

बेष्ट फाइनेन्स कम्पनी लिमिटेड
को
वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु

मिति २०७८ फागुण ११ गते बुधवारका दिन बसेको सञ्चालक समितिको ५४५ औं बैठकको निर्णयानुसार यस वित्तीय संस्थाका पच्चिसौं वार्षिक साधारण सभा देहायका विषयहरुमा छलफल गर्नका लागि निम्न मिति, स्थान र समयमा बस्ने भएको हुँदा कम्पनी ऐन २०६३ को दफा ६७ (क) एवं वित्तीय संस्थाको नियमावलीको नियम ४ अनुसार सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी एवं उपस्थितिका लागि हार्दिक अनुरोध गर्दछौं ।

सभा सञ्चालन हुने स्थान, मिति र समय

मिति : २०७८ साल चैत्र ०४ गते शुक्रबार (तदनुसार १८ मार्च, २०२२)

स्थान : नेपाल प्रज्ञा प्रतिष्ठान, कमलादी, काठमाडौं

समय : अपरान्ह १२.३० बजे ।

छलफलका विषयहरु

क) सामान्य प्रस्ताव

१. यस बेष्ट फाइनेन्स कम्पनी लि. को आ. व. २०७७/०७८ को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरि पारित गर्ने ।
२. लेखापरिक्षकको प्रतिवेदन सहितको आ.व.२०७७/०७८ को वार्षिक वित्तीय विवरण (२०७८ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण, नाफा नोक्सान बाँडफाँड हिसाब लगायत वार्षिक वित्तीय विवरणसंग सम्बन्धित अनुसूचीहरु समेत) छलफल गरी पारित गर्ने ।
३. लेखापरिक्षण समितिको सिफारिस बमोजिम आ.व.२०७८/०७९ को लागि बाह्य लेखापरिक्षक नियुक्ती गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।

ख) बिशेष प्रस्ताव

यस वित्तीय संस्थाले भविष्यमा अन्य उपयुक्त बैंक तथा वित्तीय संस्थासंग एक आपसमा गाभ्ने/गाभिने (Merger) तथा प्राप्ति (Acquisition) गर्ने सम्बन्धी समझदारी पत्रमा हस्ताक्षर गर्ने, चल अचल सम्पति र दायित्व मुल्यांकन (Due Diligence Audit) गर्नको लागि मान्यता प्राप्त मुल्यांकन कर्ता नियुक्त गर्ने, निजको पारिश्रमिक तोक्न लगायत मर्जर सम्बन्धि अन्य आवश्यक प्रक्रिया पुरा गर्न सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने ।

ग) विविध

सञ्चालक समितिको आज्ञाले
(कम्पनी सचिव)

साधारण सभा सम्बन्धी अन्य जानकारी

१. यस बेष्ट फाइनेन्स कम्पनी लिमिटेडको पच्चिसौं साधारण सभा प्रयोजनको लागि मिति २०७८/११/२० गते एक दिन शेयरधनी दर्ता किताब बन्द (Book Close) रहने छ। नेपाल धितोपत्र विनियम बजार लिमिटेडमा २०७८/११/१९ गतेसम्म कारोबार भई वित्तीय संस्थाको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी काठमाण्डौंबाट शेयर दाखिल खारेज भई शेयरधनी दर्ता किताबमा कायम भएका शेयरधनीहरूले साधारण सभामा भाग लिन पाउने छन्।
२. वार्षिक प्रतिवेदन तथा साधारण सभामा छलफल हुने विषयहरू सहितको सूचना शेयरधनी महानुभावहरूलाई उपलब्ध ठेगानामा पठाइने छ। वार्षिक प्रतिवेदन प्राप्त हुन नसकेमा संस्थाको प्रधान कार्यालय कमलादी काठमाण्डौं, शाखा कार्यालय मिलन चोक बुटवल तथा संस्थाको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी काठमाण्डौंमा सम्पर्क राखी शेयरधनी प्रमाणपत्र प्रस्तुत गरी वार्षिक प्रतिवेदन प्राप्त गर्न सक्नुहुनेछ।
३. वार्षिक साधारण सभामा भाग लिन आउने शेयरधनी महानुभावहरूले हितग्राही खाता खोलिएको (D-Mat)/ शेयर प्रमाणपत्र, आफ्नो परिचय खुल्ने प्रमाण र शरीरको तापक्रम जाँच गराई मास्कको प्रयोग गरेपछि मात्र सभाकक्षमा प्रवेश गर्न पाइने छ। सभा हुने दिन बिहान १२:१५ बजेदेखि दर्ता काउन्टर खुल्ला राखिने छ।
४. सभामा भाग लिन शेयरधनी महानुभावहरूले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहेमा सभा शुरु हुनभन्दा ४८ घण्टा अगाडी वित्तीय संस्थाको प्रधान कार्यालय, कमलादी काठमाण्डौंमा प्रोक्सी फारम दर्ता गराईसक्नु पर्नेछ।
५. नावालक वा विक्रिपत शेयरधनीको तर्फबाट कम्पनीको शेयरधनी दर्ता किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले मात्र सभामा भाग लिन वा प्रोक्सी नियुक्त गर्न सक्नुहुनेछ। आफु संरक्षक भएको शेयरवालाको बाहेक अरु शेयरधनीको प्रतिनिधि (प्रोक्सी) भै सभामा भाग लिन सक्नु हुने छैन।
६. एक भन्दा बढी व्यक्तिहरूको नाउँमा संयुक्त रूपमा शेयर ग्रहण गर्ने शेयरधनीहरूको हकमा शेयरधनीको लगत किताबमा पहिले नाम उल्लेख भएको व्यक्तिले वा सर्वसम्मतबाट आफु मध्ये नियुक्त गरिएको एक जना शेयरधनीले वा सर्वसम्मतबाट नियुक्त प्रतिनिधिले मात्र सभामा भाग लिन पाउनेछ।
७. प्रोक्सी दिईसकेका शेयरधनी स्वयं उपस्थित भै सभामा भाग लिन चाहेमा सभा शुरु हुन अगावै कम्पनी सचिव मार्फत सञ्चालक समितिका अध्यक्षलाई लिखित सूचना दिई निजले उक्त सभामा भाग लिन पाउनेछन्। यस्तो अवस्थामा निजले नियुक्त गरेको प्रतिनिधि (प्रोक्सी) को अख्तियारी पत्र स्वतः बदर हुनेछ।
८. छलफलका विषयसूची मध्ये विविध शीर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा सात दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनु पर्नेछ। तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन।
९. साधारण सभा सम्बन्धी थप जानकारीको लागि यस संस्थाको प्रधान कार्यालय, कमलादी काठमाण्डौंमा कार्यालय समय भित्र सम्पर्क राख्न सकिने छ। वार्षिक साधारण सभा सम्बन्धी विस्तृत जानकारी वित्तीय संस्थाको प्रधान कार्यालय, कमलादीको सूचना पाटीमा तथा वित्तीय संस्थाको वेबसाईट www.bestfinance.com.np मा राखिने छ।

बेष्ट फाइनेन्स कम्पनी लिमिटेडको पच्चिसौं वार्षिक साधारण सभामा सञ्चालक समितिका अध्यक्षद्वारा प्रस्तुत प्रतिवेदन

आदरणीय शेयरधनी तथा आमन्त्रित महानुभावहरू,

बेष्ट फाइनेन्स कम्पनी लिमिटेडको पच्चिसौं वार्षिक साधारणसभामा उपस्थित सम्पूर्ण आदरणीय शेयरधनी, कर्मचारी एवं सम्पूर्ण अतिथि महानुभावहरूलाई हार्दिक स्वागत गर्दछु ।

संस्थाले नेपाल अधिराज्यभरी विभिन्न शहरहरूमा संचालनमा रहेका चौध वटा शाखा कार्यालयहरूबाट वित्तीय सेवा प्रदान गर्दै आइरहेकोमा चाडै हामी चितवनको, भरतपुरमा १५ औं शाखा विस्तारमा छौं । संस्था संचालनमा आइपर्ने अनेकन उतार चढावलाई पार गर्दै आदरणीय शेयरधनी महानुभाव तथा सम्बद्ध निकायहरूबाट प्राप्त सुझाव, मार्ग निर्देशनलाई आत्मसात गर्दै अगाडी बढिरहेकोले यस वित्तीय संस्थाले उल्लेखनीय सफलता हासिल गर्दै गइरहेको छ, साथै ग्राहकवर्ग तथा आम नागरिकहरूबाट प्राप्त सहयोग, सद्भाव तथा हामीप्रति देखाइएको विश्वासले हामीलाई अगाडि बढ्न थप प्रेरणा मिलेको छ ।

शेयरधनी महानुभावहरू,

यस साधारणसभाका अवसरमा संस्थाको ०७७/०७८ को वित्तीय विवरणहरू, वासलात, नाफा- नोक्सान हिसाव र नगद प्रवाह विवरण सहितको वित्तीय प्रतिवेदन छलफल गरी पारित गर्न यस गरिमामय सभामा यहाँहरूसमक्ष प्रस्तुत गरेको छु ।

विश्वभर फैलिरहेको कोरोना भाइरस (कोभिड-१९) ले उत्पन्न गरेको महामारीको कारणले विश्व अर्थतन्त्रलाई नै गम्भीर असर पारेको छ । चरण चरणका महामारीको कारण लाखौं मानिसहरूको अमूल्य जीवन गुमेको छ भने रोजगारी, व्यवसाय, आम्दानीका श्रोत तथा अवसरमा भएका परिवर्तनले विश्व अर्थतन्त्र नै शिथिल अवस्थामा पुगेको छ । यस महामारीका बाछिटाहरूले हाम्रो देशलाई पनि अडुतो राख्न सकेन । कोभिड- १९ रोगको संक्रमणबाट हुन सक्ने जोखिमलाई न्युनिकरण गर्न नेपाल सरकारले लागु गरेको बन्दाबन्दीपछि बैंक तथा वित्तीय संस्थाबाट लगानी भएका कर्जाहरूको असुलीमा समेत असर परेको अवस्था छ । हाल वित्तीय क्षेत्रमा कर्जा लगानीको माग उच्च रहेको तर निक्षेपमा अपेक्षाकृत वृद्धि हुन नसकेको अवस्था छ । यसरी निक्षेप संकलनमा पर्याप्त सुधार नभएको अवस्थामा बैंकिङ क्षेत्रमा अत्यधिक तरलता अभाव चुनौतीपूर्ण हुँदै गएको देखिन्छ । यस किसिमको परिस्थितिमा संस्थाले आवश्यक रणनीति अवलम्बन गरी अगाडी बढिरहेको व्यहोरा जानकारी गराउन चाहन्छु ।

१) विगत वर्षको कारोबारको सिंहावलोकन:

बैंक तथा वित्तीय संस्थाहरू बीच रहेको तीव्र प्रतिस्पर्धा, समय समयमा वित्तीय बजारमा देखिने अस्थिरता, लगानीका क्षेत्रहरूको सीमितता, देशभित्रको राजनैतिक अवस्था आदिलाई विचार गरी हामीले संस्थाको कारोबारलाई सन्तुलित रूपमा अगाडि बढाइरहेका छौं । आर्थिक वर्ष २०७६/०७७ र २०७७/०७८ र २०७८/७९ पौष मसान्तमा संस्थाको महत्वपूर्ण वित्तीय सूचकाङ्कहरू देहायबमोजिम रहेका छन् ।

रु. हजारमा

विवरण	प्रतिइकाइ	आ.ब. ०७८/७९ दोस्रो त्रैमास सम्म	आ.ब. ०७७/७८	आ.ब. ०७६/७७	परिवर्तन प्रतिशतमा (७६/७७ र ७७/७८ को तुलना)
चुक्तापूँजी	रु. हजारमा	८,२८,९१४	८,२८,९१४	८,२८,९१४	
निक्षेप दायित्व	रु. हजारमा	३,२५२,३९९	२,९६३,५९२	२४,९८,६२७	१८.६१
कर्जा तथा सापटी	रु. हजारमा	२,६६८,३४२	२१,१५,५८२	२१,३२,५१९	(०.८०)
संचित मुनाफा	रु. हजारमा	(२५०,८४६)	(३१३,५१५)	(३,४२,१००)	८.३६
खुद नाफा	रु. हजारमा	१४०,२०९	८१,८७०	७७,३२६	५.८८
प्रतिशेयर नेटवर्थ	रु. हजारमा	१३८.०६	११२.४९	१०२.५३	९.७२
निष्कृत्य कर्जा (NPL)	प्रतिशतमा	३.६८	१२.८३	१५.००	१४.४७
पूँजीकोष पर्याप्तता %	प्रतिशतमा	२५.०१	२३.४१	२९.२२	(१९.८९)
शाखा	संख्यामा	१४	१४	१४	-

वित्तीय बजारको विद्यमान तीव्र प्रतिस्पर्धात्मक अवस्थामा समेत तुलनात्मक रूपमा संस्थाको निक्षेप परिचालन २०७८ असार

मसान्तमा १८.६१ प्रतिशतले वृद्धि भएको छ र आर्थिक वर्ष २०७८ /७९ को दोस्रो त्रयमाससम्म ३ अरब २५ करोड पुगेको छ। आर्थिक वर्ष २०७८ /७९ को दोस्रो त्रैयमास सम्म रू. २ अरब ६६ करोड रहेको छ। कारोबारमा भएको वृद्धि संगै नाफामा समेत केही सुधार भएको छ। आर्थिक वर्ष २०७८ /७९ को दोस्रो त्रयमासमा संस्थाको खुद नाफा रू. १४ करोड २ लाख ९ हजार रहेको छ। संस्थाको आ.व. २०७६/७७ मा रू. ३४ करोड २१ लाखले ऋणात्मक रहेको संचित मुनाफामा सुधार हुनगई आ.व. २०७७/७८ मा संस्थाको संचितमुनाफा रू.३१ करोड ३५ लाख १५ हजार ऋणात्मक हुन पुगेको छ।

संस्थाको कारोबार वृद्धि संगै पूँजी पर्याप्तता गत बर्षको तुलनामा कम हुन गएता पनि नेपाल राष्ट्र बैंकबाट निर्धारित न्यूनतम ११ प्रतिशत भन्दा बढी २३.४१ प्रतिशत कायम रहेको छ। गत आर्थिक बर्षको चौथो त्रयमासमा संस्थाको निष्कृत्य कर्जाको अंश १२.८३ प्रतिशत रहेकोमा आर्थिक वर्ष २०७८/७९ दोस्रो त्रयमासमा ३.६८ प्रतिशत मात्र रहन गएकोले कम्पनीको जोखिम सम्पत्तिको गुणस्तरमा सुधार हुँदै गैरहेको देखिन्छ। हाल वित्तीय संस्थाहरू बीचको तीव्र प्रतिस्पर्धाको अवस्थामा पनि संस्थाको चुस्त व्यवस्थापनको कारण कर्जा लगानीमा लिने र निक्षेपमा दिने ब्याज दरको अन्तर सन्तोषजनक सीमामा राख्न संस्था सफल भएको छ।

२) **राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कारोबारमा पर्न सक्ने असर :**

विश्वभर फैलिरहेको कोरोना भाइरसका कारण उत्पन्न स्वास्थ्य अवस्थाले सिर्जना गरेको आर्थिक संकट नेपालको लागि पनि अर्थतन्त्रको विस्तार र व्यवस्थापन गर्न थप चुनौतीपूर्ण बनेको छ। पर्यटन क्षेत्र अति प्रभावित भएको अवस्थामा अन्य क्षेत्र समेत प्रभावित हुनगई आर्थिक क्रियाकलापमा शिथिलता, वैदेशिक रोजगारीमा संकुचन तथा आपूर्ति प्रणालीमा परेको असहजताका कारण वस्तु, बजार, श्रम बजार तथा वित्तीय बजारको सन्तुलन प्रभावित भएको छ। विश्व बैंक, अन्तर्राष्ट्रिय मुद्रा कोष, एसियाली विकास बैंक लगायतका संस्थाहरूले कोभिड- १९ रोगको महामारीको कारण विश्व आर्थिक मन्दीतर्फ उन्मुख भएको बताएका छन्।

३) **सामाजिक उत्तरदायित्व :**

संस्थाले ग्राहकहरूलाई प्रदान गर्ने वित्तीय सेवाको संगै मुलुकको समाज सेवामा पुऱ्याउनु पर्ने योगदानप्रति दायित्व बोध गरी संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility- CSR) अन्तर्गत केही सामाजिक कार्यक्रमहरूमा योगदान गर्दै आएका छौं। संस्थाको नाफा रकमबाट छुट्टयाइएको सामाजिक उत्तरदायित्व कोषको रकमलाई प्रभावकारी रूपमा उपयोग गर्ने नीति अवलम्बन गरिएको छ। संस्थाले स-सानो आर्थिक सहयोगबाट समेत समाजमा उत्कृष्ट योगदान पुग्ने गरी गरिएका सामाजिक कार्यक्रमहरू, जस्तै संस्कृति संरक्षणको लागि मध्यपुर थिमि स्थित राज गणेश धिमे खलको वार्षिक कार्यक्रममा टिसर्ट वितरण, मिति २०७८/०३/०१ गते सिन्धुपाल्चोक जिल्लाको मेलम्ची खोलामा आएको बाढिले पुऱ्याएको क्षतिको कारण त्यस क्षेत्रमा बिजुली बन्द भई उज्यालोबाट बन्चित भएका हेलम्बु क्षेत्रका जनतालाई राहत स्वरूप रू. १,२०,०००।०० बराबरको ४८ थान सोलार प्यानल वितरण गरीयो। नेपाल राष्ट्र बैंकबाट मिति २०७७/०४/१२ को निर्देशन बमोजिम सामाजिक उत्तरदायित्व कोषमा रहेको रकम रू. १७,३९,३४९.१७ नेपाल सरकारले स्थापना गरेको कोरोना संक्रमण, रोकथाम, नियन्त्रण र उपचार कोषमा जम्मा गरीसकिएको छ।

४) **चालू आर्थिक वर्षको उपलब्धि र भावी योजनाको सम्बन्धमा सञ्चालक समितिको धारणा :**

क) **शाखा स्थानान्तरण (Branch Relocation) सम्बन्धमा :**

संस्थाले केन्द्रिय कार्यालयसहित मुलुकका विभिन्न शहरमा संचालनमा रहेका चौधवटा शाखा कार्यालयबाट कारोबार गर्दै आइरहेकोमा आफ्नो कारोबार क्रमशः विस्तार गर्दै लैजाने उद्देश्य अनुरूप चितवनको भरतपुरमा शाखा संचालनको स्विकृती लिई सेवा संचालनको अन्तिम चरणमा रहेको र वाग्लुङ्ग जिल्लाको गल्कोटमा शाखा संचालनको लागि आवश्यक कार्य अगाडी बढाएको छ। त्यस्तै गरी शाखा कार्यालयहरूको स्थानान्तरणको क्रममा काठमाण्डौ जिल्ला का.म.न.पा वडा नं. २२ को खिचापोखरी स्थित न्यूरोड शाखा कार्यालयलाई काठमाण्डौ जिल्ला का.म.न.पा वडा नं. २२ स्थित न्यूरोड पीपलवोटमा रहेको रमागृहको पहिलो तल्लामा स्थानान्तरण गरिसकेको तथा ललितपुर जिल्ला ललितपुर म.न.पा वडा नं.१२, थिति चोक अवस्थित लगनखेल शाखा कार्यालयलाई ललितपुर जिल्ला कै ललितपुर म.न.पा वडा नं. १२, थिति चोकबाट करिब ५० मिटर दक्षिण (लगनखेल बसपार्क तर्फ) मा तथा चावहिल शाखा कार्यालयलाई सोही वडाको चावहिल चोकबाट चुच्चेपाटी जानेवाटो तर्फ शाखा स्थानान्तरण गरी कारोबार संचालन गरि सकेको तथा उपत्यका बाहिरको दाङ्ग शाखा पनि स्थानान्तरणको क्रममा रहेको व्यहोरा जानकारी गराउन चाहन्छु।

ख) सूचना प्रविधि (Information Technology) विकास:

संस्थाको कारोबारको लागि आवश्यक सम्पूर्ण विवरणहरू सफ्टवेयरमा अभिलेख गरी सुरक्षित कारोबार गर्न नेपालमा अन्य बैंक तथा वित्तीय संस्थाहरूले समेत प्रयोगमा ल्याएको (Banking Software) पुमोरी प्लस (Pumori Plus) प्रयोगमा ल्याइएको छ। यसै सफ्टवेयरको माध्यमबाट हाल सञ्चालनमा रहेका सबै शाखा कार्यालयहरूलाई एउटै संजाल (Network) मा आबद्ध गरी ABBS बैंकिङ सेवा, विप्रेषण (Remittance) आदि बैंकिङ सेवा प्रदान गर्दै आइरहेको छ। संस्थाले चिप बेस्ड ए.टी.एम. कार्ड सेवा सुरु गरी सकेको छ भने काठमाण्डौ वनस्थली खरीबोट शाखा, बुटवलको अमरपथ तथा मिलनचोक शाखा परिसरमा ए.टी.एम.जडान गरि जम्मा ३ वटा ए.टी.एम. बाट सेवा प्रदान गर्दै आइरहेको छ। अन्य सम्भाव्य र आवश्यक स्थानहरूमा समेत ATM जडान गरी सेवा थप गर्दै जाने लक्ष्य लिएको छ। त्यसैगरी संस्थाले Mobile Banking, Connect IPS, QR Code र आर. टी.जी. एस. सेवाको समेत सुरुवात गरिसकेको छ। साथै Online Account Opening को सेवा अन्तिम तयारीमा रहेको छ र कर्पोरेट पे, लगायतका डिजिटल कारोबार विस्तार गर्दै लैजाने योजना रहेको छ। संस्थाको हरेक गतिविधि तथा सूचना आफ्नै वेबसाइट www.bestfinance.com.np मार्फत् प्रवाह गर्दै आइरहेको छ।

