,250	-	324,250	325,046	-	325,046



	Amount in Taka					
	2016			2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
21.7 OTS	-	94,534,133	94,534,133 #	-	-	-
Opening balance	-	80,794,619	80,794,619 #	-	-	-
Add: Receipt during the year	-	59,391,326	59,391,326 #	-	-	-
Add: Adjustment during the year	-	71,867,981	71,867,981 #	-	-	-
Less: Return during the year	-	(52,599,410)	(52,599,410) #	-	-	-
Less: Adjust / Transfer / Refund during the year	-	(64,920,383)	(64,920,383) #	-	-	-
Closing balance	-	94,534,133	94,534,133 #	-	-	-
22.0 Loan Loss Provision (LLP)	16,452,649	4,780	16,457,429	10,017,113	-	10,017,113
Opening balance	10,017,113	-	10,017,113	5,933,021	-	5,933,021
Add: Provision during the year	7,322,017	6,340	7,328,357	4,643,720	-	4,643,720
Less: Adjust / Transfer	(886,480)	(1,560)	(888,040)	(559,627)	-	(559,627)
Closing balance	16,452,650	4,780	16,457,430	10,017,113	-	10,017,113
23. PF, WF, Gratuity, IT etc.	35,678,299	26,568,277	24,658,377	19,115,590	17,737,795	36,853,385
23.1 Provident Fund	-	11,593,191	11,593,191	-	8,086,227	8,086,227
Opening balance	-	8,086,227	8,086,227	-	5,232,027	5,232,027
Add: Opening transferred from Advance	-	-	-	-	(3,025)	(3,025)
Add: Receipt during the year	-	1,234,923	1,234,923	-	2,208,562	2,208,562
Add: Adjust / Transfer / Refund during the year	8,204,386	3,700,351	11,904,737	2,888,165	1,055,977	3,944,142
Less: Return during the year	(1,276,833)	(688,440)	(1,965,273)	(2,080,274)	(333,873)	(2,414,146)
Less: Adjust / Transfer / Refund during the year	(6,927,553)	(739,869)	(7,667,422)	(807,891)	(73,441)	(881,332)
Closing balance	-	11,593,191	11,593,191	-	8,086,227	8,086,227
23.2 Gratuity Fund	-	7,211,886	7,211,886	-	4,125,541	4,125,541
Opening balance	-	4,125,541	4,125,541	-	2,520,266	2,520,266
Add: Receipt during the year	-	514,555	514,555	-	1,586,342	1,586,342
Add: Adjust / Transfer / Refund during the year	2,790,463	7,630,276	10,420,739	1,567,335	200,025	1,767,360
Less: Return during the year	(370,403)	(307,280)	(677,683)	(1,291,589)	(181,091)	(1,472,680)
Less: Adjust / Transfer / Refund during the year	(2,420,060)	(4,751,206)	(7,171,266)	(275,746)	-	(275,746)
Closing balance	-	7,211,886	7,211,886	-	4,125,541	4,125,541
23.3 Staff Security	-	4,297,000	4,297,000	-	3,321,201	3,321,201
Opening balance	-	3,321,201	3,321,201	-	2,422,862	2,422,862
Add: Receipt during the year	-	2,467,000	2,467,000	-	1,910,005	1,910,005
Add: Adjusted during the year	686,500	349,214	1,035,714	212,000	218,192	430,192
Less: Return during the year	(22,500)	(1,489,771)	(1,512,271)	(115,500)	(1,227,858)	(1,343,358)
Less: Adjusted during the year	(664,000)	(350,644)	(1,014,644)	(96,500)	(2,000)	(98,500)
Less: Recovery during the year	-	-	-	-	-	-
Closing balance	-	4,297,000	4,297,000	-	3,321,201	3,321,201
23.4 Welfare Fund Staff	-	1,556,300	1,556,300	-	1,221,400	1,221,400
Opening balance	-	1,221,400	1,221,400	-	911,000	911,000
Add: Receipt during the year	-	158,100	158,100	-	436,400	436,400
Add: Adjust / Transfer / Refund during the year	2,528,350	510,475	3,038,825	670,050	123,200	793,250
Less: Return during the year	(220,925)	(284,600)	(505,525)	(443,925)	(195,762)	(639,687)
Less: Adjusted during the year	(2,307,425)	(49,075)	(2,356,500)	(226,125)	(53,438)	(279,563)
Closing balance	-	1,556,300	1,556,300	-	1,221,400	1,221,400
23.5 Welfare Fund Member	35,678,299	6,500	- #	19,115,590	-	19,115,590
Opening balance	19,115,590	-	- #	10,445,581	-	10,445,581
Add: Receipt during the year	20,523,970	6,500	- #	11,998,330	-	11,998,330
Less: Return during the year	(58,817)	-	- #	(5,915)	-	(5,915)
Less: Adjust / Transfer / Refund during the year	(3,902,444)	-	- #	(3,322,406)	-	(3,322,406)
Closing balance	16,567,709	6,500	- #	19,115,590	-	19,115,590
23.6 EDPS Fund	-	1,903,400	- #	-	983,426	983,426
Opening balance	-	983,426	- #	-	-	-
Add: Receipt during the year	-	618,900	- #	-	846,200	846,200
Add: Adjusted during the year	2,032,400	721,172	- #	873,300	238,129	1,111,429
Less: Return during the year	(481,200)	(352,841)	- #	(622,900)	(97,903)	(720,803)
Less: Adjust / Transfer / Refund during the year	(1,551,200)	(67,257)	- #	(250,400)	(3,000)	(253,400)
Closing balance	-	1,903,400	- #	-	983,426	983,426



Amount in Taka					
2016			2015		
Micro Finance	Development	Total	Micro Finance	Development	Total

24. Accounts Payable 1,840,126 1,417,966 2,295,145 5,455,126 3,549,251 9,004,378

24.1 Provision for Member Savings Interest - 355,466 (607,482) 5,455,126 3,214,039 8,669,166

Opening balance	-	2,276,000	2,276,000	-	2,795,880	2,795,880
Add: Opening transfer	-	-	-	1,093,282	-	1,093,282
Add: Provision during the Year	9,966,490	-	9,966,490	5,455,126	490,259	5,945,386
Add: Adjustment during the year	-	962,948	-	-	-	-
Less: Paid during the year	-	(530,242)	(530,242)	(357,001)	(72,100)	(429,101)
Less: Adjust / Transfer / Refund during the year	(9,966,490)	(2,353,240)	(12,319,730)	(736,281)	-	(736,281)
Closing balance	-	355,466	(607,482)	5,455,126	3,214,039	8,669,166

24.2 Provision for Bank Interest 1,340,126 193,735 1,533,861 - 287,212 287,212

Opening balance	4,823,126	-	4,823,126	-	28,534	28,534
Add: Addition during the year	-	-	-	-	33,233	33,233
Add: Adjust / Transfer / Refund during the year	78,949,250	193,735	79,142,985	18,003	230,171	248,174
Less: Paid during the year	(1,788,250)	-	(1,788,250)	(18,003)	-	(18,003)
Less: Adjust / Transfer / Refund during the year	(80,644,001)	-	(80,644,001)	-	(4,726)	(4,726)
Closing balance	1,340,126	193,735	1,533,861	-	287,212	287,212

24.3 Provision for Expenses 500,000 868,766 1,368,766 - 48,000 48,000

Opening balance	632,000	1,273,251	1,905,251	-	48,000	48,000
Add: Addition during the year	-	839,913	839,913	-	-	-
Add: Adjust / Transfer / Refund during the year	1,314,000	261,027	1,575,027	-	-	-
Less: Paid during the year	(1,223,094)	(501,862)	(1,724,956)	-	-	-
Less: Adjust / Transfer / Refund during the year	(222,906)	(1,003,563)	(1,226,469)	-	-	-
Closing balance	500,000	868,766	1,368,766	-	48,000	48,000



Amount in Taka					
2015-2016			2014-2015		
Micro Finance	Development	Total	Micro Finance	Development	Total
244,540,468	24,467,538	269,008,006	116,340,550	3,160,404	119,500,954

