



# नेपाल फाईनान्स लिमिटेड Nepal Finance Limited

“नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्रप्राप्त संस्था”

28  
Annual Report

२८ औं  
वार्षिक प्रतिवेदन

आ.व. २०७६/०७७

## BOARD OF DIRECTORS



**Prof. Hirendra Man Pradhan**  
Chairman



**Chandra Kumar Rai**  
Director



**Diprash Shakya**  
Director



**Rajan Prajapati**  
Director



**Laxmi Maharjan**  
Director



**Rojina Shrestha**  
Director



**Anand Krishna Tamrakar**  
Independent Director

## प्रोक्सी फाराम

श्री संचालक समिति  
नेपाल फाइनेन्स लिमिटेड,  
कमलादी, काठमाडौं ।

### बिषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला.....म.न.पा./न.पा./गा.बि.स.....वडा नं.....बस्ने म/हामी.....  
.....ले त्यस वित्तीय संस्थाको शेयरवालाको हैसियतले मिति २०७८/०५/२६ गतेका दिन हुन गर्इरहेको २८ औं  
बार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान  
गर्नका लागि.....जिल्ला.....म.न.पा./न.पा./गा.बि.स. वडा नं.....बस्ने त्यस संस्थाको शेयरवाला  
श्री.....लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएका छु/छौं ।

प्रतिनिधिको

दस्तखतः

नामः

हितग्राहि खाता नं.:

निबेदकको

दस्तखतः

नाम :

ठेगाना :

शेयर धनी नं.:

हितग्राहि खाता नं.:

शेयर संख्या:

मिति :

## नेपाल फाइनेन्स लिमिटेड

### प्रवेश-पत्र

शेयरधनीको नाम :-

शेयरधनी नं./ हितग्राहि खाता नं.

शेयर संख्या :

नेपाल फाइनेन्स लि.को मिति २०७८/०५/२६ गतेका दिन हुने २८ औं बार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको  
प्रवेश पत्र ।

शेयरधनीको हस्ताक्षर

कम्पनी सचिव





नेपाल फाइनेन्स लिमिटेडको  
( Nepal Finance Limited )  
प्रधान कार्यालय कमलादी, काठमाण्डौ  
२८ औं वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय श्री शेयरधनी महानुभावहरू

यस वित्तीय संस्थाको मिति २०७८/०४/२९ गते बसेको सञ्चालक समितिको ३४५ औं बैठकको निर्णयानुसार यस वित्तीय संस्थाको अठ्ठाइसौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरूमा छलफल तथा निर्णय गर्न बस्ने भएकोले शेयरधनी महानुभावहरूको उपस्थितिको लागि अनुरोध गर्दछु।

**सभा हुने स्थान, मिति र समय**

मिति : २०७८ साल भाद्र २६ गते (तदनुसार ११ सेप्टेम्बर २०२१ ) शनिवार।

स्थान : संस्थाको केन्द्रीय कार्यालय, कमलादी, काठमाडौं (Webinar मार्फत संचालन गरिने)।

समय : विहान ११:०० बजे।

**छलफलका विषयहरू:**

**क) साधारण प्रस्तावहरू :**

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले प्रस्तुत गर्नु हुने समग्र वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने।
२. लेखा परिक्षण प्रतिवेदन सहितको आ.व.०७६/७७ को बासलात, २०७६/०४/०१ देखि २०७७/०३/३१ सम्मको नाफा-नोक्सान हिसाब तथा सोही अवधिको नगद प्रवाह विवरण (संलग्न अनुसूचीहरू सहित) को छलफल गरी पारित गर्ने।
३. साविक ललितपुर फाइनेन्स लिमिटेडको आ. व. २०७५/०७६ र २०७६/०७७ को लेखापरिक्षण गर्न लेखा परिक्षण समितिको सिफारिस अनुसार संचालक समितिको निर्णय पश्चात् कम्पनी रजिष्ट्रारको कार्यालयको क्रमशः मिति २०७७/०३/१७ र २०७७/११/०२ पत्रानुसार श्री सन्जय चौधरी एण्ड एसोसियट्स (सि ए सन्जय चौधरी) नियुक्ति भएकोमा सो लाई अनुमोदन गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने।
४. साविक ललितपुर फाइनेन्स लिमिटेडको आ. व. २०७४/०७५, २०७५/०७६, २०७६/०७७, को लेखापरिक्षण प्रतिवेदन सहितको उल्लेखित आर्थिक वर्षहरूको बासलात, नाफा-नोक्सान हिसाब तथा सोही अवधिको नगद प्रवाह विवरण (संलग्न अनुसूचीहरू सहित) को छलफल गरी पारित गर्ने।
५. कम्पनी ऐन, २०६३ को दफा १११ अनुसार आ.व. ०७७/७८ को लेखापरिक्षण गर्न लेखापरिक्षण समितिको सिफारिस अनुसार लेखापरिक्षकको नियुक्ति गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने। (बहालवाला लेखापरिक्षक श्री एम. खनाल एण्ड कम्पनी (एफ सि ए महेश खनाल) पुनः नियुक्तिको लागि योग्य हुनुहुन्छ।)
६. साविक ललितपुर फाइनेन्स लिमिटेडको कम्पनी ऐन, २०६३ को दफा १११ अनुसार आ.व. ०७७/७८ को लेखापरिक्षण गर्न लेखापरिक्षण समितिको सिफारिस अनुसार लेखापरिक्षकको नियुक्ति गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने।

**(ख) विशेष प्रस्ताव:**

१. संस्थाको २०७७ असोज १० गते सम्पन्न २०-२७ औं वार्षिक साधारण सभाको निर्णयानुसार १:१.७५ का दरले हकप्रद शेयर जारी गरी पूँजी बृद्धि गर्ने प्रस्ताव पारित भएकोमा सोही साधारण सभाको निर्णयानुसार अन्य बैंक तथा वित्तीय संस्थसँग गाभ्ने, गाभिने तथा प्राप्त गर्ने सम्बन्धमा दिइएको अख्तियार अनुसार संस्था प्राप्त गर्ने कार्य बमोजिम ललितपुर फाइनेन्स लि.लाई प्राप्त गरिसकिएको र सो पश्चात् चुक्ता पूँजी रु. ४९,३४,९६,३२५/- (अक्षरेपी उन्नाचास करोड चौतिस लाख छ्यानब्बे हजार तिन सय पच्चीस मात्र) कायम हुन आएकोमा साविकको १:१.७५ का दरले हकप्रद शेयर जारी निर्णयलाई परिमार्जन गरी ललितपुर फाइनेन्स लिमिटेड प्राप्त पश्चात कायम भएको चुक्ता पूँजी ४९,३४,९६,३२५/- (अक्षरेपी उन्नाचास करोड चौतिस लाख छ्यानब्बे हजार तिन सय पच्चीस मात्र) बाट वृद्धि गरी रु. ८३,८९,४३,७५२.५०/- (अक्षरेपी त्रियासी करोड उन्नानब्बे लाख त्रिचाली हजार सात सय बउन्न रुपैया, पचास पैसा मात्र) पुऱ्याउन १:०.७० (एक कित्ता बराबर सुन्ना दशमलव सत्तरी कित्ता) को अनुपातमा हकप्रद शेयर जारी गर्ने प्रस्ताव पारित गर्ने।
२. संस्थाको हकप्रद शेयर जारी गरे पश्चात प्रबन्धपत्र, नियमावलीमा कुनै संशोधन गर्नुपरेमा आवश्यकता अनुसार संसोधन गर्ने एवम् नियमनकारी निकायहरू नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सिडिएस एण्ड क्लियरिङ लिमिटेडमा शेयर सूचिकृत गर्ने सम्बन्धमा कुनै निर्देशन भएमा सोही बमोजिम आवश्यक संसोधन/परिमार्जन लगाएत कार्यहरूको लागि संचालक समितिलाई अख्तियारी प्रदान गर्ने प्रस्ताव पारित गर्ने।
३. संस्थाले अन्य बैंक तथा वित्तीय संस्थालाई गाभ्ने/गाभिने तथा एक्विजिशन गर्ने प्रक्रिया अगाडी बढाउनका लागि संचालक समितिलाई अख्तियारी प्रदान गर्ने प्रस्ताव पारित गर्ने।
४. संस्थाको चल अचल सम्पत्ति र दायित्व तथा कारोबारको मुल्याङ्कन (Due Diligence Audit DDA) गर्न मान्यता प्राप्त मुल्याङ्कनकर्ता नियुक्त गरी निजको पारिश्रमिक तोक्ने तथा संस्था गाभ्ने/गाभिने तथा एक्विजिशन गर्ने समझदारीपत्र (Memorandum of Understanding) तर्जुमा गर्ने, हस्ताक्षर गर्ने, अन्तिम सम्झौता तयार पार्ने, हस्ताक्षर गर्ने लगाएतका गाभ्ने/गाभिने तथा एक्विजिशन गर्ने सम्बन्धी आवश्यक सम्पूर्ण प्रक्रिया पुरा गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने प्रस्ताव पारित गर्ने।
५. विविध।

पुनश्चः १. साधारण सभा सम्बन्धि जानकारी संस्थाको website : [www.nepalfinancelimited.com.np](http://www.nepalfinancelimited.com.np) मा हेर्न सकिने व्यहोरा जानकारी गराउँदछु।

सञ्चालक समितिको आज्ञाले  
कम्पनि सचिव



## बार्षिक साधारण सभा सम्बन्धी अन्य जानकारी

- साधारण सभालाई ध्यानमा राखी मिति २०७८/०५/१५ गते १ दिन संस्थाको शेयरधनी दर्ता किताव बन्द रहने छ। नेपाल स्टक एक्सचेन्ज लिमिटेडमा २०७८/०२/१४ गतेसम्म कारोबार भई म्यादभित्र यस संस्थाको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी, काठमाण्डौमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता कितावमा कायम शेयरधनीहरूले सो सभामा भाग लिन पाउने छन्।
- साधारण सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले हितग्राही (DMAT) खाता खोलिएका/शेयर प्रमाणपत्र र आफ्नो परिचय खुल्ने प्रमाण वा सोको प्रतिलिपि अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ।
- सभामा भागलिनै प्रत्येक शेयरधनी महानुभावले Webinar मार्फत उपस्थिति जनाउनु हुन अनुरोध छ। साधारण सभाको हाजिरी पुस्तिका विहान १०.०० बजेदेखि खुल्ला रहनेछ।
- सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्तगर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढाँचामा प्रतिनिधिपत्र (प्रोक्सी) फारम भरी सभा शुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगाडि अर्थात् २०७८/०५/२४ गते विहान ११.०० बजेभित्र संस्थाको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ। संस्थाको शेयरधनी बाहेक अरुलाई प्रोक्सी दिन र एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी तथा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन, यसरी दिइएको प्रोक्सी बदर हुनेछ।
- प्रतिनिधि (प्रोक्सी) नियुक्तगरि सकेपछि सम्बन्धित शेयरधनीले प्रतिनिधि फेरबदल गर्न चाहेमा यस अघि दिएको प्रतिनिधि (प्रोक्सी) बदर गरी यो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइयोस् भन्ने छुट्टै पत्र सहित प्रोक्सी फाराम संस्थाको केन्द्रीय कार्यालयमा सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै दर्ता गराएको अवस्थामा अघिल्लो प्रतिनिधिलाइ स्वतः बदर भएको मानी पछिल्लो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइने छ। प्रतिनिधि नियुक्त गरी सकेको शेयरधनी आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा निजले दिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ।
- एकभन्दा बढी व्यक्तिहरूको संयुक्त नाममा शेयर दर्ता रहेको अवस्थामा सर्वसम्मत बाट प्रतिनिधि चयन गरिएको एकजनाले मात्र वा लगत कितावमा पहिलो नाम उल्लेख भएको व्यक्तिले सभामा भाग लिन सक्ने छन्।
- नाबालक वा मानसिक सन्तुलन ठीक नरहेको शेयरधनीहरूको तर्फबाट संस्थाको शेयर लगत दर्ता कितावमा संरक्षकको रूपमा नाम दर्ता भइरहेका महानुभावहरूले सभामा भाग लिन प्रतिनिधि तोक्न सक्नु हुनेछ।
- सभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समयभित्र संस्थाको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा सम्पर्क राख्न समेत अनुरोध गरिन्छ।
- बार्षिक साधारण सभामा जिज्ञासा राख्न चाहने शेयरधनी महानुभावहरूले आफुले राख्न चाहेको विषयमा सभाहुनु भन्दा ४८ घण्टा अगावै इमेल ([info@nepalfinancelimited.com.np](mailto:info@nepalfinancelimited.com.np)) मार्फत जानकारी दिनु हुन अनुरोध गरिन्छ।
- कोभिड-१९ को कारणले सृजना हुनसक्ने सम्भावित असर तथा जोखिमलाई मध्यनजर गरी नेपाल सरकारले पालना गर्नुपर्ने भनी तोकिएका सम्पूर्ण सुरक्षात्मक उपायहरू अवलम्बन गरी बार्षिक साधारण सभा सन्चालन गर्ने प्रबन्ध मिलाईएको छ। साथै शेयरधनी महानुभावहरूले संस्थाको यस बार्षिक साधारण सभामा धमदप्लवच मार्फत भाग लिन साधारणसभा हुने समय भन्दा २४ घण्टा अगाडी मोवाईल नं. ९८५१३१२१६८ मा सम्पर्क गरी Meeting ID / Password लिई सहभागीता जनाउनु हुन अनुरोध गरिन्छ।

पुनश्च: शेयरधनी महानुभावहरूले कम्पनीको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा उपस्थित भई बार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू निरीक्षण गर्न र प्राप्तगर्न सक्ने व्यहोरा समेत जानकारीका लागि सूचित गरिन्छ। बार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू संस्थाको website : [www.nepalfinancelimited.com.np](http://www.nepalfinancelimited.com.np) मा पनि हेर्न सक्नुहुनेछ।

सञ्चालक समितिको आज्ञाले  
कम्पनी सचिव



## नेपाल फाइनेन्स लिमिटेडको सञ्चालक समितिको तर्फबाट २८औं वार्षिक साधारण सभामा प्रस्तुत अध्यक्ष ज्यूको मन्तव्य

सम्पूर्ण उपस्थित आदरणीय शेयरधनी महानुभावहरु, प्रतिनिधि, तथा विभिन्न नियमनकारी निकायहरुबाट पाल्नुभएका अतिथी महानुभावहरु एवम् पत्रकार मित्रहरु,

यस संस्थाको २८औं वार्षिक साधारणसभामा म मेरो व्यक्तिगत एवम् यस संस्थाको सञ्चालक समितिको तर्फबाट सवैलाई हार्दिक स्वागत गर्दछु ।

निजी क्षेत्रको लगानीमा नेपालको पहिलो वित्तीय संस्थाको रूपमा स्थापित यस संस्थाले समस्याग्रस्त अवस्थाबाट मिति २०७६ मंसिर २६ गतेबाट पुनः कारोबार संचालन गरिरहेको कुरा यहाँहरुलाई जानकारीनै छ । यस संस्थाले विगतका विविध समस्याहरुलाई सामाना र व्यवस्थापन गर्दै हाल नेपालको वित्तीय बजारमा आफुलाई एक सबल र उत्कृष्ट फाइनेन्स कम्पनीको रूपमा प्रस्तुत हुने लक्ष्यका साथ अग्रसर रहेको यहाँहरुले महशुस गर्नु भएकै होला भन्ने विश्वास लिएको छु । यस कार्यमा हामीलाई शेयरधनी महानुभावहरु साथै स्थानीय लब्ध प्रतिष्ठित व्यक्तित्वहरु, नियमनकारी निकायहरु नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडियस एण्ड क्लियरिङ लि., प्रभु क्यापिटल, सञ्चारजगत लगायतबाट प्राप्त सकारात्मक र उत्प्रेरणाजन्य सहयोग एवं सद्भावको प्रशंसा गर्दै आभार प्रकट गर्न चाहान्छु । संस्थालाई एक सुशासित, अत्याधुनिक प्रविधिमैत्री, प्रतिष्पर्धी, चुस्त, सबल र उत्कृष्ट संस्थाको रूपमा विकास गर्ने सञ्चालक समितिको लक्ष्यलाई कार्यान्वयन गर्न मद्दत गर्ने सम्पूर्ण कर्मचारीहरुलाई समेत धन्यवाद ज्ञापन गर्न चाहान्छु ।

संस्थाले हाल मुलुकको विभिन्न शहरहरुमा गरेर १२ स्थानबाट वित्तीय सेवा प्रवाह गर्दै आइरहेको तथा थप १ वटा शाखा र १ वटा एक्सटेन्सन काउण्टर खोल्ने तयारीमा रहेको जानकारी गराउन चाहान्छु ।

संस्था संचालनमा आइपर्ने अनेकन उतार चढावहरुलाई पार गर्दै आदरणीय शेयरधनी महानुभाव तथा सम्बद्ध निकायहरुबाट प्राप्त सुझाव एवं मार्गनिर्देशनलाई आत्मसाथ गर्दै अगाडी बढीरहेकोले यस वित्तीय संस्थाले उल्लेखनीय सफलता हासिल गर्दै गइरहेको छ साथै ग्राहकवर्ग तथा आम नागरिकहरुबाट प्राप्त सहयोग, सद्भाव तथा हामीप्रति देखाइएको विश्वासले हामीलाई अगाडी बढ्न थप प्रेरणा मिलेको छ ।

आदरणीय शेयरधनी महानुभावहरु,

यस ऐतिहासिक संस्थाको विगतमा देखापरेको खराब आचारण र सुशासनको अभावका कारण नेपाल राष्ट्र बैंकले समस्याग्रस्त वित्तीय संस्थाको रूपमा घोषणा गर्न पुग्यो र संस्थाले ठुलो क्षती व्यहोर्नुपरेको यहाँहरुलाई विधितै छ । यसका वावजुत संस्थालाई अविच्छिन्न रूपमा अधि बढाई राष्ट्रको आर्थिक तथा वित्तीय क्षेत्रमा योगदान पुऱ्याउन सकियोस भन्ने धेयले यस संस्थालाई पूर्णजिवन प्रदान गर्ने योजना मुताविक नेपाल राष्ट्र बैंकले तोकेको न्यूनतम चुक्ता पूँजीको मापदण्ड पुरा गर्ने गरी १:१.२५ को दरको हकप्रद शेयर जारी गरी आवश्यक पूँजी पुऱ्याउने लक्ष्य अनुरूप कल्सईन एडभान्समा रकम जम्मा गरी नेपाल राष्ट्र बैंकले समस्याग्रस्तबाट मुक्त गरेको हो । यसै योजना अनुसार १:१.२५ को दरको हकप्रद शेयर जारी गरेवाट चुक्ता पूँजी रु. ३० करोड ५५ लाख ५१ हजार १२५ पुऱ्याइसकेपश्चात् नेपाल राष्ट्र बैंकले राष्ट्रिय स्तरको फाइनेन्स कम्पनीको चुक्ता पूँजी रु. ८० करोड पुऱ्याउन जारी गरेको मापदण्डलाई मध्यनजर राख्दै र गत साधारण सभाको निर्णयानुसार अन्य बैंक तथा वित्तीय संस्थासंग गाभन/गाभिन संचालक समितिलाई दिएको अधिकार अनुसार ललितपुर फाइनेन्स लिमिटेडलाई गाभ्नेगरी सम्झौता भई २०७८ असार २७ गतेका दिन देखि एकिकृत कारोबार शुभारम्भ गरिसकिएको व्यहोरा समेत यहाँहरुलाई अवगत नै छ । यस प्रकृयाबाट संस्थाको चुक्तापूँजी



रु. ४९ करोड ३४ लाख ९६ हजार ३२५ पुगेको व्यहोरा जानकारी गराउन चाहन्छु । ललितपुर फाइनेन्सलाई प्राप्त पश्चात् चुक्ता पूँजीमा वृद्धि भएकोले गत साधारण सभाबाट पारित १:१.७५ (एक शेयर बराबर एक दशमलब सात पाँच शेयर) को हकप्रद शेयर निष्काशनलाई परिमार्जन गर्न प्रस्ताव समेत यस साधारण सभामा गरिएको छ ।

नेपाल राष्ट्र बैंकले संस्थालाई समस्याग्रस्त वित्तीय संस्थाबाट फुकुवा दिँदा यस संस्थाको पूँजिकोष पर्याप्तता अनुपात बाहेक अन्य मुख्य परिसूचकहरू असामान्य रहेको अवस्थाबाट हाल संस्थाको निष्कृत्य कर्जाको अंश बाहेक अन्य सबै परिसूचकहरू सामान्य रहेका छन् । यसलाई हामीले उपलब्धिको रूपमा लिएका छौं र निष्कृत्य कर्जा अनुपात समेत सोचेअनुरूप नै घटिरहेको तथा निकट भविष्यमै निष्कृत्य कर्जाको अंश समेत नेपाल राष्ट्र बैंकले तोकेको सीमामा ल्याउने प्रयत्नमा रहेको जानकारी गराउन चाहन्छु । विश्वमा फैलिइरहेको कोरोना महाव्याधीको प्रतिकूल अवस्थामा समेत संस्थाले निक्षेप संकलन, कर्जा लगानी तथा खराब कर्जा असुलीमा गर्न सकेको उपलब्धिलाई यहाँहरू समक्ष प्रस्तुत गर्दा अत्यन्तै खुशी लागेको छ, साथै यसै बिच संस्थाले मुलुकको विभिन्न ६ स्थानमा शाखा संचालन गरेको तथा काठमाडौंमा १ स्थानमा एक्टेन्सन काउण्टर संचालन भइसकेको तथा अन्य १ स्थानमा एक्टेन्सन काउण्टर संचालन गर्न गइरहेको व्यहोरा समेत यहाँहरूलाई जानकारी गराउन चाहन्छु ।

संस्थाको विगतका घटनाहरूबाट पाठ सिक्दै नयाँ व्यवस्थापनलाई संस्थागत सुशासन र आन्तरिक नियन्त्रण प्रणालीलाई चुस्त बनाई आधुनिक वित्तीय सेवा अनुरूप छरितोपना ल्याउन एवं प्रतिस्पर्धी क्षमता बढाउन सञ्चालक समितिले आवश्यक नीति तथा निर्देशिकाहरूको तर्जुमा गर्दै आएको छ । संस्थाको केही वर्ष अघि देखि समस्याग्रस्त हुँदाको अवस्थासम्म आइपुग्दाको नोक्सानीको कारण श्रृजित घाटालाई परिपूर्ति गरी नाफा दिलाई आदरणीय शेयरधनीहरूलाई उचित मुनाफा दिन यस संस्थाले मुख्यतया :दुई वटा रणनीतिलाई अगाडी सारेको छ । जसमा, असल कर्जाको विस्तार र तिव्ररूपमा खराब कर्जा असुली गर्ने रहेका छन् । विगतमा वर्दनियतपूर्ण तवरले प्रदान गरिएका अधिकांश कर्जाहरूमा केहि कानूनी व्यवधानहरू रहेतापनि त्यस्ता कर्जा चुक्तागरी राफसाफ गर्न चाहाने ऋणीहरू संग आपसी सहमतीका आधारमा उचित र सुहाँउदो परिवेशमा कर्जा असुली गर्ने प्रक्रियालाई अगाडी बढाउन कर्जा असुली रणनीति अनुरूप व्याज तथा पेनाल्टीमा केही छुटको समेत व्यवस्था गरी असुली प्रक्यालाई अघि बढाईएको छ । आगामि दिनहरूमा बचत परिचालन, कर्जाको विस्तार, खराब कर्जाको असुली र मितव्ययी ढंगले संस्था सञ्चालन गरी संस्थाको मुनाफामा वृद्धि हुने कुरामा विश्वास लिइएको छ ।

अर्थतन्त्रमा मेरुदण्डको रूपमा रहेका बैंक तथा वित्तीय संस्थाहरूको भूमिका आर्थिक विकासमा ठूलो रहने हुनाले यस संस्थाले पनि वित्तीय पहुँच नपुगेका क्षेत्रहरू जहाँ आर्थिक र वित्तीय क्षेत्रको प्रचुर संभावना रहेको हुन्छ, त्यस्ता क्षेत्रको पहिचान गरी आफ्नो शाखा सञ्जाल विस्तार गर्दै लैजाने लक्ष्य लिएको छ ।

शेयर धनी महानुभावहरू,

संस्थाको २०७८ असार मसान्त सम्मको अपरिष्कृत वित्तीय विवरण अनुसारका केही वित्तीय परिसूचकहरू यस प्रकार रहेका छन् :

रु (हजारमा)

निक्षेप	: ७,११,२९६ (७१ करोड १२ लाख ९६ हजार)
कर्जा	: ५,६५,४०९ (५६ करोड ५४ लाख ९ हजार)
असल कर्जा	: ३,१४,६५३ (३१ करोड ४६ लाख ५३ हजार)
खराब कर्जा	: २,५०,७५६ (२५ करोड ७ लाख ५६ हजार)
तरल सम्पत्ति	: ८,४१,३७६ (८४ करोड १३ लाख ७६ हजार)
पूँजिकोष अनुपात	: ६४.९७ प्रतिशत

नेपाल राष्ट्र बैंक लगायत अन्य नियमनकारी निकायहरूले दिएका निर्देशनहरूको अनुपालना गरी शुन्य सहनशीलताको नीति अवलम्बन गरिएको छ । संस्थाको व्यावसायिक क्षमता अभिवृद्धि गर्नको लागि थप आधुनिक प्रविधिहरूको अवलम्बन गरिने र कर्मचारीहरूलाई उचित रूपमा तालिम, गोष्ठिमा सहभागी गराउदै लगिने रणनीति रहेको छ । जोखिम व्यवस्थापनलाई मध्यनजर गरी विभिन्न जोखिम न्यूनिकरणका उपायहरू अवलम्बन गरिएको छ र गरिदै लगिने छ ।





संस्थाले वित्तीय बजारमा विश्वासको वातावरण श्रृजना गरी आफ्नो व्यावसायिक कार्यलाई दृढताका साथ अगाडी बढाउदै आईरहेको छ भने, आफ्ना ग्राहक वर्गको हित संरक्षण गर्न कटिबद्ध रहेको छ । आगामि दिनहरुमा अझ गुणस्तरीय, अत्याधुनिक र वृहत सञ्जालद्वारा वित्तीय सेवा प्रदान गर्दै संस्थाको मुनाफामा वृद्धि गरी शेयरधनीहरुको मुल्य अभिवृद्धि गर्न अनवरत रुपमा प्रयत्नरत रहने प्रतिबद्धता व्यक्त गर्दछु । यसको अलवा आजको यस साधारण सभामा राखिएका विषयसूचिमा सक्रिय रुपले छलफलमा सहभागी भई पारित गरिदिनुहुन समेत हार्दिक अनुरोध गर्दछु ।

अन्त्यमा,

आफ्नो व्यस्त समयको बावजुद पनि यस संस्था प्रति असिम माया राखी उपस्थित हुनु भएका शेयरधनी महानुभावहरु, विभिन्न संघ संस्थाका प्रतिनिधीहरु, पत्रकारज्यूहरु, पर्यवेक्षकहरु तथा सम्पूर्ण अतिथिहरुमा हार्दिका आभार प्रकट गर्दछु ।

धन्यवाद !

