



निर्धन उत्थान बैंक लिमिटेड NIRDHAN UTTHAN BANK LIMITED

('D' Class Financial Institution licensed from Nepal Rastra Bank)



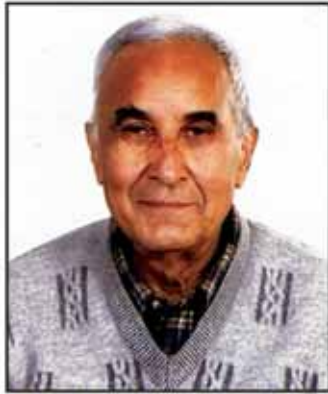
Central Office Complex of Nirdhan Utthan Bank Ltd.
&
Nirdhan NGO at Bhagwati Bahal, Nakshal, Kathmandu

15th Annual Report 2012/13

Board of Directors



Ganesh Bahadur Thapa
Chairman
Represents : Nirdhan NGO



Dr. Harihar Dev Pant
Executive Director
Represents : Individual Promoters



Dr. Fatta Bahadur K.C.
Director
Represents : Public Shareholders



Top Bahadur Raymajhi
Director
Represents : Public Shareholders



Sushil Joshi
Director
Represents : Himalayan Bank Ltd.



Gyaneshor Acharya
Director
Represents : Nabil Bank Limited



Ram Bhakta Thapa
Director
Represents : Professional Expert

NIRDHAN UTTHAN BANK LTD: At a Glance

Established date: 28th October 1998 (2055/7/12)

Date of License from the Nepal Rastra Bank: 13th April 1999 (2055/12/30)

Central Office

Nirdhan Utthan Bank Ltd
 Central Office
 Kathmandu, Nepal
 Phone: 01-4102770, 4238325, 4238326
 Fax: 01-4102655
 E-mail: nubl@ntc.net.np
 Web: www.nirdhan.com

Number of offices

Central Office..... 1
 Regional Offices..... 7
 Branch offices including 10 to be opened in
 the month of Poush..... 128

Operational districts: Permission to operate all over Nepal (Nationalized Bank). Working in 49 districts till mid-July, 2013 (the end of Asadh, 2070): Rupandehi, Nawalparasi, Kapilvastu, Arghakhanchi, Palpa, Syangja, Chitwan, Kaski, Tanahun, Makawanpur, Parsa, Bara, Rautahat, Sarlahi, Mahottari, Dhanusha, Udayapur, Banke, Dang, Pyuthan, Rolpa, Bardiya, Surkhet, Dailekh, Salyan, Doti, Dadeldhura, Baitadi, Kanchanpur, Ilam, Panchthar, Jhapa, Morang, Sunsari, Sankhuwasabha, Taplejung, Tehrathum, Dhankuta, Siraha, Saptari, Dhading, Gorkha, Nuwakot, Kavrepalanchowk, Sindhuli, Bhojpur, Rukum, Kalikot and Jumla.

Products and Services:

Microcredit: Based on group guarantee, without collateral (maximum NRs. 150,000.00) and with collateral, microenterprise loan (above NRs. 1, 50,000.00 to maximum NRs. 4, 00,000.00).

Micro-Savings: From group members and the general public.

Micro-Insurance: Micro-life and livestock insurance.

Remittance Service: Inward remittance service from abroad; domestic remittance in collaboration with different banks and financial institutions as well as remittance companies.

Target Group: (A) *Group based loans:* Clients having less than 15 Kathas of un- irrigated land, having no permanent shelter and without a single member in the family with constant income for livelihood.
 (b) *Microenterprise loans:* Clients graduated from group based lending schemes.

Capital: Authorized Capital: Rs.500,000,000.00
 Issued Capital: Rs.240,000,000.00 (Including proposed bonus shares of Rs.40,000,000.00)
 Paid-up Capital: Rs.240, 000,000.00 (Including proposed bonus shares of Rs.40, 000,000.)

Share Ownership and Structure of the Board:

Shareholders' particulars	Total number of shares	Percentage	Number of members in the Board	Number of shareholders
Group "A": Promoters	12,47,179	62.36	4	23
Nirdhan NGO or Grameen Trust, Bangladesh	2,19,209	10.96	1	1 (Institutional)
	71,416	3.57		1 (Institutional)
Nabil Bank Limited Himalayan Bank Limited Everest Bank Limited	2,76,900	13.85	2 turn by turn	1(Institutional)
	2,24,465	11.22		1(Institutional)
	2,24,465	11.22		1(Institutional)
Individual Promoters	2,30,724	11.54	1	18
Group "B": General public	7,52,821	37.64	2	1658*
From within the list of professional experts published by Nepal Rastra Bank: independent professional director			1	
Total	20,00,000	100	7	1681

*up to mid-October, 2013 (the end of Ashwin, 2070)

Nirdhan Utthan Bank Limited

(Licensed to operate as a class "D" institution by the Nepal Rastra Bank)

Central Office, Kathmandu

Phone: 01-4102770, 4238325, 4238326 Fax: 01-4102655

Notice of the 15th Annual Assembly

Respected shareholders,

According to the decision of the 173rd meeting of the Board of Directors of this bank, held on 12th December, 2013 (27th Mangshir, 2070), all respected shareholders are requested for their participation in the 15th Annual General Meeting of this bank to discuss and decide on the following:

Date, time and venue of the meeting:

Date: 8th January, 2014, Wednesday (24th Poush, 2070 accordingly)

Time: 2.00 p.m

Venue: Trade Tower Business Centre, Thapathali, Kathmandu

Agenda for Discussion:

a. General Proposals:

The annual general meeting will discuss and pass/sanction:

1. The annual report of 2012/2013 (2069/70) to be presented by the Chairman on behalf of the Board of Directors.
2. The Balance Sheet including the Audit Report at mid-July, 2013 (the end of Asadh, 2070), the Profit and Loss Account for the fiscal year 2012/2013 (2069/70), the profit or loss distribution for the same period as well as the financial descriptions (with appendixes) including the cash flow details.
3. According to the article 60 of the Banks and Financial Institutions Act, 2006 (2063) and the article 111 of the Company Act, 2006 (2063), the appointment and finalization of remuneration of an auditor for the fiscal year 2013/14 (2070/71) on the recommendation of the Auditing Committee as per article 165(d) of the latter Act. (The current office-holders Messrs Kumud Tripathi & Company, Chartered Accountants, is eligible for reappointment.)
4. According to the proposal of the Board of Directors, the distribution of Rs. 23,157,895 (including the net dividend amount of 10% of the paid-up capital and the tax on net dividend and bonus shares) or 11.58% of the paid-up capital of Rs. 200,000,000 till mid-July, 2013 (the end of Asadh, 2070).

Special Proposal:

1. To issue bonus shares worth Rs. 40,000,000.00 as approved by the Board of Directors at the ratio of 20 % of the paid-up capital.
2. To increase the paid-up and the issued capital; (for the purpose of collation of records in accordance with the increase in capital after the issue of the proposed bonus shares)
3. To make necessary amendments/ corrections in the bank's memorandum;
4. To authorize the Board of Directors or its appointee to necessarily edit, modify, revise or correct as per the direction of the governing body to make alterations in the proposed amendment of the bank's memorandum.

Miscellaneous:

With the authority of the Board of Directors,
Keshav Kumar Poudel
Company Secretary

Notice about the closure of the shareholders' registration book for the purpose of the AGM:

The act of making entries to the bank's share records will be suspended from 23rd December, 2013 (8th Poush, 2070) to 8th January, 2014 (24th Poush, 2070) for the purposes of the 15th general annual assembly and dividend distribution. The shareholders listed in the shareholders' registration book on the basis of written applications arriving at the bank's central office at Kathmandu within office hours till 1st January, 2014 (17th Poush, 2070) for the ownership transfer of shares traded at the Nepal Stock Exchange Limited till 22nd December, 2013 (7th Poush, 2070) will be eligible to participate in the meeting and to collect the dividend.

Common information about the general meeting:

1. All shareholders participating in the AGM are requested to arrive with their share certificates or any credentials. If representing an organized institution, an authorized letter on behalf of the institution has to be submitted.
2. The report that will be sent to the respective addresses of shareholders by post or courier for the purpose of the 15th AGM can be viewed on this bank's website www.nirdhan.com. The shareholders not receiving the report due to certain reasons will be able to collect it from the central office of this bank or the venue of the meeting on the same day.
3. The shareholders wishing to appoint proxies for the AGM will have to register the proxy forms at the company's central office at Kathmandu at least 48 hours before the AGM. If another proxy has to be appointed by discarding a previous appointment, a written notice about the same will have to be registered at the bank's central office within the same (mentioned) period. The appointed proxy will have to be a shareholder of the bank.
4. If a shareholder who has appointed a proxy attends the meeting and signs the attendance book himself, the proxy will be ruled out.
5. The persons who have been registered in the share listing book as the guardians/ patrons of minors or psychotic shareholders will be able to attend the meeting or appoint proxies.
6. The questions, curiosities or statements put by the respected shareholders will be addressed by the chairman or a person commissioned by him on behalf of the Board of Directors.
7. The attendance book will be laid out for the convenience of respected shareholders from 12 pm onwards on the day of the meeting.
8. For additional information, please contact the bank's central office at Kathmandu.



NIRDHAN UTTHAN BANK LTD

Presented in the 15th Annual General Meeting

Annual Report of the Board of Directors

Fiscal Year 2012/13 (2069/70 BS)

Respected shareholders,

I would like to cordially welcome respected shareholders, representatives from different organizations, journalists and invited guests on behalf of the Board of Directors and myself on the occasion of the 15th Annual General Meeting of the Nirdhan Utthan Bank Ltd.

In the year 1991 (2047), a non-governmental organization called “Nirdhan” was established to provide micro-financial services to the poor with an aim to alleviate poverty in Nepal. Having realized that non-governmental organizations could not continue for long, Nirdhan Utthan Bank was incorporated on 29th October, 1998 (12th Kartik, 2055). The prime goal of this bank is to uplift the living standards of the poor and the needy through micro-financing operations. With an objective of alleviating poverty, the bank is determined from the very day of establishment to provide the poor with micro-financial services throughout Nepal. I am glad to inform you that our services have been accessible to 1, 88,529 households of 1,048 Village Development Committees and Municipalities of 49 districts till mid-October, 2013 (the Ashwin end, 2070). According to the commercial strategies set by the bank for its long-term goal realization of extending micro-financial services to all the 75 districts and bringing at least 20 per cent of the households living below the poverty line inside its transactional network, a target of establishing 20 new branches, like in the past, has been set for the current fiscal year.

Dear shareholders, I would now like to present, on behalf of the Board of directors, the achievements of the bank during the fiscal year 2012/13 (2069/70), challenges faced in the course of time, and various topics including the strategies and programs for the current fiscal year 2013/14 (2070/71) in the following order:

(a) Review of last year's performance:

By the end of fiscal year 2012/13 (2069/70), the bank has continued to identify itself as a leading micro-financial institution by providing simple and convenient services to 1,84,177 needy families spread across 1100 Village Development Committees/ Municipalities of 49 districts through 8,311 centers under 118 branches.

I would now like to present the achievements during the fiscal year 2012/13 (2069/70) under the following sub-headings:

1. Increment of capital:

The total paid-up capital of the bank which was Rs. 19,24,56,000 before the last 14th AGM, has reached Rs. 20,00,00,000 after the allotment of bonus shares worth Rs. 75,44,00,000 last year. Distribution of bonus shares at the ratio of 20 per cent (worth Rs. 4, 00, 00,000) of the existing paid-up capital, subject to approval, will raise the paid-up capital to Rs.24, 00, 00,000.

2. Expansion of programs and transactions:

The bank has established 13 new branches in the fiscal year 2069/70, one each in the additional 6 districts: Nuwakot, Kavrepalanchowk, Jumla, Kalikot, Sindhuli and Rukum apart from 7 in the already operational districts: Dhading, Udayapur, Dhanusha, Saptari, Sarlahi and Banke. The overall customer base throughout the newly functional and existing branches has grown up by a number of 14,499 to a total of 1,84,177 by the end of the fiscal year 2012/13 (2069/2070).

The loan investments have also increased with the number of customers. The outstanding loans standing at Rs. 2,66,09,04,000 the previous year end increased by Rs. 97, 71, 23,000 to Rs. 3,63,27,00,000 in

the review year. The deposits of clients standing at Rs. 95, 72, 62,000 the previous year has increased by Rs. 36,09,00,000 to Rs. 1,31,82,32,000 in the review year.

3. Staff training and career development:

Qualified, competent and committed personnel having long-time experience in the micro-financial sector are involved in the bank management. Having realized the fact that staffs are invaluable assets to the bank, the bank has continuously promoted capacity building activities through plenty of training opportunities both within and outside the country in order to ensure their effective participation in its operational activities and to assist in their career development. In the fiscal year 2012/13 (2069/70), 127 personnel participated in the trainings conducted by the institution within the country and 4 of them in the training opportunities abroad.

In the review year, altogether 49 personnel were promoted: 25 assistant level personnel to senior assistants, 15 senior assistants to supervisors, 4 supervisors to assistant managers, 3 assistant managers to managers and 2 managers to senior managers.

4. Corporate Governance:

The bank is committed to maintaining a high level of corporate governance. Having realized that corporate governance plays a guiding role in the functions and activities of the bank, the bank is constantly active in promoting and manifesting the same by adopting transparent approaches to the activities of the Board of Directors and all the other activities of the bank. The bank has carefully abided by the policies and directions issued by the Nepal Rastra Bank and other governing bodies.

5. Customer care and assumption of social responsibilities:

Committed to observing the global principles of customer care established in the micro-financial sector, the bank has been preparing necessary methodologies, enforcing them and informing the staff, management and the Board of Directors about the same. In this regard, measures like ensuring staff commitment to customer services, paying attention to customer complaints and resolving them are taken. The provisions in the bank's existing policies, rules and directives are constantly being reviewed to match up with the global norms of customer care. In view of its social responsibilities, the bank has been participating in different social and economic activities organized at local level including blood donations, relief distribution to victims of natural disasters and scholarship awards to brilliant students; such activities will be continued in the current fiscal year as well as in future.

6. Communication systems:

The bank is working on its internal and budgetary control measures by adopting an online approach to its communication systems. This strategy will be gradually extended to all the branches after a trial phase till mid-January (the end of Poush). In order to ensure uninterrupted electricity supply for the purpose, arrangements are being made for installing the inverters with solar charging provision at all the branches.

(b) The effects of national and international affairs on the transactions of the bank:

Even though international events made no significant difference to the banking operations and transactions, they could not be left untouched by national circumstances during the fiscal year 2012/13 (2069/70). In spite of some positive political breakthroughs at recent times, lack of timely awareness to address the problems prevalent in the micro-financial sector is definitely going to create direct or indirect consequences for the programs. Proper caring and safeguarding of client identities, adhering to the social performance norms, exchanging information between institutions, promoting healthy competition, enhancing the institutional potential, controlling cost extravagance, operating with minimum resources, using recent technologies, etc. are some challenges lying ahead of us. Moreover,

the increasing trend of unionism among the workers of micro-financial institutions, the difficulties in controlling the unaccountability to clients are other grave challenges lying ahead.

To smoothly operate micro-financial institutions long-lastingly, capital has to be generated internally. So many institutions and transactions cannot survive just on the amount borrowed from commercial banks out of their quotas for lending to the deprived sector. The mobilization of client deposits is the final and only remedy to the problem. Because of the recent policies of the Nepal Rastra Bank concerning the deposit mobilization, the rural populace lacking access to banking institutions other than the micro-financial ones are denied ordinary financial services in spite of being close to micro-financial banks. We are committed to balanced financial growth and endurance as well as to the security of the client deposits. Strict observance of the existent rules and regulations in this regard is a must, which we have adhered to as well. Micro-financial sector will definitely flourish if micro-financial banks are able to mobilize all the branches to securely collect client deposits so that a state of monetary equilibrium is always maintained.

Likewise, those individuals/ families from rural areas who are willing to raise funds for running simple businesses by putting up some collateral but are unfortunately cut off from or left out of groups, are hit hard by the limitation of Rs. 60,000 imposed on credit; we are well acquainted with the fact that many aspiring businessmen and industrialists have been compelled to seek jobs abroad owing to capital inadequacy to start businesses here. Financial institutions and arrangements facilitating the lending of 4-5 lakh rupees against collateral for starting small businesses are lacking; if the Nepal Rastra Bank becomes positive in this regard, the micro-financial sector will benefit immensely, curbing to some extent, the tendency to seek jobs abroad.

(c) The stance of the Board of Directors on this year's achievements and future plans:

The quarterly progress report of the bank at the end of the first three months of the current fiscal year 2013/14 (2069/70) compared with the corresponding period of the past year is highlighted as follows:

Particulars	Ashwin end, 2070 (mid-October, 2013)	Ashwin end, 2069 (mid-October, 2012)
No. of clients	1,88,529	1,74,548
Total deposits	1,40,62,75,676	99,02,35,956
Total loans outstanding	3,89,39,55,187	2,77,96,09,166
Income through interest	18,71,69,120	14,00,11,889
Other income	2,16,12,895	1,35,99,115
Total income	20,87,82,015	15,36,11,004
Interest Expenses	6,67,60,419	6,23,49,131
Operational Expenses	8,56,60,799	5,72,51,502
Expenses for loan loss provision	19,01,801	32,30,923
Total expenses	15,43,23,019	12,28,31,556
Profit (Loss) before tax	5,44,89,995	3,07, 79,448

The bank has done its best to cater to the needs, concerns and expectations of its main stakeholders:

- To provide quality and cost-effective services according to the clients' wishes and requirements,
- To introduce staff-oriented programs for their capacity enhancement and timely adjustments of remuneration, allowances and other facilities,

- (c) To cautiously do the best to meet the social responsibilities,
- (d) To take the transactions to broader scale and masses and earn maximum profits in order to easily reach the minimum standards set by the Nepal Rastra Bank on the capital fund adequacy ratio as well as to meet the shareholders' aspirations of getting returns of up to or exceeding 100 per cent of their investments.

