Audit Report & Audited

Financial Statement

Of

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara,
Dhamrai, Dhaka-1350, Bangladesh

Micro Credit Program

For the Year Ended June 30, 2023

Auditor's

Salam & Co.
Chartered Accountants

Suite (9-10), 14th floor, Planners Tower, 13/A, Bir Uttam C.R. Datta Road, Dhaka-1000.
TEL: +880 1735087203, +880 1755588292 E-mail: info@salamandcobd.com

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka-1350, Bangladesh

For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOVERNING BODY OF RUPOSHI UNNAYAN SANGTHA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Ruposhi Unnayan Sangtha,** which comprise the statement of financial position as at June 30, 2023, and the Statement of Comprehensive Income, Statement of Receipts and Payments, Statement of Changes in Capital Fund and Statement of Cash Flows for the year then ended June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organization as at June 30, 2023, and of its financial performance and its cash flows for the year then ended June 30, 2023 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 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 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 Financial Statements

Management is responsible for the preparation of 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 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 Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 financial statement.

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

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, Intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 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 financial statements, including the disclosures, and whether the 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 **Ruposhi Unnayan Sangtha** 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.

Dated: Dhaka
September 18, 2023

SALAM & CO. DHAKA SALAM & CO.

Mohammad Abu Salam, FCA
Principle
Membership No: 1652
Salam & Co.
Chartered Accountants
DVC: 2309181652AS489502

Salam & Co.
Chartered Accountants

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Financial Position

As at June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
Properties and Assets:			
Non Current Assets			
Property, Plant and Equipment	7.00	957,066	-
Current Assets		**957,066**	-
Loan to Beneficiary	8.00	21,620,069	6,836,496
Advance & Pre-Payment	9.00	221,100	
Cash and Cash Equivalent	10.00	162,148	810,992
		22,003,317	**7,647,488**
Total Properties and Assets		**22,960,383**	**7,647,488**
Capital Fund and Liabilities:			
Capital Fund			
Cumulative Surplus	11.00	583,245	(6,656)
Reserve Fund on Surplus	12.00	65,848	-
Total Capital Fund		**649,093**	**(6,656)**
Liabilities:			
Non Current Liabilities			
Members Group Savings	13.00	1,509,045	179,799
Claimable Savings	14.00	48,949	-
Total Non-Current Liabilities		**1,557,994**	**179,799**
Current Liabilities			
Loan from General/Executive Committee	15.00	20,176,000	7,326,000
Risk Fund	16.00	361,096	79,980
Loan Loss Provision	17.00	216,200	68,365
Total Current Liabilities		**20,753,296**	**7,474,345**
Total Capital Fund and Liabilities		**22,960,383**	**7,647,488**

Attached notes form an integral part of this statement of financial position.
Signed in terms of our separate report of even date annexed.

Director (Finance)

Executive Director

মোঃ সেলিম হোসেন প্লাবন
নির্বাহী পরিচালক
রূপসী উন্নয়ন সংস্থা

Dated : Dhaka
September 18, 2023

SALAM & CO. DHAKA SALAM & CO.

Mohammad Abu Salam FCA
Proprietor
Salam & Co.
Chartered Accountants
DVC: 2309181652AS489502

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Profit or Loss and Other Comprehensive Income

For the year then ended June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
Income:			
Service Charge		2,803,549	147,511
Admission Fee		23,930	6,520
Sales of Pass Book		12,450	6,520
Sales of Loan Application Form		9,870	2,680
Bank Interest		5,026	
Other Income		2,384	-
Total Income		**2,857,209**	**163,231**
Expenditure:			
Salary & Allowances		1,192,102	64,933
Oil & Fuel		3,000	3,000
Travelling & Conveyance		7,250	6,000
Repair & Maintenance		3,265	655
Postage & Telephone		3,680	600
Internet Bill		13,050	-
Entertainment		3,560	-
Stationery		95,530	-
Newspaper		1,115	-
MRA Annual Fee		11,500	-
Rebate		10,787	-
Office Rent		224,220	-
Payable		700	-
Electricity Bill		13632	-
Software Service Charge		6300	-
Donation		6,000	-
Health Service		-	18,594
Interest on Savings		45,342	1,749
Loan Interest (EC)		150,000	
Nursary (Planation)		28,041	-
Tax/ VAT		90,631	-
Cleaning & Washing		810	-
Miscellaneous		2,769	-
Risk Fund Expenses		800	-
Meeting Expenses		11,000	4,000
Bank Charge & Commission		14,365	1,991
Loan Loss Provision		147,835	68,365
Reserve Fund on Surplus		65,848	-

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Micro Credit Program

Statement of Profit or Loss and Other Comprehensive Income

For the year then ended June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
Depreciation		114,176	-
Total Expenditure		**2,267,308**	**169,887**
Excess of Income over Expenditure/ (Excess of Expenditure over Income)		589,901	(6,656)
Total		**2,857,209**	**163,231**

Attached notes form an integral part of this Statement of Profit or Loss and Other
Signed in terms of our separate report of even date annexed.

