

## Standard Chartered Bank Nepal Limited

### Condensed Consolidated Statement of Financial Position

As on Quarter ended 29 Poush 2077

*Rs. In '000*

<b>Assets</b>	<b>This quarter Ending</b>	<b>Immediate Previous Year Ending</b>
Cash and cash equivalent	26,012,424	39,244,049
Due from Nepal Rastra Bank	2,106,031	1,985,450
Placement with Bank and Financial Institutions		4,210,500
Derivative financial instruments	52,845	41,753
Other trading assets		
Loan and advances to B/FIs	2,758,005	3,010,899
Loans and advances to customers	53,124,894	53,924,856
Investment securities	20,516,460	13,058,681
Current tax assets		171,939
Investment in subsidiaries		
Investment in associates		
Investment property		
Property and equipment	227,746	187,148
Goodwill and Intangible assets		
Deferred tax assets		36,490
Other assets	415,217	566,508
<b>Total Assets</b>	<b>105,213,624</b>	<b>116,438,274</b>
<b>Liabilities</b>		
Due to Bank and Financial Institutions	3,323,148	4,246,466
Due to Nepal Rastra Bank		
Derivative financial instruments		1,172
Deposits from customers	83,508,529	95,020,841
Borrowing	606,371	
Current Tax Liabilities	39,447	
Provisions	19,814	37,400
Deferred tax liabilities	50,316	
Other liabilities	2,024,537	2,029,899
Debt securities issued		
Subordinated Liabilities		
<b>Total liabilities</b>	<b>89,572,163</b>	<b>101,335,778</b>
<b>Equity</b>		
Share capital	8,572,231	8,011,431
Share premium		
Retained earnings	1,292,455	1,517,920
Reserves	5,776,775	5,573,145
<b>Total equity attributable to equity holders</b>	<b>15,641,461</b>	<b>15,102,495</b>
Non-controlling interest		
<b>Total equity</b>	<b>15,641,461</b>	<b>15,102,495</b>
<b>Total liabilities and equity</b>	<b>105,213,624</b>	<b>116,438,274</b>

**Standard Chartered Bank Nepal Limited**  
**Condensed Consolidated Statement of Profit or Loss**

For the Quarter ended 29 Poush 2077

Rs. In '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	1,269,022	2,699,189	1,661,226	3,417,396
Interest expense	718,519	1,547,080	740,378	1,580,365
<b>Net interest income</b>	<b>550,503</b>	<b>1,152,109</b>	<b>920,848</b>	<b>1,837,031</b>
Fee and commission income	168,862	317,574	193,029	429,454
Fee and commission expense	7,627	16,900	9,549	17,064
<b>Net fee and commission income</b>	<b>161,234</b>	<b>300,674</b>	<b>183,480</b>	<b>412,390</b>
<b>Net interest, fee and commission income</b>	<b>711,737</b>	<b>1,452,784</b>	<b>1,104,328</b>	<b>2,249,421</b>
Net trading income	134,974	279,127	152,076	347,728
Other operating income	47,309	98,323	43,979	55,454
<b>Total operating income</b>	<b>894,020</b>	<b>1,830,234</b>	<b>1,300,384</b>	<b>2,652,603</b>
Impairment charge/(reversal) for loans and other losses	20,025	(2,345)	37,118	27,407
<b>Net operating income</b>	<b>873,995</b>	<b>1,827,889</b>	<b>1,263,265</b>	<b>2,625,196</b>
<b>Operating expense</b>				
Personnel expenses	266,920	522,086	281,636	583,169
Other operating expenses	126,693	236,159	140,335	257,325
Depreciation & Amortisation	16,688	30,269	13,247	24,349
<b>Operating Profit</b>	<b>463,694</b>	<b>1,044,065</b>	<b>828,048</b>	<b>1,760,353</b>
Non operating income				
Non operating expense	(2,402)	4,581	(4,525)	7,620
<b>Profit before income tax</b>	<b>466,097</b>	<b>1,039,484</b>	<b>832,573</b>	<b>1,752,732</b>
Income tax expense	139,829	311,845	249,772	525,820
Current Tax	139,829	311,845	249,772	525,820
Deferred Tax				
<b>Profit/ (Loss) for the period</b>	<b>326,268</b>	<b>727,639</b>	<b>582,801</b>	<b>1,226,913</b>

