

**AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
AMBALA FOUNDATION
FOR THE YEAR ENDED 30TH JUNE, 2019**

FAMES & R
CHARTERED ACCOUNTANTS

CONTENTS

Sl #	Particulars	Page #
1	Auditor's Report	1
2	Statement of Financial Position	2
3	Statement of Comprehensive Income	3
4	Statement of Receipts & Payments	4
5	Statement of Cash Flows	5
6	Statement of Changes in Equity	6
7	Notes to the Financial Statements	7-28
8	Schedule of Property, Plant & Equipment	29
8	Eligibility Criteria Compliance Certification	30-32
9	Budget	33-36
10	Letter to the Management (Annexure-B)	37-43

Auditor's Report

We have audited the accompanying Financial Statements of "AMBALA FOUNDATION" which comprise the Statement of Financial Position as at 30 June 2019 and Statement of Profit or Loss & Other Comprehensive Income and Statement of Receipts & Payments for the year then ended 30 June 2019, and a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies described in the note # 3.00 to the financial statements and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 financial statements have been prepared in accordance with accounting policies mentioned in notes to the financial statements in note # 3.00 and give a true and fair view of the state of Project's affairs as at 30 June 2019 and of the results of its operations for the year then ended and comply with the applicable laws and regulations.

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 have been kept by the organization management so far as it appeared from our examination of those books;
- c) the financial statements of the project dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purposes of the project.

Date : 15 September 2019
Place : Dhaka




FAMES & R
Chartered Accountants




AMBALA FOUNDATION
Statement of Financial Position
As at 30 June 2019

Particulars	Notes	Amount in Taka			Amount in Taka		
		FY 2018-2019			FY 2017-2018		
		Micro Finance	Development	Total	Micro Finance	Development	Total
Non-Current Assets							
Property, Plant & Equipment	6	155,854,765	4,782,564	160,637,329	83,854,903	46,671,801	130,526,704
Intangible Assets	7	7,246,333	-	7,246,333	6,021,842	-	6,021,842
Other Non Current Assets	8	363,361	-	363,361	200,448	-	200,448
Total Non-Current Assets		163,464,459	4,782,564	168,247,023	90,077,193	46,671,801	136,748,994
Current Assets							
Investment FDR	9	328,468,219	-	328,468,219	248,759,475	-	248,759,475
Advance, Security & Prepaid	10	29,194,472	198,632,430	227,826,902	14,086,859	133,683,605	147,770,464
Loan to Group Members	11	3,091,718,301	1,484,973	3,093,203,274	2,532,388,638	337,615	2,532,726,253
Accounts Receivable	12	1,953,402	-	1,953,402	-	100,000	100,000
Others Current Assets	13	265,031	-	265,031	-	-	-
Cash in Hand and at Bank	14	93,243,180	3,878,125	97,121,305	121,148,059	4,736,568	125,884,627
Total Current Assets		3,544,842,605	203,995,528	3,748,838,133	2,916,383,031	138,857,788	3,055,240,819
Total Assets		3,708,307,064	208,778,092	3,917,085,156	3,006,460,224	185,529,589	3,191,989,813
Capital Fund and Reserves							
Retained Surplus	15	587,005,751	22,625,575	609,631,326	379,851,860	22,112,436	401,964,296
Reserve Fund		65,222,861	-	65,222,861	42,205,762	-	42,205,762
Development Program Fund	16	-	699,365	699,365	-	-	-
Total Capital Fund and Reserves		652,228,612	23,324,940	675,553,552	422,057,622	22,112,436	444,170,058
Non Current Liabilities							
Long Term Borrowings-PKSF	17	69,400,000	-	69,400,000	69,100,000	-	69,100,000
Long Term Borrowings-Bank &	18	1,450,011,826	1,960,000	1,451,971,826	1,450,981,842	420,000	1,451,401,842
		1,519,411,826	1,960,000	1,521,371,826	1,520,081,842	420,000	1,520,501,842
Current Liabilities							
Member Savings	19	1,238,558,664	331,312	1,238,889,976	853,686,516	93,562	853,780,078
Short Term Loan & Liability	20	192,105,106	93,335,685	285,440,791	117,968,581	108,062,405	226,030,986
Loan Loss Provision	21	51,681,885	19,944	51,701,829	36,268,159	3,376	36,271,535
PF, WF, Gratuity, IT etc.	22	52,028,850	87,727,318	139,756,168	51,692,748	52,531,477	104,224,225
Accounts Payable	23	2,292,121	2,078,893	4,371,014	4,704,756	2,306,333	7,011,089
Total Current Liabilities		1,536,666,626	183,493,152	1,720,159,778	1,064,320,760	162,997,153	1,227,317,913
Total Capital Fund and Liabilities		3,708,307,064	208,778,092	3,917,085,156	3,006,460,224	185,529,589	3,191,989,813

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.

Date : 15 September 2019
Place : Dhaka


FAMES & R
Chartered Accountants



AMBALA FOUNDATION
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June, 2019

Particulars	Notes	Amount in Taka			Amount in Taka		
		FY 2018-2019			FY 2017-2018		
		Micro Finance	Development	Total	Micro Finance	Development	Total
Income							
Service Charge	24	755,001,606	16,182,219	771,183,825	630,831,576	16,595,418	647,426,994
Interest on Regular & FDR account	25	12,375,638	91,218	12,466,856	9,204,493	63,735	9,268,228
Others Income	26	1,873,877	2,232,760	4,106,637	1,310,393	2,300,690	3,611,083
Donation, Subscription & Reimbursable	27	265,513	2,300,800	2,566,313	2,783,932	1,971,958	4,755,890
Donor grants	28	-	5,683,043	5,683,043	-	431,144	431,144
Total		769,516,634	26,490,040	796,006,674	644,130,394	21,362,945	665,493,339
Expenditure							
Salary & benefits	29	192,284,885	959,046	193,243,931	148,401,760	1,083,779	149,485,539
General & Administration expenses							
Office rent & utilities	30	13,279,669	63,919	13,343,588	15,027,460	62,414	15,089,874
Printing & stationary	31	5,422,053	7,052	5,429,105	6,187,128	7,043	6,194,171
Communication	32	1,086,393	23,478	1,109,871	787,607	36,863	824,470
Tours & travel	33	10,994,545	79,434	11,073,979	6,240,371	124,018	6,364,389
Repairs & maintenance	34	15,414,122	24,984	15,439,106	10,357,605	124,490	10,482,095
Advertisement & publications	35	950,293	3,550	953,843	946,262	6,150	952,412
Legal expenses	36	3,796,664	34,467	3,831,131	3,454,578	115,871	3,570,449
Training / Workshop / Meeting etc.	37	873,642	-	873,642	2,262,209	-	2,262,209
Other admin & general expenses	38	19,897,482	2,816,635	22,714,117	16,176,958	348,670	16,525,628
Gratuity, pension & insurance premium	39	13,311,305	-	13,311,305	3,106,976	-	3,106,976
Lose On Disposal of Fixed Assets	40	378,448	-	378,448	-	-	-
Corporate Social Responsibility	41	133,665	-	133,665	-	-	-
Sub-total		85,538,281	3,053,519	88,591,800	64,547,154	825,519	65,372,673
Financial expenses							
Interest to PKSF & Bank	42	155,472,844	5,241	155,478,085	155,901,908	16,017	155,917,925
Interest on savings	43	66,180,717	6,686	66,187,403	34,335,318	1,583	34,336,901
Interest on other loan fund	44	16,215,369	16,265,505	32,480,874	15,566,222	16,755,750	32,321,972
Sub-total		237,868,930	16,277,432	254,146,362	205,803,448	16,773,350	222,576,798
Programmatic expenses							
Programmatic exp. & contributions	45	-	5,661,483	5,661,483	-	249,960	249,960
Sub-total		-	5,661,483	5,661,483	-	249,960	249,960
Expenses for provision & reserve							
Expenses for provision & reserved	46	15,413,726	16,568	15,430,294	16,210,137	-	16,210,137
Sub-total		15,413,726	16,568	15,430,294	16,210,137	-	16,210,137
Depreciation on non current assets							
Depreciation	47	8,239,822	8,853	8,248,675	5,629,539	25,848	5,655,387
Sub-total		8,239,822	8,853	8,248,675	5,629,539	25,848	5,655,387
Total expenditure		539,345,644	25,976,901	565,322,545	440,592,038	18,958,456	459,550,494
Excess of income over expenditure		230,170,990	513,139	230,684,129	203,538,356	2,404,489	205,942,845
		769,516,634	26,490,040	796,006,674	644,130,394	21,362,945	665,493,339

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.

Date : 15 September 2019
Place : Dhaka


FAMES & R
Chartered Accountants



AMBALA FOUNDATION
Statement of Receipts & Payments
Period from 1st July 2018 to 30th June 2019

Particulars	Amount in Taka			Amount in Taka		
	FY 2018-2019			FY 2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Receipts						
Opening Balance						
Cash in hand	42,806,964	576,011	43,382,975	7,423,472	40,497	7,463,969
Cash at bank	78,341,095	4,160,557	82,501,652	19,755,351	2,506,779	22,262,130
Sub-Total	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099
Long Term Borrowings-PKSF	75,000,000	-	75,000,000	70,000,000	-	70,000,000
Long Term Borrowings-Bank & Others	1,197,694,795	1,820,000	1,199,514,795	1,522,851,585	-	1,522,851,585
Development Program Fund	-	10,556,466	10,556,466	-	55,803,118	55,803,118
Member Savings Receipt	1,237,925,087	997,161	1,238,922,248	857,879,383	81,725	857,961,108
General & Others Loan /Fund Account	419,085,253	154,200,627	573,285,880	521,644,266	110,478,400	632,122,666
PF, WF, Security, IT etc.	21,273,840	2,668,800	23,942,640	22,873,480	4,579,176	27,452,656
Loan to Group Members Recovery	3,432,636,999	716,699	3,433,353,698	3,097,213,992	476,950	3,097,690,942
Advance, Security & Prepaid	3,478,973	200,472,520	203,951,493	5,595,377	102,736,268	108,331,645
Investment Withdrawal	160,665,625	808,083	161,473,708	111,681,908	-	111,681,908
Accounts payable & provision	-	196,375	196,375	-	5,876,604	5,876,604
Stock & Stores	-	-	-	-	-	-
Suspense Accounts	-	-	-	-	-	-
Sale/Fixed Assets Sale	-	-	-	36,000	25,000	61,000
Revenue Income Received	754,224,444	1,762,044	755,986,488	627,850,660	2,697,451	630,548,111
Sub-Total	7,301,985,016	374,198,775	7,676,183,791	6,837,626,651	282,754,692	7,120,381,343
Total receipts	7,423,133,075	378,935,343	7,802,068,418	6,864,805,474	285,301,968	7,150,107,442
Payments						
Capital Expenditure	21,405,596	5,394,530	26,800,126	14,856,977	2,583,880	17,440,857
Long Term Borrowings-PKSF	74,700,000	-	74,700,000	57,433,326	-	57,433,326
Long Term Borrowings-Bank & Others	1,343,222,768	280,000	1,343,502,768	1,465,107,471	540,000	1,465,647,471
Development Program Fund	-	4,271,483	4,271,483	-	55,421,974	55,421,974
Member Savings Return	882,833,278	766,097	883,599,375	615,791,072	135,484	615,926,556
General & Others Loan /Fund Account	465,402,070	192,599,227	658,001,297	531,123,997	104,392,325	635,516,322
PF, WF, Security, IT etc.	-	4,483,728	4,483,728	3,662,130	4,717,180	8,379,310
Loan to Group Members	4,008,482,000	1,820,000	4,010,302,000	3,651,913,000	-	3,651,913,000
Advance, Security & Prepaid paid	28,198,155	148,077,586	176,275,741	21,306,935	105,081,206	126,388,141
Payment against Provision	2,679,874	6,547,187	9,227,061	588,924	6,094,442	6,683,366
Investment against Provision	233,450,000	-	233,450,000	157,500,000	-	157,500,000
Material / Stock & Stores	930,619	-	930,619	-	-	-
Sub-Total	7,061,304,360	364,239,838	7,425,544,198	6,519,283,832	278,966,491	6,798,250,323
Staff Salary & Benefits	152,161,206	842,924	153,004,130	128,303,071	965,763	129,268,834
General & Administrative Expenses	66,550,326	2,944,306	69,494,632	56,580,575	511,669	57,092,244
Financial Cost	49,874,003	1,599,099	51,473,102	39,489,937	121,477	39,611,414
Programmatic Expenses	-	5,431,051	5,431,051	-	-	-
Sub-Total	268,585,535	10,817,380	279,402,915	224,373,583	1,598,909	225,972,492
Closing Cash & Bank Balance						
Cash in hand	24,204,033	199,423	24,403,456	42,806,964	576,011	43,382,975
Cash at bank	69,039,147	3,678,702	72,717,849	78,341,095	4,160,557	82,501,652
Sub-Total	93,243,180	3,878,125	97,121,305	121,148,059	4,736,568	125,884,627
Total payments	7,423,133,075	378,935,343	7,802,068,418	6,864,805,474	285,301,968	7,150,107,442


