

**बेष्ट फाइनेन्स कम्पनी लिमिटेड**  
**को**  
**२६ औं वार्षिक साधारण सभा सम्बन्धी सूचना**

श्री शेयरधनी महानुभावहरु,

मिति २०८० बैशाख ०४ गते सोमवारका दिन बसेको संचालक समितिको ५६५ औं बैठकको निर्णयानुसार यस वित्तीय संस्थाको छव्विसौं 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 हुने मिति : २०८० साल बैशाख २९ गते शुक्रवार (तदनुसार १२ मई, २०२३)

स्थान : नेपाल प्रज्ञा प्रतिष्ठान, कमलादी, काठमाडौं

समय : बिहानको ११.०० बजे ।

**छलफलका विषयहरु :**

**(क) सामान्य प्रस्ताव**

१. यस बेष्ट फाइनेन्स कम्पनी लि. को आ. व. २०७८/०७९ को संचालक समितिको प्रतिवेदन उपर छलफल गरि पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहितको आ.व. २०७८/०७९ को वार्षिक वित्तीय विवरण (२०७९ 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. लेखापरीक्षण समितिको सिफारिस बमोजिम आ.व. २०७९/०८० को लागि बाह्य लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।

**(ख) विशेष प्रस्ताव**

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

**(ग) विविध**

संचालक समितिको आज्ञाले  
कम्पनी सचिव

## साधारण सभा सम्बन्धी अन्य जानकारी

१. यस बेष्ट फाइनेन्स कम्पनी लिमिटेडको छबिसौं वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८०/०१/१२ गते एक दिन शेयरधनी दर्ता किताब बन्द (Book Close) रहने छ। नेपाल धितोपत्र विनिमय बजार लिमिटेडमा २०८०/०१/११ 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 घर 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 पत्रका साथमा मात्र सभाकक्षमा प्रवेश गर्न पाइने छ। सभा हुनेदिन बिहान १०:३० 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 विक्षिप्त शेयरधनीको तर्फबाट कम्पनीको शेयरधनी दर्ता किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले मात्र सभामा भाग लिन वा प्रोक्सी नियुक्त गर्न सक्नुहुनेछ। आफू संरक्षक भएको शेयरवालाको वाहेक 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 आफूमध्ये 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 संचालक 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 शिर्षक अर्न्तगत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा सात दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत संचालक 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 समयभित्र 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](http://www.bestfinance.com.np) मा राखिने छ।

## बेष्ट फाइनेन्स कम्पनी लिमिटेडको छविसौं वार्षिक साधारण सभामा संचालक समितिका अध्यक्षद्वारा प्रस्तुत प्रतिवेदन

आदरणीय शेयरधनी तथा आमन्त्रित महानुभावहरू,

बेष्ट फाइनेन्स कम्पनी लिमिटेडको छविसौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण आदरणीय शेयरधनी महानुभावहरू, कर्मचारी एवं सम्पूर्ण अतिथि महानुभावहरूलाई हार्दिक स्वागत गर्दछु।

संस्थाले नेपाल अधिराज्य भरी विभिन्न शहरहरूमा संचालनमा रहेका अठार वटा शाखा कार्यालयहरूबाट वित्तीय सेवा प्रदान गर्दै आइरहेको छ। संस्था संचालनमा आइपर्ने अनेकन उतार चढावलाई पार गर्दै आदरणीय शेयरधनी महानुभाव तथा सम्बद्ध निकायहरूबाट प्राप्त सुझाव, मार्ग निर्देशनलाई आत्मसात् गर्दै अगाडी बढिरहेकोले यस वित्तीय संस्थाले उल्लेखनीय सफलता हासिल गर्दै गइरहेको छ। साथै, ग्राहकवर्ग तथा आम नागरिकहरूबाट प्राप्त सहयोग, सद्भाव तथा हामीप्रति देखाउनु भएको विश्वासले हामीलाई अगाडि बढ्न थप प्रेरणा मिलेको छ।

आदरणीय शेयरधनी महानुभावहरू,

यस साधारणसभाका अवसरमा संस्थाको आर्थिक वर्ष २०७८/०७९ को वित्तीय विवरणहरू, वासलात, नाफा-नोक्सान हिसाब र नगद प्रवाह विवरणसहितको वित्तीय प्रतिवेदन छलफल गरी पारित गर्न यस गरिमामय सभामा यहाँहरू समक्ष प्रस्तुत गरेको छु।

विश्वव्यापी कोरोना महामारीको कहर कम हुँदै गर्दा अर्को रूस र युक्रेनबीचको युद्धको कारण विश्वव्यापी रूपमा आर्थिक गतिविधिहरू प्रभावित भएका छन्। यस्ता चरणबद्ध रूपमा आएका घटनाहरूको कारण संसारभर लाखौं मानिसहरूको अमूल्य जीवन गुमेको छ भने रोजगारी, व्यवसाय, आमदानीका श्रोत तथा अवसरमा भएका परिवर्तनले विश्व अर्थतन्त्र नै शिथिल अवस्थामा पुगेको छ। यसबाट हाम्रो राष्ट्रको अर्थतन्त्र पनि अछुतो रहन सकेको छैन।

हाल वित्तीय क्षेत्रमा निक्षेप तथा कर्जाको व्याजदरमा आएको वृद्धि, सरकारले योजना अनुसार विकास खर्च गर्न नसक्नु तथा कोभिड लगायतका कारणले देशको आर्थिक क्रियाकलाप घट्न गई ऋणीहरूको व्यवसायमा पनि नकारात्मक प्रभाव पर्न गएको छ। यसले गर्दा समग्र बैकिङ्ग क्षेत्रमै कर्जा असुली चुनौतीपूर्ण हुँदै गएको देखिन्छ। यस किसिमको परिस्थितिमा संस्थाले आवश्यक रणनीति अवलम्बन गरी अगाडी बढिरहेको व्यहोरा जानकारी गराउन चाहन्छु।

### १) विगतवर्षको कारोबारको सिंहावलोकन:

बैंक तथा वित्तीय संस्थाहरूबीच 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 २०७७/०७८ र २०७८/०७९ आषाढ मसान्तमा संस्थाको महत्वपूर्ण वित्तीय सूचकाङ्कहरू देहाय वमोजिम रहेका छन्।

विवरण	प्रति इकाई	आर्थिक वर्ष		परिवर्तन (प्रतिशतमा) (७७/७८ र ७८/७९ को तुलना)
		०७८/७९	०७७/७८	
चुक्ता पूँजी	रु. हजारमा	८,२८,९९४	८,२८,९९४	
निक्षेप दायित्व	रु. हजारमा	३,६०५,२७९	२,९६३,५९२	२१.६५
कर्जा तथा सापटी	रु. हजारमा	३,२००,९५३	२,९९५,५८२	५१.३०
खुद नाफा	रु. हजारमा	१३६,९२५	८१,८७०	६६.६३
संचित मुनाफा	रु. हजारमा	(२०४,४९५)	(३१३,५९५)	३४.८०
प्रतिशेयर नेटवर्थ	रु. हजारमा	१४३.५८	११२.४९	२७.६४
निष्कृत कर्जा (NPL)	प्रतिशतमा	३.०७	१२.८३	(७६.०७)
पूँजीकोष पर्याप्तता %	प्रतिशतमा	२१.३७	२३.४१	(८.७१)
शाखा	संख्यामा	१५	१४	१

वित्तीय बजारको विद्यमान तीव्र प्रतिस्पर्धात्मक अवस्थामा समेत तुलनात्मक रूपमा संस्थाको कुल निक्षेप परिचालन २०७९ असार मसान्तमा २१.६५ प्रतिशतले वृद्धि भई रू. ३ अरब ६० करोड पुगेको छ। त्यसैगरी, कर्जातर्फ २०७९ असार मसान्तमा ५१.३० प्रतिशतले वृद्धि भई रू. ३ अरब २० करोड पुगेको छ।

कारोबारमा भएको वृद्धिसँगै आर्थिक वर्ष २०७८/७९ मा नाफामा समेत वृद्धि भएको छ। आर्थिक वर्ष २०७८/७९ मा संस्थाको खुद नाफा ६६.६३ प्रतिशतले वृद्धि भएर रू. १३ करोड ६१ लाख २५ हजार रहेको छ। उक्त खुद नाफामा हुन गएको वृद्धिले संस्थाको आ.व. २०७७/७८ मा रू. ३१ करोड ३५ लाख १५ हजारले ऋणात्मक रहेको संचित मुनाफामा सुधार हुनगई आ.व. २०७८/७९ मा रू.२० करोड ४४ लाख १५ हजार ऋणात्मक हुन पुगेको छ।

आर्थिक वर्ष २०७८/७९ को आषाढ मसान्तमा संस्थाको पूँजीकोषको पर्याप्तता गत वर्षको तुलनामा कम हुन गएको छ। यो कम हुनुको मुख्य कारण संस्थाको कारोबारमा हुन गएको वृद्धि हो जसले पूँजीको अधिकतम सदुपयोग गर्न तिर संस्था अधि बढेको संकेत गर्दछ। साथै, २०७९ आषाढ मसान्तमा रहेको २१.३७ प्रतिशतको पूँजीकोष नेपाल राष्ट्र बैंकले तोकेको न्यूनतम ११ प्रतिशतभन्दा लगभग दुई गुनाले बढि रहेको छ।

आर्थिक वर्ष २०७७/७८ को चौथो त्रयमासमा संस्थाको निष्कृत्य कर्जाको अंश १२.८३ प्रतिशत रहेकोमा आर्थिक वर्ष २०७८/७९ चौथो त्रयमासमा ३.०७ प्रतिशत मात्र रहन गएकोछ। यो सूचकाङ्कले संस्थाको जोखिम सम्पत्तिको गुणस्तरमा सुधार हुँदै गैरहेको देखाएको छ।

हाल वित्तीय संस्थाहरू बीचको तीव्र प्रतिस्पर्धाको अवस्थामा पनि संस्थाको चुस्त व्यवस्थापनको कारण कर्जा लगानीमा लिने र निक्षेपमा दिने ब्याजदर बीचको अन्तर सन्तोषजनक सीमामा राख्न संस्था सफल भएको छ।

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

विगत केही समययता रूस र युक्रेनबीचको युद्धको कारण विश्वव्यापी रूपमा आर्थिक गतिविधिहरू प्रभावित भएका छन्। पेट्रोलियम पदार्थ र खाद्य वस्तुको मूल्यमा उल्लेख्य वृद्धि भएको छ। विश्व व्यापार गतिविधि तथा पूँजी प्रवाह प्रभावित हुनुका साथै 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। यसले गर्दा कोभिडबाट प्रभावित भई पुनरूत्थान हुन लागेको विश्व अर्थतन्त्रमा चुनौती थपिएको छ।

विश्व अर्थतन्त्रमा आएको परिवर्तनको प्रत्यक्ष र अप्रत्यक्ष प्रभाव नेपाली अर्थतन्त्रमा पनि परेको छ। नेपालको सन्दर्भमा पनि मूल्य एवम् बाह्य क्षेत्र स्थायित्वमा देखिएको दबावका कारण अर्थतन्त्रको पुनरूत्थानसँगै उच्च आर्थिक वृद्धिदर हासिल गर्ने दिशामा चुनौती सिर्जना भएको छ।

## ३) सामाजिक उत्तरदायित्व :

संस्थाले ग्राहक महानुभावहरूलाई सेवा प्रदान गर्नुका साथसाथै मुलुकको समाज सेवाप्रतिको दायित्वबोध गरी संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility-CSR) अन्तर्गत केही सामाजिक कार्यक्रमहरूमा पनि हामीले योगदान गर्दै आएका छौं। संस्थाको नाफा रकमबाट छुट्ट्याइएको 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 काठमाण्डौ मरूध्वाका १९ वडा स्थित मचा सांस्कृतिक पुचःको वार्षिक कार्यक्रममा १०० थान टिसर्ट वितरण, इटहरी ४ सुनसरी स्थित सयपत्री टोल विकास संस्थालाई १८ थान प्लास्टिकको कुर्सी सहयोग, बालाजु स्थित सुकुम्बासी टोलमा संचालित बाल कल्याण आधारभूत विद्यालयमा अध्ययनरत अति विपन्न परिवारका बालबालिकाको डिजिटल पठनपाठनको निम्ति ३२ इन्चको स्मार्ट टि.भी.१ थान सहयोग, वातावरण संरक्षणको निम्ति नयाँ सडक सुधार समिति, पोखराको आयोजनामा गरिएको वृक्षारोपण कार्यक्रममा सहयोग रहेका छन्।

त्यसैगरी, संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत संस्थाको बनस्थली शाखाले जनजागृती माध्यामिक विद्यालय, खरीबोटका कक्षा नौ र दशमा अध्ययनरत विद्यार्थीहरूलाई, पोखरा शाखा कार्यालयले बारपौवा, पोखरा ३३ स्थित श्री चण्डी माध्यामिक

विद्यालयका कक्षा नौ र दशमा अध्ययनरत विद्यार्थीहरू, यूवा क्लव तथा आमा समूहलाई, कावासोती शाखाले कावासोती ४, हसौरा स्थित श्री मुक्तिनाथ कृषि समूह लगायत उक्त स्थानमा बसोबास गर्ने स्थानीयहरूलाई र इटहरी शाखाले इटहरी उप-महानगरपालिका स्थित ग्रीन पिस लिङ्कन कलेजका बी.बी.एस. पहिलो र दोस्रो सेमेष्टरका विद्यार्थीहरूलाई वित्तीय साक्षरता कार्यक्रमको आयोजना गरेको व्यहोरा यहाँहरूसमक्ष जानकारी गराउन चाहन्छु ।

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

क) चालू आर्थिक वर्ष (पुष मसान्त, २०७९) को कारोबारको सिंहावलोकन सम्बन्धमा :

परिवर्तन (प्रतिशतमा)

विवरण	प्रतिइकाई	पुष मसान्त		(पुष मसान्त २०७८ र २०७९ को तुलना)
		२०७९	२०७८	
चुक्ता पूँजी	रु. हजारमा	८,२८,९१४	८,२८,९१४	
निक्षेप दायित्व	रु. हजारमा	४,२५२,५१८	३,४७२,९३८	२२।४८
कर्जा तथा सापटी	रु. हजारमा	३,४५२,९५३	२,६६८,३४२	२९।४०

यस चालू आर्थिक वर्षमा पनि निक्षेप परिचालन र कर्जा लगानी विस्तारमा शाखा कार्यालयहरूलाई थप चुस्त र गतिशील बनाउँदै लगेको छ । फलस्वरूप, निक्षेप तथा कर्जा दुवैतर्फ बृद्धि भई २०७९ पौष मसान्तमा निक्षेप रु. ४ अर्ब २५ करोड र कर्जा तथा सापट रु. ३ अर्ब ४५ करोड हुन पुगेको छ ।

कोभिड १९, रूस र युक्रेनबीचको युद्धको कारण संसारभर नै मूल्यवृद्धि हुनु, कर्जाको व्याजदरमा बृद्धि हुनु लगायतका कारणले हुन सक्ने परिस्थितिलाई मध्यनजर गरी कर्जा लगानीमा हुन सक्ने जोखिमलाई सूक्ष्म विश्लेषण गरी कर्जा लगानीलाई निरन्तरता दिइएको व्यहोरा अवगत गराउन चाहन्छु ।

साथै, हालको वित्तीय बजारको अवस्थालाई मध्यनजर गरी तरलता एवम् निष्कृय कर्जाको व्यवस्थापन गर्दै संस्थाको सञ्चालन मुनाफामा बृद्धि गर्ने र सञ्चालन खर्च न्यूनीकरणका लागि संस्था प्रयत्नशील रहेको व्यहोरा पनि जानकारी गराउन चाहन्छु ।

ख) शाखा विस्तार (Branch Opening) तथा शाखा पुनर्निर्माण (Branch Renovation) सम्बन्धमा :

१) शाखा विस्तार (Branch Opening)