प्रा. हिरेन्द्रमान प्रधान

अध्यक्ष

सञ्चालक समिति

मिति: २०७८/०५/२६



## २८ औं वार्षिक साधारणसभामा सञ्चालक समितिको तर्फबाट प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

नेपाल फाइनेन्स लिमिटेडको २८ औं वार्षिक साधारणसभामा यहाँहरूलाई स्वागत गर्न पाउँदा हामी सञ्चालक समितिका सबै सदस्यहरू हर्षित छौं। कम्पनी ऐन, २०६३ को दफा १०९(४) मा व्यवस्था भए अनुरूप यसै साथ संलग्न सञ्चालक समितिबाट स्वीकृत भै नेपाल राष्ट्र बैंकबाट समेत स्वीकृत भएको र लेखापरीक्षण भएको २०७७ आषाढ मसान्तसम्मको बासलातहरू, आर्थिक वर्षहरू २०७६/७७ को नाफा-नोक्सान हिसाब तथा नगदप्रवाह विवरण र उक्त वित्तीय विवरणहरूसँग सम्बन्धित अनुसूचीहरू तथा उक्त दफामा उल्लेख भएको निम्नानुसारको सञ्चालक समितिको प्रतिवेदन प्रस्तुत गर्दछु।

नेपाल फाइनेन्स लिमिटेडको वार्षिक प्रतिवेदन: आ.ब.२०७६/७७ को रहेको छ। उक्त आ.ब.को लेखा परिक्षकमा, संस्थाको मिति २०७७ असोज १० गते सम्पन्न २०-२७ औं वार्षिक साधारण सभाबाट नियुक्त भएकोमा आ.ब. २०७६/७७ को लेखा परिक्षण श्री एम खनाल एण्ड कम्पनीबाट सम्पन्न भएको छ। जसमा आ.ब. २०७६/७७ को एनएफआरएस विधि बमोजिमको लेखा परिक्षण प्रतिवेदन तयार गरिएको छ।

बिगत बर्षहरूको कारोबारको सिंहावलोकन:

संचालन गतिविधिको समिक्षा।

(रकम रु. हजारमा)

विवरण	आ.ब.०७६।७७	आ.ब.०७५।७६
चुक्ता पूंजी	१३५,८००	१३५,८००
जगेडा तथा कोषहरू	२७५,४०३	२५८,३१५
निक्षेप दायित्व तथा सापटी	२०९,३२१	४४,८१०
कर्जा	११९,४९७	१०२,८०३
जोखिम भारित सम्पती	१५६,०५२	७११,७३८
संचालन मुनाफा	२६,३६९	५०,२७३
मुनाफा	४४,६१५	८,३२३
कर्जा नोक्सानी व्यवस्था	८३,७९८	१०२,८०३

क) आर्थिक वर्ष २०७६/७७ को कारोबारको सिंहावलोकन

(रकम रु हजार मा)

विवरण	आषाढ मसान्त		(कमि)/बृद्धि	
	२०७६/२०७७	२०७५/२०७६	रकम	प्रतिशत
कुल सम्पत्ति	४७३,०९५	२७७,८४७	१९५,२४८	७०.२७
कुल निक्षेप	२०९,३२१	४४,८१०	१६४,५१२	३६७.१४
कुल खुद कर्जा	३१,०३९	०	३१,०३९	१००
कुल लगानी	२६,८०६	४३,००२	१६,१९६	(६०.४२)



(रकम रु. हजार मा)

विवरण	आषाढ मसान्त		(कमि)/बृद्धि	
	२०७६/२०७७	२०७५/२०७६	रकम	प्रतिशत
ब्याज आम्दानी	२९,७३४	२४,९२६	५,६०८	२३.२४
ब्याज खर्च	२,६८३	२,७८६	(१०३)	(३.७०)
खुद ब्याज आम्दानी	२७,०५०	२९,३४०	५,७९०	२६.७६
अन्य संचालन आम्दानी (कमिशन तथा डिस्काउन्ट आम्दानी समेत)	३०९	२०२	१०७	५२.९७
कर्मचारी खर्च	१०,०५७	९,३७३	७०२	७.४९
अन्य संचालन खर्च	८,३३०	५,३२०	३,०१०	५६.५८
संभावित नोक्सानी व्यवस्था	८३,८४८	१०२,८०३	(१८,९५५)	(१८.४४)
नोक्सानी व्यवस्था बाट फिर्ता	१८,९५४	४३,७६२	(२४,८०८)	(५६.६९)
गैरसंचालन आम्दानी				
संचालन मुनाफा	२६,३६९	५०,९८२	(२३,७८६)	(४७.४०)
कर	(१८,२४५)	४९,९५०		
करपछिको खुद मुनाफा	४४,६१५	८,२८३	३६,३३२	४३८.६३

सूचकाङ्कहरू	आषाढ मसान्त		(कमि)/बृद्धि
	२०७६/२०७७	२०७५/२०७६	
पूँजी पर्याप्तता (प्रतिशत)	५६.५२	२५.०२	३१.६
निष्क्रिय कर्जा/कुल कर्जा (प्रतिशत)	६८.६३	१००	(३१.३७)
कर्जानोक्सानी व्यवस्था/निष्क्रिय कर्जा(प्रतिशत)	१००	१००	
प्रति शेयर आम्दानी (रु.)	३२.८५	६.०६	२६.६२
खुद नाफा/कुल आम्दानी प्रतिशत	५६.४२	३२.३६	२४.०६
नेटवर्थ प्रति शेयर (रु.)	१७०.८०	१४६.२२	२४.५८

१. निक्षेप संकलन:

आ.व.२०७६/७७ मा संस्थाको कुल निक्षेप रु. २० करोड ९३ लाख २९ हजार ५७ रहेको छ।

२. कर्जा तथा सापट :

२०७६ मंसिर २६ गतेका दिनबाट पुनः कारोबार शुभारम्भ गरिएको तथा २०७७ वैशाख बाट कोभिड १९ को बढ्दो संक्रमणका कारण देशमा भएको बन्दावन्दिले गर्दा करिब ३ महिना जती बन्द भएकोले कर्जा विस्तार सामान्य मात्र भएको अवस्था छ।

३. ब्याज आम्दानी :

संस्थामा रहेको खराब कर्जा असुलीका लागि भएका प्रयासहरुबाट करिब रु. २ करोड ९७ लाख ३४ हजार ९ सय ८७ ब्याज आम्दानी गरिएको छ।

४. ब्याज खर्च :

आ.व. २०७६/७७ मा संस्थाले निक्षेप दायित्व का लागि रु. २६ लाख ८३ हजार ३ सय ४९ मात्र ब्याज खर्च गरिएको छ।



५. **खुद ब्याज आम्दानी :**  
आ.व. २०७६/७७ मा संस्थाले कुल रु.२ करोड ७० लाख ५० हजार खुद ब्याज आम्दानी गरेको छ ।
६. **अन्य संचालन आम्दानी :**  
आ.व. २०७६/७७ मा संस्थाले कुल रु. ११ लाख ६६ हजार ७ सय ९४ अन्य संचालन आम्दानी गरेको छ ।
७. **संचालन खर्च:**  
आ.व. २०७६/७७ मा संस्थाको कुल संचालन खर्च रु. ८३ लाख ३० हजार ७ सय १२ भएको छ ।
८. **संचालन मुनाफा:**  
आ.व.२०७६/७७ मा संचालन मुनाफा रु. २ करोड ३६ लाख ९ हजार ८ सय २२ भएको छ ।
९. **सम्पूर्ण कारोबार पछिको खुद मुनाफा:**  
आ.व.२०७५/७६ मा संस्थाको सम्पूर्ण कारोबार पछिको खुद मुनाफा रु. ८३ लाख रहेकोमा आ.व.२०७६/७७ मा १८४.३४ प्रतिशतले वृद्धि भई रु.२ करोड ३६ लाख मात्र हुन गएको छ ।
१०. **पूँजी कोषको पर्याप्तता :**  
आ.व.२०७६/७७ को अन्त्यमा पूँजी कोषको अनुपात ५६.७५ प्रतिशत कायम रहेको छ, जुन नेपाल राष्ट्र बैंकको निर्देशन बमोजिम कायम गर्नु पर्ने न्यूनतम ११ प्रतिशत भन्दा बढी रहेको छ ।
११. **सम्पत्तिको गुणस्तर :**  
संस्थामा रहेको खराब कर्जाका लागि शतप्रतिशत कर्जा नोक्सानी रहेको र उक्त खराब कर्जाहरूको असुलीका लागि प्रयास भइरहेको छ ।

**ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको बैकिङ्ग व्यवसाय कारोबारमा परेको असर**

**१. राष्ट्रिय परिस्थितिबाट कम्पनीको बैकिङ्ग व्यवसाय कारोबारमा परेको असर**

**बैकिङ्ग क्षेत्रका परिसूचक**

आर्थिक वर्ष २०७६/७७ मा २.०९ प्रतिशतले संकुचनमा गएको नेपालको अर्थतन्त्र आर्थिक वर्ष २०७७/७८ मा ४.०१ प्रतिशतले विस्तार हुने केन्द्रीय तथ्याङ्क विभागको अनुमान रहेको छ । तर चौथो त्रयमासमा भएको संक्रमणको दोस्रो लहरले यो वृद्धिदर कायम हुन चुनौतीपूर्ण देखिएको छ । आर्थिक वर्ष २०७७/७८ मा कुल गार्हस्थ्य उत्पादनसँगको कुल गार्हस्थ्य बचतको अनुपात ६.६ प्रतिशत र कुल राष्ट्रिय बचतको अनुपात ३१.४ प्रतिशत रहेको अनुमान छ । अघिल्लो वर्ष यी अनुपातहरू क्रमशः ६.३ प्रतिशत र ३२.६ प्रतिशत रहेका थिए । आर्थिक वर्ष २०७७/७८ मा कुल गार्हस्थ्य उत्पादनमा कुल स्थिर पूँजी निर्माणको अनुपात २७.३ प्रतिशत रहेको अनुमान छ । अघिल्लो वर्ष यस्तो अनुपात २८.४ प्रतिशत रहेको थियो ।

**२. अन्तर्राष्ट्रिय परिस्थितिबाट व्यवसाय कारोबारमा परेको असर**

सन् २०२० मा ३.२ प्रतिशतले संकुचन भएको विश्व अर्थतन्त्र सन् २०२१ मा ६.० प्रतिशतले विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषको अनुमान छ । सन् २०१९ मा विश्व अर्थतन्त्र २.८ प्रतिशतले विस्तार भएको थियो । सन् २०२० मा ४.६ प्रतिशतले संकुचन भएको विकसित मुलुकहरूको अर्थतन्त्र सन् २०२१ मा ५.६ प्रतिशतले विस्तार हुने प्रक्षेपण रहेको छ । त्यसैगरी, सन् २०२० मा २.१ प्रतिशतले संकुचन हुने अनुमान रहेको उदीयमान तथा विकासशील अर्थतन्त्र सन् २०२१ मा ६.३ प्रतिशतले विस्तार हुने प्रक्षेपण छ । सन् २०१९ मा विकसित अर्थतन्त्र र उदीयमान तथा विकासशील अर्थतन्त्रको वृद्धिदर क्रमशः १.६ प्रतिशत र ३.७ प्रतिशत रहेको थियो । छिमेकी मुलुकहरूमध्ये चीनको अर्थतन्त्र सन् २०१९ मा ६.० प्रतिशतले विस्तार भएकोमा सन् २०२० मा २.३ प्रतिशतले वृद्धि भएको अन्तर्राष्ट्रिय मुद्रा कोषको अनुमान छ । त्यसैगरी, भारतको अर्थतन्त्र सन् २०१९ मा ४.० प्रतिशतले विस्तार भएकोमा सन् २०२० मा ७.३ प्रतिशतले संकुचन भएको कोषको अनुमान छ । सन् २०२१ मा चीनको आर्थिक वृद्धि ८.१ प्रतिशत र भारतको ९.५ प्रतिशत रहने प्रक्षेपण छ । सन् २०२० मा विकसित मुलुकहरूको



मुद्रास्फीति ०.७ प्रतिशत रहेकोमा सन् २०२१ मा २.४ प्रतिशत रहने कोषको प्रक्षेपण छ। उदीयमान तथा विकासशील मुलुकहरूको मुद्रा स्फीति सन् २०२० मा ५.१ प्रतिशत रहेकोमा सन् २०२१ मा ५.४ प्रतिशत रहने प्रक्षेपण छ। सन् २०२० मा विश्व व्यापार आयतन ८.३ प्रतिशतले संकुचन भएकोमा सन् २०२१ मा ९.७ प्रतिशतले बिस्तार हुने प्रक्षेपण छ। सन् २०२० मा पेट्रोलियम पदार्थको मूल्यमा ३२.७ प्रतिशतले कमी आएकोमा सन् २०२१ मा ५६.६ प्रतिशतले वृद्धि हुने प्रक्षेपण छ। कोभिड-१९ महामारीले गर्दा एकातर्फ अधिकांश मुलुकहरूमा राजस्व परिचालन संकुचित भएको छ भने अर्कोतर्फ सार्वजनिक खर्चमा भएको बढोत्तरीका कारण कुल गार्हस्थ्य उत्पादनसँग सार्वजनिक ऋणको अनुपात विश्वव्यापी रूपमा बढेको छ। सन् २०१९ मा यस्तो अनुपात ८३.७ प्रतिशत रहेकोमा सन् २०२० मा ९७.३ प्रतिशत पुगेको छ। कोभिड-१९ महामारीबाट प्रभावित अर्थतन्त्रको पुनरुत्थानका लागि केन्द्रीय बैंकहरूले लचिलो मौद्रिक नीति अवलम्बन गर्दै परिमाणात्मक सहजीकरण, पुनरुत्थान लक्षित सम्पत्ति खरिद, पुनरकर्जा एवम् दीर्घकालीन तरलता सुविधा जस्ता उपकरणहरू प्रयोगमा ल्याएका छन्। यस्ता उपकरणहरूको प्रयोगबाट केन्द्रीय बैंकहरूको वासलातको आकार वृद्धि हुनुका साथै मौद्रिक बिस्तार उल्लेख्य भएको छ।

ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा।

चालु आर्थिक वर्ष २०७७/७८ को असार मसान्तसम्मको यस वित्तीय संस्थाको कारोबारको स्थिति निम्नानुसार रहेको छ।

रु. हजार मा

विवरण	आ.व. २०७७/७८ को असार मसान्त	कैफियत
कुल निक्षेप दायित्व	७११,२९७।००	
कुल कर्जा तथा सापटी	६५५,४०९।०८८	
ब्याज आम्दानी	३६,७५१।००	
अन्य संचालन आम्दानी (कमिशन तथा डिस्काउन्ट आम्दानी समेत)	३०७४।००	
ब्याज खर्च	१६,६५२।००	
अन्य खर्च	४३,३५४।००	
संचालन नाफा/(नोक्सान)	२६,२८८।००	

संस्था २०७६ साल मंसिर २५ गतेबाट समस्याग्रस्त अवस्थाबाट फुकुवा भई कारोबार गरेको जम्मा करिब ४ महिनामात्र भएको तथा विश्वमा फैलिएको कोरोना कोभिड १९ भाइरसको कारण देश नै लकडाउनको अवस्था भइरहेकोले आर्थिक गतिविधिलाई पूर्ण रूपमा संचालन गर्न कठिन भइरहेको सन्दर्भमा निक्षेप तथा कर्जा सापटीमा कमिक रूपमा वृद्धि भइरहेको छ।

घ) भविष्यमा गर्नुपर्ने कार्यको सम्बन्धमा सञ्चालक समितिको धारणा।

#### सेवा बिस्तार

संस्थाले आफ्ना सेवाग्राहीको मागबमोजिम नयाँ तथा परिमार्जित समयसापेक्ष सेवाहरू सञ्चालनमा ल्याएको छ। ग्राहकको चाहनाअनुरूप ग्राहकवर्ग समक्ष नवीनतम, भरपर्दो तथा गुणस्तरीय सेवा प्रदान गर्दै आइरहेको छ। यसको निमित्त प्रविधिमा भइरहेको विकास र व्यापार-व्यवसायमा भएको परिवर्तनअनुरूप आफ्नो जनशक्तिलाई सक्षम बनाउदै ग्राहकवर्गलाई समयसापेक्ष सेवा प्रदान गर्ने प्रयास गरिएको छ। साथै संस्थाले ग्राहकहरूको आवश्यकता- अनुरूप नयाँ निक्षेप र कर्जा योजनाहरू तर्जुमा गरी लागू गर्ने तथा बजारमा आउने परिवर्तनअनुरूप ब्याजदरमा समसामयिक परिवर्तन गर्ने गरेको छ। कृषि, घरेलु तथा साना उद्योग तथा विपन्न वर्गमा लगानी बढाउन प्रथामिकता दिइएको छ र आगामी वर्षहरूमा यस क्षेत्रमा अझ उच्च प्रथामिकता दिई लगानी योजनाहरू संचालन गरिनेछ।

#### प्रविधि विकास

यस संस्थाले सूचना प्रविधिमा आधारित सेवाहरूलाई समयानुकुल स्तरोन्नती गर्दै जानेछ। सूचनाप्रविधिमा आधारित सेवाहरूलाई थप सुरक्षित र भरपर्दो बनाउन आवश्यक लगानीको व्यवस्था गरेको छ। वित्तीय बजारमा उपलब्ध नवीनतम सेवाहरूलाई



विश्लेषण गरी ग्राहकको चाहना बमोजिमका सेवा र प्रविधिहरु अवलम्बन गरिनेछ। ग्राहकहरुलाई प्रविधिमैत्री बनाउन विभिन्न माध्यमबाट जानकारी प्रदान गर्ने र सचेतना जागृत गर्ने कार्यहरु गरिनेछ। बैंकिङ्ग क्षेत्रमा भित्रिएका E-Banking, SMS Banking, Chip Based ATM Card, Go-AML Software, Assets and Inventory Management System, HR Management System आदिको उपयोग गर्नुको साथै भई रहेका प्रविधिहरुको स्तरोन्नती गर्ने व्यवस्था मिलाएको छ। साथै संस्थामा भएका सम्पूर्ण बैंकिङ्ग औजारहरुको अधिकतम उपयोग गर्नेगरी कार्यसंचालन व्यवस्था मिलाइएको छ।

#### शाखा विस्तार

संस्थाले कार्य क्षेत्र तथा सञ्जाल विस्तार तथा व्यवसाय वृद्धि गर्नको लागि संभाव्यताको अध्ययन गरी आवश्यकता अनुसार शाखा विस्तार गर्ने नीति अवलम्बन गरिने छ। यसरी विस्तारित शाखा सञ्जालले देशको सुगम क्षेत्रमा मात्र नभई दुर्गम क्षेत्रमा समेत बैंकिङ्ग सुविधाको पहुँच पुग्ने गरी विस्तार गर्ने नीति अवलम्बन गरिनेछ। आगामि आ.व.मा देशका उपयुक्त स्थानहरुमा शाखा विस्तारको कार्यलाई बढावा दिइने छ। हाल संस्थाबाट मुलुकको विभिन्न १० स्थानमा शाखा सञ्जाल तथा एउटा एस्टेन्सन काउण्टर संचालन गरिरहेको छ।

#### संस्थागत सामाजिक उत्तरदायित्व

यस संस्थाले गत आर्थिक वर्षदेखि आफ्नो खुद मुनाफाको १% रकम संस्थागत सामाजिक उत्तरदायित्व बहन गर्न खर्च गर्ने कोषमा जम्मा गर्दै आएको र हालसम्म उक्त कोषमा रु. १३ लाख १५ हजार ७ सय ०९ जम्मा भएको छ। संस्थागत सामाजिक उत्तरदायित्व बहनअर्न्तगत नेपाल राष्ट्र बैंकबाट जारी भएको परिपत्र बमोजिम खर्च गर्ने संबन्धमा यस संस्थाले सामाजिक उत्तरदायित्व खर्च कार्यविधि संचालक समितिबाट पारित गरी सकेको र सोही कार्यविधि अनुसार विभिन्न किसिमका कार्यक्रमहरु सञ्चालन गरी संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने नीति लिएको छ।

#### ड) औद्योगिक वा व्यवसायिक सम्बन्ध

यस वित्तीय संस्थाको औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरु, बैंक तथा वित्तीय संस्थाहरु, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल धितोपत्र विनियम बजार तथा कम्पनी रजिष्ट्रारको कार्यालय लगायत नेपाल सरकारका निकायहरूसँग सुमधूर सम्बन्ध रहिआएको छ। ग्राहक सन्तुष्टि नै संस्थाको मूल लक्ष्य रहेकोले ग्राहक सम्बन्ध सुदृढीकरणमा संस्थाको व्यवस्थापन लगायत सबै कर्मचारीहरु सजग रहेका छन्। यस वित्तीय संस्था र आफ्ना ग्राहकहरु बीच सुमधूर सम्बन्ध कायम रहेको तथा संस्थाको सेवाको गुणस्तर उच्च राख्न मानव संशाधन विकासमा यथेष्ट जोड दिइएको शेयरधनी महानुभावहरुलाई अवगत गराउन चाहन्छौं।

#### च) सञ्चालक समितिमा भएको हेरफेर र सोको कारण।

समीक्षा अवधिमा सञ्चालक समितिमा कुनै पनि हेरफेर नभएको तथा हाल कायम रहेको सञ्चालक समितिको संरचना निम्नानुसार रहेको छ।

१. प्रा.श्री हिरेन्द्रमान प्रधान	अध्यक्ष	संस्थापक समुह
२. श्री चन्द्रकुमार राई	सञ्चालक	संस्थापक समुह
३. श्री दिप्रश शाक्य	सञ्चालक	संस्थापक समुह
४. श्री राजन प्रजापती	सञ्चालक	संस्थापक समुह
५. श्री लक्ष्मी महर्जन	सञ्चालक	सर्वसाधारणका तर्फबाट
६. श्री रोजीना श्रेष्ठ	सञ्चालक	सर्वसाधारणका तर्फबाट
७. श्री आनन्द कृष्ण ताम्राकार	सञ्चालक	स्वतन्त्र संचालक

#### छ) कारोबारलाई असर पार्ने मुख्य कुराहरु।

संस्थाको कारोबारलाई असर पार्न सक्ने विभिन्न किसिमका जोखिमहरुलाई तल प्रस्तुत गरिएको छ।

१. नेपाल सरकार वा नेपाल राष्ट्र बैंकले बैंक तथा वित्तीय संस्था सम्बन्धी नीतिमा परिवर्तन गर्दा श्रृजना हुन सक्ने संभावित जोखिमहरु।
२. निक्षेप तथा कर्जा लगानीको ब्याजदरमा हुने परिवर्तनबाट असर गर्ने जोखिमहरु।



३. यथा समयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरू ।
४. देशको आर्थिक अवस्थामा आउने परिवर्तनबाट पर्न सक्ने जोखिमहरू ।
५. अन्तर्राष्ट्रिय बजारमा हुने मन्दीबाट नेपाली बजारमा पर्नसक्ने असरबाट हुनसक्ने आर्थिक जोखिमहरू ।
६. पूँजीबजारमा आउन सक्ने उतारचढावबाट हुनसक्ने जोखिमहरू ।

यी चुनौती र अवसरहरूलाई ध्यानमा राख्दै संस्थाले आफ्नो सेवाको दायरा तथा गुणस्तर वृद्धि गर्दै लैजाने, थप सेवाहरू प्रदान गर्ने तथा नयाँ बजारहरू र नयाँ क्षेत्रहरूमा आफ्नो सेवाहरू विस्तार गर्दै लैजाने रणनीति लिनेछ ।

अध्यक्ष  
प्रा.हिरेन्द्रमान प्रधान

मिति: २०७८।५।२६



## कम्पनी ऐन, २०६३ को दफा १०९ अनुसारको अतिरिक्त विवरण

- (क) विगत वर्षको कारोबारको सिंहावलोकन :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :  
संस्था समस्याग्रस्त अवस्थाबाट फुकुवा भएपश्चात संस्थाको व्यावसायिक गतिविधिमा उल्लेख्य रुपमा सुधार भइरहेको छ ।  
तथापी विश्वमा फैलिएको कोभिड १९ का कारण भएका लकडाउन तथा बन्दाबन्दीका कारण व्यवसायमा प्रत्यक्ष असर परिरहेको छ ।
- (ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरू :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख भएका विषय र बुँदा नं. (ख) मा उल्लेख भए बमोजिम ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया :  
नियमित कारोबारमा देखिएका सामान्य कैफियतबाहेक प्रचलित कानून उल्लंघन हुने कुनै नकारात्मक कुराहरू लेखापरीक्षण प्रतिवेदनमा उल्लेख भएको छैन । प्राप्त प्रतिक्रिया र सुझावहरूमा सञ्चालक समितिको ध्यानाकर्षण भएको छ र सुधारका निम्ति आवश्यक कदम पनि चालिसकिएको छ ।
- ज) लाभांश बाडफाड गर्न सिफारिस गरिएको रकम :  
गरिएको छैन ।
- झ) शेयर जफत गरिएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयरको जफत हुनुभन्दा अगावै सो वापतको कम्पनीले प्राप्त गरेको जम्मा रकम त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण :  
यस अवधिमा वित्तीय संस्थाले कुनै शेयर जफत गरेको छैन ।
- ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :  
यस वित्तीय संस्थाको सहायक कम्पनी नरहेकोले यस प्रकारको कारोबार रहेको छैन ।
- ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेका प्रमुख कारोबारहरू र सो अवधिमा कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :  
यस वित्तीय संस्थाको कुनै सहायक कम्पनी रहेको छैन । वित्तीय संस्थाले यस आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबार हरूको विवरण यस प्रतिवेदनको बुँदा नं. (क) मा विगत वर्षको आर्थिक कारोबारको सिंहावलोकनअन्तर्गत समावेश गरिएको छ ।
- ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :  
गत वर्षमा कम्पनीका आधारभूत शेयरधनीहरूबाट कम्पनीलाई कुनै प्रकारको जानकारी गराईएको छैन ।





- ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :  
केहि नभएको
- ढ) विगत आर्थिक वर्षमा कम्पनीसाग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :  
वित्तीय संस्थासँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा जानकारी प्राप्त भएको छैन ।
- ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरे वापत कम्पनीले भुक्तानी गरेको रकम :  
वित्तीय संस्थाले आफ्नो शेयर आफै खरिद गरेको छैन ।
- त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :  
वित्तीय संस्थामा आवश्यकताअनुरूपको आन्तरिक नियन्त्रण प्रणाली रहेको छ र यसलाई समयसापेक्ष रूपमा परिमार्जन गर्दै लगाएको छ । विभिन्न तहमा सम्पन्न हुने काम-कारवाही एक तह माथिको कर्मचारीहरूबाट परीक्षण हुने व्यवस्था मिलाइएको छ । संस्थाका विभिन्न कर्मचारीहरू तथा पदाधिकारीहरूको अख्तियारी सीमा तोकिएको छ । विभिन्न कारोबारको प्रकृतिअनुरूप पर्याप्त आन्तरिक नियन्त्रण प्रणाली व्यवस्था गरिएको छ । आन्तरिक नियन्त्रण प्रणालीलाई अभि प्रभावकारी बनाउन संस्थामा Compliance Department रहेको छ ।

आन्तरिक नियन्त्रण प्रणाली सहित अन्य कुराहरूको उच्चस्तरबाट रेखदेख गर्न गैरकार्यकारी सञ्चालकको संयोजकत्वमा जोखिम व्यवस्थापन समिति , लेखापरीक्षण समिति र एएमएल सिफ्टि कमिटी समेत रहेको छ ।

संस्थाले आफ्ना सबै तहका सबै शाखाका कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धिका लागि सुचारु रूपले विभिन्न तालिम तथा सीप विकासका कार्यक्रमहरू संचालन गर्ने गरेको छ । उक्त कार्यबाट कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धि गरी संचालनबाट हुने जोखिम न्यूनीकरण गर्ने गरिएको छ । संस्थाले आफ्नो ग्राहक पहिचान (Know your customer) को मापदण्ड तथा मुद्रा शुद्धीकरण (Anti money laundering) सम्बन्धी नीति, विद्यमान औद्योगिक प्रचलन, प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशनका आधारमा तर्जुमा गरी लागू गरेको छ । साथै संस्थाका विद्यमान नीतिहरूलाई समय सापेक्ष रूपमा परिमार्जन तथा पुर्नलेखन गरी सम्बन्धित निकायबाट स्वीकृत समेत गरी लागू गरिएको छ ।

- थ) विगत आर्थिक वर्षको व्यवस्थापन तथा संचालन खर्चको विवरण :  
वित्तीय संस्थाको आर्थिक वर्ष २०७६/७७ को व्यवस्थापन खर्चतर्फ कर्मचारी खर्च रु.१००,५७,०९३.३५/- र अन्य सञ्चालन खर्च रु.८३३,०७१.६२/- गरी जम्मा व्यवस्थापन तथा सञ्चालन खर्च रु. १८,३८७,८०५.९७/- भएको छ ।
- 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 सो को विवरण :  
यस संस्थाको सञ्चालक समितिले कम्पनी ऐन, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन तथा नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रहि गैरकार्यकारी सञ्चालकको संयोजकत्वमा १ सञ्चालक सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव रहने गरी लेखापरीक्षण समिति गठन गरेको छ । यस समितिमा निम्न पदाधिकारीहरू रहेका छन् ।

