

BISHAL & ASSOCIATES Chartered Accountants

Budhanilkantha, Kathmandu, Nepal
ca.bishalbaral@gmail.com
01-5244930, 9851161860

Membership No. : 1385 COP No. : 952
Firm No. : 846 PAN No. : 106111756

INDEPENDENT AUDITOR'S REPORT

To Shareholders,

Capital Merchant Banking & Finance Limited
Kathmandu

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Capital Merchant Banking & Finance Limited (the 'Company'), which comprise the balance sheet as at 31 Ashad 2078, income statement, statement of change in equity and statements of cash flows for the year then ended, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion section of our report*, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Ashad 2078, its financial performance and its cash flows for the year then ended.

The Financial Statements have not been prepared in accordance with Nepal Financial Reporting standards as issued by the Institute of Chartered Accountants of Nepal, so opinion on the same has not been made.

Basis for Qualified Opinion

As reported in Schedule 4.30 of the financial statements, the Company's total capital fund and core capital fund are negative as of 31 Ashad 2078, which is insufficient as compared to the minimum capital adequacy requirements as prescribed by Nepal Rastra Bank's directives.

As reported in point #21 of Notes to Accounts (Schedule 4.33) of the financial statements, various directives of the Nepal Rastra Bank viz, Single Obligor Limit Ratio (Directive No. 3), Investment Ratio (Directive No. 8) and Deposit Collection Limit Ratio (Directive No. 16) are not in the state of the comparison with the ceiling fixed by NRB Directives.

As required by NRB Directive, CMBFL has to spend minimum 3% of employee expenses of 2076/77 i.e. NPR 159,100.80 (3% of NPR5,303,161) for staffs training and development expenses in FY 2077/78. But CMBFL has not spent any amount for training and development of staff during the year. As required by same clause the unspent amount should be transferred to staff training and development fund to be spent in FY 2077/78. However, CMBFL has not transferred such unspent amount into "staff training and development fund". The profit of the company may be overstated by Rs. 159,100.80, on account of these non-compliances.



We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ICAN's Handbook of code of ethics for professional accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's handbook of The Code of Ethics For Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those Charged with Governance for the Financial Statements. Management is responsible for the preparation and fair presentation of the financial statements in accordance with NASS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's financial reporting process.

Auditor's Responsibilities for the Audit the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue as auditor's report that includes our opinion. Reasonable assurance is high level assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the Company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may the Company to cease to continue as going concern.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As per the requirements of section 115 of the Company Act, 2063, we further report that:

- a) 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.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those books.
- c) The financial statements are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said balance sheet, income statement and cash flow statement, read together with the notes forming part of accounts give the information required by the Company Act 2063 in the manner so required and give a true and fair view:
 - i) In the case of balance sheet, of the state of affairs of the Company as at 31 Ashad 2078; and
 - ii) In the case of income statement, of the results of operations of the Company for the year ended on 31 Ashad 2078; and
 - iii) In the case of the cash flow statement, of cash inflow and outflow of Company for the year ended on that date.
- e) Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or Company's staffs during the course of our audit nor have we received any such information from the management.
- f) No accounting fraud has been observed during the course of our audit.

For Bishal & Associates,
Chartered Accountants



Bishal Baral, CA
Principal

Place: Kathmandu
Date: May 05, 2022
UDIN no: 220525CA013853vhQf

Capital Merchant Banking & Finance Ltd.
Balance Sheet as on 31 Ashad, 2078 (15 July, 2021)

Capital & Liabilities	Schedule	Amount in NPR	
		As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Share Capital	4.1		
2. Reserves and Funds	4.2	935,069,500	935,069,500
3. Debentures and Bonds	4.3	(1,581,599,506)	(1,576,819,602)
4. Borrowings	4.4	-	-
5. Deposit Liabilities	4.5	25,100,000	26,700,000
6. Bills Payables	4.6	349,275,612	348,092,307
7. Proposed and Payable Dividend		-	-
8. Income Tax Liabilities		-	-
9. Other Liabilities		-	-
Total Capital and Liabilities	4.7	430,477,978	485,135,585
Assets:		158,323,584	218,177,790
1. Cash Balance	4.8		
2. Balance with NRB	4.9	233,628	141,330
3. Balance with Banks/Financial Institutions	4.10	3,107,576	3,107,576
4. Money at Call and Short Notice	4.11	21,831,501	85,101,422
5. Investments	4.12	-	-
6. Loans Advances and Bills Purchase	4.13	27,000	27,000
7. Fixed Assets	4.14	-	-
8. Non-Banking Assets	4.15	79,812,086	80,902,439
9. Other Assets	4.16	-	-
Total Assets		53,311,793	48,898,023
		158,323,584	218,177,790

Contingent Liabilities	Schedule	4.17
Directors' Declaration	Schedule	4.29
Statement of Capital Fund	Schedule	4.30
Statement of Risk Weighted Assets	Schedule	4.30(A)
Principal Indicators	Schedule	4.31
Principle Accounting Policies	Schedule	4.32
Notes to Accounts	Schedule	4.33

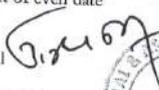
Schedules 4.1 to 4.17, 4.32 & 4.33 form integral parts of the Balance Sheet.


 Niranjan Singh Basnet
 Chairman


 Ranjan Rayamajhi
 Director

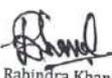

 Jagat Raj Khanal
 Director

As per our attached report of even date


 Bishal Baral
 Principal
 Bishal & Associates
 Chartered Accountants




 Chiranjibi Thapa
 Director


 Rabindra Khanal
 Chief Executive Officer


 Suni Pradhan
 Asst. Officer

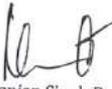
Date :
 Place : Kathmandu, Nepal



Capital Merchant Banking & Finance Ltd.
Profit and Loss Account
For the period from 1 Shrawan 2077 to 31 Ashad 2078 (July 16, 2020 to July 15, 2021)

Particulars	Schedules	Amount in NPR	
		This Year	Previous Year
Interest Income	4.18		3,666,283
Interest Expenses	4.19	241,270	4,079,025
Net Interest Income		(3,649,660)	(412,742)
Commission and Discount			
Other Operating Income	4.20	-	-
Exchange Fluctuation Income	4.21	-	-
Total Operating Income		(3,649,660)	(412,742)
Employees Expenses			5,303,161
Other Overhead Expenses	4.23	5,936,610	3,911,556
Exchange Fluctuation Loss	4.24	4,341,143	-
Operating Profit Before Provision for Possible Loss		(13,927,413)	(9,627,460)
Provision for Possible Losses	4.25	-	-
Operating Profit		(13,927,413)	(8,895,358)
Non-operating Income/Expenses			4,176,649
Provision Written-Back	4.26	3,424,184	1,900,023
Profit from Regular Operations		(8,040,407)	(3,550,788)
Profit/Loss from extra-ordinary activities			-
	4.28	-	-
Net Profit after considering all activities		(8,040,407)	(3,550,788)
Provision For Staff Bonus		-	-
Provision For Income Tax:			
This Year's		(3,260,503)	(1,626,271)
Previous Year's		-	-
Deferred Tax Expense/(Income)			
		(3,260,503)	(1,626,271)
Net Profit/(Loss)		(4,779,904)	(1,924,517)

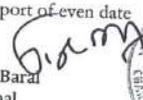
Schedule No. 4.18 to 4.28, 4.32 & 4.33 form integral part of this Profit and Loss Account.


 Niranjan Singh Basnet
 Chairman


 Ranjan Rayamajhi
 Director

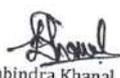

 Jagat Raj Khanal
 Director

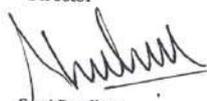
As per our attached report of even date


 Bishal Baral
 Principal
 Bishal & Associates
 Chartered Accountants




 Chiranjibi Thapa
 Director


 Rabindra Khanal
 Chief Executive Officer


 Suniti Pradhan
 Asst. Officer

Date :
 Place : Kathmandu, Nepal



Capital Merchant Banking & Finance Ltd.
Cash Flow Statement
For the period from 1 Shrawan 2077 to 31 Ashad 2078 (July 16, 2020 to July 15, 2021)

