

Private and Confidential

CONSOLIDATED
AUDITED FINANCIAL STATEMENTS
AND
MANAGEMENT REPORT
OF
BASTOB-INITIATIVE FOR PEOPLE'S SELF-DEVELOPMENT
FOR THE YEAR ENDED JUNE 30, 2021

Habib Sarwar Bhuiyan & Co.
Chartered Accountants

BASTOB-Initiative for People's Self-Development
Consolidated Accounts Program
Duration: July-2020-June-2021

Table of Contents

Auditor's Reports and Financial Statements

Sl. No.	Particulars	Page
1	Independent Auditor's Report	2
2	Consolidated Statement of Financial Position	3
3	Statement of Profit or Loss and Other Comprehensive Income	4
4	Statement of Receipts and Payments	5
5	Statement of Cash Flows	6
6	Statement of Changes in Equity	7
7	Notes to the Financial Statement	8-21
8	Eligibility Criteria Compliance Certification	22
9	Portfolio Report Review of Loan Classifications and Provisions	23
10	Schedule of Fixed Assets	24
11	Investment Schedule	25
12	Segmental Financial Information	26
13	Segmental Profit or Loss and Other Comprehensive Income	27-28
14	Segmental Statement of Receipts and Payments	29-31
15	Annex-B " Management Report"	32-42



**INDEPENDENT AUDITOR'S REPORT
OF
BASTOB-INITIATIVE FOR PEOPLE'S SELF-DEVELOPMENT**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of BASTOB-Initiative for People's Self-Development, which comprise the Consolidated statement of financial position as at June 30, 2021, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Receipts and Payments, Statement of Changes in Equity and Statement of Cash Flows for the year then ended June 30, 2021, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the financial position of the organization as at June 30, 2021, and of its financial performance and its cash flows for the year then ended June 30, 2021 in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations including MRA guidelines.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the Consolidated Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRSs and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Organizations financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



Habib Sarwar Bhuiyan & Co. Chartered Accountants

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organizations ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 purpose of our audit and made due verification thereof.
- b) In our opinion, proper books of accounts as required by law and MRA Act & Rule have been kept by BASTOB-Initiative for People's Self-Development so far as it appeared from our examination of those books, and
- c) In our opinion, the statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of accounts.

Habib Sarwar Bhuiyan & Co.
Chartered Accountants
Registration no: N/A

Signed By:

S. Alam
Md. Shah Alam Mridha
Partner
Enrolment No. – 0733

Dhaka: February 24, 2022

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Member of ,



Affiliates worldwide

BASTOB-Initiative for People's Self-Development
Consolidated Statement of Financial Position
As at June 30, 2021

Annexure-A1/2

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
Non- Current Assets:			
Property, Plant and Equipment	6.00	39,072,200	36,680,049
Investment	7.00	206,053,486	97,877,537
Total Non-Current Assets		245,125,686	134,557,586
Current Assets:			
Loan to Members:			
General Microcredit Sector	8.01	583,869,815	245,129,211
Micro Enterprise Sector	8.02	946,870,963	423,462,886
Agriculture Sector	8.03	210,314,763	617,906,169
Other Sector	8.04	15,832,080	21,552,860
Total Loan to Clients		1,756,887,621	1,308,051,126
Accounts Receivable-Advance	9.00	14,188,802	31,328,383
Bank Security	10.00	235,004,772	165,900,483
Project Unspent Fund	11.00	1,585,182	4,437,813
Cash in hand	12.00	2,609,360	5,025,115
Cash at Bank	13.00	123,213,294	27,889,650
Total Current Assets:		376,601,410	234,581,444
Total Properties and Assets		2,378,614,717	1,677,190,156
Capital Fund:			
Cumulative Surplus	14.00	202,978,956	166,794,167
Reserve Fund	15.00	22,553,218	18,532,685
Total Capital Fund:		225,532,174	185,326,852
Non- Current Liabilities:			
Accounts Payable	16.00	1,166,111,526	717,034,086
Staff Security Fund	17.00	-	-
Total Non- Current Liabilities		1,166,111,526	717,034,086
Current Liabilities:			
Members Savings Deposit	18.00	876,923,120	702,815,912
Loan Loss Reserve Fund	19.00	46,052,140	28,487,174
Loan risk Fund (Members' Welfare)	20.00	54,031,102	35,750,993
Less Accumulated Depreciation	21.00	9,964,655	7,775,139
Total Current Liabilities		986,971,017	774,829,218
Total Capital Fund & Liabilities		2,378,614,717	1,677,190,156

The accompanying notes form an integral part of these financial statements.


Md. Gias Uddin Ahmed
Chairperson

Ruhi Das
Executive Director

Md. Jamal Hossain
Director Admin.

Signed as per our report of even date

Habib Sarwar Bhuiyan & Co.
Chartered Accountants
Registration no: N/A

Signed By:


Md. Shah Alam Mridha
Partner
Enrolment No. – 0733

Dhaka: February 24, 2022



BASTOB-Initiative for People's Self-Development
Consolidated Accounts
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	Annexure-A1/3 Amount in Taka	
	2020-2021	2019-2020
Income:		
Service Charges on Loan	313,522,521	235,346,166
Bank Interest	1,192,049	1,554,515
Bank Interest on FDR	4,623,618	6,783,666
Membership Fees/ Admission Fee	318,030	164,910
Sale of pass books and loan forms	626,895	403,945
Miscellaneous Income/ Local Income	98,063	101,918
Recovery from Write off Loan	3,593,654	17,373,714
Contributions from MFP	1,800,404	2,169,795
Donation Received:		
Foreign Part	-	-
Country Part	8,930,802	15,906,286
	15,388,582	27,772,332
Total Income	350,094,618	307,577,247
Expenditure:		
Microfinance Program	256,672,264	241,687,066
Goethe-Tagore Academy (GTA) Project	734,336	1,215,414
BRAC Education Support Program	691,171	1,883,036
Anukul Foundation Suchala Project	160,985	280,243
Anukul Foundation Health Project	326,228	267,895
BASTOB Education Dev. For poor Children of BD	342,545	493,006
Making Migration safe & Respectful both for the P. & R	2,995,123	6,168,708
ENRICH Program	2,370,695	3,814,446
Sports & Culture Program	-	1,554,910
Senior Citizen Program - Joypara	1,424,564	1,131,428
Senior Citizen Program - Shilkhali	868,566	1,096,963
Emergency Program for Rohingya, Cox's Bazar (CSI)	42,281	2,977,819
Emergency Program for Rohingya, Cox's Bazar (IOM)	-	7,146,774
Empowering Woman Program (JNUS)	1,340,651	-
VGD Program	307,379	631,351
Emergency Program for Rohingya, Cox's Bazar (UNICEF)	4,364,109	3,536,665
Emergency Program for Rohingya, Cox's Bazar (HELP)	3,693	5,040,952
Emergency Program for Rohingya, Cox's Bazar (HELP-2)	3,810,013	
Emergency Program for Rohingya, Cox's Bazar (CSI)		2,052
Nook Self Learning and Education -BYS	1,286,644	-
WASH & Shelter Support (HELP)	4,833	2,786,447
Emergency Program for Rohingya, Cox's Bazar (CSI)	22,935	3,299,171
Adolescent Program	843,509	
Sustainable Enterprise Project - Electric Item	1,355,541	
Learning 360 Learning for Change and Resilience	612	484
LLP Expenditure	24,470,426	10,821,613
Depreciation	2,597,562	2,312,222
Total Expenditure	307,036,665	298,148,665
Surplus from Microfinance Program	40,205,322	6,839,615
Project Unspent/Overspent Fund	2,852,631	2,588,967
Total	350,094,618	307,577,247

G. Ahmed

Md. Gias Uddin Ahmed
Chairperson

Ruhi Das
Executive Director

Md. Jamal Hossain
Director Admin.
Signed as per our report of even date

Habib Sarwar Bhuiyan & Co.
Chartered Accountants
Registration no: N/A

Signed By:

S. Alam
Md. Shah Alam Mridha
Partner
Enrolment No. – 0733

Dhaka: February 24, 2022



BASTOB-Initiative for People's Self-Development
Consolidated Accounts
Statement of Receipts and Payments
For the year ended June 30, 2021

Particulars	Annexure-A1/4 Amount in Taka	
	2020-2021	2019-2020
Opening Balance:		
Cash in Hand		
Cash at Bank	5,025,115	4,172,248
Service Charges on Loan	27,889,650	34,712,288
Bank Interest	313,522,521	235,346,166
Bank Interest on FDR	1,192,049	1,554,515
Membership Fees/ Admission Fee	4,623,618	6,783,666
Sale of pass books and loan forms	318,030	164,910
Miscellaneous Income/ Local Income	626,895	403,945
Recovery from Write off Loan	98,063	101,918
Loan Received from PKSF	3,593,654	17,373,714
Loan Received from Anukul Found.	390,500,000	277,000,000
Bank Loan Received	22,000,000	9,000,000
Other Loan Received	865,000,000	427,819,418
Project Loan Realized	77,402,789	46,253,852
Advance/Loan Realization	5,738,501	9,192,493
Members Savings Collection:	72,826,653	28,347,328
Loan risk Fund Received (Insurance)	711,739,288	466,673,601
Contributions from MFP	29,847,956	18,844,018
Loan Realization Principal	1,800,404	2,169,795
Investment Encashment	2,218,289,905	1,654,798,053
Bank Security	196,967,605	29,720,694
Donation Received	87,842,251	62,496,175
Foreign Donation	-	-
Local Donation	8,930,802	15,906,286
Total Receipts	15,388,582	27,772,332
PAYMENTS:	5,061,164,331	3,376,607,415
Microfinance Program		
Goethe-Tagore Academy (GTA) Project	4,903,802,402	3,285,014,293
BRAC Education Support Program	1,398,027	2,204,114
Anukul Foundation Suchala Project	691,171	1,883,036
Anukul Foundation Health Project	167,674	280,243
BASTOB Education Dev. For poor Children of BD	380,303	517,495
Making Migration safe & Respectful both for the P. & R	406,040	651,884
ENRICH Program	2,995,123	6,168,708
Sports & Culture Program	5,403,995	8,537,974
Senior Citizen Program - Joypara	2,154,024	2,040,578
Senior Citizen Program - Shilkhali	1,424,564	1,437,238
Emergency Program for Rohingya, Cox's Bazar (CSI)	868,566	1,265,451
Empowering Woman Program (JNUS)	42,281	2,977,819
VGD Program	1,340,651	7,146,774
Emergency Program for Rohingya, Cox's Bazar (UNICEF)	1,219,426	631,351
Emergency Program for Rohingya, Cox's Bazar (HELP)	4,364,109	3,536,665
Emergency Program for Rohingya, Cox's Bazar (CSI)	3,693	5,040,952
Nook Self Learning and Education -BYS	3,810,013	2,052
WASH & Shelter Support (HELP)	1,286,644	8,269,921
Emergency Program for Rohingya, Cox's Bazar (CSI)	4,833	2,786,447
Adolescent Program	22,935	3,299,171
Sustainable Enterprise Project - Electric Item	843,509	-
Learning 360 Learning for Change and Resilience	2,711,082	-
	612	484
Total Payments:	4,935,341,677	3,343,692,650
Closing Balance:		
Cash in hand	2,609,360	5,025,115
Cash at Bank	123,213,294	27,889,650
Total	5,061,164,331	3,376,607,415

G. Ahmed
Md, Gias Uddin Ahmed
Chairperson

Ruhi Das
Executive Director

Md. Jamal Hossain
Director Admin.