Director (Finance)

Executive Director

মোঃ সেলিম হোসেন প্রাবন
নির্বাহী পরিচালক
রুপসী উন্নয়ন সংস্থা

Dated : Dhaka
September 18, 2023

Mohammad Abu Salam FCA
Proprietor
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SALAM & CO. DHAKA SALAM & CO.

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Receipts and Payments

For the period from July 01, 2022 to June 30, 2023

Particulars	Amount in Taka	
	June 30, 2023	June 30, 2022
Opening Balance:		
Cash in hand	-	-
Cash at Bank	810,992	-
	810,992	-
Receipts:		
Savings from Members	1,813,520	180,879
Service Charge	2,803,549	147,511
Members Claimable Savings	56,847	
Loan Realization	21,686,427	1,161,504
Admission Fee	23,930	6,520
Sales of Pass Book	12,450	6,520
Sales of Loan Application Form	9,870	2,680
Risk Fund Collection	364,700	79,980
Other Income	2,384	-
Bank Interest	5,026	
Fund Received from Executive Committee	12,850,000	7,326,000
	39,628,703	**8,911,594**
Total Opening Balance and Receipts	**40,439,695**	**8,911,594**
Payments:		
Salary & Allowances	1,192,102	64,933
Travelling & Conveyance	7,250	6,000
Repair & Maintenance	3,265	655
Postage & Telephone	3,680	600
Internet Bill	13,050	-
Loan Disbursement	36,470,000	7,998,000
Entertainment	3,560	-
Oil & Fuel	3,000	3,000
Health Service	-	18,594
Stationery	95,530	-
Newspaper	1,115	-
MRA Annual Fee	11,500	-
Rebate	10,787	-
Savings Refund	484,274	1,080
Office Rent	224,220	-
Payable	700	-
Electricity Bill	13,632	-
Software Service Charge	6,300	-
Loan Interest Payment (EC)	150,000	-
Fixed Asset	1,071,242	-

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B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Receipts and Payments

For the period from July 01, 2022 to June 30, 2023

Particulars	Amount in Taka	
	June 30, 2023	June 30, 2022
Donation	6,000	-
Interest on Savings	45,342	1,749
Meeting Expenses	11,000	4,000
Advance Office Rent	200,100	-
Advance for Software Installation	21,000	-
Members Claimable Savings Refund	7,898	-
Nursary (Planation)	28,041	-
Tax/ VAT	90,631	-
Cleaning & Washing	810	-
Miscellaneous	2,769	-
Risk Fund Expenses	800	-
Risk Fund Refund	83,584	-
Bank Charge & Commission	14,365	1,991
Total Payments	**40,277,547**	**8,100,602**
Closing Balance:		
Cash in Hand	110	-
Cash at Bank	162,038	810,992
	162,148	**810,992**
Total Payments and Closing Balance	**40,439,695**	**8,911,594**
	-	-

Attached notes form an integral part of this Statement of Receipts and Payments.
Signed in terms of our separate report of even date annexed.

Director (Finance)

Executive Director

Dated : Dhaka
September 18, 2023

SALAM & CO. ★ DHAKA ★ SALAM & CO.

Mohammad Abu Salam FCA
Proprietor
Salam & Co.
Chartered Accountants
DVC: 2309181652AS489502

Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Changes in Equity

For the year ended June 30, 2023

Particulars	June 30, 2023	June 30, 2022
Balance as per last year	(6,656)	-
Add/(Less): Surplus of the year	589,901	(6,656)
Add: Prior year adjustment during the year	-	-
	583,245	**(6,656)**
Less: Fund Transfer to Reserve Fund	-	-
Balance as at June 30, 2023	**583,245**	**(6,656)**

Attached notes form an integral part of this Statement of Changes in Equity.
Signed in terms of our separate report of even date annexed.

Director (Finance)

Executive Director

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Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Statement of Cash Flows

For the year ended June 30, 2023

Particulars	Amount in Taka	
	June 30, 2023	June 30, 2022
Cash Flow From Operating Activities:	**772,660**	**(6,656)**
Excess of Income Over Expenditure	658,484	(6,656)
Depreciation Reserve	114,176	-
Cash Flow From Investing Activities	**(1,071,242)**	**-**
Fixed Assets	(1,071,242)	-
Cash Flow From Financing Activities	**(347,527)**	**817,648**
Revolving Loan Outstanding	(14,783,573)	(6,836,496)
Advance & Pre-Payment	(221,100)	-
Claimable Savings	48,949	-
Members Group Savings	1,329,246	179,799
Risk Fund	281,116	79,980
Loan from General/Executive Committee	12,850,000	7,326,000
Loan Loss Provision	147,835	68,365
Total (A+B+C)	**(646,109)**	**810,992**
Opening Cash & Bank Balance:	**810,992**	**-**
Cash in Hand	-	-
Cash at Bank	810,992	-
Closing Cash and Bank	**164,883**	**810,992**
Break up of closing cash and cash equivalent:	**162,148**	**810,992**
Cash in Hand	110	-
Cash at Bank	162,038	810,992

Director (Finance)

SALAM & CO. DHAKA SALAM & CO.