25.0 Service Charge

25.01 Service Charge from loan to group members & development program

Service Charge from loan to group members	238,325,994	-	238,325,994	110,748,327	-	110,748,327
Service Charge from others projects	-	24,188,405	24,188,405	-	3,011,750	3,011,750
Interest on PF Loan /Advance	-	-	-	-	-	-
Interest on Loan	-	-	-	-	-	-
Development project service charge	-	191,921	191,921	-	37,165	37,165
Sub-Total	238,325,994	24,380,326	262,706,321	110,748,327	3,048,915	113,797,242

25.02 Service charge on support services

Service Charge for Photography	4,331,589	1,300	4,332,889	4,475,928	-	4,475,928
Cheque Book Sale (Income)	539,030	-	539,030	349,335	-	349,335
Member Rejection Fee-MVS	-	-	-	56,550	-	56,550
Printing Materials/Pass Book & Register Sale	605,780	50,500	656,280	117,260	56,530	173,790
Loan Application Fee	700,875	325	701,200	592,350	-	592,350
Member Closing Fee	37,200	35,087	72,287	800	54,959	55,759
Sub-Total	6,214,474	87,212	6,301,686	5,592,223	111,489	5,703,712

26. Interest on Regular & FDR Bank A/C

Bank Int. on STD A/C	695,807	80,992	776,799	513,620	56,273	569,893
Bank Int. on DMFI Deposit	-	-	-	409	-	409
Bank Int. on Savings FDR	215,303	-	215,303	447,155	-	447,155
Bank Int. on Reserve Fund Deposit	71,881	-	71,881	-	-	-
Interest on DMF FDR	72,295	-	72,295	118,373	-	118,373
Interest on Reserve Fund FDR	-	-	-	258,719	-	258,719
Interest on Lien FDR	8,358,144	-	8,358,144	4,161,863	-	4,161,863
Interest Receivable on Savings FDR	-	-	-	-	-	-
Interest Receivable on DMF FDR	-	-	-	-	-	-
Interest FDR Investment	-	448,550	448,550	-	464,202	464,202
Interest Receivable on Lien FDR	604,080	-	604,080	1,460,227	-	1,460,227
Total Interest on Regular & FDR Bank A/C	10,017,509	529,543	10,547,051	6,960,365	520,475	7,480,841

27. Others Income

Profit gain	-	-	-	2,200	26,886	29,086
Venue/Others/Dormitory Rent	-	-	-	-	-	-
Seat Rent	-	-	-	-	-	-
Miscellaneous/Others Income	1,206,600	42,444	1,249,044	1,221,904	21,166	1,243,070
Abandoned Money	-	573,650	573,650	-	62,606	62,606
ID Card & Staff Info. Book Sale	-	-	-	-	-	-
Ware House Income	-	-	-	-	-	-
Recruitment Income	-	-	-	-	-	-
Advertisement Income	-	-	-	-	-	-
Account Closing Charge(Income)	-	-	-	-	-	-
Total Others Income	1,206,600	616,094	1,822,694	1,224,104	110,658	1,334,762

28. Donation, Subscription, Reimbursable & Contributions

Donation	-	725,700	725,700	-	3,086,902	3,086,902
Subscription	-	1,050	1,050	-	-	-
Contribution	-	1,413,937	1,413,937	-	471,440	471,440
Reimbursable Income	10,678,005	-	10,678,005	-	-	-
Seat Rent Contribution	27,850	-	27,850	338,600	-	338,600
Total	10,705,855	2,140,687	12,846,542	338,600	3,558,342	3,896,942



Amount in Taka						
2015-2016			2014-2015			
Micro Finance	Development	Total	Micro Finance	Development	Total	
29. Donor grants	-	11,348,622	11,348,622	-	21,310,493	21,310,493

30. Salary & Benefits

30.1 Salary Benefits Staffs

Staff Salary	30,231,257	678,820	30,910,077	20,452,802	482,385	20,935,187
Bonus	2,029,758	58,775	2,088,533	1,741,299	40,320	1,781,619
PFC	1,071,461	-	1,071,461	810,761	-	810,761
Gratuity	-	-	-	-	85,333	85,333
Staff Incentive for Motivation	1,092,714	1,600	1,094,314	191,297	-	191,297
Staff Welfare Fund Contribution	34,853	-	34,853	34,175	-	34,175
Sub-Total	34,460,044	739,195	35,199,239	23,230,334	608,038	23,838,372

30.2 Salary Benefits CO

Credit Office Salary	23,083,193	-	23,083,193	14,819,662	-	14,819,662
Bonus	987,665	-	987,665	6,229	-	6,229
PFC	691,968	-	691,968	336,751	-	336,751
Credit Office Salary	1,178,989	-	1,178,989	633,394	-	633,394
Credit Officer Welfare Fund Contribution	45,050	-	45,050	29,213	-	29,213
Sub-Total	25,986,864	-	25,986,864	15,825,249	-	15,825,249
Total Salary & Benefits	60,446,908	739,195	61,186,103	39,055,582	608,038	39,663,621

31. Office Rent & Utilities

Office Rent	5,580,440	-	5,580,440	3,880,640	-	3,880,640
Electric/Gas/Water Etc.	596,209	65,656	661,865	421,605	60,738	482,343
Total	6,176,649	65,656	6,242,305	4,302,245	60,738	4,362,983

32. Printing & Stationary

Office Stationary	858,249	4,926	-	-	-	-
Printing Cost	2,024,709	500	2,025,209	1,273,511	11,075	1,284,586
Photocopy	60,686	1,145	61,831	52,571	811	53,382
Total	2,943,644	6,571	2,087,040	1,326,082	11,886	1,337,968

33. Communication

Mobile Bill	966,965	5,000	971,965	748,630	47,259	795,889
Telephone bill	4,427	31,463	35,890	4,831	11,300	16,131
Internet Bill	306,896	-	306,896	234,512	-	234,512
Postage & Courier	2,363	200	2,563	3,065	165	3,230
Total	1,280,651	36,663	1,317,314	991,038	58,724	1,049,762

34. Tours & Travel

Local Conveyance	341,994	91,786	433,780	220,901	136,075	356,976
Transportation Cost	234,379	10,607	244,986	71,886	1,115	73,001
Travel Allowance (TA)	692,226	-	692,226	557,222	3,645	560,867
Daily Allowance (DA)	787,936	-	787,936	544,203	820	545,023
Fuel Cost	1,494,145	15,650	1,509,795	1,173,116	29,400	1,202,516
Lodging & Night Stay cost	61,370	-	61,370	41,765	-	41,765
Total	3,612,050	118,043	3,730,093	2,609,093	171,055	2,780,148

35. Repairs & Office Maintenance

Cleaning Materials	55,094	-	55,094	33,460	-	33,460
Electric Goods	118,512	-	118,512	89,588	-	89,588
Furniture/Fixture/Equipment & Others Maintenance	36,785	11,880	48,665	-	2,663	2,663
Computer/Software Maintenance	1,111,279	22,525	1,133,804	768,674	-	768,674
Motor Cycle & Bi-Cycle Maintenance	332,234	-	332,234	250,763	-	250,763
Repair & Maintenance	185,158	64,778	249,936	148,582	15,986	164,568
Internet Accessories & Maintenance	35,640	-	35,640	32,770	-	32,770



	Amount in Taka					
	Micro Finance	2015-2016		2014-2015		
		Development	Total	Micro Finance	Development	Total
Car Maintenance	191,853	-	191,853	193,582	-	193,582
Total	2,066,555	99,183	2,165,738	1,517,419	48,649	1,536,068

36. Advertisement & Publications

Signboard/Hooding	218,713	1,350	220,063	69,794	-	69,794
Advertisement Cost	41,750	-	41,750	130,422	-	130,422
News Paper & Magazine	150,082	3,300	153,382	114,360	610	114,970
Staff Recruitment Cost	110,883	-	110,883	69,489	-	69,489
Total	521,428	4,650	526,078	384,065	610	384,675

37. Legal Expenses

Renewal & Registration	94,231	28,935	123,166	115,664	3,000	118,664
Revenue Stamp/Stamp	6,675	-	6,675	6,354	-	6,354
Audit/Monitoring/Consultancy Fee	100,000	55,121	155,121	120,000	75,000	195,000
Legal Expenses	267,850	17,559	285,409	195,900	22,000	217,900
VAT & Tax Expenses for Organization	941,494	104,382	1,045,876	600,457	-	600,457
Total	1,410,250	205,997	1,616,247	1,038,375	100,000	1,138,375