Amount in NPR

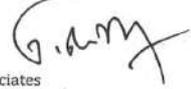
Particulars	This Year	Previous Year
A. Cash flow from Operating Activities:	(63,210,710)	(12,739,375)
1. Cash Received	6,128,276	9,742,955
1.1 Interest Income	241,270	3,666,283
1.2 Commission and Discount Income	-	-
1.3 Income from Foreign Exchange Transaction	-	-
1.4 Recovery of Written-off Loans	2,462,822	1,900,023
1.5 Other Incomes	3,424,184	4,176,649
2. Cash Payment	13,111,417	12,059,076
2.1 Interest Expenses	3,890,930	4,079,025
2.2 Staff Expenses	5,936,610	5,303,161
2.3 Office Overhead Expenses	3,283,877	2,676,889
2.4 Income Tax Paid	-	-
2.5 Other Expenses	-	-
Cash Flow Before Working Capital Activities	(6,983,141)	(2,316,121)
(Increase)/Decrease of Current Assets	(1,153,267)	(2,176,018)
1. (Increase)/Decrease in Money at Call and Short Notice	-	-
2. (Increase)/Decrease in Short-term Investments	-	-
3. (Increase)/Decrease in Loans and Advances and Bills Purchase	-	-
4. (Increase)/Decrease in Other Assets	(1,153,267)	(2,176,018)
Increase/(Decrease) of Current Liabilities	(55,074,302)	(8,247,236)
1. Increase/(Decrease) in Deposits Liabilities	1,183,305	1,861,726
2. Increase/(Decrease) in Certificate of Deposits	-	-
3. Increase/(Decrease) in Short-term Borrowings	(1,600,000)	(1,000,000)
4. Increase/(Decrease) in Other Liabilities	(54,657,607)	(9,108,962)
B. Cash flow from Investment Activities	33,087	(8,249)
1. (Increase)/Decrease in Long-Term Investment	-	-
2. (Increase)/Decrease in Fixed Assets	33,087	(8,249)
3. Interest Income From Long-Term Investment	-	-
4. Dividend Income	-	-
5. Others	-	-
C. Cash flow from Financing Activities	-	-
1. Increase/(Decrease) in Long-Term Borrowings (Bonds, Debentures etc.)	-	-
2. Increase/(Decrease) in Share Capital	-	-
3. Increase/(Decrease) in Other Liabilities (Share Premium)	-	-
4. Increase/(Decrease) in Refinance/Facilities From Nepal Rastra Bank	-	-
D. Income/Expenses from change in Exchange Rate in Cash and Bank Balances	-	-
E. This Year's Cash Flow from All Activities	(63,177,623)	(12,747,624)
F. Opening Balance of Cash and Bank Balances	88,350,328	101,097,952
G. Closing Balance of Cash and Bank Balances	25,172,705	88,350,328


Nirajan Singh Basnet
Chairman


Ranjan Rayamajhi
Director


Jagat Raj Khanal
Director

As per our attached report of even date


Bishal Baral
Principal
Bishal & Associates
Chartered Accountants


Chiranjibi Thapa
Director


Rabindra Khanal
Chief Executive Officer


Suni Pradhan
Asst. Officer

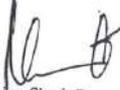
Date :
Place : Kathmandu, Nepal



Capital Merchant Banking & Finance Ltd.
Profit and Loss Appropriation Account
For the period from 1 Shrawan 2077 to 31 Ashad 2078 (July 16, 2020 to July 15, 2021)

Particulars	Amount in NPR	
	This Year	Previous Year
Income		
1. Accumulated Profit up to the Last Year		
2. Current Year's Profit	(1,875,545,300)	(1,871,994,512)
3. Exchange Fluctuation Fund	(4,779,904)	(1,924,517)
Total (A)	(1,880,325,204)	(1,873,919,029)
Expenses		
1. Accumulated Loss up to the Last Year		
2. This Year's Loss	-	-
3. General Reserve	-	-
4. Contingent Reserve	-	-
5. Institutional Development Fund	-	-
6. Dividend Equalization Fund	-	-
7. Employee Related Reserves Funds	-	-
8. Proposed Dividend	-	-
9. Proposed Issue of Bonus Shares	-	-
10. Special Reserve Fund	-	-
11. Exchange Fluctuation Fund	-	-
12. Capital Redemption Reserve Fund	-	-
13. Capital Adjustment Fund	-	-
14. Deferred Tax Reserve	-	-
Total (B)	3,260,503	1,626,271
Accumulated Profit/(Loss) (A-B)	3,260,503	1,626,271
	(1,883,585,706)	(1,875,545,300)

As per our attached report of even date


Niranjn Singh Basnet
Chairman


Ranjan Rayamajhi
Director


Jagat Raj Khanal
Director


Bishal Baral
Principal
Bishal & Associates
Chartered Accountants


Chiranjibi Thapa
Director


Rabindra Khanal
Chief Executive Officer


Suni Pradhan
Asst. Officer

Date :
Place : Kathmandu, Nepal



Capital Merchant Banking & Finance Ltd.
Statement of Changes in Equity
For the period from 1 Shrawan 2077 to 31 Ashad 2078 (July 16, 2020 to July 15, 2021)

Particulars	Share Capital	Accumulated Profit/Loss	General Reserve Fund	Proposed Bonus Share	Capital Reserve Fund	Share Premium	Exchange Fluctuation Fund	Deferred Tax Reserve	Other Reserve and Fund	Total Amount
Opening Balance as at 31 Ashad, 2077	935,069,500	(1,875,545,300)	282,552,290	-	-	2,611,560	-	13,561,848	-	(641,750,102)
Adjustments for Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-
Restated Balance as at 31 Ashad, 2077	935,069,500	(1,875,545,300)	282,552,290	-	-	2,611,560	-	13,561,848	-	(641,750,102)
Adjustment of Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-
Bonus Share Issued	-	-	-	-	-	-	-	-	-	-
Right Share Issued	-	-	-	-	-	-	-	-	-	-
Current Year's Net Profit	-	(4,779,904)	-	-	-	-	-	-	-	(4,779,904)
General Reserve	-	-	-	-	-	-	-	-	-	-
Proposed Bonus Share	-	-	-	-	-	-	-	-	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets	-	(3,260,503)	-	-	-	-	-	3,260,503	-	-
Balance as on 31 Ashad, 2078	935,069,500	(1,883,585,706)	282,552,290	-	-	2,611,560	-	16,822,351	-	(646,530,006)

As per our attached report of even date

Niranjan Singh Basnet
 Chairman
 Chitranjali Thapa
 Director
 Date: _____
 Place: Kathmandu, Nepal

Ranjan Rayamajhi
 Director
 Kabintra Khanal
 Chief Executive Officer

Jagat Raj Khanal
 Director
 Saju Pradhan
 Asst. Officer

Bishal Baral
 Principal
 Bishal & Associates
 Chartered Accountants



Capital Merchant Banking & Finance Ltd.
List of Share Holder's holding 0.5% or more of Paid-Up Share Capital

S. N.	Name of the Shareholders	No. of Shares	Amount in NPR	
			Amount (Rs.)	Percentage
1	Chiranjibi Thapa	912,864	91,286,400	9.76%
2	Ranjan Rayamajhi	584,232	58,423,200	6.25%
3	Himalayan Builders & Engineers Pvt.Ltd.	1,168,603	116,860,300	11.50%
4	Tilak Bahadur Ranabhat	1,168,550	116,855,000	11.50%
5	Niranjan Singh Basnet	233,892	23,389,200	2.50%
6	Guru Prasad Timilsina	467,423	46,742,300	5.00%
7	Hom Prasad Niroula	467,420	46,742,000	5.00%
8	Prawal Jung Pande	1,168,552	116,855,200	11.50%
9	Ravi Kiran Dhakal	85,736	8,573,600	0.92%
10	Parasparik Investment Company	89,280	8,928,000	0.95%
11	Gorakshya Multi Investment	70,000	7,000,000	0.75%
12	Hemanta Pandit	65,682	6,568,200	0.70%
13	Chaya Rana Shah	85,430	8,543,000	1.77%
14	Upasana K.C	54,002	5,400,200	0.58%
15	Bigyan Prasad Poudel	173,655	17,365,500	1.86%
16	Pawan Kumar Karki	1,396,365	139,636,500	14.94%
17	Laxman Prasad Poudel	26,171	2,617,100	0.28%
18	Binaya Kumar Gupta	34,173	3,417,300	0.37%
19	Manoj Khanal	16,863	1,686,300	0.18%
20	Dambar Bahadur KC	100	10,000	0.00%
21	Kalyani Shrestha	20,505	2,050,500	0.28%
Total		8,289,498	828,949,800	86.59%










Capital Merchant Banking & Finance Ltd.
Share Capital and Ownership
As on 31 Ashad, 2078 (15 July, 2021)
Amount in NPR

Particulars	As on 31 Ashad, 2078	As on 32 Ashad, 2077
1. Share Capital		
1.1 Authorized Capital		
a) 30,000,000 Ordinary Shares of Rs. 100 each	3,000,000,000	3,000,000,000
b) Non-redeemable Preference Shares of Rs. each	3,000,000,000	3,000,000,000
c) Redeemable Preference Shares of Rs. each		
1.2 Issued Capital		
a) 20,200,000 Ordinary Shares of Rs.100 each	2,020,000,000	2,020,000,000
b) Non-redeemable Preference Shares of Rs. each	2,020,000,000	2,020,000,000
c) Redeemable Preference Shares of Rs. each		
1.3 Paid up Capital		
a) 9,350,695 Ordinary Shares of Rs.100 each	935,069,500	935,069,500
b) Non-redeemable Preference Shares of Rs. each	935,069,500	935,069,500
c) Redeemable Preference Shares of Rs. each	-	-
1.4 Proposed Bonus Share	-	-
1.5 Calls in Advance	-	-