M. Azizur Rahman
Chairperson


Arif Sikder
Executive Director


Dewan Taufiq Hossain
Director

Singed as per our separate report of even date.

Date : 15 September 2019
Place : Dhaka

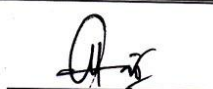

FAMES & R
Chartered Accountants



AMBALA FOUNDATION
Statement of Cash Flows
for the year ended 30 June 2019

Particulars	Amount in Taka			Amount in Taka		
	FY 2018-2019			FY 2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
A. Cash flows from operating activities						
Surplus for the period	230,170,990	513,139	230,684,129	203,538,356	2,404,489	205,942,845
Add: Amount considered as non cash items Expenses						
Expenses for provision & reserve	15,413,726	16,568	15,430,294	16,210,137	-	16,210,137
Depreciation for the year	8,239,822	8,853	8,248,675	5,629,539	25,848	5,655,387
Non cash staff salary & benefits	40,123,679	116,122	40,239,801	20,098,689	118,016	20,216,705
Non cash general & administrative expenses	18,987,955	109,213	19,097,168	7,966,579	313,850	8,280,429
Non cash financial cost	187,994,927	14,678,333	202,673,260	166,313,511	16,651,873	182,965,384
Non cash program cost	-	230,432	230,432	-	249,960	249,960
Sub-total of non cash items expenses	270,760,109	15,159,521	285,919,630	216,218,455	17,359,547	233,578,002
Less: Amount considered as non cash items income						
Non cash FDR & Revenue income	(15,292,190)	(24,727,996)	(40,020,186)	(16,279,734)	(18,665,494)	(34,945,228)
Sub-total of non cash items income	(15,292,190)	(24,727,996)	(40,020,186)	(16,279,734)	(18,665,494)	(34,945,228)
Increase/decrease in disbursement to members	(575,845,001)	(1,103,301)	(576,948,302)	(554,699,008)	476,950	(554,222,058)
Increase/decrease in payment for provision	(2,679,874)	(6,350,812)	(9,030,686)	(588,924)	(217,838)	(806,762)
Increase/decrease in loan, advance & prepaid	(24,719,182)	52,394,934	27,675,752	(15,711,558)	(2,344,938)	(18,056,496)
Net cash used in operating activities	(117,605,148)	35,885,485	(81,719,663)	(167,522,413)	(987,284)	(168,509,697)
B. Cash flows from Investing Activities						
Increase/decrease in acquisition of property, plant and equipment	(21,405,596)	(5,394,530)	(26,800,126)	(14,820,977)	(2,558,880)	(17,379,857)
Increase/decrease in short term investment	(72,784,375)	808,083	(71,976,292)	(45,818,092)	-	(45,818,092)
Increase/decrease in others current assets	(930,619)	-	(930,619)	-	-	-
Net Cash Used in Investing Activities	(95,120,590)	(4,586,447)	(99,707,037)	(60,639,069)	(2,558,880)	(63,197,949)
C. Cash Flows from financing Activities						
Increase/decrease in Long Term Borrowings-PKSF	300,000	-	300,000	12,566,674	-	12,566,674
Increase/decrease in Long Term Borrowings-Bank & Others	(145,527,973)	1,540,000	(143,987,973)	57,744,114	(540,000)	57,204,114
Increase/decrease in members savings	355,091,809	231,064	355,322,873	242,088,311	(53,759)	242,034,552
Increase/decrease in short term loan & others current liabilities	(46,316,817)	(38,398,600)	(84,715,417)	(9,479,731)	6,086,075	(3,393,656)
Increase/decrease in staff EP,EG,EW & ES fund	21,273,840	(1,814,928)	19,458,912	19,211,350	(138,004)	19,073,346
Increase/decrease in Development Program Fund	-	6,284,983	6,284,983	-	381,144	381,144
Net Cash Used in Financing Activities	184,820,859	(32,157,481)	152,663,378	322,130,718	5,735,456	327,866,174
D. Net cash increase / Decrease (A+B+C)	(27,904,879)	(858,443)	(28,763,322)	93,969,236	2,189,292	96,158,528
Add. Cash and Bank Balance Beginning of the year	121,148,059	4,736,568	125,884,627	27,178,823	2,547,276	29,726,099
Cash and Bank Balance at the end of the year	93,243,180	3,878,125	97,121,305	121,148,059	4,736,568	125,884,627


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 2019

Particulars	FY 2018-2019			FY 2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
Opening balance	422,057,622	22,112,436	444,170,058	215,201,832	19,703,321	234,905,153
Add: Opening Adjustment	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-
Surplus for the Year	230,170,990	513,139	230,684,129	203,538,356	2,404,489	205,942,845
Closing balance	652,228,612	22,625,575	674,854,187	418,740,188	22,107,810	440,847,998
Add: Adjustment during the year	-	-	-	3,317,434	4,626	3,322,060
Less: Adjustment during the year	-	-	-	-	-	-
Less: Transferred to reserve	(65,222,861)	-	(65,222,861)	(42,205,762)	-	(42,205,762)
Total Fund (After transfer to reserve)	587,005,751	22,625,575	609,631,326	379,851,860	22,112,436	401,964,296
Add: Reserve fund	65,222,861	-	65,222,861	42,205,762	-	42,205,762
Balance as on 30-06-2019	652,228,612	22,625,575	674,854,187	422,057,622	22,112,436	444,170,058

M. Azizur Rahman

M. Azizur Rahman
Chairperson

Arif Sikder

Arif Sikder
Executive Director

Dewan Tafiqa Hossain

Dewan Tafiqa Hossain
Director



Ambala Foundation
Notes to the Financial Statement
for the year ended June 30, 2019

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 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 the 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 all over the Bangladesh from 1998.

Mission

Poverty elimination through establishing social unity and integrated development

Vision/Goal

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

Core Values

- Integrity and Collaborative
- Innovation for Sustainability
- Dignity and Gender Sensitivity
- Passionate and Respect
- Accountability and Transparency

2.0 Corporate Information of the Organization

1	Name 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• Registered on 28th February 1994 with the Department of Social Services. No. Dha- 03055• Registered on 28th June 1995 with NGO Affairs Bureau. No. 952• 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, 2019
6	Name of statutory auditor for last year	FAMES & R
7	Name of statutory auditor for current year	FAMES & R
8	No. Executive Committee meeting held FY 2018-2019	08
9	Date of Last AGM held	July 21, 2018



2.1 List of Executive Committee Members

Sl.	Name	Designation	Qualification	Profession	Present Address
1	M. Azizur Rahman	Chairperson	MA	Former - Chairman, Board of Trusty, National Museum BD. 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	6/7, Block-F, Lalmatiya, 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 International Financial Reporting Standard (IFRS) 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 2018 to 30th June 2019.

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 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 14.40% to 15.60% 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 & Machineries	20%
Motor Vehicles	20%
Intangible	20%
Others Assets	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 International Accounting Standard (IAS) 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:

Loan 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.



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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

JAGORON (Microfinance Program for Rural & Urban People)

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

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. Agrosor loan ranges from Tk. 1,00,000 to Tk. 25,00,000 are given for refund within one year and service charge from 25% to 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. Sufolon loan also enhances "Social food security net" of the households. Sufolon loan ranges from Tk. 10,000 to Tk. 1,00,000 are given for Agri. Production and refund within 3-9 months and service charge from 25% to 27% (declining rate) per year.

BUNIAD (Microfinance Program for Ultra and Extreme Poor)

This loan is exclusive for ultra-poor beneficiaries. Buniad loan ranges from Tk. 10,000 to TK. 49,000 are given for refund within one year and service charge maximum 20% (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 fir with view to build and rebuild their houses. This loan is given from three years and the rate of interest is 05%.

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



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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) SAMRIDHI Savings

Ambala Foundation implemented an optional term savings program called **SAMRIDHI**. 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 eyesight. Security amount collects from the respective staff at the rate of Tk.10,000 to Tk. 20,000 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 paid as house rent allowance Tk. 1000 per month for female staff.

5.11 Incentive for Microfinance program

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

5.12 Employee Pension Scheme

- The company will provide contributory pension benefits for all permanent employees called contributory Pension Scheme.
- According to the level / grade of the salary structure of the organization, the amount of deposit for each employee according to the assigned grade / level for his / her assigned level / grade is as follows:

1 st grade	10,000/-
2 nd grade	10,000/-
3 rd grade	5,000/-
4 th grade	3,000/-
5 th grade	2,000/-
6 th grade	1,000/-
7 th grade	500/-

- If the grade / level of the promoted or demoted staff is changed, the amount assigned to the current grade / level will be credited as before.
- In case of grant / receipt of benefits, the grade / level of the recruitment period will be calculated at maturity, the additional deposit rate for the employees who have been promoted or demoted will start to be calculated from 1st (1st) year.



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- Each employee will be entitled to pension benefits at the following rate for a specified period.

Job Duration	Benefits received
00-01 years until complete	Employee own deposit
01-10 years until complete	Employee's own portion is entitled to 8% dividend
10-15 years until complete	2.5 times Employee's own deposit
15-20 years until complete	4 times Employee's own deposit
20-25 years until complete	7 times Employee's own deposit
Above 25 Years	10 times Employee's own deposit

- All permanent employees employed on July 1, 2018 and all permanent employees employed in the future shall be entitled to pension benefits at the rate stated only if they have continuously submitted their contribution to the contributory Pension Scheme for a period of at least 10 years or 120 months.
- If an employee receiving pension benefits is interested in getting his pension benefits on a monthly basis, then the company can enjoy the monthly benefit of dividends at the prevailing rate against the amount earned.

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- 90(Company), Taxes Zone 05, Dhaka.

