

# Asha Laghubitta Bittiya Sanstha Ltd.

## Unaudited Interim Financial Statements of FY 2081/82

### Condensed Statement of Financial Position As on Ashwin end, 2081

Amount in NPR

| Assets  | This Quarter Ending   | Immediate Previous<br>Year ending |
|---|-----------------------|-----------------------------------|
| Cash and Cash Equivalent                          | 520,037,082           | 700,951,471                       |
| Statutory Balances and Due from Nepal Rastra Bank | 46,785,802            | 46,785,802                        |
| Placement with Bank and Financial Institutions    | -                     | -                                 |
| Derivative Financial Instruments                  | -                     | -                                 |
| Other Trading Assets                              | -                     | -                                 |
| Loans and Advances to MFIs & Co-operatives        | -                     | -                                 |
| Loans and Advances to Customers                   | 9,799,920,946         | 9,555,877,722                     |
| Investment Securities                             | 10,000                | 10,000                            |
| Current Tax Assets                                | 7,082,760             | -                                 |
| Investment Property                               | 1,335,759             | 1,335,759                         |
| Property and Equipment                            | 22,985,580            | 23,218,233                        |
| Goodwill and Intangible Assets                    | 12,545,244            | 12,583,612                        |
| Deferred Tax Assets                               | 16,700,734            | 16,700,734                        |
| Other Assets                                      | 116,524,793           | 117,155,569                       |
| <b>Total Assets</b>                               | <b>10,543,928,700</b> | <b>10,474,618,902</b>             |
| <b>Liabilities</b>                                |                       |                                   |
| Due to Bank and Financial Institutions            | -                     | -                                 |
| Due to Nepal Rastra Bank                          | -                     | -                                 |
| Derivative Financial Instrument                   | -                     | -                                 |
| Deposits from Customers                           | 2,884,362,048         | 2,803,571,680                     |
| Borrowings  | 6,462,272,570         | 6,394,859,362                     |
| Current Tax Liabilities                           | -                     | 18,014,935                        |
| Provisions  | -                     | -                                 |
| Deferred Tax Liabilities                          | -                     | -                                 |
| Other Liabilities                                 | 183,710,568           | 190,371,120                       |
| Debt Securities Issued                            | -                     | -                                 |
| Subordinated Liabilities                          | -                     | -                                 |
| <b>Total Liabilities</b>                          | <b>9,530,345,186</b>  | <b>9,406,817,097</b>              |
| <b>Equity</b>                                     |                       |                                   |
| Share Capital                                     | 641,616,000           | 641,616,000                       |
| Share Premium                                     | -                     | -                                 |
| Retained Earnings                                 | 36,792,131            | 100,581,470                       |
| Reserves  | 335,175,383           | 325,604,335                       |
| <b>Total Equity</b>                               | <b>1,013,583,514</b>  | <b>1,067,801,805</b>              |
| <b>Total Liabilities and Equity</b>               | <b>10,543,928,700</b> | <b>10,474,618,902</b>             |

**Condensed Statement of Profit & Loss**  
For the period ended Ashwin end, 2082

| Particulars   | Current Year        |                     | Previous Year Corresponding |                     |
|---|---------------------|---------------------|-----------------------------|---------------------|
|   | This Quarter        | Upto This Quarter   | This Quarter                | Upto This Quarter   |
| Interest Income   | 330,474,129         | 330,474,129         | 288,898,521                 | 288,898,521         |
| Interest Expense  | 201,572,957         | 201,572,957         | 226,776,875                 | 226,776,875         |
| <b>Net Interest Income</b>                              | <b>128,901,172</b>  | <b>128,901,172</b>  | <b>62,121,646</b>           | <b>62,121,646</b>   |
| Fee and Commission Income                               | 24,957,566          | 24,957,566          | 25,813,724                  | 25,813,724          |
| Fee and Commission Expense                              | 1,040,169           | 1,040,169           | 2,710,000                   | 2,710,000           |
| <b>Net Fee and Commission Income</b>                    | <b>23,917,397</b>   | <b>23,917,397</b>   | <b>23,103,724</b>           | <b>23,103,724</b>   |
| <b>Net Interest, Fees and Commission Income</b>         | <b>152,818,569</b>  | <b>152,818,569</b>  | <b>85,225,369</b>           | <b>85,225,369</b>   |
| Net Trading Income                                      | -                   | -                   | -                           | -                   |
| Other Operating Income                                  | 8,905,246           | 8,905,246           | 684,915                     | 684,915             |
| <b>Total Operating Income</b>                           | <b>161,723,815</b>  | <b>161,723,815</b>  | <b>85,910,285</b>           | <b>85,910,285</b>   |
| Impairment Charge/(reversal) for Loans and Other Losses | 85,590,614          | 85,590,614          | 12,041,892                  | 12,041,892          |
| <b>Net operating income</b>                             | <b>76,133,201</b>   | <b>76,133,201</b>   | <b>73,868,393</b>           | <b>73,868,393</b>   |
| <b>Operating Expense</b>                                | <b>-</b>            | <b>-</b>            | <b>-</b>                    | <b>-</b>            |
| Personnel Expenses                                      | 97,354,991          | 97,354,991          | 70,442,020                  | 70,442,020          |
| Other Operating Expenses                                | 30,749,421          | 30,749,421          | 28,669,369                  | 28,669,369          |
| Depreciation & Amortization                             | 1,524,025           | 1,524,025           | 1,533,476                   | 1,533,476           |
| <b>Operating Profit</b>                                 | <b>(53,495,236)</b> | <b>(53,495,236)</b> | <b>(26,776,472)</b>         | <b>(26,776,472)</b> |
| Non-Operating Income                                    | 81,729              | 81,729              | 357,840                     | 357,840             |
| Non-Operating Expense                                   | -                   | -                   | -                           | -                   |
| <b>Profit before Income Tax</b>                         | <b>(53,413,507)</b> | <b>(53,413,507)</b> | <b>(26,418,633)</b>         | <b>(26,418,633)</b> |
| <b>Income Tax Expense</b>                               | <b>-</b>            | <b>-</b>            | <b>-</b>                    | <b>-</b>            |
| Current Tax   | -                   | -                   | -                           | -                   |
| Deferred Tax  | -                   | -                   | -                           | -                   |
| <b>Profit/(Loss) for the Period</b>                     | <b>(53,413,507)</b> | <b>(53,413,507)</b> | <b>(26,418,633)</b>         | <b>(26,418,633)</b> |

**Condensed Statement of Comprehensive Income**

| Particulars                                      | Current Year        |                     | Previous Year Corresponding |                     |
|--|---------------------|---------------------|-----------------------------|---------------------|
|  | This Quarter        | Upto This Quarter   | This Quarter                | Upto This Quarter   |
| <b>Profit or loss for the Period</b>             | <b>(53,413,507)</b> | <b>(53,413,507)</b> | <b>(26,418,633)</b>         | <b>(26,418,633)</b> |
| <b>Other Comprehensive Income</b>                | <b>-</b>            | <b>-</b>            | <b>-</b>                    | <b>-</b>            |
| <b>Total Comprehensive Income for the period</b> | <b>(53,413,507)</b> | <b>(53,413,507)</b> | <b>(26,418,633)</b>         | <b>(26,418,633)</b> |
| <b>Earnings per share</b>                        |                     |                     |                             |                     |
| Annualized Basic Earnings Per Share              |                     | (33.30)             |                             | (16.47)             |
| Diluted earnings per share                       |                     | (33.30)             |                             | (16.47)             |

