

*Auditors' Report and
Audited Financial Statements
Of*

Palli Sanchay Bank

Red Crescent Borak Tower, Level-8
37/3/A Eskaton Garden Road, Dhaka-1000

For the year ended June 30, 2018

AUDITORS

M M Rahman & Co.
Chartered Accountants
Padma Life Tower, Level-10
115 Kazi Nazrul Islam Avenue,
Bangla Motor, Dhaka-1000

Mollah Quadir Yusuf & Co.
Chartered Accountants
Building # 01, House # 79 (2nd Floor)
Road # 12/A, Dhanmondi,
Dhaka-1209

Independent Auditor's Report
To the Shareholders (Government of the People's Republic of Bangladesh)
of
Palli Sanchay Bank

Report on the Financial Statements

We have audited the accompanying financial statements of Palli Sanchay Bank ("the bank"), which comprises the Balance Sheet as at June 30, 2018 and the profit and loss account, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) 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. The Palli Sanchay Bank Act, 2014, the Palli Sanchay Bank (Management) Rule, 2015, the Bank Companies Act, 1991 and Bangladesh Bank Regulations require the management to ensure effective internal control system and risk management functions of the bank.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. As per Note 7 to the Financial Statements Loan outstanding to the customer is Tk. 21,456,683,919 as of June 30, 2018 out of which overdue amount is Tk. 16,188,211,206 i.e. 71.5% of the loan outstanding is overdue. The Bank didn't maintain any overdue schedule & ageing schedule for the loan and the bank also didn't record any provision for the bad debt regarding loan outstanding which is required by the Palli Sanchay Bank Act, 2014.

2. As per Note 3 to the Financial Statements shows an amount of Tk. 3,510,732 as cash in hand. However in our branch audit of Harirampur Branch, Manikganj, we found the cash in hand amount of Tk. 321,718 was wrongly posted to the books of accounts of the bank as cash in hand though no physical cash in hand was available.



3. We have carried out audit of 24 branches. During the course of our audit & subsequent checking with bank book balance with other banks & financial institution in Note 4 of the Financial Statements, it reveals that there remains a difference between the branches bank statement & respective bank book and no reconciliation was made available. We could not ascertain the accuracy of the closing balance shown as Tk. 3,718,711,595.
4. An amount of Tk. 18,886,650 was required to be transferred from Bangladesh Commerce Bank Ltd. through migration process to Sonali Bank A/C of Mehendiganj Branch, Barisal of Palli Sanchay Bank. However, the bank has recorded Tk. 20,844,840 as transfer from Bangladesh Commerce Bank A/C to Sonali Bank A/C of Palli Sanchay Bank resulting an overstatement of Tk. 1,958,190 against which no clarification was made available.
5. An amount of Tk. 6,742,160 was deposited at February 23, 2017 to United Commercial Bank A/C no. 0721301000000540 of Palli Sanchay Bank which was not recorded in the books of accounts of the Palli Sanchay Bank.
6. We have carried out audit of 24 branches. During the course of our audit & subsequent checking with bank book balance of Short Notice Deposit A/C with other banks & financial institution in Note 5 of the Financial Statements, it reveals that there remains a difference between the branches bank statement & respective bank book. No reconciliation was made available. We could not ascertain the accuracy of the closing balance shown as Tk. 5,487,214,742.
7. The Palli Sanchay Bank was established by the Palli Sanchay Bank Act, 2014 from the project Ekti Bari Ekti Khamar (EBEK) of the Government of Bangladesh. The migration process was started from July 09, 2017. The migrated opening balance from EBEK wasn't audited by any auditors and we could not ascertain the accuracy of the amount.
8. As per Palli Sanchay Bank Act, 2014 the activities of the bank is defined. However we observed that the bank has significant investment in FDR amounting Tk. 9,288,248,505 and the interest income from the investment in FDR is the amount of Tk. 162,908,941. The above fact is ultra vires of the PSB Act.
9. As per BAS 12 Income Taxes, it is mandatory to make provision for income tax expenses for an entity liable to tax payment. However, the bank has not made any provision for tax expenses.
10. Included in Note 8 to the Financial Statements addition to the fixed assets amounting Tk. 40,150 was capitalised as fixed assets though it is revenue in nature and not complied with the BAS 16 (Property, Plant & Equipment).
11. Included in Note 23 to the Financial Statements is the depreciation to the Fixed Assets amounting Tk. 2,148,325. However, the depreciation was not calculated complying the banks depreciation policy.
12. Included in Note 9 to the Financial Statements is addition to the Other Assets of Software and Database amounting Tk. 27,957,180. The amortisation to the software & Database was not recorded to the books of accounts in accordance with BAS 38 (Intangible Assets).

