

# Annual Report 2014-2015

Palli Mongal Karmosuchi (PMK)

# Annual Report

2014-2015

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## Message from the Chief Executive

I am pleased to present the Palli Mongal Karmosuchi (PMK)'s Annual Report for the year 2014-2015 to share the achievements of our organization. First of all, I would like to commend all members who are savers and borrowers of PMK for their dedication to make the year successful in all aspects.

PMK was initiated in 1988 for developing livelihoods through promoting positive changes towards integrated and sustainable development in the society, especially in the marginalized communities. From that day, PMK has continued its journey to development through enjoying the rights of the people, assuring social & economic empowerment. In this background, during the year 2014-2015 PMK worked on different issues specially Microcredit & Microenterprise for empowerment of disadvantaged women.

Like the past few years, the current year has also witnessed notable expansion program. We have increased geographical outreach to 17 districts covering 170,932 clients. We have been serving them through 117 branches located in different districts. We are earning modest net profits over the years and have emerged as a sustainable NGO-MFI for a long time. The quality of loan portfolio is good loan recovery rate is 99.50%, operational and financial self-sufficiency is 141.26% and 140.20% respectively.

PMK is one of a few leading national NGOs in the Bangladesh in the microfinance sector. The organization is running several programs other than microfinance to upgrade the living conditions of the poor, very poor and low-income people. These include poverty eradication programs with microfinance and micro-enterprise activities, agriculture, seasonal loans, housing loans and participatory livestock development programs. Other social development programs include health and education.

Finally, I would like to thank all our staffs, who have indeed worked hard to spearhead the program of poverty eradication and development efforts for the under privileged people in our community. I also extend my gratitude to all Executive Committee (EC) members for their prompt decisions, support and cooperation. A special word of thanks goes to all the members, registration authorities, government officials and funding agencies. The community people and the stakeholders at all levels also deserve our thanks for their continued support for the past 28 years.

I hope that this initiative to publish the Annual Report for the year of 2014-2015 on the overall achievements and challenges of the organization will be of interest to the distinguished readers who are familiar with PMK activities and our beneficiaries. I would be happy to have your good suggestions or criticisms if any for improving the performance of PMK in the future.

Kamrun Nahar  
Chief Executive  
Dated, 2016

## Operational Highlights

Operational area profile	As on June 30, 2015	As on June 30, 2014	As on June 30, 2013
Districts	17	11	10
Thana/Upazila	87	70	67
Unions	725	660	626
Villages	3,590	3,430	3,323
Branches	117	89	84
Number of samity	7,519	7,329	6,988
Members/clients	1,70,932	1,43,407	1,40,878
Borrowers	1,37,011	1,18,588	1,14,441
Number of staff	970	872	812
Savings balance (BDT in million)	1,140.49	936.04	819.71
Cumulative loans disbursed (BDT in million)	27,966.77	22,766.04	18,822.08
Loans outstanding (BDT in million)	2,944.76	2,557.12	1,982.88
Loan recovery rate	99.50%	99.55%	99.50%
Operational self-sufficiency (OSS)	141.26%	159.56%	160.36%
Financial self-sufficiency (FSS)	140.20%	142.50%	134%
Portfolio at risk (PAR)	4.05%	4.82%	4.75%
Cost per unit of money lent	0.08	0.065	0.06

## Timeline

Year	Milestone
1988	Registered as an NGO with the Department of Social Welfare, Government of Bangladesh.
1993	Enlisted as a partner organization of PKSf. Registered NGO Affairs Bureau. Received fund from Asia Partnership for Human Development (APHD), Hong Kong for Women Development.
1994	Received fund from BILANCE, The Netherlands for Women Development.
1998	Introduced Micro-enterprise (ME) Financing. Launched Housing Project with assistance from Bangladesh Bank.
2001	Became a partner of INCOME III Project, CARE Bangladesh.
2005	Started PLDP-II Project in 12 branches in Mymensingh district with PKSf's fund. Went to major expansion by opening more branches of PMK.
2006	Established PMK's own office building premises at Zirabo (Thana- Ashulia, Upazila- Savar, District- Dhaka).
2007	Enlisted as a partner organization of Anukul Foundation, CARE Bangladesh. Registered with Joint Stock Company.
2008	Established a full-fledged training center at Zirabo (Thana- Ashulia, Upazila- Savar, District- Dhaka). Registration from the Registrar of Joint Stock Companies, Dhaka of PMK under the Society's Act 1860. Obtained license from Microcredit Regulatory Authority (MRA).
2011	Listed as 'A' category organization of PKSf.
2012	Started a women hostel for garment workers and other low-income women (for 2000 workers) at Zirabo (Thana- Ashulia, Upazila- Savar, District- Dhaka).
2013	Automation of all branches and preparation of a software-based MIS and FIS accomplished.
2014	For office expansion, a new multi-storied building has been planned and construction began in Zirabo at PMK own premises.
2015	Established a hospital and a diagnostic centre to provide healthcare services to the members and the local people.

# Governance

PMK stresses on good governance. The organization is being governed, managed and administered by a numbers of bodies and committees as per its constitution. The constitution is approved by Social Service Department. It has two kinds of council viz. General Council (GC) and the Executive Committee (EC). Any person interested in the promotion of and engaged in any voluntary activities having objectives for poverty alleviation and/or empowering women is eligible to become a member of the General Council. The size of the General Council is 21, where two beneficiaries/clients are also represented. GC approves budgets, annual reports future action plans and also the appointment of Auditor.

On the other hand, the EC has 7 members elected from GC. Every two years, the General Council members elect the EC by direct votes. The EC comprises a chairman, a vice-chairman, a general secretary, treasurer and three other members. The EC is solely responsible for framing policies and guidelines for running PMK. The Chief Executive Officer is the Head of PMK.

## Internal Control System

PMK has been regularly publishing its annual reports and conducting audited its accounts by external auditor. The reports are delivered to different stakeholders to keep them updated about PMK activities. As per requirement of the government, the NGOs need to submit the audited accounts of any programs or objects.

The internal control system includes use of MIS for decision-making, formalizing

accounting systems, internal auditing and regular internal supervision and pursuance of budgetary practices. PMK has internal audit department with skilled auditors. Internal audit is conducted routinely as well as based on urgency of action. Audit reports are forwarded to Chief Executive.

Based on the auditor's report corrective measures and necessary actions are adopted. Every six month, there is a follow-up action in this respect. In doing cash management, PMK estimates demand for money from its branches and carries out cash planning.

PMK prepares MIS report based on information coming from branches in the field. MIS is computerized and the information system is using software. The head office is fully computerized. The organization has accounts Unit. The unit follows generally accepted accounting principles and maintains cashbook, all kinds of ledgers and passbooks. The Unit regularly produces financial statements. Financial performance is also assessed based on financial ratio analysis. The statements are usually done monthly for PKSF which has been funding its microfinance program for a long time. These are also prepared annually. The accounting staffs prepare budget and business plan for the organization and carry on operations as per the business plan.

An amount of maximum BDT 400,000 can be kept in the branch and any money exceeding this limit, has to be sent to the head office. Head office keeps the money in the general account. Financial statement has to be provided to Executive Committee every three months. Any one either the treasurer or the accountant can jointly sign cheques with the Chief Executive up to BDT 300,000. PMK uses the

instruments viz: cheques, cheque issue register, money requisition form, cash withdraw register, voucher approval, etc. Cheques are issued after voucher approval. At branch level, the Branch Manager signs cheques with a Field Officer.

Monitoring is meticulously carried out by staff of internal monitoring department at the field level to monitor the accuracy of the savings and credit information as well as other discipline of the organization. At the field level, clients' passbooks are tallied with ledgers and collection sheets every three months.

### **Board/Executive Committee Meetings**

In 2014-15, three board meetings were held during the reporting year. The dates include 03-12-2014, 01-04-15 and 25-06-2015. The meetings reviewed the progress of overall PMK's activities, adopted a number of decisions and provided important guidelines. Some notable decisions are that include change in the constitution, opening up new branches and automation of more branches.

