

CROSS WORLD POWER LTD

Date: Monday, February 06, 2018


Internal Memo

We have gone through the report of the Internal Auditors regarding Stores Inventory and found the below:

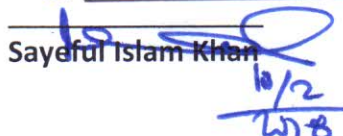
- ✓ 01. There is no variation in the stock of DG. (Inventory report attached) – Annexure 01
- ✓ 02. There is no variation in the stock of Transformers. (Inventory report attached) – Annexure 02
- 03. There is a positive variance of 24 pcs in the stock of DG Spares. (Inventory report attached) – Annexure 03
- 04. Panel materials inventory report attached – Annexure 04
- 05. Canopy & ATS inventory report attached – Annexure - 05
- ✓ 06. There are some positive as well as negative variances totaling to a unit difference of positive 451 pcs resulting to a total financial difference of negative Tk.416,135/- for BBT materials. Again there was a total of 30 items (287 units in quantity) found in stock which are not in the software. (Inventory report attached) – Annexure - 06

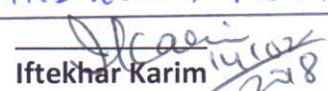
However based on the audit report dated January 11 & 4th February, 2018 we are of the opinion that the mis-match of the BBT materials occurred due to DO not prepared on time/ Materials delivered against email on some cases/ different materials received against loan given to clients/ improper entry of the goods, etc., and this is not the case of misappropriation but occurred due to lapses in the systems and the negligence of the concerned Store Executives. As such we propose for following corrective actions:

- ✓ 1) All positive differences to be included in the software showing purchase at "zero" value while negative differences to be shown as issued/ sold at "zero" value. Thus the software will be updated once for all within the month of February 2018.
- ✓ 2) Once the software is updated thereafter any differences found during periodic inventory every after six months, concerned Stores Executive will be held responsible.
- ✓ 3) Annual inventory reporting to be conducted by Finance & Accounts Department.

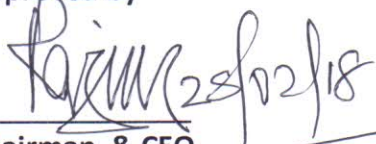

06/02/18
Mahboob Alam

Date: 01, 02 & 06 PHYSICAL INVENTORY COUNTED BY
ACCOUNTS N' STORE N' BBT TEAM JOINTLY.
2/ 03, 04 & 05 INVENTORY DONE BY STORE ONLY.
03/ THIS IS TOTALY AN UNAUDITED REPORT FOR STOCK TAKING.


10/2
15/8
Sayeful Islam Khan


14/02
2018
Iftekhar Karim

Approved by


28/02/18
Chairman & CEO