Under the Value Added Tax (VAT) Act. 2012, VAT Registration Number is for Head Office 000802704.

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.



Particular's	Amount in Taka					
	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
6. Property, Plant and Equipment	155,854,763	4,782,565	160,637,327	83,854,903	46,671,801	130,526,704
Cost Value						
Opening balance	94,458,524	47,608,489	142,067,013	25,305,942	93,093,759	118,399,701
Add: Purchase during the year	78,514,802	16,933,227	95,448,029	71,726,806	-	71,726,806
Add: Adjustment during the year	-	-	-	-	16,339,630	16,339,630
Less: Sale/Transfer during the year	-	(58,813,610)	(58,813,610)	(2,574,224)	(61,824,900)	(64,399,124)
Less: Adjustment during the year	-	-	-	-	-	-
Total Cost Value	172,973,326	5,728,106	178,701,432	94,458,524	47,608,489	142,067,013
Less: Accumulated Depreciation						
Opening balance	10,603,623	936,688	11,540,311	6,156,078	2,385,840	8,541,918
Add: Depreciation during the year	6,571,469	8,853	6,580,323	4,447,544	25,848	4,473,392
Add: Disposal during the year	-	-	-	-	-	-
Less: Transfer during the year	(56,529)	-	(56,529)	-	-	-
Less: Adjustment during the year	-	-	-	-	(1,475,000)	(1,475,000)
Accumulated Depreciation	17,118,563	945,541	18,064,105	10,603,621	936,688	11,540,309
Written Down Value	155,854,763	4,782,565	160,637,327	83,854,903	46,671,801	130,526,704
7. Intangible assets	7,246,334	-	7,246,334	6,021,842	-	6,021,842
Cost Value						
Opening balance	8,350,000	-	8,350,000	2,565,000	-	2,565,000
Add: Purchase during the year	3,240,000	-	3,240,000	5,785,000	-	5,785,000
Add: Adjustment during the year	-	-	-	-	-	-
Less: Sale/Transfer during the year	-	-	-	-	-	-
Less: Adjustment during the year	(2,045,000)	-	(2,045,000)	-	-	-
Total Cost Value	9,545,000	-	9,545,000	8,350,000	-	8,350,000
Less: Accumulated Amortisation						
Opening balance	2,328,158	-	2,328,158	1,211,218	-	1,211,218
Add: Depreciation during the year	1,580,532	-	1,580,532	1,116,940	-	1,116,940
Add: Disposal during the year	378,448	-	378,448	-	-	-
Add: Transfer during the year	56,529	-	56,529	-	-	-
Less: Adjustment during the year	(2,045,000)	-	(2,045,000)	-	-	-
Accumulated Depreciation	2,298,666	-	2,298,666	2,328,158	-	2,328,158
Written Down Value	7,246,334	-	7,246,334	6,021,842	-	6,021,842
8. Others Non Current Assets	363,361	-	363,361	200,448	-	200,448
Cost Value						
Opening balance	327,389	-	327,389	313,090	-	313,090
Add: Purchase during the year	250,734	-	250,734	14,299	-	14,299
Add: Adjustment during the year	-	-	-	-	-	-
Less: Sale/Transfer during the year	-	-	-	-	-	-
Less: Adjustment during the year	-	-	-	-	-	-
Total Cost	578,123	-	578,123	327,389	-	327,389
Less: Accumulated Depreciation						
Opening balance	126,941	-	126,941	61,886	-	61,886
Add: Depreciation during the year	87,821	-	87,821	65,055	-	65,055
Add: Disposal during the year	-	-	-	-	-	-
Less: Adjustment during the year	-	-	-	-	-	-
Accumulated Depreciation	214,762	-	214,762	126,941	-	126,941
Written Down Value	363,361	-	363,361	200,448	-	200,448
9. Investment FDR	328,468,219	-	328,468,219	248,759,475	-	248,759,475
9.1 FDR for SAVINGS	138,531,250	-	138,531,250	89,000,000	-	89,000,000
Opening balance	89,000,000	-	89,000,000	60,000,000	-	60,000,000
Add: Addition principal during the year	133,000,000	-	133,000,000	89,000,000	-	89,000,000
Add: Adjustment from receivable	952,350	-	952,350	150,597	-	150,597
Less: FDR withdrawal	(84,391,985)	-	(84,391,985)	(60,150,597)	-	(60,150,597)
Less: Adjustment tax & charged	(29,115)	-	(29,115)	-	-	-
Closing balance	138,531,250	-	138,531,250	89,000,000	-	89,000,000



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Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
9.2 FDR for Reserve Fund	76,787,938	-	76,787,938	45,000,000	-	45,000,000
Opening balance	45,000,000	-	45,000,000	24,000,000	-	24,000,000
Add: Addition principal during the year	71,000,000	-	71,000,000	45,000,000	-	45,000,000
Add: Adjustment from receivable	1,121,135	-	1,121,135	70,564	-	-
Less : FDR withdrawal	(40,333,197)	-	(40,333,197)	(24,070,564)	-	(24,070,564)
Less: Adjustment tax & charged	-	-	-	-	-	-
Closing balance	76,787,938	-	76,787,938	45,000,000	-	45,000,000
9.3 FDR-Lien & Others	113,149,031	-	113,149,031	113,269,677	-	113,269,677
Opening balance	113,269,677	-	113,269,677	110,680,745	-	110,680,745
Add: Addition during the year	29,450,000	-	29,450,000	26,000,000	-	26,000,000
Add: Interest earned during the year	6,391,297	-	6,391,297	6,584,179	-	6,584,179
Less: Recovery during the year	(35,940,443)	-	(35,940,443)	(29,960,747)	-	(29,960,747)
Less: Adjustment During the year	(21,500)	-	(21,500)	(34,500)	-	(34,500)
Closing balance	113,149,031	-	113,149,031	113,269,677	-	113,269,677
9.4 Interest Receivable	-	-	-	1,489,798	-	1,489,798
Opening balance	1,489,798	-	1,489,798	1,493,178	-	1,493,178
Add: Addition during the year	-	-	-	1,489,798	-	1,489,798
Add: Provision during the year	-	-	-	-	-	-
Add: Interest earned during the year	-	-	-	-	-	-
Less: Realised/Adjustment during the year	(1,489,798)	-	(1,489,798)	(1,493,178)	-	(1,493,178)
Closing balance	-	-	-	1,489,798	-	1,489,798
10. Advance, Security & Prepaid	29,194,472	198,632,430	227,826,902	28,173,717	267,367,210	295,540,927
10.1 Loan to Staffs	20,874,256	2,608,277	23,482,533	14,086,859	133,683,605	147,770,464
Opening balance	8,181,189	1,993,037	10,174,226	12,437,105	49,730,790	62,167,895
Add: Disbursement during the year	18,804,075	2,818,000	21,622,075	21,306,935	549,603,160	570,910,094
Add: Adjustment during the year	-	-	-	19,443,170	1,271,243	20,714,412
Less: Recovery during the year	(948,530)	(204,771)	(1,153,301)	(5,595,377)	(466,345,144)	(471,940,521)
Less: Adjustment / Transfer during year	(5,162,478)	(1,997,989)	(7,160,467)	(33,504,974)	(576,444)	(34,081,418)
Closing balance	20,874,256	2,608,277	23,482,533	14,086,859	133,683,605	147,770,464
10.1 Advance & Prepaid	8,320,216	196,024,154	204,344,370	14,086,859	133,683,605	147,770,464
Opening balance	5,905,670	131,690,570	137,596,240	12,437,105	49,730,790	62,167,895
Add: Disbursement during the year	9,439,043	145,259,586	154,698,628	21,306,935	549,603,160	570,910,094
Add: Adjustment during the year	957,757	401,967,754	402,925,511	19,443,170	1,271,243	20,714,412
Less: Recovery during the year	(2,530,443)	(200,414,281)	(202,944,724)	(5,595,377)	(466,345,144)	(471,940,521)
Less: Adjustment / Transfer during year	(5,451,810)	(282,479,475)	(287,931,285)	(33,504,974)	(576,444)	(34,081,418)
Closing balance	8,320,216	196,024,154	204,344,370	14,086,859	133,683,605	147,770,464
11. Loan to Group Members	3,091,718,301	1,484,973	3,093,203,273	2,532,388,638	337,615	2,532,726,253
11.1 MFP Loan to Beneficiaries-JAGORON	172,482,667	-	172,482,667	174,490,180	-	174,490,180
Opening balance	174,490,180	-	174,490,180	228,309,301	-	228,309,301
Add: Disbursement during the year	271,029,000	-	271,029,000	389,771,000	-	389,771,000
Add: Balance transferred from UMC	-	-	-	-	-	-
Less : Recovery during the year	(272,099,941)	-	(272,099,941)	(438,029,732)	-	(438,029,732)
Less: Adjustment recovery	(936,572)	-	(936,572)	(5,560,390)	-	(5,560,390)
Closing balance	172,482,667	-	172,482,667	174,490,180	-	174,490,180



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
11.2 Loan to Beneficiaries-AGROSOR	1,646,416,696	-	1,646,416,696	1,264,253,095	-	1,264,253,095
Opening balance	1,264,253,095	-	1,264,253,095	934,768,570	-	934,768,570
Add. Disbursement during the year	2,254,289,000	-	2,254,289,000	1,900,763,000	-	1,900,763,000
	-	-	-	-	-	-
Less : Recovery during the year	(1,862,218,940)	-	(1,862,218,940)	(1,559,697,072)	-	(1,559,697,072)
Less: Adjustment / Recovery	(9,906,459)	-	(9,906,459)	(11,581,403)	-	(11,581,403)
Closing balance	1,646,416,696	-	1,646,416,696	1,264,253,095	-	1,264,253,095
11.3 Loan to Beneficiaries-BUNIAD	45,806	-	45,806	46,348	-	46,348
Opening balance	46,348	-	46,348	1,727,985	-	1,727,985
Add. Disbursement during the year	-	-	-	-	-	-
	-	-	-	-	-	-
Less : Recovery During the year	(542)	-	(542)	(1,602,718)	-	(1,602,718)
Less: Adjustment	-	-	-	(78,918)	-	(78,918)
Closing balance	45,806	-	45,806	46,348	-	46,348
11.4 Loan to Beneficiaries-SUFOLON	140,506,328	-	140,506,328	128,033,936	-	128,033,936
Opening balance	128,033,936	-	128,033,936	129,019,773	-	129,019,773
Add. Opening Adjustment	250,579,000	-	250,579,000	-	-	-
Add. Disbursement during the year	-	-	-	230,867,000	-	230,867,000
Less : Recovery During the year	(236,984,893)	-	(236,984,893)	(230,628,350)	-	(230,628,350)
Less: Adjustment	(1,121,715)	-	(1,121,715)	(1,224,488)	-	(1,224,488)
Closing balance	140,506,328	-	140,506,328	128,033,936	-	128,033,936
11.5 Loan to Beneficiaries-GRIHAYAN	1,132,266,804	1,484,973	1,133,751,777	965,565,078	337,615	965,902,694
Opening balance	965,565,078	337,615	965,902,694	706,917,099	800,166	707,717,265
Add. Disbursement during the year	1,232,585,000	1,820,000	1,234,405,000	1,130,512,000	-	1,130,512,000
Add: Adjustment	-	-	-	-	-	-
Less : Recovery During the year	(1,061,332,683)	(672,643)	(1,062,005,325)	(867,256,120)	(462,550)	(867,718,671)
Less : Adjust / Transfer	(4,550,592)	-	(4,550,592)	(4,607,900)	-	(4,607,900)
Closing balance	1,132,266,804	1,484,973	1,133,751,777	965,565,078	337,615	965,902,694
12. Accounts Receivable	1,953,402	-	1,953,402	-	100,000	100,000
Opening balance	-	100,000	100,000	-	-	-
Add. Disbursement during the year	1,953,402	-	1,953,402	-	-	-
Add. Adjusted during the year	-	96,375	96,375	-	100,000	100,000
Less : Recovery During the year	-	(196,375)	(196,375)	-	-	-
Less : Adjust / Transfer	-	-	-	-	-	-
Closing balance	1,953,402	-	1,953,402	-	100,000	100,000
13. Others Current Assets	265,032	-	265,032	-	-	-
13.1 Stock & Stores	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-
Add. Purchase during the year	-	-	-	-	-	-
Add. Adjustment during the year	-	-	-	-	-	-
Less : Sale during the year	-	-	-	-	-	-
Less : Adjustment during the year	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
13.2 Suspense Account	265,032	-	265,032	-	-	-
Opening balance	-	-	-	-	-	-
Add. Provision during the year	930,619	-	930,619	-	-	-
Add. Adjustment during the year	-	-	-	-	-	-
Less : Recovery during the year	(665,587)	-	(665,587)	-	-	-
Less : Adjustment during the year	-	-	-	-	-	-
Closing balance	265,032	-	265,032	-	-	-