ग) संस्थाको स्तरोन्नति तथा अन्य संस्थासंग गाभ्ने/गाभिने (Upgradation and Merger) सम्बन्धमा:

यस संस्थाले राष्ट्रिय स्तरको 'ग' वर्गको वित्तीय संस्थाका लागि आवश्यक न्यूनतम पुंजी पूरा गरी कारोबार संचालन गरिरहेको भएता पनि अन्य बैंक तथा वित्तीय संस्थालाई प्राप्त गरी वा अन्यसँग गाभिएर स्तरोन्नति हुनका लागि ढोका खुल्ला राखेको छ। यसर्थ, संस्थाले निश्चित मापदण्डका आधारमा अन्य बैंक/ वित्तीय संस्थासंग गाभिएर वा प्राप्त गरेर राष्ट्रिय स्तरको "ग" वर्गको वित्तीय संस्थाबाट स्तरोन्नति भई राष्ट्रिय स्तरको विकास बैंकमा स्तरोन्नति हुने लक्ष्य लिएर सोही अनुसार विकास बैंकका लागि आवश्यक पूर्वाधारको विकास गरिरहेको छ। अन्य बैंक तथा वित्तीय संस्थासंग गाभ्ने /गाभिने (Merger) प्रक्रिया अगाडि बढेमा शेरधनी महानुभावहरूलाई गाभ्ने/गाभिने (Merger) प्रक्रिया सम्बन्धी आवश्यक जानकारी गराउँदै लगिने छ।

घ) निक्षेप तथा कर्जा कारोबार (Credit and Deposit Transaction) :

विश्वभर फैलिरहेको कोभिड १९ रोगका कारण हाल व्यवसायको प्रकृति तथा मानिसका आवश्यकताहरूको प्राथमिकता तथा आम ग्राहकहरूको बानी ब्यहोरा (Consumer Behavior) मा परिवर्तन हुन सक्ने परिस्थितलाई मध्यनजर गरी कर्जा लगानीमा हुन सक्ने जोखिमलाई सूक्ष्म विश्लेषण गरी कर्जा लगानीलाई निरन्तरता दिइएको ब्यहोरा अवगत गराउन चाहन्छौं। विगतमा कर्जा लगानीका क्रममा भएको असावधानीका कारणले संस्थामा खराब कर्जाको मात्रा अधिक रहेकोमा हाल खराब कर्जा असुलीमा अवलम्बन गरेका विभिन्न रणनीतिक कारण केही खराब कर्जाहरू चुक्ता भइसकेको तथा अन्य बाँकी कर्जाहरू असुलीको क्रममा रहेको हुनाले खराब कर्जाको मात्रा कम गर्ने तर्फ प्रभावकारी कदम चालिरहेको ब्यहोरा जानकारी गराउँदछु। साथै संस्थाको सञ्चालन मुनाफामा बृद्धि गर्ने र सञ्चालन खर्च न्यूनीकरणका लागि प्रयत्नशील रहेको जानकारी पनि गराउन चाहन्छु।

निक्षेप परिचालन र कर्जा लगानी विस्तारमा शाखा कार्यालयहरूलाई थप चुस्त र गतिशील बनाउँदै लिएको छ। फलस्वरूप निक्षेप तथा कर्जामा बृद्धि भई आर्थिक वर्ष २०७८/०७९ को दोस्रो त्रैमास अर्थात् २०७८ पौष मसान्तमा निक्षेप रू. ३ अर्ब २५ करोड र कर्जा तथा सापट रू. २ अर्ब ६७ करोड हुन पुगेको छ।

५) मानव संशाधन विकास (Human Resource Development):

संस्थाको व्यावसायिक लक्ष्य पूरा गर्न मानव संशाधनको महत्वपूर्ण भूमिका हुने कुरालाई मध्यनजर गर्दै संस्थामा कार्यरत सबै तहका कर्मचारीहरूको कार्य क्षमता तथा दक्षता विकाशका लागि समय समयमा विभागीय जिम्मेवारी अनुसारको तालिममा सहभागी गराउने गरिएको छ।

यसैगरी कर्मचारीहरूको मनोबल उच्च राख्दै संस्थाप्रति बफादार तथा समर्पित भई कार्य गरिरहने वातावरणको निर्माण गर्न कर्मचारीहरूलाई प्रदान गरिने तलव भत्ता तथा अन्य सुविधामा समयानुसार बृद्धि गर्दै लैजाने र कर्मचारीहरूलाई दिइएको जिम्मेवारी अनुसारको कार्य सम्पादनको मूल्यांकन गरी आवश्यकता अनुसार बहुवा गर्ने नीति रहेको छ। सो बाहेक समय समयमा कर्मचारीको दक्षता र क्षमता विकासका लागि अतिरिक्त तालिम तथा सेमिनारहरूमा समेत सहभागी गराउने गरिएको छ।

६) संचालक समितिमा भएको हेरफेर र सोको विवरण:

संस्थाको २४ औं साधारणसभाबाट निर्वाचित सञ्चालक समितिमा संस्थापक शेयरधनीको तर्फबाट प्रतिनिधित्व गर्ने ४ जना सञ्चालक, सर्वसाधारण शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने २ जना संचालक गरी जम्मा ६ जनाको सञ्चालक समिति गठन भएकोमा संस्थापक समूहका सुधिर ज्ञवालीले दिनुभएको राजीनामा पश्चात वर्तमान सञ्चालक समिति देहायबमोजिम रहेको ब्यहोरा जानकारी गराउदछौं ।

१. श्री खिमलाल पौड्याल	अध्यक्ष	सर्वसाधारण समूह
२. श्री लक्ष्मी श्रेष्ठ	सञ्चालक	संस्थापक समूह
३. श्री राम कृष्ण चौलागाईं	सञ्चालक	संस्थापक समूह
४. श्री राम चन्द्र देवकोटा	सञ्चालक	संस्थापक समूह
५. श्री श्रीराम श्रेष्ठ	सञ्चालक	सर्वसाधारण समूह

आर्थिक वर्ष २०७७/०७८ को अवधिमा सञ्चालक समितिको बैठक जम्मा २६ पटक बसेको थियो ।

७) नाफा नोक्सान हिसाब र बाँडफाँड :

संस्थाको आर्थिक वर्ष २०७७/०७८ मा भएको सञ्चालन नाफा रू. १० करोड २ लाख , करअधिको नाफा रू ७ करोड ९४ लाख कर पछिको खुद नाफा रू ८ करोड १९ लाख रहेको छ । कर पछिको खुद नाफा रू ८ करोड १९ बाट २० प्रतिशत अर्थात् रू. १ करोड ६४ लाख साधारण जगेडा कोषमा छुट्याइएको छ । नेपाल राष्ट्र बैंकको निर्देशन बमोजिम संस्थागत सामाजिक उत्तरदायित्व कोषमा (Corporate Social Responsibility Fund, CSR) मा छुट्याउनु पर्ने रकम रू ८ लाख १९ हजार CSR Fund मा छुट्याई बाँकी रकम रू. ६ करोड ४७ लाख संचित मुनाफा तथा अन्य कोषहरूमा छुट्याइएको ब्यहोरा जानकारी गराउँदछु ।

हार्दिक आभार तथा धन्यवाद :

संस्थाका सरोकारवालाहरू तथा शुभचिन्तक एवम आम नागरिकहरूबाट पाएको अपार सहयोग तथा विश्वासले संस्था संचालनमा हामीलाई सधैं उत्साहित बनाइरहेको छ । संस्थाको सुदृढीकरण एवम कारोबार विस्तारका लागि प्रत्यक्ष तथा अप्रत्यक्ष रूपमा सहयोग पुऱ्याउनु हुने ग्राहक महानुभावहरू, शेयरधनी महानुभावहरू, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, शेयर रजिष्ट्रार श्री प्रभु क्यापिटल लिमिटेड तथा नेपाल सरकारका सम्बन्धित निकायहरूबाट पाएको सहयोग र सद्भावप्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछु । संस्थालाई आइपर्नसक्ने विभिन्न किसिमका जोखिम न्यूनीकरणका लागि महत्वपूर्ण भूमिका निर्वाह गर्नु हुने संस्थाका आन्तरिक लेखापरीक्षक आर.एच.के.एण्ड एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री राम हरी कडेल तथा बाह्य लेखापरीक्षक बि.आर.एस.न्यौपाने एण्ड कम्पनीका चार्टर्ड एकाउन्टेन्टस श्री अनुप कुमार श्रेष्ठ, कानूनी सल्लाहकारहरू अधिवक्ता श्री अरूण पौडेललाई हार्दिक धन्यवाद दिन चाहन्छु । संस्थाको उन्नति तथा प्रगतिका लागि अहोरात्र खटिने प्रमुख कार्यकारी अधिकृत, व्यवस्थापन तह तथा संस्थामा कार्यरत सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद व्यक्त गर्दछु । साथै आजको प्रतिस्पर्धी युगमा संस्थाको कारोबार वृद्धिका लागि सम्पूर्ण कर्मचारीहरू उच्च मनोबलका साथ आफ्नो जिम्मेवारी कुशलतापूर्वक पूरा गरी संस्थाको लक्ष्य प्राप्त गर्नमा महत्वपूर्ण योगदान गर्नुहुनेछ भन्ने पूर्ण विश्वास लिएको छु । त्यसैगरी यस संस्थाप्रति सकारात्मक धारणा राखी संस्थाको विकासका लागि सहयोगी भूमिका निर्वाह गर्नुहुने सञ्चार माध्यम तथा सम्पूर्ण शुभचिन्तकहरूप्रति हार्दिक आभार प्रकट गर्दछु ।

धन्यवाद ।

खिमलाल पौड्याल
 अध्यक्ष

मिति: २०७८ साल चैत्र ०४ गते शुक्रवार

धितोपत्र तथा निष्कासन नियमावली २०७३ को नियम २६ को उपनियम (२) सँगै सम्बन्धीत थप विवरणहरू

१. सञ्चालक समितिको प्रतिवेदन
यसै वार्षिक प्रतिवेदनमा संलग्न गरिएको छ ।
२. लेखापरीक्षकको प्रतिवेदन
यसै वार्षिक प्रतिवेदनमा संलग्न गरिएको छ ।
३. लेखापरीक्षण भएको वित्तीय विवरण
यसै वार्षिक प्रतिवेदनमा संलग्न गरिएको छ ।
४. कानुनी कारवाही सम्बन्धी विवरण
 - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए ।
यस सम्बन्धमा कुनै मुद्दा दायर नभएको ।
 - (ख) संगठित संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए ।
यस सम्बन्धमा कम्पनीलाई कुनै जानकारी नभएको ।
 - (ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको भए ।
यस सम्बन्धमा कम्पनीलाई कुनै जानकारी नभएको ।
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण
 - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा:
धितोपत्र बजारमा संस्थाको शेयर कारोबार नियमानुसार सामान्य प्रकृतिबाटै भएको छ ।
 - (ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित शेयरको अधिकतम, न्युनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन ।

विवरण	प्रथम त्रैमासिक	दोस्रो त्रैमासिक	तेस्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य रु.	१६१	१५३	१९५	४९७
न्युनतम मूल्य रु.	९२	१२२	१४५	१६२
अन्तिम मूल्य रु.	१४१	१४७	१७०	४२६
कुल कारोबार शेयर संख्या	१,१६९,१४८	१,०२९,३८५	१,८५७,७४८	६,७९५,१७४
कुल कारोबार दिन	६४	५८	५९	६५

६. समस्या तथा चुनौती
संस्थाले तोकिए बमोजिम एक सवल वित्तीय संस्थामा परिणत गर्न विद्यमान मानव तथा अन्य साधनहरूको यथोचित व्यवस्थापन गरि कुशलता पूर्वक अधि बढ्नु पर्ने स्थिति रहेको छ । यसका लागि आईपर्ने समस्या तथा चुनौति समाधानका उपायहरूबारे संस्थाले समय समयमा समिक्षा गरि रणनीति समेत बनाई सो को सहजिकरणको उपाय अवलम्बन गर्ने गरेको छ ।
७. संस्थागत सुशासन
संस्थाले नेपाल राष्ट्र बैंक तथा अन्य नियमन निकायहरूद्वारा जारी गरिएका संस्थागत सुशासन सम्बन्धी व्यवस्थाको पालन गरेको छ । संस्थागत सुशासन अभिवृद्धिका लागि समय समयमा संस्थाको कर्मचारीहरूलाई आन्तरिक र बाह्य प्रशिक्षण तथा तालिम गर्ने गराउने गरिएको छ । संस्थागत सुशासन पालना सम्बन्धी क्रियाकलापको लेखापरीक्षक समिति लगायतका अन्य उपसमितिहरूबाट गर्ने गरिएको छ ।

कम्पनी ऐन २०६३ को दफा १०५ उपदफा ४ बमोजिमको अतिरिक्त विवरण

- क. विगत वर्षको कारोवारको सिंहावलोकन:
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कारोवारमा परेको असर:
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ग. चालु आर्थिक वर्षको उपलब्धि र भावी योजनाको सम्बन्धमा सञ्चालक समितिको धारणा:
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- घ. औद्योगिक तथा व्यावसायिक सम्बन्ध:
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ङ. संचालक समितिमा भएको हेरफेर र सोको विवरण:
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- च. कारोवारलाई असर गर्ने मुख्य कुराहरू:
(क) बैंक तथा वित्तीय संस्थाहरूको शाखा विस्तार हुने क्रम जारी रहे देखी यी संस्थाहरू बीच प्रतिस्पर्धाबाट हुनसक्ने संभावित जोखिमहरू ।
(ख) संस्थाबाट प्रदान गरिने कोष तथा गैरकोषमा आधारित सेवाहरू उपलब्ध गराउँदा हुन सक्ने सम्भावित जोखिमहरू ।
(ग) नेपाल सरकार, नेपाल राष्ट्र बैंक तथा अन्य नियमनकारी निकायले नीति निर्देशनमा परिवर्तन गर्दा हुन सक्ने सम्भावित नीतिगत जोखिमहरू ।
(घ) वित्तीय संस्थाहरू बिच देखिएको अस्वस्थ प्रतिस्पर्धाको कारणबाट निक्षेपमा दिईने व्याजदरमा अस्वभाविक वृद्धि गरिनु बाट उत्पन्न हुनसक्ने जोखिम ।
(ङ) राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट सृजना हुनसक्ने सम्भावित जोखिमहरू ।
(च) निक्षेप तथा कर्जा लगानी व्याजदरमा हुने परिवर्तन बाट असर गर्न सक्ने जोखिमहरू ।
(छ) यथा समयमा कर्जा असुलि नभई उत्पन्न हुनसक्ने जोखिमहरू ।
(ज) कर्जा तथा लगानीको दायरा साँघुरिएर उत्पन्न हुन सक्ने जोखिमहरू ।
(झ) देशको आर्थिक अवस्थामा आउने उतार चढाव बाट हुनसक्ने जोखिमहरू ।
(ञ) अन्तर्राष्ट्रिय रूपमा हुने आर्थिक तथा वित्तीय क्षेत्रको शिथिलता बाट नेपाली बजारमा पर्न सक्ने आर्थिक जोखिमहरू आदि ।
- छ. लेखापरिक्षण प्रतिवेदन सम्बन्धमा सञ्चालक समितिको राय:
साधारण सभा प्रयोजनको लागि आर्थिक वर्ष २०७७/०७८ को वित्तीय विवरण नेपाल राष्ट्र बैंकबाट स्विकृत गर्दा प्राप्त टिप्पणी तथा निर्देशनहरू र सो उपर सञ्चालक समितिको प्रतिक्रिया यसै वार्षिक प्रतिवेदन पुस्तिकामा संलग्न गरिएको छ ।
- ज. लाभांश बाँडफाँड गर्न सिफारिश गरिएको रकम: नभएको ।
- झ. शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनु भन्दा अगावै सो वापत कम्पनी ले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भए पछि सो शेयर विक्री गरि कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर वापत रकम फिर्ता भए सोको विवरण:
संस्थाको हाल सम्म कुनै पनि शेयर जफत भएको छैन ।
- ञ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोवारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन:
हाल सम्म संस्थाले कुनै पनि सहायक कम्पनी स्थापना गरेको छैन ।

ट. संस्था तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवार र सो अवधिमा संस्थाको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन:

आ.व.२०७७/०७८ को अन्तमा बैकले सम्पन्न गरेको प्रमुख कारोवार र कारोवारमा आएको परिवर्तन संलग्न वासलात, नाफा /नोक्सान हिसाव, नगद प्रवाह विवरण तथा लेखा परिक्षण सम्बन्धी प्रतिवेदनले प्रष्ट पार्दछ ।

ठ. विगत आर्थिक वर्षमा संस्थाको आधारभूत शेयरधनीहरूले संस्थालाई उपलब्ध गराएको जानकारी:

हाल सम्म संस्थालाई त्यस्तो कुनै पनि जानकारी उपलब्ध गराएको छैन ।

ड. विगत आर्थिक वर्षमा संस्थाका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र संस्थाको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट संस्थाले प्राप्त गरेको जानकारी:

विगत आर्थिक वर्षमा संस्थाका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण

क्र.सं	नाम	पद	धारण गरेको शेयर संख्या
१	अमिर ध्वज प्रधान	अध्यक्ष	१,१००
२	कृष्णहरी श्रेष्ठ	संचालक	१८२
३	मिलन थापा	संचालक	१,४५,५८६
४	सुरज क्षेत्री	संचालक	१८२
५	दिपक ढकाल	संचालक	१२५
६	बिमल प्रसाद ढकाल	स्वतन्त्र संचालक	-
७	शुशिला खनाल	संचालक	६००

अन्य जानकारी प्राप्त नभएको ।

ढ. विगत आर्थिक वर्षमा संस्थासंग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजको नातेदारको व्यक्तिगत स्वार्थका वारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :

यस संस्थालाई हाल सम्म त्यस्तो कुनै पनि जानकारी उपलब्ध नभएको ।

ण. कम्पनीले आफ्नो शेयर आफै खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नको कारण, त्यस्तो शेयर संख्या र अंकित मुल्य तथा त्यसरी शेयर खरिद गरे वापत कम्पनीले भुक्तानी गरेको रकम :

यस संस्थाले हाल सम्म त्यस्तो कुनै शेयर खरिद नगरेको ।

त. आन्तरिक नियन्त्रण प्रणाली भएको वा नभएको र भएको भए सोको विस्तृत विवरण :

नेपाल राष्ट्र बैकको मार्गदर्शन बमोजिम संस्थाले संस्थागत शुसासन कायम गर्न तथा आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्नका लागि विभिन्न विभागहरू गठन गरेको छ । संस्थामा हरेक कार्यको नियन्त्रणका लागि आन्तरिक विनियम, नीति, नियम तथा निर्देशनहरू तर्जुमा गरि लागु गरिएको छ ।

थ. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

विगत आ.व.२०७७/०७८ को कुल व्यवस्थापन खर्चको विवरण देहाय बमोजिम रहेको छ ।

कर्मचारी खर्च रू. ७,७७,५६,५७९

कार्यालय संचालन खर्च रू. ४७,६५६,२०७

जम्मा खर्च रू. १२५,४१२,७८६

द. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता, तथा सुविधा, सो मितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

आ.व. २०७७/०७८ मा संस्थाको लेखापरीक्षण समितिका सदस्यहरूको नामावली तपसिल बमोजिम रहेको छ ।

(क) संचालक, श्री विमल प्रसाद ढकाल संयोजक

(ख) संचालक, श्री दिपक ढकाल सदस्य

(ग) सहायक प्रबन्धक, राजेश पुरी सदस्य सचिव

लेखापरीक्षण समितिका सदस्यहरूलाई बैठकमा उपस्थित हुंदा संयोजक र सदस्यलाई प्रति बैठक भत्ता रू. ३,५०० दिने गरिएको छ। सदस्य सचिव कर्मचारी भएको कारण कुनै भत्ताको व्यवस्था गरिएको छैन। कम्पनी ऐन, २०६३ को दफा १६४ बमोजिम नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभागले जारी गरेको निर्देशन नं ७/७३/७४ को दफा ६ बमोजिम संस्थाले गरेका कामहरू नीति नियम बमोजिम भए नभएको निरीक्षण तथा अनुगमन गर्ने गरिएको छ।

हाल तपसिल बमोजिमको लेखापरीक्षण समिति रहेको छ।

(क) संचालक, श्री रामकृष्ण चौलागाई	संयोजक
(ख) संचालक, श्री श्रीराम श्रेष्ठ	सदस्य
(ग) सहायक प्रबन्धक, श्री राजेश पुरी	सदस्य सचिव