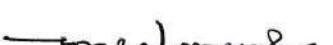


Opinion

In our opinion, except for the matters discussed in the basis for qualified opinion paragraph, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the company's affairs as at June 30, 2018 and of the results of its operations and cash flows for the year then ended and comply with the Palli Sanchay Bank Act, 2014, the Palli Sanchay Bank (Management) Rule, 2015, the Bank Companies Act, 1991, Bangladesh Bank Regulations and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The Balance Sheet and profit and loss Account dealt with by the report are in agreement with the books of account and returns;
- d) The expenditure incurred was for the purposes of the Bank's business;
- e) The financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank; and
- f) The information and explanation required by us have been received and found satisfactory.


(M M Rahman & Co.)
Chartered Accountants


(Mollah Quadir Yusuf & Co.)
Chartered Accountants

Dated: Dhaka
March 31, 2019

Palli Sanchay Bank

Red Crescent Borak Tower (Level-8),
37/3/A, Eskaton Garden Road, Dhaka-1000

Balance Sheet
As at 30 June 2018

Particulars	Notes	Amounts in Taka June 30, 2018
PROPERTY AND ASSETS		
Cash	3.00	3,510,732
Cash in hand (including foreign currencies)		3,510,732
Balance with Bangladesh Bank & its agent bank (including foreign currencies)		-
Balance with other banks and financial institutions	4.00	3,718,711,595
In Bangladesh		3,718,711,595
Outside Bangladesh		-
Money at call on short notice	5.00	5,487,214,742
Investments	6.00	9,288,248,505
Government		-
Others		9,288,248,505
Loans & Advance	7.00	21,456,683,919
Bill Purchased & Discount		
Fixed assets including premises, furnitures and fixtures	8.00	19,313,552
Other assets	9.00	66,061,952
Non-banking assets		-
Total assets		40,039,744,997
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents		
Deposit and other accounts	10.00	33,236,782,245
Short Notice Deposits (CBS)		152,003,500
Savings Deposits		11,707,524,837
Government Grant		21,239,988,636
Others Deposit		137,265,273
Other liabilities	11.00	2,587,765,378
Total liabilities		35,824,547,623
Capital/ shareholders' equity		
Paid-up capital	12.00	1,947,125,400
Statutory reserve		-
Other reserve		-
Surplus in profit & loss account	13.00	2,268,071,974
Total shareholders' equity		4,215,197,374
Total liabilities & sharehoders' equity		40,039,744,997

The accounting policies and explanatory notes are an integral part of the financial statements.



Palli Sanchay Bank
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Off-Balance Sheet Items
As at 30 June 2018

Particulars	Notes	Amounts in Taka 30 June 2018
CONTINGENT LIABILITIES		
Acceptances and endorsements		-
Letters of guarantee		-
Irrevocable letters of credit		-
Bills for collection		-
Other contingent liabilities		-
Total contingent liabilities		-
OTHER COMMITMENTS		
Documentary credits and short term trade related transactions		-
Forward assets purchased and forward deposit placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities, credit lines		-
Other commitments		-
Total shareholders' equity		-
Total off-balance sheet items including contingent liabilities		-

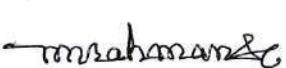
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Dr. Minir Kanti Majumdar
Chairman
Palli Sanchay Bank


Akber Hossain
Managing Director
Palli Sanchay Bank


Md. Ismail Mia
Assistant General Manager
Palli Sanchay Bank

Date: March 31, 2019
Dhaka


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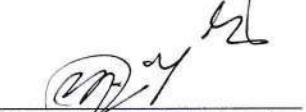
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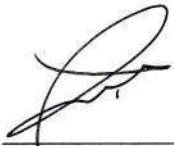
Profit and Loss Account

For the year ended June 30, 2018

Particulars	Notes	Amounts in Taka June 30, 2018
Interest Income	14.00	390,965,002
Less: Profit paid on deposits, borrowings etc.	15.00	12,017,694
Net interest income		378,947,307
Investment Income	16.00	162,908,941
Commission, exchange and brokerage		-
Other operating income		-
		162,908,941
Total operating income		541,856,248
Salaries and allowances	17.00	25,639,955
Rent, taxes, insurances, electricity etc.	18.00	10,733,490
Legal & professional expenses	19.00	130,000
Postage, stamps, telecommunication etc.	20.00	1,434,409
Stationery, printing, advertisements etc.	21.00	23,777,121
Managing director's salary and allowances		-
Directors' fees	22.00	509,423
Auditors' fees		-
Depreciation and repair of fixed assets	23.00	2,561,680
Other expenses	24.00	10,498,098
Total operating expenses		75,284,175
Profit before provision		466,572,073
Provision against Lease, loans & Investment		-
Total provision		-
Total profit before taxes		466,572,073
Provision for taxation		-
Net profit after taxes		466,572,073
Earning Per Share (EPS)		23.96

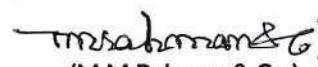
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Dr. Mihir Kanti Majumdar
Chairman
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Md. Ismail Miah
Assistant General Manager
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Date: March 31, 2019
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Cash Flow Statement
For the year ended June 30, 2018

