

Annual Report

2020-21



SARA BANGLA KRISHAK SOCIETY

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PREFACE

I am delighted to present the Annual Report 2020-2021 of Sara Bangla Krishak Society (SBKS), which briefly highlights its development process, organizational management, activities and achievements during FY 2020-2021.

We have been working with 55 member Farmer Organization (FO) and more than 10,000 farmer families living in northern and southern region of Bangladesh. Our main focus areas are to build sustainable livelihoods through institution building, access to finance for smallholder farmers through FO-led revolving loan fund management, agri-business development, awareness on health and hygiene, good agricultural practice, conservation agriculture, demonstration and adaptation of new technologies etc.

Despite sudden outbreak of Covid-19 pandemic and the country wide lockdown imposed for almost 6 months which troubled us, we were able to complete most of the planned activities in a systematic way following all COVID-19 health safety protocols.

As a matter of fact, we were able to translate our initiatives into reality with cooperation and help from the government and non-government organizations at home and abroad. We especially grateful the Department of Agricultural Extension (DAE), Department of Livestock Services (DLS), Bangladesh Agricultural Development Corporation (BADC), Food and Agriculture Organization of the United Nations (FAO) and MMI team of both FAO and SBKS for their all-out support in implementing our envisioned programs.

Invaluable time and advice of the members of the executive and advisory committees encouraged us and made our journey smoother. However, the key to our success lies in the relentless efforts of the members of the FOs and our sincere thanks go to all those who were beside the SBKS for implementing its agricultural development initiatives.

Abdul Jabbar

President

Sara Bangla Krishak Society (SBKS)

Highlights in 2020-21

- Organizational capacity of 55 member Farmers' Organization (FO) has increased in terms of financial management, good governance, accountability and business management. The FOs established transparency and accountability by using 26 types of forms and registers for financial management.
- SBKS facilitated MMI-RLF model is performing well and creating competitive advantages for stallholders. Outreach, member satisfaction, portfolio quality, productivity, efficiency and sustainability indicators are satisfactory and above the industry average.
- The general members' interest, trust and confidence upon their organization increased due to transparent and updated accounting system in place.
- The savings and shares of the members in FOs have increased two to three folds.
- VCCs are fully operational and are facilitating the day-to-day business of smallholder members.
- CFC and VCC are leveraging business activities and increasing profitability.
- The MMI community webinar series was completed during this year. Great zeal was expressed for the MMI approach for community-led investment in RLF, value chains, markets and innovative technologies.
- One of the leading private banks, Bank Asia, showed interest in working with some FOs for its 'Agent Bank' model.
- FOs members are representing in Upazila Agriculture Affairs Committees, Paddy Procurement Committees, Project Advisory Committee, Technical Committee, Project Steering Committee etc.
- Public-private partnership is increased e.g. with Banks, BADC, DAE, BPEA, BARI, local administration etc.
- 1200 metric tons of potato were exported due to timely connection with exporters.
- With support from SBKS and MMI project, 15 POs have reared 600 beef cattle following safe meat production protocol (antibiotic free feed, green fodder like Moringa and Napier grass) set by the Department of Livestock Services (DSL) over two cycles of MMI-RLF. Smallholder cattle rearers have earned a good profit
- Performance of women-led and women-only FOs are better.

1.0 Introduction

The Sara Bangla Krishak Society (SBKS) has emerged as a non-profit, non-political and voluntary organization consisting of representatives from Farmer Organizations of small, marginal and landless farmers in Bangladesh. This annual report describes the progresses made in 2020-2021 fiscal year. Because Covid-19 pandemic it was a critical year for food producers. However, with the relentless support of SBKS the farmers kept their effort to reach food from farm to fork.

Vision

Be the leading voice of smallholder farmers for sustainable agricultural development.

Mission

Empower small, marginal and landless farmers' organizations from economically fragile areas of Bangladesh so that they can become equal, active and supportive partners in the government's investment program and decision-making process for agricultural development.

Goal

- Assist farmers in production, marketing, value chain connectivity and rights-based advocacy through the formation of member organizations.
- Regular liaison with all stakeholders, including the government, and capacity building through collaboration with local and international farmers' forums and agencies.



Strategies

- ❖ **Bridging:** Bringing small and marginal farmers into a larger network and combining their skills and experience.
- ❖ **Connecting:** Establish effective liaison with government and non-government departments to solve the existing problems of small and marginal farmers and ensure necessary services.
- ❖ **Increase organizational capacity:** Increase the organization's capacity in fund management, financial accounting, good governance, leadership, confidence building, bargaining skills, general service center and joint business management.
- ❖ **Adoption of rights based programs:** Farmers should be vocal to realize their rights.
- ❖ **Extension of technology:** Extension of good agricultural practices, organic farming technologies and farm mechanization activities for safe food production.

