

**AUDIT REPORT ON THE FINANCIAL STATEMENTS  
OF  
MICROFINANCE BHUTAN PRIVATE LIMITED**

PERIOD: JANUARY 1, 2021 to DECEMBER 31, 2021

**MARCH 2022**



**KARMA & ASSOCIATE**  
Your Financial Solution

**AUDITED BY: KARMA & ASSOCIATE**  
BUILDING 109, FLAT 302, TABA LAM 14, LOWER TABA,  
THIMPHU; TELEPHONE # 02365301  
MOBILE NO. 17113385  
Email: [kassociate2019@gmail.com](mailto:kassociate2019@gmail.com)

## FINANCIAL STATEMENT

**Microfinance Bhutan Private Limited**  
**Statement of Financial Position**  
**For the year ended 31<sup>st</sup> December 2021**

Particulars	Note	Amount in Nu.	
		31-Dec-21	31-Dec-20
<b>Assets</b>			
Cash & Cash Equivalents	2	1,686,136.28	1,662,088.04
Cash & Balances with Banks	3	14,592,410.36	2,124,286.17
Loans and advances to customers	4	59,114,238.13	37,007,819.81
Other assets	5	2,835,401.36	880,035.28
Property, Plant and Equipment	1	964,000.96	892,417.88
<b>Total assets</b>		<b>79,192,187.09</b>	<b>42,566,647.18</b>
<b>Liabilities</b>			
Due to customers	6	50,725,038.70	36,999,164.15
Other liabilities	7	286,178.67	90,903.55
Provisions	8	2,842,131.85	482,702.55
Retirement Benefit Obligations			#REF!
<b>Total liabilities</b>		<b>53,853,349.22</b>	<b>37,572,770.25</b>
<b>Equity attributable to equity holders</b>			
Issued capital	9	28,333,100.00	8,108,000.00
General Reserve			
Retained earnings		(2,994,262.13)	(3,114,123.07)
<b>Total equity</b>		<b>25,338,837.87</b>	<b>4,993,876.93</b>
<b>Total liabilities and equity</b>		<b>79,192,187.09</b>	<b>42,566,647.18</b>

For Karma & Associate  
 Firm License No- BH-04



*Chimmi Dorji*  
 Chimmi Dorji  
 Partner

Place: Thimphu  
 Date: 16/05/2022

For Microfinance Bhutan Private Limited

*Nima Tshering*  
 Nima Tshering  
 (Chairman)

*Ugyen Dorji*

Ugyen Dorji  
 (Chief Executive Officer)

*Phub Dema*  
 Phub Dema  
 (Finance Officer)



**Microfinance Bhutan Private Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31<sup>st</sup> December 2021**

Particulars	Note	Amount in Nu.	
		31-Dec-21	31-Dec-20
Interest and similar income	10	10,093,160.00	3,677,619.33
Interest and similar expense	11	4,056,158.58	2,550,410.50
<b>Net interest income</b>		<b>6,037,001.42</b>	<b>1,960,244.11</b>
Fees and commission income	12	136,882.82	81,800.00
Other Income	13	65,414.00	-
<b>Net fee and commission income</b>		<b>202,296.82</b>	<b>81,800.00</b>
<b>Total operating income</b>		<b>6,239,298.24</b>	<b>2,042,044.11</b>
Loan Provisions	14	2,359,429.30	373,252.55
<b>Net operating income</b>		<b>3,879,868.94</b>	<b>1,668,791.56</b>
Personnel expenses	15	2,433,907.00	1,641,534.76
Depreciation of property and equipment	1	200,288.90	144,568.80
Other operating expenses	16	1,161,683.96	1,361,859.57
<b>Total operating expenses</b>		<b>3,795,879.86</b>	<b>3,147,963.13</b>
<b>Profit before tax from continuing operations</b>		<b>83,989.08</b>	<b>(1,479,171.57)</b>
Less: Provision-Others			
<b>Profit Before Tax</b>		<b>83,989.08</b>	<b>(1,479,171.57)</b>
Income tax expense-Current Tax			
Income tax expense-Deferred Tax			
<b>Profit for the quarter from continuing operations</b>		<b>83,989.08</b>	<b>(1,479,171.57)</b>