Executive Director

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Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Notes to the Financial Statements

For the year ended June 30, 2023

1.00 Background

Ruposhi Unnayan Sangstha is a non-profitable, non-political, non-government organization working with the rural people in the area of the exhibited the sleeping moral value and norms of human being though motivational work and also believe that it can be sustains through employment creation. Now Ruposhi Unnayan Sangstha believes that to raise the sleeping values and norms of human being through employment creation. To establish these Ideas Ruposhi Unnayan Sangstha has been started the social work in the year of 2010 and registered by the department of social welfare vide Reg. NO. DHA-08743 dated: 11-05-2010 and also has the Organization achieved the cense no. of Micro credit Regulatory Authority vide No. 53.04.0000.010.60.001.2022-345 dated: 22-02-2022 from Bangladesh Bank.

Present Programs of the Organizations:

01. Micro Finance Program

2.00 Corporate Information of the PO

Name of the Organization	Ruposhi Unnayan Sangstha
Year of Establishment	2010
Legal Entity	The organization is duly registered under Voluntary Social Welfare-Dhaka Agencies (Registration & Control) Ordinance 1961 vides Registration No. 08743 dated: 11-05-2010 and also has the Organization achieve the license no. of Micro credit Regulatory Authority vide No. 53.04.0000.010.60.001.2022-345 dated: 22-02-2022 from Bangladesh Bank.
Name of the Operations (Programs)	Micro Finance
Statutory Audit Conducted up to	30th June' 2022
Name of the Statutory auditor for the last year	Salam & Co. Chartered Accountants
Name of the statutory auditor for current year	Salam & CO Chartered Accountants
No. of Executive Committee Meeting held FY 2022-23	12
Date of last AGM held	10.07.2023

3.00 Mission and Vision of the Organization

(a) Mission of the Organization:

Tonse the consciousness of the rural and urban people in the area of values and norms, duties and responsibilities of citizen of Bangladesh though motivation, awareness development employment creation.

(b) Vision of the Organization:

Empted the sleeping moral value and norms of men and women for building a patriotic and pilanthropic society in the country.

(c) Goal of the Organization:

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Strengthen the capacity building of rural, urban poor & disadvantage people through various eacership and awareness development training in community level and providing productive support to poor & helpless families.

4.00 List of Executive Committee Members:

The affairs of the Organization have been entrusted to an Executive Committee consisting of 07 (Seven) members elected in the Annual General Meeting (AGM). The following persons were in the Committee during the Period of our Audit.

SL No	Name	Designation
01	Md. Abu Sayed	Chairman
02	Jahangir Alam Sabuj	Vice Chairman
03	Md. Salim Hossain Plabon	General Secretary
04	Nusrat Jahan	Asst. General Secretary
05	Md. Babul Hossain	Treasurer
06	Mst. Rokeya Sultana Rehena	Executive Member
07	Md. Abdullah Al Mamun	Executive Member

Basis of Preparation of Financeial Statements

5.00 Basis of Accounting:

The Financial Statements have been prepared under historical cost convention on accrual basis, excepting service charge which are computed following cash basis of accounting. All activities Included in the accounts are continuing in nature that is the Financial Statements have been prepared on going concern basis.

5.01 Summary of Significant accounting policies:

5.02 Currencies

All organization's assets, liabilities, capital fund, Income and expenditure are stated in terms of Taka (Local currency). Figures have been rounded off to the nearest taka and previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

5.03 Revenue Recognition:

Revenue is recognized In the accounts on accrual basis excepting service charge.

5.04

(i) Interest Income

Interest income is recognized on accrual basis.

(ii) Service charges on loan

Service charge from beneficiaries/end-users in Micro Credits is recognized in the accounts on actual realization.

(iii) Interest expenses

Service charge from beneficiaries/end-users in Micro Credits is recognized in the accounts on actual realization.

(iv) Other expenses

Other expense is recognized in the accounts on accrual basis.

(v) Interest paid on savings

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Interest on savings is recognized in the accounts on accrual basis.

5.05 Fixed Asstes & Dpereciation:

Fixed Assets have been stated at cost less accumulated depreciation. Depreciation has been charged on fixed assets using reducing balance method at rates varying from 5% to 25% depending upon the useful life of each asset.

6.00 Significant Organization Policies:

6.01 Loan loss provision:

Loan Classification, Loan loss provisioning and Write off Policy Ruposhi Unnayan Sangstha classified loan into five categories as per Microcredit Regulatory Authority (MRA) guideline, which are mentioned below:

(a) Loan balance on which on Installment is overdue (Standard Loan).
(b) Loan overdue for 01 to 30 days outstanding (Watchful Loan).
(c) Loan overdue for 31 to 180 days outstanding (Sub-Standard Loan).
(d) Loan overdue for 181 to 365 days outstanding (Doubtful Loan).
(e) Loan overdue above 365 days outstanding (Bad Loan).

Ruposhi Unnayan Sangstha creates the provision 1% on standard loan outstanding, 5% on watchful loan outstanding, 25% on sub-standards loan outstanding, 75% on doubtful loan and 100% on bad loan outstanding.