**Ratios as per NRB Directive**

| Particulars                            | Current Year |                   | Previous Year Corresponding |                   |
|--|--------------|-------------------|-----------------------------|-------------------|
|  | This Quarter | Upto This Quarter | This Quarter                | Upto This Quarter |
| Capital Fund to RWA                    |              | 8.55%             |                             | 10.15%            |
| Total Loan Loss Provision to Total NPL |              | 59.44%            |                             | 51.28%            |
| NPL                                    |              | 4.94%             |                             | 4.96%             |
| Cost of Funds                          |              | 7.89%             |                             | 8.46%             |
| Credit to Deposit and Borrowing Ratio  |              | 106.76%           |                             | 109.24%           |
| Base Rate                              |              | 13.86%            |                             | 14.12%            |
| Interest Rate Spread                   |              | 7.10%             |                             | 6.54%             |

**Statement of Distributable Profit or Loss**  
**For the Quarter ended on Ashwin 2082**  
**(As per NRB Regulation)**

| Particulars   | Ashad end, 2081     | Ashad end, 2080     |
|---|---------------------|---------------------|
| <b>Net profit or (loss) as per statement of profit or loss</b>        | (53,413,507)        | (26,418,633)        |
| <b>Appropriations:</b>  |                     |                     |
| a. General reserve  | -                   | -                   |
| b. Foreign exchange fluctuation fund                                  | -                   | -                   |
| c. Capital redemption reserve   | -                   | -                   |
| d. Corporate social responsibility fund                               | -                   | -                   |
| e. Employees' training fund   | -                   | -                   |
| f. Client Protection Fund   | -                   | -                   |
| g. Other  | -                   | -                   |
| <b>Profit or (loss) before regulatory adjustment</b>                  | <b>(53,413,507)</b> | <b>(26,418,633)</b> |
| <b>Regulatory adjustment :</b>  |                     |                     |
| a. Interest receivable (-)/previous accrued interest received (+)     | (10,375,832)        | 2,596,818           |
| b. Short loan loss provision in accounts (-)/reversal (+)             | -                   | -                   |
| c. Short provision for possible losses on investment (-)/reversal (+) | -                   | -                   |
| d. Short loan loss provision on Non Banking Assets (-)/reversal (+)   | -                   | -                   |
| e. Deferred tax assets recognised (-)/ reversal (+)                   | -                   | -                   |
| f. Goodwill recognised (-)/ impairment of Goodwill (+)                | -                   | -                   |
| g. Bargain purchase gain recognised (-)/reversal (+)                  | -                   | -                   |
| h. Actuarial gain/loss recognised (-)/reversal (+)                    | -                   | -                   |
| i. Other (+/-)  | -                   | -                   |
| <b>Net profit for the period available for distribution</b>           | <b>(63,789,339)</b> | <b>(23,821,815)</b> |
| <b>Opening Retained Earnings as on Shrawan 1</b>                      | <b>100,581,470</b>  | <b>122,311,483</b>  |
| <b>Adjustments (+/-)</b>  | <b>-</b>            | <b>-</b>            |
| <b>Distribution: (-)</b>  | <b>-</b>            | <b>-</b>            |
| <b>Bonus shares issued</b>  | <b>-</b>            | <b>-</b>            |
| <b>Cash dividend paid</b>   | <b>-</b>            | <b>-</b>            |
| <b>Total Distributable Profit/Loss as on quarter end</b>              | <b>36,792,131</b>   | <b>98,489,668</b>   |
| <b>Distributable Profit/Loss per share</b>                            | <b>5.73</b>         | <b>15.35</b>        |

**Note:**

- Figures presented above may vary with the audited figures if instructed by the banking regulations and statutory auditor.
- The detailed interim financial report has been published in the website.
- The presented financial statements have been prepared in accordance with Nepal Financial Reporting Standards with Carve-outs issued by The ASB.
- Personnel Expenses include the provision for Employees Bonus.
- Loans and Advances are presented net of impairment charges and includes interest accruals and staff loans.
- Figures are regrouped/rearranged/restated wherever necessary for consistent presentation and comparison.

**Asha Laghubitta Bittiya Sanstha Limited**  
**Statement of Cash Flows**  
**For the year ended 30th Ashoj 2081**

| Particulars  | This Quarter Ending  | Immediate<br>Previous Year<br>ending |
|--|----------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |                      |                                      |
| Interest Received  | 330,474,129          | 1,337,159,228                        |
| Fee and Other Income Received  | 24,957,566           | 85,405,011                           |
| Dividend Received  | -                    | -                                    |
| Receipts from Other Operating Activities                                       | 8,986,975            | 51,131,221                           |
| Interest Paid  | (201,572,957)        | (902,156,040)                        |
| Commissions and Fees Paid  | (1,040,169)          | (6,324,182)                          |
| Cash Payment to Employees  | (97,354,991)         | (328,278,699)                        |
| Other Expenses Paid  | (30,749,421)         | (123,389,095)                        |
| <b>Operating Cash Flows before Changes in Operating Assets and Liabilities</b> | <b>33,701,132</b>    | <b>113,547,444</b>                   |
| <b>(Increase) Decrease in Operating Assets</b>                                 |                      |                                      |
| Statutory Balances/Due from Nepal Rastra Bank                                  | -                    | (4,699,990)                          |
| Placement with Banks and Financial Institutions                                | -                    | -                                    |
| Other Trading Assets   | -                    | -                                    |
| Loans and Advances to Bank and Financial Institutions                          | -                    | -                                    |
| Loans and Advances to Customers  | (329,633,838)        | (607,278,555)                        |
| Other Assets   | 630,776              | (26,392,193)                         |
| <b>Increase (Decrease) in Operating Liabilities</b>                            |                      |                                      |
| Due to Banks and Financials Institutions                                       | -                    | -                                    |
| Due to Nepal Rastra Bank   | -                    | -                                    |
| Deposit from Customers   | 80,790,368           | (20,427,309)                         |
| Borrowings   | 67,413,208           | 927,873,301                          |
| Other Liabilities  | (13,743,312)         | 52,135,363                           |
| <b>Net Cash Flow from Operating Activities before Tax Paid</b>                 | <b>(160,841,666)</b> | <b>434,758,061</b>                   |
| Income Tax Paid  | -                    | (26,606,828)                         |
| <b>Net Cash Flow from Operating Activities</b>                                 | <b>(160,841,666)</b> | <b>408,151,233</b>                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |                      |                                      |
| Purchase of Investment Securities  | -                    | -                                    |
| Receipts from Sale of Investment Securities                                    | -                    | -                                    |
| Purchase of Property and Equipment   | (1,253,004)          | (4,741,514)                          |
| Receipts from Sale of Property and Equipment                                   | -                    | -                                    |
| Purchase of Intangible Assets  | -                    | -                                    |
| Purchase of Investment Properties  | -                    | -                                    |
| Receipts from Sale of Investment Properties                                    | -                    | -                                    |
| Interest Received  | -                    | -                                    |
| Dividend Received  | -                    | -                                    |
| <b>Net Cash Used in Investing Activities</b>                                   | <b>(1,253,004)</b>   | <b>(4,741,514)</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |                      |                                      |
| Receipts from Issue of Debt Securities   | -                    | -                                    |
| Repayments of Debt Securities  | -                    | -                                    |
| Receipts from Issue of Subordinated Liabilities                                | -                    | -                                    |
| Repayments of Subordinated Liabilities   | -                    | -                                    |
| Receipt from Issue of Shares   | -                    | -                                    |
| Dividends Paid   | -                    | -                                    |
| Interest Paid  | -                    | -                                    |
| Other Receipts/Payments  | (18,819,719)         | (7,870,767)                          |
| <b>Net Cash from Financing Activities</b>                                      | <b>(18,819,719)</b>  | <b>(7,870,767)</b>                   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                    | <b>(180,914,389)</b> | <b>395,538,952</b>                   |
| Cash and Cash Equivalents at Shrawan 01, 2080                                  | 700,951,471          | 305,412,519                          |
| Transfer from Acquisition  | -                    | -                                    |
| Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held         | -                    | -                                    |
| <b>Cash and Cash Equivalents at Ashad 31, 2081</b>                             | <b>520,037,082</b>   | <b>700,951,471</b>                   |