Signed as per our report of even date

Habib Sarwar Bhuiyan & Co.
Chartered Accountants
Registration no: N/A

Signed By:

S. Alam
Md. Shah Alam Mridha
Partner
Enrolment No. - 0733

Dhaka: February 24, 2022



BASTOB-Initiative for People's Self-Development

Consolidated Accounts
Statement of Cash Flows

As at June 30, 2021

SI No.	Particulars	Annexure-A1/5	
		Amount in Taka	
		2020-2021	2019-2020
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Surplus for the period		
	Prior year adjustment	40,205,322	6,839,615
	Add: Amount considered as non cash items:		
	Loan loss provision		
	Depreciation for the year	17,564,966	1,317,424
	Sub-Total of non cash items	<u>2,189,516</u>	<u>2,295,522</u>
	Loan Outstanding to Members	<u>19,754,482</u>	<u>3,612,946</u>
	Increase/decrease in staff loan	448,836,495	67,972,247
	Increase/decrease in interest receivables	-	-
	Increase/decrease in loan to Project unspent	-	-
	Increase/decrease in advance deposit & prepayment	(17,139,581)	12,722,732
	Other Investment	-	-
	Increase/decrease in Provision for Expenses	-	-
	Sub-Total of non cash items	<u>431,696,914</u>	<u>80,694,979</u>
	Net Cash used in Operating Activities	<u>(371,737,110)</u>	<u>(70,242,418)</u>
B.	Cash Flows from Investing Activities:		
	Acquisition of Property, Plant and equipment		
	Investments	2,392,151	2,555,058
	Bank Security	108,175,949	19,629,780
		69,104,289	(40,421,087)
	Net Cash used in Investing Activities	<u>179,672,389</u>	<u>(18,236,249)</u>
C.	Cash flows from Financing Activities:		
	Loan received from PKSF, Bank, Anukul & Others	449,077,440	(85,206,725)
	Members Savings Deposits	174,107,208	122,797,168
	Loan Risk Fund	18,280,109	5,878,357
	Staff Security Fund	-	(21,369)
	Staff Family Security Fund (SFSF)	-	-
	Provision for Expenses	-	-
	Project unspent Fund	2,852,631	2,588,967
	Revaluation Reserve Fund		
	Net Cash used in Financing Activities	<u>644,317,388</u>	<u>46,036,398</u>
	Net Increase/decrease (A-B+C)	<u>92,907,889</u>	<u>(5,969,771)</u>
	Add. Cash and Bank Balance at the beginning of the year	<u>32,914,765</u>	<u>38,884,536</u>
D.	Cash and Bank Balance end of the year	<u>125,822,654</u>	<u>32,914,765</u>



BASTOB Initiative For People's Self Development
Consolidated Accounts
Statement of Changes in equity
As at June 30, 2021

Particulars	Amounts in Taka				
	Surplus	Reserve Fund	LLP	DMF	Total 2020-2021
Balance as on 01.07.2020	166,794,167	18,532,685	-	-	185,326,852
Add: Surplus during the year	40,205,322	-	-	-	40,205,322
Add: Prior Year Adjustment	-	-	-	-	-
Add: Interest of DMF	-	-	-	-	-
Add: Transfer from Surplus	-	-	-	-	-
Add: Provision during the year	-	-	-	-	-
Sub-Total	206,999,489	18,532,685	-	-	225,532,174
Less: Transfer to Reserve Fund	4,020,532	4,020,532	-	-	-
Balance as on 30.06.2021	202,978,956	22,553,218	-	-	225,532,174

Particulars	Amounts in Taka				
	Surplus	Reserve Fund	LLP	DMF	Total 2019-2020
Balance as on 01.07.2019	160,638,513	17,848,724	-	-	178,487,237
Add: Surplus during the year	6,839,615	-	-	-	6,839,615
Add: Proir Year Adjustment	-	-	-	-	-
Add: Interest of DMF	-	-	-	-	-
Add: Transfer from Surplus	-	-	-	-	-
Add: Provision during the year	-	-	-	-	-
Sub-Total	167,478,128	17,848,724	-	-	185,326,852
Less: Transfer to Reserve Fund	(683,961)	683,961	-	-	-
Balance as on 30.06.2020	166,794,167	18,532,685	-	-	185,326,852

As per Micro Credit Regulatory Authority (MRA) letter No. Memo. MRA/Circular Letter No. Regu-17, dated 08/5/2013; equity fund will be the cummulative Surplus, Restricted Reserve Fund and 1% Reserve Fund against standard loan. For this reason equity Fund rectified this year.



BASTOB-Initiative for People's Self-Development
6/20 Humayan Road (5th Floor), Block # B, Mohammadpur, Dhaka-1207

General Notes
Notes to the Financial Statements
For the Year ended June 30, 2021

1.0 Background :

BASTOB - Initiative for People's Self-Development was founded by a group of social workers experienced in social and economic development. **BASTOB** is a Bangla word, which means "Practical or Reality" and taking the explicit connotations for the word, we introduce **BASTOB** as an Initiative for People's Self-Development and that has been proved through its activities since the foundation of the organization on July, 04, 1997.

BASTOB is maintaining 32 books of accounts for its programme/projects and organizational management. These 32 books of accounts named Microfinance Programme (MFP), Goethe Tagore Academy (GTA), Skill Development Training for the Climate Change Victim, BRAC Education Support Programme (ESP), Su-Chala Project, Primary Health Care Support Programme, **BASTOB** Education Development for Poor Children of Bangladesh, Climate Change Programme, Making Migration Safe and Respectful both for the Potential and Returnee Migrants in Bangladesh, Enhancing Resources and Increasing Capacities of Poor Households Towards Elimination of their Poverty (ENRICH), Staff Provident Fund, Staff Family Security Fund, Staff Gratuity Fund, Organizational Sustainability Fund, Sultan-Sofa Pathshala and **BASTOB** General Account.

BASTOB is a national NGO in Bangladesh. Its working Districts are Dhaka, Manikgonj, Munshigonj, Cox's Bazar, Bandorban, Barishal, Narshingdi, Gazipur and Narayangonj.

BASTOB consists of 21 (twenty one) members in General Body and a-seven-member Governing Board. The Governing Board is elected for a period of three years by the General Council of **BASTOB**. The day to day management is run by a management team.

The organization is Registered under the Societies Registration Act 1860 and the Foreign Donation (Voluntary Activities) Regulation Ordinance (FDR), 1978 (Ordinance No. XLVI of 1978) as a Microfinance Institute, it has license from the Microcredit Regulatory Authority (MRA) under MRA Act 2006.

B. The Vision:

BASTOB envisions a society in which poor and dis-advantaged people are developed and self-reliant.

C. The Mission Statement :

BASTOB is a non-profitable, voluntary development organization working in the areas of institution building, income and employment generation, health, human resource development, education and promotion of culture and peace for the disadvantaged segment of the society specially for women, youth and children.

BASTOB's goal is to establish a people's initiative development process and to ensure social-economic development of its people.

BASTOB is committed to follow people's participation, institution building, human right, gender equity, environment friendliness, poverty alleviation and sustainability in achieving its goals.



BASTOB following a path of organizational sustainability in consistent with people's self-reliance

Considering development as a complex process, **BASTOB** encourages partnership and networking with Government and other like-minded organizations.

BASTOB has experienced, energetic, dynamic workers and members committed to achieve its goals. It believes capacity and creativity and also in participatory management and committed to ensure participation in every level.

D. Legal Status :

On May 06 1998, **BASTOB** is registered with the NGO Affairs Bureau, Prime Minister's Office under the Foreign Donation (Voluntary Activities) Regulation Ordinance (FDR), 1978 (Ordinance No. XLVI of 1978) as a Non-Government organization. The Foreign Donation Registration Number is 1263/98. It is renewed on 30 October, 2018 for next 10 years and valid till 05th May 2028. Later on it is also registered on 22nd May 2003, with the Joint Stock Companies under Societies Registration Act 1860. The registration number is S-3161(126)2003. Microcredit Regulatory Authority (MRA) License No. 01029-00170-00346, dated 29 October, 2008. Tax Identification No.: 340108794091, Value Added Tax Registration No. (BIN): 003152588-0402.

2.0 Corporation Information of the MFI :

Sl. #	Particulars	Remarks
01	Name of the MFI	BASTOB - Initiative for People's Self-Development
02	Year of establishment	1997
03	Nature of operations (programmes)	Microfinance, Health, Education, Labour Migration, Youth Development etc.
04	Statutory Audit conducted up to	Year ended 30 June, 2021
05	Name of Statutory auditor for last year	Masud Altaf & Co.
06	Name of Statutory auditor for current year	Habib Sarwar Bhuiyan & Co.
07	No. of E.C Committee Meeting held FY 2020-2021	5 (Five)
08	Date of Last AGM held	23 rd July, 2020

List of Executive Committee Members:

Sl.	Name	Designation	Qualification	Profession	Present Address
1	Md. Gias Uddin Ahmed	Chairperson	MA English	Retired Vice-Principal Mirpur University College	House-34 (A-4), Road-15, Sector-14, Uttara Model Town, Dhaka.
2	Ms. Sharmind Neelormi	Vice-chairperson	M.Sc. Economics	Associate Professor Dept. of Economics Jahangir Nagor University, Savar Dhaka.	House-22/18, Flat No. 102, Khilji Road, Mohammadpur, Dhaka.
3	Md. Khalilur Rahman Chowdhury	Treasurer	M Com.	Chief Executive ENDEVOPUR	Executive Director ENDAVER, 285/5, Mazar Road, 1 st Colony, Mirpur-1, Dhaka.
4	Bani Amin Md. Shabuktagin Bhuiyan	Member	MSS	Manager, Mediacom	Manager, Media Com. Rupayan Centre [10th Floor]. 72 Mohakhali CA. Dhaka 1212.
5	Md. Aatur Rahman Miton	Member	MSS	Country Director, The Hunger Free World	Country Director Hunger Free World 2/8, Block-F, Lalmatia Dhaka.
6	Ms. Masuma Samad	Member	MSS	Executive Director, VASD	Executive Director VASED 77/3, Block-A Talbag, Savar, Dhaka.
7	Mr. Ronjit Halder	Member	B.Com	Project Coordinator, Dhaka Community Hospital	House-13 (3 rd . Fl.) Rd. 1, Sanbadik Abasik Colony, Mirpur-11, Dhaka.

3.0 Basis of preparation of financial statements :

3.1 BASTOB prepares its financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS). BASTOB processes its accounting data in a systematic way ensuring required control. It receives donations & funds from different sources through bank account (mother account). Then funds are transferred to the related programmes and branch accounts. Branch authorities disburse it to beneficiaries following rules and regulations and record transactions in software systems "Grameen Communication". In branch level for recording the transaction in software system two individuals are allowed with same access control (password) one is branch manager and another person is branch accountant. Transactions are recorded in the systems on daily basis and produces vouchers, ledgers, trial balance and financial statements on periodical basis. Any omission or adjustment is corrected by the concern personnel of Software Company which should be administered by organization personnel. Head office general fund account and other projects accounts are also maintained in software systems.

Branch offices prepare financial statements and submit to head office on monthly basis. All collected amounts are deposited to the bank account by the branch. Head office maintains control ledgers and other subsidiary books of accounts based on monthly statements of branch office and prepares consolidated financial statements.



3.01 Preparation of financial statements:

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

3.02. Use of estimates and judgments:

The preparation of financial statements in conformity with BFRS requires management to make judgments. Estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3.03. Summary of Significant Accounting Policies:

The significant accounting policies followed in the preparation and presentation of these financial statements are summarized below.

Currencies:

All transactions have been carried out in Bangladeshi Taka currency.

Revenue Recognition:

The Revenue is recognized as prescribed by IAS/BAS-18 "Revenue" except service charges on loan which is recognized of cash basis.

Interest Income:

Service charge on loan: The Organization is collecting service charges from Microfinance members as per Rules of MRA and PKSF Guideline. The principal loan and proportional service charges are collected in weekly, monthly installments and onetime payment.

Service charges area accounted for on cash basis. The amount of service charges actually collected from the members 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.

Other expenses: Other expenses have been accounted for on accrual basis

Interest Paid on Savings:

Interest paid on savings is accounted for on accrual basis and shown as expenses in the related period.

Property, Plant and Equipment and Depreciation:

An asset which meet the following criteria is recognized as Fixed Assets i.e. Furniture and fixture, Electrical Equipment, Vehicle, Land and Building.

- i. Its expected useful life is more than 3 years;
- ii. Its cost exceeds Tk. 2,000;
- iii. It is tangible; and
- iv. Economic benefit is generated from it.

Fixed Assets are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided for on a straight-line basis from the date of purchase to the date of disposal. No Depreciation is charged for any asset of which useful life is expired. The applicable depreciation rates are as follows:



Items	Annual Depreciation Rate (%)
Furniture & Fixtures	15%
Electrical Equipment	30%
Software Installation	50%
Vehicles	20%
Building	10%

No depreciation is charged on land and construction work-in-progress. Repair and maintenance costs are expensed in the period of occurrence.

The cost of replacing part of the item of Fixed Assets 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 follow to the organization and its cost can be reliably measured. The cost of the day to day servicing of Fixed Assets and Electrical equipment are recognized in the statement of income and expenditure as incurred.