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
14. Cash in Hand and at Bank	93,243,180	3,878,125	97,121,305	121,148,059	4,736,568	125,884,627
14.1 Cash in hand	24,204,033	199,423	24,403,456	42,806,964	576,011	43,382,975
Head Office	44,156	166,322	210,478	171,822	549,568	721,390
Branch Office	24,159,877	33,101	24,192,978	42,635,142	26,443	42,661,585
Total	24,204,033	199,423	24,403,456	42,806,964	576,011	43,382,975
14.2 Cash at Bank	69,039,147	3,678,702	72,717,849	78,341,095	4,160,557	82,501,652
Head Office	29,841,048	3,598,192	33,439,240	26,253,964	4,160,557	30,414,521
Branch Office	39,198,099	80,510	39,278,609	52,087,131	-	52,087,131
Total	69,039,147	3,678,702	72,717,849	78,341,095	4,160,557	82,501,652
15. Retained Surplus	652,228,612	22,625,576	674,854,188	422,057,622	22,112,436	444,170,059
Opening balance	422,057,622	22,112,437	444,170,059	215,201,833	19,703,321	234,905,154
Add: Prior year adjustment	-	-	-	-	-	-
Less: Prior year adjustment	-	-	-	-	-	-
Sub total	422,057,622	22,112,437	444,170,059	215,201,833	19,703,321	234,905,154
Add: Surplus/(Deficit) during the year	230,170,990	513,139	230,684,129	203,538,356	2,404,489	205,942,844
Add: Adjustment during the year	-	-	-	3,317,434	4,626	3,322,060
Less: Adjustment during the Year	-	-	-	-	-	-
Sub total	230,170,990	513,139	230,684,129	206,855,790	2,409,115	209,264,904
Total Retained Surplus After Adjustment	652,228,612	22,625,576	674,854,188	422,057,622	22,112,436	444,170,059
Less: Provision for Reserve Fund	(65,222,861)	-	(65,222,861)	(42,205,762)	-	(42,205,762)
Total Retained Surplus After Reserved	587,005,751	22,625,576	609,631,327	379,851,860	22,112,436	401,964,296
Add: Reserve Fund	65,222,861	-	65,222,861	42,205,762	-	42,205,762
Closing balance	652,228,612	22,625,576	674,854,188	422,057,622	22,112,436	444,170,059
16. Development Program Fund	-	699,365	699,365	-	-	-
Opening balance	-	-	-	-	50,000	50,000
Add: Receipt during the year	-	6,271,483	6,271,483	-	381,144	381,144
Add: Fund against bank interest during the year	-	-	-	-	-	-
Less: Return/Transfer donation during the year	-	-	-	-	-	-
Less: Fund adjusted current year	-	(5,572,118)	(5,572,118)	-	(431,144)	(431,144)
Closing balance	-	699,365	699,365	-	-	-
17. Long Term Borrowings-PKSF	69,400,000	-	69,400,000	69,100,000	-	69,100,000
Opening balance	69,100,000	-	69,100,000	56,533,326	-	56,533,326
Add: Receipt during the year	75,000,000	-	75,000,000	70,000,000	-	70,000,000
Less: Return during the year	(74,700,000)	-	(74,700,000)	(57,433,326)	-	(57,433,326)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	69,400,000	-	69,400,000	69,100,000	-	69,100,000
17.1 Long Term Borrowings-PKSF- RMC	-	-	-	150,000	-	150,000
Opening balance	150,000	-	150,000	2,250,000	-	2,250,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(150,000)	-	(150,000)	(2,100,000)	-	(2,100,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	150,000	-	150,000
17.2 Long Term Borrowings-PKSF- ME	-	-	-	300,000	-	300,000
Opening balance	300,000	-	300,000	3,500,000	-	3,500,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(300,000)	-	(300,000)	(3,200,000)	-	(3,200,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	300,000	-	300,000



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
17.3 Long Term Borrowings-PKSF- UMC	-	-	-	200,000	-	200,000
Opening balance	200,000	-	200,000	2,450,000	-	2,450,000
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(200,000)	-	(200,000)	(2,250,000)	-	(2,250,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	200,000	-	200,000
17.4 Long Term Borrowings- PKSF- UP	-	-	-	-	-	-
Opening balance	-	-	-	166,660	-	166,660
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	-	-	-	(166,660)	-	(166,660)
Closing balance	-	-	-	-	-	-
17.5 Long Term Borrowings- PKSF- Sufolon	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-
Add: Receipt during the year	40,000,000	-	40,000,000	25,000,000	-	25,000,000
Less: Return during the year	(40,000,000)	-	(40,000,000)	(25,000,000)	-	(25,000,000)
Less: Adjust / Transfer	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
18.6 Long Term Borrowings- PKSF- JAGORON	44,000,000	-	44,000,000	39,350,000	-	39,350,000
Opening balance	39,350,000	-	39,350,000	27,350,000	-	27,350,000
Add: Receipt during the year	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Less: Return during the year	(20,350,000)	-	(20,350,000)	(13,000,000)	-	(13,000,000)
Closing balance	44,000,000	-	44,000,000	39,350,000	-	39,350,000
18.7 Long Term Borrowings- PKSF- AGROSOR	25,400,000	-	25,400,000	28,100,000	-	28,100,000
Opening balance	28,100,000	-	28,100,000	15,900,000	-	15,900,000
Add: Receipt during the year	10,000,000	-	10,000,000	20,000,000	-	20,000,000
Less: Return during the year	(12,700,000)	-	(12,700,000)	(7,800,000)	-	(7,800,000)
Closing balance	25,400,000	-	25,400,000	28,100,000	-	28,100,000
18.8 Long Term Borrowings- PKSF-	-	-	-	1,000,000	-	1,000,000
Opening balance	1,000,000	-	1,000,000	4,916,666	-	4,916,666
Add: Receipt during the year	-	-	-	-	-	-
Less: Return during the year	(1,000,000)	-	(1,000,000)	(3,916,666)	-	(3,916,666)
Closing balance	-	-	-	1,000,000	-	1,000,000
18. Long Term Borrowings-Bank & Others	1,450,011,826	1,960,000	1,451,971,826	1,450,981,842	420,000	1,451,401,842
Opening balance	1,450,981,842	420,000	1,451,401,842	1,268,860,374	960,000	1,269,820,374
Add: Receipt during the year	1,197,694,795	1,820,000	1,199,514,795	1,522,851,585	-	1,522,851,585
Less: Adjust / Transfer / Refund during the year	144,557,957	-	144,557,957	(1,465,107,471)	-	(1,465,107,471)
Add: Adjustment	(1,343,222,768)	(280,000)	(1,343,502,768)	124,377,353	-	124,377,353
Less: Return during the year	-	-	-	-	(540,000)	(540,000)
Closing balance	1,450,011,826	1,960,000	1,451,971,826	1,450,981,842	420,000	1,451,401,842
19. Member Savings	1,238,558,664	331,312	1,238,889,976	853,686,516	93,562	853,780,078
19.1 Members Regular Savings	475,465,474	146,615	475,612,089	447,003,798	93,562	447,097,360
Opening balance	447,003,798	93,562	447,097,360	334,077,949	145,738	334,223,687
Add: Receipt during the year	500,556,929	812,161	501,369,090	492,425,516	81,725	492,507,241
Add: Adjustment during the year	109,656,627	6,589	109,663,216	103,627,494	1,583	103,629,077
Less: Return during the year	(490,939,306)	(765,697)	(491,705,003)	(396,909,063)	(135,484)	(397,044,547)
Less: Adjust / Transfer / Refund during the year	(90,812,574)	-	(90,812,574)	(86,218,098)	-	(86,218,098)
Closing balance	475,465,474	146,615	475,612,089	447,003,798	93,562	447,097,360