38. Training / Workshop / Meeting / Conference

Training / Workshop/Summit	785,346	34,320	819,666	458,401	200,368	658,769
Meetings & Conference	231,991	-	231,991	23,843	-	23,843
Total	1,017,337	34,320	1,051,657	482,244	200,368	682,612

39. Other Admin & General Expenses

Entertainment	970,887	22,032	992,919	767,367	29,522	796,889
Bank Charge (DD,TT,ALL)	862,432	48,064	910,496	492,319	41,454	533,772
Donation & Occasional Exp.	304,147	50,354	354,501	208,400	167,261	375,661
Cookeries & Cutlery	243,602	-	243,602	151,300	-	151,300
Write Off	-	-	-	-	-	-
Dish line/Cable Charge	6,900	88,352	95,252	6,200	-	6,200
Miscellaneous Expense	717,131	-	717,131	802,438	183,776	986,214
Office maintenance	-	-	-	-	680	680
Car Rent	-	-	-	-	-	-
Lunch Allowance	3,983,890	-	3,983,890	-	-	-
Medical Exp. For General Staff	91,447	-	91,447	-	50,000	50,000
Loan Processing Fee	-	-	-	1,688,888	-	1,688,888
Total	7,180,436	208,802	7,389,238	4,116,912	472,693	4,589,604

40. Gratuity, Pension & Insurance Premium

Staff Gratuity	1,457,218	1,773,778	3,230,996	1,562,586	-	1,562,586
Total	1,457,218	1,773,778	3,230,996	1,562,586	-	1,562,586

41. Interest on PKSf & Bank Loan Fund

Interest to PKSf-RMC	1,033,252	-	1,033,252	1,834,500	-	1,834,500
Interest to PKSf-UMC	714,690	-	714,690	954,564	-	954,564
Interest to PKSf-ME	900,750	-	900,750	1,159,976	-	1,159,976
Interest to PKSf-UP	33,125	-	33,125	60,125	-	60,125
Interest to PKSf-Seasonal	1,292,500	-	1,292,500	-	-	-
Interest to PKSf-ID Loan	-	-	-	128	-	128
Interest on Bank Loan	79,041,179	6,358	79,047,537	39,896,451	-	39,896,451
Total	83,015,496	6,358	83,021,854	43,905,744	-	43,905,744

42. Interest for Savings

Int. on Member Regular Savings	7,345,122	780	7,345,902	5,298,287	-	5,298,287
Ins on Member voluntary savings-Weekly	-	-	-	172,322	-	172,322
Ins on Member voluntary savings-Monthly	2,621,368	-	2,621,368	1,166,283	-	1,166,283
Ins on Member Savings-OTS	1,160,045	-	1,160,045	10,506	-	10,506



	Amount in Taka					
	2015-2016			2014-2015		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Total	11,126,535	780	11,127,315	6,647,398	-	6,647,398

43. Interest on Others Loan Fund

Interest on General Fund	15,207,029	1,043,015	16,250,044	5,028,654	-	5,028,654
Interest on Staff PF fund	648,192	180,957	829,149	395,540	-	395,540
Interest on Staff ES fund	-	-	-	291,029	201,818	492,847
Interest on Staff EG fund	1,123,468	158,464	1,281,932	219,789	-	219,789
Interest on Staff EDPS fund	106,899	-	106,899	41,707	-	41,707
Interest on Staff EW fund	-	-	-	104,030	-	104,030
Interest on General OTS Dev. Program Members Deposit	-	6,243,380	6,243,380	-	702,245	702,245
Interest on MFP Loan	-	10,678,005	10,678,005	-	-	-
Interest on OTS Fund Loan	-	6,243,380	6,243,380	-	-	-
Total	17,085,589	24,547,200	41,632,789	6,080,748	904,063	6,984,811

44.0 Programmatic Exp. & Contributions

General Program Expenses	-	-	-	-	122,520	122,520
BNF Program Exp. SMS-06	-	345	-	-	-	-
MJF Program Expense	-	5,327,174	5,327,174	-	3,874,451	3,874,451
PLCEHD-2 Project Expense	-	2,043,250	2,043,250	-	965	965
Room to Read Project	-	1,524,840	6,340	-	6,233,322	6,233,322
Radio Bikrampur Project Expenses	-	9,212	9,212	-	6,800	6,800
BNNRRC Project	-	188,080	188,080	-	664,941	664,941
STAPS BAN Project Expense	-	4,078,571	4,078,571	-	8,655,529	8,655,529
Water & Sanitation Pro. Exp-NGO Forum	-	11,000	11,000	-	12,584	12,584
ECGSP (NGO Forum) Project Exp	-	461,255	461,255	-	737,480	737,480
INCLUDED Program EXP.	-	-	-	-	2,175,561	2,175,561
Development Program Expenses	-	-	-	-	-	-
Total Programmatic Exp. & Contribution	-	13,643,726	12,124,882	-	22,484,152	22,484,152

45.0 Expenses for Provision & Reserved

Loan Loss Provision (LLP)	7,322,017	6,340	7,328,357	4,643,720	-	4,643,720
Disaster Management Fund (DMF)	997,887	3,293	1,001,180	1,116,006	-	-
Total Provision & Reserved	8,319,903	9,633	8,329,536	5,759,726	-	4,643,720

46.0 Depreciation on Non Current Assets

Dep. on Furniture	402,912	946	403,858	276,693	7,802	7,802
Dep. on Office Equipments	981,957	60,926	1,042,883	794,751	96,771	96,771
Dep. On Vehicle	1,400	300,000	301,400	1,400	300,000	300,000
Dep. Others Assets	17,555	-	17,555	12,176	-	-
Amortisation-Intangible Assets	329,000	-	329,000	259,667	-	-
Total Depreciation on Non Current Assets	1,732,824	361,872	2,094,696	1,344,687	404,573	404,573



Property, Plant and Equipment

Annexure-1

SL	Particulars	Cost			Depreciation			Amount in Taka	
		Opening balance as on 01.07.2015	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2016	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2016	Written down value as on 30.06.2016
1	Land & buildings	-	-	-	-	-	-	-	-
2	Furniture & fixtures	4,019,316	3,582,216	(1,119,970)	6,481,562	402,912	(127,510)	1,748,966	4,732,596
3	Equipment	4,623,588	3,136,401	(1,580,281)	6,179,708	981,957	(171,201)	2,825,931	3,353,777
5	Vehicles	107,813	3,324,470	(3,324,470)	107,813	1,400	-	103,845	3,968
6	Other assets	90,426	45,400	-	135,826	49,944	17,555	67,499	68,327
Total		8,841,143	10,088,487	(6,024,721)	12,904,909	1,403,824	(298,711)	4,746,241	8,158,668

SL	Particulars	Cost			Depreciation			Amount in Taka	
		Opening balance as on 01.07.2014	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2015	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2015	Written down value as on 30.06.2015
1	Land & buildings	-	-	-	-	-	-	-	-
2	Furniture & fixtures	2,792,426	1,226,890	-	4,019,316	276,693	-	1,473,564	2,545,752
3	Equipment	3,405,665	1,403,693	(185,770)	4,623,588	794,751	(18,156)	2,015,175	2,608,413
5	Vehicles	107,813	2,293,450	(2,293,450)	107,813	1,400	-	102,445	5,368
6	Other assets	87,076	3,350	-	90,426	12,176	-	49,944	40,482
Total		6,392,980	4,927,383	(2,479,220)	8,841,143	1,085,020	(18,156)	3,641,127	5,200,016



Intangible Assets

Annexure-2

SL	Particulars	Cost				Amortisation			Amount in Taka	
		Opening balance as on 01.07.2015	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2016	Opening balance as on 01.07.2015	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2016	Written down value as on 30.06.2016
1	Software	1,645,000	-	-	1,645,000	559,167	329,000	-	888,167	756,833
	Total	1,645,000	-	-	1,645,000	559,167	329,000	-	888,167	756,833

SL	Particulars	Cost				Amortisation			Amount in Taka	
		Opening balance as on 01.07.2014	Addition during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2015	Opening balance as on 01.07.2014	Charged during the year	Disposal/ Adjustment during the year	Closing balance as on 30.06.2015	Written down value as on 30.06.2015
1	Software	1,145,000	500,000	-	1,645,000	282,833	259,667	16,667	559,167	1,085,833
	Total	1,145,000	500,000	-	1,645,000	282,833	259,667	16,667	559,167	1,085,833



