

29<sup>th</sup> Annual Report

२९औं

वार्षिक प्रतिवेदन

०८१/८२



**BEST FINANCE COMPANY LTD.**

**बेष्ट फाइनान्स कम्पनी लि.**

नेपाल राष्ट्र बैंकबाट 'ग' वर्गको ईजाजतपत्रप्राप्त संस्था

बेष्ट भवन, कमलादी, काठमाडौं

फोन नं.: ०१-४५४२४६१/६२/६३

E-mail: [info@bestfinance.com.np](mailto:info@bestfinance.com.np)

# सञ्चालक समिति



प्रा. डा. रामजी गौतम  
अध्यक्ष  
(संस्थापक समूह)



खिम लाल पौड्याल  
सञ्चालक  
(सर्वसाधारण समूह)



रामचन्द्र देवकोटा  
सञ्चालक  
(संस्थापक समूह)



सुशिला खनाल  
सञ्चालक  
(संस्थापक समूह)



रामलाल श्रेष्ठ  
सञ्चालक  
(सर्वसाधारण समूह)



विष्णु प्रसाद ज्वाली  
सञ्चालक  
(सर्वसाधारण समूह)



बौद्ध राज अर्याल  
स्वतन्त्र सञ्चालक



राज सुन्दर श्रेष्ठ  
कम्पनी सचिव

## विषय-सूची

क्र.सं.	विषय	पेज नं.
१.	२९ औं वार्षिक साधारण सभा सम्बन्धी सूचना	३
२.	साधारण सभा सम्बन्धी अन्य जानकारी	४
३.	सञ्चालक समितिका अध्यक्षद्वारा प्रतिवेदन	५
४.	धितोपत्र दर्ता तथा निष्काशन सम्बन्धी	११
५.	कम्पनी ऐन, २०६३ को दफा १०९ अनुसारको अतिरिक्त विवरण	१२
६.	लेखा परीक्षकको प्रतिवेदन	२०
७.	वित्तीय विवरणहरू	२५
८.	लेखा सम्बन्धी टिप्पणी तथा प्रमुख लेखा नीतिहरू	३२
९.	उद्घोषण तथा अतिरिक्त विवरणहरू	८३
१०.	नेपाल राष्ट्र बैंकको निर्देशन	१००
११.	नेपाल राष्ट्र बैंकको निर्देशनको प्रतिउत्तर	१०१



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

मिति २०८२ पौष ०८ गते मंगलवारका दिन बसेको सञ्चालक समितिको ६३२ औं बैठकको निर्णयानुसार यस वित्तीय संस्थाको २९ औं वार्षिक साधारण सभा देहायका विषयहरूमा 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 महानुभावहरूको जानकारी एवं उपस्थितिका लागि हार्दिक अनुरोध गर्दछौं ।

सभा हुने मिति : २०८२ साल पौष ३० गते, बुधवार (तदनुसार १४ जनवरी २०२६)

स्थान : सिद्धार्थ कटेज, तिनकुने, कोटेश्वर, काठमाडौं

समय : विहानको ११.०० बजे

**छलफलका विषयहरू :**

**(क) सामान्य प्रस्ताव**

१. यस बेष्ट फाइनेन्स कम्पनी लि. को आ. व. २०८१/०८२ को सञ्चालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरि पारित गर्ने ।
२. लेखापरिक्षकको प्रतिवेदन सहितको आ.व. २०८१/०८२ को वार्षिक वित्तीय विवरण (२०८२ आषाढ मसान्तको वासलात, नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण, नाफा नोक्सान बाँडफाँड हिसाब लगायत वार्षिक वित्तीय विवरणसँग सम्बन्धित अनुसूचीहरू समेत) छलफल गरी पारित गर्ने ।
३. आ.व. २०८२/८३ को लागि बाह्य लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक समेत अनुमोदन गर्ने

**(ख) विशेष प्रस्ताव**

- १) यस वित्तीय संस्थाले भविष्यमा अन्य उपयुक्त बैंक तथा वित्तीय संस्थसँग एक आपसमा गाभ्ने/गाभिने (Merger) तथा प्राप्ति (Acquisition) गर्ने सम्बन्धी समझदारी पत्रमा हस्ताक्षर गर्ने, चल अचल सम्पति र दायित्व मुल्याङ्कन (Due Diligence Audit) गर्नको लागि मान्यता प्राप्त मुल्याङ्कनकर्ता नियुक्त गर्ने, निजको पारिश्रमिक तोक्ने लगायतका मर्जर सम्बन्धी अन्य आवश्यक प्रक्रिया पूरा गर्न सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने ।

**(ग) विविध**

सञ्चालक समितिको आज्ञाले  
कम्पनी सचिव

## साधारण सभा सम्बन्धी अन्य जानकारी

१. यस बेस्ट फाइनेन्स कम्पनी लिमिटेडको २९ औं वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८२/०९/१८ गते एक दिन शेयरधनी दर्ता किताब बन्द (Book Close) रहने छ। नेपाल धितोपत्र विनियम बजार लिमिटेडमा २०८२/०९/१७ 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 मिलनचोक, बुटवल तथा संस्थाको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी, काठमाण्डौंमा सम्पर्क राखी 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 हुने दिन बिहान १०:०० बजेदेखि दर्ता काउन्टर खुल्ला राखिने छ।
४. सभामा भाग लिन शेयरधनी महानुभावहरूले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहेमा सभा शुरू 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। आफु संरक्षक भएको शेयरवालाको बाहेक अरू शेयरधनीको प्रतिनिधि (प्रोक्सी) भै सभामा भाग लिन सक्नु हुने छैन।
६. एक भन्दा बढी व्यक्तिहरूको नाउँमा सयुक्त रूपमा शेयर ग्रहण गर्ने शेयरधनीहरूको हकमा शेयरधनीको लगत किताबमा पहिले नाम उल्लेख भएको व्यक्तिले वा सर्वसम्मतबाट आफु मध्ये नियुक्त गरिएको एक जना शेयरधनीले वा सर्वसम्मतबाट नियुक्त प्रतिनिधिले मात्र सभामा भाग लिन पाउनेछ।
७. प्रोक्सी दिईसकेका शेयरधनी स्वयं उपस्थित भै सभामा भाग लिन चाहेमा सभा शुरू हुनु अगावै कम्पनी सचिव मार्फत सञ्चालक समितिका अध्यक्षलाई लिखित सूचना दिई निजले उक्त सभामा भाग लिन पाउनेछन्। यस्तो अवस्थामा निजले नियुक्त गरेको प्रतिनिधि (प्रोक्सी) को अख्तियारी पत्र स्वतः बदर हुनेछ।
८. छलफलका विषयसूची मध्ये विविध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा सात दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनु पर्नेछ। तर यसलाई छलफल र पारीत हुने प्रस्तावको रूपमा समावेश गरिने छैन।
९. साधारण सभा सम्बन्धी थप जानकारीको लागि यस संस्थाको प्रधान कार्यालय, कमलादी, काठमाण्डौंमा कार्यालय समय भित्र सम्पर्क राख्न सकिने छ। वार्षिक साधारण सभा सम्बन्धी विस्तृत जानकारी वित्तीय संस्थाको प्रधान कार्यालय, कमलादीको सूचना पाटीमा तथा वित्तीय संस्थाको वेबसाईट [www.bestfinance.com.np](http://www.bestfinance.com.np) मा राखिने छ।

## बेष्ट फाइनेन्स कम्पनी लिमिटेडको २९औं वार्षिक साधारण सभामा सञ्चालक समितिका अध्यक्षद्वारा प्रस्तुत प्रतिवेदन

**आदरणीय शेयरधनी महानुभावहरू,**

बेष्ट फाइनेन्स कम्पनी लिमिटेडको २९औं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण आदरणीय शेयरधनी महानुभावहरू, कर्मचारी एवं सम्पूर्ण अतिथिज्यूहरूलाई हार्दिक स्वागत गर्दछु।

संस्थाले देशका विभिन्न स्थानमा रहेका १८ शाखा कार्यालयबाट वित्तीय सेवा प्रदान गर्दै आइरहेको छ। आदरणीय शेयरधनी महानुभाव तथा सम्बद्ध निकायहरूबाट प्राप्त सुझाव, मार्ग निर्देशनलाई आत्मसाथ गर्दै संस्था अगाडी बढिरहेको व्यहोरा अनुरोध गर्दछु। साथै, ग्राहक महानुभाव तथा आम शुभचिन्तकज्यूहरूबाट प्राप्त सहयोग र सद्भावका लागि हार्दिक धन्यवाद ज्ञापन गर्दछु।

**आदरणीय शेयरधनी महानुभावहरू,**

यस साधारण सभाबाट संस्थाको आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरणहरू, वासलात, नाफा-नोक्सान हिसाब र नगद प्रवाह विवरणसहितको वित्तीय प्रतिवेदन छलफल गरी पारित गर्ने कार्यक्रम रहेको व्यहोरा अनुरोध छ। यस गरिमामय सभामा यहाँहरू सबैलाई हार्दिक स्वागत गर्दै उक्त विवरणहरू यहाँहरू समक्ष प्रस्तुत गर्न चाहन्छु।

आर्थिक वर्ष २०८१/०८२ बैकिङ व्यवसायका लागि चुनौतीपूर्ण रहन गयो। तरलता व्यवस्थापनको दृष्टिकोणबाट सहज अवस्था रहेको भएतापनि देशको अर्थतन्त्रमा देखिएको शिथिलताका कारण लगानीकर्ताहरूको मनोबलमा गिरावट आई कर्जाको मागमा कमी आयो। कर्जा असुलीमा कमी आयो। निष्क्रिय कर्जा अनुपात बढ्दै गयो। बैंक तथा वित्तीय संस्थाहरूको निष्क्रिय कर्जा अनुपात २०८१ आषाढमा ३.८६ प्रतिशत रहेकोमा २०८२ आषाढमा ४.६२ प्रतिशत पुग्यो। फाइनेन्स कम्पनीहरूको लागि निष्क्रिय कर्जा व्यवस्थापन गर्ने कार्य थप चुनौतीपूर्ण हुन पुग्यो। त्यसैले, फाइनेन्स कम्पनीहरूको निष्क्रिय कर्जा अनुपात २०८१ आषाढमा ९.८७ प्रतिशत रहेकोमा २०८२ आषाढमा उक्त अनुपात बढेर ११.०५ प्रतिशत पुग्यो।

समग्र परिस्थिति व्यवसाय मैत्री रहेन। हामी पनि चुनौतीपूर्ण अवस्थाबाट गुज्रियौं। तथापी, हामी चुनौतीहरूलाई व्यवस्थापन गर्दै अगाडी बढिरहेको व्यहोरा जानकारी गराउन चाहन्छु।

### १) विगत वर्षको 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 २०८०/०८१ र २०८१/०८२ आषाढ मसान्तमा संस्थाको महत्वपूर्ण वित्तीय सूचकाङ्कहरू देहाय वमोजिम रहेका छन्।

विवरण	इकाई	आषाढ मसान्त		बृद्धि (प्रतिशतमा)
		२०८२	२०८१	
चुक्ता पुँजी	रु. हजारमा	८,९०,४२४	८,५४,८१७	४.१६
निक्षेप	रु. हजारमा	५,७५४,२२१	५,४५९,८३६	५.३९
कुल कर्जा	रु. हजारमा	४,२५६,७९६	४,०२९,७१८	५.६३
कुल सम्पत्ति	रु. हजारमा	६,८६८,३२९	६,६९६,९९५	२.५६
निष्क्रिय कर्जा (NPL)	प्रतिशतमा	१४.४३	५.९७	८.४६
पुँजी पर्याप्तता अनुपात	प्रतिशतमा	१०.३४	१३.६७	(३.३३)
कर्जा निक्षेप अनुपात	प्रतिशतमा	७३.९८	७३.८१	०.१७
तरलता अनुपात	प्रतिशतमा	३६.१२	३२.९२	३.२०

विवरण	इकाई	आषाढ मसान्त		वृद्धि (प्रतिशतमा)
		२०८२	२०८१	
कर्जा नोक्सानी व्यवस्था/निष्क्रिय कर्जा अनुपात	प्रतिशतमा	८२.०६	१००.५८	(१८.५२)
प्राथमिकता प्राप्त क्षेत्र कर्जा	प्रतिशतमा	१२.६८	११.५४	१.१४
विपन्न वर्ग कर्जा	प्रतिशतमा	७.७०	५.१७	२.५३

संस्थाको चुक्ता पुँजी ४.१६ प्रतिशतले वृद्धि भएको छ । समीक्षा अवधिमा संस्थाको कुल निक्षेप अधिल्लो वर्षको तुलनामा ५.३९ प्रतिशतले वृद्धि भई २०८२ आषाढ मसान्तमा रु. ५ अरब ७५ करोड पुगेको छ । सोहि अवधिमा बैंक तथा वित्तीय संस्थाहरूको निक्षेपको वृद्धि दर १२.६ प्रतिशत रहेको छ । त्यसैगरी, संस्थाको कुल कर्जा अधिल्लो वर्षको तुलनामा ५.६३ प्रतिशतले वृद्धि भई २०८२ आषाढ मसान्तमा रु. ४ अरब २५ करोड पुगेको छ । यस अवधिमा बैंक तथा वित्तीय संस्थाहरूको कर्जाको वृद्धिदर ८.४ प्रतिशत रहेको छ । समीक्षा अवधिमा संस्थाको वासलातको आकार २.५६ प्रतिशतले वृद्धि भई आषाढ मसान्त २०८२ मा रु. ६ अरब ८७ करोड पुगेको छ ।

संस्थाको पुँजी पर्याप्तता अनुपात गत वर्षको तुलनामा ३.३३ प्रतिशतले घटेर २०८२ आषाढ मसान्तमा १०.३४ प्रतिशतमा भरेको छ । मुख्य-रूपमा संस्थाको निष्क्रिय कर्जाको वृद्धिसँगै कर्जा नोक्सानी व्यवस्थामा हुन गएको वृद्धिको कारणले यो अनुपात घट्न गएको हो । तथापि, यो अनुपात नेपाल राष्ट्र बैंकको निर्देशन अनुसार कायम रहनु पर्ने न्यूनतम १० प्रतिशतभन्दा माथि रहेको छ ।

आषाढ मसान्त २०८१ मा ५.९७ प्रतिशत रहेको निष्क्रिय कर्जा अनुपात आषाढ मसान्त २०८२ मा बढेर १४.४३ प्रतिशत पुगेको छ । केहि ऋणीहरूले साँवा व्याज तिर्दै आएको भएतापनि कर्जा उपभोगमा केही कैफियत देखिएकाले जोखिम व्यवस्थापनका दृष्टिकोणले कर्जा नोक्सानी व्यवस्था गरिएकाले निष्क्रिय कर्जा बढ्न गएको जानकारी गराउन चाहन्छु । साथै, कर्जा नोक्सानी व्यवस्था तथा निष्क्रिय कर्जा अनुपात आषाढ मसान्त २०८२ मा ८२.८६ प्रतिशत रहेको छ ।

संस्थाले तरलता व्यवस्थापन सम्बन्धमा नेपाल राष्ट्र बैंकको निर्देशन अनुसार कायम राख्नु पर्ने कर्जा निक्षेपको अधिकतम सीमा ९० प्रतिशत तथा तरलता अनुपातको न्यूनतम सीमा २२ प्रतिशतलाई पूर्णरूपमा पालना गरेको छ । २०८१ र २०८२ आषाढ मसान्तमा संस्थाको कर्जा निक्षेप अनुपात क्रमशः ७३.८१ प्रतिशत र ७३.९८ प्रतिशत रहेको छ । र, तरलता अनुपात २०८१ र २०८२ आषाढ मसान्तमा क्रमशः ३२.९२ प्रतिशत र ३६.१२ प्रतिशत रहेको छ ।

नेपाल राष्ट्र बैंकबाट निर्देशित कर्जातर्फ आषाढ मसान्त २०८२ मा प्राथमिकता प्राप्त क्षेत्र कर्जा कुल कर्जाको १२.६८ प्रतिशत रहेको छ । यो अनुपात नेपाल राष्ट्र बैंकको निर्देशन अनुसार कम्तीमा १२ प्रतिशत कायम गर्नु पर्नेमा त्यो भन्दा बढि कायम गर्न संस्था सफल भएको छ । त्यसैगरी, विपन्न वर्ग कर्जा आषाढ मसान्त २०८२ मा कुल कर्जाको ७.७० प्रतिशत रहेको छ । यो कर्जा पनि नेपाल राष्ट्र बैंकको निर्देशन अनुसार कम्तीमा ५ प्रतिशत प्रवाह गर्नुपर्नेमा त्यो भन्दा बढि नै प्रवाह भएको छ ।

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

### जेन-जेड आन्दोलनको आर्थिक प्रभाव :

२०८२ भाद्र २३ र २४ मा भएको जेन-जेड आन्दोलनले नेपालको प्रमुख आर्थिक सूचकाङ्कमा स्पष्ट असर पारेको सरकारी तथ्यांक तथा अन्तर्राष्ट्रिय वित्तीय संस्थाहरूको हालैको प्रतिवेदनले देखाएको छ ।

दुई दिनसम्म चलेको राष्ट्रव्यापी आन्दोलन र त्यसपछिका राजनीतिक अनिश्चितताले लगानीकर्ताको विश्वास कमजोर बनाएको, आन्तरिक कारोबार सुस्त पारेको तथा आर्थिक वृद्धिमा चुनौति थपेको छ ।

सरकारले चालु आर्थिक वर्षमा अर्थिक वृद्धिदर ६ प्रतिशतले विस्तार हुने अनुमान गरेको थियो । तर विश्व बैंकको नयाँ प्रतिवेदनले नेपालको अर्थिक वृद्धिदरलाई २.१ प्रतिशतमा झारेको छ, जसमा जेन-जेड आन्दोलन र त्यसपछिको राजनीतिक प्रभावलाई प्रमुख कारणका रूपमा औल्याइएको छ । अन्तर्राष्ट्रिय मुद्रा कोष (IMF) ले पनि नेपालको अर्थिक वृद्धिदरको अनुमान घटाएको छ ।



### पर्यटन र स्थीर सम्पत्ति बजारमा गिरावट

कोभिड महामारीपछि सहज अवस्थामा फर्किएको पर्यटन क्षेत्र पनि आन्दोलनका कारण प्रभावित भएको छ। नेपालमा २०२४ सेप्टेम्बरमा ९६,३०२ विदेशी पर्यटक आएकोमा २०२५ सेप्टेम्बरमा १८.३ प्रतिशतले घटेर ७८,७११ मा सीमित हुन पुग्यो।

त्यस्तै, भूमि व्यवस्थापन तथा अभिलेख विभागका तथ्यांक अनुसार स्थीर सम्पत्ति कारोबारमा पनि गिरावट आएको छ। २०२४ अक्टोबरमा ३०,५२७ सम्पत्ति दर्ता भएकोमा २०२५ अक्टोबर घटेर २३,३५३ मा सीमित भएको छ।

यसरी जेन-जेड आन्दोलन पछि व्यवसायी र आम मानिसमा छाएको अन्यौलता र विदेशीमा समेत नेपालप्रतिको धारणामा आएको परिवर्तनले देशले आर्थिक गतिविधि बढाउन संघर्ष गर्ने प्रष्ट देखिन्छ। फलस्वरूप, संस्थालाई पनि व्यवसाय बिस्तार गर्न चुनौति थपिदै गएको छ।

### बैंकिङ्ग व्यवसायले भोग्नु परेको असहज अवस्था

बैंकिङ्ग क्षेत्र अहिले असहज अवस्थाबाट गुजिरहेको छ। राम्रो कर्जाको लागि माग छैन। हाम्रै संस्थाले पनि ४० प्रतिशत भन्दा बढि तरल सम्पत्ती लिएर बस्नु परेको छ। केही ऋणीहरूले व्यवसायमा परेको असर, आम्दानी घटेको अवस्था आदि कारणले कर्जा नियमित गर्न सकेका छैनन्। त्यस्तैगरी, केही व्यक्तिहरूले कर्जा तिर्न पर्देन भनेर कतिपय ऋणीहरूलाई उक्साउने गरेको देखिएको छ। फलस्वरूप, कर्जा तिर्न सक्ने क्षमता भएका ऋणीले पनि कर्जा नतिर्ने गरेको दृष्टान्त पनि छन्। कतिपय स्थानीय निकायले सहजरूपमा घरबाटो शिफारिस नदिने गरेकाले पनि केही कर्जा असुली गर्न संस्थालाई बाधा पुगिरहेको छ।

### ३) सामाजिक उत्तरदायित्व तथा वित्तीय साक्षरता:

संस्थाले ग्राहक महानुभावहरूलाई वित्तीय सेवा प्रदान गर्नुका साथसाथै मुलुकको सामाजिक सेवाप्रतिको दायित्वबोध पनि गरेको छ। यस सन्दर्भमा संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility) अन्तर्गत केही सामाजिक कार्यक्रमहरूमा पनि संस्थाले योगदान पुऱ्याउँदै आएको छ। संस्थाको नाफा रकमबाट छुट्ट्याइएको सामाजिक उत्तरदायित्व कोषको रकमलाई संस्थाले प्रभावकारी रूपमा उपयोग गर्ने नीति अवलम्बन गरेको छ।

संस्थाले आर्थिक वर्ष २०८१/८२ मा सामाजिक उत्तरदायित्व तथा वित्तीय साक्षरता अन्तर्गत जम्मा रु. २८५,८८९।९९ खर्च गरी १७ वटा कार्यक्रमको आयोजना गरेको छ।

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

क) चालु आर्थिक वर्ष (मंसिर मसान्त २०८२) को कारोबारको सिंहावलोकन सम्बन्धमा:

विवरण	इकाई	मंसिर मसान्त		बृद्धि (प्रतिशतमा)
		२०८२	२०८१	
चुक्ता पुँजी	रु. हजारमा	८९०,४२४	८९०,४२४	-
निक्षेप दायित्व	रु. हजारमा	६,१३१,७५७	५,६२७,५०२	८.९६
कुल कर्जा	रु. हजारमा	४,२१५,५१८	४,२७१,८७६	(१.३२)
कर्जा निक्षेप अनुपात	प्रतिशतमा	६८.७५	७९.९१	(११.१६)
तरलता अनुपात	प्रतिशतमा	४२.०६	२९.९६	१२.१०
प्राथमिकता प्राप्त क्षेत्र कर्जा	प्रतिशतमा	१२.३२	१२.२३	०.०९
विपन्न वर्ग कर्जा	प्रतिशतमा	७.०२	५.५३	१.४९
कर्जा नोक्सानी व्यवस्था निष्क्रिय कर्जा अनुपात	प्रतिशतमा	७२.५३	८२.५२	(९.९९)

चालु आर्थिक वर्षको समीक्षा अवधिमा मंसिर मसान्त २०८२ मा संस्थाको कुल निक्षेप अघिल्लो वर्षको तुलनामा ८.९६ प्रतिशतले बृद्धि भई २०८२ मंसिर मसान्तमा रु. ६ अरब १३ करोड पुगेको छ। त्यसैगरी, संस्थाको कुल कर्जा अघिल्लो वर्षको तुलनामा १.३२ प्रतिशतले घटि २०८२ मंसिर मसान्तमा रु. ४ अरब २१ करोड पुगेको छ।

संस्थाको कर्जा निक्षेप अनुपात अधिल्लो वर्षको तुलनामा ११.१६ प्रतिशतले घटेर २०८२ मंसिर मसान्तमा ६८.७५ प्रतिशत पुगेको छ। यो अनुपात नेपाल राष्ट्र बैंकको निर्देशन अनुसार कायम राख्नुपर्ने अधिकतम सीमा ९० प्रतिशत भन्दा धेरै तल रहेको छ। साथै, तरलता अनुपात २०८२ मंसिर मसान्तमा ४२.०६ प्रतिशत रहेको छ, जुन नेपाल राष्ट्र बैंकको निर्देशन अनुसार न्यूनतम कायम राख्नु पर्ने सीमा २२ प्रतिशतभन्दा धेरै माथि रहेको छ।

नेपाल राष्ट्र बैंकबाट निर्देशित कर्जातर्फ प्राथमिकता प्राप्त क्षेत्र कर्जा अधिल्लो वर्षको तुलनामा ०.०९ प्रतिशतले बृद्धि भई मंसिर मसान्त २०८२ मा कुल कर्जाको १२.३२ प्रतिशत रहन गएको छ, जुन नेपाल राष्ट्र बैंकको निर्देशन अनुसारको न्यूनतम सीमा १२ प्रतिशतभन्दा बढि नै रहेको छ। त्यसैगरी, विपन्न वर्ग कर्जा मंसिर मसान्त २०८२ मा कुल कर्जाको ७.०२ प्रतिशत रहेको छ। यो कर्जा पनि नेपाल राष्ट्र बैंकको निर्देशन अनुसारको न्यूनतम सीमा ५ प्रतिशतभन्दा बढि नै रहेको छ।

कर्जा नोक्सानी व्यवस्था निष्क्रिय कर्जा अनुपात २०८२ आषाढ मसान्तमा ८२.०६ प्रतिशत रहेकोमा २०८२ मंसिर मसान्तमा ७२.५३ प्रतिशतमा झरेको छ। असल र निगरानी वर्गमा रहेका कर्जा कमसल र शंकास्पद वर्गमा वर्गीकृत हुन पुगेकाले यो अनुपात घट्न गएको हो। यो अनुपातमा आएको गिरावटले संस्थालाई निष्क्रिय कर्जा व्यवस्थापन गर्नका लागि थप चुनौती थप्दै लगेको छ।

हालको वित्तीय बजारको अवस्थालाई मध्येनजर गरी कर्जा लगानीमा हुन सक्ने जोखिमलाई सूक्ष्म विश्लेषण गरी कर्जा लगानीलाई निरन्तरता तथा तरलता एवं निष्क्रिय कर्जाको व्यवस्थापन गर्दै संस्थाको सञ्चालन मुनाफा बृद्धि गर्न संस्था प्रयत्नशील रहेको व्यहोरा पनि जानकारी गराउन चाहन्छु।