Principles

- **Integrity:** Perform all activities regarding agriculture, farmers and organization development honestly.
- **Equality:** All works should be done on the basis of equality.
- **Transparency:** Taking all decisions transparently and showing them to everyone.
- **Accountability:** Everyone is obliged to be accountable to those concerned for their work.
- **Fairness:** Giving benefits and priority based on fairness.
- **Participation:** Follow participatory approach in all activities and decision making.
- **Inclusion:** Ensuring the inclusion of all members in all activities.

2.0 Organizational management

At present as an apex, SBKS is supporting 55 Farmer Organizations particularly located at northern and southern regions of Bangladesh. More than 10,000 smallholder farmers are involved in these FOs under the umbrella of SBKS. All activities of SBKS are guided by the Executive Committee consists of 7 members. SBKS has planned to form seven departments: Institution Development, Agricultural Business Service Development, Financial Service Development, Finance and Accounts, Internal Audit, Office and Personnel Management, and Research, Monitoring to accomplish envisaged tasks. These seven divisions will implement SBKS's vision, mission, goals and programs through mutual cooperation within the organizational structure of the Society. In addition, there will be a consultative forum to review and advise the work of SBKS on a monthly basis. Meanwhile, to operate the activities SBKS has set up its secretariat with 6 1 Coordinator, 2 Monitor cum logistic officer, 1 Accountant and 2 Monitor along with 20 Farmer Business Facilitator (FBF) and 55 Farmer Accountant (FA).

3.0 Strategic policy formulation

3.1 Operations manual

SBKS and its' member FOs prepared operations manual to conduct regular activities of their organizations following participatory discussion and practical demonstration. The manual is a living document that aims at serving as instrument for office bearers to manage the organizations to reach an acceptable standard of efficiency. The operational manual includes policies on savings and credit, risk management or micro insurance, common facilities center management, virtual call center management, account management, procurement, employment rules, Gender, membership, training, monitoring and good governance and accountability action planning.

3.2 Revolving loan fund (RLF) strategy

SBKS developed this strategy through a participatory approach. The FOs have been working as financial service providers and are responsible for taking all reasonable steps to follow the RLF strategy and avoid any conflicts of interest in the implementation process. The main features of RLF strategy are:

- The RLF is community owned and community-led approach where independent loan and audit committees ensuring accountability.
- SBKS providing hands-on technical support throughout the process in order to make investments successful;
- In order to qualify for a loan, FO members must have a viable business plan and SBKS and FAO are providing support in the preparation of these business plans;
- Loan disbursement is seasonal and repayment is only required after harvest, with repayment calendars tailored to different value chains;
- The fund has a competitive single-digit flat interest rate of 9% and a cost of capital is lower than other options;
- Interest accrued from the fund remains with the producers' organization.

3.3 Standard operating procedures

Following the spirit of the RLF strategy, standard operating procedures (SOPs) were developed in Bengali. They were developed following the guidance of the FAO Inclusive Rural Transformation and Gender Equality Division (ESP) and with the support of Palli Karma-Sahayak Foundation (PKSF) and SBKS. These SOPs ensure the smooth implementation of the RLF strategy, taking into account the associated risks. The specific objectives of the SOP are to: (i) develop revolving loan fund management guidelines in line with the rules of the Government of Bangladesh; (ii) identify areas of risk considering different savings and loan products and develop risk mitigation guidelines; and (iii) improve the capacity of FO members to follow and implement the guidelines.

3.4 Development of virtual monitoring system for FOs and FBFs

The SBKS and MMI team jointly developed a virtual monitoring system for FOs. The objective of the system was to assess the progress and performance of FOs and capture best practices of COVID-19 mitigation. A checklist was developed for virtual monitoring, focusing on keeping up-to-date, detailed accounts. According to the checklist, FOs provided financial information, showed their documents (e.g. cashbook, ledger book, individual ledgers, and vouchers), shared their learning and best practices.

4.0 Institutional building

SBKS with the support FAO-MMI project developed a cohort of farmer business facilitators (FBFs) to support FOs in the process of business planning, implementation and financial management. The cohort of 20 Farmer Business Facilitators (FBFs), each also a member of their community's FO, were trained on leadership, governance, financial management and accounts, business planning, marketing, digital literacy and M&E. Each FBF then trained at least two farmer accountants (FAs) within the FOs they support. Around 110 farmer accountants (internal) and 20 farmer business facilitators (external) have formed a network—the Farmers Accountant Network (FAN). With this network and their business development capacity, FAs and FBFs are in a strong position to backstop the implementation of FO value chain business activities. FBFs provided hands-on training and assistance to members of FOs on: (i) financial management; (ii) business plan preparation for potential business and cropping patterns; (iii) governance and accountability action plans (GAAPs); (iv) leadership; and (v) organizational management. The Figure 1 is depicting the status of capacity building of FOs.