6.02 Loan to Beneficiates:

(a) Beneficiaries should deposit maximum Tk.30 per week to the savings fund.
(b) 24% declining interest will be charged on, IGA, RMC, UMC, ME, UPP, 5.5 interest will be charged Bangladesh Bank Grihayan project for the loan amount.
(c) The loan has to be refunded by the beneficiaries generally on weekly basis.
(d) The beneficiaries have to be the member of the group savings fund.
(e) The principal amount of loan and proportionate service charges are collected in equal weekly/monthly/quarterly installments.

6.03 Savings collection

Ruposhi Unnayan Sangstha follows the following policy to collect the savings:

(a) A samity has to be established consisting of at least 10-30 members.
(b) Savings will be collected Tk. 10 to 30 on weekly basis.
(c) Savings will be collected Tk. 5-10 on weekly basis for Ultra Poor Program.
(d) The collected savings will be deposited to the bank on the same day.
(e) 6% interest will be paid to the members on yearly basis of their savings.

6.04 General

(a) Auditors; Salam & Co., Chartered Accountants have checked approximately ninety percent (90%) vouchers of Ruposhi Unnayan Sangstha Micro-credit Project.
(b) Salaries of the employees were disbursed through bank account.

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Ruposhi Unnayan Sangstha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350
Notes to the Financial Statements
For the year ended June 30, 2023

Notes	Particulars		Amount in Taka	
			June 30, 2023	June 30, 2022
7.00	**Property, Plant and Equipment**			
	Opening Balance		-	-
	Add: Addition during the year		1,071,242	-
			1,071,242	-
	Less: Adjustment during the year		-	-
	Closing Balance		**1,071,242**	-
	Depreciation			
	Opening Balance		-	-
	Add: Charge during the year		114,176	-
			114,176	-
	Less: Adjustment during the year		-	-
	Closing Balance		**114,176**	-
	Written Down Value		**957,066**	-
	Particulars of Property, Plant and Equipment are shown at Annexure-B.			
8.00	**Loan to Beneficiary**			
	Opening Balance		6,836,496	-
	Add: Addition during the year		36,470,000	7,998,000
			43,306,496	**7,998,000**
	Less: Refund during the year		21,686,427	1,161,504
			21,620,069	**6,836,496**
9.00	**Advance & Pre-Payment**			
	Software Installation	(Note: 9.01)	21,000	
	Office Rent	(Note: 9.02)	200,100	
	Total		**221,100**	-
9.01	**Software Installation**			
	Opening Balance		-	-
	Add: Addition during the year		21,000	-
			21,000	-
	Less: Refund during the year		-	-
			21,000	-
9.02	**Office Rent**			
	Opening Balance		-	-
	Add: Addition during the year		200,100	-
			200,100	-
	Less: Refund during the year		-	-
			200,100	-
10.00	**Cash and Cash Equivalent**			
	Cash in Hand		110	-
	Cash at Bank **Note: 10.01**		162,038	810,992
			162,148	**810,992**
10.01	**Basic Bank Limited**			
	Saver Branch: Ac# 3516-01-0000406		4,741	8,010,992
	Saver Branch: Ac# 3516-01-0000383		24,298	
	Saver Branch: Ac# 3516-01-0000399		24,308	

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Notes	Particulars	Amount in Taka June 30, 2023	Amount in Taka June 30, 2022
	Trust Bank Limited **Dhamrai Branch:** Ac# 00700210004927	108,691	
		162,038	**8,010,992**
11.00	**Cumulative Surplus**		
	Opening Balance	(6,656)	-
	Add:Excess of Expenditure over Income	589,901	(6,656)
		583,245	**(6,656)**
	Less: Fund Transfer to Reserve Fund	-	-
	Closing Balance	**583,245**	**(6,656)**
12.00	**Reserve Fund on Surplus**		
	Opening Balance	-	-
	Add: Additional during the year	65,848	-
		65,848	-
	Less: Refund during the year	-	-
	Closing Balance	**65,848**	-
13.00	**Members Group Savings**		
	Opening Balance	179,799	-
	Add: Additional during the year	1,813,520	180,879
	Add: Savings Liquidity Investment Expenses	-	-
		1,993,319	**180,879**
	Less: Refund during the year	484,274	1,080
	Closing Balance	**1,509,045**	**179,799**
14.00	**Claimable Savings**		
	Opening Balance	-	-
	Add: Additional during the year	56,847	-
	Add: Savings Liquidity Investment Expenses	-	-
		56,847	-
	Less: Refund during the year	7,898	-
	Closing Balance	**48,949**	-
15.00	**Loan from General/Executive Committee**		
	Opening Balance	7,326,000	-
	Add: Additional during the year	12,850,000	7,326,000
	Add: Interest during the year	-	-
		20,176,000	**7,326,000**
	Less: Refund during the year	-	-
	Closing Balance	**20,176,000**	**7,326,000**
16.00	**Risk Fund**		
	Opening Balance	79,980	-
	Add: Addition during the year	364,700	79,980
		444,680	**79,980**
	Less: Refund during the year	83,584	-
	Closing Balance	**361,096**	**79,980**
17.00	**Loan Loss Provision**		
	Opening Balance	68,365	-
	Add: Addition during the year	147,835	68,365
		216,200	**68,365**
	Less: Refund during the year	-	-
	Closing Balance	**216,200**	**68,365**