Particulars	As on 31 Ashad, 2078		As on 31 Ashad, 2077	
	%	Share Capital	%	Share Capital
1. National Ownership				
Government of Nepal	100%	935,069,500	100%	935,069,500
"A" Class Licensed Institutions		-		-
Other License Institutions		-		-
Other Entities/ Organizations		-		-
Individuals	49%	458,184,100	49%	458,184,100
Others	51%	476,885,400	51%	476,885,400
2. Foreign Ownership		-		-
Total	100%	935,069,500	100%	935,069,500



Capital Merchant Banking & Finance Ltd.
Reserve and Surplus
As on 31 Ashad, 2078 (15 July, 2021)

Amount in NPR

Particulars	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. General Reserve Fund	282,552,290	282,552,290
2. Capital Reserve Fund	-	-
3. Capital Redemption Reserve	-	-
4. Capital Adjustment Fund	-	-
5. Other Reservers	19,433,911	16,173,408
5.1 Contingent Reserve	-	-
5.2 Institution Development Fund	-	-
5.3 Dividend Equalization Fund	-	-
5.4 Special Reserve Fund	-	-
5.5 Assets Revaluation Reserve	-	-
5.6 Deferred Tax Reserve	16,822,351	13,561,848
5.7 Other Free Reserves	-	-
5.8 Other Reserve Funds	-	-
5.9 Share Premium	2,611,560	2,611,560
6. Accumulated Profit/(Loss)	(1,883,585,706)	(1,875,545,300)
7. Exchange Equalization Fund	-	-
Total	(1,581,599,506)	(1,576,819,602)

W B

P H

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Shrawan

Shrawan



Capital Merchant Banking & Finance Ltd.
Debentures and Bonds
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.3

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Percent Bonds/Debentures of Rs. each Issued on and Matured on (Outstanding balance of Redemption Reserve Rs.)	-	-
2. Percent Bond/Debentures of Rs. each Issued on and Matured on (Outstanding Balance of Redemption Reserve Rs.)	-	-
3.	-	-
Total (1+2+3)	-	-

Note : Particulars of securities shall be disclosed in case the Debentures/Bonds are issued with assigned securities.

Capital Merchant Banking & Finance Ltd.
Borrowings
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.4

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
A. Local		
Nepal Government	-	-
Nepal Rastra Bank	-	-
Repo Obligation	-	-
Inter Bank and Financial Institutions	25,100,000	26,700,000
Other Organized Institutions	-	-
Others	-	-
Total	25,100,000	26,700,000
B. Foreign		
Banks	-	-
Others	-	-
Total	-	-
Total (A+B)	25,100,000	26,700,000



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Capital Merchant Banking & Finance Ltd.
Deposits
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.5

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
I. Non-Interest Bearing Accounts:		
A. Current Deposits		
1. Local Currency	-	-
1.1 Nepal Government	-	-
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 Nepal Government	-	-
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 Employee Guarantees	-	-
2 Guarantee Margin	-	-
3 Letters of Credit Margin	-	-
C. Others		
1. Local Currency	-	-
2 Financial Institutions	-	-
3 Other Organized Institutions	-	-
4 Individuals	-	-
2. Foreign Currency	-	-
2.1 Financial Institutions	-	-
2.2 Other Organized Institutions	-	-
2.3 Individuals	-	-
Total of Non-Interest Bearing Accounts		
II Interest Bearing Accounts:		
A. Savings Deposits		
1. Local Currency	21,577,587	21,395,737
1.1 Organized Institutions	21,577,587	21,395,737
1.2 Individuals	-	-
1.3 Others	21,577,587	21,395,737
2. Foreign Currency	-	-
2.1 Organized Institutions	-	-
2.2 Individuals	-	-
2.3 Others	-	-
B. Fixed Deposits		
1. Local Currency	-	-
1.1 Organized Institutions	-	-
1.2 Individuals	-	-
1.3 Others	-	-
2. Foreign Currency	-	-
2.1 Organized Institutions	-	-
2.2 Individuals	-	-
2.3 Others	-	-
C. Call Deposits		
1. Local Currency	327,698,026	326,696,570
1.1 "A" Class Licensed Institutions	327,698,026	326,696,570
1.2 Other Licensed Institutions	-	-
1.3 Other Organized Institutions	51,770,797	51,974,255
1.4 Individuals	274,984,700	273,788,666
1.5 Others	942,529	933,649
2. Foreign Currency	-	-
2.1 "A" Class Licensed Institutions	-	-
2.2 Other Licensed Institutions	-	-
2.3 Other Organized Institutions	-	-
2.4 Individuals	-	-
2.5 Others	-	-
D. Certificate of Deposit		
1. Organized Institutions	-	-
2. Individuals	-	-
3. Others	-	-
Total of Interest Bearing Accounts	349,275,612	348,092,307
Total Deposit (1+2)	349,275,612	348,092,307



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Schedule 4.6

Capital Merchant Banking & Finance Ltd.
Bills Payable
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Local Currency	-	-
2. Foreign Currency	-	-
Total	-	-

Schedule 4.7

Capital Merchant Banking & Finance Ltd.
Other Liabilities
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Pension/Gratuity Fund	3,761,615	3,358,399
2. Employees Provident Fund	-	-
3. Employees Welfare Fund	-	-
4. Provision for Staff Bonus	-	-
5. Interest Payable on Deposits	-	-
6. Interest Payable on Borrowings	-	-
7. Unearned Discount and Commission	-	-
8. Sundry Creditors	12,248,059	65,688,355
9. Branch Adjustment Account	-	-
10. Deferred Tax Liability	-	-
11. Dividend Payable	246,660	246,660
12. Others	414,221,644	415,842,171
Total	430,477,978	485,135,585



Rij

R

Shankar

Shankar

Capital Merchant Banking & Finance Ltd.
Cash Balance
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.8

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Local Currency (including coin)		
2. Foreign Currency	233,628	141,330
Total	233,628	141,330

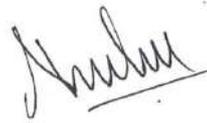
Schedule 4.9

Capital Merchant Banking & Finance Ltd.
Balance with Nepal Rastra Bank
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Local Currency	Foreign Currency			Amount in NPR	
		Indian Currency	Convertible	Total	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Nepal Rastra Bank	3,107,576	-	-	-		
a). Current Account	3,107,576	-	-	-	3,107,576	3,107,576
b). Other Account	-	-	-	-	3,107,576	3,107,576








Capital Merchant Banking & Finance Ltd.
Balance with other Banks/Financial Institutions
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Local Currency	Foreign Currency			Amount in NPR	
		Indian Currency	Convertible	Total	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Local Licensed Institutions	21,831,501	-	-	-	21,831,501	85,101,422
a). Current Account	68,826	-	-	-	68,826	60,165,096
b). Other Account	21,762,674	-	-	-	21,762,674	24,936,326
2. Foreign Banks	-	-	-	-	-	-
a). Current Account	-	-	-	-	-	-
b). Other Account	-	-	-	-	-	-
Total	21,831,501	-	-	-	21,831,501	85,101,422

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Capital Merchant Banking & Finance Ltd.
Money at Call and Short Notice
As on 31 Ashad, 2076 (15 July, 2020)

Schedule 4.11

Particulars	Amount in NPR	
	As on 31 Ashad, 2077	As on 31 Ashad, 2076
1. Local Currency	-	-
2. Foreign Currency	-	-
Total	-	-

Capital Merchant Banking & Finance Ltd.
Investments
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.12

Particulars	Purpose		Amount in NPR	
	Trading	Other	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Nepal Government Treasury Bills	-	-		-
2. Nepal Government Savings Bond	-	-		-
3. Nepal Government Other Securities	-	-		-
4. Nepal Rastra Bank Bonds	-	-		-
5. Foreign Securities	-	-		-
6. Local Licensed Institutions	-	-		-
7. Foreign Banks	-	-		-
8. Organized Institutions Shares	29,200	-	29,200	29,200
9. Corporate Bonds and Debentures	-	-		-
10. Other Investments	-	-		-
Total Investment	29,200	-	29,200	29,200
Provision	2,200	-	2,200	2,200
Net Investment	27,000	-	27,000	27,000



 The bottom section of the document contains several handwritten signatures and two circular official stamps. The stamps are from the Nepal Rastra Bank and Capital Merchant Banking & Finance Ltd. The signatures appear to be of various officials, including one that looks like 'Raj' and another that looks like 'Shankar'.