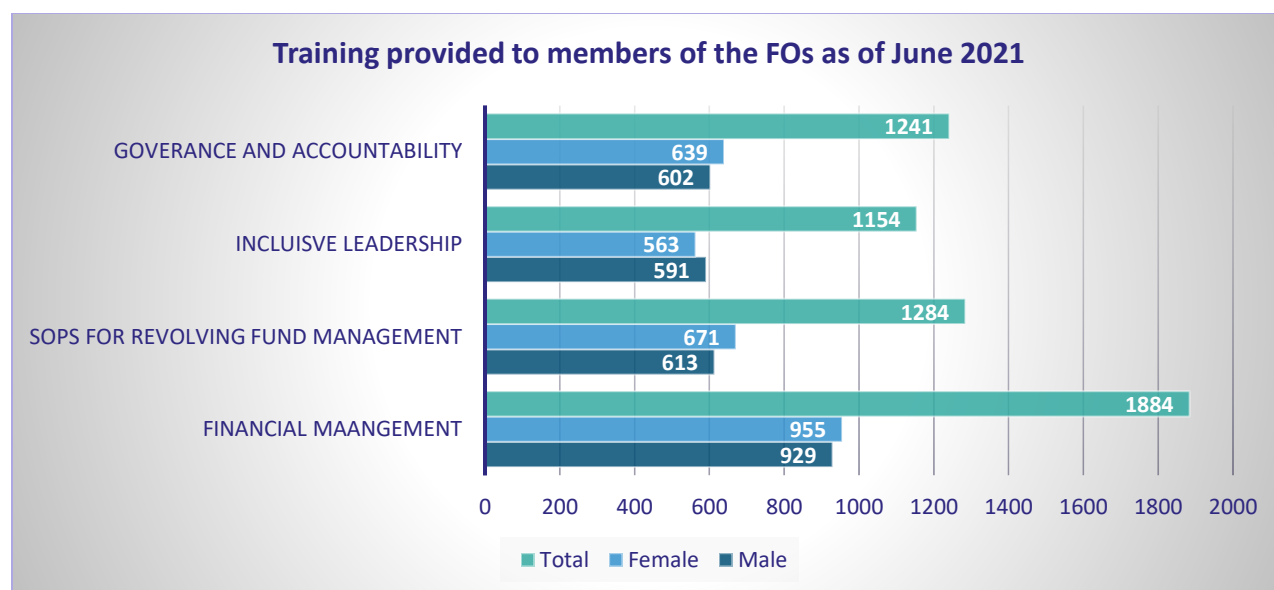


Figure 1: Status of capacity building of FOs

Significant improvements have been made in three categories of institutional maturity by most of the FOs. Table 1 below shows that the surveyed FOs general institutional maturity: leadership, recognition of members, member meeting attendance and governance; accounts keeping and value chain implementation capacity increased remarkably from the baseline because of backstopping support of SBKS.

Table 1: Average score by institutional maturity rating

Indicator	Average performance score			% change in score	
	Dec' 2018	Sep '20	June '21	From Dec' 18	From Sep '20
A.1 Institutional maturity rating: General (Max 40)	47%	81%	85%	79%	4%
A.2 Institutional maturity rating: Accounts keeping (Max 30)	35%	74%	80%	129%	8%
B. Value chain project rating (Max 30)	19%	60%	74%	283%	22%
Total score	37%	74%	80%	115%	8%

5.0 Business planning and value chain linkage

The FO members came together as a group and used the *RuralInvest* toolkit to prepare their business plans in a participatory manner. The plans are for community businesses facilitating improved market access for a particular value chain or commodity. All FOs that went through this business planning and value chain selection process have now graduated to the level of producers' organizations. This change of denomination reflects that they are now actively involved in a specific value chain or commodity and are moving towards more commercial activities.

5.1 Installation and operation of common facility centres

Common facility centres (CFC) (*Shadharon Sheba Kendra* in Bangla) are at the core of all FO functions. They support the success of the revolving loan fund investments by making the required services available for

the borrowers. Instead of buying high-priced inputs from companies, such as fish, cattle and poultry feed, these are produced directly by the FOs at these centres. They also provide production logistics such as sorting, grading, packing, storage, transportation, training and retail services.

With the support of MMI pilot grants, 40 FOs have established CFCs in accordance with their business plans. The centres have reduced production costs. CFCs leveraged economic activities. Value chain wise average net income of the last six months from CFCs are shown in Figure 2.