Cost and Valuation:

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

Restoration Costs:

BASTOB recognizes in the carrying amount of an item of property, plant and equipment the cost of Replacing part of such an item when that cost is incurred if it is possible that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintains, is normally changed off as revenue expenditure in the period in which it is incurred.

Donated Assets:

Where property, Plant & equipment is purchased as a part of a project through restricted funds, until the conclusion of the project or if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the cost of the asset is included in a memorandum inventory of property, plant and equipment identified as such in the financial statements. Depreciation is not provided on such assets.

3.04. Comparative Information:

Comparative information is disclosed in respect of every year including all the numerical information in the financial statements, and also descriptive information is given when it is relevant to an understanding of the current year's financial statements.

3.05. Taxation:

Under the Income Tax Ordinance (ITO), 1984 as amended, **BASTOB** is subject to taxation for its present activities/projects. As per 6th Schedule, Part-A Para 1A, of ITO 1984, Income from Micro credit activities are Tax exempted. **BASTOB** submits its return for tax for the organization as a whole Organization and TIN is 3401-0879-4091, under Deputy Commissioner of Taxes, Company circle-90, Tax Zone-05, Dhaka

3.06. Borrowing Cost:

Borrowing Costs are interest and other costs that **BASTOB** incurs in connection with the borrowing of Funds. Borrowing costs are recognized as an expense in the period in which they are incurred, unless they are incurred in respect of a qualifying asset in which case it is capitalized as a part of the cost of that asset. The amount of borrowing cost eligible for capitalization shall be determined in accordance with the BAS-23 "Borrowing Cost.



4.00 Significant Organizational Policies:

4.01 Loan loss provision:

Management regularly assesses the adequacy of loan loss provision based on the age of the loan portfolio. At the end of the half yearly, BASTOB calculates required provision for loan loss based on the loan classification and provisioning methodology which is shown bellow and any adjustment if required are made and accounted for in the financial statements.

Loan classification	Days in arrears	Provision required %
Regular	Current (no arrears)	1
Watchful	1-30	5
Sub-Standard	31-180	25
Doubtful	181-365	75
Bad	Over 365	100

Loan Written off:

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. Which loan remains outstanding over a year of their maturity period is considered as Bad loan.

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

Loan to Beneficiaries:

BASTOB activities include providing micro-finance loans to beneficiaries without collateral, on a service charge basis under various programmes. Loans exclusive of service charge are not stated net of provision for loan losses.

BASTOB has various loan outstanding with the members in the following categories:

Microcredit:

BASTOB microcredit is implemented through a group and individual model whereby members from groups of five and subsequently from centers composed of roughly six groups. Centre meetings are held each week by Credit Officer (CO). 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 BASTOB microcredit products and regulations.

Jagoron Loan:

This is to allow rural and urban people to finance their economic activities. Jagoron loans are working capital loans given to poor and disadvantaged households. Jagoron loan ranges up to Tk. 99,000 are given for refund within one year and service charge 24% declining rate per year.

Agrosor Loan (Microenterprise):

Available to both men and women, the micro-enterprise programme 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 microcredit member's graduate from the microcredit programme to become microenterprise programme members. Subsequently more emphasis will be put towards such members. The microenterprise programme seeks members who would like to expand their business; the loan amount is not intended as start-up capital. BASTOB seeks members with a minimum of 2 years business experience, a visible venture and those who have scope to generate employment opportunities. ME loan range from Tk. 100,000/- to 1,000,000/- are given for refund within 1.5 years and service charge 24% declining rate per year.



Sufolon Loan (Seasonal and Agriculture):

This loan is exclusive for agriculture, enterprise, livestock etc. Activities and it designated to increase the firm and business activities. The seasonal loan also enhances Social Food Security net of the households. Sufolon loan range up to Tk. 30,000/- are given for Agri production. Repayment within 6-12 months and service charge is 24% per year (decline) calculated on day basis.

Buniad loan:

This loan is exclusive for ultra poor beneficiaries. The ultra poor loan range from Tk. 10,000 to 50,000/- are given for refund within one year and service charge is 20% declining rate per year.

MDP Loan:

Available to both men and women, the microenterprise programme 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 programme to become micro-enterprise programme members. Subsequently more emphasis will be put towards such members. The micro-enterprise programme seeks members who would like to expand their businesses; the loan amount is not intended as start-up capital. ME loan ranges up to Tk. 1,000,000 are given for refund within 46 weekly/ 12 month, 24 month, 36 monthly equal installments and service charge 18%/24.00% (weekly), 24.00% (monthly) (declining rate) per year.

4.02 Policy on Savings Collection:

BASTOB has maintained three types of savings 1. General Savings (Mandatory), 2. Voluntary Savings and 3. Term Deposit. Those who are member of the Samity he/she must deposit Minimum amount of Tk. - 50.00 per week. The members can withdraw their savings at any time. But those who are loanee cannot withdraw their general savings. The organization gives 6% interest to the members as per rule of MRA. 2. Voluntary Savings: Those who are the member of the Samity they can deposit as voluntary savings amount of BDT- 50.00 and above per month. The organization gives 6-13% interest to the members depending on savings and product and their duration. The members can withdraw their savings at any time.

4.03 Employee Benefits Schemes:

Provident Fund:

BASTOB, operates a contributory provident fund benefits from which are given to its employees in Accordance with its policies. National Board of Revenue (NBR) approved and recognized this fund for the purpose of taxation. The fund is operated by a board of trustees consisting of seven members selected from the employees of the Organization. All permanent employees of the organization are contributing monthly to the fund by an amount equal to 15% of their basic salaries. The organization also contributes 15% of employees' basic salary to the fund each month. Interest earned from the investment is credited to the employees' accounts on a yearly basis and this fund is audited every year by a Chartered Accountants firm.

Gratuity Fund:

BASTOB operates a gratuity scheme for its permanent employees and maintains a separate account for this. The policies are as bellow:

Service Tenure	Resignation/ Termination	Retirement	Redundancy	Dismissal
Less than 3 years	avail no benefit	avail no benefit	avail no benefit	avail no benefit
3 years to less than 8 years	avail one month basic salary last drawn for each completed year of service	avail one month basic salary last drawn for each completed year of service	avail one month basic salary last drawn for each completed year of service	avail no benefit



8 years to less than 12 years	avail 1.5 times of last drawn basic salary for each completed year of service	avail 1.5 times of last drawn basic salary for each completed year of service	avail 1.5 times of last drawn basic salary for each completed year of service	avail no benefit
12 years to less than 16 years	avail 2.0 times of last drawn basic salary for each completed year of service	avail 2.0 times of last drawn basic salary for each completed year of service	avail 2.0 times of last drawn basic salary for each completed year of service	avail no benefit
16 years to less than 20 years	avail 2.5 times of last drawn basic salary for each completed year of service	avail 2.5 times of last drawn basic salary for each completed year of service	avail 2.5 times of last drawn basic salary for each completed year of service	avail no benefit
20 years to above	avail 3.0 times of last drawn basic salary for each completed year of service	avail 3.0 times of last drawn basic salary for each completed year of service	avail 3.0 times of last drawn basic salary for each completed year of service	avail no benefit

Staff Welfare Fund:

BASTOB introduced Staff Welfare Fund for its staffs with a view to stand by them at the time of distress. The SWF is looked after by a separate committee. The amount of contribution is taken off from Different sources. A staff member will be allowed grant after one year of his joining. However, the trustee board may allow grant to a staff member if his/her service period is 6 months old but less than a year. A Staff will be eligible to apply for financial benefit from the fund on the following counts:

- a) In case of serious diseases like cancer, disease requiring complicated operation etc.
- b) Medical Treatment due to accident
- c) Cremation of dead body of an employee
- d) Stipend to meritorious children of an employee.

Staff Insurance Fund:

BASTOB introduced Staff Welfare Fund for its staffs with a view to stand by them at the time of distress. The **SIF** is looked after by a separate committee. All permanent employees of the organization are contributing monthly to the fund by an amount equal to 1% of their basic salaries. The organization also contributes 1% of employees' basic salary to the fund each month. A staff member will be allowed to get facilities after confirmation of his joining. A Staff will be eligible to get financial benefit from the fund on Loss of life & physical handicaps due to accident. Staffs are eligible to receive their part of contribution if he/she leaves the organization.

Free Accommodation Facility:

BASTOB provides free accommodation facility in rural level for all Bachelor staffs.

Leave Salary:

BASTOB pay to staff leave salary against their earn leave balance. Every regular staff gets 12 days leave in every year. If a staff does not enjoy leave, the balance be carried forward in the next year and maximum 180 days balance will be carried forward. When a staff leaves the organization he/she gets leave salary against leave balance.

Food Allowance Facility:

BASTOB introduced food allowance facilities for the regular staff members. In Head office levels every staff can be taken Tk. 40.00 per working day. The field level staffs also get Tk. 40.00 per working day. **BASTOB** provides cook, utility cost and cookerries. Staff only pays their food cost.



Staff loan:

Staff loan from provident fund can be provided to Staff by the management of BASTOB. The confirmed regular staffs are eligible to avail this loan. The amount of loan, duration of loan, number of installments, rate of interest etc. all to be decided by the management. If a staff is eligible to become the client of PF but does not get the membership, he/she will not be allowed to apply for loan. A staff is allowed to avail 50% of his/her total provident fund balance. The staff will lose the eligibility to avail loan second time if he/she violates any conditions in his/her first loan. The staff is not allowed to give loan in such a size the installment of which is more than 20% of monthly salary.

Inflation Adjustment Facilities:

BASTOB introduced Inflation adjustment allowance facilities for the regular staff members. BBS/ central Bank (Bangladesh Bank) of Bangladesh declares monthly inflation growth. BASTOB management collect data from BBS/BB and make yearly average rate of inflation and pay to the staffs.

Motor Cycle and Bi-cycle Loan:

To expedite the field work and project implementation of BASTOB staff, an arrangement of motorcycle Loan is there in BASTOB. The concerned staff has to have a valid license holder if he/she wants to avail this loan. The field level staffs are entitled to avail bi-cycle loan. There is a separate policy of Motor-cycle & bi-cycle loan. BASTOB has followed the rule accordingly.

Festival Bonus:

BASTOB introduced yearly three festival bonuses for the regular staff members. One is monthly gross salary and another is monthly Basic salary and another is 25% of monthly basic salary. The calculation is done pro-rata basis. Provisional staff is not entitled to get festival Bonus as per organizational rules.

5.0 Significant Organizational Policies:

5.01 Loan loss Provision: Loan Classification, Loan loss Provisioning and write off Policy:

BASTOB generally provides for loan losses based on loan outstanding classification. Management makes provisions for loan losses every six months in order to maintain the loan loss reserve for bad loans at adequate level and calculates the required provision for loan based on the classification and provisioning methodology which is shown below; if required, are made and accounted for in the financial statements for the year.

Loan classification	Days in arrears	Provision required
Standard (Regular)	Loans with no overdue Installments	1%
Watchful	Loan default duration between 1 and 30 days	5%
Sub-Standard	Loan default duration between 31 and 180 days	25%
Doubtful	Loan default duration between 181 and 365 days	75%
Bad Loan	Loan default duration above 365 days.	100%

Loans Written off:

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". Loans which remain outstanding over of their maturity Period are considered as "Bad Loans". The total amount of Bad Loans, which are considered bad and have no possibility of recovery, is referred to the Governing Board of BASTOB for approval of write off. Any collections realized from loans previously written off are credited to the Income Statement.



5.02. Prevention of Money Laundering and Terrorist Financing for the NGO

Compliance with the Guidelines on prevention of money laundering and terrorist financing for NGO/NPO sector (Prevention of Money Laundering Act, 2012, 2 (ba) (a) (1) and (2) BASTOB fully comply the guidelines of Money Laundering and Terrorist Financing. For all the transaction BASTOB made through bank transfer and Account Payee cheque. Apart from banking channel BASTOB does not use any other channel to transact money.