गत आ.व.मा संस्थाले केन्द्रिय कार्यालय सहित मुलुकका विभिन्न शहरमा संचालनमा रहेका पन्ध्रवटा शाखा (नयाँ शाखा कार्यालय नारायणगढ समेत) कार्यालयबाट कारोबार गर्दै आइरहेकोमा आफ्नो शाखा विस्तारको योजना अनुसार १६ औं शाखाको रूपमा वाग्लुङ्ग जिल्लाको गल्कोटमा, १७ औं शाखाको रूपमा पर्सा जिल्लाको वीरगंज, घण्टाघरमा र १८ औं शाखाको रूपमा सुनसरी जिल्लाको ईटहरीमा शाखा विस्तार गरी संचालनमा ल्याईसकेको व्यहोरा अनुरोध गर्दछु ।

२. शाखा पुनर्निर्माण (Branch Renovation)

यसैगरी यस संस्थाको शाखा कार्यालयहरू: काठमाण्डौ जिल्ला टोखा न.पा. वडा नं.९ सामाखुशी स्थित गोंगवु शाखा कार्यालय, नवलपुर जिल्ला कावासोती न.पा. वडा नं.८ स्थित कावासोती शाखा कार्यालय र कास्की जिल्ला पोखारा उ.म.न.पा. वडा नं.९ न्यूरोड स्थित पोखरा शाखाहरूको पुरानो संरचना रहेकोमा यस आर्थिक वर्षमा समय सापेक्ष बैकिङ्ग व्यवसायका लागि आवश्यक पूर्वाधार प्रदान गर्ने गरी पूर्णरूपमा शाखाहरूको पुनर्निर्माण गरिएको छ । साथै, बुटवल स्थित अमरपथ शाखा तथा जीतपुर ४ नं. स्थित शाखा कार्यालयहरू पनि पुनर्निर्माणको प्रकृत्यामा रहेका छन् ।

ग) 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 सञ्जाल (Network) मा आबद्ध गरी ABBS बैकिङ्ग सेवा, विप्रेषण (Remittance) आदि बैकिङ्ग सेवा प्रदान गर्दै आइरहेको छ ।

संस्थाले चिप बेस्ड ए.टी.एम.कार्ड सेवा सुरु गरीसकेका छौं भने काठमाण्डौ बन्स्थली खरीबोट शाखा तथा बुटवलको मिलनचोक शाखाबाट ए.टी.एम.सेवा प्रदान गर्दै आइरहेका छौं । साथै, अन्य सम्भाव्य र आवश्यक स्थानहरूमा समेत ATM जडान गरी सेवा थप गर्दै जाने लक्ष्य लिएका छौं ।

त्यसैगरी, संस्थाले Mobile Banking, Connect IPS, QR Code र RTGS सेवाहरू प्रदान गरिरहेको छ । साथै, Online Account Opening को सेवा संचालनमा ल्याईसकेको तथा उक्त प्रणालीलाई थप चुस्त बनाउन स्तरोन्नति (UPGRADATION) कार्य भई थप सेवा संचालन गर्ने कार्य गरिरहेको व्यहोरा जानकारी गराउन चाहन्छौं । कर्पोरेट पे लगायतका डिजिटल कारोबार शुरू गरिसकेको व्यहोरा समेत अनुरोध गर्दछौं ।

आदरणीय शेयरधनी महानुभावहरू, ग्राहक महानुभावहरू तथा सम्पूर्ण इच्छुक महानुभावहरूको जानकारीका लागि संस्थाको हरेक गतिविधि तथा सूचना आफ्नै वेबसाइट [www.bestfinance.com.np](http://www.bestfinance.com.np) मार्फत् प्रवाह गर्दै आइरहेका छौं ।

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

यस संस्थाले राष्ट्रिय स्तरको 'ग' वर्गको वित्तीय संस्थाका लागि नेपाल राष्ट्र बैंकबाट तोकिएको न्यूनतम चुक्ता पूँजी रु.८० करोड पूरा गरी कारोबार संचालन गरिरहेको छ । तथापि, अन्य बैंक तथा वित्तीय संस्थालाई प्राप्त गरी वा अन्यसंग गाभिएर स्तरोन्नति हुनका लागि संस्थाले ढोका खुल्ला राखेको छ । यस सन्दर्भमा, संस्थाले निश्चित मापदण्डका आधारमा अन्य बैंक/वित्तीय संस्थासंग गाभिएर वा प्राप्त गरेर राष्ट्रिय स्तरको "ग" वर्गको वित्तीय संस्थाबाट राष्ट्रिय स्तरको विकास बैंकमा स्तरोन्नति हुने लक्ष्य लिएको छ । र, सोही अनुसार विकास बैंकका लागि आवश्यक पूर्वाधारको विकास गरिरहेको छ । अन्य बैंक तथा वित्तीय संस्थासंग गाभ्ने/गाभिने (Merger) प्रक्रिया अगाडि बढेमा आदरणीय शेयरधनी महानुभावहरूलाई गाभ्ने/गाभिने (Merger) प्रक्रिया सम्बन्धी आवश्यक जानकारी गराउंदै लगिने छ ।

**५) मानव संसाधन विकास (Human Resource Development):**

संस्थाले मानव संसाधनलाई महत्वपूर्ण पूँजीको रूपमा लिएको छ । संस्थाको व्यवसायिक लक्ष्य पूरा गर्न मानव संसाधनको महत्वपूर्ण भूमिका रहेको हुन्छ । यसै कुरालाई मध्यनजर गर्दै संस्थामा कार्यरत सबै तहका कर्मचारीहरूको कार्य क्षमता तथा दक्षता विकासका लागि समय समयमा विभागीय जिम्मेवारी अनुसारको तालीममा सहभागी गराउने गरिएको छ ।

यसका अतिरिक्त कर्मचारीहरूको मनोबल उच्च राख्दै संस्थाप्रति बफादार तथा समर्पित भई कार्य गरिरहने वातावरणको निर्माण गर्न कर्मचारीहरूलाई प्रदान गरिने तलवभत्ता तथा अन्य सुविधामा समय अनुसार बृद्धि गर्दै लैजाने र कर्मचारीहरूलाई दिइएको जिम्मेवारी अनुसारको कार्य सम्पादनको मूल्याङ्कन गरी आवश्यकता अनुसार बढुवा गर्ने नीति रहेको छ ।

उपरोक्त बाहेक समय समयमा कर्मचारीको दक्षता र क्षमता विकासका लागि अतिरिक्त तालिम तथा सेमिनारहरूमा समेत सहभागी गराउने गरिएको छ ।

यस आर्थिक वर्षमा नेपाल राष्ट्र बैंक लगायत बैंकिङ व्यवसाय सम्बन्धी तालिम प्रदान गर्ने संस्थाहरूमा यस संस्थाले ११३ जना कर्मचारीलाई तालिम तथा सेमिनारहरूमा सहभागी गराएको छ । उक्त तालिम तथा सेमिनारहरूमा सहयोगी कर्मचारीदेखि व्यवस्थापन तहका कर्मचारीहरूलाई सहभागिता गराइएको व्यहोरा जानकारी गराउन चाहन्छु ।

संस्थामा नयाँ कर्मचारीहरूको नियुक्ति राष्ट्रिय तथा स्थानीय पत्रिकामा विज्ञापन प्रकाशीत गरी आवश्यकता अनुसार लिखित जाँच र अन्तवार्ता लिई पारदर्शी तरिकाले गर्ने गरिएको छ ।

**६) संचालक समितिमा भएको हेरफेर र सोको विवरण:**

आर्थिक वर्ष २०७८/०७९ मा संचालक समितिमा कुनै हेरफेर नरहेको तथा वर्तमान संचालक समिति देहाय वमोजिम रहेको व्यहोरा जानकारी गराउदछौं ।

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

आर्थिक वर्ष २०७८/०७९ को अवधिमा संचालक समितिको बैठक जम्मा २८ पटक बसेको थियो ।



**७) नाफानोक्सान हिसाब र बाँडफाँड :**

संस्थाको आर्थिक वर्ष २०७८/०७९ मा सञ्चालन नाफा रू. १७ करोड ६९ लाख, कर अधिको नाफा रू. १३ करोड ५५ लाख र कर पछिको खुदनाफा रू. १३ करोड ६९ लाख रहेको छ। कर पछिको खुद नाफा रू. १३ करोड ६९ लाखबाट २० प्रतिशत अर्थात् रू. २ करोड ९४ लाख साधारण जगेडा कोषमा छुट्टयाइएको छ। नेपाल राष्ट्र बैंकको निर्देशनबमोजिम संस्थागत सामाजिक उत्तरदायित्व कोष (Corporate Social Responsibility Fund, CSR) मा छुट्टयाउनु पर्ने रकम रू. १३ लाख ६९ हजार CSR Fund मा र कर्मचारी दक्षता अभिवृद्धि कोषमा रू. १७ हजार छुट्टयाई बाँकी रकम रू. १० करोड ५३ लाख संचित मुनाफा तथा अन्य कोषहरूमा छुट्टयाइएको व्यहोरा जानकारी गराउँदछु।

**हार्दिक आभार तथा धन्यवाद :**

संस्थाका सरोकारवालाहरू तथा शुभचिन्तक एवम् आम नागरिकहरूबाट पाएको अपार सहयोग तथा विश्वासले संस्था संचालनमा हामीलाई सधैं उत्साहित बनाइरहेको छ। संस्थाको सुदृढीकरण एवम् 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 न्यूनिकरणका लागि महत्वपूर्ण भूमिका निर्वाह गर्नुहुने संस्थाका आन्तरिक लेखापरीक्षक प्रशाङ्क एण्ड एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री प्रशाङ्क सापकोटा तथा वाह्य लेखापरीक्षक वि.आर.एस.न्यौपाने एण्ड कम्पनीका चार्टर्ड एकाउन्टेन्ट श्री अनुप कुमार श्रेष्ठ, कानूनी सल्लाहकार 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: २०८० साल वैशाख २९ गते शुक्रवार

## धितोपत्र तथा निष्कासन नियमावली २०७३ को नियम २६ को उपनियम (२) संग सम्बन्धित थप विवरणहरु

### १. संचालक 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 संचालकले वा संस्थापक वा संचालकको 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 संचालक 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 रू.	६३०	६१५	५७७	४४५
न्युनतम मूल्य रू.	३७५	३८३	३९०	२९८
अन्तिम मूल्य रू.	४२९	५२०	४०५	३७७.५०
कुल कारोबार शेयर संख्या	४८,७३,२०३	२३,९५,५६०	१७,०६,३३६	८,६१,६६४
कुल कारोबार दिन	५७	५९	५८	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 बढ्न** पर्ने स्थिति रहेको छ । यसका लागि आईपर्ने समस्या तथा चुनौति समाधानका उपायहरूबारे संस्थाले समय समयमा समीक्षा गरी रणनीति समेत बनाई सोको सहजीकरणको उपाय अवलम्बन गर्ने गरेको छ ।

### ७. संस्थागत सुशासन

संस्थाले नेपाल राष्ट्र बैंक तथा अन्य नियमन निकायहरूद्वारा जारी गरिएका संस्थागत सुशासन सम्बन्धी व्यवस्थाको पालना 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 लेखापरिक्षक समिति लगायतका अन्य उपसमितिरूबाट गर्ने गरिएको छ ।



**कम्पनी ऐन २०६३ को दफा १०५ उपदफा ४ बमोजिमको अतिरिक्त विवरण**

- क. विगत वर्षको कारोबारको सिंहावलोकन :  
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कारोबारमा परेको असर :  
संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ग. चालु आर्थिक वर्षको उपलब्धि र भावी योजनाको सम्बन्धमा संचालक 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. कारोबारलाई असर पर्ने मुख्य कुराहरू :  
(क) बैंक तथा वित्तीय संस्थाहरूको शाखा विस्तार हुने क्रम जारी रहेदेखी यी संस्थाहरूबीच प्रतिस्पर्धाबाट हुनसक्ने संभावित जोखिमहरू ।  
(ख) संस्थाबाट प्रदान गरिने कोष तथा गैरकोषमा आधारित सेवाहरू उपलब्ध गराउदा 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 संस्थाहरूबीच देखिएको अस्वस्थ प्रतिस्पर्धाको कारणबाट निक्षेपमा दिईने ब्याजदरमा अस्वभाविक बृद्धि गरिनुबाट उत्पन्न हुनसक्ने जोखिम ।  
(ङ) राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट सृजना हुनसक्ने सम्भावित जोखिमहरू ।  
(च) निक्षेप तथा कर्जा लगानी ब्याजदरमा हुने परिवर्तनबाट असर गर्न सक्ने जोखिमहरू ।  
(छ) यथा समयमा कर्जा असुली नभई उत्पन्न हुनसक्ने जोखिमहरू ।  
(ज) कर्जा तथा लगानीको दायरा साँघुरिएर उत्पन्न हुन सक्ने जोखिमहरू ।  
(झ) देशको आर्थिक अवस्थामा आउने उतार चढावबाट हुनसक्ने जोखिमहरू ।  
(ञ) अन्तर्राष्ट्रिय रूपमा हुने आर्थिक तथा वित्तीय क्षेत्रको शिथिलताबाट नेपाली बजारमा पर्न सक्ने आर्थिक जोखिमहरू आदि ।
- छ. लेखापरीक्षण प्रतिवेदन सम्बन्धमा संचालक समितिको राय :  
साधारण सभा प्रयोजनको लागि आर्थिक वर्ष २०७८/०७९ को वित्तीय विवरण नेपाल राष्ट्र बैंकबाट स्विकृत गर्दा प्राप्त टिप्पणी तथा निर्देशनहरू र सो उपर संचालक समितिको प्रतिक्रिया यसै वार्षिक प्रतिवेदन पुस्तिकामा संलग्न गरिएको छ ।
- ज. लाभांश वाँडफाँड 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 कम्पनीले 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 हालसम्म कुनै पनि शेयर जफत भएको छैन ।
- ञ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन:  
हालसम्म संस्थाले कुनै पनि सहायक कम्पनी स्थापना गरेको छैन ।
- ट. संस्था तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबार र सो अवधिमा संस्थाको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन:

आ.व. २०७८/७९ को अन्तमा बैंकले सम्पन्न गरेको प्रमुख कारोबार र कारोबारमा आएको परिवर्तन संलग्न वासलात, नाफा / नोक्सान हिसाव, नगद प्रवाह विवरण तथा लेखापरीक्षण सम्बन्धी प्रतिवेदनले प्रष्ट पार्दछ ।

- ठ. विगत आर्थिक वर्षमा संस्थाको आधारभूत शेयरधनीहरूले संस्थालाई उपलब्ध गराएको जानकारी : हालसम्म संस्थालाई त्यस्तो कुनै पनि जानकारी उपलब्ध गराएको छैन ।
- ड. विगत आर्थिक वर्षमा संस्थाका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र संस्थाको शेयर कारोबारमा 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	श्री खिमलाल पौड्याल	अध्यक्ष	१,०००
२	श्री लक्ष्मी श्रेष्ठ	संचालक	२,०८,०९४
३	श्री रामचन्द्र देवकोटा	संचालक	८,६८६
४	श्री राम कृष्ण चौलागाई	संचालक	६००
५	श्री श्रीराम श्रेष्ठ	संचालक	१,०००

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 हालसम्म त्यस्तो कुनै पनि जानकारी उपलब्ध नभएको ।

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

यस संस्थाले हालसम्म त्यस्तो कुनै शेयर खरिद नगरेको ।

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

नेपाल राष्ट्र बैंकको मार्गदर्शन बमोजिम संस्थाले संस्थागत सुशासन 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. २०७८/०७९ को कुल व्यवस्थापन खर्चको विवरण देहाय बमोजिम रहेको छ ।

कर्मचारी खर्च	रु. ९,२५,६७,६८९
कार्यालय संचालन खर्च	रु. ६,१२,७०,८२५
जम्मा खर्च	रु. १५,३८,३८,५१४