Ambala Foundation
Eligibility Criteria Compliance Certification
For the year ended June 30, 2016

Sl #	Eligibility Criteria	Audited Figures or Compliance	Audited Figures or Compliance
		FY-2015-2016	FY 2014-2015
1	Minimum loan recovery rate, computed quarterly, based on the following		
	I) 95% minimum cumulative loan collection ratio on total dues: <div style="text-align: center;"> $\frac{\text{Actual Cumulative Collection} \times 100}{\text{Cumulative Collectibles}}$ </div>	99.86%	99.86%
	ii) 92-100% minimum loan collection ratio on current dues (on running 12 month basis) <div style="text-align: center;"> $\frac{\text{Actual Collections during the past 12 months on current dues} \times 100}{\text{Collectibles on current dues}}$ </div>	99.90%	99.83%
2	Minimum liquidity ratio of 10%	10.95%	10.04%
3	Minimum current ratio of 2.0:1	3.36:1	2.08:1
4	Minimum capital adequacy ratio of 15%	6.86%	3.47%
5	Minimum debt service cover ratio of 1.25:1	1.51:1	1.43:1
6	Debt capital ratio 9:1	15.40:1	27.30:1
7	Minimum rate of return on capital of 1%	66.90%	20.96%



Ambala Foundation
Portfolio report for the year ended June 30, 2016
Review of Loan Classifications and Provisions

(i) Classification of Loan and Loan Loss Provision:

Sl. No	Particulars	No. of days Outstanding	Outstanding Loan	Required Provision	
			Amount	Rate %	Amount(Tk)
1	Total Loan Outstanding		1,327,061,230/-	N/A	N/A
2	Total Overdue		3,498,347.62		
3	Regular	Loans with no overdue installments	1,322,619,479.63	1%	1,32,26194.72
4	Watchful	Loan default duration between 1 and 30 days	539,142.36	5%	26,957.11
5	Sub-standard	Loan default duration between 31 and 180 days	859,787.85	25%	2,14,946.96
6	Doubtful	Loan default duration between 181 and 365 days	233,078.95	75%	1,74,809.21
7	Bad Loan	Loan default duration above 365 days	2,809,741.68	100%	28,09,741.68
Total					16,452,649.68

(ii) Loan loss provision (LLP) status of the Ambala Foundation

Particulars	Taka
Required Provision as per MRA policy	16,452,649.68
Actual Provision made by the MFI	16,452,649.68
Excess/Shortfall of Provision	-
Comment of LLP	-
Disclosure on written off loan:	
Loan written off balance 01.07.2015	60,51,090/-
Loan written off during the year 2015-2016	-
Written off loan recovered during the year 2015-2016	-
Loan written off balance 30.06.2016	60,51,090/-



(iii) Loan Operational Report

Sl. No	Particulars	FY-2015-2016			FY-2014-2015		
1	Financial Service Product:						
	Loan Product:						
	PKSF funded loan	6,18,83,326/-			8,57,06,660/-		
	Housing loan	-			-		
	Agriculture loan	933,085,540.42/-			48,74,21,104.67/-		
	Sanitation loan	N/A			N/A		
	Savings product:						
	Regular /Mandatory Savings	241,890,535/-			16,62,54,683/-		
	Voluntary Savings	135,548,468/-			4,71,94,059/-		
	Insurance Product:						
	Life	N/A			N/A		
	Livestock	N/A			N/A		
	Member welfare fund	35,678,299/-			1,91,15,590/-		
		M	F	Total	M	F	Total
2	Number of branches		57	36		36	
3	90	2781	2871	108	2146	2226	
4	1104	38748	39852	1026	30023	31049	
5	458	25221	25679	626	21066	21692	
6	302	87	389	187	63	250	
7	54,070,073	1,272,991,157	1,327,061,230	39,335,113	687,984,855	727,319,968	
8	1:41.48	1:65.08	1:64.43	1:61.01	1:70.17	1:69.86	
9	145,000/-	70,0000/-	75,000/-	120,000/-	600,000/-	65,000/-	



Ambala Foundation
Microfinance Ratio Analysis

SL. No	Particulars	Standard		Year wise financial Status		
				2015-2016	2014-2015	2013-2014
Portfolio Quality Ratio Analysis						
1	On Time Realization (OTR)	Min. 92%	(≥ ↑)	99.86%	99.83%	99.72%
2	Cumulative Recovery (CRR)	Min. 95%	(≥ ↑)	99.90%	99.86%	99.78%
3	Portfolio at Risk (PAR)	Max. 0-5%	(≤ ↓)	0.33%	0.54%	1.21%
4	Delinquency Ratio	Max. 0-5%	(≤ ↓)	0.26%	0.43%	1.05%
Efficiency and Productivity Ratio Analysis						
5	Average Loan Size Ratio (Urban & Rural-MFP)	TK. 20,000	(≥ ↑)	33269	27937	23330
6	Member Per Branch	1200-1500	(≥ ↑)	699	862	1046
7	Member Per CO	350:1 (250-375)	(≥ ↑)	212	233	282
8	Loanee Per CO	300:1	(≥ ↑)	137	163	200
9	Portfolio Per CO	20-25 (Lac tk.)	(≥ ↑)	7,058,836	5,468,571	3,409,786
10	Portfolio Per Borrower	TK. 20,000	(≥ ↑)	51679	33560	17090
11	Borrower Coverage % (Borrower & Member)	85-90%	(≥ ↑)	64.44%	69.80%	70.76%
12	Operating Cost Ratio	7%	(≤ ↓)	8.58%	11.27%	15.90%
Profitability and Sustainability Ratio Analysis						
13	Operational Self-Sufficiency (OSS)	More than 100%	(≥ ↑)	114%	91%	95%
14	Financial Self-Sufficiency (FSS)	Min. 100%	(≥ ↑)	127%	102%	109%
Asset/Liability Ratio Analysis						
15	Current Ratio	Min. 2: 1	(≥ ↑)	3.54	2.08	2.61
16	Debt to Capital Ratio	Max 9:1	(≤ ↓)	15.40	27.30	14.23
17	Liquidity Ratio	Min. 10%	(≥ ↑)	10.14%	10.04%	6.97%
18	Capital Adequacy Ratio	Min. 10-15%	(≥ ↑)	6.86%	3.47%	7.90%
19	Debt Service Cover Ratio	Min. 1.25:1	(≥ ↑)	1.12	1.43	1.75
20	Rate of Return on Capital	Min. 1%	(≥ ↑)	66.90%	20.96%	25.69%
21	Return On Total Asset (ROTA)	3-5% (FY)	(≥ ↑)	4.71%	0.91%	1.88%
22	Yield on Portfolio	Min. 20%	(≥ ↑)	25.94%	24.23%	27.16%
23	Cost Per Unit of Loan Recovery	4%-7%	(≤ ↓)	6.05%	7.47%	8.93%
24	Bad OD as a % Loan Outstanding	Max 2%	(≤ ↓)	0.21%	0.31%	0.90%



**Statement of Budget
Financial Year: 2016-2017**

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

Description	2015-2016			2016-2017 (Proposed)	Remarks
	Projected	Actual	Variance (%)		
1. Area Coverage:					
District	0	4	4	0	
Thana/Upazilla	0	7	7	5	
Union/Pourashava	0	38	38	40	
Village/Word	50	171	121	400	
2. Branch Opening	0	21	21	15	
3. Group/Samity Formation	0	643	643	1944	
4. Add New Member	15762	8803	-44%	55099	
5. Add New Borrower	33156	3987	-88%	49845	
6. Recruitment (Number)	1	139	13800%	100	
7. Deposits Collection	478,079,290	499,683,350	5%	532,667,490	
8. Refund Deposit	157,323,386	335,693,089	113%	124,758,362	
9. Loan Recovery (Principal)	1,755,356,633	1,456,844,009	-17%	3,263,206,667	
10. Loan Disbursement	2,329,800,000	2,056,585,272	-12%	4,666,300,000	
11. Loan Received (Borrowing)	747,750,000	933,277,056	25%	1,453,500,000	
12. Loan Returns	362,849,354	511,435,954	41%	685,772,956	
13. Received against insurance service	23,298,000	36,794,809	58%	46,663,000	
14. Insurance benefits given	-	20,232,100	100%	4,666,300	
15. Total Income	313,135,558	266,470,432	-15%	506,689,265	
16. Total Expenditure	250,885,539	209,374,974	-16.55%	361,273,088	