**Standard Chartered Bank Nepal Limited**  
**Condensed Consolidated Statement of Other Comprehensive Income**

For the Quarter ended 29 Poush 2077

Rs. In '000

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
<b>Profit for the year</b>	<b>326,268</b>	<b>727,639</b>	<b>582,801</b>	<b>1,226,913</b>
<b>Other comprehensive income</b>				
<b>a) Items that will not be reclassified to profit or loss</b>				
Gain/(losses) from from investments in equity instruments measured at fair value	220,958	290,901	8,051	(12,422)
Gains/(losses) on revaluation				
Actuarial gains/(losses) on defined benefit plans	(6,501)	(6,501)		
Income tax relating to above items	(64,337)	(85,320)	(2,415)	3,727
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>150,120</b>	<b>199,080</b>	<b>5,636</b>	<b>(8,696)</b>
<b>b) Items that are or may be reclassified to profit or loss</b>				
Gains/(losses) on cash flow hedge				
Exchange gains/(losses) (arising from translating financial assets of foreign operation)				
Income tax relating to above items				
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>				
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>				
<b>Other comprehensive income for the period, net of income tax</b>	<b>150,120</b>	<b>199,080</b>	<b>5,636</b>	<b>(8,696)</b>
<b>Total comprehensive income for the period</b>	<b>476,388</b>	<b>926,719</b>	<b>588,437</b>	<b>1,218,217</b>
<b>Profit attributable to:</b>				
Equity holders of the Bank	476,388	926,719	588,437	1,218,217
Non-controlling interest				
<b>Total</b>	<b>476,388</b>	<b>926,719</b>	<b>588,437</b>	<b>1,218,217</b>
<b>Earnings per share</b>				
Basic earnings per share	8.49	8.49	15.31	15.31
Annualized Basic Earnings Per Share	16.98	16.98	30.63	30.63
Dituted earnings per share	16.98	16.98	30.63	30.63

## Ratios as per NRB Directive

Ratios	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital fund to RWA		19.36%		16.08%
Non performing loan (NPL) to total loan		1.54%		0.17%
Total loan loss provision to Total NPL		123.48%		700.77%
Cost of Funds		4.06%		4.77%
Credit to Deposit Ratio ( As per NRB Directive)		62.75%		78.56%
Base Rate		6.07%		7.33%
Interest Rate Spread		4.21%		5.93%

**Standard Chartered Bank Nepal Limited**  
**Condensed Consolidated Statement of changes in equity**

As on Quarter ended 29 Poush 2077

Rs. In '000

Particulars	Attributable to equity holders of the Bank										Non-controlling interest	Total equity
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	Total		
Balance at Shrawan 1, 2076	8,011,431		4,106,761	495,322	458,115	149,117		1,807,876	(101,548)	14,927,075		14,927,075
Profit for the year								1,987,391		1,987,391		1,987,391
Other comprehensive income						66,419			(75,818)	(9,398)		(9,398)
<b>Total comprehensive income</b>						<b>66,419</b>		<b>1,987,391</b>	<b>(75,818)</b>	<b>1,977,993</b>		<b>1,977,993</b>
<b>Contributions from and distributions to owners</b>												
Share issued												
Share based payments												
Dividends to equity holders												
Bonus shares issued												
Cash dividend paid								(1,802,572)				
Others												
<b>Total contributions by and distributions</b>								<b>(1,802,572)</b>		<b>(1,802,572)</b>		<b>(1,802,572)</b>
Transfer to/from reserve during the year			397,478	40,862	36,436			<b>(474,776)</b>				
<b>Balance at Ashadh end 2077</b>	<b>8,011,431</b>		<b>4,504,239</b>	<b>536,184</b>	<b>494,551</b>	<b>215,536</b>		<b>1,517,920</b>	<b>(177,365)</b>	<b>15,102,495</b>		<b>15,102,495</b>
Balance at Shrawan 1, 2077	8,011,431		4,504,239	536,184	494,551	215,536		1,517,920	(177,365)	15,102,495		15,102,495
Profit for the year								727,639		727,639		727,639
Other comprehensive income					4,551	203,630		(4,551)	(4,551)	199,080		199,080
<b>Total comprehensive income</b>					<b>4,551</b>	<b>203,630</b>		<b>723,088</b>	<b>(4,551)</b>	<b>16,029,214</b>		<b>16,029,214</b>
<b>Contributions from and distributions to owners</b>												
Share issued												
Share based payments												
Dividends to equity holders												
Bonus shares issued	560,800							(560,800)				
Cash dividend paid								(387,753)				
Others												
<b>Total contributions by and distributions</b>	<b>560,800</b>							<b>(948,553)</b>		<b>(387,753)</b>		<b>(387,753)</b>
<b>Balance at Poush end 2077</b>	<b>8,572,231</b>		<b>4,504,239</b>	<b>536,184</b>	<b>499,102</b>	<b>419,167</b>		<b>1,292,455</b>	<b>(181,916)</b>	<b>15,641,461</b>		<b>15,641,461</b>

**Standard Chartered Bank Nepal Limited**  
**Condensed Consolidated Statement of cash flows**  
As on Quarter ended 29 Poush 2077