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

आ.व. २०७८/०७९ मा संस्थाको लेखापरीक्षण समितिका सदस्यहरूको नामावली तपसिल बमोजिम रहेको छ ।

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

लेखापरीक्षण समितिका सदस्यहरूलाई बैठकमा उपस्थित हुंदा संयोजक र सदस्यलाई प्रति बैठक भत्ता रु.३,५०० (कर सहित) 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 ७/७८/७९ को दफा ६ बमोजिम संस्थाले गरेका कामहरू नीति नियम बमोजिम भए नभएको निरीक्षण तथा अनुगमन गर्ने गरिएको छ ।

ध. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख कम्पनीका आधारभुत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले यस संस्थालाई कुनै रकम बुझाउन बाँकि भए सो कुरा नरहेको ।

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

आ.व. २०७८/०७९ मा संचालकहरूलाई प्रदान गरेको बैठक भत्ता तथा अन्य खर्च रकम रू. ८,५७,५४८ रहेको छ । प्रमुख कार्यकारी अधिकृतहरूलाई आ.व.२०७८/०७९ मा प्रदान गरेको पारिश्रमिक तथा भत्ताहरू गरि जम्मा रकम रू. ६०,६८,००० रहेको छ ।

प. शेयरधनीहरूले बुझिलिन बाँकि रहेको लाभांशको रकम:

यस आर्थिक वर्ष २०७८/०७९ को अन्त्यसम्ममा शेयरधनीहरूलाई दिन बाँकी लाभांश रू.५,९४,५६३ रहेको छ ।

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

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

ब. दफा १७५ वमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण :

यस संस्थाको कुनै सम्बद्ध कम्पनी नरहेको ।

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

यस आर्थिक वर्ष २०७८/०७९ मा रू.४५,१११,४०२ कर्जा अपलेखन गरिएको छ ।

म. अन्य आवश्यक कुराहरू

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

यस प्रतिवेदनले १ साउन २०७८ देखि आषाढ मसान्त २०७९ सम्मको आर्थिक वर्ष २०७८/७९ को अवधिलाई प्रतिनिधित्व गर्दछ । यो प्रतिवेदन संचालक समितिको मिति २०७९/११/०३ मा बसेको ५६२ औं बैठकले स्विकृत गरेको छ ।

(क) बाँडफाँड भएको शेयर संख्या : ८२८,९१४ कित्ता (प्रति कित्ता रू.१०० का दरले) रहेको छ ।

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

बाँडफाँड भएको शेयर मध्य सम्पूर्ण शेयर चुक्ता भई सकेको छ ।

(ग) कम्पनीको संचालक, प्रबन्ध संचालक, लेखापरीक्षकको विवरण र निजहरूलाई भुक्तानी गरिएको पारिश्रमिक, 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 भत्ता प्रदान गरिएको र सम्पूर्ण संचालकहरूलाई पत्रपत्रिका खर्च वापत रू.१,५०० प्रति महिना उपलब्ध गराईएको छ ।

(२) लेखा परीक्षकको विवरण दफा ७८ (ग) वमोजिम

(आ.व.२०७८/०७९)

क्र.स.	लेखा परीक्षकको नाम	ठेगाना	शैक्षिक योग्यता	प्रमाणपत्र नं.	नियुक्त मिति	पारिश्रमिक (मूल्य अभिवृद्धि कर समेत)	कैफियत
१	वि.आर.एस. न्यौपाने एण्ड कम्पनी (श्री अनुप कु. श्रेष्ठ)	नक्साल, काठमाण्डौं	चार्टर्ड एकाउण्टेण्ट	१४	२०७८/१२/०४	रू. ३,३९,०००	

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

नाम	साधारण शेयर संख्या	रकम	प्रतिशत
श्री राजेन्द्र कुमार शर्मा	७,१४,०४२	रु. ७,१४,०४,२००	८.६१

- (ङ) शेयर बिक्रीबाट प्राप्त भएको जम्मा रकम र सम्बन्धित आ.व.मा कम्पनीले खरिद गरेको तथा जारि गरेको नयाँ शेयर तथा डिबेन्चरको विवरण: नरहेको ।
- (च) संचालक वा आधारभुत शेयरधनी वा निजका नजिकका नातेदारले कम्पनीलाई बुझाउन बाँकि रहेको रकम: छैन ।
- (छ) बैंक तथा वित्तीय संस्थाहरूबाट लिएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम: छैन ।
- (ज) कम्पनीले भुक्तानी लिनु पर्ने वा कम्पनीले अन्य व्यक्तीलाई भुक्तानी गर्नु पर्ने भनि दावी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरण: रु. ३,८१,२३,५९३ बराबरका ३० मुद्दा विभिन्न अदालतहरूमा विचाराधिन रहेको ।
- (झ) कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरमा कार्यरत कर्मचारी वा कामदारको संख्या:  
व्यवस्थापनमा कार्यरत कर्मचारी संख्या : ९  
अन्य स्तरका कर्मचारी संख्या : १२२
- (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 व्यक्तीहरूबीच लगानी व्यवस्थापन वा प्राविधिक 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 कानूनको पालना पूर्ण रूपमा गरेको भन्ने उद्घोषणा:  
कम्पनीले यस ऐन तथा प्रचलित अन्य कानूनको पूर्ण रूपमा पालना गर्ने छ । यस ऐन तथा अन्य प्रचलित ऐन कानूनको बरखिलाफ गरेमा सोहि ऐनमा व्यवस्था भएबमोजिम हुनेमा मंजुरी रहेको उद्घोषणा गर्दछु ।
- (ड) अन्य आवश्यक कुराहरू : नभएको ।

B.R.S. Neupane & Co.  
Chartered Accountants  
Naya Basti Marg, House No. 22  
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Kathmandu, Nepal

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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 32<sup>nd</sup> Ashad 2079, 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 32<sup>nd</sup> Ashad 2079, 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 32<sup>nd</sup> Ashad 2079. 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><b>Impairment of Loans and Advances to Customers</b>  (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>As per NRB Directive 4, Finance shall measure impairment loss on loans and advances at the higher of the following:</p> <ul style="list-style-type: none"> <li>Amount derived as per the norms prescribed by NRB for loan loss provision</li> <li>Amount determined as per NFRS adopting incurred loss model.</li> </ul> <p>The finance has opted to apply carve-out for the treatment of impairment of loans and advance. Accordingly, higher of the above is taken as impairment loss for loans and advance.</p> <p>The finance's portfolio of Loans and advances to customer's amounts to NPR 3,251,325,043 on which the Bank has reported following impairments;</p> <table border="1"> <thead> <tr> <th>Impairment</th> <th>31<sup>st</sup> Ashad 2078</th> <th>32<sup>nd</sup> Ashad 2079</th> </tr> </thead> <tbody> <tr> <td>Impairment</td> <td>252,604,430</td> <td>104,445,493</td> </tr> <tr> <td><b>Total</b></td> <td><b>252,604,430</b></td> <td><b>104,445,493</b></td> </tr> </tbody> </table>	Impairment	31 <sup>st</sup> Ashad 2078	32 <sup>nd</sup> Ashad 2079	Impairment	252,604,430	104,445,493	<b>Total</b>	<b>252,604,430</b>	<b>104,445,493</b>	<p>Our Audit Approach followed to address the Key Audit Matter included:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>We tested on sample basis the level of provisions held against different loan products.</li> <li>We discussed the file with concerned officials and challenged the assumptions made in respect of expected recoveries, primarily from collateral held.</li> <li>We tested the design and operating effectiveness of periodic internal reviews of asset quality and periodic value of collateral.</li> <li>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.</li> </ul> <p><b>Our Result:</b> We agreed with the treatment of impairment of loans and advances made by the Bank.</p>
Impairment	31 <sup>st</sup> Ashad 2078	32 <sup>nd</sup> Ashad 2079								
Impairment	252,604,430	104,445,493								
<b>Total</b>	<b>252,604,430</b>	<b>104,445,493</b>								
<p><b>Investment Valuation, Identification and Impairment</b>  (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. 8/078.</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 involved, we have considered Investment to be our Key Audit Matter.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> <li>Review of the investment of the Company and its valuation having reference to NFRS and NRB Directives</li> <li>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 32<sup>nd</sup> Ashad 2079.</li> <li>Income and Bonus received have been verified through DEMAT statement maintained by the Company wherever applicable.</li> </ul> <p><b>Our Result:</b> We agreed with the recognition, disclosures and valuations made by the Company.</p>									
<p><b>Information Technology Systems and Controls Impacting Financial Reporting</b></p>										
<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</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"> <li>Verification of the interest income and expense</li> </ul>									



<p>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. 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>booking regarding loan and deposits on test check basis with the CBS of the Company.</p> <ul style="list-style-type: none"> <li>• Reliance on the IT audit conducted by the finance.</li> <li>• Verification of the provisioning of the loan and advances based on ageing on test check basis.</li> </ul> <p><b>Our Result:</b> We considered the information technology systems and their relevant controls to be satisfactory.</p>
<p><b>Contingent Liabilities and Commitments</b> (Refer schedule 4.28 read with Notes 5.5 of Notes to Accounts)</p>	
<p>Assessment of Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes and various other claims filed by other parties upon the bank not acknowledged as debts. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported financial performance and position. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of litigations which requires application of judgement in interpretation of law.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding of current status of litigations/tax assessments;</li> <li>• Examining the orders and/or communication received from various Tax Authorities/Judicial forums and follow up action thereon;</li> <li>• Evaluating the merit of the subject matter under consideration with reference to grounds presented therein and available legal/tax advice;</li> <li>• Review and analysis of evaluation of the contentions;</li> </ul> <p>Of the finance through discussions, collections of details of the subject matter under consideration, the likely outcome and potential outflows on these issues.</p> <p><b>Our Result:</b> we agreed with the assessment of provisions in respect of litigations and provisions thereon provided by the finance.</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 company'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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

### **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, FCA  
Managing Partner



UDIN: 230215CA0002878mSg



**Best Finance Company Limited**  
**Statement of Financial Position**  
As on 32 Ashad 2079 (16 July 2022)

Amount in NPR

Particulars	Note	32 Ashad 2079	31 Ashad 2078
<b>Assets</b>			
Cash and cash equivalent	4.1	468,835,769	1,057,291,607
Due from Nepal Rastra Bank	4.2	138,555,510	124,344,285
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	4,949,811	328,593,434
Loans and advances to customers	4.7	3,196,003,428	1,786,988,773
Investment securities	4.8	949,340,945	665,183,530
Current tax assets	4.9	46,546,725	41,997,351
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	183,369,960	153,158,652
Property and equipment	4.13	252,421,331	142,512,343
Goodwill and Intangible assets	4.14	3,811,545	3,430,718
Deferred tax assets	4.15	-	10,532,984
Other assets	4.16	26,719,818	8,459,967
<b>Total Assets</b>		<b>5,270,554,842</b>	<b>4,322,493,644</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	217,355,080	180,594,376
Due to Nepal Rastra Bank	4.18	65,912,106	132,132,000
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	3,605,279,294	2,963,592,094
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	35,144,210	-
Other liabilities	4.23	156,736,714	113,702,924
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>4,080,427,404</b>	<b>3,390,021,394</b>
<b>Equity</b>			
Share capital	4.26	828,913,789	828,913,789
Share premium		3,025,356	3,025,356
Retained earnings		(204,414,935)	(313,515,088)
Reserves	4.27	562,603,228	414,048,193
<b>Total equity attributable to equity holders</b>		<b>1,190,127,438</b>	<b>932,472,250</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>1,190,127,438</b>	<b>932,472,250</b>
<b>Total liabilities and equity</b>		<b>5,270,554,842</b>	<b>4,322,493,644</b>
Contingent liabilities and commitment	4.28	108,694,287	80,348,287
Net assets value per share		143.58	112.49

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: 15 February 2023  
Place: Kathmandu, Nepal

**Best Finance Company Limited**  
**Consolidated Statement of Profit or Loss**  
For the year ended 32 Ashad 2079 (16 July 2022)

*Amount in NPR*

Particulars	Note	Current Year	Previous Year
Interest income	4.29	400,912,637	306,209,797
Interest expense	4.30	279,202,372	201,939,294
<b>Net interest income</b>		<b>121,710,265</b>	<b>104,270,503</b>
Fee and commission income	4.31	21,731,261	11,322,138
Fee and commission expense	4.32	418,886	744,638
<b>Net fee and commission income</b>		<b>21,312,375</b>	<b>10,577,500</b>
<b>Net interest, fee and commission income</b>		<b>143,022,640</b>	<b>114,848,003</b>
Net trading income	4.33	-	-
Other operating income	4.34	39,546,377	15,073,512
<b>Total operating income</b>		<b>182,569,017</b>	<b>129,921,515</b>
Impairment charge/(reversal) for loans and other losses	4.35	(148,158,937)	(95,748,143)
<b>Net operating income</b>		<b>330,727,954</b>	<b>225,669,658</b>
<b>Operating expense</b>			
Personnel expenses	4.36	92,567,689	77,756,579
Other operating expenses	4.37	41,819,524	40,036,927
Depreciation & Amortisation	4.38	19,451,301	7,619,280
<b>Operating Profit</b>		<b>176,889,440</b>	<b>100,256,872</b>
Non operating income	4.39	3,841,713	1,630,472
Non operating expense	4.40	45,226,629	22,442,776
<b>Profit before income tax</b>		<b>135,504,524</b>	<b>79,444,568</b>
Income tax expense	4.41	(620,885)	(2,425,794)
Current Tax		-	589,582
Deferred Tax		(620,885)	(3,015,376)
<b>Profit for the period</b>		<b>136,125,409</b>	<b>81,870,362</b>
Profit attributable to:			
Equity holders of the Bank		136,125,409	81,870,362
Non-controlling interest		-	-
<b>Profit for the period</b>		<b>136,125,409</b>	<b>81,870,362</b>
<b>Earnings per share</b>			
Basic earnings per share		16.42	9.88
Diluted earnings per share		16.42	9.88

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: 15 February 2023  
Place: Kathmandu, Nepal

**Best Finance Company Limited**  
**Consolidated Statement of Other Comprehensive Income**  
For the year ended 32 Ashad 2079 (16 July 2022)

*Amount in NPR*

Particulars	Note	Current Year	Previous Year
<b>Profit for the year</b>		<b>136,125,409</b>	<b>81,870,362</b>
<b>Other comprehensive income, net of income tax</b>			
<b>a) Items that will not be reclassified to profit or loss</b>			
Gains/ (losses) from investments in equity instruments measured at fair value		177,633,300	28,414,110
Gains/ (losses) on revaluation			
Actuarial gains/ (losses) on defined benefit plans		(277,076)	(5,384,819)
Income Tax relating to above items		(53,206,867)	(6,908,787)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>124,149,357</b>	<b>16,120,504</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
Gains/ (losses) on cash flow hedge		-	-
Exchange gains/ (losses) (arising from translating financial assets of foreign operation)		-	-
Income tax relating to above items		-	-
Reclassify to profit or loss		-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period, net of income tax</b>		<b>124,149,357</b>	<b>16,120,504</b>
<b>Total comprehensive income for the period</b>		<b>260,274,766</b>	<b>97,990,866</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		260,274,766	97,990,866
Non-controlling interest		-	-
<b>Total comprehensive income for the period</b>		<b>260,274,766</b>	<b>97,990,866</b>

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: 15 February 2023  
Place: Kathmandu, Nepal



**Best Finance Company Limited**  
**Consolidated Statement of changes in equity**

*Amount in NPR*

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											
<b>Cash flow hedges:</b>											
Effective portion of changes in fair value											
Net Amount reclassified to profit or loss											
<b>Total comprehensive income for the year</b>											
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)
<b>Transactions with owners, directly recognised in equity</b>											
Shares Issued											
Share Premium			-								
Share based payments											
Dividends to equity holders											
Bonus shares issued											
Cash dividend paid											
<b>Total contributions by and distributions</b>				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