#### **ख) सूचना प्रविधि (Information Technology) विकास:**

संस्थाको कारोबारका लागि आवश्यक विवरणहरू सफ्टवेयरमा अभिलेख गरी सुरक्षित कारोबार गर्न नेपालका अन्य बैंक तथा वित्तीय संस्थाहरूले समेत प्रयोग गर्दै आएको Banking Software-Pumori Plus प्रयोग गरिएको छ। सफ्टवेयरलाई थप परिमार्जित गरिएको Optimized Pumori प्रयोगमा ल्याइसकिएको छ। यसै सफ्टवेयरको माध्यमबाट संस्थाले हाल सञ्चालनमा रहेका सबै शाखा कार्यालयहरूलाई एउटै सञ्जाल (Network) मा आबद्ध गरी Any Branch Banking Services (ABBS), विप्रेषण (Remittance) आदि बैंकिङ्ग सेवा प्रदान गर्दै आइरहेको छ। संस्थाले काठमाडौंको, बन्स्थली खरीबोट शाखा र अमरपथ शाखाबाट ए.टी.एम.सेवा प्रदान गर्दै आइरहेको छ।

त्यसैगरी, संस्थाले Mobile Banking, Connect IPS, QR Code, RTGS सेवा, Online Account Opening तथा कर्पोरेट पे लगायतका डिजिटल कारोबारको माध्यमबाट बैंकिङ्ग सेवा प्रदान गरिरहेको छ।

सम्पूर्ण बैंकिङ्ग कार्यहरूलाई Digital Automation गरी प्रधान कार्यालय तथा शाखा कार्यालयहरूलाई विस्तारै कागजात रहित वातावरणमा सञ्चालन गर्नेतर्फ संस्था अग्रसर रहेको छ। यस क्रममा चालु आर्थिक वर्षमा Internet System जडान गरी संस्थाका नीति, कार्यविधि, परिपत्र, प्रडक्ट पेपर तथा योजना र सम्बन्धित ऐन, नियमावली आदिलाई सम्पूर्ण कर्मचारीहरूको पहुँच हुने गरी Upload गरी आवश्यक व्यवस्था मिलाइसकिएको छ। PEPs List Screening गर्ने, धितो मूल्यांकनकर्तालाई पालैपालो धितो मूल्यांकनको व्यवस्था मिलाउने, शेयर धितो कर्जा अनुगमन र व्यवस्थापन गर्ने, कागजात ट्रयाकिङ्ग गर्ने, कर्जा प्रशासन विभागको कार्य अनुगमन गर्ने र Online Exam संचालन गर्ने सफ्टवेयर जडान गरिसकिएको छ। त्यस्तैगरी, व्यवसाय सूचना प्रणाली सम्बन्धी सफ्टवेयर पनि जडान गरिसकिएको छ।

आदरणीय शेयरधनी महानुभावहरू, ग्राहक महानुभावहरू तथा अन्य सरोकारवाला निकाय तथा अन्य महानुभावहरूको जानकारीका लागि संस्थाको हरेक गतिविधि तथा सूचना संस्थाको वेबसाइट [www.bestfinance.com.np](http://www.bestfinance.com.np) बाट प्रवाह गर्दै आइरहेको जानकारी गराउन चाहन्छु।

#### **ग) संस्थाको स्तरोन्नति तथा अन्य संस्थासँग 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 प्राप्ति गरी वा अन्यसँग गाभिने स्तरोन्नति हुनका लागि संस्थाले ढोका खुल्ला राखेको छ। यस सन्दर्भमा, संस्थाले निश्चित मापदण्डका आधारमा अन्य बैंक/वित्तीय संस्थासँग गाभिने वा प्राप्ति गरेर राष्ट्रिय स्तरको "ग" वर्गको वित्तीय संस्थाबाट स्तरोन्नति

भई राष्ट्रिय स्तरको विकास बैकमा स्तरोन्नति हुने लक्ष्य लिएको छ । र, सोही अनुसार विकास बैकका लागि आवश्यक पूर्वाधारको विकास गरिरहेको छ । अन्य बैक तथा वित्तीय संस्थासंग गाभ्ने/गाभिने (Merger) प्रक्रिया अगाडि बढेमा आदरणीय शेयरधनी महानुभावहरूलाई गाभ्ने/गाभिने (Merger) प्रक्रिया सम्बन्धी आवश्यक जानकारी गराउनुका अतिरिक्त स्वीकृतिका लागि प्रस्ताव पेश गरिने छ ।

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

संस्थाले मानव संसाधनलाई महत्वपूर्ण पूँजीको रूपमा लिएको छ । संस्थाको व्यावसायिक 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 तालिममा सहभागी गराउने गरिएको छ ।

यसका अतिरिक्त कर्मचारीहरूको मनोबल उच्च राख्दै संस्थाप्रति वफादार तथा समर्पित भई कार्य गरिरहने वातावरणको निर्माण गर्न कर्मचारीहरूलाई प्रदान गरिने तलब भत्ता तथा अन्य सुविधामा समय अनुसार वृद्धि 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 विभिन्न संस्थाहरूमा यस संस्थाले १३८ जना कर्मचारीलाई तालिम तथा सेमिनारहरूमा सहभागी गराएको छ । उक्त तालिम तथा सेमिनारहरूमा सहयोगी कर्मचारीदेखि व्यवस्थापन तहसम्मका कर्मचारीहरूलाई सहभागीता गराइएको थियो । साथै, आन्तरिक रूपमा Digital Platform को माध्यमबाट पनि समय समयमा प्रधान कार्यालयद्वारा शाखामा कार्यरत कर्मचारीहरूलाई तालिम दिने कार्य गरिएको छ ।

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

आर्थिक वर्ष २०८१/०८२ मा मिति २०८२ साल आषाढ १८ गते सम्पन्न संस्थाको २८ औं वार्षिक साधारण सभाबाट सञ्चालक समितिमा संस्थापक शेयरधनीको तर्फबाट प्रतिनिधित्व गर्ने ३ जना सञ्चालक, सर्वसाधारण शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने ३ जना सञ्चालक तथा १ जना स्वतन्त्र सञ्चालक समेत गरी निम्न बमोजिम ७ जनाको सञ्चालक समिति रहेको जानकारी गराउन चाहन्छु ।

१. प्रा. डा. रामजी गौतम	अध्यक्ष	संस्थापक समूह
२. श्री खिमलाल पौड्याल	सञ्चालक	सर्वसाधारण समूह
३. श्री रामचन्द्र देवकोटा	सञ्चालक	संस्थापक समूह
४. श्री सुशिला खनाल	सञ्चालक	संस्थापक समूह
५. श्री विष्णु प्रसाद ज्ञवाली	सञ्चालक	सर्वसाधारण समूह
६. श्री रामलाल श्रेष्ठ	सञ्चालक	सर्वसाधारण समूह
७. श्री बौद्ध राज अर्याल	सञ्चालक	स्वतन्त्र

आर्थिक वर्ष २०८१/०८२ को अवधिमा सञ्चालक समितिको जम्मा ३२ वटा बैठक बसेको व्यहोरा जानकारी गराउन चाहन्छु ।

**७) नाफानोक्सान हिसाब र बाँडफाँड:**

आर्थिक वर्ष २०८१/०८२ मा संस्था नाफामा नरहेकोले बाँडफाँडतर्फ रकम छुट्याइएको छैन ।

**८) ५ वर्षे रणनीतिक कार्ययोजना:**

रणनीतिकरूपमा संस्था संचालन गर्ने नीति अनुरूप ५ वर्षे रणनीतिक योजना बनाइ लागू गरिसकिएको छ । यसबाट संस्था थप सबल बन्दै जाने, लाभांश वितरणका लागि आधार बन्दै जाने, संस्था प्रणालीले पथप्रदर्शित हुने तथा रणनीतिक कमी कमजोरीमा सुधार आउँदै जाने विश्वास लिइएको छ ।

**हार्दिक आभार तथा धन्यवाद :**

संस्थाका सरोकारवाला निकाय, शुभचिन्तक तथा आम जनसमुदायबाट पाएको सहयोग तथा विश्वासले संस्था संचालनमा हामीलाई सधैं उत्साहित बनाइरहेको छ । संस्थाको सुदृढीकरण एवं कारोवार विस्तारका लागि प्रत्यक्ष तथा परोक्ष रूपमा सहयोग पुर्याउनु 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 सञ्चालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछु ।

त्यस्तैगरी, संस्थाका आन्तरिक लेखापरीक्षक सरून एण्ड एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री सरून क्षेत्री, वाह्य लेखापरीक्षक एस.ए.आर.एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री सुनिल अधिकारी तथा कानूनी सल्लाहकार बरिष्ठ अधिवक्ता श्री अरूण पौड्याललाई हार्दिक धन्यवाद दिन चाहन्छु ।

त्यस्तैगरी, यस संस्था सम्बन्धी समाचार सम्प्रेषण गरिदिनु हुने सञ्चार माध्यम तथा सम्पूर्ण शुभचिन्तकज्यूहरूप्रति हार्दिक आभार प्रकट गर्दछु ।

अन्तमा, संस्थाको उन्नति तथा प्रगतिका लागि अहोरात्र खटिने प्रमुख कार्यकारी अधिकृत, व्यवस्थापन समूह तथा संस्थामा कार्यरत सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद व्यक्त गर्दछु ।

धन्यवाद !

**रामजी गौतम**

अध्यक्ष

मिति: २०८२ साल पुष ३० गते, बुधवार

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

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

विवरण	प्रथम त्रैमासिक	दोस्रो त्रैमासिक	तेस्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य रु.	७४५	९५९.६०	७०४	५६९.७०
न्युनतम मूल्य रु.	४७९	५७५.९०	५३५	४५६
अन्तिम मूल्य रु.	६३७	६३७	५४५.५४	५९२.०३
कुल कारोबार शेयर संख्या	५२,९७,०२०	६७,०६,६९२	२८,९०,२८४	९६,०२,६४७
कुल कारोबार दिन	५७	५५	५६	६३

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

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

- क. विगत वर्षको कारोवारको सिंहावलोकन:  
संचालक समितीको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ख. राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कारोवारमा परेको असर:  
संचालक समितीको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ग. चालु आर्थिक वर्षको उपलब्धी र भावी योजनाको सम्बन्धमा सञ्चालक समितिको धारणा:  
संचालक समितीको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- घ. औद्योगिक तथा व्यावसायिक सम्बन्ध:  
संचालक समितीको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ङ. संचालक समितिमा भएको हेरफेर र सोको बिबरण:  
संचालक समितीको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- च. कारोवार लाई असर पर्ने मुख्य कुराहरू:  
(क) बैंक तथा वित्तीय संस्थाहरूको शाखा विस्तार हुने क्रम जारी रहे देखी यी संस्थाहरू बीच प्रतिस्पर्धा बाट हुनसक्ने सम्भावित जोखिमहरू ।  
(ख) संस्थाबाट प्रदान गरिने कोष तथा गैरकोषमा आधारित सेवाहरू उपलब्ध गराउँदा हुन सक्ने सम्भावित जोखिमहरू ।  
(ग) नेपाल सरकार, नेपाल राष्ट्र बैंक तथा अन्य नियमनकारी निकाय ले नीति निर्देशनमा परिवर्तन गर्दा हुन सक्ने सम्भावित नीतिगत जोखिमहरू ।  
(घ) वित्तीय संस्थाहरू बिच देखिएको अस्वस्थ प्रतिस्पर्धाको कारणबाट उत्पन्न हुनसक्ने जोखिम ।  
(ङ) राष्ट्रको आर्थिक, मौद्रिक तथा वित्तीय नीति परिवर्तनबाट सृजना हुनसक्ने सम्भावित जोखिमहरू ।  
(च) निक्षेप तथा कर्जा लगानी व्याजदरमा हुने परिवर्तन बाट असर गर्न सक्ने जोखिमहरू ।  
(छ) यथा समयमा कर्जा असुलि नभई उत्पन्न हुनसक्ने जोखिमहरू ।  
(ज) कर्जा तथा लगानीको दायरा साँघुरिएर उत्पन्न हुन सक्ने जोखिमहरू ।  
(झ) देशको आर्थिक अवस्थामा आउने उतार चढाव बाट हुनसक्ने जोखिमहरू ।  
(ञ) अन्तर्राष्ट्रिय रूपमा हुने आर्थिक तथा वित्तीय क्षेत्रको शिथिलता बाट नेपाली बजारमा पर्न सक्ने आर्थिक जोखिमहरू आदि ।
- छ. लेखापरिक्षण प्रतिवेदन सम्बन्धमा सञ्चालक समितिको राय:  
साधारण सभा प्रयोजनको लागि आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरण नेपाल राष्ट्र बैंकबाट स्विकृत गर्दा प्राप्त टिप्पणी तथा निर्देशनहरू र सो उपर सञ्चालक समितिको प्रतिक्रिया यसै वार्षिक प्रतिवेदन पुस्तिकामा संलग्न गरिएको छ ।
- ज. लाभांश बाँडफाँड गर्न सिफारिश गरिएको रकम: नभएको ।
- झ. शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनु भन्दा अगावै सो वापत कम्पनी ले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भए पछि सो शेयर विक्री गरि कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर वापत रकम फिर्ता भए सोको विवरण:  
संस्थाको हाल सम्म कुनै पनि शेयर जफत भएको छैन ।
- ञ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोवारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन:  
हाल सम्म संस्थाले कुनै पनि सहायक कम्पनी स्थापना गरेको छैन ।
- ट. संस्था तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवार र सो अवधिमा संस्थाको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन:

आ.व.२०८१/०८२ को अन्तमा बैकले सम्पन्न गरेको प्रमुख कारोवार र कारोवारमा आएको परिवर्तन सम्लग्न वासलात, नाफा / नोक्सान हिसाब, नगद प्रवाह विवरण तथा लेखा परिक्षण सम्बन्धी प्रतिवेदनले प्रष्ट पार्दछ ।

- ठ. विगत आर्थिक वर्षमा संस्थाको आधारभूत शेयरधनीहरूले संस्थालाई उपलब्ध गराएको जानकारी:  
 हाल सम्म संस्थालाई त्यस्तो कुनै पनि जानकारी उपलब्ध गराएको छैन ।
- ड. विगत आर्थिक वर्षमा संस्थाका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र संस्थाको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट संस्थाले प्राप्त गरेको जानकारी:  
 विगत आर्थिक वर्षमा संस्थाका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण

क्र.सं	नाम	पद	धारण गरेको शेयर संख्या
१	श्री रामजी गौतम	अध्यक्ष	१,०००
२	श्री खिमलाल पौड्याल	संचालक	१,०००
३	श्री रामचन्द्र देवकोटा	संचालक	८,६८६
४	श्री सुशिला खनाल	संचालक	६००
५	श्री विष्णु प्रसाद ज्ञवाली	संचालक	१,२१०
६	श्री रामलाल श्रेष्ठ	संचालक	१००
७	श्री बौद्ध राज अर्याल	संचालक	-

अन्य जानकारी प्राप्त नभएको ।

- ढ. विगत आर्थिक वर्षमा संस्थासंग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजको नातेदारको व्यक्तिगत स्वार्थका वारेमा उपलब्ध गराइएको जानकारीको व्यहोरा:  
 यस संस्थालाई हाल सम्म त्यस्तो कुनै पनि जानकारी उपलब्ध नभएको ।
- ण. कम्पनीले आफ्नो शेयर आफै खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नको कारण, त्यस्तो शेयर संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरे वापत कम्पनीले भुक्तानी गरेको रकम:  
 यस संस्थाले हाल सम्म त्यस्तो कुनै शेयर खरिद नगरेको ।
- त. आन्तरिक नियन्त्रण प्रणाली भएको वा नभएको र भएको भए सोको विस्तृत विवरण:  
 नेपाल राष्ट्र बैंकको मार्गदर्शन बमोजिम संस्थाले संस्थागत शुसासन कायम गर्न तथा आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्नका लागि विभिन्न विभागहरू गठन गरेको छ । संस्थामा हरेक कार्यको नियन्त्रणका लागि आन्तरिक विनियम, नीति, नियम तथा निर्देशनहरू तर्जुमा गरि लागु गरिएको छ ।
- थ. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण:  
 विगत आ.व.२०८१/०८२ को कुल व्यवस्थापन खर्चको विवरण देहाय बमोजिम रहेको छ ।
- |                      |                  |
|----------------------|------------------|
| कर्मचारी खर्च        | रु. ११,२३,२५,०९३ |
| कार्यालय संचालन खर्च | रु. ७,९०,६६,९०७  |
| जम्मा खर्च           | रु. १९,१३,९२,००० |
- 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. २०८१/०८२ मा संस्थाको लेखापरीक्षण समितिका सदस्यहरूको नामावली तपसिल बमोजिम रहेको छ ।
- |                            |            |
|----------------------------|------------|
| (क) संचालक, खिमलाल पौड्याल | संयोजक     |
| (ख) श्री रविन्द्र श्रेष्ठ  | सदस्य      |
| (ग) श्री जनक शाही          | सदस्य सचिव |
- लेखापरीक्षण समितिका सदस्यहरूलाई बैठकमा उपस्थित हुँदा संयोजक र सदस्य लाई प्रति बैठक भत्ता रु.५,००० 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 ६/८१ को दफा ७(२) बमोजिम संस्थाले गरेका कामहरू नीति नियम बमोजिम भए नभएको निरीक्षण तथा अनुगमन गर्ने गरिएको छ ।

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

न. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

सञ्चालकहरूलाई प्रदान गरेको बैठक भत्ता तथा प्रमुख कार्यकारी अधिकृतलाई भुक्तानी गरेको पारिश्रमिक तथा भत्ता निम्न अनुसार रहेको छ ।

आ.व. २०८१/०८२ मा सञ्चालकहरूलाई प्रदान गरेको बैठक भत्ता तथा अन्य खर्च रकम रु.१६,८४,१२० रहेको छ ।

प्रमुख कार्यकारी अधिकृतहरूलाई आ.व.२०८१/०८२ मा प्रदान गरेको पारिश्रमिक तथा भत्ताहरू गरि जम्मा रकम रु. ६३,९८,४१६.६६ रहेको छ ।

प. शेयरधनीहरूले बुझिलिन बाँकि रहेको लाभांशको रकम:

यस आर्थिक वर्ष २०८१/०८२ को अन्त्य सम्ममा शेयरधनीहरूलाई दिन बाँकी लाभांश रु.५,९४,५६३ रहेको छ ।

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

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

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

यस बैंकको कुनै सम्बद्ध कम्पनी नरहेको ।

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

म. अन्य आवश्यक कुराहरू

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

यस प्रतिवेदनले १ साउन २०८१ देखी आषाढ मसान्त २०८२ सम्मको आर्थिक वर्ष २०८१/८२ को अवधिलाई प्रतिनिधित्व गर्दछ । यो प्रतिवेदन संचालक समितिको मिति २०८२/०९/०७ मा बसेको ६३१ औं बैठकले स्विकृत गरेको छ ।

(क) बाँडफाँड भएको शेयर संख्या:

यस कम्पनीको रु.१००/-अंकित दरको ८९,०४,२४२ थान शेयर बाँडफाँड भएको ।

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

यस कम्पनीको बाँडफाँड भएको सम्पूर्ण शेयरको चुक्ता/भुक्तान भई सकेको छ ।

(ग) कम्पनीको सञ्चालकहरू, लेखापरीक्षक र कार्यकारी प्रमुखको विवरण र निजहरूलाई भुक्तान गरिएको पारिश्रमिक भत्ता तथा सुविधाको विवरण :

क्र.सं.	पद	कूल पारिश्रमिक रु.	बैठक भत्ता रु. (उपसमितिको सहित)	कैफियत
१	संचालक समितिको विवरण		संचालक समितिको भत्ता बापत रु.११,६६,००० तथा अन्य सुविधा तथा खर्च बापत रु.५,१८,१२०	
	श्री रामजी गौतम अध्यक्ष			
	श्री खिमलाल पौड्याल संचालक			
	श्री रामचन्द्र देवकोटा संचालक			
	श्री सुशिला खनाल संचालक			
	श्री विष्णु प्रसाद ज्ञवाली संचालक			
	श्री रामलाल श्रेष्ठ संचालक			
	श्री बौद्ध राज अर्याल संचालक			
२	लेखापरीक्षक एस.ए.आर. एशोशियेट्स, चार्टर्ड एकाउन्टेन्ट	रु.५,६५,०००		
३	निवर्तमान प्रमुख कार्यकारी अधिकृत - श्री उमेश सिंह भण्डारी	रु ५,०७३,३७६.८९		
४	प्रमुख कार्यकारी अधिकृत - श्री बालनरसिंह घर्ती	रु ३५,४२,५००		



(घ) कम्पनीको चुक्ता पूँजीको पाँच प्रतिशतभन्दा बढी शेयर लिने शेयरधनीहरूको विवरण

क्र.स.	शेयर धनीको नाम थर	शेयर संख्या प्रति शेयर रु. १००/- दरको	भुक्तानी भएको शेयर रकम रु.	प्रतिशत
१.	राजेन्द्र कुमार शर्मा	९,०८,८३३	९,०८,८३,३००	१०.२१%
२.	रोबिन्द्र प्रसाद श्रेष्ठ	७,४२,३५२	७,४२,३५,२००	८.३४%

(ङ) शेयर बिक्रीबाट प्राप्त भएको जम्मा रकम र सम्बन्धित आर्थिक वर्षमा कम्पनीले खरीद गरेको तथा जारी गरेको नयाँ शेयर तथा डिभेन्चरको विवरण:

३,५६,०७४/५७ कित्ता संस्थापक शेयर लिलाम बिक्री बाट रु. ३,५६,०७,४५७/- (तीन करोड छपन्न लाख सात हजार चार सय सन्ताउन्न रुपैया) रकम प्राप्त ।

(च) संचालक वा आधारभूत शेयरधनी वा निजका नजिकका नातेदारले कम्पनीलाई बुझाउन बाँकी रहेको रकम: नभएको ।

(छ) शेयर बिक्री वा अन्य कुनै काम कुरा गरे वापत दिएको वा दिनु पर्ने रकम:

संस्थापक शेयर १६.३० प्रतिशत सर्वसाधारण शेयरमा परिवर्तन गर्नको लागि प्रभु क्यापिटललाई रु. १७८,२४४/८६ प्रदान गरिएको ।

(ज) बैंक तथा वित्तीय संस्थाहरूबाट लिएको ऋण तथा बुझाउन बाँकी रहेको सांवा तथा व्याजको रकम: नभएको ।

(झ) कम्पनीले भुक्तानी लिनु पर्ने वा कम्पनीले अन्य व्यक्तिलाई भुक्तानी गर्नुपर्ने भनी दावी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरण:

कर्मचारी नारायण गैह्रेको श्रम अदालतको निर्णय विरुद्ध सर्वोच्च अदालतमा पुनरावलोकन विचाराधिन अवस्थामा रहेको ।

(ञ) यस कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरका कर्मचारीको जम्मा संख्या: १३३ जना ।

(ट) यस कम्पनीको व्यवस्थापनमा तथा अन्य स्तरमा कुनै विदेशीहरू कार्यरत छैनन्:

(ठ) यस कम्पनी र कुनै विदेशी निकाय वा व्यक्तिहरूबीच लगानी, व्यवस्थापन र प्राविधिक सेवा वा अन्य विषयमा कुनै प्रकारको सम्झौता भएको छैन ।

(ड) यस कम्पनीको आर्थिक वर्ष २०८१/०८२ को व्यवस्थापन खर्च वित्तीय विवरण:

लेखा परिक्षण प्रतिवेदन अनुसार यस आर्थिक वर्षको कर्मचारी खर्च रु. ११,२३,२५,०९३।०० र कार्यालय संचालन खर्च : रु. ७,९०,६६,९०७।०० रहेको ।

(ढ) यस कम्पनीका शेयरधनीले लाभांश बुझिलिन बाँकी रकम:

रु. ५,९४,५६३।००

(ण) प्रत्येक पब्लिक कम्पनीले तयार गर्नुपर्ने लिखित उद्घोषणमा देहायका कुराहरू खुलाइएको हुनुपर्ने:

क) कम्पनीको प्रबन्धपत्र वा नियमावलीमा संशोधन गरिएको भए संशोधन गरेको मिति, संशोधित प्रबन्धपत्र वा नियमावली कार्यालयमा अभिलेख गरेको वा नगरेको लगायत ऐनका व्यवस्थाहरू पालना गरिएको वा नगरिएका: संशोधन नगरिएको । २०८२ आषाढ १८ गतेको २८ औं साधारणसभाबाट कम्पनीको प्रबन्धपत्र, नियमावली संशोधन गरिएको सोको अभिलेख गरिएको ।

ख) नयाँ शेयर जारी गरिएको भए ऐनको म्यादभित्र शेयर बाँडफाँडको विवरण म्यादभित्र पेश गरेको वा नगरेको कुरा र म्याद नाघी पेश भएको भए जरिवाना तिरेको रकम: म्यादभित्र पेश गर्ने गरीएको ।