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
19.2 Members Voluntary Savings -Monthly	210,551,190	2,697	210,553,887	165,059,718	-	165,059,718
Opening balance	165,059,718	-	165,059,718	109,573,796	-	109,573,796
Add: Receipt during the year	137,289,158	3,000	137,292,158	122,563,867	-	122,563,867
Add: Adjustment during the year	33,261,401	97	33,261,498	23,043,760	-	23,043,760
Less: Return during the year	(102,733,972)	(400)	(102,734,372)	(74,852,009)	-	(74,852,009)
Less: Adjust / Transfer / Refund during the year	(22,325,115)	-	(22,325,115)	(15,269,696)	-	(15,269,696)
Closing balance	210,551,190	2,697	210,553,887	165,059,718	-	165,059,718
19.3 Members Savings-SAMRIDDI	142,345,000	182,000	142,527,000	115,257,000	-	115,257,000
Opening balance	115,257,000	-	115,257,000	79,912,000	-	79,912,000
Add: Receipt during the year	87,974,000	182,000	88,156,000	82,664,000	-	82,664,000
Add: Adjustment during the year	34,716,000	-	34,716,000	27,193,000	-	27,193,000
Less: Return during the year	(60,886,000)	-	(60,886,000)	(47,319,000)	-	(47,319,000)
Less: Adjust / Transfer / Refund during the year	(34,716,000)	-	(34,716,000)	(27,193,000)	-	(27,193,000)
Closing balance	142,345,000	182,000	142,527,000	115,257,000	-	115,257,000
19.4 Members Savings-OTS	410,197,000	-	410,197,000	126,366,000	-	126,366,000
Opening balance	126,366,000	-	126,366,000	62,851,000	-	62,851,000
Add: Receipt during the year	512,105,000	-	512,105,000	160,226,000	-	160,226,000
Add: Adjustment during the year	29,967,000	-	29,967,000	3,795,000	-	3,795,000
Less: Return during the year	(228,274,000)	-	(228,274,000)	(96,711,000)	-	(96,711,000)
Less: Adjust / Transfer / Refund during the year	(29,967,000)	-	(29,967,000)	(3,795,000)	-	(3,795,000)
Closing balance	410,197,000	-	410,197,000	126,366,000	-	126,366,000
20. Short Term Loan & Liability	192,105,105	93,335,685	285,440,790	117,968,578	108,062,406	226,030,985
20.1 Ambala Foundation General Fund -	97,992,235	3,620,685	101,612,920	61,398,192	2,609,372	64,007,564
Opening balance	61,398,192	2,209,372	63,607,564	6,159,693	1,779,830	7,939,523
Add: Receipt during the year	414,207,567	3,733,031	417,940,598	596,148,716	943,542	597,092,258
Add: Adjustment during the year	71,790,909	5,954,454	77,745,363	-	-	-
Less: Return during the year	(447,911,562)	(7,410,491)	(455,322,053)	(540,910,217)	(12,000)	(540,922,217)
Less: Adjust / Transfer / Refund during the year	(1,492,871)	(865,681)	(2,358,552)	-	(102,000)	(102,000)
Closing balance	97,992,235	3,620,685	101,612,920	61,398,192	2,609,372	64,007,564
20.2 Employee Gratuity Fund Account -	25,900,800	-	25,900,800	13,106,450	-	13,106,450
Opening balance	13,106,450	-	13,106,450	10,399,475	-	10,399,475
Add: Receipt during the year	-	-	-	-	-	-
Add: Adjustment during the year	13,044,350	-	13,044,350	3,106,975	-	3,106,975
Less: Return during the year	(250,000)	-	(250,000)	(400,000)	-	(400,000)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	25,900,800	-	25,900,800	13,106,450	-	13,106,450
20.3 Employee DPS Fund Account - Loan	-	-	-	5,639,015	-	5,639,015
Opening balance	5,639,015	-	5,639,015	3,581,869	-	3,581,869
Add: Receipt during the year	3,200,000	-	3,200,000	-	-	-
Add: Adjustment during the year	-	-	-	2,157,146	-	2,157,146
Less: Return during the year	(8,839,015)	-	(8,839,015)	(100,000)	-	(100,000)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	-	-	-	5,639,015	-	5,639,015
20.4 Employee Welfare Fund Account -	12,870,215	-	12,870,215	8,787,147	-	8,787,147
Opening balance	8,787,147	-	8,787,147	5,065,075	-	5,065,075
Add: Receipt during the year	56,070	-	56,070	-	20,625	20,625
Add: Adjustment during the year	5,126,998	-	5,126,998	4,008,985	-	4,008,985
Less: Return during the year	(1,100,000)	-	(1,100,000)	(286,913)	(20,625)	(307,538)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	12,870,215	-	12,870,215	8,787,147	-	8,787,147



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
20.5 Employee Provident Fund Account -	31,771,863	-	31,771,863	21,641,410	-	21,641,410
Opening balance	21,641,410	-	21,641,410	15,178,372	-	15,178,372
Add: Receipt during the year	-	-	-	9,063,037	-	9,063,037
Add: Adjustment during the year	15,528,946	-	15,528,946	-	-	-
Less: Return during the year	(5,398,493)	-	(5,398,493)	(2,600,000)	-	(2,600,000)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	31,771,863	-	31,771,863	21,641,410	-	21,641,410
20.6 Employee Security Fund Account -	13,474,037	-	13,474,037	7,396,364	-	7,396,364
Opening balance	7,396,364	-	7,396,364	5,861,000	-	5,861,000
Add: Receipt during the year	1,599,616	-	1,599,616	-	7,500	7,500
Add: Adjustment during the year	5,878,058	-	5,878,058	2,395,364	-	2,395,364
Less: Return during the year	(1,400,000)	-	(1,400,000)	(860,000)	(7,500)	(867,500)
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	13,474,037	-	13,474,037	7,396,364	-	7,396,364
20.7 Employee Pension Scheme Account -	10,095,955	-	10,095,955	-	-	-
Opening balance	-	-	-	-	-	-
Add: Receipt during the year	22,000	-	22,000	-	-	-
Add: Adjustment during the year	10,576,955	-	10,576,955	-	-	-
Less: Return during the year	(503,000)	-	(503,000)	-	-	-
Less: Adjust / Transfer / Refund during the year	-	-	-	-	-	-
Closing balance	10,095,955	-	10,095,955	-	-	-
20.8 OTS	-	89,715,000	89,715,000	-	105,453,034	105,453,034
Opening balance	-	105,853,034	105,853,034	-	81,436,108	81,436,108
Add: Receipt during the year	-	144,400,000	144,400,000	-	95,301,551	95,301,551
Add: Adjustment during the year	-	27,062,030	27,062,030	-	-	-
Less: Return during the year	-	(184,345,126)	(184,345,126)	-	(71,284,625)	(71,284,625)
Less: Adjust / Transfer / Refund during the year	-	(3,254,938)	(3,254,938)	-	-	-
Closing balance	-	89,715,000	89,715,000	-	105,453,034	105,453,034
21.0 Loan Loss Provision (LLP)	51,681,885	19,944	51,701,829	36,268,159	3,376	36,271,535
Opening balance	36,268,159	3,376	36,271,535	25,338,707	8,002	25,346,709
Add: Provision during the year	15,413,726	16,568	15,430,294	16,210,137	-	16,210,137
Less : Adjust / Transfer	-	-	-	(5,280,685)	(4,626)	(5,285,311)
Closing balance	51,681,885	19,944	51,701,829	36,268,159	3,376	36,271,535
22. PF, WF, Gratuity, IT etc.	52,028,849	87,727,318	139,756,168	51,692,748	52,531,477	104,224,225
22.1 Provident Fund	-	34,477,966	34,477,966	-	24,416,236	24,416,236
Opening balance	-	24,416,236	24,416,236	-	16,703,163	16,703,163
Add: Receipt during the year	-	-	-	-	9,433,485	9,433,485
Add: Adjust / Transfer / Refund during the year	23,696,096	12,585,872	36,281,968	9,932,515	-	9,932,515
Less: Return during the year	-	-	-	(1,787,466)	(1,720,411)	(3,507,877)
Less: Adjust / Transfer / Refund during the year	(23,696,096)	(2,524,143)	(26,220,238)	(8,145,049)	-	(8,145,049)
Closing balance	-	34,477,966	34,477,966	-	24,416,236	24,416,236
22.2 Gratuity Fund	-	25,942,191	25,942,191	-	13,147,013	13,147,013
Opening balance	-	13,147,013	13,147,013	-	10,491,154	10,491,154
Add: Receipt during the year	-	-	-	-	3,102,573	3,102,573
Add: Adjust / Transfer / Refund during the year	13,044,350	13,046,551	26,090,901	3,102,573	-	3,102,573
Less: Return during the year	-	-	-	-	(446,714)	(446,714)
Less: Adjust / Transfer / Refund during the year	(13,044,350)	(251,373)	(13,295,723)	(3,102,573)	-	(3,102,573)
Closing balance	-	25,942,191	25,942,191	-	13,147,013	13,147,013



FAMES R
Chartered Accountants

Particular's	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
23.3 Provision for Expenses	1,533,656	1,034,959	2,568,616	1,716,703	819,589	2,536,291
Opening balance	1,716,703	819,589	2,536,291	1,393,653	970,173	2,363,826
Add: Addition during the year	-	8,297,696	8,297,696	-	5,877,370	5,877,370
Add: Adjust / Transfer / Refund during the year	3,429,097	3,038	3,432,136	1,848,127	-	1,848,127
Less: Paid during the year	(2,679,874)	(1,530)	(2,681,404)	(1,525,077)	(6,027,954)	(7,553,031)
Less: Adjust / Transfer / Refund during the year	(932,270)	(8,083,834)	(9,016,104)	-	-	-
Closing balance	1,533,656	1,034,959	2,568,616	1,716,703	819,589	2,536,291



FAMES R
Chartered Accountants

Particular's	Amount In Taka					
	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
24. Service Charge	755,001,606	16,182,219	771,183,824	630,831,575	16,595,418	647,426,993

24.01 Service Charge from loan to group members & development program

Service Charge from loan to group members	750,933,120	-	750,933,120	625,686,846	-	625,686,846
Service Charge from others projects	-	15,747,585	15,747,585	-	16,132,945	16,132,945
Interest on Provident Fund Loan	-	427,934	427,934	-	347,473	347,473
Development project service charge	-	-	-	-	100,000	100,000
Sub-Total	750,933,120	16,175,519	767,108,638	625,686,846	16,580,418	642,267,264

24.02 Service charge on support services

Service Charge for Photography	2,578,400	2,600	2,581,000	3,123,600	-	3,123,600
Cheque Book Sale (Income)	720	-	720	171,170	-	171,170
Printing Materials/Pass Book & Register Sale	1,005,546	3,450	1,008,996	1,108,269	-	1,108,269
Loan Application Fee	483,820	650	484,470	741,690	-	741,690
Member Closing Fee	-	-	-	-	15,000	15,000
Sub-Total	4,068,486	6,700	4,075,186	5,144,729	15,000	5,159,729

25. Interest on Bank Balance & FDR A/C

Bank Int. on STD A/C	2,386,696	91,218	2,477,914	1,644,088	63,735	1,707,822
Bank Int. on Savings FDR	1,271,286	-	1,271,286	101,813	-	101,813
Bank Int. on Reserve Fund Deposit	1,454,227	-	1,454,227	111,907	-	111,907
Interest on Lien FDR	7,263,429	-	7,263,429	7,346,686	-	7,346,686
Interest on Others FDR	-	-	-	-	-	-
Total Interest on Bank Balance & FDR A/C	12,375,638	91,218	12,466,857	9,204,493	63,735	9,268,228

26. Others Income

Profit gain	-	-	-	-	500,000	500,000
Miscellaneous/Others Income	1,873,877	185,879	2,059,756	1,223,593	121,519	1,345,112
Abandoned Money	-	1,594,091	1,594,091	-	1,200,371	1,200,371
ID Card & Staff Info. Book Sale	-	119,500	119,500	-	118,800	118,800
Advertisement Income	-	-	-	-	-	-
Account Closing Charge(Income)	-	-	-	86,800	-	86,800
Rent Income	-	333,290	333,290	-	360,000	360,000
Total Others Income	1,873,877	2,232,760	4,106,638	1,310,393	2,300,690	3,611,084

27. Donation, Subscription, Reimbursable & Contributions

Donation	-	-	-	-	-	-
Contribution	-	2,299,300	2,299,300	-	1,949,325	1,949,325
Reimbursable Income	265,513	-	265,513	2,783,932	22,633	2,806,565
Subscription Fee	-	1,500	1,500	-	-	-
Total	265,513	2,300,800	2,566,313	2,783,932	1,971,958	4,755,890

28. Donor grants

	-	5,683,043	5,683,043	-	431,144	431,144
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29. Salary & Benefits

29.1 Salary Benefits Staffs

Staff Salary	98,563,540	858,453	99,421,993	77,540,873	1,003,176	78,544,049
Festival Bonus	9,222,982	80,153	9,303,135	5,348,541	61,214	5,409,755
Provident Fund Contribution (PFC)	3,271,752	19,140	3,290,892	2,535,635	17,964	2,553,599
Staff Incentive for Motivation	127,006	-	127,006	9,470	-	9,470
Staff Welfare Fund Contribution	85,700	1,300	87,000	68,141	1,425	69,566
	7,515,219	-	7,515,219	-	-	-
Sub-Total	118,786,199	959,046	119,745,245	85,502,659	1,083,779	86,586,438