श्री राजन प्रजापती	संयोजक
श्री लक्ष्मी महर्जन	सदस्य
श्री विशाल थापा	सदस्य सचिव

लेखापरीक्षण समितिका सदस्यहरूले आ.व. २०७६/७७ मा लिएको कूल बैठक भत्ता रु.१४,०००/- रहेको छ । लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षण प्रतिवेदन र लेखा परीक्षकको प्रारम्भिक लेखापरीक्षण प्रतिवेदनमाथि छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन जारी गर्ने र सञ्चालक समितिमा सिफारिस गर्ने गरेको छ । साथै समय समयमा संस्थाको वित्तीय अवस्थाको बारेमा विस्तृत जानकारी लिई आवश्यक निर्देशन जारी गर्ने गरेको छ । आ.व. २०७६/७७ मा जम्मा ३ वटा बैठक सम्पन्न गरी सोको प्रतिवेदन समितिको बैठकमा जानकारी तथा सिफारिस गरिएको छ ।



- ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीको आधारभूत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :  
वित्तीय संस्थाको सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको छैन । तथापी संस्थाका निवर्तमान प्रमुख कार्यकारी अधिकृत श्री रविचन्द्रमान प्रधानलाई नेपाल राष्ट्र बैंकले निजबाट असुल गर्नका लागि भएको निर्देशन बमोजिमको रकम रु.४२,५४,०७०।९३ बुझाउन बाँकी रहेकोमा सो सम्बन्धमा सम्मानित अदालतमा मुद्धा विचाराधिन रहेको र निजबाट असुल गर्नपर्ने रकम संस्थासँग सुरक्षित रहेको छ ।
- न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भत्ता तथा सुविधाको रकम :  
वित्तीय संस्थाका सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई आ.व.२०७६/७७ मा भुक्तानी गरिएको पारिश्रमिक तथा भत्ता सुविधाको रकम निम्नानुसार रहेको छ ।

क्र.सं	विवरण	सञ्चालक	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी
१.	बैठक भत्ता (रु)	१,३७,५००/-	-	-
२.	तलव (रु)	-	१६,३२,०००/-	-
३.	भत्ता	-	४,६०,०००/-	-
४.	विदा वापतको भुक्तानी	-	-	कर्मचारी सेवा नियमावली अनुरूप
५.	दशैंभत्ता	-	१,००,०००/-	
६.	संचयकोष योगदान	-	१,६३,२००/-	
७.	औषधि भत्ता	-	२,१०,०००/-	
८.	बोनस	-	प्रचलित बोनस ऐन अनुरूप	
९.	टेलिफोन, मोबाइल र पत्रपत्रिका	छैन	संस्थासँग भएको	कर्मचारी सेवा नियमावली
१०.	इन्धन	छैन	करार अनुरूप	अनुरूप
११.	गाडी सुविधा	छैन	छ	छैन
१२.	आवास सुविधा	छैन	छैन	छैन
१३.	बीमा	छैन	छैन	छ

- प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :  
शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांस रकम रु.१९५,८१०/- रहेको । (सो सम्बन्धमा मिति २०७७/१२/२० गते ३० दिनको म्याद दिई सूचना प्रकाशित गरिएकोमा उक्त म्याद भित्र कुनैपनि शेयरधनीले भुक्तानीको लागि माग दावी गर्नु नभएकोले उक्त रकमलाई लगानीकर्ता संरक्षण जम्मा गरिएको छ ।)
- फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :  
यस आ.व मा कम्पनि ऐन २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।
- ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोवारको विवरण :  
यस वित्तीय संस्थाको कुनै सम्बद्ध कम्पनी छैन ।
- भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :  
अन्त्यमा, आर्थिक तथा राजनैतिक क्षेत्रमा देखा परेको विषम परिस्थितिमा समेत यस संस्थाको उद्देश्य प्राप्तिका लागि सहयोग पुऱ्याउनुहुने सम्पूर्ण शेयरधनी महानुभावहरु, निरन्तर रुपमा ग्राहक सेवाप्रति समर्पित कर्मचारीहरु साथै, यस संस्थाको उत्तरोत्तर प्रगतिमा साथ दिने सबै निकायहरूलाई हार्दिक धन्यवाद दिदै यस नेपाल फाइनेन्स लिमिटेडलाई एक सफल तथा सुशासित वित्तीय संस्थाको रुपमा उभ्याउन यो सञ्चालक समिति निरन्तर लागि रहने प्रतिबद्धता व्यक्त गर्दछौं ।
- (म) अन्य आवश्यक कुरा :  
नभएको ।



धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ सँग सम्बन्धित  
अनुसूची १५ बमोजिमको वार्षिक विवरण

१. संचालक समितिको प्रतिवेदन: सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरीक्षण भएका वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
४. कानुनी कारवाही सम्बन्धी विवरण :
  - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाका विरुद्ध कुनै मुद्दा दायर भएको भए, यस फाइनेन्सको कर्जासँग सम्बन्धित बाहेक अन्य मुद्दा दायर नभएको ।
  - (ख) संगठित संस्थाका संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमका अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए, यस फाइनेन्सको जानकारीमा नरहेको ।
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिका विश्लेषण :
  - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारण : नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार रहेको ।
  - (ख) आ.व. २०७६/७७ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन

त्रैमास	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कुल कारोबार दिन	कुल कारोबार संख्या	कुल कारोबार शेयर संख्या
प्रथम त्रैमास						
दोस्रो त्रैमास	१७८	१२२	१३३	१९	५३,५१६	
तेस्रो त्रैमास	१६३	११९	११९	३८	५९,५९६	
चौथो त्रैमास	१४१	१२७	१३०	८	४,५०२	

(श्रोत : नेपाल स्टक एक्सचेन्ज )

६. समस्या तथा चुनौति

- क) आन्तरिक समस्या तथा चुनौती
  - आयको विविधिकरण ।
  - वित्तीय स्रोतको लागतमा वृद्धि ।
  - सक्षम कर्मचारी व्यवस्थापन
- ख) बाह्य समस्या र चुनौती
  - बैंक तथा वित्तीय संस्थाको बीच तीव्र प्रतिस्पर्धा ।
  - कर्जाको माग तथा निक्षेप वृद्धिमा सन्तुलन नहुनु ।
  - वित्तीय स्रोतको अभाव ।
  - विगतमा गुमेको शाख:मा वृद्धि



ग) रणनीति

- निक्षेप तथा कर्जाको विविधिकरण ।
- आय आर्जन गर्ने नयाँ क्षेत्रहरु विस्तार तथा निक्षेप परिचालनमा जोड ।
- समय सापेक्ष प्रविधिमा आधारित नयाँ सेवाहरुको विकास ।
- पूजिँ तथा पूजिँ कोष वृद्धि ।
- अझ मजबुद प्रणाली तथा अनुपालना पद्धतीको विकास ।
- शाखा सञ्जालको विस्तार

७. संस्थागत सुशासन

बैंक तथा वित्तीय संस्था सम्बन्धि ऐन, २०७३, नेपाल राष्ट्र बैंकद्वारा जारी गरिएका निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ । संस्थागत सुशासनलाई सदैव उच्च प्राथमिकतामा राख्दै र संस्थागत सुशासन सम्बन्धी निर्देशन तथा परिपत्रहरुको पूर्णरुपले पालना गरिने छ ।

आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न लेखापरीक्षण समिति (Audit Committee) गठन गरिएको छ, जसले बाह्य र आन्तरिक लेखापरीक्षकबाट दिईएका सुझाव तथा निर्देशनहरुलाई कार्यान्वयन गराउनुका साथै आन्तरिक नियन्त्रण प्रणालीलाई अझ सुदृढ बनाउन व्यवस्थापनलाई सल्लाह र सुझावहरु दिदै आईरहेको छ ।

कारोवारलाई छिटो, छरितो, चुस्त तथा वैज्ञानिक बनाउन तथा अन्य आवश्यक रणनीति तय गर्न व्यवस्थापन समिति, जोखिम व्यवस्थापन समिति, AML/CFT Committee, सम्पत्ती/दायित्व व्यवस्थापन समिति लगायतका विभिन्न समितिहरु क्रियासिल रहेका छन् ।

नेपाल राष्ट्र बैंकको निर्देशन, स्थलगत निरिक्षण प्रतिवेदन, आन्तरिक तथा बाह्य लेखापरीक्षण प्रतिवेदनमा औल्याईएका सुझाव तथा निर्देशनहरुलाई यस संस्थाले सदैव पालना गर्दै संस्थागत सुशासनको पूर्ण पालना तथा संस्थालाई अझ सुदृढ बनाउदै लैजान यस संस्थाको संचालक समिति र व्यवस्थापन प्रतिबद्ध रहेको छ ।



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# M. Khanal & Co., Chartered Accountants

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Independent Auditors' Report  
To the Shareholders of Nepal Finance Limited

## Report on the Audit of the Financial Statements

### **Opinion**

We have audited the accompanying financial statements of Nepal Finance Limited, which comprises the statement of financial position as at Ashad 31, 2077 (15 July, 2020), statement of the profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and the best of our information and according to the explanations given to us, the accompanying financial statements present fairly, in all material respects the financial position of the Nepal Finance Limited as at Ashad 31, 2077 (15 July, 2020), and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Nepal.

### **Basis for opinion**

We conducted our audit in accordance with Nepal Standard on Auditing (NSA), generally accepted auditing standards and applicable laws. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are independent of the Nepal Finance Limited in accordance with ICAN's Handbook of Code of Ethics for Professional Ethics together with the ethical requirement that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriated to provide a basis for our opinion.

### **Emphasis of Matter**

The Finance Company was released from the corrective action/measure of NRB with certain terms on 2076/08/24 after being declared problematic.

Though The Finance Company has reduced its accumulated loss by Rs. 16,190,548.00 in this fiscal year, it has still accumulated loss of Rs. 179,259,595.00 as at Ashad 31, 2077 which is significant and has reduced the value of assets to generate the cash flows.

The Finance Company had most of the loan assets as Non-performing assets in its portfolio. Though it has reduced its non-performing assets as on date, there is still major and the significant portion non-performing loan assets in its portfolio. Non recovery of non-performing loan assets can affect its regular business activity to generate cash flows and to recover its accumulated losses.

Similarly, NRB has given time period of 2 years from the date release from problematic to maintain its capital requirement as per NRB directives. The Finance Company has not maintained such capital requirement till date.

If the Finance Company is unable to recover those non-performing loan, suffering significant amount of loss and to maintain such capital requirement within the prescribed time period in future, then it indicates the material uncertainty exists that cast significant doubt on the Finance Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.



S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Interest Income Recognition</b></p> <p>Interest income of the Finance Company is recognized on accrual basis subject to the Interest Income Recognition Guidelines 2019 issued by NRB. The guidelines requires suspension of interest income recognition on accrual basis for loans and advances which are more than 3 months in arrears and where the "netrealizable value" of security is insufficient to cover payment of principal and accrued interest and for loans and advances where contractual payments of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral; In absence of system capability to suspend recognition of income on the basis of overdue status of loans and net realizable value of collateral, manual calculations is required to suspend interest income recognition. This creates risk of improper application of the guidelines and determination of the Net Realizable Value of the collateral. This may, in turn, have effect on recognition of interest income of The Finance Company. Thus, we have considered it as a key audit matter.</p>	<p>Our audit approach included:</p> <p>a. Obtaining clear understanding of the process of accrual calculations of interest income on loans and advances in the Core Banking Software (CBS) of the Finance Company.</p> <p>b. For net realizable value of collateral on the sample loan files, we relied on the latest available engineer's valuation of the collateral.</p> <p>c. Test check of the interest income accrued in the CBS and booked in the financial statements in line with the Guidelines issued by NRB.</p> <p><b>Our Results:</b> We considered the interest income recognition to be acceptable.</p>
2	<p><b>Valuation of investments at amortized cost an</b></p> <p>Investment of the Finance Company comprises of investment in quoted and unquoted equity instruments.</p> <p>Valuation of the aforesaid securities has been done in accordance with NAS 39 and NRB</p>	<p><b>d measured at fair value</b></p> <p>Our audit approach included:</p> <p>a. Review of investments of the Finance Company and its valuation in accordance with related NFRS and NRB Directives.</p>
	<p>Directive no. 8. Investments in equity instruments, other than those held for trading, is valued at Fair Value through Other Comprehensive Income on the reporting date.</p> <p>The classification of the investments is based on business model adopted by the management, the nature of cash flows, complexity of calculations and significance of amount involved in such investments. Thus, we have considered it as a Key Audit Matter in our audit.</p>	<p>b. Assessment of the business model adopted by the management and the nature of expected cash flow of the investments on the basis of available evidences/ circumstances and ensured that classification of investment commensurate with nature of cash flows and management intention of holding the investments.</p> <p>c. For the valuation of investments at amortized cost, we reviewed the Accrued Interest yet to be collected.</p> <p>d. For investments valued through OCI, we reviewed the fair value considering the closing price in NEPSE as on the reporting date.</p> <p><b>Our Results:</b> We considered the valuation of investments at amortized cost and measured at fair value to be acceptable.</p>
3	<p><b>Impairment of Loans and Advances</b></p> <p>The Finance Company measures impairment allowance on loans and advances at the higher of:</p> <ul style="list-style-type: none"> <li>Amount derived as per the provisions set forth in the Unified Directives issued by Nepal Rastra Bank along with circulars issued for loan loss provisioning; and</li> <li>Amount determined as per para 63 of NAS 39 adopting Incurred Loss Model.</li> </ul> <p>NRB directives sets provision on loans and advances at prescribed rates based on overdue status of loans and advances as well as utilization status of the facility, status of security, borrower's whereabouts and so on.</p> <p>As per NAS 39, impairment allowances is made on individual impairment basis for loans and advances that are individually significant and collective impairment basis for groups of loans that are not considered individually significant.</p> <p>Hence impairment of loans and advances under incurred loss model requires assessment of future cash flows as well as historical loss experiences of portfolios whereas impairment of loans and advances under NRB norms requires 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 impairment of loans and advances under incurred loss model as well as NRB provisioning norms is regarded as a key audit matter.</p>	<p>Our audit approach included:</p> <p>a. Review of the overdue status of loans and advances based on data extracted from the system and reports submitted to NRB.</p> <p>b. Sample credit files were reviewed in regards to utilization of loans and advances for intended purpose by way of scrutiny of financial statements, accounts movement, account turnover and so on.</p> <p>c. Grouping of homogeneous group of loans was reviewed on the basis of nature and purpose of loans and data of historical loss experience in portfolios were assessed on the basis of loan loss provisions of the defined group in the past.</p> <p><b>Our Results:</b> We considered the impairment of loans and advances to be acceptable.</p>





Our opinion is not modified in respect of this matter.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS), 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 Finance Company ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Finance Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Finance Company financial reporting process.

***Auditors 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 a 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Finance 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 Finance 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 report. However, future events or conditions may cause the Finance Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Finance Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the statutory audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on Other Legal and Regulatory Requirements***

We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our examination.

In our opinion, the statement of financial position as at Ashad 31, 2077 (15 July, 2020), statement of the comprehensive income, statement of changes in equity and statement of cash flow for the year then ended have been prepared in accordance with the provisions of Companies Act 2063 and conform to the books of accounts of the Nepal Finance Limited and the books of accounts and records are properly maintained in accordance with the prevailing laws, except the following instances.

During the course of our audit, we come across the following cases with non-compliance of directives issued or instructions given by Nepal Rastra Bank or other prevailing laws as the Nepal Finance Limited was recently released from the problematic



financial institution and corrective measure/action by Nepal Rastra Bank on 2076/08/24 and The Finance Company has started its commercial transaction form 2076/08/26.

- Other real estate loan to be maintained as per NRB Directive no 3.10.4 has exceeded the prescribed limit.
- The Finance Company has to maintain promoter holdings at least 51% after issuing right issue where as currently holding is 50.11% and FI has not made any arrangement to maintain as prescribed till the date of audit completion.
- Under NRB Directive No: 10/2076, no organization registered under cooperatives act can hold promoter shares in any financial institution of any class approved by NRB where as Shubashree Co-operative Limited hold promoter share in Nepal Finance Limited.
- The Finance Company has to transfer unclaimed dividend which is not claimed up to 5 years from the date of approval from AGM to investor protection fund as per section 182 (9) of company 2063 where as dividend that are payable for more than 5 years are lying in the account as under depositing it to the "Investor protection fund"
- NRB had instructed the Finance Company to make proper arrangement to conduct the system audit on regular basis. However, the Finance Company has not made any such arrangement.

During the course of our audit, we did not come across the cases, except above mentioned cases with non-compliance of directives issued or /instructions given by Nepal Rastra Bank, where the Board of Directors or the representative or any employee of the Nepal Finance Limited has acted deliberately contrary to the provisions of law or caused loss or damage to the entity or misappropriated the fund of the entity, nor have we been informed of any such case by management.



**Mahesh Khanal, FCA**  
For: M. Khanal & Co.,  
Chartered Accountants  
UDIN: 201227CA001026EuSF

Place: Kathmandu, Nepal Date: December 27, 2020





**Nepal Finance Ltd**  
Statement of Financial Position  
As on 31 Asar 2077

Particulars	Note	Current Year	Previous Year
<b>Assets</b>			
Cash and Cash Equivalents	4.1	265,617,722	123,413,862
Due from Nepal Rastra Bank	4.2	4,542,461	4,489,989
Placement with Bank and Financial Institutions	4.3	-	-
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to BFIs	4.6	4,950,000	-
Loans and Advances to Customers	4.7	31,039,624	-
Investment Securities	4.8	26,806,798	43,002,248
Current Tax Assets	4.9	13,870,088	5,856,588
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment Property	4.12	92,936,567	92,936,567
Property and Equipment	4.13	8,399,395	5,809,656
Goodwill and Intangible Assets	4.14	-	-
Deferred Tax Assets	4.15	19,587,160	-
Other Assets	4.16	5,345,357	2,338,210
<b>Total Assets</b>		<b>473,095,171</b>	<b>277,847,121</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	-	-
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	209,321,057	44,809,595
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	253,960	253,960
Deferred Tax Liabilities	4.15	-	3,517,087
Other Liabilities	4.23	31,575,654	30,600,598
Debt Securities Issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total Liabilities</b>		<b>241,150,672</b>	<b>79,181,240</b>
<b>Equity</b>			
Share Capital	4.26	135,800,500	135,800,500
Share Premium		-	-
Retained Earnings		(179,259,595)	(195,450,143)
Reserves	4.27	275,403,595	258,315,524
<b>Total equity attributable to equity holders</b>		<b>231,944,500</b>	<b>198,665,881</b>
Non-controlling interest			
<b>Total equity</b>		<b>231,944,500</b>	<b>198,665,881</b>
<b>Total liabilities and equity</b>		<b>473,095,172</b>	<b>277,847,121</b>
Contingent liabilities and commitment	4.28		
Net assets value per share		170.80	146.29

**Sagar Prajapati**  
Manager

**Uddhab Raj Thapaliya**  
Chief Executive Officer

**Ananda Krishna Tamrakar**  
Director

**Rajan Prajapati**  
Director

**Laxmi Maharjan**  
Director

**Diprash Shakya**  
Director

**Chandra Kumar Rai**  
Director

**Rojina Shrestha**  
Director

**Hirendra Man Pradhan**  
Chairman

**FCA Mahesh Khanal**  
M.Khanal & Co,  
Dhobighat ,Lalitpur



**Nepal Finance Ltd**  
Statement of Profit or Loss  
For the year ended 31 Asar 2077

Particulars	Note	Current Year	Previous Year
Interest Income	4.29	29,734,187.56	24,126,312.75
Interest Expense	4.30	2,683,349.54	2,786,078.65
<b>Net Interest Income</b>		<b>27,050,838.02</b>	<b>21,340,234.10</b>
Fee and Commission Income	4.31	309,500.00	-
Fee and Commission Expense	4.32	738,826.53	202,320.00
<b>Net Fee and Commission Income</b>		<b>(429,326.53)</b>	<b>(202,320.00)</b>
<b>Net Interest, Fee and Commission Income</b>		<b>26,621,511.49</b>	<b>21,137,914.10</b>
Net Trading Income	4.33	-	-
Other Operating Income	4.34	1,166,794.30	1,313,070.44
<b>Total Operating Income</b>		<b>27,788,305.79</b>	<b>22,450,984.54</b>
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	(18,954,486.45)	(43,762,587.69)
<b>Net Operating Income</b>		<b>46,742,792.24</b>	<b>66,213,572.23</b>
<b>Operating Expense</b>			
Personnel Expenses	4.36	10,057,093.35	9,373,820.87
Other Operating Expenses	4.37	8,330,712.62	5,320,552.01
Depreciation & Amortisation	4.38	1,985,164.04	1,245,705.22
<b>Operating Profit</b>		<b>26,369,822.23</b>	<b>50,273,494.13</b>
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	-	-
<b>Profit Before Income Tax</b>		<b>26,369,822.23</b>	<b>50,273,494.13</b>
Income Tax Expense	4.41		
Current Tax		-	4,842,222.35
Deferred Tax		(18,245,611.40)	37,107,626.27
<b>Profit for the Period</b>		<b>44,615,433.64</b>	<b>8,323,645.51</b>
Profit Attributable to:			
Equity-holders of the Company		44,615,433.64	8,323,645.51
Non-Controlling Interest			
Profit for the Period		44,615,433.64	8,323,645.51
Earnings per Share			
Basic Earnings per Share		32.85	6.13
Diluted Earnings per Share		32.85	6.13

Sagar Prajapati  
Manager

Uddhab Raj Thapaliya  
Chief Executive Officer

Ananda Krishna Tamrakar  
Director

Rajan Prajapati  
Director

Laxmi Maharjan  
Director

Diprash Shakya  
Director

Chandra Kumar Rai  
Director

Rojina Shrestha  
Director

Hirendra Man Pradhan  
Chairman

FCA Mahesh Khanal  
M.Khanal & Co,  
Dhobighat ,Lalitpur



**Nepal Finance Ltd**  
Statement of Other Comprehensive Income  
For the year ended 31 Asar 2077

Particulars	Note	Current Year	Previous Year
Profit for the year		44,615,433.64	8,323,644.63
Other Comprehensive Income, Net of Income Tax			
a) Items that will not be reclassified to profit or loss			
Gains/(losses) from investment in equity instruments measured at fair value		(16,195,450.00)	(2,779,959.00)
Gains/(losses) on revaluation			-
Actuarial gains/(losses) on defined benefit plans			-
Income tax relating to above items		4,858,635.00	833,987.70
Net other comprehensive income that will not be reclassified to profit or loss		(11,336,815.00)	(1,945,971.30)
b) Items that are or may be reclassified to profit or loss			
Gains/(losses) on cash flow hedge			
Exchange gains/(losses)(arising from translating financial assets of foreign operation)			-
Income tax relating to above items			
Reclassify to profit or loss			
Net other comprehensive income that are or may be reclassified to profit or loss			-
c) Share of other comprehensive income of associate accounted as per equity method			-
Other Comprehensive Income for the year, Net of Income Tax		(11,336,815.00)	(1,945,971.30)
Total Comprehensive Income for the Period		33,278,618.64	6,377,673.33
Total Comprehensive Income attributable to:			
Equity-Holders of the Company			
Non-Controlling Interest			
<b>Total Comprehensive Income for the Period</b>		<b>33,278,618.64</b>	<b>6,377,673.33</b>

**Sagar Prajapati**  
Manager

**Uddhab Raj Thapaliya**  
Chief Executive Officer

**Ananda Krishna Tamrakar**  
Director

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Director

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Director

**Diprash Shakya**  
Director

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Director

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Director

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Chairman

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Dhobighat ,Lalitpur



Nepal Finance Ltd  
Statement of Changes in Equity  
For the year ended 31 Asar 2077

Particulars	Attributable to Equity-Holders of the Finance Company										Non-Control- ling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total		
Balance at Shrawan 01, 2075	135,800,500.00	-	55,727,681.00	-	-	22,542,315.60	-	(107,499,108.09)	85,716,818.00	192,288,206.52	-	192,288,206.52
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(1,945,971.30)	-	8,323,645.51	-	8,323,645.51	-	8,323,645.51
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	(1,945,971.30)	-	(96,274,680.89)	-	(96,274,680.89)	-	(96,274,680.89)
Total Comprehensive Income for the year	-	-	1,664,729.10	-	94,426,442.73	(1,945,971.30)	-	8,323,645.51	183,509.06	6,377,674.21	-	6,377,674.21
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	0.00	-	0.00
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Other: Calls in advance	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	-	-	-	-	-	-	-	-	-	-	-	-
Balance at Asar 31, 2076	135,800,500.00	-	57,392,409.92	-	94,426,442.73	20,596,344.30	-	(195,450,142.97)	85,900,327.05	198,665,881.03	-	198,665,881.03
<b>Balance at Shrawan 01, 2076</b>	<b>135,800,500.00</b>	-	<b>57,392,409.92</b>	-	<b>94,426,442.73</b>	<b>20,596,344.30</b>	-	<b>(195,450,142.97)</b>	<b>85,900,327.05</b>	<b>198,665,881.03</b>	-	<b>198,665,881.03</b>
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(11,336,815.00)	-	44,615,433.64	-	44,615,433.64	-	44,615,433.64
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	(11,336,815.00)	-	44,615,433.64	-	44,615,433.64	-	44,615,433.64
Total Comprehensive Income for the year	-	-	8,923,086.73	-	18,945,255.70	(11,336,815.00)	-	(28,424,885.21)	556,542.78	33,278,618.64	(0.00)	33,278,618.64
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-
Other: Calls in advance	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	-	-	66,315,496.65	-	113,371,698.43	9,259,529.30	-	(179,259,594.55)	86,456,869.82	231,944,499.67	-	231,944,499.67
Balance at Asar 31, 2077	135,800,500.00	-	66,315,496.65	-	113,371,698.43	9,259,529.30	-	(179,259,594.55)	86,456,869.82	231,944,499.67	-	231,944,499.67
Total Contributions by and Distributions	-	-	66,315,496.65	-	113,371,698.43	9,259,529.30	-	(179,259,594.55)	86,456,869.82	231,944,499.67	-	231,944,499.67
Balance at Asar 31, 2077	135,800,500.00	-	66,315,496.65	-	113,371,698.43	9,259,529.30	-	(179,259,594.55)	86,456,869.82	231,944,499.67	-	231,944,499.67



Nepal Finance Ltd  
Statement of Cash Flows  
For the year ended 31 Asar 2077

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest Received	29,734,187.56	24,126,312.75
Fee and Other Income Received	309,500.00	-
Dividend Received	1,002,352.22	893,532.04
Receipts from Other Operating Activities	164,442.08	419,538.40
Interest Paid	(2,683,349.54)	(2,786,078.65)
Commissions and Fees Paid	(738,826.53)	(202,320.00)
Cash Payment to Employees	(10,057,093.35)	(9,373,820.87)
Other Expenses Paid	10,623,773.83	38,442,035.68
<b>Operating Cash Flows before Changes in Operating Assets and Liabilities</b>	<b>28,354,986.27</b>	<b>51,519,199.35</b>
<b>(Increase) Decrease in Operating Assets</b>		
Due from Nepal Rastra Bank	(52,471.92)	(3,500,000.11)
Placement with Banks and Financial Institutions	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	(4,950,000.58)	-
Loans and Advances to Customers	(31,039,623.57)	-
Other Assets	(30,607,806.04)	34,765,040.75
<b>Increase (Decrease) in Operating Liabilities</b>		
Due to Banks and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposit from Customers	164,511,462.06	(19,920,709.73)
Borrowings	-	-
Other Liabilities	(2,542,030.50)	3,173,850.88
<b>Net Cash Flow from Operating Activities before Tax Paid</b>	<b>123,674,515.72</b>	<b>66,037,381.14</b>
Income Tax Paid	18,245,611.40	(41,949,848.62)
<b>Net Cash Flow from Operating Activities</b>	<b>141,920,127.12</b>	<b>24,087,532.52</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investment Securities	16,195,449.58	(12,141.00)
Receipts from Sale of Investment Securities	-	-
Purchase of Property and Equipment	(4,574,902.56)	(15,503.00)
Receipts from Sale of Property and Equipment	-	-
Purchase of Intangible Assets	-	-
Purchase of Investment Properties	-	-
Receipts from Sale of Investment Properties	-	-
Interest Received	-	-
Dividend Received	-	-
Net Cash Used in Investing Activities	11,620,547.02	(27,644.00)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from Issue of Debt Securities	-	-
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	-	-
Dividends Paid	-	-
Interest Paid	-	-
Other Receipts/Payments	(11,336,814.77)	(1,945,970.99)
<b>Net Cash from Financing Activities</b>	<b>(11,336,814.77)</b>	<b>(1,945,970.99)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>142,203,859.38</b>	<b>22,113,917.53</b>
Cash and Cash Equivalents at Shrawan 01, 2076	123,413,862.46	101,299,944.93
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	-	-
<b>Cash and Cash Equivalents at Asar 31, 2077</b>	<b>265,617,721.84</b>	<b>123,413,862.46</b>

Sagar Prajapati  
Manager

Uddhab Raj Thapaliya  
Chief Executive Officer

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Chandra Kumar Rai  
Director

Rojina Shrestha  
Director

Hirendra Man Pradhan  
Chairman

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Dhobighat ,Lalitpur



**Nepal Finance Ltd**  
Statement of Distributable Profit or Loss  
For the year ended 31 Asar 2077  
(As per NRB Regulation)

Particulars	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>44,615,433.64</b>	<b>8,323,645.51</b>
<b>Opening balance in retained earnings</b>	<b>(195,450,143.46)</b>	<b>(107,499,108.09)</b>
<b>Appropriations:</b>		
a. General reserve	8,923,086.73	1,664,729.10
b. Foreign exchange fluctuation fund		-
c. Capital redemption reserve		-
d. Corporate social responsibility fund	446,154.34	83,236.46
e. Employees' training fund	110,388.44	100,272.60
f. Other		-
>Deferred Tax Reserve		-
<b>Profit or (loss) before regulatory adjustment</b>	<b>(160,314,339.33)</b>	<b>(101,023,700.73)</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	352,637.30	-
b. Short loan loss provision in accounts (-)/reversal (+)		-
c. Short provision for possible losses on investment (-)/reversal (+)	347,007.00	1,489,876.00
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	-	92,936,566.73
e. Deferred tax assets recognised (-)/ reversal (+)	18,245,611.40	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)		-
g. Bargain purchase gain recognised (-)/resersal (+)		-
h. Acturial loss recognised (-)/reversal (+)		-
i. Other (+/-)		-
<b>Distributable profit or (loss)</b>	<b>(179,259,595.04)</b>	<b>(195,450,143.46)</b>

**Sagar Prajapati**  
Manager

**Uddhab Raj Thapaliya**  
Chief Executive Officer

**Ananda Krishna Tamrakar**  
Director

**Rajan Prajapati**  
Director

**Laxmi Maharjan**  
Director

**Diprash Shakya**  
Director

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Director

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Chairman

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## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

### 1. Reporting Entity

Nepal Finance Limited is a limited liability company domiciled in Nepal which has been in operation in Nepal since 2049/04/07 BS. The Finance Company is registered with the Office of Company Registrar as a public limited company and carries out banking activities in Nepal under the license from Nepal Rastra Bank as Class “Ga” licensed institution (National Level). It's registered, and corporate office are at Kamaladi, Kathmandu, Nepal.