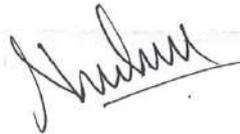
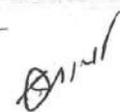
Capital Merchant Banking & Finance Ltd.
Investment in Shares, Debentures and Bonds
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Cost Price	Market Price	Provision	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Investment in Shares					
1.1. Credit Information Bureau	-	-	-	-	-
3,543.75 Ordinary Shares of Rs 100 Paid up (including 3,273.75 bonus shares)	27,000	-	-	27,000	27,000
1.2. Union Finance Co. Ltd.	2,200	2,464	2,200	2,200	2,200
22 Ordinary Shares of Rs 100 Paid up	-	-	-	-	-
2. Investment in Debentures and Bonds					
2.1. Co. (Pvt. Ltd./Ltd.)	-	-	-	-	-
..... % Debentures/Bonds of Rs. ...	-	-	-	-	-
2.2.	-	-	-	-	-
2.3.	-	-	-	-	-
Total Investment	29,200	2,464	2,200	29,200	29,200
3. Provision for Loss	2,200			2,200	2,200
3.1. Provision Up to Previous Year	2,200			2,200	2,200
3.2. Additions This Year	-			-	-
Total Provision	2,200			2,200	2,200
Net Investment	27,000			27,000	27,000







Capital Merchant Banking & Finance Ltd.
Held for Trading
As on 31 Ashad, 2078 (15 July, 2021)

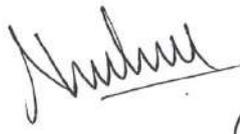
Description	Cost Price	Last Market Price	Current Market Price	Amount in NPR	
				Current Year Profit/(Loss)	Last Year Profit/(Loss)
1. Treasury Bills of Government of Nepal	-	-	-	-	-
2. Saving Bonds of Government of Nepal	-	-	-	-	-
3. Other Loan Bonds of Government of Nepal	-	-	-	-	-
4. Loan Bonds of Nepal Rastra Bank	-	-	-	-	-
5. Foreign Loan Bonds	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-
7. Debenture and Bonds of Local Licensed Institutions	-	-	-	-	-
8. Debenture and Bonds of Local Organized Institutions	-	-	-	-	-
9. Investment in Foreign Banks (Placement)	-	-	-	-	-
10. Interbank Lending	-	-	-	-	-
11. Other Investment	-	-	-	-	-
Total Investment	-	-	-	-	-







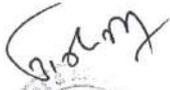





Capital Merchant Banking & Finance Ltd.
Held to Maturity
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.12.2

Description	Cost Price	Cumulative Loss Upto This Year	Current Lear Loss	Current Year Profit/(Loss)	Amount in NPR	
					Last Year Profit/(Loss)	
1. Treasury Bills of Government of Nepal	-	-	-	-	-	-
2. Saving Bonds of Government of Nepal	-	-	-	-	-	-
3. Other Loan Bonds of Government of Nepal	-	-	-	-	-	-
4. Loan Bonds of Nepal Rastra Bank	-	-	-	-	-	-
5. Foreign Loan Bonds	-	-	-	-	-	-
6. Shares of Local Licensed Institutions	-	-	-	-	-	-
7. Debenture and Bonds of Local Licensed Institutions	-	-	-	-	-	-
8. Debenture and Bonds of Local Organized Institutions	-	-	-	-	-	-
9. Investment in Foreign Banks (Placement)	-	-	-	-	-	-
10. Interbank Lending	-	-	-	-	-	-
11. Other Investment	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-











Capital Merchant Banking & Finance Ltd.
Available for Sale
As on 31 Ashad, 2078 (15 July, 2021)

Description	Cost Price	Last Market Price	Current Market Price	Amount in NPR	
				Current Year Fund Adjustment Amount	Last Year Profit/(Loss)
1. Treasury Bills of Government of Nepal	-	-	-	-	-
2. Saving Bonds of Government of Nepal	-	-	-	-	-
3. Other Loan Bonds of Government of Nepal	-	-	-	-	-
4. Loan Bonds of Nepal Rastra Bank	-	-	-	-	-
5. Foreign Loan Bonds	-	-	-	-	-
6. Shares of Local Licensed Institutions	2,200	-	-	-	-
7. Debenture and Bonds of Local Licensed Institutions	-	-	-	-	-
8. Debenture and Bonds of Local Organized Institutions	-	-	-	-	-
9. Investment in Foreign Banks (Placement)	-	-	-	-	-
10. Interbank Lending	-	-	-	-	-
11. Other Investment	27,000	-	-	-	-
Total Investment	29,200	-	-	-	-



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Capital Merchant Banking & Finance Ltd.
 Classification of Loans and Bills Purchased and Provisioning
 As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.13

Particulars	Loans							Bills Purchased/Discounted			Amount in NPR	
	Domestic			Foreign	Total	Domestic	Foreign	Total	As on 31 Ashad, 2078	As on 31 Ashad, 2077		
	Deprived		Others									
	Insured	Uninsured										
1. Performing Loan	-	-	-	-	-	-	-	-	-	-		
1.1 Pass Loan	-	-	-	-	-	-	-	-	-	-		
1.2 Watchlist	-	-	-	-	-	-	-	-	-	-		
1.3 Restructured	-	-	-	-	-	-	-	-	-	-		
2. Non-Performing Loan	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
2.1 Substandard	-	-	-	-	-	-	-	-	-	-		
2.2 Doubtful	-	-	-	-	-	-	-	-	-	-		
2.3 Bad	-	-	1,586,581,670	-	1,586,581,670	-	-	-	-	-		
(A). Total Loan	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
3. Loan Loss Provision	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
3.1 Pass	-	-	-	-	-	-	-	-	-	-		
3.2 Watchlist	-	-	-	-	-	-	-	-	-	-		
3.2 Restructured	-	-	-	-	-	-	-	-	-	-		
3.3 Substandard	-	-	-	-	-	-	-	-	-	-		
3.4 Doubtful	-	-	-	-	-	-	-	-	-	-		
3.5 Bad	-	-	1,586,581,670	-	1,586,581,670	-	-	-	-	-		
(B). Total Provisioning	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
4. Provision upto previous year	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
4.1 Pass	-	-	-	-	-	-	-	-	-	-		
4.2 Watchlist	-	-	-	-	-	-	-	-	-	-		
4.3 Restructured	-	-	-	-	-	-	-	-	-	-		
4.4 Substandard	-	-	-	-	-	-	-	-	-	-		
4.5 Doubtful	-	-	-	-	-	-	-	-	-	-		
4.6 Bad	-	-	1,586,581,670	-	1,586,581,670	-	-	-	-	-		
(C). Total Previous Year's Provision	-	-	1,586,581,670	-	1,586,581,670	-	-	-	1,586,581,670	1,586,581,670		
(D). Written Back From Previous Year	-	-	-	-	-	-	-	-	-	-		
Changes in This Year	-	-	-	-	-	-	-	-	-	-		
Net Loan (A-B)	-	-	-	-	-	-	-	-	-	(1,900,023)		

Sirna *N B Pit*




K. Prasad
Shubhu *Sumit*

Capital Merchant Banking & Finance Ltd.
Loans, Advances and Bills Purchased Security wise
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
(A). Secured		
1. Movable/Immovable Assets	1,586,581,670	1,586,581,670
2. Guarantee of Local Licensed Institutions	1,584,106,881	1,584,106,881
3. Government Guarantee	-	-
4. Internationally Rated Bank Guarantee	-	-
5. Export Documents	-	-
6. Fixed Deposit Receipts	-	-
a) Own Fixed Deposit Receipt	-	-
b) Fixed Deposit Receipt of Other Licensed Institutions	-	-
7. Government Bonds	-	-
8. Counter Guarantee	-	-
9. Personal Guarantee	-	-
10. Other Securities	-	-
(B). Unsecured	2,474,789	2,474,789
Total	1,586,581,670	1,586,581,670



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Capital Merchant Banking & Finance Ltd.
Fixed Assets
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Assets						As on 31 Ashad, 2078	As on 31 Ashad, 2077
	Building	Vehicles	Machinery	Office Equipment	Others			
1 At Cost								
a. Previous Year Balance	31,332,349	12,043,054	26,986,882	10,126,472	6,020,844	86,509,601	86,501,352	
b. Addition This Year	-	-	-	-	-	-	8,249	
c. Revaluation/Written Back This Year	-	-	-	-	-	-	-	
d. This Year Sold	-	-	-	-	-	-	-	
e. This Year Written off	-	219	-	21,327	11,542	33,087	-	
Total Cost (a+b+c-d-e)	31,332,349	12,042,835	26,986,882	10,105,145	6,009,303	86,476,514	86,509,601	
2 Depreciation								
a. Up to Previous Year	15,184,715	11,643,625	26,292,181	9,998,462	5,993,531	69,112,513	69,112,513	
b. For This Year	807,382	79,853	138,940	28,004	3,087	1,057,266	1,234,667	
c. Depreciation on Revaluation/Written Back	-	-	-	-	-	-	-	
Total Depreciation	15,992,097	11,723,478	26,431,121	10,026,465	5,996,618	70,169,779	69,112,513	
3 Book Value (WDV*) (1-2)	15,340,252	319,357	555,761	78,680	12,685	16,306,734	17,397,087	
4 Land	-	-	-	-	-	56,009,370	56,009,370	
5 Capitalization Construction (Pending)	-	-	-	-	-	7,495,872	7,495,872	
6 Leasehold Assets	-	-	-	-	-	-	-	
Total (3+4+5+6)	15,340,252	319,357	555,761	78,680	12,685	79,812,086	80,902,439	



Director

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R

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M. M. M.