As per MRA circular No. 27, dated-15 June-2011, and circular no. 09, dated 13 July, 2011 BASTOB has followed all the rules and regulators regarding Prevention of **Money Laundering and Terrorist Financing Act 2009 and 2012.**



BASTOB-Initiative for People's Self-Development
Consolidated Accounts
Notes to the Financial Statement
For the year ended June 30, 2021

SI No.	Particulars	Accounts in Taka	
		2020-2021	2019-2020
6.00	Property, Plant and Equipment		
	Opening Balance		
	Add: Purchase during the year	36,680,049	34,124,991
	Less: Amotization of Fixed Assets	2,800,197	2,668,558
	Closing Balance	408,046	113,500
		39,072,200	36,680,049
7.00	Investment on FDR:		
	Opening Balance		
	Add. New FDR this year	97,877,537	78,247,757
	Add- Accrued Interest	305,143,554	49,350,474
	Less Transfer to Bank Security	-	-
	Less. Encashment	-	-
	Closing Balance	196,967,605	29,720,694
		206,053,486	97,877,537
8.00	Loan to Members:		
8.01	General Micro Finance Sector :		
	Opening Balance		
	Add. Disburse this year	245,129,211	165,936,659
	Less. Realization	1,013,913,000	751,894,300
	Closing Balance	675,172,396	672,701,748
		583,869,815	245,129,211
8.02	Micro Enterprse Sector :		
	Opening Balance		
	Add. Disburse this year	423,462,886	386,120,266
	Less. Realization	1,230,841,400	547,524,000
	Closing Balance	707,433,323	510,181,380
		946,870,963	423,462,886
8.03	Agricultural Sector :		
	Opening Balance		
	Add. Disburse this year	617,906,169	669,632,759
	Less. Realization	390,137,000	409,852,000
	Closing Balance	797,728,406	461,578,590
		210,314,763	617,906,169
8.04	Others Sector :		
	Opening Balance		
	Add. Disburse this year	21,552,860	18,389,195
	Less. Realization	32,235,000	13,500,000
	Closing Balance	37,955,780	10,336,335
		15,832,080	21,552,860
9.00	Accounts Receivable-Advance		
	Opening Balance		
	Add- This year Payment	31,328,383	18,605,651
	Add- Transferred from Liabilities to Assets	61,425,573	28,718,339
	Less- This year Adjustment	-	21,544,214
	Closing Balance	78,565,154	37,539,821
		14,188,802	31,328,383
8.00	Bank Security:		
	Blance from Investment, FDR		
	Add. New FDR this year	165,900,483	206,321,570
	Add- Accrued Interest	156,946,540	22,075,088
	Less. Encashment	-	-
	Closing Balance	87,842,251	62,496,175
		235,004,772	165,900,483
11.00	Project Unspent Fund		
	Opening Balance		
	Add: Received during the year	4,437,813	7,026,780
	Less: Payment during the year	2,852,631	2,588,967
	Less: Amotization of Fixed Assets	-	-
	Closing Balance	1,585,182	4,437,813
12.00	Cash in hand		
	Opening Balance		
	Add. Cash received during the year	5,025,115	4,172,248
	Less. Cash payments during the year	3,526,874,435	1,940,048,284
	Closing Balance	3,529,290,190	1,939,195,417
		2,609,360	5,025,115



Sl No	Particulars	Accounts in Taka	
		2020-2021	2019-2020
13.00	Cash at Bank		
	Opening Balance		
	Add. Deposit during the year	27,889,650	34,712,288
	Less. Withdrawal during the year	1,501,375,131	1,397,674,595
	Closing Balance	1,408,051,487	1,404,497,233
		123,213,294	27,889,650

Break-up of the above amount is as follows:

Sl. No.	Branch Name	Bank & Branch Name	Account No.	Amount in Taka
1	Paragram	Bank Asia		
2	Solla	DBBL		
3	Ruhitpru	Bank Asia		
4	Kholamora	National Bank		
5	Badhaldi	Uttara Bank		
6	Cox's Bazar	Southeast Bank		
7	Chakaria	Southeast Bank		
8	Malumghat	Sonali Bank		
9	Rajendra Pur	Marcentile Bank		
10	Tongi	Southeast Bank		
11	Nawabgonj	DBBL		
12	Sonargaon	EBL		
13	Tarabo	IFIC Bank Ltd.		
14	Boad Bazar	DBBL		
15	Nimtola	Bank Asia		
16	Bhagyakul	National Bank		
17	Meghula	IFIC		
18	Joypara	Southeast Bank		
19	Delpara	NRBC Bank Ltd.		
20	Sarulia	Southeast Bank		
21	Panchrukhi	Meadland Bank		
22	Madhobdi	Bank Asia		
23	Mouchak	Exim bank Ltd		
24	Birulia	Uttara Bank		
25	Jamgora	Bank Asia		
26	Panchdona	Al-Arafa Islami Bank Ltd.		
27	Uttar Khan	UCBL		
28	Bandor	Sonali Bank		
29	Dhamrai	IFIC Bank Ltd.		
30	Ramu	FSIBL		
31	Shilkhali	FSIBL		
32	Mirer Bazar	DBBL		
33	Palash	Rupali Bank Ltd		
34	Ati Bazar SME	Southeast Bank Ltd.		
35	BKSP	NRBC Bank Ltd.		
36	Hemayatpur	Southeast Bank Ltd.		
37	Ichhapura	National Bank Ltd.		
38	Baligoan	Jamuna Bank Ltd.		
39	Kasipur	National Bank Ltd.		
40	Sikaripara	Saha-Jalal Islami Bank Ltd		
41	Mohajanpur	Al-Arafa Islami Bank Ltd.		
42	Bhawal Mizapur	Southeast Bank Ltd.		
43	Maniknagar	Agroni Bank Ltd.		
44	Sangrai	Southeast Bank Ltd.		
45	Dighirpar	Saha-Jalal Islami Bank Ltd		
46	Donia	Southeast Bank Ltd.		
47	Head office	FSIB		
48	Head office	Southeast Bank		
49	Head office	Bank Asia		
50	Head office	AB Bank		
51	Head office	Midland Bank Ltd.		
52	Head office	Mercantile Bank Ltd.		
53	Head office	MTB Ltd.		
54	Head office	NRBC Bank Ltd.		
55	Head office	DBBL		
56	Head office	One Bank		
57	Head office	Pubali Bank		
58	Head office	Uttara bank		
59	Head office	Premier Bank Ltd.		
60	Head office	Community Bank		
58	GTA School	Sonali Bank		
59	BRAC ESP	Sonali Bank		
60	Anukul Suchala	Sonali Bank		
61	Anukul Health	Sonali Bank		
62	Education Development Project	Sonali Bank		
63	Safe Migration Project	Bank Asia		
64	PKSF ENRICH Project	First Security Islami Bank		
65	PKSF Sports & Culture Project	DBBL		
66	PKSF Probin Rehabilitation Project 1	Prime Bank Ltd.		



Sl No.	Particulars		Accounts in Taka		
			2020-2021	2019-2020	
67	PKSF Probin Rehabilitation Project 2	First Security Islami Bank	Pakua Branch. Cox's Bazar	SND-192131-00000060	
68	GAP Project	Southeast Bank	Samoli Br.		229,552
69	VGD	Bank Asia	Samoli Br.	SND-001313500000683	8,425
70	Bastob Help Project	Southeast Bank	Samoli Br.	SND-05536000022	25,695
71	Bastob BYS - Nook	Southeast Bank	Cox's Bazar Br. Cox's Bazar	SND-002213100001131	1,665
72	Adolescent Program	DBBL	Barisal Br, Barisal	SND-004911100000638	600,496
73	SEP - Electronic	Southeast Bank	Nawabgonj Br. Dhaka	SND-271.120.140	294,379
74	Learning 360 Project	Southeast Bank	Donia Branch, Dhaka	SND-0013100000066	2,368,281
			Samoli Br. Dhaka	SND-0013100000683	254,654
			Total		123,213,294
14.00	Cumulative Surplus:				
	Opening Balance				
	Add. Surplus during the year			166,794,167	160,638,513
	Add: Prior year adjustment			40,205,322	6,839,615
	Less. Transfer to Reserve Fund			206,999,489	167,478,128
	Closing Balance			4,020,532	683,961
15.00	Reserve Fund:				
	Opening Balance				
	Add: Created during the year			18,532,685	17,848,724
	Less. Adjustment during the year			4,020,532	683,961
	Closing Balance			22,553,218	18,532,685
16.00	Accounts Payable				
	Opening Balance				
	Add. Received this yr.			717,034,086	802,240,811
	Less-Liabilities Transferred to Assats			1,354,902,789	760,073,270
	Less. Revelution on Assets			-	21,544,214
	Less. Loan Refund			-	113,500
				905,825,349	866,710,709
	Closing Balance			1,166,111,526	717,034,086
17.00	Staff Security Fund:				
	Opening Balance				21,369
	Add. Received this yr.				
	Less. Refund this yr.				
					21,369
	Closing Balance				
18.00	Members Savings Deposit				
	Opening Balance			702,815,912	580,018,744
	Add: Received during the year			711,739,288	466,673,601
	Less. Refund during the year			537,632,080	343,876,433
				876,923,120	702,815,912
	Closing Balance			876,923,120	702,815,912
19.00	Loan Loss Provision				
	Opening Balance			28,487,174	27,169,750
	Add: Provision made during the year			24,470,426	10,821,613
	Add: Adjust			-	-
	Less: Transfer to Capital Fund			-	-
	Less. Write off during the year			6,905,460	9,504,189
				46,052,140	28,487,174
	Closing Balance			46,052,140	28,487,174
20.00	Loan risk Fund (Member Welfare)				
	Opening Balance			35,750,993	29,872,636
	Add: Received during the year			29,847,956	18,844,018
	Less: LLP Adjust				
	Less. Refund during the year			11,567,847	12,965,661
				54,031,102	35,750,993
	Closing Balance			54,031,102	35,750,993
21.00	Accumulated Depreciation Fund:				
	Opening Balance			7,775,139	5,479,617
	Add: Addition during the year			2,597,562	2,342,222
	Less: Amotization of Fixed Assets			408,046	46,700
				9,964,655	7,775,139
	Closing Balance			9,964,655	7,775,139
23.00	Income Tax and VAT :				
	Income Tax			619,641	2,268,915
	VAT			774,819	1,188,466
	Total			1,394,460	3,457,381
23.01	Income Tax :				
	Bank Interest			116,504	134,550
	Interest on FDR			448,137	2,094,365
	Advance Tax (Vehical)			55,000	40,000
	Total			619,641	2,268,915

Sl No.	Particulars	Accounts in Taka	
		2020-2021	2019-2020
23	VAT :		
	Registration Fees	71,095	112,179
	Loan Processing Fees	83,844	457,475
	Legal Fees	12,000	
	Bank Charge	23,892	20,301
	Office Expenses	1,090	1,519
	Office Rent	505,939	493,853
	Printing Expenses	23,164	52,182
	Audit Fees & Credit Rating	17,850	14,850
	Software Maintenance	25,150	25,850
	Maintenance of vehicles	3,985	10,477
	Total Payment	774,819	1,188,498
24.00	Legal Fees :		
	Tax Deducted at Source	80,210	190,905
		8,000	-
		88,210	190,905
25.00	Office Rent :		
	Tax Deducted at Source	3,330,582	3,299,250
		175,892	184,554
		3,506,474	3,483,804
26.00	Printing Expenses :		
	Tax Deducted at Source	439,154	356,885
		8,119	16,983
		447,273	373,868
27.00	Audit Fees :		
	Tax Deducted at Source	139,000	99,000
		11,000	11,000
		150,000	110,000
28.00	Office Expenses :		
	Tax Deducted at Source	2,199,261	1,514,211
		136	-
		2,199,397	1,514,211
29.00	Loan Processing Fees:		
	Tax Deducted at Source	550,086	1,514,211
		1,183	-
		551,269	1,514,211



BASTOB-Initiative for People's Self Development
6/20, Humayun Road (5th Floor), Block-B, Mohammadpur, Dhaka-1207.

Micro Finance Program

Eligibility Criteria Compliance Certification for the year ended June 30, 2021.

We have audited the Financial statements of BASTOB-Initiative for People's Self Development for the year ended June 30, 2021. On the basis of our audit, we certify below the Compliance of BASTOB - Initiative for People's Self Development with the eligibility criteria.