The Finance Company offers maximum banking services of banking products and services including loans and advances, deposits etc. to wide range of clients encompassing individuals, corporates, large public sector companies, government corporations, etc. as authorized by the Nepal Rastra Bank (Central Bank of Nepal).

The Finance Company is listed on Nepal Stock Exchange and its stock symbol is “NFS”.

### 2. Basis of Preparation

The financial statements of the Finance Company have been prepared on accrual basis of accounting except the Cash Flow information, which is prepared on a cash basis, using the direct method. The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts of the group and separate financial statements as stated above of the Finance Company. The accounting policies are consistently applied to all the years presented, except for the changes in accounting policies disclosed specifically.

#### 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) and as per the provisions of Bank and Financial Institutions Act, 2073 in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2076.

#### 2.2. Reporting Period

Reporting Period is a period from the first day of Shrawan (mid July) of any year to the last day of Ashadh (mid July) of the next year as per Nepali calendar.

	Nepali Calendar	English Calendar
Current Year	2076/77	2019/20
Previous Year	2075/76	2018/19
Current Year Period	Shrawan 01, 2076 to Ashadh 31, 2077	July 17, 2019 to July 15, 2020
Previous Year Period	Shrawan 01, 2075 to Ashadh 31, 2076	July 17, 2018 to July 16, 2019

#### 2.3. Functional and Presentation Currency

The financial statements of the Group are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the company operates. Financial information is presented in Nepalese Rupees. There was no change in the presentation and functional currency during the year under review. The figures are rounded to nearest integer, except otherwise indicated.

#### 2.4. Use of Estimates, Assumptions and Judgment

The Finance Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Finance 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 Finance 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 Finance 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.

**2.5. Changes in Accounting Policies**

The Company has consistently applied the accounting policies to all the periods presented in these financial statements except for new or revised statements and interpretations implemented during the year. The nature and effect of new standards and interpretations are discussed in note that follows.

**2.6. New Reporting standards issued but not effective**

For the reporting of financial instruments, NAS 32 Financial Instruments Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments. Few carve-outs on applicable Accounting Standards as provided by the Institute of Chartered Accountants of Nepal have been used by the Finance Company, the quantitative and qualitative impact of the same have been disclosed in detail in Notes to the Accounts. Further, NAS 17 Leases has not been incorporated in this financial statement regarding operating lease since the effect of the same was considered not material by the management. Further, a number of new standards and amendments to the existing standards and interpretations have been issued by International Accounting Standard Board after the pronouncements of NFRS with varying effective dates. Those become applicable when Accounting Standard Board Nepal incorporates them within NFRS.

**2.7. Discounting**

Non- current assets and liabilities are discounted where discounting is material. Interest income and expenses have been recognized on unwinding of financial assets and liabilities respectively.

**2.8. Materiality and Aggregation**

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard – NAS 1 on ‘Presentation of Financial Statements’. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Finance Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

**2.9. Going Concern**

The Board has made an assessment of the company’s ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

**2.10. Prior Period Errors**

Prior Period Errors are omissions or misstatements in an entity’s financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years’ financial statements. Sometimes such changes may not be practicable. In such cases, it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

**3. Significant Accounting Policies**

The principal accounting policies applied by the Finance Company in the preparation of these financial statements are presented below. These policies have been consistently applied to all the years presented unless stated otherwise.

**3.1. Basis of Measurement**

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

- ♦ Available for sale investments (quoted) are measured at fair value.
- ♦ Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- ♦ Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate.

**3.2 Basis of consolidation**

**a. Business Combinations and Goodwill**

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Finance Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling





interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is immediately recognized in the profit or loss.

The Finance Company elects on a transaction-by transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Finance Company incurs in connection with a business combination are expensed as incurred.

The Finance Company has applied Exemptions for NFRS 3 as stated in Appendix C as follows:

A first-time adopter may elect not to apply NFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NFRSs). However, if a first-time adopter restates any business combination to comply with NFRS 3 it shall restate all later business combinations and shall also apply NFRS 10 from that same date.

However, the Finance Company does not have control over any other entity for consolidation of Financial Statements.

Investments in Shares made by the Finance Company are financial investments and have been described under 4.8 in Notes.

**b. Non-Controlling Interest (NCI)**

The finance company 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 Nepal Finance Ltd. and non-controlling interests are determined on the basis of present ownership interests.

However, Finance Company does not have a Subsidiary. So the non-controlling interest has not been calculated separately.

**c. Subsidiaries**

Subsidiaries are entities that are controlled by the Finance Company. The Finance Company 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 Finance Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

The Financial Statements of Subsidiaries are fully consolidated from the date on which control is transferred to the Finance Company and continue to be consolidated until the date when such control ceases. The Financial Statements of the Finance Company's Subsidiaries are prepared for the same reporting year as per the Finance Company, using consistent accounting policies.

However, Finance Company does not have any subsidiary.

**d. Loss of Control**

When the Finance Company loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Finance Company 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 Finance Company recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

However, Finance Company does not have any subsidiary.

**e. Special Purpose Entity (SPE)**

An entity may be created to accomplish a narrow and well-defined objective (eg. to effect a lease, research and development activities or a securitization of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal



arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the SPE. Examples of SPEs include entities set up to effect a lease, a securitization of financial assets, or R&D activities. Nepal Financial Reporting Standard 10 Consolidated Financial Statement is applicable in relation to consolidation of special purpose entity.

The Finance Company does not have any special purpose entity.

**f. Transaction elimination on consolidation**

In consolidating a subsidiary, the group eliminates full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the subsidiary and the Finance Company (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

The Finance Company does not have any subsidiary.

**3.3. Cash and cash equivalents**

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value and are used by the Finance Company in the management of short term commitments.

Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

**3.4. Financial assets and Financial Liabilities**

**Initial Recognition**

**a. Date of Recognition**

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Finance Company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

**b. Recognition and Initial Measurement of Financial Instruments**

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

**Classification and Subsequent Measurement of Financial Instruments**

**Classification and Subsequent Measurement of Financial Assets**

At the inception, a financial asset is classified into one of the following:

- (a) Financial assets at fair value through profit or loss
  - i. Financial assets held for trading
  - ii. Financial assets designated at fair value through profit or loss
- (b) Held to Maturity Financial Assets
- (c) Loans and Receivables
- (d) Financial assets available for sale

The subsequent measurement of financial assets depends on their classification.

**(a) Financial Assets at Fair Value through Profit or Loss**

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.



**(a) (i) Financial Assets Held for Trading**

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by Finance Company that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards (NAS) 39 “Financial Instruments: Recognition and Measurement”.

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in ‘Net trading income’. Dividend income is recorded in ‘Net trading income’ when the right to receive the payment has been established

Finance Company evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When Finance Company is unable to trade these financial assets due to inactive markets and management’s intention to sell them in the foreseeable future significantly changes, the Finance Company may elect to reclassify these financial assets. Financial assets held for trading include instruments such as government securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term.

**(a) (ii) Financial Assets Designated at Fair Value through Profit or Loss**

Finance Company designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets 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 assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or losses are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in ‘Net gain or loss on financial instruments designated at fair value through profit or losses’ in the Statement of Profit or Loss. Interest earned is accrued under ‘Interest income’, using the effective interest rate method, while dividend income is recorded under ‘Other operating income’ when the right to receive the payment has been established.

The Finance Company has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

**(b) Held to Maturity Financial Assets**

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Finance Company has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in ‘Interest income’ in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss.

**(c) Loans and Receivables from Customers**

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Finance Company intends to sell immediately or in the near term and those that the Finance Company, upon initial recognition, designates as fair value through profit or loss.
- Those that the Finance Company, upon initial recognition, designates as available for sale
- Those for which the Finance Company may not recover substantially all of its initial investment through contractual cash flows, other than because of credit deterioration.



After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less allowance for impairment. Within this category, loans and advances to the customers have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognized in 'Impairment charge / reversal for loans and other losses' in the Statement of Profit or Loss.

**(d) Financial Assets Available for Sale**

Available for sale financial assets include equity and debt securities. Equity Investments classified as 'Available for Sale' are those which are neither classified as 'Held for Trading' nor 'Designated at fair value through profit or loss'. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available for sale financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Available for sale reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Where Finance Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. Interest earned whilst holding 'Available for sale financial investments' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'Available for sale financial investments' are recognized in the Statement of Profit or Loss as 'other operating income' when the right to receive the payment has been established. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss under 'Impairment charge for loans and other losses' and removed from the 'Available for sale reserve'.

Financial assets under AFS that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortized cost of the security are recognized in income statement and other changes in the carrying amount are recognized in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Finance Company recognizes a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognized immediately in the income statement. Instead, it is recognized over the life of the transaction on an appropriate basis, when the inputs become observable, the transaction matures or is closed out, or when the Finance Company enters into an offsetting transaction.

**Classification and Subsequent Measurement of Financial Liabilities**

At the inception, Finance Company determines the classification of its financial liabilities. Accordingly financial liabilities are classified as:

- (a) Financial liabilities at fair value through profit or loss
  - i. Financial liabilities held for trading
  - ii. Financial liabilities designated at fair value through profit or loss

- (b) Financial liabilities at amortized cost

**(a) Financial Liabilities at Fair Value through Profit or Loss**

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.



**(a) (i) Financial Liabilities Held for Trading**

Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category includes derivative financial instrument entered into by Finance Company that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement).

**a) (ii) Financial Liabilities Designated at Fair Value through Profit or Loss**

Finance Company designates financial liabilities at fair value through profit or loss at following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- The 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 liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

**(b) Financial Liabilities At Amortized Cost**

Financial instruments issued by Finance Company that are not classified as fair value through profit or loss are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in Finance Company having an obligation either to deliver cash or another financial asset to another Finance Company, or to exchange financial assets or financial liabilities with another Finance Company under conditions that are potentially unfavorable to the Finance Company or settling the obligation by delivering variable number of Finance Company's own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognized in the Statement of Profit or Loss when the liabilities are derecognized.

**Reclassification of Financial Instruments**

**3.4.1. (a) Reclassification of Financial Instruments 'At fair value through profit or loss',**

Finance Company does not reclassify derivative financial instruments out of the fair value through profit or loss category when it is held or issued.

Non-derivative financial instruments designated at fair value through profit or loss upon initial recognition are not reclassified subsequently out of fair value through profit or loss category.

Finance Company may, in rare circumstances reclassify financial instruments out of fair value through profit or loss category if such instruments are no longer held for the purpose of selling or repurchasing in the near term notwithstanding that such financial instruments may have been acquired principally for the purpose of selling or repurchasing in the near term. Financial assets classified as fair value through profit or loss at the initial recognition which would have also met the definition of 'Loans and Receivables' as at that date is reclassified out of the fair value through profit or loss category only if Finance Company has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Any gain or loss already recognized in respect of the reclassified financial instrument until the date of reclassification is not reversed to the Statement of Profit or Loss.

If a financial asset is reclassified, and if Finance Company subsequently increases its estimates of the future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

**3.4.1. (b) Reclassification of 'Available for sale' Financial Instruments**

Finance Company may reclassify financial assets out of available for sale category as a result of change in intention or ability or in rare circumstances that a reliable measure of fair value is no longer available.



A financial asset classified as available for sale that would have met the definition of loans and receivables at the initial recognition may be reclassified out of available for sale category to the loans and receivables category if Finance Company has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Difference between the new amortized cost and the maturity value is amortized over the remaining life of the asset using the effective interest rate. Any gain or loss already recognized in Other Comprehensive Income in respect of the reclassified financial instrument is accounted as follows:

**i) Financial assets with fixed maturity :**

Gain or loss recognized up to the date of reclassification is amortized to profit or loss over the remaining life of the investment using the effective interest rate. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

**ii) Financial assets without fixed maturity :**

Gain or loss recognized up to the date of reclassification is recognized in profit or loss only when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

If a financial asset is reclassified, and if Finance Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

**3.4.1. (c) Reclassification of ‘Held to Maturity’ Financial Instruments**

As a result of a change in intention or ability, if it is no longer appropriate to classify an investment as held to maturity, Finance Company may reclassify such financial assets as available for sale and re-measured at fair value. Any difference between the carrying value of the financial asset before reclassification and fair value is recognized in equity through other comprehensive income.

However, if Finance Company were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity [other than in certain specific circumstances permitted in Nepal Accounting Standard - NAS 39(Financial Instruments: Recognition and Measurement)], the entire category would be tainted and would have to be reclassified as ‘Available for sale’. Furthermore, Finance Company would be prohibited from classifying any financial assets as ‘Held to Maturity’ during the following two years. These reclassifications are at the election of management and determined on an instrument by instrument basis.

**De-recognition of Financial Assets and Liabilities**

**3.4.2. (a) De-recognition of Financial Assets**

Finance Company derecognizes a financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or
- Finance Company has transferred its rights to receive cash flows from the asset or
- Finance Company has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either Finance Company has transferred substantially all the risks and rewards of the asset or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

When Finance Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Finance Company’s continuing involvement in the asset. In that case, Finance Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Finance Company has retained.

When Finance Company’s continuing involvement that takes the form of guaranteeing the transferred asset, the





extent of the continuing involvement is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received by Finance Company that Finance Company could be required to repay.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

#### **3.4.2. (b) De-recognition of Financial Liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled 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 de-recognition 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 profit or loss.

#### **3.4.2. (c) Repurchase and Reverse Repurchase Agreements**

Securities sold under agreement to repurchase at a specified future date are not de-recognized from the Statement of Financial Position as the Finance Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the Statement of Financial Position as a liability with a corresponding obligation to return it, including accrued interest under 'Securities sold under repurchase agreements', reflecting the transaction's economic substance to the Finance Company. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the Finance Company has the right to sell or re-pledge the securities, the Finance Company reclassifies those securities in its Statement of Financial Position as 'Financial assets held for trading pledged as collateral or 'Financial assets available for sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at future date are not recognized in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under "Reverse repurchase agreements" reflecting the transaction's economic substance to the Finance Company. The difference between the purchase and resale prices is recorded as 'Interest income' and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale with in 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Net trading income'.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when and only when Finance Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRSs or for gains and losses arising from a group of similar transaction such as in trading activity.

#### **Amortized Cost Measurement**

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

#### **Fair Value Measurement**

'Fair 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Finance Company has access at that date. The fair value of liability reflects its non-performance risk. When available, the Finance Company measures the fair value of an instrument using the quoted price in an active market for that instrument (Level 01 valuation). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis on an arm's length basis.

If there is no quoted price in an active market, then the Finance Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. 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 and option pricing models. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Finance Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price. Where the Finance



Company has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to net open position as appropriate.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Finance Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Finance Company entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Finance Company believes a third-party market participant would take them into account in pricing a transaction.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest best use or by selling it to another market participant that would use the asset in its highest and best use.

The Finance Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

#### **Impairment of Financial Assets**

Finance Company assesses at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired. A financial asset or group of financial assets is deemed to be impaired if and only if there is objective evidence of impairment as a result of one or more events, that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### **3.4.3. (a) Impairment of Financial Assets carried at Amortized Cost**

For financial assets carried at amortized cost, such as amounts due from banks, held to maturity investments etc., Finance Company first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. In the event Finance Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics such as collateral type, past due status and other relevant factors and collectively assesses them for impairment. However, assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is an objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current closely approximates effective interest rate. If the Finance Company has reclassified trading assets to loans and advances, the discount rate for measuring any impairment loss is the new closely approximates effective interest rate determined at the reclassification date. The calculation of the present value of the estimated future cash flows of a collateralized financial assets reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

#### **3.4.3. (a) (i) Individually Assessed Financial Assets**





The criteria used to determine whether there is objective evidence of impairment include and not limited to:

- Known Cash Flow difficulties experienced by the borrowers;
- Past due contractual payments of either principal or interest;
- Breach of loan covenants or conditions;
- The probability that the borrower will enter bankruptcy or other financial reorganization; and
- A significant downgrading in credit rating by an external credit rating agency.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured by discounting the expected future cash flows of a financial asset at its original effective interest rate and comparing the resultant present value with the financial asset's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of reduction in the established loss estimate. Interest on impaired assets continues to be recognized through the unwinding of the discount.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Finance Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write off is later recovered, the recovery is credited to the impairment charges for loans and other losses.

When impairment losses are determined for those financial assets where objective evidence of impairment exists, the following common factors are considered:

- Finance Company's aggregate exposure to the customer;
- The viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flows to service debt obligations;
- The amount and timing of expected receipts and recoveries;
- The extent of other creditors' commitments ranking ahead of, or pari-pasu with the Finance Company and the likelihood of other creditors continuing to support the company;
- The realizable value of security and likelihood of successful repossession;

#### **3.4.3. (a) (ii) Collectively Assessed Financial Assets**

Impairment is assessed on a collective basis in two circumstances:

- To cover losses which have been incurred but have not yet been identified on loans subject to individual assessment; and
- For homogeneous groups of loans that are not considered individually significant.

#### **Incurred but not yet identified impairment**

Individually assessed financial assets for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an estimated collective loss. This reflects impairment losses that the Finance Company has incurred as a result of events occurring before the reporting date, which the Finance Company is not able to identify on an individual loan basis and that can be reliably estimated.

These losses will only be individually identified in the future. As soon as information becomes available which identifies losses on individual financial assets within the group, those financial assets are removed from the group and assessed on an individual basis for impairment.

The collective impairment allowance is determined after taking into account:

- Historical Loss Experience in portfolios of similar credit risk; and
- Management's experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is like to be greater or less than that suggested by historical experience.

#### **Homogeneous groups of Financials Assets**

Statistical methods are used to determine impairment losses on a collective basis for homogenous groups of financial assets. Losses in these groups of financial assets are recorded on an individual basis when individual financial assets are written off, at which point they are removed from the group.

Finance Company uses the following method to calculate historical loss experience on collective basis:



After grouping of loans on the basis of homogeneous risks, the Finance Company uses net flow rate method. Under this methodology the movement in the outstanding balance of customers into default categories over the periods are used to estimate the amount of financial assets that will eventually be irrecoverable, as a result of the events occurring before the reporting date which the Finance Company is not able to identify on an individual loan basis.

Under this methodology, loans are grouped into ranges according to the number of days in arrears and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable.

Current economic conditions and portfolio risk factors are also evaluated when calculating the appropriate level of allowance required to cover inherent loss. These additional macro and portfolio risk factors may include:

- Recent loan portfolio growth and product mix
- Unemployment rates
- Gross Domestic Production (GDP) Growth
- Inflation
- Interest rates
- Changes in government laws and regulations
- Property prices
- Payment status

#### **3.4.3. (a) (iii) Reversal of Impairment**

If the amount of an impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the excess is written back by reducing the financial asset Impairment allowance account accordingly. The write-back is recognized in the Statement of Profit or Loss.

#### **3.4.3. (a) (iv) Write-off of Financial Assets Carried At Amortized Cost**

Financial assets (and the related impairment allowance accounts) are normally written off either partially or in full, when there is no realistic prospect of recovery. Where there is no realistic prospect of recovery. Where financial assets are secured, this is generally after receipt of any proceeds from the realization of security.

#### **3.4.3. (a) (v) Impairment of Rescheduled Loans and Advances**

Where possible, the Finance Company seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to a criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate (EIR).

#### **3.4.3. (a) (vi) Collateral Valuation**

The Finance Company seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Nepal Rastra Bank. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuator and audited financial statements.

#### **3.4.3. (a) (vii) Collateral Legally Repossessed or Where Properties have Devolved to the Finance Company**

Legally Repossessed Collateral represents Non-Financial Assets acquired by the Bank in settlement of the overdue loans. The assets are initially recognized at fair value when acquired. The Finance Company's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. The proceeds are used to reduce or repay the outstanding claim. The immovable property acquired by foreclosure of collateral from defaulting customers, or which has devolved on the Finance Company as part settlement of debt, has not been occupied for business use.

These assets are shown as Legally Repossessed Collateral under "Other Assets."

#### **3.4.3. (b) Impairment of Financial Assets – Available for Sale**

For available for sale financial investments, Finance Company assesses at each reporting date whether there is objective evidence that an investment is impaired.



In the case of debt instruments, Finance Company assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the Income Statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized, the impairment loss is reversed through the Income Statement.

In the case of equity investments classified as available for sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss is removed from equity and recognized in the Statement of profit or loss. However, any subsequent increase in the fair value of an impaired available for sale equity security is recognized in other comprehensive income.

Finance Company writes-off certain available for sale financial investments when they are determined to be uncollectible.

### **3.5. Trading Assets**

One of the categories of financial assets at fair value through profit or loss is "held for trading" financial assets. All financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short term profit taking are trading assets.

### **3.6. Derivatives assets and derivative liabilities**

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

Forward contracts are the contracts to purchase or sell a specific quantity of a financial instrument, a commodity, or a foreign currency at a specified price determined at the outset, with delivery or settlement at a specified future date. Settlement is at maturity by actual delivery of the item specified in the contract, or by a net cash settlement.

All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss.

Finance Company doesn't deal with any derivative financial instruments.

### **3.7. Property, Plant and Equipment Recognition**

Property, plant and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Finance Company applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably measured.

#### **Measurement**

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of an item of property, plant & equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### **Cost Model**

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.



### Revaluation Model

The Finance Company has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount.

On revaluation of an asset, any increase in the carrying amount is recognized in 'Other comprehensive income' and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

### Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within that part will flow to the Finance Company and it can be reliably measured. The cost of day to day servicing of property, plant and equipment are charged to the Statement of Profit or Loss as incurred.

### Depreciation

Depreciation is calculated by using the written down value method on cost or valuation of the Property & Equipment other than freehold land and leasehold properties.

The rates of depreciations are given below:

Rate of Depreciation per annum (%)

Asset Category	For the year ended 16 July 2019
Buildings	5%
Motor Vehicles	20%
Computer Equipment	25%
Furniture, Office Equipment	25%
Machinery	15%

Residual Value and estimated useful lives of Property and equipment are reviewed at each year end and adjusted, if appropriate. If any asset is in use even after its full depreciation, such assets are not considered material. And also, the assets are reviewed at each year end for indicators of impairment. If in such review, the carrying amount of any asset is higher than its recoverable amount, the asset is written down to its recoverable amount immediately.

### Changes in Estimates

The asset's methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

### Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Finance Company incurs in connection with the borrowing of funds.

### De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.



### 3.8. Goodwill and Intangible Assets

#### Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Finance Company in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

#### Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Finance Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

#### Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Goodwill is measured at cost less accumulated impairment losses.

#### Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight-line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Finance Company. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Finance Company assumes that there is no residual value for its intangible assets.

Asset Category	For the year ended 15 July 2020	For the year ended 16 July 2019
Computer Software	5 years	5 years
Licenses	5 years	5 years

#### De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

### 3.9. Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

#### Measurement

Investment property is accounted for under Cost Model in the Financial Statements. Accordingly, after recognition as an asset, the property is carried at its cost, less impairment losses. If any property is reclassified to investment property due to changes in its use, fair value of such property at the date of reclassification becomes its cost for subsequent accounting.

#### De-recognition

Investment properties are derecognized when they are disposed of or permanently withdrawn from use since no future economic benefits are expected. Transfers are made to and from investment property only when there is a change in use. When the use of a property changes such that it is reclassified as Property, Plant and Equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

#### Investment in Associates

Associates are those entities in which the Finance Company has significant influence, but not control, over the financial and operating policies. Investments in associate entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The Finance Company doesn't have any associates. The Finance Company considers that mere representation of the Finance Company in Board of Directors doesn't indicate significant influence.





### 3.10 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

#### Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

#### Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in Subsidiaries, 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 difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

### 3.11 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Finance Company's sources of funding. Deposits include non-interest bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest bearing deposits is considered as the interest receivable on these deposits plus carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued. Sub-or dinated liabilities are liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors. The Finance Company does not have any debt securities issued and subordinated liabilities.

### 3.12 Provisions

A provision is recognized if, as a result of a past event, the Finance Company 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. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying



amount is determined based on the present value of those cash flows. A provision for onerous contracts is recognized when the expected benefits to be derived by the Finance Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Provision are not recognized for future operating losses.