29.2 Salary Benefits CO

Credit Office Salary	66,086,196	-	66,086,196	58,507,357	-	58,507,357
Festival Bonus	5,200,586	-	5,200,586	2,963,983	-	2,963,983
Provident Fund Contribution (PFC)	2,013,895	-	2,013,895	1,332,644	-	1,332,644
Credit Office Incentive for Motivation	103,600	-	103,600	563	-	563
Credit Officer Welfare Fund Contribution	94,410	-	94,410	94,555	-	94,555
Sub-Total	73,498,687	-	73,498,687	62,899,101	-	62,899,101
Total Salary & Benefits	192,284,886	959,046	193,243,932	148,401,761	1,083,779	149,485,540



FAMES R
Chartered Accountants

Particular's	Amount In Taka					
	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total
30. Office Rent & Utilities						
Office Rent	11,494,884	-	11,494,884	13,557,457	-	13,557,457
Electric Bill	1,581,879	63,919	1,645,798	1,470,004	62,414	1,532,418
Gas Bill	153,016	-	153,016	-	-	-
Water & Sewerage	49,890	-	49,890	-	-	-
Total	13,279,669	63,919	13,343,588	15,027,461	62,414	15,089,875
31. Printing & Stationary						
Office Stationary	1,705,323	6,622	1,711,945	1,582,088	6,653	1,588,741
Printing Cost	3,628,914	-	3,628,914	4,508,477	-	4,508,477
Photocopy	87,816	430	88,246	96,563	390	96,953
Total	5,422,053	7,052	5,429,105	6,187,128	7,043	6,194,171
32. Communication						
Mobile Bill	207,610	3,000	210,610	114,020	4,300	118,320
Telephone bill	4,536	5,023	9,559	4,524	17,653	22,177
Internet Bill	870,762	14,400	885,162	664,794	14,400	679,194
Postage & Courier	3,485	1,055	4,540	4,269	510	4,779
Total	1,086,393	23,478	1,109,871	787,607	36,863	824,470
33. Tours & Travel						
Local Conveyance	725,944	74,427	800,371	618,409	112,638	731,047
Transportation Cost	505,604	-	505,604	429,344	-	429,344
Travel Allowance (TA)	1,935,359	-	1,935,359	1,186,507	-	1,186,507
Daily Allowance (DA)	1,527,070	-	1,527,070	668,134	-	668,134
Fuel Cost	5,795,290	5,007	5,800,297	3,328,437	9,380	3,337,817
Lodging & Night Stay cost	505,278	-	505,278	9,540	2,000	11,540
Total	10,994,545	79,434	11,073,979	6,240,371	124,018	6,364,389
34. Repairs & Office Maintenance						
Cleaning Materials	-	-	-	161,948	-	161,948
Electric Goods	673,060	1,604	674,664	277,312	1,870	279,182
Furniture/Fixture/Equipment & Others Maintenance	61,280	-	61,280	31,280	-	31,280
Computer/Software Maintenance	11,927,193	-	11,927,193	8,596,595	120,300	8,716,895
Motor Cycle & Bi-Cycle Maintenance	1,309,473	-	1,309,473	650,664	-	650,664
Repair & Maintenance	489,152	21,650	510,802	409,457	2,320	411,777
Internet Accessories & Maintenance	119,647	1,700	121,347	35,019	-	35,019
Car Maintenance	315,599	-	315,599	195,330	-	195,330
Office Maintenance	518,718	30	518,748	-	-	-
Total	15,414,122	24,984	15,439,106	10,357,605	124,490	10,482,095
35. Advertisement & Publications						
Signboard/Hooding	270,571	-	270,571	286,110	-	286,110
Advertisement Cost	187,602	-	187,602	150,508	2,550	153,058
News Paper & Magazine	332,365	3,550	335,915	295,765	3,330	299,095
Staff Recruitment Cost	159,755	-	159,755	213,879	270	214,149
Total	950,293	3,550	953,843	946,262	6,150	952,412
36. Legal Expenses						
Renewal & Registration	263,751	28,000	291,751	261,932	14,605	276,537
Revenue Stamp/Stamp	47,880	330	48,210	27,244	500	27,744
Audit/Monitoring/Consultancy Fee	128,900	-	128,900	145,000	100,000	245,000
Lawyer Fee	2,017,273	-	2,017,273	1,358,324	-	1,358,324
VAT & Tax Expenses for Organization	1,338,861	6,137	1,344,998	1,662,078	766	1,662,843
Total	3,796,665	34,467	3,831,132	3,454,578	115,871	3,570,448



FAMES R
Chartered Accountants

Particular's	Amount In Taka					
	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total

37. Training / Workshop / Meeting / Conference

Training / Workshop/Summit	762,036	-	762,036	245,013	-	245,013
Meetings & Conference	111,606	-	111,606	2,017,196	-	2,017,196
Total	873,642	-	873,642	2,262,209	-	2,262,209

38. Other Admin & General Expenses

Entertainment	2,605,236	17,841	2,623,077	1,930,811	14,571	1,945,382
Bank Charge (DD,TT,ALL)	1,668,463	69,894	1,738,357	1,516,430	77,622	1,594,052
Donation & Occasional Exp.	1,041,981	595,626	1,637,607	980,200	185,917	1,166,117
Cookeries & Cutlery	293,996	4,500	298,496	463,493	-	463,493
Dish line/Cable Charge	24,452	-	24,452	15,900	-	15,900
Miscellaneous Expense	2,087,726	128,774	2,216,500	2,880,127	70,560	2,950,687
Lunch Allowance	25,455	-	25,455	3,450	-	3,450
Medical Exp. For General Staff	406,023	-	406,023	757,547	-	757,547
Loan Processing Fee	11,744,150	-	11,744,150	7,629,000	-	7,629,000
Contribution to Development	-	2,000,000	2,000,000	-	-	-
Total	19,897,482	2,816,635	22,714,117	16,176,958	348,670	16,525,628

39. Gratuity, Pension & Insurance Premium

Staff Gratuity Exp.	13,044,350	-	13,044,350	3,106,976	-	3,106,976
Staff Pension Exp.	266,955	-	266,955	-	-	-
Total	13,311,305	-	13,311,305	3,106,976	-	3,106,976

40. Lose On Disposal of Fixed Assets

Loass on Disposal of Motor Vehicles	-	-	-	-	-	-
Loass on Disposal of Furniture & Fixture	-	-	-	-	-	-
Loass on Disposal of Equipment & Machinaries	378,448	-	378,448	-	-	-
Loass on Disposal of Others Non Current Assets	-	-	-	-	-	-
Total	378,448	-	378,448	-	-	-

41. Corporate Social Responsibility

Education Exp	27,675	-	27,675	-	-	-
Sports & Culture	100,000	-	100,000	-	-	-
Health Service	5,990	-	5,990	-	-	-
Total	133,665	-	133,665	-	-	-

42. Interest on PKSF & Bank Loan Fund

Interest to PKSF-RMC	2,063	-	2,063	68,065	-	68,065
Interest to PKSF-UMC	2,750	-	2,750	79,064	-	79,064
Interest to PKSF-ME	4,125	-	4,125	118,250	-	118,250
Interest to PKSF-UP	-	-	-	423	-	423
Interest to PKSF-Seasonal	1,750,000	-	1,750,000	937,500	-	937,500
Interest to PKSF-Jajoron	2,360,877	-	2,360,877	3,389,626	-	3,389,626
Interest to PKSF-Agrosar	1,758,750	-	1,758,750	1,824,250	-	1,824,250
Interest to PKSF-Buniad	3,750	-	3,750	47,917	-	47,917
Interest on Bank Loan	149,590,529	5,241	149,595,770	149,436,813	16,017	149,452,830
Total	155,472,844	5,241	155,478,085	155,901,908	16,017	155,917,925

43. Interest for Savings

Int. on Member Regular Savings	18,873,611	6,589	18,880,200	17,411,896	1,583	17,413,479
Ins on Member voluntary savings-Monthly	11,108,650	97	11,108,747	7,839,498	-	7,839,498
Ins on Member Savings SAMRIDDI	-	-	-	-	-	-
Ins on Member Savings-OTS	36,198,456	-	36,198,456	9,083,924	-	9,083,924
Total	66,180,717	6,686	66,187,403	34,335,318	1,583	34,336,901



FAMES R
Chartered Accountants

Particular's	Amount In Taka					
	2018-2019			2017-2018		
	Micro Finance	Development	Total	Micro Finance	Development	Total

44. Interest on Others Loan Fund

Interest on General Fund	12,395,538	-	12,395,538	13,489,613	-	13,489,613
Interest on Staff PF fund	2,590,676	2,028,077	4,618,753	917,988	1,363,246	2,281,234
Interest on Staff ES fund	396,058	396,058	792,115	317,364	317,364	634,728
Interest on Staff EDPS fund	-	-	-	306,646	306,646	613,293
Interest on Staff EW fund	833,098	-	833,098	534,610	-	534,610
Interest on MFP Loan	-	-	-	-	2,731,283	2,731,283
Interest on Others Loan	-	1,579,340	1,579,340	-	105,460	105,460
Interest on OTS Fund Loan	-	12,262,030	12,262,030	-	11,931,751	11,931,751
Total	16,215,369	16,265,505	32,480,874	15,566,222	16,755,750	32,321,972

45. Programmatic Exp. & Contributions

General Program Expenses	-	-	-	-	-	-
Radio Bikampur Project Expenses	-	-	-	-	-	-
BNNRRC Project Exp.	-	83,900	83,900	-	249,960	249,960
Ambala-ITMFC Project	-	5,577,583	5,577,583	-	-	-
Total Programmatic Exp. & Contribution	-	5,661,483	5,661,483	-	249,960	249,960

46. Expenses for Provision & Reserved

Loan Loss Provision (LLP)	15,413,726	16,568	15,430,294	16,210,137	-	16,210,137
Total Provision & Reserved	15,413,726	16,568	15,430,294	16,210,137	-	16,210,137

47. Depreciation on Non Current Assets

Dep. on Furniture	1,332,653	526	1,333,179	1,136,325	805	1,137,130
Dep. on Office Equipments	2,179,492	8,328	2,187,820	1,903,217	25,043	1,928,260
Dep. On Vehicle	3,059,324	-	3,059,324	1,408,001	-	1,408,001
Dep. Others Assets	87,821	-	87,821	65,055	-	65,055
Amortisation-Intangible Assets	1,580,532	-	1,580,532	1,116,940	-	1,116,940
Total Depreciation on Non Current Assets	8,239,822	8,853	8,248,675	5,629,539	25,848	5,655,387



Ambala Foundation
SCHEDULE OF FIXED ASSETS
As at 30 June, 2019

SL	Particulars	Cost			Dep Rate (%)	Depreciation			Written down value as on 30.06.2019
		Opening balance as on 01.07.2018	Addition during the year	Disposal/ Adjustment during the year		Closing balance as on 30.06.2019	Charged during the year	Disposal/ Adjustment during the year	
Property, Plant and Equipment									
1	Land & Buildings	60,722,250	58,813,610	-	119,535,860	0	-	-	119,535,860
2	Motor Vehicles	7,689,709	14,850,000	-	22,539,709	20	1,674,448	3,059,324	4,733,772
3	Furniture & Fixtures	13,820,724	2,450,864	-	16,271,588	10	3,526,023	1,332,653	4,858,676
4	Equipment & Machineries	12,225,841	2,400,328	-	14,626,169	20	5,346,621	2,179,492	7,100,056
	Sub Total	94,458,524	78,514,802	-	172,973,326		10,547,092	6,571,469	155,854,765
Intangible Assets									
1	Software Development	8,350,000	3,240,000	(2,045,000)	9,545,000	20	2,384,687	1,580,532	2,298,667
	Sub Total	8,350,000	3,240,000	(2,045,000)	9,545,000		2,384,687	1,580,532	7,246,333
Others Non-Current Assets									
1	Other Assets	327,389	250,734	-	578,123	20	126,941	87,821	214,762
	Sub Total	327,389	250,734	-	578,123		126,941	87,821	363,361
	Total	103,135,913	82,005,536	(2,045,000)	183,096,449		13,058,720	8,239,822	163,464,459