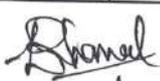
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Capital Merchant Banking & Finance Ltd.
Non-Banking Assets
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.15

Name and Address of Borrower or Party	Date of Accept Non-Banking Assets	Total Amount of Non-Banking Assets Rs.	Loss Provision		Amount in NPR	
			In Percentage	In Amount	As on 31 Ashad, 2078	As on 31 Ashad, 2077
Irada Builders Pvt. Ltd. KMPC-34	2072.05.16	20,335,799	100%	20,335,799	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Grand Total		20,335,799	100%	20,335,799	-	-






Capital Merchant Banking & Finance Ltd.
Other Assets
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.16

Particulars	Amount in NPR		
	As on 31 Ashad, 2078	As on 31 Ashad, 2077	As on 31 Ashad, 2076
ATM card Stock	-	-	-
Income Receivable on Investments	-	-	-
Accrued Interest on Loan	2,523,655,842	2,317,215,332	2,017,614,130
Less : Interest Suspense Amount	(2,523,655,842)	(2,317,215,332)	(2,017,614,130)
Commission Receivable	-	-	-
Sundry Debtors	30,014,745	29,609,759	28,313,008
Staff Loans and Advances	101,137	80,137	96,777
Prepaid Expenses	-	-	10,358
Cash in Transit	-	-	-
Other Transit items (including cheques)	-	-	-
Drafts Paid without Notice	-	-	-
Expenses Not Written off	477,871	477,871	477,871
Branch account	(0)	(0)	(0)
Deferred Tax Assets	16,822,352	13,561,849	11,935,579
Other	5,895,688	5,168,406	4,262,141
Total	53,311,793	48,898,023	45,095,734

Schedule 4.16 (A)
Amount in NPR

Particulars	As on 31 Ashad, 2078			As on 31 Ashad, 2078	As on 31 Ashad, 2077
	Up to 1 Year	1 to 3 Years	More Than 3 Years		
1. Accrued Interest on Loan	-	-	-	2,523,655,842	2,017,614,130
2. Drafts Paid without Notice	-	-	-	-	-
3. Branch Adjustment Account	-	-	-	-	-
4. Local and Foreign Agency A/Cs	-	-	-	-	-



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Capital Merchant Banking & Finance Ltd.
Contingent Liabilities
As on 31 Ashad, 2078 (15 July, 2021)

Particulars	Amount in NPR	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
1. Claims on Institution but not accepted by the Institution	-	-
2. Letters of Credit (Full Amount)	-	-
a). Less than 6 months Maturity	-	-
b). More than 6 months Maturity	-	-
3. Rediscounted Bills	-	-
4. Unmatured Guarantees/Bonds	-	-
a). Bid Bonds	-	-
b). Performance Bonds	-	-
c). Other Guarantees/Bonds	-	-
5. Unpaid Shares in Investment	-	-
6. Forward Exchange Contract Liabilities	-	-
7. Bills under Collection	-	-
8. Acceptance and Endorsements	-	-
9. Underwriting Commitments	-	-
10. Irrevocable Loan Commitments	-	-
11. Counter Guarantee of Internationally Rated Banks	-	-
12. Advance Payment Guarantee	-	-
13. Financial Guarantee	-	-
14. Contingent Liabilities on Income Tax	-	-
15. Capital Commitment net of Advance Payment	-	-
16. -----	-	-
Total	-	-



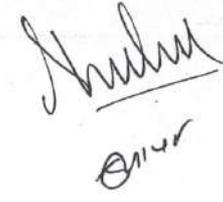
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Capital Merchant Banking & Finance Ltd.
Interest Income
As on 31 Ashad, 2078 (15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
A. On Loan, Advances and Overdraft	-	-
1. Loans and Advances	-	-
2. Overdraft	-	-
B. On Investment	-	-
1. Nepal Government Securities	-	-
a. Treasury Bills	-	-
b. Development Bonds	-	-
c. National Savings Certificates	-	-
2. Foreign Securities	-	-
a.	-	-
b.	-	-
3. Nepal Rastra Bank Bond	-	-
4. Debenture and Bonds	-	-
a. Financial Institutions	-	-
b. Other Organizations	-	-
5. On Interbank Placement	-	-
a. Bank and Financial Institutions	-	-
b. Other Organizations	-	-
C. On Agency Balances	-	-
1. Local Banks	-	-
2. Foreign Banks	-	-
D. On Money at Call and Short Notice	-	-
1. Local Banks/Financial Institutions	-	-
2. Foreign Banks	-	-
E. On Others	241,269	3,666,282
1. Certificate of Deposits	-	-
2. Inter-Bank Loan	-	-
3. Others-Deposit with other Fis	241,269	3,666,282
Total	241,270	5,020,949








Capital Merchant Banking & Finance Ltd.

Interest Expenses

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
A. On Deposit Liabilities	3,114,185	3,224,617
1. Fixed Deposits	-	-
1.1 Local Currency	-	-
1.2 Foreign Currency	-	-
2. Savings Deposits	210,396	208,810
2.1 Local Currency	210,396	208,810
2.2 Foreign Currency	-	-
3. Call Deposits	2,903,789	3,015,807
3.1 Local Currency	2,903,789	3,015,807
3.2 Foreign Currency	-	-
4. Certificate of Deposits	-	-
B. On Borrowings	776,745	854,408
1. Debentures and Bonds	-	-
2. Loan from Nepal Rastra Bank	-	-
3. Inter Bank/Financial Institutions Borrowing	776,745	854,408
4. Other Corporate Body	-	-
5. Other Loans	-	-
C. On Others	-	-
1.	-	-
2.	-	-
Total	3,890,930	4,079,025



Signature
Signature

Capital Merchant Banking & Finance Ltd.

Commission and Discount

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
A. Bills Purchase and Discount	-	-
1. Local	-	-
2. Foreign	-	-
B. Commission	-	-
1. Letters of Credit	-	-
2. Guarantee	-	-
3. Collection Fee	-	-
4. Remittance Fee	-	-
5. Credit Cards	-	-
6. Share Underwriting/Issues	-	-
7. Government Transactions	-	-
8. Agency Commission	-	-
10. Exchange Income	-	-
C. Others	-	-
Total	-	-

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Schedule 4.21

Capital Merchant Banking & Finance Ltd.

Other Operating Income

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Rental on Safe Deposit Lockers	-	-
2. Issue and Renewals of Credit Cards	-	-
3. Issue and Renewals of ATM Cards	-	-
4. Telex/T.T.	-	-
5. Service Charges	-	-
6. Renewal Fees	-	-
7. Others	-	-
Total	-	-

Schedule 4.22

Capital Merchant Banking & Finance Ltd.

Exchange Gain/Loss

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
(A). Revaluation Gain	-	-
(B). Trading Gain (Except Exchange Income)	-	-
Total Income/(Loss)	-	-



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Capital Merchant Banking & Finance Ltd.
Employee Expenses
As on 31 Ashad, 2078 (15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Salary	3,193,536	3,119,664
2. Allowances	941,428	935,472
3. Contribution to Provident Fund	211,354	203,966
4. Training Expenses	-	-
5. Uniform	-	-
6. Medical	204,728	198,572
7. Insurance	21,969	12,349
8. Leave Encashment	960,378	452,005
9. Gratuity	403,217	381,133
Total	5,936,610	5,303,161



Signature
Director

Capital Merchant Banking & Finance Ltd.