Asha Laghubitta Bittiya Sansstha Limited  
Statement of Changes in Equity  
For the year ended 30th Ashoj 2081

| Attributable to Equity-Holders of the Institution              |                |                 |                    |   |                        |                     |               |                     |
|--|----------------|-----------------|--------------------|---|------------------------|---------------------|---------------|---------------------|
| Particulars  | Share Capital  | General Reserve | Regulatory Reserve | Corporate social responsibility reserve | Client Protection Fund | Retained Earning    | Other Reserve | Total Equity        |
| Balance at Shrawan 1, 2081                                     | 641,616,000    | 117,095,968     | 82,181,155         | 1,058,615                               | 48,865,737             | 100,581,470         | 76,402,859    | 1,067,801,805       |
| Adjustment/Restatement   |                |                 |                    |   |                        |                     |               |                     |
| Adjustment/Restated Balance as at Shrawan 01, 2080             | 641,616,000    | 117,095,968     | 82,181,155         | 1,058,615                               | 48,865,737             | 100,581,470         | 76,402,859    | 1,067,801,805       |
| Comprehensive Income for the year                              | -              | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Profit for the year  | -              | -               | -                  | -                                       | -                      | (53,413,507)        | -             | (53,413,507)        |
| Other Comprehensive Income, Net of Tax                         | -              | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Actuarial gains/(losses) on defined benefit plans              | -              | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| <b>Total Comprehensive Income for the year</b>                 | -              | -               | -                  | -                                       | -                      | <b>(53,413,507)</b> | -             | <b>(53,413,507)</b> |
| Transfer to Reserves during the year                           |                |                 |                    |   |                        |                     |               |                     |
| General Reserve  |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Corporate Social Responsibility Reserve                        |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Client Protection Reserve                                      |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Others Reserve-Deferred Tax Liabilities                        |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Transfer from Reserves during the year                         |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Contribution to the Fund                                       |                | -               | 10,375,832         | -                                       | 977,752                | (10,375,832)        | -             | 977,752             |
| Expense from the Fund  |                | -               | -                  | (700)                                   | (1,781,836)            | -                   | -             | (1,782,536)         |
| <b>Transactions with Owners, directly recognized in Equity</b> |                |                 |                    |   |                        |                     |               |                     |
| Dividend to Equity-Holders                                     |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Bonus Shares Issued  |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| Cash Dividend Paid   |                | -               | -                  | -                                       | -                      | -                   | -             | -                   |
| <b>Total Contributions by and Distributions</b>                |                |                 |                    |   |                        |                     |               |                     |
| Balance at Ashad 31, 2081                                      | 641,616,000.00 | 117,095,968.00  | 92,556,987.00      | 1,057,915.00                            | 48,061,652.60          | 36,792,131.00       | 76,402,859.00 | 1,013,583,513.60    |

**Asha Laghubitta Bittiya Sanstha Limited**  
**Notes to Financial Statements**  
**For the year ended 30th Ashoj 2081**

**Cash and Cash Equivalent**

| Particulars                    | FY 2081/82         |
|--------------------------------|--------------------|
| Cash in Hand                   | 7,164,519          |
| Balances with BFIs             | 512,872,563        |
| Money at Call and Short Notice | -                  |
| Other                          | -                  |
| <b>Total</b>                   | <b>520,037,082</b> |

Cash and cash equivalents include cash at vault, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value. Cash at vault is adequately insured for physical and financial risks. The amount of cash and cash equivalents is maintained on the basis of the regulatory, liquidity, business commitments and business requirements. The income on these assets is credited to Statement of Profit or Loss under Interest income. Investment made in fixed deposits from Client Protection Fund has been classified under Other Assets. Fair value of cash and cash equivalent amount is the carrying amount.

**Statutory Balances and Due from Nepal Rastra Bank**

| Particulars                                 | FY 2081/82        |
|---|-------------------|
| Statutory Balances with NRB                 | 2,519             |
| Statutory Balances with BFIs                | 46,783,283        |
| Securities purchased under Resale Agreement | -                 |
| Other Deposit and Receivable from NRB       | -                 |
| <b>Total</b>                                | <b>46,785,802</b> |

Statutory Balance with BFIs represent the cash balance that is required to be held as the Cash Reserve Ratio as per the regulatory norms. Statutory Balance of the Microfinance has been maintained at Prabhu Bank Limited, Banepa Branch.

**Placements with Financial Institutions**

| Particulars                     | FY 2081/82 |
|---------------------------------|------------|
| Placement with Domestic FIs     | -          |
| Less: Allowances for Impairment | -          |
| <b>Total</b>                    | <b>-</b>   |

Placements with domestic financial institutions with original maturities of more than three months from the acquisition date are presented under this account head.

**Derivative Financial Instruments**

| Particulars                     | FY 2081/82 |
|---------------------------------|------------|
| <i>Held for Trading</i>         |            |
| Interest Rate Swap              | -          |
| Currency Swap                   | -          |
| Forward Exchange Contracts      | -          |
| Others                          | -          |
| <i>Held for Risk Management</i> |            |
| Interest Rate Swap              | -          |
| Currency Swap                   | -          |
| Forward Exchange Contracts      | -          |
| Others                          | -          |
| <b>Total</b>                    | <b>-</b>   |

**Other Trading Assets**

| Particulars              | FY 2081/82 |
|--------------------------|------------|
| Treasury Bills           | -          |
| Government Bonds         | -          |
| NRB Bonds                | -          |
| Domestic Corporate Bonds | -          |
| Equities                 | -          |
| Other                    | -          |
| <b>Total</b>             | -          |
| Pledged                  | -          |
| Non-Pledged              | -          |

term, or holds as part of a portfolio that is managed together for short-term profit are presented under this account head. The other trading asset includes non derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc held primarily for the trading purpose. The Microfinance doesn't have Other Trading Assets as of date.