- ग) कम्पनीले डिभेञ्चर उठाउँदा ऐनमा गरिएको व्यवस्था गरे नगरेको  
हालसम्म जारी नगरीएको ।
- घ) शेयरधनी वा डिभेञ्चरवालाको दर्ता किताबको निरीक्षण बन्द गरेको मिति, पटक सो सम्बन्धमा ऐनका पालना गरेको वा नगरेको:  
ऐनका व्यवस्थाहरू पालना गरीएको ।
- ङ) कम्पनीले शेयर जफत गरेको भए ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको:  
हालसम्म जफत नगरीएको ।
- च) कम्पनीको खुद सम्पत्ति घट्न गई चुक्ता पूँजीको आधा वा सो भन्दा कम भएको भए सो सम्बन्धमा सञ्चालक समितिले ऐनबमोजिमको जिम्मेवारी पूरा गरेको वा नगरेको:  
हालसम्म उक्त अवस्था सृजना नभएको ।
- छ) कम्पनीले आफ्नो शेयर आफैले खरीद गरेको भए खरीद गरेको मिति र सो सम्बन्धमा ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको कुरा:  
हालसम्म खरीद नगरीएको ।
- ज) कम्पनीले ऐनबमोजिम वार्षिक साधारण सभा गरे नगरेको कुरा, वार्षिक साधारण सभाको सूचना, गुणपूरक संख्या, स्थान लगायतका विषयहरूमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको कुरा, वार्षिक साधारण सभाको निर्णय विवरण रीतपूर्वक अभिलेख गरेको वा नगरेको:  
आ.व २०८०/८१ को वार्षिक साधारण सभा मिति २०८२ आषाढ १८ गते रीतपूर्वक सम्पन्न गरीएको ।
- झ) कम्पनीले विशेष साधारण सभा गरेको भए सो गरेको मिति र सो सम्बन्धमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको:  
विशेष साधारण सभा नगरेको ।
- ञ) कम्पनीले देहाय बमोजिमका विवरण वा सूचना म्यादभित्र कार्यालयमा पेश गरेको वा नगरेको,
- (१) कम्पनीको प्रबन्धपत्र र नियमावलीमा भएको संशोधन ।  
तोकिएको विवरण समयमा पेश गर्ने गरीएको ।
  - (२) शेयर बाँडफाँडको विवरण :  
तोकिएको विवरण समयमा पेश गर्ने गरीएको ।
  - (३) धितोपत्र व्यवसायी र कम्पनीबीच भएको सम्झौता ।  
शेयर रजिष्ट्रारको कार्य गर्न प्रभु क्यापिटलसंग सम्झौता गरीएको ।
  - (४) शेयरमा रहेको हकसम्बन्धी जानकारी ।  
ऐनमा भएको व्यवस्था अनुसार गर्ने गरीएको ।
  - (५) शेयर, डिभेञ्चर र ऋणको लगत ।  
ऐनमा भएको व्यवस्था अनुसार लगत सुरक्षित गर्ने गरीएको ।
  - (६) आफ्नो शेयर आफैले खरीद गरेकोमा सो सम्बन्धी जानकारी :  
खरीद नगरीएको ।
  - (७) अग्राधिकार शेयर फिर्ता लिएको भए सो सम्बन्धी जानकारी :  
नभएको ।
  - (८) वार्षिक साधारण सभा गर्नुभन्दा कम्तीमा एक्काइस दिन अघि पेश गर्नुपर्ने प्रतिवेदन ।  
उल्लेखित प्रतिवेदन तोकिएको अवधिभित्र पेश गरीएको छ ।
  - (९) वार्षिक साधारण सभाको विवरण र वार्षिक आर्थिक विवरणहरू ।  
उल्लेखित विवरणहरू तोकिएको अवधिभित्र पेश गरीएको छ ।

- (१०) लेखापरीक्षकको नियुक्तिको जानकारी :  
लेखापरीक्षकको नियुक्तिको जानकारी गराएको ।
- (११) कम्पनीको रजिष्टर्ड कार्यालय रहेको ठेगाना परिवर्तन गरिएको भए सोको जानकारी :  
यस अवधिमा कम्पनीको रजिष्टर्ड कार्यालयको ठेगाना परिवर्तन नभएको ।
- (१२) कम्पनीका सञ्चालकहरूको निजी स्वार्थ रहेको विषयमा गराएको जानकारी ।  
जानकारी नभएको ।
- (ट) कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने देहायका लिखतहरू बुझाएको वा नबुझाएको कुरा:
- (१) आफ्नो निजी स्वार्थ रहेको विषयमा सञ्चालकले गराउनुपर्ने जानकारी ।  
उल्लेखित विवरण सञ्चालकहरूले यस संस्थामा जानकारी नभएको ।
- (२) कम्पनीको सञ्चालक वा निजको नजिकको नातेदारले कम्पनीको शेयरमा हक प्राप्त गरेको जानकारी ।  
हालसम्म सो सम्बन्धमा कुनै जानकारी प्राप्त नभएको ।
- (३) आफू आधारभूत शेयरधनी हुन पुगेको वा आधारभूत शेयरधनी नरहेकोमा त्यस्तो शेयरधनीले कम्पनीलाई गराउनुपर्ने जानकारी ।  
कम्पनीलाई सो सम्बन्धमा कुनै जानकारी प्राप्त नभएको ।
- (४) अन्य कसैको हक वा लगानी:  
कम्पनीलाई सो सम्बन्धमा कुनै जानकारी प्राप्त नभएको ।
- (ठ) कम्पनीको सञ्चालक, प्रबन्ध सञ्चालक वा प्रमुख कार्यकारी अधिकृतको नियुक्ति, निजहरूको कार्यकाल, पारिश्रमिक, भत्ता र सुविधा ऐनबमोजिम रीतपूर्वक भएको वा नभएको कुरा:  
भएको ।
- (ड) ऐन बमोजिम कम्पनीमा स्वतन्त्र सञ्चालकको नियुक्ति भएको वा नभएको:  
भएको ।
- (ढ) कम्पनीको सञ्चालक समितिको बैठक कहिले बस्यो, सञ्चालक समितिको बैठकको न्यूनतम संख्या, सो सम्बन्धी सूचना र निर्णय विवरणका लगायतका विषयहरूमा ऐनका व्यवस्थाहरूको पालना भएको वा नभएको:  
पालना भएको ।
- (ण) कम्पनीले आफ्नो सञ्चालक वा निजको नजिकको नातेदारसँग कुनै अर्थपूर्ण कारोबार गरेको भए त्यस्तो कारोबार गर्न साधारण सभाको स्वीकृति लिएको वा नलिएको कुरा:  
कारोबार नगरेको ।
- (त) कुनै सञ्चालकले कम्पनी मार्फत् आफुलाई व्यक्तिगत फाइदा हुने काम गरेको भए साधारण सभाको निर्णयबमोजिम त्यस्तो फाइदा लिएको हो वा होइन सो कुरा:  
नगरेको ।
- (थ) कम्पनीले सञ्चालन गरी आएको व्यवसायको सत्तरी प्रतिशत भन्दा बढी व्यवसाय विक्री गर्दा वा कुनै व्यहोरा ले हक छोडिदिँदा, चुक्ता पूँजी र सञ्चित मुनाफाको जम्मा रकम भन्दा बढी हुने गरी ऋण लिँदा वा एक आर्थिक वर्षमा पचास हजार रुपैयाँ वा कम्पनीको विगत तीन आर्थिक वर्षको सरदर खुद मुनाफाको एक प्रतिशतले हुन आउने रकममध्ये जुन कम हुन्छ सो रकम भन्दा बढीको चन्दा वा अनुदान दिएको भए साधारण सभाबाट विशेष प्रस्ताव पारित गरेको वा नगरेको कुरा सो सम्बन्धी व्यहोरा ।  
माथि उल्लेखित कुनै पनि कारोबार नगरेको ।
- (द) ऐन बमोजिम कम्पनीले राख्नुपर्ने देहाय बमोजिमका दर्ता किताबहरू खडा गरी कम्पनीको रजिष्टर्ड कार्यालयमा राखेको वा नराखेको कुरा खुलाउने:

- (१) शेयरधनीको दर्ता किताब:  
राखेको ।
- (२) डिभेन्चरवालाको दर्ता किताब:  
डिभेन्चर जारी नगरीएको ।
- (३) सञ्चालक तथा कम्पनी सचिवको दर्ता किताब:  
राखेको ।
- (४) कम्पनीले अर्को कम्पनीलाई दिएको सापटी, अर्को कम्पनीले लिएको ऋण बापत दिएको जमानत वा कम्पनीको धितोपत्रमा गरेको लगानीको विवरण:  
धितोपत्रमा गरेको लगानीको विवरण राखेको ।
- (ध) ऐन बमोजिम कम्पनीले वार्षिक आर्थिक विवरणहरू लेखापरीक्षण गराएको वा नगराएको:  
गराएको ।
- (न) कम्पनीले ऐन बमोजिम सञ्चालक समितिको प्रतिवेदन तयार गरेको वा नगरेको कुरा:  
गरएको ।
- (प) ऐन विपरीत कम्पनीले आफ्ना सञ्चालक, पदाधिकारी, आधारभूत शेयरधनी वा निजहरूको नातेदारहरूलाई ऋण प्रदान गरेको वा नगरेको:  
नगरेको ।
- (फ) कम्पनीले डिष्काउन्टमा शेयर जारी गरेको भए सो सम्बन्धमा ऐनका व्यवस्थाहरूको पालना गरेको वा नगरेको:  
यस अवधिमा डिष्काउन्टमा शेयर जारी नगरेको ।
- (ब) कम्पनीले बोनस शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको:  
यस अवधिमा बोनस शेयर जारी नगरेको ।
- (भ) कम्पनीले प्रिमियम मूल्यमा शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको कुरा :  
यस अवधिमा प्रिमियम मूल्यमा शेयर जारी नगरेको ।
- (म) कम्पनीले आफ्नो शेयर खरीद गर्न आफ्ना शेयरधनी वा अन्य व्यक्तिलाई कुनै ऋण वा आर्थिक सहयोग प्रदान गरेको वा नगरेको कुरा:  
नगरेको ।
- (य) कम्पनीको स्वार्थसाग बाँझिन सक्ने आफ्ना निजी स्वार्थहरू भए सो सम्बन्धमा कम्पनीलाई तोकिएको म्यादभित्र जानकारी गराएको वा नगराएको कुरा:  
नभएको ।
- (र) सञ्चालकले आफ्नो कम्पनी वा सो कम्पनीको सहायक वा प्रमुख कम्पनीको अन्य सहायक कम्पनीको शेयर वा डिभेन्चरमा हक प्राप्त गरेको भए म्यादभित्र कम्पनीलाई जानकारी गराएको वा नगराएको कुरा:  
हालसम्म कम्पनीलाई त्यस्तो कुनै जानकारी प्राप्त नभएको ।
- (ल) कम्पनीले लाभांश वा अन्तरिम लाभांश बाढ्दा ऐनको पालना गरेको वा नगरेको कुरा:  
लाभांश नबाढेको ।
- (व) कम्पनीका साधारण सभामा शेयरधनीलाई लाभांश बाहेक कम्पनीको कोषमा व्ययभार पर्ने गरी नगद वा जिन्सीको रूपमा कुनै रकम भुक्तानी गरेको वा नगरेको कुरा:  
नगरेको ।

- (श) कार्यालयबाट कम्पनीलाई कुनै निर्देशन दिएको भए सो निर्देशनको पालना भएको वा नभएको कुरा:  
प्राप्त भएको निर्देशन पालना भएको ।
- (ष) सूचीकृत कम्पनी भए वार्षिक साधारण सभाको सूचनाको साथमा संक्षिप्त आर्थिक विवरण शेयरधनीलाई पठाएको वा नपठाएको कुरा:  
उल्लेखित विवरण शेयरधनीलाई पठाईएको ।
- (स) लेखापरीक्षण समिति गठन गर्नुपर्ने सूचीकृत कम्पनी भए ऐन बमोजिम त्यस्तो समिति गठन गरिएको वा नगरिएको कुरा:  
गरिएको ।
- (ह) ऐनको उल्लङ्घन गरेको अभियोगमा कम्पनी विरुद्ध कुनै कारबाही चलिरहेको वा त्यस्तो कसूर ठहर भई कम्पनीले कुनै दण्ड सजाय व्यहोर्नु परेको भए सो को व्यहोरा:  
नभएको ।
- (क्ष) ऐनको दफा ८१ अनुसार कम्पनीका सञ्चालक तथा पदाधिकारीले कार्यालयलाई तिरेको जरिवानाको विवरण:  
नरहेको ।
- (त्र) कम्पनीको सुशासन तथा पारदर्शिताको दृष्टिकोणबाट कम्पनी सचिवले खुलाउन आवश्यक ठानेका अन्य आवश्यक कुराहरू:  
नरहेको ।
- (त) अन्य आवश्यक कुराहरू: नभएको ।

**Independent Auditor's Report**

**To the Shareholders of Best Finance Company Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Best Finance Company Limited (the "Company") which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows 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 presents fairly, in all material respects, the financial position of the company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

**Basis for opinion**

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the Company in accordance with the ICAN's *Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's *Handbook of Code of Ethics for Professional Accountants*. 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 judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N	Key Audit Matters	Auditor's Response
1.	<p><b>Interest Recognition</b></p> <p>The interest income of the BFIs' has to be recognized on an accrual basis and following the Guidance Note on Interest Income Recognition, 2025 issued by NRB read with the Carve-Out Alternatives provided for Bank and Financial Institutions (BFIs) under NFRS – 9 issued by the Institute of Chartered Accountants of Nepal (ICAN) dated 2082.05.09. Though accrual basis of income recognition is prescribed in general, the guidelines require interest income on Stage 3 (with overdue of more than 3 months) or Purchased or Originated Credit to be recognized on cash basis whereas for Impaired Financial Assets, interest should be recognized on Coupon interest rate applied on principal outstanding. Given the lack of system capability to suspend recognition of income on the basis of overdue status of loan on regular basis, manual intervention will be required in interest recognition process and hence create risk of improper application of the guidance note. This may, in turn, have an effect on recognition of interest income by the company.</p> <p>Thus, we have considered it as a Key Audit Matter.</p>	<p>Our audit approach regarding verification of process of interest recognition included:</p> <ol style="list-style-type: none"> <li>Obtaining clear understanding of the process of accrual of interest income on loans and advances in the Core Banking Software of the company.</li> <li>Test check of the interest income booking with manual computation.</li> </ol>



2.	<p><b>Investment Valuation, Identification, and Impairment</b></p> <p>Investment of the company comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and NRB Directive no. 8. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ol style="list-style-type: none"> <li>Review of the investment of the company and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive 4 read with 8.</li> <li>We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment.</li> <li>For the investment valuation that is done at amortized cost, we checked the EIR and amortization schedule on test basis.</li> <li>For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 16.07.2025 and for the unquoted investment, the fair value has been taken at cost.</li> </ol>
3.	<p><b>Impairment of Loans and Advances</b></p> <p>As per NRB Directive 4 read with NFRS 9- Expected Credit Loss Related Guidelines, 2024 issued by NRB and the Carve-Out Alternatives provided for Bank and Financial Institutions (BFIs) under NFRS – 9 issued by the Institute of Chartered Accountants of Nepal (ICAN) dated 2082.05.09, company shall measure impairment loss on loans and advances as the higher of:</p> <ul style="list-style-type: none"> <li>Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provisioning; and</li> <li>Amount determined as per para 5.5. of NFRS 9</li> </ul> <p>As per the norms prescribed by NRB, provision at prescribed rate should be created on loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of security, borrower's whereabouts etc.</p> <p>As per NFRS 9, impairment of loans and advances should be determined following an expected credit loss impairment model. Under the model, impairment is calculated as probability weighted estimate of credit losses (i.e present value of all cash shortfalls) over the expected life of the financial instrument. The guidelines issued by NRB provide a standardized methodology for ECL calculation, covering asset classification (Stage 1, 2, 3), estimation of probability of default (PD), loss given default (LGD), exposure at default (EAD) and incorporation of forward-looking information. NRB also prescribed a uniform reporting format for submission of ECL data to ensure consistency and regulatory compliance.</p> <p>Given the fact that impairment of loans and advances under expected credit loss model require assessment of future cash flows as well as historical loss experiences of portfolios. Further, impairment of loans and advances</p>	<p>Our audit approach regarding verification of impairment of loans and advances included:</p> <ol style="list-style-type: none"> <li>Review of the overdue status of loans and advances by obtaining data from the system and matched the same with the NRB 2.2 report.</li> <li>Sample credit files were reviewed, among other things, from the perspective of utilization of loans and advances for intended purpose by way of scrutiny of financial statements, account movement, account turnover etc.</li> <li>Assessment of appropriateness of parameters used for grouping the portfolios.</li> <li>Review of appropriateness of historical data and assumptions including economic factors used for staging the portfolio, determination of probability of default as well as loss given default. Assessment of appropriateness of historical recovery data as well as assessment of realizable value of collateral securities, along with defined haircuts, also formed part of or audit with reference to determination of loss given default.</li> </ol>



	under NRB norms for loan loss provisioning will require assessment of overdue status of loans and advances and proper utilization of loan for intended purpose. Hence, assessment of availability and accuracy of required data for calculating impairment of loans and advances under expected credit loss model as well as reasonableness of the assumptions and economic factors used is regarded as Key Audit Matter. Also, assessment of availability and accuracy of required data for calculating impairment of loans and advances under NRB provisioning norms is regarded as Key Audit Matter.	
4. s	<p><b>Information Technology General Controls</b></p> <p>IT controls with respect to recording of transactions, generating various reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems.</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 the management, shareholders and regulators</p>	<p>Our audit approach regarding Information technology of the company is based upon the Information Technology Guidelines 2012 issued by NRB and it included:</p> <ol style="list-style-type: none"> <li>Understanding the coding system adopted by the company for various categories of customers.</li> <li>Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the company</li> <li>Checking of the user requirements for any changes in the regulations/ policy of the company</li> <li>Reviewed the reports generated by the system on sample basis. We verified the interest income and expense booking regarding loan and deposit on test basis with the CBS of the company.</li> <li>We relied on the IT audit conducted by the company.</li> <li>We verified the provisioning of the loan and advances based on ageing on the test check basis as on 16.07 2025.</li> </ol>

**Information Other than Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Management Report, Report of the Director's Report and Chairman's Statement but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**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 Nepal Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation 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.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatement 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 in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes 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 management,
- Conclude on the appropriateness of the management's 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 to continue as a going concern.

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 reasonably be thought to bear on our independence, and where applicable, related safeguards.

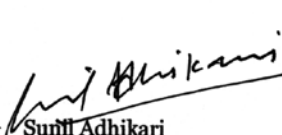
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### ***Report on the requirements of Banks and Financial Institutions Act, 2073 and Company Act, 2063***

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the company, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements including the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Company; and the accounts and records of the Company are properly maintained in accordance with the prevailing laws.



To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the loans have been written off as specified; the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of company.

  
Sunil Adhikari  
Partner



Place: Kathmandu, Nepal  
Date: December 22, 2025

UDIN No.: 251223CA00598Y8sDH

**Best Finance Company Limited**  
**Statement of Financial Position**  
As on 32 Ashad 2082 (16 July 2025)

*Amount in NPR*

Particulars	Note	32 Ashad 2082	31 Ashad 2081
<b>Assets</b>			
Cash and cash equivalent	4.1	232,056,695	267,101,413
Due from Nepal Rastra Bank	4.2	1,432,613,122	240,544,182
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	-	19,760,000
Loans and advances to customers	4.7	3,860,650,060	3,907,371,920
Investment securities	4.8	623,526,372	1,592,894,563
Current tax assets	4.9	48,678,549	16,423,930
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	260,520,237	280,124,526
Property and equipment	4.13	295,028,278	304,484,013
Goodwill and Intangible assets	4.14	2,388,761	3,378,149
Deferred tax assets	4.15	73,439,212	28,320,689
Other assets	4.16	39,428,127	36,592,125
<b>Total Assets</b>		<b>6,868,329,413</b>	<b>6,696,995,510</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	40,852,477	24,669,231
Due to Nepal Rastra Bank	4.18	-	-
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	5,713,369,050	5,435,166,270
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	-
Other liabilities	4.23	176,024,103	199,431,641
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>5,930,245,630</b>	<b>5,659,267,142</b>
<b>Equity</b>			
Share capital	4.26	890,424,236	854,816,779
Share premium		14,947,992	14,947,992
Retained earnings		(558,861,322)	(398,486,244)
Reserves	4.27	591,572,877	566,449,841
<b>Total equity attributable to equity holders</b>		<b>938,083,783</b>	<b>1,037,728,368</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>938,083,783</b>	<b>1,037,728,368</b>
<b>Total liabilities and equity</b>		<b>6,868,329,413</b>	<b>6,696,995,510</b>
Contingent liabilities and commitment	4.28	169,524,672	179,550,560
Net assets value per share		105.35	121.40

As per our report of even date

**Sijan Ratna Shakya**  
In-Charge-Finance and Planning

**Bal Narsingh Gharti**  
Chief Executive Officer

**Ramji Gautam**  
Chairman

**Khim Lal Paudyal**  
Director

**Ram Chandra Devkota**  
Director

**CA Sunil Adhikari**  
Partner  
S. A. R. Associates,  
Chartered Accountants

Date : 22 December, 2025  
Place : Kathmandu

**Sushila Khanal**  
Director

**Ram Lal Shrestha**  
Director

**Bishnu Prasad Gyawali**  
Director

**Bauddha Raj Aryal**  
Director

**Best Finance Company Limited**  
**Consolidated Statement of Profit or Loss**  
For the year ended 32 Ashad 2082 (16 July 2025)

*Amount in NPR*

Particulars	Note	Current Year	Previous Year
Interest income	4.29	560,850,238	601,616,179
Interest expense	4.30	426,316,711	480,356,112
<b>Net interest income</b>		<b>134,533,527</b>	<b>121,260,067</b>
Fee and commission income	4.31	26,689,934	25,753,348
Fee and commission expense	4.32	405,752	413,309
<b>Net fee and commission income</b>		<b>26,284,182</b>	<b>25,340,039</b>
<b>Net interest, fee and commission income</b>		<b>160,817,710</b>	<b>146,600,106</b>
Net trading income	4.33	-	-
Other operating income	4.34	46,267,437	17,929,985
<b>Total operating income</b>		<b>207,085,146</b>	<b>164,530,091</b>
Impairment charge/(reversal) for loans and other losses	4.35	262,101,944	110,996,392
<b>Net operating income</b>		<b>(55,016,798)</b>	<b>53,533,699</b>
<b>Operating expense</b>			
Personnel expenses	4.36	112,325,093	95,416,482
Other operating expenses	4.37	53,987,685	49,651,039
Depreciation & Amortisation	4.38	25,079,222	27,547,028
<b>Operating Profit</b>		<b>(246,408,798)</b>	<b>(119,080,850)</b>
Non operating income	4.39	18,409,756	10,258,078
Non operating expense	4.40	2,592,760	29,327,844
<b>Profit before income tax</b>		<b>(230,591,802)</b>	<b>(138,150,616)</b>
Income tax expense	4.41	(74,026,037)	(37,536,116)
Current Tax		5,505,354	14,001,263
Deferred Tax		(79,531,391)	(51,537,379)
<b>Profit for the period</b>		<b>(156,565,765)</b>	<b>(100,614,500)</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		(156,565,765)	(100,614,500)
Non-controlling interest		-	-
<b>Profit for the period</b>		<b>(156,565,765)</b>	<b>(100,614,500)</b>
<b>Earnings per share</b>			
Basic earnings per share		(17.70)	(11.77)
Diluted earnings per share		(17.70)	(11.77)

As per our report of even date

**Sijan Ratna Shakya**  
In-Charge-Finance and Planning

**Bal Narsingh Gharti**  
Chief Executive Officer

**Ramji Gautam**  
Chairman

**Khim Lal Paudyal**  
Director

**Ram Chandra Devkota**  
Director

**CA Sunil Adhikari**  
Partner  
S. A. R. Associates,  
Chartered Accountants

Date : 22 December, 2025  
Place : Kathmandu

**Sushila Khanal**  
Director

**Ram Lal Shrestha**  
Director

**Bishnu Prasad Gyawali**  
Director

**Bauddha Raj Aryal**  
Director

**Best Finance Company Limited**  
**Consolidated Statement of Other Comprehensive Income**  
**For the year ended 32 Ashad 2082 (16 July 2025)**

*Amount in NPR*

Particulars	Note	Current Year	Previous Year
<b>Profit for the year</b>		<b>(156,565,765)</b>	<b>(100,614,500)</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		29,228,437	(14,047,132)
Gains/ (losses) on revaluation			
Actuarial gains/ (losses) on defined benefit plans		-	3,683,523
Income Tax relating to above items		(8,768,531)	3,109,083
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>20,459,906</b>	<b>(7,254,526)</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		-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-
<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>20,459,906</b>	<b>(7,254,526)</b>
<b>Total comprehensive income for the period</b>		<b>(136,105,859)</b>	<b>(107,869,026)</b>
Total comprehensive income attributable to:			
Equity holders of the Bank		(136,105,859)	(107,869,026)
Non-controlling interest			
<b>Total comprehensive income for the period</b>		<b>(136,105,859)</b>	<b>(107,869,026)</b>

As per our report of even date

**Sijan Ratna Shakya**  
In-Charge-Finance and Planning

**Bal Narsingh Gharti**  
Chief Executive Officer

**Ramji Gautam**  
Chairman

**Khim Lal Paudyal**  
Director

**Ram Chandra Devkota**  
Director

**CA Sunil Adhikari**  
Partner  
S. A. R. Associates,  
Chartered Accountants

Date : 22 December, 2025  
Place : Kathmandu

**Sushila Khanal**  
Director

**Ram Lal Shrestha**  
Director

**Bishnu Prasad Gyawali**  
Director

**Bauddha Raj Aryal**  
Director

**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
<b>Balance at 1 Shrawan 2080</b>	854,816,779		14,947,992	239,005,432	-	245,337,016	52,106,270	-	(226,456,765)	484,405	1,180,241,129
Adjustment/Restatement			-				-		(37,471,362)	-	(37,471,362)
<b>Adjusted/Restated balance at 1 Shrawan 2080</b>	854,816,779	-	14,947,992	239,005,432	-	245,337,016	52,106,270	-	(263,928,127)	484,405	1,142,769,767
<b>Comprehensive income for the year</b>											
<b>Profit for the year</b>									(100,614,500)		(100,614,500)
<b>Other comprehensive income, net of tax</b>											-
Remeasurements of defined benefit liability (assets)										2,578,466	2,578,466
Fair value reserve (Investment in equity instrument):							(9,832,992)				(9,832,992)
Net change in fair value											-
Net amount transferred to profit or loss							(7,105,271)		7,105,271		-
Net gain (loss) on revaluation											-
<b>Cash flow hedges:</b>											-
Effective portion of changes in fair value		285,890									285,890
Net Amount reclassified to profit or loss											-
<b>Total comprehensive income for the year</b>											-
Transfer to reserve during the year				2,030,077		41,940,513			3,045,116	123,414	47,139,120
Transfer from reserve during the year									(44,094,004)	(217,489)	(44,311,493)
<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>	-		-	2,030,077		41,940,513	(16,938,263)		(134,558,117)	2,484,391	(104,755,509)
<b>Balance at Ashadh end 2081</b>	854,816,779		14,947,992	241,035,509	-	287,277,529	35,168,007	-	(398,486,244)	2,968,796	1,038,014,258