### **Annual General Meeting (AGM)**

The 15th annual general meeting was held on 13-12-2014. The meeting reviewed the activities of the organization, approved the annual report and the budget. The agenda included the following:

- Review of last meeting and its approval.

- Draft annual report submission and discussion.
- Audited report submission and discussion.
- Appointment of Auditor
- Draft budget submission and discussion.

### **Legal Status**

PMK is a non-political, non-profit national level NGO. It is registered under the following agencies of the government:

- i. Social Service Department, the People's Republic of Bangladesh, Registration No. 02218, dated 27-11-1988.
- ii. Foreign Donations (Voluntary Activities) Regulation Act 1978 with NGO Affairs Bureau, Registration No. 709, dated 27-05-1993.
- iii. Registered with Joint Stock Company, Registration No. 1860, dated 03-09-2007.
- iv. Obtained License from Microcredit Regulatory Authority (MRA), License No. 00862-00387-00312, dated 29-07-2008.

### **Staff Meetings**

In PMK Head Office regularly staff meetings are held. Meetings are also held in branches on monthly basis according to chalked-out plans. Discussions are held in a free and congenial atmosphere and in a participatory way. The meetings discussed important field level problems and the needed solutions. The targets and achievement were also discussed as per annual plan.



# Institutional Overview

## Background

PMK is a leading national level developmental organization located in headquartered at Zirabo, Ashulia, Dhaka. It was initiated by the voluntary efforts of a group of local men and women. It was registered formally in 1988 with the Directorate of Social Service and later in 1993 with NGO Affairs Bureau to receive foreign donations. PMK was initiated with the inspiration and leadership of Ms. Kamrun Nahar, the present Chief Executive of the organization. Ms. Nahar received cooperation and all out support from her spouse Mr. Dewan Abdul Mannan who is a philanthropist and an established businessman.

## Vision

A society, which is economically productive and equitable, socially just, environmentally sound and effectively democratic.

## Mission

Participatory sustainable development provided institutional support to the poor (particularly women).

## Objective

The overall objective of PMK is to alleviate the poverty of the poor and very poor families and empower the women on social and economic aspects.

## Development Perspective

PMK dreams of a society free from starvation, malnutrition, oppression and exploitation, poverty and ignorance where every individual will be able to live in peace and harmony and enjoy the rightful share of the resources belonging to the society. It believes that participatory leadership, stimulation of human capital towards self-actualization, institutional development and utilization of local resources can ensure social justice and rural development. Its vision and mission are embedded on the conviction that the important needs of the people is not charitable relief but self-

respect and self-reliance, in a way they develop their ability for their personal, social, educational, economic and legal advancement, which will ultimately lead to social and economic empowerment.

## Major Activities

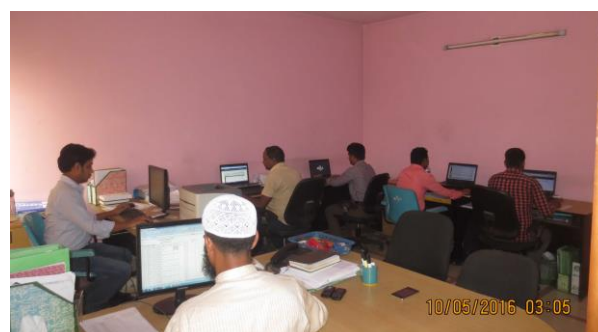
To bring self-reliance among the powerless poor women is to promote their socio-economic status and facilitate in establishing their human rights. The reason is that they themselves can plan and implement different socio-economic and environmental activities. PMK provides the following board services:

- Financial intermediation through microfinance.
- Micro enterprises.
- Microfinance support for poultry and livestock development.
- Microfinance support for agricultural development.
- Microfinance support for housing.
- Consumer credit.

## PMK executes the following programs:

- Financial services that includes savings, credit and insurance.
- NEED (Necessity of Enterprise for Enhanced Development) and MEL (Micro Enterprise Loan) program.
- Primary health care.
- Hospital and Diagnostic Services
- Education
- Promotion of environmental and social forestry.
- Disaster management.
- Participatory livestock development project.

## ICT and MIS



## Social Development Services

### Anukul Foundation Supported Health Program

With the financial and technical assistance of Anukul Foundation of Care, Bangladesh, PMK has been providing health services in the branches in Zirabo Area. Under this program different healthcare services were provided as follows:

- 393 pregnant mothers
- 104 Lactated mothers
- 229 post delivery services
- 23 referral services in other hospitals
- 474 general women patients
- 217 general child patients
- 273 pregnant mothers were provided with free medicine
- 60 courtyard meetings were held to raise awareness where on an average 22 women were present
- Medical services were paid to general ailments like cold & cough, headache, diabetics, high per tension
- Pregnant mothers were provided services like check-up, follow-up, normal delivery arrangement
- Infants were provided with general treatment.



### Hospital and Diagnostic Services

The hospital services include the following:

- Medical tests and examinations: at present 65 types of tests are being carried out in the hospital and diagnostic center these include X-ray, ECG, ultra sonogram among others.
- Medical services: this service is available for 24 hours. Besides on particular day medical counseling is provided by specialist doctors.
- The poor people are provided all kinds of available services with a card costing BDT 100.

### Sombreddhi Kormoshuchi

#### Background:

This is a project of PKSf for their partner organizations. The project aims at ensuring sustainable development of the poor people at the grass-roots level and their poverty reduction as well as human development. The objective is also to increase the assets of the poor and their capacity building. The activities of the project include health service, education, youth development, community based development, technical/ vocational training for employment generation, cooking stoves (called Bandhu Chula), solar home systems (SHS), special savings, cultivation of medicinal herbs and other financial assistance.

#### Education Program:

This program is developed by PKSf Sombreddhi Kormoshuchi. The prime objective of this program is to stop the drop-out of students at primary level. It may be noted that the parents of students of poor households are generally not educated or less educated. Many of them remain awfully tired after day-long work and cannot attend to their children. Due to lack of

guidance the students cannot prepare the lessons of the school and feel shy attending schools and as a result dropout from schools. To resolve this situation, the project has engaged a part-time teacher for a school who help the students of kindergarten, class-I and Class-II. The teacher help prepare the lessons for two hours every day for six days a week. To run this program there are private 35 teachers and two supervisors. This program is being carried out since July 2014. The performance is as under:



**Table-1: Performance of education program**

Schools	Kinder-garten		Class-I		Class-II		Total Students	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
35	95	95	148	153	116	136	359	384

### Health Program:

Access to Health service is fundamental rights of the people. Health is an important indicator of human development which is widely recognized. This health program is supported by PKSF Sombreddhi program. The objective is to undertake some activities that will ensure health services, promote nutrition, physical and mental development including financial and social emancipation of the poor, marginalized people, people in jeopardy that include children, adult, adolescents, pregnant and lactate mothers. The project has started from July 2015 in Golakandil Union, Rupgonj Upazial of Narayangonj District.



**Table-2: Performance of health program**

Household	Strategic clinic		Satellite clinic		General health complex		Eye camp	
	organized	Service Receivers	organized	Service Receivers	Service Receivers	Service Receivers	organized	Service Receivers
12,500	5,395	1,441	99	3,379	3,379	756	1	239

## Microfinance Program

Employment and income generation is one of the important objectives of PMK, which been initiated with the aim of offering scope and opportunities of self-employment for the landless men and women group members. In this context, PMK provides financial support in the form of credit at affordable interest rates, terms and conditions. Necessary skill development training is provided to ensure better income through proper utilization of credit.