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 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
Adjustment/Restatement			-				(16,120,504)		2,522,149	-	(13,598,355)
Adjusted/Restated balance at 1 Shrawan 2078	828,913,789	-	3,025,356	201,545,428	-	191,756,023	-	-	(310,992,939)	4,626,238	918,873,895
Comprehensive income for the year											
Profit for the year									136,125,409		136,125,409
Other comprehensive income, net of tax											-
Re-measurements of defined benefit liability (assets)										(193,953)	(193,953)
Fair value reserve (Investment in equity instrument):							124,343,310				124,343,310
Net change in fair value											-
Net amount transferred to profit or loss									7,685,144		7,685,144
Net gain (loss) on revaluation											-
<b>Cash flow hedges:</b>											-
Effective portion of changes in fair value											-
Net Amount reclassified to profit or loss											-
<b>Total comprehensive income for the year</b>											-
Transfer to reserve during the year				29,420,837		9,979,677			3,546,585	1,378,620	44,325,719
Transfer from reserve during the year									(40,779,134)	(252,952)	(41,032,086)
<b>Transactions with owners, directly recognised in equity</b>											-
Shares Issued											-
Share Premium											-
Share based payments											-
Dividends to equity holders											-
Bonus shares issued											-
Cash dividend paid											-
<b>Total contributions by and distributions</b>				29,420,837		9,979,677	124,343,310		106,578,004	931,715	271,253,543
Balance at Ashadh end 2079	828,913,789		3,025,356	230,966,265	-	201,735,700	124,343,310	-	(204,414,935)	5,557,953	1,190,127,438

As per our report of even date

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

**Laxmi Shrestha**  
Director

**Khim Lal Paudyal**  
Chairman

**Umesh Singh Bhandari**  
Chief Executive Officer

**Rajeev Kumar Yadav**  
Head- Finance and Planning

**Sri Ram Shrestha**  
Director

**Ram Krishna Chaulagain**  
Director

**Ram Chandra Devkota**  
Director

Date: 15 February 2023  
Place: Kathmandu, Nepal

**Best Finance Company Limited**  
**Consolidated Statement of cash flows**  
For the year ended 32 Ashad 2079 (16 July 2022)

Amount in NPR

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	359,279,439	276,609,625
Fees and other income received	25,565,666	11,322,138
Dividend received	8,138,480	5,506,946
Receipts from other operating activities	3,841,713	1,630,472
Interest paid	(270,296,117)	(191,242,389)
Commission and fees paid	(418,886)	(744,638)
Cash payment to employees	(66,445,045)	(65,238,723)
Other expense paid	(52,165,182)	(36,908,683)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>7,500,068</b>	<b>934,748</b>
<b>(Increase)/Decrease in operating assets</b>	<b>(975,755,397)</b>	<b>34,900,653</b>
Due from Nepal Rastra Bank	(14,211,225)	(21,430,708)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	323,643,629	(129,408,859)
Loans and advances to customers	(1,275,822,200)	180,430,385
Other assets	(9,365,601)	5,309,835
<b>Increase/(Decrease) in operating liabilities</b>	<b>662,744,913</b>	<b>521,194,227</b>
Due to bank and financial institutions	36,760,704	(57,913,624)
Due to Nepal Rastra Bank	(66,219,894)	132,132,000
Deposit from customers	641,687,200	464,964,678
Borrowings	-	-
Other liabilities	50,516,903	(17,988,827)
<b>Net cash flow from operating activities before tax paid</b>	<b>(305,510,416)</b>	<b>557,029,628</b>
Income taxes paid/received	(4,549,374)	(863,838)
<b>Net cash flow from operating activities</b>	<b>(310,059,790)</b>	<b>556,165,790</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(187,962,435)	(404,046,974)
Receipts from sale of investment securities	34,760,701	11,213,808
Purchase of plant and equipment	(117,979,647)	(5,257,326)
Receipt from sale of property and equipment	4,259,063	96,000
Purchase of intangible assets	(1,313,067)	(3,059,300)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	(87,452,187)	-
Receipt from the sale of investment properties	66,312,747	-
Interest received	-	-
Dividend received	-	-
<b>Net cash used in investing activities</b>	<b>(289,374,825)</b>	<b>(401,053,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividend paid	-	-
Interest paid	-	-
Other receipt/payment	10,978,777	(2,338,729)
<b>Net cash from financing activities</b>	<b>10,978,777</b>	<b>(2,338,729)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(588,455,838)</b>	<b>152,773,269</b>
Cash and cash equivalents at Shrawan 1, 2078	1,057,291,607	904,518,338
Transfer from Merger	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash and cash equivalents at Ashad end 2079</b>	<b>468,835,769</b>	<b>1,057,291,607</b>

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

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Managing Partner  
BRS Neupane & Co.  
Chartered Accountants

Ram Chandra Devkota  
Director

Ram Krishna Chaulagain  
Director

Sri Ram Shrestha  
Director

Date: 15 February 2023  
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 15 branches and 4 ATM's across 10 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, 2078.

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 18 July 2022 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, 2078.

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

### 2.2 Reporting period and approval of financial statements

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 2078	15 July 2021
Comparative reporting period	1 Shrawan 2077 - 31 Ashad 2078	16 July 2020 -15 July 2021
NFRS SFP* Date	32 Ashad 2079	16 July 2022
NFRS reporting period	1 Shrawan 2078 - 32 Ashad 2079	16 July 2021-16 July 2022
*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, Assumptions and Judgments

The Company, under NFRS, is required to apply accounting policies to suit its circumstances and operating environment most appropriately. 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 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 confirm, 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 18 July 2022 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**

Carve out from the requirement to determine impairment loss on financial assets – loans and advances by adopting the ‘Incurred Loss Model’ unless the reporting entity is a bank or a financial institution registered as per Bank and Financial Institutions Act, 2073. Such entities shall measure impairment loss on loans and advances at the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning; and amount determined as per NFRS. The Bank has adopted this mandatory treatment. As a result of this treatment, the Bank has recognized impairment loss on loans and advances at the higher of the amount derived as per prudential norms specified in NRB directive no. 2/78 and the amount derived from incurred loss model as specified by NFRS. The Bank has recognized impairment loss on other financial assets measured at amortized cost in accordance with NFRS.

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

As per NFRS-9, 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 while calculating the effective interest rate. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

This Carve-out states that the effective interest rate calculation shall include all fees and points paid or received, unless it is immaterial or impracticable to determine reliably. The Bank has availed this Carve-out in the case of loans and advances for Financial Year 2078/79 and has not considered all fees and points paid or received which are impracticable to measure reliably while determining effective interest rate. As a result of this alternative treatment, the Bank has excluded the full amount of upfront loan management fees or commission received on loans and advances in the calculation of effective interest rate for the loan. The upfront fees and commission are recognized as income in the same period, the loan is approved.

### **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 2021/22 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 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, 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
- 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

#### a. 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 and 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.

**a) 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 through 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 through 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 (10.00%) 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	As per Lease term

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 after 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 lifetime 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 is a contract in which one party provides an asset to the other party for some consideration usually a periodic payment. The Finance assesses whether a contract is or contains a lease, at inception of the contract. In accordance with NFRS-16 “Leases”; the Finance recognizes a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets as the Finance is lessee in all lease arrangements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Finance uses its incremental borrowing rate. Since the Finance apply NFRS-16; “Leases” to its leases in accordance with Para C5(b), retrospectively with the cumulative effect of initially applying the Standard recognized at the date of initial application, it uses incremental borrowing rate which is the interbank borrowing rate/lending of the Finance.

#### **Lease payments included in the measurement of the lease liability comprise:**

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented within other Liabilities in the Consolidated Statement of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Finance remeasures the lease liability (and makes a corresponding adjustment to the related right-of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

#### **The Finance did not make any such adjustments during the periods presented.**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Finance incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under NAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of use asset. If a lease transfer ownership of the underlying asset or the cost of the right-of-use asset reflects that the Finance expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Finance depreciates Right-of-use assets from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The right-of-use assets are presented Within Property, plant and Equipment in the Consolidated Statement of Financial Position.

The Finance applies NAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, NFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Finance has not any non-lease component associated with the lease.

### **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**

*Amount in NPR*

**4.1 Cash and cash equivalent**

Particulars	32 Ashad 2079	31 Ashad 2078
Cash in hand	53,617,517	60,503,983
Balances with B/FIs	380,218,252	926,787,624
Money at call and short notice	-	-
Other*	35,000,000	70,000,000
<b>Total</b>	<b>468,835,769</b>	<b>1,057,291,607</b>

\* Relates to CIT placement

**4.2 Due from Nepal Rastra Bank**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Statutory balances with NRB	138,555,510	124,344,285
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
<b>Total</b>	<b>138,555,510</b>	<b>124,344,285</b>

**4.3 Placements with Bank and Financial Institutions**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.4 Derivative Financial Instruments**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Held for trading</b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
<b>Held for risk management</b>		
Interest rate swap		
Currency swap		
Forward exchange contract	-	-
Other		
<b>Total</b>		

**4.5 Other Trading assets**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Pledged	-	-
Non-pledged	-	-

#### 4.6 Loans and advances to B/FIs

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Loans to microfinance institutions*</b>	5,015,006	332,907,888
Other	-	-
Less: Allowances for impairment	65,195	4,314,454
<b>Total</b>	<b>4,949,811</b>	<b>328,593,434</b>

\* Includes AIR of RS 6

#### 4.6.1 Allowances for Impairment

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Balance at the end of Previous Year	4,314,454	2,000,843
Impairment loss for the year:	(4,249,259)	2,313,611
Charge for the year	-	2,313,611
Recoveries/reversal	(4,249,259)	-
Amount written off	-	-
<b>Balance at the end of this year</b>	<b>65,195</b>	<b>4,314,454</b>

#### 4.7 Loans and advances to customers

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Loan and advances measured at amortized cost	3,300,383,726	2,035,278,749
Less: Impairment allowances	(104,380,298)	(248,289,976)
Collective impairment	-	-
Individual impairment	104,380,298.00	248,289,976
<b>Net amount</b>	<b>3,196,003,428</b>	<b>1,786,988,773</b>
Loan and advances measured at FVTPL	-	-
<b>Total</b>	<b>3,196,003,428.00</b>	<b>1,786,988,773</b>

#### 4.7.1 Analysis of loan and advances - By product

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Product</b>		
Term loans	89,180,569	115,964,016
Overdraft	312,206,737	239,150,924
Trust receipt/Import loans	-	-
Demand and other working capital loans	81,688,341	39,261,022
Personal residential loans	504,992,065	70,943,071
Real estate loans	210,047,938	107,853,278
Margin lending loans	220,925,500	54,989,244
Hire purchase loans	173,692,655	206,457,623
Deprived sector loans	207,441,177	45,479,508
Bills purchased	-	-
Staff loans	23,813,534	13,520,666
Other	1,446,135,063	1,118,198,647
<b>Sub total</b>	<b>3,270,123,579</b>	<b>2,011,817,999</b>
Interest receivable	30,260,147	23,460,750
<b>Grand total</b>	<b>3,300,383,726</b>	<b>2,035,278,749</b>

**4.7.2 Analysis of loan and advances - By Currency**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Nepalese rupee	3,300,383,726	2,035,278,749
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>3,300,383,726</b>	<b>2,035,278,749</b>

**4.7.3 Analysis of loan and advances - By Collateral**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Secured</b>		
Movable/immovable assets	2,757,435,564	1,820,844,454
Gold and silver	380,000	2,433,414
Guarantee of domestic B/FIs		
Government guarantee	4,015,316	4,015,316
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	88,887,498	21,307,870
Collateral of Governement securities	-	-
Counter guarantee	-	-
Personal guarantee	167,500,284	104,619,530
Other collateral	251,904,917	58,597,415
<b>Subtotal</b>	<b>3,270,123,579</b>	<b>2,011,817,999</b>
Unsecured	30,260,147	23,460,750
<b>Grant Total</b>	<b>3,300,383,726</b>	<b>2,035,278,749</b>

**4.7.4 Allowances for Impairment**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
<b><u>Specific allowances for impairment</u></b>		
<b>Balance at the end of Previous Year</b>	<b>248,289,976</b>	<b>346,351,730</b>
Impairment loss for the year:	(143,909,678)	(98,061,754)
Charge for the year	-	-
Recoveries/reversal during the year	(143,909,678)	(98,061,754)
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at the end of This Year</b>	<b>104,380,298</b>	<b>248,289,976</b>
<b><u>Collective allowances for impairment</u></b>		
<b>Balance at the end of Previous Year</b>	-	-
Impairment loss for the year:	-	-
Charge/(reversal) for the year	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at the end of This Year</b>	-	-
<b>Total allowances for impairment</b>	<b>104,380,298</b>	<b>248,289,976</b>



#### 4.8 Investment in securities

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Investment securities measured at amortized cost	634,847,145	504,272,320
Investment in equity measured at FVTOCI	314,493,800	160,911,210
<b>Total</b>	<b>949,340,945</b>	<b>665,183,530</b>

#### 4.8.1 Investment in securities measured at amortized cost

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Debt securities	-	-
Government bonds	537,972,174	207,026,229
Government treasury bills	96,874,971	297,246,091
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
Less: specific allowances for impairment	-	-
<b>Total</b>	<b>634,847,145</b>	<b>504,272,320</b>

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

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Equity instruments</b>	-	-
Quoted equity securities	299,054,900	158,095,010
Unquoted equity securities	15,438,900	2,816,200
<b>Total</b>	<b>314,493,800</b>	<b>160,911,210</b>

**4.8.3: Information relating to investment in equities**
*Amount in NPR*

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>	<b>134,044,300</b>	<b>299,054,900</b>	<b>129,680,900</b>	<b>158,095,010</b>
National Micro Finance Bittiya Sanstha Ltd. (Promoter) 25,000 shares of Rs. 100 each and 54,873 bonus shares	2,500,000	171,871,951	2,500,000	7,987,300
RSDC Laghu Bitta 2 Bonus shares	-	-	-	1,734
Nepal Life Insurance Co. Ltd. 1 Bonus share	-	747	-	2,297,043
NIC Asia Balanced Fund 1,000,000 shares os Rs.10 each	10,000,000	10,710,000	20,000,000	27,460,000
NMB Mutual Fund 1,000,000 shares of Rs.10 each	10,000,000	12,900,000	20,000,000	29,900,000
Sanima Large Cap Fund 2,000,000 shares of Rs. 10 each	20,000,000	18,640,000	20,000,000	21,000,000
Kumari Equity Fund 250,000 shares of Rs. 10 each	2,500,000	2,517,500	2,500,000	2,622,500
NIBSF2 2,000,000 shares of Rs. 10 each	20,000,000	17,340,000	20,000,000	21,620,000
PSF 1,468,090 shares of Rs. 10 each	14,680,900	14,108,345	14,680,900	14,886,433
SBCF 2,000,000 shares of Rs. 10 each	20,000,000	17,480,000	20,000,000	20,320,000
Mega Mutual Fund 1 436340 Shares of Rs. 10 Each	4,363,400	3,486,357	10,000,000	10,000,000
Kumari Dhanbriddhi Yojana 200,000 Shares of Rs. 10 Each	20,000,000	20,000,000	-	-
General Insurance Company Limited (Promoter) 100,000 Shares of Rs. 100 Each	10,000,000	10,000,000	10,000,000	10,000,000
<b>Investment in unquoted equity</b>	<b>2,816,200</b>	<b>15,438,900</b>	<b>2,816,200</b>	<b>2,816,200</b>
Nepal Clearing House 55,535 Shares of Rs. 100 Each	2,025,200	5,553,500	2,025,200	2,025,200
Karja Suchana Kendra 98,854 Shares of Rs. 100 Each	791,000	9,885,400	791,000	791,000
<b>Total</b>	<b>136,860,500</b>	<b>314,493,800</b>	<b>132,497,100</b>	<b>160,911,210</b>
Investment in unquoted equity are shown at cost considering networth of invested equity are not less than cost.				