**Loans and Advances to MFIs & Co-operatives**

| Particulars                         | FY 2081/82 |
|-------------------------------------|------------|
| Loans to Micro-Finance Institutions | -          |
| Loans to FIs                        | -          |
| Loans to Co-operatives              | -          |
| Less: Allowances for Impairment     | -          |
| Other                               | -          |
| Less: Allowances for Impairment     | -          |
| <b>Total</b>                        | -          |

Loan and advances given to microfinance financial institutions as well as other financial institutions are presented under this head. The Microfinance doesn't possess loans and advances to MFIs & Co-operatives.

| 4.6.1 Allowances for Impairment | FY 2081/82 |
|---------------------------------|------------|
| Balance at Shrawan 01           | -          |
| Impairment Losss for the year:  | -          |
| Charge for the year             | -          |
| Recoveries/Reversal             | -          |
| Amount Written Off              | -          |
| <b>Balance at Ashad End</b>     | -          |

**Loans and Advances to Customers**

| Particulars                                   | FY 2081/82           |
|---|----------------------|
| Loans and Advances measured at Amortized Cost | 10,092,873,955       |
| Less: Impairment Allowances                   |                      |
| Collective Impairment                         | (292,953,009)        |
| Individual Impairment                         | -                    |
| <b>Net Amount</b>                             | <b>9,799,920,946</b> |
| Loans and Advances measured at FVTPL          |                      |
| <b>Total</b>                                  | <b>9,799,920,946</b> |

As per the carve out notice issued by ICAN, the Bank has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39. The losses arising from impairment are recognised in 'Impairment charge for loans and other losses' in the Statement of Profit or Loss.

Loans and advances are assessed individually and collectively as per incurred loss model which is compared with the loss provision prescribed by NRB directive no. 2. Higher of the amount as per incurred loss model and NRB directive is considered for impairment. Accrued Interest Receivable on loans have been considered under Loans and Advances measured at Amortized Cost. Loan to employees provided according to the Employee Byelaws of the Bank is presented under this head, which is also measured at amortized cost. Collective impairment includes general loan loss provision on loan classified as pass and watchlist whereas Individual impairment includes specific loan loss provision on loan classified as NPL and Restructured Loans.

**4.7.1: Analysis of Loans and Advances - By Product**

| <b>Particulars</b>            | <b>FY 2081/82</b>     |
|-------------------------------|-----------------------|
| <b>Product</b>                |                       |
| Term Loans                    |                       |
| Short Term, Term Loan         | -                     |
| Long Term, Term Loan          | 9,978,832,332         |
| Personal Residential Loans    | -                     |
| Hire Purchase Loans           | -                     |
| Staffs Loans                  | 20,459,201            |
| Loans & Advances to customers | -                     |
| <b>Sub-Total</b>              | <b>9,999,291,533</b>  |
| Interest Receivable           | 93,582,422            |
| <b>Grand Total</b>            | <b>10,092,873,955</b> |

Loans & Advances with maturity below one year are classified as Short term and maturity over one year are classified as Long Term.

**4.7.2: Analysis of Loans and Advances - By Collateral**

| <b>Particulars</b>                  | <b>FY 2081/82</b> |
|-------------------------------------|-------------------|
| <b>Secured</b>                      | -                 |
| Immoveable Assets                   | -                 |
| Government Guarantee                | -                 |
| Collateral of Fixed Deposit Receipt | -                 |
| Collateral of Government Securities | -                 |
| Group Guarantee                     | -                 |
| Personal Guarantee                  | -                 |
| Other Collateral                    | -                 |
| <b>Subtotal</b>                     | -                 |
| <b>Unsecured</b>                    | 20,459,201        |
| <b>Grand Total</b>                  | <b>20,459,201</b> |

**4.7.3: Allowance for Impairment**

| <b>Particulars</b>                          | <b>FY 2081/82</b>  |
|---|--------------------|
| <b>Specific Allowance for Impairment</b>    |                    |
| <b>Balance at Shrawan 01</b>                | 134,023,289        |
| Impairment Loss for the year                | -                  |
| Charge for the year                         | (134,023,289)      |
| Recoveries/Reversals during the year        | -                  |
| Write-Offs                                  | -                  |
| Other Movement                              | -                  |
| <b>Balance at Ashad End</b>                 | -                  |
| <b>Collective Allowances for Impairment</b> |                    |
| <b>Balance at Sharawan 01</b>               | 87,020,259         |
| Impairment Loss for the year                | -                  |
| Charge/(Reversal) for the year              | 205,932,750        |
| Other Movement                              | -                  |
| <b>Balance at Ashad End</b>                 | <b>292,953,009</b> |
| <b>Total Allowances for Impairment</b>      | <b>292,953,009</b> |

**Investment Securities**

| <b>Particulars</b>                               | <b>FY 2081/82</b> |
|--|-------------------|
| Investment Securities measured at Amortized Cost | -                 |
| Investment in Equity measured at FVTOCI          | 10,000            |
| <b>Total</b>                                     | <b>10,000</b>     |

**4.8.2: Investment in Equity measured at FVTOCI**

| Particulars                | FY 2081/82    |
|----------------------------|---------------|
| <b>Equity Instruments</b>  |               |
| Quoted Equity Securities   | -             |
| Unquoted Equity Securities | 10,000        |
| <b>Total</b>               | <b>10,000</b> |

**4.8.3: Information relating to Investment in Equities**

| Particulars                           | FY 2081/82    |               | FY 2080/81 |
|---------------------------------------|---------------|---------------|------------|
|                                       | Cost          | Fair Value    | Cost       |
| <b>Investment in Quoted Equity</b>    | -             | -             | -          |
| .....Ltd.                             | -             | -             | -          |
| .....Shares of Rs. .... Each          | -             | -             | -          |
| .....Ltd.                             | -             | -             | -          |
| .....Shares of Rs. .... Each          | -             | -             | -          |
| <b>Investment in Unquoted Equity</b>  | 10,000        | 10,000        | -          |
| Center for Microfinance Pvt. Ltd      | -             | -             | -          |
| 100 Ordinary shares of Rs.100 Paid up | 10,000        | 10,000        | -          |
| <b>Total</b>                          | <b>10,000</b> | <b>10,000</b> | -          |

**Current Tax Assets /Liabilities**

| Particulars                         | FY 2081/82       |
|-------------------------------------|------------------|
| <b>Current Tax Assets</b>           |                  |
| Current year Income Tax Assets      | 7,082,760        |
| Tax Assets of Prior Periods         | -                |
| <b>Current Tax Liabilities</b>      |                  |
| Current year Income Tax Liabilities | -                |
| Tax Liabilities of Prior Periods    | -                |
| <b>Total</b>                        | <b>7,082,760</b> |

Current Tax Assets includes any advance payment made by the Microfinance towards income tax liabilities or other tax liabilities to the taxing authorities.

**Investment Properties**

| Particulars   | FY 2081/82       |
|---|------------------|
| <b>Investment Properties measured at Fair Value</b> |                  |
| Balance as on Shrawan 01.                           | -                |
| Addition/(Disposal) during the year.                | -                |
| Net Changes in fair value during the year.          | -                |
| Adjustment/Transfer.                                | -                |
| Net Amount  | -                |
| <b>Investment Properties measured at Cost</b>       |                  |
| Balance as on Shrawan 01                            | 1,335,759        |
| Addition/(Disposal) during the year                 | -                |
| Adjustment/Transfer                                 | -                |
| Accumulated Depreciation                            | -                |
| Accumulated Impairment Loss                         | -                |
| <b>Net Amount</b>                                   | <b>1,335,759</b> |

Land and Building owned under Non-Banking Assets(NBA) are recorded in Investment properties. NBA amounting to NPR 1,335,759 has been booked as investment property (acquired after the acquisition of RULB), includes land, acquired from Mr. Arbind Jha (ex staff) in 2071.08.17.