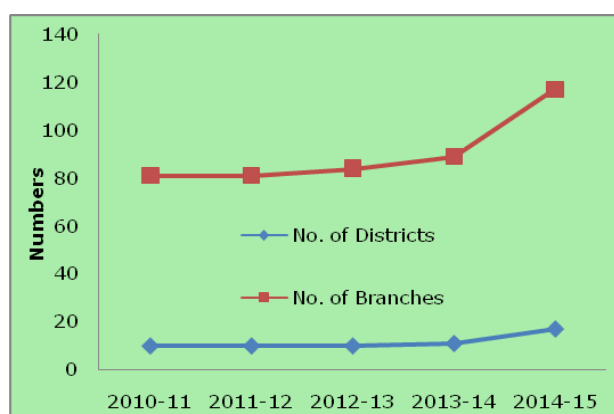
### Geographical Outreach

During the year, PMK operates in 17 districts comprising 3,590 villages as against 11 districts and 3,430 villages. PMK has covered more 55% more districts and 5% more villages than the preceding year. It is running a total of 117 branches as against 89 in the preceding year thus resulting in 32% increase. The results indicate significant increase during the years.

**Table-3: Geographical outreach**

Year	No. of Districts	No. of Upazilas	No. of Unions	No. of Branches
2010-11	10	65	512	81
2011-12	10	67	577	81
2012-13	10	67	626	84
2013-14	11	70	660	89
2014-15	17	87	725	117

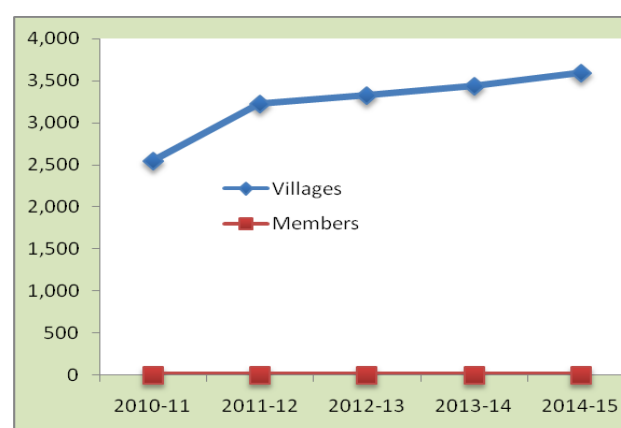
**Figure-1: Geographical coverage**



### Client Outreach

PMK has served 170,932 clients/savers and 137,011 borrowers during the year as against 143,407 clients/savers and 118,588 borrowers than the last year. The clients increased 19% and the borrowers increased 16% respectively showing remarkable attainments.

**Figure-2: Members outreach**



**Table-4: Year-wise member outreach**

Year	Total Villages	Total Groups	Total Members
2010-11	2,546	6,613	1,34,598
2011-12	3,228	6,698	1,36,681
2012-13	3,323	6,988	1,40,878
2013-14	3,430	7,329	1,43,407
2014-15	3,590	7,519	1,70,932

### Target Clients of PMK

PMK has two kinds of target clients, who are categorized as poor and the poorest. The clients are cent percent women. They are identified in terms of the following criteria:

**Poor:** Families having 0.15 to 0.75 acres of land or an annual cash income not exceeding BDT 15,000 – 40,000, can earn or afford food for more than four months but less than eight months in a year with own production/ income resources.



**Poorest:** Asset less families with less than 0.15 acres of land or less than BDT 15,000 cash income annually, cannot afford food more than three months in a year by own income or resources.

## Products and Services

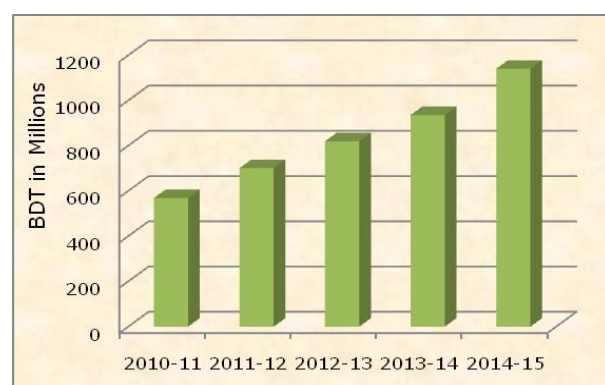
### Savings Products and Features:

PMK has three savings products that include mandatory savings, voluntary savings and monthly savings. The total net savings rose from BDT 936.04 million in 2013-14 to BDT 1,140.49 million in 2014-15 resulting in 1.22 times. The average savings per client has increased from BDT 6,527 to BDT 6,672 with 2% rise during year.

**Table-5: Trend of savings growth**

Year	No. of Members	Net Savings (BDT in million)	Average Annual Savings (BDT)
2010-11	1,34,598	568.70	4,225
2011-12	1,36,681	700.90	5,128
2012-13	1,40,878	819.71	5,819
2013-14	1,43,407	936.04	6,527
2014-15	1,70,932	1,140.49	6,672

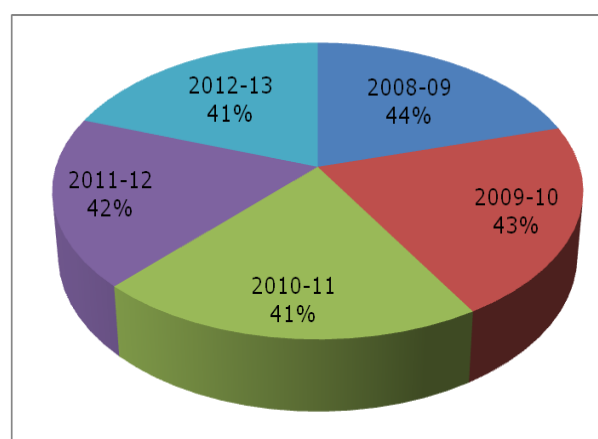
**Figure-3: Trend of savings growth**



**Table-6: Savings performance**

Savings balance against portfolio			
Year	Savings Balance (BDT in million)	Portfolio (BDT in million)	Savings % against portfolio
2010-11	578.54	1,404.98	41
2011-12	700.91	1,661.83	42
2012-13	819.71	1,982.89	41
2013-14	936.04	2,557.12	37
2014-15	1,140.49	2,944.76	39

**Figure-4: Savings balance against portfolio**

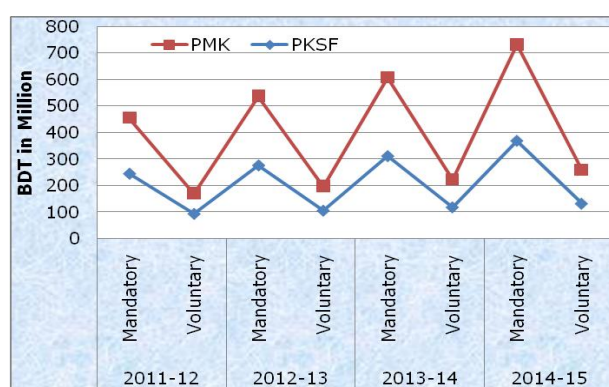


### Mandatory Savings

Normally each member saves BDT 20 each week as mandatory savings, which is refundable when one member withdraws her membership once for all. Interest is paid for mandatory savings as per MRA regulation, which is @ 6% per annum – a rate higher than commercial banks.

**Table-7: Category-wise savings balance (four years) (BDT in million)**

Source	2011-12		2012-13		2013-14		2014-15	
	Manda-tory	Volun-tary	Manda-tory	Volun-tary	Manda-tory	Volun-tary	Manda-tory	Volun-tary
PKSF	245.98	94.13	277.39	106.30	312.52	118.83	370.55	132.80
PMK	210.95	76.90	261.51	91.89	297.10	105.30	364.22	127.07
<b>Total</b>	<b>456.93</b>	<b>171.03</b>	<b>538.90</b>	<b>198.20</b>	<b>609.62</b>	<b>224.13</b>	<b>734.77</b>	<b>259.87</b>

**Figure-5: Category-wise savings balance**

### Voluntary Savings

Depositing in the voluntary savings is open for all members. One can deposit any amount within her eligibility in different weeks. This means that it is not mandatory to deposit in all weeks. On the other hand, members can withdraw any amount at any time from her deposited voluntary savings amount just leaving BDT 100 as balance in the account. Interest is paid for voluntary savings @ 6% per annum as well.

In both cases of mandatory and voluntary savings, interest is added to the accumulated savings twice a year i.e. at the end of June and December respectively.