Other Overhead Expenses

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Particulars	Amount in NPR	
	This Year	Previous Year
1. House Rent	-	-
2. Electricity and Water	268,225	245,800
3. Repair and Maintenance	216,862	102,272
(a). Building	-	-
(b). Vehicles	144,082	96,570
(c). Others	72,780	5,702
4. Insurance	57,453	68,510
5. Postage, Telex, Telephone, Fax	11,180	13,450
6. Office Equipment, Furniture and Fixture Repair	-	-
7. Traveling Allowances and Expenses	-	-
8. Stationery and Printing	22,747	15,375
9. Periodicals and Books	7,650	3,400
10. Advertisements	-	-
11. Legal Expenses	1,330	380
12. Donations	-	-
13. Expenses Relating to Board of Directors	163,119	51,250
(a). Meeting Fees	155,000	47,000
(b). Other Expenses	8,119	4,250
14. Annual General Meeting Expenses	-	-
15. Expenses Relating to Audit	785,570	206,700
(a). Audit Fees	665,570	101,700
(b). Other Expenses	15,000	-
(c). Tax Audit Fees	105,000	105,000
16. Commission on Remittances	-	-
17. Depreciation on Fixed Assets	1,057,266	1,234,667
18. Amortization of Preliminary Expenses	-	-
19. Share Issue Expenses	-	-
20. Technical Services Fee	240,000	240,000
21. Entertainment	-	-
22. Written Off Expenses	-	-
23. Security Expenses	394,472	257,527
24. Credit Guarantee Premium	-	-
25. Commission and Discount	-	-
26. Others	1,115,270	1,472,225
26.1. Membership Fee	-	-
26.2. Tax & Fines	560,854	950,070
26.3. Anniversary Expenses	-	-
26.4. Fuel Expenses	77,459	68,737
26.5. Service Charge	729	690
26.6. Gift Expenses	-	-
26.7. Branch Extension Expenses	-	-
26.8. Data Connectivity Expenses	137,905	148,264
26.9. Software Maintenance Expenses	-	-
26.10. Fine and Penalties	-	-
26.11. Others	305,236	304,464
26.12. Fixed Assets Written Off	33,087	-
Total	4,341,143	3,911,556



Ry

R

Shankar

Ankur

Capital Merchant Banking & Finance Ltd.
Provision for Possible Losses

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Increase in Loan Loss Provision	-	-
2. Increase in Provision for Loss on Investment	-	-
3. Provision Against Non-Banking Assets	-	-
4. Provision Against Other Assets	-	-
Total	-	-

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Schedule 4.26

Capital Merchant Banking & Finance Ltd.

Non-Operating Income/Loss

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Profit (Loss) on Sale of Investment	-	-
2. Profit (Loss) on Sale of Assets	-	-
3. Dividend	-	-
4. Subsidies Received from Nepal Ratra Bank	-	-
a. Reimbursement of Losses of Specified Branches	-	-
b. Interest Subsidy	-	-
c. Exchange Counter	-	-
Others	-	-
	3,424,184	4,176,649
Total Non-Operating Income (Loss)	3,424,184	4,176,649

Schedule 4.27

Capital Merchant Banking & Finance Ltd.

Loss Provision Written Back

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Loan Loss Provision Written Back	-	1,900,023
2. Provision against Non-Banking Assets Written Back	-	-
3. Investment Provision Written Back	-	-
4. Provision against Other Assets Written back	2,462,822	-
Total	2,462,822	1,900,023



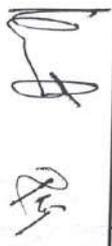
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Capital Merchant Banking & Finance Ltd.
Statement of Loans Written-Off
For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Schedule 4.28 (a)

S/N	Types of Loan	Written Off Amount	Type of Security	Basis of Valuation of Collateral	Loan Approved by Name/ Designation	Initiation made for Recovery	Remarks
1	Working Capital Loan	-	-	-	-	-	-
2	Project Loan	-	-	-	-	-	-
3	Fixed Capital Loan	-	-	-	-	-	-
4	Personal Loan	-	-	-	-	-	-
5	Other Loan	-	-	-	-	-	-
Total		-	-	-	-	-	-

Amount in NPR





Chief Executive Officer
 Capital Merchant Banking & Finance Ltd.
 Kathmandu, Nepal

Chief Financial Officer
 Capital Merchant Banking & Finance Ltd.
 Kathmandu, Nepal

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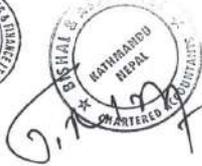
Capital Merchant Banking & Finance Ltd.
Income /Expenses from Extra-ordinary Activities
For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

Amount in NPR

Particulars	This Year	Previous Year
1. Recovery of write off Loan	-	-
2. Voluntary Retirement Scheme Expenses	-	-
3. Loan Write-Off (4.28) (a)	-	-
4. Other Expenses/Income	-	-
Total	-	-

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Capital Merchant Banking & Finance Ltd.
Statement of Loans and Advances Extended to Directors/Chief Executive/Promoter/Employees and Shareholders
As on 31 Ashad, 2078 (15 July, 2021)

The Statement of amount, included under total amount of Bills Purchased and Discounted, Loans, Advances and Overdraft, provided to the 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 organizations or companies in which such individuals are managing agent, are as follows :

Name of Promoter/Director/Chief Executive	Till Last Year's Balance		This Year Recovery		This Year Additions	Amount in NPR	
	Principal	Interest	Principal	Interest		Balance as of Ashad End	
						Principal	Interest
(A). Directors	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(B). Chief Executive	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(C). Promoters	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(D). Employees	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
(E). Shareholders	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

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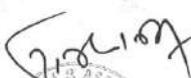

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Capital Merchant Banking & Finance Ltd.
Statement of Capital Fund
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.30

Particulars	Amount in NPR '000'	
	As on 31 Ashad, 2078	As on 31 Ashad, 2077
A). Core Capital		
1. Paid up Capital	(665,552)	(653,961)
2. Proposed Bonus Share	935,070	935,070
3. Share Premium	-	-
4. Non-Redeemable Preference Share	2,612	2,612
5. General Reserve Fund	-	-
6. Cumulative Profit/(Loss) (up to Previous FY)	282,552	282,552
7. Current Year Profit/(Loss) as per shown in Balance Sheet	(1,875,545)	(1,871,995)
8. Capital Redemption Reserve	(8,040)	(3,551)
9. Capital Adjustment Reserve	-	-
10. Calls in Advance	-	-
11. Other Free Reserves	-	-
12. Deferred Tax Reserve	-	-
Less :	16,822	13,562
Goodwill	19,022	15,762
Investment in excess of prescribed limit	-	-
Fictitious Assets	2,200	2,200
Investment in securities of companies with financial interest	16,822	13,562
Acquisition of Land and Building for self use in violation of directive	-	-
Investment in Residential housing loan and land development in excess of prescribed limit	-	-
Underwriting commitment not sold within prescribed time limit	-	-
Loan to person or group of persons restricted by prevailing Act and laws	-	-
B). Supplementary Capital		
1. Loan Loss Provision on Pass Loans	-	-
2. Additional Loan Loss Provision	-	-
3. Hybrid Capital Instruments	-	-
4. Unsecured Subordinated Term Debt	-	-
5. Exchange Equalization Reserve	-	-
6. Assets Revaluation Reserve	-	-
7. Investment Adjustment Reserve	-	-
C). Total Capital Fund (A+B)		
D). Minimum Capital Fund required to be maintained on the basis of Risk Weighted Assets:	(665,552)	(657,512)
Capital Fund (@ 11 Percent)		
Core Capital (@ 5.5 Percent)	183,786	185,289
Capital Fund Deficit	91,893	92,644
Core Capital Deficit	(849,338)	(842,801)
	(757,445)	(750,156)










Capital Merchant Banking & Finance Ltd.
Table of Risk Weighted Assets Statement
As on 31 Ashad, 2078 (15 July, 2021)

Schedule 4.30 (A)