Rs. In '000

Particulars	Upto This Quarter	Corresponding Previous Year Upto This Quarter
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	2,600,720	3,395,501
Fees and other income received	317,574	429,454
Dividend received	5,618	
Receipts from other operating activities	371,833	403,182
Interest paid	(1,642,631)	(1,702,159)
Commission and fees paid	(16,900)	(17,064)
Cash payment to employees	(604,663)	(374,642)
Other expense paid	(236,159)	(257,325)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>795,391</b>	<b>1,876,948</b>
<b>(Increase)/Decrease in operating assets</b>	<b>5,404,912</b>	<b>1,779,438</b>
Due from Nepal Rastra Bank	(120,581)	214,756
Placement with bank and financial institutions	4,210,500	2,527,800
Other trading assets		
Loan and advances to bank and financial institutions	252,894	(47,625)
Loans and advances to customers	896,043	(1,166,773)
Other assets	166,056	251,280
<b>Increase/(Decrease) in operating liabilities</b>	<b>(11,618,700)</b>	<b>5,738,842</b>
Due to bank and financial institutions	(923,317)	62,862
Due to Nepal Rastra Bank		
Deposit from customers	(11,512,312)	4,809,189
Borrowings	606,371	1,500,000
Other liabilities	210,559	(633,209)
<b>Net cash flow from operating activities before tax paid</b>	<b>(5,418,396)</b>	<b>9,395,228</b>
Income taxes paid	(100,459)	(454,796)
<b>Net cash flow from operating activities</b>	<b>(5,518,855)</b>	<b>8,940,431</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(7,254,149)	4,118,641
Receipts from sale of investment securities		
Purchase of property and equipment	(70,868)	(40,025)
Receipt from the sale of property and equipment		
Purchase of intangible assets		
Receipt from the sale of intangible assets		
Purchase of investment properties		
Receipt from the sale of investment properties		
Interest received		
Dividend received		
<b>Net cash used in investing activities</b>	<b>(7,325,017)</b>	<b>4,078,616</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares		
Dividends paid	(387,753)	(539,511)
Interest paid		
Other receipt/payment		
<b>Net cash from financing activities</b>	<b>(387,753)</b>	<b>(539,511)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,231,625)</b>	<b>12,479,536</b>
Cash and cash equivalents at Shrawan 1	39,244,049	12,626,985
Effect of exchange rate fluctuations on cash and cash equivalents held		
<b>Cash and cash equivalents at Poush end 2077</b>	<b>26,012,424</b>	<b>25,106,522</b>

**Statement of distributable profit or loss**  
**For the quarter ended on 29 Poush 2077 (As per NRB Regulation)**

	<i>Rs. In '000</i>
<b>Net Profit for the period ending on 2nd quarter</b>	<b>727,639</b>
<b>1. Appropriations</b>	
<u><i>1.1 Profit required to be appropriated to statutory reserve</i></u>	
a. General Reserve	145,528
b. Capital Redemption Reserve	
c. Exchange Fluctuation Fund	19,167
d. Corporate Social Responsibility Fund	
e. Employees Training Fund	
f. Other	
<u><i>1.2 Profit required to be transferred to Regulatory Reserve</i></u>	
a. Transfer to Regulatory Reserve	
b. Transfer from Regulatory Reserve	53,488
<b>Net Profit for the period ending on 2nd quarter available for distribution</b>	<b>616,433</b>

## Standard Chartered Bank Nepal Limited

### Notes to the Interim Financial Statements For the period ended Poush, 2077

#### 1. Basis of Preparation

The financial statements have been prepared on going concern basis and under historical cost conventions except where the standards require otherwise treatment.

#### 2. Statement of Compliance with NFRS

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) – Nepal.

#### 3. Use of Estimates, Assumptions and Judgments

The Bank, while complying with the reporting standards, makes critical accounting judgement as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgements made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the Bank to exercise judgement in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

#### 4. Changes in Accounting Policies

The Bank applies its accounting policies consistently from year to year except where deviations has been explicitly mentioned.

#### 5. Significant Accounting Policies

##### 5.1 Basis of Measurement

The financial statements have been presented in the nearest Nepalese Rupees (NPR).

The statement of profit or loss has been prepared using classification 'by nature' method.

The cash flows from operation within the statement of cash flows have been derived using the direct method.

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the Bank.

##### 5.2 Cash and Cash Equivalent

Cash & cash equivalent includes cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the bank in the management of its short term commitments.

##### 5.3 Financial Assets and Financial Liabilities

###### Recognition

All financial instruments are initially recognised at fair value, which is normally the transaction price plus, for those financial assets and liabilities not carried at fair value through profit and loss, directly attributable transaction costs

Purchases and sales of financial assets and liabilities held at fair value through profit or loss, and financial assets classified as amortized cost or at fair value through other comprehensive income are initially recognised on the trade-date (the date on which the Bank commits to purchase or sell the asset).

###### Classification & Measurement

There are three measurement classifications under NFRS 9: amortised cost, fair value through profit or loss (FVTPL) and, for financial assets, fair value through other comprehensive income (FVOCI). The existing NAS 39 financial asset categories are removed.

Financial assets are classified into these categories based on the business model within which they are held, and their contractual cash flow characteristics.

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Financial assets can only be held at amortised cost if the instruments are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Principal represents the fair value of the instrument at the time of initial recognition. Interest in this context represents compensation for the time value of money and associated credit risks together with compensation for other risks and costs consistent with a basic lending arrangement and a profit margin. This requires an assessment at initial recognition of the contractual terms to determine whether it contains a term that could change the timing or amount of cash flows in a way that is inconsistent with the SPPI criteria.

Assets may be sold out of hold to collect portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Financial asset debt instruments where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are held at FVOCI, with unrealised gains or losses deferred in reserves until the asset is derecognised. In certain circumstances, non-trading equity instruments can be irrevocably designated as FVOCI but both unrealised and realised gains or losses are recognised in reserves and no amounts other than dividends received are recognised in the income statement.

All other financial assets will mandatorily be held at FVTPL.

Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

There has been no change to the requirements in respect of the classification and measurement of financial liabilities.

Where the contractual terms of financial assets are modified, and that modification does not result in derecognition, a modification gain or loss is recognised in the income statement and the gross carrying amount of the asset adjusted accordingly.