**4.9 Current tax Assets/Liability**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Current tax assets</b>	<b>71,713,294</b>	<b>67,163,920</b>
Current year income tax assets	4,578,519	1,453,420
Tax assets of prior periods	67,163,920	65,710,500
Opening Tax asset adjustment	(29,145)	-
<b>Current tax liabilities</b>	<b>25,166,569</b>	<b>25,166,569</b>
Current year income tax liabilities		589,582
Tax liabilities of prior periods	25,166,569	24,576,987
<b>Total</b>	<b>46,546,725</b>	<b>41,997,351</b>

**4.10 Investment In subsidiaries**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
<b>Total investment</b>	<b>-</b>	<b>-</b>
Less: Impairment allowances		
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>

**4.10.1 Investment In quoted subsidiaries**

*Amount in NPR*

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.10.2 Investment In unquoted subsidiaries**

*Amount in NPR*

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.10.3 Information relating to subsidiaries of the finance**

*Amount in NPR*

Particulars	Percentage of ownership held by the finance	
	32 Ashad 2079	31 Ashad 2078
.....Ltd	-	-
.....Ltd	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.10.4: Non controlling interest of the subsidiaries**
*Amount in NPR*

Particulars	Current Year	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashadh end 2078		-
Dividend paid to NCI		-
Funds used		
<b>NCI as on Ashadh end 2079</b>		
Particulars	Previous 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		
<b>NCI as on Ashadh end 2078</b>		

**4.11 Investment In associates**
*Amount in NPR*

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted associates	-	-	-	-
Investment in unquoted associates	-	-	-	-
<b>Total investment</b>	-	-	-	-
Less: Impairment allowances				
<b>Net carrying amount</b>	-	-	-	-

**4.11.1 Investment In quoted associates**
*Amount in NPR*

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
<b>Total</b>	-	-	-	-

**4.11.2 Investment In unquoted associates**

Particulars	32 Ashad 2079		31 Ashad 2078	
	Cost	Fair Value	Cost	Fair Value
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
.....Ltd				
.....shares of Rs.... Each	-	-	-	-
<b>Total</b>	-	-	-	-

**4.11.3: Information relating to associates of the Finance**

*Amount in NPR*

Particulars	Percentage of ownership held by the Finance	
	32 Ashad 2079	31 Ashad 2078
.....Ltd.	-	-
.....Ltd.	-	-
<b>Total</b>	-	-

**4.11.4: Equity value of associates**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
<b>Total</b>	-	-

**4.12 Investment Properties**

*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Investment properties measured at fair value</b>		
Balance as on the end of Previous Year	-	-
Addition/disposal during the year- Net	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
<b>Net amount</b>	-	-
<b>Investment properties measured at cost</b>		
Balance as on the end of Previous Year	153,158,652	69,254,942
Addition/disposal during the year	30,211,308	83,903,710
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
<b>Net amount</b>	<b>183,369,960</b>	<b>153,158,652</b>
<b>Total</b>	<b>183,369,960</b>	<b>153,158,652</b>

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.



**4.13 Property and Equipment**
*Amount in NPR*

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	Total Asar end 2079	Total Asar End 2078
<b>Cost</b>										
As on Shrawan 1, 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
Addition during the Year	-	-	-	777,850	-	738,717	-	3,740,759		5,257,326
Acquisition	-	-	-	777,850	-	738,717	-	3,740,759.00		5,257,326
Capitalization	-	-	-	-	(297,777)	-	-	(348,040)		(26,768,113)
Disposal during the year	-	-	-	-	-	-	-	-		-
Adjustment/Revaluation-76-77	-	-	-	-	-	-	-	-		-
<b>Balance as on Ashadh end 2078</b>	<b>88,561,728</b>	<b>61,099,406</b>	<b>12,476,772</b>	<b>21,212,482</b>	<b>14,411,373</b>	<b>24,296,656</b>	<b>847,500</b>	<b>50,773,464</b>	<b>273,679,381</b>	<b>273,679,381</b>
Addition during the Year	32,240,979	-	67,125,577	823,500	7,872,664	1,732,197	-	8,184,730	117,979,647	
Acquisition	-	-	60,912,595	823,500	7,872,664	1,732,197	-	8,184,730	79,525,686	
Capitalization	32,240,979	-	6,212,982	-	-	-	-	-	38,453,961	
Disposal during the year	-	-	(1,244,878)	(484,158.00)	(6,303,454)	(2,232,519)	-	(6,707,203)	(16,972,212)	
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	
<b>Balance as on Ashadh end 2079</b>	<b>120,802,707</b>	<b>61,099,406</b>	<b>78,357,471</b>	<b>21,551,824</b>	<b>15,980,583</b>	<b>23,796,334</b>	<b>847,500</b>	<b>52,250,991</b>	<b>374,686,816</b>	<b>273,679,381</b>
<b>Depreciation and Impairment</b>										
As on Shrawan 1, 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	6,996,964
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(294,637)	-	-	(348,040)	(642,677)	(642,677)
Adjustment upto 77-78	-	-	-	-	-	-	-	-	-	-
<b>As on Ashadh end 2078</b>	<b>-</b>	<b>24,474,339</b>	<b>9,673,961</b>	<b>19,282,690</b>	<b>10,989,941</b>	<b>22,393,575</b>	<b>847,500</b>	<b>43,505,031</b>	<b>131,167,038</b>	<b>131,167,038</b>
Depreciation charge for the year	-	1,527,485	632,940	735,692	1,222,984	737,885	-	2,580,305	7,437,291	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(760,595)	(483,050)	(6,303,454)	(2,160,565)	-	(6,631,180)	(16,338,844)	-
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As on Ashadh end 2079</b>	<b>-</b>	<b>26,001,824</b>	<b>9,546,306</b>	<b>19,535,332</b>	<b>5,909,471</b>	<b>20,970,895</b>	<b>847,500</b>	<b>39,454,156</b>	<b>122,265,485</b>	<b>131,167,038</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value										
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	142,512,343
As on Ashadh end 2079	120,802,707	35,097,582	68,811,165	2,016,492	10,071,112	2,825,439	-	12,796,835	252,421,331	

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 2079	Total Ashad end 2078
		Purchased	Developed			
<b>Cost</b>						
<b>As on Shrawan 1, 2077</b>	-	<b>1,806,470</b>	-	-	<b>1,806,470</b>	<b>768,000</b>
Addition during the Year	-	3,059,300	-	-	3,059,300	388,720
Acquisition		3,059,300			3,059,300	-
Capitalization	-		-	-	-	-
Transferred from Synergy Finance Ltd		-			-	388,720
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>Balance as on Ashadh end 2078</b>	-	<b>4,865,770</b>	-	-	<b>4,865,770</b>	<b>1,156,720</b>
Addition during the Year	-	1,313,067	-	-	1,313,067	-
Acquisition		-			-	649,750
Capitalization	-	1,313,067	-	-	1,313,067	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>Balance as on Ashadh end 2079</b>	-	<b>6,178,837</b>	-	-	<b>6,178,837</b>	<b>1,806,470</b>
Amortization and Impairment						
As on Shrawan 1, 2077	-	812,736	-	-	812,736	235,520
Transferred from Synergy Finance Ltd		-			-	222,384
Amortization charge for the Year	-	622,316	-	-	622,316	66,896
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>As on Ashadh end 2078</b>	-	<b>1,435,052</b>	-	-	<b>1,435,052</b>	<b>528,208</b>
Amortization charge for the Year	-	932,240	-	-	932,240	210,864
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	73,664
<b>As on Ashadh end 2079</b>	-	<b>2,367,292</b>	-	-	<b>2,367,292</b>	<b>812,736</b>
Capital Work in Progress	-	-	-	-	-	-
Net Book Value						
<b>As on Ashadh end 2077</b>	-	<b>993,734</b>	-	-	<b>993,734</b>	
<b>As on Ashadh end 2078</b>	-	<b>3,430,718</b>	-	-	<b>3,430,718</b>	<b>993,734</b>
<b>As on Ashadh end 2079</b>	-	<b>3,811,545</b>	-	-	<b>3,811,545</b>	-

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*
**Current Year**

Particulars	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	-	53,289,990	(53,289,990)
Property & equipment	(16,982,024)	-	(16,982,024)
Employees' defined benefit plan	15,302,035	-	15,302,035
Lease liabilities	19,742,646	-	19,742,646
Provisions	-	(83,123)	83,123
Other temporary differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>18,062,657</b>	<b>53,206,867</b>	<b>(35,144,210)</b>
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
<b>Net Deferred tax asset/(liabilities) as on 32 Ashadh, 2079</b>			<b>(35,144,210)</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2078			(10,532,984)
<b>Origination/(Reversal) during the year</b>			<b>(45,677,194)</b>
Deferred tax expense/(income) recognised in profit or loss			(620,885)
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>46,298,080</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			<b>-</b>

**Previous Year**

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
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	-	-	-
<b>Deferred tax on temporary differences</b>	<b>17,441,772</b>	<b>6,908,787</b>	<b>10,532,984</b>
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
<b>Net Deferred tax asset/(liabilities) as on 31 Ashadh 2078</b>			<b>10,532,984</b>
Deferred tax (asset)/liabilities as on 1 Shrawan, 2077			(12,375,729)
<b>Origination/(Reversal) during the year</b>			<b>(1,842,745)</b>
Opening Adjustment due to merger			
Deferred tax expense/(income) recognised in profit or loss			(3,015,376)
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>4,858,121</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			<b>-</b>

#### 4.16 Other Assets

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	377,839	912,383
Accrued income	2,082,500	-
Prepayments and deposit	2,657,419	1,873,877
Income tax deposit	6,923,456	-
Deferred employee expenditure	829,896	233,578
<b>Other</b>	<b>13,848,708</b>	<b>5,440,129</b>
Stationary Stock	481,359	595,870
Receivable Insurance	128,009	-
Bank 1 day interest receivable	6,225	-
Unwinding of Interest	480,138	407,869
Gratuity Surplus	-	-
Debit Card Stock	135,771	333,779
Other	12,617,206	4,102,611
<b>Total</b>	<b>26,719,818</b>	<b>8,459,967</b>

#### 4.17 Due to Bank and Financial Institutions

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Money market deposits	-	-
Interbank borrowing	-	-
Settlement and clearing accounts	-	-
Other deposits from BFIs	217,355,080	180,594,376
<b>Total</b>	<b>217,355,080</b>	<b>180,594,376</b>

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

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Refinance from NRB	65,912,106	132,132,000
Standing Liquidity Facility	-	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
<b>Total</b>	<b>65,912,106</b>	<b>132,132,000</b>

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.

Amount in NPR

#### 4.19 Derivative Financial instruments

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Held for trading</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract		
Others		
<b>Held for risk management</b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Amount in NPR

#### 4.20 Deposits from customers

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Institutions customers:</b>		
Term deposits	287,090,899	265,931,515
Call deposits	95,000,421	168,050,440
Current deposits	40,216,056	30,123,230
Other	10,728,428	31,658,835
<b>Individual customers:</b>		
Term deposits	2,250,019,112	1,423,276,681
Saving deposits	892,243,255	1,028,121,002
Current deposits	29,981,123	16,430,391
Other	-	-
<b>Total</b>	<b>3,605,279,294</b>	<b>2,963,592,094</b>

Amount in NPR

#### 4.20.1 Currency wise analysis of deposit from customers

Particulars	32 Ashad 2079	31 Ashad 2078
Nepalese rupee	3,605,279,294	2,963,592,094
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>3,605,279,294</b>	<b>2,963,592,094</b>



#### 4.21 Borrowings

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Domestic Borrowing</b>		
Nepal Government		
Other Institutions	-	-
Other		
<b>Foreign Borrowing</b>		
Foreign Bank and Financial Institutions		
Multilateral Development Banks		
Other Institutions		
<b>Total</b>	-	-

#### 4.22 Provisions

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
<b>Total</b>	-	-

#### 4.22.1 Movement in Provisions

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
Balance at Shrawan 1, 2078	-	-
Provisions made during the year		
Provisions used during the year		
Provisions reversed during the year		
Unwind of discount		
<b>Balance at Ashadh end, 2079</b>	-	-

**4.23 Other Liabilities**
*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Liability for employees defined benefit obligations	277,076	5,384,819
Liability for long-service leave	13,844,370	11,106,818
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	11,112,209	25,414,965
Interest payable on deposit	3,933,521	10,912,581
Interest payable on borrowing - refinance	-	1,463,421
Liabilities on deferred grant income	-	-
Unpaid Dividend	594,563	594,563
Liabilities under Finance Lease	65,808,820	2,410,244
Employee bonus payable	15,056,058	8,827,174
Other	<b>46,110,097</b>	<b>47,588,339</b>
Audit Fee Payable		<b>702,450</b>
TDS Payable	4,937,905	4,148,146
Interest TDS	3,678,506	2,966,717
Salary TDS	727,802	746,288
Other TDS	531,597	435,141
Others	<b>41,172,192</b>	<b>42,737,743</b>
Interest Suspense Due to NBA	31,727,194	38,363,523
Other Payable	8,254,977	3,330,287
Provisions	1,190,021	1,043,933
<b>Total</b>	<b>156,736,714</b>	<b>113,702,924</b>

**4.23.1. Defined Benefit Obligation**

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

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
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	37,439,488	42,818,463

**4.23.2: Plan Assets**
**Plan assets comprise**
*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other (Deposit at CIT)	37,162,412	27,750,962
<b>Total</b>	<b>37,162,412</b>	<b>27,750,962</b>

Actual Return on plan assets

**4.23.3: Movement in the present value of defined benefit obligations**

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Defined benefit obligations at Shrawan 1, 2078	42,818,463	42,275,216
Actuarial losses	(7,004,709)	(3,956,629)
Benefits paid by the plan	(5,496,857)	(2,783,332)
Current service costs and interest	7,122,591	7,283,208
<b>Defined benefit obligations at Ashadh end, 2079</b>	<b>37,439,488</b>	<b>42,818,463</b>

**4.23.4: Movement in the fair value of plan assets**

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Fair value of plan assets at Shrawan 1, 2078	37,433,644	35,996,356
Contributions paid into the plan	5,225,625	4,220,620
Benefits paid during the year	(5,496,857)	(2,783,332)
Actuarial (losses) gains	(3,122,930)	(3,058,438)
Expected return on plan assets	3,122,930	3,058,438
<b>Fair value of plan assets at Ashadh end, 2079</b>	<b>37,162,412</b>	<b>37,433,644</b>

**4.23.5: Amount recognised in profit or loss**

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Current service costs	-	-
Interest on obligation	-	-
Actuarial (gain)/loss	-	-
Expected return on plan assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.23.6: Amount recognised in other comprehensive income**

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Actuarial (gain)/loss	277,076	5,384,819
<b>Total</b>	<b>277,076</b>	<b>5,384,819</b>

**4.23.7: Actuarial assumptions**

Particulars	32 Ashadh 2079	31 Ashadh 2078
Discount rate	11.00%	9.00%
Expected return on plan asset	11.00%	9.00%
Future salary increase	10.00%	10.00%
Withdrawal rate	10.00%	10.00%

**4.24 Debt securities issued**

*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.25 Subordinate Liabilities**
*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Redeemable preference shares		-
Irredeemable cumulative preference shares (liabilities component)		-
Other		-
<b>Total</b>		

**4.26 Share Capital**
*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
Ordinary shares	828,913,789	828,913,789
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
<b>Total</b>	<b>828,913,789</b>	<b>828,913,789</b>

**4.26.1 Ordinary Shares**
*Amount in NPR*

Particulars	32 Ashadh 2079	31 Ashadh 2078
<b>Authorized Capital</b>		
10,000,000 Ordinary Share of Rs. 100 each	1,000,000,000	1,000,000,000
Issued capital		
8,905,242.37 Ordinary Share of Rs. 100 each	890,524,237	890,524,237
<b>Subscribed and paid up capital</b>		
8,289,137.89 Ordinary Share of Rs. 100 each	828,913,789	828,913,789
<b>Total</b>	<b>828,913,789</b>	<b>828,913,789</b>