**Other Assets**

| Particulars                   | FY 2081/82         |
|-------------------------------|--------------------|
| Assets held for Sale          | -                  |
| Other Non-Banking Assets      | -                  |
| Bills Receivable              | -                  |
| Accounts Receivable           | 752,341            |
| Accrued Income                | -                  |
| Prepayments and Deposits      | 3,129,992          |
| Income Tax Deposit            | -                  |
| Deferred Employee Expenditure | 1,468,507          |
| Other Assets                  | 2,894,227          |
| Right of Use Assets           | 50,279,725         |
| CPF Fixed Deposits            | 58,000,000         |
| <b>Total</b>                  | <b>116,524,793</b> |

Deferred Employee Expenditure includes staff amortization cost recognised as per NAS 19. Other asset includes inventory of General stationery.

CPF Fixed Deposits includes fixed deposit of Client Protection Fund maintained on following banks:

Everest Bank Limited : Rs. 30,000,000 Interest : 7.50% p.a. maturity at 27-11-2024.

Kumari Bank Limited: Rs. 28,000,000 Interest: 4.26% p.a. maturity at 06-01-2025.

**Due to Banks and Financial Institutions**

| Particulars                      | FY 2081/82 |
|----------------------------------|------------|
| Borrowings from BFIs             | -          |
| Settlement and Clearing Accounts | -          |
| Others                           | -          |
| <b>Total</b>                     | <b>-</b>   |

**Due to Nepal Rastra Bank**

| Particulars                                 | FY 2081/82 |
|---|------------|
| Refinance from NRB                          | -          |
| Standing Liquidity Facility                 | -          |
| Lender of Last Resort facility from NRB     | -          |
| Securities sold under repurchase agreements | -          |
| Other Payable to NRB                        | -          |
| <b>Total</b>                                | <b>-</b>   |

**Derivative Financial Instruments**

| Particulars                     | FY 2081/82 |
|---------------------------------|------------|
| <b>Held for Trading</b>         | -          |
| Interest Rate Swap              | -          |
| Currency Swap                   | -          |
| Forward Exchange Contracts      | -          |
| Others                          | -          |
| <b>Held for Risk Management</b> | -          |
| Interest Rate Swap              | -          |
| Currency Swap                   | -          |
| Forward Exchange Contracts.     | -          |
| Others                          | -          |
| <b>Total</b>                    | <b>-</b>   |

**Deposits from Customers**

| <b>Particulars</b>       | <b>FY 2081/82</b>    |
|--------------------------|----------------------|
| Institutional Customers: | -                    |
| Term Deposits.           | -                    |
| Call Deposits            | -                    |
| Others                   | -                    |
| Individual Customers:    | -                    |
| Term Deposits            | -                    |
| Saving Deposits          | -                    |
| Saving from Members      | 2,884,362,048        |
| Others                   | -                    |
| <b>Total</b>             | <b>2,884,362,048</b> |

**Borrowings**

| <b>Particulars</b>                       | <b>FY 2081/82</b>    |
|--|----------------------|
| <b><i>Domestic Borrowings</i></b>        |                      |
| Nepal Government                         | -                    |
| Other Licensed Institutions              | 6,462,272,570        |
| Other                                    | -                    |
| <b>Sub Total</b>                         | <b>6,462,272,570</b> |
| <b><i>Foreign Borrowings</i></b>         |                      |
| Foreign Banks and Financial Institutions | -                    |
| Multilateral Development Banks           | -                    |
| Other Institutions                       | -                    |
| <b>Sub Total</b>                         | <b>-</b>             |
| <b>Total</b>                             | <b>6,462,272,570</b> |

**Provisions**

| <b>Particulars</b>                      | <b>FY 2081/82</b> |
|---|-------------------|
| Provisions for Redundancy               | -                 |
| Provisions for Restructuring            | -                 |
| Pending Legal Issues and Tax Litigation | -                 |
| Onerous Contracts                       | -                 |
| Other                                   | -                 |
| <b>Total</b>                            | <b>-</b>          |

#### 4.20.1: Movement in Provision

| Particulars                         | FY 2081/82 |
|-------------------------------------|------------|
| <b>Balance at Shrawan 01</b>        | -          |
| Provisions made during the year     | -          |
| Provisions used during the year     | -          |
| Provisions reversed during the year | -          |
| Unwind of Discount                  | -          |
| <b>Balance at Ashad end</b>         | -          |

#### Other Liabilities

| Particulars   | FY 2081/82         |
|---|--------------------|
| Liabilities for employees defined benefit obligations | 24,148,589         |
| Liabilities for long service leave                    | 41,094,277         |
| Short term employee benefits                          | 4,340,251          |
| Bills payable   | -                  |
| Creditors and accruals                                | 1,206,751          |
| Interest payable on deposits                          | -                  |
| Interest payable on borrowing                         | 17,977,667         |
| Liabilities on deferred grant income                  | -                  |
| Unpaid Dividend                                       | -                  |
| Liabilities under Finance Lease                       | 55,815,664         |
| Employee bonus payable                                | 4,315,857          |
| Other   | <b>34,811,507</b>  |
| <i>Service Charge Refundable</i>                      | -                  |
| <i>Loan Insured Fee Payable to DCGF</i>               | 14,949,484         |
| <i>Staff payables</i>                                 | 1,612,050          |
| <i>TDS Payable</i>                                    | 2,628,289          |
| <i>Social Fund Payable</i>                            | -                  |
| <i>Provision for Audit Fee</i>                        | 69,915             |
| <i>Provision for Audit Expenses</i>                   | -                  |
| <i>Provision for Consultancy Expenses</i>             | -                  |
| <i>Remittance Payable</i>                             | -                  |
| <i>Loan insurance Payable</i>                         | 15,292,182         |
| <i>Other liabilities</i>                              | 259,586            |
| <b>Total</b>  | <b>183,710,564</b> |

#### 4.21.1: Defined Benefit Obligation

The amounts recognised in the statements of financial positions are as follows :

| Particulars   | FY 2081/82 |
|---|------------|
| Present value of non-funded obligations                     | -          |
| Total present value of obligations                          | -          |
| Fair value of plan assets                                   | -          |
| Present value of net obligations                            | -          |
| <b>Recognised liability for defined benefit obligations</b> | -          |

#### 4.21.2: Plan Assets

Plan assets comprises of :

| Particulars       | FY 2081/82 |
|-------------------|------------|
| Equity securities | -          |
| Government bonds  | -          |
| Bank deposit      | -          |
| Other             | -          |
| <b>Total</b>      | -          |

**4.21.3: Movement in the present value of defined benefit obligations**

| Particulars                                     | FY 2081/82        |
|---|-------------------|
| Defined benefit obligations at Shrawan 1        | 14,734,658        |
| Actuarial losses/(gain)                         | -                 |
| Benefits paid by the plan                       | -                 |
| Current service costs and interest              | -                 |
| <b>Defined benefit obligations at Ashad end</b> | <b>14,734,658</b> |