Ambala Foundation
Eligibility Criteria Compliance Certification
For the year ended June 30, 2019

Sl #	Eligibility Criteria	Audited Figures or Compliance	Audited Figures or Compliance
		FY-2018-2019	FY-2017-2018
1	Minimum loan recovery rate, computed quarterly, based on the following		
	I) 95% minimum cumulative loan collection ratio on total dues: Actual Cumulative Collection x 100 Cumulative Collectibles	98.93%	99.44%
	ii) 92-100% minimum loan collection ratio on current dues (on running 12 month basis) Actual Collections during the past 12 months on current dues x 100 Collectibles on current dues	99.71%	99.84%
2	Minimum liquidity ratio of 10%	11.18%	10.43%
3	Minimum current ratio of 2.0:1	1.80:1	2.71:1
4	Minimum capital adequacy ratio of 15%	20.65%	15.95%
5	Minimum debt service cover ratio of 1.25:1	1.35:1	1.90:1
6	Debt capital ratio 9:1	4.40:1	6.03:1
7	Minimum rate of return on capital of 1%	42.85%	68.22%

Date : 15 September, 2019
Place : Dhaka


FAMES & R
Chartered Accountants



Ambala Foundation
Portfolio report for the year ended June 30, 2019
Review of Loan Classifications and Provisions

(i) **Classification of Loan and Loan Loss Provision:**

Sl. No	Particulars	No. of days Outstanding	Required Provision		
			Outstanding Loan Amount	Rate %	Amount (Tk)
1	Total Loan Outstanding		3,091,718,301	N/A	N/A
2	Total Overdue		28,914,163		
3	Regular	Loans with no overdue installments	3,026,708,415	1%	30,267,084
4	Watchful	Loan default duration between 1 and 30 days	27,213,741	5%	1,360,687
5	Sub-standard	Loan default duration between 31 and 180 days	21,720,370	25%	5,430,092
6	Doubtful	Loan default duration between 181 and 365 days	5,807,017	75%	4,355,263
7	Bad Loan	Loan default duration above 365 days	10,268,759	100%	10,268,759
Total					51,681,885

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

Particulars	Taka
Required Provision as per MRA policy	51,681,885
Actual Provision made by the MF1	51,681,885
Excess/Shortfall of Provision	-
Comment of LLP	-
Disclosure on written off loan:	
Loan written off balance 01.07.2018	7,623,860
Loan written off during the year 2018-2019	-
Written off loan recovered during the year 2018-2019	-
Loan written off balance 30.06.2019	7,623,860



(iii) Loan Operational Report

Sl. No	Particulars	FY-2018-2019			FY-2017-2018			
		M	F	Total	M	F	Total	
1	Financial Service Product:							
	Loan Product:							
	PKSF funded loan			69,400,000			69,100,000	
	Housing loan			-			-	
	Agriculture loan			1,450,011,826			1,450,981,842	
	Sanitation loan			N/A			N/A	
	Savings product:							
	Regular /Mandatory Savings			475,465,474			447,003,798	
	Voluntary Savings			763,093,190			406,682,718	
	Insurance Product:							
	Life			N/A			N/A	
	Livestock			N/A			N/A	
	Member welfare fund			52,028,849			51,692,748	
				M	F	Total	M	F
2	Number of branches		106		106	92		92
3	Number of samities	213	4276	4489	192	4004		4196
4	Number of members	1863	47184	49047	1462	48487		49949
5	Number of borrowers	507	25946	26453	551	29820		30371
6	Number of staff	627	159	786	459	149		608
7	Amount (Taka) of loan outstanding with samiti members	97,929,422	2,993,788,879	3,091,718,301	115,876,696	2,416,511,941		2,532,388,637
8	Members : borrower	1:27.21	1:54.99	1:53.93	1:37.68	1:61.50		1:60.80
9	Average loan size	179,492/-	88,507/-	89,944/-	159,000/-	82,000/-		83,000/-

**Statement of Budget
Financial Year: 2019-2020**

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

Description	2018-2019			2019-2020 (Proposed)	Remarks
	Projected	Actual	Variance (%)		
1. Area Coverage:					
District	0	0	0	0	
Thana/Upazilla	5	4	-1	5	
Union/Pourashava	40	121	81	40	
Village/Word	400	232	-168	400	
2. Branch Opening	15	14	-1	15	
3. Group/Sanily Formation	1944	114	-1830	300	
4. Add New Member	55099	36912	-33%	46324	
5. Add New Borrower	49845	25936	-48%	37059	
6. Recruitment (Number)	100	178	78%	200	
7. Deposits Collection	895,710,034	1,237,925,087	38%	1,146,040,428	
8. Refund Deposit	362,954,146	882,833,278	143%	629,442,386	
9. Loan Recovery (Principal)	5,222,890,304	3,432,636,999	-34%	6,543,886,634	
10. Loan Disbursement	6,198,400,000	4,008,482,000	-35%	7,890,800,000	
11. Loan Received (Borrowing)	1,780,030,919	1,272,694,795	-29%	1,553,000,000	
12. Loan Returns	945,050,924	1,417,922,768	50%	1,010,720,609	
13. Received against insurance service	61,984,000	21,273,840	-66%	78,908,000	
14. Insurance benefits given	12,396,800	20,937,739	69%	29,232,228	
15. Total Income	821,900,313	769,516,634	-6%	1,034,264,656	
16. Total Expenditure	577,584,284	539,345,644	-6.62%	764,482,438	

Description	Current Balance as of 30 June 2019
1. Area Coverage:	
District	11
Thana/Upazilla	48
Union/Pourashava	409
Village/Word	1400
2. Number of Branch	106
3. Number of Group	4489
4. Number of Member	49047
5. Number of Borrower	26453
6. Manpower (Number)	786
7. Deposit Balance	1,238,558,664
8. Loan Outstanding	3,091,718,301
9. Loan Received	1,417,252,752
10. Insurance Fund	52,028,849
11. Cumulative Surplus	637,422,722



Statement of Budget
Financial Year: 2019-2020

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

Sl No.	Description	2018-2019			2019-2020(Proposed)
		Projected	Actual	Variance (%)	
1	*Loan Recovery:				
	Jagoron	738,657,789	272,081,770	-63%	518,689,350
	Agrosor	2,630,146,556	1,862,281,123	-29%	3,550,203,021
	Buniad	2,702,694	542	-100%	542
	Sufolon (Seasonal and Agriculture)	388,912,931	236,984,893	-39%	451,781,611
	Kuwait Good Will Fund (KGF)				-
	Migration				-
	Service Holder				-
	Health				-
	Emergency				-
	Education				-
	Others (Grvhavan)	1,462,470,334	1,061,288,671	-27%	2,023,212,109
	Total	5,222,890,304	3,432,636,999	-34%	6,543,886,634
	Should be given component wise breakdown				
2	Fund Collection:				
	1.Savings Collection				
	Force Savings	514,140,431	500,556,929	-3%	555,590,860
	Voluntary Savings	127,968,672	137,289,158	7%	183,409,568
	Fixed Deposit	253,600,931	600,079,000	137%	407,040,000
	Total	895,710,034	1,237,925,087	38%	1,146,040,428
	MFI Borrowing				
	2.PKSF Loan	58,927,599	75,000,000	27%	110,000,000
	3.Bank Loan	1,281,971,258	1,197,694,795	-7%	1,443,000,000
	4.Loan from Financial Institution				
	5.Loan from other Institution				
	6.Donation (Conditional)				
	7.General/EC Member loan				
	8.Others Loan	439,132,062	419,085,253	-5%	-
	Total	1,780,030,919	1,691,780,048	-5%	1,553,000,000
3	Insurance Fund Collection	61,984,000	21,273,840	-66%	61,984,000
4	Utilization of Fund				
	1*Loan Disbursement				
	Jagoron	797,780,426	271,029,000	-66%	625,450,000
	Agrosor	3,181,315,417	2,254,489,000	-29%	4,281,000,000
	Buniad				-
	Sufolon (Seasonal and Agriculture)	595,470,404	250,579,000	-58%	544,750,000
	Kuwait Good Will Fund (KGF)				-
	Migration				-
	Service Holder				-
	Health				-
	Emergency				-
	Education				-
	Others Disbursement (Grvhavan)	1,623,833,754	1,232,385,000	-24%	2,439,600,000
	Total	6,198,400,000	4,008,482,000	-35%	7,890,800,000
	Should be given component wise breakdown				
	2.Savings Returns:				
	Force Savings	233,942,642	490,939,306	110%	388,913,602
	Voluntary Savings	44,118,611	102,733,972	133%	91,704,784
	Fixed Deposit	84,892,893	289,160,000	241%	148,824,000
	Total	362,954,146	882,833,278	143%	629,442,386
	3. Loan Repayment:				
	PKSF Loan	35,302,404	74,700,000	112%	82,050,000
	Bank Loan	900,554,076	1,343,222,768	49%	928,670,609
	Loan from Financial Institution				
	Loan from other Institution				
	General/EC Member loan				
	Others Loan	9,194,444	465,402,070	4962%	-
	Total	945,050,924	1,883,324,838	99%	1,010,720,609
5	Insurance Service (Claims)	12,396,800	21,273,840	72%	12,396,800
6	Acquisition of Fixed Assets				
	Land Purchase & Development				
	Land Development				
	Building Construction				
	Motor Vehicles	596,725	14,850,000	2389%	
	Furniture & Fixtures & Office Equipments	638,354	800,120	25%	
	Office Equipments	814,921	2,264,742	178%	7,650,000
	Electric Equipments				
	Computer & Accessories				
	Computer Software				
	Total	2,050,000	17,914,862	774%	7,650,000