Description	Current Balance as of 30 June 2016
1. Area Coverage:	
District	9
Thana/Upazilla	31
Union/Pourashava	202
Village/Word	893
2. Number of Branch	57
3. Number of Group	2871
4. Number of Member	39852
5. Number of Borrower	25679
6. Manpower (Number)	389
7. Deposit Balance	377,439,003
8. Loan Outstanding	1,327,061,230
9. Loan Received	994,968,866
10. Insurance Fund	35,678,299
11. Cumulative Surplus	92,678,107



**Statement of Budget
Financial Year: 2016-2017**

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

Sl No.	Description	2015-2016			2016-2017
		Projected	Actual	Variance (%)	(Proposed)
1	*Loan Recovery:				
	Jagoron	789,910,485	349,682,317	-56%	419,999,101
	Agrosor	702,142,653	705,093,667	0.4%	1,348,512,925
	Buniad	175,535,663	10,305,657	-94%	326,320,667
	Sufolon (Seasonal and Agriculture)	87,767,832	283,850,875	223%	313,491,196
	Kuwait Good Will Fund (KGF)	-	-	0%	-
	Migration	-	-	0%	-
	Service Holder	-	-	0%	-
	Health	-	-	0%	-
	Emergency	-	-	0%	-
	Education	-	-	0%	-
	Others (Grvhavan)	-	107,911,493	100%	854,882,778
	Total	1,755,356,633	1,456,844,009	-17%	3,263,206,667
	Should be given component wise breakdown				
2	Fund Collection:				
	1.Savings Collection				
	Force Savings	218,848,913	387,821,150	77%	214,913,240
	Voluntary Savings	108,450,378	68,934,200	-36%	87,928,250
	Fixed Deposit	150,780,000	42,928,000	-72%	229,826,000
	Total	478,079,290	499,683,350	5%	532,667,490
	MFI Borrowing				
	2.PKSF Loan	176,200,000	55,500,000	-69%	130,100,000
	3.Bank Loan	471,550,000	877,777,056	86%	1,323,400,000
	4.Loan from Financial Institution	-	-	0%	-
	5.Loan from other Institution	-	-	0%	-
	6.Donation (Conditional)	-	-	0%	-
	7.General/EC Member loan	-	-	0%	-
	8.Others Loan	-	409,247,785	100%	-
	Total	647,750,000	1,342,524,841	107%	1,453,500,000
3	Insurance Fund Collection	23,298,000	36,794,809	58%	4,666,300
4	Utilization of Fund				
	1*Loan Disbursement				
	Jagoron	931,920,000	327,238,736	-65%	600,587,700
	Agrosor	1,048,410,000	826,958,832	-21%	1,928,338,400
	Buniad	232,980,000	8,701,000	-96%	466,630,000
	Sufolon (Seasonal and Agriculture)	116,490,000	442,240,704	280%	448,284,000
	Kuwait Good Will Fund (KGF)	-	-	0%	-
	Migration	-	-	0%	-
	Service Holder	-	-	0%	-
	Health	-	-	0%	-
	Emergency	-	-	0%	-
	Education	-	-	0%	-
	Others Disbursement (Grvhavan)	-	451,446,000	100%	1,222,459,900
	Total	2,329,800,000	2,056,585,272	-12%	4,666,300,000
	Should be given component wise breakdown				
	2.Savings Returns:				
	Force Savings	100,912,231	279,595,298	177%	53,200,320
	Voluntary Savings	23,327,156	31,876,791	37%	17,672,242
	Fixed Deposit	33,084,000	24,221,000	-27%	53,885,800
	Total	157,323,386	335,693,089	113%	124,758,362
	3. Loan Repayment:				
	PKSF Loan	114,218,887	79,323,334	-31%	84,627,775
	Bank Loan	248,630,468	432,112,620	74%	84,627,775
	Loan from Financial Institution	-	-	0%	-
	Loan from other Institution	-	-	0%	-
	General/EC Member loan	-	-	0%	-
	Others Loan	-	450,342,143	100%	-
	Total	362,849,354	961,778,097	165%	169,255,551
5	Insurance Service (Claims)	-	20,232,100	-	466,300
6	Acquisition of Fixed Assets				
	Land Purchase & Development	-	-	-	-
	Land Development	-	-	-	-
	Building Construction	-	-	-	-
	Motor Vehicles	-	3,324,470	100%	6,700,000
	Furniture & Fixtures & Office Equipments	-	3,582,216	100%	-
	Office Equipments	-	3,136,401	100%	250,000
	Electric Equipments	-	-	-	-
	Computer & Accessories	-	-	-	-
	Computer Software	-	-	-	-
	Total	-	10,043,087	-	6,950,000



Statement of Budget
Financial Year: 2016-2017

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

SL No.	Description	2015-2016			2016-2017 (Proposed)
		Projected	Actual	Variance (%)	
7	Income:				
	1. Service Charge	294,093,407	238,325,994	-19%	477,491,612
	2. Interest on Investment & Bank	14,897,714	10,017,509	-33%	10,297,528
	3. Other Interest	-	-	-	-
	4. Entry Fees/ Member Admission Fees	-	-	-	-
	5. Sale of Forms	828,888	605,780	-27%	8,592,000
	6. Donation from PKSF	-	10,678,005	-	-
	8. Others Income	3,315,550	6,843,144	106%	10,308,126
	9. Recovery of Written off Loan	-	-	-	-
	10. Overhead cost from others Program	-	-	-	-
	Total Income (1+....10)	313,135,558	266,470,432.24	28%	506,689,266
8	Expenses:				
	Financial Expense:				
	1. Savings Interest	28,047,394	11,126,535	-60%	36,919,726
	2. Interest of PKSF Loan	17,603,212	3,974,317	-77%	8,258,759
	3. Interest on Bank loan	82,807,802	79,041,179	-5%	140,824,209
	4. Interest on Committee loan	-	-	-	-
	5. Interest on Others Institutional loan	-	-	-	-
	6. Others	-	17,085,589	-	1,106,950
	Total Financial Expenses (1+....+6)	128,458,408	111,227,619	-142%	187,109,644
	General & Administrative Expenses:				
	7. Salary & Allowances*1				
	Basic Pay	48,141,375	55,157,782	15%	94,513,854
	Special Allowance	6,889,510	2,271,703	-67%	7,363,943
	Dearness Allowance	-	-	-	-
	House Rent Allowance	-	-	-	-
	Medical Allowance	-	-	-	-
	Festival Allowance	4,106,426	3,017,423	-27%	7,876,155
	Rest & Recreation Allowance	-	-	-	-
	Lunch Allowance	27,279,198	3,983,890	-85%	7,857,000
	Conveyance Allowance	-	-	-	-
	Telephone Allowance	-	-	-	-
	Educational Allowance	-	-	-	-
	Fixed Travel Allowance	-	-	-	-
	Overtime Allowance	-	-	-	-
	Others Allowance-If any	4,419,044	1,687,105	-62%	8,270,095
	Total	90,835,553	66,117,903	-226%	125,881,047
	8. House Rent	4,471,440	5,580,440	25%	8,734,800
	9. Printing & Stationeries:				
	Printing & Binding	2,102,000	2,024,709	-4%	2,000,000
	Stationary, Seal & Stamps	896,400	858,249	-4%	1,252,800
	Total	2,998,400	2,882,958	17%	3,252,800
	10. Travel Expense:				
	a) Domestic	1,143,600	2,117,905	85%	3,083,250
	b) Foreign	-	-	-	-
	Total	1,143,600	2,117,905	85%	3,083,250
	11. Telephone & Postal:				
	Telephone, Telex ,Fax ,Internet	1,115,280	1,278,288	15%	1,995,384
	Postal & Courier Service	46,800	2,363	-95%	40,050
	Total	1,162,080	1,280,651	-80%	2,035,434