### Monthly Savings

Monthly savings is a long-term deposit savings product. Members can open account for the period from 5 years or 10 years. The amount is deposited in installment which is BDT 100 or its multiple per month. Interest that is paid for monthly savings is 7% for 5 year-period and 12% for 10 year-period.

### Loan Products and Features:

PMK is mainly a microcredit-based organization. PKSF fund, PMK own resources and Anukul Foundation fund are the main sources of fund for PMK's loan programs. The PKSF program has 7 components viz. Rural Microcredit (RMC), Urban Microcredit (UMC), Micro-enterprise Lending (MEL), Ultra-poor (UL-Poor), Poultry Livestock Development Program (PLDP-2), Livelihood Restoration Program (LRP), Seasonal Loan (mainly agriculture and beef fattening purpose) and Emergency Flood Restoration and Recovery Assistance Program (EFRRAP). On the other hand, the Non-PKSF components include RMC and UMC. Notably, PMK with its own fund runs 4 loan products that include Rural Microcredit (RMC), Urban Microcredit (UMC), Micro-enterprise Lending (MEL) and Housing Loan.

Necessity of Enterprise for Enhanced Development (NEED) is one specialized loan product of PMK's own fund which is exclusively enterprise loan. For taking any loans, the clients should have savings 5%-10% against loan amount proposed. A client cannot avail of microcredit loan and NEED loan together.

**Table-8: Program Financing as on 2014-15**

Financing source	Upazilla	Union	Village	Groups	Members	Borrowers	Cumulative loan Disbursement (in million)	Loan Outstanding (in million)	Savings balance (in million)
PKSF	39	303	1,938	3,877	89,014	70,598	14,286.25	1,355.76	605.58
PMK	48	422	1,652	3,642	81,918	66,413	13,680.52	1,589.01	534.91
<b>Total</b>	<b>87</b>	<b>725</b>	<b>3,590</b>	<b>7,519</b>	<b>170,932</b>	<b>137,011</b>	<b>27,966.77</b>	<b>2,944.77</b>	<b>1,140.49</b>

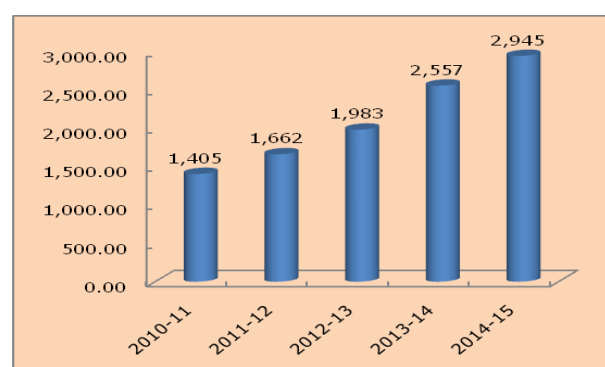
A total of 39 branches are covered under PKSf lending program. These branches cover 89,014 clients that include 70,598 borrowers. The savings under PKSf program stood at BDT 605.58 million as of June 2015. The cumulative disbursement of loan amounted to BDT 14,286.25 million. The loan outstanding of PKSf loans now stands at BDT 1,355.76 million. The Non-PKSf branches include 48. These branches have 81,918 clients that include 66,413 borrowers. The clients saved BDT 534.91 million. The cumulative loan disbursement stood at BDT 13,680.52 million. The loan outstanding stood at BDT 1,589.01 million.



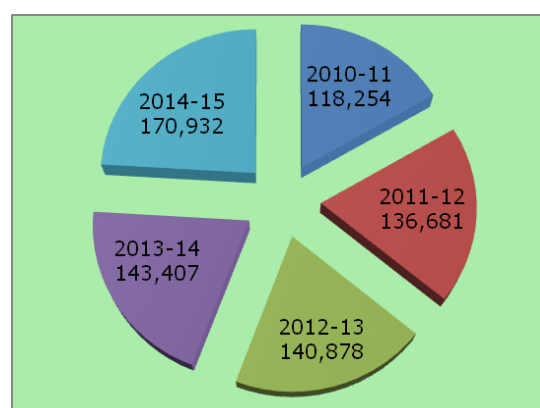
**Table-9: Portfolio and member increase**

Year	Portfolio (BDT in million)	No. of Members	Members Increase
2010-11	1,404.78	1,18,254	9,232
2011-12	1,661.64	1,36,681	18,427
2012-13	1,982.88	1,40,878	4,197
2013-14	2,557.12	1,43,407	2,529
2014-15	2,944.76	1,70,932	27,525

**Figure-6: Portfolio position (BDT in Million)**



**Figure-7: Members position**



### Micro-credit

Loans are categorized as rural micro-credit (RMC) and urban micro-credit (UMC). Interest on loans is charged on declining balance. Normally in rural areas, loan starts from BDT 5,000, while the urban micro-credit (UMC) starts from BDT 10,000. Loan ceiling increases by BDT 2,000 or more every year. Rate of interest is 27% per annum and loans are payable on weekly basis in 45 installments. The ultra poor is provided loan from BDT 1,000-5,000 with 20% rate of interest per annum. EFRRAP loan provided to members up to BDT 3,000 with 8% interest per annum. Repayments are collected in weekly installments.

### PMK NEED Program

The NEED program provides assistance to Microenterprise entrepreneurs among the target clients. NEED is supported by both PMK and PKSf. They are indeed graduated members. They have been able to create self-employment as well as waged based employments in many cases. Due to this program, there has been a marked development in livelihoods of the entrepreneur-members. The businesses include house repairing, cow rearing, grocery stores, agricultural business, poultry farms, small trades and mini industry, etc.

At the year end, the cumulative number of borrowers was 6,393 that included new borrowers of 1,281 during the year. The loan size ranges from BDT 50,000 – 1,000,000. The loan period



varies according to types of business that is one year, two years and three years period. The rate on interest is 27% at most. Loan disbursement during the year was BDT 1,029.90 million and the cumulative disbursement was BDT 4,304.54 million. The loan recovery rate was 98.48%.



**Table-10: At a glance of NEED program**

Operational profile	2013-14	2014-15	Increase
Districts	3	6	3
Thana/Upazilas	7	13	6
Unions	133	115	-18
Villages	590	472	-118
Branches	21	23	2
Members	5,308	6,607	1,299
Borrowers	5,112	6,393	1,281
Staff	102	113	11
Savings balance (BDT in million)	130.01	160.23	30.22
Cumulative loan disbursed (BDT in million)	1,029.90	4,304.54	3,274.64
Loan outstanding (BDT in million)	524.48	670.48	146.00
Loan recovery rate	-	98.48%	-
Member: FO	98	100	2
Loan outstanding: FO (BDT in million)	9.71	10.16	0.45

### Livelihood Restoration Program (LRP)

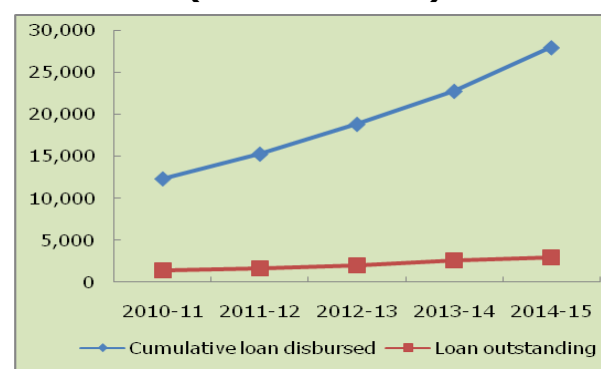
Under this program interest free loans are provided to the clients who are affected with natural disasters like

flood, drought, harsh winter, etc. Loans are given for one year. Average loan size is of BDT 3,000. A total of BDT 0.807 million was disbursed to 2,743 clients. The currently loan outstanding is BDT 0.14 million. The cumulative loan recovery rate is 99.98%.