ध. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख कम्पनीका आधारभूत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले बैंक लाई कुनै रकम वुझाउन बाँकि भए सो कुरा :
नरहेको।

न. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम: सञ्चालकहरूलाई प्रदान गरेको बैठक भत्ता तथा प्रमुख कार्यकारी अधिकृतलाई भुक्तानी गरेको पारिश्रमिक तथा भत्ता निम्न अनुसार रहेको छ।

आ.व. २०७७/०७८ मा सञ्चालकहरूलाई प्रदान गरेको बैठक भत्ता तथा अन्य खर्च रकम रू. ८१३,६९८ रहेको छ।

प्रमुख कार्यकारी अधिकृतहरूलाई आ.व. २०७७/०७८ मा प्रदान गरेको पारिश्रमिक तथा भत्ताहरू गरि जम्मा रकम रू. ४,७५९,४६० रहेको छ।

प. शेयरधनीहरूले बुझिलिन बाँकि रहेको लाभांशको रकम :

यस आर्थिक वर्ष २०७७/०७८ को अन्त्य सम्ममा शेयरधनिहरूलाई दिन बाँकी लाभांश रू. ५,९४,५६३ रहेको छ।

फ. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :

यस सस्थाका लागि अति आवश्यक सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण यसै साथ संलग्न वित्तीय विवरणको अनुसूचि ४.१३ र ४.१४ मा उल्लेख गरिएको छ।

ब. दफा १७५ बमोजिम सम्बद्ध कम्पनी विच भएको कारोवारको विवरण :

यस बैंकको कुनै सम्बद्ध कम्पनी नरहेको।

भ. यस ऐन तथा प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :

यस आर्थिक वर्ष २०७७/०७८ मा रू. २२,४४२,७७६ कर्जा अपलेखन गरिएको छ।

म. अन्य आवश्यक कुराहरू

कम्पनी ऐन, २०६३ को दफा ७८ मा भएको व्यवस्थाहरूको विवरण सहितको प्रतिवेदन :

यस प्रतिवेदनले १ साउन २०७७ देखी आषाढ मसान्त २०७८ सम्मको आर्थिक वर्ष २०७७/७८ को अवधिलाई प्रतिनिधित्व गर्दछ। यो प्रतिवेदन संचालक समितिको मिति २०७८।०९।२९ मा बसेको ५१३ (क) औं बैठकले स्विकृत गरेको छ।

(क) बाँडफाँड भएको शेयर संख्या: ८,२८९,९३७.८९ कित्ता (प्रति कित्ता रू. १०० का दरले) रहेको छ।

(ख) बाँडफाँड भएको शेयर मध्ये चुक्ता भएको र चुक्ता नभएको शेयर संख्या :

बाँडफाँड भएको शेयर मध्ये सम्पूर्ण शेयर चुक्ता भई सकेको छ।

(ग) कम्पनीको संचालक, प्रबन्ध संचालक, लेखापरीक्षकको विवरण र निजहरूलाई भुक्तानी गरिएको पारिश्रमीक, भत्ता तथा सुविधाहरूको रकम :

(१) संचालक समितिका अध्यक्षलाई प्रति बैठक भत्ता रू. ४,००० र अन्य संचालकहरूलाई रू. ३,५०० मा १५ प्रतिशत कर कट्टा गरी प्रति बैठक बैठक भत्ता प्रदान गरिएको र सम्पूर्ण संचालकहरूलाई पत्रपत्रिका खर्च बापत रू. १५०० प्रति महिना उपलब्ध गराईएको छ।

(२) लेखा परीक्षकको विवरण दफा ७८ (ग) बमोजिम (आ.व.२०७७/०७८)

क्र.स.	लेखा परीक्षकको नाम	ठेगाना	शैक्षिक योग्यता	प्रमाणपत्र नं.	नियुक्त मिति	पारिश्रमिक (मूल्य अभिवृद्धि कर समेत)	कैफियत
१	बि.आर.एस. न्यौपाने एण्ड कम्पनि (श्री अनुप कु. श्रेष्ठ)	नक्साल, काठमाण्डौ	चार्टर्ड एकाउण्टेण्ट		२०७८/०५/३०	रु. ३,३९,०००	

(घ) कम्पनीको चुक्ता पुँजीको पाँच प्रतिशत वा सो भन्दा बढि शेयर खरिद गरि लिने व्यक्ति वा संगठित संस्थाको नाम निजहरूको नाममा रहेको शेयर वा डिबेन्चरको विवरण :

नाम	साधारण शेयर संख्या	रकम	प्रतिशत
श्री राजेन्द्र कुमार शर्मा	६३१,७४१	रु. ६३,१७४,१००	७.६२

- (ङ) शेयर बिक्रीबाट प्राप्त भएको जम्मा रकम र सम्बन्धित आ.व.मा कम्पनीले खरिद गरेको तथा जाति गरेको नयाँ शेयर तथा डिबेन्चरको विवरण : नरहेको ।
- (च) संचालक वा आधारभुत शेयरधनी वा निजका नजिकका नातेदारले कम्पनीलाई बुझाउन बाँकि रहेको रकम : छैन ।
- (छ) बैक तथा वित्तीय संस्थाहरूबाट लिएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम : छैन ।
- (ज) कम्पनीले भुक्तानी लिनु पर्ने वा कम्पनीले अन्य व्यक्तिलाई भुक्तानी गर्नु पर्ने भनि दाबी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरण: रु. २९,३६८,५४८.५० बराबरका २५ मुद्दा विभिन्न अदालतहरूमा विचाराधिन रहेको ।
- (झ) कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरमा कार्यरत कर्मचारी वा कामदारको संख्या:
व्यवस्थापनमा कार्यरत कर्मचारी संख्या : ९
अन्य स्तरका कर्मचारि संख्या : ११२
- (ञ) कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरमा कार्यरत विदेशीहरूको संख्या तथा निजहरूलाई भुक्तानि गरिएको पारिश्रमिक, भत्ता तथा सुविधा : छैन ।
- (ट) कम्पनी र कुनै विदेशी निकाय वा व्यक्तीहरू बिच लगानी व्यवस्थापन वा प्राविधीक सेवा वा अन्य विषयमा एक वर्ष भन्दा बढि अवधिको लागि कुनै सम्झौता गरिएको भए सोको विवरण र सम्बन्धित आर्थिक वर्षमा त्यस्तो सम्झौता अनुसार भुक्तानी गरिएको लाभांश, कमिशन, शुल्क दस्तुर रोयल्टि आदिको विवरण: छैन ।
- (ठ) कम्पनीले यस ऐन तथा प्रचलित कानुनको पालना पुर्ण रूपमा पालना गरेको भन्ने उद्घोषणा गर्दछु :
कम्पनिले यस ऐन तथा प्रचलित अन्य कानुनको पुर्ण रूपमा पालना गर्ने छ । यस ऐन तथा अन्य प्रचलित ऐन कानुनको बरखिलाफ गरेमा सोहि ऐनमा व्यवस्था भए बमोजिम हुनेमा मंजुरी रहेको उद्घोषणा गर्दछु ।
- (ड) अन्य आवश्यक कुराहरू : नभएको ।

B.R.S. Neupane & Co.
Chartered Accountants
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**B.R.S. Neupane
& Co.**

Independent Auditor's Report

To the Shareholders of Best Finance Company Limited

Opinion

We have audited the accompanying Financial Statements of Best Finance Company Limited, which comprise the Statement of Financial Position as at 31st Ashad 2078 and Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects the Financial Position of the Company as at 31st Ashad 2078 and its financial performance and its Cash Flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis of Opinion

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 Code of Ethics issued by Institute of Chartered Accountants of Nepal together with ethical requirements that are relevant to the audit of the Company under the provisions of Company Act, 2063 and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st Ashad 2078. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's

Responsibilities for the Audit of the Financial Statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our Audit addressed the Key Audit Matters									
<p>Impairment of Loans and Advances to Customers (Refer Schedule 4.6 and 4.7 and read with Note 2.8.1 of Notes to Financial Statements)</p>										
<p>The provisions for loans and write off is a Key Audit Matter as the finance has significant credit risk exposure to a large number of borrowers and there is a high degree of complexity and judgement involved in recoverability of loans, estimating the provisions thereon and identification of accounts to be written off. The same resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions and write off.</p> <p>The finance’s portfolio of Loans and advances to customer’s amounts to NPR 2,330,178,635, on which the Bank has reported following impairments;</p> <table border="1"> <thead> <tr> <th>Impairment</th> <th>15th July 2020</th> <th>15th July 2021</th> </tr> </thead> <tbody> <tr> <td>Impairment</td> <td>348,352,573</td> <td>252,604,430</td> </tr> <tr> <td>Total</td> <td>348,352,573</td> <td>252,604,430</td> </tr> </tbody> </table> <p>The bank has opted to apply carve-out for the treatment of impairment of loans and advance. Accordingly, individual and collective impairment loss amount calculated as per NFRS is compared with the impairment provision required under NRB Directive no.2, and higher of the amount derived from these measures is taken as impairment loss for loans and advance.</p>	Impairment	15 th July 2020	15 th July 2021	Impairment	348,352,573	252,604,430	Total	348,352,573	252,604,430	<p>Our Audit Approach followed to address the Key Audit Matter included:</p> <ul style="list-style-type: none"> We tested on sample basis, the approval of new lending facilities against the Bank’s credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality. We assessed management’s forecast and inputs of recoverable cash flows, valuation of underlying security and collaterals, estimates of recoverable amounts on default and other sources of repayment. We tested on sample basis the level of provisions held against different loan products. We discussed the file with concerned officials and challenged the assumptions made in respect of expected recoveries, primarily from collateral held. We tested the design and operating effectiveness of periodic internal reviews of asset quality and periodic value of collateral. We selected a sample of performing loans and independently assessed as to whether there was a need to classify such loans as Non-Performing Loans. <p>Our Result: We agreed with the treatment of impairment of loans and advances made by the Bank.</p>
Impairment	15 th July 2020	15 th July 2021								
Impairment	348,352,573	252,604,430								
Total	348,352,573	252,604,430								
<p>Investment Valuation, Identification and Impairment (Refer Schedule 4.8 read with Notes 3.4 of Notes to Account)</p>										
<p>Investment of the Company comprises of investment in Government Bonds, T-Bills, Investment in quoted and Unquoted Equity Instruments. The valuation of these instruments has been done in compliance with Nepal Accounting Standards (NAS) 39 read with Nepal Financial Reporting Standards (NFRS) 9 and NRB Directive No. 8/076.</p> <p>The investment in the government and NRB Bonds and T-Bills have been done on Amortized Cost and rest have been valued through Fair Value through Other Comprehensive Income (FVOCI).</p> <p>Given there are different methods recommended for the treatment of recognition, valuation and measurement of investments based on the nature of cash flow, the business model adopted, complexity of calculations and the significance of amount</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> Review of the investment of the Company and its valuation having reference to NFRS and NRB Directives For the investment valued through Other Comprehensive Income for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in Nepal Stock Exchange (NEPSE) as on 15th July 2021. Income and Bonus received have been verified through DEMAT statement maintained by the Company wherever applicable. <p>Our Result: We agreed with the recognition, disclosures and valuations made by the Company</p>									



involved, we have considered Investment to be our Key Audit Matter.	
Impact of COVID – 19 on the Company and Compliance with circular issued by NRB	
<p>On 11th March, 2020 the COVID – 19 outbreak was declared a global pandemic by the World Health Organization. On 29th April 2021, Nepal Government announced a strict nation-wide lockdown which continued till 26th May 2021.</p> <p>Due to lockdown, the profitability of the Company was impacted and NRB issued various circulars for the benefit of the loanee and other stakeholders of the Company. This included rebate provided to various industries and rebate for fines and penalties that would be normally imposed by the Company in case of non-payment of dues by the customers.</p> <p>Since, the impact of COVID – 19 is significant on the performance of the Company, we have determined this as a Key Audit Matter.</p>	<p>Our audit approach regarding the impact of COVID – 19 outbreak and the mitigation approach by the Company is based on the various circulars issued by NRB on various dates till the date of our review.</p> <p>Provisions like 0.3% additional loan loss provision on Pass Loan Portfolio, during the pandemic period were verified on a test-sample basis.</p> <p>Our Result: We did not find any instances of non-compliance during the course of our audit in relation to rebate provided by the Company.</p>
Information Technology Systems and Controls Impacting Financial Reporting	
<p>The Information Technology of the Company is satisfactory considering its level of operation and involves use of independent and inter-dependent IT Systems used in the operations of the Company for processing and recording the transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.</p> <p>Appropriate IT General Controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for financial reporting.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to management, stakeholders and regulators.</p>	<p>Our audit approach regarding Information Technology of the Company is based upon the Information Technology Guidelines, 2012 issued by NRB and it also included:</p> <ul style="list-style-type: none"> • Verification of the interest income and expense booking regarding loan and deposits on test check basis with the CBS of the Company. • Verification of the provisioning of the loan and advances based on ageing on test check basis. <p>Our Result: We considered the information technology systems and their relevant controls to be satisfactory.</p>

Other Information

Management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility 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 NFRS. This responsibility also includes maintenance of adequate accounting records for the safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing and Nepal Financial Reporting Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal Standards on Auditing 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 circumstances, 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 the directors;
- Conclude on the appropriateness of the directors' 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 cause the Company to cease as a 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group's Activities to express an opinion on Financial Statements.

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 internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

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 and we did not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of accounts. The accounts and records of the Company has been maintained as required by law and Financial Statements are in agreement with the Books of Account maintained by the Company. In our opinion, so far as appeared from our examination of books of the books, the Company has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the Directives of Nepal Rastra Bank.

To the best of our information and according to the explanation given to us, the Board of Directors, the representative or any employee of the Company has not acted in contrary to the provision of the law relating to accounts nor caused direct loss or damage to the Company deliberately or acted in a manner that would jeopardize the interest and security of the Company and the Company has not acted in a manner to jeopardize the interest and security of the depositors and the investors.

Anup K. Shrestha

CA Anup K. Shrestha
Managing Partner



UDIN: 220113CA00028IBvKi

Place: Kathmandu, Nepal
Date: 13th January 2022

Best Finance Company Limited
Statement of Financial Position
As on 31 Ashadh 2078 (15 July 2021)

Amount in NPR

Particulars	Note	31 Ashadh 2078	31 Ashadh 2077
Assets			
Cash and cash equivalent	4.1	1,057,291,607	904,518,338
Due from Nepal Rastra Bank	4.2	124,344,285	102,913,577
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	328,593,434	198,157,801
Loans and advances to customers	4.7	1,786,988,773	1,934,361,232
Investment securities	4.8	665,183,530	241,421,666
Current tax assets	4.9	41,997,351	41,133,513
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	153,158,652	69,254,942
Property and equipment	4.13	142,512,343	144,255,121
Goodwill and Intangible assets	4.14	3,430,718	993,734
Deferred tax assets	4.15	10,532,984	12,375,729
Other assets	4.16	8,459,967	10,114,728
Total Assets		4,322,493,644	3,659,500,381
Liabilities			
Due to Bank and Financial Institutions	4.17	180,594,376	238,508,000
Due to Nepal Rastra Bank	4.18	132,132,000	-
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	2,963,592,094	2,498,627,416
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	-
Other liabilities	4.23	113,702,924	72,514,571
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		3,390,021,394	2,809,649,987
Equity			
Share capital	4.26	828,913,789	828,913,789
Share premium		3,025,356	3,025,356
Retained earnings		(313,515,088)	(342,099,561)
Reserves	4.27	414,048,193	360,010,810
Total equity attributable to equity holders		932,472,250	849,850,394
Non-controlling interest		-	-
Total equity		932,472,250	849,850,394
Total liabilities and equity		4,322,493,644	3,659,500,381
Contingent liabilities and commitment	4.28	80,348,287	83,384,287
Net assets value per share		112.49	102.53

As per our report of even date

Rajeev Kumar Yadav
Head- Finance and Planning

Umesh Singh Bhandari
Chief Executive Officer

Khim Lal Paudyal
Chairman

Laxmi Shrestha
Director

FCA Anup K Shrestha
Managing Partner
BRS Neupane & Co.
Chartered Accountants

Ram Chandra Devkota
Director

Ram Krishna Chaulagain
Director

Sri Ram Shrestha
Director

Date: 13 January, 2022
Place: Kathmandu, Nepal

Best Finance Company Limited
Consolidated Statement of Profit or Loss
For the year ended 31 Ashadh 2078 (15 July 2021)

Amount in NPR

Particulars	Notes	Current Year	Previous Year
Interest Income	4.29	306,209,797	382,420,591
Interest Expenses	4.30	201,939,294	232,376,166
Net interest income		104,270,503	150,044,425
Fees and Commission Income	4.31	11,322,138	13,597,048
Fees and Commission Expense	4.32	744,638	587,577
Net fee and Commission income		10,577,500	13,009,471
Net interest fee and commission income		114,848,003	163,053,896
Net Trading Income	4.33	-	-
Other Operating Income	4.34	15,073,512	1,127,250
Total Operating Income		129,921,515	164,181,146
Impairment charge/(reversal) for loans and other losses	4.35	(95,748,143)	(19,637,826)
Net Operating Income		225,669,658	183,818,972
Operating expenses			
Personnal Expenses	4.36	77,756,579	74,488,379
Other Operating Expenses	4.37	40,036,927	37,871,555
Depreciation & Amortisation	4.38	7,619,280	7,343,321
Operating Profit		100,256,872	64,115,717
Non operating income	4.39	1,630,472	926,204
Non operating expenses	4.40	22,442,776	542,512
Profit before income tax		79,444,568	64,499,409
Income tax expenses	4.41	(2,425,794)	(12,826,297)
Current Tax		589,582	7,302,291
Deferred Tax		(3,015,376)	(20,128,588)
Profit for the period		81,870,362	77,325,706

Profit attributable to:			
Equity holders of the Bank		81,870,362	77,325,706
Non-controlling interest		-	-
Profit for the period		81,870,362	77,325,706

Earnings per share			
Basic earnings per share		9.88	9.38
Diluted earnings per share		9.88	9.38

As per our report of even date

Rajeev Kumar Yadav
Head- Finance and Planning

Umesh Singh Bhandari
Chief Executive Officer

Khim Lal Paudyal
Chairman

Laxmi Shrestha
Director

FCA Anup K Shrestha
Managing Partner
BRS Neupane & Co.
Chartered Accountants

Ram Chandra Devkota
Director

Ram Krishna Chaulagain
Director

Sri Ram Shrestha
Director

Date: 13 January, 2022
Place: Kathmandu, Nepal

Best Finance Company Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 31 Ashadh 2078 (15 July 2021)

Particulars	Notes	Current Year	Previous Year
Profit for the year		81,870,362	77,325,706
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to profit or loss			
Gains/ (losses) from investments in equity instruments measured at fair value		28,414,110	2,478,863
Gains/ (losses) on revaluation			
Actuarial gains/ (losses) on defined benefit plans		(5,384,819)	4,356,691
Income Tax relating to above items		(6,908,787)	(2,050,666)
Net other comprehensive income that will not be reclassified to profit or loss		16,120,504	4,784,888
b) Items that are or may be reclassified to profit or loss			
Gains/ (losses) on cash flow hedge		-	-
Exchange gains/ (losses) (arising from translating financial assets of foreign operation)		-	-
Income tax relating to above items		-	-
Reclassify to profit or loss		-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-
c) Share of other comprehensive income of associate accounted as per equited method		-	-
Other comprehensive income for the period, net of income tax		16,120,504	4,784,888
Total comprehensive income for the period		97,990,866	82,110,594
Total comprehensive income attributable to:			
Equity holders of the Bank		97,990,866	82,110,594
Non-controlling interest		-	-
Total comprehensive income for the period		97,990,866	82,110,594

As per our report of even date

Rajeev Kumar Yadav
Head- Finance and Planning

Umesh Singh Bhandari
Chief Executive Officer

Khim Lal Paudyal
Chairman

Laxmi Shrestha
Director

FCA Anup K Shrestha
Managing Partner
BRS Neupane & Co.
Chartered Accountants

Ram Chandra Devkota
Director

Ram Krishna Chaulagain
Director

Sri Ram Shrestha
Director

Date: 13 January, 2022
Place: Kathmandu, Nepal

Best Finance Company Limited
Consolidated Statement of changes in equity

Particulars	Share Capital	Capital Adjustment Fund	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total
Balance at 1 Shrawan 2076	810,015,789		3,010,926	169,706,215	-	111,627,788	(119,461)	-	(351,615,021)	6,297,461	748,923,697
Adjustment/Restatement							119,461		708,666	-	828,127
Adjusted/Restated balance at 1 Shrawan 2076	810,015,789	-	3,010,926	169,706,215	-	111,627,788	-	-	(350,906,355)	6,297,461	749,751,824
Comprehensive income for the year											
Profit for the year									77,325,706		77,325,706
Other comprehensive income, net of tax											
Remeasurements of defined benefit liability (assets)										3,049,684	3,049,684
Fair value reserve (Investment in equity instrument):							1,735,204				1,735,204
Net change in fair value											
Net amount transferred to profit or loss											
Net gain (loss) on revaluation											
Cash flow hedges:											
Effective portion of changes in fair value											
Net Amount reclassified to profit or loss											
Total comprehensive income for the year											
Transfer to reserve during the year				15,465,141		52,280,515				773,257	68,518,913
Transfer from reserve during the year									(68,518,912)	(924,455)	(69,443,367)
Transactions with owners, directly recognised in equity											
Shares Issued	18,898,000										18,898,000
Share Premium			14,430								14,430
Share based payments											
Dividends to equity holders											
Bonus shares issued											
Cash dividend paid											
Total contributions by and distributions	18,898,000		14,430	15,465,141		52,280,515	1,735,204		8,806,794	2,898,486	100,098,570
Balance at Ashadh end 2077	828,913,789		3,025,356	185,171,356	-	163,908,303	1,735,204	-	(342,099,561)	9,195,947	849,850,594

