

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NIRDHAN UTTHAN BANK LIMITED**

We have audited the accompanying financial statements of Nirdhan Utthan Bank Limited, which comprise the balance sheet as at Ashadh 31, 2074 (July 15, 2017) and the profit and loss account, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

#### **Report as per the requirements of other Legal and Regulatory Authority**

Based on our Preliminary Report and the response of the board of directors to our Preliminary Report, we further report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  2. In our opinion, the bank has kept proper books of accounts as required by the law so far, as appears from our examination of such books.
  3. As per the directives of Nepal Rastra Bank, the bank has recognized its interest income on cash basis.
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4. The Balance Sheet, the Profit and Loss Account and the Cash Flow statement together with the schedules referred to in this report are prepared as per the format prescribed by Nepal Rastra Bank and are in agreement with the books of accounts.
5. During the course of our audit, we did not come across the cases where the board of directors or the representative or the official or any employee of the bank has acted contrary to the legal provisions relating to accounts or committed any misappropriation of funds/properties of bank or caused loss or damage to the bank.
6. In our opinion and as per our verification of accounting records, the bank has maintained adequate capital fund as prescribed by Nepal Rastra Bank and also made sufficient provision for probable loss of assets.
7. Nothing has come to our notice that the bank has not complied with the directives issued by Nepal Rastra Bank, other than those mentioned in our preliminary report.
8. In this fiscal year, bank has written off the loan in accordance with approved direction of Nepal Rastra Bank.
9. Nothing has come to our notice that the bank has worked against the interest of depositors and investors.
10. The activities carried out by the bank are within its scope of work.
11. The statements received from the branches not audited by us were sufficient for the purpose of our audit.
12. We did not come across any cases of fraudulent activities in the bank with respect to accounts.

In our opinion, the financial statements give a true and fair view of the financial position of Nirdhan Utthan Bank Limited as of Ashadh 31, 2074 (July 15, 2017) and of its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing laws. Also, the financial statements are prepared in accordance with the provisions of Companies Act 2063, Bank and Financial Institutions Act 2063 and the directives issued by Nepal Rastra Bank.

Place: Kathmandu, Nepal

Date: 2074/05/23 (September 08, 2017)

Nil Bahadur Saru Magar, FCA, ISA

Partner

NBSM & Associates

Chartered Accountants

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**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal

**Profit and Loss Account**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

Particulars	Schedule	Current Year Rs	Previous Year Rs
1. Interest Income	4.14	2,208,751,686	1,554,729,385
2. Interest Expenses	4.15	789,601,384	454,538,960
<b>Net Interest Income</b>		<b>1,419,150,302</b>	<b>1,100,190,425</b>
3. Commission & Other Operating Income	4.16	213,967,306	178,733,198
5. Exchange Fluctuation Income		-	864,381
<b>Total Operating Income</b>		<b>1,633,117,608</b>	<b>1,279,788,005</b>
6. Staff Expenses	4.17	607,154,915	506,778,745
7. Other Operating Expenses	4.18	112,531,219	107,220,008
8. Exchange Fluctuation Loss		608,810	-
<b>Operating Profit Before Provision for Possible Losses</b>		<b>912,822,664</b>	<b>665,789,251</b>
9. Provision for Possible Losses	4.19	23,188,945	41,616,003
<b>Operating Profit</b>		<b>889,633,719</b>	<b>624,173,249</b>
10. Non - Operating Income/Expense	4.20	15,735,509	8,920,522
11. Provision for Possible Losses Written Back	4.21		-
<b>Profit from Regular Activities</b>		<b>905,369,228</b>	<b>633,093,771</b>
12. Income/Expense from Extra-Ordinary Activities	4.22	(1,534,483)	(1,997,719)
<b>Net Profit After Considering All Activities</b>		<b>906,903,712</b>	<b>635,091,489</b>
13. Provision for Staff Bonus		82,445,792	57,735,590
14. Provision for Income Tax		252,913,940	174,247,714
Current Year's Tax Provision		252,971,368	176,145,178
Tax Provision up to Previous Year		6,427,893	1,468,619
Current Year's Deferred Tax Expense (Income)		(6,485,321)	(3,366,083)
<b>Net Profit/(Loss)</b>		<b>571,543,980</b>	<b>403,108,185</b>

Schedules 4.14 to 4.22 form integral part of the Profit and Loss Account

Mukesh Dahal  
Senior Manager (Finance)

Bhoj Raj Bashyal  
D. General Manager

Janardan Dev Pant  
Chief Executive Officer

Ganesh Bahadur Thapa  
Chairman

Nil Bahadur Saru Magar, FCA  
NBSM & Associates  
Chartered Accountants  
Date : 2074-05-23

Achyut Raj Joshi  
Director

Top Bahadur Rayamajhi  
Director

Ram Bhakta Thapa  
Director

Rajendra Bahadur Malla  
Director

Rajesh Gautam  
Director

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Balance Sheet**

As at 31st Ashadh 2074 (15 July 2017)

Capital & Liabilities	Schedule	Current Year Rs	Previous Year Rs
1. Share Capital	4.1	1,000,000,000	600,000,000
2. Reserves and Funds	4.2	478,088,026	498,134,303
3. Debentures and Bonds	4.3	-	-
4. Loans and Borrowings	4.4	6,837,940,601	5,935,786,908
5. Deposit Liabilities	4.5	6,230,408,484	4,272,711,012
7. Proposed Cash Dividend		84,210,526	57,894,737
8. Income Tax Liabilities		-	3,376,089
9. Other Liabilities	4.6	709,435,591	469,871,768
<b>Total Capital &amp; Liabilities</b>		<b>15,340,083,229</b>	<b>11,837,774,816</b>

Assets	Schedule	Current Year Rs	Previous Year Rs
1. Cash Balance		19,520,828	14,622,559
2. Balance with Nepal Rastra Bank		122,896,208	83,079,083
3. Balance with Banks/Financial Institutions	4.7	98,680,807	45,263,313
4. Money at Call and Short Notice		1,455,830,946	793,382,779
5. Investments	4.8	582,913,840	53,813,840
6. Loans, Advances and Bills Purchased	4.9	12,180,559,986	10,106,271,189
7. Fixed Assets	4.10	196,728,875	208,895,694
8. Non-banking Assets	4.11	-	-
9. Other Assets	4.12	682,951,739	532,446,359
<b>Total Assets</b>		<b>15,340,083,229</b>	<b>11,837,774,816</b>

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Schedules 4.1 to 4.13 as well as 4.26 and 4.27 form integral part of Balance Sheet

Mukesh Dahal  
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D. General Manager

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Director

Rajesh Gautam  
Director

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Cash Flow Statement**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>(A) Cash Flow from Operating Activities</b>		
<b>1. Cash Receipts</b>	<b>2,435,660,436</b>	<b>1,749,119,390</b>
1.1 Interest Income	2,208,751,686	1,554,729,385
1.2 Recovery of Loan Written off	2,505,117	3,738,373
1.3 Commission and Other Income	224,403,633	190,651,632
<b>2. Cash Payments</b>	<b>(1,736,500,571)</b>	<b>(1,201,715,685)</b>
2.1 Interest Expenses	(789,437,527)	(451,112,749)
2.2 Staff Expenses	(589,447,514)	(478,158,476)
2.3 Office Operating Expenses	(87,371,367)	(103,725,262)
2.4 Payment of Income Tax	(270,244,164)	(168,719,197)
2.5 Other Expenses	-	-
<b>Cash Flow Before Change in Working Capital</b>	<b>699,159,864</b>	<b>547,403,705</b>
<b>Decrease/(Increase) in Current Assets</b>	<b>(2,888,271,543)</b>	<b>(3,532,573,105)</b>
1. Decrease/(Increase) in Money at Call and Short Notice	(662,448,167)	(124,222,197)
2. Decrease/(Increase) in Other Short Term Investments	-	-
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(2,098,448,376)	(3,318,215,998)
4. Decrease/(Increase) in Other Assets	(127,375,000)	(90,134,910)
<b>Increase/(Decrease) in Current Liabilities</b>	<b>1,975,773,681</b>	<b>1,510,975,123</b>
1. Increase/(Decrease) in Deposit Liabilities	1,957,697,472	1,506,279,139
3. Increase/(Decrease) in Short Term Borrowings	-	-
4. Increase/(Decrease) in Other Liabilities	18,076,208	4,695,984
<b>Net Cash Flow from Operating Activities</b>	<b>(213,337,998)</b>	<b>(1,474,194,277)</b>
<b>(B) Cash Flow from Investing Activities</b>	<b>(532,179,261)</b>	<b>(9,943,606)</b>
1. Decrease/(Increase) in Long Term Investments	(2,000,000)	-
2. Decrease/(Increase) in Fixed Assets	(4,085,895)	(10,182,155)
3. Interest Income from Long Term Investments	-	-
4. Dividend Income	1,006,634	238,548
5. Others	(527,100,000)	-
<b>(C) Cash Flow from Financing Activities</b>	<b>844,258,957</b>	<b>1,511,985,911</b>
1. Increase/(Decrease) in Long Term Borrowings (Bond, Debentures)	902,153,693	1,556,686,737
2. Increase/(Decrease) in Share Capital	-	-
3. Increase/(Decrease) in Other Liabilities	-	-
4. Increase/(Decrease) in Facilities/ Refinance from Nepal Rastra Bank	-	(700,826)
5. Dividend Paid	(57,894,737)	(44,000,000)
<b>(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances</b>	<b>(608,810)</b>	<b>864,381</b>
<b>(E) Cash Flow from all activities of the Current Year (A+B+C+D)</b>	<b>98,132,888</b>	<b>28,712,409</b>
(F) Opening Cash and Bank Balances	142,964,955	114,252,545
<b>(G) Closing Cash and Bank Balances</b>	<b>241,097,843</b>	<b>142,964,955</b>