### **De-recognition**

Financial assets are derecognised when the right to receive cash flows from the assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Bank has retained control, the assets continue to be recognised to the extent of the Bank's continuing involvement.

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expired.

### **Determination of Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The determination of fair value has been done as per the framework laid down in NFRS 13 'Fair Value Measurement'.

### **Valuation hierarchy**

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

**Level 1** fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2** valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**Level 3** portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

### **Impairment**

The bank has applied the impairment requirement of NAS 39 to financial assets measured at amortised cost. The bank assess at the end of each reporting period whether there is any objective evidence that a financial assets or group of financial assets measured at amortised cost has been impaired. If any such evidence exists, the bank applies the "Incurred Loss Model" as required by NAS 39 to calculate the impairment loss. However, as per the carve-out provided in NAS 39, the bank *shall measure impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.*

Loan loss provisions are management's best estimate of incurred loss in the loan portfolio at the balance sheet date, on both individually and collectively assessed loans and advances.

The bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Some of the key factors to be considered in assessing objective evidence of impairment include whether the counterparty is in default of principal or interest payments, where there is observable data indicating that there is measurable decrease in the estimated future cash flows of a group of financial assets, when a restructuring of obligation is agreed, when a counterparty files for bankruptcy protection, etc.

For individually significant financial assets, we consider judgements that have an impact on the expected future cash flows of the assets, which include the business prospects, industry and geopolitical climate, quality of realisable value of collateral, the legal position relative to other claimants and any renegotiation options.

For financial assets which are not individually significant such as Retail Banking portfolio or small business loans, which comprise a large number of homogenous loans that share similar characteristics, statistical estimates and techniques or models are used, as well as credit scoring analysis. Further judgement is required to determine overlays on the models used.

### **Financial Assets**

#### **Cash in hand**

The fair value of cash is the carrying amount. Cash at vault is adequately insured for physical and financial risks. The amount of cash at vault is maintained on the basis of the regulatory, liquidity and business requirements. Cash held in FCY is subject to risk of changes in the foreign exchange rates. These are closely monitored, and risks, if identified, are promptly managed.

#### **Balance with BFIs & Central Bank**

The fair value of balance with other banks & financial institutions (BFIs) & central bank is the carrying amount. Risks associated with these assets are regularly assessed. Balance with the central bank is principally maintained as a part of the regulatory cash reserve ratio required by the central bank. There are regulatory and liquidity restrictions placed on the level of balance with the central bank.

#### **Money at Call & Short Notice & Interbank Placement**

Placement with local and foreign BFIs with maturity up to 7 days is included under money at call & short notice. Interbank placement includes investment above 7 days with other local & foreign BFIs. The fair value of money at call & short notice and Interbank placement is the carrying amount. Risks associated with these assets are regularly assessed. These are interest bearing placements and the income on these assets is credited to statement of profit or loss under interest income.

Placement with banks and financial institutions include interbank lending & placement to group companies and local BFIs having original maturities of more than 90 days. As on the end of reporting period the bank has made no deals on such placements to the inter group companies.

**Derivative financial instrument**

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date. Accordingly it has been measured at fair value through profit or loss.

**Loans & Advances**

It includes loans & advances to BFIs, customers and staffs. The fair value of loans & advances is the carrying amount using effective interest rate method. Impairment on loans & advances is calculated at the higher of NRB directive 2 and NAS 39. Loans & advances is calculated as the summation of loan outstanding and accrued interest on these loans less unamortized fee and unamortized deferred benefits if any.

Loans and advances to BFIs does not include any unamortized cost because the portfolio consists of demand loan/working capital loan and overdraft loan. These does not include long term loan hence no any unamortized cost portion. Whereas in case of customers loan unamortized cost is included in the carrying amount of the loan.

**Treasury bills & Government bonds**

Treasury bills & Government bonds have been classified as financial assets measured at amortized cost. These instruments have been considered as risk free instruments. These are highly liquid instruments and can be converted into cash immediately on requirement.

**Equity Investments**

These include equity investments in four different companies. None of these investments result in control or significant influence over the invested entities. These investments have been designated at fair value through other comprehensive income (FVTOCI) as the bank makes irrevocable election to measure it at FVTOCI with only dividend income recognized in profit or loss and are not designated at fair value through profit or loss (FVTPL). The movement in fair value of these instruments have been adjusted through other comprehensive income.

**Fair Value Movement Equity Securities**

Investment in quoted equity is valued at closing market rate prevailing on the date of statement of financial position. Investment in unquoted equity is valued at 50% of closing market rate of quoted public share of the same entity prevailing on the date of statement of financial position as per level 3 input of valuation hierarchy.

**Other Assets**

Other assets includes financial assets like trade receivables, debtors etc and excludes assets which are not financial instrument like prepaid expenses, deferred revenue and assets which are not contractual in nature. The other assets that fall under the classification of financial instruments are carried at amortised costs. These instruments are regularly monitored for impairment.

**Financial Liabilities**

All the financial liabilities falling under the definition of financial instruments have been measured at amortized cost. Financial liabilities include deposits from banks, customers, trade payables, creditors and other accruals. Financial liabilities does not include liabilities that are not contractual in nature and that do not involve transfer of a financial assets.