Amounts in Taka
June 30, 2018

A. Cash Flow from Operating Activities

Interest receipts in cash	518,816,383
Interest payments	(12,017,694)
Dividend receipts	-
Fees & Commission receipt in cash	-
Recoveries on loans previously writtenoff	-
Cash Payments to Employees	-
Cash Payments to Suppliers	-
Income Tax Paid	-
Receipts from other Operating activities	-
Payments for other Operating activities	(73,135,851)

Operating Profit before changes in Operating Assets & Liabilities 433,662,838

Increase/Decrease in Operating Assets & Liabilities	6,781,447,647
Statutory Deposits	-
Balance with other banks and financial institutions	(3,718,711,595)
Money at call on short notice	(5,487,214,742)
Other assets	(66,061,952)
Purchase/sale of trading securities	-
Loans and Advances to other banks	(21,456,683,919)
Loans and Advances to customers	33,236,782,245
Other liabilities account of customers	1,685,572,232
Migrated profit balance from EBEK	-
Trading liabilities	2,587,765,378
Other liabilities	-

Net cash from operating activities 7,215,110,485

B. Cash flows from Investing Activities

Proceed from sale of securities	-
Investments	(9,253,190,945)
Payments for purchases of Securities	-
Purchase/ sale of Property, plant & equipment	(21,461,877)
Purchase/ sale of Subsidiary	-

Net cash from investing activities (9,274,652,822)

C. Cash flows from Financing Activities

Opening profit surplus-PSB (Un-audited)	115,927,669
Issue of paid up Capital	1,947,125,400
Dividend Paid	-
Net cash from financing activities	2,063,053,069

D. Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C) 3,510,732

E. Cash and cash equivalents at the beginning of the year

F. Cash and cash equivalents at the end of the year (D+E) 3,510,732

The accounting policies and explanatory notes are an integral part of the financial statements.

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Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	Paid-up capital	Statutory reserve	General Reserve	Profit & Loss	Amount in Taka
Balance as at July 01, 2017	-	-	-	1,801,499,901	1,801,499,901
Changes in accounting policy	-	-	-	-	-
Restated Balance	-	-	-	-	-
Surplus/ deficit on account of revaluation of property, plant, equipments	-	-	-	-	-
Surplus/ deficit on account of revaluation of Investments	-	-	-	-	-
Net profit for the period after taxation	-	-	-	466,572,073	466,572,073
Net gains and losses not recognized in the income statement	-	-	-	-	-
Dividends	-	-	-	-	-
Issue of share capital	1,947,125,400	-	-	-	1,947,125,400
Balance as at June 30, 2018	1,947,125,400	-	-	2,268,071,974	4,215,197,374

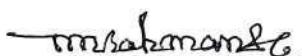
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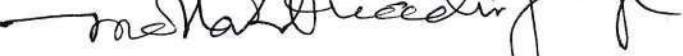

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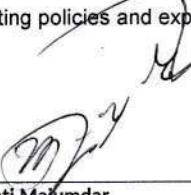

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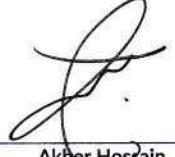
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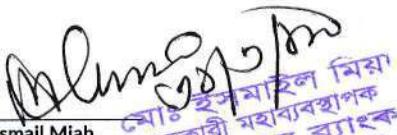
Liquidity Statement
(Asset and Liability Analysis)
As at 30 June 2018

Particulars	Up to 01 month	01-03 months	03-12 months	01-05 years	More than 5 years	Total
Assets:						
Cash in hand	3,510,732	-	-	-	-	3,510,732
Balance with others banks and financial institutions	-	892,490,783	1,859,355,798	966,865,015	-	3,718,711,595
Money at call on Short notice	-	-	-	4,938,493,268	548,721,474	5,487,214,742
Investments	-	371,529,940	4,272,594,312	4,644,124,253	-	9,288,248,505
Loans and Advances	-	-	-	16,456,683,919	5,000,000,000	21,456,683,919
Property, plant & equipments	-	-	-	19,313,552	-	19,313,552
Other assets	-	-	-	66,061,952	-	66,061,952
Non-banking assets	-	-	-	-	-	-
Total Assets	3,510,732	1,264,020,723	6,131,950,110	27,091,541,958	5,548,721,474	40,039,744,997
Liabilities:						
Borrowings from Bangladesh bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	-	-	-	25,924,690,151	3,988,413,869	29,913,104,021
Other liabilities	-	-	2,587,765,378	-	-	2,587,765,378
Total Liabilities	-	-	2,587,765,378	25,924,690,151	3,988,413,869	32,500,869,399
Net Liquidity Gap	3,510,732	1,264,020,723	3,544,184,732	1,166,851,807	1,560,307,605	7,538,875,598

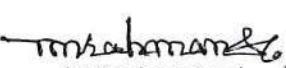
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যোগাইসমাইল মিয়া
সহকারী মহাপ্রবাহাপক
পল্লী সংক্ষয় ব্যাংক
প্রধান কার্যালয়, ঢাকা