Sl. No.	Performance Parameters	Different Aspect	PKSF Standard	2020-2021 (Current year)	2019-2020 (Last year)
1	Long Term Solvency	Debt to Capital	Max 9:1	0	7.54:1
		Capital Adequacy	Min 10%	0	12%
		Debt Service to Cover Ratio	1.25:1	0.00%	2.35:1
2	Short Term Solvency	Current Ratio	Min 2:1	0.00%	1.10:1
		Liquidity to Savings Ratio	Min 15%	0.00%	15.30%
3	Profitability Ratio	Return on Capital Employed (ROCE)	Min 1%	0.00%	3.09%
		Return on Assets	Min 3%	0.00%	3.76%
4	Productivity Ratio	Member/Branch	1500-2000	0	901:1
		Credit Officer/Member	1: 300-400	0.00%	1:243
		Borrower Coverage	Min 70%	0.00%	73.90%
		Credit Officer/Borrower	1:240-250	0.00%	1:179
		Credit Officer/Total Staff	1:1.50-1.70	0.00%	1:1.74
		Credit Officer to Loan Outstanding (Tk in Lac)	1:25-30	0.00%	1: 78.33
5	Portfolio Quality Ratio	Total Overdue		36,114,224	36,114,224
		Bad Loan		9,514,429	9,514,429
		OTR (%)	Min 92%	0.00%	97.16%
		CRR (%)	Min 95%	0.00%	99.50%
		PAR (%)	≤ 10%	0.00%	3.08%
		Good Loan as a percentage of Loan Outstanding		0.00%	96.92%



BASTOB-Initiative for People's Self Development
6/20, Humayun Road (5th Floor), Block-B, Mohammadpur, Dhaka-1207.
Consolidated Accounts

Portfolio Report Review of Loan Classifications and Provisions for the year ended June 30, 2021.

(i) Classification of Loan and Loan Loss Provision as per MRA Circular No: 53 Dated: 22-03-2020 & Circular No: 58 Dated: 23-06-2021

Sl. No.	Particular	No. of days Outstanding	Outstanding Loan Amount in (Tk.) as per June 2021	Required Provision	
				Rate	Amount (Tk.)
1	Total Loan Outstanding	as per June 2021	1,756,887,621		
2	Total Overdue	as per 1st January 2020	36,114,224		
3	Regular	Loans with no overdue Installments 1st January 2020	1,716,225,322	1%	17,162,253
4	Watchful	Loan default duration between 1-30 days 1st January 2020	12,873,420	5%	643,671
5	Sub-Standard	Loan default duration between 31-180 days 1st January 2020	16,359,875	25%	4,089,969
6	Doubtful	Loan default duration between 181-365 days 1st January 2020	1,914,575	75%	1,435,931
7	Bad Loan	Loan default duration above 365 days 1st January 2020	9,514,429	100%	9,514,429
8	Total		1,756,887,621		32,846,253

(ii) Loan Loss Provision (LLP) status of the MFI

Particular	Amount (Tk.)
Required provision as per MRA Policy June 2021	46,052,140
Actual Provision made by the MFI	46,052,140
Excess of Provision	-
Disclosure on Written off Loan :	
Comment on LLP for PKSf funded program	N/A
Comment on LLP for Non- PKSf funded program	-
Disclosure on Written off Loan	N/A
Loan Written off balance as on 01-07-2018	9,124,035
Loan Written off during the year 2018-2019	13,298,340
Loan Written off during the year 2019-2020	9,504,189
Loan Written off during the year 2020-2021	6,905,460
Total	38,832,024
Write off loan recovery during the year 30 June, 2019	1,486,751
Write off loan recovery during the year 30 June, 2020	3,188,836
Write off loan recovery during the year 30 June, 2021	3,593,654
Total	8,269,241
Write off loan balance as on 30 June, 2021	30,562,783

Date	Description	Required	Actual charge	Shortage/ Excess
31-Dec-19		28,483,264	28,487,174	(3,910)
31-Dec-20	As per MRA Circular 1,589,656,455*1%	15,896,565	4,399,203	
		44,379,829	32,886,377	11,493,452
30-Jun-21	As per MRA Circular (1,756,887,621-1,589,656,455)*1%	1,672,311	13,165,763	
		46,052,140	46,052,140	-



BASTOB-Initiative for People's Self Development
6/20, Humayun Road (5th Floor), Block-B, Mohammadpur, Dhaka-1207.
Consolidated Accounts
Schedule of Fixed Assets As on 30th June, 2021.

Annexure A/4

Sl. No.	Particulars	Cost			Rate of Dep.	Depreciation			Written down Value as on 30.06.2021	
		Balance as on 01.07.2020	Addition during the year	Adjustment during the year		Balance as on 30.06.2021	Depreciation Charged during the year	Adjustment during the year		Balance as on 30.06.2021
1	Furniture & Fixture	4,600,196	228,138	87,261	15%	4,741,073	407,591	87,261	2,431,388	2,309,685
2	Electric Equipment	5,359,417	752,359	234,035	30%	5,877,741	816,068	234,035	3,973,582	1,904,159
4	Land	15,717,806	9,700	-	0%	15,727,506	-	-	-	15,727,506
5	Building	6,216,170	1,800,000	-	10%	8,016,170	752,377	-	1,075,827	6,940,343
6	Vehicle	4,336,460	-	-	20%	4,336,460	534,776	-	2,197,358	2,139,102
3	Software	450,000	10,000	86,750	50%	373,250	86,750	86,750	286,500	86,750
	Total	36,680,049	2,800,197	408,046		39,072,200	2,597,562	408,046	9,964,655	29,107,545



BASTOB-Initiative for People's Self Development
6/20, Humayun Road, BI-B, Mohammadpur, Dhaka-1207.
Consolidated Accounts

Investment Schedule for the year ended 30th June, 2021.

Sl. No.	FDR No.	Opening Balance		Accrued Interest on FDR during this year				Cumulative FDR encashment				Closing Balance		
		Principal	Interest	Total	Total	Tax	Bank Charge	Net Interest	Interest	Principal	Total	Interest	Principal	Total
1	Member Savings Fund	74,000,000	2,956,999	76,956,999	3,098,858	309,884	57,000	2,731,974	4,497,197	106,000,000	110,497,197	1,191,776	174,000,000	175,191,776
2	Reserve Fund	19,125,000	1,795,538	20,920,538	1,524,760	152,474	47,500	1,324,786	2,640,822	33,322,070	35,962,892	479,502	30,382,208	30,861,710
	Total	93,125,000	4,752,537	97,877,537	4,623,618	462,358	104,500	4,056,760	7,138,019	139,322,070	146,460,089	1,671,278	204,382,208	206,053,486



BASTOB-Initiative for People's Self Development
6/20, Humayun Road, Mohammadpur, Dhaka-1207.
Segmental Financial Information
as at June 30, 2021

Particulars	MFP	GTA	B. ESP	Su-chala	A. Health	BEDPCB	MJF	ENRICH	Sport s	Probin- (No Suggestio ns)	Probin- Pektua CSI	Rohi nya CSI	GNWP	VGD	UNICE F	HELP 1	Help-1	NOOK	Help- 12 3	Adolescent	Sep-Els	L360	2020-2021	2019-2020	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
Financial Position as on June 30, 2021																									
Non-Current Assets:																									
Property, Plant and Equipment	39,072,200																							39,072,200	36,690,049
Investment	206,053,486																							206,053,486	97,877,537
Total Non-Current Assets	245,125,686																							245,125,686	134,557,586
Current Assets:																									
Loan to Clients:																									
General Microcredit Sector	583,969,815																							583,969,815	245,129,211
Micro Enterprise Sector	946,870,963																							946,870,963	423,462,886
Agriculture Sector	2,10,314,763																							2,10,314,763	617,906,169
Other Sector	15,832,080																							15,832,080	21,552,860
Total Loan to Clients	1,756,887,621																							1,756,887,621	1,308,051,126
Accounts Receivable-Advance	14,188,802																							14,188,802	31,328,383
Bank Security	235,004,772	(13,622)	(519,795)	(77,456)	(38,132)	(5,279)	(247,548)	(392,368)		2,051,157	1,527,623		(8,425)	(217,431)									235,004,772	165,900,483	
Receivable from Project			4,302			1,128		69			78							(1,665)	(600,496)					2,609,360	5,025,115
Cash at hand	117,731,601	13,622	515,493	77,456	38,132	5,279	246,420	399,442		402,702	229,552	8,425	8,425	25,695			1,665	600,496					123,213,294	27,889,650	
Total Current Assets:	369,528,958									2,463,859	1,757,253			(191,736)										376,891,410	234,581,444
Total Properties and Assets	2,371,542,265									2,463,859	1,757,253			(191,736)										2,378,614,717	1,677,196,156
Capital Fund & Liabilities																									
Capital Fund:																									
Cumulative Surplus	202,978,956																							202,978,956	166,794,167
Reserve Fund	22,553,218																							22,553,218	19,532,885
Total Capital Fund:	225,532,174																							225,532,174	186,326,852
Non-Current Liabilities:																									
Accounts Payable	1,159,039,074							7,143		2,463,859	1,757,253			(191,736)										1,160,111,526	717,004,086
Staff Security Fund																									
Total Non-Current Liabilities	1,159,039,074							7,143		2,463,859	1,757,253			(191,736)									1,166,111,526	717,004,086	
Current Liabilities:																									
Members Savings Fund	876,923,120																							876,923,120	702,815,612
Loan Loss Provision	46,052,140																							46,052,140	26,467,174
Loan Risk Fund (Member Welfare Fund)	54,031,102																							54,031,102	35,750,560
Accumulated Depreciation	9,964,866																							9,964,866	1,775,136
Total Current Liabilities	996,971,027																							996,971,027	779,838,218
Total Capital Fund & Liabilities	2,371,542,265							7,143		2,463,859	1,757,253			(191,736)									2,378,614,717	1,677,196,156	



BASTOB-Initiative for People's Self-Development

Segmental Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

Particulars	MFP	GTA	B. ESP	Su-chala	A. Health	BEDPCB	MJF	ENRICH	Sports	Probin	CSI	GNWP	VGD	UNICEF	HELP-1	Help-1	NOOK	Help-Z	CSIJ	Adolescent	Sep-Ele	L360	2020-2021	2019-2020			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
INCOME:																											
Service Charges on Loan	313,522,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	313,522,521	235,346,166	
Bank Interest	1,162,793	832	6,964	697	2,527	330	7,299	3,062	-	746	2,625	-	585	-	-	1,838	-	-	-	-	1,485	-	266	1,192,049	1,554,515		
Bank Interest on FDR	4,623,618	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,623,618	6,783,966	
Membership Fees/ Admission Fee	318,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318,030	164,910	
Sale of pass books and loan forms	626,895	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	626,895	403,945	
Miscellaneous Income/ Local	98,063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,063	101,918	
Recovery from Write-off Loan	3,593,654	-	-	10,000	133,900	-	-	283,600	-	663,405	238,295	-	-	-	-	-	-	-	-	-	-	-	-	-	3,593,654	17,373,714	
Contributions from MFP	-	1,263,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,263,500	1,800,404	
Donation Received:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,169,795	
Foreign Part	-	-	-	-	-	395,760	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Country Part	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total:	323,945,574	1,264,332	623,724	234,467	403,639	400,090	3,013,795	3,088,392	1,864,886	664,151	240,920	1,349,076	837,047	4,364,109	4,364,109	3,811,678	1,887,140	1,887,140	470,236	1,355,541	255,266	1,151,602	255,000	1,151,602	3,909,802	15,388,582	27,172,332
EXPENDITURE:																											
Service Charge paid to PKSF	31,500,379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,500,379	21,052,778
Bank and T/DO Charges	1,301,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,301,600	
Service Charge paid to Bank	57,349,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,349,079	51,563,033
Service Charge paid to Anukol	29,091,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,091,960	
Found:	4,337,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,337,174	
Interest Paid to Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service Charge Rebate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bank and T/DO Charges	1,301,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,301,600	
Interest on Members Savings	57,349,079	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,349,079	
Total Financial Cost	123,560,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,560,192	
Operating Cost	110,133,459	676,500	-	-	-	-	2,245,977	1,911,510	-	321,700	218,500	40,000	265,000	-	-	-	170,000	-	-	-	-	-	-	-	-	117,165,433	
Salary & Benefits	5,443,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,443,803	
Residence Facilities for staff	1,398,643	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,398,643	
Conveyance	792,517	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	792,517	
Oil & Fuel	114,541	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,541	
Car Maintenance	2,199,397	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,199,397	
Office Maintenance	1,956,182	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,956,182	
Gas, WASA & Electricity Bill	653,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	653,506	
Phone, Internet, Mobile & Courier	611,779	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	611,779	
Stationery	447,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447,273	
Printing	88,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,210	
Legal Fee	18,470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,470	
Training	476,504	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	476,504	
Meeting, Seminar	473,965	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	473,965	
Registration Fee	551,249	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	551,249	
Loan Processing Fees	3,506,474	57,836	-	-	-	-	136,800	48,000	-	-	-	-	31,500	-	-	-	-	-	-	-	-	-	-	-	-	3,506,474	
Office Rent	739,617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	739,617	
Entertainment/Refreshment	1,394,460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,394,460	
Income Tax and VAT	150,000	-	-	70	328	33	-	14,100	-	-	-	-	45	-	-	-	-	-	-	-	-	-	-	-	-	150,000	
Audit Fee	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Micro Credit Fair	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Picnic & Yearly Gathering	519,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	519,000	
Software Maintenance	30,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,845	
Education Project Expenses	165,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,845	
Donation to Health Project	12,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,100	
Enrich Project Expenses	921,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	921,700	
Senior Citizen Project Expenses	247,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247,265	
Sports & Culture Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Donation to Relief Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wash Program (Latrine & Tube-well)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sports & Culture Program Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Uplifting the Quality of the Lives of Elderly People	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
										1,095,364			11,534													1,733,678	
										626,760																1,574,296	