Likewise, while setting plans, policies and budget for the current year, the bank has adopted a single-point strategy of "achieving feats of growth and expansion by effectively strengthening the internal control mechanisms". Based on this strategy, the following targets have been set:

- To provide micro-financial services to 2,05,000 poor families of Nepal,
- To increase the member to borrower ratio from 69% to 71%,
- To raise the outstanding loans to Rs. 4,84,00,00,000,
- To increase the deposits to lending ratio from 34% to 38%,
- To reduce the amount set aside for loan loss provision for a period greater than one month from 1.09% to 0.77%.

(d) Commercial or professional relations of the company:

This bank enjoys cordial relations with the governing bodies including the Nepal Rastra Bank, the Securities Board of Nepal, the Nepal Stock Exchange Ltd., the Office of the Company Registrar and other agencies. Likewise, the bank has collaborated and developed fine relations with the consortium institution of the World Bank - the CGAP (the Consultative Group to Assist the Poor), the Agrifin, the IFC (International Finance Corporation), the Plan Nepal, the Save the Children, the Mercy Corps, the USAID NEAT (Nepal Economic, Agriculture and Trade Activities) Project, the Whole Planet Foundation, the World Education Australia - Good Returns, the ILO (International Labour Organization), the UNDP/UNCDF, KIVA. Similarly, in close partnership with the SAFAL Project of the Mercy Corps Scotland/ DFID, the branch offices established at Fattepur of Banke district, Chaurjahari of Rukum, Manma of Kalikot and the Jumla district headquarters are working with an aim to provide micro-financial services to 3,758 households within 22 months. Likewise, under agreements with the KIVA, the World Education Australia - Good Returns, the Whole Planet Foundation, and work is being carried out to provide the interest free on lending fund. In close collaboration with the Agrifin project under the World Bank, extended agricultural lending facilities are provided after conducting capacity enhancement programs for clients. In partnership with the IFC (International Finance Corporation), initiatives in enhancing the institutional as well as the micro-insuring potential, developing, assessing and extending newer services after feasibility studies and market analysis are constantly being undertaken.

(e) Reshuffle of the Board of Directors and its causes:

The sub-rule 2(A) of rule 8 of the Article of Association of this bank has specified the appointment of two directors in turn from the Nabil Bank Ltd, the Himalayan Bank Ltd and the Everest Bank Ltd; these commercial banks belong to the sub-group "B" of this bank's promoter shareholders. The four year tenure of Mr. Hemant P. Kulkarni from the Everest Bank Ltd has ended after the 14th Annual General Meeting; Mr. Sushil Kumar Joshi from the Himalayan Bank Ltd has taken over from him. I would like to thank Mr. Hemant P. Kulkarni for his outstanding contribution as a member of the Board of Directors to the progress and prosperity of this bank. On the other hand, I would like to cordially welcome Mr. Sushil Joshi from the Himalayan Bank Ltd to the Board of Directors of this bank.

(f) Major factors affecting the transactions:

The following factors mainly affect this bank's transactions. We are endeavoring to effectively move the bank ahead by mitigating such factors. We look forward to significant suggestions from the honourable shareholders in this regard.

- (a) People have a growing tendency to borrow from different institutions simultaneously due to the emergence of many new micro-financial banks; consequently, dualities in lending have been observed.
- (b) Risks are likely to arise from any unexpected changes in the fiscal, monetary and financial policies of the country as well as the rules and regulations of the Nepal Rastra Bank.
- (c) Due to lack of minimal support and facilities to operate from new branches and with recent technologies at remote places of Nepal, the bank has faced tough operating challenges and incurred greater expenses.
- (d) The institution is prone to adverse outcomes due to indiscipline among staff and members arising from political influences and deviations.

We are committed to carefully reduce any possible loss or damage resulting from the unfavourable course of events or transactions.

(g) Audit report and the response of the Board of Directors to the report:

The auditors Messrs Kumud Tripathi and Company, Chartered Accountants, appointed by the past 14th Annual General Meeting, have performed the auditing of this bank's accounts. The audit report and accounting details appended to this document have revealed the clear pictures of the bank. The audit report makes no disagreeable claims. The Board of Directors has no comment on the auditor's report either.

(h) The amount recommended for the distribution of dividends:

The main goal of this bank is to alleviate poverty; but with the notion that shareholders have to be suitably rewarded in order to ensure the availability of capital for the ever-growing number of transactions, a dividend policy of 10-30 per cent net payments (including the bonus shares) has been enforced. The capital fund adequacy along with the cash flow constraints are analyzed very well before determining the proportions of cash rewards and bonus shares at the time of declaring the dividends.

The net profit (after allowing for staff bonus and income tax) of Rs. 9,15,74,052 plus the previous year's surplus of Rs. 1,84,14,205 makes up Rs. 10,99,88,257 that is available for distribution. Out of this amount, Rs. 1,83,14,810 has been transferred to the Ordinary Reserve Fund and Rs. 9,15,741 to the Staff Welfare Fund.

I am glad to announce that the Board of Directors has proposed Rs. 4,00,00,000 or 20 per cent as bonus shares, Rs. 2,00,00,000 or 10 per cent as net cash dividends and Rs. 31,57,894 for tax on bonus shares and cash dividends; the percentage rewards are calculated in terms of the existing paid-up capital of Rs. 20,00,00,000 at the time of closure of the company's shareholders' books for the purpose of this AGM.

(i) Financial performance for the fiscal year 2012/ 13:

I would like to present the financial results for the past fiscal year 2012/13 (2069/70) on the analytical basis of Profit and Loss Account and Balance Sheet.

i. Profit and Loss Account:

In the fiscal year 2012/13 (2069/70), the biggest expenses were incurred under the heading of staff

salaries and allowances which amounted to Rs. 19, 22, 16,000. The corresponding amount was Rs. 19, 22, 16,000 the year before. The ever-growing number of offices as well as routine adjustments to staff salaries and allowances can be accounted for this change. On account of the ever-growing number of offices as well, the office-operating expenses rose to Rs. 4, 43, 86,000 in the review year from Rs. 3, 67, 65,000 the year before. The interest paid to other banks and financial institutions on borrowings from them plus the interest paid on clients' deposits grew up to Rs. 24,06,00,000 in the review year from Rs. 22,69,05,000 the year before. The change in interest payments can be attributed to the ever-increasing deposits and borrowings and is also subject to the change in interest rates (even though the per cent rates of interest to be paid on borrowings from other banks and financial institutions have somewhat been lowered due to increased cash supply/ stock in the market owing to the liquidity excess).

Towards the income side, Rs. 60, 43, 27,000 has been received as interest in the review year. The amount was Rs. 47, 36, 42,000 the year before. The income through other sources has risen to Rs. 6, 01, 48,000 in the review year from Rs. 4, 23, 06,000 earlier. The income through grant stands at Rs. 1, 20, 95,000; the corresponding value was Rs. 88, 70,000 the previous year. Rs. 12, 86,000 has been recovered this year from previously written off debts. In this way, the net profit (after allowing for tax) stands at Rs. 9, 15, 74,000. The corresponding amount was Rs. 4, 27, 32,000.

ii. Balance Sheet:

The paid-up capital reaches Rs. 24,00,00,000 after the distribution of the proposed bonus shares out of the profit for the fiscal year 2012/13 (2069/70). No dues are remaining on the shares issued the previous year. Till the end of the fiscal year 2012/13 (2069/70), the total deposits stand at Rs. 1,31,82,32,000. The corresponding amount was Rs. 95, 72, 62,000 the previous year. Since the deposits of the poor do not wholly meet the lending requirements, a total of Rs. 2,69,29,80,000 has been borrowed from the Nepal Rastra Bank and other different banks and financial institutions.

Till the closure of the fiscal year 2012/13 (2069/70), the bank owns/ has fixed assets worth Rs. 10, 69, 12,000 (net-of-depreciation).

(j) Internal control system:

Various administrative and budgetary control measures, computerized recording system, regular monitoring, internal auditing have been undertaken for the internal control of this bank. Having prepared necessary manuals, work procedures, policies, directives, rules and regulations including the economic administration rules, the personnel administration manual, the financial services manual, the operational manual, the customer monitoring directives, the manual on writing off debts, the regular operations of the bank are being carried out in line with them.

In accordance with the directives of the Nepal Rastra Bank and the articles 14 and 15 of the Act on Banks and Financial Institutions, 2006 (2063), the Board of Directors, on its own accountability, has formed an auditing committee, a risk management committee, a human resource management committee and assigned respective actions, duties and authorities to them.

(1) The Auditing Committee:

The Board of Directors has formed an Auditing Committee co-ordinated by director Mr. Fatta Bdr. KC. The chief of the Internal Auditing Department is the member secretary of this committee. The committee gives necessary advice to the bank management after holding detailed discussions on the review of economic conditions, internal control, auditing related programs and auditing results.

In accordance with the prevailing laws, the chief responsibilities of this committee are: (i) to suggest the corrective measures after reviewing the total financial conditions of the bank, the internal control, auditing plans and the points/ remarks in the internal and external audit reports, (ii) to discuss the implementation of the points/ remarks mentioned in the inspection and supervision reports of the

Nepal Rastra Bank, and to document and inform the Board of Directors about the same, (iii) to help the bank management prepare accurate financial details/ descriptions, (iv) to give appropriate suggestions to the Board of Directors after reviewing the implementation of factors like the regularity, the cost-effectiveness, the significance or the effectiveness in the bank's performance, (v) to present a report to the Board of Directors after reviewing the tri-monthly financial performance.

(2) The Risk Management Committee:

The Board of Directors has formed a Risk management Committee co-ordinated by director Mr. Sushil Joshi. The head of the Operations Department is the member secretary of the committee. The co-ordinator of the auditing committee is stipulated to be an ex officio member of the risk management committee. There is also a provision to organize a meeting of the committee at least once in every three months. The actions, duties and authorities of this committee are designated as per the Nepal Rastra Bank's directives.

(3) Human Resource Management Committee:

The Board of Directors has formed a Human Resource Management Committee co-ordinated by director Mr. Top Bdr. Rayamajhi. The head of the Accounts Department is a member and the head of the Human Resources Department is its member secretary. The actions, duties and authorities of this committee are designated as per the Nepal Rastra Bank's directives.

(4) Miscellaneous:

The structure constructed at Bhagawatibahal of Naxal to serve the purpose of the central office will be named the "Nirdhan Bhavan" according to your suggestions in the past 14th AGM.

(k) Vote of thanks:

I would like to cordially thank honourable shareholders on behalf of the Board of Directors for their valuable contributions to this bank. Thanks are also deserved by the Office of the Company of Registrar, the Nepal Rastra Bank, the Securities Board of Nepal (SEBON), the Nepal Stock Exchange Ltd. (NEPSE), the office-bearers of other different organizations, the journalists who have helped maintain the dignity of the bank and various banks and financial institutions that have granted credit assistance and banking facilities to this bank. I would also like to thank the Rural Microfinance Development Centre (RMDC) for providing staff and customer members with the training opportunities and the wholesale funds. I would also like to thank all the well-wishers and contributors, and anticipate further co-operation in the days to come.

Likewise, I would like to express hearty thanks on this occasion to all the national/ international partner organizations including the consortium institution of the World Bank – the CGAP (the Consultative Group to Assist the Poorest), the Plan International and Plan Nepal, the Grameen Trust Bangladesh, the Mercy Corps, the Save the Children, the UNDP/UNCDF and the NEAT (Nepal Economics, Agriculture and Trade Activities), KIVA, Whole Planet Foundation, IFC, WB-Agrifin, World Education Australia - Good Returns, ILO and like.

Since the present-day achievements of the bank could not have been possible without the goodwill and co-operation of the afore-mentioned institutions as well as the painstaking efforts of the bank management and the bank's dutiful and honest staff, I would like to express hearty thanks to them as well.

Last but not least, I hope that your valuable advice, suggestions and support for the further progress of this bank will continue in the coming days as well.

Date: 8th January, 2014 (2070/09/24)

On behalf of the Board of Directors,
Ganesh Bdr. Thapa
Chairman

Additional information as specified by the article 109 of the Company Act, 2006 (2063):

The point wise list of additional details to appear in a separate report of the Board of Directors as specified by the article 109 of the Company Act, 2006 (2063):

1. If any shares were confiscated, the exact number and the face value of such shares, the amount that the company had received before confiscation, the amount received after the trading of such shares and the amount refunded, if any:

In the review year, no shares have been confiscated.

2. Information passed on to the company by the fundamental/ promoter shareholders in the last fiscal year:

The promoter shareholders holding 5% or more of the total shares of this bank are the Nabil Bank Ltd., the Himalayan Bank Ltd., the Everest Bank Ltd., the Nirdhan Sanstha, the International Finance Corporation (IFC) and Dr. Harihar Dev Panta. The members of the Board of Directors, the management and the staff have been motivated by the promoter shareholders to discharge their services.

3. Information regarding the possession and trading of shares by the directors and the principal office-bearers of the company as notified by them:

At the end of the last fiscal year 2012/13 (2069/2070), the directors and the principal office-bearers of the bank have held the following promoter/ ordinary shares:

1. Officials of the Board of Directors:

S.N.	Name, Post	Quantity of shares held
1.	Mr. Ganesh Bahadur Thapa, Chairman	21,331
2.	Dr. Harihar Dev Panta, Executive Director	1,76,301
3.	Dr. Fatta Bahadur K. C., Director	4,895
4.	Mr. Top Bahadur Rayamajhi, Director	14,534
5.	Mr. Sushil Joshi, Director (representative of the Himalayan Bank Ltd.)	Institutional - 2,24,465
6.	Mr. Gyaneshwor Acharya, Director (representative of the Nabil Bank)	Institutional – 2,76,900
7.	Mr. Ram Bhakta Thapa, Professional Director	

2. Management officials:

S.N.	Name, Post	Quantity of shares held
1.	Dr. Harihar Dev Panta, Executive Director	1,76,301
2.	Mr. Bhoj Raj Bashyal, Deputy General Manager	1,444
3.	Mr. Keshav Kumar Poudel, Assistant General Manager	2,523
4.	Mr. Raj Narayan Dass, Assistant General Manager	645

No information regarding the involvement of the directors and the principal office-bearers of the bank in share transactions except purchasing the primary and the right shares issued by the bank and acquiring the bonus shares passed by the AGM has been obtained.

4. Information regarding the individual interest of any director and his/ her close relatives in connection with the agreements related to the company:

In the last fiscal year, no personal interest on the part of any director and his/ her close relatives in

connection with the agreements related to the company has been noted.

5. If the company has purchased its own shares, the reason(s) for doing so, the exact number and the face value of such shares and the amount the company has paid for the purpose:

In the review year, the company has not purchased any of its own shares by itself..

6. The details of the total managerial expenses in the last fiscal year:

The total managerial expenses of the bank in the fiscal year 2012/13 (2069/70) stand at Rs. 28, 31, 31,830.07 as depicted below:

Staff expenses	Rs. 23,87,45,373.01
Office operation expenses	Rs. 4,43,86,457.06

7. If a director, the managing director, the chief executive, a promoter shareholder or any of his/her close relatives or firms, companies or organized institutions associated with him/ her has any dues to pay to the company, the details are:

None of the directors, the managing director, the chief executive, the promoter shareholders of the bank or any of their close relatives or firms, companies or organized institutions they have been involved with, have any dues to pay to this bank. Since the main institutional promoter shareholders, namely the Himalayan Bank Ltd, the Nabil Bank Ltd and the Everest Bank Ltd are banking institutions, any settlement pending on the regular banking transactions with them as well as on the borrowing/ lending procedures is disclosed in the included audit report and accounting details.

8. The amount paid to the directors, the managing director, the chief executive and other office-bearers for their remuneration, allowances and facilities:

Total meeting allowances of Rs. 3,53,000 have been paid to the honourable directors of the bank for their participations in altogether 15 meetings of the Board of Directors in the fiscal year 2012/13 (2069/70).

Dr. Harihar Dev Pant has been acting as the executive director of this bank. He has been paid Rs. 12, 38,319.33 as salary and allowances in the fiscal year 2012/13 (2069/70); the basic salary for him is fixed at the rate of Rs. 1, 00,000 a month.

Mr. Bhoj Raj Bashyal has been acting as the Deputy General Manager of this bank. He has received Rs. 12, 12,069.50 as remuneration and allowances in the fiscal year 2012/13 (2069/70).

Mr. Keshav Kumar Poudel has been acting as the Assistant General Manager and Company Secretary of this bank. He has received Rs. 9, 53,112.21 as remuneration and allowances in the fiscal year 2012/13 (2069/70).

Likewise, Mr. Raj Narayan Dass has been acting as the Assistant General Manager of this bank. He has received Rs. 9, 50,351.63 as remuneration and allowances in the fiscal year 2012/13 (2069/70).

9. Dividends remaining to be claimed by shareholders:

Out of the total dividends declared by the past annual general meetings of the bank, Rs. 21,16,022.95 remains to be claimed by the honourable shareholders till mid-July, 2013 (the end of Asadh, 2070).

10. Details of the purchase or the sale of assets as per article 141 of the Company Act, 2006 (2063):

The purchase and the sale details of assets on requirements are as mentioned in the appendix 14 of the Balance Sheet.

11. Details of the transactions with the concerned companies as per article 175 of the Company Act, 2006 (2063):

No transactions, other than the regular ones and those occurring in course of the bank's business, have occurred as specified by the article 175 of the Company Act, 2006 (2063).