Date: March 31, 2019
Dhaka


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Property, Plant & Equipment
As at 30 June 2018

Particular	Cost				Rate of Depreciation	Depreciation				Written Down Value As at
	As at 01-Jul-17	Addition during the year	Disposal	As at		As at 01-Jul-17	Addition during the year	Disposal	As at	
				30-Jun-18					30-Jun-18	
Furniture & Fixtures	-	2,298,191	-	2,298,191	10%	-	229,819	-	229,819	2,068,372
Office Equipment	-	3,524,228	-	3,524,228	15%	-	512,314	-	512,314	3,011,914
Electric Equipment	-	100,958	-	100,958	20%	-	20,192	-	20,192	80,766
Motor car	-	15,538,500	-	15,538,500	20%	-	1,386,000	-	1,386,000	14,152,500
Total	-	21,461,877	-	21,461,877		-	2,148,325	-	2,148,325	19,313,552



Palli Sanchay Bank Limited

Notes to the Financial Statements For the period from July 01, 2017 to June 30, 2018

1.00 The bank and its activities:

1.01 Reporting entity:

Palli Sanchay Bank was established under Govt. gazette notification dated 8 July 2014 under Palli Sanchay Bank Act 2014 (Act no.7 of 2014). The requirements of the Palli Sanchay Bank Act, 2014, Palli Sanchay Bank (management) Rule 2015, Bank Companies Act 1991 and other prevailing Regulations related to the bank Companies Act are applicable to the bank.

1.02 Nature of business:

The Palli Sanchay Bank is a specialized bank incorporation for the well being of the establishment of rural savings bank for the purpose of transferring and maintenance of money and advancement of savings and acquisitions of the poor and underprivileged people in rural areas and for investment. The bank provides its customers different services i.e a) Microcredit loan b) SME(Short term kuddra Uddukta Unnayan Rin) c) Special Savings Deposit d) Savings Deposits e) Social Security Savings Deposit f) Time Deposit g) School Banking or student savings deposit h) Palli Pension Scheme i) Current Deposit

2.00 Basis of preparation and significant accounting policies:

2.01 Basis of preparation:

The financial statements of the bank for the period from 1 July 2017 to 30 June 2018 have been prepared under the historical cost convention and in accordance with the Palli Sanchay Bank Act 2014, the first Schedule (Section no 38) of the Bank Companies Act 1991, as amended by the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars and other laws and rules applicable in Bangladesh. In case the requirement of provisions of the Palli Sanchay Bank Act 2014 differ with those of the regulatory authorities and accounting standards, the provisions of the Palli Sanchay Bank Act 2014 shall prevail.

However, the Bank has departed from some requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

2.01.01 Statement of Cash Flow:

BFRS: Cash Flows Statement can be prepared either in direct method or in indirect method. The presentation is selected to present cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is a mixture of direct and indirect methods.

2.01.02 Loans and Advance net off provision:

BFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.02 Functional and presentation currency

The financial statements of the bank are presented in Taka which is the bank's functional currency. Financial information have been rounded off to the nearest Taka.



2.03 Use of estimates and judgments:

The preparation of the financial statements of the bank is in conformity with BRPD Circular no. 14 dated 25 June 2003 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

2.04 Books of accounts:

The bank maintains its books of account for main business manually where in some cases maintains through software automation.

2.05 Reporting period:

The accounting period of the bank has been determined to be from 1st July to 30 June each year and is followed consistently. These financial statements cover the period from 1st July 2017 to 30 June 2018.

2.06 Statement of Cash Flow:

Cash Flow Statement has been prepared in accordance with Bangladesh Accounting Standards BAS -7, Statement of Cash Flows and under the guideline of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.07 Statement of Changes in equity:

The statement of changes in equity reflects information about increase or decrease in net assets or worth of the Bank. Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standards BAS -1, Presentation of Financial Statements and relevant guidelines of Bangladesh Bank.

2.08 Liquidity Statement (Asset and Liability Maturity Analysis):

- a) Balance with other banks and financial institutions, money at call and on short notice etc. on the basis of their maturity term;
- b) loans and advances on the basis of their repayment/maturity schedule;
- c) Fixed assets on the basis of their useful lives;
- d) Other assets on the basis of their adjustment;
- e) Deposits and other accounts on the basis of their maturity term;
- f) Other long term liability on the basis of their maturity term;
- g) Provisions and other liabilities on the basis of their settlement;

2.09 Cash and cash equivalents:

Cash and cash equivalents include notes & coins on hand and balance with other banks & financial

2.10 Investments:

Palli Sanchay Bank invest in FDR with other bank and financial institution.



2.11 Loans ,advances and provisions:

i) Loans and advances:

Two types of loans are being disbursed by the bank, such as Microcredit loan and SME(Short term kuddra Uddukta Unnayan Rin).

ii) Securities against Loan:

Personal deposit are treated as the security against the Microcredit and SME loan.

iii) Provision for loans and advances:

As per BRPD circular No.14 dated september 23, 2012 Palli Sanchay Bank is required to be categorised of loans classification and provisioning for loans and advances but PSB did not categorised their loan and advances.