**4.26.2 Ordinary Share Ownership**

Particulars	32 Ashadh 2079		31 Ashadh 2078	
	% of holding	Amount	% of holding	Amount
<b>Domestic ownership</b>	<b>100%</b>	<b>828,913,789</b>	<b>100%</b>	<b>828,913,789</b>
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
<b>Foreign ownership</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>100%</b>	<b>828,913,789</b>	<b>100%</b>	<b>828,913,789</b>

**Note: Shareholders holding 0.5% or more Shares**

S.No	Name of Shareholder	No. of Shares	%
1	Rajendra Kumar Sharma	714,042	8.61%
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	Laxmi Shrestha	208,094	2.51%
6	Indra Lal Shrestha	200,584	2.42%
7	Ramvha Shrestha	165,231	1.99%
8	Milan Thapa	145,586	1.76%
9	Bindu Gaire Sharma	145,450	1.75%
10	Bijula Thapa Khadka	108,236	1.31%
11	Yubaraj Sharma	106,434	1.28%
12	Durga Vohra	88,071	1.06%
13	Bandana Sapkota	81,923	0.99%
14	Gauri Shrestha	75,582	0.91%
15	Ran Kumari Shrestha	68,426	0.83%
16	Nachong Gurung	63,437	0.77%
17	Amulya Manandhar	58,967	0.71%
18	Bishnu Bahadur K.C.	56,340	0.68%
19	Robinda Prasad Shrestha	55,000	0.66%
20	Ram Krishna Neupane	52,152	0.63%
21	Jamuna Kumari Thapa	47,486	0.57%
22	Nirmala Kumari Suwal	43,604	0.53%
23	Kapur Prasad Vaijoo	42,902	0.52%
	<b>Total</b>	<b>3,666,823</b>	<b>44.24%</b>



**4.27 Reserves**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Statutory general reserve	230,966,265	201,545,428
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	2,100,882	992,580
Capital Redemption Reserve	-	-
Regulatory reserve	201,735,700	191,756,023
Investment adjustment reserve	-	-
Capital reserve	3,628,619	3,628,619
Assets revaluation reserve	-	-
Fair value reserve	124,343,310	16,120,504
Dividend equalisation reserve	-	-
Debenture redemption reserve	-	-
Actuarial gain	(193,953)	-
Special reserve	-	-
Deferred Tax Reserve	-	-
Other reserve	22,405	5,039
<b>Total</b>	<b>562,603,228</b>	<b>414,048,193</b>

**4.28 Contingent liabilities and commitments**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Contingent liabilities	10,150,000	100,000
Undrawn and undisbursed facilities	78,557,000	60,261,000
Capital commitment	-	-
Lease Commitment	-	-
Litigation	19,987,287	19,987,287
<b>Total</b>	<b>108,694,287</b>	<b>80,348,287</b>

**4.28.1: Contingent Liabilities**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	10,150,000	100,000
Underwriting commitment	-	-
Other commitments	-	-
<b>Total</b>	<b>10,150,000</b>	<b>100,000</b>

**4.28.2: Undrawn and undisbursed facilities**
*Amount in NPR*

Particulars	32 Ashad 2079	31 Ashad 2078
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	60,261,000	60,261,000
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>Total</b>	<b>60,261,000</b>	<b>60,261,000</b>

#### 4.28.3: Capital commitments

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Capital commitments in relation to Property and Equipment</b>		
Approved and contracted for	-	-
Approved but not contracted for	-	-
<b>Sub total</b>	-	-
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for	-	-
Approved but not contracted for	-	-
<b>Sub total</b>	-	-
<b>Total</b>	-	-

#### 4.28.4: Lease commitments

Amount in NPR

Particulars	32 Ashad 2079	31 Ashad 2078
<b>Operating lease commitments</b>		
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	-	-
<b>Sub total</b>	-	-
<b>Finance lease commitments</b>		
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	-	-
<b>Sub total</b>	-	-
<b>Grand total</b>	-	-

#### 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

Amount in NPR

Particulars	Current Year	Previous Year
Cash and cash equivalent	11,442,165	12,695,814
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	3,961,627	-
Loan and advances to bank and financial institutions	7,395,813	12,432,830
Loans and advances to customers	341,604,686	269,452,051
Investment securities	22,822,875	9,816,773
Loan and advances to staff	2,046,398	-
Other	11,639,073	1,812,329
<b>Total interest income</b>	<b>400,912,637</b>	<b>306,209,797</b>

**4.30 Interest Expense**
*Amount in NPR*

Particulars	Current Year	Previous Year
Due to bank and financial institutions	6,615,400	7,818,341
Due to Nepal Rastra Bank	2,517,532	1,463,421
Deposits from customers	265,029,835	192,657,532
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	5,039,605	-
<b>Total interest expense</b>	<b>279,202,372</b>	<b>201,939,294</b>

**4.31 Fees and commission income**
*Amount in NPR*

Particulars	Current Year	Previous Year
Loan administration fees	-	-
Service fees	18,612,611	9,296,397
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	69,575	64,550
Other fees and commission income	3,049,075	1,961,191
<b>Total fees and Commission Income</b>	<b>21,731,261</b>	<b>11,322,138</b>

**4.32 Fees and commission Expense**
*Amount in NPR*

Particulars	Current Year	Previous Year
ATM management fees	418,886	744,638
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	-	-
<b>Total fees and Commission Expense</b>	<b>418,886</b>	<b>744,638</b>

#### 4.33 Net Trading Income

Amount in NPR

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 on foreign exchange transaction	-	-
Other	-	-
<b>Net trading income</b>	<b>-</b>	<b>-</b>

#### 4.34 Other Operating Income

Amount in NPR

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	3,781,924	9,473,705
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	8,138,480	5,506,946
Gain/loss on sale of property and equipment	3,740,923	92,861
Gain/loss on sale of investment property	9,071,868	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	14,813,182	-
<b>Total</b>	<b>39,546,377</b>	<b>15,073,512</b>

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

Amount in NPR

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	(4,249,259)	2,313,611
Impairment charge/(reversal) on loan and advances to customer	(143,909,678)	(98,061,754)
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	-	-
<b>Total</b>	<b>(148,158,937)</b>	<b>(95,748,143)</b>

**4.36 Personal Expenses**
*Amount in NPR*

Particulars	Current Year	Previous Year
Salary	35,163,190	32,757,880
Allowances	22,740,967	21,215,362
Gratuity expense	2,818,905	2,076,715
Provident fund	3,522,459	3,264,391
Uniform	1,800,000	1,785,000
Training & development expense	2,315,331	155,171
Leave encashment	5,825,900	4,773,689
Medical	2,863,972	2,574,138
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	460,907	327,059
Other expenses related to staff	-	-
<b>Subtotal</b>	<b>77,511,631</b>	<b>68,929,405</b>
Employees bonus	15,056,058	8,827,174
<b>Grand total</b>	<b>92,567,689</b>	<b>77,756,579</b>

**4.37 Other Operating Expenses**
*Amount in NPR*

Particulars	Current Year	Previous Year
Directors' fee	650,000	596,500
Directors' expense	207,548	217,198
Auditors' remuneration	621,500	711,900
Other audit related expense	613,500	327,204
Professional and legal expense	877,327	1,697,088
Office administration expense	37,249,221	26,898,066
Operating lease expense	1,347,476	9,442,346
Operating expense of investment properties	-	-
Corporate social responsibility expense	252,952	-
Onerous lease provisions	-	-
Other	-	146,625
Share Issue Expenses	-	-
Others	-	146,625
<b>Total</b>	<b>41,819,524</b>	<b>40,036,927</b>



#### 4.37 1 Office Administration Expenses

Amount in NPR

Particulars	Current Year	Previous Year
Water and electricity	2,816,060	2,419,266
Repair and Maintenance	2,822,149	1,793,731
(a) Building	275,791	124,810
(b) Vehicle	1,205,330	759,736
(c) Computer and accessories	45,863	38,378
(d) Office equipment and furniture	990,944	562,260
(e) Other	304,221	308,547
Insurance	697,624	682,078
Postage, Telephone, Internet and Email	2,737,472	2,478,803
Printing & Stationery	1,798,037	1,529,809
Newspaper & Periodicals	78,444	59,386
Advertisements	1,406,115	576,296
Donation	23,000	-
Security Expense	7,416,246	7,446,778
Deposit and Loan guarantee premium	1,417,438	1,152,094
Travel Allowance and Expense	2,235,006	1,175,959
Fuel Expenses	1,364,265	868,233
Entertainment	-	-
Annual/Special General Meeting expense	442,885.00	-
Other	11,994,480	6,715,633
(a) Office Expenses	6,230,313	3,769,786
(b) Technical Service Fees	1,554,293	1,269,430
(c) Other Fees & taxes	2,691,188	675,678
(d) Miscellaneous Expenses	778,823	555,856
(e) Membership Fee	739,863	444,883
<b>Total</b>	<b>37,249,221</b>	<b>26,898,066</b>

#### 4.38 Depreciation and Amortisation

Amount in NPR

Particulars	Current Year	Previous Year
Depreciation on property and equipment	18,519,061	6,996,964
Depreciation on investment property	-	-
Amortisation of intangible assets	932,240	622,316
<b>Total</b>	<b>19,451,301</b>	<b>7,619,280</b>

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

Amount in NPR

Particulars	Current Year	Previous Year
Recovery of Loan written off	3,841,713	1,613,385
Other Income	-	17,087
<b>Total</b>	<b>3,841,713</b>	<b>1,630,472</b>

**4.40 Non Operating expense**
*Amount in NPR*

Particulars	Current Year	Previous Year
Loan written off	45,111,402	22,442,776
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	115,227	-
<b>Total</b>	<b>45,226,629</b>	<b>22,442,776</b>

**4.41 Income Tax Expenses**
*Amount in NPR*

Particulars	Current Year	Previous Year
<b>Current tax expense</b>	-	<b>589,582</b>
Current year	-	589,582
Adjustments for prior years	-	-
<b>Deferred tax expense</b>	<b>(620,885)</b>	<b>(3,015,376)</b>
Origination and reversal of temporary differences	(620,885)	(3,015,376)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
<b>Total income tax expense</b>	<b>(620,885)</b>	<b>(2,425,794)</b>

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**
*Amount in NPR*

Particulars	Current Year	Previous Year
Profit before tax	135,504,524	79,444,568
Tax amount	40,651,357	23,833,370.40
Add: Tax effect of expenses that are not deductible for tax purpose	(16,067,916)	(14,348,201)
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	(11,910,963)	(11,910,963)
<b>Total income tax expense</b>	<b>12,672,478</b>	<b>(2,425,794)</b>
<b>Effective tax rate</b>	<b>9.35%</b>	<b>-3.05%</b>

**Best Finance Company Limited**  
**Comparison of Unaudited and Audited Financial Statements as of FY 2078/79**

*Rs. in '000'*

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
<b>Assets</b>					
Cash and cash equivalent	433,836	468,836	(35,000)	-8%	Regrouping and netting of items
Due from NRB and placements with BFIs	138,556	138,556	0	0%	
Loan and advances	3,223,377	3,200,953	22,424	1%	LLP as per NRB Onsite Inspection
Investments Securities	976,369	949,341	27,028	3%	Regrouping of items
Investment in subsidiaries and associates	-	-	-	0%	
Property and Equipment	191,509	252,421	(60,912)	-32%	
Goodwill and intangible assets	3,812	3,812	0	0%	
Other assets	300,504	256,637	43,867	15%	Regrouping and netting of items
<b>Total Assets</b>	<b>5,267,963</b>	<b>5,270,555</b>	<b>(2,592)</b>	<b>0%</b>	<b>Netting of Items</b>
<b>Capital and Liabilities</b>					
Paid up Capital	828,914	828,914	0	0%	
Reserves and surplus	375,072	361,214	13,858	4%	Decrease in profit due to NFRS provisions
Deposits	3,822,634	3,822,634	(0)	0%	
Borrowings	65,912	65,912	(0)	0%	
Bond and Debenture	-	-	-	0%	
Other liabilities and provisions	175,431	191,881	(16,450)	-9%	Regrouping and netting of items
<b>Total Capital and Liabilities</b>	<b>5,267,963</b>	<b>5,270,555</b>	<b>-2,592</b>	<b>0%</b>	<b>Netting of Items</b>
<b>Statement of Profit or Loss</b>					
Interest income	400,816	400,913	(97)	0%	Amortization of Staff Loan Benefit
Interest expense	(274,163)	(279,202)	5,039	-2%	
<b>Net interest income</b>	<b>126,653</b>	<b>121,710</b>	<b>4,943</b>	<b>4%</b>	
Fee and commission income	21,660	21,731	(71)	0%	Regrouping/rearranging of items
Fee and commission expense	-	(419)	419	0%	Regrouping/rearranging of items
<b>Net fee and commission income</b>	<b>21,660</b>	<b>21,312</b>	<b>348</b>	<b>2%</b>	
Other operating income	50,525	39,546	10,979	22%	
<b>Total operating income</b>	<b>198,838</b>	<b>182,569</b>	<b>16,269</b>	<b>8%</b>	
Impairment charge/(reversal) for loans and other losses	(169,710)	(148,159)	(21,551)	13%	
<b>Net operating income</b>	<b>368,548</b>	<b>330,728</b>	<b>37,820</b>	<b>10%</b>	<b>NRB inspection Provision</b>
Personnel expenses	97,575	92,568	5,007	5%	Amortization of Staff Loan Benefit and bonus
Other operating expenses	61,559	61,271	288	0%	
<b>Operating profit</b>	<b>209,414</b>	<b>176,889</b>	<b>32,525</b>	<b>16%</b>	
Non operating income/expense	(41,384)	(41,385)	1	0%	
<b>Profit before tax</b>	<b>168,030</b>	<b>135,505</b>	<b>32,525</b>	<b>19%</b>	<b>NRB inspection Provision</b>

Income tax	(829)	621	(1,450)	175%	Cumulative tax effect of different adjustments
<b>Profit /(loss) for the period</b>	<b>167,201</b>	<b>136,125</b>	<b>31,076</b>	<b>19%</b>	
Other comprehensive income	104,453	124,149	(19,696)	-19%	Deferred Tax Adjustment on items of OCI
<b>Total comprehensive income</b>	<b>271,654</b>	<b>260,275</b>	<b>11,379</b>	<b>4%</b>	
<b>Distributable Profit</b>					
Opening Retained Earnings	(313,515)	(313,515)			
Opening Adjustments	112	2,522			
Net profit/(loss) as per profit or loss	167,201	136,125	31,076	19%	
Add/Less: Regulatory adjustment as per NRB Directive	(50,374)	(29,547)	(20,827)	41%	
<b>Free profit/(loss) after regulatory adjustments</b>	<b>(196,576)</b>	<b>(204,415)</b>	<b>7,839</b>	<b>-4%</b>	<b>Cumulative effects of NFRS Adjustments</b>

**Best Finance Company Limited**  
**Statement of Distributable Profit or Loss**  
For the year ended 32 Ashad 2079 (16 July 2022)  
(As per NRB Regulation)

*Amount in NPR*

Particulars	Current Year	Previous Year
<b>Opening Retained Earnings</b>	<b>(313,515,088)</b>	<b>(342,099,561)</b>
<b>Adjustment +/-(-)</b>	<b>2,522,149</b>	<b>(8,245,393)</b>
a. NFRS 16 Lease Adjustment	2,410,244	-
b. Gratuity	111,905	-
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>136,125,409</b>	<b>81,870,362</b>
<i>Appropriations:</i>		
a. General reserve	(29,420,837)	(16,374,072)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(1,361,254)	(818,704)
e. Employees' training fund	(17,366)	-
<b>f. Other</b>	<b>11,231,729</b>	<b>-</b>
i. Corporate social responsibility fund	252,952	-
ii. Investment in Equity Instrument	10,978,777	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>(194,435,258)</b>	<b>(285,667,368)</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	(6,587,282)	24,197,001
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(19,033,122)	(52,859,338)
e. Deferred tax assets recognised (-)/ reversal (+)	10,532,984	1,842,745
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	5,107,743	(1,028,128)
i. Other (+/-)	-	-
<b>Distributable profit or (loss)</b>	<b>(204,414,935)</b>	<b>(313,515,088)</b>