Particulars	Share Capital	Capital Adjustment Fund	Share premium	General reserve	Exchange equalisation reserve	Regulatory reserve	Fair Value Reserve	Revaluation Reserve	Retained earning	Other reserve	Total
Balance at 1 Shrawan 2077	828,913,789		3,025,356	185,171,356	-	163,908,303	1,735,204	-	(342,099,561)	9,195,947	849,850,394
Adjustment/Restatement							(1,735,204)		(8,245,393)	-	(9,980,597)
Adjusted/Restated balance at 1 Shrawan 2077	828,913,789	-	3,025,356	185,171,356	-	163,908,303	-	-	(350,344,954)	9,195,947	839,869,797
Comprehensive income for the year											
Profit for the year									81,870,362		81,870,362
Other comprehensive income, net of tax											-
Remeasurements of defined benefit liability (assets)							(3,769,373)				(3,769,373)
Fair value reserve (Investment in equity instrument)							19,889,877				19,889,877
Net change in fair value											-
Net amount transferred to profit or loss											-
Net gain (loss) on revaluation											-
Cash flow hedges:											-
Effective portion of changes in fair value											-
Net Amount reclassified to profit or loss											-
Total comprehensive income for the year											-
Transfer to reserve during the year				16,374,072		27,847,720				818,704	45,040,496
Transfer from reserve during the year									(45,040,496)	(5,388,413)	(50,428,909)
Transactions with owners, directly recognised in equity											-
Shares Issued	-										-
Share Premium			-								-
Share based payments											-
Dividends to equity holders											-
Bonus shares issued											-
Cash dividend paid											-
Total contributions by and distributions			-	16,374,072		27,847,720	16,120,504		36,829,866	(4,569,709)	92,602,453
Balance at Ashadh end 2078	828,913,789		3,025,356	201,545,428	-	191,756,023	16,120,504	-	(313,515,088)	4,626,238	932,472,250

As per our report of even date

Rajeev Kumar Yadav Head- Finance and Planning	Umesh Singh Bhandari Chief Executive Officer	Khim Lal Paudyal Chairman	Laxmi Shrestha Director
Ram Chandra Devkota Director	Ram Krishna Chaulagain Director	Sri Ram Shrestha Director	

FCA - Anup K Shrestha
Managing Partner
BRS Neupane & Co.
Chartered Accountants

Best Finance Company Limited
Consolidated Statement of cash flows
For the year ended 31 Ashadh 2078 (15 July 2021)

Amount in NPR

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	276,609,625	329,275,727
Fees and other income received	11,322,138	14,205,247
Dividend received	5,506,946	519,051
Receipts from other operating activities	1,630,472	926,204
Interest paid	(191,242,389)	(221,391,962)
Commission and fees paid	(744,638)	(587,577)
Cash payment to employees	(65,238,723)	(64,405,812)
Other expense paid	(36,908,683)	(36,530,846)
Operating cash flows before changes in operating assets and liabilities	934,748	22,010,031
(Increase)/Decrease in operating assets	34,900,653	(159,576,685)
Due from Nepal Rastra Bank	(21,430,708)	29,663,473
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	(129,408,859)	(111,509,189)
Loans and advances to customers	180,430,385	(113,119,967)
Other assets	5,309,835	35,388,999
Increase/(Decrease) in operating liabilities	521,194,227	267,702,829
Due to bank and financial institutions	(57,913,624)	147,605,000
Due to Nepal Rastra Bank	132,132,000	-
Deposit from customers	464,964,678	206,227,922
Borrowings	-	-
Other liabilities	(17,988,827)	(86,130,093)
Net cash flow from operating activities before tax paid	557,029,628	130,136,175
Income taxes paid/received	(863,838)	7,131,215
Net cash flow from operating activities	556,165,790	137,267,391
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(404,046,974)	(36,917,930)
Receipts from sale of investment securities	11,213,808	-
Purchase of plant and equipment	(5,257,326)	-
Receipt from sale of property and equipment	96,000	(3,783,077)
Purchase of intangible assets	(3,059,300)	(649,750)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	4,090,000
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(401,053,792)	(37,260,757)
CASH FLOWS FROM FINANCING ACTIVITIES		
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	-	18,912,430
Dividend paid	-	-
Interest paid	-	-
Other receipt/payment	(2,338,729)	-
Net cash from financing activities	(2,338,729)	18,912,430
Net increase (decrease) in cash and cash equivalents	152,773,269	118,919,063
Cash and cash equivalents at Shrawan 1, 2077	904,518,338	785,599,274
Transfer from Merger	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at Ashadh end 2078	1,057,291,607	904,518,338

Rajeev Kumar Yadav
Head- Finance and Planning

Umesh Singh Bhandari
Chief Executive Officer

Khim Lal Paudyal
Chairman

Laxmi Shrestha
Director

FCA Anup K Shrestha
Managing Partner
BRS Neupane & Co.
Chartered Accountants

Ram Chandra Devkota
Director

Ram Krishna Chaulagain
Director

Sri Ram Shrestha
Director

Date: 13 January, 2022
Place: Kathmandu, Nepal

1. Reporting Entity

Best Finance Company Limited (referred to as "The Financial Institution" hereinafter) is a national level finance company domiciled in Nepal, registered as a Public Limited Company under Companies Act, 2063 & Bank and Financial Institution Act, 2073. The Financial Institution is licensed by Nepal Rastra Bank as a Class "C" financial institution. During the financial year 2075/76, the financial institution has merged with Synergy Finance Limited and started joint operation from 2075.04.17. The registered office of the financial institution is in Kamaladi, Nepal. Best Finance Company Limited network now includes 14 branches and 4 ATM's across 9 districts.

The Company has a primary listing on the Nepal Stock Exchange Limited as "BFC".

2. Basis of Preparation

The financial statements of the Company have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and as per the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2077.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown differently, the Statement of Changes in Equity, the Statement of Cash Flows, and the Notes to the Accounts.

2.1 Statement of Compliance

The financial statements have been prepared and approved by the Board of Directors in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB), Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) subject to the notice dated 19 October 2020 regarding the Carve-outs in NFRS with Alternative Treatment and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2077.

These policies have been consistently applied to all the years presented except otherwise stated.

2.2 Reporting Period and Approval of financial statement

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB during the fiscal year 2075/76. To comply the NFRS provisions following dates have been considered for the reporting time period.

Relevant Financial Statement	Nepalese Calendar	English Calendar
Comparative SFP* Date	31 Ashad 2077	16 July 2020
Comparative reporting period	1 Shrawan 2076 -31 Ashad 2077	17 July 2019 -16 July 2020
NFRS SFP* Date	31 Ashad 2078	15 July 2021
NFRS reporting period	1 Shrawan 2077- 31 Ashad 2078	16 July 2020-15 July 2021

*SFP- Statement of Financial Position

2.3 Functional and Presentation currency

The financial statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

2.4 Use of Estimates, Assumption and Judgments

The Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Company is required to make judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

The NFRS requires the Company to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Company applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.4.1 Going Concern

The financial statements are prepared on a going concern basis, as the Board of the Company is satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.5 Changes in Accounting Policies

The Company is required to adopt and apply the accounting policies in conformity with Nepal Financial Reporting Framework (NFRS). The accounting policies are applied consistently with changes, if any and are disclosed with the financial impact to the extent possible. When policies are not guided by the reporting framework, NFRS, other reporting standards and generally accepted accounting principles are followed.

2.6 Reporting Pronouncements

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13, 2013. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 19 October 2020 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Details of carve out are provided as follows.

2.6.1 NAS 39: Financial Instruments: Recognition and Measurement

a) Impairment

In para 58, an entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss unless the entity is bank or financial institutions registered as per Bank and Financial Institutions Act, 2073. Such entities 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; and shall apply paragraph 63 to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.

The carve out is not optional and has been provided for the FY 2019-20 to 2020-2021.

b) Impracticability to determine transaction cost of all previous years which is the part of effective interest rate

In para 9, The effective interest rate is the rate that exactly 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, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve out is optional and has been provided for the FY 2019-20 and 2020-21. Accordingly, the Company has opted the carve out.

2.7 New Standards in issue but not yet effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them

within NFRS.

2.8 New Standards and Interpretations Not adapted

The following amendments are not mandatory for 2020/21 and have not been early adopted by the Company. The Company is still currently assessing the detailed impact of these amendments.

2.8.1 IFRS 9 'Financial Instruments'-Impairment

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the Impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of IFRS 9 is Expected Credit Loss Model

Expected Credit Loss Model (ECL) of Impairment

The Expected Credit Loss (ECL) model is a forward-looking model. The ECL estimates are unbiased, probability-weighted, and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Under the general approach, IFRS 9 recognizes three stage approach to measure expected credit losses and recognized interest income.

Stage 1: 12-month ECL – No significantly increased credit risk Financial instruments that have not had a significant increase in credit risk since initial recognition require, at initial recognition a provision for ECL associated with the probability of default events occurring within the next 12 months (12-month ECL). For those financial assets with a remaining maturity of less than 12 months, a Probability of Default (PD) is used that corresponds to the remaining maturity. Interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

Stage 2: Lifetime ECL – Significantly increased credit risk in the event of a significant increase in credit risk since initial recognition, a provision is required for the lifetime ECL representing losses over the life of the financial instrument (lifetime ECL).

Interest income will continue to be recognized on a gross basis.

Stage 3: Lifetime ECL – Defaulted Financial instruments that move into Stage 3 once credit impaired and purchases of credit impaired assets will require a lifetime provision. Interest income will be calculated based on the gross carrying amount of the financial asset less ECL

The management is still assessing the potential impact on its financial statements, if Expected Credit Loss (ECL) model is introduced.

2.8.2 IFRS-15: Revenue from contract with customers:

The IASB issued a new standard for revenue recognition which overhauls the existing revenue recognition standards. The standard requires the following five step model framework to be followed for revenue recognition:

- ◆ Identification of the contracts with the customer
- ◆ Identification of the performance obligations in the contract
- ◆ Determination of the transaction price
- ◆ Allocation of the transaction price to the performance obligations in the contract (as identified in step ii)
- ◆ Recognition of revenue when the entity satisfies a performance obligation.

The new standard would be effective for annual periods starting from 1 January 2018 and early application is allowed. The management is assessing the potential impact on its financial statements resulting from application of IFRS 15.

IFRS 15 Revenue from contract with customers has not yet been adopted by the Accounting Standard Board of Nepal.

2.8.3 IFRS 16 'Leases'

IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. IFRS 16 is the new accounting standard for leases and will replace IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The new standard removes the distinction between operating or finance leases for lessee accounting, resulting in all leases being treated as finance leases. All leases will be recognized on the statement of financial position with the optional exceptions for short-term leases with a lease term of less than 12 months and leases of low-value assets (for example mobile phones or laptops). A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The main reason for this change is that this approach will result in a more comparable representation of a lessee's assets and liabilities in relation to other companies and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. The standard permits a lessee to choose either a full retrospective or a modified retrospective transition approach.

IFRS 16 Leases has not yet been adopted by the Accounting Standard Board of Nepal.

2.9 Discounting

Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material.

2.10 Limitation of NFRS implementation

Wherever the information is not adequately available, and/or it is impracticable to develop the, such exception to NFRS implementation has been noted and disclosed in respective sections.

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through other comprehensive income (OCI) are measured at fair value
- investment property is measured at fair value.
- liabilities for cash-settled share-based payment are measured at fair value
- the liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

3.2 Basis of Consolidation/Acquisition

Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as;

- the fair value of the consideration transferred, plus
- the recognized amount of any non-controlling interests in the acquire, plus
- if the business combination is achieved in stages, the fair value of the preexisting equity interest in the acquire, less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Transaction costs, other than those associated with the issue of debt or equity securities, that the Bank incurs in connection with a business combination are expensed as incurred.
- Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

3.3 Cash & Cash Equivalent

Cash and cash equivalents include cash in hand, balances with B/FIs, money at call & short notice and highly liquid financial assets with original maturities of three months or less from the acquisition dates that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

3.4 Financial Assets and Financial Liabilities

A. Recognition

The Company initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Company initially recognize loans and advances, deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Company becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Company commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on trade date at which the Company commits to purchase or sell the asset.

B. Classification

I. Financial Assets

The Company classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The two classes of financial assets are as follows;

i. Financial assets measured at amortized cost

The Company classifies a financial asset measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial asset measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

- **Financial assets at fair value through profit or loss.**
Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.
- **Financial assets at fair value through other comprehensive income**
Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

II. Financial Liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as follows;

- **Financial Liabilities at Fair Value through Profit or Loss**
Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.
- **Financial Liabilities measured at amortized cost**
All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

C. Measurement

i. Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

ii. Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or collectability.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

Effective interest rate of loans and advance: While recognizing loans and advances at amortized cost, the Company has opted the carve out provided by the ICAN for determining effective interest rate. As a result of this alternative treatment, the Company has not included the loan processing fees received by the Company while calculating the effective interest rate to be used to amortize the loans and advances justifying that such fees and commission are immaterial to the total income from such loans and advances. The fees and commission are recognized as income in the same period when loan is approved and subsequently implemented/ disbursed.

Staff Loans and Advances: When the transaction price differs from the fair value of other observable current market

transactions in the same instrument, the Company immediately recognizes the difference between the transaction price and fair value as Prepaid Benefit. The Company accordingly estimates the Prepaid Benefit in relation to Staff Loans and advances given under subsidized rate of interest. While calculating the fair value in case of Staff Loans, the average interest rate (9.04%) has been considered to be the market rate for the loan. Further, the amortization income and expense of such prepaid benefit is shown both under Interest Income as well as Personnel expense as it is the notional income and expense for the Company.

3.4.1 Derecognition

Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

3.4.2 Determination of Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk.

The fair values are determined according to the following hierarchy:

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.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e., the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity investments are recorded at cost, considering the non-trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

3.4.3 Impairment

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Company initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where the Company consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Company considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. Significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Company uses statistical modeling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

a) Impairment losses on assets measured at amortized cost

As per NAS 39

Financial assets carried at amortized cost such as amounts due from Financial Institution, loans and advances to customers as well as held-to-maturity investments is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

Loans and advances to customers categorized in non-performing loan category are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the Company. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances are determined by management prudently being based on the past experience.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the other reserves and funds (impairment reserve) in other comprehensive income and statement of changes in equity. If a future write-off is later recovered, the recovery is credited to the 'Income Statement'.

As per Loan Loss Provision of Nepal Rastra Bank

Loan loss provisions in respect of non-performing loans and advances are based on management's assessment of the degree of impairment of the loans and advances, subject to the minimum provisioning level prescribed in relevant NRB guidelines. Provision is made for possible losses on loans and advances including bills purchased at 1% to 100% on the basis of classification of loans and advances, overdraft and bills purchased in accordance with NRB directives.

Policies Adopted

As per the Carve out notice issued by ICAN, the Company has measured 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.

b) Impairment of investment in equity instrument classified as fair value through other comprehensive income

Where objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the amortized cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of profit or loss) is reclassified from equity and recognized in the profit or loss. A significant

or prolonged decline in the fair value of an equity security below its cost is considered, among other factors in assessing objective evidence of impairment for equity securities.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the statement of profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through the profit or loss.

3.5 Trading Assets

Trading assets and liabilities are those assets and liabilities that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognized at fair value and subsequently measured at fair value in the statement of financial position, with transaction costs recognized in profit or loss. All changes in fair value are recognized as part of net trading income in profit or loss as regarded as fair value through profit & loss account.

3.6 Derivatives Assets and Derivative Liabilities

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Company currently does have any derivative assets and derivative liabilities.

3.7 Property and Equipment

a. Recognition and Measurement

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- It is probable that future economic benefits associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

The Company adopts cost model for entire class of property and equipment. Neither class of the property and equipment is measured at revaluation model nor is their fair value measured at the reporting date. The items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Company. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

Assets with a value of less than NPR 2,000 are charged off to revenue irrespective of their useful life in the year of purchase.

b. Capital Work in Progress

Fixed assets under construction and cost of assets not ready for use are shown as capital work in progress.

c. Depreciation

Depreciation on other assets is calculated using the straight- line method to allocate their cost to their residual values over their estimated useful life as per management judgment as follows:

Nature of Assets	Useful Life (years)
Furniture	5
Equipment	5
Vehicles	7
Computers	5
Building	40
Leasehold	5

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.

Depreciation on new assets shall commence from the month subsequent to the month in which the assets is acquired or capitalized. Where assets are disposed off, depreciation shall be calculated up to the month preceding the month of such disposal.

d. Derecognition

The carrying amount of Property and Equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property and equipment shall be included in profit or loss when the item is derecognized (unless on a sale & lease back). The gain shall not be classified as revenue.

Depreciation method, useful lives and residual value are reviewed at each reporting date and adjusted, if any.

3.8 Intangible Assets/ Goodwill

Goodwill

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired in Business Combination is recognized as goodwill. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalized where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortized on the basis of expected useful life. Costs associated with maintaining software are recognized 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 is amortized on a straight-line basis in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is five years. Software assets with costs less than Rs. 5,000 are charged off on purchases as revenue expenditure.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Investment Property/Non-Current Assets Held for Sale

Investment Property

Investment properties include land or land and buildings other than those classified as property and equipment and non-current assets held for sale. Generally, it includes land, land and building acquired by the Company as non-banking assets but not sold as on the reporting date.

The Company holds investment property that has been acquired through enforcement of security over the loans and advances.

Non-Current Assets Held for Sale

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available-for-sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

3.10 Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

a. Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

b. Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rate applicable to the Company as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

3.11 Deposits, debts securities issued and subordinated liabilities

a. Deposits

The Company accepts deposits from its customers under account, current, term deposits and margin accounts which allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the Company's books, and the resulting balance is recorded as a liability for the Company and represents the amount owed by the Company to the customer.

b. Debt Securities Issued

It includes debentures, bonds or other debt securities issued by the Company. Deposits, debt securities issued, and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss. However, debentures issued by the Company are subordinate to the deposits from customer.

The Company has not issued such instruments till date.

c. Subordinated Liabilities

Subordinated liabilities are those liabilities which at the event of winding up are subordinate to the claims of depositors, debt securities issued and other creditors. The Company does not have any of such subordinated liabilities.

3.12 Provisions

The Company recognizes a provision if, as a result of past event, the Company has a present constructive or legal obligation that can be reliability measured and it is probable that an outflow of economic benefit will be required to settle the obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision for onerous contract is recognized when the expected benefits to be derived by the finance from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

3.13 Revenue Recognition

Revenue is the gross inflow of economic benefits during the period arising from the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The Company's revenue comprises of interest income, fees and commission, foreign exchange income, cards income, remittance income, banc-assurance commission, etc. and the bases of incomes recognition are as follows:

a. Interest Income

Interest income on available-for-sale assets and financial assets held at amortized cost shall be recognized using the Company's normal interest rate which is very close to effective interest rate using effective interest rate method.

Interest Income on Loans and Advances

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method.

The effective interest method is a method of calculating the amortized 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 Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, 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 unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest Income on Staff Loans and advances:

For measuring the staff loan and advances at fair value which is provided below market rate of interest, market rate has been assumed assessing the current rates of interest in the market. The difference between the loan outstanding and fair value of loan is treated as prepaid employee expenditure. After initial measurement at fair value, the loan is amortized using the rate used to determine fair value. And the prepaid employee expense is amortized as staff expense under NFRS throughout the period of the loan.

Interest Income of impaired assets

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income shall be recognized using the interest rate used to discount the future cash flow for the purpose of measuring the impairment loss. However, bank has used the alternative treatment as per carve-out by applying the effective interest rate to the gross carrying amount of a financial asset unless the financial asset has been written off either partially or fully.

Suspension of Accrual of Interest Income in loans and advance

Based on the guideline issued by regulator (Nepal Rastra Bank), accrual of interest income on loans and advances are suspended when any of the following criteria is satisfied.

- Loans where there is reasonable doubt about the ultimate collectability of the principal or interest
- Loans against which individual impairment as per NAS 39 or life time impairment as per NFRS 9 has been made
- Loans where contractual payment of principal and/or interest are more than 3 months in arrear and where the net realizable value of security is insufficient to cover payment of principal and accrued interest
- Loans where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral
- Overdrafts and other short-term facilities which haven't been settled after the expiry of the loan and even not renewed within 3 months of the expiry, and where the net realizable value of the security is insufficient to cover payment of principal and accrued interest,
- Overdraft and other short-term facilities which haven't been settled after the expiry of the loan and even not renewed within 12 months of the expiry irrespective of the net realizable value of collateral

Where there is suspension of accrual of interest income, interest income is recognized on cash basis until there is change in circumstances to resume the accrual of interest income. For, resuming accrual of interest income a period of continued repayment of 12 months can be considered reasonable.