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Date : 2074-05-23

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Director

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Profit and Loss Appropriation Account**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

Particulars	Schedule	Current Year Rs	Previous Year Rs
<b>Income</b>			
1. Accumulated Profit upto Previous Year		207,522,906	69,049,121
2. Current Year's Net Profit		571,543,980	403,108,185
3. Exchange Fluctuation Fund		-	-
4. Previous Year's Profit/Loss Adjustment		-	-
<b>Total</b>		<b>779,066,886</b>	<b>472,157,306</b>
<b>Expenses</b>			
1. Accumulated Loss upto Previous Year		-	-
2. Current Year's Loss		-	-
3. General Reserve Fund		114,308,796	80,621,637
4. Contingent Reserve		-	-
5. Institution Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Employee Related Reserves		5,715,440	4,031,082
8. Proposed Dividend		84,210,526	57,894,737
9. Proposed Bonus Share		400,000,000	100,000,000
10. Special Reserve Fund		-	-
11. CSR Fund		5,715,440	216,095
12. Capital Redemption Reserve Fund		-	-
13. Capital Adjustment Fund		-	-
14. Investment Adjustment Fund		-	-
15. Client Service Fund		१६,७६८,०७९	3,366,083
16. Deferred Tax Reserve		6,485,321	18,504,766
<b>Total</b>		<b>713,203,594</b>	<b>264,634,400</b>
17. Accumulated Profit/(Loss)		<b>65,863,292</b>	<b>207,522,906</b>

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Ram Bhakta Thapa  
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Rajesh Gautam  
Director

**Nirdhan Utthan Bank Limited**  
**Kathmandu, Nepal**  
FY 2073/74(2015/16)

**Notes to Accounts**

Schedule 4.27

**1. Loans and Advances:**

The loans and advances at the end of Ashadh 2074 are as follows:

<b>Opening Balance</b>	<b>Payment</b>	<b>Recovery</b>	<b>Written off</b>	<b>Closing Balance</b>
10,230,950,750	16,362,373,440	14,263,925,064	970,634	12,328,428,492

**2. Deposit Liability:**

Deposit liabilities at the end of Ashadh 2074 are as follows:

<b>S.N.</b>	<b>Description of Deposit</b>	<b>Balance as on 2073 Ashadh end</b>	<b>Balance as on 2074 Ashadh end</b>	<b>Increase/(Decrease) in FY 2073/74</b>
1	Mandatory Deposit	1,150,588,937	1,322,133,703	171,544,766
2	Individual Deposit	1,647,184,716	3,090,551,852	1,443,367,136
3	Central Fund Deposit	547,441,578	724,647,489	177,205,911
4	Public Deposit	927,495,780	1,093,075,440	165,579,660
	<b>Total</b>	<b>4,272,711,012</b>	<b>6,230,408,484</b>	<b>1,957,697,473</b>

**3. Weighted Average Interest Rate Spread of Deposits and Loans:**

Average interest rate earned on Loans and Advances	<b>18.92</b>
Average interest rate paid on borrowings and deposits	6.78
Weighted Average Interest Rate Spread of Deposits and Loans	12.13

**4. Expenses to be written off:**

None

**5. Amortization of Leasehold Property:**

None.

**6. Statement of concentration of transactions relating to assets, liabilities and off balance sheet items with individual, firm, company or organized institution and concentration in any sector beyond the specified limit:**

None.

**7. Statement of classification of assets and liabilities on the basis of maturity period as per the directives of Nepal Rastra Bank for minimizing liquidity risk:**

Not prepared.

**8. Statement of amount taken against the collateral of own assets:**

The bank has not taken any loan against the collateral of its own assets. However, for providing group guarantee loans, the bank has borrowed Rs. 6,837,940,601 from bank and financial institutions.

**9. Statement of Non-banking Assets (Up to last year, acquired in the current year, disposed off and net amount):**

None.

**10. Share Capital:**

There is no advance received for share capital, no calls in arrears and no share has been forfeited. The paid up capital of the bank in the previous year was Rs. 600,000,000 and the bank has proposed bonus shares which amounts to Rs. 400,000,000 Hence, the paid up capital of the bank has increased to Rs. 1000,000,000 including the bonus shares.

**11. Dividend and Bonus Share:**

This year the bank has proposed cash dividend of 14.04% (including tax payable on cash dividend and bonus shares), which amounts to Rs. 84,210,526 and proposed net 66.67% bonus shares, which amounts to Rs. 400,000,000 for the approval of annual general meeting.

**12. Loan Loss Provision and Loan Write off:**

Total Loan Loss Provision up to last year	124,679,562
Additional Provision of this year	231,88,943
Total Loan Loss Provision	147,868,505
Recovery of written off loan	2,505,117

**13. Deferred Tax Assets:**

Temporary difference between assets/liabilities as per financial statement and tax base is considered for deferred tax calculation. Accordingly, Rs. 6,485,321 is recognized as deferred tax Income in the profit and loss account and the net balance amount of deferred tax assets amounting to Rs. 26,486,157 is shown under other assets in schedule 4.12. The same amount is shown as deferred tax reserve under schedule 4.2.

**Deferred Tax:**

Particulars	Amount as per Financial Statement	Tax Base	Difference
Loan Loss Provision	23,188,945	23,188,945	-
Provision for Leave Encashment	87,639,582	-	87,639,582
Fixed Assets	165,418,444	155,225,067	10,193,376
Bond Premium	1,436,446	2,394,076	957,631
Capacity Building Fund	9,883,354		9,883,354
Total:			<b>88,287,190</b>
Deferred Tax Rate (Percentage)			30%



Deferred Tax Assets up to This Year			26,486,157
Deferred Tax Assets up to Last Year			20,000,837
Deferred Tax Expenses This Year			6,485,320

**14. Grant Income:**

Grant received from various domestic and foreign institutions are as follows:

(Rs. '000)

S. No.	Name of Institution	Grant received for purchase of goods	Grant received for office operation, training and various expenses	Total Amount
1	Sakchhyam-1	980	4,827	5,807
2	Sakchhyam-2	5,164	6,512	11,676
3	Clean Start		3,599	3,599
	<b>Total</b>	<b>6,144</b>	<b>14,938</b>	<b>21,082</b>

As per above mentioned details, grant of Rs. 6,144 thousand received for purchase of goods is recorded as grant assets and the same amount is accounted for under capital reserve.

Expenses incurred for various operating activities amounting to Rs. 14,938 thousand only has been recognized as grant income.

**15. Capital Reserve:**

The bank has adopted the policy to create capital reserve fund against the assets received in grant from different domestic and foreign institutions and charge the depreciation amount of these assets in this capital reserve fund itself. Accordingly, the balance in capital reserve fund has come down to Rs. 31,310 thousand at the end of this fiscal year as follows:

(Rs. '000)

Particulars	Amount
Balance at the end of Ashadh 2073	30,491
Used from Sakchhyam-1 for purchase of Fixed Assets.	980
Used from Clean start for purchase of Fixed Assets.	5,164
<b>Total</b>	<b>36,635</b>
Depreciation on Grant Assets This Year	3,226
Value of Assets written off This Year (WDV)	2,099
<b>Total Balance</b>	<b>31,310</b>

**16. General Reserve Fund:**

In accordance with bank and financial institutions act 2063, the bank has transferred 20% of the net profit of this year i.e. Rs. 114,308,796 to the General Reserve Fund and the balance in General Reserve Fund at the year end amounts to Rs. 352,546,222.

**17. Micro Security Fund:**

The balance in Micro Security Fund, created for the welfare of the members as per the direction of Nepal Rastra Bank was Rs. 4,440,756 at the end Ashadh 2073. During this F/Y 2073/074, Rs. 247,910 have been spent for welfare and training & skill development of the members, leaving the balance of Rs. 4,192,846 at the end of Ashadh 2074.

**18. Gratuity Fund:**

The balance in the gratuity fund at the end of last year was Rs. 246,698,273. An addition of Rs. 61,688,183 has been made during this year and the interest earned on this fund amounts to Rs 8,716,827. During this year, Rs 15,066,703 have been paid from this fund to employees, who have taken retirement from the bank. Thus, the net balance in the gratuity fund amounts to Rs.302,036,580 which is shown under other liabilities.

**19. Staff Bonus:**

Provision for staff bonus has been made at the rate of 10% of net profit after bonus, which amounts to Rs. 82,445,792.

**20. Staff Housing Fund:**

In line with policy followed by other financial institutions and as the bank has been providing housing loan facilities to the staff, a separate housing fund has not been created in accordance with Labour Act, 2048.

**21. Client Service Fund:**

In Fiscal Year 2072/73 the Client Protection fund has been created and under this head amount has been allocated as per the directives issued by Nepal Rastra Bank. Such amount will be used for the welfare and development of micro enterprising activities of client. Such fund was Rs. 23,250,554 in 2072/73 out of which Rs. 1,145,829 was expensed on welfare and development of clients. In 2073/74 Rs. 96,768,071 was added to the fund and Rs. 118,872,796 is shown under other liabilities.

**22. Reclassification:**

Previous year's figures have been regrouped and reclassified, if required.

**23. Employee Capacity Building**

In Fiscal year 2073/74 Employee Capacity building fund has been created as per directives issued by the Nepal Rastra Bank. As per directives 3% of expenditure on employees of previous year should be expensed on capacity building of employees. Employee related expenses for 2072/73, was 506,778,744. 3% of such expenses amounts Rs. 15,203,362 and training expenses for the year was Rs. 5,320,008. Thus, net balance in Employee Capacity building fund amounts to Rs.9,883,353 which is shown under other liabilities.

**24. Employee Welfare Fund**

1% of net profit is transferred to Employee Welfare fund which would be expensed on employees when they are sick, on their death or in case of natural calamities.