2.12 Fixed assets and depreciation:

Fixed assets are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

i) Fixed assets are stated at cost less accumulated depreciation as per Bangladesh Accounting Standards BAS-16; Property ,plant and Equipment; Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

ii) Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by management of the bank. In all cases depreciation is calculated on the reducing Method.

iii) Depreciation rates used for each type of fixed assets are as follows:

Category of fixed assets	Rate of depreciation
Furniture and fixtures	10%
Office Equipment	15%
Motor Car	20%
Electric Equipment	20%

iv) Repairs and maintenance are charged to profit and loss account as expense when incurred.
v) Depreciation is charged on addition commencing from the date of acquisition.

2.13 Other assets:

Other assets include all other financial assets and include fees and other Unrealized income receivable, advance for operating and capital expenditure.

2.14 Deposit and other accounts:

Deposits and other accounts includes members savings deposit, government grant.

2.15 Other liabilities

Other liabilities comprise items such as cash excess/liabilities with ebek/ other provision for expenses/taxation and also includes sundry accounts which was earn from bank interest etc. Other liabilities are recognized in the Balance sheet according to the guidelines of Bangladesh Bank, internal policy of the Palli Sanchay Bank.



2.16 Revenue recognition:

The revenue during the year has been recognized following all conditions of revenue recognition as prescribed by Bangladesh Accounting Standards BAS-18 'Revenue'

i) Interest Income:

Interest on unclassified loans and advances have been accounted for as income on accrual basis. Interest from balance with other banks (FDR & STD) has been accounted for on cash basis and accrual basis.

iii) Interest paid on deposit:

Interest paid deposits are calculated on 360 days in a year and recognized on cash basis.

iv) Interest income from investments in FDR:

Interest income on investments in FDR is accounted for on accrual basis.

2.17 Earnings per share:

Earnings per share (EPS) has been computed by dividing the profit after tax the weighted average number of ordinary shares outstanding as at 30 june 2018 as per Bangladesh Accounting Standards (BAS-33) Earnings Per Share

2.18 Compliance of Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BAS):

While preparing the financial statements, Palli sanchay bank applied most of BFRS and BAS as adopted by ICAB, details are given below:

Name of Bangladesh Financial Reporting Standards (BFRSs)	BFRSs No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-Based Payments	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A
Financial Instrument	9	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Fair Value Measurement	13	N/A
Accountability	14	N/A
Revenue from Contracts with Customers	15	N/A



Name of Bangladesh Accounting Standards (BAS)	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	N/A
Property, Plant and Equipments	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	N/A
Accounting for Govt. Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	N/A
Related Party Disclosures	24	N/A
Accounting & Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investments in Associates & Joint Venture	28	N/A
Financial Instruments: Presentation	32	N/A
Earning Per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	N/A
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	N/A
Investments Property	40	N/A
Agriculture	41	N/A

2.19 Related party disclosures:

As per Bangladesh Accounting Standards BAS-24, 'Related Party Disclosures' parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The bank provides banking service to the migrant and returnee workers in the form of loans but the bank had no transaction with the directors of the bank as a related party.

(i) Board of Directors of Palli Sanchay Bank and their interest in the Bank:

Sl. No.	Name of Directors	Name of the firms/companies/institutions in which they have interest	Status with Palli Sanchay Bank
1	Dr. Mihir Kanti Majumdar	Ex-Secretary	Chairman
2	Md. Nazrul Islam Khan	Ex-Secretary office of Prime Minister	Director
3	Muhammad Moududur Rashid Safdar	Director General, BRDB	Director
4	Md. Nasir Uddin Ahmed	Additional Secretary, Finance Ministry	Director
5	Md. Humayan Farhad	Joint Secretary, Legislatures & Parliament Affairs	Director



6	Department of Rural Development & Co-Operative Board	Local Govt, Rural Development & Co-Operative Ministry	Director
7	Dr. Najnin Ahmed	Senior Research Fellow Bangladesh Institute of Development Studies agargaon, Dhaka	Director
8	Md. Ashfaq Ahmed	Upazilla Chairman, Shylet	Director
9	Md. Akbar Hossain	PD(Add: Secretary) EBEK Project	Managing Director

The directors have no other interest in Bank except for availing meeting attendance fee of Tk 8,000 for each meeting.

(ii) Significant contracts where bank is a party & wherein Directors have interest:

There is no significant contracts and director's interests during the period.

(iii) Related party Transaction:

There is no transaction held between the directors and the bank.

(iv) Business other than banking business with any related concern of the directors as per section 18(2) of the Bank Companies Act 1991 :

According the Bank Companies Act 1991 under section-18(2), there was no business other than banking business with any related concern of the Directors.

(v) Investment in the Securities of Directors and their related concern:

There is no investments in the securities of directors and their related concern.