## 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	Assistant General Manager	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 is 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 must 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
<b>Assets</b>					
Cash and cash equivalent	468,836	-	-	-	468,836
Due from Nepal Rastra Bank	138,555	-	-	-	138,555
Placement with Bank and Financial Institutions	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other trading assets	-	-	-	-	-
Loan and advances to B/FIs	15	-	5,000	-	5,015
Loans and advances to customers	734,132	286,701	841,231	1,414,497	3,276,561
Investment securities	-	96,875	-	852,466	949,341
Investment in subsidiaries	-	-	-	-	-
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b>1,341,538</b>	<b>383,576</b>	<b>846,231</b>	<b>2,266,963</b>	<b>4,838,308</b>
<b>Liabilities</b>					
Due to Bank and Financial Institutions	187,605	14,250	15,500	-	217,355
Due to Nepal Rastra Bank	-	65,912	-	-	65,912
Derivative financial instruments	-	-	-	-	-
Deposits from customers	812,505	682,605	879,956	1,230,214	3,605,280
Borrowing	-	-	-	-	-
Debt securities issued	-	-	-	-	-
Other liabilities	19,984	-	15,568	79,930	115,482
<b>Total Liabilities</b>	<b>1,020,094</b>	<b>762,767</b>	<b>911,024</b>	<b>1,310,144</b>	<b>4,004,029</b>

#### 5.1.4 Operational risk

Operational risk is inherent in all business activities. Whilst risks can never be eliminated, at Best Finance we follow several 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 during 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	230,966
e	Retained Earnings	(204,415)
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	-
	<b>Core (Tier-1) Capital</b>	<b>862,119</b>

#### 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	54,833
c	Exchange Equalization Reserve	
d	Investment Adjustment Reserve	
e	Other Reserve	
	<b>Supplementary (Tier-2) Capital</b>	<b>54,833</b>

#### iii. Total qualifying capital

Amount in (NPR '000)

S. N.	Particulars	Amounts
A	Core Capital	862,119
B	Supplementary Capital	54,833
	<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>916,952</b>

#### iv. Capital Adequacy Ratio

Capital Adequacy Ratio of the Company as per Basel II as on Ashad 2079 is 20.09% & 21.37% 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	3,792,066
b	Risk Weighted Exposure for Operational Risk	263,043
c	Risk Weighted Exposure for Market Risk	
	<b>Total Risk Weighted Exposure</b>	<b>4,055,109</b>
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	32,907
SRP 6.4a (9)	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	162,204
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	40,551
	<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>4,290,771</b>

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	76,044
d	Claims on Corporate and Securities Firm	357,104
e	Claims on Regulatory Retail Portfolio	1,320,688
f	Claims secured by Residential Properties	313,799
g	Claims secured by Commercial Real Estate	-
h	Past due Claims	267,951
i	High Risk Claims	540,674
j	Other Assets	876,047
k	Off balance sheet items	39,758
	<b>Total</b>	<b>3,792,065</b>

**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	53,618	-	-	53,618	0%	-
Balance With Nepal Rastra Bank	138,556	-	-	138,556	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	634,847	-	-	634,847	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	380,218	-	-	380,218	20%	76,044
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	375,104	-	18,000	-	357,104	-	-	100%	357,104
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)	1,831,844	-	70,927	-	1,760,917	-	-	75%	1,320,688
Claims fulfilling all criterion of regulatory retail except granularity	-	-	-	-	-	-	-	100%	-
Claims secured by residential properties	506,547	-	-	-	506,547	-	-	60%	303,928
Claims not fully secured by residential properties	-	-	-	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	24,323	14,453	-	-	9,870	-	-	100%	9,870
Claims secured by Commercial real estate	-	-	-	-	-	-	-	100%	-
Past due claims (except for claim secured by residential properties)	201,158	22,129	395	-	178,634	-	-	150%	267,951
High Risk claims (Venture capital, private equity investments, personal loans and credit card receivables)	360,449	-	-	-	360,449	-	-	150%	540,674
Lending against securities (bonds & shares)	17,151	-	-	-	17,151	-	-	100%	17,151
Investments in equity and other capital instruments of institutions listed in the stock exchange	299,055	-	-	-	299,055	-	-	100%	299,055
Investments in equity and other capital instruments of institutions not listed in the stock exchange	15,439	-	-	-	15,439	-	-	150%	23,159
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	536,683	-	-	-	536,683	-	-	100%	536,683
<b>TOTAL</b>	<b>5,374,992</b>	<b>36,582</b>	<b>89,322</b>	<b>89,322</b>	<b>5,249,088</b>	<b>536,683</b>	<b>100%</b>		<b>3,752,307</b>

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)	10,150	-	-	-	10,150	50%	4,060
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)	78,557	-	-	-	78,557	-	20%	15,711
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%	-
<b>TOTAL</b>	<b>108,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,694</b>	<b>-</b>	<b>-</b>	<b>39,758</b>
<b>Total RWE for credit Risk (A) +(B)</b>	<b>5,483,686</b>	<b>36,582</b>	<b>89,322</b>	<b>5,357,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,792,065</b>
<b>Adjustments under Pillar II</b>								
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)								
<b>Total RWE for credit Risk (After Bank's adjustments of Pillar II)</b>	<b>5,483,686</b>	<b>36,582</b>	<b>89,322</b>	<b>5,357,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,792,065</b>

**d) Amount of NPAs (both Gross and Net)**
*Amount in NPR*

Particulars	Current Year	
	Gross NPAs	Net NPAs
Restructured / Reschedule Loans	-	-
Sub Standard Loans	44,537,008	33,402,756
Doubtful Loans	7,281,744	3,640,872
Loss	34,837,352	-
<b>Total NPAs</b>	<b>86,656,104</b>	<b>37,043,628</b>

**5.3. Classification of financial assets and financial liabilities**
*Amount in NPR '000*

Financial assets	Notes	As at		As at	
		16-Jul-22		15-Jul-21	
		Carrying Value	Fair value	Carrying Value	Fair value
<b>Assets</b>					
<b>Assets carried at Amortized Cost</b>					
Cash and cash equivalent	4.1	468,836	468,836	1,057,292	1,057,292
Due from Nepal Rastra Bank	4.2	138,556	138,556	124,344	124,344
Placement with Bank and Financial Institutions	4.3	-	-	-	-
Loan and advances to B/FIs	4.6	4,950	4,950	328,593	328,593
Loans and advances to customers	4.7	3,196,003	3,196,003	1,786,989	1,786,989
Investment securities	4.8	949,341	949,341	504,272	504,272
<b>Sub Total</b>		<b>4,757,686</b>	<b>4,757,686</b>	<b>3,801,490</b>	<b>3,801,490</b>
<b>Fair Value through Profit and Loss (FVTPL)</b>					
Derivative financial instruments.	4.4	-	-	-	-
Investment securities	4.8	-	-	-	-
Investment in subsidiaries	4.10	-	-	-	-
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
<b>Liabilities carried at Amortized Cost</b>					
Due to Bank and Financial Institutions	4.17	217,355	217,355	180,594	180,594
Due to Nepal Rastra Bank	4.18	65,912	65,912	132,132	132,132
Deposits from customers	4.20	3,605,279	3,605,279	2,963,592	2,963,592
Debt securities issued	4.24	-	-	-	-
<b>Sub Total</b>		<b>3,888,546</b>	<b>3,888,546</b>	<b>3,276,318</b>	<b>3,276,318</b>
<b>Fair Value through Profit and Loss (FVTPL)</b>					
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 16 July 2022	As at 15 July 2021
<b>Fair Value through Other Comprehensive Income</b>			
<b>Financial assets</b>			
<b>Investment securities at OCI</b>			
- Quoted equity securities	1	299,055	158,095
- Unquoted equity securities	3	15,439	2,816
<b>Total</b>		<b>314,494</b>	<b>160,911</b>
<b>Financial Instruments held at amortized cost</b>			
<b>Financial assets</b>			
Government bonds	3	537,972	207,026
Government treasury bills	3	96,875	297,246
Loan and advances to B/FIs	3	4,950	328,593
Loans and advances to customers	3	3,196,003	1,786,989
Other assets	3	-	-
<b>Total</b>		<b>3,835,800</b>	<b>2,619,854</b>
<b>Financial liabilities</b>			
Due to Bank and Financial Institutions	3	217,355	180,594
Due to Nepal Rastra Bank	3	65,912	132,132
Deposits from customers	3	3,605,279	2,963,592
Other liabilities	3	69,742	15,489
<b>Total</b>		<b>3,958,288</b>	<b>2,780,765</b>

### 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	Bagmati	Lumbini	Gandaki	Total
Revenues from external customers	206,111,121	170,764,618	24,036,898	400,912,637
Intersegment revenues	-	-	-	-
<b>Net revenues</b>	<b>206,111,121</b>	<b>170,764,618</b>	<b>24,036,898</b>	<b>400,912,637</b>
Interest revenue (a)	206,111,121	170,764,618	24,036,898	400,912,637
Interest expense (b)	130,173,345	117,157,005	31,872,022	279,202,372
<b>Net interest revenue (a-b)</b>	<b>75,937,776</b>	<b>53,607,613</b>	<b>-7,835,124</b>	<b>121,710,265</b>
Depreciation and amortization	16,510,107	2,570,533	370,661	19,451,301
<b>Segment profit / (loss) before tax</b>	<b>55,213,725</b>	<b>85,816,452</b>	<b>-5,525,653</b>	<b>135,504,524</b>
<b>Impairment of assets</b>	<b>61,374,596</b>	<b>38,058,676</b>	<b>5,012,221</b>	<b>104,445,493</b>
<b>Segment assets</b>	<b>3,377,554,087</b>	<b>1,624,674,309</b>	<b>268,326,446</b>	<b>5,270,554,842</b>
<b>Segment liabilities</b>	<b>3,139,187,063</b>	<b>1,688,505,110</b>	<b>442,862,669</b>	<b>5,270,554,842</b>

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

Revenue Amount in NPR

<b>Total revenue for reportable segments</b>	<b>400,912,637</b>
Other revenues	
Elimination of intersegment revenues	
<b>Entity's revenue</b>	

#### Profit or Loss

<b>Total profit or loss for reportable segments</b>	<b>135,504,524</b>
Other profit or loss	
Elimination of intersegment profits	
<b>Profit before income tax</b>	<b>135,504,524</b>

#### Assets

<b>Total assets for reportable segments</b>	<b>5,270,554,842</b>
Other assets	
<b>Total assets</b>	<b>5,270,554,842</b>

#### Liabilities

<b>Total liabilities for reportable segments</b>	<b>5,270,554,842</b>
Other liabilities	
<b>Total liabilities</b>	<b>5,270,554,842</b>

#### 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.

Amount in NPR

A	Domestic	Revenue
	Province 1	-
	Madhesh	-
	Bagmati	206,111,121
	Gandaki	24,036,898
	Lumbini	170,764,618
	Karnali	-
	Mahakali	-
B	<b>Foreign</b>	-
	<b>Total</b>	<b>400,912,637</b>

#### 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
Khim Lal Paudyal	Director
Laxmi Shrestha	Director
Ram Chandra Devkota	Director
Ram Krishna Chaulagain	Director
Sri Ram Shrestha	Director
Umesh Singh Bhandari	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.

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

*Amount in NPR full figure*

Particulars	This Year (NPR)	Previous Year (NPR)
Board Meeting Fee	4,99,500	467,000
Audit Committee Fee	63,000	56,000
Risk Management Committee fee	49,000	35,000
Money Laundering Prevention Committee	28,000	28,000
Human Resource Committee Fee	10,500	10,500
Other Board expenses	207,548	217,198

**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)
<b>Salary and Allowances</b>		
CEO	5,578	2,974.67
Other Key Management Personnel	1,939	1,850.96
<b>Total</b>	<b>7,517</b>	<b>6,116.91</b>
<b>Other Benefits*</b>		
Current CEO	490	-
Previous CEO	-	485.51
Other Key Management Personnel	252	-
<b>Total</b>	<b>742</b>	<b>485.51</b>
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 16 July 2022 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. 87,452,186 has been booked. Rs 57,240,579 of NBA was sold during the period.

*Amount in NPR Full Figure*

Borrower Name	Date of assuming NBA	32 Ashadh 2079	31 Ashadh 2078
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
Manel Aryal	2074.03.30	-	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	15,192,964	30,167,964
Shova Sapkota	2076.11.20	-	1,857,085
Tara Bhandari	2077.12.25	31,470,000	31,470,000
Aarati Shrestha	2077.12.25	2,982,650	2,982,650
Srijana Gyawali/Sabita Bhattarai	2077.12.31	3,884,455	36,125,434
Lahanu Dagaura Tharu	2077.12.31	4,618,025	4,618,025
Mini King Fashion Wear	2078.03.02	7,064,651	7,064,651
Himthalo Construction	2078.03.27	1,642,950	1,642,950
Prem & Puja Kirana Pasal	2078.06.31	1,743,262	-
Ncell Kirana Pasal	2078.06.31	1,877,092	-
Bishambar Khatiwoda	2078.06.31	9,524,188	-
D&P Brothers Suppliers	2078.06.31	4,450,269	-
Birendra Chaudhary	2078.06.31	645,094	-
Shree Jay Hanuman Veli Crusher Udhy	2078.06.31	3,149,672	-
Jagkiran Construction	2078.06.31	31,155,000	-
Kaji Sun Chandi Pasal	2078.06.31	7,664,190	-
Nande Sunar	2078.06.24	1,532,000	-
Saraswati Thapa Bhandari	2078.06.22	10,740,000	-
Chakra Bahadur Thapa Magar	2078.06.22	1,347,415	-
Trikashi Gurung	2078.09.11	810,000	-
Nathu Tharu	2078.12.29	1,371,643	-
Om Nama Traders	2078.12.29	8,000,000	-
Ram Bilash Chaudhary	2079.03.31	1,290,351	-
Ramsamuja Shutting	2079.03.31	2,152,011	-
<b>Total</b>		<b>183,369,960</b>	<b>153,158,652</b>



#### 5.9. Interest Income

Total interest receivable on loans and advances for 78-79 is Rs 45,416,744. Interest receivable recognized as interest income for 78-79 is Rs. 30,260,153. Rs 15,156,591 of interest receivable has been ignored which relates to bad and doubtful loans. Rs. 10,470,547 of interest receivable recognized has been collected up to 15 Shrawan 2079. Interest receivable recognized as interest income is adjusted against cash interest collected up to 15 Shrawan 2079 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 30,260,153 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 16-Jul-22	Year ended 15-Jul-21
Profit attributable to equity shareholders (a)	NPR'000	136,125	81,871
Weighted average of number of equity shares used in computing basic earnings per share (b)	In 000	8,289	8,289
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	16.42	9.88
Revised basis earning per share	Rs	16.42	9.88

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 16 July 2022	As at 15 July 2021
Not collected for more than 5 years	595	595
Not collected up to 5 years	-	-
<b>Total</b>	<b>595</b>	<b>595</b>

#### 5.13. Non-performing assets

The Company's non-performing assets stood at 2.67% as at balance sheet date. The total non-performing assets as at Balance sheet date is NPR 86,656,104.

Amount in NPR Full Figure

Loan Category	Current year	Previous Year
<b>Performing Loan</b>	<b>3,164,668,939</b>	<b>2,031,167,152</b>
Pass Loans	2,956,768,380	1,846,668,772
Watchlist Loans	207,900,559	184,498,380
<b>Non-performing Loans</b>	<b>86,656,104</b>	<b>299,011,483</b>
Restructured/Rescheduled Loans	-	-
Substandard Loans	44,537,008	83,456,256
Doubtful Loans	7,281,744	34,092,948
Loss Loans	34,837,352	181,462,279
<b>Gross Loans and Advances</b>	<b>3,251,325,043</b>	<b>2,330,178,635</b>

#### 5.14. Loans Written Off

The Company has written off loans amounting total of Rs 45,111,402 during the year FY 2078-79.