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
<b>Balance at 1 Shrawan 2081</b>	<b>854,816,779</b>	<b>-</b>	<b>14,947,992</b>	<b>241,035,509</b>	<b>-</b>	<b>287,277,529</b>	<b>35,168,007</b>	<b>-</b>	<b>(398,486,244)</b>	<b>2,968,796</b>	<b>1,037,728,368</b>
Adjustment/Restatement			-				-		2,827,307	-	2,827,307
<b>Adjusted/Restated balance at 1 Shrawan 2081</b>	<b>854,816,779</b>	<b>-</b>	<b>14,947,992</b>	<b>241,035,509</b>	<b>-</b>	<b>287,277,529</b>	<b>35,168,007</b>	<b>-</b>	<b>(395,658,937)</b>	<b>2,968,796</b>	<b>1,040,555,675</b>
<b>Comprehensive income for the year</b>											
<b>Profit for the year</b>									<b>(156,565,765)</b>		<b>(156,565,765)</b>
<b>Other comprehensive income, net of tax</b>											
Remeasurements of defined benefit liability (assets)									(2,685,530)	2,685,530	-
Fair value reserve (Investment in equity instrument):							20,459,906		-		20,459,906
Net change in fair value							-				-
Net amount transferred to profit or loss							4,604,809		(4,604,809)		-
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				-		(2,500,010)			(1,973,490)	158,691	(4,314,809)
Transfer from reserve during the year									2,627,209	(285,890)	2,341,319
<b>Transactions with owners, directly recognised in equity</b>											
Shares Issued	35,607,457										35,607,457
Share Premium											-
Share based payments											-
Dividends to equity holders											-
Bonus shares issued											-
Cash dividend paid											-
<b>Total contributions by and distributions</b>	<b>35,607,457</b>		<b>-</b>	<b>-</b>		<b>(2,500,010)</b>	<b>25,064,715</b>		<b>(163,202,385)</b>	<b>2,558,331</b>	<b>(102,471,892)</b>
<b>Balance at Ashadh end 2082</b>	<b>890,424,236</b>		<b>14,947,992</b>	<b>241,035,509</b>	<b>-</b>	<b>284,777,519</b>	<b>60,232,722</b>	<b>-</b>	<b>(558,861,322)</b>	<b>5,527,127</b>	<b>938,083,783</b>

As per our report of even date

**Sijan Ratna Shakya**  
 In-Charge-Finance and Planning  
**Bal Narsingh Gharti**  
 Chief Executive Officer  
**Sushila Khanal**  
 Director  
**Ram Lal Shrestha**  
 Director  
**Bishnu Prasad Gyawali**  
 Director  
**Bauddha Raj Aryal**  
 Director  
**Ram Chandra Devkota**  
 Director  
**Khim Lal Paudyal**  
 Director  
**Ramji Gautam**  
 Chairman  
**CA Sunil Adhikari**  
 Partner  
 S. A. R. Associates,  
 Chartered Accountants

Date : 22 December, 2025  
 Place : Kathmandu

**Best Finance Company Limited**  
**Consolidated Statement of cash flows**  
For the year ended 32 Ashad 2082 (16 July 2025)

*Amount in NPR*

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	509,042,106	503,163,788
Fees and other income received	26,689,934	24,420,359
Dividend received		7,975,594
Receipts from other operating activities	39,674,113	10,258,078
Interest paid	(420,075,518)	(472,116,868)
Commission and fees paid	(405,752)	(413,309)
Cash payment to employees	(97,440,159)	(84,701,031)
Other expense paid	(53,987,685)	1,938,446
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>3,497,039</b>	<b>(9,474,943)</b>
<b>(Increase)/Decrease in operating assets</b>	<b>(1,372,695,671)</b>	<b>(593,725,151)</b>
Due from Nepal Rastra Bank	(1,192,068,940)	(63,459,042)
Placement with bank and financial institutions		-
Other trading assets		-
Loan and advances to bank and financial institutions	19,760,000	4,915,000
Loans and advances to customers	(239,449,059)	(472,484,962)
Other assets	39,062,328	(62,696,147)
<b>Increase/(Decrease) in operating liabilities</b>	<b>249,852,361</b>	<b>1,082,030,245</b>
Due to bank and financial institutions	16,183,246	(78,103,603)
Due to Nepal Rastra Bank		-
Deposit from customers	278,202,780	1,147,435,431
Borrowings		-
Other liabilities	(44,533,665)	12,698,417
<b>Net cash flow from operating activities before tax paid</b>	<b>(1,119,346,272)</b>	<b>478,830,151</b>
Income taxes paid/received	(37,759,973)	1,573,813
<b>Net cash flow from operating activities</b>	<b>(1,157,106,244)</b>	<b>480,403,964</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	891,870,354	(447,071,926)
Receipts from sale of investment securities	105,984,626	23,015,074
Purchase of plant and equipment	(19,264,435)	(15,297,413)
Receipt from sale of property and equipment	2,956,325	1,370,000
Purchase of intangible assets	(494,549)	(671,500)
Receipt from sale of intangible assets		-
Purchase of investment properties		-
Receipt from the sale of investment properties	96,528,213	52,255,609
Interest received		445,994
Dividend received	8,019,718	-
<b>Net cash used in investing activities</b>	<b>1,085,600,253</b>	<b>(385,954,162)</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	35,607,457	-
Dividend paid		-
Interest paid		-
Other receipt/payment	853,817	(35,110,385)
<b>Net cash from financing activities</b>	<b>36,461,274</b>	<b>(35,110,385)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(35,044,718)</b>	<b>59,339,417</b>
Cash and cash equivalents at Shrawan 1, 2081	267,101,413	207,761,996
Transfer from Merger	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash and cash equivalents at Ashad end 2082</b>	<b>232,056,695</b>	<b>267,101,413</b>

As per our report of even date

**Sijan Ratna Shakya**  
In-Charge-Finance and Planning

**Bal Narsingh Gharti**  
Chief Executive Officer

**Ramji Gautam**  
Chairman

**Khim Lal Paudyal**  
Director

**Ram Chandra Devkota**  
Director

**CA Sunil Adhikari**  
Partner  
S. A. R. Associates,  
Chartered Accountants

Date : 22 December, 2025  
Place : Kathmandu

**Sushila Khanal**  
Director

**Ram Lal Shrestha**  
Director

**Bishnu Prasad Gyawali**  
Director

**Bauddha Raj Aryal**  
Director



**Best Finance Company Limited**  
**Statement of distributable profit or loss**  
For the year ended 32 Ashad 2082 (16 July 2025)  
(As per NRB Regulation)

*Amount in NPR*

Particulars	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>(156,565,765)</b>	<b>(100,614,500)</b>
<b>Appropriations:</b>		
a. General reserve	-	(2,030,077)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	285,890	-
e. Employees' training fund	(158,691)	(123,414)
<b>f. Other</b>	<b>(9,263,829)</b>	<b>10,150,387</b>
i. Gratuity Fair Value Reversal	(2,685,530)	-
ii. Gain on sale of Investment in Equity Instrument	(6,578,299)	10,150,387
<b>Profit or (loss) before regulatory adjustment</b>	<b>(165,702,395)</b>	<b>(92,617,604)</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	19,191,450	(1,084,993)
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 (-)/resersal (+)	46,817,529	(42,095,255)
e. Deferred tax assets recognised (-)/ reversal (+)	(62,867,671)	(28,320,689)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	22,040,429
h. Acturial loss recognised (-)/reversal (+)	-	7,519,995
i. Other (+/-)	(641,298)	-
<b>Net Profit for the Year Available for Distribution</b>	<b>(163,202,385)</b>	<b>(134,558,117)</b>
<b>Opening Retained Earnings</b>	<b>(398,486,244)</b>	<b>(226,456,765)</b>
<b>Adjustment +/-</b>	<b>2,827,307</b>	<b>(37,471,362)</b>
<b>Distribution:</b>		
Bonus shares issued		
Cash Dividend Paid		
<b>Total Distributable profit or (loss)</b>	<b>(558,861,322)</b>	<b>(398,486,244)</b>

**Sijan Ratna Shakya**  
In-Charge-Finance and Planning

**Bal Narsingh Gharti**  
Chief Executive Officer

**Ramji Gautam**  
Chairman

**Khim Lal Paudyal**  
Director

**Ram Chandra Devkota**  
Director

**CA Sunil Adhikari**  
Partner  
S. A. R. Associates,  
Chartered Accountants

Date : 22 December, 2025  
Place : Kathmandu

**Sushila Khanal**  
Director

**Ram Lal Shrestha**  
Director

**Bishnu Prasad Gyawali**  
Director

**Bauddha Raj Aryal**  
Director

## 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 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 18 branches and 2 ATM's across 13 districts.

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

## 2. Basis of Preparation

### 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, 2081.

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 2081	15 July 2024
Comparative reporting period	1 Shrawan 2080 - 31 Ashad 2081	17 July 2023-15 July 2024
NFRS SFP* Date	32 Ashad 2082	16 July 2025
NFRS reporting period	1 Shrawan 2081 - 32 Ashad 2082	16 July 2024-16 July 2025
*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 were 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.

#### 2.4.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial

Position can be derived from active markets, they are derived from observable market data. However, if this is not available, judgment is required to establish fair values. The valuation of financial instruments is described in more details in Note 3.4 under “Fair Value of financial assets and liabilities”. As per NFRS 13, Fair valuation of assets and liabilities require significant management judgments when observable market data are not available.

#### **2.4.3 Defined Benefit Plans**

The cost of the defined benefit obligations and the present value of their obligations are determined using actuarial valuation. Staff gratuity and accumulated leave has been considered as the defined benefit obligation for actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increments, mortality rates and possible future pension increments, if any. Due to the long-term nature of these plans, such estimates are subject to uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Nepal government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increment and pension increment are based on expected future salary increment rates of the Bank.

#### **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 New standards issued but not yet effective**

The Institute of Chartered Accountants of Nepal, (ICAN) has issued a new version of NFRS on 11th Ashadh 2077, (NFRS 2018) which covers NFRS 17 Insurance Contract. However, the effective date of such new NFRSs is 1st Shrawan 2082 onwards and this NFRS does not expected to have a significant impact on the financial information. Further, NFRS 14 Regulatory Deferral Accounts is not yet effective.

#### **2.7 New standards and interpretations not adopted**

All Accounting standards along with carve outs, issued by the Institute of Chartered Accountants of Nepal (ICAN) has been incorporated.

##### **2.7.1 Availment of Carve-outs Notified by The Institute of Chartered Accountants of Nepal**

1. Carve-out: 1- NFRS-9: Financial Instruments (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 2081/82 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.

#### **2.8 Discounting**

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

### **3. Significant Accounting Policies**

#### **3.1 Basis of Measurement**

The Financial Statements of Group have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

- Financial assets, held for trading are recorded in the statement of financial position at fair value and the changes in the fair value have been routed through Statement of Profit or Loss.

- Available for sale investments (quoted) are measured at fair value and the changes in the fair value have been routed through Statement of Other Comprehensive Income.
- Liabilities for defined benefit obligations and staff loans provided at subsidized interest rates as per Employee Bylaws of the Group and are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets, Investment in Government Bonds are recorded in Statement of Financial Position at amortized cost.

### **3.2 Basis of Consolidation**

#### **i. Business Combinations**

For the purpose of business combination, acquisition method has been adopted as prescribed by the NFRS-3; “Business Combination”. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income from the date on which control is obtained. The cost of an acquisition are measured as the difference between the fair value of the assets obtained and the fair value of purchase consideration paid. The excess of the purchase consideration paid over the fair value of the asset has been recognized as goodwill. The excess of the fair value of the asset obtained and the purchase consideration paid has been recognized as gain on bargain purchase and credited to Statement of Profit or Loss immediately.

#### **ii. Non-Controlling Interest (NCI)**

The Group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the Bank and non-controlling interests are determined on the basis of present ownership interests. The Group also attributes total comprehensive income to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **iii. Subsidiaries**

Subsidiaries are entities that are controlled by the Bank. The Bank is presumed to control an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Bank reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

#### **iv. Loss of Control**

When the Bank loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Bank recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Bank recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

#### **v. Special Purpose Entity (SPE)**

Special purpose entity is a legal entity (usually a limited company of some type or, sometimes, a limited partnership) created to fulfil narrow, specific or temporary objectives. SPE are typically used by companies to isolate the firm from financial risk. There are no special purpose entities within the Group's holding structure.

#### **vi. Transaction Elimination on Consolidation**

The effect of all intra-group transactions and outstanding balances, including realized and unrealized income and expenses are eliminated in the preparation of the Consolidated Financial Statements as per NFRS 10 “Consolidated Financial Statement.

### **3.3 Cash and Cash Equivalents**

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. Statement of Cash Flows has been prepared by using the ‘Indirect Method’ in accordance with NAS 07- Statement of Cash Flows.

### 3.4 Financial Assets and Financial Liabilities

#### A. Recognition

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

#### B. Classification

##### I. Financial Assets

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

The two classes of financial assets are as follows:

##### i. Financial assets measured at amortized cost

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

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

##### ii. Financial asset measured at fair value

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

##### • Financial assets at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

##### • Financial assets at fair value through other comprehensive income

Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

##### II. Financial Liabilities

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

##### • Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.

##### • Financial Liabilities measured at amortized cost

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

### **C. Measurement**

#### **Financial assets at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Fair Value Reserve'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

#### **A financial asset is held for trading if:**

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in Statement of Profit and Loss when the Finance's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in Statement of Profit and Loss are included in the 'Other income' line item.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated as at FVTPL.

#### **A financial liability is classified as held for trading if:**

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a company of financial assets or financial liabilities or both, which

is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

- It forms part of a contract containing one or more embedded derivatives, and NFRS 9 permits the entire combined contract to be designated as at FVTPL in accordance with NFRS 9.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognized in Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Statement of Profit and Loss.

#### **Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Interest Expenses' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **D. 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.

### 3.4.1 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.

### 3.4.2 Implementation of NFRS 9 -Expected Credit Loss

The measurement of impairment losses across the categories of financial assets under Nepal Financial Reporting Standard - NFRS 9 on "Financial Instruments" (NFRS 9) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. Accordingly, Finance reviews its individually significant loans and advances portfolio at each reporting date to assess whether an impairment loss is to be recognized in the Income Statement. In particular, the Management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, Management makes judgements about a borrower's financial situation and the net realizable value of any underlying collateral (foreclosure) and expected cash from operations. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable. These estimates are based on assumptions about several factors and hence actual results may differ, resulting in future changes to the impairment allowance made.

Following NFRS 9, the Finance's Expected Credit Loss (ECL) calculations are outputs of complex models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of Finance's ECL models that are considered accounting judgements and estimates include:

- Criteria for qualitatively assessing whether there has been a significant increase in credit risk (SICR) and if so, allowances for financial assets measured on a Lifetime Expected Credit Loss (LT - ECL) basis.
- Segmentation of financial assets when their ECL is assessed on a collective basis.
- Various statistical formulas and the choice of inputs used in the development of ECL models.



- Associations between macroeconomic inputs, such as GDP growth, inflation, interest rates, exchange rates and unemployment and the effect of these inputs on Probability of Default (PDs).
- Forward-looking macroeconomic scenarios and their probability weightings.
- Coupon rate of loan has been considered by the Finance as effective interest rate.

As such, the accuracy of the impairment provision depends on the model assumptions and parameters used in determining the ECL calculations. Further, Finance has assigned weightages for base (normal) case, best case and worst-case scenarios when assessing the probability weighted forward looking macro-economic indicators.

The institution applies NFRS 9 for the recognition and measurement of financial instruments, utilizing a forward-looking General ECL model to calculate impairment provisions for loans and receivables. Impairment provisions are not recognized for receivables that have not been accrued or accounted for.

**Under NFRS 9, impairment assessments are categorized into two main approaches:**

- Individual Impairment
- Collective Impairment

**Individual Impairment**

The Institution shall test objective evidence of impairment for Individually Significant Loans (ISL). If an ISL evaluated under the objective evidence test for impairment does not require an individual impairment provision, it is then assessed under the collective impairment framework having categorized within the appropriate risk bucket. Conversely, loans that have already undergone individual assessment and have been assigned an impairment provision are excluded from the collective impairment assessment. All Stage 3 assets shall be subject to individual impairment.

**Modality for Cash Flow Estimations**

- The Credit Business Departments and/or Recovery Department shall determine the future cash inflows of the ISL with objective evidence of impairment and stage 3 loans based on historical repayment patterns and anticipated future cash flows as agreed with the customer.
- The expected timing of the cash flows shall be estimated based on the current status of the recovery process.
- The basis of the assumption and methodology adopted to forecast future cash flows shall be approved by Head of Recovery Department.
- The future cash flows shall be estimated considering Forced Sales Value (FSV) of mortgaged/foreclosed properties considering the projections with substantial evidence.
- Valuation of mortgaged/foreclosed properties shall be done internally or through external valuers for the purpose of computation of ECL under this policy.

**Measurement of ECL of ISLs**

ECL is measured as the present value of cash shortfalls, which is the difference between the cash flows due to the entity under the contract and the cash flows the institution expects to receive. It is calculated by discounting the future cash flows using the contract interest rate or effective interest rate.

**Collective Impairment**

All contracts that are not subject to individual impairment shall be subject to collective impairment, determined by their respective segment classification

**Staging**

For the purposes of impairment and income recognition, financial assets under the scope of impairment requirement shall be classified into stage 1, 2 or 3 within each portfolio segment.

Stage 1 -	All loans and advances other than purchased or originated credit-impaired financial assets and those required to be differently categorized by NRB guidelines, are classified at initial recognition as stage 1.
Stage 2 -	Upon subsequent review, any loans, and advances where there is a significant increase in credit risk are classified as stage 2.
Stage 3 -	Any loans and advances where an actual default has taken place are classified as stage 3.

Purchased or originated credit impaired (POCI) financial assets: Financial assets which are credit impaired on initial recognition are categorized within Stage 3 with a carrying value already reflecting the LTECL.

Criteria or Indicators of Significant Increase in Credit Risk (SICR)

The following criteria or indicators shall be considered to assess SICR:

- More than 30 days past due
- Deterioration of relevant determinants of credit risk (eg future cash flows) for an individual obligor (or pool of obligors)
- Expectation of forbearance or restructuring due to financial difficulties
- Deterioration of prospects for sector or industries within which a borrower operates
- Borrowers affected by macroeconomic conditions based on reasonable and supportable forecasts.
- Modification of terms resulting in restructuring/rescheduling.
- Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition
- Both qualitative and quantitative factors shall be considered while assessing whether there has been significant increases in credit risk.
- Exposure on borrower whose business/project is not in operation with overdue of up to 30 days as at reporting date.

#### **Transfer criteria between stages**

- Transfer From Stage 2 to Stage 1: Where there is evidence of significant reduction in credit risk, the institution shall upgrade such exposure from Stage 2 to Stage 1.
- Transfer Out of Stage 3: Though the conditions for an exposure to be classified in Stage 3 no longer exist, the institution shall continue to monitor for a minimum probationary period of 90 days to upgrade from Stage 3.
- For restructured/rescheduled exposures: The institution shall monitor restructured/rescheduled exposures classified under Stage 3 for a minimum probationary period of 24 months before upgradation.

Upgrading of stages for exposures shall be executed by the Credit Risk Management Department.

Methodology of ECL Impairment

#### **Life-time Expected Credit Losses**

Lifetime ECLs represent the expected credit losses arising from all possible default events over the expected life of a financial instrument. The institution shall estimate the likelihood of default occurring during the instrument's expected life. Lifetime ECLs are recognized for contracts in Stage 2 and Stage 3, representing the expected credit losses arising from all potential default events over the expected life of the financial asset.

#### **12 month expected credit losses**

The 12-month ECL represents a portion of the lifetime ECL, specifically the credit losses expected from default events that may occur within the 12 months following the reporting date. For Stage 1 contracts, a 12-month ECL is recognized, which reflects the lifetime expected credit loss on the asset, weighted by the probability of default occurring within the next 12 months. This is distinct from the full lifetime ECL, which considers the entire duration of the financial instrument.

Method of calculating ECL

The ECL computation methodology is as follows.

$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD} \times \text{DF}$$

Where:

PD : Probability of Default

LGD: Loss Given Default

EAD: Exposure at Default

DF : Discount Factor

The institute computes ECL using three main components; a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) under the collective assessment. These parameters are generally derived from developed statistical models and historical data and then adjusted to reflect forward-looking information.

PD – The probability of default represents the likelihood of a borrower defaulting on its financial obligations either over the next 12-months (12m PD) or over the remaining lifetime (Lifetime PD) of the obligation.

LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time.

EAD – The exposure at default represents the expected exposure in the event of a default.

#### **Estimation of PD**

The PD represents the likelihood of default within a given time horizon (12 months for Stage 1 and lifetime for Stage 2 and 3).

Probability of default is computed using transition matrix as NFRS 9 requires point-in-time (PIT) PDs. Therefore, through-the-cycle (TTC) PDs needs to be converted into PIT PDs. Transition matrix based on days past due information for past 5 years is analyzed to establish TTC PDs and establish credit index based on the historical information. Year on year transition is taken into account on a monthly basis. All these PDs are calculated for the summarized product segments.

#### **Forward Looking Information – EFA Calculation**

The Through-the-Cycle (TTC) PDs is converted into Point-in-Time (PIT) PDs using a scoring platform. The Scorecard analysis is conducted using several quantitative macroeconomic variables, with weightages for each variable calculated based on the correlation between the macroeconomic variable and the Weighted Average PD for the corresponding period across all product segments combined.

Since the products shall be segmented into different categories for estimating forward-looking PD rates, the correlation between the default events of each product segment and the macroeconomic variables is calculated separately. This approach ensures that accurate scores are assigned for deriving Point-in-Time PD rates specific to each product segment.

The institution shall rely on broad range of quantitative forward-looking information as economic inputs such as the following in its Eco model. These inputs are mainly extracted from “World Economic Outlook Database” of International Monetary Fund (IMF) website.

<b>Quantitative inputs</b>	<b>Code</b>
Current Account Balance-Percent of GDP	CURR
Unemployment Rate-Unemployment, total (% of total labour force) (modelled ILO estimate)	UNEMP
Inflation, average consumer prices-Percent change	INF
Gross Domestic Product, constant prices-Percent change	GDP
Gross National Savings-Percent of GDP-(Units)	GNS
General Government Revenue-Percent of GDP-(Units)	REV
Gross Government Debt – Percent of GDP-(Units)	GGD

Following macroeconomic forecasts has been considered under Base Case:

<b>Macro-economic indicator</b>	<b>FY 2081-82</b>	<b>FY 2082-83</b>	<b>FY 2083-84</b>	<b>FY 2084-85</b>	<b>FY 2085-86</b>
<b>Base Case</b>					
GDP	4.50%	5.48%	5.04%	5.00%	5.00%
Inflation	4.84%	5.23%	5.00%	5.00%	5.00%
Unemployment	11.07%	11.11%	11.14%	11.18%	11.21%
Current Account Balance, Percent of GDP	0.66%	-2.77%	-3.18%	-3.27%	-3.47%
General Government Revenue, Percent of GDP	19.45%	20.53%	21.47%	22.06%	22.44%
General Government Gross Debt, Percent of GDP	49.36%	49.78%	49.59%	49.35%	49.00%
Gross National Savings, Percent of GDP	36.98%	37.18%	36.83%	35.92%	35.16%

### **Estimation of LGD**

LGD is the percentage of the loan that the institution expects to lose if the borrower defaults. It is influenced by factors such as collateral, recovery rates, and workout costs.

The LGD is the percentage of the loan that the institution expects to lose if the borrower defaults. It is influenced by factors such as collateral, recovery rates, and workout costs.

#### **The LGD shall be calculated in following order:**

- (i) Historical actual recovery rates shall be used in first place.
- (ii) If historical rates are unavailable, LGD shall be calculated based on valuation (prudential floors) for ECL calculation as outlined in NRB guideline considering disposal time and costs until expected disposal of collateral or assets. However, value of collateral or assets for loans that have defaulted and not realized within 5 years of default, shall not be used for determining loss or recovery rates. The management shall decide LGD floor for portfolio or collateral in such case from time to time in order to estimate account disposal time and costs until expected disposal of collateral or assets with minimum floor rate of 10%.
- (iii) If such net realizable value of collateral or other sources is reliably undeterminable or where the institution is unable to compute LGDs due to lack of data or inputs, LGD of 45 per cent for such credit exposures shall be applied with approval of Board of Directors.

Haircut to collateral value for recovery expense and non-recovery shall be considered at the rates prescribed in ECL guidelines issued by Nepal Rastra Bank.

### **Estimation of EAD**

EAD is the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of the principal and interest, whether scheduled by contract or otherwise and expected draw downs on committed facilities.

For loans and receivables with contractual maturity loans balances is taken up to the remaining maturity based on the repayment pattern. Mainly mid-year balances in the repayment schedule are taken by discounting them to the reporting date. For unutilized credits and other off-balance sheet items credit conversion factor is used to get the EAD.