Before a provision is established, the Finance Company recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

### 3.13. Regulatory Reserve

Regulatory reserve has been created as required by NRB Directive 4.3 by earmarking certain amounts of the retained earnings in respect of various NFRS adjustments carried out in its first NFRS financial statement. Amount in this reserve is not distributable unless approved by NRB. The details are as follows:

Particulars	Amount(Rs.)
Opening Balance	94,426,442.73
Changes During the year:	
In respect of interest income recognized on accrual basis	3,523,637.39
In respect of loss on Fair value recognition of investment in securities	347,007.00
In respect of deferred tax Assets recognized	18245611.40
<b>Closing Reserve</b>	<b>113,371,698.43</b>

### 3.14 Other Reserves

The other reserves shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount(Rs.)
Opening reserve	85,900,327.05
Changes during the year:	
Staff Skill Development Fund	110,388.44
Corporate social responsibility reserve	446,159.73
<b>Closing Reserve</b>	<b>86,456,875.22</b>

#### Staff Skill Development Fund

Particulars	Amount(Rs.)
Opening reserve	100,272.60
Changes during the year	110,388.44
<b>Closing Reserve</b>	<b>210,661.44</b>

#### Corporate Social Responsibility Reserve

Particulars	Amount(Rs.)
Opening reserve	869,554.45
Changes during the year	446,159.73
<b>Closing Reserve</b>	<b>1,315,714.73</b>

### 3.15 Fair value Reserve

The fair value reserve shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount(Rs.)
Opening reserve	20,596,344.30
Changes during the year	(11,336,815.00)
<b>Closing Reserve</b>	<b>9,259,529.30</b>



### 3.16 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Finance Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

#### Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets classified as Fair value through other comprehensive income, interest income is recorded using the rate that closely approximates the EIR because the Finance Company considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Further, Interest income on Loans and Advances is recognized as per the guideline on recognition of interest income, 2019 issued by NRB.

#### Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over that period. These fees include Service fees, commission income. Loan syndication fees are recognized as revenue when the syndication has been completed and the Finance Company retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognized based on the applicable contracts, usually on a time apportionment basis.

#### Dividend Income

Dividend income on equity instruments are recognized in the statement of profit and loss within other income when the Finance Company's right to receive payment is established.

#### Net Trading Income

Net 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.

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

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instrument are designated at fair value through profit or loss. The Finance Company has no income under the heading net income from other financial instrument at fair value through profit or loss.

### 3.17 Interest Expense

For financial liabilities measured at amortized cost using the rate that closely approximates effective interest rate, interest expense is recorded using such rate. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

### 3.18 Employee Benefits

Employee benefits include:

- Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:
  - i. Wages, salaries and social security contributions;
  - ii. Paid annual leave and paid sick leave;
  - iii. Profit sharing and bonuses, and
  - iv. Non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees;

Short term employee benefits are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Finance Company has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- Post-employment benefits, such as the following:
  - i. Retirement benefits (eg: pensions, lump sum payments on retirement); and
  - ii. Other post-employment benefits such as post-employment life insurance and post-employment medical care;
- Other long term employee benefits and
- Termination benefits





Post employment benefits are as follows:

#### **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which an Finance Company pays fixed contribution into a separate bank (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Finance Company by the employees and is recorded as an expense under ‘Personnel expense’ as and when they become due. Unpaid contribution are recorded as a liability under ‘Other Liabilities’.

Finance Company contributed 10% on the salary of each employee to the Employees’ Provident Fund. The above expenses are identified as contributions to ‘Defined Contribution Plans’ as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

#### **Defined Benefit Plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

#### **Gratuity**

The Gratuity benefits for the permanent staffs are provided as per existing employees byelaws. The new Labour Act 2074 is applicable from Bhadra 19, 2074 which requires payment of minimum Gratuity of at least 8.33% of basic salary to all staff (equal to one month basic salary per year). The Finance Company has not yet decided for the revision of its Employees Byelaws as per New Labour Act.

However, In compliance with Labor Act, 2017, provision is made in the account year of service, for gratuity payable to employees who joined Finance Company on a permanent basis.

An actuarial valuation is to be carried out every year to ascertain the full liability under gratuity.

Finance Company’s obligation in respect of defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Finance Company. An economic benefit is available to Finance Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Finance Company determines the interest expense on the defined benefit liability by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Finance Company’s obligations.

The increase in gratuity liabilities attributable to the services provided by employees during the year (current service cost) has been recognized in the Statement of Profit or Loss under ‘Personnel Expenses’ together with the net interest expense. Finance Company recognizes the total actuarial gain and loss that arises in calculating Finance Company’s obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

The demographic assumptions underlying the valuation are retirement age (60 years), early withdrawal from service and retirement on medical grounds.

#### **Unutilized Accumulated Leave**

Finance Company’s liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. Finance Company’s net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Finance Company’s obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under ‘Personnel Expenses’ in the period in which they arise.

However, the cost of carrying out actuarial valuation seems higher than the benefit it can bring to the finance company as the company employed only 12 employees as on Ashadh end,2077 and 11 employees in average of 3 years. So, the actuarial valuation as required by NAS 19 “Employee benefits” has not been conducted and the amount as approved by the management has been accounted as defined employee benefit obligations.



### 3.19 Finance and Operating Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### 3.19.1 Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance lease. When Finance Company is the less or under finance lease, the amounts due under the leases, after deduction of unearned interest income, are included in 'Loans to & receivables from other customers', as appropriate. Interest income receivable is recognized in 'Net interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

When Finance Company is a lessee under finance leases, the leased assets are capitalized and included in 'Property, plant and equipment' and the corresponding liability to the less or is included in 'Other liabilities'. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or if lower, the present value of the minimum lease payments. Finance charges payable are recognized in 'Interest expenses' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

#### 3.19.2 Operating Lease

All other leases are classified as operating leases. When acting as less or, Finance Company includes the assets subject to operating leases in 'Property, plant and equipment' and accounts for them accordingly. Impairment losses are recognized to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

When Finance Company is the lessee, leased assets are not recognized on the Statement of Financial Position.

Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Other operating expenses' and 'Other operating income', respectively.

### 3.20 Foreign Currency Transactions, Translation and Balances

All foreign currency transactions are translated into the functional currency, which is Nepalese Rupees, using the exchange rates prevailing at the dates when the transactions were affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences arising on the settlement or reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss. However, foreign currency differences arising on available-for-sale equity instruments are recognized in other comprehensive income.

Forward exchange contracts are valued at the forward market rates ruling on the reporting date. Both unrealized losses and gains are reflected in the Statement of Profit or Loss.

However, no such contracts have been entered by the Finance Company.

### 3.21 Financial guarantee and loan commitment

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts may have various legal forms, such as a guarantee, some types of letter of credit, etc. Where the Finance Company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, over drafts etc. whether cancellable or not and the Finance Company had not made payments at the reporting date, those instruments are included in these financial statements as commitments.



### 3.22 Share capital and reserves

Share capital and reserves are different classes of equity claims. Equity claims are claims on the residual interest in the assets of the entity after deducting all its liabilities. Changes in equity during the reporting period comprise income and expenses recognized in the statement of financial performance; plus contributions from holders of equity claims, minus distributions to holders of equity claims.

### 3.23 Earnings per share

Finance Company presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Finance Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in the face of Statement of Profit and loss.

### 3.24 Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Not every part of an entity is necessarily an operating segment or part of an operating segment. For example, a corporate headquarters or some functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the entity and would not be operating segments. For the purposes of this NFRS, an entity's post-employment benefit plans are not operating segments.

The Finance Company has identified eight segments based on the geographic locations of its offices in the country. Interest earnings and foreign exchange gains/losses generated while conducting businesses under different segments are reported under the respective segment. All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the Finance Company level.

### 3.25 Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Finance Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the fair value of the Cash Generating Units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

### 3.26 Dividend on Ordinary Shares

Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Finance Company's shareholders. Interim Dividend is deducted from equity when they are declared and no longer at the discretion of the Finance Company. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date.

### 3.27 Cash Flow Statement

The cash flow statement has been prepared using 'The Direct Method', whereby gross cash receipts and gross cash payments of operating activities, finance activities and investing activities have been recognized.

### 3.28 Comparative Figures

The comparative figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.



## SIGNIFICANT ACCOUNTING POLICIES (Disclosures)

### A. Staff Loans measured at fair value

Under previous NAS, staff loans were recorded at cost less repayments net of loan loss provision, if any. Under NFRS, the Finance Company has to measure the staff loans granted below the market interest rate at their fair value, calculate based on the market interest rate of similar products.

However, the finance company does not have any staff loans.

### B. Adjustment on loan impairment

As per carve out issued by Institute of Chartered Accountants of Nepal, the loan loss provision should be made at higher of:

- Provision as required by NRB Directives or
- Provision as required by Nepal Accounting standards (Para 63 of NAS-39).

Analyzing the same, since the provision as required by NRB Directive was higher, specific loan loss provision were made based on the arrears time period and General provision were made at a specified rate given by NRB time to time in compliance with the NRB Directives and subsequent amendment there to.

Year	Provision as per NRB Directive	Provision as per NFRS
2075/76	102,803,442.00	45,966,362.52
2076/77	83,848,955.58	-

### C. Financial Investments- Available for Sale

Under NFRS, the Finance Company has designated such investments as available-for-sale investments and measured at fair value. Such investments include equity investments, Mutual Funds.

As at Ashad 31 2077 the fair value of the investment was Rs.26.8 Million and NAS carrying amount was Rs.13.5 Million. The difference between the instruments fair value and NAS carrying amount was Rs. 13.3 Million has been recognized in the available-for-sale reserve and movement was charged to Other Comprehensive Income.

### D. Deferred Taxation

As on 15th July 2020 Deferred Tax Assets of Rs 19 Million was recognized in books of accounts.

### E. Interest Income

Income amounting to Rs. 29.73 Million was recognized for financial year 2019/20. Though accrual interest of Rs. 183.3 Million was existing as on financial year end of 2019/20, the amount was not recognized as income in compliance with the Guidelines on Recognition of Interest income, 2019 issued by NRB on 2076/04/10.

Income amounting to Rs. 24.13 Million was recognized for financial year 2018/19.

### F. Personnel Cost

- Bonus to staffs – as per the labor act, 10% bonus has been levied after bonus.
- Tax – tax has been computed on the basis of profit computed from NFRS. The difference due to previous year has been booked in deferred tax.

## 4. Disclosures and Additional Information

### 4.1 Risk Management

Nepal Finance Ltd. has specific internal review mechanism to assess its position regarding each separate risk area including Credit Risk, Market Risk and Operational Risk.

#### Credit Risk

The Finance Company has its own Credit Policy Guidelines to handle the Credit Risk Management philosophy that involves a continual measurement of probability of default/loss; identification of possible risks and mitigations. The provisions of Capital Adequacy as per NRB Directive 1 are compiled in line to line basis to overcome the Credit Risk. The provisions have been formulated by keeping in mind the prudential norms given by NRB. In order to manage and eliminate the credit risk, the Finance Company has a practice of maintaining the best quality assets in its book. The Finance Company's Credit Policy elaborates detailed procedures for proper risk management. The Finance Company has delegated credit approval limits to various officials to approve and sanction various amount of credit request based on their individual expertise and risk judgment capability.

As a check and balance mechanism, each credit case requires dual approval. Regular monitoring of the credit portfolio



ensures that the Finance Company does not run the risk of concentration of portfolio in a particular business sector or a single borrower. Similarly, the Finance Company also exercises controlled investment policy with adequately equipped resource looking after the investment decisions.

To cap these all, the Finance Company has a strong Credit Sub-committee in place comprising of various Directors from the Board of the Finance Company which reviews all credit proposals beyond a specified amount, the Finance Company has branch credit management department which reviews the branch credit proposals. The approving authority is specified as per the limit of loan proposals to Credit Sub-committee, Branch Credit Management Department, Deputy CEO, CEO and Board.

#### **Market Risk**

Risks arising out of adverse movements in interest rates and equity prices are covered under Market Risk Management. Market Risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. Institution exposure to market risk arises principally from customer driven transactions.

As for the monitoring of market and liquidity risk, the Finance Company has an active Assets and Liability Management Committee (ALCO) in place which meets regularly and takes stock of the Finance Company's assets and liability position and profile of assets & liabilities.

#### **Operational Risk**

As a part of monitoring operational risks, the Finance Company has devised operational manuals for various banking functions, which are reviewed and modified time to time as per the changing business context.

The Finance Company has adopted dual control mechanism in its all operational activities where each and every financial and non-financial transaction is subject to approval from an authority higher than the transaction initiator. Regular review meetings are conducted to assess the adequacy of risk monitoring mechanism and required changes are made as and when felt necessary. The Finance Company has independent internal audit, which reports to the Audit Committee of the Finance Company. The Audit Committee meets frequently and reviews the business process and financial position of the Finance Company. The Finance Company has MIS in place to monitor the regular operational activities.

#### **Liquidity Risk**

Liquidity risk is the potential for loss to a Finance Company arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses. Liquidity is the ability of an institution to transform its assets into cash or its equivalent in a timely manner at a reasonable price to meet its commitments as they fall due. Liquidity risk is considered a major risk for Finance Company. It arises when the cushion provided by the liquid assets are not sufficient enough to meet its obligation. In such a situation Finance Company often meet their liquidity requirements from market. Funding through market depends upon liquidity in the market and borrowing Finance Company's liquidity.

The Finance Company has formed ALCO committee in place which meets regularly and takes stock of the Finance Company's assets and liability position and profile of assets & liabilities.

#### **Fair value of financial assets and liabilities**

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available.

However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair values are determined according to the following hierarchy:

##### **Level 1 input**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Held for trading and available for sale investments have been recorded using Level 1 inputs.

##### **Level 2 inputs**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

##### **Level 3 inputs**

Level 3 inputs are unobservable inputs for the asset or liability.



### Capital management

Capital management approach 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.

#### 4.2 Classification of financial assets and financial liabilities

NAS 39 requires financial assets to be classified in one of the following categories:

- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Loans and receivables
- Held to maturity investments

#### Financial assets at fair value through profit or loss has two sub-categories:

- Financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- Held for trading

#### NAS 39 recognizes two classes of financial liabilities:

- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized cost using the effective interest rate method

The category of financial liability at fair value through profit or loss has two sub-categories:

- Financial liability that is designated by the entity as a liability at fair value through profit or loss upon initial recognition
- Held for trading

The classification of financial assets or liabilities is given in detail in Note 3.4.

#### 4.3 Segment Analysis

Particulars	New Road	Kamaladi	Total
(a) Revenue from External Customers	256,024.36	30,954,456.92	31,210,481.28
(b) Intersegment Revenues	-	-	
(c) Net Revenue	256,024.36	30,954,456.92	31,210,481.28
(d) Interest revenue	414.05	29,733,772.93	29,734,186.98
(e) Interest expense	620,170.00	2,063,179.54	2,683,349.54
(f) Net Interest Revenue	(619,755.95)	27,670,593.39	27,050,837.44
(g) Depreciation and Amortization	376,352.82	1,608,271.22	1,984,624.04
(h) Segment Profit/(Loss)	216,320.12	26,154,041.53	26,370,361.65
(k) Impairment of Assets			-
(l) Segment Assets	253,111,095.60	219,984,079.40	473,095,175.00
(m) Segment Liabilities	10,860,409.19	230,290,262.81	241,150,672.00

FI has relocated its newroad branch to pulchowk lalitpur after the period under review.





**Nepal Finance Ltd**  
Notes to Financial Statements  
For the year ended 31 Asar 2077

**Cash and Cash Equivalent**

4.1

Particulars	Current Year	Previous Year
Cash in Hand	1,926,289.00	555,278.35
Balances with BFIs	263,691,432.93	122,858,584.11
Money at Call and Short Notice	-	-
Other	-	-
<b>Total</b>	<b>265,617,721.93</b>	<b>123,413,862.46</b>

**Due from Nepal Rastra Bank**

4.2

Particulars	Current Year	Previous Year
Statutory Balances with NRB	4,542,461.03	4,489,989.11
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	-	-
<b>Total</b>	<b>4,542,461.03</b>	<b>4,489,989.11</b>

**Placements with Banks and Financial Institutions**

4.3

Particulars	Current Year	Previous Year
Placement with Domestic BFIs	-	-
Placement with Foreign BFIs	-	-
Less: Allowances for Impairment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Derivative Financial Instruments**

4.4

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Other Trading Assets**

4.5

Particulars	Current Year	Previous Year
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Loans and Advances to BFIs**

4.6

Particulars	Current Year	Previous Year
Loans to Micro-Finance Institutions	5,000,000.00	-
Other	-	-
Less: Allowances for Impairment	50,000.00	-
<b>Total</b>	<b>4,950,000.00</b>	<b>-</b>





#### 4.6.1 Allowances for Impairment

Balance at Shrawan 01		
Impairment Losss for the year:		
Charge for the year		
Recoveries/Reversal		
Amount Written Off		
Balance at Asar End		

#### Loans and Advances to Customers

4.7

Particulars	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	114,838,579.14	102,803,442.02
Less: Impairment Allowances	-	-
Collective Impairment	-	-
Individual Impairment	(83,798,955.57)	(102,803,442.02)
Net Amount	<b>31,039,623.57</b>	-
Loans and Advances measured at FVTPL	-	-
<b>Total</b>	<b>31,039,623.57</b>	-

#### 4.7.1: Analysis of Loans and Advances - By Product

Particulars	Current Year	Previous Year
Product		
Term Loans		-
Overdraft		-
Trust Receipt/Import Loans		-
Demand and other Working Capital Loans	40,516,103.71	40,868,741.01
Personal Residential Loans	23,586,702.81	27,562,000.01
Real Estate Loans		22,720,000.02
Margin Lending Loans	4,406,423.73	84,232.36
Hire Purchase Loans	5,810,252.66	355,976.20
Deprived Sector Loans	5,000,000.00	-
Bills Purchased		-
Staffs Loans		-
Other	40,166,458.93	11,212,492.42
<b>Sub-Total</b>	<b>119,485,941.84</b>	<b>102,803,442.02</b>
Interest Receivable	352,637.30	-
<b>Grand Total</b>	<b>119,838,579.14</b>	<b>102,803,442.02</b>

#### 4.7.2: Analysis of Loans and Advances - By Currency

Particulars	Current Year	Previous Year
Nepalese Rupee	114,838,579.14	102,803,442.02
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
<b>Grand Total</b>	<b>114,838,579.14</b>	<b>102,803,442.02</b>

#### 4.7.3: Analysis of Loans and Advances - By Collateral

Particulars	Current Year	Previous Year
<b>Secured</b>		
Moveable/Immoveable Assets	114,838,579.14	102,803,442.02
Gold and Silver	-	-
Guarantee of Domestic BFIs	-	-



Government Guarantee	-	-
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	-	-
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	-	-
Other Collateral	-	-
<b>Subtotal</b>	<b>114,838,579.14</b>	-
Unsecured	-	-
<b>Grand Total</b>	<b>114,838,579.14</b>	<b>102,803,442.02</b>

#### 4.7.4: Allowance for Impairment

Particulars	Current Year	Previous Year
<b>Specific Allowance for Impairment</b>		
<b>Balance at Shrawan 01</b>	<b>102,803,442.02</b>	<b>147,600,227.00</b>
<b>Impairment Loss for the year</b>		-
Charge for the year	360,084.86	-
Recoveries/Reversals during the year	(19,314,571.31)	(44,796,784.98)
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
<b>Balance at Asar End</b>	-	-
<b>Collective Allowances for Impairment</b>	-	-
<b>Balance at Sharawan 01</b>	-	-
Impairment Loss for the year	-	-
Charge/(Reversal) for the year	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
<b>Balance at Asar End</b>	-	-
<b>Total Allowances for Impairment</b>	<b>83,848,955.57</b>	<b>102,803,442.02</b>

#### Investment Securities

Particulars	Current Year	Previous Year
Investment Securities measured at Amortized Cost	-	-
Investment in Equity measured at FVTOCI	26,806,798.42	43,002,248.42
<b>Total</b>	<b>26,806,798.42</b>	<b>43,002,248.42</b>

#### 4.8.1: Investment Securities measured at Amortized Cost

Particulars	Current Year	Previous Year
Debt Securities	-	-
Government Bonds	-	-
Government Treasury Bills	-	-
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	-	-
Less: Specific Allowances for Impairment	-	-
<b>Total</b>	-	-

#### 4.8.2: Investment in Equity measured at FVTOCI

Particulars	Current Year	Previous Year
Equity Instruments		
Quoted Equity Securities	25,411,798.00	41,607,248.00
Unquoted Equity Securities	1,395,000.00	1,395,000.00
<b>Total</b>	<b>26,806,798.00</b>	<b>43,002,248.00</b>



4.8.3: Information relating to Investment in Equities

Particulars	2076/77		2075/76	
	Cost	Fair Value	Cost	Fair Value
<b>Investment in Quoted Equity</b>				
Arun Valley Hydro power Company Limited 11,819 Shares of Rs. 116.74 Each	1,379,769.00	(280,602.00)	1,379,769.00	1,311,909.00
Butawal Power Company Limited 397 Shares of Rs. 297.36 Each	118,054.00	38,829.00	118,054.00	162,373.00
Chilime Jalabhityut Co Ltd 3,101 shares of Rs. 979.57 each	3,037,637.00	(1,556,281.00)	3,037,637.00	1,615,621.00
Laxmi Laghubitta Bittiya Sansitha 99 shares of Rs. 86.87 each	8,600.00	128,582.00	8,600.00	65,439.00
Nagbeli Laghubitta Bikash Bank 121 shares of Rs. 71.90 each	8,700.00	68,916.00	8,700.00	72,479.00
Naya Nepal Laghubitta 340 shares of Rs. 95.29 each	32,400.00	251,160.00	32,400.00	130,900.00
Nepal Telecom Company Limited 1410 shares of Rs. 470.07 each	662,800.00	260,750.00	662,800.00	977,130.00
Nerude Laghubitta Bikash Bank Limited 1499 Shares of Rs. 79.25 Each	118,792.00	1,022,708.00	118,792.00	704,550.00
Nirdhan Uthan Laghubitta Bikash Bank 1680 shares of Rs. 46.67 each	78,400.00	1,626,800.00	78,400.00	1,411,200.00
Prabhu Insurance Company Limited 91,057 shares of Rs. 70.54 each	6,423,427.00	9,535,023.00	6,423,427.00	33,144,748.00
Premiere Insurance Ltd 72 shares of Rs. 0 each	-	44,352.00	-	35,640.00
Rural Microfinance Limited 2664 Shares of Rs. 112.43 Each	299,520.00	1,801,377.00	299,520.00	1,760,904.00
Swabalamban Laghubitta Bikash Bank 245 Shares of Rs. 64.49 each	15,800.00	286,285.00	15,800.00	214,375.00
<b>Investment in Unquoted Equity</b>				
Nepal Clearing House Limited 13,577 Shares of Rs. 83.33 Each	1,131,400.00	1,131,400.00	1,131,400.00	1,131,400.00
Nepal Stock Limited 50 Shares of Rs. 100 each	5,000.00	5,000.00	5,000.00	5,000.00
Credit Information Beaurau 9865 shares of Rs. 26.21 each	258,600.00	258,600.00	258,600.00	258,600.00
<b>Total</b>	<b>13,578,899.00</b>	<b>26,806,798.00</b>	<b>13,578,899.00</b>	<b>43,002,248.00</b>



#### 4.8.3: Information relating to Investment in Equities

Particulars	Current Year	Previous Year
	Fair Value	Fair Value
Investment in Quoted Equity		
.....Ltd.		
.....Shares of Rs. .... Each		
.....Ltd.		
.....Shares of Rs. .... Each		
Investment in Unquoted Equity		
.....Ltd.		
.....Shares of Rs. .... Each		
.....Ltd.		
.....Shares of Rs. .... Each		
<b>Total</b>	-	-

#### Current Tax Assets

4.9

Particulars	Current Year	Previous Year
Current Tax Assets		
Current year Income Tax Assets	18,870,087.75	10,856,588.17
Tax Assets of Prior Periods		-
Current Tax Liabilities		
Current year Income Tax Liabilities		-
Tax Liabilities of Prior Periods	5,000,000.00	5,000,000.00
<b>Total</b>	<b>13,870,087.75</b>	<b>15,856,588.17</b>

#### Investment in Subsidiaries

4.10

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
<b>Total Investment</b>		
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

#### 4.10.1: Investment in Quoted Subsidiaries

	Previous Year	
	Cost	Fair Value
.....Ltd.		
.....Shares of Rs. .... Each		
.....Ltd.		
.....Shares of Rs. .... Each		
<b>Total</b>		

#### 4.10.2: Investment in Unquoted Subsidiaries

	Previous Year	
	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 Company

Particulars	Percentage of Ownership held by Company	
	Current Year	Previous Year
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
<b>Total</b>	-	-

#### 4.10.4: Non Controlling Interest of the Subsidiaries

Particulars	Percentage of Ownership held by Company		
	Current Year	Previous Year	
Equity Interest held by NCI (%)			
Profit (Loss) allocated during the year			
Accumulated Balances of NCI as on Asar End			
Dividend Paid to NCI			
Equity Interest held by NCI (%)			
Profit (Loss) allocated during the year			
Accumulated Balances of NCI as on Asar End			
Dividend Paid to NCI			

#### Investment in Associates

4.11

Particulars	Current Year	Previous Year	
Investment in Quoted Associates	-	-	
Investment in Unquoted Associates	-	-	
Total Investment	-	-	
Less: Impairment Allowances	-	-	
Net Carrying Amount	-	-	

#### 4.11.1: Investment in Quoted Associates

Particulars	Current Year		
	Cost	Fair Value	
.....Ltd.			
.....Shares of Rs. .... Each			
.....Ltd.			
.....Shares of Rs. .... Each			
<b>Total</b>			

#### 4.11.2: Investment in Unquoted Associates

Particulars	Current Year		
	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 company**

Percentage of Ownership held by Finance Company

Particulars	Current Year	Previous Year
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		

**4.11.4: Equity Value of Associates**

Particulars	Current Year	Previous Year
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		

**Investment Properties**

4.12

Particulars	Current Year	Previous Year
<b>Investment Properties measured at Fair Value</b>		
Balance as on Shrawan 01.	92,936,567.00	92,936,566.73
Addition/(Disposal) during the year.	-	-
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	92,936,567.00	92,936,566.73
<b>Investment Properties measured at Cost</b>		
Balance as on Shrawan 01	-	-
Addition/(Disposal) during the year	-	-
Net Changes in fair value during the year	-	-
Adjustment/Transfer	-	-
Net Amount	-	-
<b>Total</b>	<b>92,936,567.00</b>	<b>92,936,566.73</b>



Deferred Tax

4.15

As at 15 July 2020

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	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	23,362,397.54	-	23,362,397.54
Investment Properties	26,486,921.52	27,880,970.02	(1,394,048.50)
Investment Securities		3,968,369.70	(3,968,369.70)
Property and Equipment	-	668,954.30	(668,954.30)
Employees' Defined Benefit Plan	2,256,134.58	-	2,256,134.58
Lease Liabilities			-
Provisions		-	-
Other Temporary Differences			-
<b>Deferred tax on temporary differences</b>	<b>52,105,453.64</b>	<b>32,518,294.02</b>	<b>19,587,159.62</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 Ashad 2077</b>	-	-	<b>19,587,159.62</b>
<b>Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2076</b>	-	-	<b>3,517,086.78</b>
<b>Origination/(Reversal) during the year</b>	-	-	<b>23,104,246.40</b>
<b>Deferred Tax expense (income) recognized in profit or loss</b>	-	-	<b>(18,245,611.40)</b>
<b>Deferred Tax expense (income) recognized in OCI</b>	-	-	<b>(4,858,635.00)</b>
<b>Deferred Tax expense (income) recognized directly in Equity</b>	-	-	<b>0.00</b>

Previous Year

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets / (Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loans and Advances to BFIs			-
Loans and Advances to Customers	29,298,981.01	-	29,298,981.01
Investment Properties	3,003,807.38	27,880,970.02	(24,877,162.64)
Investment Securities	136,703.81	8,827,004.70	(8,690,300.89)
Property and Equipment	(811,354.67)		(811,354.67)
Employees' Defined Benefit Plan	1,888,787.41	0	1,888,787.41
Lease Liabilities			-
Provisions		310,259.23	(310,259.23)
Other Temporary Differences			-
Deferred tax on temporary differences	33,516,924.93	37,018,233.95	(3,501,309.02)
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 Ashad end 2076</b>			<b>(3,501,309.02)</b>
<b>Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2075</b>			<b>(32,772,328.36)</b>
<b>Origination/(Reversal) during the year</b>			<b>(36,273,637.37)</b>
<b>Deferred Tax expense (income) recognized in profit or loss</b>			<b>37,107,626.27</b>
<b>Deferred Tax expense (income) recognized in OCI</b>			<b>(833,987.70)</b>
<b>Deferred Tax expense (income) recognized directly in Equity</b>			<b>(0.00)</b>