On-Balance Sheet Assets	Risk Weighted (%)	Amount in NPR '000'			
		As on 31 Ashad, 2078		As on 31 Ashad, 2077	
		Amount	Risk Weighted Assets	Amount	Risk Weighted Assets
Cash Balance	0	234	-	141	-
Gold (Tradable)	0	-	-	-	-
Balance with Nepal Rastra Bank	0	-	-	-	-
Investment in Government Securities	0	3,108	-	3,108	-
Investment in NRB Bonds	0	-	-	-	-
Fully Secured Loan against own Fixed Deposit Receipt	0	-	-	-	-
Fully Secured Loan against Government Securities	0	-	-	-	-
Accrued Interest on Saving Bonds	0	-	-	-	-
Amount Deposited by B & C class Licensed Institutions on Youth and Small Self Employed Fund to be considered as Deprived Sector Lending	0	-	-	-	-
Balance with Domestic Banks and Licensed Financial Institutions	0	-	-	-	-
Fully Secured FDR Loan against Fixed Deposit Receipt of other Licensed Banks and Financial Institutions	20	21,791	4,358	84,652	16,930
Balance with Foreign Banks	20	-	-	-	-
Money at Call	20	-	-	-	-
Loan against the guarantee of Internationally Rated Banks	20	-	-	-	-
Other Investments with Internationally Rated Banks	20	-	-	-	-
Interbank Lending	20	-	-	-	-
Investments in Shares, Debentures and Bonds	20	-	-	-	-
Other Investments	100	29	29	29	29
Loan, Advances and Bills Purchased/Discounted Fixed Assets	100	1,586,582	1,586,582	1,586,582	1,586,582
	100	79,812	79,812	80,902	80,902
Other Interest Receivable (Total interest receivable less inter receivable on investment less interest Suspense)	100	-	-	-	-
All other Assets (except Advance Income Tax)	100	-	-	-	-
Excess Real Estate/Residential Home Loan	150	-	-	-	-
Total (A)		1,691,555	1,670,781	1,755,415	1,684,444
Off Balance Sheet Items:					
Bills Collection	0	-	-	-	-
Forward Foreign Exchange Contract	10	-	-	-	-
Letters of Credit with Maturity of less than 6 months (Full Value)	20	-	-	-	-
Guarantees provided against Counter Guarantee of Internationally Rated Foreign Banks	20	-	-	-	-
Letters of credit with maturity of more than 6 months (Full Value)	50	-	-	-	-
Bid Bond, Performance Bond and Underwriting Commitment	50	-	-	-	-
Credit Sale on the Condition of Re-Purchase	50	-	-	-	-
Advance Payment Guarantee	100	-	-	-	-
Financial and Other Guarantee	100	-	-	-	-
Irrevocable Loan Commitment	100	-	-	-	-
Contingent Liability in respect of Income Tax	100	-	-	-	-
All other contingent Liabilities	100	-	-	-	-
Unpaid Guarantee Claims	100	-	-	-	-
Total (B)					
Total Risk Weighted Assets (A+B)		1,691,555	1,670,781	1,755,415	1,684,444

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Capital Merchant Banking & Finance Ltd.
Principal Indicators
 (At least for previous 5 years)

Schedule 4.31

Particulars	Indicators	FY 2073/74	FY 2074/75	FY 2075/76	FY 2076/77	FY 2077/78
1. Percent of Net Profit/Gross Income	Percent	83	2,004	1,324	(25)	(130)
2. Earning Per Share	Rs.	1.39	10.91	11.10	(0.21)	(0.51)
3. Market Value Per Share	Rs.	131	131	131	131	131
4. Price Earning Ratio	Percent	94.55	12.01	11.80	(636.49)	(256.27)
5. Dividend (Including Bonus) on Share Capital	Percent	-	-	-	-	-
6. Cash Dividend on Share Capital	Percent	-	-	-	-	-
7. Interest Income/Loan & Advances	Percent	0.80	0.00	0.00	-	-
8. Staff Expenses/Total Operating Expenses	Percent	44.97	51.03	54.85	57.55	57.76
9. Interest Expenses / Total Deposit and Borrowing	Percent	1.15	1.21	1.31	1.17	1.11
10. Exchange Gain/Total Income	Percent	-	-	-	-	-
11. Staff Bonus/Total Staff Expenses	Percent	-	-	-	-	-
12. Net Profit/Loan and Advances	Percent	0.75	6.42	6.53	(0.12)	(0.30)
13. Net Profit/Total Assets	Percent	8.29	45.05	45.44	(0.88)	(3.02)
14. Total Credit/Deposit	Percent	397.82	458.79	458.79	455.79	454.25
15. Total Operating Expenses/Total Assets	Percent	5.12	1.96	1.86	1.79	2.74
16. Adequacy of Capital Fund on Risk Weighted Assets						
a) Core Capital	Percent	(41.39)	(33.07)	(38.69)	(39.03)	(39.83)
b) Supplementary Capital	Percent	-	-	-	-	-
c) Total Capital Fund	Percent	(41.39)	(33.07)	(38.69)	(39.03)	(39.83)
17. Liquidity (CRR)	Percent	0.46	0.42	0.90	0.00	0.004
18. Non-Performing Loan/Total Credit	Percent	100.00	100.00	100.00	100.00	100.00
19. Weighted Average Interest Rate Spread	Percent	7.00%	7.00%	7.00%	1.00%	1.00%
20. Book Net-Worth	Rs.	(786,552,305)	(641,578,224)	(639,816,311)	(641,750,102)	(646,530,006)
21. Total Number of Shares	Nos.	9,350,695	9,350,695	9,350,695	9,350,695	9,350,695
22. Total Staff	Nos.	15	14	14	14	14
23. Others						

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Capital Merchant Banking & Finance Limited

Schedule 4.32

Significant Accounting Policies

1. General Information:

Capital Merchant Banking and Finance Limited is a limited liability company domiciled in Nepal. The address of its registered office is at Battisputali, Kathmandu, Nepal.

The company has been registered with The Office of Company Registrar on 14 Ashad, 2058, obtained license from Nepal Rastra Bank on 17 Magh, 2058 and came into operation with effective from 17 Magh, 2058. The company has listed on Nepal Stock Exchange Limited.

Capital Merchant Banking and Finance Limited has been declared as a "Problematic Financial Institution" on 17 Magh, 2069 as per section 86(kha) of Nepal Rastra Bank Act, 2058.

BOD of CMBFL has entered into the agreement for sale of its minimum 32.89% promoter and 31.11% public shares as on 21 Ashoj, 2073.

CMBFL has received the approval from Nepal Rastra Bank to sale 3,085,455.00 number of promoter shares on 19 Kartik, 2074.

Currently, CMBFL has been planning of recovering of loan through sale of its mortgaged collateral.

2. Summary of Significant Accounting Policies:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated. The financial statements are prepared on historical cost convention except where otherwise stated.

3. Statement of compliance:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), Bank & Financial Institution Act, 2073 and other requirements of NRB Directives and in conformity with the Companies Act, 2063.

4. Basis of Preparation:

The financial statements are prepared on historical cost basis. The preparation of financial statements is in conformity with GAAP applicable in Nepal. It also requires management to exercise judgement in process of applying the accounting policies.

The company follows accrual basis of accounting for the preparation of financial statements except where otherwise stated. All the formats of financial statements are in accordance with the NRB Directives.

5. Going Concern Assumption:

Though the company has negative net worth amounting to Rs. 646,530,006 the management is of view that the company is a going concern with no intention of ceasing its financial activity for the foreseeable future and hence the "Going Concern" assumption has been applied for the preparation of its financial statements.



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6. Interest Income:

Interest income on loans and advances is recognized on cash basis as per the NRB Directives. Interest income on investment is accounted for on accrual basis.

7. Commission Income:

All the commission income is recognized on accrual basis.

8. Interest Expense:

Interest on deposit liabilities and borrowing is recognized on accrual basis.

9. Loans and Advances including Bills purchased:

Loans and advances include the direct finance provided to the customers. These include term loans, consumer loans etc. All credit exposures are subject to regular review and graded according to the level of credit risk and are classified as per the NRB Directives. Loans and Advances are shown net of mandatory provisions according to the NRB Directives.

10. Staff Loans and Advances:

Loans and Advances granted to staff are shown under account head of Other Assets Schedule-4.16.

11. Loan Loss Provision:

The provision for possible losses for loans advances are provided at the rates between 1% to 100% according to classification of such risk assets as per NRB Directives.

12. Write Off:

During this period, the company has not written off any amount of loans and advances.

13. Investments:

Investments are classified as held for trading, held to maturity and available for sale as per their nature.

14. Fixed Assets and Depreciation:

- A. Fixed Assets are stated at cost less accumulated depreciation and impairment losses.
- B. Depreciation is computed on written down value method and charged to Profit & Loss Account as the manner prescribed by Income Tax Act, 2058. For disposing the fixed assets of the company, it would follow the provision of Income Tax Act, 2058 and deduct depreciation upto a day prior to the date of disposal.
- C. Lease hold improvement has been capitalized at cost and amortized over the lease periods. The amount of amortization is charged to Profit & Loss Account.

15. Non-Banking Assets:

Non-Banking Assets is valued in accordance with the NRB Directives and provision is also made as per NRB Directives.

16. Accounting Policy for Non-Capitalization of Assets:

Assets worth less than Rs. 5,000.00 are directly charged off as revenue expenditure at the time of purchase as per Finance and Administration Policy of CMBFL.



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17. Software Expenses:

Acquired computer software licenses are capitalized on the basis of cost incurred to acquire and other cost incurred at the point of use. The costs are amortized applying WDV method.

18. Employee Benefits:

A. Retirement Fund:

Provident Fund contribution is recognized as expenses and deposited into the CIT.

B. Gratuity:

Gratuity liability of staff is accrued only after completion of fixed period of full-time employment with the company in accordance with the Human Resource Policy.

19. Stationery Stock:

Stationery Stock at the year end is accounted for at cost. For the purpose of valuation of the same FIFO method has been applied.