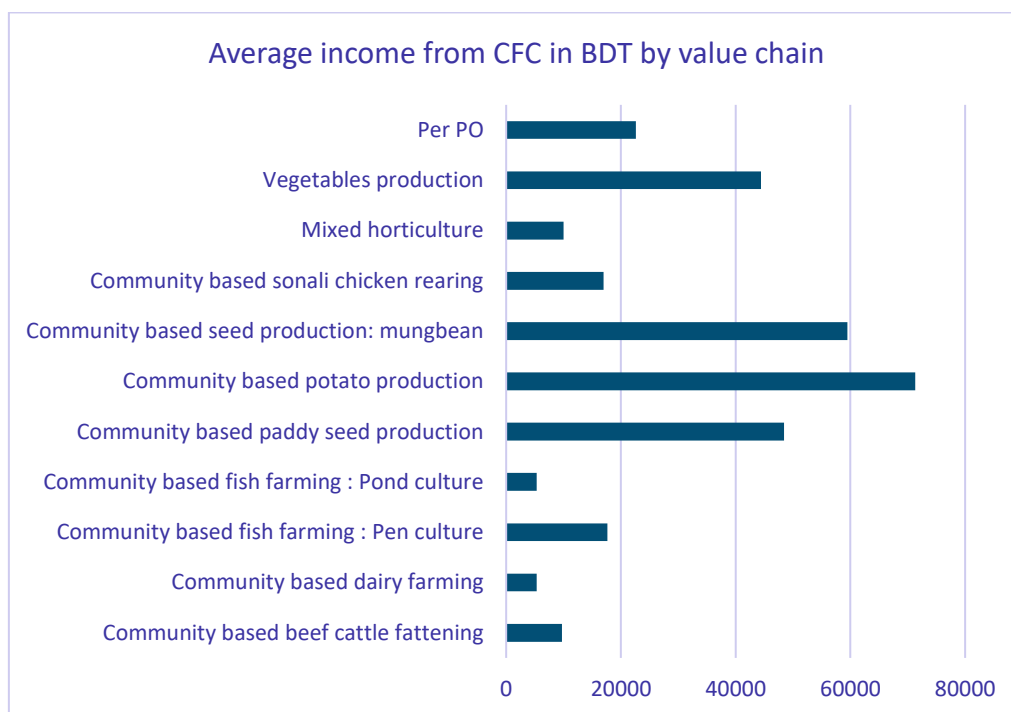


Figure 2: Value chain wise average net income

As of the 30th of June, 2021 these centres generated BDT 15,553,071 (USD 18,358) in service fees. According to the previous performance assessment, 83% of FOs were operating fully functional CFCs providing need-based services for their members. Their members were fully satisfied with the services provided.

5.2 Virtual Call Centres (VCCs)

Fifty-seven Virtual Call Centres (VCCs) were established by SBKS are functioning well and facilitated in selling more than 1,350 metric tons of crop, 400,000 litres of milk, 200,000 eggs, 30,000 poultry birds. Through the VCCs FO members have collectively bought 273 metric tons of common inputs. More than 10,000 producers had benefited from the VCCs. During the period 68,809 calls have been received for selling products, 33,833 calls for buying inputs and 23,855 calls for technical advice. Through the VCCs, approximately BDT 67.85 million (USD 802,900) of produce have been sold and BDT 10.92 million (USD 129,300) of agricultural inputs have been purchased.



5.3 Community webinar series

A series of 14 community webinars took place from August to October 2020. The webinars covered a variety of topics, including community investment in value chains, financial inclusion, digital solutions, diversification, commercialization and mechanization in agriculture. A virtual inaugural ceremony was held on the 26th of August and a wrap-up on the 19th of October, 2020. Actors along many different value chains joined in order to stay connected during the pandemic and share successes and challenges related to community businesses and other MMI FO initiatives. Key take-away from the webinars were in the areas of: establish a 'nutrition smart village', enacting of 'Good Agriculture Policy', phyto-sanitary measures and accreditation facilities etc. Following Table 2 is presenting brief status of webinar series.