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B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Schedule of Fixed Assets

As at June 30, 2023

Annexure-B

SL No	Particulars	Cost				Rate	Depreciation			Written Down Value as at 30.06.23
		Balance as at 01.07.22	Addition During the Year	Adjustment/ Disposal During the Year	Balance as at 30.06.23		Balance as at 01.07.23	Charge During the Year	Balance as at 30.06.23	
1.	Furniture & Fixture		400,600	-	400,600	10%	-	40,060	40,060	360,540
2.	Electrical Accessories	-	55,398	-	55,398	20%	-	11,080	11,080	44,318
3.	Computer		195,000		195,000				-	195,000
4.	Office Equipments	-	420,244	-	420,244	15%	-	63,037	63,037	357,207
Closing as at 30 June 2023		-	**1,071,242**	-	**1,071,242**		-	**114,176**	**74,116**	**957,066**

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B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Micro Credit Program

Eligibility Criteria Compliance Certification

For the year ended June 30, 2023

Annexure-A/2

Sl. No.	ELIGIBILITY CRITERIA	Standard	Audited Figures or Compliance	
			2022-2023	2021-2022
1	Minimum loan recovery rates, computed quarterly, based on			
i	Minimum cumulitive loan collection ratio on total dues: Actual cumulative collection x 100 Cumulative collectibles	95%	100%	-
ii	Minimum loan collection ratio on current dues (on running 12 month basis): Actual collections during past 12 months on current due x 100 Collectibles on current dues	92-100%	100%	-
2	Minimum Liquidity Ratio (Liquidity Ratio= (Liquid Asset/Liquid Liability)*100)	10%	6%	-
3	Minimum current ration : (Current Ratio= Current Asset/ Current Liability)	2.0:1	1.06:1	-
4	Minimum capital adequacy ratio (Capital Adequacy Ratio= (Tier-1 Capital+Tier-2 Capital)/Risk	15%	9%	-
5	Minimum Debt Service Cover Ratio (Debt Service Cover Ratio= (Net Operating Income/Total Debt Service)	1.25:1	0.03:1	-
6	Debt Capital Ratio (only disclosure required) (Debt Capital Ratio= (Long Term Debt/Equity)	9:1	33.16:1	-
7	Minimum Rate of Return on Capital (Rate of Return on Capital= (Profit/Capital)*100)	1%	1%	-

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Micro Credit Program

Portfolio Report for the Period ended June 30, 2023

Review of Loan Classification and Provisions

1.00 Classification of Loan and Loan Loss Provisions

Sl. No.	Particulars	No. of days Outstanding	Outstanding
			Taka
1	Total Loan Outstanding		21,620,069
2	Total Overdue		-
1	Regular	Loans with no overdue installments	21,620,069
2	Watchful	Loan default duration between 1 and 30 days	-
3	Sub-standard	Loan default duration between 31 and 180 days	-
4	Doubtful	Loan default duration between 181 and 365 days	-
5	Bad loan	Loan default duration above 365 days	-
		Total	**21,620,069**

2.00 Loan Loss Provision (LLP) status

Particulars	Taka
Required Provision as per MRA policy	216,200
Actual Provision made by the MFI	216,200
Shortfall of Provision	(0)
Comment on LLP	-
Disclosure on written off loan:	
Loan written off balance 01.07.2022	-
Loan written off during the year 2022-23	(0)
Written off Loan Recovered during the year 2022-2023	
Loan written off balance 30.06.2023	(0)

3.00 Loan Operation Report

Sl. No.	Particulars	FY 2022-2023			FY 2021-2022		
		Total			Total		
1	Financial Service Product:	1509045			179799		
2	Number of branches	4			1		
		M	F	Total	M	F	Total
3	Number of Samities	0	153	153	0	58	58
4	Number of members	2093			635		
5	Number of borrowers	1808			536		
6	Number of staff	21			5		
7	Amount (Taka) of loan outstanding with Samity	21620069			6836496		
8	Member : Borrower	1.16:1			1.18:1		
9	Average loan size	11958			12755		

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B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350

Management Report on the accounts of

For the year ended June 30, 2023

Observations and Recommendations

Current year's (2022-2023) observations: Nil

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

Compliance of the status of the prior year (2021-2022) audit observations and mention the percentage thereof: Nil

PARTICULARS REQUIRED BY THE MICROCREDIT REGULATORY AUTHORITY

1 **Requirements**

To check whether the audited has complied with the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements, and report if any noncompliance was found.

Observation

Financial Statements of **Ruposhi Unnayan Sangstha** have been prepared following generally accepted accounting principles.

2 **Requirements**

To examine whether the audited has undertaken any activity, involved in transaction or provided services that is contrary to "Microcredit Regulatory Authority Act-2006." or "Microcredit Regulatory Authority Ordinance-2010." Further to examine whether any transaction that goes against the interest of different donors, beneficiaries or the audited itself.