**5.4 Trading Assets**

Trading assets are those assets that the bank principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit. It includes non derivative financial assets, Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc held primarily for the trading purpose.

**5.5 Derivative Assets and Derivative Liabilities**

Derivative assets and liabilities (herein referred to as instrument) is a contract whose value changes to the change in agreed-upon underlying financial asset/liability which requires no initial net investment and is settled at future date. Derivative instruments includes transactions like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes. Derivative

financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date.

## 5.6 Property & Equipment

Land and buildings comprise branches and offices. All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated although it is subject to impairment testing. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	up to 50 years
Machineries	up to 3 years
Leasehold improvements	life of the lease period
Furniture and Fixtures	up to 3 years
Computers and Office Equipment	up to 3 years
Motor Vehicles	up to 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The value of the assets fully depreciated but continued to be in use is considered not material.

At each reporting date, assets are also assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

Assets with costs less than NPR 400,000 are charged off on purchase as revenue expenditure. Gains and losses on disposals are included in the Statement of Profit or Loss.

## 5.7 Goodwill Intangible Assets

Goodwill represents the residual of the cost of acquisition over the fair value of the identifiable net assets and contingents acquired. Goodwill represents those intangibles that are not identifiable. Goodwill is allocated to a cash-generating unit (CGU), which may be larger than the entity acquired, and is not amortised. It is assessed for impairment on an annual basis by comparing the present value of the expected cash flows generated by the CGU to the carrying value of the net assets of that CGU (including the goodwill). To the extent impairment is identified, this is charged to the income statement at that time.

### Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Bank, and are amortised on the basis of their expected useful lives.

### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalised where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortised on the basis of expected useful life. Costs associated with maintaining software are recognised as an expense as incurred.

At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

Software assets with costs less than NPR 40,000,000 are charged off on purchases as revenue expenditure.

## 5.8 Investment Property

An investment property is defined as property held by the bank to earn rentals or for capital appreciation or both, rather than own-occupied. It will not be held for consumption in the business operations and disposal would not affect the operations of the bank. Investment properties are initially measured at cost, including transaction costs. Subsequently all investment properties (without exception) are reported at fair value with any gains or losses in fair value reported in the income statement as they arise. The fair value used is that which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction and should reflect market conditions at the balance sheet date.

## 5.9 Income Tax

### Current Tax

Provision for current income tax is made in accordance with the provisions of the prevailing Income Tax Act, 2058 and Rules including amendments thereon. Current tax payable (or recoverable) is based on the taxable profit for the year. Taxable profit differs from the profit reported in the statement of profit or loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible.

Current tax assets and current tax liabilities have been shown separately on the face of statement of financial position. These items can be net off as the tax payable authority is the same with which we have deposited advance tax.

### Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rate applicable to the bank as at the reporting date which is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the statement of profit or loss together with the current or deferred gain or loss.

## 5.10 Deposits, Debt Securities Issued and Subordinated Liabilities

The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The estimated fair value of borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity period.

### Deposits by banks

Deposits by banks comprise amounts owed to other domestic or foreign banks.

### Customer accounts

Customer accounts comprise amounts owed to creditors that are not banks.

However, liabilities in the form of debt securities and any liabilities for which transferable certificates have been issued are excluded (as they form part of debt securities in issue).

Deposits by banks & customers are financial liabilities - as there is an obligation to deliver cash or financial assets back to the depositing bank or customer – and are initially recognised at fair value, plus for those financial liabilities not at fair value through profit and loss, transaction costs directly attributable to the acquisition. Fair value is usually the transaction price.

The bank borrows money by issuing debt securities and subordinated debt. The borrowing is acknowledged or evidenced by issue of a negotiable instrument. The negotiable instrument can be certificate of deposit, commercial paper or debt note.

Subordinated debt is issued to meet the capital requirements at bank level and to supply the capital to various operations. This debt generally consists of negotiable instruments and is usually listed on exchanges providing an active secondary market for the debt.

## 5.11 Provisions

Provisions are recognised when the bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is a recognised obligation, which is relatively imminent, and is a reasonable estimate of that obligation at that time. The distinction between an accrual and a provision is that an accrual can be calculated exactly, whereas a provision is the best estimate of the obligation.

A commitment or contingency is a liability for which it is uncertain as to whether it will become an obligation as it depends on the occurrence of an uncertain future event. These amounts are recorded off-balance sheet and generally comprise of documentary credits, forward asset purchases and undrawn formal standby facilities (which may or may not be irrevocable).

## 5.12 Revenue Recognition

### Interest Income

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognised within net interest income.

The general principle is that interest on assets classified as amortised cost or FVOCI is measured using the effective interest method and recorded in 'Interest income'. The bank earns interest income primarily through two activities – lending to customers and investing in debt. Lending to customers to earn interest income is one of the bank's main business activities. NFRS 7 requires the disclosure of gross interest income and gross interest expense on the face of the income statement, together with disclosure of the interest earned on financial assets classified as fair value and those recognised at amortised cost.

For income from loans and advances to customers, initial charges are amortised over the actuarially assessed life of the loan and advances. The income so recognised closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Where the estimates of cash flows have been revised, the carrying amount of the financial asset or liability is adjusted to reflect the actual and revised cash flows, discounted at the instrument's original effective interest rate. The adjustment is recognised as interest income or expense in the period in which the revision is made.