Particulars	MFP	GTA	B. ESP	Su-chala	A. Health	BEDPCB	MJF	ENRICH	Sports	Probin-	Probin	CSI	GNWP	VGD	UNICEF	HELP-1	Help-1	NOOK	Help-12	CSI/3	Adolescent	Sep-Ele	L360	2020-2021	2019-2020
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
Rohingia Relief Work																									
WASH & Shelter Support																									
Empowering Woman (JUS)																									
Barishal City Nook																									
Adolescent Program																									
SEP Electric																									
Overhead Cost																									
Miscellaneous Expenses	45,168						31,690																		
Total	133,092,072	734,336	691,171	159,422	321,478	337,128	2,995,123	2,368,201		1,424,564	866,520	40,000	1,340,651	306,079	4,364,109		3,780,013	1,286,644	1,904	22,935	841,240	1,338,790	27	156,312,407	166,659,613
LLP Expenditure	24,470,426																								
Depreciation	2,597,552																								
Total Operating Expenditure	160,160,060	734,336	691,171	159,422	321,478	337,128	2,995,123	2,368,201		1,424,564	866,520	40,000	1,340,651	306,079	4,364,109		3,780,013	1,286,644	1,904	22,935	841,240	1,338,790	27	183,380,395	179,823,448
Total Expenditure	283,740,252	734,336	691,171	160,985	326,228	342,545	2,995,123	2,370,695		1,424,564	868,566	42,281	1,340,651	307,379	4,364,109	3,693	3,810,013	1,286,644	4,833	22,935	843,509	1,355,541	612	307,036,665	299,148,665
Microcredit Surplus	40,205,322																								
Project Unspent Fund		529,986	(67,447)	73,482	77,411	57,545	18,642	717,697	1,864,896	(740,413)	(627,646)	(42,281)	8,425	530,253		(3,693)	1,665	600,496	(4,833)	(22,935)	(373,273)		254,654	2,652,631	2,586,967
Transferred to PF OSF FSF																									
Total	323,945,574	1,264,332	623,724	234,467	403,639	400,090	3,013,765	3,088,392	1,864,866	694,151	240,920		1,349,076	837,632	4,364,109		3,811,678	1,887,140			470,236	1,355,541	255,266	350,094,618	307,577,247

Particulars	MFP	OTA	B. ESP	Su-chala	A. Health	BEDPCB	M.J.F	ENRICH	Sports	Probin-Joypara	Probin-Shikhal	Rothing a CSI	GNWP	VOO	UNICEF	HEL- 1	Help-1	NOOK	Help- r/z	CS/3	Adolescen t	Sep-Ele	L360	2020-2021	2019-2020	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23			
RECEIPTS:																										
Opening Balance																										
Cash in Hand	5,011,419	4,875	3,633				2,380	2,410			198														5,025,115	
Cash at Bank	25,535,089	142,442	563,409	7,474	14,796	11,229	226,526	230,934	289,138	333,415	339,478	42,281		101,968		3,693		4,833	22,935						27,889,650	
Service Charges on Loan	313,522,521																									313,522,521
Bank Interest	1,162,793	632	6,964	697	2,527	330	7,289	3,062		748	2,625			585			1,838				1,485	266			1,192,048	
Bank Interest on FDR	4,623,618																									4,623,618
Membership Fees/Admission Fee	316,030																									316,030
Sale of pass books and loan forms	626,895																									626,895
Miscellaneous Income/Local Income	98,063																									98,063
Recovery from Write off Loan	3,593,654																									3,593,654
Loan Received from PKSF	390,500,000																									390,500,000
Loan Received from Anukul Foundation	22,000,000																									22,000,000
Bank Loan Received	865,000,000																									865,000,000
Other Loan Received	66,893,535			3,189				2,481,770		809,700	517,600			305,521							667,652	3,723,822			77,402,789	
Project Loan Realized	5,738,501																									5,738,501
Advanced Loan Realization	72,826,653																									72,826,653
Members Savings	711,739,288																									711,739,288
Collection																										
Loan risk Fund Received (Insurance)	29,847,956																									29,847,956
Contributions from MFP																										
Loan Realization Principal	2,218,289,905			10,000	133,900			283,600		683,405	238,295										247,285	203,939			1,800,404	
Investment Encashment	196,967,605																									1,800,404
Bank Security	87,842,251																									1,800,404
Donation Received																										
Foreign Donation	1,263,500																									1,263,500
Legal Donation	616,760			223,770	267,212	399,760	3,005,466	2,801,730	1,854,886				1,349,076	837,047	4,364,109						221,486				15,988,502	
Total Receipts:	5,034,137,766	1,411,648	1,210,966	245,130	418,435	411,319	3,242,671	5,903,506	2,154,024	1,827,266	1,096,196	42,281	1,349,076	1,245,121	4,364,109	3,693	3,811,678	1,887,140	4,833	22,935	1,137,888	5,079,363	255,266	5,061,164,331	3,376,807,415	
PAYMENTS:																										
Loan Disbursement to Beneficiaries	2,667,126,400																									2,667,126,400
Loan Refund to PKSF	245,016,669																									245,016,669
Loan Refund to Anukul Foundation	15,469,221																									15,469,221
Loan Refund to BANK	554,718,087																									554,718,087
Other Loan Refund	82,378,510	663,691		6,689	54,075	63,495		3,033,300	2,154,024					912,047												912,047
Advance to Project	4,198,300																									4,198,300
Advance Account Payment	57,227,273																									57,227,273
Members Savings Refund	537,632,080																									537,632,080
Loan risk Fund Payment	11,567,847																									11,567,847
Investment on FDR	305,143,554																									305,143,554
Bank Security	156,946,540																									156,946,540
Purchase of furniture and fixture	228,138																									228,138
Purchase of electronic goods	752,359																									752,359
Building Construction (partial yearly adjustment)	1,809,700																									1,809,700
Vehicle																										
Software Installation	10,000																									10,000
Total:	4,640,224,078	663,691		6,689	54,075	63,495		3,033,300	2,154,024					912,047												4,640,487,540
																										3,049,135,562



Particulars	MFP	OTA	B. ESP	Su-chala	A. Health	BEDPCB	MJF	ENRICH	Sports	Probin-Joypara	Probin-Shikhal	Rothing	GNWP	VOD	UNICEF	HEL-1	Help-1	NOOK	Help-2	C8/3	Adolescen	Sep-Els	L360	2020-2021	2019-2020
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
PAYMENTS CONT	4,640,224,678	883,691	-	6,869	54,075	63,495	-	3,033,300	2,154,024	-	-	-	-	912,047	-	-	-	-	-	-	-	-	-	4,848,487,540	3,049,135,582
Service Charge paid to PUSSE	31,500,379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,500,379	21,052,728
Interest Paid to Bank	29,091,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,091,960	39,161,800
Interest paid to Anukul Foundation (MDF)	4,337,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,337,174	4,224,398
Interest Paid to Other Libellities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Charge Rebate	1,301,600	-	-	1,563	4,750	5,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,142,155
Bank and TT/DD Charges	57,349,079	-	-	-	-	-	-	2,494	-	-	2,046	2,281	-	1,300	-	3,993	30,000	-	2,920	-	2,299	16,751	585	1,377,878	1,181,133
Interest on Members Savings	110,133,459	676,500	-	-	-	-	2,245,977	1,911,510	-	321,700	218,500	40,000	-	263,000	-	-	170,000	-	-	-	355,300	829,487	-	57,349,079	51,953,013
Residence Facilities for staff	5,443,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,443,803	5,812,278
Conveyance	1,308,643	-	-	800	-	11,302	44,920	36,000	-	-	15,300	-	-	-	-	-	33,867	-	-	-	-	-	-	1,540,462	1,374,271
Oil & Fuel	792,517	-	-	-	-	-	20,630	46,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850,947	475,398
Car Maintenance	114,541	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,541	64,828
Office Expenses	2,199,397	-	-	-	-	-	20,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,220,235	1,782,320
Gas, WASA & Electricity Bill	1,956,182	-	-	-	-	-	64,844	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,039,618	1,843,185
Phone, Internet, Mobile & Courier	653,506	-	-	-	-	-	-	19,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	685,906	572,390
Stationery	611,779	-	-	-	-	-	11,236	23,566	-	7,500	5,940	-	-	-	-	-	-	-	-	-	-	-	-	691,446	533,905
Printing	447,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447,273	673,848
Legal Fee	88,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,210	190,905
Training	16,470	-	-	-	-	-	418,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	436,658	3,575,983
Meeting	476,504	-	-	-	-	7,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	485,949	476,958
Seminar/Membership Fees	473,965	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	473,965	753,890
Registration Fee	551,249	-	-	-	-	-	-	-	-	-	-	-	-	31,500	-	-	-	-	-	-	-	-	-	551,249	3,045,000
Loan Processing Fees	3,506,474	57,836	-	-	-	-	136,800	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,886,210	4,205,789
Office Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Entertainment/Refreshment	739,617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	739,617	726,256
Income Tax and VAT	1,394,460	-	-	70	328	33	-	14,100	-	-	-	-	-	45	-	-	-	-	-	-	-	27	-	1,409,053	3,742,343
Audit fee	150,000	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,000	152,915
Micro Credit Fair	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,720
People & Yearly Gathering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,061,653
Schwara Maintenance	519,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	519,000
Education Project Expenses	30,945	-	691,171	158,752	-	307,334	-	112,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,300,692	3,980,079
Donation to Health Project	165,845	-	-	-	-	-	-	144,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	310,360	332,695
Enrich Project Expenses	12,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,100	227,184
Senior Citizen Project Expenses	921,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	921,700	590,608
Sports & Culture Expenses	247,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247,265	1,482,587
Donation to Relief Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209,397
Health Program Expenses	-	-	-	-	321,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	321,150	3,581,546
Wash Program (Latrine & Tube-well)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sports & Culture Program Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,148,308
Unifying the Quality of Lives of the elderly People	-	-	-	-	-	-	-	-	-	1,095,384	628,780	-	-	11,534	-	-	-	-	-	-	-	-	-	1,733,678	1,574,296
Rohings Relief Work & Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,364,109	-	3,576,316	-	-	-	-	-	-	7,940,425	-
WASH & Shelter Support (JHUS)	-	-	-	-	-	-	-	-	-	-	-	-	1,340,651	-	-	-	-	-	-	-	-	-	-	1,340,651	6,430,742
Empowering Woman (JHUS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,286,644	-
Barisal City Nook Adolescent Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	474,856	-	-	1,286,644	-
SEP Electric	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	474,856	-
Miscellaneous Expenses	45,168	-	-	-	-	-	31,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	362,504	76,858
Provision paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Particulars	MFP	GTA	B. ESP	Su-chala	A. Health	BEDPCB	MJF	ENRICH	Sports	Probin-Joypara	Probin-Shikhal	Rohing a CSI	GNWP	VGD	UNICEF	HELP. 1	Help-1	NOOK	Help-2	CS/3	Adolescen	Sep-Ele	L.360	2020-2021	2019-2020
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
Accumulated Dep. Paid																									
LLP Provision Paid	6,905,460																								6,905,460
Overhead Cost																			1,004	22,935					24,839
Staff Security Fund Refund																									21,369
Total Payments:	4,803,802,402	1,398,027	691,171	167,674	380,303	406,040	2,985,123	5,403,995	2,154,024	1,424,564	868,566	42,281	1,340,851	1,219,426	4,364,109	3,893	3,810,013	1,286,844	4,833	22,935	843,509	2,711,042	612	4,926,241,877	3,343,892,650
Closing Balance:	2,603,763																								
Cash in hand	117,731,601	13,622	515,483	77,456	38,132	5,279	246,420	399,442		402,702	229,552	78	8,425	26,695			1,665	600,496			264,379	2,368,281	254,654	123,213,264	27,869,650
Cash at Bank	5,024,137,786	1,411,649	1,210,966	245,130	418,435	411,318	3,242,871	5,893,508	2,154,024	1,827,266	1,096,136	42,281	1,349,078	1,245,721	4,364,109	3,893	3,811,678	1,887,140	4,833	22,935	1,137,888	5,079,383	255,268	5,061,064,331	3,379,697,413