Observation

Our test verification reveals that **Ruposhi Unnayan Sangstha** did not execute any transaction contrary to Microcredit Regulatory Authority Act, 2006 or Microcredit Regulatory Authority Ordinance, 2010. Further, we did not observe any transaction which is detrimental to the interest of donors, beneficiaries or the organization.

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3 **Requirements**

To examine whether closing balance of last year's audited financial statement was carried forwards as opening balance in current year's accounts.

Observation

We have confirmed opening balances with last year's closing balance and found no exception.

4 **Requirements**

To examine whether the audited has maintained proper books for sector-wise receipt of funds and whether they properly comply with the rules and regulations as per accounting manual provided by the authority.

Observation

Ruposhi Unnayan Sangstha maintains proper books of accounts for its micro credit program and complies with the rules and regulations as per organization's accounting manual.

5 **Requirements**

To check whether the audited has kept the records separately for the collected funds under various components of microcredit activities and submit separate reports on that basis.

Observation

The funds received for micro credit program are recorded in components as per requirement.

6 **Requirements**

To examine whether the audited has properly recorded and accounted for the receipt and disbursement of fund from different donor organizations and utilized them as per their principles/terms and conditions of the agreement with the donors.

Observation

It appears to us that **Ruposhi Unnayan Sangstha** has utilized and accounted for properly the fund received from various sources.

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7 **Requirements**

To check whether the audited has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.

Observation

It was revealed from our test verification that all formalities are duly complied with before disbursement of loan among the beneficiaries.

8 **Requirements**

To check whether the documents i.e. pass book, loan/savings collection schedule and loan application form regarding loan write off, bad loan, have been preserved separately.

Observation

Pass Book, loan/savings collection schedule etc. have been preserved separately.

9 **Requirements**

To examine whether microcredit organization properly comply with the rules and regulations relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.

Observation

Our test examination reveals that **Ruposhi Unnayan Sangstha** complies with relevant rules and regulations with regard to formation and meetings of General Body and Governing Body.

10 **Requirements**

To examine the physical existence of assets acquired out of surplus service charge (income surplus) and fund received from different sources for institutional development as loan or grants.

Observation

The assets lying at the Head Office of **Ruposhi Unnayan Sangstha** were physically verified and found to be in existence. These assets were acquired utilizing the surplus service charge.

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11 **Requirements**

To check, whether all kinds of transactions were done through bank except collection of savings and disbursement of microcredit.

Observation

It was revealed from our test verification that in most of the cases payments are made in cash at the branches, while at the Head Office, in most of the cases payments are made by account payee cheque.

12 **Requirements**

To check, whether recovered loan and savings amount from members were duly deposited into bank on the same/earliest date.

Observation

It was revealed from our verification on test basis that in most of the cases daily collections are being properly deposited to bank on the same day except the collections made in the afternoon. The collections made in the afternoon are deposited to bank on the following day at early banking hour.

13 **Requirements**

To check whether collected savings are properly recorded and accounted for at member's level and sanity level.

Observation

It was revealed from our test verification that savings collected from members are properly recorded at the member's level and at sanity level.

14 **Requirements**

To check whether the payments were made with proper approval authority of bills/voucher, whether payment made as per approved price and to examine the "Budgetary Control System".

Observation

Our test verification of transactions reveals that **Ruposhi Unnayan Sangstha** has maintained bills and vouchers for all transactions, which are duly approved for payment by the competent authority. **Ruposhi Unnayan Sangstha** does have budgetary control system.

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15 **Requirements**

To comment on the reasons for existence of any unused fund if detected during audit and make comments in the audit report.

Observation

We did not find any instance where fund was kept unused.

16 **Requirements**

To examine appropriateness of audit report and audited financial statement presented to different donor organizations, regulatory authority and other authorities.

Observation

No such audit report and audited financial statement was presented to us.

17 **Requirements**

To examine whether there is a proper compliance with the provision of the Income Tax and Value Added Tax (VAT) authority rules implemented by the Government.

Observation

The organization follows Income Tax and VAT rules wherever applicable.

18 **Requirements**

To check whether all the policies i.e., the procurement policy, service policy, loan and savings policy etc. are in place and are properly followed by the audited organization.

Observation

Ruposhi Unnayan Sangstha does have Procurement and Service Rules. Loan and Savings rules of the organization are guided by organization's policy.

19 **Requirements**

To check whether there is an internal audit arrangement/division in the audited organization and whether internal audit is conducted regularly and comment thereon.

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Observation

Ruposhi Unnayan Sangstha does have internal audit department manned by 01 staff and internal audit is conducted at regular interval.

20 **Requirements**

To comment on whether the recommendations on previous year's audit on objections are properly taken care of or not.

Observation

Last year's audit recommendation was fully implemented.

21 **Requirements**

To check cost sharing between of microcredit and other program and comments therefore in the report.

Observation

Ruposhi Unnayan Sangstha has maintained cost sharing policy between of Microcredit and other program.