2.27 Events after the balance sheet date:

Event after the Balance sheet date that provide additional information about the Banks position at the Balance sheet date as per Bangladesh Accounting Standards BAS-10: 'Events after the Balance Sheet Date'.

2.28 Management's responsibility on financial statements:

The Board of Directors of the Bank under takes the responsibility for the preparation and presentation of these financial statements.

2.29 General:

Figures appearing in these Financial Statements have been rounded off to the nearest Taka



Amount in BDT
June 30, 2018

3.00 Cash : Tk. 3,510,732

Cash In hand (including foreign currencies)	3,510,732
Balance with Bangladesh Bank & its Agent Banks	
Total	3,510,732

4.00 Balance with other Banks & Financial Institutions : Tk. 3,718,711,595

Sl No	Bank Name	Amount
1	Sonali Bank Ltd	153,601,615
2	UCB Ltd	1,064,180,239
3	BCB Ltd	2,493,410,062
4	Janata Bank Ltd	5,530,986
5	Agrani Bank Ltd	1,988,693
Balance as at June 30, 2018		3,718,711,595

5.00 Money at call on Short Notice : Tk. 5,487,214,742

Sl No	Bank Name	Amount(Tk)
1	Sonali Bank Ltd	2,319,242,759
2	Bank Asia Ltd	3,158,937,246
3	Rupali Bank Ltd	9,034,737
Balance as at June 30, 2018		5,487,214,742

6.00 Investments : Tk. 9,288,248,505

Government		
Others	6.01	9,288,248,505
Total		9,288,248,505

6.01 Others : Tk. 9,288,248,505

Sl No	Bank / Financial Institutions	Amount(Tk)
1	NCC Bank Ltd	359,166,600
2	Sonali Bank Ltd	1,071,926,262
3	RAKUB	173,901,939
4	Kormosongthan Bank	209,883,872
5	AB Bank Ltd	502,137,500
6	Union Bank Ltd	757,343,750
7	SBAC Bank Ltd	50,000,000
8	NRB Commercial Bank Ltd	503,375,000
9	Bangladesh Commerce Bank Ltd	500,000,000
10	Exim Bank Ltd	226,940,881
11	Brac Bank Ltd	502,700,000
12	Jamuna Bank Ltd	151,860,826
13	Mercantile Bank Ltd	205,737,500
14	First Securities Islami Bank Ltd	354,612,500
15	The City Bank Ltd	704,240,625
16	NRB Global Bank Ltd	412,283,750
17	Social Islami Bank Ltd	500,000,000
18	One Bank Ltd	300,000,000
19	Standard Bank Ltd	300,000,000
20	UCB Ltd	700,000,000
21	Modhumoti Bank Ltd	102,137,500
22	Shimanto Bank Ltd	200,000,000
23	NRB Bank Ltd	100,000,000
24	Al Arafah Islami Bank Ltd	200,000,000
25	Premier Bank Ltd	100,000,000
26	National Bank Ltd	100,000,000
Total Balance as at June 30, 2018		9,288,248,505



Amount in BDT
June 30, 2018

7.00 Loans & Advance : Tk. 21,456,683,919

Continuous loan	7.01	119,360
Demand loan		
Short term, agricultural & Micro credit	7.02	21,456,564,559
Inside Bangladesh		<u>21,456,564,559</u>
Outside Bangladesh		<u>21,456,683,919</u>
Total		<u>21,456,683,919</u>

7.01 Continuous loan :Tk. 119,360

Cash Credit	7.01.01	119,360
Overdraft		-
Others		-
Total		<u>119,360</u>

7.01.01 Cash Credit : Tk. 119,360

Prepaid Expense		119,360
		<u>119,360</u>

The break up of the above balance is as follows:

Openig Balance		3,289,654
Add: Addition during the year		<u>3,289,654</u>
Less: Adjustment during the year		3,170,294
Balance as on June 30, 2018		<u>119,360</u>

7.02 Short term (Kuddra Uddukta Unnayan Rin), agricultural & Micro credit :Tk. 21,456,564,559

Short term (Kuddra Uddukta Unnayan Rin)	7.02.01	193,893,399
Micro Credit	7.02.02	21,262,671,159
Agricultural		-
Total		<u>21,456,564,559</u>

7.02.01 Short term (Kuddra Uddukta Unnayan Rin) :Tk. 193,893,399

Openig Balance		200,684,825
Add: Addition during the year		<u>200,684,825</u>
Less: Adjustment during the year		6,791,426
Balance as on June 30, 2018		<u>193,893,399</u>

7.02.02 Microcredit :Tk. 21,262,671,159

Openig Balance		21,262,671,159
Add: Addition during the year		<u>21,262,671,159</u>
Less: Adjustment during the year		-
Balance as on June 30, 2018		<u>21,262,671,159</u>

7.03 Slab of Loan:

5,000 to 10,000		4,663,498,116
10,001 to 20,000		11,075,968,971
20,001 to 30,000		4,735,964,190
30,001 to 40,000		787,239,882
50,000		<u>193,893,399</u>
Total		<u>21,456,564,559</u>