**25. Corporate Social Responsibility Fund**

As per NRB directives 6.13 CSR fund which is 1% of net profit is created in fiscal year 2073/74 amounting Rs 5,715,440.

**26. Contingency Liability**

Contingency liability arising from tax deductible at source of audit fees, staff loans, medical expenses deducted and tiffin expenses for the year 2068/69 cannot be ascertained. IRD has sent letter of such tax payable to the bank, however, appeal against such claim has been filed with Income tax tribunal.



## Nirdhan Utthan Bank Ltd.

Central Office, Kathmandu, Nepal

Details of promoter shareholders of the Bank

S.N.	Promoter/Promoter group shareholder's name	Promoter's holdings	
		No of Shares	Percentage of total paid up capital
1	Nirdhan NGO	657,627.00	10.96%
2	Grameen Trust, Bangladesh	214,250.00	3.57%
3	Nabil Bank	830,702.00	13.85%
4	Himalayan Bank	673,396.00	11.22%
5	Everest Bank	673,396.00	11.22%
6	Meena Devi Pant	473,960.00	7.90%
7	Ganesh Bahadur Thapa	63,994.00	1.07%
8	Aparna Laxmi Pradhan	2,551.00	0.04%
9	Dr. Mohanman Sainju	25,509.00	0.43%
10	Hari Krishna Pant	4,788.00	0.08%
11	Janardan Dev Pant	56,234.00	0.94%
12	Yadav Raj Pandeya	1,635.00	0.03%
13	Bimala Pandey	645.00	0.01%
14	Jaggannath Chalise	1,635.00	0.03%
15	Devendra Bahadur Raut	2,570.00	0.04%
16	Raj Narayan Das	645.00	0.01%
17	Keshab Kumar Poudel	350.00	0.01%
18	Krishna Raj Chaudhary	297.00	0.00%
19	Dilip Gautam	84.00	0.00%
20	Binda Singh	350.00	0.01%
21	Gangapal Chaudhary	359.00	0.01%
22	Bhoj Raj Ghimire	1,294.00	0.02%
23	Mary Pandey	27,648.00	0.46%
24	Alina Pant	27,648.00	0.46%
25	IFC	452,616.00	7.54%
	Total	4,194,183.00	69.90%

**Nirdhan Utthan Bank Limited**  
**Kathmandu**  
FY 2073/74(2016/17)  
**Significant Accounting Policies**

Schedule 4.26

**1. Brief Introduction of the Institution**

Nirdhan Utthan Bank Limited was established on Kartik 12, 2055 under the then Development Bank Act, 2052 with the approval of Nepal Rastra Bank. Now, operating under Bank and Financial Institutions Act, 2063, this bank is “D” class financial institution approved by Nepal Rastra Bank. The promoters of this institution are Nirdhan Institution, Nabil Bank Limited, Himalayan Bank Limited, Everest Bank Limited, well known personalities and Rural Trust of Bangladesh. This institution had issued its shares to general public during fiscal year 2059/60.

The main function of this institution is micro finance transactions and accordingly has been providing loans to the members of the group against group guarantee without any collateral. On top of that, it has also been providing collateral loans to the customers for operating cottage industries. It also provides micro insurance and remittance services. Its main financial sources are deposits from general public, group saving deposits, borrowings from financial institutions and shareholders’ fund.

The central office of this institution is located at Naxal Bhagwati Bahal, ward no. 1, Kathmandu Metropolitan City, Kathmandu District, Bagmati Zone. As of Ashadh end 2074, it has been operating through 178 branches located at different places of 75 Districts.

**2. Significant Accounting Policies**

**(a) Accounting Convention:**

Financial Statements are prepared under the historical cost convention and on accrual basis of accounting unless specified otherwise and are in conformity with prevailing Nepal Accounting Standards, Companies Act 2063, Bank and Financial Institutions Act 2063 and are presented in the format prescribed under the directives issued by Nepal Rastra Bank.

**(b) Fixed Assets and Depreciation:**

Fixed Assets are accounted for on historical cost basis.

Fixed assets, other than land, are accounted for on historical cost convention and the expenses incurred to put the assets in use for the first time are capitalized. The depreciation has been charged on Diminishing Balance Method at the rates mentioned below:

<u>Assets</u>	<u>Depreciation Rate</u>
Building	5 %
Wooden Furniture	15 %
Steel Furniture	10 %
Office Equipment	15 %
Computer	20 %
Vehicle	15 %

The depreciation on assets purchased and put to use during the year is charged from the next months of such purchase and use at the specified rates.

**(c) Fixed Assets Received in Grant:**

The assets received in grant are booked under respective assets creating capital reserve. These assets are depreciated annually at the specified rates and the depreciation amount is charged to the capital reserve. Thus, the balance amount of capital reserve represents depreciated value (WDV) of the assets received in grant.

**(d) Depreciation for Tax Purpose:**

For the purpose of Income Tax, depreciation has been calculated separately as per the prevailing Income Tax Act, 2058 and Income Tax Regulations, 2059 and the difference between this amount and the amount of depreciation charged in financial statement is adjusted in the income/expenses for tax purpose.

**(e) Investment:**

Investments in Nepal Government’s bonds with the intent to hold till maturity, bank deposits and shares of unlisted companies are accounted for on cost price. Shares purchased on premium are recorded at discounted price. As per the

directives of Nepal Rastra Bank, policy for creating Investment Adjustment Reserve to the extent of investment in the shares of unlisted companies is adopted. In 2073/74, Bank has invested Rs. 2,000,000 in Nepal Finsoft Company. As per 8.2 of NRB directive, investment in newly opened corporate body that where such company is not listed in stock exchange within two years from the date of operation or investment being made, a provision of equivalent to the whole amount of such investment be provided and credited to Investment Adjustment so investment in Nepal Finsoft Company is not credited to Investment Adjustment fund.

**(f) Exchange Fluctuation Adjustment:**

The bank has not made purchase and sale transaction of foreign currency. The balance in foreign currency account is disclosed after translating at the buying rate published by Nepal Rastra Bank. At the end of every year, the foreign currency balance is translated at buying rate and the gain/loss is accounted for as revaluation gain/loss. Separate record is being maintained for such gain/loss. The bank has adopted the policy to charge revaluation loss, if any, to Profit and Loss Account and recognize revaluation gain as income in the Profit and Loss Account and transfer 25% of such gain to Exchange Fluctuation Fund through Profit and Loss Appropriation Account.

**(g) Loan Loss Provision:**

Loans and Advances have been classified as per the prevailing directives of Nepal Rastra Bank and necessary provision for loan loss has been made. Loans and Advances are disclosed net of loan loss provisions in the Balance Sheet.

**(h) Recovery of Principal and Interest:**

The amount recovered from the borrowers is first adjusted against the accrued interest and the remaining amount is adjusted in the principal balance amount.

**(i) Assets not being capitalized:**

Assets of unit value upto Rs.1,000 and/or having useful life of less than one year and/or assets whose useful life can not be determined are expensed off in the year of purchase. Non performing loans and advances (assets) are being written off in accordance with the approved Loan Write-off Bye Law 2062. Non performing assets falling under the criteria for write-off are being written off, maintaining the right to recover, by the decision of board of directors.

**(j) Recognition of Interest Income and Expense:**

Interest payable on deposits and receivable on loans and advances as well as investment are calculated considering 365 days in a year. Interest accrued on loans and advances are accounted for on cash basis. Interest accrued on investment is accounted for on accrual basis. Interest payable on deposits and borrowings are accounted for on accrual basis. Accrued interest of loans and advances to the extent not recovered are shown as Interest Receivable giving respective credit to Interest Suspense Account.

**(k) Operating Grant Income:**

The expenses incurred pertaining to grant received from different institutions for meeting operating expenses are nullified by recognizing income of the same amount.

**(l) Stationery and Stock:**

Out of the stationery and printing materials purchased by the bank, the remaining stock balance at the year end is valued on the basis of FIFO Method and shown under other assets.

**(m) Deferred Expenses Written-off:**

The Bank has adopted the policy to charge the expenses incurred for issuance of shares in the same year. There is no deferred expenses to be written off during the current year.

**(n) Retirement Payment:**

Provident Fund contribution of every month is charged to the profit and loss account and deposited with the approved Retirement Fund. Provision for gratuity has been made on accrual basis and deposited in the approved gratuity fund account. Gratuity amount of the staff retiring from bank's service is being paid from this fund.

**(o) Leave Encashment:**

Provision for liability against accumulated leave of the employees at the year end has been made as per the staff rule and deposited in the staff accumulated leave encashment fund account. Payment against accumulated leave of the staff retiring from bank's service is being made from this account.

**(p) Provision for Tax:**

Provision for income tax has been made on the basis of tax audit and in accordance with the Income Tax Act.

**(q) General Reserve Fund:**

The bank has been transferring 20% of the net profit every year to the general reserve fund as per the requirement of Bank and Financial Institutions Act 2063.