Table 2: Community Webinar Series

Series #	Issue	Date	Registered participants		FO participants	
			Total	Female	Total	Female
1	Virtual Call Centers – Organized farmers are resilient amid COVID-19 (Inauguration by Hon'ble Secretary, MoA)	26 August 2020	240	118	168	89
2	Financial Inclusion of Smallholder Farmers – Community-based innovative approaches	29 August 2020	156	74	124	67
3	Seed Village – A community-based integrated approach for quality seed production	5 September 2020	144	78	121	65
4	Community-Based Safe Beef Cattle Fattening Using Moringa Fodder	7 September 2020	142	63	119	58
5	Community-Based Fish Value Chain (Pen and pond fish culture)	14 Sept. 2020	138	62	121	57
6	Community-Based 'One O One" Dairy Value Chain (80 Gowala, 20 Ghosh and 1 Processor)	17 Sept. 2020	115	57	98	51
7	Community-Based Sonali Chicken Value Chain	21 Sept. 2020	106	56	95	49
8	Community-Based Duck Value Chain	24 Sept. 2020	108	61	96	51
9	Community-Based Safe Vegetables Value Chain (Yearlong)	26 Sept. 2020	94	42	83	38
10	Community-Based Investment in Profitable Cropping Patterns	30 Sept. 2020	98	46	85	39
11	Community-Based Mixed Horticultural Crops Value Chain	1 October 2020	107	51	89	45
12	Community-Based Medicinal Plants Value Chain	5 October 2020	103	55	95	48
13	Cost of Rural Nutri-Plate – Price Monitoring of Rural Food Basket Amid COVID-19	12 October 2020	121	62	102	53
14	Wrap-up – MMI Approach for Building Sustainable Producer Organizations	19 October 2020	206	98	156	87
Total			1878	923	1552	797

The SBKS and MMI project gave a Food Hero *CREST* to all 55 organizations and their apex to commemorate their active and consistent virtual participation.

5.4 Digital Village Initiative (DVI)

Over the last year of the COVID-19 pandemic, rural digital innovations have opened up many windows to connect villagers with the 'info world'. However, in the context of Bangladesh, connectivity is very much linked to the economic status of consumers. Accessing these innovations is still a challenge for even advanced farmer as smart phones and 3G/4G connection are still somewhat luxury items. In order to accelerate digitalization in rural areas, SBKS-FAO has developed the concept of the *Digital Village Initiative* (DVI). From February to March 2021, SBKS and MMI conducted series of virtual meetings to layout the digital village model.

6.0 Social enterprise of SBKS

One of the main objectives of SBKS is developing social enterprises so that dividend goes to all smallholders and profit does not siphoned to non-agricultural activities. Keeping in mind this view SBKS has undertaken following enterprises.

6.1 FO-led community financing

As of June 2021, SBKS with the assistance of MMI had disbursed a total of USD 720,000 as revolving loan funds to 40 eligible FOs. A total of 1,088 producers (45% female) received MMI loans from their respective FOs for a cycle duration ranging from 3 to 12 months. RLF disbursement status and performance are presented in Table 3 and 4 respectively.

Table 3: Disbursement status of MMI RLF loans by value chain

Value chain	# of FOs	Average loan size (BDT)	Number of borrowers			Loan cycle length (months)
			Male	Female	Total	
Community based beef cattle fattening	15	73578	151	162	313	4
Community based <i>Sonali</i> chicken rearing	1	78000	6	14	20	3
Community based duck rearing	1	40000	1	43	44	6
Community based potato production	3	77000	49	14	63	4
Community based paddy seed production	4	50142	75	52	127	4
Community based seed production: mung bean	2	34667	42	51	93	4
Community based fish farming: pond culture	4	47250	83	45	128	6
Community based fish farming: pen culture	2	25627	72	46	118	6
Community based dairy farming	1	126000	1	11	12	12
Milk products processing	1	75600	16	4	20	4
Maize cultivation	1	50400	22	8	30	4
Community based chili production	1	77000	16	5	21	6
Mixed horticulture	1	72000	10	11	21	4
Vegetable production	3	60205	49	29	78	6
Total	40	57040	593	495	1088	



Table 4: At-a-glance performance of MMI-RLF

Indicator	Values	Remarks
A. OUTREACH & MEMBER SATISFACTION		
1. # of active borrowers	1,088	100% of borrowers are active which indicates appropriateness of the approach
2. # of women borrowers	495	45% of the borrowers are women
3. Attendance rate	100%	Indicates satisfaction with the quality of FO services and commitment to FO
4. Retention rate	100%	Indicates long-term relevance and satisfaction with the quality of FO services and commitment to FO
B. FORTFOLIO QUALITY		
1. Repayment rate	100%	As compared to the microfinance industry rate of 98.49%
2. Portfolio at risk	0%	As compared to the microfinance industry which allows for 5-6%
3. Arrears rate	0%	Indicates efficient portfolio management
4. Loan Loss Rate	0%	Indicates efficient portfolio management
C. PRODUCTIVITY		
1. # of loans per farmer accountant	28	The industry average is 254 per loan officer
2. Amount of loan per accountant (BDT)	1,551,488	The industry average is 2,500,000-3,000,000 per loan officer
D. EFFICIENCY		
1. Cost per borrower (BDT)	481	The industry average is BDT 1,000-1,200
2. Cost per member assisted (BDT)	315	The industry average is BDT 800-900
2. Cost per unit of money lent (BDT)	0.008	The industry average is BDT 0.15-0.20
E. PROFITABILITY and SUSTAINABILITY		
1. Operational self-sufficiency (OSS)	291%	The industry average is 110-120%
2. Financial self-sufficiency (FSS)	274%	The industry average is 105-110%
3. Return on assets	3%	Positive trend indicates longer-term sustainability

N.B.: Industry averages were calculated based on reports of Credit Development Forum, Palli Karma-Sahayak Foundation and the Institute of Microfinance.