12. The appointment of the Auditor:

The Auditing Committee of this bank has appointed Messrs Kumud Tripathi & Company, Chartered Accountants for statutory as well as tax auditing purposes for the fiscal year 2013/14 (2070/71) as per the Company 2006 (2063). He will receive Rs. 1, 69,500 (including the tax) as remuneration. (He is eligible for reappointment)

13. Other information to be divulged by the Board of Directors in their report as per the Company Act, 2006 (2063) and the prevailing laws:

There is nothing to clarify in the report.

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

Report on Financial Statements

We have audited the accompanying financial statements of Nirdhan Utthan Bank Limited, which comprise the balance sheet as at Ashadh 31, 2070 (July 15, 2013) 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

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, 2070 (July 15, 2013) 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.

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.
4. The paid up capital of the bank in the previous year was Rs. 200,000,000 and the bank has proposed bonus shares amounting to Rs. 40,000,000 during this year. Hence, the paid up capital disclosed by the bank as at Ashadh 31, 2070 is Rs. 240,000,000 including the bonus shares. After getting approval of the proposed bonus shares from the annual general meeting, the bank needs to amend its Memorandum and Articles of Association accordingly.
5. 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.
6. 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.
7. 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.
8. 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.
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.

Place: Kathmandu
Date: 2070/07/26 (November 12, 2013)

CA. Kumud Tripathy, FCA
For, M/S Kumud Tripathy & Co.
Chartered Accountants



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Balance Sheet

As at 31 Ashadh 2070 (15 July 2013)

Capital & Liabilities	Schedule	Current Year Rs	Previous Year Rs
1. Share Capital	4.1	240,000,000.00	200,000,000.00
2. Reserves and Funds	4.2	128,194,798.33	105,632,749.23
3. Debentures and Bonds	4.3	-	-
4. Loans and Borrowings	4.4	2,692,980,808.26	2,111,416,091.40
5. Deposit Liabilities	4.5	1,318,232,464.75	957,262,626.32
6. Bills Payable	4.6	-	-
7. Proposed Cash Dividend		23,157,894.74	22,843,789.47
8. Income Tax Liabilities		-	1,096,133.14
9. Other Liabilities	4.7	232,620,116.10	164,571,717.27
Total Capital & Liabilities		4,635,186,082.18	3,562,823,106.83

Assets	Schedule	Current Year Rs	Previous Year Rs
1. Cash Balance	4.8	3,499,189.24	2,839,356.41
2. Balance with Nepal Rastra Bank	4.9	27,477,375.71	19,737,318.39
3. Balance with Banks/Financial Institutions	4.1	33,799,768.25	26,106,351.46
4. Money at Call and Short Notice	4.11	568,188,293.44	548,852,485.38
5. Investments	4.12	177,149,075.30	144,107,908.95
6. Loans, Advances and Bills Purchased	4.13	3,570,848,893.13	2,604,380,216.89
7. Fixed Assets	4.14	106,912,019.91	87,160,408.58
8. Non-banking Assets	4.15	-	-
9. Other Assets	4.16	147,311,467.20	129,639,060.77
Total Assets		4,635,186,082.18	3,562,823,106.83

Contingent Liabilities	Schedule 4.17
Directors' Declaration	Schedule 4.29
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Statement of Loans and Advances taken by Promotor/Group of promoters from other Banks and Financial Institutions by pledging the Shares held under their ownership	Schedule 4.34
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Schedules 4.1 to 4.17 and 4.32, 4.33 form integral part of Balance Sheet

Gokarna Prasad Upadhyay
Senior Manager (Finance)

Bhoj Raj Basyal
D. General Manager

Dr. Harihar Dev Panta
Executive Director

Ganesh Bahadur Thapa
Chairman

Kumud Tripathy, FCA
Kumud Tripathy & Co.
Chartered Accountants

Dr. Fatta Bahadur K.C.
Director

Top Bahadur Rayamajhi
Director

Ram Bhakta Thapa
Director

Sushil Joshi
Director

Gyaneshwor Acharya
Director

Date: 2070-07-26 (12 Nov., 2013)

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Profit and Loss Account

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	Schedule	Current Year Rs	Previous Year Rs
1. Interest Income	4.18	604,327,979.30	473,642,775.93
2. Interest Expenses	4.19	240,600,986.17	226,905,765.83
Net Interest Income		363,726,993.13	246,737,010.10
3. Commission & Discount	4.20	4,717,106.42	4,157,407.93
4. Other Operating Incomes	4.21	60,148,059.71	42,306,882.85
5. Exchange Fluctuation Income	4.22	846,405.69	15,854.80
Total Operating Income		429,438,564.95	293,217,155.68
6. Staff Expenses	4.23	238,745,373.01	192,216,202.64
7. Other Operating Expenses	4.24	44,386,457.06	36,765,231.56
8. Exchange Fluctuation Loss	4.22	-	-
Operating Profit Before Provision for Possible Losses		146,306,734.88	64,235,721.48
9. Provision for Possible Losses	4.25	10,653,869.12	4,236,815.03
Operating Profit		135,652,865.76	59,998,906.45
10. Non - Operating Income/Expense	4.26	12,095,581.85	8,870,602.25
11. Provision for Possible Losses Written Back	4.27	-	-
Profit from Regular Activities		147,748,447.61	68,869,508.70
12. Income/Expense from Extra-Ordinary Activities	4.28	1,286,153.69	2,570,102.19
Net Profit After Considering All Activities		149,034,601.30	71,439,610.89
13. Provision for Staff Bonus		13,548,600.12	6,494,510.00
14. Provision for Income Tax		43,911,948.69	22,212,788.75
Current Year's Tax Provision		42,115,516.47	24,486,644.75
Tax Provision up to Previous Year		3,553,055.28	-
Current Year's Deferred Tax Expense (Income)		(1,756,623.06)	(2,273,856.00)
Net Profit/(Loss)		91,574,052.49	42,732,312.14

Schedules 4.18 to 4.28 form integral part of the Profit and Loss Account

Gokarna Prasad Upadhyay
Senior Manager (Finance)

Bhoj Raj Basyal
D. General Manager

Dr. Harihar Dev Panta
Executive Director

Ganesh Bahadur Thapa
Chairman

Kumud Tripathy, FCA
Kumud Tripathy & Co.

Dr. Fatta Bahadur K.C.
Director

Top Bahadur Rayamajhi
Director

Ram Bhakta Thapa
Director

Sushil Joshi
Director

Gyaneshwor Acharya
Director

Date: 2070-07-26 (12 Nov., 2013)

Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal
Profit and Loss Appropriation Account

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	Schedule	Current Year Rs	Previous Year Rs
Income			
1. Accumulated Profit upto Previous Year		18,550,055.46	454,990.12
2. Current Year's Net Profit		91,574,052.49	42,732,312.14
3. Exchange Fluctuation Fund		-	-
4. Previous Year's Profit/Loss Adjustment (Refund of RMDC dividend)		(135,850.00)	-
Total		109,988,257.95	43,187,302.26
Expenses			
1. Accumulated Loss upto Previous Year		-	-
2. Current Year's Loss		-	-
3. General Reserve Fund		18,314,810.00	8,546,462.00
4. Contingent Reserve		-	-
5. Institution Development Fund		-	-
6. Dividend Equalization Fund		-	-
7. Employee Related Reserves		915,741.00	427,323.00
8. Proposed Dividend		23,157,894.74	13,464,842.10
9. Proposed Bonus Share		40,000,000.00	7,544,000.00
10. Special Reserve Fund		-	-
11. Exchange Fluctuation Fund		211,601.42	3,963.70
12. Capital Redemption Reserve Fund		-	-
13. Capital Adjustment Fund		-	-
14. Investment Adjustment Fund		-	(7,623,200.00)
15. Deferred Tax Reserve		1,756,623.06	2,273,856.00
Total		84,356,670.22	24,637,246.80
16. Accumulated Profit/(Loss)		25,631,587.73	18,550,055.46

Gokarna Prasad Upadhyay
Senior Manager (Finance)

Bhoj Raj Basyal
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Director

Ram Bhakta Thapa
Director

Sushil Joshi
Director

Gyaneshwor Acharya
Director

Date: 2070-07-26 (12 Nov., 2013)



Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal
Cash Flow Statement

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(A) Cash Flow from Operating Activities		
1. Cash Receipts	679,791,729.82	531,538,503.46
1.1 Interest Income	602,374,315.22	473,673,883.24
1.2 Commission and Discount Income	4,717,106.42	4,157,407.93
1.3 Income from Foreign Exchange Transaction	-	-
1.4 Recovery of Loan Written off	1,286,153.69	2,570,102.19
1.5 Other Income	71,414,154.49	51,137,110.10
2. Cash Payments	(574,224,253.75)	(500,860,107.93)
2.1 Interest Expenses	(237,839,085.19)	(226,905,765.83)
2.2 Staff Expenses	(246,042,189.21)	(199,138,035.64)
2.3 Office Operating Expenses	(42,752,467.15)	(35,430,987.68)
2.4 Payment of Income Tax	(46,764,704.89)	(24,994,468.54)
2.5 Other Expenses (Expenses from Institutuin Developmenf Fund)	(825,807.31)	(14,390,850.24)
Cash Flow Before Change in Working Capital	105,567,476.07	30,678,395.53
Decrease/(Increase) in Current Assets	(1,012,458,782.46)	(897,611,809.72)
1. Decrease/(Increase) in Money at Call and Short Notice	(19,335,808.06)	(244,636,836.36)
2. Decrease/(Increase) in Other Short Term Investments	-	-
3. Decrease/(Increase) in Loans, Advances and Bills Purchased	(977,122,545.36)	(648,693,593.58)
4. Decrease/(Increase) in Other Assets	(16,000,429.04)	(4,281,379.78)
Increase/(Decrease) in Current Liabilities	419,116,411.36	369,135,597.30
1. Increase /(Decrease) in Deposit Liabilities	360,969,838.43	323,051,644.83
2. Increase /(Decrease) in Certificate of Deposits	-	-
3. Increase /(Decrease) in Short Term Borrowings	-	-
4. Increase /(Decrease) in Other Liabilities	58,146,572.93	46,083,952.47
Net Cash Flow from Operating Activities	(487,774,895.03)	(497,797,816.89)
(B) Cash Flow from Investing Activities	(55,699,131.11)	(31,236,227.81)
1. Decrease/(Increase) in Long Term Investments	(33,041,166.35)	(11,484,356.92)
2. Decrease/(Increase) in Fixed Assets	(25,220,424.51)	(20,178,684.89)
3. Interest Income from Long Term Investments	2,038,309.75	386,439.00
4. Dividend Income	660,000.00	40,375.00
5. Others	(135,850.00)	-
(C) Cash Flow from Financing Activities	558,720,927.39	552,925,015.73
1. Increase /(Decrease) in Long Term Borrowings (Bond, Debentures)	582,578,702.86	554,689,333.52
2. Increase /(Decrease) in Share Capital	-	-
3. Increase /(Decrease) in Other Liabilities	-	-
4. Increase/(Decrease) inFacilities/ Refinance from Nepal Rastra Bank	(1,013,986.00)	(1,014,002.00)
5. Dividend Paid	(22,843,789.47)	(750,315.79)
(D) Income/Loss from exchange rate fluctuations of Cash and Bank Balances	846,405.69	15,854.80
(E) Cash Flow from all activities of the Current Year (A+B+C+D)	16,093,306.94	23,906,825.83
(F) Opening Cash and Bank Balances	48,683,026.26	24,776,200.43
(G) Closing Cash and Bank Balances	64,776,333.20	48,683,026.26

Gokarna Prasad Upadhyay
Senior Manager (Finance)

Bhoj Raj Basyal
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Director

Ram Bhakta Thapa
Director

Sushil Joshi
Director

Gyaneshwor Acharya
Director

Date: 2070-07-26 (12 Nov., 2013)



Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal

Statement of Changes in Equity

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve Fund	Capital Reserve Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax reserve	Other Reserves & Fund	Total Amount
Opening Balance	200,000,000.00	18,550,055.46	42,057,837.00	29,381,621.69	510,111.20	6,525.95	13,648,544.00	1,478,053.93	305,632,749.23
Deferred Tax Reserve		(1,756,623.06)					1,756,623.06		-
Adjustment on Opening Balance		(135,850.00)							(135,850.00)
Adjustments:									-
This Year's Addition/(Deduction)		91,574,052.49		(3,976,710.34)				(825,807.31)	86,771,534.84
General Reserve Fund		(18,314,810.00)	18,314,810.00						-
Proposed Bonus Share	40,000,000.00	(40,000,000.00)							-
Proposed Dividend		(23,157,894.74)							(23,157,894.74)
Employee Related Reserves		(915,741.00)							(915,741.00)
Exchange Fluctuation Fund		(211,601.42)				211,601.42			-
Closing Balance	240,000,000.00	25,631,587.73	60,372,647.00	25,404,911.35	510,111.20	218,127.37	15,405,167.06	652,246.62	368,194,798.33

Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal
Share Capital and Ownership
As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.1

Particulars	Current Year Rs	Previous Year Rs
1. Share Capital		
1.1 Authorised Capital	500,000,000.00	200,000,000.00
a) 5,000,000 Ordinary Shares of Rs 100 each	500,000,000.00	200,000,000.00
b).... Non-Redeemable Preference Shares of Rs.... each	-	-
c)..... Redeemable Preference Shares of Rs..... each	-	-
1.2 Issued Capital	200,000,000.00	200,000,000.00
a) 2,000,000 Ordinary Shares of Rs 100 each	200,000,000.00	200,000,000.00
b).....Non-Redeemable Preference Shares of Rs..... each	-	-
c).....Redeemable Preference Shares of Rs.... each	-	-
1.3 Paid Up Capital	200,000,000.00	192,456,000.00
a) 2,000,000 Ordinary Shares of Rs 100 each	200,000,000.00	192,456,000.00
b).....Non-Redeemable Preference Shares of Rs.... each	-	-
c).....Redeemable Preference Shares of Rs.... each	-	-
Total	200,000,000.00	192,456,000.00
1.4 Proposed Bonus Share	40,000,000.00	7,544,000.00
1.5 Calls in Advance	-	-
Total(1.3+1.4+1.5)	240,000,000.00	200,000,000.00

Share Ownership Details	Current Year Rs		Previous Year Rs	
	%	Share Capital	Share Capital	%
A. Local Ownership	88.89	177,771,200.00	171,065,700.00	88.89
1.1 Government of Nepal	-	-	-	-
1.2 "A" Class Licensed Institutions	36.29	72,583,000.00	69,845,100.00	36.29
1.3 Other Licensed Institutions	-	-	-	-
1.4 Other Institutions	20.40	40,804,400.00	39,265,200.00	20.40
1.5 General Public	32.19	64,383,800.00	61,955,400.00	32.19
1.6 Others	-	-	-	-
B. Foreign Ownership	11.11	22,228,800.00	21,390,300.00	11.11
Total	100.00	200,000,000.00	192,456,000.00	100.00

Shareholders Holding 0.5% or more out of Share Capital of Rs. 200,000,000, as at 15 July 2013 (31 Ashadh 2070)

S.N	Shareholders' Type and Name	Amount Rs	No of Shares	%
A	Promoter Shareholders			
1	Nabil Bank Limited	27,690,000.00	276,900	13.85
2	Himalayan Bank Ltd.	22,446,500.00	224,465	11.22
3	Everest Bank Ltd.	22,446,500.00	224,465	11.22
4	Nirdhan Sanstha	21,920,900.00	219,209	10.96
5	Dr. Harihar Dev Panta	17,630,100.00	176,301	8.82
6	Gramin Trust	7,141,600.00	71,416	3.57
7	Ganesh Bahadur Thapa	2,133,100.00	21,331	1.07
8	Janardan Dev Panta	1,874,400.00	18,744	0.94
B	Public Shareholders			
1	Nirdhan Sanstha	18,883,500.00	188,835	9.44
2	International Finance Corporation	15,087,200.00	150,872	7.54
3	Top Bahadur Rayamajhi	1,453,400.00	14,534	0.73
4	Keshari Chand Kucheria	1,420,100.00	14,201	0.71
5	Anju Pandey	1,403,000.00	14,030	0.70
6	Indira K.C.	1,265,900.00	12,659	0.63
7	Sanjiv Kumar Dahal	1,208,000.00	12,080	0.60
8	Amaraj Khadka	1,111,300.00	11,113	0.56
9	Sudarshan Prasad Adhikari	1,081,900.00	10,819	0.54



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Reserve and Funds

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.2

Particulars	Current Year Rs	Previous Year Rs
1. General/Statutory Reserve Fund	60,372,647.00	42,057,837.00
2. Capital Reserve Fund	25,404,911.35	29,381,621.69
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reserves and Funds	16,567,524.88	15,636,709.13
5.1. Contingent Reserve	-	-
5.2. Institution Development Fund	152,246.62	978,053.93
5.3. Dividend Equalisation Fund	-	-
5.4. Special Reserve Fund	-	-
5.5. Assets Revaluation Reserve	-	-
5.6. Deferred Tax Reserve	15,405,167.06	13,648,544.00
5.7. Investment Adjustment Reserve	500,000.00	500,000.00
5.8. Share Premium	510,111.20	510,111.20
6. Accumulated Profit/Loss	25,631,587.73	18,550,055.46
7. Exchange Fluctuation Fund	218,127.37	6,525.95
8. Total	128,194,798.33	105,632,749.23

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Debentures and Bonds

As at 31 Asadh 2070 (15 July 2013)

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.	-	-
4. Total (1+2+3)	-	-

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Loans and Borrowings

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.4

Particulars	Current Year Rs	Previous Year Rs
A. Domestic		
1. Government of Nepal	-	-
2. Nepal Rastra Bank	2,102,494.00	3,116,480.00
3. Repo Liabilities	-	-
4. Inter-bank and Financial Institutions	2,663,235,942.01	2,101,202,573.36
5. Other Organized Institutions	-	-
6. Others	-	-
Total	2,665,338,436.01	2,104,319,053.36
B. Foreign		
1. Banks	-	-
2. Others	27,642,372.25	7,097,038.04
Total	27,642,372.25	7,097,038.04
C. Total (A+B)	2,692,980,808.26	2,111,416,091.40