**MANAGEMENT REPORT ON THE ACCOUNTS OF
BASTOB-Initiative for People's Self-Development**
For The Year Ended June 30, 2021
OBSERVATIONS AND RECOMMENDATIONS

CURRENT YEAR'S (2020-2021) OBSERVATIONS:

Review of internal control of financial management system ensuring accountability and transparency:

1.00 ACCOUNTING SYSTEM

1.01 Registers and Record as per MRA Guidelines:

Observation:

During the course of our audit we observed that the organization maintained the prescribed Registers and Record books manually at the Organization's head office, branch level as required under section 41 of MRA Rules 2010 such as:

Head Office		Branch Office		Samity	
Record book / Register	Implementation Status	Record book / Register	Implementation Status	Record book / Register	Implementation Status
Cash and Bank Book	Maintained	Cash and Bank Book	Maintained	Loan Pass Book	Maintained
General Ledger	Maintained	General Ledger	Maintained	Deposit Pass Book	Maintained
Client based subsidiary ledger (loans, deposit and Insurance)	Maintained	Client based subsidiary ledger (loans, deposit and Insurance collection sheet)	Maintained	Insurance Pass Book	N/A
Consolidated Loan Distribution Ledger (Branch wise)	Maintained	Loan Distribution Book (Master Roll)	Maintained		
Consolidated branch level Loans Due and Realization Register	Maintained	Loans Due and Realization Register	Maintained		
Consolidated branch level deposit return / adjustment register	Maintained	Deposit return / adjustment register	Maintained		
Cheque issue register	Maintained	Cheque issue register	Maintained		
FDR register	Maintained	FDR register	N/A		
Fixed Asset register (Head Office and branch office)	Maintained	Fixed Asset register (branch wise)	Maintained		
Dues register (branch wise)	N/A	Dues register	Maintained		
Advance register	Maintained	Advance register	Maintained		
Pay register	Maintained	Pay register	Maintained		
Consolidated branch wise write off and other necessary registers	Maintained	Loan write off register and other necessary registers	Not Maintained		
Fully depreciated asset register	Maintained	Fully depreciated asset register	Not Maintained		
Bad Loans register branch wise	Not Maintained	Bad Loans	Maintained		

Recommendation:

The organization should maintain Registers and Record Books both physically and electronically through installation of accounting software for reliable and timely production of report.

Management Response: No Comment.



1.02 Mismatch found between control ledger and financial statements

Observation:

During the course of our audit we have found following mismatch between control ledger amount and the amount shown in the Financial Statements. This indicates weakness in recording the transactions correctly. This type of discrepancy shows low internal control and shows lack of information and communication as well as lack of coordination. This could give rise to more serious misstatements in future if the cause of such anomalies is not mitigated. Some instance is as follows:

SL No	Particulars	Control Ledger Amount	Financial Statements Amount	Difference
1	Cash in hand	2,610,380	2,603,783	6,597
2	Jagoron Loan	583,977,920	583,869,815	108,105
3	VGD Advance	246,651	-	246,651
4	Arjan Samity	5,544,163	2,255,200	3,288,963
5	Bank Interest STD Accounts	1,237,773	1,162,793	74,980
6	Miscellaneous Income	103,129	97,852	5,277
7	Conveyance	1,414,645	1,398,643	16,002
8	Office Expense	2,212,761	2,199,261	13,500
9	Electric Bill	1,136,912	1,135,327	1,585
10	Stationary	617,807	611,779	6,028
11	Printing Expense	468,054	439,154	28,900
12	Tax Advance	591,927	591,679	248

Recommendation:

Management should take immediate step to solve discrepancies of the above mention heads of accounts.

Management Response: Agreed with the Observation as this is Grameen Communications software's limitation. We informed it to Grameen Communications and looking into this matter.

1.03 Excess cash in hand above approved limit:

Observation:

While checking vault registers at branch offices we observed several instances of Excess cash in hand above approved limit. Details are given below:

Branch Name	Date	Approved cash in hand Limit	Actual cash in hand
Paragram Branch	02-07-2020	5,000	325,732
	31-08-2020	5,000	119,613
	30-09-2020	5,000	134,869
	31-06-2021	5,000	273,131
	26-06-2021	5,000	218,132
Nawabganj Branch	30-04-2021	5,000	45,692
Joypara Branch	31-08-2020	5,000	133,064
	12-09-2020	5,000	110,395
	29-05-2021	5,000	336,040
Bondor Branch	01-01-2020	5,000	133,278
	29-05-2020	5,000	133,533
Sonargaon Branch	01-07-2020	5,000	188,113
	21-11-2020	5,000	105,459
	07-04-2021	5,000	135,634
	25-05-2021	5,000	139,014

Recommendation:

Management should avoid keeping excess cash in hand in order to avoid fund misappropriation.

Management Response: Agreed with the Observation and we will take necessary changes in the financial policy.

1.04 Difference between cash book and vault register:

Observation:

While checking cash book and vault registers at branch offices we observed an instance where the registers did not match. Details are given below:

Branch Name	Date	Balance in cash book	Balance in vault register	Excess/Shortage
Sonargaon Branch	28-10-2020	6,560	6,580	20

Recommendation:

Management should ensure all registers are cross checked and matched appropriately to avoid mistakes.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

1.05 Cheque no. wrongly recorded in cheque issue register:

Observation:

We observed few instances where the cheque Number recorded in register did not match the cheque counter foil. Details are given below:

Branch Name	Date	Amount	Cheque No. as per cheque counterfoil	Cheque no as per register
Nawabganj Branch	29-03-2021	50,000	9063601	8529679
	29-03-2021	50,000	9063602	8529680
	01-06-2021	150,000	9063618	5444135
Bondor Branch	12-04-2021	300,000	8565550	8565549
	10-06-2021	315,000	8565591	Not recorded
Sonargaon Branch	08-03-2021	200,000	0078420	0078421

Recommendation:

Management should ensure cheque issue registers are cross checked and matched appropriately to avoid mistakes.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

1.06 Cheque issue register wrongly recorded:

Observation:

We observed an instance where cheque withdrawn was recorded in the debit side instead of the credit side of the cheque issue register

Branch Name	Date	Check no.	Amount	Remarks
Bondor Branch	09-05-2021	8565564	50,000	Cheque withdrawal wrongly recorded in the debit side

Recommendation:

Management should ensure correct posting in the cheque issue registers.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

1.07 Manual Ledger was not available in few branches:

Observation:

We observed few branches where General Ledger was not being prepared since software posting is being made. Details are given below:

Branch Name	Particular	Amount	Remarks
Joypara Branch	Provision Inflation Expenses	335,000	Ledger did not make
	Monthly Benefit Interest Expenses	435,266	Ledger did not make

Recommendation:

We recommend that Ledger should be prepared and preserved both manually as well as electronically for ease of monitoring and auditing purpose. Alternatively, the software generated ledger should be printed, approved and preserved on a monthly basis.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

1.08 Wrong posting in the Ledger:

Observation:

While checking the ledger of branch offices we observed few instance where expenses were wrongly recorded in the credit side instead of the debit side. Details are given below:

Branch Name	Date	Particular	Page no.	Amount	Folio no.	Remarks
Joypara Branch	12-06-2021	NRBC Bank Loan A/C	129	3,600	268	Posted in the Credit side instead of Debit side
	31-03-2021	Provision Interest on Saving	581	77,917	J.V	

Recommendation:

We recommend that the ledgers should be recorded accurately.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

1.09 Difference between ledger and MIS report:

Observation:

We observed several instances of difference between MIS report and the General Ledgers. Details are given below:

Branch Name	Particular	Page no	As per MIS	As per ledger	Difference
Nawabganj Branch	Loan loss provision	187	1,051,237	1,076,237	(25,000)
	H/O Fund A/C	177	2,000,000	1,950,000	50,000
	Provision for interest expenses	297	443,956	335,332	108,624
	Service charge NRBC	343	72,960	68,938	4,022
	Residence facilities for staff	314	91,700	78,400	13,300
Joypara Branch	NRBC Bank Loan A/C	129	2,272,516	2,265,314	7,202
	Provision Interest on Saving	581	910,522	614,981	295,541
Bondor Branch	Provision for Inflation expenses	281	250,000	270,575	(20,575)
	Provision for interest expenses	287	670,716	465,098	205,618
	Service Charge-Jagoron	379	2,412,527	2,442,527	(30,000)
Sonargaon Branch	Bank interest STD	291	10,108	29,798	(19,690)

Recommendation:

We recommend that the MIS and ledgers should cross checked and recorded accurately.

Management Response: Agreed with the Observation as this is Grameen Communications software's limitation. We informed it to Grameen Communications and looking into this matter.

1.10 Overwriting in Ledger:

Observation:

We observed few instances of overwriting while checking the general ledgers of branch offices. Details are given below:

Branch Name	Particular	Page No.	Amount before overwriting	Amount After overwriting
Bondor Branch	Service Charge-Agrosor	132	3,600	25,660
	Service Charge-Agrosor MDP	138	13,771	25,403
	Depreciation Expenses	267	118,540	19,855
	Accumulated Depreciation	269	19,855	111,540
	Provision for Inflation	280	86,330	71,330

Recommendation:

We recommend that the erasing and overwriting should be avoided as much as possible.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

2.00 INVESTMENTS (FIXED DEPOSITS WITH BANKS):

2.01 Maintenance of Liquidity fund as Fixed Deposit as per MRA guidelines:

Observation:

As per section 34 "Usage of Deposit Funds and Maintenance of Liquidity" MRA Rules 2010:

(1) Every Microcredit Organization must maintain 15% liquidity fund of its entire compulsory, voluntary and term deposit, or whatever name assigned to the deposit funds, in the savings account of a scheduled bank of the branch offices.

(2) Liquidity fund may be maintained in the form of minimum 5% in cash and the remaining portion as fixed deposit.

We observed that **BASTOB** management has made investment in FDR against all funds as per PKSF and MRA rule / guide line. The comparative position of investment against the available fund is given below:

Head of Accounts	Amount as at 30.06.2021	MRA/PKSF prescribed Rate	Amount to be Invested	Actual Investment	Excess Investment	Actual Rate of Investment
Members Savings Fund	876,923,120	10%	87,692,312	175,191,776	87,499,464	19.98%
Statutory Reserve Fund	22,553,218	100%	22,553,218	30,861,710	8,308,492	136.84%

Recommendation:

BASTOB has invested more than the amount required by MRA guideline which is highly encouraged. **BASTOB** should continue the process.

Management Response: We will continue the process.

3.00 INVESTMENTS (FIXED ASSETS):

Observation:

BASTOB has Purchased Tk. 3,609,102 of fixed assets as at June 30, 2021. The Fixed Assets have been recognized at cost less accumulated depreciation. Depreciation has been charged on reducing balance method at rates varying from 3% to 50%.

The organization maintains Fixed Asset Register at head office and branch offices showing detailed information including Type of Asset, Date of Purchase, voucher no. and amount. We have verified all the documents relating to purchases of fixed assets and system of record keeping and found the same in order. We have also verified the calculation of depreciation which we found in order.

Recommendation:

BASTOB management should continue the process.

Management Response: We will continue the process.