6.2 Mohilata Vermi compost plant

SBKS has run a large vermi-compost plant 'Mahilata' at its own cost in northern region with an aim to improve soil health as organic matter depleting gradually in northern drought-prone Barind region. It is producing high quality vermicompost which have high demand to the farmers, research centers, and extension agencies as well as it earns revenue for the apex.

6.3 Osmanpur integrated Krishi Khamar

SBKS has established an integrated agricultural farm leasing 8 acres land in Badargonj, Rangpur. They are producing paddy seed, mustard, potato and mangoes in the project.



6.4 Inputs shops

SBKS run two inputs shops under two regional VCC, which could support to members FOs to bulking quality inputs with minimizing transport cost and unit price. In the reporting year, more than 1 million BDT of agricultural inputs have been purchased through these shops. Besides, almost all farming household under SBKS rear dairy and beef cattle including goat, sheep and poultry. To meet their demand SBKS has recently introduced animal product and medicine these shops.

6.5 Introduce transport and logistics service

In the reporting year, SBKS started transport and logistics services for its member organizations. Following the demand of FOs, SBKS provide transport and logistics services through local level linkage.



6.7 Agricultural machineries rental services

SBKS has established regional agricultural machineries rental hubs to provide rental machineries services to its' member FOs so that farmers could get these services for tilling to harvesting their crops timely and smoothly. Besides, SBKS has also working with USAID supported Appropriate Scale Machineries Innovation Hub (ASMIH) for promoting mechanization in southern region.

7.0 Partnering with public and private sector

7.1 Seed Villages

In order to ensure the supply of quality *seeds* of high yielding varieties to the farmers at affordable prices, seed villages ensure the right timing and location of production. Altogether 13 seed villages have been developed in the northern and southern regions with 13 FOs. They have developed linkages with the Seed Wing of Bangladesh Agricultural Development Corporation (BADC) to procure foundation seeds and sell back their surplus certified seeds. During the reporting year, SBKS and BADC established two seed villages, for the pulse, black gram (*'Mashkalai'* in Bangla) in Narayanpur village (a char of the Brahmaputra River) in the Kurigram district and for potato seed village in the Nilkamal union Charfashion upazilla of Bhola district.



7.2 Export of potato

SBKS facilitate potato producing organization to export 1200 metric tons of potato this year through effective and timely connection with exporters. To accomplish this task SBKS collaborated with the Department of Agricultural Extension (DAE), the Bangladesh Potato Exporters Association (BPEA), and the Food and Agriculture Organization of the United Nations (FAO).



7.3 Mobilization farmers' group

SBKS has made an MoU with Climate Resilient Water Management component of the IFAD financed Smallholder Agricultural Competitiveness Project (SACP) in southern coastal region to mobilize 789 Water User Groups (WUGs) and 30 Seed Villages. In the reporting year, they formed 196 water user groups and 30 seed village groups through its' FBF.

8.0 Advocacy initiatives

8.1 Crowd-in finance for smallholders

As of 30 June 2021, 29 FOs have received additional crowd-in finance from NCBs, non-bank financial institutes and few government agencies through advocacy initiatives of SBKS. Altogether, 675 (female-282 & male 393) members of these 29 FOs received BDT 51010100 (USD 603,700) as agricultural loan at 4-10 percent interest rate. Here banks consider FOs' social capital as collateral, not requiring physical assets.

8.2 National Bank Award for SBKS

SBKS has made an effective partnership with National Bank Ltd (NBL). Owing to SBKS' sincere devotion in organizing this Bank-FO model, the NBL declared SBKS a champion in organizing farmers. In recognition

of this, on the 29th of March, 2021 they awarded Mr. Md Obydul Haque, Secretary, SBKS and Mr Azizar Rahman, Treasurer, SBKS as the best organizers of farmers.

8.3 Observation of International Women's Day

SBKS leaders, as well as member FOs, came together on Zoom to celebrate International Women's Day on the 8th of March, 2021. The main objectives were to: (i) understand the role of women and men in agriculture, food security and nutrition; and (ii) take action to empower women in decision-making at household, community and policy levels. Moreover, SBKS decided that a 'women entrepreneur fair' should be organized to showcase good practices in establishing national policies and programs for promoting gender equality and rural women's empowerment in the area of agriculture and food systems.