Amount in BDT
June 30, 2018

7.04 Ageing Schedule of loan:

Repayable on demand	
Not more than 3 months	
More than 3 months but not more than 1 year	21,456,564,559
More than 1 year but not more than 5 years	
More than 5 years	
Total	21,456,564,559

8.00 Fixed Assets including premises, furniture & fixtures : Tk. 19,313,552

Furniture & Fixtures	2,298,191
Office Equipment	3,524,228
Electric Equipment	100,958
Motor car	15,538,500
Total Cost	21,461,877
Less: Accumulated depreciation	2,148,325
Written Down Value	19,313,552

Details of fixed assets are shown in "Assets Schedule"

9.00 Other Assets: Tk. 66,061,952

Software & Database	27,957,180
Investment in shares of subsidiary companies	-
Stationery, stamps, printing materials in stock etc	-
Advance rent & advertisement	-
Accounts receivable	-
Advance income tax	9.01 974,806
Security deposit	1,970,835
Accrued interest on FDR	9.02 35,057,560
Suspense	101,570
Total	66,061,952

9.01 Advance income tax: Tk. 974,806

Opening Balance	
Add : Addition during the year	974,806
Less: Adjustment during the year	-
Closing Balance	974,806

9.02 Accrued interest on FDR : Tk. 35,057,560

SI No	Bank Name	Amount
1	AB Bank Ltd	4,275,000
2	Union Bank Ltd	11,981,701
3	SBAC Bank Ltd	1,125,000
4	NRB Commercial bank	2,137,500
5	Exim Bank Ltd	4,850,859
6	Brac Bank Ltd	4,275,000
7	Social Islami Bank Ltd	2,137,500
8	One Bank Ltd	2,137,500
9	Standard Bank Ltd	2,137,500
Total		35,057,560



**Amount in BDT
June 30, 2018**

10.00 Deposits & other accounts: Tk. 33,236,782,245

Short Notice Deposits (CBS)	10.01	152,003,500
Savings Deposits	10.02	11,707,524,837
Government Grant	10.03	21,239,988,636
Others Deposit	10.04	137,265,273
Total		33,236,782,245

10.01 Short Notice Deposits (CBS) : Tk. 152,003,500

Opening Balance		7,234,422,500
Add : Addition during the year		7,234,422,500
Less: Adjustment during the year		7,082,419,000
Balance as on June 30, 2018		152,003,500

10.02 Savings Deposits: Tk. 11,707,524,837

Members' Saving		11,707,524,837
Total		11,707,524,837

10.03 Government Grant: Tk. 21,239,988,636

Member Grant	10.03.01	8,901,212,426
Samitee Grant		12,338,776,210
Total		21,239,988,636

10.03.01 Member Grant: Tk. 8,901,212,426

Current Member Grant		8,621,379,393
Outgoing Member Grant		279,833,032
Total		8,901,212,426

10.04 Others Deposit: Tk. 137,265,273

Loan asset recovery		130,028,088
Donation & Others		7,237,185
Total		137,265,273

11.00 Other Liabilities: Tk. 2,587,765,378

Cash Excess		1,266,972
Liabilities with EBEK		2,450,000,000
Provision for expenses	11.01	11,232,536
Suspense Account		38,905
Service charge		14,837
Sundry Creditors	11.02	112,562,232
Provision for Loans & Advances		-
Interest Suspense	11.03	-
Staff Fund	11.04	1,398,957
Suspense Liabilities		11,250,940
Provision for income tax		-
Total		2,587,765,378

11.01 Provision for expenses: Tk. 11,232,536

Opening Balance		11,232,536
Add : Addition during the year		11,232,536
Less: Adjustment during the year		-
Closing Balance		11,232,536



Amount in BDT
June 30, 2018

The addition amount consist of as follows:

Income tax against salary	129,239
Source tax	27,826
Vat	1,259,924
Provision for expenses	9,815,547
Total	11,232,536

11.02 Sundry Payable: Tk. 112,562,232

Opening Balance	117,436,870
Add : Addition during the year	117,436,870
Less: Adjustment during the year	4,874,638
Closing Balance	112,562,232

The Closing amount consist of as follows:

Sundry Accounts	58,916,357
Sundry Accounts- Share	139,100
Sundry Accounts-Recruitment	53,506,775
Total	112,562,232

Note: Sundry accounts is the undistributed amount which they received as interest income on migrated bank balance from different banks which will be distributed to the samites' members.