**Statement of Budget
Financial Year: 2016-2017**

Name of organization: Ambala Foundation
Certificate no : 00350-01308-00086

SL No.	Description	2015-2016			2016-2017 (Proposed)
		Projected	Actual	Variance (%)	
12. Repairs & Maintenance:					
	Office Building	-	-	0%	-
	Motor Vehicles	328,800	1,008,050	207%	564,600
	Others	4,411,200	1,058,505	-76%	1,838,400
	Total	4,740,000	2,066,555	131%	2,403,000
13. Fuel Expenses		1,398,000	1,494,145	7%	2,644,500
14. Gas, Electricity & Water bill		424,800	596,209	40%	1,490,250
15. Entertainment		1,765,320	970,887	-45%	2,132,400
16. Advertisement		170,000	152,633	-10%	150,000
17. Newspaper & Publication:					
	Newspaper & Magazine	147,840	150,082	2%	622,880
	Books & Publication and Research	-	218,713	0%	-
	Total	147,840	368,795	-6%	622,880
18. Bank Charge		476,000	862,432	81%	624,500
19. Training Expense:					
	Local Training	290,000	512,422	77%	290,000
	Foreign Training	-	-	-	-
	Total	290,000	512,422	77%	290,000
20. Seminer, Conference & Workshop Expense		930,000	457,044		480,000
21. Legal, Insurance, Income Tax, Membership		161,000	274,525	71%	521,000
22. Meeting Expense		55,000	47,871		425,000
23. Registration fees/Renewal fees		38,000	94,231	148%	76,000
24. Others Operational Expense :					
	Others Expense	1,728,400	829,193	-52%	775,600
	Picnic, Fair and Get - together	-	-	0%	-
	Photocopy	80,000	60,686	0%	161,400
	PRIME, Samridhi, Agriculture and KGF	-	-	0%	-
	Recreational allowance	-	-	0%	-
	Software Maintenance and others	-	-	0%	-
	Communication & Marketing	-	-	0%	-
	Annual Report	-	-	0%	-
	Community Health	-	-	0%	-
	Computer Accessories (Maintenance)	-	-	0%	-
	Total	1,808,400	889,879	-52%	937,000
25. Audit Fees		100,000	100,000	0%	100,000
26. Honorarium for EC Members		-	-	0%	-
27. Other Honorarium		-	-	0%	-
28. Tax:					
	Land Tax	-	-	0%	-
	Income Tax	600,000	941,494	57%	600,000
	Other Tax	-	-	0%	-
	Customs Duty/VAT	-	-	0%	-
	Total	600,000	941,494	57%	600,000
29. Subscriptions & Donation		50,000	304,147	508%	50,000
30. Depreciation		249,123	1,732,824	596%	3,598,650
31. Cost Sharing Expenses		-	-	0%	-
32. Consultancy Service		-	-	0%	-
33. Total Operational Expenses		242,472,963	201,073,571	-17%	347,242,155
34. Loan Loss Provision *		5,744,434	7,322,017	27%	14,030,933
35. DMFE		2,668,142	997,887	-63%	-
36. Net Surplus		62,250,019	57,076,958	-8%	145,416,178
37. Transfer to Various Fund:					
	Reserve Fund	6,225,002	5,707,696	-8%	14,541,618
	DMF	-	-	0%	-
	Others	-	-	0%	-
	Total	6,225,002	5,707,696	-8%	14,541,618



Annexure- B

Management Report on the Financial Statements of Ambala Foundation Microfinance program for the year ended 30 June 2016.

Current year's (2015-2016) observations:

Review of internal control system of Financial Management System ensuring accountability and transparency:

I. Accounting System

Branch Authorities disburse loans to beneficiaries following policy and procedures and rules and regulations and record transactions in software system "Microfin360". In branch level, for recording the transaction in software system two individual are allowed with individual access control (password). One is branch manager and another person is branch accountant. Transactions are recorded in the system on daily basis and produces vouchers, ledgers, trial balance and financial systems on periodical basis.

At Head office MFP related accounts also maintained in "Microfin360" certified by DataSoft Systems Bangladesh Ltd. And others project maintained in Troyee Accounting Software.

Branch office prepared financial statements and submits to head office monthly basis. All collected amounts are deposited to bank account by the branch. Head office maintains control ledger and other subsidiary books of accounts based on monthly statements of branch offices and prepares consolidated financial statements in the "Microfin360" software.

Ambala Foundation also maintains Fixed Assets management software "NabaERP365" centrally at head office for all cost centers to ensure proper utilization of assets with sound control. Depreciation has been charged at the straight line method on fixed assets in yearly basis by the Head office. Moreover yearly fixed assets verification is conducted of each year to ensure proper management of assets.

Apart from this, the organization maintains fixed assets register, stock register, advance register, salary register, logbook, cash and bank books etc.

Despite of the existence of a sound system of accounting for Microfinance Program, we observed few shortcomings during our visit to Head office and branch offices which are presented below along with implication, recommendation and management response.

Cash management

1. Matters Arising

Cash book was not reviewed regularly by the authorized person's at Kadomtoli branch office.

Implications

The lack of authorization as well as the lack of review may result in entries made in the cash book for fraudulent purposes not being detected by management.

Recommendation

Management should ensure that the policies and procedures with regards to the cash strictly followed to avoid any risks.

Management Response



The branch manager of Kadamtoli branch has been instructed to review cash book regularly and the higher authority of Ambala Foundation also has been instructed to check the issue.

2. Matters Arising

During the course of our audit while reviewing bank reconciliation statements we observed that bank reconciliation statements were not prepared for the following months:

Branch Name	Bank Name	Account No.	Month
Kadomtoli	Southeast bank ltd.	3013100000121	March to June-2016
Atibazar	Southeast bank ltd.	8013100000023	January to June -2016
Ashulia	Southeast bank ltd.	9413100000013	April to June-2016
Kaliakoir	National bank ltd.	9336000219	October 15 to June 16

Implication

Error will not be identified on a regular basis, may lead to significant time being spent to reconcile them.

Recommendation

Management should ensure that bank reconciliation statements are being prepared on a regular basis.

Management Response

We have already given instructions to the accounts section & and all branches to prepare bank reconciliation statements of all bank accounts regularly at closing of each month.

II. Investments

a. FDR

Investment of Ambala Foundation Microfinance Program represents fixed deposit with banks. All investments in the FDR are duly approved by the appropriate authority of Ambala Foundation. Encashment of FDR and interest accrued during the year were properly accounted for. During the course of our audit we did not find any shortcomings in this area to report to the management.

b. Fixed Asset

Ambala Foundation maintains automated fixed asset register in the Head office and all of its Branch offices. Ambala Foundation procedures require that all the fixed assets maintained at Branch offices to be clearly tagged and differentiated between program assets. Fixed assets are depreciated on a straight line basis over the assets estimated useful lives and must be agreed to branch office accounts. During the audit we have reviewed the investment in fixed assets and its management to find out whether the investments are approved by the appropriate authority, properly recorded, used for the Microfinance Program and safeguarded with proper records.

Matters Arising



During our physical sighting of fixed assets on a sample basis at the Ambala Foundation Branch Office visited we noted the following lapses with regard to fixed asset recording and maintenance. Identification number was not affixed with the following fixed assets:

Branch Name	Item Name	Item quantity
Kadomtoli	Ceiling Fan	1(one)
	Bed	1(one)
Kaliakoir	Printer	1(one)
Daudkandi	Bed	1(one)

Implications

Control weakness in the fixed asset management distorts the accuracy of the asset items and may result in loss to the program.

Recommendation

Management should ensure that fixed asset register is being updated properly to ensure the accuracy and existence of physical assets.

Management Response

We have agreed with the auditors' recommendation on regular updating of fixed assets register. We already instructed the branches to maintain fixed assets register regularly. AMBALA FOUNDATION higher authority has also been instructed to confirm regular update of such register; hopefully the problem will be solved immediately.

III. Payables and Accruals

We have reviewed the payables and accruals on a sample basis and found that these were within the normal course of business and were accounted for properly. We did not find any shortcomings in this area to report to the management.

IV. Commercial Loan

We observed that Ambala Foundation has received loan funds from various banks/financial institutions which have been used for loan disbursement to the microfinance borrowers of the organizations. We have reviewed the sanction letters/approval including relevant documents and found that Ambala Foundation has complied with all relevant provisions of the loan agreements. It was also noted that all the installments payable were paid in due time and no exception was noted.

V. Loan Operation Management

Ambala Foundation has developed a detailed operational manual to execute, control and monitor microfinance operations. The manual has clearly described in detail the policies and procedures regarding disbursement & collection of loans to and from the members. Ambala Foundation has an Internal Audit Department. The Internal Audit Department monitors the compliance of the relevant policies and procedures as regular interval and reports to the top management. Internal control system relating to the loan operation management was found satisfactory.