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Deposit Liability

As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.5

Particulars	Current Year Rs	Previous Year Rs
1. Non-Interest Bearing Accounts	-	-
A. Current Deposits	-	-
1. Local Currency	-	-
1.1 Government of Nepal	-	-
1.2 "A" Class Licensed Institutions	-	-
1.3 Other Licensed Financial Institutions	-	-
1.4 Other Organized Institutions	-	-
1.5 Individuals	-	-
1.6 Others	-	-
2. Foreign Currency	-	-
2.1 Government of Nepal	-	-
2.2 "A" Class Licensed Institutions	-	-
2.3 Other Licensed Financial Institutions	-	-
2.4 Other Organized Institutions	-	-
2.5 Individuals	-	-
2.6 Others	-	-
B. Margin Deposits	-	-
1. Employees' Guarantee	-	-
2. Guarantee Margin	-	-
3. Margin on Letter of Credit	-	-



C. Others	-	-
1. Local Currency	-	-
1.1 Financial Institutions	-	-
1.2 Other Organized Institutions	-	-
1.3 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts	-	-
2. Interest Bearing Accounts	1,318,232,464.75	957,262,626.32
A. Savings Deposits	1,309,186,419.46	953,352,166.32
1. Local Currency	1,309,186,419.46	953,352,166.32
1.1 Institutions	-	-
1.2 Individuals	1,309,186,419.46	953,352,166.32
1.3 Others	-	-
2. Foreign Currency	-	-
2.1 Institutions	-	-
2.2 Individuals	-	-
2.3 Others	-	-
B. Fixed Deposits	9,046,045.29	3,910,460.00
1. Local Currency	9,046,045.29	3,910,460.00
1.1 Institutions	-	-
1.2 Individuals	9,046,045.29	3,910,460.00
1.3 Others	-	-
2. Foreign Currency	-	-
2.1 Institutions	-	-
2.2 Individuals	-	-
2.3 Others	-	-
C. Call Deposits	-	-
1. Local Currency	-	-
1.1 "A" Class Licensed Institutions	-	-
1.2 Other Licensed Financial Institutions	-	-
1.3 Other Organized Institutions	-	-
1.4 Individuals	-	-
1.5 Others	-	-
2. Foreign Currency	-	-
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Financial Institutions	-	-
2.3 Other Organized Institutions	-	-
2.4 Individuals	-	-
2.5 Others	-	-
D. Certificate of Deposits	-	-
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	1,318,232,464.75	957,262,626.32

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Bills Payables

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.6

Particulars	Current Year Rs	Previous Year Rs
1. Local Currency	-	-
2. Foreign Currency	-	-
Total	-	-

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Other Liabilities

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.7

Particulars	Current Year Rs	Previous Year Rs
1. Pension/Gratuity Fund	130,290,875.30	97,249,708.95
2. Employees' Provident Fund	-	-
3. Employees' Welfare Fund	2,562,712.12	1,787,524.00
4. Provision for Staff Bonus	13,548,600.12	7,177,326.00
5. Interest Payable on Deposits	30,159.65	7,576.00
6. Interest Payable on Borrowing	4,794,639.23	2,055,321.90
7. Unearned Discount and Commission	-	-
8. Sundry Creditors	29,107,273.51	11,422,172.25
9. Branch Adjustment Account	-	-
10. Deferred Tax Liability	-	-
11. Unpaid Dividend	2,116,022.95	437,857.08
12. Others		
Provision for Expenses	150,561.66	196,823.66
TDS Payable	188,823.35	63,608.22
Unclaimed Amount	-	-
Micro Security Fund	8,116,969.21	8,850,885.21
Micro Finance Insurance Fee	50,835.00	8,170.00
Provision for Leave	41,662,644.00	35,314,744.00
Total	232,620,116.10	164,571,717.27



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Cash Balance

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.8

Particulars	Current Year Rs	Previous Year Rs
1. Local Currency (Including Coins)	3,499,189.24	2,839,356.41
2. Foreign Currency	-	-
Total	3,499,189.24	2,839,356.41

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Balance with Nepal Rastra Bank

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.9

Particulars	Local Currency Rs	Foreign Currency in Rs			Current Year Rs	Previous Year Rs
		INR	Convertible Foreign Currency	Total		
1. Nepal Rastra Bank	27,477,375.71	-	-	-	27,477,375.71	19,737,318.39
a. Current Account	27,477,375.71	-	-	-	27,477,375.71	19,737,318.39
b. Other Account	-	-	-	-	-	-

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Balance with Banks/Financial Institutions

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.10

Particulars	Local Currency	Foreign Currency in Rs			Current Year Rs	Previous Year Rs
		INR	Convertible Foreign Currency	Total		
1. Local Licensed Institutions	33,790,257.80	-	9,510.45	9,510.45	33,799,768.25	26,106,351.46
a. Current Account	33,790,257.80	-	9,510.45	9,510.45	33,799,768.25	26,106,351.46
b. Other Account	-	-	-	-	-	-
2. Foreign Banks	-	-	-	-	-	-
a. Current Account	-	-	-	-	-	-
b. Other Account	-	-	-	-	-	-
Total	33,790,257.80	-	9,510.45	9,510.45	33,799,768.25	26,106,351.46

Note: Total balance, as per the confirmations received from respective licensed institution is Rs. 33,799,768.25

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Money at Call and Short Notice

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.11

Particulars	Current Year Rs	Previous Year Rs
1. Local Currency	557,101,387.79	548,781,416.66
2. Foreign Currency	11,086,905.65	71,068.72
Total	568,188,293.44	548,852,485.38



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Investments

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.12

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	-	8,133,200.00	8,133,200.00	8,133,200.00
9. Corporate Bonds and Debentures	-	-	-	-
10. Other Investments (Gratuity Fund)	-	130,290,875.30	130,290,875.30	97,249,708.95
Total Investment	-	177,149,075.30	177,149,075.30	144,107,908.95
Provision	-	-	-	-
Net Investment	-	177,149,075.30	177,149,075.30	144,107,908.95



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

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.12 (Ka)

Particulars	Cost Price Rs	Market Price Rs	Provision Rs	Current Year Rs	Previous Year Rs
1. Investment in Shares					
1.1 Pashchimanchal Gramin Bikash Bank. 66,000 Ordinary Shares (Including 6000 Bonus Shares) of Rs. 108.72 each fully paid up	8,133,200.00 6,523,200.00		- -	8,133,200.00 6,523,200.00	8,133,200.00 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		-	1,100,000.00	1,100,000.00
1.3 Growmore Merchant Banker Ltd. 5,000 Ordinary Shares of Rs. 100 each fully paid up	500,000.00		-	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		-	10,000.00	10,000.00
2. Investment in Debentures and Bonds					
2.1 Development Bond 2076	38,725,000.00		-	38,725,000.00	38,725,000.00
2.2	-		-	-	-
2.3	-		-	-	-
Total Investment	46,858,200.00	-	-	46,858,200.00	46,858,200.00
3. Provision for Loss					
3.1 Upto Previous Year	-		-	-	-
3.2 Change This Year	-		-	-	-
Total Provision	-				
Net Investment	46,858,200.00			46,858,200.00	46,858,200.00

Note: Growmore Merchant Banker Ltd. and Rural Micro Finance Development Centre Ltd. have not declared and paid dividend for more than 3 years.



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Investments (Held for Trading)

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.1

Particulars	Cost Price(Rs)	Previous Market Price (Rs) (A)	Current Market Price (Rs) (B)	Current Year Profit/(Loss) (B-A)	Previous Year Profit/(Loss)	Remarks
1. Nepal Government's Treasury Bills	-	-	-	-	-	
2. Nepal Government's Savings Bonds	-	-	-	-	-	
3. Nepal Government's Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Shares of Local Licensed Institutions	-	-	-	-	-	
7. Bonds and Debentures of Local Licensed Institutions	-	-	-	-	-	
8. Shares, Bonds & Debentures of Local Organized Institutions	-	-	-	-	-	
9. Placement	-	-	-	-	-	
10. Interbank Lending	-	-	-	-	-	
11. Other Investments	-	-	-	-	-	
Total Investment	-	-	-	-	-	



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Investments (Held to Maturity)

As at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.2

Particulars	Cost Price (A)	Cumulative Loss (B)	Current Year Loss (C)	Current Year Profit/Loss (A-B-C)	Previous Year Profit/(Loss)	Remarks
1. Nepal Government's Treasury Bills						
2. Nepal Government's Savings Bonds						
3. Nepal Government's Development Bonds	38,725,000.00			38,725,000.00	38,725,000.00	*
4. Nepal Rastra Bank Bonds						
5. Foreign Bonds						
6. Shares of Local Licensed Institutions	7,623,200.00			7,623,200.00	7,623,200.00	*
7. Bonds and Debentures of Local Licensed Institutions						
8. Shares, Bonds & Debentures of Local Organized Institutions	510,000.00			510,000.00	510,000.00	*
9. Placement						
10. Other Investments	130,290,875.30			130,290,875.30	97,249,708.95	*
Total Investment	177,149,075.30			177,149,075.30	144,107,908.95	-

* Due to unavailability of market price, investments are presented at cost price.



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Investments (Available for Sale)
As at 31 Asadh 2070 (15 July 2013)

Schedule 4.12.3

Particulars	Cost Price Rs.	Previous Market Price (Rs) (A)	Current Market Price (Rs) (B)	Current Year Fund Adjustment (B-A) Rs	Previous Year Profit/(Loss) Rs	Remarks
1. Nepal Government's Treasury Bills	-	-	-	-	-	
2. Nepal Government's Savings Bonds	-	-	-	-	-	
3. Nepal Government's Other Bonds	-	-	-	-	-	
4. Nepal Rastra Bank Bonds	-	-	-	-	-	
5. Foreign Bonds	-	-	-	-	-	
6. Shares of Local Licensed Institutions	-	-	-	-	-	
7. Bonds and Debentures of Local Licensed Institutions	-	-	-	-	-	
8. Shares, Bonds & Debentures of Local Organized Institutions	-	-	-	-	-	
9. Placement	-	-	-	-	-	
10. Other Investments	-	-	-	-	-	
Total Investment	-	-	-	-	-	



Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal
Classification of Loans, Advances and Bills Purchase & Provision
As at 31 Ashad 2070 (15 July 2013)

Schedule 4.13

Particulars	Loans and Advances					Bills Purchased & Discounted			Current Year (Rs.)	Previous Year (Rs.)
	Domestic			Foreign	Total	Local	Foreign	Total		
	Deprived Sector		Others							
	Insured	Uninsured								
1. Performing Loan	-	3,604,214,702.15	-	-	3,604,214,702.15	-	-	-	3,604,214,702.15	2,624,180,384.99
Pass loans	-	3,604,214,702.15	-	-	3,604,214,702.15	-	-	-	3,604,214,702.15	2,624,180,384.99
2. Non Performing Loan		33,812,739.84		-	33,812,739.84	-	-	-	33,812,739.84	36,724,511.64
2.1 Restructured/ Re-scheduled	-	-		-	-	-	-	-	-	-
2.2 Sub Standard	-	1,683,386.00		-	1,683,386.00	-	-	-	1,683,386.00	4,438,009.00
2.3 Doubtful	-	2,827,597.00		-	2,827,597.00	-	-	-	2,827,597.00	6,226,258.00
2.4 Loss	-	29,301,756.84		-	29,301,756.84	-	-	-	29,301,756.84	26,060,244.64
A. Total Loans	-	3,638,027,441.99		-	3,638,027,441.99	-	-	-	3,638,027,441.99	2,660,904,896.63
3. Loan Loss Provision		67,178,548.86		-	67,178,548.86	-	-	-	67,178,548.86	56,524,679.74
3.1 Pass Loans	-	36,042,147.02		-	36,042,147.02	-	-	-	36,042,147.02	26,241,803.85
3.2. Restructured/ Re-scheduled Loan	-	-		-	-	-	-	-	-	-
3.3 Sub Standard	-	420,846.50		-	420,846.50	-	-	-	420,846.50	1,109,502.25
3.4 Doubtful	-	1,413,798.50		-	1,413,798.50	-	-	-	1,413,798.50	3,113,129.00
3.5 Loss	-	29,301,756.84		-	29,301,756.84	-	-	-	29,301,756.84	26,060,244.64
B. Total Provisions	-	67,178,548.86		-	67,178,548.86	-	-	-	67,178,548.86	56,524,679.74
4. Provision upto Previous year	-	56,524,679.74		-	56,524,679.74	-	-	-	56,524,679.74	52,287,864.71
4.1 Pass Loans	-	26,241,803.85		-	26,241,803.85	-	-	-	26,241,803.85	19,777,102.16
4.2 Restructured/ Re-scheduled Loans	-	-		-	-	-	-	-	-	-
4.3 Sub Standard	-	1,109,502.25		-	1,109,502.25	-	-	-	1,109,502.25	368,835.00
4.4 Doubtful	-	3,113,129.00		-	3,113,129.00	-	-	-	3,113,129.00	883,819.50
4.5 Loss	-	26,060,244.64		-	26,060,244.64	-	-	-	26,060,244.64	31,258,108.05
C. Total Provision upto Previous Year	-	56,524,679.74		-	56,524,679.74	-	-	-	56,524,679.74	52,287,864.71
D. Written Back from Provision of Previous Year	-	-		-	-	-	-	-	-	-
E. Additional Provision in This Year	-	10,653,869.12		-	10,653,869.12	-	-	-	10,653,869.12	4,236,815.03
Net Change in This Year	-	10,653,869.12		-	10,653,869.12	-	-	-	10,653,869.12	4,236,815.03
Net Loan (A-B)	-	3,570,848,893.13		-	3,570,848,893.13	-	-	-	3,570,848,893.13	2,604,380,216.89



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Securities for Loans, Advances and Bills Purchased

As at 31 Ashad 2070 (15 July 2013)

Schedule 4.13 (Ka)

Particulars	Current Year (Rs.)	Previous Year. (Rs.)
(A) Secured	3,638,027,441.99	2,660,904,896.63
1. Security of Movable/Immovable Assets	413,438,806.86	271,687,193.86
2. Guarantee of Local Licensed Institutions	-	-
3. Government Guarantee	-	-
4. Guarantee of Internationally Rated Banks	-	-
5. Security of Export Documents	-	-
6. Security of Fixed Deposit Receipts	-	-
(a) Own FDR	-	-
(b) FDR of other Banks	-	-
7. Security of Government Bonds	-	-
8. Counter Guarantee	-	-
9. Personal Guarantee	3,224,588,635.13	2,389,217,702.77
10. Other Securities	-	-
(B) Unsecured	-	-
Total	3,638,027,441.99	2,660,904,896.63



Nirdhan Utthan Bak Ltd.

Kathmandu, Nepal

Fixed Assets

As at 31 Ashad 2070(15 July 2013)

Schedule 4.14

From own Sources	Particulars	Assets					Current Year Rs	Previous Year Rs
		Building	Vehicles	Machinery	Office Equipment	Others		
1. Cost Price	a. Previous year's balance	23,859,164.91	152,388.81	-	6,246,186.03	8,510.00	30,266,249.75	28,918,445.46
	b. Additions this year	-	1,292,330.00	-	9,126,876.10	-	10,419,206.10	1,369,368.00
	c. Revaluation/Written back this year	-	-	-	-	-	-	-
	d. This year sold	-	(33,456.56)	-	(10,178.00)	-	(43,634.56)	-
	e. This year written off	-	-	-	-	-	-	(21,563.71)
	Total Cost (a+b+c+d+e)	23,859,164.91	1,411,262.25	-	15,362,884.13	8,510.00	40,641,821.29	30,266,249.75
2. Depreciation	a. Upto previous year	7,461,347.98	93,328.58	-	2,818,875.40	3,090.29	10,376,642.25	9,031,801.09
	b. For this year	819,890.85	95,187.08	-	718,249.71	662.27	1,633,989.91	1,351,383.37
	c. Depreciation Revaluation	-	-	-	-	-	-	-
	d. Disposal This Year	-	(33,121.73)	-	(3,105.00)	-	(36,226.73)	-
	e. Written Off This Year	-	-	-	-	-	-	(6,542.21)
	f. Depreciation adjustment/Written Back	-	-	-	-	-	-	-
	Total Depreciation	8,281,238.83	155,393.93	-	3,534,020.11	3,752.56	11,974,405.43	10,376,642.25
	3. Written Down Value (1-2)	15,577,926.08	1,255,868.32	-	11,828,864.02	4,757.44	28,667,415.86	19,889,607.50
	4. Land	19,064,841.00	-	-	-	-	19,064,841.00	19,064,841.00
	5. Capital Work In Progress (To be capitalised)	33,774,851.70	-	-	-	-	33,774,851.70	18,824,338.39
	6. Leasehold Assets	-	-	-	-	-	-	-
	Total (3+4+5+6)	68,417,618.78	1,255,868.32	-	11,828,864.02	4,757.44	81,507,108.56	57,778,786.89