**Other Assets**

4.16

Particulars	Current Year	Previous Year
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	2,978,298.59	1,300,123.60
Accrued Income	-	-
Prepayments and Deposits	2,367,058.65	1,038,086.80
Income Tax Deposit	-	-
Deferred Employee Expenditure	-	-
Other Assets	-	-
<b>Total</b>	<b>5,345,357.24</b>	<b>2,338,210.40</b>

**Due to Banks and Financial Institutions**

4.17

Particulars	Current Year	Previous Year
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	-	-
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Due to Nepal Rastra Bank**

4.18

Particulars	Current Year	Previous Year
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>

**Derivative Financial Instruments**

4.19

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Deposits from Customers**

**4.20**

Particulars	Current Year	Previous Year
Institutional Customers:		
Term Deposits.	3,000,000.00	-
Call Deposits	130,102.80	-
Current Deposits.		-
Others.	55,283,153.67	12,057,911.62
Individual Customers:		-
Term Deposits	23,983,068.17	500,000.00
Saving Deposits	126,883,232.69	32,251,683.65
Current Deposits	41,500.00	-
Others	-	-
<b>Total</b>	<b>209,321,057.33</b>	<b>44,809,595.27</b>

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

Particulars	Current Year	Previous Year
Nepalese Rupee	209,321,057.33	44,809,595.27
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
<b>Total</b>	<b>209,321,057.33</b>	<b>44,809,595.27</b>

**Borrowings**

**4.21**

Particulars	Current Year	Previous Year
Domestic Borrowings		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
Foreign Borrowings		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Provisions**

**4.22**

Particulars	Current Year	Previous Year
Provisions for Redundancy		-
Provisions for Restructuring		-
Pending Legal Issues and Tax Litigation		-
Onerous Contracts		-
Other Provisions	253,960.00	253,960.00
<b>Total</b>	<b>253,960.00</b>	<b>253,960.00</b>



#### 4.22.1: Movement in Provision

Particulars	Current Year	Previous Year
Balance at Shrawan 01	253,960.00	734,980.00
Provisions made during the year	253,960.00	253,960.00
Provisions used during the year	(253,960.00)	(734,980.00)
Provisions reversed during the year		
Unwind of Discount		
<b>Balance at Asar end</b>	<b>253,960.00</b>	<b>253,960.00</b>

#### Other Liabilities

4.23

Particulars	Current Year	Previous Year
Liabilities for employees defined benefit obligations	7,520,448.59	6,295,958.02
Liabilities for long service leave	-	-
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	15,106,871.95	17,869,440.05
Interest payable on deposits	1,001,967.69	1,108,034.09
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	195,810.00	195,810.00
Liabilities under Finance Lease	-	-
Employee bonus payable	7,629,121.44	5,027,349.32
Other Liabilities	121,434.72	104,006.62
<b>Total</b>	<b>31,575,654.39</b>	<b>30,600,598.10</b>

#### 4.23.1: Defined Benefit Obligation

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

Particulars	Current Year	Previous Year
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		

#### 4.23.2: Plan Assets

Plan assets comprise

Particulars	Current Year	Previous Year
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Actual return on plan assets</b>		

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

Particulars	Current Year	Previous Year
Defined benefit obligations at Sawan 1	-	-
Actuarial losses	-	-
Benefits paid by the plan	-	-
Current service costs and interest	-	-
Defined benefit obligations at Asar end	-	-



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

Particulars	Current Year	Previous Year
Fair value of plan assets at Sawan 1	-	-
Contributions paid into the plan	-	-
Benefits paid during the year	-	-
Actuarial (losses) gains	-	-
Expected return on plan assets	-	-
Fair value of plan assets at Asar end	-	-

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

Particulars	Current Year	Previous Year
Current service costs		
Interest on obligation		
Expected return on plan assets		
<b>Total</b>	-	-

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

Particulars	Current Year	Previous Year
Actuarial (gain)/loss	-	-
<b>Total</b>	-	-

#### 4.23.7: Actuarial assumptions

Particulars	Current Year	Previous Year
Discount rate	-	-
Expected return on plan asset	-	-
Future salary increase	-	-
Withdrawal rate	-	-

#### Debt securities issued

4.24

Particulars	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
<b>Total</b>	-	-

#### Subordinated Liabilities

4.25

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
<b>Total</b>	-	-

#### Share capital

4.26

Particulars	Current Year	Previous Year
Ordinary shares	135,800,500.00	135,800,500.00
Convertible preference shares (equity component only)	-	-
Irredeemable preference shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
<b>Total</b>	<b>135,800,500.00</b>	<b>135,800,500.00</b>



#### 4.26.1: Ordinary Shares

Particulars	Current Year	Previous Year
Authorized Capital	1,000,000,000.00	1,000,000,000.00
10,000,000 Ordinary Shares of Rs. 100 each for Current year and 1,400,000 of Rs. 100 each for Previous Year and Restated Year	1,000,000,000.00	1,000,000,000.00
1,000,000 Non Redeemable Preference Share of Rs. 100 each		-
Issued capital	305,551,125.00	305,551,125.00
3,055,511.25 Ordinary Shares of Rs. 100 each for Current year and 1,358,645.68 of Rs. 100 each for PY and Restated Year	305,551,125.00	305,551,125.00
1,000,000 Non Redeemable Preference Share of Rs. 100		-
Subscribed and paid up capital	135,800,500.00	135,800,500.00
1358005 Ordinary share of Rs. 100 each	135,800,500.00	135,800,500.00
<b>Total</b>	<b>135,800,500.00</b>	<b>135,800,500.00</b>

#### 4.26.2: Ordinary share ownership

Particulars	Current Year	
	Percent	Amount
Domestic ownership		
Nepal Government		
"A" class licensed institutions		
Other licensed intitutions		
Other Institutions	4.18%	5,676,460.90
Public	95.82%	130,124,039.10
Other		
Foreign ownership		
<b>Total</b>	<b>100.00%</b>	<b>135,800,500.00</b>

#### Reserves

4.27

Particulars	Current Year	Previous Year
Statutory general reserve	66,315,495.73	57,392,409.93
Exchange equilisation reserve		-
Corporate social responsibility reserve	1,315,709.34	869,554.45
Capital redemption reserve		-
Regulatory reserve	113,371,698.43	94,426,442.73
Investment adjustment reserve		-
Capital reserve		-
Assets revaluation reserve		-
Fair value reserve	9,259,529.00	20,596,344.30
Dividend equalisation reserve		-
Actuarial gain		-
Special reserve		-
Other reserve	210,661.44	100,272.60
Other reserve-Capital Adjustment Fund	84,930,501.00	84,930,500.00
<b>Total</b>	<b>275,403,594.94</b>	<b>258,315,524.00</b>

#### Contingent liabilities and commitments

4.28

Particulars	Current Year	Previous Year
Contingent liabilities	-	-
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



#### 4.28.1: Contingent Liabilities

Particulars	Current Year	Previous Year
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	-	-
Underwriting commitment	-	-
Other commitments	-	-
<b>Total</b>	-	-

#### 4.28.2: Undrawn and undisbursed facilities

Particulars	Current Year	Previous Year
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>Total</b>	-	-

#### 4.28.3: Capital commitments

Capital expenditure approved by relevant authority of the company but provision has not been made in financial statements

Particulars	Current Year	Previous Year
Capital commitments in relation to Property and Equipment	-	-
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Capital commitments in relation to Intangible assets	-	-
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
<b>Total</b>	-	-

#### 4.28.4: Lease commitments

Particulars	Current Year	Previous Year
Operating lease commitments	-	-
Future minimum lease payments under non cancellable operating lease, where the Finance Company 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>	-	-
Finance lease commitments	-	-
Future minimum lease payments under non cancellable operating lease, where the Finance company 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

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each company



Nepal Finance Ltd  
Notes to Financial Statements  
For the year ended 31 Asar 2077

**Interest Income**

**4.29**

Particulars	Current Year	Previous Year
Cash and cash equivalent	8,425,991.070	7,192,259.150
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	304,208.930	-
Loans and advances to customers	21,003,987.560	16,934,053.600
Investment securities	-	-
Loan and advances to staff	-	-
Other Interest Income	-	-
<b>Total interest income</b>	<b>29,734,187.560</b>	<b>24,126,312.750</b>

**Interest Expenses**

**4.30**

Particulars	Current Year	Previous Year
Due to bank and financial institutions	220,661.000	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	2,462,688.540	2,786,078.650
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	-	-
<b>Total Interest expense</b>	<b>2,683,349.540</b>	<b>2,786,078.650</b>

**Fees and Commission Income**

**4.31**

Particulars	Current Year	Previous Year
Loan administration fees	309,500.000	-
Service fees	-	-
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and 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	-	-
Other fees and commission income	-	-
<b>Total Fees and Commission Income</b>	<b>309,500.000</b>	<b>-</b>





**Fees and Commission Expense**

4.32

Particulars	Current Year	Previous Year
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	-	-
Remittance fees and commission	1,135.000	3,680.000
Other fees and commission expense	737,691.530	198,640.000
<b>Total Fees and Commission Expense</b>	<b>738,826.530</b>	<b>202,320.000</b>

**Net Trading income**

4.33

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

**Other Operating Income**

4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	1,002,352.220	893,532.040
Gain/loss on sale of property and equipment	-	-
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other Operating Income	164,442.080	419,538.400
<b>Total</b>	<b>1,166,794.300</b>	<b>1,313,070.440</b>

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

4.35

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs	50,000.000	-
Impairment charge/(reversal) on loan and advances to customers	(19,004,486.450)	(44,796,785.110)
Impairment charge/(reversal) on financial Investment	-	1,034,197.420
Impairment charge/(reversal) on placement with BFIs	-	-
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>(18,954,486.450)</b>	<b>(43,762,587.690)</b>



**Personnel Expenses**

**4.36**

Particulars	Current Year	Previous Year
Salary	3,653,726.400	2,331,802.120
Allowances	2,410,121.330	1,227,345.940
Gratuity Expense	258,192.200	120,466.690
Provident Fund	357,812.760	232,420.220
Uniform	-	-
Training & development expense	97,745.000	-
Leave encashment	-	-
Medical	431,250.000	129,275.580
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	-	-
Other expenses related to staff	246,473.220	305,161.000
Subtotal	7,455,320.910	4,346,471.550
Employees Bonus	2,601,772.435	5,027,349.325
<b>Grand total</b>	<b>10,057,093.345</b>	<b>9,373,820.875</b>

**Other Operating Expense**

**4.37**

Particulars	Current Year	Previous Year
Directors' fee	137,500.00	148,000.00
Directors' expense	3,500.00	6,035.00
Auditors' remuneration	476,850.00	253,960.00
Other audit related expense	26,584.57	77,381.00
Professional and legal expense	132,000.00	115,500.00
Office administration expense	3,355,717.74	1,826,309.58
Operating lease expense	2,054,638.80	2,027,277.70
Operating expense of investment properties	-	-
Corporate social responsibility expense	7,951.00	-
Onerous lease provisions	-	-
Other Expenses	2,135,970.51	866,088.73
<b>Total</b>	<b>8,330,712.620</b>	<b>5,320,552.010</b>



**Office administration expense**

**4.37.1**

Particulars	Current Year	Previous Year
Light,Electricity & Water	127,655.770	173,002.120
Repair and maintenance		
Repair & Maintenance-Building		-
Repair & Maintenance-Vehicles	242,844.790	21,674.000
Office Equipment, Furniture Repair	-	-
Repair & Maintenance-Others	27,030.000	122,213.710
Insurance.	145,456.680	87,469.150
Postage, Telex, Telephone & Fax	212,000.490	221,190.420
Printing & Stationery	252,494.930	49,294.000
Periodicals & Books	1,865.000	1,390.000
Advertisements	308,896.400	53,316.600
Donation	-	-
Security Expenses	1,322,100.000	1,004,796.000
Deposit/Credit Guarantee Premium	33,533.500	47,091.630
Travelling Allowances & Expenses	5,073.000	3,097.800
Entertainment	46,660.740	23,552.150
Annual General Meeting Expenses	-	-
<b>Other</b>		
Other-Internet Expenses	-	-
Other-Office Expenses	618,904.440	11,222.000
Other-Meeting Expenses	11,202.000	7,000.000
<b>Total</b>	<b>3,355,717.74</b>	<b>1,826,309.58</b>

**Depreciation and Amortisation**

**4.38**

Particulars	Current Year	Previous Year
Depreciation on property and equipment	1,985,164.040	1,245,705.220
Depreciation on investment property	-	-
Amortisation of intangible assets	-	-
<b>Total</b>	<b>1,985,164.040</b>	<b>1,245,705.220</b>

**Non Operating Income**

**4.39**

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Non Operating Expenses**

**4.40**

Particulars	Current Year	Previous Year
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Income Tax Expenses**

4.41

Particulars	Current Year	Previous Year
Current tax expense		
Current year	-	157,777.653
Adjustments for prior years		(5,000,000.000)
Deferred tax expense		
Origination and reversal of temporary differences	18,245,611.403	(37,107,626.270)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
<b>Total income tax expense</b>	<b>18,245,611.403</b>	<b>(41,949,848.617)</b>

**4.41.1: Reconciliation of tax expense and accounting profit**

Particulars	Current Year	Previous Year
Profit before tax	-	50,273,494.13
Tax amount at tax rate of 30%	-	15,082,048.24
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income	18,245,611.403	
Add/less: Tax effect on other items		
<b>Total income tax expense</b>	<b>18,245,611.40</b>	<b>15,082,048.24</b>
<b>Effective tax rate</b>	<b>0.30</b>	<b>0.30</b>



## 5. Disclosure & Additional Information

### 5.1 Risk Management

The robust risk management capabilities is imperative in order to achieve an effective risk management framework and contain the risks associated with the business, a fully functional Risk Management Committee is responsible for identifying reporting, controlling and managing credit risk, operational risk, market risk & liquidity risk. The Risk Management Committee oversees global, macro, micro and departmental level risk that arise out of daily business operation as well as on periodic basis and are put to the oversight of Senior Management, Risk Management Committee and the Board committee to discuss the reports thereon and issue instructions as appropriate.

#### **Risk Management Committee:**

The Risk Management Committee is an independent committee of the Board of Directors that has, as its sole and exclusive function, responsibility for the risk management policies of the company and oversight of implementation of risk management framework of the company. The committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to risk appetite that the company is able and willing to assume in its exposures and business activities, risk management, compliance framework, and governance structure that supports it. It periodically reviews the risk management process to ensure its integrity, accuracy, and reasonableness. It also reviews whether the internal control and risk management system is adequate or not to ensure well-ordered and prudent conduct of business. The committee is to reviews the overall risk management structure and monitor the effectiveness of the risk management system.

#### **Risk Governance**

Finance Company implemented policies and procedures to mitigate the risk at enterprises level arising to the company and has trained risk culture among the employees by establishing ownership mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture. The Risk Management Committee is responsible for the establishment of, and compliance with, policies relating to Operation risk & Credit risk.

The company's risk governance structure is such that the responsibility for maintaining risk within the finance company's risk blanket is dropped down from the Board to the appropriate functional, client business, senior management and committees. The Board has set policies and procedures of risk identification, risk evaluation, risk mitigation, and control/monitoring in line with NRB directives, and has effectively implemented the same at the company. The effectiveness of the company's internal control system is reviewed regularly by the Board, its committees, senior management, and internal audit committee.

#### **Credit Risk**

Credit risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk function from the origination, trading and sales function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk. Clear segregation of duties has been established between transaction originator in the business and the approvers in the risk function.

#### **Credit Risk Mitigation (CRM)**

The Finance company follows the following well defined procedures to manage and mitigate the credit related risk at the various level:

- The credit applications are initially reviewed at the branch by the branch manager where the branch assess the credit worthiness of the proposed borrower and the quality of the security offered.
- As a second level of defence the central credit department has been set up which independently oversee whether the proceeding of the loan approval, creditworthiness and collateral offered complies with the company's and central bank's norms.
- The credit proposal, if exceeds the prescribed threshold are then reviewed by the Risk Management Department which evaluates the underlying risk of the proposal and decides whether the proposal is within the risk appetite of the company. This department is independent of the business unit and reports directly to the Board level committee, Risk Management Committee.
- After due review and identification of the underlying risk by the Risk Management Department, the proposal passed through different approving authorities depending upon the type of the proposal(funded or unfunded), level of underlying risk and amount of the proposal.
- Once the proposal is approved by the prescribed approving authority, the security and post approval proceeding and initiated and completed at the branch level. The Credit Administration Department reviews the security documents and ensure compliance with the company's and Central Bank's norms before disbursement of the credit facilities.



- As a measure to mitigate the risk after mitigation, the bank monitors, review on the quarterly to annual basis depending upon the type of the facilities. The level of risk and early warning signals (EWS) are identified on every review and necessary actions are taken if required.
- The internal audit function of the company on the periodic basis independently observes the compliance and the status of the borrowers and recommends the management with the best practices that has to be adopted. The internal audit department directly reports the Audit Committee which is a board level committee.
- On the portfolio level, the company's risk management strategies includes diversifying the borrowing pool, risk based pricing, establishing the suitable exposure limits for borrowers and group of borrowers to ensure the risk taken is under the risk appetite by the Risk Management Policy of the company.

### **Operational Risk**

Operational risk can be caused by both internal and external sources, such as fraud, business interruptions, system failures, damage to physical infrastructure, failure in execution and service delivery, inherent risks in products. The risk can occur in any business function or the business supporting functions. The effect of failure in any of the resources can have concurrent impacts across the company. Effective operational risk management system aims to minimizing losses and customer dissatisfaction due to failure in process, focusing on flows in product and their design that can expose the company to losses due to fraud analyzing the impact continuity in the company's operations. The Finance company has introduced an "Operational Risk Monitoring and Reporting Framework" all branches covering all transaction on daily basis to minimize the operational risk. The Risk Management Department is assigned with the responsibility to undertake actions related to operational risk management of the company.

### **Market Risk**

The Company recognizes market risk as the possibility for loss of earnings or economic value to the Company caused due to adverse changes in the market level of interest rates or prices of securities (equity), foreign exchange rates and volatilities of those prices. The company has an Asset Liability Management Committee (ALCO) which meets periodically to discuss product pricing for deposits and advances and maturity profiles of assets and liabilities, articulating interest rate, view of company, funding policy, transfer pricing policy and balance sheet management. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk), and market prices (price risk).

### **Liquidity Risk**

Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the company on acceptable terms.

The Company works continuously towards risk diversification of its assets base so as to achieve better portfolio mix and to protect/enhance the overall risk on its loan book. The strategic focus of mapping business is gradually reducing high-risk assets and increasing low risk exposures.

## **5.2. CAPITAL MANAGEMENT**

"The Finance company's capital management policies and practices support its business strategy and ensure that it is adequately capitalised to withstand even in severe macroeconomic downturns. Nepal Finance Limited is a licensed institution which provides financial services therefore it must comply with capital requirement of central bank so called Nepal Rastra. The Finance company's capital consists of Tier I capital and Tier II capital."

### **5.2.1. Qualitative disclosures**

Nepal Rastra Bank has directed the Banks to develop own internal policy, procedures and structures to manage all material risk inherent in business for assessing capital adequacy in relation to the risk profiles as well as strategies for maintaining capital levels. This includes basic requirements of having good governance, efficient process of managing all material risks and an effective regime for assessing and maintaining adequate capital. The finance company has various BODs approved policies for proper governance. The finance company is in line with BASEL provisions.



5.2.2. Quantitative disclosures

Capital structure and capital adequacy

- Tier 1 Capital and a breakdown of its Components:

Particulars	Amount (Rs.)
Paid up Equity Share Capital	135,800,500.00
Irredeemable Non-cumulative preference shares	-
Share Premium	-
Proposed Bonus Equity Shares	-
Statutory General Reserves	66315496
Retained Earnings	(179,259,595.04))
Un-audited current year cumulative profit	-
Special Reserve Fund	-
Capital Adjustment Reserves	84,930,500.00
Dividend Equalization Reserves	-
Capital Redemption Reserves Fund	-
Deferred Tax Reserve	-
Other Free Reserves	-
Less: Goodwill	-
Less: Intangible Assets	-
Less: Fictitious Assets	-
Less: Deferred Tax Assets	(19,587,159.62)
Less: Investment in equity of licensed Financial Institutions	-
Less: Investment in equity of institutions with financial interests	-
Less: Investment in equity of institutions in excess of limits	-
Less: Investments arising out of underwriting commitments	-
Less: Purchase of Land & Building in excess of limit & utilized	-
Less: Reciprocal crossholdings	-
Less: Other Deductions	-
<b>Total Tier 1 Capital</b>	<b>88,199,741.07</b>

- Tier 2 Capital and Breakdown of its Components:

Particulars	Amount (Rs.)
Cumulative and/or Redeemable Preference Share	-
Subordinated Term Debt	-
Hybrid Capital Instruments	-
General loan loss provision	360,084.86
Exchange Equalization Reserves	-
Investments Adjustment Reserves	-
Assets Revaluation Reserves	-
Special Reserve Fund	-
<b>Total Tier 2 Capital</b>	<b>360,084.86</b>





• **Total Qualifying Capital:**

Particulars	Amount (Rs.)
Core Capital (Tier 1)	88,199,741.07
Supplementary Capital (Tier 2)	360,084.86
<b>Total Capital Fund</b>	<b>88,559,825.93</b>

• **Capital Adequacy Ratio:**

The capital adequacy ratio of the Finance company as on 15th July, 2020 is 55.4%

• **Summary of the Finance company's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:**

Nepal Finance Limited adopts healthy risk management framework. The Finance company follows Internal Capital Adequacy Assessment Process (ICAAP) and Risk Management Guideline while taking decision on any business. It has always taken note of ICAAP and has taken steps accordingly in ensuring soundness of capital position and sustainability of the business. The Finance company's policies and procedures are approved by the Board of Directors and these documents provide guidance on independent identification, measurement and management of risks across various businesses. Finance company's different committees like Audit Committee, Risk Management Committee review the business and risks periodically.

The finance company also defines risk aspects, considering domestic economic scenario, and puts in place the system to minimize and remove such risk. The risk appetite and approach towards risk taking is well discussed in management level and board level. It is always aligned with the business, its return and capital. Basel disclosures have been complied with, addressing the risks and adopting measures to minimize their impact. Increasing complexities in risks, weakness of businesses and fast changing world with intense competition pose a threat to sustainability.

Capital planning is an integral part of the Finance company's medium term strategic planning and annual budget formulation process. Total risk weighted exposures for the projected level of business operations is calculated, the required capital level is projected, and a plan is formulated to retain the required capital. The Finance company is well capitalized and able to maintain the required capital through internal generation, and equally through capital markets if needed.

**5.2.3. Compliance with external requirement**

The finance company has complied with externally imposed capital requirements to which it is subject and there are no such consequence where the institution has not complied with those requirement.



### 5.3 Classification of financial assets and financial liabilities

The financial assets and liabilities are classified in Amortised Cost, fair value through profit and loss and fair value through other comprehensive income. The following table exhibit the the classification of financial assets and liabilities:

Financial Assets	As on 31st Ashar 2077			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	265,617,722	-	-	265,617,722
Due from Nepal Rastra Bank	4,542,461	-	-	4,542,461
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	-	-	-	-
Loans and Advances to Customers	-	-	-	-
Investment Securities	16,195,450	-	26,806,798	43,002,248
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investment Property	92,936,567	-	-	92,936,567
Other Assets	5,345,357	-	-	5,345,357
<b>Total Financial Assets</b>	<b>384,637,557</b>	<b>-</b>	<b>26,806,798</b>	<b>411,444,355</b>

<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	-	-	-	-
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	209,321,057	-	-	209,321,057
Borrowings	-	-	-	-
Other Liabilities	31,575,654	-	-	31,575,654
Debt Securities Issued	-	-	-	-
<b>Total Financial Liabilities</b>	<b>240,896,712</b>	<b>-</b>	<b>-</b>	<b>240,896,712</b>

Financial Assets	As on 31st Ashar 2076			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	123,413,862	-	-	123,413,862
Due from Nepal Rastra Bank	4,489,989	-	-	4,489,989
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	-	-	-	-
Loans and Advances to Customers	-	-	-	-
Investment Securities	12,141	-	42,990,107	43,002,248
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Investment Property	92,936,567	-	-	92,936,567
Other Assets	2,338,210	-	-	2,338,210
<b>Total Financial Assets</b>	<b>223,190,769</b>	<b>-</b>	<b>42,990,107</b>	<b>266,180,877</b>

<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	-	-	-	-
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	44,809,595	-	-	44,809,595
Borrowings	-	-	-	-
Other Liabilities	30,600,598	-	-	30,600,598
Debt Securities Issued	-	-	-	-
<b>Total Financial Liabilities</b>	<b>75,410,193</b>	<b>-</b>	<b>-</b>	<b>75,410,193</b>



## 5.4 Operating Segment Information

### 1. General Information

#### Factors that management used to identify the entity's reportable segments

An operating segment is a component of the company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the company's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Based on the nature of the business, transactions, products and services, the management have identified four reporting segment for the purpose of financial reporting:

### 2. Segment Reporting

#### A. Information about reportable segment

Particulars	New Road	Kamaladi	Total
(a) Revenue from External Customers	256,024.36	30,954,456.92	31,210,481.28
(b) Intersegment Revenues	-	-	
(c) Net Revenue	256,024.36	30,954,456.92	31,210,481.28
(d) Interest revenue	414.05	29,733,772.93	29,734,186.98
(e) Interest expense	620,170.00	2,063,179.54	2,683,349.54
(f) Net Interest Revenue	(619,755.95)	27,670,593.39	27,050,837.44
(g) Depreciation and Amortization	376,352.82	1,608,271.22	1,984,624.04
(h) Segment Profit/(Loss)	216,320.12	26,154,041.53	26,370,361.65
(i) Entities interest in the profit or loss of associates accounted for using equity method			
(j) Other material non cash items:			-
.....			-
.....			-
.....			-
(k) Impairment of Assets			-
(l) Segment Assets	253,111,095.60	219,984,079.40	473,095,175.00
(m) Segment Liabilities	10,860,409.19	230,290,262.81	241,150,672.00

#### Reconciliation of reportable segment profit or loss

Particulars	Current Year
Total Profit before tax for reportable segment	26,369,822.23
Profit before tax for other segment	-
Elimination of intersegment profit	
Elimination of discontinued operation	
Uncollected Amounts:	
-Other Corporate Expenses	
Profit before tax	26,369,822.23

### 3 Measurement of operating segment profit or loss, assets and liabilities

The transaction between the branches are charged at transfer price decided by Management Committee of the finance company.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods



#### 4 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

##### a. Revenue

Total revenues for reportable segment	31,210,481.28
Other revenues	-
Elimination of intersegment revenues	-
Entity's revenues	<b>31,210,481.28</b>

##### b. Profit or loss

Total profit or loss for reportable segments	26,369,822.23
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	
.....	
.....	
<b>Profit before income tax</b>	<b>26,369,822.23</b>

##### c. Assets

Total assets for reportable segments	473,095,175.00
Other assets	
Unallocated amounts	
<b>Entity's assets</b>	<b>473,095,175.00</b>

##### d. Liabilities

Total liabilities for reportable segments	241,150,672.00
Other liabilities	
Unallocated liabilities	
Entity's liabilities	<b>241,150,672.00</b>

#### 5 Information about products and services

Revenue from each type of product and services described in point no. 1(b) above

- Loans and advances
- Fees and commission income

#### 6 Information about geographical areas

Revenue from following geographical areas

(a) Domestic	
Newroad	256,024.36
Kamaladi	30,954,456.92
All Other Segments	-
(b) Foreign	0
<b>Total</b>	<b>31,210,481.28</b>

#### 7 Information about major customers

Total revenue from any single external customer does not amount to 10 percent or more of the company's revenue.

#### 5.5. Share options and share based payment

A share-based payment is a transaction in which the Finance Company receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The Finance Company does not have any share option and share based payment.

#### 5.6 Contingent liabilities and commitment

##### Contingent Liabilities:

Where the Finance Company undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Finance Company's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.



Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

**Commitments:**

Where the Finance 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 Finance Company has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 15 July 2020.