8.4 Agent Banking initiative of SBKS

SBKS, with the facilitation of MMI, took the initiative to start agent banking with national commercial banks (NCBs). According to the recommendation of the community webinar on 'Financial Inclusion for Smallholder Farmers', SBKS invited Bangladesh Bank and Bank Asia representatives to visit the FOs of Pirganj upazila of Rangpur district on the 27th of February, 2021. The team assessed the capacity of MMI-supported FOs in organizational and financial management, reviewed the innovative financial model of the MMI revolving loan fund; and explored the possibility of linkages with NCBs to 'crowd in' additional finance through agent banking. As a result of the mission, farmers can now gain easy access to banks with all digital banking facilities. Bank Asia offers a 'micro merchant digital app' (<https://www.bankasia-bd.com/micro-marchant>).

8.5 Virtual mission of the Asian Farmers Association

A virtual mission was conducted by the Asian Farmers Association from the 27th to the 28th of January, 2021. The mission reviewed the progress of the project and Sara Bangla Krishak Society (SBKS), assessed sustainability issues and provided technical support. Participants from SBKS were Md. Abdul Jabbar, President, Mr. Obydul Haque, Secretary and Ms. Rita Brammo, Member. Participants from AFA were Ms. Estrella Penunia Banzuela, Secretary-General and Mr. Raul Socrates Banzuela. MMI team members also joined. MMI and SBKS jointly presented the overall progress of the project as well as special interventions to mitigate risks associated with the COVID-19 pandemic. AFA representatives provided recommendations for further improvement of the project activities especially emphasizing the institutional, operational and financial sustainability of SBKS and its member FOs.

8.6 Representation in different committees

SBKS has advocated for solutions of farmers' problems at local level thus representatives of member FOs are representing in 10 Upazila Agriculture Affairs Committees, 02 Upazila Paddy Procurement Committees and 03 District Agriculture Committees. Besides, they have raised voice in favour of farmers' community at national level through representing Project Advisory Committee, Technical Committee and Project Steering Committee of the MMI project of the Food and Agriculture Organization of the United Nations. General Secretary of SBKS was also played active role as a member of the Executive Committee of Bangladesh Agriculture Extension Network (BAEN).

9.0 Audited financial statement



Solution... Begins

Rahman Mostafa Alam & Co.
Chartered Accountants



Independent Auditors' Report

To the Members of

Sara Bangla Krishak Society

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sara Bangla Krishak Society (The entity)**, which comprise the Statement of Financial Position as at June 30, 2021, Statement of Income and Expenditure, Statement of Receipts and Payments Account, Statement of Changes in Fund Account for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 01 to 25 and Annexure-1.

In our opinion, the accompanying financial statements present fairly in all material respect the financial position of the entity as at June 30, 2021 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Societies Registration Act 1860 and other applicable rules and regulations.

Basis for Opinion

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

Responsibilities of Executive committee and Those Charged with Governance for the Financial Statements

Executive committee is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Principal Office: Paramount Heights (7th Floor, D2 & C1), 65/21 Box Culvert Road, Purana Pata, Dhaka-1000. Phone: +88-02-9653449, 9591128, Mob: 01814284705, 01819225339. E-mail: madhaka@gmail.com. Web: www.mabd.com
Branch Office (Dhaka): House #195 (3rd Floor, C-3), Road #1, New DOHS, Mirskhal, Dhaka-1206. Phone: +88-02-9534313, Mob: 01920911690, 01819224576, 01819225339. E-mail: madhaka@gmail.com. Web: www.mabd.com
Branch Office (Chattogram): Al Madina Tower (5th Floor), 88/89, Agrabad C/A, Chattogram-4100. Phone: +88-031-725314, Mob: 01818127520, 01819225339. E-mail: mactg@gmail.com. Web: www.mabd.com




Rahman Mostafa Alam & Co.
Chartered Accountants



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

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

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : 

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : August 26, 2021

Place : Dhaka

DVC : 2109041204 AS 231478

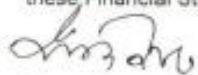


Rahman Mostafa Alam & Co.
Chartered Accountants

Sara Bangla Krishak Society
Statement of Financial Position
As at June 30, 2021

Particulars	Note	Amount in Taka	
		June 30, 2021	June 30, 2020
Assets:			
Non-Current Assets:			
Investments:		147,000	325,600
Investment in Biological Assets	3.00	-	325,600
Investment on Agriculture Inputs	4.00	147,000	-
Current assets:		58,561,470	400,510
Revolving loans to Farmers' Organization	5.00	51,408,000	-
Agriculture loans to Farmers' Organization	6.00	100,000	-
Cash and cash equivalents	7.00	6,821,439	400,510
Inventory	8.00	232,031	-
Total assets		58,708,470	726,110
Fund and liabilities			
Fund:		58,142,561	442,640
Cumulative surplus	9.00	133,521	106,640
Revolving loan fund of Farmers' Organization	10.00	57,456,000	-
MMI donation fund	11.00	296,000	336,000
Loan loss reserve		257,040	-
Current liabilities:		565,909	283,470
Investment of Farmers' Organization	12.00	475,000	234,000
Other liabilities	13.00	35,351	44,470
Provision for audit fees	14.00	25,000	5,000
Provision for Tax expense	15.00	5,558	-
Provision for Web development expense		25,000	-
Total fund and liabilities		58,708,470	726,110

The accompanying policies and explanatory notes 1-25 and Annexure-1 form an integral part of these Financial Statements.