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

b. Fees & Commission

Fees and commissions are recognized on an accrual basis when the service has been provided or significant act performed whenever the benefit exceeds cost in determining such value. Whenever, the cost of recognizing fees and commissions on an accrual basis exceeds the benefit in determining such value, the fees and commissions are charged off during the year.

c. Dividend Income

Dividend incomes are recognized when right to receive such dividend is established. Usually this is the ex-dividend date for equity securities. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity investment.

d. Net Trading Income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest and dividends.

e. Net Income from other financial instrument at fair value through Profit or Loss

Net income from other financial instruments at fair value through profit or loss relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships and financial assets and liabilities designated at fair value through profit or loss. It includes all realized and unrealized fair value changes, interest, dividends

and foreign exchange differences.

3.14 Interest expense

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method. Interest expense on all trading liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

3.15 Employees Benefits

a. Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the Bonus Act, 2030 to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably under short term employee benefits.

Short-term employee benefits include all the following items (if payable within 12 months after the end of the reporting period):

- wages, salaries and social security contributions,
- paid annual leave and paid sick leave,
- profit-sharing and bonuses and
- non-monetary benefits

b. Post-Employment Benefits

Post-employment benefit plan includes the followings;

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as personnel expenses in profit or loss in the periods during which related services are rendered.

Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

All employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both the employee and the Company contribute monthly at a pre-determined rate of 10% of the basic salary. The Company does not assume any future liability for provident fund benefits other than its annual contribution.

ii. Defined Benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The Company recognizes all actuarial gains and losses net of deferred tax arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit or loss.

The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and any past service cost that had not previously been recognized.

iii. Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.16 Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Majority of lease agreements entered by the Company are with the clause of normal increment which the management assumes are in line with the lessor's expected inflationary cost increases.

The Company operates its branches and ATMs in number of leased facilities under operating lease agreements. The payments to the lessors are structured to increase in line with the general inflation rate to compensate for the lessors' expected inflationary cost increment. The Company during this fiscal year 2020-21 has charged operating lease expense on SLM basis.

3.17 Financial guarantee and loan commitment

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Loan commitment is the commitment where the Company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Bank has not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.18 Share Capital and Reserves

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Finance after deducting all its liabilities. Common shares are classified as equity of the Company and distributions thereon are presented in statement of changes in equity.

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

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon.

The reserves include retained earnings and other statutory reserves such as general reserve, regulatory reserve, investment adjustment reserve, CSR reserve etc.

3.19 Earnings per share including diluted earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Rounding Off and Comparative Figures

The financial statements are presented in Nepalese figure, rounded off to the nearest rupee. Previous year figure has been reclassified/ rearranged/ regrouped to facilitate their comparison, where necessary.

Best Finance Company Limited
Schedules to Financial Statement

4.1 Cash and cash equivalent

Particulars	31 Ashadh 2078	31 Ashadh 2077
Cash in Hand	60,503,983	51,101,579
Balances with B/Fis	926,787,624	853,416,759
Money at call and short notice	-	-
Other	70,000,000	-
Total	1,057,291,607	904,518,338

4.2 Due from Nepal Rastra Bank

Particulars	31 Ashadh 2078	31 Ashadh 2077
Statutory balances with NRB	124,344,285	102,913,577
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	124,344,285	102,913,577

4.3 Placements with Bank and Financial Institutions

Particulars	31 Ashadh 2078	31 Ashadh 2077
Placement with domestic B/FIs	-	-
Placement with Foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

4.4 Derivative Financial Instruments

Particulars	31 Ashadh 2078	31 Ashadh 2077
Held for trading		
Interest rate swap		
Forward exchange contract		
Others		
Held for risk management		
Interest rate swap		
Forward exchange contract		
Others		
Total	-	-

4.5 Other Trading assets

Particulars	31 Ashadh 2078	31 Ashadh 2077
Treasury Bills	-	-
Government bond	-	-
NRB bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
Total	-	-
Pledged	-	-
Non- Pledged	-	-

4.6 Loans and advances to B/FIs

Particulars	31 Ashadh 2078	31 Ashadh 2077
Loan to Microfinance Institutions	332,907,888	200,158,644
Other	-	-
Less: Allowances for Impairment	4,314,454	2,000,843
Total	328,593,434	198,157,801

4.6.1 Allowances for Impairment

Particulars	31 Ashadh 2078	31 Ashadh 2077
Balance at the end of Previous Year	2,000,843	874,950
Impairment loss for the year:	2,313,611	1,125,893
Charge for the year	2,313,611	1,125,893
Recoveries/Reversal	-	-
Amount written off	-	-
Balance at the end of this year	4,314,454	2,000,843

4.7 Loans and advances to customers

Particulars	31 Ashadh 2078	31 Ashadh 2077
Loans and advances measured at amortized cost	2,035,278,749	2,280,712,962
Less: Impairment allowances	(248,289,976)	(346,351,730)
Collective Impairment	-	-
Individual Impairment	248,289,976	346,351,730
Net amount	1,786,988,773	1,934,361,232
Loan and advances measured at FVTPL	-	-
Total	1,786,988,773	1,934,361,232

4.7.1 Analysis of loan and advances - By product

Particulars	31 Ashadh 2078	31 Ashadh 2077
Product		
Term Loans	115,964,016	809,676,161
Overdraft	239,150,924	295,286,943
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	39,261,022	76,378,955
Personal Residential Loans	70,943,071	110,363,400
Real Estate Loans	107,853,278	152,105,154
Margin Lending Loans	54,989,244	17,367,442
Hire Purchase Loans	206,457,623	238,742,388
Deprived Sector Loans	45,479,508	37,759,940
Bills Purchased	-	-
Staffs Loans	13,520,666	7,825,041
Other	1,118,198,647	460,106,485
Sub-total	2,011,817,999	2,205,611,909
Interest Receivable	23,460,750	75,101,053
Grand Total	2,035,278,749	2,280,712,962

4.7.2 Analysis of loan and advances - By Currency

Particulars	31 Ashadh 2078	31 Ashadh 2077
Nepalese Rupee	2,035,278,749	2,280,712,962
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	2,035,278,749	2,280,712,962

4.7.3 Analysis of loan and advances - By Collateral

Particulars	31 Ashadh 2078	31 Ashadh 2077
Secured		
Moveable/Immoveable Assets	1,820,844,454	2,130,900,951
Gold and Silver	2,433,414	2,550,000
Guarantee of Domestic BFIs	-	-
Government Guarantee	4,015,316	4,015,316
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	21,307,870	8,629,250
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	104,619,530	23,477,414
Other Collateral	58,597,415	36,038,978
Sub Total	2,011,817,999	2,205,611,909
Unsecured	23,460,750	75,101,053
Grand Total	2,035,278,749	2,280,712,962

4.7.4 Allowances for Impairment

Particulars	31 Ashadh 2078	31 Ashadh 2077
Specific allowances for impairment		
Balance at the end of Previous Year	346,351,730	367,115,450
Impairment loss for the year:	(98,061,754)	(20,763,720)
Charge for the year		
Recoveries/reversal during the year	(98,061,754)	(20,763,720)
Write- offs	-	-
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at the end of this year	248,289,976	346,351,730
Collective allowances for impairment		
Balance at the end of Previous year	-	-
Impairment loss for the year:	-	-
Charge/(reversal) for the year	-	-
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at the end of this year	-	-
Total allowances for impairment	248,289,976	346,351,730

4.8 Investment in securities

Particulars	31 Ashadh 2078	31 Ashadh 2077
Investment securities measured at amortized cost	504,272,320	179,053,296
Investment in equity measured at FVTOCI	160,911,210	62,368,370
Total	665,183,530	241,421,666

4.8.1 Investment in securities measured at amortized cost

Particulars	31 Ashadh 2078	31 Ashadh 2077
Debt Securities	-	-
Government Bond	207,026,229	130,877,472
Government treasury bills	297,246,091	48,175,824
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposit instruments	-	-
Other	-	-
Less: Specific allowances for impairment	-	-
Total	504,272,320	179,053,296

4.8.2 Investment in equity measured at fair value through other comprehensive income

Particulars	31 Ashadh 2078	31 Ashadh 2077
Equity Instrument	-	-
Quoted equity securities	158,095,010	49,552,170
Unquoted equity securities	2,816,200	12,816,200
Total	160,911,210	62,368,370

4.8.3: Information relating to investment in equities

Amount in NPR

Particulars	31 Ashad 2078		31 Ashad 2077	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity	129,680,900	158,095,010	47,073,307	59,552,170
National Hydro Power Company Ltd. 8,000 shares of Rs. 173.62 each	-	-	1,388,982	424,000
HIDCL 6,372 shares of Rs. 100 each	-	-	579,300	847,476
Nyadi Group Power Co. Ltd. 636 shares of Rs. 100 each	-	-	57,900	73,140
Khani Khola Hyro Power Co. Ltd. 16 shares of Rs. 100 each	-	-	1,600	784
Arun Kabeli Power Co. Ltd. 295 shares of Rs. 100 each	-	-	29,500	34,220
United Modi Hydro Power Ltd. 337 shares of Rs. 100 each	-	-	33,700	35,048
National Micro Finance Bittiya Sanstha Ltd. 25,000 shares of Rs. 100 each and 54,873 bonus shares	2,500,000	7,987,300	2,500,000	2,500,000
RSDC Laghu Bitta 2 Bonus shares	-	1,734	1,400	11,382
Nepal Life Insurance Co. Ltd. 1,197 Bonus shares	-	2,297,043	2,480,925	4,866,120
NIC Asia Balanced Fund 2,000,000 shares os Rs.10 each	20,000,000	27,460,000	20,000,000	20,760,000
NMB Mutual Fund 2,000,000 shares of Rs.10 each	20,000,000	29,900,000	20,000,000	20,000,000
Sanima Large Cap Fund 2,000,000 shares of Rs. 10 each	20,000,000	21,000,000	-	-
Kumari Equity Fund 250,000 shares of Rs. 10 each	2,500,000	2,622,500	-	-
NIBSF2 2,000,000 shares of Rs. 10 each	20,000,000	21,620,000	-	-
PSF 2,000,000 shares of Rs. 10 each	14,680,900	14,886,433	-	-
SBCF 2,000,000 shares of Rs. 10 each	20,000,000	20,320,000	-	-
General Insurance Company Limited 100,000 Shares of Rs. 100 Each	10,000,000	10,000,000	10,000,000	10,000,000
Investment in unquoted equity	2,816,200	2,816,200	2,816,200	2,816,200
Nepal Clearing House 29,612 Shares of Rs. 100 Each	2,025,200	2,025,200	2,025,200	2,025,200
Karja Suchana Kendra 98,854 Shares of Rs. 100 Each	791,000	791,000	791,000	791,000
Total	132,497,100	160,911,210	49,889,507	62,368,370

Investment in unquoted equity are shown at cost considering networth of invested equity are not less than cost.

4.9 Current tax Assets/Liability

Particulars	31 Ashadh 2078	31 Ashadh 2077
Current tax assets	67,163,920	65,710,500
Current year income tax assets	1,453,420	171,076
Tax assets of prior periods	65,710,500	65,744,197
Opening Tax asset adjustment	-	(204,773)
Current tax liabilities	25,166,569	24,576,987
Current year income tax liabilities	589,582	7,302,291
Tax liabilities of prior periods	24,576,987	17,274,696
Total	41,997,351	41,133,513

4.10 Investment In subsidiaries

Particulars	31 Ashadh 2078	31 Ashadh 2077
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.10.1 Investment In quoted subsidiaries

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd	-	-	-	-
.....shares of Rs.... Each	-	-	-	-
.....Ltd	-	-	-	-
.....shares of Rs.... Each	-	-	-	-
Total	-	-	-	-

4.10.2 Investment In unquoted subsidiaries

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd	-	-	-	-
.....shares of Rs.... Each	-	-	-	-
.....Ltd	-	-	-	-
.....shares of Rs.... Each	-	-	-	-
Total	-	-	-	-

4.10.3 Information relating to subsidiaries of the finance

Particulars	Percentage of ownership held by the finance	
	31 Ashadh 2078	31 Ashadh 2077
.....Ltd	-	-
.....Ltd	-	-
Total	-	-

4.10.4: Non controlling interest of the subsidiaries

Particulars	Current Year	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashadh end 2077		-
Dividend paid to NCI		-
Funds used		
NCI as on Ashadh end 2078		
Particulars	Previous Year	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashadh end 2076		-
Dividend paid to NCI		
Funds used		
NCI as on Ashadh end 2077		

4.11 Investment In associates

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
Investment in Quoted associates	-	-	-	-
Investment in Unquoted associates	-	-	-	-
Total Investment	-	-	-	-
Less: Impairment Allowances				-
Net Carrying Amount	-	-	-	-

4.11.1 Investment In quoted associates

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
Total	-	-	-	-

4.11.2 Investment In unquoted associates

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
Total	-	-	-	-

4.11.3: Information relating to associates of the Finance

Particulars	Percentage of ownership held by the Finance	
	31 Ashadh 2078	31 Ashadh 2077
.....Ltd.	-	-
.....Ltd.	-	-
Total	-	-

4.11.4: Equity value of associates

Particulars	31 Ashadh 2078	31 Ashadh 2077
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
Total	-	-

4.12 Investment Properties

Particulars	31 Ashadh 2078	31 Ashadh 2077
Investment properties measured at fair value		
Balance as on the end of Previous Year	69,254,942	41,319,893
Addition/disposal during the year- Net	83,903,710	27,935,049
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	153,158,652	69,254,942
Investment properties measured at cost		
Balance as on the end of Previous Year	-	-
Addition/disposal during the year	-	-
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
Net amount	-	-
Total	153,158,652	69,254,942

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as Investment Properties and measured at cost.

Amount in NPR

4.13 Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total Asar end 2078	Total Asar End 2077
Cost										
As on Shrawan 1, 2076	88,561,728	61,099,406	12,586,593	19,935,421	16,484,350	24,304,338	847,500	46,369,863		270,189,199
Addition during the Year	-	-	25,165	736,726	1,218,000	149,350	-	1,653,836		3,783,077
Acquisition	-	-	25,165	736,726	1,218,000	149,350	-	1,653,836.00		3,783,077
Capitalization	-	-	(134,986)	(237,515)	(3,005,000)	(613,111)	-	(642,954)		(26,768,113)
Disposal during the year	-	-	-	-	-	(282,638)	-	-		-
Adjustment/Revaluation-75-76	-	-	-	-	-	-	-	-		-
Balance as on Ashadh end 2077	88,561,728	61,099,406	12,476,772	20,434,632	14,709,150	23,557,939	847,500	47,380,745	269,067,872	269,067,872
Addition during the Year	-	-	-	777,850	(297,777)	738,717	-	3,392,719		5,257,326
Acquisition	-	-	-	777,850	-	738,717	-	3,740,759		5,257,326
Capitalization	-	-	-	-	-	-	-	-		-
Disposal during the year	-	-	-	-	(297,777)	-	-	(348,040)		(645,817)
Adjustment/Revaluation	-	-	-	-	-	-	-	-		-
Balance as on Ashadh end 2078	88,561,728	61,099,406	12,476,772	21,212,482	14,411,373	24,296,656	847,500	50,773,464	273,679,381	269,067,872
Depreciation and Impairment										
As on Shrawan 1, 2076	-	21,441,180	7,086,103	18,493,287	12,610,321	21,689,656	847,500	40,488,532		122,656,579
Depreciation charge for the year	-	1,816,788	1,534,212	532,340	1,388,000	538,917	104,094	1,218,106		7,132,457
Impairment for the year	-	-	-	-	-	-	-	-		-
Disposals	-	-	-	(237,514)	(2,513,480)	(613,111)	-	(642,954)		(4,007,059)
Adjustment upto 75-76	-	(311,114)	(52,416)	(163,518)	(1,416,860)	197020.26	(208,188)	985,849		(969,226)
As on Ashadh end 2077	-	22,946,854	8,567,899	18,624,595	10,067,981	21,812,482	743,406	42,049,533	124,812,751	124,812,751
Depreciation charge for the year	-	1,527,485	1,106,062	658,095	1,216,597	581,093	104,094	1,803,538		6,996,964
Impairment for the year	-	-	-	-	-	-	-	-		-
Disposals	-	-	-	-	(294,637)	-	-	(348,040)		(642,677)
Adjustment	-	-	-	-	-	-	-	-		-
As on Ashadh end 2078	-	24,474,339	9,673,961	19,282,690	10,989,941	22,393,575	847,500	43,505,031	131,167,038	124,812,751
Capital Work in Progress										
Net Book Value										
As on Ashadh end 2076	88,561,728	39,658,226	5,500,490	1,442,134	3,874,029	2,614,682	-	5,881,331		147,532,619
As on Ashadh end 2077	88,561,728	38,152,552	3,908,874	1,810,037	4,641,168	1,745,457	104,094	5,331,212		144,255,121
As on Ashadh end 2078	88,561,728	36,625,067	2,802,811	1,929,792	3,421,432	1,903,081	-	7,268,433		142,512,343

The cost of an item of property and equipment has been recognized as an asset, initially recognized at cost. Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the bank. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized as other income in profit or loss. Depreciation on these assets is calculated using the straight-line method to allocate their cost to over their estimated useful life as per management judgement.

4.14 Goodwill and Intangible Assets
Amount in NPR

Particulars	Goodwill	Software		Other	Total Ashad end 2078	Total Ashad end 2077
		Purchased	Developed			
Cost						
As on Shrawan 1, 2076	-	1,156,720	-	-	1,156,720	768,000
Addition during the Year	-	649,750	-	-	649,750	388,720
Acquisition	-	-	-	-	-	-
Capitalization	-	649,750	-	-	649,750	-
Transferred from Synergy Finance Ltd	-	-	-	-	-	388,720
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2077	-	1,806,470	-	-	1,806,470	1,156,720
Addition during the Year	-	3,059,300	-	-	3,059,300	-
Acquisition	-	3,059,300	-	-	3,059,300	649,750
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2078	-	4,865,770	-	-	4,865,770	1,806,470
Amortization and Impairment						
As on Shrawan 1, 2076	-	528,208	-	-	528,208	235,520
Transferred from Synergy Finance Ltd	-	-	-	-	-	222,384
Amortization charge for the Year	-	210,864	-	-	210,864	66,896
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	73,664	-	-	-	-
As on Ashadh end 2077	-	812,736	-	-	812,736	528,208
Amortization charge for the Year	-	622,316	-	-	622,316	210,864
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	73,664
As on Ashadh end 2078	-	1,435,052	-	-	1,435,052	812,736
Capital Work in Progress	-	-	-	-	-	-
Net Book Value						
As on Ashadh end 2076		628,512			628,512	
As on Ashadh end 2077	-	993,734	-	-	993,734	993,734
As on Ashadh end 2078	-	3,430,718	-	-	3,430,718	-

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

4.15 Deferred Tax

Amount in NPR

Particulars	Current Year		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	-	8,524,233	(8,524,233)
Property & equipment	2,265,560	-	2,265,560
Employees' defined benefit plan	14,453,139	-	14,453,139
Lease liabilities	723,073	-	723,073
Provisions	-	(1,615,446)	1,615,446
Other temporary differences	-	-	-
Deferred tax on temporary differences	17,441,772	6,908,787	10,532,984
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on 31 Ashadh, 2078			10,532,984
Deferred tax (asset)/liabilities as on Shrawan 1, 2077			(12,375,729)
Origination/(Reversal) during the year			(1,842,745)
Deferred tax expense/(income) recognised in profit or loss			(3,015,376)
Deferred tax expense/(income) recognised in other comprehensive income			4,858,121
Deferred tax expense/(income) recognised in directly in equity			-

Particulars	Previous Year		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	-	743,659	(743,659)
Property & equipment	2,551,671	-	2,551,671
Employees' defined benefit plan	11,053,771	-	11,053,771
Lease liabilities	820,954	-	820,954
Provisions	-	1,307,007	(1,307,007)
Other temporary differences	-	-	-
Deferred tax on temporary differences	14,426,396	2,050,666	12,375,729
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on 31 Ashadh 2077			12,375,729
Deferred tax (asset)/liabilities as on 1 Shrawan, 2076			5,702,192
Origination/(Reversal) during the year			18,077,921
Opening Adjustment due to merger			
Deferred tax expense/(income) recognised in profit or loss			(20,128,588)
Deferred tax expense/(income) recognised in other comprehensive income			2,050,666
Deferred tax expense/(income) recognised in directly in equity			

4.16 Other Assets

Particulars	31 Ashadh 2078	31 Ashadh 2077
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	912,383	1,326,494
Accrued income	-	-
Prepayments and deposit	1,873,877	1,895,820
Income tax deposit	-	-
Deferred employee expenditure	233,578	339,074
Other	5,440,129	6,553,340
Stationary Stock	595,870	645,533
Commission Receivable	-	-
Deposit	-	-
Branch Reconciliation	-	-
Unwinding of Interest	407,869	348,355
Gratuity Surplus	-	4,356,691
Debit Card Stock	333,779	-
Other	4,102,611	1,202,761
Total	8,459,967	10,114,728

4.17 Due to Bank and Financial Institutions

Particulars	31 Ashadh 2078	31 Ashadh 2077
Money market deposits	-	-
Interbank borrowing	-	-
Settlement and clearing accounts	-	-
Other deposits from BFIs	180,594,376	238,508,000
Total	180,594,376	238,508,000

The balances in accounts maintained with the Bank by other local financial institutions have been presented under this head. Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution are also presented under this head.