22 **Requirements**

To check whether transactions have taken place through bank for significant amounts.

Observation

In most cases transactions of significant amount are made through bank at the Head Office.

23 **Requirements**

To check audit fees are fixed on the basis of total loan portfolio and cost centers/branches or not.

Observation

Audit fees are fixed on the basis of total loan portfolio.

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Compliance with the guidelines on Prevention of Money Laundering and Terrorist Financial for Non – Government Organization /Non – Profit Organization:

SL. No	Title	Compliance Status
01	Whether the NGO has policy approved by the Governing Body/Executive Committee with regard to preventing funds from using money laundering and terrorist financing in order to comply with the Money Laundering Prevention Act, 2009. Whether the NGO has assigned a senior executive as contact person to communicate with the Bangladesh Bank in order to perform properly money laundering prevention activities. Whether the NGO has submitted name, designation, address, telephone no., fax and e-mail to the Money Laundering Prevention Department of Bangladesh Bank.	Complied
02	Whether the NGO preserves information with regard to goal, objectives and activities of the organization.	Complied
03	Whether the NGO preserves correct and complete information with necessary documents of persons responsible for controlling and directing the NGO (Senior management personnel, members of the Board of Directors, Executive Committee, Board of Trustees and other). The information shall be available to public.	Complied
04	Whether the NGO preserves financial statements, information and explanation of each heads of financial statements and supporting documents for a minimum period of 5 (Five) years.	Complied
05	Whether selected candidate's introduction, experience and other relevant information with supporting documents are screened before recruitment.	Complied
06	Whether the NGO preserve details particulars of functions and up-to-date information of officers and employees of foreign branch (if applicable).	Not applicable
07	Whether the NGO collates, ensures propriety of and preserves correct and complete information with supporting documents of all beneficiaries whose loan balance is Tk. 50,000 or more or savings balance is Tk. 50,000 or more. Whether the NGO preserves beneficiaries information/documents for a minimum period of 5 (five) years after transactions with the beneficiaries are closed. In case of NGO receiving foreign donation/donation/loan, the provision in this paragraph shall be applicable for any balance of loan or savings.	Complied
08	Whether the NGO uses banking channel for transactions Tk. 100,000 (One lakh) or more.	Complied

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09	Whether management personnel, Board of Directors, Trustee of the NGO ensures utilization of funds as per NGO's goal, objectives and functions of the NGO. In this regard, annual independent audit shall be conducted.	**Complied**
10	Whether senior executives or Board of Directors (if applicable) conducts quarterly meeting with officers in connection with money laundering prevention activities and arranges appropriate training for all officers. Whether the NGO preserves records relating to meeting and training.	**Complied**
11	Has the NGO received funds from individuals/organizations listed in resolution UNSCR-1267 and UNSCR-1373 of the United Nations Security Council? Whether the NGO follows Enhanced Due Diligence (EDD) for receiving funds from individuals/organizations listed in Public Statement of Financial Action Task Force (FATF). Whether the NGO collects, ensures propriety of and preserves correct and complete information with documents of donor/donor organizations.	**No** **Not applicable**
12	Whether the NGO collects and preserves clearance from appropriate authority for foreign donations/contribution/loan receipts and refunds foreign donations/contribution/loan to the donors without permission from appropriate authority.	**Complied**
13	Whether the NGO has established monitoring mechanism to identify if funds disbursed to the beneficiaries have been used money laundering and terrorist activities. Whether the NGO has submitted report to the Money Laundering Department of Bangladesh Bank if any event/transaction is identified/suspected.	**Not yet complied**
14	Whether the NGO has submitted report to the Money Laundering Department of Bangladesh Bank if it is suspected that the donors/donor organizations has used the NGO contrary to the laws of the country or has requested the NGO to do activities contrary to the laws of the country.	**Not applicable**
15	Whether the NGO has submitted information and documents as per requirements of Bangladesh Bank.	**Complied**

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Ruposhi Unnayan Sangtha

B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka-1350, Bangladesh

As required by the Micro – credit Regulatory Authority, we further report that:

The organization has prepared its financial statements as per International Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) while maintaining accounting records and preparing financial statements and Reporting.

b) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that is contrary to "Micro credit Regulatory Authority Act-2006," Micro Credit Regulatory Authority Act-2010. We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.

c) We have examined and found that the closing balance of last year's audited financial statement was carried forward as opening balance in current year's accounts.

d) We examined and observed that the organization has maintained proper books of accounts for sector- wise receipt of found and whether they properly comply with the rules and regulations as per accounting manual provided by authority.

e) We examine and observed that the organization has kept the records separately for the collected fund under various components of micro credit activities and submit separate reports on that basis.

f) We examined and observed that the organization has properly recorded and accounted for the receipt and disbursement of fund from different donor organization and utilized them as per their principles/terms and conditions of-the agreement with the donors.

g) We examine and observed that saving collected from the members are properly recorded in account and deposited into the bank, besides, whether collection and refund of savings has been done according to the principle and whether interest on savings are paid to members and also examine rate of interest etc.

h) We check and found that the organization has maintained the formalities and properly complied with the provisions in the rules mentioned before disbursing loan among the beneficiaries.
i) We checked whether the documents i.e. passbook/savings collection schedule, and loan application form regarding loan write off, bad loan, and found that have preserved separately.

j) The organization has properly complied with the rules & regulation relating to the constitutions particularly in respect of formation and meetings of General Body and Governing Body.

k) There were fixed assets in this project. So we have physically verified the existence of fixed assets in **Ruposhi Unnayan Sangtha** which acquired out of surplus service charge (income surplus) and fund received from different sources for institutional development as loan or grants.