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Share Capital and Ownership**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.1**

Particulars	Current Year Rs	Previous Year Rs
<b>1. Share Capital</b>		
<b>1.1 Authorised Capital</b>	1,000,000,000.00	1,000,000,000.00
a) 10,000,000 Ordinary Shares of Rs 100 each	1,000,000,000.00	1,000,000,000.00
b).... Non-Redeemable Preference Shares of Rs.... each	-	-
c)..... Redeemable Preference Shares of Rs..... each	-	-
<b>1.2 Issued Capital</b>	600,000,000.00	500,000,000.00
a) 6,000,000 Ordinary Shares of Rs 100 each	600,000,000.00	500,000,000.00
b).....Non-Redeemable Preference Shares of Rs..... each	-	-
c).....Redeemable Preference Shares of Rs.... each	-	-
<b>1.3 Paid Up Capital</b>	600,000,000.00	500,000,000.00
a) 6,000,000 Ordinary Shares of Rs 100 each	600,000,000.00	500,000,000.00
b).....Non-Redeemable Preference Shares of Rs.... each	-	-
c).....Redeemable Preference Shares of Rs.... each	-	-
<b>Total</b>	600,000,000.00	500,000,000.00
<b>1.4 Proposed Bonus Share</b>	400,000,000.00	100,000,000.00
<b>1.5 Calls in Advance</b>	-	-
<b>Total(1.3+1.4+1.5)</b>	<b>1,000,000,000.00</b>	<b>600,000,000.00</b>

Share Ownership Details	Current Year Rs		Previous Year Rs	
	%	Share Capital	Share Capital	%
<b>A. Local Ownership</b>	<b>88.89</b>	<b>533,313,398</b>	<b>88.89</b>	<b>444,427,832</b>
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	36.29	217,749,294	36	181,457,745
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Institutions	20.40	122,413,469	20	102,011,225
1.5 General Public	32.19	193,150,635	32	160,958,862
1.6 Others	-	-	-	-
<b>B. Foreign Ownership</b>	<b>11.11</b>	<b>66,686,602</b>	<b>11.11</b>	<b>55,572,168</b>
<b>Total</b>	<b>100.00</b>	<b>600,000,000.00</b>	<b>100.00</b>	<b>500,000,000.00</b>

Shareholders Holding 0.5% or more out of Share Capital of Rs. 500,000,000, as at 15 July 2016 (31 Ashadh 2073)

S.N	Shareholders' Type and Name	Amount Rs	No of Shares	%
A	<b>Promoter Shareholders</b>			
1	Nabil Bank Limited	83,070,174	830,702	13.85
2	Himalayan Bank Ltd.	67,339,560	673,396	11.22
3	Everest Bank Ltd.	67,339,560	673,396	11.22
4	Nirdhan Sanstha	65,762,823	657,628	10.96
5	Mina Pant	47,360,880	473,609	7.89
6	Gramin Trust	21,424,986	214,250	3.57
7	Ganesh Bahadur Thapa	6,399,400	63,994	1.07
8	Janardan Dev Panta	5,623,373	56,234	0.94
9	International Finance Corporation	45,261,616	452,616	7.54
B	<b>Public Shareholders</b>			
1	Nirdhan Sanstha	56,650,646	566,506	9.44
3	Top Bahadur Rayamajhi	4,360,320	43,603	0.73
5	Indira K.C	3,797,740	37,977	0.63
6	Sanjiv Kumar Dahal	3,613,320	36,133	0.60



**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Reserve and Funds**

As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.2**

<b>Particulars</b>	<b>Current Year Rs</b>	<b>Previous Year Rs</b>
1. General/Statutory Reserve Fund	352,546,222	238,237,426
2. Capital Reserve Fund	31,310,432	30,491,211
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves and Funds	27,658,515	21,173,194
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	152,247	152,247
5.3. Dividend Equalisation Fund	-	-
5.4. Special Reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Deferred Tax Reserve	२६,४८६,१५७	20,000,837
5.7. Other Free Reserve	-	-
5.8. Other Reserve Fund	-	-
a) Investment Adjustment Reserve	510,000	510,000
b) Share Premium	510,111	510,111
6. Accumulated Profit/Loss	65,863,292	207,522,906
7. Exchange Fluctuation Fund	709,566	709,566
<b>8. Total</b>	<b>478,088,026</b>	<b>498,134,303</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Debentures and Bonds**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.3**

Particulars	Current Year Rs	Previous Year Rs
1. .... % Debentures of Rs.... each ( Issued on.....with maturity on.....) (Outstanding balance of Redemption Reserve till date Rs.....)	-	-
2. .... % Bonds of Rs.... each ( Issued on..... with maturity on.....) (Outstanding balance of Redemption Reserve till date Rs.....)	-	-
3. ....	-	-
<b>4. Total (1+2+3)</b>	-	-

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Loans and Borrowings**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.4**

Particulars	Current Year Rs	Previous Year Rs
<b>A. Domestic</b>		
1. Government of Nepal	-	-
2. Nepal Rastra Bank	-	-
3. Repo Liabilities	-	-
4. Inter-bank and Financial Institutions	6,789,211,024	5,887,057,330
5. Other Organized Institutions	-	-
6. Others	-	-
<b>Total</b>	<b>6,789,211,024</b>	<b>5,887,057,330</b>
<b>B. Foreign</b>		
1. Banks	-	
2. Others	48,729,578	48,729,578
<b>Total</b>	<b>48,729,578</b>	<b>48,729,578</b>
<b>C. Total (A+B)</b>	<b>6,837,940,601</b>	<b>5,935,786,908</b>

**Nirdhan Utthan Bank Ltd.**  
Kathamndu, Nepal  
**Deposit Liabilities**  
As at 31st Ashadh 2074 (15 July 2017)

*Schedule 4.5*

Particulars	Current Year Rs	Previous Year Rs
<b>1. Non-Interest Bearing Accounts</b>	-	-
1.3 Other Licensed Financial Institutions	-	-
1.4 Other Organized Institutions	-	-
1.5 Individuals	-	-
<b>Total of Non-Interest Bearing Accounts</b>	-	-
<b>2. Interest Bearing Accounts</b>	<b>6,230,408,484</b>	<b>4,272,711,012</b>
<b>A. Savings Deposits</b>	<b>6,105,490,418</b>	<b>4,166,750,764</b>
1.1 Institutions	-	-
1.2 Individuals	6,105,490,418	4,166,750,764
1.3 Others	-	-
<b>B. Fixed Deposits</b>	<b>124,918,066</b>	<b>105,960,247</b>
1.1 Institutions	-	-
1.2 Individuals	124,918,066	105,960,247
1.3 Others	-	-
<b>Total of Interest Bearing Accounts</b>	<b>6,230,408,484</b>	<b>4,272,711,012</b>
<b>Total Deposits (1+2)</b>	<b>6,230,408,484</b>	<b>4,272,711,012</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Other Liabilities**

As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.6**

Particulars	Current Year Rs	Previous Year Rs
1. Pension/Gratuity Fund	302,036,580	246,698,273
2. Provision For Leave	87,639,582	73,151,837
3. Employees' Provident Fund	-	-
4. Employees' Welfare Fund	16,198,214	10,581,274
5. Provision for Staff Bonus	82,445,792	57,735,590
6. Interest Payable on Deposits	2,981,887	3,025,355
7. Interest Payable on Borrowing	1,902,660	1,695,334
8. Sundry Creditors	44,266,317	34,741,713
9. Branch Adjustment Account	-	-
10. Deferred Tax Liability	-	-
11. Bills Payable	-	-
12. Unpaid Dividend	26,455,734	8,800,771
13. Others		
Capacity Building Fund	9,883,354	
Provision for Expenses	428,515	357,594
TDS Payable	5,585,182	4,778,049
Unclaimed Amount	319,380	213,823
Micro Security Fund	4,192,846	4,440,756
Micro Finance Insurance Fee	511,313	400,844
Client Protection Fund	118,872,796	23,250,554
CSR Fund	5,715,440	
<b>Total</b>	<b>709,435,591</b>	<b>469,871,768</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal

**Balance with Banks/Financial Institution**  
As at 31st Ashadh 2074 (15 July 2017)

*Schedule 4.7*

Particulars	Local Currency	Foreign Currency in Rs			Current Year Rs	Previous Year Rs
		INR	Convertible Foreign Currency	Total		
<b>1. Local Licensed Institutions</b>	<b>98,680,807</b>	-			<b>98,680,807</b>	<b>45,263,313</b>
a. Current Account	97,121,531	-	-	-	97,121,531	45,263,313
b. Other Account	<b>1,559,276</b>	-	-	-	<b>1,559,276</b>	-
<b>Total</b>	<b>98,680,807</b>	-			<b>98,680,807</b>	<b>45,263,313</b>

Note: Total balance, as per the confirmations received from respective licensed institution is Rs. 45,263,313.14

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Investments**  
As at 31st Ashadh 2074 (15 July 2017)

*Schedule 4.8*

Particulars	Purpose		Current Year Rs	Previous Year Rs
	Trading	Others		
1. Nepal Government's Treasury Bills	-	-	-	-
2. Nepal Government's Savings Bonds	-	-	-	-
3. Nepal Government's Other Bonds	-	38,725,000.00	38,725,000.00	38,725,000.00
4. Nepal Rastra Bank Bonds	-	-	-	-
5. Foreign Bonds	-	-	-	-
6. Local Licenced Institutions	-	-	-	-
7. Foreign Banks	-	-	-	-
8. Corporate Shares	-	17,088,840.00	17,088,840.00	15,088,840.00
9. Corporate Bonds and Debentures	-	-	-	-
10. Other Investments (Gratuity Fund)	-	-	-	-
11. Fixed Deposits	-	527100000	527100000	-
<b>Total Investment</b>	-	<b>582,913,840.00</b>	<b>582,913,840.00</b>	<b>53,813,840.00</b>
Provision	-	-	-	-
<b>Net Investment</b>	-	<b>582,913,840.00</b>	<b>582,913,840.00</b>	<b>53,813,840.00</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Investments in Shares, Debentures and Bonds**

As at 31st Ashadh 2074 (15 July 2017)