**4.21.4: Movement in the fair value of plan assets**

| Particulars                                   | FY 2081/82 |
|---|------------|
| Fair value of plan assets at Shrawan 1        | -          |
| Contributions paid into the plan              | -          |
| Benefits paid during the year                 | -          |
| Actuarial (losses) gains                      | -          |
| Expected return on plan assets                | -          |
| <b>Fair value of plan assets at Ashad end</b> | <b>-</b>   |

**4.21.5: Amount recognised in profit or loss**

| Particulars                    | FY 2081/82 |
|--------------------------------|------------|
| Current service costs          | -          |
| Interest on obligation         | -          |
| Expected return on plan assets | -          |
| <b>Total</b>                   | <b>-</b>   |

**4.21.6: Amount recognised in other comprehensive income**

| Particulars           | FY 2081/82 |
|-----------------------|------------|
| Actuarial (gain)/loss | -          |
| <b>Total</b>          | <b>-</b>   |

**4.21.7: Actuarial assumptions**

| Particulars   | FY 2081/82   |
|---|--|
| Discount rate   | 10.00%   |
| Expected return on asset  | 0.00%  |
| Salary Escalation Rate  | 8.00%  |
| Withdrawal rate   | For ages up to 30<br>years :10%<br>Thereafter : 5% |
| Retirement Age  | 60 years   |
| Time of Retirement  | tely on achieving normal re                        |
| Salary Increase frequency   | Once a year  |
| Mortality Rates : Representative mortality rates are referenced from Nepali Assured Lives Mortality (2009)<br>Discount Rate for this valuation is based on Yield to Maturity (YTM) available on Government bonds having similar term to decrement-adjusted estimated term of liabilities. |  |

**Debt securities issued**

| Particulars   | FY 2081/82 |
|---|------------|
| Debt securities issued designated as at fair value through profit or loss | -          |
| Debt securities issued at amortised cost                                  | -          |
| <b>Total</b>  | <b>-</b>   |

**Subordinated Liabilities**

| Particulars   | FY 2081/82 |
|---|------------|
| Redeemable preference shares                                      | -          |
| Irredeemable cumulative preference shares (liabilities component) | -          |
| Other   | -          |
| <b>Total</b>  | <b>-</b>   |

**Share capital**

| Particulars  | FY 2081/82         |
|--|--------------------|
| Ordinary shares  | 641,616,000        |
| Convertible preference shares (equity component only)  | -                  |
| Irredeemable preference shares (equity component only) | -                  |
| Perpetual debt (equity component only)                 | -                  |
| <b>Total</b>   | <b>641,616,000</b> |

**4.24.1: Ordinary Shares**

| Particulars                                | FY 2081/82         |
|--|--------------------|
| <b>Authorized Capital</b>                  |                    |
| 10,000,000 Ordinary Shares of Rs. 100 each | 1,000,000,000      |
| <b>Issued capital</b>                      |                    |
| 6,416,160 Ordinary Shares of Rs. 100 each  | 641,616,000        |
| <b>Subscribed &amp; Paid up Capital</b>    |                    |
| 6,416,160 Ordinary Shares of Rs. 100 each  | 641,616,000        |
| <b>Total</b>                               | <b>641,616,000</b> |

**4.24.2: Ordinary share ownership**

| Particulars                          | FY 2081/82     |                    | FY 2080/81     |
|--------------------------------------|----------------|--------------------|----------------|
|                                      | Percent        | Amount             | Percent        |
| <b>Domestic ownership (Promoter)</b> | <b>67.42%</b>  | <b>432,600,000</b> | <b>67.42%</b>  |
| Nepal Government                     | 0.00%          | -                  | 0.00%          |
| "A" class licensed institutions      | 13.25%         | 85,000,000         | 13.25%         |
| Other licensed intitutions           | 0.00%          | -                  | 0.00%          |
| Other Institutions                   | 24.72%         | 158,586,100        | 23.78%         |
| Other                                | 29.46%         | 189,013,900        | 30.39%         |
| <b>Domestic ownership (Public)</b>   | <b>32.58%</b>  | <b>209,016,000</b> | <b>32.58%</b>  |
| Nepal Government                     | 0.00%          | -                  | 0.00%          |
| "A" class licensed institutions      | 0.00%          | -                  | 0.00%          |
| Other licensed intitutions           | 0.00%          | -                  | 0.00%          |
| Other Institutions                   | 0.00%          | -                  | 0.00%          |
| Other                                | 32.58%         | 209,016,000        | 32.58%         |
| <b>Foreign ownership Promoter</b>    | <b>0.00%</b>   | <b>-</b>           | <b>0.00%</b>   |
| <b>Foreign ownership Public</b>      | <b>0.00%</b>   | <b>-</b>           | <b>0.00%</b>   |
| <b>Total</b>                         | <b>100.00%</b> | <b>641,616,000</b> | <b>100.00%</b> |

**Reserves**

| <b>Particulars</b>                      | <b>FY 2081/82</b>  |
|---|--------------------|
| Statutory General reserve               | 117,095,968        |
| Dividend Equilisation reserve           | -                  |
| Exchange equilisation reserve           | -                  |
| Corporate social responsibility reserve | 1,057,914          |
| Capital redemption reserve              | -                  |
| Regulatory reserve                      | 92,556,986         |
| Capital reserve                         | -                  |
| Assets revaluation reserve              | -                  |
| Fair value reserve                      | -                  |
| Client Protection Fund                  | 48,061,655         |
| Special reserve                         | -                  |
| Other reserve                           | 76,402,860         |
| <b>Total</b>                            | <b>335,175,383</b> |

**4.25.1: Movement in Statutory General Reserve**

| <b>Particulars</b>                            | <b>Amount</b>      |
|---|--------------------|
| <b>Opening Balance of 1st Shrawan 2080</b>    | <b>117,095,968</b> |
| <b>Amount Transferred during this period:</b> |                    |
| Add: 20% of Net profit                        | -                  |
| <b>Closing Balance as on Ashad End 2081</b>   | <b>117,095,968</b> |

**4.25.2: Movement in Corporate Social Responsibility Reserve**

| <b>Particulars</b>                          | <b>Amount</b>    |
|---|------------------|
| <b>Opening Balance of 1st Shrawan 2080</b>  | <b>1,058,614</b> |
| Add: 1% of Net profit                       | -                |
| Less: CSR Expense for the F/Y 2080/81       | (700)            |
| <b>Closing Balance as on Ashad End 2081</b> | <b>1,057,914</b> |

CSR expenses have been made towards Financial Literacy Training and Global Money week programmes.