From Grant:	Particulars	Assets				Current Year Rs	Previous Year Rs
		Building	Vehicles	Machinery	Office Equipment	Others	
1. Cost Price	a. Previous year's balance	-	13,502,872.01	-	35,066,629.35	1,431,027.40	36,755,521.87
	b. Additions this year	-	-	-	1,000,963.00	-	1,000,963.00
	c. Revaluation/Written back this year	-	-	-	17,460.00	(17,460.00)	13,356,724.39
	d. This year sold	-	-	-	(50,950.00)	-	-
	e. This year written off	-	(270,744.00)	-	-	(321,694.00)	(111,717.50)
	Total Cost (a+b+c+d+e)	-	13,232,128.01	-	36,034,102.35	1,413,567.40	50,000,528.76
2. Depreciation	a. Upto previous year	-	4,122,532.88	-	15,613,333.00	883,041.19	16,207,217.20
	b. For this year	-	1,422,987.15	-	3,374,638.67	79,595.49	4,462,463.99
	c. Depreciation Revaluation	-	(215,114.97)	-	(6,127.00)	-	-
	d. Disposal This Year	-	-	-	-	-	-
	e. Written Off This Year	-	-	-	-	-	(50,774.12)
	f. Depreciation adjustment/Written Back	-	-	-	-	-	-
	Total Depreciation	-	5,330,405.06	-	18,981,844.67	962,636.68	20,618,907.07
3. Written Down Value (1-2)		-	7,901,722.95	-	17,052,257.68	450,930.72	29,381,621.69
4. Land		-	-	-	-	-	-
5. Capital Work In Progress (To be capitalised)		-	-	-	-	-	-
6. Leasehold Assets		-	-	-	-	-	-
Total (3+4+5+6)		-	7,901,722.95	-	17,052,257.68	450,930.72	29,381,621.69



Total Assets		Assets				Current Year Rs	Previous Year Rs
Particulars		Building	Vehicles	Machinery	Office Equipment	Others	
1. Cost Price							
a. Previous year's balance		23,859,164.91	13,655,260.82	-	41,312,815.38	1,439,537.40	65,673,967.33
b. Additions this year		-	1,292,330.00	-	10,127,839.10	-	14,726,092.39
c. Revaluation/Written back this year		-	-	-	17,460.00	(17,460.00)	-
d. This year sold		-	(304,200.56)	-	(61,128.00)	-	-
e. This year written off		-	-	-	-	-	(133,281.21)
Total Cost (a+b+c+d+e)		23,859,164.91	14,643,390.26	-	51,396,986.48	1,422,077.40	80,266,778.51
2. Depreciation							
a. Upto previous year		7,461,347.98	4,215,861.46	-	18,432,208.40	886,131.48	25,239,018.29
b. For this year		819,890.85	1,518,174.23	-	4,092,888.39	80,257.76	5,813,847.37
c. Depreciation Revaluation		-	(215,114.97)	-	(6,127.00)	-	(221,241.97)
d. Disposal This Year		-	(33,121.73)	-	(3,105.00)	-	(36,226.73)
e. Written Off This Year		-	-	-	-	-	(57,316.33)
f. Depreciation adjustment/Written Back		-	-	-	-	-	-
Total Depreciation		8,281,238.83	5,485,798.99	-	22,515,864.79	966,389.24	30,995,549.32
3. Written Down Value (1-2)		15,577,926.08	9,157,591.27	-	28,881,121.70	455,688.16	49,271,229.19
4. Land		19,064,841.00	-	-	-	-	19,064,841.00
5. Capital Work In Progress (To be capitalised)		33,774,851.70	-	-	-	-	33,774,851.70
6. Leasehold Assets		-	-	-	-	-	-
Total (3+4+5+6)		68,417,618.78	9,157,591.27	-	28,881,121.70	455,688.16	87,160,408.58



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Non Banking Assets

As at 31 Ashad 2070(15 July 2013)

Schedule 4.15

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		
				-	-	-
				-	-	-
Total		-		-	-	-

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Other Assets

As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.16

Particulars	Current Year Rs	Previous Year Rs
1. Stock of Stationery	4,477,627.72	2,859,409.94
2. Income Receivable on Investments	82,754.84	167,400.51
3. Accrued Interest Receivable on Loans	52,733,163.00	39,399,081.00
Less: Interest Suspense Amount	(52,733,163.00)	(39,399,081.00)
4. Commision Receivable	-	-
5. Sundry Debtors	3,496,632.44	10,316,359.75
6. Staff Loans and Advances	115,253,792.66	94,954,656.70
7. Prepayments	3,502,854.58	3,802,613.45
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	15,405,167.06	13,648,544.00
14. Others	-	-
a. Security Deposits (Dharauti)	3,496,535.42	3,890,076.42
b. Advance Income Tax	1,596,102.48	-
Total	147,311,467.20	129,639,060.77



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Other Assets (Additional Details)

As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.16 (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	31,201,386.00	8,723,910.00	12,807,867.00	52,733,163.00	39,399,081.00
2. Draft Paid without Notice	-	-	-	-	-
3. Branch Reconciliation Account	-	-	-	-	-
4. Local/Foreign Agency Account	-	-	-	-	-

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Contingent Liabilities

As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.17

Particulars	Current Year Rs	Previous Year Rs
1. Claims Lodged on Bank but not Accepted by the Bank	-	-
2. Letters of Credit (Full Amount)	-	-
a. Letter of Credit With Maturity Less than 6 Months	-	-
b. Letter of Credit With Maturity More than 6 Months	-	-
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	-	-
a. Bid Bonds	-	-
b. Performance Bonds	-	-
c. Other Guarantee/Bonds	-	-
5. Unpaid Shares Investment	-	-
6. Outstanding Liabilities Against Forward Exchange Contract	-	-
7. Bills under Collection	-	-
8. Acceptances and Endorsements	-	-
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	-	-
11. Guarantees issued against Counter Guarantee of Internationally Rated Foreign Banks	-	-
12. Advance Payment Guarantees	-	-
13. Financial Guarantees	-	-
14. Contingent Liabilities on Income Tax	6,689,931.32	9,090,331.32
15.	-	-
Total	6,689,931.32	9,090,331.32



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Interest Income

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.18

Particulars	Current Year Rs	Previous Year
A. On Loans, Advances and Overdrafts	572,380,640.04	430,622,371.57
1. Loans and Advances	572,380,640.04	430,622,371.57
2. Overdrafts	-	-
B. On Investment	2,038,309.75	2,038,309.75
1. Nepal Government Securities	2,038,309.75	2,038,309.75
a. Treasury Bills	-	-
b. Development Bonds	2,038,309.75	2,038,309.75
c. National Savings Certificates	-	-
2. Foreign Bonds	-	-
a.	-	-
b.	-	-
3. Nepal Rastra Bank Bonds	-	-
4. Debentures and Bonds	-	-
5. Interest on Interbank Investments	-	-
a. Bank/ Financial Institutions	-	-
b. Other Institutions	-	-
C. On Agency Balances	-	-
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	-	-
D. On Money at Call and Short Notice	29,909,029.51	40,595,655.61
1. Local Banks/Financial Institutions	29,909,029.51	40,595,655.61
2. Foreign Banks	-	-
E. On Others	-	386,439.00
1. Certificates of Deposit	-	386,439.00
2. Inter Bank/Financial Institution Loan	-	-
3. Others	-	-
Total	604,327,979.30	473,642,775.93



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Interest Expenses

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.19

Particulars	Current Year Rs	Previous Year Rs
A. On Deposit Liabilities	77,130,010.69	53,788,000.84
1. Fixed Deposits	542,810.74	235,710.05
1.1 Local Currency	542,810.74	235,710.05
1.2 Foreign Currency	-	-
2. Savings Deposits	76,587,199.95	53,552,290.79
2.1 Local Currency	76,587,199.95	53,552,290.79
2.2 Foreign Currency	-	-
3. Call Deposits	-	-
3.1 Local Currency	-	-
3.2 Foreign Currency	-	-
4. Certificate of Deposits	-	-
B. On Borrowings	163,470,975.48	173,117,764.99
1. Debentures & Bonds	-	-
2. Loan from Nepal Rastra Bank	114,519.18	155,079.26
3. Inter Bank/Financial Institutions Borrowings	163,356,456.30	172,962,685.73
4. Other Organized Institutions	-	-
5. Other Loans	-	-
C. On Others	-	-
1.	-	-
2.	-	-
Total	240,600,986.17	226,905,765.83

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Commission and Discounts

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.20

Particulars	Current Year Rs	Previous Year Rs
A. Bills Purchased and Discounted	-	-
1. Local	-	-
2. Foreign	-	-
B. Commission	4,717,106.42	4,157,407.93
1. Letters of Credit	-	-
2. Guarantees	-	-
3. Collection Fees	-	-
4. Remittance Fees	1,118,508.46	1,454,170.93
5. Credit Cards	-	-
6. Share Underwriting /Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	3,598,597.96	2,703,237.00
9. Exchange Fee	-	-
C. Others	-	-
Total	4,717,106.42	4,157,407.93

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Other Operating Income

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.21

Particulars	Current Year Rs	Previous Year Rs
1. Rental of Safe Deposit Lockers	-	-
2. Issue and Renewal of Credit Cards	-	-
3. Issue and Renewal of ATM Cards	-	-
4. Telex/ T. T.	-	-
5. Service Charges	56,094,832.00	36,507,261.52
6. Renewal Fees	-	-
7. Others	-	-
a. Account Closing Fee	797,406.26	874,936.90
b. Penal Interest	239,416.99	223,188.39
c. Others	3,016,404.46	4,701,496.04
Total	60,148,059.71	42,306,882.85



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Exchange Fluctuation Gain/Loss

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.22

Particulars	Current Year Rs	Previous Year Rs
A. Revaluation Gain	846,405.69	15,854.80
B. Trading Gain (Except Exchange Fees)	-	-
Total	846,405.69	15,854.80

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Staff Expenses

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.23

Particulars	Current Year Rs	Previous Year Rs
1. Salary	118,648,304.48	96,929,279.23
2. Allowances	38,471,254.42	28,126,564.24
3. Contribution to Provident Fund	11,469,123.11	9,444,723.69
4. Training Expenses	5,124,161.98	4,888,470.89
5. Uniform Expenses	2,307,500.00	2,270,000.00
6. Medical Expenses	9,417,091.65	7,595,725.14
7. Insurance Expenses	-	-
8. Pension and Gratuity Provision	29,578,050.44	22,922,704.75
9. Others		
a. Leave Encashment	13,891,370.85	12,744,614.70
b. Wages	4,973,971.50	3,740,830.00
c. Employee Refreshment Expenses	3,896,580.00	3,553,290.00
d. Employee Encouragement Expenses	967,964.58	
Total	238,745,373.01	192,216,202.64

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Other Operating Expenses

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.24

Particulars	Current Year Rs	Previous Year Rs
1. House Rent	11,174,478.00	8,620,848.00
2. Electricity and Water	1,572,520.25	1,276,461.38
3. Repairs and Maintenance		
a. Building	-	250,524.00
b. Vehicles	516,494.32	348,683.81
c. Others	412,077.95	327,790.00
4. Insurance	3,290,868.39	2,025,780.70
5. Postage, Telex, Telephone, Fax	3,324,090.38	2,606,889.71
6. Office Equipment, Furniture & Repairs	99,980.00	81,772.00
7. Travelling Allowance and Expenses	6,436,122.42	5,546,936.84
8. Printing and Stationery	5,006,072.53	2,535,386.69
9. Books and Periodicals	583,145.00	344,658.00
10. Advertisements	472,228.20	222,392.37
11. Legal Fees	329,629.69	1,079,299.00
12. Donations	-	-
13. Expenses Relating to Board of Directors		
a. Meeting Allowances	453,000.00	366,500.00
b. Other Expenses	496,693.65	380,677.01
14. Annual General Meeting Expenses	287,923.34	332,438.00
15. Expenses Relating to Audit		
a. Audit Fees	169,500.00	141,250.00
b. Other Expenses	276,059.00	193,098.12
16. Fund Transfer Commission	125,976.26	120,200.24
17. Depreciation on Fixed Assets	1,633,989.91	1,351,383.37
18. Amortization of Pre-operating Expenses	-	-
19. Share Issue Expenses	-	80,962.24
20. Technical Service Reimbursement	-	-
21. Entertainment	-	-
22. Written off Expenses	-	-
23. Security Expenses	-	65,000.00
24. Credit Guarantee Premium	-	-
25. Commission and Discount	38,950.00	800.00
26. Others		
Fuel Expenses	938,302.46	709,208.73
Guest Expenses	1,550,107.15	1,267,424.28
Business Promotion Expenses	243,075.00	54,756.32
Prizes	55,011.00	28,008.00
Computer Supplies	-	1,642,550.44
Low Cost Items	416,748.94	400,212.30
Fees & Commission	383,745.32	394,122.92
Office Cleaning & Other Expenses	36,774.00	118,222.00
Closing Expenses	561,831.21	418,982.11
Software Repair Expenses	10,170.00	74,329.50
Miscellaneous Expenses	1,536,627.97	809,896.92
Looted Amount Written Off	52,634.00	-
Transfer and Placement	1,184,099.00	1,295,481.00
Employee Recruitment Expenses	381,439.51	929,375.04
Umbrella and Shoes Expenses	255,000.00	219,000.00
Curtain & Carpet Expenses	81,092.21	103,930.52
Total	44,386,457.06	36,765,231.56

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Provision for Possible Losses

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.25

Particulars	Current Year Rs	Previous Year Rs
1. Increase in Loan Loss Provision	10,653,869.12	4,236,815.03
2. Increase in Provision for Loss on Investment	-	-
3. Provision for Non Banking Assets	-	-
4. Provision for Other Assets	-	-
Total	10,653,869.12	4,236,815.03

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Non-operating Income/Loss

For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.26

Particulars	Current Year Rs	Previous Year Rs
1. Profit (Loss) on Sale of Investments	-	-
2. Profit (Loss) on Sale of Assets	141,887.07	-
3. Dividend	660,000.00	40,375.00
4. Subsidies Received from Nepal Rastra Bank	-	-
a. Compensation for Losses of Specified Branches	-	-
b. Interest Indemnity	-	-
c. Exchange Counter	-	-
5. Others	11,293,694.78	8,830,227.25
Net Non-operating Income/(Loss)	12,095,581.85	8,870,602.25

Nirdhan Utthan Bank Ltd.
 Kathmandu, Nepal
Provision for Possible Losses Written Back
 Fiscal Year 2069/070(2012/013)

Schedule 4.27

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	-	-
Total	-	-

Nirdhan Utthan Bank Ltd.
 Kathmandu, Nepal
Income/(Loss) from Extraordinary Activities
 For the period from 1st Shrawan 2069 to 31 Ashad 2070 (16 July 2012 to 15 July 2013)

Schedule 4.28

Particulars	Current Year Rs	Previous Year Rs
1. Recovery of Loan Written off	1,286,153.69	2,570,102.19
2. Voluntary Retirement Expenses	-	-
3. Unrecoverable Loan Written Off (4.28 Ka)	-	-
4. Other Expense/Income	-	-
Total	1,286,153.69	2,570,102.19



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Details of Loan Written off

Fiscal Year 2069/070 (2012/013)

Schedule 4.28 (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	Working Capital Loan	-	-	-	-	-	-
2	Project Loan	-	-	-	-	-	-
3	Fixed Capital Loan	-	-	-	-	-	-
4	Personal Loan	-	-	-	-	-	-
5	Other Loan	-	-	-	-	-	-
	Total	-	-	-	-	-	-



Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal

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

As at 31 Ashadh 2070 (15 July 2013)

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 4.29

Name of Promoter/Director/Chief Executive	Balance up to Previous 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	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Table of Capital Fund

As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.30

(Rs in '000')

Particulars	Current Year Rs	Previous Year Rs
A. Core Capital	367,477	305,126
1 Paid up Capital (Equity Share)	200,000	192,456
2 Proposed Bonus Shares	40,000	7,544
3 Share Premium	510	510
4 Irredeemable Preference shares	-	-
5 General Reserve Fund	60,373	42,058
6 Retained Profit/Loss	18,550	455
7 Current Year Profit Shown in Balance Sheet	7,082	18,095
8 Capital Redemption Reserve		
9 Capital Adjustment Reserve		-
10 Calls in Advance		
11 Other Free Reserves	40,962	44,008
Less:		-
Goodwill		
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 Law		
B. Supplementary Capital	36,760	26,748
1 Pass Loan Loss Provision	36,042	26,242
2 Additional Loan Loss Provision		-
3 Hybrid Capital Instruments		-
4 Unsecured Subordinated Term Debt		-
5 Exchange Equalization Reserve	218	7
6 Assets Revaluation Reserve		-
7 Investment Adjustment Reserve	500	500
C Total Capital Fund (A+B)	404,237	331,874
D Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets:		
Capital Fund (8 Percent)	332,493	248,574
Core Capital (4 Percent)	166,247	124,287
Capital Fund (Excess/Short) (1.73 Percent)	71,744	83,301
Core Capital (Excess/Short) (4.84 Percent)	201,230	180,839

Nirdhan Utthan Bank Ltd.
Kathmandu, Nepal
Table of Risk Weighted Assets
As at 31 Ashadh 2070 (15 July 2013)

Schedule 4.30(Ka)
(Rs in '000')

Description	Weight (%)	Current Year Rs		Previous Year Rs	
		Amount	RWA	Amount	RWA
(A) On-Balance-Sheet Assets					
Cash Balance	0	3,499	-	2,839	-
Gold (Tradable)	0	-	-	-	-
Balance with Nepal Rastra Bank	0	27,477	-	19,737	-
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	33,800	6,760	26,106	5,221
Fully Secured FDR Loan against Fixed Deposit Receipt of other Banks/Financial Institutions	20	-	-	-	-
Balance with Foreign Banks	20	-	-	-	-
Money at call	20	568,188	113,638	548,852	109,770
Loan against guarantee of Internationally Rated Licensed Institutions	20	-	-	-	-
Other Investment with Internationally Rated Banks	20	-	-	-	-
Inter-Bank Lending	20	-	-	-	-
Investment in Shares, Debentures & Bonds	100	8,133	8,133	8,133	8,133
Other investments	100	130,291	130,291	97,250	97,250
Loans, Advances & Bills Purchased/Discounted (Total Amount)	100	3,638,027	3,638,027	2,660,905	2,660,905
Fixed assets	100	106,912	106,912	87,160	87,160
Other net interest receivables	100	83	83	167	167
All Other Assets (Except Net Advance Tax Deposits)	100	145,633	145,633	129,472	129,472
Real estate/Residential Home Loans exceeding the limits	150	-	-	-	-
Total (A)		4,700,769	4,149,477	3,619,348	3,098,079
(B) Off-Balance-Sheet Items					
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	9,090	9,090
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	-	-	-	-
Total (B)		6,690	6,690	9,090	9,090
Total Risk Weighted Assets (A) + (B)		4,707,458	4,156,167	3,628,438	3,107,169

Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Principal Indicators

Since previous Five Years

Schedule 4.31

S.N	Particulars	Indicators	F/ Y - 2008/09 (2065/ 066)	F/ Y - 2009/10 (2066/ 067)	F/ Y - 2010/11 (2067/068)	F/ Y - 2011/ 12 (2068/069)	F/ Y - 2012/13 (2069/070)
1	Net Profit/ Gross Income	Percent	13.67	13.90	10.22	8.04	13.40
2	Earnings Per Share	Rs.	26.01	36.53	23.92	22.20	45.79
3	Market Price Per Share	Rs.	189.00	325.00	235.00	164.00	280.00
4	Price Earning Ratio	Ratio	7.27	8.90	9.82	7.39	6.12
5	Dividend (including bonus) on Share Capital	Percent	21.05	22.00	13.68	10.92	31.58
6	Cash Dividend Paid on Share Capital	Percent	11.05	10.00	5.68	7.00	11.58
7	Interest Income/ Loans and Advances	Percent	16.61	18.25	19.03	18.43	18.18
8	Staff Expenses/ Total Operating Expenses	Percent	78.73	80.86	85.13	84.39	85.04
9	Interest Expenses on Total Deposits and Borrowings	Percent	3.95	5.86	7.56	8.61	6.80
10	Exchange Fluctuation Income/ Total Income	Percent	-	-	-	0.003	0.12
11	Staff Bonus/ Total Staff Expenses	Percent	4.22	4.88	3.39	3.27	5.37
12	Net Profit/Loans and advances	Percent	2.42	3.09	2.44	1.83	2.91
13	Net Profit/ Total Assets	Ratio	1.78	2.04	1.64	1.39	2.23
14	Total Credit/ Deposits	Percent	319.07	339.65	317.28	277.97	275.98
15	Total Operating Expenses/ Total Assets	Percent	7.66	7.24	7.99	6.61	7.24
16	Adequacy of Capital Fund On Risk Weighted Assets						
	a. Core Capital	Percent	12.17	10.65	11.23	9.82	8.84
	b. Supplementary Capital	Percent	0.83	1.26	1.19	0.86	0.88
	c. Total Capital Fund	Percent	13.01	11.91	12.42	10.68	9.73
17	Liquidity (CRR)	Percent	0.50	0.58	0.55	0.64	2.42
18	Non-Performing Loan/ Total Loans	Percent	3.48	2.60	1.71	1.38	0.93
19	Weighted Average Interest Rate Spread	Percent		12.39	11.47	9.82	11.38
20	Book Net Worth	Rs.'000'	171,423.85	196,517.08	282,350.14	305,632.75	368,194.80
21	Total Shares	Nos.	1,000,000	1,100,000	1,782,000	1,924,560	2,000,000.00
22	Total Staff	Nos.	385	427	465	518	537
23	Others						

Note:

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

Nirdhan Utthan Bank Limited

Kathmandu

FY 2069/70 (2012/13)

Significant Accounting Policies

Schedule 4.32

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 2070, it has been operating through 118 branches located at different places of 47 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.

(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 Limited

Kathmandu

FY 2069/70 (2012/13)

Notes to Accounts

Schedule 4.33

1. Loans and Advances:

The loans and advances at the end of Ashadh 2070 are as follows:

Opening Balance	Payment	Recovery	Written off	Closing Balance
2,660,904,897.00	5,661,307,352.00	4,684,184,807.00	-	3,638,027,442.00

2. Deposit Liability:

Deposit liabilities at the end of Ashadh 2070 are as follows:

S.N.	Description of Deposit	Balance as on 2069 Ashadh end	Balance as on 2070 Ashadh end	Increase/(Decrease) in FY 2069/70
1	Mandatory Deposit	502,994,858.89	651,001,057.94	148,006,199.05
2	Individual Deposit	245,991,586.01	318,601,163.86	72,609,577.85
3	Central Fund Deposit	101,062,576.19	182,200,396.48	81,137,820.29
4	Public Deposit	107,213,605.23	166,429,846.47	59,216,241.24
	Total	957,262,626.32	1,318,232,464.75	360,969,838.43

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

Average interest rate earned on Loans and Advances	18.18%
Average interest rate paid on borrowings and deposits	6.80%
Weighted Average Interest Rate Spread of Deposits and Loans	11.38%

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. 2,692,980,808.26 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. 200,000,000 and the bank has proposed bonus shares at the rate of 20% during this year, which amounts to Rs. 40,000,000. Hence, the paid up capital of the bank has increased to Rs. 240,000,000 including the bonus shares.

11. Dividend and Bonus Share:

This year the bank has proposed cash dividend of 11.58% (including tax payable on cash dividend and bonus shares), which amounts to Rs. 23,157,895 and proposed net 20% bonus shares, which amounts to Rs. 40,000,000 for the approval of annual general meeting.

12. Loan Loss Provision and Loan Write off:

Total Loan Loss Provision up to last year	56,524,679.74
Additional Provision of this year	10,653,869.12
Total Loan Loss Provision	67,178,548.86
Recovery of written off loan	1,286,153.69

13. Deferred Tax Assets:

Temporary difference between assets/liabilities as per financial statement and tax base is considered for deferred tax calculation. Accordingly, Rs. 1,756,623.06 is recognized as deferred tax income in the profit and loss account and the net balance amount of deferred tax assets amounting to Rs. 15,405,167.06 is shown under other assets in schedule 4.16. The same amount is shown as deferred tax reserve under schedule 4.2.

Relation between Tax Expense and Profit as per Financial Statement

S.N.	Particulars	Amount
1.	Profit/(Loss) after staff bonus	135,486,001.18
	Add:	
	1. Inadmissible repairs and maintenance expense	405,733.79
	2. Additional provision for staff leave encashment	6,347,900.00
	3. Depreciation as per financial statement	1,633,989.91
	4. Looted amount written off	52,634.00
2.	Total:- (1+2+3+4)	143,926,258.88
	Less:	
	1. Dividend received after Tax Deducted at Source	660,000.00
	2. Amount received from sale of fixed assets	24,817.07
	3. Depreciation calculated as per Sec. 19 of Income Tax Act 2058	2,856,386.91
3.	Total: -(1+2+3)	3,541,203.98
	Taxable Income:- (1+2-3)	140,385,054.90
	Income Tax Rate (percentage)	30%
	Tax Amount (Rupees)	42,115,516.47

Deferred Tax:

Particulars	Amount as per Financial Statement	Tax Base	Difference
Loan Loss Provision	67,178,548.86	56,978,986.12	10,199,562.74
Provision for Leave Encashment	41,662,644.00	-	41,662,644.00
Fixed Assets	47,732,256.86	47,220,606.98	(511,649.88)
Total:			51,350,556.86
Deferred Tax Rate (Percentage)			30%
Deferred Tax Assets up to This Year			15,405,167.06
Deferred Tax Assets up to Last Year			13,648,544.00
Deferred Tax Income This Year			1,756,623.06

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	NEAT Project	807	7,981	8,788
2	WE Nepal	144	2,495	2,639
	Total	951	10,476	11,427

As per above mentioned details, grand of Rs. 951 thousand received for purchase of goods as well transportation expenses Rs 37 thousands spent from own source, which amounts to Rs 988 in total is recorded as grant assets and the same amount is accounted for under capital reserve.

Expenses incurred for various operating activities amounting to Rs. 10,476 thousand only has been recognized as grant income. Thus, total grant income including Rs. 818 thousand as mentioned below in Sec 15 amounts to Rs. 11,294 thousand, which has been shown under other head in schedule 4.26 of the profit and loss account.

15. Grant received from Institution Development Fund (World Bank CGAP):

Grant received as per separate agreement with World Bank (World Bank The Consultant Group to Assist the Poorest - CGAP) has been accounted for under Institution Development Fund. The period of agreement has expired and no additional amount has been received in this fund. During this year Rs. 826 thousand has been charged to this fund, which includes, 13 thousand used for capital expenditure and Rs. 813 thousand for training and administrative expenses. Total amount Rs 818 thousand, which includes training and administrative expenses Rs 813 thousands and previous year's adjusted capital expenditure Rs 5 thousand, has been recognized as income in Profit and Loss Account.

16. 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. 25,405 thousand at the end of this fiscal year as follows:

(Rs. '000)

Particulars	Amount
Balance at the end of Ashadh 2069	29,382
Used from Institution Development Fund (CGAP) for purchase of Fixed Assets.	13
Used from NEAT Project Fund for purchase of Fixed Assets.	807
Used from World Education Fund for purchase of Fixed Assets.	144
Transportation expenses incurred for Fixed Assets purchased on grant	37
Total	30,383
Depreciation on Grant Assets This Year	(4,878)
Value of Assets written off This Year (WDV)	(100)
Total Balance	25,405

17. Refinancing Loan from Nepal Rastra Bank:

The balance of refinancing loan received from Nepal Rastra Bank for western Tarai poverty alleviation project amounting to Rs. 2,102,494.00 has been shown under loans and borrowings in the balance sheet.

18. 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. 18,314,810.00 to the General Reserve Fund and the balance in General Reserve Fund at the year end amounts to Rs. 60,372,647.00.

19. 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. 8,850,885.21 at the end Ashadh 2069. During this F/Y 2069/070, Rs. 733,916 has been spent for welfare and training & skill development of the members, leaving the balance of Rs. 8,116,969.21 at the end of Ashadh 2070.

20. Gratuity Fund:

The balance in the gratuity fund at the end of last year was Rs. 97,249,708.95. An addition of Rs. 29,578,050.44 has been made during this year and the interest earned on this fund amounts to Rs. 5,651,357.56. During this year, Rs. 2,188,241.65 has 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. 130,290,875.30, which is shown under other liabilities.

21. Staff Bonus:

Provision for staff bonus has been made at the rate of 10% of net profit after bonus, which amounts to Rs. 13,548,600.12.

22. 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.

23. Reclassification:

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



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 31 Ashadh 2070 (15 July 2013)

Schedule - 4.34

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	219,209	10.96	.....	...	...
2	Gramin Trust, Bangladesh	71,416	3.57	.....	...	...
3	Nabil Bank Ltd.	276,900	13.84	.....	...	...
4	Himalayan Bank Ltd.	224,465	11.22	.....	...	...
5	Everest Bank Ltd.	224,465	11.22	.....	...	...
6	Dr. Harihar Dev Panta	176,301	8.82	.....	...	...
7	Ganesh Bahadur Thapa	21,331	1.07	.....	...	...
8	Arpana Laxmi Pradhan	850	0.04	.....	...	...
9	Dr. Mohan Man Sainju	8,502	0.43	.....	...	...
10	Hari Krishna Panta	1,595	0.08	.....	...	...
11	Janardan Dev Panta	18,744	0.94	.....	...	...
12	Yadav Raj Pandey	545	0.03	.....	...	...
13	Bimala Pandey	215	0.01	.....	...	...
14	Mina Panta	116	0.01	.....	...	...
15	Jagannath Chalise	545	0.03	.....	...	...
16	Devendra Bahadur Raut	856	0.04	.....	...	...
17	Raj Narayan Dash	215	0.01	.....	...	...
18	Keshav Kumar Paudel	116	0.01	.....	...	...
19	Krishna Raj Chaudhari	99	0.00	.....	...	...
20	Dilip Gautam	28	0.00	.....	...	...
21	Binda Singh	116	0.01	.....	...	...
22	Gangapal Chaudhary	119	0.01	.....	...	...
23	Bhoj Raj Ghimire	431	0.02	.....	...	...
Total		1,247,179	62.36	.....	...	...

Nirdhan Utthan Bank Limited

Kathmandu, Nepal

Comparison of Unaudited and Audited Financial Statement as of Fiscal Year 2069/2070

Schedule - 4.35

Rs in '000

S. N.	Particulars	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
				In Amount	In %	
1	Total Capital and Liabilities (1.1 to 1.7)	4,632,409	4,635,186	2,777		
1.1	Paid up Capital	200,000	240,000	40,000	20.00%	Due to proposed Bonus share
1.2	Reserve and surplus	189,608	128,195	(61,413)	-32.39%	Due to Calculation deferred tax reserve & appropriation of Net Profit.
1.3	Debenture & Bond	-	-	-		
1.4	Borrowings	2,692,916	2,692,981	65	0.00%	Due to calculation of Exchange loss of foreign currency.
1.5	Deposits (a+b)	1,318,232	1,318,232			
	a. Domestic Currency	1,318,232	1,318,232	-	0.00%	
	b. Foreign Currency	-	-	-		
1.6	Income Tax Liability	-	-	-	0.00%	
1.7	Other Liabilities	231,652	255,778	24,126	10.41%	Due to adjustment in Sundry Creditors
2	Total Assets (2.1 to 2.7)	4,632,409	4,635,186	2,777		
2.1	Cash and Bank Balance	64,776	64,776	-	0.00%	
2.2	Money at Call and Short Notice	568,188	568,188	-		
2.3	Investments	177,149	177,149	-	0.00%	
2.4	Net Loan and Advances	3,570,849	3,570,849	-	0.00%	
2.5	Fixed Assets	106,825	106,912	87	0.08%	Recalculation of Depreciation
2.6	Non Banking Assets	-	-	-		
2.7	Other Assets	144,621	147,311	2,690	1.86%	Due to tax adjustment
3	Profit and Loss Account					
3.1	Interest Income	605,227	604,328	(899)	-0.15%	Due to adjustment penal interest & dividend income
3.2	Interest Expenses	240,601	240,601	-	0.00%	
	A. Net Interest Income (3.1 - 3.2)	364,626	363,727	(899)		
3.3	Fees, Commission and Discount	4,119	4,717	598	14.51%	Due to adjustment
3.4	Other Operating Income	59,909	60,148	239	0.40%	Due to adjustment
3.5	Foreign Exchange Gain/Loss (Net)	911	846	(65)	-7.08%	Due to adjustment
	B. Total Operating Income (A+3.3+3.4+3.5)	429,565	429,439	(127)		
3.6	Staff Expenses	237,749	238,745	996	0.42%	Due to adjustment account head.
3.7	Other Operating Expenses	45,350	44,386	(964)	-2.12%	Recalculation of Depreciation and adjustment of other expenses
	C. Operating Profit Before Provision (B -3.6 - 3.7)	146,466	146,307	(160)		
3.8	Provision for Possible Losses	10,655	10,654	(1)	-0.01%	Due to loan loss provision adjustment.
	D. Operating Profit (C -3.8)	135,811	135,653	(158)		
3.9	Non Operating Income/ Expenses (Net)	11,408	12,096	688	6.03%	Due to adjustment
3.10	Write Back of Provision for Possible Loss	-	-	-		
	E. Profit From Regular Activities (D+3.9+3.10)	147,219	147,748	529		
3.11	Extraordinary Income/ Expenses (Net)	1,286	1,286	-	0.00%	
	F. Profit before Bonus and Taxes (E +3.11)	148,505	149,035	529		
3.12	Provision for Staff Bonus	13,500	13,549	48	0.36%	Due to change in Profit before Bonus
3.13	Provision for Tax	46,004	43,912	(2,093)	-4.55%	Due to Deferred Tax calculation
	G. Net Profit/ Loss (F - 3.12 - 3.13)	89,000	91,574	2,574		



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

P&L Accounts as of FY ended in the last 5 Fiscal Years

Particulars	2008/09	2009/10	2010/11	2011/12	2012/13
Interest Income	184,707,591	267,770,396	348,946,206	473,642,776	604,327,979
Interest from Loans	173,866,406	254,028,882	332,170,286	430,622,372	572,380,640
Interest from Investment	2,038,310	2,038,310	2,038,310	2,038,310	2,038,310
Interest from CD & FD	8,802,875	11,703,204	14,737,610	40,982,094	29,909,029
Interest Expenses	48,679,832	84,880,401	146,113,580	226,905,766	240,600,986
Interest on Borrowings	33,337,028	63,228,434	111,640,408	173,117,765	163,470,975
Interest on Savings, Deposits	15,342,804	21,651,967	34,473,172	53,788,001	77,130,011
Net Interest Income	136,027,759	182,889,995	202,832,626	246,737,010	363,726,993
Other Operating Income	5,010,277	2,209,116	42,306,588	46,480,145	65,711,572
Total Operating Income	141,038,036	185,099,111	245,139,214	293,217,155	429,438,565
Operating Expenses	107,906,508	137,108,508	202,079,090	228,981,434	283,131,830
Staff Salary and Benefits	83,211,923	106,854,146	167,263,036	187,327,731	233,621,211
Office Operating Expenses	22,572,603	27,324,091	30,946,379	36,765,232	44,386,457
Training Expenses	2,121,983	2,930,271	3,869,675	4,888,471	5,124,162
Operating Profit	33,131,528	47,990,603	43,060,124	64,235,721	146,306,735
Provision for Loan Losses	6,477,988	5,280,145	5,580,001	4,236,815	10,653,869
Net Operating Profit	26,653,540	42,710,458	37,480,123	59,998,906	135,652,866
Non Operating Income(loss)			26,538,284	8,870,602	12,095,582
Add back from Loan Loss Provisioning	11,675,029	17,365,941	2,505,564	-	-
Income(Loss) from Regular Activities	38,328,569	60,076,399	66,523,971	68,869,508	147,748,448
Income / (Loss) from extra ordinary Activities	1,150,141	1,839,016	(457,328)	2,570,102	1,286,153
Net Profit after all activities	39,478,710	61,915,415	66,066,643	71,439,610	149,034,601
Provision for Staff Bonus	3,588,974	5,628,674	6,006,058	6,494,509	13,548,600
Provision for Tax & Fees	10,406,242	16,101,291	17,427,411	22,212,789	43,911,949
Net Profit after Tax	25,483,493	40,185,450	42,633,174	42,732,312	91,574,052

P & L Appropriation Accounts					
Profit available for Appropriation	29,518,155	43,296,878	42,704,004	43,187,302	109,988,257
General Reserves	5,096,698	8,037,090	8,526,635	8,546,462	18,314,810
Proposed Dividend	10,000,000	9,480,263	8,910,000	11,438,989	20,000,000
Proposed Bonus Shares	10,000,000	13,200,000	14,256,000	7,544,000	40,000,000
Capital tax on Bonus share and Cash Dividend	1,052,632	1,519,737	1,219,263	2,025,853	3,157,895
Employees welfare fund	254,835	401,854	426,332	427,323	915,741
Other reserves and funds	2,562	10,587,104	500,000	(7,619,236)	211,601
Last year's Income tax adjustments	-	-	8,410,784	2,273,856	1,756,623



Nirdhan Utthan Bank Ltd.