4.18 Due to Nepal Rastra Bank

Particulars	31 Ashadh 2078	31 Ashadh 2077
Refinance from NRB	132,132,000	-
Standing Liquidity Facility	-	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	132,132,000	-

The amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB etc.

4.19 Derivative Financial instruments

Particulars	31 Ashadh 2078	31 Ashadh 2077
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts		
Others		
Held for Risk Management		
Interest Rate Swap		
Currency Swap		
Forward Exchange Contracts.		
Others	-	-
Total	-	-

4.20 Deposits from customers

Particulars	31 Ashadh 2078	31 Ashadh 2077
Institutions Customers:		
Term deposits	265,931,515	116,975,000
Call deposits	168,050,440	178,856,027
Current deposits	30,123,230	7,739,131
Other	31,658,835	43,902,039
Individual Customers:		
Term deposits	1,423,276,681	1,194,201,000
Saving deposits	1,028,121,002	944,407,105
Current deposits	16,430,391	12,547,114
Other	-	-
Total	2,963,592,094	2,498,627,416

4.20.1 Currency wise analysis of deposit from customers

Particulars	31 Ashadh 2078	31 Ashadh 2077
Nepalese Rupee	2,963,592,094	2,498,627,416
Indian Rupee	-	-
United State dollar		
Great Britain pound		
Euro		
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	2,963,592,094	2,498,627,416

4.21 Borrowings

Particulars	31 Ashadh 2078	31 Ashadh 2077
Domestic Borrowing		
Nepal Government		
Other Institutions	-	-
Other		
Foreign Borrowing		
Foreign Bank and Financial Institutions		
Multilateral Development Banks		
Other institutions		
Total	-	-

4.22 Provisions

Particulars	31 Ashadh 2078	31 Ashadh 2077
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1 Movement in Provisions

Particulars	31 Ashadh 2078	31 Ashadh 2077
Balance at Shrawan 1, 2074	-	-
Provisions made during the year		
Provisions used during the year		
Provisions reversed during the year		
Unwind of discount		
Balance at Ashad end, 2075	-	-

4.23 Other Liabilities

Particulars	31 Ashadh 2078	31 Ashadh 2077
Liability for employees defined benefit obligations	5,384,819	-
Liability for long-service leave	11,106,818	9,785,714
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	25,414,965	8,450,811
Interest payable on deposit	10,912,581	10,848,234
Interest payable on borrowing	1,463,421	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	594,563	594,563
Liabilities under Finance Lease	2,410,244	2,736,513
Employee bonus payable	8,827,174	7,166,601
Other	47,588,339	32,932,134
Audit Fee Payable	702,450	613,250
TDS Payable	4,148,146	3,890,525
Interest TDS	2,966,717	2,879,053
Salary TDS	746,288	396,492
Other TDS	435,141	614,980
Others	42,737,743	28,428,359
Interest Rebate COVID-19 (2% AND 10%)	-	5,300,649
Payable-2 DAYS INT. CALL A/C 076/77	-	135,970
Interest Suspense Due to NBA	38,363,523	20,915,430
Other Payable	3,330,287	1,004,468
Provisions	1,043,933	1,071,842
Total	113,702,924	72,514,571

4.23.1. Defined Benefit Obligation

The amounts recognised in the statements of financials positions are as follows :

Particulars	31 Ashadh 2078	31 Ashadh 2077
Present value of unfunded obligations	-	-
Present value of funded obligations	-	-
Total present value of obligations	-	-
Fair value of plan assets	-	-
Present value of net obligations	-	-
Recognised liability for defined benefit obligations	42,818,463	23,394,271

4.23.2: Plan Assets

Plan assets comprise

Particulars	31 Ashadh 2078	31 Ashadh 2077
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	37,433,644	27,750,962
Total	37,433,644	27,750,962

Actual Return on plan assets

4.23.3: Movement in the present value of defined benefit obligations

Particulars	31 Ashadh 2078	31 Ashadh 2077
Defined benefit obligations at Shrawan 1, 2077	42,275,216	46,874,530
Actuarial losses	(3,956,629)	1,237,316
Benefits paid by the plan	(2,783,332)	(33,489,389)
Current service costs and interest	7,283,208	8,771,814
Defined benefit obligations at Ashad end, 2078	42,818,463	23,394,271

4.23.4: Movement in the fair value of plan assets

Particulars	31 Ashadh 2078	31 Ashadh 2077
Fair value of plan assets at Shrawan 1, 2077	35,996,356	31,612,300
Contributions paid into the plan	4,220,620	602,410
Benefits paid during the year	(2,783,332)	(6,606,846)
Actuarial (losses) gains	(3,058,438)	(702,009)
Expected return on plan assets	3,058,438	2,845,107
Fair value of plan assets at Ashad end, 2078	37,433,644	27,750,962

4.23.5: Amount recognised in profit or loss

Particulars	31 Ashadh 2078	31 Ashadh 2077
Current service costs	-	-
Interest on obligation	-	-
Actuarial (gain)/loss	-	-
Expected return on plan assets	-	-
Total	-	-

4.23.6: Amount recognised in other comprehensive income

Particulars	31 Ashadh 2078	31 Ashadh 2077
Actuarial (gain)/loss	5,384,819	(2,465,150)
Total	5,384,819	(2,465,150)

4.23.7: Actuarial assumptions

Particulars	31 Ashadh 2078	31 Ashadh 2077
Discount rate	9.00%	9.00%
Expected return on plan asset	9.00%	9.00%
Future salary increase	10.00%	10.00%
Withdrawal rate	10.00%	10.00%

4.24 Debt securities issued

Particulars	31 Ashadh 2078	31 Ashadh 2077
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

4.25 Subordinate Liabilities

Particulars	31 Ashadh 2078	31 Ashadh 2077
Redeemable preference shares		-
Irredeemable cumulative preference shares (liabilities component)		-
Other		-
Total		

4.26 Share Capital

Particulars	31 Ashadh 2078	31 Ashadh 2077
Ordinary Shares	828,913,789	810,015,789
Convertible Preference Shares (Equity component)	-	-
Irredeemable Preference Shares (Equity component)	-	-
Perpetual debt (Equity component only)	-	-
Total	828,913,789	810,015,789

4.26.1 Ordinary Shares

Particulars	31 Ashadh 2078	31 Ashadh 2077
Authorized Capital		
10,000,000 Ordinary Share of Rs. 100 each	10,000,000,000	10,000,000,000
Issued capital		
8,905,242.37 Ordinary Share of Rs. 100 each	890,524,237	890,524,237
Subscribed and paid up capital		
8,289,137.89 Ordinary Share of Rs. 100 each	828,913,789	828,913,789
Total	828,913,789	828,913,789

4.26.2 Ordinary Share Ownership

Particulars	31 Ashadh 2078		31 Ashadh 2077	
	% of holding	Amount	% of holding	Amount
<u>Domestic ownership</u>	100%	828,913,789	100%	828,913,789
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
Other Institutions (Promoters)	-	-	-	-
Public	40.73%	337,602,672	40.73%	337,602,672
Other (Promoters)	59.27%	491,311,117	59.27%	491,311,117
<u>Foreign ownership</u>	-	-	-	-
Total	100%	828,913,789	100%	828,913,789

Note: Shareholders holding 0.5% or more Shares

S.No	Name of Share Holders	Number of Shares	%
1	Rajendra Kumar Sharma	631,741	7.62%
2	Robinda Prasad Shrestha	413,412	4.99%
3	Devendra Prasad Dhoju	374,842	4.52%
4	Rajendra Prasad Dhoju	351,022	4.23%
5	Chitra Kumar Shrestha	342,301	4.13%
6	Indra Lal Shrestha	200,584	2.42%
7	Ramvha Shrestha	165,231	1.99%
8	Laxmi Shrestha	158,094	1.91%
9	Milan Thapa	145,586	1.76%
10	Ran Kumari Shrestha	130,026	1.57%
11	Bijula Thapa Khadka	117,797	1.42%
12	Yubaraj Sharma	106,434	1.28%
13	Durga Vohra	88,071	1.06%
14	Gauri Shrestha	75,582	0.91%
15	Jamuna Kumari Thapa	70,000	0.84%
16	Nachong Gurung	63,437	0.77%
17	Amulya Manandhar	58,967	0.71%
18	Bikash Bahadur Shrestha	58,954	0.71%
19	Bishnu Bahadur K.C.	56,340	0.68%
20	Narayan Bhakta Shrestha	54,469	0.66%
21	Ram Krishna Neupane	52,152	0.63%
22	Bandana Sapkota	51,923	0.63%
23	Nirmala Kumari Suwal	43,604	0.53%
24	Kapur Prasad Vaijoo	42,902	0.52%
	Total	3,853,471	46.49%

4.27 Reserves

Particulars	31 Ashadh 2078	31 Ashadh 2077
Statutory general reserve	201,545,428	185,171,356
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	992,580	2,512,606
Capital Redemption Reserve	-	-
Regulatory reserve	191,756,023	163,908,302
Investment adjustment reserve	-	-
Capital reserve	3,628,619	3,628,619
Assets revaluation reserve	-	-
Fair value reserve	16,120,504	4,784,888
Dividend equalisation reserve	-	-
Debenture redemption reserve	-	-
Actuarial gain	-	-
Special reserve	-	-
Deferred Tax Reserve	-	-
Other reserve	5,039	5,039
Total	414,048,193	360,010,810

4.28 Contingent liabilities and commitments

Particulars	31 Ashadh 2078	31 Ashadh 2077
Contingent liabilities	100,000	200,000
Undrawn and undisbursed facilities	60,261,000	63,197,000
Capital commitment	-	-
Lease Commitment	-	-
Litigation	19,987,287	19,987,287
Total	80,348,287	83,384,287

4.28.1: Contingent Liabilities

Particulars	31 Ashadh 2078	31 Ashadh 2077
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	100,000	200,000
Underwriting commitment	-	-
Other commitments	-	-
Total	100,000	200,000

4.28.2: Undrawn and undisbursed facilities

Particulars	31 Ashadh 2078	31 Ashadh 2077
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	60,261,000	63,197,000
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	60,261,000	63,197,000

4.28.3: Capital commitments

Particulars	31 Ashadh 2078	31 Ashadh 2077
Capital commitments in relation to Property and Equipment		
Approved and contracted for		
Approved but not contracted for		
Sub total		
Capital commitments in relation to Intangible assets		
Approved and contracted for		
Approved but not contracted for		
Sub total		
Total		-

4.28.4: Lease commitments

Particulars	31 Ashadh 2078	31 Ashadh 2077
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub total	-	-
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Sub total	-	-
Grand Total	-	-

4.28.5: Litigation

The bank's litigations are generally related to its ordinary course of business pending on various jurisdiction. Litigations are mainly in the nature of income tax. Other litigations include cases pending in various courts & tribunal in Nepal pertaining to assets recovered from the borrowers.

4.29 Interest Income

Particulars	Current Year	Previous Year
Cash and cash equivalent	12,695,814	43,790,541
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	12,432,830	19,437,121
Loans and advances to customers	269,452,051	312,384,472
Investment securities	9,816,773	6,808,457
Loan and advances to staff	-	-
Other Interest Income	1,812,329	-
Total interest income	306,209,797	382,420,591

4.30 Interest Expense

Particulars	Current Year	Previous Year
Due to bank and financial institutions	7,818,341	12,493,001
Due to Nepal Rastra Bank	1,463,421	-
Deposits from customers	192,657,532	219,883,165
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	-	-
Total Interest expense	201,939,294	232,376,166

4.31 Fees and commission income

Particulars	Current Year	Previous Year
Loan administration fees	-	-
Service fees	9,296,397	11,683,496
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	-	-
Renewal fees	-	-
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	-	-
Commission on letter of credit	-	-
Commission on guarantee contracts issued	-	-
Commission on share underwriting/issue	-	-
Locker rental	64,550	43,125
Other fees and commission income	1,961,191	1,870,427
Total Fees and Commission Income	11,322,138	13,597,048

4.32 Fees and commission Expense

Particulars	Current Year	Previous Year
ATM management fees	744,638	587,577
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	-	-
Remittance fees and commission	-	-
Other fees and commission expense	-	-
Total Fees and Commission Expense	744,638	587,577

4.33 Net Trading Income

Particulars	Current Year	Previous Year
Changes in fair value of trading assets		
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	-	-
Other	-	-
Net Trading Income	-	-

4.34 Other Operating Income

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	9,473,705	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	5,506,946	519,051
Gain/loss on sale of property and equipment	92,861	(16,801)
Gain/loss on sale of investment property	-	625,000
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
Total	15,073,512	1,127,250

4.35 Impairment charge/(reversal) for loan and other losses

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	2,313,611	-
Impairment charge/(reversal) on loan and advances to customer	(98,061,754)	(19,637,826)
Impairment charge/(reversal) on financial investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	(95,748,143)	(19,637,826)

4.36 Personal Expenses

Particulars	Current Year	Previous Year
Salary	32,757,880	31,122,193
Allowances	21,215,362	20,974,073
Gratuity Expense	2,076,715	857,175
Provident Fund	3,264,391	2,992,045
Uniform	1,785,000	1,692,990
Training & development expense	155,171	60,455
Leave encashment	4,773,689	6,351,232
Medical	2,574,138	2,296,387
Insurance	-	304,812
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	327,059	386,964
Other expenses related to staff	-	283,452
Subtotal	68,929,405	67,321,778
Employees bonus	8,827,174	7,166,601
Grand Total	77,756,579	74,488,379

4.37 Other Operating Expenses

Particulars	Current Year	Previous Year
Directors' fee	596,500	553,500
Directors' expense	217,198	497,740
Auditors' remuneration	711,900	621,500
Other audit related expense	327,204	389,502
Professional and legal expense	1,697,088	481,765
Office administration expense	26,898,066	33,509,286
Operating lease expense	9,442,346	7,493,375
Operating expense of investment properties	-	-
Corporate social responsibility expense	-	-
Onerous lease provisions	-	-
Other	146,625	348,878
Share Issue Expenses	-	348,878
Others	146,625	-
Total	40,036,927	43,895,546

4.37 1 Office Administration Expenses

Particulars	Current Year	Previous Year
Water and electricity	2,419,266	2,634,910
Repair and Maintenance	1,793,731	1,469,384
(a) Building	124,810	119,510
(b) Vehicle	759,736	526,472
(c) Computer and accessories	38,378	-
(d) Office equipment and furniture	562,260	695,364
(e) Other	308,547	128,038
Insurance	682,078	624,243
Postage, Telephone, Internet and Email	2,478,803	2,816,985
Printing & Stationery	1,529,809	1,202,768
Newspaper & Periodicals	59,386	52,175
Advertisements	576,296	752,185
Donation	-	-
Security Expense	7,446,778	7,907,921
Deposit and Loan guarantee premium	1,152,094	1,065,602
Travel Allowance and Expense	1,175,959	1,007,571
Fuel Expenses	868,233	813,258
Entertainment	-	-
Annual/Special General Meeting expense	-	174,769
Other	6,715,633	6,963,524
(a) Office Expenses	3,769,786	3,100,766
(b) Technical Service Fees	1,269,430	2,400,030
(c) Other Fees & taxes	675,678	373,449
(d) Miscellaneous Expenses	555,856	680,041
(e) Membership Fee	444,883	409,238
Total	26,898,066	27,485,295

4.38 Depreciation and Amortisation

Particulars	Current Year	Previous Year
Depreciation on property and equipment	6,996,964	7,132,457
Depreciation on investment property	-	-
Amortisation of intangible assets	622,316	210,864
Total	7,619,280	7,343,321

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation measured and recognized as per NFRS on property and equipment, and investment properties, and amortization of intangible assets is presented under this head.

4.39 Non Operating Income

Particulars	Current Year	Previous Year
Recovery of Loan written off	1,613,385	-
Other Income	17,087	926,204
Total	1,630,472	926,204

4.40 Non Operating expense

Particulars	Current Year	Previous Year
Loan written off	22,442,776	542,512
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	22,442,776	542,512

4.41 Income Tax Expenses

Particulars	Current Year	Previous Year
Current Tax Expenses	589,582	7,302,291
Current Year	589,582	7,302,291
Adjustment for Prior Years	-	-
Deferred tax Expenses	(3,015,376)	(20,128,588)
Origination and Reversal of Temporary Differences	(3,015,376)	(20,128,588)
Change in tax Rate	-	-
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	(2,425,794)	(12,826,297)

The amount of income tax on net taxable profit is recognized and presented under this account head. This account head includes current tax expense and deferred tax expense/deferred tax income.

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	Current Year	Previous Year
Profit Before Tax	79,444,568	64,499,409
Tax Amount at the Rate of 30%	23,833,370	19,349,823.00
Add: Tax Effect of the expenses that are not deductible for tax purpose	(14,348,201)	(112,434)
Less: Tax Effect on Exempt Income		
Add/Less: Tax Effect on other Items	(11,910,963)	(32,063,686)
Total Income Tax Expenses	(2,425,794)	(12,826,297)
Effective Tax Rate	-3.05%	-19.89%

Best Finance Company Limited
Comparison of Unaudited and Audited Financial Statements as of FY 2077/78

Rs. in '000'

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and cash equivalent	987,292	1,057,292	(70,000)	-7%	Regrouping of items
Due from NRB and placements with BFIs	124,344	124,344	(0)	0%	
Loan and advances	2,116,810	2,115,582	1,228	0%	Fair Value measurement of loans and advances
Investments Securities	733,095	665,184	67,911	9%	Regrouping of items
Investment in subsidiaries and associates	-	-	-	0%	
Property and Equipment	142,512	142,512	(0)	0%	
Goodwill and intangible assets	3,431	3,431	0	0%	
Other assets	264,835	214,149	50,686	19%	Regrouping and netting of items
Total Assets	4,372,319	4,322,494	49,825	1%	Netting of Items
Capital and Liabilities					
Paid up Capital	828,914	828,914	0	0%	
Reserves and surplus	108,919	103,558	5,361	5%	Decrease in profit due to NFRS provisions
Deposits	3,144,186	3,144,186	(0)	0%	
Borrowings	132,132	132,132	-	0%	
Bond and Debenture	-	-	-	0%	
Other liabilities and provisions	158,168	113,703	44,465	28%	Regrouping and netting of items
Total Capital and Liabilities	4,372,319	4,322,494	49,825	1%	Netting of Items
Statement of Profit or Loss					
Interest income	305,876	306,210	(334)	0%	Amortization of Staff Loan Benefit
Interest expense	(201,939)	(201,939)	0	0%	
Net interest income	103,937	104,271	(334)	0%	
Fee and commission income	11,415	11,322	93	1%	Regrouping/rearranging of items
Fee and commission expense	-	(745)	745	0%	Regrouping/rearranging of items
Net fee and commission income	11,415	10,578	838	7%	
Other operating income	15,462	15,074	388	3%	
Total operating income	130,814	129,922	892	1%	
Impairment charge/(reversal) for loans and other losses	(96,743)	(95,748)	(995)	1%	
Net operating income	227,557	225,670	1,887	1%	
Personnel expenses	77,173	77,757	(584)	-1%	Amortization of Staff Loan Benefit and bonus
Other operating expenses	49,147	47,656	1,491	3%	
Operating profit	101,237	100,257	980	1%	
Non operating income/expense	(20,830)	(20,812)	(18)	0%	

Profit before tax	80,407	79,445	962	1%	
Income tax	1,976	2,426	(450)	-23%	Cumulative tax effect of different adjustments
Profit/(loss) for the period	82,383	81,870	513	1%	
Other comprehensive income	16,611	16,121	490	3%	Deferred Tax Adjustment on items of OCI
Total comprehensive income	98,994	97,991	1,003	1%	
Distributable Profit					
Opening Retained Earnings	(342,100)	(342,100)			
Opening Adjustments	(8,245)	(8,245)			
Net profit/(loss) as per profit or loss	82,383	81,870	513	1%	
Add/Less: Regulatory adjustment as per NRB Directive	(46,563)	(45,040)	(1,523)	3%	
Free profit/(loss) after regulatory adjustments	(314,525)	(313,515)	(1,010)	0%	Cumulative effects of NFRS Adjustments

Best Finance Company Limited
Statement of Distributable Profit or Loss
 For the year ended 31 Ashad 2078 (15 July 2021)
 (As per NRB Regulation)

Amount in NPR

Particulars	Current Year	Previous Year
Opening Retained Earnings	(342,099,561)	(351,615,021)
Adjustment +/-	(8,245,393)	708,666
Net profit or (loss) as per statement of profit or loss	81,870,362	77,325,706
<u>Appropriations:</u>		
a. General reserve	16,374,072	15,465,141.00
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	818,704	773,257.00
e. Employees' training fund	-	-
f. Other	-	-
Profit or (loss) before regulatory adjustment	64,677,586	61,087,308
<u>Regulatory adjustment :</u>		
a. Interest receivable (-)/previous accrued interest received (+)	24,197,001	(18,826,538)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	877,526
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	(52,859,338)	(17,599,082)
e. Deferred tax assets recognised (-)/ reversal (+)	1,842,745	(12,375,729)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(1,028,128)	(4,356,691)
i. Other (+/-)	-	-
Distributable profit or (loss)	(313,515,088)	(342,099,561)

5. Disclosures and Additional Information

5.1. Risk Management

Introduction and Overview

In Compliance with Nepal Rastra Bank Directive on 6 "Corporate Governance", the Board of Company has established a Risk Management Committee with clear terms of reference. As at the date of this report, the Risk Management Committee comprised of following

S. No	Member of Risk Management Committee	Designation
1	Non-Executive Director from Promoter	Coordinator
2	Non-Executive Director from Promoter	Member
3	Operation Head	Member
4	Risk Management Head	Member Secretary

The Committees meet least four times annually. The committee oversees and reviews the fundamental prudential risks.