11.03 Staff Fund: Tk. 1,398,957

Opening Balance	1,530,801
Add : Addition during the year	1,530,801
Less: Adjustment during the year	131,844
Closing Balance	1,398,957

11.04 Suspense Liabilities: Tk.11,250,940

Cash at Bank after Migration	13,494,204,125
Cash at Bank before Migration	13,482,953,185
Suspense	11,250,940

12.00 Share Capital: Tk. 1,947,125,400

Authorised capital :	
1000,000,00 Ordinary Shares of Tk 100 each	10,000,000,000

Issued & paid up capital :	
19,471,254 ordinary shares of Taka 10 each.	1,947,125,400

Share holding position as on June.30, 2018

Sl.	Name of Share holder	No. of shares	Value per share	% of share holdings	2017-2018 Amount (Tk.)
1	Government of the People's Republic of Bangladesh, Ministry of Finance	12,500,000	100	64%	1,250,000,000
2	Samittee	6,971,254	100	36%	697,125,400
Total		19,471,254		100%	1,947,125,400



Amount in BDT
June 30, 2018

13.00 Surplus in Profit & Loss Accounts : Tk. 2,268,071,974

Income (migrated from EBEK)	1,875,771,349
Expenses (migrated from EBEK)	(190,199,117)
Opening Balance- PSB (Un-audited)	115,927,669
Add : Profit during the year	466,572,073
Closing Balance	2,268,071,974

14.00 Interest Income : Tk. 390,965,002

Interest income	14.01	378,139,898
Interest income on short term deposit	14.02	12,825,104
Total		390,965,002

Note: Interest income from Samitee is unexplained

14.01 Interest income: Tk. 378,139,898

Interest income	3,597,656
Interest income on SME Short term	1,070,578
Interest income on Microcredit	373,471,664
Total	378,139,898

Note: Interest income before operation amount is unexplained

14.02 Interest income on STD: Tk. 12,825,104

State own Bank	14.02.01	12,758,859
Private Bank	14.02.02	66,245
Total		12,825,104

14.02.01 State own Bank: Tk. 12,758,859

Sonali Bank Ltd	9,355,411
Rupali Bank Ltd	3,400,985
Janata Bank Ltd	2,463
Total	12,758,859

14.02.02 Private Bank: Tk. 66,245

Bangladesh Commerce Bank Ltd	33,376
Bank Asia	32,868
Total	66,245

15.00 Interest paid deposit and borrowings etc: Tk. 12,017,694

Interest Expense	184,964
Dividend expenses	11,832,730
Total	12,017,694

16.00 Investment income: Tk. 162,908,941

Interest income from FDR	16.01	162,908,941
		162,908,941

16.01 Interest income from FDR: Tk. 162,908,941

State own Bank	69,713,702
Private Bank	93,195,239
Total	162,908,941



Amount in BDT
June 30, 2018

17.00 Salary & Allowance: Tk. 25,639,955

Salary (Officer)	21,589,487
Salary (Staff)	45,200
Wages (Temporary Staff)	597,165
House Rent	38,025
Medical Allowance	74,800
Entertainment	18,950
Education allowance	542,546
Festival Bonus	73,500
Incentive bonus/Exgratia	21,074
Bangla Nabarsa Allowance	67,640
House Rent/ Ceiling	1,401,967
Conveyance Allowance	9,850
Bank Contribution to Staff Fund	1,043,379
Recreation Allowance	58,500
Encashment earn leave	57,072
Tiffin allowance (Staff)	600
Other Allowance	200
Total	25,639,955

18.00 Rent, taxes, insurances, electricity etc.: Tk. 0

Rent on Premises	9,071,629
Rates & taxes	6,952
Insurance	128,268
Lighting charge Electricity	436,501
Lighting charge Diesel	51,657
Electric bulb, Ware, Switch etc.	714
Tax on investment/Bank charge	1,037,769
Total	10,733,490

19.00 Legal & professional expenses: Tk. 130,000

Legal Fees	130,000
	130,000

20.00 Postage, stamps, telecommunication etc.: Tk. 1,434,409

Postage	679,844
Telephone (Office)	51,125
Telephone (Residence)	11,334
Telephone (Mobile)	139,355
Internet / E-mail	552,751
Total	1,434,409

21.00 Stationery, printing, advertisements etc.: Tk. 23,777,121

Printed Stationery	22,034,140
Table Stationery	434,160
Advertisement	1,246,484
Newspaper & journal	50,367
Photocopier expense	11,970
Total	23,777,121



Amount in BDT
June 30, 2018

22.00 Directors fees: Tk. 509,423

Honorarium	42,667
Fees for attending Board meeting	387,400
Others	79,356
Total	509,423

23.00 Depreciation and repair of fixed assets: Tk. 2,561,680

Depreciation	2,148,325
Repair and maintenance	413,355
Total	2,561,680

24.00 Other Expenses: Tk. 110,678

Honorium -Training	63,600
Other expenses for training	1,261,884
Honorium -Workshop, Seminar and conference	301,800
other expenses for workshop, Seminar and conference	110,678
Traveling expense	2,882,278
Conveyance	137,735
Lunch Subsidy	94,000
Fuel	495,362
Staff Bus	110,400
Entertainment	252,615
Bank Charge	1,143,339
Remittance expenditure	1,138,701
Computer expense	69,079
Miscellaneous Expense	2,436,287
Tools	340
Total	10,498,098