**4.25.3: Movement in Client Protection Fund**

| Particulars  | Amount             |
|--|--------------------|
| <b>Opening Balance of 1st Shrawan 2080</b>                 | <b>48,865,739</b>  |
| <b>Addition to the Fund this F/Y</b>                       |                    |
| a. Interest Income to the Fund                             | 977,752            |
| a. Other Contribution to the Fund/ acquisition             | -                  |
| b. 1% of Net profit  | -                  |
| c. 25% of dividend in excess of 20%                        | -                  |
| <b>Less: Expenses from Fund this Year</b>                  | <b>(1,781,836)</b> |
| Center Chief Meeting expenses                              | 820,261            |
| Financial Literacy   | 56,595             |
| Skill Development Training Programmes                      | 156,980            |
| Assistance to Member's guardian on the death of the member | 85,000             |
| Assistance to Member during Pregnancy                      | 302,000            |
| Assistance to Member on the death of the husband           | 185,000            |
| Assistance to Member during Natural Disaster               | 65,000             |
| Assistance to Member for Operation of Uterus               | 48,000             |
| Assistance to Member for hospital admission                | 27,000             |
| Assistance to Member for marriage of daughter              | 11,000             |
| Scholarship expenses of Member's son/daughter              | 25,000             |
| <b>Closing Balance as on Ashad End 2081</b>                | <b>48,061,655</b>  |

**4.25.4: Movement in Regulatory Reserve**

| Particulars  | Amount            |
|--|-------------------|
| <b>Opening Balance of 1st Shrawan 2080</b>                 | <b>82,181,154</b> |
| Add: Transfer to Reserve on account of :                   |                   |
| a. Interest Receivable on Loans & Advances                 | 10,375,832        |
| b. Reversal from change in Fair Value on equity instrument | -                 |
| c. Deferred Tax Assets                                     | -                 |
| d. Acturial gain/loss recognised (-)/reversal (+)          | -                 |
| e. Other adjustments *                                     | -                 |
| <b>Closing Balance as on Ashad End 2081</b>                | <b>92,556,986</b> |

\* The differential bonus amount calculated as per NFRS and previous GAAP on account of first time adoption of NFRS has been transferred to Regulatory Reserve.

**4.25.4: Movement in Other Reserve**

| Particulars  | Opening           | Adjustments | Closing           |
|--|-------------------|-------------|-------------------|
| Restructure Reserve                                | 61,919,259        |             | 61,919,259        |
| Acturial Reserve                                   | 1,055,871         |             | 1,055,871         |
| Merger and Acquisition Reserve                     | 12,168,000        |             | 12,168,000        |
| Staff Training Fund                                | 1,249,730         |             |                   |
| <i>Add: 3% of Staff Salary and Allowances</i>      | -                 |             |                   |
| <i>Less: Expenses from the Staff Training Fund</i> | -                 |             | 1,249,730         |
| Investment Adjustment Reserve                      | 10,000            |             | 10,000            |
| <b>Total</b>                                       | <b>76,402,860</b> | <b>-</b>    | <b>76,402,860</b> |

**Contingent liabilities and commitments**

| Particulars                        | FY 2081/82 |
|------------------------------------|------------|
| Contingent liabilities             | -          |
| Undrawn and undisbursed facilities | -          |
| Capital commitment                 | -          |
| Lease Commitment                   | -          |
| Litigation                         | -          |
| <b>Total</b>                       | <b>-</b>   |

The Microfinance does not have any contingent liabilities and commitments as on date.

**4.26.1: Capital commitments**

| <b>Particulars</b>  | <b>FY 2081/82</b> |
|---|-------------------|
| Capital commitments in relation to Property and Equipment | -                 |
| Approved and contracted for                               | -                 |
| Approved but not contracted for                           | -                 |
| <b>Sub total</b>  | -                 |
| Capital commitments in relation to Intangible assets      | -                 |
| Approved and contracted for                               | -                 |
| Approved but not contracted for                           | -                 |
| <b>Sub total</b>  | -                 |
| <b>Total</b>  | -                 |

**4.26.2: Lease commitments**

| <b>Particulars</b>   | <b>FY 2081/82</b> |
|--|-------------------|
| Operating lease commitments  | -                 |
| Future minimum lease payments under non cancellable operating lease, where the Institution is lessee | -                 |
| Not later than 1 year  | -                 |
| Later than 1 year but not later than 5 years   | -                 |
| Later than 5 years   | -                 |
| <b>Sub total</b>   | -                 |
| <b>Finance lease commitments</b>   | -                 |
| Future minimum lease payments under non cancellable operating lease, where the Laghubitta is lessee  | -                 |
| Not later than 1 year  | -                 |
| Later than 1 year but not later than 5 years   | -                 |
| Later than 5 years   | -                 |
| <b>Sub total</b>   | -                 |
| <b>Grand total</b>   | -                 |

**Interest Income**

| Particulars  | FY 2081/82         |
|--|--------------------|
| Cash and cash equivalent                             | -                  |
| Due from Nepal Rastra Bank                           | -                  |
| Placement with bank and financial institutions       | -                  |
| Loan and advances to bank and financial institutions | -                  |
| Loans and advances to customers                      | 329,571,426        |
| Investment securities                                | -                  |
| Loan and advances to staff                           | 90,901             |
| Other - Interest income on Bank deposits             | 811,802            |
| <b>Total interest income</b>                         | <b>330,474,129</b> |

Loan and advances to staff includes interest income from fair value of staff loan.

**Interest Expenses**

| Particulars                            | FY 2081/82         |
|--|--------------------|
| Due to bank and financial institutions | -                  |
| Due to Nepal Rastra Bank               | -                  |
| Deposits from customers                | 59,010,103         |
| Borrowing                              | 142,562,854        |
| Debt securities issued                 | -                  |
| Subordinated liabilities               | -                  |
| Others                                 | -                  |
| <b>Total Interest expense</b>          | <b>201,572,957</b> |

**Fees and Commission Income**

| Particulars                             | FY 2081/82        |
|---|-------------------|
| Loan administration fees                | -                 |
| Service fees                            | 24,253,189        |
| Commitment fees                         | -                 |
| Card Issuance fees                      | -                 |
| Prepayment and swap fees                | -                 |
| Remittance fees                         | -                 |
| Brokerage fees                          | -                 |
| Other fees and commission income        | 704,377           |
| <b>Total Fees and Commission Income</b> | <b>24,957,566</b> |

**4.29.1 Other fees and Commission income**

| Particulars           | FY 2081/82     |
|-----------------------|----------------|
| Remittance Commission | 852            |
| Insurance Commission  | 703,525        |
| <b>Total</b>          | <b>704,377</b> |

**Fees and Commission Expense**

| Particulars                              | FY 2081/82       |
|--|------------------|
| Brokerage                                | -                |
| ATM management fees                      | -                |
| VISA/Master card fees                    | -                |
| Guarantee commission Fees                | -                |
| DD/TT/Swift fees                         | -                |
| Remittance fees and commission           | -                |
| Other fees and commission expense        | 1,040,169        |
| <b>Total Fees and Commission Expense</b> | <b>1,040,169</b> |

Other fees and commission expense includes the service charge, CIC charges paid to BFIs at the time of Borrowing.