*Schedule 4.8 (Ka)*

Particulars	Cost Price Rs	Market Price Rs	Provision Rs	Current Year Rs	Previous Year Rs
<b>1. Investment in Shares</b>	<b>17,088,840.00</b>	<b>163,355,965.40</b>	-	<b>17,088,840.00</b>	<b>15,088,840.00</b>
1.1 Nepal Gramin Bikash Bank. 66,000 Ordinary Shares ( Including 6000 Bonus Shares) of Rs. 108.72 each fully paid up	6,523,200.00	143,226,032	-	6,523,200.00	6,523,200.00
1.2 Rural Micro Finance Development Centre Ltd. 11,000 Ordinary Shares of Rs. 100 each fully paid up	1,100,000.00	9,377,500	-	1,100,000.00	1,100,000.00
1.3 Prabhu Capital(Growmore Merchant Banker Ltd) 5,000 Ordinary Shares of Rs. 100 each fully paid up	500,000.00	500,000	-	500,000.00	500,000.00
1.4 Centre for Micro Finance Nepal 100 Promoter Shares of Rs. 100 each fully paid up	10,000.00	10,000	-	10,000.00	10,000.00
1.5 NIBL mutual fund 695564 Promoter Shares of Rs. 10 each fully paid up	6,955,640.00	8,242,433	-	6,955,640.00	6,955,640.00
1.6 Nepal Finsoft Company Ltd. 200000 Ordinary shares of Rs. 10 each.	2,000,000.00	2,000,000	-	2,000,000.00	-
<b>2. Investment in Debentures and Bonds</b>	<b>38,725,000.00</b>	<b>38,725,000</b>	-	<b>38,725,000.00</b>	<b>38,725,000.00</b>
2.1 Development Bond 2076	38,725,000.00	38,725,000	-	38,725,000.00	38,725,000.00
2.2 .....	-	-	-	-	-
2.3 .....	-	-	-	-	-
<b>Total Investment</b>	<b>55,813,840.00</b>	<b>202,080,965</b>	-	<b>55,813,840.00</b>	<b>53,813,840.00</b>
<b>3. Provision for Loss</b>	-	-	-	-	-
3.1 Upto Previous Year	-	-	-	-	-
3.2 Change This Year	-	-	-	-	-
<b>Total Provision</b>	-	-	-	-	-
<b>Net Investment</b>	<b>55,813,840.00</b>	<b>202,080,965</b>	-	<b>55,813,840.00</b>	<b>53,813,840.00</b>

**Nirdhan Utthan Bank Ltd.**

Kathamndu, Nepal

**Classification of Loans, Advances and Bills Purchase & Provision**

As at 31st Ashadh 2074 (15 July 2017)

Schedule 4.9

Particulars	Loans and Advances			Previous Year (Rs.)
	Domestic		Current Year (Rs.)	
	Insured	Uninsured		
<b>1. Performing Loan</b>	-	<b>12,289,695,628</b>	<b>12,289,695,628</b>	<b>10,190,894,716</b>
Pass loans	-	12,289,695,628	12,289,695,628	10,190,894,716
<b>2. Non Performing Loan</b>		<b>38,732,864</b>	<b>38,732,864</b>	<b>40,056,034</b>
2.2 Sub Standard	-	14,307,995	14,307,995	15,698,993
2.3 Doubtful	-	6,413,116	6,413,116	13,312,272
2.4 Loss	-	18,011,753	18,011,753	11,044,770
<b>3. Total Loans</b>	-	<b>12,328,428,492</b>	<b>12,328,428,492</b>	<b>10,230,950,750</b>
<b>4. Loan Loss Provision</b>	-	<b>147,868,506</b>	<b>147,868,506</b>	<b>124,679,561</b>
4.1 Pass Loans	-	122,896,956	122,896,956	101,908,947
4.2 Sub Standard	-	3,576,999	3,576,999	3,924,748
4.3 Doubtful	-	3,206,558	3,206,558	6,656,136
4.4 Loss	-	18,011,753	18,011,753	11,044,770
4.5 Additional	-	176,240	176,240	-
4.6 Additional for Third Party Collateral Based Loan Dis	-	-	-	1,144,960
<b>B. Total Provisions</b>	-	<b>147,868,506</b>	<b>147,868,506</b>	<b>76,161,078</b>
<b>5. Provision upto Previous year</b>	-	<b>124,679,561</b>	<b>124,679,561</b>	<b>83,017,510</b>
5.1 Pass Loans	-	101,908,947	101,908,947	68,994,816
5.2 Sub Standard	-	3,924,748	3,924,748	112,116
5.3 Doubtful	-	6,656,136	6,656,136	634,797
5.4 Loss	-	11,044,770	11,044,770	13,275,782
5.5 Additional	-	-	-	-
5.6 Additional for Third Party Collateral Based Loan Dis	-	1,144,960	1,144,960	-
<b>6. Written Back Provision in This Year</b>	-	-	-	-
<b>7. Additional Provision in This Year</b>	-	<b>23,188,945</b>	<b>23,188,945</b>	<b>41,662,051</b>
<b>8. Net Change in This Year</b>	-	<b>23,188,945</b>	<b>23,188,945</b>	<b>41,662,051</b>
<b>9. Total Loan Loss Provision</b>	-	<b>147,868,506</b>	<b>147,868,506</b>	<b>124,679,561</b>
<b>Net Loan (A-B)</b>	-	<b>12,180,559,986</b>	<b>12,180,559,986</b>	<b>10,106,271,189</b>



**Nirdhan Utthan Bak Ltd.**  
**Kathmandu Nepal**  
**Fixed Assets**  
As at 31st Ashadh 2074 (15 July 2017)

Schedule 4.10

From own Sources								
Particulars	Assets						Current Year Rs	Previous Year Rs
	Building	Vehicles	Machinery	Office Equipment	Leasehold Assets	Others		
<b>1. Cost Price</b>								
a. Previous year's balance	87,490,726	10,892,711	-	89,257,429	-	3,804,722	191,445,588	181,256,752
b. Additions this year	-	-	-	4,373,359	-	-	4,373,359	10,254,994
c. Revaluation/Written back this year	-	-	-	-	-	-	-	-
d. This year sold	-	-	-	(660,819)	-	-	(660,819)	(66,157)
e. This year written off	-	-	-	-	-	-	-	-
<b>Total Cost (a+b+c+d+e)</b>	<b>87,490,726</b>	<b>10,892,711</b>	<b>-</b>	<b>92,969,970</b>		<b>3,804,722</b>	<b>195,158,129</b>	<b>191,445,588</b>
<b>2. Depreciation</b>				92,969,970				
a. Upto previous year	13,686,545	3,478,386	-	22,506,320	-	839,695	40,510,946	22,508,102
b. For this year	3,690,209	1,112,149	-	11,615,769	-	444,533	16,862,660	18,036,135
c. Depreciation Revaluation	-	-	-	-	-	-	-	-
d. Disposal This Year	-	-	-	(164,080)	-	-	(164,080)	(33,290)
e. Written Off This Year	-	-	-	-	-	-	-	-
f. Depreciation Adjustment/Written Back	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>17,376,754</b>	<b>4,590,536</b>	<b>-</b>	<b>33,958,009</b>		<b>1,284,228</b>	<b>57,209,527</b>	<b>40,510,946</b>
3. Written Down Value (1-2)	70,113,973	6,302,175	-	59,011,961		2,520,494	137,948,603	150,934,642
4. Land	<b>27,469,841</b>	-	-	-		-	27,469,841	27,469,841
5. Capital Work In Progress (To be capitalised)		-	-	-		-	-	-
<b>Total (3+4+5)</b>	<b>97,583,814</b>	<b>6,302,175</b>	<b>-</b>	<b>59,011,961</b>		<b>2,520,494</b>	<b>165,418,444</b>	<b>178,404,483</b>

From Grant:								
Particulars	Assets					Current Year Rs	Previous Year Rs	
	Building	Vehicles	Machinery	Office Equipment	Others			
<b>1. Cost Price</b>								
a. Previous year's balance	-	12,929,226	-	49,287,823	-	1,208,000	63,425,049	59,721,668
b. Additions this year	-	-	-	5,164,310	-	980,000	6,144,310	5,043,062
c. Revaluation/Written back this year	-	-	-	-	-	-	-	-
d. This year sold	-	(501,600)	-	(1,597,542)	-	-	(2,099,142)	(1,339,681)
e. This year written off	-	-	-	-	-	-	-	-
<b>Total Cost (a+b+c+d+e)</b>	-	<b>12,427,626</b>	-	<b>52,854,591</b>	-	<b>2,188,000</b>	<b>67,470,217</b>	<b>63,425,049</b>
<b>2. Depreciation</b>								
a. Upto previous year	-	7,841,589	-	24,124,684	-	967,565	32,933,838	28,814,656
b. For this year	-	757,199	-	3,924,553	-	99,295	4,781,048	5,160,336
c. Depreciation Revaluation	-	-	-	-	-	-	-	(1,041,154)
d. Disposal This Year	-	(385,220)	-	(1,169,881)	-	-	(1,555,101)	-
e. Written Off This Year	-	-	-	-	-	-	-	-
f. Depreciation adjustment/Written Back	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	-	<b>8,213,569</b>	-	<b>26,879,356</b>	-	<b>1,066,861</b>	<b>36,159,785</b>	<b>32,933,838</b>
3. Written Down Value (1-2)	-	4,214,057	-	25,975,235	-	1,121,139	31,310,432	30,491,211
4. Land	-	-	-	-	-	-	-	-
5. Capital Work In Progress (To be capitalised)	-	-	-	-	-	-	-	-
<b>Total (3+4+5)</b>	-	<b>4,214,057</b>	-	<b>25,975,235</b>	-	<b>1,121,139</b>	<b>31,310,432</b>	<b>30,491,211</b>