Kathmandu, Nepal

Last 5 years' Balance Sheet as at FY ended Mid- July.

Particulars	2009	2010	2011	2012
Capital & Liabilities				
Capital	171,423,851	196,517,079	282,350,135	305,632,749
Paid-up Capital	110,000,000	123,200,000	192,456,000	200,000,000
Paid-up Capital	100,000,000	110,000,000	178,200,000	192,456,000
Proposed Bonus Shares	10,000,000	13,200,000	14,256,000	7,544,000
Reserves and Funds	61,423,851	73,317,079	89,894,135	105,632,749
General Reserves	16,947,649	24,984,740	33,511,375	42,057,837
Capital Reserves	14,296,148	15,788,856	20,548,305	29,381,622
Other Reserves	2,562	10,589,666	20,010,561	14,665,181
Institutional Development Fund	27,066,064	21,882,987	15,368,904	978,054
Retained profit (Loss)	3,111,428	70,830	454,990	18,550,055
Liabilities				
Savings, Deposits	336,824,909	435,247,751	634,210,981	957,262,626
Other Current Liabilities	64,402,213	77,514,965	130,220,985	188,511,641
Borrowings	894,935,064	1,263,168,365	1,557,740,760	2,111,416,091
Total Liabilities	1,296,162,186	1,775,931,081	2,322,172,726	3,257,190,358
Total Capital & Liabilities	1,467,586,037	1,972,448,160	2,604,522,861	3,562,823,107
Assets				
Cash & Bank Balance	48,038,551	25,156,061	24,776,200	48,683,026
Cash	2,389,496	1,768,088	1,759,438	2,839,356
Bank Balance	45,649,055	23,387,973	23,016,762	45,843,670
Call Deposits	131,801,505	210,785,928	304,215,649	548,852,485
Investments	98,785,381	161,275,136	132,623,552	144,107,909
Investment on Govt Bonds	38,725,000	38,725,000	38,725,000	38,725,000
Investment on Shares	8,123,200	8,123,200	8,123,200	8,133,200
Approved Retirement Fund	36,937,181	54,426,936	70,775,352	97,249,709
Fixed Deposit	15,000,000	60,000,000	15,000,000	-
Loans and Advances	1,118,639,164	1,478,311,910	2,012,211,303	2,660,904,897
Non- Collateralized loan to Group Members	1,056,024,081	1,367,691,661	1,890,792,605	2,389,217,703
Collateralized loans	62,615,083	110,620,249	121,418,698	271,687,194
Loan Loss Reserves	(43,933,283)	(49,213,428)	(52,287,865)	(56,524,680)
Net Loans and Advances	1,074,705,881	1,429,098,482	1,959,923,438	2,604,380,217
Loans and Advances to Staff	44,034,348	65,159,347	83,537,435	94,954,657
Other Assets	9,905,507	20,483,437	35,605,894	30,881,791
Receivables	8,002,952	18,923,466	33,220,951	28,022,381
Stationery & Other inventory	1,902,555	1,559,971	2,384,943	2,859,410
Fixed Assets	73,915,518	78,550,548	84,738,808	118,155,958
Fixed Assets at Cost	73,915,518	78,550,548	84,738,808	118,155,958
Depreciation Reserves	(18,977,259)	(22,870,474)	(25,239,018)	(30,995,549)
Net Fixed Assets	54,938,259	55,680,074	59,499,790	87,160,409
Expenses to be Written-off	5,376,605	4,809,695	4,340,903	3,802,613
Premium on Govt Bonds	5,044,529	4,633,251	4,259,941	3,802,613
Share issue Expenses	332,076	176,444	80,962	-
Total Assets	1,467,586,037	1,972,448,160	2,604,522,861	3,562,823,107

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Nirdhan Utthan Bank Ltd

Kathmandu, Nepal

Performance as of Last 5 Years (As at Mid- July)

S.No.	Particulars	2009	2010	2011	2012	2013
A	Outreach Information					
	No. of Districts	22	27	37	40	49
	No. of VDCs, Municipaplties served	673	717	813	979	1,100
	No. of Branch Offices	66	77	92	105	118
	No. of Field Assistants	234	203	246	282	269
	Total Staff	388	385	465	518	537
	Active Clients	115,174	126,787	147,845	169,222	184,177
	Loan Clients	76,235	85,323	98,965	111,804	127,122
B	Saving, Deposits (in '000 Rs)					
	Group Fund Saving	236,509	301,874	414,239	502,995	651,001
	Personal Voluntary Saving	77,398	107,252	161,138	245,992	318,601
	Other Savings	22,918	26,122	31,129	101,062	182,200
	Public Deposits	-	-	27,705	107,214	166,430
	Total Savings, Deposits	336,825	435,248	634,211	957,263	1,318,232
	Saving, Deposit Growth rate	37.47%	29.22%	45.71%	50.94%	37.71%
C	Loans and Advances (in '000 Rs)					
	Annual Loan Disbursement	1,734,744	2,256,190	3,057,403	3,983,564	9,644,872
	Loan Disbursement, cumulative	6,919,414	9,175,604	12,233,007	16,216,571	21,877,879
	Annual loan recovery	1,452,067	1,896,517	2,523,503	3,334,871	8,019,057
	Loan Recovery, cumulative	5,800,775	7,697,292	10,220,795	13,555,666	18,239,852
	Total Loan Outstanding	1,118,639	1,478,312	2,012,212	2,660,905	3,638,027
	Loan Outstanding, growth rate	33.81%	32.15%	36.12%	32.24%	36.72%
D	Profitability					
	Dividend to Shareholders (incl. tax)	11.05%	10.00%	0.42%	11.87%	11.58%
	Bonus shares to Shareholders	10.00%	12.00%	8.00%	3.92%	20.00%
	Operating Self-Sufficiency	116.35%	118.79%	110.59%	113.50%	125.62%
E	ALM					
	Yield on Loan Portfolio	17.79%	19.56%	19.19%	18.44%	18.18%
F	Portfolio Quality					
	NPL	3.36%	2.60%	1.71%	1.38%	0.93%
G	Productivity					
	No. of Clients per Field Assts.	492	625	601	600	685
	No. of Clients per staff	297	329	318	327	343
	Laon Outstanding per Borrower (in '000 Rs)	14.67	17.33	20.33	23.80	28.62
	Loan Outstanding per staff	2,883	3,840	4,327	5,137	6,775
	Loan Outstanding per Field Asst.	4,781	7,282	8,180	9,436	13,524
	Operating Cost per unit of money disbursement		0.06	0.07	0.03	0.03
H	Other Ratios					
	Savings to Total Assets	22.95%	22.07%	24.35%	26.87%	28.44%
	Loan Portfolio to Total Assets	76.22%	74.95%	77.26%	74.69%	78.49%
	Deposit to Credit Ratio	30.11%	29.44%	31.52%	35.98%	36.23%



Proposal for the amendments of memorandum:

Current Settings	Proposed amendments	Reasons for amendments
Article 5: <u>Capital structure of the company:</u> The capital structure of the company will be as follows: (b)The company's issued capital will be Rs. 20,00,00,000 (20 crore rupees only). (c) The company's current paid-up capital stands at Rs. 20,00,00,000 (20 crore rupees only).	Article 5: <u>Capital structure of the company:</u> The capital structure of the company will be as follows: (b)The company's issued capital will be Rs. 24,00,00,000 (24 crore rupees only). (c) The company's current paid-up capital stands at Rs. 24,00,00,000 (24 crore rupees only).	Due to increases in the company's issued and paid-up capital

Management Team & Office

A. Central Office

S.N.	Name	Designation	Phone office	phone Residence
1	Mr. Dr. Harihar Dev Pant	Executive Director	01 4102665 -Ext 214)	9851043151
2	Mr. Bhoj Raj Bashyal	Deputy General Manager	01 4102769 -Ext 216)	9857021451
3	Mr. Keshab Kumar Paudel	Assistant General Manager / company Secretary	01 4102770, 4238325, 4238326 -Ext 211)	9847032670
4	Mr. Raj Narayan Das	Assistant General Manager	01 4102770, 4238325, 4238326 -Ext 205)	9845097523

Departmental

S.N.	Department	Employee Name	Designation	phone
1	Human Resource Management & General Administration Department	Mr. Krishnaraj chaudhary	Chief Manager	01 4102770, 4238325, 4238326 -Ext 215) 9847020329
		Mr.Narayan Psd. Neupane	Senior manager	01 4102770, 4238325, 4238326 -Ext 217) 9847087167
		Ms. Binda singh karki	Manager	01 4102770, 4238325, 4238326 -Ext 217) 9847021787
2	Internal Audit Department	Mr. Ram Bahadur Chaudhary	Chief Manager	01 4102770, 4238325, 4238326 -Ext 216) 9847036562
		Mr. Shivraj Rawal	Manager	01 4102770, 4238325, 4238326 -Ext 203)
		Mr.Narayan Psd. Panthi	Manager	01 4102770, 4238325, 4238326 -Ext 203)
		Mr. Shyam Kumar Thapa	Manager	01 4102770, 4238325, 4238326 -Ext 203)
		Ms.Sudharani Shreevastab	Manager	01 4102770, 4238325, 4238326 -Ext 203)
		Mr. Shubhas Chandra Devkota	Manager	01 4102770, 4238325, 4238326 -Ext 203)
		Mr. Jagat Bhattra	Manager	01 4102770, 4238325, 4238326 -Ext 203)
3	Training & Development Department	Mr. Pawan Kumar Sherestha	Senior manager	01 4102770, 4238325, 4238326 -Ext 209) 9847054717
		Ms. Kalpana Gautam	Manager	01 4102770, 4238325, 4238326 -Ext 209)
4	Operation Department	Mr. Laxmipati Kafle	Senior manager	01 4102770, 4238325, 4238326 -Ext 213) 9847021309
		Mr. Rajkumar Pokhrel	Manager	01 4102770, 4238325, 4238326 -Ext 213)

5	Planning, observation & Research Department	Mr. Ram Bahadur yadav	Senior manager	01 4102770, 4238325, 4238326 -Ext 210) 9847541405
		Mr. Manoj Kumar Yadav	Manager	01 4102770, 4238325, 4238326 -Ext 210)
		Mr. Ishor Atrye	Manager	01 4102770, 4238325, 4238326 -Ext 210)
6	Account & Fund Management Department	Mr. Gokarna Pd. Upadhyaye	Senior manager	01 4102770, 4238325, 4238326 -Ext 202) 9847021065
		Mr. Gangapal Chaudhary	Assistant manager	01 4102770, 4238325, 4238326 -Ext 204)
7	Information & Technology Department	Mr. Narayan Bahadur Karki	Senior manager	01 4102770, 4238325, 4238326 -Ext 207) 9857020127
		Mr. Sailesh Kumar Shreevastab	Assistant manager	01 4102770, 4238325, 4238326 -Ext 207)
8	Company Secretariat	Mr. Govind Pd. Koirala	Manager	01 4102770, 4238325, 4238326 -Ext 211)

B. Regional Offices

Office	Managerial Employee Name	Designation	phone
Regional Office Birgunj , Parsa	Sr. Mukesh Dahal	Senior manager	051 529651, 529652, 9848032060
	Sr. Shankar Pd. Neupane	Manager	051 529651, 529652,
	Sr. Radheshyam Sahani	Assistant manager	051 529651, 529652
Regional Office Bhairahawa, Rupandehi	Sr. Bishnu Prasad Parajuli	Senior manager	071 527664, 9845060445
	Sr. Bijay Ghimire	Manager	071 527664,
	Sr. Dhurba Koirala	Assistant manager	071 527664
Regional Office Kohalpur, Bk	Sr. Ananda Kumar Gautam	manager	081 541799, 9847023362
	Sr. Purna Bahadur Khadka	Assistant manager	081 541798
	Sr. Krishna Prasad Aryal	Assistant manager	081 541798
Regional Office Bharatpur	Sr. Shambhu Prasad Neupane	Manager	056 525256, 9845053215
	Sr. Buddhi Parkash Ghimire	Assistant manager	056 525256,
Regional Office Birtamod , Jhapa	Sr. Lekhanath Neupane	Senior manager	023 543252, 9804232791
	Sr. Kalyan Babu Karki	Assistant manager	023 545105
Regional Office Bardibas, Sarlahi	Sr. Parmeshor Chaudhary	Senior manager	044 550484, 9845099585
	Sr. Hareram Raut	Manager	044 550485
Regional Office Attariya, Kailali	Sr. Pream Bahadur Pathak	Senior manager	091 551260, 9847021017
	Sr. Bishnu Bahadur Kunwar	Assistant manager	091 551260

C. Branch Offices

S.N.	Office	Branch Manager Name	phone
Regional Office Bhairahawa, Rupandehi			
1	Bhairahawa Branch, Rupandehi	Ms. Sita Pandey (Neupane), Assistant Manager	063 460287
2	Sitalnagar Branch, Rupandehi	Ms. Anjuli Kunwar, Assistant Manager	071 577095
3	Parasi Branch, Nawalparasi	Mr.Lal Bahadur Rawal , Assistant Manager	078 520297
4	Belatari Branch, Nawalparasi	Mr. Ajimulla Darji , Assistant Manager	078 620614
5	Galyang Branch, Sayanga	Ms.Niru Karki, Assistant Manager	071 527439
6	Butwal Branch, Rupandehi	Mr.Niraj Singh Kunwar, Supervisor	071 546852
7	Dhakdhai Branch, Rupandehi	Mr. Yamuna Chaudhary, Supervisor	071 691755
8	Majhagawa Branch, Rupandehi	Mr.Krishnakaniya Chaudhary, Supervisor	071 691282
9	Ramapur Branch, Rupandehi	Mr. Laxman Bhattra , Supervisor	071 440167
10	Mahajidiya Branch, Rupandehi	Ms. Bandana Gaynwali, Assistant Manager	071 404003
11	Bastari Branch, Palpa	Mr. Ubaraj Timala, Supervisor	071 696976
12	Aryebhanjeng Branch, Palpa	Mr. Pream Subedi, Supervisor	075 402064
13	Waling Branch, Sayanja	Mr. Lekhanath Kafle, Supervisor	063 440514
14	Putalibazar Branch, Sayanja	Mr. Choma Bahadur B.K. Supervisor	063 420922
15	Kotihawa Branch, Rupandehi	Mr.Ananda Regmi , Supervisor	071 561928
16	Sandhikharak Branch, Arghakhachi	Mr. Top Bahadur Raskoti, Supervisor	077 420793
17	Haraiya Branch, Rupandehi	Mr.Udaye Raj Pokharel, Supervisor	071 691788
18	Farsatkar Branch, Rupandehi	Ms. Dilmaya Thapa , Supervisor	071 696978
19	Odari Branch, Kapilwastu	Mr. Misrilal Kumhal, Supervisor	076 691020
20	Imiliya Branch, Kapilwastu	Mr. Arjun Prasad Sharma, Supervisor	071 691558
21	Chhahara Branch, Palpa	Mr. Lekha Bahadur Chhetri , Supervisor	071 694351
Regional Office Bharatpur, Chitawan			
1	Pokhara Branch, Kaski	Mr. Jagye Prasad Pant , Assistant Manager	061 533243
2	Tandi Branch, Chitawan	Mr. Damodar Pathak , Supervisor	056 561674
3	Bhandara Branch, Chitawan	Mr. Krishna Prasad Poudel , Supervisor	056 550111
4	Bharatpur Branch , Chitawan	Mr. Mahendra Bahadur Kunwar, Supervisor	056 527709
5	Daldale Branch , Nawalparasi	Mr. Jamuna Kandel , Supervisor	078 575066
6	Mugling Branch , Chitawan	Mr. Hemlal Bashyal , Supervisor	056 540171
7	Dulegauda Branch , tanahu	Mr. Raju Tamang , Supervisor	065 570860
8	Chanauli Branch , Chitawan	Ms. Hari Poudel , Supervisor	056 592427
9	Madi Branch , Chitawan	Mr.Bidur Sapkota , Senior Assistant	056 692171
10	Galchhi Branch, Dhading	Mr. Mahadatta Kafle, Supervisor	010 403017
11	Chhatrebajha Branch, Kavrepalanchok	Mr.Ramchandralal Shrestha, Supervisor	011 685823
12	Dhikure Branch, Nuwakot	Mr. Gayan bahadur darlami, Senior Assistant	010 681339

13	Babiyachaur Branch, Maygdi (purposely)	Ms. Shanti Sapkota, Supervisor	
14	Galkot Branch, Baglung (purposely)	Mr. Prem prasad Jaisi, Senior Assistant	
15	Patichaur Branch, parbat (purposely)	Mr. Jotiraj Regmi, Senior Assistant	
16	Rahale Branch, parbat (purposely)	Mr. Surye Bahadur Basnet, Senior Assistant	
17	Burtibang Branch, Baglung (purposely)	Mr. Laxman Gyawali	