If the financial asset has been reclassified, subsequent increases in the estimates of future cash receipts as a result of increased recoverability are recognised as an adjustment to the effective interest rate from the date of the change in estimate.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### Fee and Commission Income

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. Loan syndication fees are recognised as revenue when the syndication has been completed and the bank retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognised based on the applicable contracts, usually on a time apportionment basis.

Fees and commissions are integral part of the effective interest of the Loans & Advances. These include origination fees or other yield enhancing fees

**Dividend Income**

Dividend income received from equity shares is recognized in the books when the bank's right to receive the dividend is established.

**Net Trading Income**

The bank's activities involve trading activities across many financial instruments. The term 'Trading', in the context of financial instruments, is defined as active and frequent buying and selling of financial instruments with the objective of generating a profit from short-term fluctuations in price or dealer's margin. Sometime trading items are held to benefit from short-term price fluctuations without involving buying or selling. Gains and losses on trading instruments are recognised in the income statement on a mark-to-market basis and not on a cash basis.

Foreign exchange translation gains or losses arising from the settlement of transactions in a currency other than a unit's functional currency and the period end translation of monetary assets and liabilities held in a currency other than a reporting unit's functional currency are also reported within net trading income.

**Net Income from Other Financial Instrument at Fair Value Through Profit or Loss**

At initial recognition, the bank may choose to designate certain financial assets and liabilities as being held at fair value through profit or loss (the fair value option). Realised and unrealised gains and losses on these instruments are reported through net trading income.

**5.13 Interest Expense**

Interest expense should be measured using the Effective Interest Method for debt instruments not classified as FVTPL. Interest expense is determined in a similar way to interest income, with interest expense incorporating contractual interest due, premiums or discounts and any capitalizable fees and transaction costs such as origination fees or costs.

**5.14 Employee Benefits**

Employee benefits includes all forms of consideration given by an entity in exchange for service rendered by employees of for the termination of employment.

The Bank operates a defined contribution plans as provident fund contribution of its employees and defined benefit plans for the Gratuity payment requirement under its staff rules.

For defined contribution plans, the Bank pays contributions to the publicly administered provident fund plans on a mandatory basis, and such amounts are charged to operating expenses. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognised in the Balance Sheet is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. Such obligations are estimated on the basis of the actuarial assumptions

The bank provides various loans and advances to the staff as per the staff by-laws of the bank. The various loans and advances provided are Home loan, Auto loan & Personal loan. Staff loan is measured at amortized cost using effective interest rate method and presented in loans and advances to customers under schedule 4.7. Unamortized staff benefits is the difference between the value of loan at carrying amount and present value of staff loan discounted at market rate. Amortization of such deferred benefits the difference between opening and closing present value of loan.

**5.15 Leases**

Leases that are not finance leases are operating leases. Unless title is expected to pass to the bank at the end of the lease term, leases of land should be treated as operating leases. An assessment of the lease classification is made at the inception of a lease based on its substance. Lease payments under an operating lease are recognised as an expense at the commencement of the lease term. Operating leases are not recognised on the balance sheet. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. So where lease payments are stepped over the non-cancellable portion of the lease term, they should be spread evenly over the lease term. However, for income tax purpose the expenses has been claimed on actual payment basis.

### **5.16 Foreign Currency Translation**

Foreign currency transactions are those conducted in a currency other than the functional currency of an entity. The functional currency is the currency of the primary economic environment in which an entity operates. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss.

Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognised in either the statement of profit or loss or shareholders' equity depending on the treatment of the gain or loss on the asset or liability.

### **5.17 Financial Guarantee and Loan Commitment**

Financial guarantee contracts are contracts that require the bank to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment on a debt instrument. A loan commitment is a firm commitment to provide credit under pre-specified terms and conditions in the future. Financial Guarantee contracts and Loan Commitments are measured at the higher of

- the expected credit losses on the exposure; or
- the fair value of the instrument at initial recognition (plus transaction costs) less the cumulative amount of revenue recognised on the instrument

Loan commitments will be treated as derivatives if there is a pattern of selling the resultant assets within a short period after their origination. Loan commitments in our regular business like Lending, Trade Finance, Consumer Finance and ALM do not fall in this category, and accordingly will not be treated as derivatives. However, transactions in Loan syndication and underwriting activities may have some of these features.

### **5.18 Share Capital and Reserves**

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Dividends on ordinary shares and preference shares classified as equity are recognised in equity in the period in which they are paid.

### **5.19 Earnings Per Share including Diluted**

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33 Earnings per Share.

## **6. Segmental Information**

The Bank is organised for management and reporting purposes into segments such as: Retail Clients, Commercial clients, Corporate & Institutional Clients and Treasury. The products offered to these client segments are summarised under 'Income by product' below. The focus is on broadening and deepening the relationship with clients, rather than maximising a particular product line. Hence the Bank evaluates segmental performance based on overall profit or loss before taxation (excluding corporate items not allocated) and not individual product profitability. Product revenue information is used as a way of assessing client needs and trends in the market place. The strategies adopted by the client segments is adapted to local market and regulatory requirements.

