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**JIGMI Audit & Financials**  
(A Private Limited Company)

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

**PERIOD: 01.01.2020 - 31.12.2020**

**APRIL 2021**

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# FINANCIAL STATEMENTS

Statement of Financial Position as at 31 December 2020

Particulars	Notes	2020 (Nu.)	2019 (Nu.)
<b>ASSETS</b>			
Cash at hand	3	1,662,088.04	50,919.28
Cash at Bank	4	2,124,286.17	721,604.71
Loans and advances	5	37,007,819.81	15,511,617.17
Other Assets	6	880,035.28	176,278.22
Property, Plant & Equipment	2	892,417.88	753,369.71
<b>TOTAL ASSETS</b>		<b>42,566,647.18</b>	<b>17,213,789.09</b>
<b>LIABILITIES</b>			
Due to Customers	7	36,999,164.15	13,349,120.30
Other Liabilities	8	90,903.55	184,868.10
Provisions	9	482,702.55	264,752.19
<b>Total liabilities</b>		<b>37,572,770.25</b>	<b>13,798,740.59</b>
<b>Equity attributable to equity holders</b>			
Issued capital	10	8,108,000.00	5,050,000.00
Retained earnings		(3,114,123.07)	(1,634,951.50)
<b>Total Equity</b>		<b>4,993,876.93</b>	<b>3,415,048.50</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>42,566,647.18</b>	<b>17,213,789.09</b>

For JIGMI Audit & Financials Pvt. Ltd

For Microfinance Bhutan Private Limited



Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner



Phub Dema  
Finance Officer



Tenzin Chezang  
Chief Executive Officer



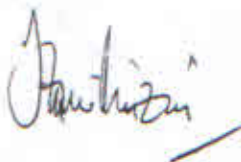

Nima Tshering  
Chairman

## Statement of Comprehensive Income for the year ended 31 December 2020

Particulars	Notes	2020 (Nu.)	2019 (Nu.)
<b>INCOME</b>			
Interest and similar income	11	4,510,654.61	367,283.04
Interest and similar expense	12	<u>(2,550,410.50)</u>	<u>(119,835.48)</u>
<b>Net interest income</b>		<b>1,960,244.11</b>	<b>247,447.56</b>
Fees and commission income	13	<u>81,800.00</u>	<u>41,000.00</u>
<b>Total Operating Income</b>		<b>2,042,044.11</b>	<b>288,447.56</b>
NPA Provisions	14	<u>(373,252.55)</u>	<u>(155,302.19)</u>
<b>Net Operating Income (A)</b>		<b><u>1,668,791.56</u></b>	<b><u>133,145.37</u></b>
<b>EXPENDITURE</b>			
Personal expenses	15	1,641,534.76	1,038,162.20
Depreciation	2	144,568.76	44,432.13
Other Operating Expenses	16	<u>1,361,859.57</u>	<u>685,502.54</u>
<b>Total operating expenses (B)</b>		<b><u>3,147,963.09</u></b>	<b><u>1,768,096.87</u></b>
<b>Profit/(loss) from continuing operations (C=A-B)</b>		<b><u>(1,479,171.53)</u></b>	<b><u>(1,634,951.50)</u></b>
Less: Provisions - Others		-	-
<b>Profit/(loss) Before Tax</b>		<b><u>(1,479,171.53)</u></b>	<b><u>(1,634,951.50)</u></b>
<b>Profit/(loss) attributable to:</b>			
- For the year from continuing operations		<u>(1,479,171.53)</u>	<u>(1,634,951.50)</u>
- To Equity holders		<u>(1,479,171.53)</u>	<u>(1,634,951.50)</u>

For JIGMI Audit & Financials Pvt. Ltd.

For Microfinance Bhutan Private Limited





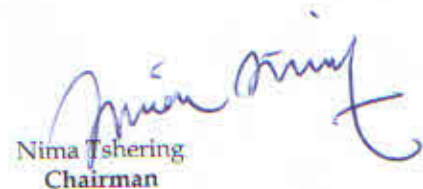
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Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner



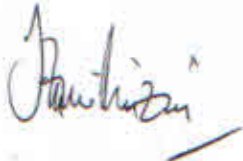
  
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## Statement of cash flows for the year ended 31 December 2020

Particulars	2020 (Nu.)	2019 (Nu.)
<b>A. OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax from continuing operations	(1,479,171.53)	(1,634,951.50)
Profit/(Loss) before tax from discontinued operations	-	-
<b>Profit/(Loss) before tax</b>	<b>(1,479,171.53)</b>	<b>(1,634,951.50)</b>
<b>Adjustments for:</b>		
Change in operating assets	(21,496,202.64)	(15,511,617.17)
Change in operating liabilities	23,650,043.85	13,349,120.30
Change in other operating assets	(703,757.06)	(176,278.22)
Change in other operating liabilities	(93,964.55)	184,868.10
Depreciation	144,568.80	44,432.13
Provisions	217,950.36	264,752.19
<b>Net Cash flow from Operating Activities (A)</b>	<b><u>239,467.19</u></b>	<b><u>(3,479,674.17)</u></b>
<b>B. INVESTING ACTIVITIES</b>		
Purchase on property and equipment	(283,616.97)	(797,801.84)
Proceeds from sale/damage of property and equipment	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(283,616.97)</b>	<b>(797,801.84)</b>
<b>C. FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	3,058,000.00	5,050,000.00
<b>Net Cash Flow from Financing Activities(C)</b>	<b><u>3,058,000.00</u></b>	<b><u>5,050,000.00</u></b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b><u>3,013,850.22</u></b>	<b><u>772,523.99</u></b>
Opening Cash and cash equivalents	<u>772,523.99</u>	-
Closing Cash and Cash Equivalents	<u>3,786,374.21</u>	<u>772,523.99</u>

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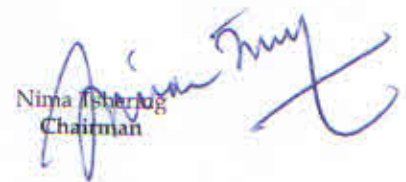


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Officer

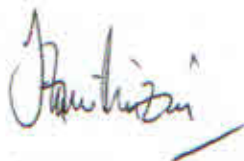
  
Nima Tshering  
Chairman

Statement of Changes in Equity as at 31 December 2020

Particulars	Issued Capital	General Reserves	Retained Earnings	Total
Balance as at 1 January 2019	-	-	-	-
Capital Contribution during the year	5,050,000.00	-	-	5,050,000.00
Profit/(Loss) for the year	-	-	(1,634,951.50)	(1,634,951.50)
Balance as at 1 January 2020	5,050,000.00	-	(1,634,951.50)	3,415,048.50
Capital Contribution during the year	3,058,000.00	-	-	-
Dividend payment	-	-	-	-
Other Comprehensive Income	-	-	(1,479,171.53)	(1,479,171.53)
Balance as at 31 December 2020	8,108,000.00	-	(3,114,123.03)	4,993,876.93

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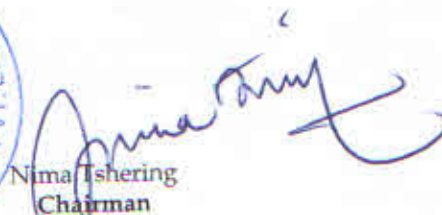
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