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

Governance Framework

Risk Management Committee of the Company has formed to review the credit risk, Market risk, and liquidity risk of the institution.

The Company's risk management framework are established to identify and analyze the risks faced by the institution to set appropriate risk limits and controls and to monitor risks and adherence to limits. Through it, the Company seeks to efficiently manage credit, market and liquidity risks which arise directly through the Institution's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking. As part of this framework, the institution uses a set of principles that describes its risk management culture. The institution, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Major risk area and mitigation mechanism is as given below.

5.1.1 Credit Risk

Credit risk is the probability of loss of principle and reward associated with it due to failure of counterparty to meet its contractual obligations to pay the Company in accordance with agreed terms. Credit Risk Management is ultimately the responsibility of the Board of Directors. Hence overall strategy as well as significant policies have to be reviewed by the board regularly. Further, Senior Management is responsible for implementing the Company's credit risk management strategies and policies and ensuring that procedures are put in place to manage and control credit risk and the quality of credit portfolio in accordance with these policies.

5.1.2 Market Risk

The Company's foreign exchange risk stems from foreign exchange position taking and commercial dealing. All foreign exchange positions are managed by the Treasury. Fluctuation in foreign exchange rates can have a significant impact on a Company's financial position. The Company has adopted measures to appropriately hedge the risks that arise while carrying out international trade transactions. Code of ethics for treasury dealers is in place to ensure that professionalism and confidentiality are maintained and ethical dealing practices observed. The Company treasury dealers have gained exposure to international markets as well in addition to having undergone appropriate trainings.

5.1.3 Liquidity Risk

The Company has set internal risk appetite in terms of managing its liquidity risk. Adequate cushion is maintained in terms of liquidity. Asset-liability management is also a part of the Treasury functions and it guided by the Company's Asset Liability Management policy. This is further reviewed by the Company's ALCO and Risk Management Committee.

The following table depicts the maturity profile of the investment portfolio on an undiscounted cash flow basis which is designed and managed to meet the required level of liquidity as and when liquidity outgo arises taking into consideration the time horizon of the financial liabilities of the business.

Amount in (NPR '000)

Particulars	1-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets					
Cash and cash equivalent	1,057,292	-	-	-	1,057,292
Due from Nepal Rastra Bank	124,344	-	-	-	124,344
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other trading assets	-	-	-	-	-
Loan and advances to B/FIs	29,723	78,127	220,743	-	328,593
Loans and advances to customers	153,879	231,474	546,338	855,298	1,786,989
Investment securities	148,623	99,082	49,541	367,938	665,184
Investment in subsidiaries	-	-	-	-	-
Other assets	-	-	-	-	-
Total Assets	1,450,861	408,683	816,622	1,223,236	3,899,402
Liabilities					
Due to Bank and Financial Institutions	180,594	-	-	-	180,594
Due to Nepal Rastra Bank	-	61,626	70,506	-	-
Derivative financial instruments	-	-	-	-	-
Deposits from customers	710,531	567,962	656,270	1,028,829	2,963,592
Borrowing	-	-	-	-	-
Debt securities issued	-	-	-	-	-
Other liabilities	40,476	10,993	-	18,902	70,371
Total Liabilities	931,601	640,581	726,776	1,047,731	3,346,689

5.1.4 Operational risk

Operational risk is inherent in all business activities. Whilst risks can never be eliminated, at Best Finance we follow a number of procedures and practices like Business Continuity Plan, Whistle Blowing – A Culture of Speaking Up to manage and mitigate preserve and create value of our business.

We manage our operational risks through standardization of internal processes and monitoring mechanisms. Data security, dual control, periodic departmental reviews and quality assessment are some of the tools that are used to manage risks.

Critical risk areas are discussed at the management level as well as Risk Management Committee which updates issues with priority to the Bank's Board to necessary actions and strategic directions.

Compliance and Assurance / Operations Risk Unit

Recognizing the importance of Operations Risk in terms of managing day-to-day business, we have a full-fledged Operational Risk under the Risk Management Unit.

5.2. Capital Management

5.2.1 Qualitative disclosures

The Board shall be primarily responsible for ensuring the current and future capital needs of the bank in relation to strategic objectives. The management shall review and understand the nature and level of various risks that the bank is confronting in the course of different business activities and how this risk relates to capital levels and accordingly implement sound risk management framework specifying control measures to tackle each risk factor.

5.2.2 Quantitative disclosures

a) Capital Structure and Capital Adequacy

i. Tier 1 capital and a breakdown of its components

Amount in (NPR '000)

S.N	Particulars	Amount
a	Paid up Capital	828,914
b	Share Premium / Capital Reserve	3,025
c	Proposed Bonus Shares	-
d	Statutory General Reserve	201,545
e	Retained Earnings	(313,515)
f	Un-audited Current Year Cumulative Profit	-
g	Capital Adjustment Reserve	3,629
h	Other Free Reserves	-
i	Less: Deferred Tax Assets	-
j	Less: Intangible Assets	-
k	Less: Investment in equity of institutions with financial interests	-
	Core (Tier-1) Capital	723,598

ii. Tier 2 capital and a breakdown of its components

Amount in (NPR '000)

S.N.	Particulars	Amount
a	Subordinated Term Debt	
b	General Loan Loss Provision	33,232
c	Exchange Equalization Reserve	
d	Investment Adjustment Reserve	
e	Other Reserve	
	Supplementary (Tier-2) Capital	33,232

iii. Total qualifying capital

Amount in (NPR '000)

S. N.	Particulars	Amounts
A	Core Capital	723,598
B	Supplementary Capital	33,232
	Total Qualifying Capital (Total Capital Fund)	756,830

iv. Capital Adequacy Ratio

Capital Adequacy Ratio of the Company as per Basel II as on Ashad 2078 is 22.38% & 23.41% of Core Capital Fund and Total Capital Fund respectively.

v. Summary of Company's internal approach to assess the adequacy of capital to support current and future activities, if applicable

The Company formulates an annual business plan, with prescribed plan for every business function including deposits, lending, product developments and customer service. These plans are made in consideration of the competitive environment and business sustainability as well as overall risk inherent in banking business.

Capital Plan is a part of the Company's business plan. Capital Plan is formulated to fund the planned business growth and to meet regulatory requirements on minimum capital and capital adequacy.

Result of the scenario-based approach is used as input to the capital contingency plan. The financial consequences following various scenarios and potential events/actions are estimated and adequacy of capital in those scenarios is tested. The results are discussed broadly at senior management level and in board meetings.

vi. **Summary of the terms, conditions and main features of all capital instruments, especially in case of subordinated term debts including hybrid capital instruments**

Ordinary share capital: The Company has only one class of equity shares having a par value of NPR 100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) **Risk Exposures**

i. **Risk weighted exposures for Credit Risk, Market Risk and Operational Risk**

Amount in NPR '000

S.N.	Risk Weighted Exposure	Amount
a	Risk Weighted Exposure for Credit Risk	2,821,352
b	Risk Weighted Exposure for Operational Risk	251,474
c	Risk Weighted Exposure for Market Risk	-
	Total Risk Weighted Exposure	3,072,826

SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	37,311
SRP 6.4a (9)	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	92,185
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	30,728
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	3,233,050

ii. **Risk Weighted Exposures under each of 11 categories of Credit Risk**

Amount in NPR '000

S.N.	Risk Classification	RWE
a	Claims on Govt. and Central Bank	-
b	Claims on other Financial Entities	-
c	Claims on Banks	185,358
d	Claims on Corporate and Securities Firm	470,659
e	Claims on Regulatory Retail Portfolio	828,317
f	Claims secured by Residential Properties	49,563
g	Claims secured by Commercial Real Estate	-
h	Past due Claims	311,181
i	High Risk Claims	293,756
j	Other Assets	650,429
k	Off balance sheet items	32,089
	Total	2,821,352

c) Total risk weighted exposure calculation table

Amount in NPR '000

A. Balance Sheet Exposure	Gross Book Value (A)	Specific Provision & Valuation Adjustments (B)	Eligible CRM	Net Value (D) (A-B-C)	Risk Weight (E)	Risk Weight Exposure (D * E)
Cash Balance	60,504	-	-	60,504	0%	-
Balance With Nepal Rastra Bank	124,344	-	-	124,344	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	504,272	-	-	504,272	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank(ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank(ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank(ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and on Multilateral Development Banks (MDB's) recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	926,788	-	-	926,788	20%	185,358
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-

Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	-	-	-	-	20%	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	-	-	-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	-	-	-	-	20%	-
Claims on Domestic Corporates	470,659	-	-	-	-	-	470,659	-	100%	470,659
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	-	-	-	-	20%	-
Claims on Foreign Corporates (ECA-2)	-	-	-	-	-	-	-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	-	-	-	-	100%	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	-	-	-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)	1,111,675	-	-	15,008	-	-	1,096,667	-	75%	822,500
Claims fulfilling all criterion of regulatory retail except granularity	12,817	-	-	7,000	-	-	5,817	-	100%	5,817
Claims secured by residential properties	75,284	-	-	-	-	-	75,284	-	60%	45,170
Claims not fully secured by residential properties	-	-	-	-	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	10,786	6,393	-	-	-	-	4,393	-	100%	4,393
Claims secured by Commercial real estate	-	-	-	-	-	-	-	-	100%	-
Past due claims (except for claim secured by residential properties)	422,578	212,980	-	2,144	-	-	207,454	-	150%	311,181
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	195,837	-	-	-	-	-	195,837	-	150%	293,756
Lending against securities (bonds & shares)	55,030	-	-	-	-	-	55,030	-	100%	55,030
Investments in equity and other capital instruments of institutions listed in the stock exchange	158,095	-	-	-	-	-	158,095	-	100%	158,095
Investments in equity and other capital instruments of institutions not listed in the stock exchange	2,816	-	-	-	-	-	2,816	-	150%	4,224
Staff Loan secured by residential property	-	-	-	-	-	-	-	-	50%	-
Interest receivable/claim on government securities	-	-	-	-	-	-	-	-	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	-	-	-	-	20%	-
Other Assets	565,682	132,062	-	-	-	-	433,080	-	100%	433,080
TOTAL	4,697,167	351,975	24,152	43,321,040	2,789,263	4,321,040	433,080	2,789,263	100%	2,789,263

Amount in NPR '000

B. Off Balance Sheet Exposure	Gross Book Value (A)	Gross Book Value (A)	Gross Book Value (A)	Gross Book Value (A)	Gross Book Value (A)	Risk Weight (E)	Risk Weight Exposure (D *E)
Revocable Commitments	-	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	-	10%	-
LC Commitments With Original Maturity Up to 6 months (domestic counterparty)	-	-	-	-	-	20%	-
foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-
foreign counterparty (ECA Rating- 2)	-	-	-	-	-	50%	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-
foreign counterparty (ECA Rating-7)	-	-	-	-	-	150%	-
LC Commitments With Original Maturity Over 6 months (domestic counterparty)	-	-	-	-	-	50%	-
foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-
foreign counterparty (ECA Rating-2)	-	-	-	-	-	50%	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-
foreign counterparty (ECA Rating-7)	-	-	-	-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee (domestic counter party)	100	-	-	-	100	50%	50
foreign counterparty (ECA Rating 0-1)	-	-	-	-	-	20%	-
foreign counterparty (ECA Rating-2)	-	-	-	-	-	50%	-
foreign counterparty (ECA Rating 3-6)	-	-	-	-	-	100%	-
foreign counterparty (ECA Rating -7)	-	-	-	-	-	150%	-
Underwriting commitments	-	-	-	-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	-	100%	-
Repurchase Agreements, Assets sale with recourse (including repo/ reverse repo)	-	-	-	-	-	100%	-
Advance Payment Guarantee	-	-	-	-	-	100%	-
Financial Guarantee	-	-	-	-	-	100%	-
Acceptances and Endorsements	-	-	-	-	-	100%	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	-	100%	-

Irrevocable Credit commitments (Short term)	60,261	-	-	60,261	20%	12,052
Irrevocable Credit commitments (long term)	-	-	-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Other Contingent Liabilities	19,987	-	-	19,987	100%	19,987
Unpaid Guarantee Claims	-	-	-	-	200%	-
TOTAL	80,348	-	-	80,348		32,089
Total RWE for credit Risk (A) +(B)	4,777,515	351,975	24,152	4,401,388		2,821,352
Adjustments under Pillar II						
Add: 10% of the loan and facilities in excess of Single Obligor Limits (6.4 a 3)						
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a 4)						
Total RWE for credit Risk (After Bank's adjustments of Pillar II)	4,777,515	351,975	24,152	4,401,388		2,821,352

d) Amount of NPAs (both Gross and Net)

Amount in NPR '000

Particulars	Current Year	
	Gross NPAs	Net NPAs
Restructured / Reschedule Loans	-	-
Sub Standard Loans	83,456,256	62,592,192
Doubtful Loans	34,092,948	17,046,474
Loss	181,462,279	-
Total NPAs	299,011,483	79,638,666

5.3. Classification of financial assets and financial liabilities

Amount in NPR '000

Financial assets	Notes	As at		As at	
		15-Jul-21		15-Jul-20	
		Carrying Value	Fair value	Carrying Value	Fair value
Assets					
Assets carried at Amortized Cost					
Cash and cash equivalent	4.1	1,057,292	1,057,292	904,518	904,518
Due from Nepal Rastra Bank	4.2	124,344	124,344	102,914	102,914
Placement with Bank and Financial Institutions	4.3	-	-	-	-
Loan and advances to B/FIs	4.6	328,593	328,593	198,158	198,158
Loans and advances to customers	4.7	1,786,989	1,786,989	1,934,361	1,934,361
Investment securities	4.8	504,272	504,272	179,053	179,053
Sub Total		3,801,490	3,801,490	3,319,004	3,319,004
Fair Value through Profit and Loss (FVTPL)					
Derivative financial instruments.	4.4	-	-	-	-
Investment securities	4.8	-	-	-	-
Investment in subsidiaries	4.10	-	-	-	-
Sub Total		-	-	-	-
Liabilities					
Liabilities carried at Amortized Cost					
Due to Bank and Financial Institutions	4.17	180,594	180,594	238,508	238,508
Due to Nepal Rastra Bank	4.18	132,132	132,132	-	-
Deposits from customers	4.20	2,963,592	2,963,592	2,498,627	2,498,627
Debt securities issued	4.24	-	-	-	-
Sub Total		3,276,318	3,276,318	2,737,135	2,737,135
Fair Value through Profit and Loss (FVTPL)					
Derivative financial instruments	4.19	-	-	-	-

5.3.1. Fair Value of Financial Assets and Financial Liabilities
Amount in NPR '000

Particulars	Fair value Hierarchy (Level)	As at 15 July 2021	As at 16 July 2020
Fair Value through Other Comprehensive Income			
Financial assets			
Investment securities at OCI			
- Quoted equity securities	1	158,095	49,552
- Unquoted equity securities	3	2,816	12,816
Total		160,911	62,368
Financial Instruments held at amortized cost			
Financial assets			
Government bonds	3	207,026	130,877
Government treasury bills	3	297,246	48,176
Loan and advances to B/FIs	3	328,593	198,157
Loans and advances to customers	3	1,786,989	1,934,361
Other assets	3	-	-
Total		2,619,854	2,311,571
Financial liabilities			
Due to Bank and Financial Institutions	3	180,594	238,508
Due to Nepal Rastra Bank	3	132,132	-
Deposits from customers	3	2,963,592	2,498,627
Other liabilities	3	15,489	51,754
Total		2,780,765	2,788,889

5.4. Operating Segment Information

5.4.1 General Information

The Company has identified its segments on the basis of its geographical business presence in seven provinces of the country.

Information about profit or loss, assets and liabilities

Amount in NPR Full Figure

Particulars	Province 3	Province 4	Province 5	Total
Revenues from external customers	126,048,368	34,026,939	157,456,628	317,531,935
Intersegment revenues	-	-	-	-
Net revenues	88,062,314	34,248,947	157,106,800	279,418,061
Interest revenue (a)	121,227,365	32,913,721	152,068,711	306,209,797
Interest expense (b)	90,318,770	24,468,436	87,152,088	201,939,294
Net interest revenue (a-b)	30,908,595	8,445,285	64,916,623	104,270,503
Depreciation and amortization	4,625,124	305,962	2,688,194	7,619,280
Segment profit / (loss) before tax	11,561,538	42,296,754	25,586,276	79,444,568
Impairment of assets	140,410,692	16,456,966	95,736,772	252,604,430
Segment assets	2,686,188,642	300,995,857	1,335,309,145	4,322,493,644
Segment liabilities	1,559,718,716	429,715,984	1,400,586,694	3,390,021,394

5.4.2 Reconciliation of reportable, segment revenues, profit or loss, assets and liabilities

Revenue	
Total revenue for reportable segments	317,531,935
Other revenues	
Elimination of intersegment revenues	
Entity's revenue	

Profit or Loss	
Total profit or loss for reportable segments	79,444,568
Other profit or loss	
Elimination of intersegment profits	
Profit before income tax	

Assets	
Total assets for reportable segments	4,322,493,644
Other assets	
Total assets	

Liabilities	
Total liabilities for reportable segments	3,390,021,394
Other liabilities	
Total liabilities	

5.4.3 Information about product and services

The Company offers different ranges of banking products and services across all operating segments. All branches in each segment are equipped to provide services of each type to customers through themselves or through other branch/ central units under same or different segment. However, some branches may be operated to provide specialized banking service based on management's assessment of the market niche.

5.4.4 Information about geographical areas

The operating segments identified above are based on geographical presence of the branches in seven provinces of the country.

A	Domestic	Revenue
	Province 1	-
	Province 2	-
	Province 3	121,227,365
	Province 4	32,913,721
	Province 5	152,068,711
	Province 6	-
	Province 7	-
B	Foreign	-
	Total	306,209,797

Information about major customers

Revenue from single external customer does not exceed 10% or more of entity's revenue.

5.5. Contingent Liabilities and Commitment

Contingent Liabilities

Where the Company undertakes to make a payment on behalf of its customer for guarantees issued for which an obligation to make a payment has not arisen at the reporting date, those are included in the financial statement as contingent liabilities. Company has tax litigation of Rs 19,987,287 and liabilities for guarantee issued of Rs 100,000 is also accounted under this head as presented in schedule 4.28.

Commitments:

Where the Company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not and the Company has not made payments at the Details of contingent liabilities and commitments are given in note 4.28.

5.6. Related Party Disclosures

The Company identifies its Board of Directors, Key Management Personnel comprising of the CEO and other executive officials and its Subsidiary Companies as the related parties under the requirements of NAS 24. The related parties of the Company are listed below:

Particulars	Relationship
Amir Dhoj Pradhan	Director
Milan Thapa	Director
Suraj Kshetri	Director
Krishnahari Shrestha	Director
Dipak Dhakal	Director
Bimal Prasad Dhakal	Director
Sushila Khanal	Director
Umesh Singh Bhandari	Current Chief Executive Officer
Toya Raj Adhikari	Previous Chief Executive Officer
Shailendra Bade Shrestha	Key Management Personnel

5.6.1 Board Member Allowances and Facilities

All members of the Board of Directors are non-executive directors, and no executive compensation is paid to the directors. The directors are paid Meeting Fees for their attendances in meeting of the Board of Directors and other Board Level Committees. The Chairman of the Board of Directors is paid NPR 4,000 per meeting attended while other members of the board receive NPR 3,500 per meeting attended. In addition, the directors are reimbursed with Magazine and Article expenses of NPR 1,500 per month. Travelling expenses incurred for attending the meetings of the Board of Directors and other Board Level Committees are also reimbursed to the directors other than those based in Kathmandu. Directors other than those based in Kathmandu also receive daily allowance of NPR 4,000 per day for each day spent in Kathmandu for the purpose of attending the meetings of the Board of Directors.

The details of the compensations paid to the directors are as under:

Particulars	This Year (NPR)	Previous Year (NPR)
Board Meeting Fee	467,000	445,000
Audit Committee Fee	56,000	35,000
Risk Management Committee fee	35,000	35,000
Money Laundering Prevention Committee	28,000	28,000
Human Resource Committee Fee	10,500	10,500
Other Board expenses	217,198	497,740

5.6.2 Loans and Advances extended to Promoters:

The Company has not extended any loans to promoters during the year.