The calculation varies depending on the type of credit product.

### **Term Loans**

EAD is calculated based on the loan's amortization schedule, expected future exposure and undrawn commitments.

For these products, EAD is based on historical usage patterns. A higher CCF is applied to the unused credit limit, as borrowers are likely to draw down more credit before defaulting.

### **Off Balance Sheet Exposures**

If data for off-balance sheet exposures is unavailable, the Credit Conversion Factors specified by NRB shall be applied.

### **Scenario probability weighting**

In order to capture the prevailing economic conditions into Economic Factor Adjustment (EFA) to incorporate the expected credit loss in determining the impairment for collectively assessed portfolios, the Bank used following weightages for the expected economic scenarios.

<b>Economic Scenario</b>	<b>New Weightages</b>
Best	11%
Base	68%
Worst	21%

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

Objective evidence of impairment of investment in an equity instrument is a significant or prolonged decline in its fair value below its cost. Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment, and the current fair value, less any impairment loss recognized previously in profit or loss.

**Financial Assets Measured at Amortised Cost - Loans & Advances under NFRS 9:**

Loans and advances to banks, financial institutions, and customers have been measured at amortized cost in accordance with NFRS 9. As permitted by the carve-out provided by the Institute of Chartered Accountants of Nepal (ICAN) until FY 2082/83, the contractual coupon rate has been applied as the Effective Interest Rate (EIR) for the purpose of Expected Credit Loss (ECL) computation.

Particulars	Principal Outstanding			ECL Provision		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loans and advances at Amortized Cost	3,476,243,138	249,536,719	531,016,575	51,390,785	39,358,856	168,143,654

Analysis of Loans & Advances as on Ashadh End 2082

Amount in NPR

Particulars	ECL Amount
Loans and advances at Amortized cost	
Agriculture	20,745,573
Construction	38,095,720
Consumption	63,069,190
Finance Insurance Real Estate	39,603,650
Fishery	175,492
Metal Machinery Electronic Equipment	5,233,909
Other Services	337,128
Others	32,827,474
Production Food	2,186,583
Production Non Food	23,839,593
Tourism Service	9,708,559
Transport Communication Public Utilities	2,215,769
Wholesale Retailer	20,854,655
<b>Impairment Allowance under NFRS 9</b>	<b>258,893,295</b>
<b>Total Loan and advances</b>	<b>4,256,796,431</b>
<b>ECL Coverage %</b>	<b>6.08%</b>

Interest income has been recognized in line with the Guidance Note on Interest Income Recognition, 2025 issued by Nepal Rastra Bank (NRB).

Impairment of financial assets has been assessed under paragraph 5.5 of NFRS 9 and relevant NRB Directives. In accordance with Clause 16 of NFRS 9 – Expected Credit Loss Related Guidelines, 2024 and ICAN's carve-out, impairment has been recognized at the higher of (i) ECL computed under NFRS 9 and (ii) loan loss provisions as per NRB Directives.

Details of such impairment are as mentioned below:

Amount in NPR

Particulars	Year ended Ashad 2082
Impairment as per NFRS 9 (A)	258,893,295
Provision as per NRB (B)	503,901,227
<b>Impairment to be considered (Higher of A or B)</b>	<b>503,901,227</b>

### 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

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognized in the Statement of Profit or loss in Net trading income. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the statement of financial position and is also recognized in the Statement of Profit or loss in Net trading income.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the recalculated EIR method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the Statement of Profit or loss.

The Company currently does not 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 5,000 are charged off to revenue irrespective of their useful life in the year of purchase.

#### B. Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

### 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 NPR. 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 property is the land or building or both held either for rental income or for capital appreciation or for both, but not for sale in ordinary course of business and owner-occupied property. The company holds investment property as non-banking assets that has been acquired through the enforcement of security over the loan and advances.

Non-banking assets (only land and building) are initially recognized at cost. Subsequent to initial recognition the company has chosen to apply the cost model allowed by NAS 40- "Investment Property" and since it is not intended for owner -occupied use, a depreciation charge is not raised.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred. If the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Statement of Profit or loss in the year of retirement or disposal.

#### **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**

The Company is subject to tax laws of Nepal. Income Taxes have been calculated as per the provisions of the Income Tax Act, 2058. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax law carry-forwards become deductible. The company considers the expected reversal of deferred tax liabilities and projected future taxable income making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### **a. Current Tax**

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

#### **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 for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the



temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

- iii. Deferred tax relating to items recognized in OCI is recognized in OCI. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **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**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **A disclosure for contingent liabilities is made where there is:**

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligation that arises from past events but is not recognized because:
  - o it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - o the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### 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 is recognized in profit or loss using the effective interest method. An effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of financial asset or liability to the carrying amount of the asset or liability. The calculation of the effective interest rate includes all transaction costs fees and points paid or received that are integral parts of the effective interest. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of financial assets.

Interest income presented in the statement of profit or loss includes:

- Interest income on financial assets measured at amortized cost is calculated on an effective interest rate to the gross carrying amount of financial assets unless the financial asset is written off either partially or fully. These financial assets include loans and advances including staff loans, investments in government securities, investments in corporate bonds, investments in NRB Bond and deposit instruments, inter-bank lending, etc.
- NFRS 9 requires recognition of interest income on the financial assets measured at amortised cost using the effective interest rate. Nepal Rastra Bank has on July 27, 2025, issued Guidance Note on Interest Recognition, 2025 wherein it has provided transitional arrangement plan towards full implementation for NFRS 9. This guideline allows banks and financial institutions to recognise interest on loans and advances based on coupon rate of interest for the financial year 2081-82 and 2082-83 and thereafter from the financial year 2083-84 use the effective interest rate on loans and advances.
- This guideline aims to advance towards full implementation of NFRS 9, the interest income recognition practice will be transitioned as follows:

Interest income	Year 1 (FY 2081/82)	Year 2 (FY 2082/83)	Year 3 (FY 2083/84)
Stage 1 and Stage 2 Financial Assets	Based on coupon interest rate on principal outstanding for all financial assets (accrual basis)	Based on coupon interest rate applied on principal outstanding for all financial assets (accrual basis)	Based on effective interest rate applied on gross carrying amounts for all financial assets except for old term loans Based on deemed effective interest rate applied for old term loans only (where integral fees have already been recognized as income in previous years)
Stage 3 or Purchased or Originated Credit impaired financial assets	Based on cash basis approach (incremental) Coupon interest rate applied on principal outstanding	Based on cash basis approach (incremental) Coupon interest rate applied on principal outstanding	Based on amortised cost as per NFRS 9 Deemed Effective interest rate for old term loans is calculated without taking into account integral fees already booked and is applied on amortised cost Effective interest rate of all financial assets other than old term loans is to be calculated based on integral fees obtained and also considering discounts, premiums and other integral costs and is applied on amortised cost.

The Finance has used this provision of this guideline to recognise interest on loans and advances by using the coupon rate of interest instead of the effective rate of interest.

**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**

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The financial instrument contains one or more embedded derivatives, which significantly modify the cash flows that would otherwise be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in Net gain or loss on financial assets and liabilities designated at fair value through profit or loss is recognized in statement of Profit or Loss. Interest earned or incurred is accrued in Interest income or Interest expense, respectively, using the effective interest rate (EIR), while dividend income is recorded in other operating income when the right to the payment has been established.

**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**

The company provides Pension & Gratuity Plan, Retirement Plan and Leave Encashment Plan (in terms of Annual Leave and Sick Leave) as defined benefits to its employees. These benefits are post-employment benefit plans and are paid based on length of service. These benefit plans are funded whereas the company makes earmark investment of these funds. The gratuity plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent defined days' eligible salary payable for each completed year of service.

The pension plan provides for lump sum payments to vested employees at retirement or equated payment till death of the employee (and half thereafter to the spouse of the employee). Further, employees of the Company are entitled to avail Annual Leave and Sick Leave. The employees can carry forward the un-availed leave and are entitled to encash the cumulative leave at the time of the retirement. The obligation under these plans are calculated by a qualified actuary every year using projected unit credit method.

The following are the defined benefit plans provided by the Company to its employees:

**a) Leave Salary**

The employees of the company are entitled to carry forward a part of their unavailed / unutilized leave subject to a maximum limit. The employees can encash unavailed/ unutilized leave partially in terms of Employee Service Byelaws of the company. The Company accounts for the liability for accumulated leave as per the actuarial valuation.

**b) Termination Benefits**

Termination benefits are recognized as expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal plan to provide termination benefits to employees as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognized if the company made an offer for voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be measured reliably. If the benefits are payable in more than 12 months after the reporting date, 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.

From FY 2021-22, the company has transitioned from NAS-17 and has applied NFRS-16 for accounting of leases. All previously classified operating leases are now recognized as right-of-use assets with corresponding lease liabilities. Each lease payment is allocated between a reduction of the liability and an interest expense. The interest expense is charged to the Statement of Profit or Loss over the lease period to produce a constant periodic rate of

interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the remaining lease term on a straight-line basis.

The company transitioned into NFRS 16 in accordance with the modified retrospective approach, therefore previous year comparative figures are not restated. Additionally, the definition of a lease under NAS 17 and its related interpretation has been retained.

The Bank has applied incremental borrowing rate of 7%. Management has applied judgement and formed assumptions in relation to assessing the incremental borrowing rate. Management has formed its judgements and assumptions based on historical experience, internal and external data points.

### **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 Company 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.

Regulatory reserve includes any amount derived as result of NFRS convergence with effect in retained earning computed as per NRB Directive No. 4.

### **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.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of earnings per share.

### **3.20 Segment reporting**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relating to transactions with any of the company's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

The company has classified five operating segments as: Province 1, Madhesh, Bagmati, Gandaki and Lumbini.

### **3.21 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.

## **4. Brief Description of Schedules forming part of Financial Statement**

The explanatory notes and significant disclosure relating to the financial statements are as follows:

#### **4.1 Cash and Cash Equivalents**

This account shall be used for presenting the total amount of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the licensed institution in the management of its short-term commitments.

#### **4.2 Due from Nepal Rastra Bank**

Statutory balances held with Nepal Rastra Bank for compulsory cash reserve, securities purchased from Nepal Rastra Bank under resale agreement, other deposits with and receivables from Nepal Rastra Bank has been presented under this account head.

#### **4.3 Placement with Bank and Financial Institutions**

Placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date are presented under this account head

#### **4.4 Derivative Financial Instruments**

Derivative instruments like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes shall be presented under this head.

#### **4.5 Other Trading Assets**

Trading assets are those assets that the licensed institution acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short-term profit shall be presented under this account head. The other trading asset includes non-derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc held primarily for the trading purpose.

#### **4.6 Loan and Advances to Banks and Financial Institutions**

Loan and advances given to microfinance financial institutions as well as other bank and financial institutions shall be presented under this head. Specific impairment on loan and advance to bank and financial institutions shall be deducted.

#### **4.7 Loans and advances to customers**

Loan and advances given to microfinance financial institutions as well as other bank and financial institutions shall be presented under this head. Specific impairment on loan and advance to bank and financial institutions shall be deducted.

#### **4.8 Investment securities**

Investments made by the licensed institutions in financial instruments shall be presented under this account head in three categories i.e. investment securities designated at fair value through profit or loss, investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income. Investment other than those measured at amortized cost shall be measure at fair value and changes in fair value shall be recognized in profit or loss, or other comprehensive income as per the business model adopted by the financial institutions for the specific securities. Where income from the investment is received in the form of bonus shares, the valuation of investment shall be made by increasing the number of shares only without changing in the cost of investment. The financial institutions shall disclose following particulars in respect of investment in shares and debenture/bond.

##### **a. Following particulars shall clearly be disclosed in respect of investment in shares of other companies**

- (1) Name of the company
- (2) Type of share (ordinary or preference), in case of preference shares, including the rate of dividend.
- (3) Total number of shares subscribed (including bonus shares if received).
- (4) Face value per share
- (5) The cost price to licensed institution.
- (6) Fair value of the shares at the end of the fiscal year.
- (7) Where a company, in which the licensed institution has investment in shares, has not declared dividend for previous 3 years, particulars indicating the same.

##### **b. Following particulars shall clearly be disclosed in respect of investment in debentures and bonds of other companies**

- (1) Name of the company
- (2) Rate of Interest
- (3) Installment of Debenture/bond subscribed.

- (4) Face value per debenture/bond.
  - (5) Maturity date of debenture/bond
  - (6) The purchase price of the debentures/bond
  - (7) Fair value of the debentures/bond measured at fair value
- The financial institution shall recognize impairment loss if any on the investment instruments measured at amortized cost. The calculation of impairment loss shall be as per requirement of NFRSs.
- The financial institution shall recognize, measure, present and disclose the investment instruments as per the requirement of NFRSs.

#### **4.9 Current Tax**

This will include any advance payment made by the licensed institution towards income tax liabilities or other tax liabilities to the taxing authorities.

#### **4.10 Investment In Subsidiaries**

Subsidiaries are the entities that are controlled by the bank. Investment made by the bank in its subsidiaries shall be presented in this head under separate financial statements. Since, the investment amount is eliminated in consolidation process, no amount shall be presented under group financial statements.

#### **4.11 Investment In Associates**

Associates are those entities in which the bank has significant influence but not control over the financial and operating policies. Investment made by the bank in its associates shall be presented in this head under this account head.

#### **4.12 Investment Properties**

Land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard shall be presented under this account head. This shall include land, land and building acquired as non-banking assets by the Bank but not sold.

#### **4.13 Property and equipment.**

All assets of long-term nature (fixed) like land, building, IT equipment, fixtures and fittings, office equipment and appliances, vehicles, machinery, leasehold developments and capital work in progress owned by the licensed institution shall be presented under this head.

#### **4.14 Goodwill and intangible assets**

Goodwill and intangible assets like computer software both purchased and internally generated, trade mark etc. shall be presented under this account head.

#### **4.15 Deferred tax assets**

Deferred tax assets recognized as per NFRSs on temporary deductible differences, carry forward of unused tax losses, changes in tax rate etc. shall be presented under this account head.

#### **4.16 Other Assets**

This account will include any other tangible or intangible asset not mentioned above. Assets held for sale, non-banking assets (other than land or land and building), restricted deposits with central banks, accounts receivable, interest receivable, accrued income, prepayments and deposit are some of the items to be included under this head.

#### **Liabilities and Equity side**

#### **4.17 Due to bank and financial institutions**

The balances in accounts maintained with the institution by other local and foreign banks and financial institution shall be 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 shall be presented under this account head.

#### **4.18 Due to Nepal Rastra Bank**

This account head shall also contain the amount of payable to Nepal Rastra Bank. Amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB etc.

#### **4.19 Derivative Financial Instruments**

It includes all derivative liabilities. Derivative instruments like interest rate swap, currency swap, forward foreign exchange contract etc. held for trading as well as risk management purposes shall be presented under this head.



#### **4.20 Deposits from customers**

All deposit accounts other than deposit from BFIs (local and foreign) and NRB shall be presented under this account head.

#### **4.21 Borrowing**

All domestic as well as foreign borrowing other than interbank borrowing and borrowing from Nepal Rastra Bank shall be presented under this heading. It includes borrowing from Nepal Government, borrowing from other domestic institutions, borrowing from foreign bank and financial institutions, multilateral development banks etc.

#### **4.9 Current Tax Liabilities**

The liabilities recognized for the purpose of current income tax, including fees, penalties shall be included under this head.

#### **4.22 Provisions**

A provision is recognized when as a result of a past event, the licensed institution has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision for redundancy, provision for onerous contracts, provision for restructuring, pending legal issues and tax litigation, credit commitments and guarantees etc. shall be presented under this account head. Followings are the additional clarification on accounts presented under this account head.

##### **(a) Provision for Redundancy**

It shall include benefits payable as a result of employment being terminated or based on a dismissal plan of the licensed institution. Provision for employees' termination benefits like voluntary retirement scheme shall be presented under this account head.

##### **(b) Provision for restructuring**

Restructuring includes sale or termination of a line of business, closure of business locations or relocation in a region, changes in management structure, fundamental reorganizations that have a material effect on the nature and focus of the bank's operations etc. The provision of restructuring that is recognized as per the requirement of NFRSs shall be presented under this account head

##### **(c) Pending legal issues and tax litigation**

Provisions recognized for any pending legal issues and tax litigation matters shall be presented under this account head.

##### **(d) Onerous contracts**

Provision for onerous contract is recognized when the expected benefits to be derived by the licensed institution from a contract is lower than the unavoidable cost of meeting its obligation under the contract. The provision amount that is recognized for onerous contract as per NFRSs shall be presented under this heading.

#### **4.15 Deferred tax liabilities**

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences, shall be included under this head. Deferred tax liabilities that are recognized as per requirement of NFRSs shall be presented under this account head.

#### **4.23 Other liabilities**

Any residual liabilities not captured above, shall be presented under an appropriate head in this account. Liabilities relating to employees benefits like liabilities for defined benefit obligation gratuity and pension fund, liabilities for long-service leave, cash settled share based payment liabilities, short-term employee benefits etc., Creditors and accruals, Interest payable on deposit and borrowing, unearned income, unpaid dividend etc. shall be presented under this account head.

#### **4.24 Debt securities Issued**

Debenture, bond or other debt securities issued by bank shall be presented under this broad account head.

#### **4.25 Subordinated Liabilities**

Liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors shall be included here. It shall include redeemable preference share, subordinated notes issued, borrowings etc.

#### **4.26 Share Capital**

The amount of paid-up share capital of the licensed institution shall be mentioned under this head. Amount credited in share capital by issuing bonus shares utilizing the accumulated profit and reserves shall also be disclosed under this heading. This shall include paid up amount of ordinary share capital and equity component of preference

share capital. The convertible preference shares which include an option for the holder of the shares to convert the preferred shares into a fixed number of ordinary shares at any time after a predetermined date, irredeemable preference share and perpetual debt instruments, the equity component that is recognized and measured as per NFRSs as equity as well shall be presented under this heading.

#### **4.27 Reserve**

Licensed institution shall include the amounts received from allocation of profits or retained earnings in connection with maintaining reserves or created from any other process. Normally, amount shall be credited to this heading having debited the accumulated profit and while using these reserves, the concerned reserve account shall have to be debited. Followings are the additional clarification of account head under reserve.

##### **(a) General Reserve**

General reserve is the statutory reserve. In this reserve, the amount transformed from appropriation of net profit according to the Banks and Financial Institutions Act, 2073 shall be included. No type of dividend (cash or bonus share) shall be distributed from the amount in general/statutory reserve. Approval of NRB shall be required in order to use the amount in this reserve.

##### **(b) Exchange Equalization reserve**

Exchange equalization reserve is a statutory reserve. A bank which has earned foreign exchange revaluation gain on foreign currency other than India currency has to allocate 25 percent of such revaluation gain to this reserve as per provision of the Bank and Financial Institution Act. Any amount allocated to exchange equalization reserve as per the provision of the Bank and Financial Institutions Act, shall be presented under this heading.

##### **(c) Fair Value Reserves**

The fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets shall be presented under this account head.

##### **(d) Assets Revaluation Reserve**

Any reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets, Investment Property) shall be presented under this heading. Revaluation reserves often serve as a cushion against unexpected losses but may not be fully available to absorb unexpected losses due to the subsequent deterioration in market values and tax consequences of revaluation.

##### **(e) Capital Reserve**

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. The amount from share forfeiture due to non-payment of remaining amount for the unpaid shares, capital grants received in cash or kind, capital reserve arising out of merger and acquisition etc should be presented under this heading.

##### **(f) Special Reserve**

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB shall represent special reserve. The amount allocated to this reserve by debiting retained earning account shall be presented under this heading.

##### **(g) Capital Redemption Reserve**

This head shall include the statutory reserve created for making payment towards Redeemable Non-Convertible Preference Shares.

##### **(h) Dividend Equalization Fund**

For the purpose of maintaining uniformity in dividend payment, certain amount of profit during the year of profit making may be transferred shall be presented under this account head. Dividend may be distributed by debiting this account with the approval of the Board of Directors and endorsed by the General meeting.

##### **(i) Capital Adjustment/Equalization Fund**

Any amount that is allocated from the amount retained profit to a reserve that is created for the raising capital of the Bank as well as calls is advance amount to make up minimum paid up capital amount shall be presented under this account head.

**(j) Corporate Social Responsibility Fund**

The fund created for the purpose of corporate social responsibility by allocating profit shall be presented under this account head.

**(k) Investment Adjustment Reserve**

It is a regulatory reserve created as a cushion for adverse price movements in bank's investments as directed by the Directives of Nepal Rastra Bank.

**(l) Actuarial Gain/Loss Reserve**

Actuarial gain or loss that represents change in actuarial assumptions used to value employee obligations shall be presented under this account head.

**(m) Regulatory Reserve**

The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the Directive of NRB for the purpose of implementation of NFRSs and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The amount allocated to this reserve shall include interest income recognized but not received in cash, difference of loan loss provision as per NRB directive and impairment on loan and advance as per NFRSs (in case lower impairment is recognized under NFRSs), amount equals to deferred tax assets, actual loss recognized in other comprehensive income, amount of goodwill recognized under NFRSs etc.

**(n) Other Reserve Fund**

Any reserve created with specific or non-specific purpose (except stated in above) shall be presented under this by disclosing accounting heads.

**Non-Controlling Interest**

Non-controlling interest (NCI) is the portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest and consolidates the subsidiary's financial results with its own. The bank who has a subsidiary and consolidates the financial statement of subsidiary in its own shall present the equity portion of the subsidiary that are attributable to the shareholders other than the bank under this account head.

**Share Premium**

The amount of money collected on issue of shares in excess of its face value shall be presented under this heading. The outstanding amount in this account shall not be considered eligible for distribution of cash dividend.

**Retained Earning**

The accumulated profits which have not been distributed to shareholders and has been ploughed back in the licensed institution's operations and is free for distribution of dividend to the shareholders shall be presented under this heading.

**4.28 Contingent Liabilities and Commitment**

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. 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. Such commitment amounts are also presented under Contingent Liabilities and commitments

Brief Explanations on Accounting Heads of the Statement of Profit or Loss Account

**4.29 Interest Income**

The interest income recognized as per NFRSs shall be presented under this head. This heading shall include interest income on loan and advance, investment securities except on those investment securities measure at fair value through profit or loss, cash and cash equivalent, due from Nepal Rastra Bank, due from BFIs, loan and advances to staff etc.

**4.30 Interest expenses**

The interest expenses recognized as per NFRSs shall be presented under this head. The interest accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to bank and financial institutions, due to NRB etc. shall be presented under this heading.

#### **4.31 Fees and commission income**

Fee income is earned for diverse ranges of services provided by the bank to its customers. Fee income arises on the execution of a significant act completed or from provision of services like asset management, portfolio management, management advisory and service fees etc. Loan documentation fee, loan management fee, consortium fee, commitment fee, card issuance and renewal fees, prepayment and swap fee, remittance fee, investment banking fee, asset management fee, brokerage, commission on letter of credit, commission on guarantee, locker rental income, etc. should be presented under this heading. The fees and commission income that are integral to the effective interest rate on the financial assets are included in the measurement of the effective interest rate and shall not be recognized as income, however immaterial amount can be recognized in profit or loss account as income.

#### **4.32 Fees and commission expense**

Payouts on account of fee and commission for services obtained by the bank shall be presented under this account head. This account head shall include card related fees, guarantee commission, brokerage expenses etc. The fees and commission expense that are integral to the effective interest rate on the financial liability are included in the measurement of the effective interest rate and shall not be recognized as expense.

#### **4.33 Net trading income**

Trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities shall be presented under this account head.

#### **4.34 Other operating income**

Receipt of all other operating income not specifically provided under the income heads above shall be booked and presented under this head. This shall include foreign exchange revaluation gain, gain/loss on sale of available for sale securities, dividend on available for sale securities, gain/loss on sale of property and equipment, gain/loss on sale of investment properties, operating lease income, gain/loss on sale of gold and silver, finance income of finance lease etc.

#### **4.35 Impairment charge/ (reversal) for the loans and other losses**

Impairment loss recognized as per NFRSs on loan and other losses shall be presented under this account head. It shall include impairment charge/reversal on loan and advances to customers, loan and advances to bank and financial institutions, investment securities, placement with bank and financial institutions, property and equipment, goodwill and intangible assets, investment properties etc.

#### **4.36 Personnel expenses**

All expenses related to employees of a bank shall be included under this head. Expenses covered under this head include employees' salary, allowances, pension, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, finance expense under NFRSs, cash-settled share-based payments etc.

#### **4.37 Other operating expense**

All operating expense other than those relating to personnel expense are recognized and presented under this account head. The expenses covered under this account head shall include office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non-audit fee paid to auditors, professional and legal expense, branch closure cost expense, redundancy cost expense, expense of restructuring, impairment of non-financial assets, expense of corporate social responsibility, onerous lease provisions etc.

#### **4.38 Depreciation and amortization**

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 NFRSs on property and equipment, and investment properties, and amortization of intangible assets shall be presented under this account head.

#### **4.39 Non-operating income**

The income and expenses that have no direct relationship with the operation of transactions shall be presented under this head. The income/expense covered under this account head shall include loan written off, recovery of loan, redundancy provision, expense of restructuring etc

#### **4.40 Income tax expenses**

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

#### **4.41 Brief Explanations on Accounting Heads of the Statement of Other Comprehensive Income**

##### **1. Fair value reserve relating to investment in equity instruments**

Net changes in fair value of equity instrument that are measured at fair value and the changes in fair value is required to be recognized in other comprehensive income shall be recognized and presented under this account head. The changes may be subsequently reclassified to profit and loss in accordance with the relevant NFRSs shall also be deducted from the fair value reserve.

##### **2. Changes in revaluation reserve**

Changes in revalued amount of property and equipment, and intangible assets shall be presented under this account head.