Total Assets								
Particulars	Assets					Current Year Rs	Previous Year Rs	
	Building	Vehicles	Machinery	Office Equipment	Others			
<b>1. Cost Price</b>								
a. Previous year's balance	87,490,726	23,821,937	-	138,545,252	-	5,012,722	254,870,637	240,978,420
b. Additions this year	-	-	-	9,537,669	-	980,000	10,517,669	15,298,056
c. Revaluation/Written back this year	-	-	-	-	-	-	-	-
d. This year sold	-	(501,600)	-	(2,258,361)	-	-	(2,759,961)	(1,405,839)
e. This year written off	-	-	-	-	-	-	-	-
<b>Total Cost (a+b+c+d+e)</b>	<b>87,490,726</b>	<b>23,320,337</b>	<b>-</b>	<b>145,824,561</b>	<b>-</b>	<b>5,992,722</b>	<b>262,628,346</b>	<b>254,870,637</b>
<b>2. Depreciation</b>								
a. Upto previous year	13,686,545	11,319,976	-	46,631,004	-	1,807,260	73,444,784	51,322,758
b. For this year	3,690,209	1,869,348	-	15,540,322	-	543,829	21,643,708	23,196,471
c. Depreciation Revaluation	-	-	-	-	-	-	-	(1,041,154)
d. Disposal This Year	-	(385,220)	-	(1,333,961)	-	-	(1,719,181)	(33,290)
e. Written Off This Year	-	-	-	-	-	-	-	-
f. Depreciation adjustment/Written Back	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>17,376,754</b>	<b>12,804,104</b>	<b>-</b>	<b>60,837,365</b>	<b>-</b>	<b>2,351,089</b>	<b>93,369,311</b>	<b>73,444,784</b>
3. Written Down Value (1-2)	70,113,973	10,516,233	-	84,987,196	-	3,641,633	169,259,034	181,425,853
4. Land	27,469,841	-	-	-	-	-	27,469,841	27,469,841
5. Capital Work In Progress (To be capitalised)	-	-	-	-	-	-	-	-
<b>Total (3+4+5)</b>	<b>97,583,814</b>	<b>10,516,233</b>	<b>-</b>	<b>84,987,196</b>	<b>-</b>	<b>3,641,633</b>	<b>196,728,875</b>	<b>208,895,694</b>

# Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

## Non Banking Assets

As at 31st Ashadh 2074 (15 July 2017)

*Schedule 4.11*

Name & Address of Borrower	Date of Assuming Non Banking Assets	Gross Non Banking Assets Rs	Loss Provisions		Net Non Banking Assets NPR	Previous Year Rs
			%	Rs		
				-	-	-
				-	-	-
<b>Total</b>		-		-	-	-

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Other Assets**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.12**

Particulars	Current Year Rs	Previous Year Rs
1. Stock of Stationery	5,190,076	6,488,410
2. Income Receivable on Investments	10,987,143	89,651
3. Accrued Interest Receivable on Loans	133,739,135	102,203,265
Less: Interest Suspense Amount	(133,739,135)	(102,203,265)
4. Commission Receivable		
5. Sundry Debtors	75,173,818	53,731,193
6. Staff Loans and Advances	243,932,145	197,116,155
7. Prepayments	6,538,984	6,374,630
8. Cash-in-Transit	-	-
9. Other Transit Items ( including cheques)	-	-
10. Drafts Paid Without Notice	-	-
11. Expenses not Written off	-	-
12. Branch Adjustment Accounts	-	-
13. Deferred Tax Asset	26,486,157	20,000,837
14. Investment In Gratuity Fund	302,036,580	246,698,273
15. Others	-	-
a. Security Deposits (Dharauti)	1,761,932	1,947,211
b. Advance Income Tax	10,844,903	-
<b>Total</b>	<b>682,951,739</b>	<b>532,446,359</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Other Assets (Additional Details)**

As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.12 (Ka)**

Particulars	This Year Rs				Previous Year Rs
	Upto 1 year	1 to 3 years	Above 3 years	Total	
1. Accrued Interest Receivable on Loans	101,508,177	2,931,020	29,299,938	133,739,135	102,203,265
3. Branch Reconciliation Account	-	-	-	-	-
4. Agency Account	-	-	-	-	-

**Nirdhan Utthan Bank Ltd.**  
 Kathmandu, Nepal  
**Contingent Liabilities**  
 As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.13**

Particulars	Current Year Rs	Previous Year Rs
1. Guarantees	-	
2. Irrevocable Loan Commitments	-	
3. Contingent Liabilities on Income Tax	-	6,689,931.32
4. Acceptance with all other Contingent Liabilities	-	
5. Unpaid Shares Investment	-	-
6. Payment on Claimed Guarantees	-	-
7. Claims Lodged on Bank but not Accepted by the Bank	-	
<b>Total</b>	<b>-</b>	<b>6,689,931.32</b>


**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Interest Income**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

**Schedule 4.14**

<b>Particulars</b>	<b>Current Year Rs</b>	<b>Previous Year</b>
A. On Loans, Advances and Overdrafts	2,133,913,840	1,523,703,726
B. On Investment	2,017,621	2,038,310
1. Nepal Government Securities	2,017,621	2,038,310
3. Nepal Rastra Bank Bonds	-	-
4. Debentures and Bonds	-	-
5. Interest on Interbank Investments	-	-
C. On Agency Balances		
D. On Money at Call and Short Notice	60,230,189	28,987,349
E. On Others	<b>12,590,036</b>	-
1	<b>12,590,036</b>	-
2	-	-
<b>Total</b>	<b>2,208,751,686</b>	<b>1,554,729,385</b>



**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Interest Expenses**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

**Schedule 4.15**

<b>Particulars</b>	<b>Current Year Rs</b>	<b>Previous Year Rs</b>
<b>A. On Deposit Liabilities</b>	<b>393,254,166</b>	<b>252,104,429</b>
1. Client Saving	311,642,652	192,216,197
2. Public Deposit	81,611,514	59,888,232
<b>B. On Borrowings</b>	<b>396,347,218</b>	<b>202,434,530</b>
1. Debentures & Bonds	-	-
2. Loan from Nepal Rastra Bank	-	21,025
3. Inter Bank/Financial Institutions Borrowings	396,347,218	202,413,506
4. Other Organized Institutions	-	-
5. Other Loans	-	-
<b>C. On Others</b>	<b>-</b>	<b>-</b>
1. I.....	-	-
2 .....	-	-
<b>Total</b>	<b>789,601,384</b>	<b>454,538,960</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Commission and Other Operating income**

**For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)**

**Schedule 4.16**

<b>Particulars</b>	<b>Current Year Rs</b>	<b>Previous Year Rs</b>
1. Service Charges	180,026,244	152,448,209
2. Renewal Fees	-	
3. Agency Commission	12,420,160	11,540,243
4. Exchange Fee	-	
5. Remittance Fee	3,267,014	2,869,435
6. Others	-	
a. Account Closing Fee	977,861	964,134
b. Penal Interest	107,681	185,787
c. Others	17,168,347	10,725,390
<b>Total</b>	<b>213,967,306</b>	<b>178,733,198</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Staff Expenses**

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

**Schedule 4.17**

<b>Particulars</b>	<b>Current Year Rs</b>	<b>Previous Year Rs</b>
1. Salary	271,063,423	245,821,790
2. Allowances	140,486,677	108,710,971
3. Contribution to Provident Fund	27,074,214	23,848,137
4. Training Expenses	6,126,444	5,278,026
5. Uniform Expenses	6,324,750	4,715,000
6. Medical Expenses	-	-
7. Insurance Expenses	20,441,894	17,412,621
8. Leave Encashment	36,593,812	34,565,209
9. Pension and Gratuity Provision	61,688,183	40,669,141
10. Others		
a. Wages	16,765,165	14,415,121
b. Employee Refreshment Expenses	10,707,000	11,342,730
c. Provision for employee capacity building fund	9,883,354	-
<b>Total</b>	<b>607,154,915</b>	<b>506,778,745</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Other Operating Expenses**

**For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)**

**Schedule 4.18**

Particulars	Current Year Rs	Previous Year Rs
1. House Rent	28,144,505	25,668,391
2. Electricity and Water	3,379,021	3,072,149
3. Repairs and Maintenance		
a. Building	73,226	340,787
b. Vehicles	457,567	448,646
c. Others	952,831	1,166,089
4. Insurance	3,866,792	6,266,097
5. Postage, Telex, Telephone, Fax	13,222,052	11,474,399
6. Office Equipment, Furniture & Repairs	166,255	-
7. Travelling Allowance and Expenses	9,840,644	10,611,014
8. Printing and Stationery	9,756,200	9,812,233
9. Books and Periodicals	677,697	656,586
10. Advertisements	393,295	459,347
11. Legal Fees	4,504,293	2,321,675
12. Donations	-	19,500
13. Expenses Relating to Board of Directors		
a. Meeting Allowances	494,500	511,500
b. Other Expenses	181,148	335,686
14. Annual General Meeting Expenses	197,782	234,729
15. Expenses Relating to Audit		
a. Audit Fees	500,000	500,000
b. Other Expenses	395,500	87,349
16. Fund Transfer Commission	3,794,388	626,004
17. Depreciation on Fixed Assets	16,862,660	18,036,135
18. Amortization of Pre-operating Expenses	-	-
19. Share Issue Expenses	-	-
20. Technical Service Reimbursement	-	-
21. Entertainment Expenses	-	-
22. Written off Expenses	-	-
23. Security Expenses	549,985	549,985
24. Credit Guarantee Premium	-	-
25. Commission and Discount	-	-
26. Others		
Fuel Expenses	830,202	853,159
Client Training	1,648,234	534,957
Guest Expenses	3,656,427	3,488,307
Business Promotion Expenses	236,791	70,218
Prizes	112,513	60,012
Low Cost Items	684,008	828,333
Fees & Commission	1,116,765	1,740,375
Office Cleaning & Other Expenses	376,998	407,720
Closing Expenses	1,628,004	1,287,678
Software Repair Expenses	311,934	1,306,577
Miscellaneous Expenses	1,273,084	1,843,766
Looted Amount Written Off	50,000	25,000
Transfer and Placement	1,853,965	1,111,418
Employee Recruitment Expenses	158,361	278,066
Calculator Maintenance Expenses	183,593	186,123
<b>Total</b>	<b>112,531,219</b>	<b>107,220,008</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal  
Provision for Possible Losses