20. Provisions, Contingent Liabilities and Contingent Assets:

The company creates a provision when there is a present obligation of the entity arising from past events, the settlements of which is expected to result in an outflow from the entity of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a present obligation that may or may not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made in the financial statement.

21. Income Tax:

Provision for Income Tax will be calculated in accordance with the provision of Income Tax Act, 2058.

22. Exchange Gain/Loss:

The Financial Institution has not transacted any other foreign currency during the year. So, there has been no exchange gain/loss to the company due to foreign exchange transaction.

23. Deferred Tax:

Deferred Tax is accounted using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary difference between the financial statement's carrying amounts of existing assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on the laws that have been enacted or subsequently enacted by the reporting date.

Deferred tax assets arising from temporary difference and unused tax losses are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



G. Prasad

Prakash

K. Prasad

Nishu

Prasad

Capital Merchant Banking & Finance Limited

Schedule 4.33

Notes to Accounts

1) Interest Income and Interest Suspense:

The interest receivable on loans and advances as on 31 Ashad, 2078 (15 July, 2021) has been transferred to interest suspense account as interest income can be recognized only when realized in cash as per NRB Directives.

2) Provision for Staff Bonus:

Provision for Staff Bonus has not been provided as per Bonus Act, 2030 since NRB through its PCA letter dated 09 August, 2011 restricts payment of bonus to staff.

3) Staff Housing Fund:

N/A

4) General Reserve:

During FY 2077/78, CMBFL has not earned any net profit, hence no additional amount has been transferred to General Reserve during the year.

5) Calls in Arrears:

There are no Calls in Arrears at the year end.

6) Unpaid Dividend:

The company has declared a cash dividend at 5.26% of paid-up capital in FY-2066/67. As on Balance Sheet date, total dividend payable amounts to Rs. 246,660.03.

7) Investment in Share Capital of other Corporate body:

The company has made investment of Rs. 27,000.00 in shares of Credit Information Centre and Rs. 2,200.00 in the shares of Union Finance.

Book value of shares not listed in Nepal Stock Exchange has been assumed to be the market price of the respective share. There is no any investment in share capital of other corporate body at the Balance Sheet date as on 31 Ashad, 2078 (15 July, 2021).

8) Average interest rate spread:

The average interest rate spread of the financial institution is 7%.

9) Expenses to be written off:

The company has Rs. 477,871.06 under the head expenses to be written off. The amount has been carried forward from previous year end.

10) Single Obligor Limit:

The company has negative capital fund as on Ashad end 2078 and hence the Single Obligor Limit of the company has exceeded the limit as mentioned in the NRB Directives.



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11) Summary of Loans and Advances Disbursed, Recovered and Principal & Interest Written Off:

Particulars	Amount in NPR '000'
	Amount in NPR '000'
Opening Balance	1,588,481.693
Loan Disbursed	Nil
Loan recovered	Nil
Principal Written off	Nil
Interest Written off	Nil
Closing Outstanding	1,586,581,670

12) Classification of Loans & Provisioning:

Classification of loan as on 31 Ashad, 2078 is as under :

S.N	Category	Amount in NPR '000'
1	Pass	Nil
2	Watchlist	Nil
3	Re-structured	Nil
4	Substandard	Nil
5	Doubtful	Nil
6	Bad	1,586,581,670
	Total	1,586,581,670

13) Summary Status of the Deposit Liabilities:

Particulars	Amount in NPR '000'		
	As on 31 Ashad, 2078	As on 32 Ashad, 2077	Increased by
Saving Deposits	21,577.587	21,395.74	181.85
Fixed Deposits	-	-	-
Call Deposits	327,698.026	326,696.57	1,001.456
Total	349,275.612	348,092.31	1,183.305

14) Leasehold assets detail:

The closing balance as on 31 Ashad, 2078 is Nil.

15) Paid-up Share Capital:

Paid-up Share Capital of the company as on 31 Ashad, 2078 is Rs. 935,069,500.00. There has been no change in the paid-up share capital from previous year.



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16) Detail of Non-Banking Assets:

During the financial year 2072/73 company has booked Non-Banking Assets of Rs. 20,335,799.26 by transferring the mortgaged land of Irada Builders Pvt. Ltd. in the name of company. The Company has not booked any Non-Banking assets during the year. The company has been provided 100% provision to NBA as per NRB Directives. During the financial year balance relating to Non-Banking Assets are as follows:

Particulars	Amount (Rs.)
Opening Balance	20,335,799.26
Booked during the year	Nil
Sales during the year	Nil
Closing Balance	20,335,799.26
Provision	20,335,799.26
Net Closing Balance	Nil

17) Provision for Gratuity:

The company has provided for future payment of gratuity liability in full as per Human Resource Policy. The company has practice of depositing gratuity amount to CIT and outstanding balance relating to the gratuity has been shown separately under the head other assets and other liabilities.

During the year Rs. 403,217 has been charged to Profit and Loss Account as gratuity expenses.

18) Provision for Leave Encashment:

The company has provided provision for Leave Encashment as per the Human Resource Policy Rs. 14, 18,973.76 have been provided for leave encashment under this account head.

19) Provision for Bank Balance:

As the Crystal Finance has been declared as problematic financial institution, the provision has been made with full amount of Rs. 77,46,120.91.

20) Deferred Tax Assets:

Deferred Tax Assets and Liabilities have been computed as follows:

Particulars	As per Book	Tax Base	Temporary Difference
Fixed Assets	79,812,086	79,974,573.33	162,487.33
Provision for Leave	1,418,973.76	-	1,418,973.76
Taxable Loss		(54,493,046.23)	54,493,046.23
Net Temporary Difference			56,074,507.02
Deferred Tax Assets/(Liabilities) as on 31 Ashad, 2078 (15 July, 2021) @ 30%			16,822,352.11
Deferred Tax Assets/(Liabilities) as on 31 Ashad, 2077 @ 30%			13,561,849.44
Deferred Tax Expense/(Income) for the current year			(3,260,502.67)



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Deferred Tax Assets as on 31 Ashad, 2078 is Rs. 16,822,352.11 and increased in Deferred Tax Assets by Rs. 3,260,503 has been recognized as deferred tax income in Profit and Loss Account in the current year.

21) Going Concern Assumption:

Presently, the company has been declared as "Problematic Financial Institution" as per Section 86 (Kha) of Nepal Rastra Bank Act, 2058. The present management, after considering wide range of factors surrounding company's future prosperity, has prepared the financial statements on Going Concern Assumption albeit presently the company has negative Net Worth.

Due to the negative core capital, Minimum Capital Adequacy Ratio (Directive No. 1), Single Obligor Limit Ratio (Directive No. 3), Investment Ratio (Directive No. 8) and Deposit Collection Limit Ratio (Directive No. 16) are not in the state of the comparison with the ceiling fixed by NRB Directives.

22) Events after the reporting period:

No such events reported.

23) Income Tax:

For tax purpose, self-assessment income tax return has been filed upto financial year 2074/75. CMBFL has completed the re-assessment of income tax by Inland Revenue Department (IRD) as on 19.06.2072 for the financial year 2067/68. For the financial year 2077/78 Rs. Nil has been provided as Income Tax provision since company has carried forward tax loss of financial year 2076/77 Rs. 44,108,793.49 which is available for set-off.

24) Interbank Borrowing:

The company has availed interbank borrowing from Century Bank Ltd. for Rs. 25,100,000.00 as on 31 Ashad, 2078. Borrowing from Century Bank is secured by mortgage of Land & Building Kitta No. 174, 95, 94 of Area 0-0-3-0, 0-2-1-0, and 0-7-1-1 respectively and owned in its own name Kitta No. 93 Area 0-6-0-3 located at Battisputali, Kathmandu.

25) Minimum Paid-up Capital:

The company has already fulfilled the minimum capital requirement as per NRB Directives.

Particulars	Amount (Rs.)
Minimum Paid-up Capital	800,000,000.00
Paid-up Capital of CMBFL as on 31 Ashad, 2078	935,069,500.00

26) Reporting Currency:

The financial statements are presented in Nepalese Rupees, rounded to the nearest Rupee.

27) Group/Re-Group:

The previous year's figures are grouped or re-grouped whenever necessary in order to facilitate comparison.

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Capital Merchant Banking & Finance Ltd.
Statements of Loans taken by promoters/ promoter group shareholders by pledging their promoter shares as collateral in other financial institutions

For the period ended on 31 Ashad, 2078 (16 July, 2020 to 15 July, 2021)

S. N.	Name of Promoter/Promoter Group Shareholders	Share in the name of Promoter		Loan Details			Remarks
		Total Number of Shares	Percentage to total Paid up Capital	Name of Lending Banks /Financial Institutions	Loan Amount	Number of Shares pledged as collateral	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							








Capital Merchant Banking & Finance Ltd.
Battisputali-9, Kathmandu

Financial Statements

For

FY 2077/2078