3.01 Depreciation on Fixed Assets.

Observation:

During our audit, we have seen that **Depreciation on Fixed Assets** was deducted as per **BASTOB** policy but in some cases Income Tax Ordinance, 1984 3rd Schedule was not followed which is a non compliance of MRA Rules 2010. The instance has been provided below:

Particular	Rate of Depreciation as per NBR 3 rd Schedule (%)	Rate of BASTOB policy (%)	Actual Deduction (%)
Furniture & Fixture	10%	15%	15%
Electric Equipment	30%	30%	30%
Software Installation	50%	50%	50%
Building	10%	10%	10%
Vehicle	20%	20%	20%

Reference: Annexure A/4

Recommendation:

Depreciation amount should be charged as per Income Tax Ordinance, 1984 3rd Schedule to comply with MRA Rules 2010.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

4.00 PAYABLE AND ACCRUALS:

Observation:

BASTOB management has prepared the Financial Statements under the historical cost convention on accrual basis of accounting. They have made Accounts Payable of Tk. 2,796,028.00 as on June 30, 2021.

Recommendation:

The Organization should continue following accrual basis of accounting for preparation of its financial statements.

Management Response: We will continue the process.

5.00 COMMERCIAL LOAN:

Observation:

The organization has obtained loan from several banks of which Tk. 865,000,000 was received during the year and Tk. 554,718,087 was refunded.

5.01 The Security Money/Deposit against Bank Loan.

Observation:

During our audit, we have observed that, **BASTOB** has deposited an amount as FDR against Bank Loan. The instance has been provided below:

Name of Bank	Approved Loan Limit	Loan Balance as on 30 th June, 2021	FDR against Bank Loan as on 30 th June, 2021
Bank Asia	20,000,000	-	-
First Security Islami Bank	30,000,000	-	7,925,386
Southeast Bank	15,000,000	150,000,000	61,230,681
Midland Bank	45,000,000	18,569,785	13,784,633
Mercantile Bank	15,000,000	10,061,240	1,532,230
IDLC	20,000,000	-	2,417,203
AB Bank Ltd.	300,000,000	-	64,661,319
MTB	50,000,000	14,205,830	10,772,076
NRBC Bank Ltd.	320,000,000	256,862,790	33,153,552
Ultra Bank Ltd.	10,000,000	85,014,942	10,112,500
Total	825,000,000	534,714,587	205,589,580

Recommendation:

Loan repayment should be made as per loan sanction letter in order to avoid defaulting.

Management Response: We will continue the process.

6.00 LOAN OPERATION MANAGEMENT:

As per MRA guidelines the following measures need to be ensured for selection of proper beneficiaries:

- i. Whether the beneficiaries are familiar with the microcredit activities and rules & regulations of the organization.
- ii. Whether the beneficiaries are present in group meeting.
- iii. Whether loanee beneficiaries are selected through discussion in the group meeting and so on.

In addition the following documents need to be maintained:

- i. **Loan disbursement by Head office to Branch Office**
 - a. Demand wise money requisition from branch office
 - b. Approved money requisition through the management
 - c. Money transfer to particular branch office through the account payee cheque / Demand Draft/ Pay Order
 - d. Voucher
- ii. **Loan disbursement by Branch office to Beneficiaries**
 - a. Admission form
 - b. Loan application form
 - ✓ Joint photograph
 - ✓ National ID card
 - ✓ Granter
 - ✓ Stamp (Agrosor Loan)
 - c. Member verification
 - d. Loan approved by respective person
 - e. Payment of loan
- iii. **Loan recovery from beneficiaries.**

Whether the documents are maintained in branch offices for loan recovered from beneficiaries:

 - a. Pass book (Member)
 - b. Collection sheet
 - c. Daily collection register
 - d. Credit voucher
 - e. Cash Book
 - f. Ledger/ Sub ledger

Management Response: No Comment.

6.01 Compliance regarding Loanee members:

As per rule 13 (3) of MRA Rule 2010 at least 70% (seventy percent) of the members must be Loanee members. We observed that the organization has 73.94% Loanee members out of the total members which are above the required percentage of MRA Rule 2010.

During the course of our audit we visited few branches and have verified the loan disbursement and recovery procedures. It was revealed that the overall system of internal control in loan operation is considered to be satisfactory with few exceptions appended below.

Management Response: No Comment.

6.02 Portfolio Assessment:

Observation:

BASTOB has disbursed total Tk. 2,667,126,400.00 to the beneficiaries, under the components of General Micro Credit Tk. 1,013,913,000.00, Micro Enterprise Tk. 1,230,841,400.00, Agricultural Sector Tk. 390,137,000.00 and Others Tk 32,235,000.00. The system of internal control in operation particularly in respect of loan operation management is considered to be satisfactory except the following observations:

Particular	Year 2020-2021	Year 2019-2020	Percentage of growth (2020-21)
Total Loan disbursed	2,667,126,400.00	1,722,770,300.00	54.81%
Total loan collection	2,218,289,905.00	1,654,798,053.00	34.05%
Loan Outstanding	1,756,887,621.00	1,308,051,126.00	34.31%
Total Overdue	213,044,561.00	91,836,559.00	131%
Bad Loan	109,976,259.00	47,463,477.00	131%

- Loan disbursement & loan collection has increased by 54.81% & 34.05% in this year.
- Loan Outstanding has increased by 34.31% in this year
- Total Overdue increased by 131% and Bad Loan by 131% which is a huge increase.
- Overwriting in the daily collection sheet and register in some cases.

Recommendation:

BASTOB should improve the operational system in order to improve its profitability.

Management Response: No Comment.

6.03 Loan disbursed before 7 days from Application:

Observation:

We observed several instances where loan was disbursed before 7 days from loan application which is a noncompliance of PKSf guidelines. Details are given below:

Branch Name	Member Name	Member Code	Loan Amount	Application Date	Disbursed Date
Paragram Branch	Rubina Begum	1081	100,000	22-11-2020	24-11-2020
	Vagga Rani Mandet	5322	50,000	25-11-2020	28-11-2020
Nawabganj Branch	Rokeya Begum	4126	50,000	29-05-2021	30-05-2021
	Josna	4139	50,000	22-05-2021	24-05-2021
	Anowara Bugum	3911	30,000	04-05-2021	06-05-2021
Joypara Branch	Jiasmin	3686	30,000	24-08-2020	27-08-2020
	Mrs.Lipi Akter	3681	30,000	22-08-2020	25-08-2020
Bondor Branch	Mrs. Shiuly Akter	2301	50,000	04-02-2021	06-02-2021
	Nasima Begum	3534	30,000	07-02-2021	08-02-2021
	Runa	3898	30,000	09-02-2021	09-02-2021
	Manufa Akter	3891	30,000	08-02-2021	09-02-2021
	Rujina	3186	40,000	10-02-2021	11-02-2021

Recommendation:

Loan should be disbursed after at least 7 days from approval.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

6.04 Loan outstanding from escapee members:

Observation:

We observed few instances where loan was outstanding from members for long time. Further investigation revealed those members to be fugitive. Details are given below:

Branch Name	Member code	Name	Loan Date	Loan Amount	Due Amount	Weeks of Delay
Paragram Branch	4880	Mst.Basiron	25-09-2019	50,000	16,632	73 week
	4626	Sarmin	19-09-2019	150,000	27,768	18 week

Recommendation:

Loan should be recovered from those members by legal action or be written off if unlikely to be recovered.



Management Response: Agreed with the Observation and we will take necessary action within short time as per management decision.

6.05 Wrong Name recorded in loan disbursement register:

Observation:

We observed an instance where wrong Name was recorded in loan disbursement register. Details are given below:

Branch Name	Name as per application form	Name as per register	Member code	Loan Amount	Disbursed Date
Nawabganj Branch	Rokeya Begum	Roksana	4126	50,000	30-05-2021

Recommendation:

Name should be accurately recorded in the loan disbursement register.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

6.06 Some information missing in Loan disbursement register:

Observation:

While checking Loan disbursement register at the branch offices we observed an instance where some information was not recorded. Details are given below:

Branch Name	Members Details	Date	Loan Category	Loan Amount	Remarks
Sonargaon Branch	Name: Mrs. Hasina Begum Code: 4654	08-03-2021	SEP-Loan	200,000	Samity Name & Samity Code was not recorded
Bondor Branch	Name: Rahima Begum Code: 3440	12-12-2020	Covid-19	50,000	Signature of Member not available

Recommendation:

All information should be accurately recorded in the loan disbursement register.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

6.07 Picture & Copy of NID card not available with Loan application form:

Observation:

We observed few instances where Picture and copy of the members NID card were not affixed with the Loan application form. Details are given below:

Branch Name	Name	Code	Somity Name	Somity Code	Joining Date	Remarks
Bondor Branch	Kona Akter	4001	Borsha Mohila Somity	22	04-03-2021	Copy of NID not affixed
	Parvin	3923	Borsha Mohila Somity	22	10-02-2021	
	Moti Sharoti	3457	Borsha Mohila Somity	22	07-10-2020	
	Anjuman	3322	Borsha Mohila Somity	22	09-09-2020	Copy of NID & Picture not affixed
	Mrs. Shila Begum	3297	Chader Hasi Mohila Somity	60	03-09-2020	

Recommendation:

Picture and Copy of NID should be available with Loan application forms.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

6.08 Difference in Savings Amount between passbook and collection sheet:**Observation:**

We observed an instance where the savings amount recorded in the collection sheet did not match the pass book. Details are given below:

Branch Name	Members Details	As per pass book		As per collection Sheet	
		General saving	Voluntary saving	General saving	Voluntary saving
Sonargaon Branch	Samity Name: Name: Mrs. Yasmin Code: 4767	16,208	1,450	16,238	1,350

Recommendation:

We recommend that the savings amount should be recorded correctly in the collection sheet and pass book.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

6.09 Passbook not recorded up-to-date:**Observation:**

While cross checking pass book with collection sheet we observed an instance where the passbook was not recorded up-to-date. Details are given below:

Branch Name	Name	Code no.	As per Pass Book	As per Collection Sheet	Remark
Joypara Branch	Nazma Begum	1706	4,019	4,350	Difference of Tk. 331
	Reshmi Akter	3076	18,977	19,777	Not update from 30-06-2021

Recommendation:

We recommend that the passbook should be recorded accurately.

Management Response: Agreed with the Observation and we will be more careful regarding this issue in future.

7.00 SAVINGS DEPOSITS:**Observation:**

Member's savings collection and utilization of funds were verified and we have observed that BASTOB Society followed PKSf and MRA guideline.

Recommendation:

BASTOB should continue following the guideline.

Management Response: We will continue the process.

8.00 MANAGEMENT & ACCOUNTING INFORMATION SYSTEM AND SOFTWARE IMPLEMENTATION:**Observation:**

During the period of our audit we observed that the organization has installed GBanker accounting software of Grameen Communications and is in operation for its branch offices and head office recording.

Recommendation:

This process should be continued.

Management Response: We will continue the process.



9.00 TRAINING NEEDS OF MFI:

Observations:

BASTOB Management should impart appropriate training in accounting and book keeping to the accounts and other related personnel for proper recording including income tax and VAT regulations.

During the course of our audit while questioning samity members during the samity visits we observed that in few cases the field officers do not educate the samity members for proper utilization of the loan and the rate of interest charged on the savings/ loan amount.

Recommendations:

BASTOB Management should impart appropriate training in accounting and book keeping to the accounts and other related personnel for proper recording including income tax and VAT regulations.

Training to be arranged to all accounts and other related employees evaluating the individual requirement. We suggest that the Field officers should impart proper training to the samity members so that they gain more knowledge about their investments and improving their livelihood.

Management Response: We will comply.

10.00 Declaration of Prevention of Money Laundering and Terrorist Financing:

As per circular No. 24 dated 26 May 2014 of Microcredit Regulatory Authority (MRA) regarding Prevention of Money Laundering and Terrorist Financing we have conducted our verification and observed that no such act was done by the organization, in course of our test verification we were not observed any Money Laundering and Terrorist Financing of the organization. Moreover, we have obtained a management representation letter about Money Laundering and Terrorist Financing and the management has confirmed that, the organization is not involved in such act of any Money Laundering and Terrorist Financing.

BASTOB-Initiative for People's Self-Development COMPLIANCE OF THE STATUS OF THE PRIOR YEAR (2019-2020) AUDIT OBSERVATIONS AND MENTION THE PERCENTAGE THEREOF			
Sl. No.	Observations	Implementation Status	Comments (If Any)
01	Deduction of TDS and VDS	Implemented	N/A
02	Overwriting in registers	Partly Implemented	N/A

Habib Sarwar Bhuiyan & Co.
Chartered Accountants
Registration no: N/A

Signed By:

S. alw
Md. Shah Alam Mridha
Partner
Enrolment No. – 0733

Dhaka: February 24, 2022