Statement of Budget
Financial Year: 2019-2020

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

SL No.	Description	2018-2019			2019-2020 (Proposed)
		Projected	Actual	Variance (%)	
7	Income:				
	1. Service Charge	799,102,217	755,001,606	-6%	1,001,214,655
	2. Interest on Investment & Bank	18,230,597	12,375,638	-32%	24,711,681
	3. Other Interest				
	4. Entry Fees/ Member Admission Fees				
	5. Sale of Passbook & Others Income	2,537,500	265,513	-90%	4,632,400
	6. Sale of Forms				
	7. Donation from PKSf				
	8. Others Income	2,030,000	1,873,877	-8%	3,705,920
	9. Recovery of Written off Loan				
	10. Overhead cost from others Program				
	Total Income (1+....10)	821,900,314	769,516,634.39	-135%	1,034,264,656
8	Expenses:				
	Financial Expense:				
	1. Savings Interest	34,853,189	66,180,717	90%	113,090,584
	2. Interest of PKSf Loan	5,716,863	5,882,315	3%	3,712,487
	3. Interest on Bank loan	210,219,825	149,590,529	-29%	294,273,860
	4. Interest on Committee loan				
	5. Interest on Others Institutional loan				
	6. Others	21,391,309	16,215,369	-24%	-
	Total Financial Expenses (1+....+6)	272,181,186	237,868,930	40%	411,076,931
	General & Administrative Expenses:				
	7. Salary & Allowances* 1				
	Basic Pay	158,748,168	164,649,736	4%	161,832,408
	Special Allowance	12,385,145	5,465,757	-56%	14,433,527
	Dearness Allowance				
	House Rent Allowance				
	Medical Allowance				
	Festival Allowance	16,602,471	14,423,568	-13%	20,232,801
	Rest & Recreation Allowance				
	Lunch Allowance				
	Conveyance Allowance				
	Telephone Allowance				
	Educational Allowance				
	Fixed Travel Allowance				
	Overtime Allowance				
	Others Allowance-If any	28,883,400	7,745,825	-73%	32,347,313
	Total	216,619,184	192,284,886	-138%	228,846,049
	8. House Rent	16,268,948	11,494,884	-29%	9,733,200
	9. Printing & Stationeries:				
	Printing & Binding	5,410,172	3,628,914	-33%	3,984,000
	Stationary, Seal & Stamps	1,898,506	1,705,323	-10%	1,994,400
	Total	7,308,678	5,334,237	-72%	5,978,400
	10. Travel Expense:				
	a) Domestic	3,494,321	5,199,255	49%	6,273,600
	b) Foreign				
	Total	3,494,321	5,199,255	49%	6,273,600
	11. Telephone & Postal:				
	Telephone, Telex, Fax, Internet	940,004	1,082,908	15%	1,263,600
	Postal & Courier Service	5,123	3,485	-32%	1,200
	Total	945,127	1,086,393	-17%	1,264,800



Statement of Budget
Financial Year: 2019-2020

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

SL No.	Description	2018-2019			2019-2020 (Proposed)
		Projected	Actual	Variance (%)	
12.	Repairs & Maintenance:				
	Office Building				
	Motor Vehicles	780,797	1,625,072	108%	894,000
	Others	11,648,329	13,789,050	18%	17,634,000
	Total	12,429,126	15,414,122	127%	18,528,000
13.	Fuel Expenses	3,994,124	5,795,290	45%	14,366,400
14.	Gas, Electricity & Water bill	1,764,004	1,784,785	1%	1,985,400
15.	Entertainment	2,316,973	2,605,236	12%	520,000
16.	Advertisement	177,550	617,928	248%	240,000
17.	Newspaper & Publication:				
	Newspaper & Magazine	957,964	332,365	-65%	420,000
	Books & Publication and Research				
	Total	957,964	332,365	241%	420,000
18.	Bank Charge	1,819,716	1,668,463	-8%	2,532,000
19.	Training Expense:				
	Local Training	294,016	44,451	-85%	3,300,000
	Foreign Training				
	Total	294,016	44,451	-85%	3,300,000
20.	Seminer, Conference & Workshop Expense	2,382,607	717,585	-70%	500,000
21.	Legal Insurance, Income Tax, Membership	3,624,486	3,404,014	-6%	3,579,000
22.	Meeting Expense	38,028	111,606	193%	240,000
23.	Registration fees/Renewal fees	347,011	263,751	-24%	370,500
24.	Others Operational Expense :				
	Others Expense	15,199,419	28,405,220	87%	31,454,999
	Picnic, Fair and Get - together				
	Photocopy	115,876	87,816	-24%	138,000
	PRIME, Samridhi, Agriculture and KGF				
	Recreational allowance				
	Software Maintenance and others				
	Communication & Marketing				
	Annual Report				
	Community Health				
	Computer Accessories (Maintenance)				
	Total	15,315,295	28,493,036	63%	31,592,999
25.	Audit Fees	174,000	128,900	-26%	144,000
26.	Honorarium for EC Members				
27.	Other Honorarium				
28.	Tax:				
	Land Tax				
	Income Tax	-	-		-
	Other Tax				
	Customs Duty/VAT				
	Total	-	-	0%	-
29.	Subscriptions & Donation	1,176,240	1,041,981	-11%	2,016,000
30.	Depreciation	4,200,603	8,239,822	96%	7,506,025
31.	Cost Sharing Expenses				
32.	Consultancy Service				
33.	Total Operational Expenses	567,829,187	523,931,919	-8%	751,013,304
34.	Loan Loss Provision *	9,755,097	15,413,726	58%	13,469,134
35.	DMFE	-	-		-
36.	Net Surplus	244,316,030	230,170,990	-6%	269,782,218
37.	Transfer to Various Fund:				
	Reserve Fund	24,431,603	23,017,099	-6%	26,978,222
	DMF				
	Others				
	Total	24,431,603	23,017,099	-6%	26,978,222



Management Report on the Financial Statements of Ambala Foundation Microfinance program for the year ended 30 June 2019.

Current year's (2018-2019) 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 "Microfinplus". 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 Micro Finance Program (MFP) related accounts also maintained in "Microfinplus" certified by Ambala It. And others project maintained in NabaERP Software. In addition cheque printing and controlling (ACPS) Software is used in both Head Office and Branch Offices for cheque controlling purposes.

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 "Microfinplus" software.

Ambala Foundation also maintains "NabaERP" software. Through FAMS module of NabaERP, Ambala Foundation centrally controls Head office and all branch offices for proper utilization of assets. Depreciation has been charged at the straight-line method on fixed assets in yearly basis from the Head office. Moreover, yearly fixed assets verification is conducted of each year to ensure proper management of assets. Through HR and Pay Roll Module, Ambala foundation centrally controls head office and branch offices for employee recruitment, transfer, promotion, increment, monthly salary sheet generated purposes. Inventory Module software is mainly used for properly maintaining of head office and branch offices inventory (printing and stationaries), etc.

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.



FAMES & R
Chartered Accountants

I. Cash management

1. Matters Arising

Review of cash in hand limit

During the course of our audit while reviewing cash book we observed the following shortcomings relating to excess in hand cash limit.

Branch Name	Date	Cash in hand (BDT)	Cash Holding Limit (BDT)	Difference (BDT)
Atibazar	22-08-2019	13,740	5,000	8,740
Dhamrai	26-08-2019	78,610	5000	73,610
Kalampur	26-08-2019	63,960	5000	58,960

Implication

Excess cash kept in the office increase the risk of theft. Furthermore, employee may take unauthorized advantage by using it for personal needs.

Recommendation

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

Management Response

The reason behind excess in hand cash limit is late collection of daily installment and savings. Ambala Foundation will take necessary steps to minimize those shortcomings as early as possible. In future we will provide more attention on those issues.

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 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.

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 Environment Council Bangladesh 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.

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 at 14.40% to 15.60% 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 "**Microfinplus**" which was certified by Ambala IT. 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 "Microfinplus" for recording its day to day transactions. 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. Enough financial and monitoring reporting is generated there from. 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. Other projects accounts are maintained by NabaERP.

Ambala Foundation has recently updated "**Microfinplus**" a web based 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.

01. Authorization signature missing in Top sheet of Voucher

Observation: During the course of our audit we have found two unauthorized Top Sheet Voucher. Reference: Voucher No: 01003/02379 Date: 09.05.19/08.5/19 Amount: Taka 69,730 & 36,000 respectively.



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Chartered Accountants

Implication

Manipulation, Fraud and error may take place if voucher is not authorized.

Recommendation

Management should take proper step to overcome such mistake.

Management Response

Accidentally Authorization signature are missing in those two vouchers. We also believe that unauthorized voucher may cause of manipulation, fraudulence, according to your recommendation. We will take immediate steps to correct those vouchers and in future we will take earlier initiative to overcome it.

02. Withholding Tax Report:

- I. **Observation:** As per Income Tax Ordinance 1984, Section 75A a non-government organization registered with NGO Affairs Bureau, shall file or cause to be filed, with the Deputy Commissioner of Taxes under whose jurisdiction he is an assess, a return of tax deducted or collected under the provisions of Chapter seven of this Ordinance filed half-yearly by the following dates-

- a) First return: by Thirty-first January of the year in which the deduction or collection was made.
- b) Second return: by Thirty-first July of the next year following the year in which the deduction or collection was made.

Implication: Where any person has, without reasonable cause, failed to file a return of withholding Tax required under Section 75A, the Deputy Commissioner of Taxes may impose upon such person a penalty amounting to ten percent (10%) of Tax imposed on last assessed income subject to a minimum of (Taka one thousand), and in the case of a continuing default a further penalty of (Taka fifty) for every day during which default continues.

Management Response: Management regularly submitted withholding Tax Return as per Income Tax Ordinance 1984, Section 75. Management submitted their first return in January and second return in July. Management will continue their regular withholding Tax Return submission in future.

Management Response: Management regularly submitted Tax Return as per Income Tax Ordinance 1984, Section 75 and in future they continuing this process.

3. Information regarding payment of salary has not been submitted to Income Tax Authority:

Observation: During the course of our audit we have observed that Ambala Foundation has not submitted Statement of Information regarding payment of salary as per section 108 of Income Tax Ordinance 1984.

Implication: Where any per has, without reasonable cause, failed to furnish any information required under Section 108, the Deputy Commissioner of Taxes shall impose such person a penalty of taka five hundred and in the case of continuing default a further penalty of taka two hundred and fifty for every month or fraction thereof during which the default continues.

Recommendation: Management should comply with Income Tax Rules & Regulations to avoid any kind of penalty & fines.

Management Response: Currently Ambala Foundation has not submitted Statement of Information regarding payment of salary as per section 108 of Income Tax Ordinance 1984. Management will take



FAMES & R
Chartered Accountants

this issue into their consideration and start to submit this statement of Information in this current fiscal year.

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	277,843/-
Credit Officer (lowest salary)	23,317/-



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. Apart from banking channel Ambala Foundation does not use any other channel to transfer money.

XII) Other Observation

1. Review of Vat and Tax

During our checking we have found following irregularities regarding Tax & VAT:

Branch Name	Particulars	Amount	Rate		Tax	VAT	Reference
			Tax (%)	VAT (%)			
Head Office	Layer fee	75,000/-	10%	15%	7,500/-	11,250/-	Voucher: 03550 Date: 05-12-2018
Total:					7,500/-	11,250/-	

Implication: As per Section 57 of Income Tax Ordinance 1984, where a person fails to deduct or collect tax at source as required by or under the provisions of this chapter will be treated as an assessee in default, and shall be personally liable to pay for such non deduction or collection Tax at source. In addition the person shall also be liable to pay an additional amount at the rate of 2% per month on the non deduction or non collection amount. As per section 30 of income tax ordinance 1984, such expenses would not be treated as admissible expense. As per VAT Act 1991, Section 37 such person will also be liable to monetary penalty of half of the amount or maximum equal of the non deducted amount.

Recommendation: Management should ensure that Tax and VAT are being deducted at source from all deductible transactions and deposited to the government treasury within the stipulated time.

Management Response: Accidently VAT and TAX of this Voucher is not deposited. In future Management will take steps to stop those shortcomings.

4. Compliance status of the prior year (2017-2018) External Audit Observation.

Sl. No.	Observation	Comments
1	Review of VAT and TAX	Done
2	Cash holding exceed than the reasonable limit	We found similar issue during the current period of audit. Please refer to our current year observation in section – I(1)
3	Authorization signature missing in Top sheet of Voucher	Not Done.
4	Withholding Tax Return has not been submitted	Done
5	Information regarding payment of salary has not been submitted to Income Tax Authority	Not Done