Amount in NPR Full Figure

Borrower Name	Amount
Bishambar Khatiwoda	7,477,653
Saraswati Thapa Bhandari	9,639,926
Sitaram Chaudhari	86,909
Nande Sunar	258,499
Shivaraj Biswakarma	364,125
Maniram Bhushal	35,806
Baikuntha Pd Poudel New	736,761
Topten Lama	553,508
Arjun Bahadur Khadka	25,283
Arjun Bahadur Khadka	457,824
Eden Motel Pvt.Ltd. Pro.	2,000,000
Kishori Prasad Saahuteel	398,399
Laxman Ranjitkar	5,766
Laxman Ranjitkar	2,000
Om Prasad Regmi	700,960
Sirjana Land(Shyam Dango	520,257
Indra Bahadur Bishworkar	15,603
Indra Bahadur Bishworkar	109,129
Lokendra Bahadur Bamma	43,445
Lokendra Bahadur Bamma	5,797
Makar Bahadur Shrestha	72,512
Makar Bahadur Shrestha	1,200,000
Thakur Thather	5,465
Thakur Thather	65,508
Maheshe Kumar Dagaura	329,147
Highmoon Adventure Tours	8,000,000
Highmoon Adventure Tours	42,714
Om Nama Traders	1,906,283
Laxmi Pradhan	859,803
B.S.S International Company Pvt.Ltd	6,336,660
Kundala Construction Pvt	1,386,425
Sete Tamang	1,469,235
<b>Total</b>	<b>45,111,402</b>

#### 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)	3,251	2,330	3,823	3,144	-	-
Highest Exposure of a Single Unit	67	50	60	80	-	-
Concentration of exposure	2.06%	2.15%	1.57%	2.55%	-	-

\* 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. 2074-75*	F. Y. 2075-76	F. Y. 2076-77	F. Y. 2077-78	F. Y. 2078-79
1. Percentage of Net Profit/Gross Income	%	102%	20%	47%	63%	75%
2. Earnings Per Share	NPR	14.31	12.06	9.38	9.88	16.42
3. Market Value per Share	NPR	120.00	101.00	96.00	426.00	377.50
4. Price Earnings Ratio	Ratio	8.39	8.37	10.23	43.13	22.99
5. Dividend on share capital (Bonus share + Cash dividend)	%	-	-	-	-	-
6. Cash Dividend on share capital	%	-	-	-	-	-
7. Interest Income/Loans & Advances and Investments	%	13.94%	20.61%	17.29%	11.88%	11.57%
8. Employee Expenses/Total Operating Expenses	%	51.04%	51.98%	56.24%	54.96%	50.39%
9. Interest Expenses on Total Deposits and Borrowings	%	7.31%	7.33%	9.08%	6.72%	7.79%
10. Exchange Fluctuation Gain/Total Income	%	-	-	-	-	-
11. Staff Bonus/ Total Staff Expenses	%	49.65%	18.83%	10.65%	12.81%	19.42%
12. Net Profit/Loans & Advances	%	15.18%	5.37%	3.88%	3.85%	5.12%
13. Net Profit/ Total Assets	%	0.09%	3.02%	2.24%	2.05%	2.84%
14. Total Credit/Deposit	%	133.52%	76.36%	85.35%	71.39%	88.79%
15. Total Operating Expenses/Total Assets	%	3.82%	3.93%	3.46%	3.14%	3.21%
16. Adequacy of Capital Fund on Risk Weightage Assets						
a. Core Capital	%	59.43%	31.03%	27.97%	22.38%	20.09%
b. Supplementary Capital	%	0.40%	1.31%	1.25%	1.03%	1.28%
c. Total Capital Fund	%	59.83%	32.34%	29.22%	23.41%	21.37%
17. Liquidity (CRR)	%	5.86%	5.29%	3.34%	3.47%	3.36%
18. Nonperforming Loans/Total Loans	%	49.29%	18.46%	15.00%	12.83%	3.07%
19. Weighted Average Interest Rate Spread	%	14.78%	4.81%	5.97%	4.07%	4.27%
20. Base Rate	%	26.60%	15.48%	12.50%	10.95%	13.75%
21. LCY Interest Spread (Calculated as per NRB Directive)	%	14.78%	4.81%	5.97%	4.07%	4.27%
22. Book Net worth Rs in Lacs	NPR	2,200	7,246	8,499	9,325	11,890
23. Total Shares	Number	2,975,130	8,100,158	8,289,138	8,289,138	8,289,138
24. Net Worth Per Share	NPR	135.71	141.81	102.53	112.49	143.58
25. Total Employees	Number	21	122	121	121	131

\*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	714,042	8.61%
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	Laxmi Shrestha	208,094	2.51%
6	Indra Lal Shrestha	200,584	2.42%
7	Ramvha Shrestha	165,231	1.99%
8	Milan Thapa	145,586	1.76%
9	Bindu Gaire Sharma	145,450	1.75%
10	Bijula Thapa Khadka	108,236	1.31%
11	Yubaraj Sharma	106,434	1.28%
12	Durga Vohra	88,071	1.06%
13	Bandana Sapkota	81,923	0.99%
14	Gauri Shrestha	75,582	0.91%
15	Ran Kumari Shrestha	68,426	0.83%
16	Nachong Gurung	63,437	0.77%
17	Amulya Manandhar	58,967	0.71%
18	Bishnu Bahadur K.C.	56,340	0.68%
19	Robinda Prasad Shrestha	55,000	0.66%
20	Ram Krishna Neupane	52,152	0.63%
21	Jamuna Kumari Thapa	47,486	0.57%
22	Nirmala Kumari Suwal	43,604	0.53%
23	Kapur Prasad Vajoo	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 Full Figure*

Particulars	Current Year	Previous Year
<b>Opening Balance</b>	<b>201,545,428</b>	<b>185,171,356</b>
Transfer as per BAFIA	29,420,837	16,374,072
<b>Closing balance</b>	<b>230,966,265</b>	<b>201,545,428</b>

As required by Section 44 of Banks and Financial Institutions Act, 2073 (BAFIA), 20% of the current year's net profit and 20% of reversal of fair value reserves of the equity instrument (measured through OCI) disposed during the year amounting to NPR 29,420,837 (Previous Year NPR 16,374,072) has been transferred to General Reserve.

#### 5.18.2 Fair Value Reserve

Fair value Reserve as at 32nd Ashad 2079 (16 July 2022) stands at NPR 124,149,357. 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. 124,343,310 net of taxes.

### 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.

*Amount in NPR Full Figure*

Particulars	Current Year	Previous Year
Opening CSR Fund	992,580	2,512,605
Add: 1% profit this year	1,361,254	818,704
Less: CSR Expenses	(252,952)	(2,338,729)
<b>Closing CSR Fund</b>	<b>2,100,882</b>	<b>992,580</b>

### 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 2,332,697. Total training expenses of this year amounted to NPR 2,315,331.

*Amount in NPR Full Figure*

Particulars	Current Year	Previous Year
Opening Fund	5,039	5,039
Add: 3% of Last year staff expenses	2,332,697	-
Actual Staff training Expenses	(2,315,331)	155,171
<b>Closing Training fund</b>	<b>22,405</b>	<b>5,039</b>

### 5.18.5 Regulatory Reserve

During the year regulatory reserve has been credited for Rs 25,620,404 and Rs 10,532,984 has been reversed. Movement in regulatory reserve during 2078-79 is presented below

*Amount in NPR*

Particulars	Movement During the year			
	Opening Balance 78-79	Addition during 78-79	Reversal during 78-79	Closing Balance 78-79
Investment Property	96,489,953	19,033,122	-	115,523,075
Interest Income	5,880,169	6,587,282	-	12,467,451
Actuarial Loss/(gain) on Gratuity	5,384,819	-	(5,107,743)	277,076
Bargain purchase Gain	73,468,098	-	-	73,468,098
Deferred Tax Assets	10,532,984	-	(10,532,984)	-
<b>Total</b>	<b>191,756,023</b>	<b>25,620,404</b>	<b>(15,640,727)</b>	<b>201,735,700</b>

### 5.19 Property Plant and Equipment (PPE)

During the year Property Plant and Equipment of Rs 57,067,052 was purchased and Rs 16,972,212 of PPE at cost was disposed which is presented in schedule 4.13. Profit on disposal was booked for Rs 3,740,923 and is presented in schedule 4.34.

### 5.20 Goodwill and Intangible Assets

Other software of Rs 1,313,067 was purchased and is presented in schedule 4.14.

### 5.21 Retained Earnings

Opening Retained earnings was restated by 2,522,149 of which Rs 111,905.22 was recovered from past employee for gratuity whose expenses was booked in previous years as per NRB direction on onsite inspection in FY 2076-77. Remaining Rs 2,410,244 relates to lease liability calculated at the time of first-time adoption of NFRS where Retained earnings were debited is now credited back to Retained earnings after adoption of NFRS 16 Leases in FY 2078-79. Rs 252,952 of CSR expenses has been credited during the year in the account.

## 5.22 Leases

NFRS-16 require lessee to disclose the following amounts for the reporting period.

Particulars	Schedule	Amount
Depreciation charge for right-of-use assets by class of underlying asset	4.38	1,1081,770
Interest expense on lease liabilities	4.30	5,039,605
Total cash outflow for leases	-	12,572,626
The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.	4.16	60,912,595
Lease liability at the end of Reporting period.	4.23	65,808,820

## 5.23 Premium Reversal (Interest Income Reversal)

During the year after NRB onsite inspection, Finance has reversed excess premium charged to customers of Rs. 64,129 and credited the customer account.

## 5.24 Regulatory Reserve (Bargain Purchase)

The Company has acquired Synergy Finance Limited during the financial year and has started joint operation from 2075.04.17. The existing shareholders of erstwhile Synergy Finance were issued ordinary equity shares of the Company at the approved share swap ratio of 1:1.

The details of Fair assets and liabilities acquired from Synergy Finance Ltd. are as follows:

Particulars	Amount (Rs '000)
<b>Assets Acquired</b>	
Cash Balance	47,966
Balance with NRB	99,331
Balance with Banks And Financial Institutions	491,312
Government Bond	250,000
Investment in Shares	9,695
Provisions	-725
Loans and Advances	1,677,215
Provisions for Loans and Advances	-305,617
Fixed Assets	150,951
Non Banking Assets	34,153
Provisions For Non Banking Assets	-34,153
Interest Receivable	140,970
Interest Suspense	-140,970
Deferred Tax assets	87,774
Other Assets	101,343
<b>Total</b>	<b>2,609,245</b>
<b>Liabilities Acquired</b>	
Statutory General Reserve	108,215
Capital Adjustment Reserve	3,629
Deferred Tax Reserve	87,774
Share Premium	522
Corporate Social Responsibility fund	1,290
Employee Training Fund	902
Retained Earnings	-307,212
Deposits Liabilities	2,018,606
Other Liabilities	147,640
<b>Total</b>	<b>2,061,366</b>
<b>Net Assets Acquired</b>	<b>547,877</b>
<b>Purchase Consideration</b>	<b>474,409</b>
<b>Gain on Bargain Purchase</b>	<b>73,468</b>



**5.25 Regulatory Reserve Movement by Year**

Year	Opening Balance	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	Closing Balance
74-75	-	-	-	-	-	-	-	-	-	-	-	-
Transfer To/(From)		11,250,631	-	-	26,031,532	-	-	73,468,098	-	877,526	-	111,627,788
75-76	-	11,250,631	-	-	26,031,532	-	-	73,468,098	-	877,526	-	111,627,788
Transfer To/(From)		18,826,539	-	-	17,599,082	12,375,729	-	-	4,356,691	(877,526)	-	52,280,515
76-77	111,627,788	30,077,170	-	-	43,630,615	12,375,729	-	73,468,098	4,356,691	-	-	163,908,303
Transfer To/(From)		(24,197,001)	-	-	52,859,338	(1,842,745)	-	-	1,028,128	-	-	27,847,720
77-78	163,908,303	5,880,169	-	-	96,489,953	10,532,984	-	73,468,098	5,384,819	-	-	191,756,023
Transfer To/(From)		6,587,282	-	-	19,033,122	(10,532,984)	-	-	(5,107,743)	-	-	9,979,677
78-79	191,756,023	12,467,451	-	-	115,523,075	-	-	73,468,098	277,076	-	-	201,735,700



**नेपाल राष्ट्र बैंक**  
**वित्तीय संस्था सुपरिवेक्षण विभाग**

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/वेष्ट/२०७९/८०  
च.नं. १६३



केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन नं.: ०१-४४९९८०४  
Site: www.nrb.org.np  
Email: nrbfsd@nrb.org.np  
पोष्ट बक्स: ७३

मिति: २०७९/११/१५

**बेष्ट फाइनेन्स कम्पनी लिमिटेड,**  
**कमलादी, काठमाडौं ।**

**विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा ।**

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध छ ।

- (क) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ तथा कम्पनी ऐन, २०६३ मा भएको व्यवस्था बमोजिम सञ्चालक समितिलाई पूर्णता दिनु हुन ।
- (ख) कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन ।
- (ग) यस बैंकबाट जारी एकीकृत निर्देशन नं १५/०७९ बमोजिम ब्याजदर सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- (घ) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७९ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- (ङ) कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, सूचना प्रविधि, अनुपालना, सञ्चालन जोखिम लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(हरिश्चन्द्र ढकाल)

उप-निर्देशक

**बोधार्थ:**

१. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई ।

**आ.व. २०७८/७९ को वित्तीय विवरण प्रकाशनको लागि नेपाल राष्ट्र बैंकबाट प्राप्त भएको निर्देशन  
सम्बन्धमा संचालक समितिको प्रतिक्रिया**

नेपाल राष्ट्र बैंकद्वारा यस संस्थाको २६ औं साधारणसभा प्रयोजनको लागि आ.व. २०७८/७९ को वित्तीय विवरण प्रकाशन गर्न दिईएको निर्देशनहरूमा देहाय बमोजिमका संचालक समितिको प्रतिक्रिया तयार गरी नेपाल राष्ट्र बैंकमा पेश गर्ने तथा वार्षिक प्रतिवेदनमा छुट्टै पानामा प्रकाशन गर्ने निर्णय गरियो ।

- (क) तहाँको निर्देशन बमोजिम बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०६३ तथा कम्पनी ऐन, २०६३ मा भएको व्यवस्था बमोजिम संचालक समितिलाई पूर्णता दिईने व्यहोरा अनुरोध छ ।
- (ख) तहाँको निर्देशन बमोजिम कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गरीएको व्यहोरा अनुरोध छ ।
- (ग) नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन नं.१५/०७९ बमोजिम व्याजदर सम्बन्धी व्यवस्थाको पूर्ण पालना गरीने व्यहोरा अनुरोध छ ।
- (घ) नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन नं.१९/०७९ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्ण पालना गरीने व्यहोरा अनुरोध छ ।
- (ङ) तहाँको निर्देशन बमोजिम कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, सूचना प्रविधि, अनुपालना, सञ्चालन जोखिम लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा नेपाल राष्ट्र बैंकबाट औल्याइएका कैफियतहरू पुनः दोहोरिन नदिने आवश्यक व्यवस्था मिलाइने व्यहोरा अनुरोध छ ।

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नोट तथा टिपोट



## प्रतिनिधि (प्रोक्सी) नियुक्त गर्ने निवेदन फारम

श्री संचालक समिति  
बेष्ट फाइनेन्स 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 २०८० वैशाख २९ गते शुक्रवारका दिन हुने छबिसौं 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 फाइनेन्स कम्पनी लिमिटेड

प्रधान कार्यालय, कमलादी, काठमाडौं

### छबिसौं 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 आउनु पर्नेछ ।)