5.6.3 Compensation Details for Key Management Personnel

Compensations paid to Key Management Personnel (which includes CEO and other executive officials) during the fiscal year is presented below. In addition, other non-monetary perquisites are provided to the Key Management Personnel as per the Company's Human Resource Policy and employment terms and conditions.

Amount in NPR '000

Particulars	This Year (NPR '000)	Previous Year (NPR '000)
Salary and Allowances		
Current CEO	2,974.67	-
Previous CEO	1,291.28	3,597.27
Other Key Management Personnel	1,850.96	1,130.97
Total	6,116.91	4,728.24
Other Benefits*		
Current CEO		-
Previous CEO	485.51	717.30
Other Key Management Personnel		378.61
Total	485.51	1,095.91

Post-Employment Benefits** - -

*Other Benefits include Staff Bonus paid out of profit for previous year.

**Post-employment benefits are actuarially determined on overall basis for all employees.

5.7. Events after reporting date

The Company monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting 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.

There are no material events that have occurred subsequent to 15 July 2021 till the signing of this financial statement.

5.8. Investment Property (Non-Banking Assets)

Non-Banking Assets (NBA) has been shown under investment property. It has been recognized at lower of fair value of collateral or amount due at the time of assuming of NBA. During the year new NBA of Rs. 83,903,710 has been booked. There was no sell of NBA during the period.

Amount in NPR Full Figure

Borrower Name	Date of assuming NBA	31 Ashadh 2078	31 Ashadh 2077
Rajesh Kumar Chaurasiya	2059.08.06	2,559,952	2,559,952
Usha Shrestha	2069.02.26	7,185,061	7,185,061
Shambu Prashad Jaisawal	2065.03.29	7,417,815	7,417,815
Manel Aryal	2074.03.30	750,000	750,000
Mohamad Miya Hajam	2074 02.30	15,120,065	15,120,065
Roshan Kumar Gauttam	2074.04.28	4,197,000	4,197,000
Devendra/Nirmaya Bhandari	2076.04.01	30,167,964	30,167,964
Shova Sapkota	2076.11.20	1,857,085	1,857,085
Tara Bhandari	2077.12.25	31,470,000	-
Aarati Shrestha	2077.12.25	2,982,650	-
Srijana Gyawali/Sabita Bhattarai	2077.12.31	36,125,434	-
Lahanu Dagaura Tharu	2077.12.31	4,618,025	-
Mini King Fashion Wear	2078.03.02	7,064,651	-
Himthalo Construction	2078.03.27	1,642,950	-
Total		153,158,652	69,254,942

5.9. Interest Income

Total interest receivable on loans and advances for 77-78 is Rs 175,463,151. Interest receivable recognized as interest income for 77-78 is Rs. 24,487,523. Rs. 15,153,921 of interest receivable recognized has been collected up to 15 Bhadra 2078. Interest receivable recognized as interest income is adjusted against cash interest collected up to Ashwin end 2078 and staff bonus and taxes (calculated on interest receivable recognized as interest income) before transferring to regulatory reserve as per NRB Directives. Interest income other than Rs 24,487,523 is received in cash.

5.10. Earnings per share

The Company measures earning per share based on 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.

Particulars	Units	Year ended 15-Jul-21	Year ended 15-Jul-20
Profit attributable to equity shareholders (a)	NPR'000	81,871	77,326
Weighted average of number of equity shares used in computing basic earnings per share (b)	In 000	8,242	8,242
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	9.88	9.38
Revised basis earning per share	Rs	9.88	9.38

As there are no potential ordinary shares that would dilute current earning of equity holders, basic EPS and diluted EPS are equal for the period presented. Revised basis earning per share has been adjusted retrospectively calculated based on para 64 of NAS 33.

5.11. Proposed Distributions (Dividends and Bonus Shares)

There are no proposed distributions during the year.

5.12. Unpaid Dividends

As at the reporting date, unpaid dividend over five years amounts to as follows.

NPR. '000

Particulars	As at 15 July 2021	As at 16 July 2020
Not collected for more than 5 years	595	595
Not collected up to 5 years	-	-
Total	595	595

5.13. Non-performing assets

The Company's non-performing assets stood at 12.83% as at balance sheet date. The total non-performing assets as at Balance sheet date is NPR 299,011,483.

Amount in NPR Full Figure

Loan Category	Current year	Previous Year
Performing Loan	2,031,167,152	2,038,245,808
Pass Loans	1,846,668,772	1,337,412,594
Watchlist Loans	184,498,380	700,833,214
Non-performing Loans	299,011,483	359,625,395
Restructured/ Rescheduled Loans		
Substandard Loans	83,456,256	61,734,555
Doubtful Loans	34,092,948	26,775,384
Loss Loans	181,462,279	271,115,456
Gross Loans and Advances	2,330,178,635	2,397,871,203

5.14. Loans Written Off

The Company has written off loans amounting total of Rs 22,442,776 during the year FY 2077-78.

Amount in NPR Full Figure

Borrower Name	Amount
Astha Man Dangol	1,200,000
Jagan Khanal	1,620,642
Salyan Sthan Store	4,274,026
Roshan Chaura Mill	10,000,000
Shishir Ranjeetkar	1,004,434
Suman Pradhan	1,625,224
Himthalo Construction	1,625,352
Govinda Pandey	1,093,098
Total	22,442,776

5.15. Concentration of Deposits, Loans & Advances and Contingents

Amount in NPR Million

Particulars	Loans & Advances and Bills Purchased		Deposits & Borrowings		Non-Funded	
	CY	PY	CY	PY	CY	PY
Total Amount Outstanding (Gross)	2,330	2,398	3,144	2,737	-	-
Highest Exposure of a Single Unit	50	35	80	99	-	-
Concentration of exposure	2.15%	1.45%	2.55%	3.61%	-	-

* CY= Current Year, PY = Previous Year

For the calculation of concentration, loans and advances is total loans extended to the customers except staff loans and interest accruals on loans and the deposits is total deposits from the customers excluding interest payables.

Single Obligor Limit and Sector-wise Limit (Directive No. 3) for both funded and non-funded are within the limit as prescribed by NRB directives.

5.16. Principal Financial Indicators

Particulars	Indicators	F. Y. 2073-74*	F. Y. 2074-75*	F. Y. 2075-76	F. Y. 2076-77	F. Y. 2077-78
1. Percentage of Net Profit/Gross Income	%	-24%	102%	20%	47%	63%
2. Earnings Per Share	NPR	(2.39)	14.31	12.06	9.38	9.88
3. Market Value per Share	NPR	410.00	120.00	101.00	96.00	426.00
4. Price Earnings Ratio	Ratio	(171.59)	8.39	8.37	10.23	43.13
5. Dividend on share capital (Bonus share + Cash dividend)	%	-	-	-	-	-
6. Cash Dividend on share capital	%	-	-	-	-	-
7. Interest Income/Loans & Advances and Investments	%	10.77%	13.94%	20.61%	17.29%	11.88%
8. Employee Expenses/Total Operating Expenses	%	21.62%	51.04%	51.98%	56.24%	54.96%
9. Interest Expenses on Total Deposits and Borrowings	%	5.56%	7.31%	7.33%	9.08%	6.72%
10. Exchange Fluctuation Gain/Total Income	%	-	-	-	-	-
11. Staff Bonus/ Total Staff Expenses	%	-	49.65%	18.83%	10.65%	12.81%
12. Net Profit/Loans & Advances	%	-2.63%	15.18%	5.37%	3.88%	3.85%
13. Net Profit/ Total Assets	%	-2.40%	0.09%	3.02%	2.24%	2.05%
14. Total Credit/Deposit	%	173.40%	133.52%	76.36%	85.35%	71.39%
15. Total Operating Expenses/Total Assets	%	16.84%	3.82%	3.93%	3.46%	3.14%
16. Adequacy of Capital Fund on Risk Weightage Assets						
a. Core Capital	%	29.46%	59.43%	31.03%	27.97%	22.38%
b. Supplementary Capital	%	0.10%	0.40%	1.31%	1.25%	1.03%
c. Total Capital Fund	%	29.56%	59.83%	32.34%	29.22%	23.41%
17. Liquidity (CRR)	%	14.27%	5.86%	5.29%	3.34%	3.47%
18. Nonperforming Loans/Total Loans	%	84.93%	49.29%	18.46%	15.00%	12.83%
19. Weighted Average Interest Rate Spread	%	4.80%	14.78%	4.81%	5.97%	4.07%
20. Base Rate	%	28.86%	26.60%	15.48%	12.50%	10.95%
21. LCY Interest Spread (Calculated as per NRB Directive)	%	4.80%	14.78%	4.81%	5.97%	4.07%
22. Book Net worth Rs in Lacs	NPR	979	2,200	7,246	8,499	9,325
23. Total Shares	Number	1,322,280	2,975,130	8,100,158	8,289,138	8,289,138
24. Net Worth Per Share	NPR	140.76	135.71	141.81	102.53	112.49
25. Total Employees	Number	17	21	122	121	121

*Figures for FY upto 2074/75 are as per previous GAAP

5.17. Shareholders holding more than 0.5% Shares

SN	Name of Shareholder	No of Shares	%
1	Rajendra Kumar Sharma	631,741	7.62%
2	Robinda Prasad Shrestha	413,412	4.99%
3	Devendra Prasad Dhoju	374,842	4.52%
4	Rajendra Prasad Dhoju	351,022	4.23%
5	Chitra Kumar Shrestha	342,301	4.13%
6	Indra Lal Shrestha	200,584	2.42%
7	Ramvha Shrestha	165,231	1.99%
8	Laxmi Shrestha	158,094	1.91%
9	Milan Thapa	145,586	1.76%
10	Ran Kumari Shrestha	130,026	1.57%
11	Bijula Thapa Khadka	117,797	1.42%
12	Yubaraj Sharma	106,434	1.28%
13	Durga Vohra	88,071	1.06%
14	Gauri Shrestha	75,582	0.91%
15	Jamuna Kumari Thapa	70,000	0.84%
16	Nachong Gurung	63,437	0.77%
17	Amulya Manandhar	58,967	0.71%
18	Bikash Bahadur Shrestha	58,954	0.71%
19	Bishnu Bahadur K.C.	56,340	0.68%
20	Narayan Bhakta Shrestha	54,469	0.66%
21	Ram Krishna Neupane	52,152	0.63%
22	Bandana Sapkota	51,923	0.63%
23	Nirmala Kumari Suwal	43,604	0.53%
24	Kapur Prasad Vaijoo	42,902	0.52%

5.18. Reserves

5.18.1 General Reserve

The movement in general reserve during the year is as follows:

Amount in NPR '000

Particulars	Current Year	Previous Year
Opening Balance	185,171,356	169,706,215
Transfer as per BAFIA	16,374,072	15,465,141
Closing balance	201,545,428	185,171,356

As required by Section 44 of Banks and Financial Institutions Act, 2073 (BAFIA), 20% of the current year's net profit amounting to NPR 16,374,072 (Previous Year NPR 15,465,141) has been transferred to General Reserve.

5.18.2 Fair Value Reserve

Fair value Reserve as at 31st Ashad 2078 (15 July 2021) stands at NPR 16,120,504. During the year, Available for Sale investments are marked to market on a regular basis and the difference is adjusted through OCI reserve which amounts to Rs. 19,889,877 net of taxes. Actuarial Loss of Rs 3,769,373 net of taxes has been debited during the year in the account.

5.18.3 Corporate Social Responsibility

As per the NRB directive no. 6.16 on the Corporate Social Responsibility, the Company has allocated 1% of the net profit of current fiscal year for CSR activities.

Particulars	Current Year	Previous Year
Opening CSR Fund	2,512,605	2,166,021
Add: 1% profit this year	818,704	773,257
Less: CSR Expenses	(2,338,729)	(426,673)
Closing CSR Fund	992,580	2,512,605

5.18.4 Employees Training Fund

NRB Directive 6 requires BFI to incur expenses towards employee training and development equivalent to at least 3% of the preceding year's total staff expenses which amounts to NPR 2,019,653 (excluding staff bonus). Total training expenses of this year amounted to NPR 155,171.

Particulars	Current Year	Previous Year
Opening Fund	5,039	502,820
Add: 3% of Last year staff expenses	-	-
Actual Staff training	155,171	497,781
Expenses incurred through the fund	-	497,781
Closing Training fund	5,039	5,039

5.18.5 Regulatory Reserve

During the year regulatory reserve has been credited for Rs 53,887,466 and Rs 26,039,746 has been reversed. Movement in regulatory reserve during 2077-78 is presented below

Particulars	Movement During the year			Closing Balance 77-78
	Opening Balance 77-78	Addition during 77-78	Reversal during 77-78	
Investment Property	43,630,615	52,859,338	-	96,489,953
Interest Income	30,077,170	-	(24,197,001)	5,880,169
Actuarial Loss/(gain) on Gratuity	4,356,691	1,028,128	-	5,384,819
Bargain purchase Gain	73,468,098	-	-	73,468,098
Deferred Tax Assets	12,375,729	-	(1,842,745)	10,532,984
Total	163,908,303	53,887,466	(26,039,746)	191,756,023

5.19 Property Plant and Equipment (PPE)

During the year Property Plant and Equipment of Rs 5,257,326 was purchased and Rs 645,817 of PPE at cost was disposed which is presented in schedule 4.13. Profit on disposal was booked for Rs 92,861 and is presented in schedule 4.34.

5.20 Goodwill and Intangible Assets

During the year Core Banking System (Pumori IV) and other software of Rs 3,059,300 was purchased and is presented in schedule 4.14.

5.21 Retained Earnings

Opening Retained earnings was restated by Rs 8,245,393 for gratuity expenses under booked in previous year (76-77). We had booked gratuity expenses in previous year based on gratuity provision of 8.33% for all employees as per labor Act 2074, however after NRB onsite inspection, it was directed to recalculate the gratuity liability and expenses based on employee service byelaws 2072 of the company. Detailed calculation are as follows:

Particulars	Gratuity Liability 2076-77
Gratuity liability Calculation @ 8.33% for all Employees	27,750,962
Recalculation of Gratuity liability as per employee service byelaws 2072	35,996,355
Short Gratuity Expenses under booked in 76-77	8,245,393

5.22 Other Disclosures for NRB clearance to conduct Annual General Meeting as per notice issued by NRB dated 2078.06.07

Table No. 1

Particulars	As of Ashad end 2078	
	No. Of customers	Amount (NRs)
Accrued Interest Received after Ashad end 2078 till 15 Bhadra 2078	964	15,153,921
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	NA	5,540,006
Extension of moratorium period of loan provided to Industry or Project under construction	-	-
Restructured/Rescheduled Loan with 5% Loan Loss Provision	-	-
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-
Enhancement of Term Loan by 10% to COVID affected borrowers	-	-
Expiry Date of Additional 20% working Capital Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% Provisioning	-	-
Time Extension provided for repayment of principal and Interest for upto two years as per clause 41 of NRB Directives 2	8	2,253,151

Table No. 2

Particulars	As of Ashad end 2078	
	No. Of customers	Amount (NRs)
Refinance Loan	69	132,132,000
Business Continuity Loan	-	-

Table No. 3

Particulars	As of Ashad end 2078	
	No. Of customers	Amount (NRs)
Subsidized Loan	4	4,000,000

Regulatory Reserve Movement From 74-75 to 77-78

Year	Interest Receivable	Short Loan Loss Provision	Short Provision for Possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss Recognized	Fair Value Loss Recognized in OCI	Other	Total
74-75	-	-	-	-	-	-	-	-	-	-	-
75-76	11,250,631	-	-	26,031,533	-	-	73,468,098	-	877,526	-	111,627,788
76-77	30,077,170	-	-	43,630,615	12,375,729	-	73,468,098	4,356,691	-	-	163,908,312
77-78	5,880,169	-	-	96,489,953	10,532,984	-	73,468,098	5,384,819	-	-	191,756,023



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग
गैर-स्थलगत सुपरिवेक्षण इकाई

पत्रसंख्या:- वि.सं.सु.वि./अफसाइट/एजिएम/२/२०७८-७९

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन : ४४१२३०७
फ्याक्स : ४४१४१४३
इमेल : nrbfisd@nrb.org.np
Web : www.nrb.org.np
पोष्ट बक्स : ७३

मिति २०७८/११/०८

श्री बेष्ट फाइनेन्स कम्पनी लिमिटेड
कमलादी, काठमाडौं ।



विषय: वित्तीय विवरण प्रकाशन सम्बन्धी

महाशय,

तहाँबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आयकर ऐन/नियमावली तथा अन्य प्रचलित कानुनी व्यवस्थाको पालना गर्ने गरी आ.व.२०७७/७८ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन ।
२. नियमित रुपमा System Audit गर्ने व्यवस्था मिलाउनहुन ।
३. यस बैंकबाट जारी एकीकृत निर्देशन नं.१९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरुको पूर्ण रुपमा पालना गर्नहुन ।
४. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन ।
५. निष्क्रिय कर्जा घटाउने र समस्यामा रहेका कर्जाहरुलाई तदारुकताका साथ असुल गर्ने व्यवस्था मिलाउनुहुन ।

उपर्युक्त निर्देशनहरुलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन समेत अनुरोध गर्दछु ।

भवदीय,

(हरिश्चन्द्र ढकाल)
उप-निर्देशक

बोधार्थ :

१. नेपाल राष्ट्र बैंक
बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. वित्तीय संस्था सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, श्री बेष्ट फाइनेन्स कम्पनी लिमिटेड ।

आ.ब. २०७७/०७८ को वित्तीय विवरण प्रकाशनको लागि नेपाल राष्ट्र बैंकबाट प्राप्त भएको निर्देशन सम्बन्धमा संचालक समितिको प्रतिक्रिया

नेपाल राष्ट्र बैंकद्वारा यस संस्थाको २५ औं साधारणसभा प्रयोजनको लागि आ.ब. २०७७/०७८ को वित्तीय विवरण प्रकाशन गर्न दिइएको निर्देशनहरूमा देहाय बमोजिमका संचालक समितिको प्रतिक्रिया तयार गरी नेपाल राष्ट्र बैंकमा पेश गर्ने तथा वार्षिक प्रतिवेदनमा छुट्टै पानामा प्रकाशन गर्ने निर्णय गरियो ।

१. तहांबाट दिएका निर्देशनहरूको पालना तथा लेखापरिक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरूको सुधार तथा अनुपालना गर्ने तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाइने व्यहोरा अनुरोध छ ।
२. तहांको निर्देशन बमोजिम नियमित रूपमा System Audit गर्ने व्यवस्था मिलाइने व्यहोरा अनुरोध छ ।
३. नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन नं.१९/०७८ बमोजिम सम्पत्ति शुद्धिकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धि व्यवस्थाको पूर्ण पालना गरिने व्यहोरा अनुरोध छ ।
४. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्न दिइएको निर्देशन अनुसार गरिने व्यहोरा अनुरोध छ ।
५. निस्क्रिय कर्जा घटाउने र समस्यामा रहेका कर्जाहरूलाई तदारुकताका साथ असुल गर्ने आवश्यक व्यवस्था गरिएको व्यहोरा अनुरोध छ ।

प्रतिनिधि (प्रोक्सी) नियुक्त गर्ने निवेदन फारम

श्री सञ्चालक समिति
बेष्ट फाइनान्स कम्पनी लिमिटेड
कमलादी, काठमाडौं

विषय : प्रतिनिधि (प्रोक्सी) नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला.....न.पा./उ.म.न.पा./गा.पा.वडा नं.....बस्ने म/हामी.....ले
यस संस्थाको शेयरधनीको हैसियतले मिति २०७८ चैत्र ०४ गते शुक्रवारका दिन हुने पच्चिसौं वार्षिक साधारण सभामा स्वयं
उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि.....
जिल्ला म.न.पा./उ.म.न.पा./गा.पा.वडा नं..... बस्ने श्री
लाई प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

निवेदक:

दस्तखत :
नाम :
ठेगाना :
शेयर प्रमाण पत्र नं. :
D-Mat No. :
जम्मा शेयर संख्या :
मिति: :

द्रष्टव्य:

प्रतिनिधि नियुक्त गर्न चाहने शेयरधनीले संस्थाको अर्को शेयरधनीलाई मात्र प्रतिनिधि नियुक्त गर्न सक्नु हुनेछ र सो सम्बन्धी प्रोक्सी फारम सभा शुरु हुनु
भन्दा ४८ घण्टा अगावै संस्थाको प्रधान कार्यालय, कमलादी, काठमाडौंमा बुझाई सक्नु पर्नेछ ।

बेष्ट फाइनान्स कम्पनी लिमिटेड

प्रधान कार्यालय, कमलादी, काठमाडौं

पच्चिसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

प्रवेश-पत्र

शेयरधनीको नाम:..... शेयर प्र.प.नं./D-Mat No.....
शेयरधनीको सही:..... कूल शेयर संख्या..... शेयरधनी परिचय नं.....

.....
कम्पनी सचिव

(सभामा भाग लिन आउंदा यो प्रवेश पत्रमा शेयरधनीको नाम, दस्तखत, साधारण शेयरको प्र.प.नं., साधारण शेयर संख्या तथा शेयरधनी
परिचय नं. अनिवार्य रूपमा उल्लेख गरी साथै लिई आउनुपर्नेछ ।)