During the audit at branch offices, we found that loans were disbursed to the target people who are unable to obtain credit from mainstream banks due to lack of necessary collateral and referrals. The loans were disbursed among targeted people by maintaining all formalities as introduced by Ambala Foundation following the MRA guidelines.

Matters Arising

During the course of our audit while reviewing the loan applications, loan approval, loan disbursement and loan collection procedures at 5 branch offices to ensure that all required policy, procedures and guidelines were properly complied with, we observed the following shortcomings:

- Membership form was not found at branch office. Details are given below:

Branch Name	Member Name	Member No.	Center No.	Name of Samity
Ati Bazar	Most.AsmaAkter	19	18	Chotovauval

- Absence of Photo in the member evaluation form at branch Office. Instances are given below:

Branch Name	Member Name	Member No.	Center No.	Loan Amount (Tk.)
Daudkandi	RinaAkter	0011	053	200,000
	Mainuddin	0001	004	200,000
	MozammalMiah	0002	004	200,000
	AlamgirHossain	0002	006	200,000
	Sonya	0009	050	100,000

- Some information was not found in pass book. Details are given below:

Branch Name	Name	Member No.	Center No.	Missing Information / Document
Kaliakoir	Rena begum	22	40	Member Photo
	Romesa begum	01	22	Member Photo
	Rinaakhter	28	34	Member Photo
	Rani akhter	N/F	N/F	Member Photo, Center no. & Member no.
Daudkandi	JosnaAkter	15	22	Member Photo
	DoliAkter	40	22	Member Photo
	IsratJahan	59	22	Member Photo
	Shomla	8	22	Member Photo

- Loan application forms were not filled up properly when loan disbursement. Instances are given below:

Branch Name	Member Name	Member No.	Center No.	Disbursement amount in Tk.	Disbursement date	Missing Information
	Mst. BodronNahar	24	3	1,000,000	18.04.2016	Application form was not filled up properly.
	Tslim Begum	17	21	300,000	24.04.2016	NID was not attested
	NasrinAkhter	46	4	1,000,000	13.04.2016	Photo & NID was not attested



Kaliakoir	Monowara Begum	20	28	50,000	12.04.2016	Grantor photo was not attested.
	Kolpona Begum	11	4	40,000	30.03.2016	Grace period was not maintained

Implication

Absence of required documents in the information book may adversely affect the overall program tracking and monitoring, of which eventually leads to the dissemination of the incorrect information. Furthermore, such practice indicates monitoring weakness over loan disbursement and loan collection system.

Recommendation

Management should take necessary steps to resolve the issues to enhance the reliability of the financial statements.

Management Response

We have already given instruction to the respective persons to affix the photograph with the membership form and also given all the respective persons to be more care full about the issue.

VI. Savings Deposits

Four types of member's Savings a) Regular Savings b) Monthly Voluntary Savings (MVS) c) SAMRIDI Savings d) One Time Savings (OTS)

a) Regular Savings

Ambala Foundation Microfinance program has a mandatory savings provision, with a view to facilitating and encouraging savings by Center Member/Individual Member. The interest rate on mandatory savings is 6%. Saving amounts are decided at the center level with a minimum weekly savings requirement of Tk.50. Each center members deposits a minimum of Tk.50 in a weekly meeting. For consecutive loans members are eligible to withdrawal savings as long as they maintain a saving balance of 10% of the loan amount. This savings is to be mentioned in the Pass book, Subsidiary Ledger, General ledger individually/Separately.

A minimum savings of 10% of the loan amount is required for the first loan period.

The entire amount of savings deposits of a center member or individual will be refunded when the member retires or is terminated from membership.

b) Monthly Voluntary Savings (MVS)

Ambala Foundation implemented an optional voluntary savings program called **Monthly Voluntary Savings**. The interest on this program is 8% annually, compounded monthly. The special voluntary savings accounts are like a current account. Beneficiaries can save monthly one time or withdraw the amount on demand .This voluntary savings stands for those who deposit voluntarily beyond their regular savings. The minimum depositing amount of this fund is Tk. 100. This special voluntary



savings is to be mentioned in the pass book, subsidiary ledger and general ledger individually. While refunding the special savings the beneficiaries have to come to office and complete the required process for withdrawal.

c) SAMRIDI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDI**. It is tied up with fixed deposit. Profit will be given at different rate based on different period(6 &10 years) & deposited amount(1,000-100,000 tk.). Amount of deposits will be doubled in 6 years period & tripled in 10 years period. The special term savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

d) One Time Savings (OTS)

Ambala Foundation implemented another optional term savings program called **OTS**. It is tied up with fixed deposit. Profit will be given in this program at12.00% to 14.40% annually, compounded monthly. The special savings accounts are like a current account .This savings stands for those who deposit voluntarily beyond their regular savings.

VII. Management & Accounting Information System and software implementation

In Head Office Ambala Foundation maintains its accounts in the software“**Microfin360**” which was certified by DataSoft Systems Bangladesh Ltd. In the system, ledger is maintained in three stages on the basis of details of information. The final stage is the control ledger. During our audit we have reviewed the control ledger with the financial statements and sources of transactions i.e. Monthly report of branches, and relevant bill and vouchers which we felt required on the basis of our planning.

In the branch office Ambala Foundation uses software "Microfin360" for recording its day to day transactions. Earlier used “**Troyee**” software but from 2011 they have purchased “**Microfin360**” software developed by DataSoft Systems Bangladesh Ltd. The present software has two module viz. a) MIS module and b) AIS module. MIS Module is in operation at branch level as well as head office level for recording and accounting daily transaction. Sufficient financial and monitoring reporting is generated therefrom.AIS Module is used for consolidation of financial statement of the program manual books of accounts which is maintaining at Head office level and Unit Level for Unit Consolidation. Maintenance and other software related services are also provided by the vendor on annual service charges basis. Head office general fund accounts and other projects accounts also maintained by Troyee Enterprise Limited.

Ambala Foundation has recently installed another updated “**NabaERP365**” a web based in-house developed software which is for ERP (Enterprise Resource Planning) Solution and complete integrated software. This software is for multipurpose use & multi-functional. This is used in the organization to maintain all the donor funded projects financial activities including inventory, HR, Fixed Assets & Procurement, etc.

Management & Accounting Information System

Matters Arising



We have reviewed the Management and Accounting Information System at 5 Branch offices and noted that,

- Backup of accounting information was not performed on a regular basis at Kadomtoli, Ashulia & Atibazar branch office.
- Anti-virus was not used at Daudkandi, Kadomtoli, Ashulia & Atibazar branch office.

Implication

Absence of accounting information backup may result in loss of information in the event of virus attacks, hard disk failure and disasters occur. Absence of anti-virus software may result in loss of information in the event of virus attacks, hard disk failure and disasters occur.

Recommendation

Management should ensure that the backup & anti-virus software is being updated on a regular basis.

Management Response

Being agreed with the auditors' recommendation for updating anti-virus software and backup of accounting information on a regular basis, we have already given instructions to the branches to update anti-virus regularly.

VIII) Training

Ambala Foundation training policy is an action statement setting out broad guidelines intended to promote and guide the implementation of training. Ambala Foundation considers training as an important and integral part of the organization's overall development and essential instrument in staff and personnel development.

During the course of our audit we observed that adequate trainings were organized by the Ambala Foundation microfinance management with regard to the governance, financial management, internal audit, VAT, Tax and others as required for the effective and efficient operation of microfinance program.

However, we recommended that training on Anti-Money Laundering (AML) and Combating the Financing of Terrorist (CFT) are needed to comply with the guidance on prevention of money laundering and terrorist financing.

IX) Insurance Policy

Ambala Foundation has insurance scheme which is called Member welfare fund. Member welfare fund is a comprehensive micro-insurance program established by Ambala Foundation to provide social protection and security to its member and their families. It addresses basic lifecycle needs of the poor such as health and education and various risks and disaster that they face in their daily lives. The program also provides vital assistance in their battles against various crisis and manmade calamities which results in loss of work, income and assets for poor families.



Ambala Foundation's Member welfare fund program is mandatory to Ambala Foundation's microfinance members. A premium of 1% on loan disbursement amount is paid at the time of loan received and if any loanee died before loan repayment his/her family gets rid of from loan payment.