**Litigations:**

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Finance Company and the Group are involved in various such legal actions and the controls have been established to deal with such legal claims. There are pending litigations existing as at the end of the reporting period against the Finance Company, resulting through normal business operations.

The details of litigations is presented in 4.28.5.

**5.7 Related parties disclosures**

**a) Transaction with related party**

Other than the directors' meeting fees and related meeting expenses, no any other transactions are made with related party

**b) Key Managerial Personnel**

Key Management Personnel (KMP) of the Finance Company include members of the Board, Chief Executive Officer and all top level executives. Followings are a list of Board of Directors and CEO bearing office at 15 July 2020.

S.N.	Name of the Key Management Personnel	Post
1	Mr. Hirendra Man Pradhan	Board-Chairman
2	Mr. Rajan Prajapati	Board-Member
3	Mr. Chandra Kumar Rai	Board-Member
4	Mr. Diprash Shakya	Board-Member
5	Mrs. Rojina Shrestha	Board-Member
6	Mrs. Laxmi Maharjan	Board-Member
7	Mr. Ananda Krishna Tamrakar	Board-Member
8	Mr. Uddhab Raj Thapaliya	CEO

All members of the Board are non-executive directors and no executive compensation is paid to the directors. Specific non-executive allowances paid to directors are as under:

Board Meeting fees Rs.137, 500.00

**Total Rs.137, 500.00**

These allowances and benefits are approved by the Annual General Meeting of the Finance Company.

**c) Compensation to Management Level Employees**

Details of Key Management Personnel	Total Compensation (Rs.)	Remarks
Short-term employee benefits	2,590,800.00	Salary, PF and allowances of all top level executives
Post employee benefits	96,001	Gratuity for top executives .

\* Post-employment benefits includes Gratuity. Provident Fund is deposited in an independent institution and Gratuity is provided for as per Employee Byelaws of the Finance Company.

\*\* Other long term employment benefit includes Home Leave and Sick Leave encashment over and above the accumulation limit set as per Employee Byelaws of the Finance Company.

\*\*\* KMP also get vehicle facility, fuel, and mobile facilities as per agreement.



**5.8 Merger and acquisition**

The bank has neither entered into merger nor acquired any bank and financial institutions.

**5.9 Additional disclosures of non-consolidated entities**

The group financials include the figures of Muktinath Bikas Bank Limited, Vibor Capital Limited and Muktinath Krishi Company Limited. The consolidation of the group has been carried out using NFRS 10 : Consolidated Financial Statements by applying the carve out issued by the Institute of Chartered Accountants of Nepal which states: "A parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so."

**5.10. Events after reporting date**

No events requiring adjustment as per NAS 10 "Events occurring after Reporting Period" are observed after the reporting period.



Nepal Finance Ltd.  
Comparison Unaudited and Audited Financial Statements as of FY 2076/77

Rs. in '000'

Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Assets					
Cash and cash equivalent	265,618	265,618	0	0.00%	
Due from NRB and placements with BFIs	4,542	4,542	(0)	-0.01%	
Loan and advances	37,112	35,990	1,122	3.12%	Due to Reclassification
Investments Securities	40,272	26,807	13,465	50.23%	Due to Reclassification & FV measurement
Investment in subsidiaries and associates	-	-	-	0.00%	
Property And Equipment	101,849	101,336	513	0.51%	Due to Reclassification
Goodwill and intangible assets			-	0.00%	
Other assets	9,919	38,803	(28,884)	-74.44%	Due to Reclassification & Recogniton of Deferred Tax assets
Total Assets	459,312	473,095	(13,783)	-2.91%	
Capital and Liabilities					
Paid up Capital	135,801	135,801	-	0.00%	
Reserves and surplus	58,762	96,144	(37,382)	-38.88%	Due to other effects
Deposits	210,321	209,321	1,000	0.48%	Due to Reclassification
Borrowings			-		
Bond and Debenture			-	0.00%	
Other liabilities and provisions	54,427	31,830	22,597	70.99%	Due to Reclassification
Total Capital and Liabilities	459,312	473,095	(13,783)	-2.91%	
Statement of Profit or Loss					
Interest income	29,382	29,734	(352)	-1.18%	Due to Reclassification of Income, recognition of interest accrual
Interest expense	2,463	2,683	(220)	-8.21%	Due to Reclassification
Net interest income	26,919	27,051	(132)	-0.49%	
Fee and commission income	0	310	(310)	-100.00%	Due to Reclassification of Income
Fee and commission expense	-	739	(739)		Due to Reclassification of Expense
Net fee and commission income	0	(429)	429	-100.00%	
Other operating income	1,476	1,167	309	26.50%	Due to Reclassification of Income
Total operating income	28,395	27,788	607	2.18%	
Impairment charge/(reversal) for loans and other losses	-20,430	(18,954)	(1,476)	7.78%	Due to Reclassification
Net operating income	48,825	46,743	2,082	4.45%	
Personnel expenses	7,610	10,057	(2,447)	-24.33%	Due to Reclassification
Other operating expenses	10,459	10,315	144	1.39%	Due to Reclassification
Operating profit	30,756	26,370	4,386	16.63%	
Non operating income/expense			-		
Profit before tax	30,756	26,370	4,386	16.63%	Due to other effects
Income tax	9,227	(18,246)	27,473	-150.57%	Change in income and effect of Deferred Tax
Profit/(loss) for the period	21,529	44,616	(23,087)	-51.75%	
Other comprehensive income	(7,944)	(11,337)	3,393		Due to effects of above changes
Total comprehensive income	13,585	33,279	(19,694)	-59.18%	
Distributable Profit	13,585	33,279	(19,694)	-59.18%	
Net profit/(loss) as per profit or loss	21,529	44,616	(23,087)	-51.75%	
Add/Less: Regulatory adjustment as per NRB Directive	(4,521)	(18,945)	14,424		
Free profit/(loss) after regulatory adjustments	17,008	25,671	(8,663)	-33.75%	





**Nepal Finance Limited.**  
**Major Indicators**

Major Financial Indicators of last 5 years

S. No.	Indicators	Unit	FY 2072/73	FY 2073/74	FY 2074/75	FY 2075/76	FY 2076/77
1	Net Profit/Gross income	Percent	48.95%	48.41%	81.86%	32.72%	56.42%
2	Earnings per share	NPR	26.73	18.67	12.35	6.13	32.85
3	Market value per share	NPR	124.00	124.00	124.00	124.00	130.00
4	Price earning Ratio	Ratio	4.64	6.64	10.04	20.23	3.96
5	Dividend (including bonus) on Share Capital (%)	Percent	-	0.00%	0.00%	0.00%	0.00%
6	Cash Dividend on Share Capital (%)	Percent	-	0.00%	0.00%	0.00%	0.00%
7	Interest Income/ Loans and Advances (%)	Percent	6.76%	11.20%	0.00%	0.00%	82.62%
8	Staff Expenses/ Total Operating Expenses (%)	Percent	16.98%	24.96%	29.66%	49.52%	42.27%
9	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	10.59%	6.60%	6.66%	6.22%	1.28%
10	Exchange Gain/ Total Income (%)	Percent	-	-	-	-	-
11	Staff Bonus/ Total Staff Expenses (%)	Percent	0.00%	0.00%	0.00%	53.63%	25.87%
12	Net Profit/Total Loans & Advances (%)	Percent	17.95%	15.56%	0.00%	0.00%	123.97%
13	Net Profit/ Total Assets (%)	Percent	28.39%	21.70%	5.82%	3.00%	9.43%
14	Total Loans & Advances/ Total Deposits (%)	Percent	160.64%	194.46%	0.00%	0.00%	17.19%
15	Total Operating Expenses/ Total Assets (%)	Percent	25.42%	15.68%	5.08%	6.81%	5.03%
16	Capital Adequacy (On Risk Weighted Assets)		-				
	a. Core Capital	Percent	-25.47%	-19.56%	6.81%	111.00%	56.52%
	b. Supplementary Capital	Percent	0.00%	0.00%	0.00%	0.00%	0.23%
	c. Total Capital Fund	Percent	-25.46%	-19.56%	6.81%	111.00%	56.75%
17	Liquidity (%)	Percent	0.65%	18.43%	156.50%	275.42%	126.89%
18	Non-Performing Loan/ Total Loans & Advances (%)	Percent	99.66%	100.00%	100.00%	100.00%	68.63%
19	Weighted Average Interest Rate Spread	Percent	7.64%	7.64%	7.64%	4.83%	7.64%
20	Book Net Worth (Per Share)	NPR	(23,298,553)	2,056,730.00	192,288,206.52	198,665,881.03	231,944,499.32
21	Number of Shares	No.	1,358,005	1,358,005.00	1,358,005.00	1,358,005.00	1,358,005.00
22	Number of Staff	No.	13	13	13	13	12

Note: The figure of Loans and Advances has been taken net of impairment.



As on Asar end 2077

S.N	Name	No of share	Percentage	Amount(Ras)
1	Pramila Shakya	160,000.00	11.78%	16,000,000.00
2	Hirendra Man Pradhan	150,000.00	11.04%	15,000,000.00
3	Rabi Chandra Man Pradhan	135,700.00	9.99%	13,570,000.00
4	Rajan Prajapati	63,684.00	4.69%	6,368,400.00
5	Muna Pradhan	20,393.00	1.50%	2,039,300.00
6	Ruby Pradhan	20,393.00	1.50%	2,039,300.00
7	Rumy Pradhan	20,393.00	1.50%	2,039,300.00
8	Business World Pvt.Ltd.	20,393.00	1.50%	2,039,300.00
9	Rewa Shrestha	18,694.00	1.38%	1,869,400.00
10	Lagan Sadabart Niji Guthi	17,497.00	1.29%	1,749,700.00
11	Kiran Man Shrestha	10,000.00	0.74%	1,000,000.00
12	Chandra Kumar Rai	10,000.00	0.74%	1,000,000.00
13	Hem Raj Upadhyaya	10,000.00	0.74%	1,000,000.00
14	Narendra Man Shakya	10,000.00	0.74%	1,000,000.00
15	Shailendra Kumar Mishra	10,060.00	0.74%	1,006,000.00
16	Sundar Man Shrestha	9,756.00	0.72%	9,756,000.00
17	Sangam Rajbhandary	9,516.00	0.70%	951,600.00
18	Prem Bahadur Baral	8,428.00	0.62%	842,800.00
19	Suva Shree Sahakari	7,795.00	0.57%	779,500.00
	<b>Total</b>			<b>80,050,600.00</b>



नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
गैर-स्थलगत सुपरिवेक्षण इकाई

केन्द्रीय कार्यालय  
वालुवाटार, काठमाडौं  
फोन : ४४९९८०४/४४९९२५०  
फ्याक्स : ४४९५९५८  
इमेल : fsidreportsfc@nrb.org.np  
Web : www.nrb.org.np  
पोष्ट बक्स : ७३

पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/१२/२०७७-७८/१३४  
श्री नेपाल फाइनेन्स लिमिटेड  
कमलादी, काठमाडौं।

मिति २०७७/१०/०२

विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा।



महाशय,

तहाँबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आयकर ऐन/नियमावली तथा अन्य प्रचलित कानूनी व्यवस्थाको पालना गर्ने गरी आ.व. २०७६/७७ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. यस बैंकले दिएको निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन।
  २. एकीकृत निर्देशनले तोकेको सीमाभन्दा बढी गरिएको अन्य रियल स्टेट कर्जाको लगानीलाई सीमाभित्र ल्याउनु हुन।
  ३. नियमित रूपमा System Audit गर्ने व्यवस्था मिलाउनु हुन।
  ४. सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण ऐन, २०६४(दोस्रो संशोधन, २०७०), सम्पत्ति शुद्धीकरण (मति लाउण्डरिङ्ग) निवारण नियमावली, २०७३ तथा नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन तथा परिपत्रका व्यवस्थाहरूको पूर्ण पालना गर्न संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ।
  ५. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभाशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन।
- उपर्युक्त निर्देशनलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय,

*Subedi*

(अपिल सुबेदी)  
सहायक निर्देशक

बोधार्थ :

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



# नेपाल फाइनान्स लिमिटेड Nepal Finance Limited

“नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्रप्राप्त संस्था”

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च.न. ३४२ / २०७७/७८  
श्रीमान कार्यकारी निर्देशक  
नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरीवेक्षण विभाग  
बालुवाटार, काठमाण्डौ ।



मिति: २०७७/११/०५

विषय : वित्तीय विवरण प्रकाशन स्वीकृतीका लागि दिइएको निर्देशनको प्रत्युत्तर सम्बन्धमा ।

महोदय,

तहांको मिति २०७७/०१/०२ को पत्र संख्या १३४ बमोजिम यस संस्थाको आ.व. २०७६/७७ को वित्तीय विवरण, संलग्न अनुसूचीहरू र लेखा परीक्षण प्रतिवेदन सहितको विवरण बार्षिक साधारण सभा प्रयोजन तथा वित्तीय विवरण प्रकाशनको स्वीकृती प्राप्त भएकोमा उक्त पत्रको निर्देशनहरूको हालसम्मको सुधार र निम्नानुसार पालना गरिने व्यहोरा तहांको जानकारीको लागि अनुरोध गर्दछु ।

१. संस्था समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिइएको शर्तहरूको पूर्ण पालना तथा कैफियतहरूलाई सुधार गरी पुनः दोहोरिन नदिने गरी कार्य संचालन व्यवस्था गरिएको व्यहोरा जानकारी गराउदछु ।

२. तोकिएको सिमाभन्दा अधिक रहेको त्यस्ता कर्जाहरूलाई तहांको निर्देशन बमोजिम गणना गर्ने व्यवस्था मिलाइने व्यहोरा जानकारी गराउदछु ।

३. निर्देशनानुसारको व्यवस्था मिलाइने जानकारी गराउदछु ।

४. सम्पत्ति शुद्धिकरण निवारण ऐन, नियमावली तथा तहांबाट निर्देशन भएका परिपत्रहरू समेतको पूर्ण पालना गरिरहेको तथा भविष्यमा समेत सोको पालना साथै थप सजग रही उक्त विषयमा शुन्य गहनसिलताको सिद्धान्त अपनाइने व्यहोरा जानकारी गराउदछु ।

५. साधारण सभाबाट स्वीकृत भई ५ वर्षसम्म दावी नपरेको भुक्तानी हुन बांकी लाभांश रकमलाई नियमानुसारको व्यवस्था पालना गरी यथाशक्य छिटो सम्बन्धित कोषमा दाखिला गर्ने व्यवस्था मिलाइने छ ।



भवदीय,

उध्दबराज थपलिया  
प्रमुख कार्यकारी अधिकृत



२२ औं, २३ औं र २४ औं  
वार्षिक प्रतिवेदन  
(साविक ललितपुर फाइनेन्स लिमिटेड)



## २२ औं, २३ औं र २४ औं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

साविक ललितपुर फाइनेन्स लि.को २२ औं, २३ औं र २४ औं वार्षिक साधारण सभामा यहाँहरूलाई स्वागत गर्न पाउँदा हामी सञ्चालक समितिका सबै सदस्यहरू हर्षित छौं। कम्पनी ऐन, २०६३ को दफा १०९(४) मा व्यवस्था भए अनुरूप यसै साथ संलग्न सञ्चालक समिति तथा नेपाल राष्ट्र बैंकबाट स्वीकृत भएको आ.व. २०७४/७५, २०७५/७६ तथा २०७६/७७ सम्मको लेखापरिक्षण प्रतिवेदन सहितको नाफा-नोक्सान हिसाब तथा नगद प्रवाह विवरण र उक्त वित्तीय विवरणहरूसँग सम्बन्धित अनुसूचीहरू तथा उक्त दफामा उल्लेख भएको निम्नानुसारको सञ्चालक समितिको प्रतिवेदन प्रस्तुत गर्दछु।

साविक ललितपुर फाइनेन्स लि. को वार्षिक प्रतिवेदन : आ.व. २०७४/७५, २०७५/७६ र आ.व. २०७६/७७ सम्म को रहेको छ। उक्त आ.व.हरू को लेखापरिक्षणमा लेखा परिक्षण गर्न संचालक समितिको सिफारिसमा श्री कम्पनी रजिष्ट्रारको कार्यालयबाट नियुक्त गरिएका श्री संजय कुमार चौधरी चाटर्ड एकाउन्टेन्ट बाट आ.व. २०७४/७५, २०७५/७६ र आ.व. २०७६/७७ को लेखा परिक्षण सम्पन्न भएको छ। जसमा आ.व. २०७५/७६ र आ.व. २०७६/७७ को एनएफआरएस विधि बमोजिको लेखापरिक्षण प्रतिवेदन तयार गरिएको छ।

बिगत बर्षहरूको कारोबारको सिंहावलोकन :

संचालन गतिविधिको समिक्षा:

(रकम रु. हजारमा)

विवरण	आ.व. ०७४/०७५	आ.व. ०७५/७६	आ.व. ०७६/७७
चुक्ता पूंजी	१८७,९४५	१८७,९४५	१८७,९४५
जगेडा तथा कोषहरू	(८४,१४०)	१८९,२६४	१८९,१४२
निक्षेप दायित्व तथा सापटी	२८७,९६८	३०२,१२६	२३४,३६१
कर्जा	४७४,८७०	४५८,२४८	३५४,४५२
जोखिम भारित सम्पती	६३४,७७३	६२०,४१४	५१५,६१९
संचालन मुनाफा	३,१०४	(१०,३३५)	(३,४४७)
मुनाफा	७१,३५१	(१०,२०६)	(४,०२९)
कर्जा नोक्सानी व्यवस्था	२९९,२८९	३१८,८९२	३१६,८३७

क) आर्थिक वर्ष २०७६/७७ को कारोबारको सिंहावलोकन

(रकम रु हजार मा)

विवरण	आषाढ मसान्त		बृद्धि	
	२०७६/२०७७	२०७५/२०७६	रकम	प्रतिशत
कुल सम्पत्ति	४०७,२०९	४८५,३४६	(७८,१३७)	(१६.१०)
कुल निक्षेप	२३४,३६१	३०२,१२६	(६७,७६५)	(२२.४३)
कुल खुद कर्जा	३७,६१४	१३९,३५५	१०१,७४१	(७३.०१)
कुल लगानी	२५,०१२	११,७८६	१३,२२६	११२.२२



(रकम रु. हजार मा)

विवरण	आषाढ मसान्त		बृद्धि	
	२०७६/२०७७	२०७५/२०७६	रकम	प्रतिशत
ब्याज आम्दानी	४७,४७३	६८,६८६	(२१,२३१)	(३०.८८)
ब्याज खर्च	२४,०९५	३०,४२०	(६,३२५)	(२०.७९)
खुद ब्याज आम्दानी	२३,३७८	३८,२६६	(१४,८८८)	(३८.९९)
अन्य संचालन आम्दानी (कमिशन तथा डिस्काउन्ट आम्दानी समेत)	१,१४०	२,५२५	(१,३८५)	(५४.८५)
कर्मचारी खर्च	१७,३५१	१८,४४४	(१,०९३)	(५.९३)
अन्य संचालन खर्च	१२,६८४	११,८६१	८,२३	६.९४
संभावित नोक्सानी व्यवस्था	३१६,८३७	३१८,८९२	२०५६	.०.६४
नोक्सानी व्यवस्था बाट फिर्ता	२,०६९	०		
गैरसंचालन आम्दानी(खर्च)	०	०	०	०
संचालन मुनाफा	(३,४४७)	(१०,३३५)	६,८८८	६६.६५
कर	(५५१)	१२९		
करपछिको खुद मुनाफा	(४,०२९)	(१०,२०६)	६,१७७	६०.५२

सूचकाङ्कहरू	आषाढ मसान्त		(कमि)/बृद्धि
	२०७६/२०७७	२०७५/२०७६	
पूँजी पर्याप्तता (प्रतिशत)	२५.५९	५२२.८६	११.९४
निष्क्रिय कर्जा/कुल कर्जा (प्रतिशत)	९१.८८	७१	२९.४१
कर्जानोक्सानी व्यवस्था/निष्क्रिय कर्जा(प्रतिशत)	८९.३९	६९.५९	१९.८
प्रति शेयर आम्दानी (रु.)	(२.१४)	(५.४३)	६०.५९
खुद नाफा/कुल आम्दानी प्रतिशत	३२.३६	६९.२४	(५३.२६)
नेटवर्थ प्रति शेयर (रु.)	७४.१७	७७.६२	(४.४४)

१. निक्षेप संकलन:

आ.व.२०७६/७७ मा संस्थाको कुल निक्षेप रु. २३ करोड ४३ लाख रहेको छ । कोरोना माहामारीका कारण देशमा भएको लकडाउनले गर्दा निक्षेप संकलनमा उल्लेख्य असर परेको ।

२. कर्जा तथा सापट:

संस्थामा रहेको खराब कर्जाको असुलीलाई थप प्राथमिकतामा राखी काम गर्नु परेको तथा पूँजी बृद्धि गर्न नसकी रहेको अवस्थामा उच्च व्यवस्थापनमा समेत भएको कर्मचारी अभावका कारण कर्जा तथा सापटमा बृद्धि हुन नसकेको ।

३. ब्याज आम्दानी :

संस्थामा रहेको खराब कर्जा असुलीका लागि भएका प्रयासहरुबाट करीब रु.४ करोड ७४ लाख ब्याज आम्दानी गरिएको छ ।

४. ब्याज खर्च :

आ.व.२०७६/७७ मा संस्थाले निक्षेप दायित्व का लागि रु. २ करोड ४० लाख मात्र ब्याज खर्च गरिएको छ ।

५. खुद ब्याज आम्दानी :

आ.व.२०७६/७७ मा संस्थाले कुल रु.२ करोड ३३ लाख खसद ब्याज आम्दानी गरेको छ ।





६. अन्य संचालन आम्दानी:

आ.व.२०७६/७७ मा संस्थाले कुल रु. ११ लाख ४० हजार अन्य संचालन आम्दानी गरेको छ ।

७. संचालन खर्च:

आ.व.२०७६/७७ मा संस्थाको कुल संचालन खर्च रु. १ करोड २६ लाख भएको छ ।

८. संचालन मुनाफा:

आ.व.२०७५/७६ मा संस्थाको संचालन घाटा रु. १ करोड ३ लाख रहेकोमा आ.व.२०७६/७७ संचालन घाटा रु. ३४ लाख भएको छ ।

९. सम्पूर्ण कारोबार पछिको खसद मुनाफा:

आ.व.२०७५/७६ मा संस्थाको सम्पूर्ण कारोबार पछिको खुद घाटा रु. १ करोड २ लाख रहेकोमा आ.व.२०७६/७७ मा ६०.५२ प्रतिशतले कमि भई रु. ४० लाख मात्र हुन गएको छ ।

१०. पूँजी कोषको पर्याप्तता :

आ.व.२०७६/७७ को अन्त्यमा पूँजी कोषको अनुपात २५.५९ प्रतिशत कायम रहेको छ जुन नेपाल राष्ट्र बैंकको निर्देशन बमोजिम कायम गर्नु पर्ने न्यूनतम ११ प्रतिशत भन्दा बढी रहेको छ ।

११. सम्पत्तिको गुणस्तर :

संस्थाको अधिकांश कर्जाहरु निष्क्रिय रहेको तथा उक्त कर्जाहरु असुलीका लागि विभिन्न प्रयासहरु भइरहेको छ ।

ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको बैकिङ्ग व्यवसाय कारोबारमा परेको असर:

शेयरधनी महानुभावहरु, बैंक र वित्तीय संस्थाहरुको निक्षेप र कर्जाको व्याजदरमा पछिल्लो अवधिमा भएको अस्थिर अवस्था र तिव्र प्रतिस्पर्धाका बिच वित्तीय कारोबार संचालन गर्नुपर्ने अवस्था छ । त्यसैगरी फन्डको लागत (Cost of Fund) बढेका कारण प्रतिफल दरमा साविक भन्दा न्यूनिकरण भएको अवस्था छ । यस्तो अवस्थालाई दृष्टिगत गरी हामीले कारोबारलाई उच्च अनुपातमा बृद्धि गर्दै लान हरसम्भव प्रयास र प्रयत्न जारी राखेका छौं । अझै पनि उद्योग धन्दा र व्यापार व्यवसाय सुस्त गति मै रहेको हुँदा तत्कालै आशातित प्रतिफल दर बृद्धि हुने अवस्था छैन तथापी यहाँहरुको संचालक समिति र व्यवस्थापनको कृयाशिलताले गर्दा सजगता अपनाई कारोबारलाई अगाडी बढाइएको हुँदा जोखिम अनुपातमा कमी आइ तरलता र प्रतिफलमा उल्लेख्य सुधार ल्याइएको व्यहोरा जानकारी गराउँदछौं । साथै विगत केही समय अगाडि देखि उत्पन्न कोभिड १९ को महामारी पश्चातको आर्थिक मन्दिा कारण आगामी दिनहरुमा व्यवसायिक गतिविधिहरुमा थप सजगताका साथ सावधानी अपनाउनु पर्ने देखिन्छ ।

ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा:

चालु आर्थिक वर्ष २०७७/७८ को चैत्र मसान्तसम्मको यस वित्तीय संस्थाको कारोबारको स्थिति निम्नानससार रहेको छ ।

रु. हजारमा

विवरण	आ.व.२०७७/७८ को चैत्र मसान्त	कैफियत
कुल निक्षेप दायित्व	२२,४७,८०	
कुल खुद कर्जा तथा सापटी	३,३८,८२	
ब्याज आम्दानी	२,८५,८०	
अन्य संचालन आम्दानी (कमिशन तथा डिस्काउन्ट आम्दानी समेत)	१,१८,०६	
ब्याज खर्च	१,२२,६६	
अन्य खर्च	१,३४,८१	
संचालन नाफा/(नोक्सान)	१०,६८,२२	



**घ) भविष्यमा गर्नुपर्ने कार्यको सम्बन्धमा सञ्चालक समितिको धारणा:**

नेपाल राष्ट्र बैंकबाट तोकिएको सीमामा पूँजी वृद्धि गर्नका लागि हकप्रद शेयर जारी गर्ने प्रकृया अगाडि बढाईएकोमा विभिन्न कारणले हकप्रद शेयर जारी गर्न नसकिएको र संस्थालाई अन्य उपयुक्त बैंक तथा वित्तीय संस्थासंग मर्जर वा एक्विजिशनमा जानका लागि संचालक समितिलाई प्रदान भएको अख्तियारी बमोजिम मिति २०७६।२।२५ मा एक्विजिशनको सम्झौता गरी प्रकृया अगाडि बढाईएकोमा लामो समयसम्म पनि उपरोक्त प्रकृया अगाडि बढन नसकेकोले उक्त सम्झौता भंग गरी नेपाल फाइनेन्स लि. संग मिति २०७७।१।२३ मा एक्विजिशनको सम्झौता सम्पन्न भै मिति २०७८।३।२७ देखि एकिकृत कारोबार संचालन भएको व्यहोरा यहाँहरुलाई जानकारी गराउन चाहन्छौं । साथै विगतमा लामो व्यवसायीक अनुभव भएका दुवै संस्थाहरु मिलेर एक भएको यस संस्था एक अत्यन्त सवल तथा सफल वित्तीय संस्थाको रुपमा आफ्नो पहिचान बनाउन सफल हुने विश्वास लिएका छौं ।

**ङ) औद्योगिक वा व्यवसायिक सम्बन्ध**

यस वित्तीय संस्थाको औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरु, बैंक तथा वित्तीय संस्थाहरु, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल धितोपत्र विनियम बजार तथा कम्पनी रजिष्ट्रारको कार्यालय लगायत नेपाल सरकारका निकायहरूसँग सुमधुर सम्बन्ध रहिआएको छ । ग्राहक सन्तुष्टि नै संस्थाको मूल लक्ष्य रहेकोले ग्राहक सम्बन्ध सुदृढीकरणमा संस्थाको व्यवस्थापन लगायत सबै कर्मचारीहरु क्रियाशिल रहेका छन् । यस वित्तीय संस्था र आफ्ना ग्राहकहरु बीच सुमधुर सम्बन्ध कायम रहेको तथा संस्थाको सेवाको गसणस्तर उच्च राख्न मानव संशाधन विकासमा जोड दिइएको शेयरधनी महानुभावहरुलाई अवगत गराउन चाहन्छौं ।