মোঃ আজিজুর রহমান
Treasurer



মোঃ আবদুল হক
General Secretary



President

Signed in terms of our separate report of same date.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :



Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : August 26, 2021

Place : Dhaka

DVC : 2109041204 AS 23 1478





Rahman Mostafa Alam & Co.
Chartered Accountants

Sara Bangla Krishak Society
Statement of Income and Expenditure
For the year ended on June 30, 2021

Particulars	Notes	Amount in taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Income:			
Sale of agriculture goods	16.00	359,530	32,500
Interest income from revolving loan to Farmers' Organization	17.00	498,052	-
Subscription from Farmer's Organization	18.00	11,500	77,100
Bank interest	19.00	39,751	-
Grant income (MMI fund)	11.00	40,000	-
Other income		1,500	2,500
Total income		950,333	112,100
Expenditure:			
Cost of agriculture goods sold	20.00	461,666	-
Production cost on Vermi compost plant	21.00	69,100	23,034
Production cost on moringa cultivation	22.00	11,280	50,600
General operating expenses	23.00	22,845	10,840
Other expenses	24.00	-	23,500
Loan loss provision		257,040	-
Web development expense		25,000	-
FBF remuneration		40,000	-
Audit fees		25,000	5,000
Total expenditure		911,931	112,974
Surplus/(deficit) before tax		38,402	(874)
Less: Tax Expense	25.00	11,521	-
Net Surplus/(deficit) after tax		26,881	(874)

The accompanying policies and explanatory notes 1-25 and Annexure-1 form an integral part of these Financial Statements.

Treasurer

General Secretary

President

Signed in terms of our separate report of same date

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, (Enr. No.: 1204)

Date : August 26, 2021

Place : Dhaka

DVC : 2109041204 AS 23 1478



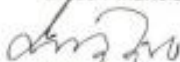


Rahman Mostafa Alam & Co.
Chartered Accountants

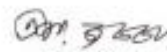
Sara Bangla Krishak Society
Statement of Receipts and Payments Account
For the year ended on June 30, 2021

Particulars	Notes	Amount in taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Opening balance		400,510	55,230
Cash in hand		4,520	35,200
Cash at banks		395,990	20,030
Receipts:		68,420,014	721,570
Revolving loan fund of Farmers' Organization	5.00	9,676,800	-
Revolving loan fund of SBKS	10.00	57,456,000	-
MMI donation fund	11.00	-	336,000
Investment of Farmers' Organization	12.00	241,000	234,000
Other liabilities	13.00	135,881	39,470
Sale of agriculture goods	16.00	359,530	32,500
Interest income from revolving loan to Farmers' Organization	17.00	498,052	-
Subscription from Farmer's Organization	18.00	11,500	77,100
Bank interest	19.00	39,751	-
Other income		1,500	2,500
Total receipts		68,820,524	776,800
Payments:		61,999,085	376,290
Investment in Biological Assets	3.00	448,477	336,950
Investment on Agriculture Inputs	4.00	147,000	-
Revolving loans to Farmers' Organization	5.00	61,084,800	-
Agriculture loans to Farmers' Organization	6.00	100,000	-
Repayment of other liabilities	13.00	145,000	-
General operating expenses	23.00	22,845	10,840
Other expenses	24.00	-	23,500
FBF remuneration		40,000	-
Audit Fees		5,000	5,000
Advance Income Tax		5,963	-
Closing balance:		6,821,439	400,510
Cash in hand		864	4,520
Cash at bank		6,820,575	395,990
Total payments:		68,820,524	776,800

The accompanying policies and explanatory notes 1-25 and Annexure-1 form an integral part of these Financial Statements.


মোঃ আজিজুর রহমান
কোষাধ্যক্ষ
সদস্য সার্বজনীন কৃষক সোসাইটি
বাংলাদেশ
Treasurer


General Secretary
মোঃ ওবায়দুল হক
সাধারণ সম্পাদক
সদস্য সার্বজনীন কৃষক সোসাইটি
বাংলাদেশ


President
মোঃ আবদুল
বাকী
সদস্য সার্বজনীন কৃষক সোসাইটি
বাংলাদেশ