Regional Office Birgunj, Parsa

1	Birgaung Branch, Parsa	Mr. Anil kumar Misra ,Assistant Manager	051 531097
2	Kalaiya Branch, Bara	Mr.Bimal Khanal, Assistant Manager	053 551012
3	Parsauni Branch, Bara	Mr.Rajiva Shreevastav ,Assistant Manager	9755001256
4	Simraungadha Branch,Bara	Mr.Dipendra Kumar Yadav, Assistant Manager	053 620453
5	Shreepur Branch, Parsa	Mr. Sitaram Pandit, Assistant Manager	051 691480
6	Telkuwa Branch, Bara	Mr. Punyatma Prasad Sukla, Assistant Manager	053 620143
7	Perwanipur Branch, Bara	Mr.Santosha Kumar Datta, Supervisor	9755001103
8	Kolhabi Branch, Bara	Mr. Surendra Prasad Chaudhary, Supervisor	053 691604
9	Bindawasini Branch, Parsa	Mr.Madhav Prasad Gautam, Supervisor	051 621181
10	Ganjabhawanipur Branch, Bara	Mr.Purnawasi Chaudhary, Supervisor	053 401043
11	Chandranighapur Branch,Rautahat	Mr.Ramji Prasad Bhattra, Supervisor	055 540341
12	Gaur Branch, Rautahat	Mr. Hajrat Ali , Supervisor	055 521179
13	Biruwaguthi Branch, Parsa	Mr.Nandunath Kavar Yogi, Supervisor	053 692452
14	Hetauda Branch, Makawanpur	Mr. Ramchandra Bhattarai , Supervisor	057 526541
15	Simara Branch, Bara	Mr. Rajkumar Chaudhary, Supervisor	053 521823
16	Pokhariya Branch,Parsa	Mr. Ramugra Chaudhary,Supervisor	9755001208
17	Garuda Branch, Rautahat	Mr. Nandalal Pal, Supervisor	055 565119
18	Basantapatti Branch, Rautahat	Mr.Hari Narayan Yadav, Senior Assistant	055 690478

Regional Office Bardibas, Mahottari

1	Janakpur Branch , Dhanusha	Mr. Ishorchandra Chaudhary , Supervisor	041 528578
2	Gaushala Branch , Mahottari	Mr. Kamlesh Kumar Mandal , Supervisor	9754204246
3	Barhathawa Branch , Sarlahi	Mr.Kamalkant Chaudhary , Supervisor	046 540040
4	Kanchanpur Branch ,Saptari	Mr. Hirdayenarayan Yadav , Supervisor	031 560054
5	Lahan Branch, Siraha	Mr. Churamani Majhi ,Senior Assistant	033 561573
6	Jaleshor Branch, Mahottari	Mr.Anirudra Kumar Yadav, Senior Assistant	044 520479
7	Mahendranagar Branch , Dhanusha	Mr. Govinda Prasad Timilsina, Supervisor	041 540510
8	Nawalpur Branch , Sarlahi	Mr.Binod Ram , Supervisor	046 570374



9	Sukhipur Branch, Siraha	Mr. Mahanda Das , Senior Assistant	033 693825
10	Beltar Branch , Udayepur	Mr. Dipak Bhattraï , Senior Assistant	035 440346
11	Murkuchi Branch, Udayepur	Mr. Bhimlal Pokhrel, Supervisor	035 691257
12	Aurahi Branch, Mahottari	Mr. Ramkishor Chaudhary, Supervisor	044 692154
13	Dhanushadham Branch, Dhanusha	Mr. Deepak Parsad Gupata (Teli), Senior Assistant	041 693800
14	Godaita Branch, Sarlahi	Mr. Sanjaye kumar Chaudhary, Senior Assistant	9845187116
15	Kathauna Branch, Saptari	Mr. Nepal Chaudhary, Supervisor	9847304689
16	Khurkot Branch, Sindhuli	Mr. Suryemani Koirala, Senior Assistant	047 691567

Regional Office Birtamod, Jhapa

1	Fikkal Branch , Ilam	Mr. Narayan Prasad Kharal , Assistant Manager	027 540457
2	Hile Branch , Dhankutta	Mr. Niraj Acharya , Assistant Manager	026 540493
3	Surunga Branch , Jhapa	Mr. Min Bahadur Hamal ,Assistant Manager	023 550837
4	Damak Branch , Jhapa	Mr. Shambhu Aslami ,Assistant Manager	023 580824
5	Dhulabari Branch, Jhapa	Mr.Shekhar Bahadur Karki , Supervisor	023 560556
6	Ilam Branch , Ilam	Mr. Krishna Bahadur Thapa , Supervisor	027 521718
7	Fidim Branch , Pachanthar	Mr. Pitamber Poudel , Supervisor	024 520503
8	Fungling Branch , Taplejung	Mr. Narayan Datta Sapkota ,Supervisor	024 460629
9	Chandragadhi Branch , Jhapa	Mr. Shivaraj Kafle , Supervisor	023 456895
10	Biratchock Branch , Morang	Mr. Hareram Mahato , Supervisor	021 545783
11	Tankisinuwari Branch, Morang	Mr. Baburam Bhusal, Assistant Manager	021 421207
12	Gauradaha Branch , Jhapa	Mr. Budhhilal Sherstha, Assistant Manager	023 480324
13	Chainpur Branch, Shankhuwasabha	Mr. Rabindra Barai , Assistant Manager	029 570370
14	Jhumka Branch , Sunsari	Ms. Samita niraula, Assistant Manager	025 562339
15	Khandabari Branch ,Shankhuwasabha	Mr. Agni Poudel, Supervisor	029 560954
16	Biratnagar Branch , Morang	Mr. Navakanta shaha,Supervisor	021 463041
17	Mayanglung Branch, Teherthum	Mr. Yegye Bista ,Senior Assistant	026 460724
18	Rabi Branch,Pachanthar (purposely)	Mr.Sunil Kumar Singh, Assistant Manager	
19	Yashoka Branch,Pachanthar (purposely)	Mr. Matrika Prasad Bhandari, Senior Assistant	

Regional Office Kohalpur, Banke

1	Tulsipur Branch, Dang	Mr.Kashiram Bhattraï , Assistant Manager	082 522240
2	Rajha Branch , Banke	Mr. Nabaraj Joshi , Assistant Manager	081 565317
3	Udayepur Branch , Banke	Ms. Rita Regmi , Assistant Manager	081 526941
4	Kohalpur Branch , Banke	Mr. Puskar Subedi , Assistant Manager	081 540652
5	Narayan Branch, Dailekha	Mr.Baburam Kandel , Assistant Manager	089 420457

6	Ghorahi Branch , Dang	MS. Tulasa Pande , Assistant Manager	082 563333
7	Gadhawa Branch, Dang	Mr. Pitamber Nath Kavar , Supervisor	082 691198
8	Shisahaniya Branch, Dang	Mr.Bishnu Bahadur Chaudhary	082 402042
9	Sulichaur Branch , Rolpa	Mr. Madhava Prasad Sharma, Senior Assistant	086 401067
10	Parspur Branch , Banke	Mr.Krishnakanta Adhikari, Supervisor	081 521562
11	Jahare Branch, Surkheta	Mr. Harichandra Paudel , Supervisor	9758002930
12	Gulariya Branch , Bardiya	Mr. Santa Bahadur Gurung , Supervisor	084 421147
13	Basgadhi Branch , Bardiya	Mr. Hari Prasad Acharye , Supervisor	084 400051
14	Birendranagar Branch, Surkheta	Mr. Kamal Gaywali , Supervisor	083 523342
15	Khajura Branch, Banke	Mr.Arjun Khanal , Supervisor	081 560373
16	Bhuriganu Branch, Bardiya	Mr. Tikaram Giri , Senior Assistant	084 403031
17	Rajapur Branch , Bardiya	Mr.Maniram Tharu, Senior Assistant	084 460102
18	Bijuwar Branch, Puthayan	Mr. Narayan Prasad Upadhye, Senior Assistant	086 460446
19	Bhingri Branch, Puthayan	Mr. Kedar Prasad Khanal , Senior Assistant	086 400014
20	Sallibazar Branch, Salyan	Mr.Gopal Poudel, Senior Assistant	081 621283
21	Fattepur Branch, Banke	Mr. Krishna Bahadur Darji, Senior Assistant	081 621256
22	Chaurjahari Branch, Rukhum	Mr. Upendra Gautam, Senior Assistant	088 401052
23	Jumla Branch, Jumla	Mr. Chulainath Kavar, Senior Assistant	087 520488
24	Manma Branch, Kalikot	Mr. Tek Bahadur Chettri, Senior Assistant	9848708777

Regional Office Attariya , Kailali

1	Mahendranagar Branch , Kanchanpur	Mr. Shusil Sharma, Senior Assistant	099 520570
2	Tikapur Branch , Kailali	Ms. Puspa Kumari Subedi , Assistant Manager	091 560105
3	Attariya Branch , Kailali	Mr. Harihar Gautam , Assistant Manager	091 550471
4	Lamki Branch , Kailali	Mr. Rabi Kumar Gurung , Supervisor	091 540321
5	Amargadhi Branch , Dandeldhura	Mr. Yamraj Budhathoki ,Supervisor	096 420269
6	Silgadhi Branch , Doti	Mr. Deviram Parajuli , Senior Assistant	094 420520
7	Jogabudha Branch , Dandeldhura	Mr. Birendra Prasad Acharye , Senior Assistant	9759502272
8	Sukkhada Branch ,Kailali	Mr .Shambhu Kandel , Senior Assistant	091 403042
9	Belaury Branch , Kanchanpur	Mr. Dhurba Prasad Paudel , Senior Assistant	099 580043
10	Jhalari Branch , Kanchanpur	Mr.Babur Hamal Thakuri , Senior Assistant	099 540201
11	Joshiyur Branch, Kailali (purposely)	Mr. Shuresmani Tripathi, Supervisor	
12	Masuriya Branch, Kailali (purposely)	Mr. Mankaji Chaudhary, Senior Assistant	
13	Sawasthechauki Bazar Branch, Kanchanpur (purposely)	Mr. Navaratna Prasad Yadav, Supervisor	



Balauwatar, Kathmandu
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Tel: 2207 RABA NP
P.O.Box: 73

Nepal Rastra Bank

Microfinance Promotion and Surveillance Department

Issuance No. 3595

Letter No. La. Vi. Pra. Sa. Gairsthalgat 6/1/070/71

Date: 2070/08/26

To,
Nirdhan Utthan Bank Limited,
Anamnagar, Kathmandu

Subject: **Approval for the publication of annual financial details.**

Messrs,

According to the non-field wise surveillance based on the audited Balance Sheet, Profit & Loss account and the appendixes related to both of these, the independent auditor's report as well as the long-form audit report, the following instructions concerning the existing flaws are given:

1. Not to include the amount of the institution development fund while counting the primary capital.
2. To ascertain and clarify in the memorandum and the manual of the institution the exact proportion of ownership of the ordinary shareholders; a state of conflict has been created due to dissimilar declarations at different times. The annual financial statement at mid-July of 2012 (at the end of Asadh, 2069) has declared the proportion as 37.64% while that at mid-July of 2013 (at the end of Asadh, 2070) has declared it as 32.19%.
3. To classify the miscellaneous expenses appearing under the headings of other operational expenses into their respective headings; such expenses have increased by 89.7% from the past year's value.
4. To include the liabilities management amount, administered for staff's gratuity purpose and invested at the acknowledged retirement fund of the Citizen Investment Trust, under the heading of other assets in the Balance Sheet.
5. To reduce the (spread in the interest rate) difference in the interest rates between lending and deposit from the current average value of 11.70%.
6. To make arrangements for the tri-monthly GAP Analysis for risk management as per this bank's directives.
7. To compulsorily collect the credit information from local banks and financial institutions while providing loans of more than Rs. 50,000.
8. To carefully inspect the utilization of loans and include the report of the same in the respected file.
9. To publish the interest rates on lending/ deposits in the national level dailies.
10. To rectify the faults pointed out by the auditor.

I would like to inform that approval for publishing the financial report for the fiscal year 2012/13 (2069/70) for the purpose of the AGM, subject to the condition that the above-stated instructions are mentioned on a separate page of the report, has been granted. Approval has also been granted for the distribution of bonus shares worth Rs. 4,00,00,000 or 20 per cent of the paid-up capital of Rs. 20,00,00,000, cash dividends worth Rs. 2,00,00,000 or 10 per cent of the paid-up capital as well as the tax amount of Rs. 31,57,894.74 on bonus shares and cash dividends after the amendments of the institution's memorandum and manual to increase the capital.

Notice for information:
Nepal Rastra Bank
Banks and financial institutions regulating department

Yours sincerely,
(Dhananjaya Sharma)
Deputy Director

Application Forum to appoint Proxy in General Meeting

M/s Executive Committee
Nirdhan Utthan Bank Ltd,
Central Office
Anamnagar, Kathmandu

Subject: **Regarding Appointment of Proxy.**

Messrs,

I/We..... Of..... district Municipality/
VDC, Ward No. Being Shareholder of this company entitled to vote hereby appoint Mr./Ms.
..... share owner, Membership No. as my
proxy to attend and vote on my behalf for the 15th Annual General Meeting of NUBL to be held on
Poush 24th 2070, as I/We unable to attend and discuss in meeting.

Unofficial translation, original in Nepali



Clients of Chipitar Independent Group involved in Group Meeting, BO.Fikal, Illam



Clients involved in orange production, BO. Hile, Dhankuta



Clients engaged in doing business of Vegetable Production (Horticulture), BO. Ganjbhawanipur



Executive Director Dr.Harihar Dev Panth discussing with clients, BO. Taplejung

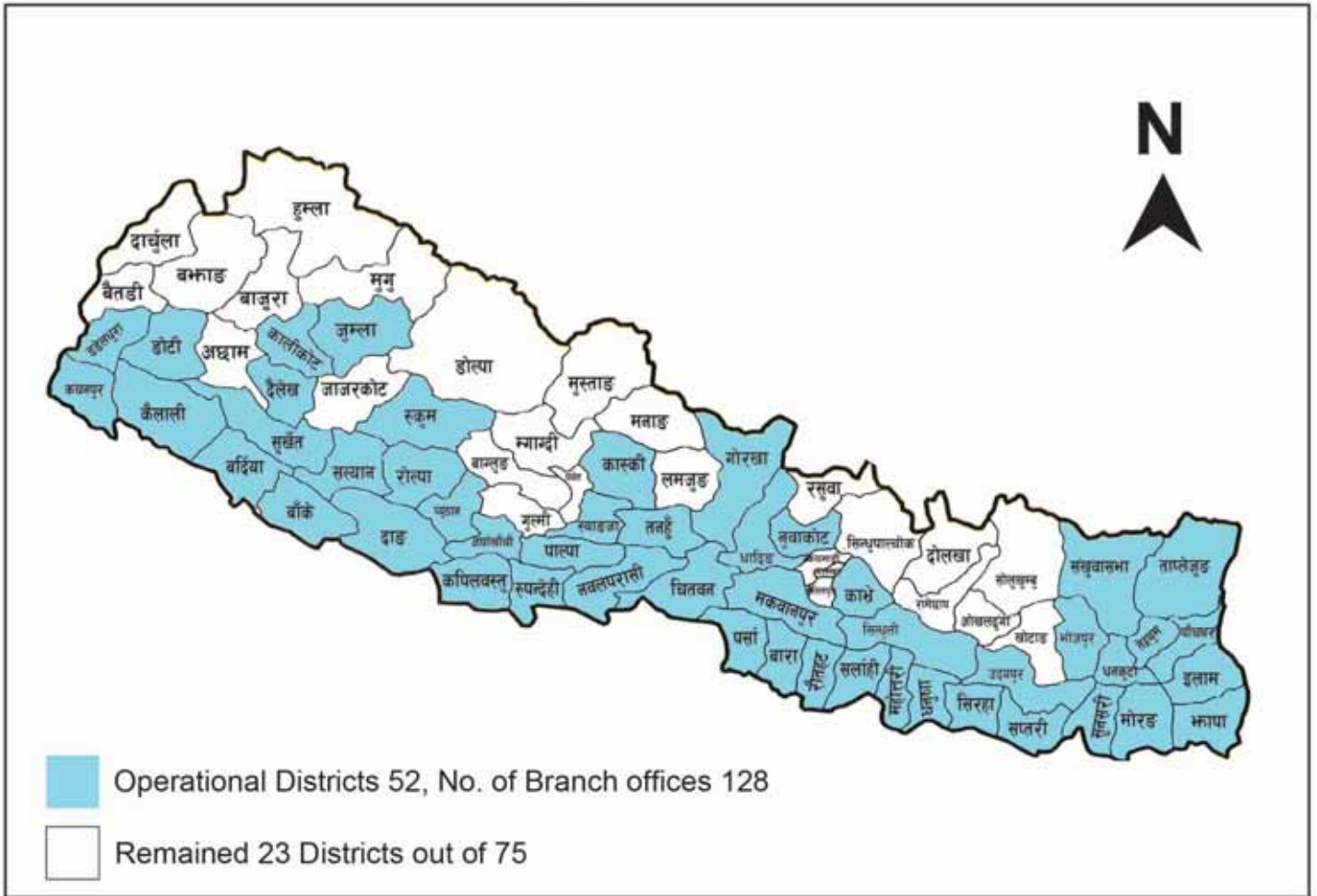


Client involved in her Sewing Business BO. Chainpur



Client making clay utensils, BO. Bindwabasini, Parsa

Working Area of NUBL



निर्धन उत्थान बैंक लिमिटेड NIRDHAN UTTHAN BANK LIMITED

('D' Class Financial Institution Licensed by Nepal Restr Bank)

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