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

**Schedule 4.19**

Particulars	Current Year Rs	Previous Year Rs
1. Increase in Loan Loss Provision	23,188,945	41,616,003
2. Increase in Provision for Loss on Investment	-	-
3. Provision for Non Banking Assets	-	-
4. Provision for Other Assets	-	-
<b>Total</b>	<b>23,188,945</b>	<b>41,616,003</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal  
Non Operating Income/Loss

For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

**Schedule 4.20**

Particulars	Current Year Rs	Previous Year Rs
1. Profit (Loss) on Sale of Investments	-	-
2. Profit (Loss) on Sale of Assets	(209,274)	39,972
3. Dividend	1,006,634	238,548
4. Others	14,938,149	8,642,002
<b>Net Non-operating Income/(Loss)</b>	<b>15,735,509</b>	<b>8,920,522</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Provision for Possible Losses Written Back**  
Fiscal Year 2073/074(2016/017)

*Schedule 4.21*

Particulars	Current Year Rs	Previous Year Rs
1. Loan Loss Provision Written Back	-	-
2. Provision for Non Banking Assets Written Back	-	-
3. Provision for Investment Written Back	-	-
4. Provision for Other Assets Written Back	-	-
<b>Total</b>	-	-

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**(Income)/Loss from Extraordinary Activities**  
For the period from 1st Shrawan 2073 to 31st Ashad 2074 (17 July 2016 to 15 July 2017)

*Schedule 4.22*

Particulars	Current Year Rs	Previous Year Rs
1. Recovery of Loan Written off	(2,505,117)	(3,738,373)
2. Voluntary Retirement Expenses	-	-
3. Unrecoverable Loan Written Off (4.28 Ka)	<b>970,634</b>	<b>1,740,654</b>
4. Other Expense/Income	-	-
<b>Total</b>	<b>(1,534,483)</b>	<b>(1,997,719)</b>

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Details of Loan Written off**  
Fiscal Year 2073/074 (2016/017)

*Schedule 4.22 (Ka)*

S. N	Types of Loan	Amount Written Off	Type of Security & Amount	Basis of Collateral Valuation	Loan Approving Authority/Level	Initiations made for Loan Recovery	Remark
1	House Maintenance Loan	43,729	-	-	Branch Manager	Door to Door Visit	-
2	General Loan	899,579	-	-	Branch Manager	Door to Door Visit	-
3	Seasonal Agricultural Loan	2,260	-	-	Branch Manager	Door to Door Visit	-
4	Sanitary Loan	19,460			Branch Manager	Door to Door Visit	
5	Emergency Loan	5,606					
	<b>Total</b>	<b>970,634</b>	-	-	-	-	-

Working Capital Loan  
Project Loan  
Fixed Capital Loan  
Personal Loan  
Other Loan

**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal

**Statement of Loans and Advances Extended to Directors/Chief Executive/Promoters/Employees and Shareholders**

**As at 31st Ashadh 2074 (15 July 2017)**

The Statement of amount, included under total amount of Bills purchased & Discounted ,Loans, Advances and Overdraft, provided to Directors, Chief Executive, Promoters, Employees, Shareholders and to the individual members of their undivided family or against the guarantee of such persons or to the Organisation or Companies in which such individuals are managing agent, are as follows

**Schedule 4.23**

Name of Promoter/Director/Chief Executive	Balance up to Pervious Year		Recovered in Current Year		Additional Lending in Current Year	Balance as at 31 Ashad 2070	
	Principal	Interest	Principal	Interest		Principal	Interest
(A) Directors	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(B) Chief Executive	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(C) Promoters	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(D) Employees	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(E) Shareholders	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-



**Nirdhan Utthan Bank Ltd.**  
Kathmandu, Nepal  
**Table of Capital Fund**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.24**  
**(Rs in '000')**

Particulars	Current Year Rs	Previous Year Rs
<b>A. Core Capital</b>	<b>1,450,230</b>	<b>1,077,177</b>
1 Paid up Capital (Equity Share)	600,000	500,000
2 Proposed Bonus Shares	400,000	100,000
3 Share Premium	510	510
4 Irredeemable Preference shares	-	-
5 General Reserve Fund	352,546	238,237
6 Accumulated Profit/Loss	207,523	69,049
7 Current Year Profit Shown in Balance Sheet	(141,660)	138,474
8 Capital Redemption Reserve	-	-
9 Capital Adjustment Reserve	-	-
10 Calls in Advance	-	-
11 Other Free Reserves	57,797	50,908
Less:	26,486	20,001
Goodwill	-	-
Deferred Tax Assets	26,486	20,001
Investments in Shares & Securities in Excess of Prescribed Limit	-	-
Investments in Securites of Company with Financial Interest	-	-
Fictitious Assets	-	-
Land & Building purchased for the purpose of own use without Complying NRB Directives	-	-
Amount Invested for Construction of Resedential Building and Land Development in Excess of prescribed Limit	-	-
Underwritten Shares not Disposed within precreibed time limit	-	-
Loans and Facilities provided to persons/groups prohibited under existing Acts and Laws	-	-
<b>B. Supplementary Capital</b>	<b>242,989</b>	<b>126,379</b>
1 Pass Loan Loss Provision	122,897	101,909
2 Additional Loan Loss Provision	-	-
3 Hybrid Capital Instruments	-	-
4 Unsecured Subordinated Term Debt	-	-
5 Exchange Equalization Reserve	710	710
6 Assets Revaluation Reserve	-	-
7 Investment Adjustment Reserve	510	510
8 Client Protection Fund	118,873	23,251
<b>C Total Capital Fund (A+B)</b>	<b>1,693,219</b>	<b>1,203,557</b>
<b>D Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets:</b>		
Capital Fund (8 Percent)	1,081,141	892,937
Core Capital (4 Percent)	540,571	446,468
Capital Fund (Excess/Short) (2.78 Percent)	612,078	310,620
Core Capital (Excess/Short) (5.65 Percent)	909,659	630,709

**Nirdhan Utthan Bank Ltd.**  
**Kathmandu, Nepal**  
**Table of Risk Weighted Assets**  
As at 31st Ashadh 2074 (15 July 2017)

**Schedule 4.24(Ka)**  
*(Rs in '000')*

Description	Weight (%)	Current Year Rs		Previous Year Rs	
		Amount	RWA	Amount	RWA
<b>(A) On-Balance-Sheet Assets</b>					
Cash Balance	0	19,521	-	14,623	-
Balance with Nepal Rastra Bank	0	122,896	-	83,079	-
Investment in Securities of Government of Nepal	0	38,725	-	38,725	-
Investment in NRB Bond	0	-	-	-	-
Fully Secured Loan against Own Fixed Deposit Receipt	0	-	-	-	-
Fully Secured Loan against Government Securities	0	-	-	-	-
Accrued interests on Saving Bonds	0	-	-	-	-
Amount Deposited by "B" & "C" Class Licensed Institutions in Youth and Small Entrepreneurs Self-employment Fund Eligible for Consideration as Deprived Sector Lending	0	-	-	-	-
Balance with Domestic Banks/Financial Institutions/Claims Against Fixed Deposit Receipts	20	98,681	19,736	45,263	9,053
Balance with Foreign Banks	20	-	-	-	-
Money at call	20	1,455,831	291,166	793,383	158,677
Inter-Bank Lending	20	-	-	-	-
Investment in Shares, Debentures & Bonds	100	17,089	17,089	15,089	15,089
Other investments	100	-	-	-	-
Loans, Advances & Bills Purchased/Discounted (Total Amount)	100	12,328,428	12,328,428	10,230,951	10,230,951
Fixed assets	100	196,729	196,729	208,896	208,896
Other net interest receivables	100	-	-	-	-
All Other Assets (Except Net Advance Tax Deposits)	100	661,120	661,120	532,357	532,357
Real estate/Residential Home Loans exceeding the limits	150	-	-	-	-
<b>Total (A)</b>		<b>14,939,020</b>	<b>13,514,268</b>	<b>11,962,365</b>	<b>11,155,021</b>
<b>(B) Off-Balance-Sheet Items</b>					
Bills collection	0	-	-	-	-
Forward foreign exchange contract	10	-	-	-	-
L/C with maturity less than six months (Full Amount)	20	-	-	-	-
Guarantee provided against counter guarantee of Internationally Rated Licensed Institutions	20	-	-	-	-
L/C with maturity more than six months (Full Amount)	50	-	-	-	-
Bid bond, Performance bond and Underwriting commitments	50	-	-	-	-
Sale of Credit with condition of Repurchase	50	-	-	-	-
Advance payment guarantee	100	-	-	-	-
Financial and other guarantee	100	-	-	-	-
Irrevocable loan commitment	100	-	-	-	-
Contingent Liabilities in respect of income tax	100	-	-	6,690	6,690
All Other Contingent Liabilities including acceptance	100	-	-	-	-
Rediscounted Bills	100	-	-	-	-
Unpaid amount on Share Investment	100	-	-	-	-
Unpaid guarantee claims	200	-	-	-	-
Contingent Liabilities in respect of claim lodged against the institution but not accepted by the institution	200	-	-	-	-
<b>Total (B)</b>		<b>-</b>	<b>-</b>	<b>6,690</b>	<b>6,690</b>
<b>Total Risk Weighted Assets (A) + (B)</b>		<b>14,939,020</b>	<b>13,514,269</b>	<b>11,969,055</b>	<b>11,161,712</b>

