7. Capital work - in progress amounting to Nu.14,885,639.20 (previous year Nu.1,057,173.00) represents the expenditure incurred in connection:

a)	with the preparation of model & drawing the proposed office building	Nu 558,163.00
b)	purchase of office building for Gelephu office under renovation,	Nu. 1,575,000.00
c)	cabling work between Head Office and Branch	Nu. 499,010.00
d)	acquisition cost of banking software migration from MICROBANKER to FLEXCUBE.	Nu. 12,253,466.20
		Nu 14,885,639.20

8. Classification of loan, like secured/partly secured/ unsecured, based on security coverage are not made due to inadequate information/documentation.

9. Other assets (advance, claims, pre-payments, deferrals etc.) include an unadjusted balance in 'debits - in - suspense account amounting to Nu. 546,322.19 (previous year Nu. 15,006,194.84) pertaining to inter-branch transactions of earlier years pending reconciliation. Similarly, other current liabilities include an unadjusted balance in credit - in – suspense account of International Banking Division amounting to Nu. 3,048,994.62 (Nu. 17,838,246.09) representing receipt from the foreign sources pending identification of the payees.

10. 'Tax deducted at Source' on income from interest on time deposits with banks outside Bhutan for the year is amounting to Nu. 2,424,712.27.

11. Market value of Quoted Equity Investments at the end of the year is amounting to Nu. 43,073,585.00 (previous year Nu. 37,711,800.00). Market value of RMA discount bills and RGOB treasury bills are amounting to Nu. 200,000,000.00 and 120,000,000.00 respectively. Diminution in value of investment of Bhutan Board Products Ltd. to the extent of Nu. 16,800.00 has been provided.

12. a) Unclaimed matured deposits, Unit Shares and other payables of miscellaneous nature aggregating Nu. 33,647,110.55 are not claimed by the beneficiaries, have been kept under 'Unclaimed Deposit' Account.

b) Recoveries amounting to Nu. 9,244,083.02 (previous year Nu. 9,144,083.02) from certain old Bad loan accounts(which were liquidated by Ministry of Finance, Royal Government of Bhutan at the time of incorporation of the Bank) are included in Other Liabilities.

MITRA & CHATTERJEE CHARTERED ACCOUNTANTS CO. KOLKATA