##### **3. Cash flow hedge**

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value (losses) of the derivative is recognized and presented in Other comprehensive income under this account head. The changes may be subsequently reclassified to profit and loss in accordance with the relevant NFRSs shall also be deducted from the fair value reserve.

##### **4. Net actuarial gain/loss on defined benefit plans**

Re-measurement gain/losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and shall be presented under this account head.

##### **5. Income tax relating to these items**

The income tax relating to the items shown in other comprehensive income shall be presented under this head.

#### 4.1 Cash and cash equivalent

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Cash in hand	35,756,392	34,406,288
Balances with B/FIs	196,300,303	232,695,125
Money at call and short notice	-	-
Other	-	-
<b>Total</b>	<b>232,056,695</b>	<b>267,101,413</b>

#### 4.2 Due from Nepal Rastra Bank

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Statutory balances with NRB	231,641,986	240,544,182
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	1,200,971,136	-
<b>Total</b>	<b>1,432,613,122</b>	<b>240,544,182</b>

#### 4.3 Placements with Bank and Financial Institutions

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
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 2082	31 Ashad 2081
<b>Held for trading</b>	<b>-</b>	<b>-</b>
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>Held for risk management</b>	<b>-</b>	<b>-</b>
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 4.5 Other trading assets

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Pledged	-	-
Non-pledged	-	-

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

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Loans to microfinance institutions	-	20,000,000
Other	-	-
Less: Allowances for impairment	-	240,000
<b>Total</b>	<b>-</b>	<b>19,760,000</b>

**4.6.1: Allowances for impairment**

<b>Balance at the end of Previous Year</b>	<b>240,000</b>	<b>325,000</b>
Impairment loss for the year:	(240,000)	(85,000)
Charge for the year	(240,000)	(85,000)
Recoveries/reversal	-	-
Amount written off	-	-
<b>Balance at the end of this year</b>	<b>-</b>	<b>240,000</b>

**4.7 Loans and advances to customers**
*Amount in NPR*

<b>Particulars</b>	<b>32 Ashad 2082</b>	<b>31 Ashad 2081</b>
Loan and advances measured at amortized cost	4,364,551,287	4,148,931,203
Less: Impairment allowances	(503,901,227)	(241,559,283)
Collective impairment	451,253,518	-
Individual impairment	52,647,710	241,559,283
<b>Net amount</b>	<b>3,860,650,060</b>	<b>3,907,371,920</b>
Loan and advances measured at FVTPL	-	-
<b>Total</b>	<b>3,860,650,060</b>	<b>3,907,371,920</b>

**4.7.1: Analysis of loan and advances - By Product**

<b>Particulars</b>	<b>32 Ashad 2082</b>	<b>31 Ashad 2081</b>
<b>Product</b>		
Term loans	327,346,406	266,462,430
Overdraft	1,170,367,071	757,210,835
Trust receipt/Import loans	-	-
Demand and other working capital loans	53,313,042	111,707,881
Personal residential loans	819,817,938	786,163,456
Real estate loans	343,576,784	319,151,646
Margin lending loans	281,662,854	343,557,743
Hire purchase loans	137,546,958	130,753,169
Deprived sector loans	142,007,342	187,072,333
Bills purchased	-	-
Staff loans	67,577,350	61,488,738
Other	981,158,037	1,107,639,123
<b>Sub total</b>	<b>4,324,373,782</b>	<b>4,071,207,354</b>
Interest receivable	40,177,505	77,723,849
<b>Grand total</b>	<b>4,364,551,287</b>	<b>4,148,931,203</b>

**4.7.2: Analysis of loan and advances - By Currency**

<b>Particulars</b>	<b>32 Ashad 2082</b>	<b>31 Ashad 2081</b>
Nepalese rupee	4,364,551,287	4,148,931,203
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>4,364,551,287</b>	<b>4,148,931,203</b>

#### 4.7.3: Analysis of loan and advances - By Collateral

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Secured</b>		
Movable/immovable assets	3,805,960,296	3,440,487,199
Gold and silver	-	-
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	56,560,569	75,347,395
Collateral of Government securities	-	-
Counter guarantee	-	-
Personal guarantee	124,454,473	142,227,925
Other collateral	333,383,129	410,145,822
<b>Subtotal</b>	<b>4,324,373,783</b>	<b>4,072,223,657</b>
Unsecured	40,177,505	77,723,849
<b>Grant Total</b>	<b>4,364,551,288</b>	<b>4,149,947,506</b>

#### 4.7.4: Allowances for impairment

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Specific allowances for impairment</b>		
<b>Balance at the end of Previous Year</b>	<b>178,098,430</b>	<b>130,477,891</b>
Impairment loss for the year:	(125,450,720)	111,081,392
Charge for the year	(125,450,720)	111,081,392
Recoveries/reversal during the year		-
Write-offs	-	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at the end of This Year</b>	<b>52,647,710</b>	<b>241,559,283</b>
<b>Collective allowances for impairment</b>		
<b>Balance at the end of Previous Year</b>	<b>63,460,853</b>	-
Impairment loss for the year:	387,792,665	-
Charge/(reversal) for the year	387,792,665	-
Exchange rate variance on foreign currency impairment	-	-
Other movement	-	-
<b>Balance at the end of This Year</b>	<b>451,253,518</b>	-
<b>Total allowances for impairment</b>	<b>503,901,227</b>	<b>241,559,283</b>

#### 4.8 Investment securities

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Investment securities measured at amortized cost	421,514,326	1,294,508,353
Investment in equity measured at FVTOCI	202,012,046	298,386,210
<b>Total</b>	<b>623,526,372</b>	<b>1,592,894,563</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
Debt securities	-	-
Government bonds	421,514,326	421,514,326
Government treasury bills	-	722,994,027
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	150,000,000
Other	-	-
Less: specific allowances for impairment	-	-
<b>Total</b>	<b>421,514,326</b>	<b>1,294,508,353</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Equity instruments</b>	-	-
Quoted equity securities	124,454,346	192,924,810
Unquoted equity securities	77,557,700	105,461,400
<b>Total</b>	<b>202,012,046</b>	<b>298,386,210</b>



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

Particulars	32 Ashad 2082		31 Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity	61,649,100	124,454,346	160,330,000	192,924,810
National Micro Finance Bittiya Sanstha Ltd. (Promoter) 25,000 shares of Rs. 100 each and 54,873 bonus shares	-	-	-	-
National Micro Finance Bittiya Sanstha Ltd. (Promoter) 70,470 bonus shares	-	47,567,250	-	45,952,345
Nepal Life Insurance Co. Ltd. 1 Bonus share	-	776	-	619
NIC Asia Balanced Fund 1,000,000 shares os Rs.10 each	10,000,000	9,770,000	10,000,000	9,600,000
NMB Mutual Fund 1,000,000 shares of Rs.10 each	-	-	10,000,000	10,040,000
Sanima Large Cap Fund 2,000,000 shares of Rs. 10 each	-	-	20,000,000	18,580,000
Kumari Equity Fund 250,000 shares of Rs. 10 each	2,500,000	2,507,500	2,500,000	2,415,000
NIBSF2 2,000,000 shares of Rs. 10 each	20,000,000	17,640,000	20,000,000	16,500,000
PSF 1,468,090 shares of Rs. 10 each	-	-	14,680,900	14,372,601
SBCF 2,000,000 shares of Rs. 10 each	-	-	20,000,000	16,540,000
Mega Mutual Fund I 436340 Shares of Rs. 10 Each	4,363,400	4,180,137	4,363,400	3,368,545
Kumari Dhanbriddhi Yojana 200,000 Shares of Rs. 10 Each	-	-	20,000,000	19,340,000
Laxmi Value Fund II 1,000,000 Shares of Rs. 10 Each	-	-	10,000,000	9,240,000
Himalayan Closed End MF H8020 1,000,000 Shares of Rs. 10 Each	-	-	10,000,000	9,990,000
NIC Asia Growth Fund 2 1,000,000 Shares of Rs. 10 Each	10,000,000	9,980,000	10,000,000	8,200,000
Kumari Sabal Yojana 150,000 Shares of Rs. 10 Each	1,500,000	1,527,000	1,500,000	1,500,000
Reliable Samriddhi Fund 500,000 Shares of Rs. 10 Each	5,000,000	4,985,000	-	-
General Insurance Company Limited (Promoter) 78,321 Shares of Rs. 100 Each	7,285,700	25,297,683	7,285,700	7,285,700
MNMF I 100,000 Shares of Rs. 10 Each	1,000,000	999,000		

<b>Investment in unquoted equity</b>	<b>54,316,200</b>	<b>77,557,700</b>	<b>87,816,200</b>	<b>105,461,400</b>
Nepal Clearing House 161,723 Shares of Rs. 100 Each	2,025,200	16,172,300	2,025,200	10,576,000
Karja Suchana Kendra 98,854 Shares of Rs. 100 Each	791,000	9,885,400	791,000	9,885,400
Citizen Investment Trust 350,000 Shares of Rs 100 Each	-	-	35,000,000	35,000,000
National Equity Fund-I 50,000 Shares of Rs 1000 Each	50,000,000	50,000,000	50,000,000	50,000,000
National Banking Institute 15,000 Shares of Rs. 100 Each	1,500,000	1,500,000		
<b>Total</b>	<b>115,965,300</b>	<b>202,012,046</b>	<b>248,146,200</b>	<b>298,386,210</b>

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

#### 4.9 Current tax assets

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Current tax assets	109,694,088	71,934,115
Current year income tax assets	1,609,956	1,623,323
Tax assets of prior periods	71,934,115	73,507,928
Opening Tax asset adjustment	36,150,017	(3,197,136)
Current tax liabilities	61,015,539	55,510,185
Current year income tax liabilities	5,505,354	14,001,263
Tax liabilities of prior periods	55,510,185	41,508,922
<b>Total</b>	<b>48,678,549</b>	<b>16,423,930</b>

#### 4.10 Investment in subsidiaries

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

##### 4.10.1: Investment in quoted subsidiaries

Particulars	32 Ashad 2082		31 Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
.....				
<b>Total</b>	-	-	-	-

##### 4.10.2: Investment in unquoted subsidiaries

Amount in NPR

Particulars	32 Ashad 2082		31 Ashad 2081	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.	-	-		
.....shares of Rs. ....each				
.....				
<b>Total</b>	-	-	-	-

##### 4.10.3: Information relating to subsidiaries of the Finance

Amount in NPR

Particulars	Percentage of ownership held by the Finance	
	32 Ashad 2082	31 Ashad 2081

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

Particulars	Current Year			
	....Ltd	....Ltd	....Ltd	....Ltd
Equity interest held by NCI (%)				
Profit/(loss) allocated during the year			-	
Accumulated balances of NCI as on Ashadh end 2080			-	
Dividend paid to NCI				
Funds used			-	
<b>NCI as on Ashadh end 2082</b>	-		-	
Particulars	Previous Year			
	....Ltd	....Ltd	....Ltd	....Ltd
Equity interest held by NCI (%)				
Profit/(loss) allocated during the year			-	
Accumulated balances of NCI as on Ashadh end 2079			-	
Dividend paid to NCI				
Funds used			-	
<b>NCI as on Ashadh end 2082</b>			-	

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

Particulars	32 Ashad 2082	31 Ashad 2081
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
<b>Total investment</b>	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

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

Particulars	32 Ashad 2082		31 Ashad 2081	
	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**
*Amount in NPR*

Particulars	32 Ashad 2082		31 Ashad 2081	
	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 2082	31 Ashad 2081
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....		

#### 4.11.4: Equity value of associates

Particulars		
.....Ltd.		
.....Ltd.		
.....		
<b>Total</b>		

#### 4.12 Investment properties

*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Investment properties measured at fair value		
Balance as on the end of Previous Year	-	-
Addition/disposal during the year- Net	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	-	-
Investment properties measured at cost		
Balance as on the end of Previous Year	280,124,526	213,306,661
Addition/disposal during the year	(19,604,289)	66,817,865
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
Net amount	260,520,237	280,124,526
<b>Total</b>	<b>260,520,237</b>	<b>280,124,526</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 2082	Total Asar End 2081
Cost										
As on Shrawan 1, 2080	152,272,707	61,639,768	125,938,707	22,894,824	23,319,683	25,579,368	847,500	60,231,631		472,724,188
Addition during the Year	-	-	8,200,077	668,000	-	72,500	-	2,356,642		11,297,219
Acquisition			327,969	668,000	-	72,500	-	2,356,642		3,425,111
Capitalization	-	-	7,872,108							7,872,108
Disposal during the year					(4,893,151)	(351,210)		(53,901)		
Adjustment/Revaluation-80-81	-		4,000,194							4,000,194
<b>Balance as on Ashadh end 2081</b>	<b>152,272,707</b>	<b>61,639,768</b>	<b>138,138,978</b>	<b>23,562,824</b>	<b>18,426,532</b>	<b>25,300,658</b>	<b>847,500</b>	<b>62,534,372</b>	<b>482,723,339</b>	<b>482,723,339</b>
Addition during the Year	-	-	8,622,360	711,000	6,665,900	172,783	-	3,092,392	19,264,435	
Acquisition			2,056,197	711,000	6,665,900	172,783	-	3,092,392	12,698,272	
Capitalization	-	-	6,566,163						6,566,163	
Disposal during the year					(6,490,000)	-		(252,250)	(6,742,250)	
Adjustment/Revaluation	-								-	
<b>Balance as on Ashadh end 2082</b>	<b>152,272,707</b>	<b>61,639,768</b>	<b>146,761,338</b>	<b>24,273,824</b>	<b>18,602,432</b>	<b>25,473,441</b>	<b>847,500</b>	<b>65,374,514</b>	<b>495,245,524</b>	<b>482,723,339</b>
<b>Depreciation and Impairment</b>										
As on Shrawan 1, 2080	-	27,535,742	33,799,239	20,431,930	8,216,018	22,074,693	847,500	44,150,147	157,055,269	157,055,269
Depreciation charge for the year	-	-							-	-
Impairment for the year	-	1,546,784	14,730,610	812,066	2,734,910	1,166,144	-	5,206,691	26,197,205	-
Disposals	-				(4,660,143)	(351,210)			(5,011,353)	(5,011,353)
Adjustment upto 80-81	-							(1,795)	(1,795)	(1,795)
<b>As on Ashadh end 2081</b>	<b>-</b>	<b>29,082,526</b>	<b>48,529,849</b>	<b>21,243,996</b>	<b>6,290,785</b>	<b>22,889,627</b>	<b>847,500</b>	<b>49,355,043</b>	<b>178,239,326</b>	<b>178,239,326</b>
Depreciation charge for the year		1,546,784	13,453,159	871,548	1,965,428	903,320	-	4,855,046	23,595,284	-
Impairment for the year	-								-	-
Disposals	-				(1,390,714)	-			(1,390,714)	-
Adjustment	-							(226,650)	(226,650)	-
<b>As on Ashadh end 2082</b>	<b>-</b>	<b>30,629,310</b>	<b>61,983,008</b>	<b>22,115,544</b>	<b>6,865,499</b>	<b>23,792,947</b>	<b>847,500</b>	<b>53,983,439</b>	<b>200,217,246</b>	<b>178,239,326</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Net Book Value										
As on Ashadh end 2080	152,272,707	34,104,026	92,139,468	2,462,894	15,103,665	3,504,675	-	16,081,484	315,668,918	
As on Ashadh end 2081	152,272,707	32,557,242	89,609,129	2,318,828	12,135,747	2,411,031	-	13,179,329	304,484,013	304,484,013
As on Ashadh end 2082	152,272,707	31,010,458	84,778,330	2,158,280	11,736,933	1,680,494	-	11,391,075	295,028,278	

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 2082	Total Ashad end 2081
		Purchased	Developed			
<b>Cost</b>						
As on Shrawan 1, 2080	-	7,525,170	-	-	7,525,170	6,178,837
Addition during the Year	-	671,500	-	-	671,500	1,346,333
Acquisition		671,500			671,500	1,346,333
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>Balance as on Ashadh end 2081</b>	-	<b>8,196,670</b>	-	-	<b>8,196,670</b>	<b>7,525,170</b>
Addition during the Year	-	494,549	-	-	494,549	671,500
Acquisition		494,549			494,549	671,500
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>Balance as on Ashadh end 2082</b>	-	<b>8,691,219</b>	-	-	<b>8,691,219</b>	<b>8,196,670</b>
Amortization and Impairment						
As on Shrawan 1, 2080	-	3,468,698	-	-	3,468,698	2,367,292
Amortization charge for the Year	-	1,349,823	-	-	1,349,823	1,101,406
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>As on Ashadh end 2081</b>	-	<b>4,818,521</b>	-	-	<b>4,818,521</b>	<b>3,468,698</b>
Amortization charge for the Year	-	1,483,937	-	-	1,483,937	1,349,823
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>As on Ashadh end 2082</b>	-	<b>6,302,458</b>	-	-	<b>6,302,458</b>	<b>4,818,521</b>
<b>Capital Work in Progress</b>	-	-	-	-	-	-
<b>Net Book Value</b>						
<b>As on Ashadh end 2080</b>	-	<b>4,056,472</b>	-	-	<b>4,056,472</b>	
<b>As on Ashadh end 2081</b>	-	<b>3,378,149</b>	-	-	<b>3,378,149</b>	<b>3,378,149</b>
<b>As on Ashadh end 2082</b>	-	<b>2,388,761</b>	-	-	<b>2,388,761</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 Taxes Assets/(Liabilities)**

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	As on Ashad 32, 2082
			Net Deferred Tax Assets /(Liabilities)
<b>Deferred tax on temporary differences on following items</b>	-	-	-
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	83,750,941	-	83,750,941
Investment Properties	-	-	-
Investment Securities	-	25,814,024	(25,814,024)
Property and Equipment	-	19,522,245	(19,522,245)
Employees' Defined Benefit Plan	333,479	-	333,479
Employees' Leave Liability	7,227,196	-	7,227,196
Lease Liabilities	23,627,763	-	23,627,763
Provisions	3,536,767	-	3,536,767
Intangible Assets	299,334	-	299,334
Other Temporary Differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>118,775,480</b>	<b>45,336,269</b>	<b>73,439,212</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 year end of 2081/82</b>			<b>73,439,212</b>
Recognized in Profit of Loss			91,188,360
Recognized in Other Comprehensive Income			(18,820,775)
Recognized directly in equity			1,071,626
<b>Deferred Tax Asset/ (Liabilities) as on Shrawan 1, 2081</b>	<b>-</b>		<b>28,320,689</b>
Adjustment			23,670,848
<b>Deferred Tax Asset/ (Liabilities) as on Shrawan 1, 2081, Restated</b>			<b>4,649,842</b>
Origination/(Reversal) during the year			(68,789,370)
Deferred Tax (expense)/ income recognized in profit or loss			79,531,391
Deferred Tax (expense)/ income recognized in Other Comprehensive Income			(8,768,531)
Deferred Tax (expense)/income recognized directly in equity			(1,973,490)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	As on Ashad 31 , 2081
			Net Deferred Tax Assets /(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	31,498,032	-	31,498,032
Investment Properties	-	-	-
Investment Securities	-	15,072,003	(15,072,003)
Property and Equipment	-	21,807,330	(21,807,330)
Employees' Defined Benefit Plan	6,440,070	-	6,440,070
Employees' Leave Liability	-	-	-
Lease Liabilities	23,725,153	-	23,725,153
Provisions	3,536,767	-	3,536,767
Intangible Assets	-	-	-
Other Temporary Differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>65,200,022</b>	<b>36,879,333</b>	<b>28,320,689.00</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 year end of 2080/81</b>			<b>28,320,689.00</b>
Recognized in Profit of Loss			35,327,817
Recognized in Other Comprehensive Income			(10,052,244)
Recognized directly in equity			3,045,116
<b>Deferred Tax Asset/ (Liabilities) as on Shrawan, 2081</b>			<b>(11,117,713)</b>
Adjustment			(18,253,176)
<b>Deferred Tax Asset/ (Liabilities) as on Shrawan, 2081, Restated</b>			<b>(29,370,889)</b>
Origination/(Reversal) during the year			(57,691,578)
Deferred Tax (expense)/income recognized in profit or loss			51,537,379
Deferred Tax (expense)/income recognized in Other Comprehensive Income			3,109,083
Deferred Tax (expense)/income recognized directly in equity			3,045,116

#### 4.16 Other assets

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	141,752	116,372
Accrued income	-	2,702,158
Prepayments and deposit	9,224,277	7,504,594
Income tax deposit	6,923,456	6,923,456
Deferred employee expenditure	1,264,047	1,249,881
Other	21,874,595	18,095,664
Stationary Stock	1,077,887	1,010,964
Receivable Insurance	351,541	265,835
Bank 1 day interest receivable	-	-
Unwinding of Interest	696,446	742,988
Gratuity Surplus	-	-
Debit Card Stock	251,538	283,630
Plan Assets-Net	519,068	-
Other	18,978,115	15,792,247
<b>Total</b>	<b>39,428,127</b>	<b>36,592,125</b>

#### 4.17 Due to Bank and Financial Institutions

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Money market deposits	-	-
Interbank borrowing	-	-
Settlement and clearing accounts	-	-
Other deposits from BFIs	40,852,477	24,669,231
<b>Total</b>	<b>40,852,477</b>	<b>24,669,231</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 2082	31 Ashad 2081
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of last resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
<b>Total</b>	<b>-</b>	<b>-</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.

#### 4.19 Derivative financial instruments

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
<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>



**4.20 Deposits from customers**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Institutions customers:</b>		
Term deposits	641,325,465	592,365,576
Call deposits	228,249,873	184,536,381
Current deposits	79,361,873	55,340,405
Other	66,074,251	54,094,895
<b>Individual customers:</b>		
Term deposits	3,063,302,500	3,425,957,864
Saving deposits	1,579,943,096	1,090,627,416
Current deposits	55,111,992	32,243,733
Other	-	-
<b>Total</b>	<b>5,713,369,050</b>	<b>5,435,166,270</b>

**4.20.1: Currency wise analysis of deposit from customers**

Particulars	32 Ashad 2082	31 Ashad 2081
Nepalese rupee	5,713,369,050	5,435,166,270
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>5,713,369,050</b>	<b>5,435,166,270</b>

**4.21 Borrowing**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
<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 2082	31 Ashad 2081
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-

**4.22.1: Movement in provision**

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Balance at Shrawan 1, 2081</b>	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
<b>Balance at Ashadh end, 2082</b>	-	-

#### 4.23 Other liabilities

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Liability for employees defined benefit obligations	-	3,774,505
Liability for long-service leave	24,090,654	17,692,396
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	10,355,948	46,759,200
Interest payable on deposit	1,808,994	3,511,667
Interest payable on borrowing - refinance	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	594,563	594,563
Liabilities under Finance Lease	78,759,209	79,083,843
Employee bonus payable	-	-
<b>Other</b>	<b>60,414,735</b>	<b>48,015,467</b>
TDS Payable	4,639,607	5,187,295
Interest TDS	3,563,519	4,232,102
Salary TDS	696,688	492,569
Other TDS	379,400	462,624
Others	55,775,128	42,828,172
<b>Total</b>	<b>176,024,103</b>	<b>199,431,641</b>

#### 4.23.1: Defined benefit obligations

The amounts recognised in the statement of financial position are as follows:

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
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	1,111,597	44,482,811

#### 4.23.2: Plan assets

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
Plan assets comprise		
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other (Deposit at CIT)	1,630,665	40,708,304
<b>Total</b>	<b>1,630,665</b>	<b>40,708,304</b>
Actual return on plan assets		

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

Particulars	32 Ashad 2082	31 Ashad 2081
Defined benefit obligations at Shrawan 1, 2081	44,482,809	43,468,861
Actuarial losses	-	(4,129,517)
Benefits paid by the plan	(41,767,467)	(2,331,394)
Current service costs and interest	(1,603,745)	7,474,861
<b>Defined benefit obligations at Ashadh end, 2082</b>	<b>1,111,597</b>	<b>44,482,811</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
Fair value of plan assets at Shrawan 1, 2081	40,708,304	36,835,415
Contributions paid into the plan		2,966,735
Benefits paid during the year	(41,767,467)	(2,331,394)
Actuarial (losses) gains	-	(445,994)
Expected return on plan assets	2,689,828	3,683,542
<b>Fair value of plan assets at Ashadh end, 2082</b>	<b>1,630,665</b>	<b>40,708,304</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
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**

Particulars	32 Ashad 2082	31 Ashad 2081
Actuarial (gain)/loss	-	(3,683,523)
<b>Total</b>	<b>-</b>	<b>(3,683,523)</b>

**4.23.7: Actuarial assumptions**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Discount rate	8.00%	8.00%
Expected return on plan asset	0.00%	8.00%
Future salary increase	7.00%	7.00%
Withdrawal rate	10.00%	10.00%

**4.24 Debt securities issued**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
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 Subordinated Liabilities**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.26 Share capital**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Ordinary shares	890,424,236	854,816,779
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
<b>Total</b>	<b>890,424,236</b>	<b>854,816,779</b>

#### 4.26.1: Ordinary shares

Particulars	32 Ashad 2082	31 Ashad 2081
<b>Authorized Capital</b> 10,000,000 Ordinary Share of Rs. 100 each	1,000,000,000	1,000,000,000
<b>Issued capital</b> 8,905,242.37 Ordinary Share of Rs. 100 each	890,524,237	890,524,237
<b>Subscribed and paid up capital</b> 8,904,242.36 Ordinary Share of Rs. 100 each	890,424,236	854,816,779
<b>Total</b>	<b>890,424,236</b>	<b>854,816,779</b>

#### 4.26.2: Ordinary share ownership

Particulars	32 Ashad 2082	31 Ashad 2081
	Percent	Percent
<b>Domestic ownership</b>	<b>100%</b>	<b>100%</b>
Nepal Government	-	-
"A" class licensed institutions	-	-
Other licensed intitutions	-	-
Other Institutions (Promoters)	-	-
Public	48.58%	40.18%
Other (Promoters)	51.42%	59.82%
<b>Foreign ownership</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