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Principal Indicators**

Since previous Five Years

**Schedule 4.25**

S.N	Particulars	Indicators	F/ Y - 2012/ 13 (2069/070)	F/ Y - 2013/ 14 (2070/071)	F/ Y - 2014/ 15 (2071/072)	F/ Y - 2015/ 16 (2072/073)
1	Net Profit/ Gross Income	Percent	13.40	22.42	22.47	23.15
2	Earnings Per Share	Rs.	45.79	61.71	55.77	67.18
3	Market Price Per Share	Rs.	280.00	13.50	1,401.00	2,420.00
4	Price Earning Ratio	Ratio	6.12	21.88	25.12	36.02
5	Dividend (including bonus) on Share Capital	Percent	31.58	52.63	61.90	31.58
6	Cash Dividend Paid on Share Capital	Percent	11.58	12.63	13.10	11.58
7	Interest Income/ Loans and Advances	Percent	18.18	18.33	18.08	17.77
8	Staff Expenses/ Total Operating Expenses	Percent	85.04	82.89	81.57	84.04
9	Interest Expenses on Total Deposits and Borrowings	Percent	6.80	5.64	4.92	5.24
10	Exchange Fluctuation Income/ Total Income	Percent	0.120		0.09	0.21
11	Staff Bonus/ Total Staff Expenses	Percent	5.37	9.54	9.47	10.23
12	Net Profit/Loans and advances	Percent	2.91	4.94	4.79	4.70
13	Net Profit/ Total Assets	Ratio	2.23	3.84	3.85	4.00
14	Total Credit/ Deposits	Percent	275.98	262.41	249.94	239.45
15	Total Operating Expenses/ Total Assets	Percent	7.24	6.73	7.10	6.66
16	Adequacy of Capital Fund On Risk Weighted Assets					
	a. Core Capital	Percent	8.84	9.82	10.01	9.65
	b. Supplementary Capital	Percent	0.88	0.89	0.90	1.13
	c. Total Capital Fund	Percent	9.73	10.71	10.91	10.78
17	Liquidity (CRR)	Percent	2.42	2.34	2.33	2.36
18	Non-Performing Loan/ Total Loans	Percent	0.93	0.58	0.22	0.39
19	Weighted Average Interest Rate Spread	Percent	11.38	12.70	13.16	12.54
20	Book Net Worth	Rs.'000'	368,194.80	546,881.70	775,872.50	1,098,134.30
21	Total Shares	Nos.	2,000,000	3,360,000	5,000,000.00	6,000,000.00
22	Total Staff	Nos.	537	671	922	871
23	Others					

**Note:**

1. For indicators 7, 12 and 9; the average of opening and closing balance of Loan, Advances and Deposits is considered respectively.
2. For indicators 13 and 15; the average of opening and closing balances of total assets is considered
3. Total Income = Interest Income + Other Income
4. Total Operating Expenses = Employee Expenses + Employee Bouns + Other Operating Expenses
5. Employee Expenses = Employee Expenses + Employee Bonus

**Nirdhan Utthan Bank Ltd.**

Kathmandu, Nepal

**Statement of Loans and Advances taken by Promotor/Group of promoters from other Banks and Financial Institutions by pledging the Share held under their ownership**

As at 31st Ashadh 2074 (15 July 2017)

Schedule - 4.28

S.No.	Name of Promoters/Shareholders Under Promoters' Group	Shares Under the Ownership of Promoter		Loan Details			Remarks
		Total No. of Shares	% of Total Paid-up Capital	Name of Other Bank/Financial institution form which Loan has been taken	Loan amount (Rs)	No. of Shares Pledged	
1	Nirdhan Sanstha	657,629	10.96%	.....	...	...	
2	Gramin Trust, Bangladesh	214,250	3.57%	.....	...	...	
3	Nabil Bank Ltd.	830,702	13.85%	.....	...	...	
4	Himalayan Bank Ltd.	673,396	11.22%	.....	...	...	
5	Everest Bank Ltd.	673,396	11.22%	.....	...	...	
6	Mina Devi Panta	473,960	7.90%	.....	...	...	
7	Ganesh Bahadur Thapa	63,994	1.07%	.....	...	...	
8	Arpana Laxmi Pradhan	2,551	0.04%	.....	...	...	
9	Dr. Mohan Man Sainju	25,509	0.43%	.....	...	...	
10	Hari Krishna Panta	4,788	0.08%	.....	...	...	
11	Janardan Dev Panta	56,234	0.94%	.....	...	...	
12	Yadav Raj Pandey	1,635	0.03%	.....	...	...	
13	Bimala Pandey	645	0.01%	.....	...	...	
15	Jagannath Chalise	1,635	0.03%	.....	...	...	
16	Devendra Bahadur Raut	2,570	0.04%	.....	...	...	
17	Raj Narayan Dash	645	0.01%	.....	...	...	
18	Keshav Kumar Paudel	350	0.01%	.....	...	...	
19	Krishna Raj Chaudhari	297	0.00%	.....	...	...	
20	Dilip Gautam	84	0.00%	.....	...	...	
21	Binda Singh	350	0.01%	.....	...	...	
22	Gangapal Chaudhary	359	0.01%	.....	...	...	
23	Bhoj Raj Ghimire	1,294	0.02%	.....	...	...	
24	Merry Pandey	27,648	0.46%				
	Alina Panth	27,648	0.46%				
25	IFC	452616	7.54%				
	<b>Total</b>	<b>4,194,185</b>	<b>69.90%</b>	.....	...	...	

Nirdhan Utthan Bank Limited

Kathmandu, Nepal

Comparison of Unaudited and Audited Financial Statement as of Fiscal Year 2073/2074

Schedule - 4.29

Rs in '000

S. N.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	In %	
<b>1</b>	<b>Total Capital and Liabilities (1.1 to 1.7)</b>	<b>15,734,345</b>	<b>15,340,083</b>	<b>(394,263)</b>		
1.1	Paid up Capital	600,000	1,000,000	400,000	66.67%	Because of Proposed Bonus Share
1.2	Reserve and surplus	1,223,712	478,088	(745,624)	-60.93%	Due to Calculation deferred tax reserve and Appropriation
1.3	Debenture & Bond	-	-	-		
1.4	Borrowings	6,837,941	6,837,941	0	0.00%	
1.5	<b>Deposits (a+b)</b>	<b>6,230,408</b>	<b>6,230,408</b>		<b>0.00%</b>	
	a. Domestic Currency	6,230,408	6,230,408	0	0.00%	
	b. Foreign Currency	-	-	-		
1.6	Income Tax Liability	250,033	-	(250,033)		Inter head adjustment with Advance Tax
1.7	Other Liabilities	592,252	793,646	201,394	34.00%	Due to Inter Head Adjustment
<b>2</b>	<b>Total Assets (2.1 to 2.7)</b>	<b>15,734,345</b>	<b>15,340,083</b>	<b>(394,261)</b>	<b>-2.51%</b>	
2.1	Cash and Bank Balance	241,098	241,098	-	0.00%	
2.2	Money at Call and Short Notice	1,455,831	1,455,831	-	0.00%	
2.3	Investments	582,914	582,914	-	0.00%	
2.4	Net Loan and Advances	12,328,428	12,180,560	(147,868)	-1.20%	Net Balance has been shown in Audited and Gross balance has been shown in Unaudited
2.5	Fixed Assets	196,636	196,729	93	0.05%	Adjustment of Depreciation
2.6	Non Banking Assets	-	-	-		
2.7	Other Assets	929,438	682,952	(246,486)	-26.52%	Inter head adjustment with Advance Tax & Tax Provision
<b>3</b>	<b>Profit and Loss Account</b>					
3.1	Interest Income	2,208,872	2,208,752	(120)	-0.01%	Due to adjustment penal interest
3.2	Interest Expenses	789,601	789,601	-	0.00%	Due to Adjustment
	<b>A. Net Interest Income (3.1 - 3.2)</b>	<b>1,419,270</b>	<b>1,419,150</b>	<b>(120)</b>		
3.3	Fees, Commission and Discount	15,687	-	(15,687)		Due to Inter Head Adjustment
3.4	Other Operating Income	198,163	213,967	15,804	7.98%	Due to Inter Head Adjustment
3.5	Foreign Exchange Gain/Loss (Net)	(621)	(609)	12	-1.96%	
	<b>B. Total Operating Income (A+3.3+3.4+3.5)</b>	<b>1,632,499</b>	<b>1,632,509</b>	<b>9</b>		
3.6	Staff Expenses	597,272	607,155	9,883	1.65%	Non provisioning of Staff Training Provision
3.7	Other Operating Expenses	112,531	112,531	0	0.00%	Recalculation of Depreciation and adjustment of other expenses
	<b>C. Operating Profit Before Provision (B -3.6)</b>	<b>922,697</b>	<b>912,823</b>	<b>(9,874)</b>		
3.8	Provision for Possible Losses	24,160	23,189	(971)	0.00%	Due to Inter Head Adjustment
	<b>D. Operating Profit (C -3.8)</b>	<b>898,537</b>	<b>889,634</b>	<b>(8,903)</b>		
3.9	Non Operating Income/ Expenses (Net)	15,745	15,736	(9)	-0.06%	
3.10	Write Back of Provision for Possible Loss	-	-	-		
	<b>E. Profit From Regular Activities (D+3.9+3.10)</b>	<b>914,282</b>	<b>905,369</b>	<b>(8,913)</b>		
3.11	Extraordinary Income/ Expenses (Net)	2,505	1,534	(971)	0.00%	Due to Inter Head Adjustment
	<b>F. Profit before Bonus and Taxes (E +3.11)</b>	<b>916,787</b>	<b>906,904</b>	<b>(9,883)</b>		
3.12	Provision for Staff Bonus	83,344	82,446	(898)		Due to difference in Profit
3.13	Provision for Tax	250,033	252,914	2,881		Due to Deferred Tax calculation and computation of actual tax liability
	<b>G. Net Profit/ Loss (F - 3.12 - 3.13)</b>	<b>583,410</b>	<b>571,544</b>	<b>(11,866)</b>		