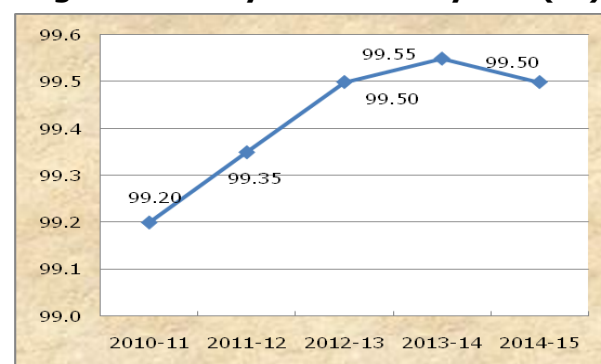
### Total loan disbursement, recovery and outstanding

The cumulative disbursement of loan stood at BDT 27,966.77 million (BDT 14,286.25 million from PKSf and BDT 13,680.52 million from non-PKSf) in 2014-15. The loan outstanding was at BDT 2,944.77 million (BDT 1,355.76 million with PKSf resource and BDT 1,589.01 million with non-PKSf fund) in 2014-15.

**Figure-8: Cumulative loan disbursement and outstanding (BDT in Million)**



**Figure-9: Yearly loan recovery rate (%)**



**Table-11: Year-wise loan disbursement, outstanding and rate of recovery**

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Number of outstanding borrowers	108,886	110,451	114,441	118,588	137,011
Cumulative loan disbursed (BDT in million)	12,313.05	15,267.54	18,822.08	22,766.04	27,966.77
Loan outstanding (BDT in million)	1,404.78	1,661.64	1,982.88	2,557.12	2,944.76
Recovery rate (%)	99.20	99.35	99.50	99.55	99.50



# Human Resource Development (HRD)

## Training, Workshops and Seminars Organized

Human resource development (HRD) is considered as an important issue by PMK. This is essential to help develop productivity of the staff, their analytical skills, building positive attitudes, effective management and operational skills. The HRD also addresses building capacity of the clients. PMK has training programs both for the beneficiaries and the staff. The efficiency of the staff eventually will lower the costs of services and that the beneficiaries can do their money management properly. Because of these training, the staffs have been able to utilize their experiences in their respective professional fields to boost their effectiveness and efficiency. As a result, PMK is in a position to provide quality services to its beneficiaries and clients. This has also helped the organization on the way of attaining and sustaining financial self-sufficiency.

**Table-12: Training Courses Participated**

Name of Course	Batches	Participants
Advanced Microcredit and Institutional Management	2	6
Internal Audit for Operation of NGO/MFI	1	2
Strategic Planning for NGO/MFI	1	2
Savings and Microcredit Management	4	10
Accounts and Financial Management	7	15
Financial Product Development & Product Diversification	1	2
ME & SME Operation and Management	1	25
Group Dynamics Savings & Micro Credit Management	1	21
Microenterprise Management and Business Expansion	1	1
Microfinance Operational Software (Micropin360)	2	42
Basic Accounts Keeping	3	105
Office Management	2	46
Pre-Service Orientation(PSO)	11	330
<b>Total</b>	<b>37</b>	<b>607</b>

## Staff Training

PMK is committed to develop all staffs through providing different training. During the year, the organization conducted training for 731 staff that included 35 batches. The courses included pre-service orientation (16 batches), savings and credit management (6 batches), software operation (4 batches), micro-enterprise & Small & Medium Enterprise (7 batches), on-the-job refreshers (2 batches), Group Dynamic Savings & Micro credit Management (12 batches) and NEED Workshop (01 batches).



PMK's own training venue was also used for PKSf sponsored training where staffs from different partner organization participated. This year 213 staffs from PKSf's different partner organizations participated in different trainings viz. Microcredit Operation and Management, Micro-enterprise and Loan Management, Micro enterprise and Small & Medium Enterprise operation & Management, Savings and Credit Management etc. The organizations from where staffs were nominated for training are TMSS, SSS, UDDIPAN, PMUK, Sajida Foundation, POPI, JCF, BASA, SDI, DORP, SUSS Training, SUS, GKT, Sojag, VERC, VEDO, BERDO, Page Comilla, HEED Bangladesh, ASPADA, Samajic Seba Songodhon, PBK, Annesa Foundation, Parasmony, RRF, ARAB, RIC, BEES, CCDA, NGF, PSF, DBS,

BDSK SAP Bangladesh, DDJ, OSACA, CDIP, CARSA, ESDO, ATTOBISWAS, GBK, DBS, ASOD, UJDPS, RDRS, DLS, PDIM, BASTAB, PSF, ETC.

### **Training Facilities in PMK**

PMK has set up beautiful training facilities for internal and external use. Its training room has sitting arrangement for 30 participants. There is also dormitory for 30-40 persons. The facilities of the training venue include:



- Multi-media projector
- Desktop computer
- Laptop computer
- Hand microphone
- Photocopier
- Internet facility
- Telephone and fax
- Library
- Separate rooms for group discussions

### **Arrangement for Workshops, Seminars, etc.**

In addition to internal use, outside organizations can also rent venue for organizing workshop, seminars, board meetings and training programs.

There are facilities for entertainment that include:

- Games
- Musical instruments
- Color TV
- Magazines and reports
- Newspapers

### **Dining Facility**

PMK has excellent and spacious dinning facility for 40 persons. Cooking is done here by well experienced chefs. Pure water, fresh fruits and vegetables are always available. Skilled boys are engaged in providing service.

### **Strong Generator for Power Supply**

There is no problem if electricity goes off. There is a strong generator for uninterrupted power supply.

### **Security**

Round the clock security guards are available in the campus. Everything remains secure and in safety.

## Other Income Generating Program



PMK Hospital & diagnostic Center

## Development Partners

PMK's donors have extended substantial cooperation to the organization. Their support helped PMK to stand on its own feet. The notable partners in the past include the following:

### Past Partners

- The Australian High Commission
- The Royal Dutch Embassy
- Bilance, the Netherlands
- Asia Partnership for Human Development (APHD)

### Present Partners

- Palli Karma-Sahayak Foundation (PKSF)
- ANUKUL Foundation

### Affiliation

PMK is affiliated with the following organizations as partners or members:

- Credit and Development Forum (CDF).
- The International Network of Alternative Financial Institutions (INAFI).
- Federation of NGOs in Bangladesh (FNB).

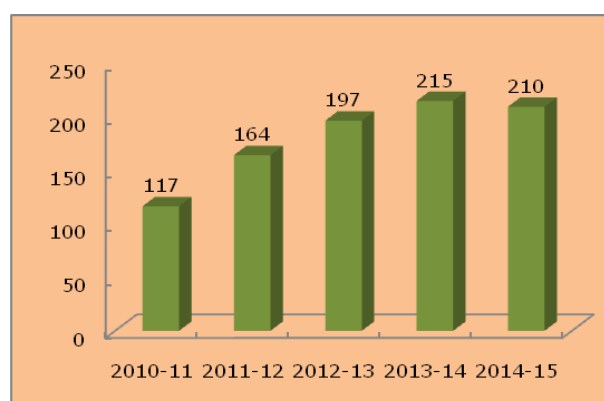


## Financial Performance

### Profitability and Sustainability

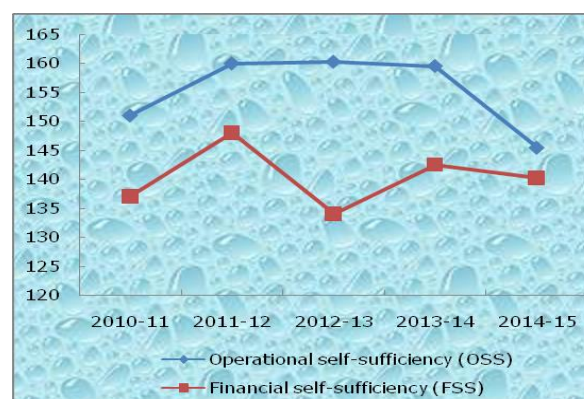
PMK has earned net profits of BDT 196.64 million in 2012-13 and BDT 164.33 million in 2011-12 resulting in 20% rise.