**Segment Description: the Bank runs its operations under the following segments:**

<b>Segment Definition</b>	<b>Activity</b>
Retail Banking	Retail Banking serves retail clients through the branch network and other delivery channels. This segment raises deposits from customers and makes loans and provides other services to such customers. This segment also includes activities relating to credit cards, debit cards, mortgage loans, auto loans, SME segments and third party product distribution. Exposures are classified under Retail Banking taking into account the orientation, product, granularity and individual exposure criteria.
Commercial (CB) and Corporate & Institutional Client (C&IB)	Local corporate financing, advances to partnership firms, companies and statutory bodies, which are not included under Retail Banking segments, Treasury include foreign exchange, fixed income, and money market and derivative transactions are reported under CB,C&IB and
Others	Others include ALM, Corporate Real Estate Services, other items not allocable in the aforementioned Segments.

**A. Information about reportable segments**
*(Rs'000)*

Particulars	Retail		Commercial		CIB		Others		Total	
	Current Quarter	Corresponding Previous Year Quarter								
Revenues from external customers	576,241	835,160	619,246	897,489	326,483	473,180	308,264	446,775	1,830,234	2,652,603
Intersegment revenues	123,046	178,334	(357,037)	(517,463)	344,557	499,375	(110,566)	(160,246)	-	-
Segment profit /(loss) before tax	291,764	491,959	130,708	220,394	537,815	906,840	79,198	133,540	1,039,484	1,752,732
Segment assets	28,188,899	26,732,946	15,943,538	15,120,057	6,585,866	6,245,706	54,495,321	51,680,645	105,213,624	99,779,354
Segment liabilities	49,839,336	47,265,141	7,592,292	7,200,151	43,616,501	41,363,715	4,165,493	3,950,346	105,213,624	99,779,354

**B. Reconciliations of reportable segment profit or loss**
*(Rs'000)*

Particulars	Current Quarter	Corresponding Previous Year Quarter
Total profit before tax for reportable segments	1,039,484	1,752,732
Profit before tax for other segments	-	-
Elimination of inter-segment profits	-	-
Elimination of discontinued operation	-	-
Unallocated amounts:	-	-
Other corporate expenses	-	-
Profit before tax	1,039,484	1,752,732

## 7. Related parties disclosures

The Bank identifies the following as the related parties under the requirements of NAS 24.

- i) Ultimate parent company as a result of the Bank's major shareholders and companies within definition of the Group of the ultimate parent company
- ii) Post-employment benefit plan for the benefit of the employees
- iii) Directors of the Bank and their close family members, if any
- iv) Key Managerial Personnel and their close family members, if any

### Explanatory Notes

#### Ultimate Parent and the Group

- i) Ultimate Parent Company : Standard Chartered Plc., London, UK
- ii) Major Shareholders
  - (a) Standard Chartered Grindlays Pty Ltd, Australia: Holding 46.81% of shares
  - (b) Standard Chartered Bank, UK: Holding 23.40% of shares

Related parties with whom transactions have occurred during the current quarter.

- (a) Head Office and Branches of Head Office
  - 1. Standard Chartered Bank, UK
  - 2. Standard Chartered Bank, India
  - 3. Standard Chartered Bank, Japan
  - 4. Standard Chartered Bank, Singapore
  - 5. Standard Chartered Bank, USA
  - 6. Standard Chartered Bank, Germany
  - 7. Standard Chartered Bank, Qatar
  - 8. Standard Chartered Bank, Bangladesh
  - 9. Standard Chartered Bank, Brunei
  - 10. Standard Chartered Bank, Sri Lanka
  - 11. Standard Chartered Bank, UAE
  - 12. Standard Chartered Bank, South Africa
- (b) Subsidiaries of Head Office (Standard Chartered Bank UK)
  - 1. Standard Chartered Bank (Hong Kong) Limited
  - 2. Standard Chartered Bank (China)
  - 3. Standard Chartered Bank Malaysia
  - 4. Standard Chartered Bank Singapore (Sub)
  - 5. Standard Chartered Bank AG (Sub)
  - 6. Standard Chartered Bank, Korea Limited

The Bank being a subsidiary of an international bank avails of support services from its global support functions governed by approved agreements. Foreign currency funds have mainly been placed with Standard Chartered Bank (SCB) network points. These funds are all under the management of Standard Chartered Group with high governance levels and acceptable country risks and returns.

#### Post Employee benefit plan for the benefit of bank's employees

The Bank operates an approved retirement benefit plan for the benefit of its employees. The contributions made to such plan and payments made to the Bank's employees is as per the Bank's staff rules/bylaws.

#### Directors of the bank and key management personnel

The Bank defines its executive committee members as the key management personnel other than its directors. One of executive committee members is the director of the Bank.

Benefits are paid as per the Staff service bye-laws. Statutory bonus is paid in accordance with the requirement of the Bonus Act. Performance bonus is paid in accordance with the performance assessment procedures practiced within the Bank. Vehicle allowance is as per the Bank's Rules.

There have been no payments or transactions with the close family member of the directors and key managerial personnel except in the normal course of banking business.

Transactions of the bank with the related party is presented in the additional disclosure below.

**8. Dividends paid (aggregate or per share) separately for ordinary shares and other shares**

The dividend payment during the reporting period is NPR 388 Million.