SN	Name of Shareholder	No. of Shares	%
1	Rajendra Kumar Sharma	908,833	10.21%
2	Robinda Prasad Shrestha	742,352	8.34%
3	Laxmi Shrestha	174,188	1.96%
4	Indra Lal Shrestha	167,902	1.89%
5	Bandana Sapkota	148,096	1.66%
6	Ramvha Shrestha	138,309	1.55%
7	Yubaraj Sharma	134,294	1.51%
8	Devendra Prasad Dhoju	189,842	2.13%
9	Arbind Tulachan	121,991	1.37%
10	Milan Thapa	121,865	1.37%
11	Bindu Gaire Sharma	121,751	1.37%
12	Rajendra Prasad Dhoju	265,410	2.98%
13	Harendra Thagunna	92,500	1.04%
14	Bijula Thapa Khadka	80,510	0.90%
15	Durga Vohra	71,210	0.80%
16	Gauri Shrestha	63,267	0.71%
17	Amulya Manandhar	49,359	0.55%
18	Kusum Pun	48,613	0.55%
19	Bishnu Bahadur K.C.	47,160	0.53%
	<b>Total</b>	<b>3,687,452</b>	<b>41.42%</b>

**4.27 Reserves**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Statutory general reserve	241,035,509	241,035,509
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	1,003,324	1,289,214
Capital Redemption Reserve	-	-
Regulatory reserve	284,777,519	287,277,529
Investment adjustment reserve	-	-
Capital reserve	3,628,619	3,628,619
Assets revaluation reserve	-	-
Fair value reserve	60,232,722	35,168,007
Dividend equalisation reserve	-	-
Debenture redemption reserve	-	-
Actuarial gain	-	(2,685,530)
Special reserve	-	-
Other reserve-Employee Skill Fund	895,184	736,493
<b>Total</b>	<b>591,572,877</b>	<b>566,449,841</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
Contingent liabilities	150,000	150,000
Undrawn and undisbursed facilities	142,463,929	152,489,817
Capital commitment	-	-
Lease Commitment	-	-
Litigation	26,910,743	26,910,743
<b>Total</b>	<b>169,524,672</b>	<b>179,550,560</b>

**4.28.1: Contingent liabilities**
*Amount in NPR*

Particulars	32 Ashad 2082	31 Ashad 2081
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	150,000	150,000
Underwriting commitment	-	-
Other commitments	-	-
<b>Total</b>	<b>150,000</b>	<b>150,000</b>

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

Particulars	32 Ashad 2082	31 Ashad 2081
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	142,463,929	152,489,817
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>Total</b>	<b>142,463,929</b>	<b>152,489,817</b>

#### 4.28.3: Capital commitments

Amount in NPR

Particulars	32 Ashad 2082	31 Ashad 2081
<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 2082	31 Ashad 2081
<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	2,801,804	8,888,375
Due from Nepal Rastra Bank	14,208,845	49,315
Placement with bank and financial institutions	-	150,795
Loan and advances to bank and financial institutions	2,327,266	2,168,147
Loans and advances to customers	496,409,516	523,519,053
Investment securities	36,018,673	52,222,020
Loan and advances to staff	3,545,421	5,924,275
Other	5,538,713	8,694,199
<b>Total interest income</b>	<b>560,850,238</b>	<b>601,616,179</b>

**4.30 Interest expense**
*Amount in NPR*

Particulars	Current Year	Previous Year
Due to bank and financial institutions	4,313,489	6,174,193
Due to Nepal Rastra Bank	-	-
Deposits from customers	414,059,356	468,527,692
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	7,943,866	5,654,227
<b>Total interest expense</b>	<b>426,316,711</b>	<b>480,356,112</b>

**4.31 Fees and Commission Income**
*Amount in NPR*

Particulars	Current Year	Previous Year
Loan administration fees	-	-
Service fees	20,604,571	20,649,413
Consortium fees	-	-
Commitment fees	2,227	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	181,800	120,750
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	112,000	96,000
Other fees and commission income	5,789,336	4,887,185
<b>Total fees and Commission Income</b>	<b>26,689,934</b>	<b>25,753,348</b>

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

Particulars	Current Year	Previous Year
ATM management fees	405,752	413,309
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>405,752</b>	<b>413,309</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	8,026,883	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	8,019,718	7,975,594
Gain/loss on sale of property and equipment	(2,168,560)	1,136,993
Gain/loss on sale of investment property	11,125,039	991,619
Operating lease income	5,195,262	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	16,069,095	7,825,779
<b>Total</b>	<b>46,267,437</b>	<b>17,929,985</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	(240,000)	(85,000)
Impairment charge/(reversal) on loan and advances to customer	262,341,944	111,081,392
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>262,101,944</b>	<b>110,996,392</b>

#### 4.36 Personnel expenses

Amount in NPR

Particulars	Current Year	Previous Year
Salary	47,751,477	41,572,117
Allowances	32,086,323	28,040,499
Gratuity expense	2,170,760	7,474,859
Provident fund	787,947	4,145,771
Uniform	1,926,350	1,919,350
Training & development expense	2,703,803	2,443,065
Leave encashment	12,714,174	5,504,243
Medical	4,271,698	3,300,255
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	-	-
Other expenses related to staff/SSF	7,912,561	1,016,323
Subtotal	112,325,093	95,416,482
Employees bonus	-	-
<b>Grand total</b>	<b>112,325,093</b>	<b>95,416,482</b>



**4.37 Other operating expenses**
*Amount in NPR*

Particulars	Current Year	Previous Year
Directors' fee	1,166,000	350,500
Directors' expense	518,120	316,596
Auditors' remuneration	1,050,353	901,740
Other audit related expense	888,764	651,477
Professional and legal expense	1,037,178	966,114
Office administration expense	49,041,380	46,464,612
Operating lease expense	-	-
Operating expense of investment properties	-	-
Corporate social responsibility expense	285,890	
Onerous lease provisions	-	-
Other	-	-
Share Issue Expenses		
Others	-	-
<b>Total</b>	<b>53,987,685</b>	<b>49,651,039</b>

**4.37.1 Office administration expense**
*Amount in NPR*

Particulars	Current Year	Previous Year
Water and electricity	3,890,801	4,157,684
Repair and Maintenance	1,980,091	2,346,042
(a) Building	648,830	833,937
(b) Vehicle	470,212	903,909
(c) Computer and accessories	133,118	65,100
(d) Office equipment and furniture	562,924	389,640
(e) Other	165,007	153,456
Insurance	798,354	854,277
Postage, Telephone, Internet and Email	2,803,070	3,074,675
Printing & Stationery	1,703,972	2,201,382
Newspaper & Periodicals	58,043	51,625
Advertisements	738,561	1,009,583
Donation	-	-
Security Expense	9,945,498	9,637,855
Deposit and Loan guarantee premium	2,807,757	2,510,236
Travel Allowance and Expense	1,668,781	2,215,354
Fuel Expenses	1,447,582	1,645,778
Entertainment	-	-
Annual/Special General Meeting expense	660,781	-
Other	20,538,089	16,760,121
(a) Office Expenses	7,782,028	6,645,072
(b) Technical Service Fees	5,219,269	3,771,469
(c) Other Fees & taxes	5,930,759	1,766,267
(d) Miscellaneous Expenses	478,219	676,827
(e) Membership Fee	609,303	525,198
(f) Branch Opening/Relocation Expenses	-	143,152
(g) Income Tax Expenses	385,511	3,197,136
(h) Share Auction	-	35,000
(i) Green Saving Deposit Promotional Expenses	133,000	
<b>Total</b>	<b>49,041,380</b>	<b>46,464,612</b>

#### 4.38 Depreciation & Amortisation

Amount in NPR

Particulars	Current Year	Previous Year
Depreciation on property and equipment	23,595,285	26,197,205
Depreciation on investment property	-	-
Amortisation of intangible assets	1,483,937	1,349,823
<b>Total</b>	<b>25,079,222</b>	<b>27,547,028</b>

#### 4.39 Non operating income

Amount in NPR

Particulars	Current Year	Previous Year
Recovery of loan written off	14,635,251	10,258,078
Other income	3,774,505	-
<b>Total</b>	<b>18,409,756</b>	<b>10,258,078</b>

#### 4.40 Non operating expense

Amount in NPR

Particulars	Current Year	Previous Year
Loan written off	2,592,760	29,327,844
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	-	-
<b>Total</b>	<b>2,592,760</b>	<b>29,327,844</b>

#### 4.41 Income tax expense

Amount in NPR

Particulars	Current Year	Previous Year
<b>Current tax expense</b>	<b>5,505,354</b>	<b>14,001,263</b>
Current year	5,505,354	14,001,263
Adjustments for prior years	-	-
<b>Deferred tax expense</b>	<b>(79,531,391)</b>	<b>(51,537,379)</b>
Origination and reversal of temporary differences	(79,531,391)	(51,537,379)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
<b>Total income tax expense</b>	<b>(74,026,037)</b>	<b>(37,536,116)</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 expense and accounting profit

Amount in NPR

Particulars	Current Year	Previous Year
Profit before tax	(230,591,802)	(138,150,616)
Tax amount	(69,177,541)	(41,445,185)
Add: Tax effect of expenses that are not deductible for tax purpose	(84,379,887)	52,828,360
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	79,531,391	-
<b>Total income tax expense</b>	<b>(74,026,037)</b>	<b>11,383,175</b>
Effective tax rate	32.10%	-8.24%

**Comparison of Unaudited and Audited Financial Statements as of FY 2081/82**

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	232,057	232,057	0	0%	
Due from NRB and placements with BFIs	231,642	1,432,613	(1,200,971)	-518%	Reclassification of SDF/DC
Loan and advances	4,102,615	3,860,650	241,965	6%	Staff Loan Reversal/ LLP
Investments Securities	1,824,497	623,526	1,200,971	66%	Reclassification of SDF/DC
Investment in subsidiaries and associates		-	-	0%	
Property and Equipment	293,873	295,028	(1,155)	0%	Net Impact of ROU & its accumulated Depreciation
Goodwill and intangible assets	2,389	2,389	0	0%	
Other assets	356,388	422,066	(65,678)	-18%	Current tax / Deferred tax Assets
<b>Total Assets</b>	<b>7,043,461</b>	<b>6,868,329</b>	<b>175,132</b>	<b>2%</b>	
<b>Capital and Liabilities</b>					
Paid up Capital	890,424	890,424	(0)	0%	
Reserves and surplus	223,006	47,660	175,346	79%	Restate of Retain Earning /Increase in SCI
Deposits	5,754,222	5,754,222	0	0%	
Borrowings	-	-	-	0%	
Bond and Debenture	-	-	-	0%	
Other liabilities and provisions	175,809	176,024	(215)	0%	Lease Liability/staff bonus
<b>Total Capital and Liabilities</b>	<b>7,043,461</b>	<b>6,868,329</b>	<b>175,132</b>	<b>2%</b>	
<b>Statement of Profit or Loss</b>					
Interest income	563,757	560,850	2,907	1%	Revision of Movement in ECL Int.Inc Recognition
Interest expense	(423,929)	(426,317)	2,388	-1%	Revision of Lease Interest Expenses
<b>Net interest income</b>	<b>139,828</b>	<b>134,534</b>	<b>5,294</b>	<b>4%</b>	
Fee and commission income	26,690	26,690	0	0%	
Fee and commission expense	(406)	(406)	(0)	0%	
<b>Net fee and commission income</b>	<b>26,284</b>	<b>26,284</b>	<b>(0)</b>	<b>0%</b>	
Other operating income	38,241	46,267	(8,026)	-21%	Gain on sale of investment
<b>Total operating income</b>	<b>204,353</b>	<b>207,085</b>	<b>(2,732)</b>	<b>-1%</b>	
Impairment charge/(reversal) for loans and other losses	20,286	262,102	(241,816)	-1192%	Provision
<b>Net operating income</b>	<b>184,067</b>	<b>(55,017)</b>	<b>239,084</b>	<b>130%</b>	
Personnel expenses	113,251	112,325	926	1%	Bonus, Actuary valuation, Staff loan
Other operating expenses	79,890	79,067	823	1%	Revision of Lease Depreciation/Prepaid reversal
<b>Operating profit</b>	<b>(9,074)</b>	<b>(246,409)</b>	<b>237,335</b>	<b>-2616%</b>	

Non operating income/expense	12,042	15,817	(3,775)	-31%	Writeback on Settlement of Defined Benefit Plan
<b>Profit before tax</b>	<b>2,968</b>	<b>(230,592)</b>	<b>233,560</b>	<b>7869%</b>	
Income tax	(890)	74,026	(74,916)	8418%	Cumulative tax effect of different adjustments
<b>Profit /(loss) for the period</b>	<b>2,078</b>	<b>(156,566)</b>	<b>158,644</b>	<b>7634%</b>	Gain on sale of investment/writeback on Settlement of Defined Benefit Plan/Provision
Other comprehensive income	25,065	20,460	4,605	18%	Deferred Tax Adjustment on items of OCI
<b>Total comprehensive income</b>	<b>27,143</b>	<b>(136,106)</b>	<b>163,249</b>	<b>601%</b>	
<b>Distributable Profit</b>					
Opening Retained Earnings	(398,486)	(398,486)	-	0%	
Opening Adjustments	11,663	2,827	8,836	76%	DTA adjustment
Net profit/(loss) as per profit or loss	2,078	(156,566)	158,644	7634%	Gain on sale of investment/writeback on Settlement of Defined Benefit Plan
Add/Less: Regulatory adjustment as per NRB Directive	82,685	(6,637)	89,322	108%	Adjustment of GR, actuary loss/Changes in Fair value of Share Investment
<b>Free profit/(loss) after regulatory adjustments</b>	<b>(302,060)</b>	<b>(558,861)</b>	<b>256,801</b>	<b>-85%</b>	Cumulative effects of NFRS Adjustments

## 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	Mr. Bishnu Prasad Gyawali	Coordinator
2	Mr. Prem Sagar Napit	Member
3	Mr. Rajeev Kumar Yadav	Member secretary

The Committees meet at 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.

#### Stress Testing

Stress Testing is a valuable risk management tool which tries to quantify the size of potential losses under certain stress events. A stress event is an exceptional but credible event to which a bank's portfolio is exposed. As a part of its risk measurement mechanism, the Bank puts an emphasis on evaluating where the Bank stands under stressful market conditions. It helps to provide information on the kinds of conditions under which strategies or position, the Bank would be most vulnerable and thus, strategies are devised such that such circumstance doesn't arise and/or to ensure least impact upon the Bank from such scenarios even if they do occur.

#### 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.

Figure in NPR '000

Particulars	1-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Total Assets	3,230,618	400,855	539,608	3,930,091	8,101,172
Total Liabilities	1,256,734	816,157	1,417,530	2,151,646	5,642,067

### 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 Company'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

The capital management approach of the company is driven by its desire to maintain a strong capital base to support the development of its business and to meet the regulatory capital requirements at all times.

As Capital is the centerpiece of the company's performance matrix, a sound capital management forms the very core of the overall performance landscape to ensure that the company delivers on its objective of maximizing the shareholder's value. The senior management of the company is engaged and responsible for prudent capital management at all times. In compliance with the regulatory requirement of increasing the capital base as prescribed by the Central Bank, the company is comfortable in meeting the minimum capital requirements and is strongly positioned to meet the performance benchmarks.

### 5.2.1 Qualitative disclosures

The Board shall be primarily responsible for ensuring the current and future capital needs of the Company in relation to strategic objectives. The management shall review and understand the nature and level of various risks that the Company 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	890,424
b	Share Premium / Capital Reserve	14,948
c	Proposed Bonus Shares	-
d	Statutory General Reserve	241,036
e	Retained Earnings	(558,861)
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	-
l	Less: Investment in equity of institutions in excess of limits	50,000
m	Less: Other Deductions	27,735
	Core (Tier-1) Capital	513,440

#### 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	52,648
c	Exchange Equalization Reserve	
d	Investment Adjustment Reserve	
e	Accrued Interest Receivable on pass loan included in Regulatory Reserve	8,342
f	Interest Capitalized Reserve included in Regulatory Reserve	641
e	Other Reserve	
	Supplementary (Tier-2) Capital	61,631

#### iii. Total qualifying capital

S. N.	Particulars	Amount (NPR '000)
A	Core Capital	513,440
B	Supplementary Capital	61,631
	<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>575,071</b>

#### v. Capital Adequacy Ratio

Capital Adequacy Ratio of the Company as per Basel II as on Ashad 2082 is 9.23% & 10.34% of Core Capital Fund and Total Capital Fund respectively.

#### vi. 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.

**vii. 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, the 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	5,133,125
b	Risk Weighted Exposure for Operational Risk	272,399
c	Risk Weighted Exposure for Market Risk	
Total Risk Weighted Exposure		5,405,524
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	49,483
SRP 6.4a (9)	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	108,110
SRP 6.4a (10)	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	-
Total Risk Weighted Exposures (After Company's adjustments of Pillar II)		5,563,117

**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	39,279
d	Claims on Corporate and Securities Firm	488,313
e	Claims on Regulatory Retail Portfolio	400,100
f	Claims secured by Residential Properties	419,528
g	Claims secured by Commercial Real Estate	-
h	Past due Claims	391,355
i	High Risk Claims	1,783,553
J	Other Assets	1,559,642
K	Off balance sheet items	51,355
<b>Total</b>		<b>5,133,125</b>



c) Total risk weighted exposure calculation table

A. Balance Sheet Exposures		Amount in NPR '000				
		Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weighted Exposures
		a	b	c	d=a-b-c	e
						f=d*e
Cash Balance		35,756	-	-	35,756	0%
Balance With Nepal Rastra Bank		231,642	-	-	231,642	0%
Gold		-	-	-	-	0%
Investment in Nepalese Government Securities		421,514	-	-	421,514	0%
All Claims on Government of Nepal		-	-	-	-	0%
Investment in Nepal Rastra Bank securities		-	-	-	-	0%
All claims on Nepal Rastra Bank		1,200,971	-	-	1,200,971	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 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		196,276	-	-	196,276	20%
Claims on domestic banks that do not meet capital adequacy requirements		24	-	-	24	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		488,313	-	-	488,313	100%
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)	563,069	-	29,603	-	533,466	75%	400,100
Claims fulfilling all criterion of regularity retail except granularity	214,244	-	26,958	-	187,286	100%	187,286
Claims secured by residential properties	699,214	-	-	-	699,214	60%	419,528
Claims not fully secured by residential properties	-	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	97,393	-	-	-	97,393	100%	97,393
Claims secured by Commercial real estate	-	-	-	-	-	100%	-
Past due claims (except for claims secured by residential properties)	260,903	-	-	-	260,903	150%	391,355
High Risk claims	1,189,035	-	-	-	1,189,035	150%	1,783,553
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))	-	-	-	-	-	125%	-
Lending against securities (Bonds)	-	-	-	-	-	100%	-
Lending Against Shares	204,454	-	-	-	204,454	100%	204,454
"Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)"	-	-	-	-	-	100%	-
Personal Hirepurchase/Personal Auto Loans	76,447	-	-	-	76,447	100%	76,447
Investments in equity and other capital instruments of institutions listed in stock exchange	124,454	-	-	-	124,454	100%	124,454
Investments in equity and other capital instruments of institutions not listed in the stock exchange	77,558	-	-	-	77,558	150%	116,337
Staff loan secured by residential property	67,577	-	-	-	67,577	50%	33,789
Interest Receivable/claim on government securities	-	-	-	-	-	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	-	20%	-
Other Assets (as per attachment)	719,483	-	-	-	719,483	100%	719,483
<b>TOTAL (A)</b>	<b>6,868,327</b>	<b>-</b>	<b>56,561</b>	<b>-</b>	<b>6,811,766</b>		<b>5,081,770</b>

Amount in NPR '000

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weighted	Risk Weight Exposures
Revocable Commitments	-	-	-	-	0%	-
Bills Under Collection	-	-	-	-	0%	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	-
LC Commitments With Original Maturity Upto 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 counterparty	7,189	-	-	7,189	40%	2,876
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	-	-	-	-	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)	142,464	-	-	142,464	20%	28,493
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>	<b>169,640</b>	<b>-</b>	<b>-</b>	<b>169,640</b>		<b>51,355</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>7,037,967</b>	<b>-</b>	<b>56,561</b>	<b>6,981,406</b>		<b>5,133,125</b>
<b>Adjustments under Pillar II</b>						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>7,037,967</b>	<b>-</b>	<b>56,561</b>	<b>6,981,406</b>		<b>5,133,125</b>

**d) Amount of NPAs (Both Gross and Net)**

Particulars	Current Year	
	Gross NPAs	Net NPAs
Restructured / Reschedule Loans	-	-
Sub Standard Loans	117,009,314	88,388,127
Doubtful Loans	135,072,096	68,313,061
Loss	361,972,858	6,099,562
<b>Total NPAs</b>	<b>614,054,268</b>	<b>162,800,750</b>

**5.3. Operating Segment Information**

**5.3.1 General Information**

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

**Information about profit or loss, assets, and liabilities**

*Amount in NPR full figure*

Particulars	Province 1	Madhesh	Bagmati	Gandaki	Lumbini	Total
Revenues from external customers	41,059,576	11,158,678	337,035,683	34,360,659	137,235,640	560,850,238
Intersegment revenues	-	-	-	-	-	-
Net revenues	41,059,576	11,158,678	337,035,683	34,360,659	137,235,640	560,850,238
Interest revenue (a)	41,059,576	11,158,678	337,035,683	34,360,659	137,235,640	560,850,238
Interest expense (b)	5,302,201	6,973,048	209,444,661	48,518,463	156,078,337	426,316,711
Net interest revenue (a-b)	35,757,376	4,185,630	127,591,021	(14,157,804)	(18,842,697)	134,533,527
Depreciation and amortization	1,416,228	1,311,238	13,370,145	2,930,701	6,050,910	25,079,222
Segment profit / (loss) before tax	43,819,740	(1,187,724)	(151,130,727)	(29,195,079)	(92,898,030)	(230,591,802)
Impairment of assets	9,252,557	1,910,207	381,266,334	10,676,689	100,795,437	503,901,227
Segment assets	346,278,035	152,254,443	4,632,183,122	342,394,355	1,395,219,457	6,868,329,413
Segment liabilities	94,646,559	93,746,900	4,074,211,889	543,730,167	2,061,993,899	6,868,329,413

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

**Revenue**

<b>Total revenue for reportable segments</b>	<b>560,850,238</b>
Other revenues	
Elimination of intersegment revenues	
<b>Entity's revenue</b>	<b>560,850,238</b>

**Profit or Loss**

<b>Total profit or loss for reportable segments</b>	<b>(230,591,802)</b>
Other profit or loss	
Elimination of intersegment profits	
<b>Profit before income tax</b>	<b>(230,591,802)</b>

**Assets**

<b>Total assets for reportable segments</b>	<b>6,868,329,413</b>
Other assets	
<b>Total assets</b>	<b>6,868,329,413</b>

**Liabilities**

<b>Total liabilities for reportable segments</b>	<b>6,868,329,413</b>
Other liabilities	
<b>Total liabilities</b>	<b>6,868,329,413</b>

### 5.3.3 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 branches/ 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.

### 5.3.4 Information about geographical areas

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

	Domestic	Revenue
A	Province 1	41,059,576
	Madhesh	11,158,678
	Bagmati	337,035,683
	Gandaki	34,360,659
	Lumbini	137,235,640
	Karnali	-
	Mahakali	-
B	Foreign	
	<b>Total</b>	<b>560,850,238</b>

### Information about major customers

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

### 5.4. Share options and share based payment

There is no share-based payment made by the Company.

### 5.5. Contingent Liabilities and Commitment

#### Contingent Liabilities

The company has tax litigation of NPR 19,987,287 and liabilities for guarantee issued of NPR 150,000 is also accounted under this head as presented in schedule 4.28.

#### Commitments:

The company has undrawn limit of overdraft amounting NPR 142,463,929.

### 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
Ramji Gautam	Director
Khim Lal Paudyal	Director
Ram Chandra Devkota	Director
Sushila Khanal	Director
Ram Lal Shrestha	Director
Bishnu Prasad Gyawali	Director
Bauddha Raj Aryal	Director
Bal Narsingh Gharti	Chief Executive Officer
Umesh Singh Bhandari*	Former Chief Executive Officer
Shailendra Bade Shrestha	Other Key Management Personnel

\* Chief Executive officer, Mr. Umesh Singh Bhandari has departed from Best Finance effective from 2081.09.01 and Mr. Bal Narsingh Gharti has been appointed as Chief Executive Officer from 2081.11.26.

## 5.7. 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 attendance in meeting of the Board of Directors and other Board Level Committees. The Chairman of the Board of Directors is paid NPR 5,500 per meeting attended while other members of the board receive NPR 5,000 per meeting attended effective from 2081.09.28. In addition, the directors are reimbursed with Magazine and Article expenses of NPR 2,500 per month effective from 2081.09.28.

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	932,500	266,500
Audit Committee Fee	39,000	21,000
Risk Management Committee fee	46,000	28,000
Money Laundering Prevention Committee	38,000	28,000
Human Resource Committee Fee	35,500	7,000
Other Committee	75,000	-
Other Board expenses	518,120	316,596
<b>Total</b>	<b>1,684,120</b>	<b>667,096</b>

### 5.7.1 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	6,398	5,578
Other Key Management Personnel	2,404	2,070
<b>Total</b>	<b>8,802</b>	<b>7,648</b>
<b>Other Benefits*</b>		
CEO	-	82
Other Key Management Personnel	-	31
<b>Total</b>	<b>-</b>	<b>113</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

## 5.8. Loans and Advances extended to Promoters:

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

## 5.9. 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 2025 till the signing of this financial statement.

#### 5.10. 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 NPR. 65,798,886 has been booked. NPR. 85,403,174 of NBA was sold during the period.