**Figure-10: Net profit (BDT in Million)**



The return on performing assets which is the portfolio yield is 26.32% in the current year compared to 24.93% in the preceding year FY 2011-12. The return on assets (ROA) is 7.75% compared to 10.80% in the preceding year. The return on equity (ROE) is 19% in the current year compared to 20% in the preceding year. The operating expense ratio is 11.56% compared to 11.54% in the preceding year. The operational self-sufficiency (OSS) is 160.30% and the financial self-sufficiency (FSS) is 134% as opposed to 160% and 148% in the preceding year respectively. The sustainability fell during the year due to increased loan loss provisioning and high staff salary increase due to salary revision.

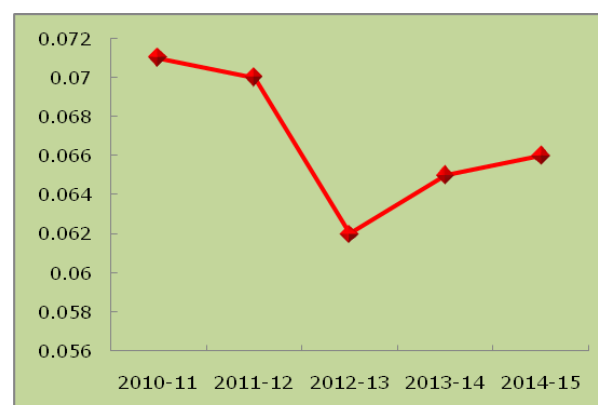
**Figure-11: FSS and OSS**



### Efficiency and Productivity

Cost per borrower was BDT 1,965 during the year compared to BDT 1,238 in 2011-12. Cost per unit money lent was BDT 0.06 in the year compared to BDT 0.07 in 2011-12 showing an increase in cost efficiency. The training and development cost ratio computed against operating expenses was 0.0016% as opposed to 0.0035% in 2011-12.

**Figure-12: Cost per Unit of Money Lent (BDT)**



## Portfolio Quality

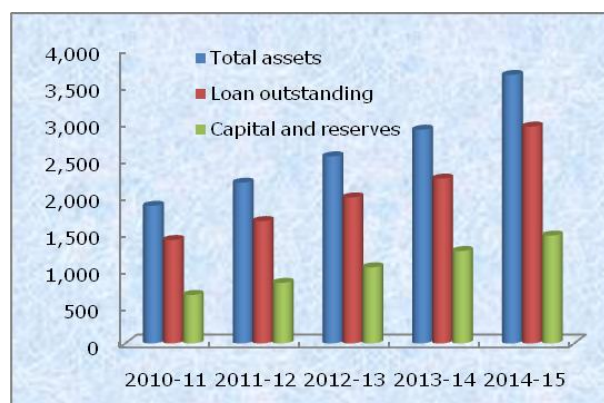
The portfolio quality was 4.75% in the year compared to 5.73% in 2011-12 which shows a marked increase in the quality of portfolio.

## Growth of Assets and Equity

### Assets Growth

The total asset of PMK has been constantly increasing over the years. It stood at BDT 2,540.37 million in 2012-13 compared to BDT 2,182.50 million in 2011-12 resulting in 16.40% increase. The loan outstanding has been decreasing. It stood at BDT 1,982.88 million at year end as opposed to BDT 2,008.12 million in 2011-12 showing a nominal decrease of 1.27%.

**Figure-13: Growth of Assets, Loan Outstanding and Capital & Reserves (BDT in Million)**



### Equity Growth

The capital and reserves that form equity has been increasing over the years. It rose to BDT 1,033.69 million in 2012-13 from BDT 822.96 million in 2011-12 resulting in 25.61%, which is a significant increase.

## Financial Structure

The capital adequacy ratio for the current year was worked out at 36.99% as opposed to 33.10% in 2011-12.

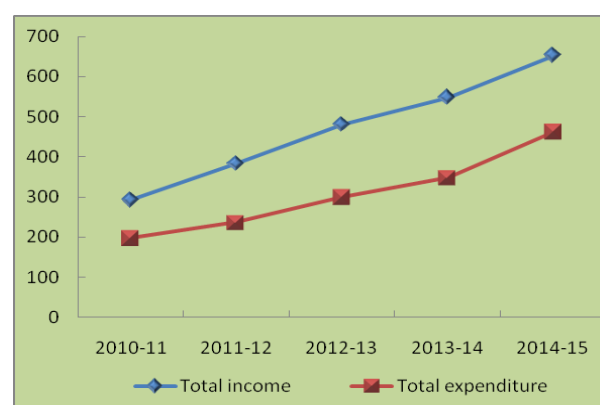
The fixed asset versus total assets ratio has been figured out at 13.17% in FY 2012-13 compared to 16.14% in 2011-12. The financial cost ratio was at 3.58% as opposed to 3.42% in the preceding year. The deposit versus loan outstanding is 41% compared to 38% in the preceding year. The debt-equity ratio in the year is 1.45% as compared to 2% in the preceding year.

## Income and Expenditure

The income of PMK is rising over the years. The total income of PMK was BDT 495.73 million during the year that included interest income of BDT 479.73 million as opposed to BDT 400.22 million and 382.24 million respectively in 2011-12. Overall, income has risen by 23.86% while the interest income has increased by 25.50%.

With the rise of volume of activity, the expenditure is also going up. The expenditure amounted to BDT 299.10 million during the year as opposed to BDT 235.89 million in 2011-12 resulting in 26.80% increase. The main reason of rise of expenditure is staff salary increase, loan loss provisioning, increased interest payment to PKSF, staff traveling cost, etc, among others.

**Figure-14: Income and Expenditure (BDT in Million)**



## Five years selected financial variables

(Figure in million)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Total assets	1,868.14	2,182.50	2,540.37	2,902.65	3,646.21
Loan outstanding	1404.78	1661.64	1,982.88	2,239.29	2,944.76
Capital and reserves	658.63	822.96	1,033.69	1,254.93	1,464.77
Total income	315.55	400.22	495.73	562.33	671.45
Interest income	292.21	382.24	479.73	547.62	652.31
Total expenses	197.03	235.89	299.10	347.22	461.77
Net profit	116.52	164.33	196.64	215.10	209.67
Financial expenses	35.00	52.57	64.49	64.64	69.27
Operating expenses	62.58	60.72	123.21	250.42	341.13
LLP	111.49	112.50	11.3	13.17	25.73
Cost per unit money lent (BDT)	0.07	0.07	0.06	0.06	0.06

## Four years at a glance of financial performance

Particulars	2011-12	2012-13	2013-14	2014-15
<b>Financial Structure (%)</b>				
Capital/Asset Ratio	33.10	36.99	58.15	49.74
Debt/Equity Ratio	2.00	1.45	1.05	1.48
Deposits/Loan Outstanding Ratio	38	41	42	39
Fixed assets/Total Asset	16.14	13.17	12.90	10.81
Loan Loss Provision (LLP) Ratio	14.77	6.00	5.43	4.99
Financial Cost Ratio	3.42	3.58	2.78	2.67
<b>Profitability and Sustainability (%)</b>				
Portfolio Yield	24.93	26.32	24.19	25.90
Return on Assets	10.80	7.75	7.41	7.12
Return on Equity	20.00	19.00	17.14	9.35
Operational Self-sufficiency (OSS)	160	160.30	159.56	145.40
Financial Self-Sufficiency (FSS)	148	134	142.50	140.22
Operating Expense Ratio	0.44	0.46	0.49	0.52
<b>Efficiency and Productivity (%)</b>				
Cost per borrower in Taka	2,142	1,965	2,256	2,489
Cost per unit of money lent	0.070	0.062	0.065	0.066
Training & development cost ratio	0.0035	0.0016	0.0126	0.0036
<b>Portfolio Quality (%)</b>				
Portfolio at Risk (PAR)	5.73	4.75	4.82	4.05