Besides Ambala Foundation maintain Provident Fund Account, Staff Gratuity Fund and Staff Savings Scheme Fund as Employee welfare fund of its employees. The related policy of the above mentioned welfare fund is applied properly by the organization in maintaining its financial information.

X) ED'S total Remuneration and Lowest Salary of the Staff

Executive Director total remuneration and lowest salary of the staff has been mentioned below:

Designation	Remuneration / Salary per month (Taka)
Executive Director	189,901
Field Officer (lowest salary)	14,708

XI) Prevention of Money Laundering and Terrorist Financing

Ambala Foundation fully comply the guidelines of Prevention of Money Laundering and Terrorist Financing for all the transactions. Ambala Foundation made through bank transfer and A/C payee cheque. A part from Banking channel Ambala Foundation does not use any other channel to transfer money.

XII) Compliance status of the prior year (2014-2015) external audit observation

Sl. No.	Observation	Implementation Status
1	Identification number was not affixed with the fixed assets.	Done
2	Cash holding exceed than the reasonable limit	Done
3	Absence of Photo in the pass book	Done
4	Anti-virus was not updated	Done
5	Employee personal file was not updated	Done
6	Discrepancies in the balance of stationary stock register	Done
7	Date not found available in the voucher	Done
8	Date was not found available in the invoices	Done

XIII) Other Observation

Matters Arising

During the course of our audit we have reviewed the organizations procurement process and noted the following weakness:

- Purchase requisition, purchase resolution was not maintained for purchase of asset. Details are given below:

Branch Name	PV. No.	Item Name	PV. Date	Amount (Tk.)
Kadomtoli	02	Fan	06.03.2016	10,800



	01	Table, chair, Almira, File cabinet, Alna, Bed , Shelf	06.03.2016	101,900
Atibazar	01	Bed, Alna, Rack, Plasticchair, Signboard, crockeries	02.01.2016	43,025
Ashulia	01	Chair, Table, Almirah	06.03.2016	122,300
	02	Ceiling Fan	06.03.2016	10,100
	04	Ceiling Fan	23.03.2016	7,800

- Vouchers were prepared before the approved were made at Kadomtoli Branch office. Details are given below:

PV No.	Particulars	Amount (Tk.)	Approved date	Voucher Date
35	Salary	64,244	28.04.16	25.04.16

Implications

- Absence of supporting document raise question concerning the transparency of the procurement process.
- Vouchers prepared earlier than the approved date raises question concerning the reliability of the transaction.

Recommendation

Management should take necessary steps to address the above mentioned issues.

Management Response

AMBALA FOUNDATION is sincere and has transparent policies for all of its operations. The higher authority has been instructed to investigate the above mentioned issues and the respective personnel have been instructed to strictly follow AMBALA FOUNDATION fixed assets purchase/ procurement policy.

8. Matters Arising

During the course of our audit while verifying payment transactions we observed that supporting documents were not found available with voucher. Details are given below:

Branch Name	Voucher Date	Voucher No.	Particulars	Amount
Kadomtoli	6.03.2016	PV-01	Advance against office rent	30,000
		HO transfer	Laptop	32,300
		HO transfer	Internet modem	2,069
		HO transfer	Digital camera	8,700
		HO transfer	Printer	7,500
Atibazar	02.01.2016	PV-01	Advance against office rent	50,000
	13.01.2016	FT-03	Laptop	34,500
	13.01.2016	FT-06	Internet modem	2,119
	13.01.2016	FT-05	Digital camera	9,500
	13.01.2016	FT-04	Printer	6,300
	13.06.2016	97	Saving Withdrawn	6,100



Ashulia	12.06.2016	FT-27	Printer	7,500
		FT-29	Modem	2,069
		FT-28	Digital Camera	8,700
		FT-26	Laptop	32,300
Kaliakoir	30.06.2016	291	Mobile bill	1,300
	31.06.2016	375	Miscellaneous exp.	690
	30.06.2016	396	Miscellaneous exp.	1,000

During the course of our audit while verifying transactions we observed that supporting documents and authorized signature were not found available with voucher. Details are given bellow:

Branch Name	Voucher Date	Voucher No.	Particulars	Amount
Kaliakoir	18.05.2016	JV-72	Product Transfer	7,930
	13.04.2016	JV-61	Product Transfer	40,100
	21.06.2016	JV-78	Loan for motor cycle	1,000
	31.03.2016	JV-47	Gratuity fund	1,006
	21.06.2016	JV-78	Provident fund	1,958
Daudkandi	01.07.2015	PV-022.2015.07.2.00002	Office Stationery	840
	02.07.2015	PV-022.2015.07.2.00004	Entertainment & Refreshment	720
	30.07.2015	PV-022.2015.07.2.00031	Newspaper & Magazine	240
	03.01.2016	PV-022.2016.01.2.00223	Office Stationery	1,202
	21.06.2016	PV-022.2016.06.2.00418	Entertainment & Refreshment	560

Implication

Absence of authority supporting documents may raise question concerning the validity of the transactions.

Recommendation

Management should ensure supporting documents were available to ensure the appropriateness of the payment.

Management Response

We agree with the auditors' valuable recommendation. The branch assistant accounts officers have been instructed to confirm proper documentation for all payments. The higher authority has been instructed to make sure the issue.

- Employee personal file was not updated with the necessary information. Instances are given below:

Branch name	Name of employee	Pin No.	Missing documents
	Md.EnamulHaque	105-214	Job circular, Interview assessment, Exam script.
	Md.Abdullah-Al-Masud	292-316	Job circular, Interview assessment



Kadomtoli	MoniruzzamanShamim	305-216	Job circular, Interview assessment, Resume.
	SumanaAkter	306-416	Job circular, Interview assessment, Resume.
	Md.AbdurRahman	330-316	Job circular, Interview assessment, Resume.
Atibazar	Md.KamalHossain	0826-02-451	Job circular, Interview assessment, Confirmation Letter, Performance Appraisal
	Md. Abulkalam Azad	0433-02-0385	Job circular, Interview assessment
	Md. Jahangir Alam	0571-02-0519	Job circular, Interview assessment
	Nasima Sultana	0369-02-0388	Job circular, Interview assessment
	TaronDewan	0471-02-0422	Job circular, Interview assessment
Daudkandi	Md.MoshedulAlam	344	MICR Cheque& Job circular
	Md.RubelRana	104	Job circular
	Saifuzzaman	113	Job circular
	Sampa Rani Ray	278	Job circular
	Julia Akter	315	Job circular
	AbdusSattar	311	Job circular

Implication

Such practice may create risk of staff getting recruited without meeting required qualification and accordingly affect program objectives.

Recommendation

Management should ensure that the above mentioned documents are available in the personal file.

Management Response

The mentioned branches have been instructed to update employee personal files. AMBALA FOUNDATION admin has also been instructed to confirm updating employee personal files for all employees working at AMBALA FOUNDATION.

- Discrepancies in the balance of stationary stock between register and physical count. Details are given below:

Branch Name	Particulars	As per Register (Quantity)	As per Count (Quantity)	Difference (Quantity)
Kadomtoli	DCR	1	2	1
	Calendar	6	4	(2)
	Binder clip	4	0	(4)
	OTS book	99	100	1
Ashulia	Micro Enterprise folder file	263	278	15
	Small yellow envelop	15	23	8
	Savings and loan book	300	250	50
Kaliakoir	Application for applicants	400	300	100



	A4 Papers	0	200	200
Daudkandi	Samriddiamanat receipt book	500	350	(150)

Implication

Control weakness in the stock management may give rise to unauthorized stock issuance and stock pilferages.

Recommendation

Management should take necessary steps to address the above mentioned issues.

Management Response

We already started automated software register to maintain the inventory, hopefully will be overcome the above mentioned issues in future.

- During the course of our audit while reviewing book keeping practices we observed the following shortcomings at Kadomtoli branch office:
 - Pencil used in the cash book.
 - Unauthorized overwriting found in the cash book.
 - Cash book was not reviewed by branch manager.

Implication

Such practice indicates weakness over maintenance of books of accounts which may result in inaccurate financial reporting.

Recommendation

Management should ensure that all the vouchers are being maintained properly.

Management Response

We have strictly instructed to the branches to avoid using pencil and unauthorized overwriting in the cash book. We hope the problem will be solved immediately.