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l) we checked test basis whether the loans was properly utilized for the beneficiary member and found in order;

m) All transactions related with collection of savings in cash and disbursement of microcredit was made in cash by withdrawn from Bank.

n) From our test check, we found that the collected loan and saving accounts are duly deposited into bank on daily basis;

o) From our test check, we found that the amount collected from VO members are duly accounted for as per applicable policy and procedure at member and group level with very little exceptions;

p) The **Ruposhi Unnayan Sangtha** is collecting service charges from beneficiaries at a declining rate of 24% per annum (12.5% Flat) calculated on the loan provide to them. The principal loan and proportional service charges are collected in equal weekly and monthly installments; Service Charges are accounted on cash basis arid the amount of service charges from the beneficiaries is recognized as income. On the other side, the service charges receivable is not recognized as income.

q) Provision for loan loss has been duly calculated and accounted for as per Micro-credit Regulatory Authority Act. 2006 and Micro-credit Regulatory Authority Act. 2010;

r) We have physically counted the cash in hand during course of our audit and confirmed bank balances with the bank statement on a test basis and also examined the bank reconciliation statements and found them satisfactory;

s) We have checked the vouchers on a test basis and found that payments were made upon the approval of appropriate authority and We have examine the budgetary control system of the Organization and have not found any issue to mention in the report;

t) We have checked the papers / document in supporting of utilized of fund and found that no existence of any unused fund.

u) We have verified the financial statements submitted to various donor organizations, regulatory agencies and other authorities by The **Ruposhi Unnayan Sangtha** with proper justification and did not find any issue mention in the report;

v) As per Sixth Schedule Part-A, Para 1A on Income Tax Ordinance, 1984 (ITO) income from microfinance activities are tax exempted. The **Ruposhi Unnayan Sangtha** Deducts tax and VAT at sources as per the provisions of ITO 1984 and VAT Act. 1991;

w) We observed that the Organization has introduced and established policies for procurement, human resource, loan and savings and complies with the above policies for microfinance operations;

x) The Organization has a strong Internal Audit Department having 1 (One) employees and they have conducted internal audit and monitor the Organization at a regular interval;

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y) We have checked the microfinance activities funded by Own fund and such activities from own sources, adequacy of MIS system, internal control system, adequacy of classification of loan, provision policy, adequacy of collection percentage of loan and found satisfactory;

z) We have checked cost sharing between of microcredit and other program and found in order;
aa) We check and found that the transactions have taken place through bank for significant amounts
bb) We observed that the audit fee has been shown under separate head in financial statements which are fixed on the basis of total loan portfolio and cost centers/branches;

cc) We examine and found that the organization has not taken any activity, which is involved in the transaction or provided services that are contrary to "Money Laundering Prevention Act (MLAPA) 2012 and Anti-Terrorism Act (ATA) 2009" We also verify and found that no transaction has been made against the interest of different donors, beneficiaries of the organization.

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ANNEXURE-B: Suspicious Transaction/ Activity report (STR/ SAR) Format
(For suspicious NGO/NPO)

A.	**Reporter's Detail:**	
	1. name of the Reporter:	**(Salam & Co.)**
	2. Detail Address:	Suite (9-10), 14th Floor, Planners Tower, 13/A, Bir Uttam C.R. Datta Road, Dhaka-1000, Banglash
	3. Organization:	**Ruposhi Unnayan Sangstha** B# 34, Lane # 03, Dokhinpara, Dhamrai, Dhaka- 1350
B.	**Suspected for (Put tick Mark):**	
	1. Money Laundering	×
	2. Terrorist Financing	×
C.	**Details of Report:**	
	1. Date of Sending Report:	**September 18, 2023.**
	2. Name of the Suspected NGO/NPO:	N/A
	3. Address of the suspected NGO/NPO:	N/A
	4.(a) License No. & Date:	N/A
	(b) Licensing Authority:	N/A
	5. Projects/Activities of the NGO	N/A
	6. Name of the Key Persons with Designation of the NGO: **Md. Salim Hossain Plabon**	
	7. Name of the Suspected Persons with Designation of the NGO: N/A	
D.	Reporter's Relation with the Suspected NGO/NPO (if any): N/A	
E.	Nature of suspicious activity/ Transaction and reasons for considering it as suspicious : N/A	
F.	Attached Documents: ***This is a new case it will be observe during next audit.***	

[Please add additional information if you feel necessary]

Details of Reporter:
Signature:
Name: (Salam & Co.)
Phone: 01735087203
E-mail: info@salamandcobd.com

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