# Executive and General Committee

## Executive Committee

### Chairman

**Md. Monjur Ali**  
Businessman

### Vice-Chairman

**AKM Shirajul Islam**  
Private Service

### Secretary General

**Kamrun Nahar**  
Chief Executive, Palli Mongal Karmasuchi (PMK)

### Treasurer

**Suraiya Shoaib**  
Educationist (Rtd.)

### Members:

**Shaheda Husain Choudhury**  
Social Worker

**Moslema Jahan**  
Private Service

**Bilkis Bari**  
Private Service

## General Committee

### Chairman

**Md. Monjur Ali**  
Businessman

### Vice-Chairman

**AKM Shirajul Islam**  
Private Service

### Secretary General

**Kamrun Nahar**  
Chief Executive, Palli Mongal Karmasuchi (PMK)

### Treasurer

**Suraiya Shoaib**  
Educationist (Rtd.)

### Members:

**Dewan Abdul Mannan**  
**Jahanara Hoque**  
**Shaheda Husain Choudhury**  
**Moslema Jahan**  
**Md. Rafiqul Islam Chowdhuri**  
**Monowara Begum**

**Nasrin Sultana**  
**Nazmul Ghani**  
**Bilkis Bari**  
**Md. Hedayatul Islam**  
**Amina Akter**  
**Nasrin Bhanu**

**M H Bahar**  
**Johura Talukder**  
**Md. Sahaj Uddin**  
**Afroza Naznin**  
**Piyara Begum**



## List of Departments and Section Heads

1. **Ms. Kamrun Nahar**  
Chief Executive
2. **Md. Tajul Islam**  
Director
3. **Md. Humayaun Kabir**  
Deputy Director
4. **Maloy Kumar Sarker**  
Deputy Director
5. **Md. Kamruzzaman Khan**  
Deputy Director
6. **Ms. Susmita Gani**  
Assistant Director
7. **Dewan Faisal**  
IT Chief
8. **Syed Akmal Hossain**  
Assistant Director (Finance)
9. **Mostaq Ahmed**  
Assistant Director (Finance)
10. **Md. Nazim Uddin**  
Program Manager (Shamriddi Project)
11. **Md. Maynul Hasan**  
Chief Auditor
12. **Md. Rezaul Karim**  
Program Manager (Admin & HR)
13. **Riyad Mahmud**  
Training Coordinator
14. **Md. Shofiqul Islam**  
Assistant Program Manager (IT)

## Senior and Mid-level Professionals

1. **Ms. Kamrun Nahar**  
Chief Executive
2. **Md. Tajul Islam**  
Director
3. **Md. Humayaun Kabir**  
Deputy Director
4. **Maloy Kumar Sarker**  
Deputy Director
5. **Md. Kamruzzaman Khan**  
Deputy Director
6. **Ms. Susmita Gani**  
Assistant Director
7. **Dewan Faisal**  
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Program Manager (Admin & HR)
13. **Riyad Mahmud**  
Training Coordinator
14. **Md. Shofiqul Islam**  
Assistant Program Manager (IT)

# Financial Statements



**M.M. RAHMAN & CO.****CHARTERED ACCOUNTANTS TEL : +880-2-8129737****M.OBAIDUR RAHMAN, FCA CELL : 01775-889878****RAFIQUL ISLAM KHAN, FCA E-mail : rikhan@agni.com****MD. SHAH ALAM MIRDHA, FCA m.mrahman58@yahoo.com****Independent Auditor's Report****To The Members of General Body of  
Palli Mongal Karmosuchi (PMK)****AUDITORS' REPORT**

We have audited the accompanying financial statement of **Palli Mongal Karmosuchi (PMK)**, Which is comprised of the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income, Statement of Receipts and Payments, Statement of Cash Flows, Statement of Changes in Equity for the year then ended 30 June 2014 and a summary of significant accounting policies and other explanatory notes.

**Management Responsibility for the Financial Statement**

**Palli Mongal Karmosuchi (PMK)** Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

**Auditor's Responsibility**

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, to obtain audit evidence about the amounts and disclosures in the financial statements.

**Opinion**

In our opinion, the financial statements presents fairly, in all materials respects, the financial position of **Palli Mongal Karmosuchi (PMK)** as at 30 June 2014 and its Financial performance and its cash flows for the year then ended in accordance with International Financial Standards (IFRS) and other applicable laws and regulations including MRA guidelines. ended on that date.

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 there of.
- b) In our opinion, proper books of accounts as required by law and MRA Act and Rule have been kept by the organization so far as it appeared from our examination of those books.
- c) In our opinion, the Statement of Financial Position and the Statement of Comprehensive Income, Statement of Receipts and Payments, Statement of Cash Flows, Statement of Changes in equity dealt with by the report are in agreement with the books of accounts.

**Dated: M.M. RAHMAN & CO.****5<sup>th</sup> November 2014 CHARTERED ACCOUNTANTS**

## Annexure-A1/2

**Palli Mongal Karmosuchi (PMK)**  
**Consolidated Statement of Financial Position**  
**As at June 30, 2014**

Particulars		Notes	FY 2013-14	FY 2012-13
			Amount (BDT)	Amount (BDT)
	Properties and Assets			
A	Non-Current Assets			
	Property, Plant and Equipment	6.00	271,284,886	247,930,758
	Loan to Karmojibi Mohila Hostel	7.00	-	7,855,000
	Total Non-Current Assets		271,284,886	255,785,758
B	Current Assets			
	Loan to Members :	8.00	2,239,454,361	1,983,042,398
	RMC		455,641,042	288,494,463
	UMC		792,933,474	550,899,577
	ME-GOB		944,136,744	1,028,223,302
	PLDP-2		18,192,558	101,578,397
	LRP Mocro Credit		76,828	76,886
	Seasonal Loan		10,705,440	6,979,579
	UP		1,416,636	2,355,994
	EFRRAP		53,170	56,769
	Agriculture		16,298,469	4,377,431
	Anukul Foundation (UMC)		-	-
	Anukul Foundation (RMC)		-	-
	Short term Investments		194,899,285	112,698,665
	Savings FDR	9.00	90,645,484	48,543,871
	Loan Loss Provision Investment (LLPI)	9.01	-	-
	Disaster Mgt. Fund Investment (DMFI)	9.02	18,326,499	13,034,041
	FDR Statutory Reserve	9.03	85,927,302	51,120,753
	Depreciation Reserve Fund Investment	9.04	-	-
		9.05	10,288,291	6,652,573
	Other loan-Short term	10.00	7,063,686	4,733,434
	Temporary loan (Vehicies)	10.01	528,480	432,311
	Loan A/C PKSF Fund	10.02	25,143	30,443
	Mobile Loan	10.03	2,670,982	1,456,385
	Provident Fund Loan	10.04		
			21,393,797	13,913,931
	Advance, Deposits and Prepayments	11.00	17,012,541	17,629,025
	Embezzlement of Fund (Suspense A/C)	12.00	300	9310
	Stamp in Hand	13.00	3,460,798	1,413,362
	Cash in Hand	14.00	42,378,305	71,080,724
	Cash at Bank	15.00		
	Total Current Assets		2,528,887,678	2,206,439,987
C	Total Properties and Assets (A+B)		2,800,172,564	2,462,225,745

**Annexure-A1/2**

Particulars		Notes	FY 2013-14	FY 2012-13
			Amount (BDT)	Amount (BDT)
	<b>Capital Fund and Liabilities</b>			
<b>D</b>	<b>Capital Fund</b>			
	Cumulative Surplus	16.00	1,130,843,876	930,950,430
	Statutory Reserve A/C	17.00	125,493,774	104,142,212
	<b>Total Capital Fund</b>		<b>1,256,337,650</b>	<b>1,035,092,642</b>
<b>E</b>	<b>Non Current Liabilities</b>			
	Loan from PKSf	18.00	52,484,375	74,500,000
	Loan for Karmajibi Mohila Hostel	19.00	-	7,855,000
	<b>Total Non Current Liabilities</b>		<b>52,484,375</b>	<b>82,355,000</b>
<b>F</b>	<b>Current Liabilities</b>			
	Loan PKSf payable within 1 Year		62,000,000	133,484,375
	Loan A/C Non PKSf Fund	20.00	528,480	432,311
	Loan from Anukul Foundation	21.00	60,773,458	45,014,559
	Members Savings Deposits	22.00	936,048,914	819,714,395
	Monthly Savings Project-Staff	23.00	68,200	78,600
	Loan Loss Provision	24.00	121,662,113	108,564,962
	Gratuity Fund	25.00	36,885,225	21,678,235
	Disaster Management Fund	26.00	141,198,429	112,355,743
	Staff Welfare Fund	27.00	31,399,542	21,412,486
	Provident Fund	28.00	26,498	17,508
	Revolving Fund	29.00	41,022,199	33,701,114
	Security A/C- Staff	30.00	-	480,000
	Provision for Expenses	31.00	12,122,866	11,811,477
		32.00	47,614,615	16,032,338
	<b>Total Current Liabilities</b>		<b>1,491,350,540</b>	<b>1,344,778,103</b>
<b>G</b>	<b>Total Capital Fund and Liabilities</b>		<b>2,800,172,564</b>	<b>2,462,225,745</b>

Finance Manager Chief Executive

Signed in terms of our report of even date annexed.