**9. Issues, repurchases and repayments of debt and equity securities**

There are no any issues, repurchases and repayments of debt and equity securities during the reporting period.

**10. Events after interim period**

Bank monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the interim period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

**11. Effect of changes in the composition of the entity during the interim period including mergers and acquisition**

There is no any change in the composition of the bank during the interim period including merger and acquisitions deals.

## 1. Financial Statements: published as part of this report

### (a) Related Party Disclosures

The Bank being a subsidiary of an international bank avails of support services from its global support functions governed by approved agreements. Foreign currency funds have mainly been placed with Standard Chartered Bank (SCB) network points. These funds are all under the management of Standard Chartered Group with high governance levels and acceptable country risks and returns.

Transaction during the period (Rs in '000)	1 Shrawan 2077 to 29 Poush 2077
Placements (total of placements made during the year)	2,420,981,397
Interest on placements	11,074
Shared Service Center Costs	65,756

Period end Balance (Rs in '000)	29 Poush 2077
Placements	19,698,564
Nostro Balances	514,485
Interest Receivable	55
Trade Contingents	10,639,048
Fee Income Receivables	83,822

#### Transactions with and payments to directors of the bank

Following payments have been made to the directors of the bank

Particulars (Rs in '000)	1 Shrawan 2077 to 29 Poush 2077
Directors' sitting fees	504
Directors' travel and meeting expenses	2
Remuneration and bonus of the executive director (net of tax)	13,682
Other benefits of the executive director (net of tax)	9,357

### (b) Key Financial Indicators

Earnings per share (Annualised)	Rs. 16.98
P/E Ratio	39.41
Net Worth per Share	Rs. 182.47
Total Assets to No. of Shares	Rs. 1,227.38
Liquid Assets to Total Deposits	54.56%

## 2. Management Analysis

- (a) There have been changes in the Bank's Capital position, income and liquidity in this quarter. Bank's capital position has improved on account of Bonus share issuance approved by the last AGM. Income streams have been impacted due to margin compression, and slowdown in business activities.
- (b) There was ample liquidity in the market and in the Bank in this quarter. ALCO has prudently managed the cost of deposits by taking actions on deposit pricing timely. Capital ratio is also at very comfortable position as of the quarter end.
- (c) The Bank follows prudent approach in its business plans to protect all the stakeholders' interests and ensure sustainable performance.
- (d) There were considerable impacts on the performance of the Bank due to subdued economic activities on account of the COVID-19 pandemic which impacted the businesses of our clients and ultimately the financial results of the Bank. Slower credit demand and reduced interest margin impacted the financial performance of the Bank.

## 3. Details relating to legal proceedings

- (a) Case filed by or filed against the Bank in the quarter:

Except for the lawsuits in normal course of business there are no material cases filed by or against the Bank.

- (b) Case relating to disobedience of prevailing law or commission of criminal offence filed by or against the Promoter or Director of Organized Institution.

No such information has been received.

- (c) Case relating to commission of financial crime filed against any Promoter or Director.

No such information has been received.

## 4. Analysis of share transaction and progress of Organized Institution

- (a) Management view on share transaction happened at Securities Market.

Since price and transactions of the Bank's shares are being determined by the open share market operations through a duly established Stock Exchange, management view on this is neutral.

- (b) Maximum, minimum and last share price including total number of shares traded and transacted days during this quarter.

Maximum- Rs. 730, Minimum- Rs. 600, Last- Rs. 669 total number of shares traded 2,284,952 and transacted days 58.

## 5. Problems and challenges:

### INTERNAL

1. Reduced operational efficiency due to pandemic situation.

### EXTERNAL

1. Impact of Covid-19
2. Compression in interest margins, slowdown in revenue momentum.

### STRATEGY

1. Drive balance sheet momentum and diversify funding sources.
2. Review & refresh Branch Distribution plan.
3. Continue to enhance and innovate products and services, introduce new digital services.
4. Achieve service excellence, drive digitization to improve efficiency.
5. Drive key partnerships, collaborations through local partners.

## 6. Corporate governance

1. The **Board** of Standard Chartered Bank Nepal Limited is responsible and accountable to the shareholders and ensures that proper corporate governance standards are maintained.
2. The **Audit Committee** meets quarterly to review the internal and external inspection reports, control and compliance issues and provides feedback to the Board as appropriate.
3. The **EXCO** (Executive Committee) represented by all Segments, Products and Functions Heads is the apex body managing the day to day operations of the Bank.
4. Responsibility of **Risk Management** rests with the Board supported by Risk Committee, Audit Committee, EXCO, Asset Liability Committee and Executive Risk Committee.
5. We adopt **Standard Chartered Code of Conduct**, which builds on our values and our brand promise, guiding us to the standards required to help us prove that we are **Here for Good**.

## 7. Declaration of Chairman/Chief Executive on truth, tactfulness

I, as at the date, hereby individually accept responsibility for the accuracy of the information and details contained in the report. I also hereby declare that to the best of my knowledge and belief the information contained in this report is true, accurate and complete and there are no other matters concealed, the omission of which shall adversely affect informed investment decision by the investors.

**ANIRVAN GHOSH DASTIDAR**  
**CHIEF EXECUTIVE DIRECTOR**