For Karma & Associate

Firm License No- BH-04

Chimmi Dorji  
Partner

Place: Thimphu

Date: 16/05/2022



*Nima Tshering*  
Nima Tshering  
(Chairman)

For Microfinance Bhutan Private Limited

*Ugyen Dorji*  
Ugyen Dorji  
(Chief Executive Officer)

*Phub Dema*  
Phub Dema  
(Finance Officer)

**Microfinance Bhutan Private Limited**  
**Statement of Cash Flows**  
**For the year ended 31st December 2021**

Particulars		Amounts	
		31-Dec-21	31-Dec-20
<b>A. Operating Activities</b>			
Profit before tax from continuing operations		83,989.08	(1,479,171.57)
Profit before tax from discontinued operations			
Profit before tax		83,989.08	(1,479,171.57)
Prior period Adjustment		35,871.86	
<b>Adjustment for:-</b>			
Change in operating assets		(22,106,418.32)	(21,496,202.64)
Change in operating liabilities		13,725,874.55	23,650,043.85
Change in other operating assets		(1,955,366.08)	(703,757.06)
Change in other operating liabilities		195,275.12	(93,964.55)
Other non-cash items included in profit before tax (depreciation)		200,288.90	144,568.80
Provisions		2,359,429.30	217,950.36
<b>Net cash flows from operating activities</b>	<b>(A)</b>	<b>(7,461,055.59)</b>	<b>239,467.19</b>
<b>B. Financing Activities</b>			
Proceeds from Issue of share capital		20,225,100.00	3,058,000.00
<b>Net cash flows from/(used in) financing activities</b>	<b>(B)</b>	<b>20,225,100.00</b>	<b>3,058,000.00</b>
<b>C. Cash Flow from Investing Activity</b>			
Purchase of property and equipment		(271,871.98)	(283,616.97)
<b>Net cash flows from/(used in) investing activities</b>	<b>(C)</b>	<b>(271,871.98)</b>	<b>(283,616.97)</b>
<b>Change in Cash and cash equivalents (A+B+C)</b>		<b>12,492,172.43</b>	<b>3,013,850.22</b>
Opening Cash and cash equivalents		3,786,374.21	772,523.99
Closing Cash and cash equivalents		16,278,546.64	3,786,374.21

For Karma & Associate  
Firm License No- BH-04

Chimmi Dorji

Partner

Place: Thimphu

Date: 16/05/2022



For Microfinance Bhutan Private Limited

*Nima Tshering*  
Nima Tshering  
(Chairman)

*Ugyen Dorji*  
Ugyen Dorji  
(Chief Executive Officer)

Phub Dema

(Finance Officer)

*Phub Dema*



**Microfinance Bhutan Private Limited**  
**Statement of Changes in Equity**  
**For the year ended 31st December 2021**

Particulars	Issued Capital	General Reserve	Retained Earnings	Total
Balance as on January 2020	5,050,000.00	-	(1,634,951.50)	3,415,048.50
Capital Contribution during the year	8,108,000.00	-	-	8,108,000.00
Profit / Loss for the year	-	-	(1,479,171.57)	(1,479,171.57)
<b>Balance as at 31 December 2020</b>	<b>8,108,000.00</b>	<b>-</b>	<b>(3,114,123.07)</b>	<b>4,993,876.93</b>
Capital Contribution during the year	20,225,100.00	-	-	20,225,100.00
Dividend payment	-	-	-	-
other comprehensive income	-	-	83,989.08	83,989.08
Prior Period adjustment	-	-	35,871.86	35,871.86
<b>Balance as at 31st December 2021</b>	<b>28,333,100.00</b>	<b>-</b>	<b>(2,994,262.13)</b>	<b>25,338,837.87</b>

For Karma & Associate  
Firm License No- BH-04

For Microfinance Bhutan Private Limited

  
Chimmi Dorji  
Partner  
Place: Thimphu  
Date: 16/05/2022



  
Nima Tshering  
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