**Net Trading income**

| Particulars                             | FY 2081/82 |
|---|------------|
| Changes in fair value of trading assets | -          |
| Gain/loss on disposal of trading assets | -          |
| Interest income on trading assets       | -          |
| Dividend income on trading assets       | -          |
| Gain/loss foreign exchange transaction  | -          |
| Other                                   | -          |
| <b>Net trading income</b>               | <b>-</b>   |

**Other Operating Income**

| Particulars                                   | FY 2081/82       |
|---|------------------|
| Foreign exchange revaluation gain             | -                |
| Gain/loss on sale of investment securities    | -                |
| Fair value gain/loss on investment properties | -                |
| Dividend on equity instruments                | -                |
| Gain/loss on sale of property and equipment   | -                |
| Gain/loss on sale of investment property      | -                |
| Operating lease income                        | -                |
| Gain/loss on sale of gold and silver          | -                |
| Other-Fine on Loan                            | 8,905,246        |
| <b>Total</b>                                  | <b>8,905,246</b> |

Other-Fine on Loan includes :

- a. The amount received from members on account of delayed payment of Loans;
- b. Premature termination of Pension Saving

**Impairment charge/(reversal) for loan and other losses**

| Particulars  | FY 2081/82        |
|--|-------------------|
| Impairment charge/(reversal) on loan and advances to BFIs      | -                 |
| Impairment charge/(reversal) on loan and advances to customers | 85,590,614        |
| Impairment charge/(reversal) on financial Investment           | -                 |
| Impairment charge/(reversal) on placement with BFIs            | -                 |
| Impairment charge/(reversal) on property and equipment         | -                 |
| Impairment charge/(reversal) on goodwill and intangible assets | -                 |
| Impairment charge/(reversal) on investment properties          | -                 |
| <b>Total</b>   | <b>85,590,614</b> |

**Personnel Expenses**

| Particulars                       | FY 2081/82 |
|-----------------------------------|------------|
| Salary                            | 32,020,994 |
| Allowances                        | 40,709,742 |
| Gratuity Expense                  | 1,628,123  |
| Provident Fund/SSF expenses       | 4,764,677  |
| Uniform                           | 5,125,000  |
| Training & development expense    | -          |
| Leave encashment                  | 5,380,257  |
| Medical                           | 2,668,407  |
| Insurance                         | 816,842    |
| Employees incentive               | -          |
| Cash-settled share-based payments | -          |
| Pension expense                   | -          |
| Finance expense under NFRS        | -          |
| Other expenses related to staff   | 4,240,949  |

|                    |                   |
|--------------------|-------------------|
| <b>Subtotal</b>    | <b>97,354,991</b> |
| Employees Bonus    | -                 |
| <b>Grand total</b> | <b>97,354,991</b> |

As per the circular of NRB dated 2080/02/10 to D Class Financial Institutions, Employee Bonus is not eligible on LLP recovered from the writeback of rescheduled loan. Hence, the same has not been considered for employee bonus computation. Otherwise, Employees Bonus is provided at 10% of net profit before bonus and taxes as per the requirement of Bonus Act, 2030.

Leave encashment includes actuarial loss obtained from the actuarial valuation report.

#### Other Operating Expense

| <b>Particulars</b>                                     | <b>FY 2081/82</b> |
|--|-------------------|
| Directors' fee   | 309,500           |
| Board Meeting expense                                  | 72,512            |
| Auditors' remuneration                                 | -                 |
| Other audit related expense                            | -                 |
| Professional and legal expense                         | 47,056            |
| Office administration expense                          | 15,852,503        |
| Finance Lease expenses (Finance Cost and Depreciation) | 6,480,212         |
| Software expenses                                      | 470,762           |
| Operating expense of investment properties             | -                 |
| Corporate social responsibility expense                | -                 |
| Client Protection Expenses                             | -                 |
| Onerous lease provisions                               | -                 |
| Others   | 7,516,876         |
| <b>Total</b>   | <b>30,749,421</b> |

As per NFRS 16 Leases, all leases except for short term leases and leases for which the underlying asset is of low value are treated as Finance Lease. Hence, the finance lease expenses includes finance cost as per NFRS 16 and the depreciation amount of ROU Assets.

#### 4.35.1 Office administration expense

| <b>Particulars</b>                     | <b>FY 2081/82</b> |
|--|-------------------|
| Water & Electricity                    | 645,961           |
| Repair & Maintenance                   |                   |
| (a) Building                           | -                 |
| (b) Vehicles                           | 638,020           |
| (c) Computer and Accessories           | 283,115           |
| (d) Office Equipment & Furniture       | 69,020            |
| (e) Others                             | 30,922            |
| Insurance (Others)                     | 91,821            |
| Postage, Telex, Telephone & Fax        | 618,444           |
| Printing & Stationery                  | 991,911           |
| Newspaper, Books and Journals          | -                 |
| Advertisement                          | 125,233           |
| Donation                               | -                 |
| Security Expense                       | -                 |
| Deposit and Loan Guarantee Premium     | 9,976,194         |
| Travel Allowance & Expense             | 1,525,146         |
| Entertainment                          | 79,535            |
| Annual/Special General Meeting Expense | -                 |
| Other Meeting Expenses                 | 49,500            |
| Internet Expenses                      | 491,646           |
| Registration and Renewal               | 236,035           |
| Other Expenses                         | -                 |
| <b>Total</b>                           | <b>15,852,503</b> |

**4.35.2 Others Expenses:**

| <b>Particulars</b>       | <b>FY 2081/82</b> |
|--------------------------|-------------------|
| Share Issue expenses     | -                 |
| RTS Expenses             | 24,999            |
| Fuel Expenses            | 3,856,471         |
| Lunch expenses           | 2,771,080         |
| Bank Charges             | 24,984            |
| Transportation Expenses  | 23,835            |
| BOD Orientation Expenses | 113,000           |
| Other expenses           | -                 |
| Miscellaneous Expenses   | 702,507           |
| <b>Total</b>             | <b>7,516,876</b>  |

**Depreciation and Amortization**

| <b>Particulars</b>                     | <b>FY 2081/82</b> |
|--|-------------------|
| Depreciation on property and equipment | 1,485,656         |
| Depreciation on investment property    | -                 |
| Amortization of intangible assets      | 38,369            |
| <b>Total</b>                           | <b>1,524,025</b>  |

**Non Operating Income**

| <b>Particulars</b>           | <b>FY 2081/82</b> |
|------------------------------|-------------------|
| Recovery of loan written off | -                 |
| Other non operating income   | 81,729            |
| <b>Total</b>                 | <b>81,729</b>     |

**4.37.1 Other Income**

| <b>Particulars</b> | <b>FY 2081/82</b> |
|--------------------|-------------------|
| Grant income       | -                 |
| Other Income       | 81,729            |
| <b>Total</b>       | <b>81,729</b>     |

**Non Operating Expenses**

| <b>Particulars</b>       | <b>FY 2081/82</b> |
|--------------------------|-------------------|
| Loan written off         | -                 |
| Redundancy provision     | -                 |
| Expense of restructuring | -                 |
| Other expense            | -                 |
| <b>Total</b>             | <b>-</b>          |

**Income Tax Expenses**

| <b>Particulars</b>                                | <b>FY 2081/82</b> |
|---|-------------------|
| <b>Current tax expense</b>                        |                   |
| Current year                                      | -                 |
| Adjustments for prior years                       | -                 |
| <b>Deferred tax expense</b>                       |                   |
| Origination and reversal of temporary differences | -                 |
| Changes in tax rate                               | -                 |
| Recognition of previously unrecognised tax losses | -                 |
| <b>Total income tax expense</b>                   | <b>-</b>          |

**4.39.1: Reconciliation of Current Tax expense and accounting profit**

| <b>Particulars</b>  | <b>FY 2081/82</b>   |
|---|---------------------|
| Profit before tax   | (53,413,507)        |
| Tax amount at tax rate of 30%                                       | (16,024,052)        |
| Add: Tax effect of expenses that are not deductible for tax purpose | -                   |
| Less: Tax effect on Other Items                                     | -                   |
| Less: Tax effect on Exempt Income                                   | -                   |
| Add/Less: Tax effect on NFRS adjustments                            | -                   |
| <b>Total Current Income Tax Expense</b>                             | <b>(16,024,052)</b> |
| <b>Effective tax rate</b>   | <b>30.00%</b>       |