*Amount in NPR Full Figure*

Borrower Name	Date of assuming NBA	32 Ashadh 2082	31 Ashadh 2081
Usha Shrestha	2069.02.26	7,185,061	7,185,061
Mohamad Miya Hajam	2074.02.30	9,120,065	9,120,065
Roshan Kumar Gauttam	2074.04.28	-	4,197,000
Aarati Shrestha	2077.12.25	2,982,650	2,982,650
Srijana Gyawali/Sabita Bhattarai	2077.12.31	3,884,455	3,884,455
Lahanu Dagaura Tharu	2077.12.31	4,618,024	4,618,024
Himthalo Construction	2078.03.27	1,642,950	1,642,950
Prem & Puja Kirana Pasal	2078.06.31	1,743,262	1,743,262
Ncell Kirana Pasal	2078.06.31	1,877,092	1,877,092
Bishambar Khatiwoda	2078.06.31	-	9,524,188
D&P Brothers Suppliers	2078.06.31	4,450,269	4,450,269
Birendra Chaudhary	2078.06.31	645,094	645,094
Shree Jay Hanuman Veli Crusher Udhy	2078.06.31	3,149,672	3,149,672
Jagkiran Construction	2078.06.31	31,155,000	31,155,000
Kaji Sun Chandi Pasal	2078.06.31	-	7,664,190
Nande Sunar	2078.06.24	1,532,000	1,532,000
Saraswati Thapa Bhandari	2078.06.22	10,740,000	10,740,000
Chakra Bahadur Thapa Magar	2078.06.22	1,347,415	1,347,415
Nathu Tharu	2078.12.29	1,371,643	1,371,643
Om Nama Traders	2078.12.29	8,000,000	8,000,000
Ramsamuja Shutting	2079.03.31	2,152,011	2,152,011
Sushmita Dudh Dairy Udhyog	2079.06.31	2,312,659	2,312,659
Nanda Shahi	2079.06.31	5,102,829	5,102,829
Ram Chandra Kohar	2079.09.30	1,675,295	1,675,295
Nirman Bewasai Farm	2079.09.30	2,880,000	2,880,000
Tek Bahadur Sunari	2079.09.30	969,216	969,216
Punam Dangali Hotel	2079.12.28	4,540,073	4,540,073
Prakriti Agro	2079.12.30	20,454,881	20,454,881
Samyog Textile	2079.12.30	3,031,611	3,031,611
Promi Enterprises	2080.03.31	11,289,324	11,289,324
Dharma Raj Agro Center	2080.03.31	4,198,948	4,198,948
Langdhali Khaja ghar	2080.03.31	5,315,507	5,315,507
Aarav Jewelers	2080.03.31	2,780,610	2,780,610
Puja Shreya Trade & Suppliers	2080.03.31	6,077,061	6,077,061
Aaradhya Food Product	2080.03.31	3,175,349	3,175,349
Mina Kumari Damai	2080.03.31	1,430,473	1,430,473
Tamanna Malla Store	2080.03.31	3,667,799	3,667,799
Shyam Sundar Lodh	2080.03.31	3,995,192	3,995,192
Manju Devi Sharma	2080.04.25	3,892,900	3,892,900

Jay Maa Bagheshowri Baluwa Prasodhan	2080.06.30	-	14,996,328
Tauleshwor Prasad Tharu	2080.11.02	2,222,760	2,222,760
Prinsa Beauty Parlour & Training Center	2080.11.22	1,843,356	1,843,356
Gauspak Galla Kharid Bikri Kendra	2080.11.27	1,905,858	1,905,858
Gita Darai	2080.11.27	1,327,314	1,327,314
Bimala Devi Budha Chhetri	2080.11.27	-	2,045,349
Rukum Jajarkot Hotel	2080.11.27	1,217,939	1,217,939
Padam Bahadur Poudel Chhetri	2080.11.27	1,718,910	1,718,910
Dilip Kumar Singh Lodh	2080.12.13	800,000	800,000
Kamal Ahmad Khan	2081.01.16	1,792,827	1,792,827
Dibya Falful Tarakari Pasal	2081.02.18	4,503,748	4,503,748
The Sauraha Cafe	2081.03.24	-	25,900,053
Ana Bahadur Shrestha	2081.03.24	-	2,702,068
Basanta Bista	2081.03.31	6,662,901	6,662,901
Akhtar Jaha Manihar	2081.03.31	723,534	723,534
Dipak & Dipika Suppliers	2081.03.31	3,989,811	3,989,811
Dibya Bahuuddeshiya Krishi		13,414,190	-
Laxman B.K.		4,219,639	-
Jay Prakash Neupane		1,624,040	-
Muskan Resturant		1,440,121	-
Prateek and Praveer Collection		9,389,667	-
Shrijana Soon Chandi Pasal		2,365,561	-
New Shuvakamala Electricals		4,239,573	-
Ram Din Tharu		2,110,353	-
Om Narayan Tharu		2,053,558	-
Narjunj Shahi		3,408,185	-
Govinda Chaudhary		3,160,000	-
<b>Total</b>		<b>260,520,237</b>	<b>280,124,526</b>

#### 5.11. 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	Year ended
		16-Jul-2025	15-Jul-2024
Profit attributable to equity shareholders (a)	NPR '000	(156,566)	(100,614)
Weighted average of number of equity shares used in computing basic earnings per share (b)	In 000	8,845	8,548
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	(17.70)	(11.77)
Revised basis earning per share	Rs	(17.70)	(11.77)

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 basic earnings per share has been adjusted retrospectively calculated based on para 64 of NAS 33.



**5.12. Proposed Distributions (Dividends and Bonus Shares)**

There are no distributions during the year.

**5.13. Unpaid Dividends**

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

*Amount in NPR. '000*

Particulars	As at 16 July 2025	As at 15 July 2024
Not collected for more than 5 years	595	595
Not collected up to 5 years	-	-
<b>Total</b>	<b>595</b>	<b>595</b>

**5.14. Additional disclosures of non-consolidated entities**

There are no further disclosures to be made as per NFRS requirements.

**5.15. Non-performing assets**

The Company's non-performing assets stood at 14.43% as at balance sheet date. The total non-performing assets as at Balance sheet date is NPR 614,054,268.

*Amount in NPR Full Figure*

Loan Category	Current year	Previous Year
<b>Performing Loan</b>	<b>3,642,742,164</b>	<b>3,789,322,780</b>
Pass Loans	3,226,756,051	3,277,779,803
Watchlist Loans	415,986,113	511,542,976
<b>Non-performing Loans</b>	<b>614,054,268</b>	<b>240,395,836</b>
Restructured/		
Rescheduled Loans	-	-
Substandard Loans	117,009,314	49,069,160
Doubtful Loans	135,072,096	41,140,531
Loss Loans	361,972,858	150,186,145
<b>Gross Loans and Advances</b>	<b>4,256,796,431</b>	<b>4,029,718,616</b>

**5.16. Loans Written Off**

The Company has written off loans amounting total of Rs 2,592,760 during the year FY 2081-82.

*Amount in NPR Full Figure*

Borrower Name	Amount
Shrijana Soon Chandi Pasal	1,553,141
Govinda Chaudhary	764,950
Baikuntha Narayan	274,669
<b>Total</b>	<b>2,592,760</b>

**5.17. 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)	4,257	4,030	5,754	5,460	-	-
Highest Exposure of a Single Unit	73.81	50	152.91	161	-	-
Concentration of exposure	1.73%	1.24%	2.66%	2.90%	-	-

\* 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.

### 5.18. Principal Financial Indicators

Particulars	Indicator	F. Y.	F. Y.	F. Y.	F. Y.	F. Y.
		2077-78	2078-79	2079-80	2080-81	2081-82
1. Percentage of Net Profit/Gross Income	%	63%	75%	4%	-61%	-76%
2. Earnings Per Share	NPR	9.88	16.42	1.03	(11.77)	(17.70)
3. Market Value per Share	NPR	426.00	377.50	353	500.00	512.03
4. Price Earnings Ratio	Ratio	43.13	22.99	342.72	(42)	(29)
5. Dividend on share capital (Bonus share + Cash dividend)	%	-	-	-	-	-
6. Cash Dividend on share capital	%	-	-	-	-	-
7. Interest Income/Loans & Advances and Investments	%	11.88%	11.57%	13.32%	11.70%	11.21%
8. Employee Expenses/Total Operating Expenses	%	54.96%	50.39%	53.88%	55.28%	58.69%
9. Interest Expenses on Total Deposits and Borrowings	%	6.72%	7.79%	10.88%	9.75%	7.60%
10. Exchange Fluctuation Gain/Total Income	%	-	-	-	-	-
11. Staff Bonus/ Total Staff Expenses	%	12.81%	19.42%	1.24%	0.00%	0.00%
12. Net Profit/Loans & Advances	%	3.85%	5.12%	0.25%	-2.67%	-4.02%
13. Net Profit/ Total Assets	%	2.05%	2.84%	0.16%	-1.62%	-2.31%
14. Total Credit/Deposit	%	71.39%	88.79%	86.39%	72.25%	73.98%
15. Total Operating Expenses/Total Assets	%	3.14%	3.21%	2.85%	2.77%	2.82%
16. Adequacy of Capital Fund on Risk Weightage Assets						
a. Core Capital	%	22.38%	20.09%	18.69%	12.55%	9.23%
b. Supplementary Capital	%	1.03%	1.28%	1.34%	1.12%	1.11%
c. Total Capital Fund	%	23.01%	21.37%	20.03%	13.67%	10.34%
17. Liquidity (CRR)	%	3.47%	3.36%	4.28%	4.45%	4.18%
18. Nonperforming Loans/Total Loans	%	12.83%	3.07%	3.48%	5.97%	14.43%
19. Weighted Average Interest Rate Spread	%	4.07%	4.27%	4.57%	4.58%	4.38%
20. Base Rate	%	10.95%	13.75%	14.99%	12.57%	10.57%
21. LCY Interest Spread (Calculated as per NRB Directive)	%	4.07%	4.27%	4.57%	4.58%	4.38%
22. Book Net worth Rs in Lacs	NPR	9,325	11,890	11,802	10,377	9,381
23. Total Shares	Number	8,289,138	8,289,138	8,548,168	8,548,168	8,904,242
24. Net Worth Per Share	NPR	112.49	143.58	138.07	121.40	105.35
25. Total Employees	Number	121	131	135	133	133

### 5.19. Valuation Hierarchy

The following tables demonstrates the valuation hierarchy of Company's Assets and Liabilities. This fair value may differ from the actual amount that may be received or paid on settlement, realization or maturity of those Financial Assets and Liabilities.

#### Fair Value of Financial Assets and Liabilities Measured at Fair Value

The fair value measurement hierarchy is as follows:

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 there are unobservable inputs of the instruments. The inputs are not based on observable market data.

Fair Value Disclosure	Level 1		Level 2		Level 3	
Particulars	As on 31.03.2082	As on 31.03.2081	As on 31.03.2082	As on 31.03.2081	As on 31.03.2082	As on 31.03.2081
Quoted Equity Shares	124,454,346	192,924,810	-	-	-	-
Unquoted equity					77,557,700	105,461,400

## 5.20. Reserves

### 5.20.1 General Reserve

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

*Amount in NPR Full Figure*

Particulars	Current Year	Previous Year
Opening Balance	241,035,509	239,005,432
Transfer as per BAFIA	-	2,030,077
Closing balance	241,035,509	241,035,509

As per Section 44 of Banks and Financial Institutions Act, 2073 (BAFIA), 20% of current year's net profit have to be transferred to General Reserve

### 5.21.2 Fair Value Reserve

Opening balance of Fair value Reserve as on 31st Ashad 2081 (15 July 2024) stands at NPR 35,168,007. During the year, gain on sale of investment amounting NPR 25,064,715 net of income tax is added to Fair Value Reserve. Available for sale investments are marked to market on a regular basis and the difference is adjusted through OCI reserve which amounts to NPR 60,232,722 net of taxes as closing balance.

### 5.21.3 Corporate Social Responsibility

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

*Amount in NPR Full Figure*

Particulars	Current Year	Previous Year
<b>Opening CSR Fund</b>	<b>1,289,214</b>	<b>1,506,703</b>
Add: 1% profit this year	-	-
Less: CSR Expenses	(285,890)	(217,489)
<b>Closing CSR Fund</b>	<b>1,003,324</b>	<b>1,289,214</b>

### 5.21.4 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 2,862,494. Total training expenses of this year amounted to NPR 2,703,803.

*Amount in NPR Full Figure*

Particulars	Current Year	Previous Year
<b>Opening Fund</b>	<b>736,493</b>	<b>613,079</b>
Add: 3% of Last year staff expenses	2,862,494	2,566,479
Actual Staff training Expenses	(2,703,803)	(2,443,065)
<b>Closing Training fund</b>	<b>895,184</b>	<b>736,493</b>

### 5.21.5 Other Reserve

Other reserve includes actuary reserve, CSR Reserve, Employee Training Fund and Capital Adjustment Reserve

Other Reserve					Total
Particulars	Actuary Reserve	CSR Reserve	Employee Training Fund	Capital Adjustment Reserve	
<b>Opening balance</b>	<b>(2,685,530)</b>	<b>1,289,214</b>	<b>736,493</b>	<b>3,628,619</b>	<b>2,968,796</b>
Transfer to Reserve during the year	2,685,530	-	2,862,494	-	5,548,024
Transfer from Reserve during the year		(285,890)	(2,703,803)	-	(2,989,693)
<b>Closing balance</b>	<b>-</b>	<b>1,003,324</b>	<b>895,184</b>	<b>3,628,619</b>	<b>5,527,127</b>

## 5.22 Regulatory Reserve

During the year regulatory reserve has been credited for Rs 63,508,696 and Rs 66,008,979 has been reversed. Movement in regulatory reserve during 2081-82 is presented below:

Movement During the year				
Particulars	Opening Balance 81-82	Addition during 81-82	Reversal during 81-82	Closing Balance 81-82
Investment Property	176,478,451	-	46,817,529	129,660,922
Interest Income	31,050,719	-	19,191,450	11,859,269
Actuarial Loss/(gain) on Gratuity	-	-	-	-
Bargain purchase Gain	51,427,669	-	-	51,427,669
Deferred Tax Assets	28,320,689	62,867,671	-	91,188,360
Interest Capitalized Reserve	-	641,298	-	641,298
<b>Total</b>	<b>287,277,529</b>	<b>63,508,969</b>	<b>(66,008,979)</b>	<b>284,777,519</b>

### 5.22.1 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	Interest Capitalized Reserve	Closing Balance
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
Transfer To/(From)		17,498,275	-	-	18,860,121	-	-	-	7,242,919	-	-	43,601,316
79-80	201,735,700	29,965,727	-	-	134,383,196	-	-	73,468,098	7,519,995	-	-	245,337,016
Transfer To/(From)		1,084,992	-	-	42,095,255	28,320,689	-	(22,040,429)	(7,519,995)	-	-	41,940,513
80-81	245,337,016	31,050,719	-	-	176,478,451	28,320,689	-	51,427,669	-	-	-	287,277,529
Transfer To/(From)		-19,191,450	-	-	-4,681,752	62,867,671	-	-	-	-	641,298	-2,500,010
81-82	287,277,529	11,859,269	-	-	129,660,922	91,188,360	-	51,427,669	-	-	641,298	284,777,519

## 5.23 Property Plant and Equipment (PPE)

During the year Property Plant and Equipment of NPR 12,698,272 was added other than ROU, ROU of NPR 6,566,163 was added and NPR 1,267,356 was revalued/Adjusted. There was NPR 6,742,250 disposal of PPE which is presented in schedule 4.13.

## 5.24 Goodwill and Intangible Assets

Other software of NPR 494,549 was purchased and is presented in schedule 4.14.

## 5.25 Retained Earnings

Opening Retained earnings was NPR (398,486,244) for the F.Y 2081.82, which was restated by NPR (2,827,307) during the year of which NPR 13,529,353 relates to reversal of the capital gain tax paid on sell of share arise during merger and acquisition. NPR 14,001,263 related to reversal of current tax booked during fiscal year 2081.82, which was not required to pay during final tax computation. NPR (1,000,916) related to adjustment of prior period advance tax, NPR (23,670,847) related to adjustment of Deferred Tax up to previous year. The remaining NPR (37,374) & 5,857.52 are relates to adjustment of unclaimed TDS amount up to previous year.

## 5.26. Right of Use of assets (ROU), Lease liability and expenses

During the year addition in Right of Use of assets amounts to NPR 6,566,163. The depreciation charged on such assets was NPR. 11,882,493 and is presented in 4.38 of SCI. Likewise lease liability added during the year amounts to NPR 6,566,163. Interest expenses charged in SCI amount to NPR 5,312,981 and are presented in 4.30. Reconciliation of ROU and lease liability is presented below.

**Right of Use of assets**

Opening	Addition 80-81	Adjustment/revaluation	Depreciation Expenses	Closing
71,844,499	6,566,163	1,267,356	(11,882,493)	67,795,525

**Lease liability,**

Opening	Addition 80-81	Adjustment/ Revaluation	Interest Expenses	Lease Payment	Closing
79,083,843	6,566,163	2,661,240	5,312,981	(14,865,018)	78,759,209

**5.27. Non-Operating Expense**

During the fiscal Year 2081-82, Loan written off amount of NPR 2,592,760 has been booked as non-operating expense in schedule 4.40.

**5.28. Movement in Interest Receivable by Year**

FY	Total AIR	Non-recognizable AIR	AIR recognized for the year	AIR recovered upto 15 th Shrawan of next year	Net AIR	Staff Bonus	Tax	General Reserve	CSR	AIR transferred to Regulatory Reserve
2075-76*	351,046,556	326,366,056	24,680,500	6,822,355	17,858,145	(1,785,815)	(4,821,699)	-	-	11,250,631
2076-77	310,643,486	235,468,120	75,175,366	27,433,827	47,741,539	(4,774,154)	(12,890,216)	-	-	30,077,169
2077-78	175,463,151	150,975,628	24,487,523	15,153,921	9,333,602	(933,360)	(2,520,073)	-	-	5,880,169
2078-79	45,416,744	15,156,591	30,260,153	10,470,547	19,789,606	(1,978,961)	(5,343,194)	-	-	12,467,451
2079-80	86,054,763	23,021,240	63,033,523	15,468,877	47,564,646	(4,756,465)	(12,842,454)	-	-	29,965,727
2080-81	96,565,272	18,841,423	77,723,849	28,436,992	49,286,856	(4,928,686)	(13,307,451)	-	-	31,050,719
2081-82	91,545,138	51,367,633	40,177,505	16,349,357	23,828,148	(2,382,815)	(6,433,600)	(3,002,347)	(150,117)	11,859,269

\* NFRS was first implemented.

**5.29. COVID -19 Related Disclosures**
**TABLE 1**
*Amount in NPR Full Figure*

Particulars	As of Ashad end 2082	
	No. of Customers	Amount
Accrued Interest Received after Ashad end 2081 till Shrawan end 2081	-	-
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	-	-
Extension of moratorium period of loan provided to Industry or Project under construction	-	-
Restructured/Rescheduled Loan with 5% Loan Loss Provision	-	-
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	-	-
Enhancement of Term Loan by 10% to COVID affected borrowers	-	-
Enhancement of Term Loan by 20% to COVID affected borrowers	-	-
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives 2	-	-

**TABLE 2**
*Amount in NPR Full Figure*

Particulars	No. of Customers	Amount
Refinance Loan	-	-
Business Continuity Loan	-	-

**TABLE 3**
*Amount in NPR Full Figure*

Particulars	During FY 2081/82	
	No. of Customers	Amount
Subsidized Loan	121	96,984,384.33



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

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/वेष्ट/०८२/८३  
च.नं.: १०९



मिति : २०८२/०९/०८

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन नं.: ०१-४४१२३०७  
Site: www.nrb.org.np  
Email: nrbfsd@nrb.org.np  
पोष्ट बक्स: ७३

✓ श्री वेष्ट फाइनेन्स कम्पनी लिमिटेड,  
कमलादी, काठमाण्डौ ।


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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वित्तीय विवरणहरु तथा अन्य प्रतिवेदनहरुका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरुका सम्बन्धमा देहाय बमोजिमका निर्देशनहरु शेयरधनीहरुको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरणहरु साधारणसभा प्रयोजनको लागि प्रकाशन गर्न सहमति प्रदान गरिएको ब्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. ऋणीको कर्जा तिर्ने क्षमताको प्रयाप्त विश्लेषण गरेर मात्र कर्जा प्रवाह गर्नुहुन ।
२. आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

  
(राकेश प्रजापति)  
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-४ ।
३. श्री IBS (Individual Bank Supervisor) Officer

**आर्थिक वर्ष २०८१/०८२ को वित्तीय विवरण प्रकाशनको लागि नेपाल राष्ट्र बैंकबाट प्राप्त भएको निर्देशन  
सम्बन्धमा सञ्चालक समितिको प्रतिक्रिया**

नेपाल राष्ट्र बैंकको निर्देशन	संस्थाको प्रत्युत्तर
ऋणीको कर्जा तिर्ने क्षमताको प्रयाप्त विश्लेषण गरेर मात्र कर्जा प्रवाह गर्नुहुन ।	ऋणीको कर्जा तिर्ने क्षमताको पर्याप्त विश्लेषण गरेर मात्र कर्जा प्रवाह गर्नको लागि आवश्यक नीतिगत व्यवस्था मिलाईनुका अतिरिक्त कर्मचारीहरूलाई पर्याप्तमात्रामा तालिम दिइ कर्मचारीको क्षमता अभिवृद्धि गर्ने व्यवस्था मिलाइएको व्यहोरा अनुरोध छ ।
आन्तरिक लेखापरिक्षक, बाह्य लेखापरिक्षक तथा यस बैंकबाट औल्याएका कैफियतहरु पुनः नदोहरिने व्यवस्था गर्नहुन ।	आन्तरिक लेखापरिक्षक, बाह्य लेखापरिक्षक तथा नेपाल राष्ट्र बैंकबाट औल्याएका कैफियतहरु पुनः नदोहरिने व्यवस्था मिलाइएको व्यहोरा अनुरोध छ ।

नोट तथा टिपोट



## प्रतिनिधि (प्रोक्सी) नियुक्त गर्ने निवेदन फारम

श्री सञ्चालक 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 २०८२ पौष ३० गते बुधवारका दिन हुने उनन्तीसौं वार्षिक साधारण सभामा स्वयं  
उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसके 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

**उनन्तीसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको**

#### **प्रवेश-पत्र**

शेयरधनीको नाम:.....शेयर प्र.प.नं/D-Mat No.....  
शेयरधनीको सही:.....कुल 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 ।)



## व्यवस्थापन समूह

बालनरसिंह घर्ती

प्रमुख कार्यकारी अधिकृत

शैलेन्द्र बादे श्रेष्ठ

प्रमुख सञ्चालन अधिकृत

प्रेम सागर नापित

प्रमुख निष्क्रिय कर्जा तथा  
गैर बैकिङ्ग सम्पत्ति व्यवस्थापन अधिकृत

शरद उपाध्याय

प्रमुख कर्जा जोखिम मूल्याङ्कन अधिकृत

खगेन्द्र सिग्देल

क्लस्टर प्रमुख

### विभागीय प्रमुखहरू

१. रबिन्द्र श्रेष्ठ - सम्पत्ति शुद्धिकरण निवारण तथा अनुपालना
२. प्रलेन्द्र प्रजापती - सूचना प्रविधि
३. रुपक अधिकारी - बजारिकरण
४. राज सुन्दर श्रेष्ठ - कम्पनी सचिव तथा कानून
५. महेश ढकाल - कर्जा प्रशासन
६. संजय बजीमय - कर्जा असुली
७. सिजन रत्न शाक्य - वित्त तथा योजना
८. जनक शाही - आन्तरिक लेखापरिक्षण
९. भगवती बाग्ले - सेन्ट्रल अपरेसन्स
१०. प्रदिला श्रेष्ठ - ट्रेजरी
११. बिरेन्द्र बोहरा - सामान्य सेवा
१२. निकिता तुलाधर - मानव संसाधन

### शाखा प्रबन्धकहरू

- १) समिरा राणा - चावहिल शाखा, काठमाडौं
- २) राजीव कुमार यादव - न्यूरोड शाखा, काठमाडौं
- ३) रुपक अधिकारी - मुख्य शाखा, काठमाडौं
- ४) लिला कुमारी राना - अमरपथ शाखा, बुटवल
- ५) बिकल क्षेत्री - मिलनचोक शाखा, बुटवल
- ६) महेन्द्र घिमिरे - जितपुर शाखा, कपिलबस्तु
- ७) सुसिल बहादुर खत्री - पोखरा शाखा, पोखरा
- ८) विष्णु प्रसाद श्रेष्ठ - बर्दघाट शाखा, नवलपरासी
- ९) हिरालाल चौधरी - कावासोती शाखा, नवलपरासी
- १०) कुल भुषण शर्मा - नेपालगञ्ज शाखा, नेपालगञ्ज
- ११) राजेश पुरी - गोंगबु शाखा, काठमाडौं
- १२) राजु मल्ल - घोराही शाखा, दाङ
- १३) प्रदिप दाहाल - बनस्थली शाखा, काठमाडौं
- १४) तेजस्वी कुमार बस्नेत - लगनखेल शाखा, ललितपुर
- १५) किशन बहादुर पौडेल क्षेत्री - नारायणगढ शाखा, चितवन
- १६) मोहन प्रसाद ढुंगेल - गल्कोट शाखा, बागलुङ्ग
- १७) महमद सबिर अंसारी - वीरगंज शाखा, पर्सा
- १८) राजेश बास्कोटा - इटहरी शाखा, सुनसरी



**Best Building**  
Kamaladi, Kathmandu



**Best Building**  
Milanchowk, Butwal



**Mobile Banking/QR**



**ATM Facility**



**Locker Facility**



**Connect IPS**