Date: M.M RAHMANAN & CO.  
5<sup>th</sup> November 2014 Chartered Accountants

## Annexure-A1/3

**Palli Mongal Karmosuchi (PMK)**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended June 30, 2014**

Particulars	Note	FY 2013-2014	FY 2012-2013
		Amount (TK.)	Amount (TK.)
<b>Income</b>			
Service Charge on loan	33.00	547,621,220	479,730,501
Bank Interest		868,963	1,513,090
Bank Interest on FDR		9,032,836	10,656,513
Membership Fees		294,785	674,208
Sale of Passbook (Loan)		720,725	684,825
Sale of Passbook (MSP)		504,575	354,167
Sale of Cheque Book		61,832	365,282
Sale of Register		107,624	101,369
Stationary Sales		268,261	-
Sale of Loan Form		1,321,910	1,322,478
Service Charge (Vehicle Loan)		54,718	49,665
Service Charge (PF Loan)		89,336	89,756
Service Charge (KJM)		70,000	50,000
Member Closing Fee		3,490	-
Loan Processing Fee		117,661	-
Employee Recruitment Fee		183,802	144,100
Miscellaneous Income		1,015,544	-
<b>Total Income</b>		<b>562,337,282</b>	<b>495,735,954</b>
<b>Expenditure</b>			
Service Charge to PKSf Loan	34.00	11,223,334	18,256,667
Service Charge to Ank. Foundation Loan	34.00	4,823,410	4,226,938
Interest on Members Savings (Com. & Vol.)		38,437,307	33,731,102
Interest on Members Savings (MSP)		10,155,058	8,271,802
Salary and allowance		185,701,842	158,231,145
Office Rent		12,278,100	9,913,391
Printing and Stationery		2,867,432	1,197,372
Traveling		3,858,655	3,515,610
Telephone and Postage		473,453	367,321
Office Maintenance		7,079,604	10,039,787
Fuel and Lubricant		3,348,072	3,248,467
Electricity & Gas bill		2,765,559	2,302,575
Entertainment		2,804,773	3,332,255
Newspaper and periodical		33,643	237,700
Training Expenses		3,312,512	490,600
Vehicle Maintenance		1,828,515	2,378,697
Legal Expenses		288,025	253,291
Bank Charge		1,079,868	30,000
Audit Fee		120,000	155,275



## Annexure-A1/3

Particulars	Note	FY 2013-2014	FY 2012-2013
		Amount (TK.)	Amount (TK.)
LLPE		13,166,147	11,537,221
DMFE		8,883,587	5,001,487
Depreciation		18,581,740	16,208,068
Taxes		2,231,899	160,812
Registration and Renewal		35,000	56,250
Loan Processing expenses		14,508	46,310
Miscellaneous Expenses		4,745,322	2,323,312
Crockery's		229,161	161,100
Communication and Advertisement		225,055	226,246
Service Charge Rebit Advance Loan Realization		1,378,278	1,500,000
Service Charge to (KJM)		70,000	50,000
Insurance Premium Expenses		577,680	-
Honorarium & consultancy Fees		133,000	-
Abnormal loss		1,053,969	-
Software Operating Expenses		3,126,242	2,265,420
<b>Total Expenditure</b>		<b>347,227,750</b>	<b>299,716,221</b>
<b>Excess/(deficit) of Income Over Expenditure</b>		<b>215,109,532</b>	<b>196,640,590</b>
<b>Total</b>		<b>562,337,282</b>	<b>495,726,344</b>

Finance Manager Chief Executive

Signed in terms of our report of even date annexed.

Date: M.M RAHMANAN & CO.  
5<sup>th</sup> November 2014 Chartered Accountants

## Annexure-A1/5

**Palli Mongal Karmosuchi (PMK)**  
**Consolidated Statement of Cash Flows**  
**For the year ended June 30, 2014**

Particulars	FY 2013-2014	FY 2012-2013
	Amount (TK.)	Amount (TK.)
<b>A. Cash Flows from Operating Activities</b>		
<b>Surplus for the period</b>	<b>215,109,532</b>	<b>196,019,733</b>
<b>Add. Amount considered as non cash items</b>		
Loan Loss Provision (LLP)	13,097,151	(3,942,099)
Disaster Management Expenses (DMF)	9,987,056	5,001,487
Depreciation for the year	16,574,395	13,345,620
Interest Provision for staff Security	730,000	-
Provision for Expenses	10,000	11,525
Monthly Savings Projects (MSP) Interest Provision	8,642,277	7,983,930
Provision for Income Tax	2,200,000	1,500,000
Capital Fund (Prior Year Adjustment)	-	15,479,320
Revolving fund (Artificial Insemination)	(480,000)	-
Statutory Reserve A/C	6,135,476	627,334
<b>Sub total of non cash items</b>	<b>272,005,887</b>	<b>236,026,850</b>
Loan disbursement to Beneficiaries	(3,933,411,250)	(3,829,955,413)
Loan Realized from Beneficiaries	3,676,999,287	3,508,710,026
Advance, Prepayments and Deposits	(7,479,868)	(3,434,701)
Provident Fund	7,321,085	4,423,582
Provident Fund Loan	(1,214,597)	219,505
Mobile Loan	5,300	45,130
Vehicle Loan	(2,330,252)	(99,842)
Transaction with Non PKSf to PKSf	96,171	(1,161,527)
Transaction with PKSf to Non PKSf	(96,169)	1,161,527
Staff Security Fund	311,389	659,503
Embezzlement of Fund	616,484	(6433)
Stamp	9,010	-
<b>Net Cash Used in operating activities</b>	<b>12,832,477</b>	<b>(83,411,793)</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(39,927,523)	(6,543,005)
Sale of Property, Plant and Equipment	-	2,690,712
LLPI	-	467,968
DMFI	(5,292,458)	(6,475,712)
Statutory Reserve fund	(34,806,549)	(40,267,013)
Savings Fund	(42,101,613)	(3,988,586)
<b>Net Cash Provided in Investment Activities</b>	<b>(122,129,143)</b>	<b>(54,115,636)</b>
<b>C. Cash Flows from Financing Activities :</b>		
Loan Received from PKSf	52,500,000	90,000,000
Loan Refund to PKSf	(146,000,000)	(191,500,002)
Loan A/C Anukul Foundation	15,758,899	11,727,973
Staff Well Fair Fund	8,990	(387,907)
Members Savings Deposits	116,334,519	118,804,272
Benevolent Fund	28,842,686	19,379,594
Gratuity	15,206,990	6,255,727
Monthly Savings (MSP) Staff	(10,400)	(12,400)
<b>Net Cash used in Financing Activities</b>	<b>82,641,684</b>	<b>54,267,257</b>
<b>D. Net increase/decrease (A+B+C)</b>	<b>(26,654,982)</b>	<b>(82,795,782)</b>
Add: Cash and Bank Balance at the beginning of the year	72,494,085	155,224,955
<b>Cash and Bank Balance at the end of the year</b>	<b>45,839,103</b>	<b>72,429,173</b>



## **Palli Mongal Karmosuchi (PMK)**

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