**च) सञ्चालक समितिमा भएको हेरफेर र सोको कारण:**

समीक्षा अवधिमा सञ्चालक समितिमा भएको हेरफेर अनुसार कायम रहेको सञ्चालक समितिको संरचना निम्नानुसार रहेको छ ।

१.	श्री दिपक महर्जन	अध्यक्ष	संस्थापक समुह
२.	श्री नरेश कुमार श्रेष्ठ	सञ्चालक	संस्थापक समुह
३.	श्री सविन घिमिरे	सञ्चालक	संस्थापक समुह
४.	श्री विष्णु प्रसाद भेटुवाल	सञ्चालक	संस्थापक समुह
५.	श्री उत्तम अर्याल	सञ्चालक	सर्वसाधारणका तर्फबाट

(क) सर्वसाधारण शेयरधनी समुह (ख) वाट प्रतिनिधित्व गर्नुहुने संचालक श्री प्रोसन कुमार साहले संस्थालाई समय दिन नभ्याउने भनि संचालक पदबाट दिनुभएको राजिनामा संचालक समितिको मिति २०७५।१।४ को ३७६ औं बैठकबाट स्वीकृत ।

**छ) कारोबारलाई असर पार्ने मुख्य कुराहरु:**

देशमा विद्यमान आर्थिक मन्दी तथा राजनैतिक अस्थिरता समेतले बैंकिङ तथा वित्तीय कृयाकलापहरुमा संकुचन भएको र समग्र देशको अर्थ व्यवस्था लगायत उद्योग व्यवसायमा परेको असर कायमै छ । त्यसैगरी विगतमा केही समय अगाडि देखि कोरोना महामारीका कारण लामो अवधिसम्म भएको लकडाउनको विद्यमानता कायमै रहेकोले समग्र आर्थिक तथा व्यवसायिक क्षेत्र प्रभावित रही कर्जा लगानीमा संकुचन आएको र कर्जा असुलीमा परेको प्रभावबाट वित्तीय क्षेत्रमा परेको असर यहाँहरुलाई अवगतनै छ । तथापि संस्थाले पछिल्ला वर्षहरुमा कर्जा असुली कार्यलाई अत्यन्त प्रभाकारी बनाई उल्लेख्य रुपमा कर्जा असुली गर्न सफल भएको छ । साथै नेपाल फाइनेन्स लि.संग गाभिई एकिकृत कारोबार संचालन गरी रहेको यस संस्थाले आगामी दिनमा पनि आफ्नो सेवाको दायरा तथा गुणस्तर वृद्धि गर्दै लैजाने, थप सेवाहरु प्रदान गर्ने तथा नयाँ बजारहरु र नयाँ क्षेत्रहरुमा आफ्नो सेवाहरु विस्तार गर्दै लैजाने रणनीति लिई कारोबारलाई अझ सुरक्षित र प्रभावकारी बनाई विगतमाभै प्रतिफल प्रदान गर्न सफल हुने विश्वास लिएका छौं ।



## कम्पनी ऐन, २०६३ को दफा १०९ अनुसारको अतिरिक्त विवरण

- (क) विगत वर्षको कारोबारको सिंहावलोकन :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :  
कोभिड १९ को बढ्दो संक्रमण लाई नियन्त्रणका लागि भएको लकडाउन तथा बन्दाबन्दीले व्यवसायमा प्रत्यक्ष रूपमा असर पारेको छ ।
- (ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरू :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख भएका विषय र बुँदा नं. (ख) मा उल्लेख भए बमोजिम ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया :  
नियमित कारोबारमा देखिएका सामान्य कैफियतबाहेक प्रचलित कानून उल्लंघन हुने कुनै नकारात्मक कुराहरू लेखापरीक्षण प्रतिवेदनमा उल्लेख भएको छैन । प्राप्त प्रतिक्रिया र सुभावहरूमा सञ्चालक समितिको ध्यानाकर्षण भएको छ र सुधारका निमित्त आवश्यक कदम पनि चालिसकिएको छ ।
- ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम ।  
गरिएको छैन ।
- झ) शेयर जफत गरिएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयरको जफत हुनुभन्दा अगावै सो बापतको कम्पनीले प्राप्त गरेको जम्मा रकम त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण ।  
यस अवधिमा वित्तीय संस्थाले कुनै शेयर जफत गरेको छैन ।
- ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन ।  
यस वित्तीय संस्थाको सहायक कम्पनी नरहेकोले यस प्रकारको कारोबार रहेको छैन ।
- ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेका प्रमुख कारोबारहरू र सो अवधिमा कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन ।  
यस वित्तीय संस्थाको कुनै सहायक कम्पनी रहेको छैन । वित्तीय संस्थाले यस आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरूको विवरण यस प्रतिवेदनको बुँदा नं. (क) मा विगत वर्षको आर्थिक कारोबारको सिंहावलोकन अन्तर्गत समावेश गरिएको छ ।
- ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी ।  
गत वर्षमा कम्पनीका आधारभूत शेयरधनीहरूबाट कम्पनीलाई कुनै प्रकारको जानकारी गराईएको छैन ।
- ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व विवरण र कम्पनीको



शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी ।  
केहि नभएको

ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा ।  
वित्तीय संस्थासँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा जानकारी प्राप्त भएको छैन ।

ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरे वापत कम्पनीले भुक्तानी गरेको रकम ।  
वित्तीय संस्थाले आफ्नो शेयर आफै खरिद गरेको छैन ।

त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण ।  
वित्तीय संस्थामा आवश्यकताअनुरूपको आन्तरिक नियन्त्रण प्रणाली रहेको छ र यसलाई समयसापेक्ष रूपमा परिमार्जन गर्दै लगिएको छ । विभिन्न तहमा सम्पन्न हुने काम-कारवाही एक तह माथिको कर्मचारीहरूबाट परीक्षण हुने व्यवस्था मिलाइएको छ । संस्थाका विभिन्न कर्मचारीहरू तथा पदाधिकारीहरूको अख्तियारी सीमा तोकिएको छ । विभिन्न कारोबारको प्रकृतिअनुरूप पर्याप्त आन्तरिक नियन्त्रण प्रणाली व्यवस्था गरिएको छ । आन्तरिक नियन्त्रण प्रणालीलाई अझ प्रभावकारी बनाउन संस्थामा Compliance Department रहेको छ ।

आन्तरिक नियन्त्रण प्रणाली सहित अन्य कुराहरूको उच्चस्तरबाट रेखदेख गर्न गैरकार्यकारी सञ्चालकको संयोजकत्वमा जोखिम व्यवस्थापन समिति, लेखापरीक्षण समिति र एएमएल सिफ्टि कमिटी समेत रहेको छ ।

संस्थाले आफना सबै तहका सबै शाखाका कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धिका लागि सुचारु रूपले विभिन्न तालिम तथा सीप विकासका कार्यक्रमहरू संचालन गर्ने गरेको छ । उक्त कार्यबाट कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धि गरी संचालनबाट हुने जोखिम न्युनीकरण गर्ने गरिएको छ । संस्थाले आफ्नो ग्राहक पहिचान (Know your customer) को मापदण्ड तथा मुद्रा शुद्धीकरण (Anti money laundering) सम्बन्धी नीति, विद्यमान औद्योगिक प्रचलन, प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशनका आधारमा तर्जुमा गरी लागू गरेको छ । साथै संस्थाका विद्यमान नीतिहरूलाई समय सापेक्ष रूपमा परिमार्जन तथा पुर्नलेखन गरी सम्बन्धित निकायबाट स्वीकृत समेत गरी लागू गरिएको छ ।

थ) विगत आर्थिक वर्षको व्यवस्थापन तथा संचालन खर्चको विवरण ।

वित्तीय संस्थाको आर्थिक वर्ष २०७६/७७ को व्यवस्थापन खर्चतर्फ कर्मचारी खर्च रु.१,७३,५१,५४८/- र अन्य सञ्चालन खर्च रु. १२,६८४,२०४ गरी जम्मा व्यवस्थापन तथा सञ्चालन खर्च रु.३,००,३६,७५२/- भएको छ ।

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 सो को विवरण ।

यस संस्थाको सञ्चालक समितिले कम्पनी ऐन, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन तथा नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रहि गैरकार्यकारी सञ्चालकको संयोजकत्वमा १ सञ्चालक सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव रहने गरी लेखापरीक्षण समिति गठन गरेको छ । यस समितिमा निम्न पदाधिकारीहरू रहेका छन् ।

श्री सविन घिमिरे

संयोजक

श्री विष्णु प्रसाद भेटुवाल

सदस्य

लेखापरीक्षण समितिका सदस्यहरूले आ.व. २०७६/७७ मा लिएको कूल बैठक भत्ता रु २४,०००/- रहेको छ ।  
लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षण प्रतिवेदन र लेखा परीक्षकको प्रारम्भिक लेखापरीक्षण प्रतिवेदनमाथि छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन जारी गर्ने र सञ्चालक समितिमा सिफारिस गर्ने गरेको छ । साथै समय समयमा संस्थाको वित्तीय अवस्थाको बारेमा विस्तृत जानकारी लिई आवश्यक निर्देशन जारी गर्ने गरेको छ ।



- ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीको आधारभूत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा ।  
वित्तीय संस्थाको सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको छैन ।
- न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भत्ता तथा सुविधाको रकम ।  
वित्तीय संस्थाका सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई आ.व.२०७६/७७ मा भुक्तानी गरिएको पारिश्रमिक तथा भत्ता सुविधाको रकम निम्नानुसार रहेको छ ।

क्र.सं	विवरण	सञ्चालक	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी
१.	बैठक भत्ता (रु)	४,३२,०००/-	-	-
२.	तलव (रु)	-	९,००,०००।००	-
३.	भत्ता	-	५,७०,०००।००	-
४.	विदा वापतको भुक्तानी		कर्मचारी सेवा नियमावली अनुरूप	कर्मचारी सेवा नियमावली अनुरूप
५.	दर्शनभत्ता	-		
६.	संचयकोष योगदान	-		
७.	बोनस	-	प्रचलित बोनस ऐन अनुरूप	
८.	टेलिफोन, मोबाइल र पत्रपत्रिका	२३,२७७/-	संस्थासँग भएको करार	कर्मचारी सेवा
९.	इन्धन	छैन	अनुरूप	नियमावली अनुरूप
१०.	गाडी सुविधा	छैन	छ	छैन
११.	आवास सुविधा	छैन	छैन	छैन
१२.	बीमा	छैन	छैन	छ

- प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम ।  
शेयरधनीहरूले बुझिलिन बाँकी लाभांशको रकम रु. ९,६६५/-९अक्षरेपी नौ हजार छ सय पैसाष्टी मात्र रहेको छ ।  
जसलाई नियमानुसारको प्रकृत्याका आधारमा प्रचलित कानून बमोजिम गरिनेछ ।
- फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण ।  
यस आ.व मा कम्पनि ऐन २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।
- ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोवारको विवरण ।  
यस वित्तीय संस्थाको कुनै सम्बद्ध कम्पनी छैन ।
- भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा ।  
अन्त्यमा, आर्थिक, राजनैतिक तथा स्वास्थ्य क्षेत्रमा देखा परेको विषम परिस्थितिमा समेत यस संस्थाको उद्देश्य प्राप्तिका लागि सहयोग पुऱ्याउनुहुने सम्पूर्ण शेयरधनी महानुभावहरु, निरन्तर रुपमा ग्राहक सेवाप्रति समर्पित कर्मचारीहरु साथै, यस संस्थाको उत्तरोत्तर प्रगतिमा साथ दिने सबै निकायहरूलाई हार्दिक धन्यवाद दिदै यस नेपाल फाइनेन्स लिमिटेडले एकवायर गरेको साविक ललितपुर फाइनेन्स एक सफल तथा सुशासित वित्तीय संस्थाको रुपमा उभ्याउन सञ्चालक समिति निरन्तर लागि रहने प्रतिबद्धता व्यक्त गर्दछौं ।
- (म) अन्य आवश्यक कुरा :  
नभएको ।



धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ साग सम्बन्धित  
अनुसूची १५ बमोजिमको वार्षिक विवरण

१. संचालक समितिको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरीक्षण भएका वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
४. कानुनी कारवाही सम्बन्धी विवरण :
  - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाका विरुद्ध कुनै मुद्दा दायर भएको भए, यस फाइनेन्सको कर्जासँग सम्बन्धित बाहेक अन्य मुद्दा दायर नभएको ।
  - (ख) संगठित संस्थाका संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमका अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए, यस फाइनेन्सको जानकारीमा नरहेको ।
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिका विश्लेषण :
  - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारण :  
नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार रहेको ।
  - (ख) आ.व. २०७६/७७ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन

त्रैमास	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कुल कारोबार दिन	कुल कारोबार संख्या	कुल कारोबार शेयर संख्या
प्रथम त्रैमास				-	-	-
दोस्रो त्रैमास				-	-	-
तेस्रो त्रैमास				-	-	-
चौथो त्रैमास				-	-	-

(श्रोत : नेपाल स्टक एक्सचेन्ज )

नोट : संस्था अन्य बैंक तथा वित्तीय संस्थासँग गाभ्ने, गाभिने प्रकृत्यामा रहेकोले विगत लामो समयदेखि दोस्रो बजारमा शेयर कारोबार स्थगित भएको छ ।

६. समस्या तथा चुनौति

(क) आन्तरिक समस्या तथा चुनौती

- आयको विविधिकरण ।
- वित्तीय स्रोतको लागतमा वृद्धि ।
- सक्षम कर्मचारी व्यवस्थापन

(ख) बाह्य समस्या र चुनौती

- बैंक तथा वित्तीय संस्थाको बीच तीव्र प्रतिस्पर्धा ।
- कर्जाको माग तथा निक्षेप वृद्धिमा सन्तुलन नहुनु ।
- वित्तीय स्रोतको अभाव ।
- विगतमा गुमेको शाख:मा वृद्धि



(ग) रणनीति

- निक्षेप तथा कर्जाको विविधिकरण ।
- आय आर्जन गर्ने नयाँ क्षेत्रहरु विस्तार तथा निक्षेप परिचालनमा जोड ।
- समय सापेक्ष प्रविधिमा आधारित नयाँ सेवाहरुको विकास ।
- पूँजि तथा पूँजि कोष वृद्धि ।
- अझ मजबुद प्रणाली तथा अनुपालना पद्धतीको विकास ।
- शाखा सञ्जालको विस्तार

७. संस्थागत सुशासन

बैंक तथा वित्तीय संस्था सम्बन्धि ऐन, २०७३, नेपाल राष्ट्र बैंकद्वारा जारी गरिएका निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ । संस्थागत सुशासनलाई सदैव उच्च प्राथमिकतामा राख्दै र संस्थागत सुशासन सम्बन्धी निर्देशन तथा परिपत्रहरुको पुर्णरुपले पालना गरिने छ ।

आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न लेखापरीक्षण समिति (Audit Committee) गठन गरिएको छ, जसले बाह्य र आन्तरिक लेखापरीक्षकबाट दिईएका सुझाव तथा निर्देशनहरुलाई कार्यान्वयन गराउनुका साथै आन्तरिक नियन्त्रण प्रणालीलाई अझ सुदृढ बनाउन व्यवस्थापनलाई सल्लाह र सुझावहरु दिदै आईरहेको छ ।

कारोवारलाई छिटो, छरितो, चुस्त तथा वैज्ञानिक बनाउन तथा अन्य आवश्यक रणनीति तय गर्न व्यवस्थापन समिति, जोखिम व्यवस्थापन समिति, AML/CFT Committee, सम्पत्ती/दायित्व व्यवस्थापन समिति लगायतका विभिन्न समितिहरु क्रियासिल रहेका छन् ।

नेपाल राष्ट्र बैंकको निर्देशन, स्थलगत निरिक्षण प्रतिवेदन, आन्तरिक तथा बाह्य लेखापरीक्षण प्रतिवेदनमा औल्याईएका सुझाव तथा निर्देशनहरुलाई यस संस्थाले सदैव पालना गर्दै संस्थागत सुशासनको पूर्ण पालना तथा संस्थालाई अझ सुदृढ बनाउँदै लैजान यस संस्थाको संचालक समिति र व्यवस्थापन प्रतिबद्ध रहेको छ ।

मिति २०७८।०५।२६





ललितपुर फाइनेन्स लिमिटेडका शेयरधनी महानुभावहरू समक्ष  
स्वतंत्र लेखापरीक्षकको प्रतिवेदन

**वित्तीय विवरणमाथि प्रतिवेदन**

हामील ललितपुर फाइनेन्स लिमिटेड का यसैसाथ संलग्न २०७५ आषाढ मसान्तका वासलात र उक्त मितिमा समाप्त भएका आर्थिक वर्षका नाफा नाक्सान हिसाब, नगद प्रवाह विवरण, इक्वीटीमा भएका परिवर्तन विवरण र प्रमुख लखा नीति तथा लखा सम्बन्धि टिप्पणीहरूका लेखापरीक्षण सम्पन्न गरका छौं ।

**वित्तीय विवरणहरूप्रतिका व्यवस्थापनका उत्तरदायित्व**

प्रचलित कानूनका अधिनमा रहि नेपाल वित्तीय प्रतिवेदन मान अनुसार यी वित्तीय विवरणहरू तयार गर्न तथा सहि प्रस्तुतिकरण गर्न उत्तरदायित्व व्यवस्थापनमा रहका छ । लखा, आन्तरिक नियन्त्रण तथा वित्तीय विवरण सम्बन्धि प्रणाली तथा ढांचाका विकास तथा कार्यान्वयन कम्पनीका व्यवस्थापनका दायित्व हा । कम्पनीका व्यवस्थापनका दायित्व अन्तर्गत वित्तीय विवरण गलत आंकडा, जालसाजी र सारभूत रुपमा त्रुटि रहित छ भनी वित्तीय विवरण तयारी र प्रस्तुतीकरण गर्न सम्बन्धी आन्तरिक नियन्त्रण प्रणालीका तर्जुमा, कार्यान्वयन र संचालन गर्न कार्य, लखानीतिका छनौट तथा कार्यान्वयन, एवं लखा सम्बन्धी महत्वपूर्ण अनुमान पर्दछन् ।

**लेखापरीक्षकका उत्तरदायित्व**

लेखापरीक्षणका आधारमा वित्तीय विवरणहरू उपर राय व्यक्त गर्न हाम्रा दायित्व हा । हामील हाम्रा लेखापरीक्षण नेपाल लखापरीक्षण मान बमाजिम सम्पन्न गरका छौं । ति मानल हामीलाई व्यवसायिक नैतिकताका पालना गर्न तथा वित्तीय विवरणहरू सारभूत रुपमा त्रुटीरहित भएका बारमा मनासिब आश्वासन प्राप्त गर्न, लेखापरीक्षणका याजना बनाउन र लेखापरीक्षण सम्पन्न गर्न अनिवार्य गराउँछन् ।

लेखापरीक्षण अन्तर्गत वित्तीय विवरणमा उल्लिखित रकम र खुलासालाई पुष्टी गर्न प्रमाण प्राप्त गर्न सम्पन्न गरिन कार्यविधि संलग्न हुन्छ । यसरी छनौट गरिएका कार्यविधि चाह जालसाजी वा गलितबाट हास, सारभूत रुपमा त्रुटीयुक्त प्रस्तुति हुन सक्न जाखिमका लखाजाखा सहित हाम्रा व्यवसायिक निर्णयमा आधारित छ । त्यसरी जाखिमका लखाजाखा गर्न क्रममा, हामील कम्पनीका आन्तरिक निर्णय उपर नै राय व्यक्त गर्न उद्देश्य नभै, परिस्थिति अनुसार हाम्रा लेखापरीक्षण कार्यविधि तयार गर्दा, कम्पनील वित्तीय विवरण तयार एवं प्रस्तुति गर्न क्रममा अवलम्बन गरका आन्तरिक नियन्त्रण प्रणालीका विश्लेषण गरका छौं । लेखापरीक्षणमा व्यवस्थापनद्वारा प्रयागमा ल्याइएका लखा सिद्धान्तहरू एवं गरिएका महत्वपूर्ण अनुमानहरूका उपयुक्तताहरूका मुल्यांकन का साथै समग्र वित्तीय विवरण प्रस्तुति लखाजाखा समत समावश हुन्छ ।

हाम्रा लेखापरीक्षणल हाम्रा रायलाई पर्याप्त आधार प्रदान गर्न कुरामा हामी विश्वस्त छौं ।

कम्पनी एन, २०६३, बैंक तथा वित्तीय संस्था सम्बन्धी एन, २०७३ तथा अन्य प्रचलित एन तथा नियममा ताकिएका व्यहारा सम्बन्धी प्रतिवेदन

**हामीद्वारा सम्पन्न गरिएका लेखापरीक्षणका आधारमा निम्नानुसारका प्रतिवेदन पश गर्दछौं :**

१. लेखापरीक्षणकालागि हाम्रा जानकारी तथा विश्वास अनुसार आवश्यक सूचना एवं स्पष्टिकरण प्राप्त भया ।
२. हाम्रा रायमा पश भएका वासलात, नाफा नाक्सान हिसाब र नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरू नेपाल राष्ट्र बैंकल ताकका ढांचामा र तरीका अनुरूप तयार भएका छ र उक्त वित्तीय विवरणहरू संस्थाल राखका हिसाब किताब, बही खाता, श्रस्ता र लखासंग दुरुस्त रहका छ ।
३. कम्पनीका हिसाब किताब, बही खाता, श्रस्ता र लखा प्रचलित कानून बमाजिम राखिएका छ ।



४. संस्थाका पूंजी काष र जाखिम ब्यहान्न काष पर्याप्त मात्रामा रहका छ । तर नेपाल राष्ट्र बैकका निर्देशन अनुसार ताकिए बमाजिम चुक्ता पुंजी कायम भएका छैन ।
५. संस्थालाई नेपाल राष्ट्र बैकल दिएका निर्देशनहरु परिपालना गर्न क्रममा रहका देखिन्छ ।
६. संस्थाल निक्षपकर्ता र लगानीकर्ताका हित संरक्षणकालागि नेपाल राष्ट्र बैकल दिएका निर्देशनका पालना गर्दै कर्जा तथा ब्याज असुली प्रक्रियालाई प्रभावकारी बनाई खराब कर्जा तथा बक्यौता ब्याज असुली गर्नुपर्न देखिन्छ ।
७. संस्थाका कार्यालयहरुबाट प्राप्त विवरणहरु लेखापरीक्षणकालागि पर्याप्त रहका छ ।

#### मौन रायका आधार (Basis of Disclaimer Opinion)

नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्थाद्वारा जारि गरिएका नेपाल वित्तीय प्रतिवदन मान (Nepal Financial Reporting Standards) वित्तीय संस्थाहरुलाई आ.व. २०७३/७४ देखि अनिवार्य रुपमा लागु गरिएका छ जस अनुसार कारावारका मिति (Date of transaction) मा शुरु वासलात, गत वर्षका तुलनात्मक वित्तीय विवरणका पूनः प्रस्तुतीकरण (Restate) गरी यस आर्थिक वर्ष २०७४/७५ का वित्तीय विवरणहरु नेपाल वित्तीय प्रतिवदन मान (NFRS) अनुरूप तयार पारी प्रस्तुत गर्नुपर्नमा सा बमाजिम गरिएका छैन । यसरी नेपाल वित्तीय प्रतिवदन मान अनुरूप आर्थिक विवरण तयार नहुँदा यसबाट वित्तीय विवरणमा पर्न सक्न असर जुन सारभूतरुपमा वित्तीय विवरणमा परका हुनसक्छ जसका समष्टिगत रुपमा यकिन गर्न सकिदैन ।

#### मन्तव्य

अघिल्ला मौन रायका आधारका अनुच्छेदमा उल्लेख भए बमाजिमका वस्तुस्थितिका महत्वका आधारमा, पहिला पटक नेपाल वित्तीय प्रतिवदन मान प्रयागमा ल्याउदा वित्तीय विवरणका पुर्नलखन, प्रस्तुतीकरण र खुलासाहरुमा पर्न सक्न समष्टिगत प्रभावका लागि पर्याप्त र उपयुक्त सबुद, प्रमाणहरु प्राप्त गर्न सकिएन, तसर्थ, यस कम्पनीका वित्तीय विवरणहरु नेपाल वित्तीय प्रतिवदन मान अनुरूप तयार नगरिएकाल, सा उपर कुनै राय व्यक्त गरिएका छैन ।



*Sany*

संजय कुमार चौधरी, एफ.सि.ए.

प्रिन्सिपल

नि. संजय चौधरी एण्ड एससिएट्स

चार्टर्ड एकाउन्टेन्ट्स

मिति : २०७५/११/१२



## ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

वासलात

२०७५ साल आषाढ मसान्तको

पूँजी तथा दायित्व	अनुसूची	चालु आ.व. रु.	गत आ.व. रु.
१ शेयर पूँजी	४.१	२३६,८७४,७९३	२३६,८७४,७९३
२ जगेडा तथा कोषहरु	४.२	(८४,१४०,७२०)	(१५४,२४०,२४०)
३ ऋणपत्र तथा बण्ड	४.३	-	-
४ तिर्न बाँकी कर्जा सापट	४.४	-	-
५ निक्षेप दायित्व	४.५	२८७,९६८,३००	१२७,६८४,३८६
६ भूक्तानी दिनूपर्ने बिलहरु	४.६	-	-
७ प्रस्तावित नगद लाभांश	-	-	-
८ आयकर दायित्व	-	-	६,२९२,३८४
९ अन्य दायित्व	४.७	४८,५२६,५२४	४९,६९६,७५७
<b>कूल पूँजी तथा दायित्व</b>		<b>४८९,२२८,८९८</b>	<b>२५८,९४८,०००</b>
सम्पत्ति	अनुसूची	चालु आ.व. रु.	गत आ.व. रु.
१ नगद मौज्दात	४.८	४,९७९,४२३	२,६८६,७६०
२ नेपाल राष्ट्र बैंकमा रहेको मौज्दात	४.९	२४,२३६,४२३	१७६,५४८,२५५
३ बैंक/वित्तीय संस्थामा रहेको मौज्दात	४.१०	२४३,३९०,९९५	२९,७७८,७५८
४ माग तथा अल्प सुचनामा प्राप्त हुने रकम	४.११	-	-
५ लगानी	४.१२	१२,४३३,९७५	१२,५४८,८९५
६ कर्जा सापट तथा बिल खरिद	४.१३	१६९,४८३,४८३	२,२३८,५०९
७ स्थिर सम्पत्ति	४.१४	४,२८२,६२८	२,९२५,६६२
८ गैर बैंकिङ्ग सम्पत्ति	४.१५	-	-
९ अन्य सम्पत्ति	४.१६	३०,५१०,७७२	४०,२२९,२४८
<b>कुल सम्पत्ति</b>		<b>४८९,२२८,८९८</b>	<b>२५८,९४८,०००</b>

संभावित दायित्व	अनुसूची ४.१७
सञ्चालकहरुको घोषणा	अनुसूची ४.२९
पूँजीकोष तालिका	अनुसूची ४.३०
जोखिम भारत सम्पत्ति विवरण तालिका	अनुसूची ४.३० (क)
प्रमुख सूचकाङ्कहरु	अनुसूची ४.३१
प्रमुख लेखा नीतिहरु	अनुसूची ४.३२
लेखा सम्बन्धी टिप्पणीहरु	अनुसूची ४.३३

४.१ देखि ४.१७ सम्मका अनुसूचीहरु वासलातका अभिन्न अंग हुन् ।

संलग्न समितिको तर्फबाट

दिपक महर्जन  
अध्यक्ष

सविन घिमिरे  
संचालक

नरेश कुमार श्रेष्ठ  
संचालक

विष्णु प्रसाद भट्टवाल  
संचालक

संलग्न प्रतिवेदन अनुसार

उत्तम अर्याल  
संचालक

प्रोसन कुमार साह  
संचालक

सुरेन्द्र ब. न्हछे प्रधान  
प्रमुख कार्यकारी अधिकृत

जबीन रजित  
लेखा प्रमुख

संजय कुमार चौधरी, एफसिए  
प्रिन्सिपल  
नि. संजय चौधरी एण्ड एसोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
नाफा नोक्सान हिसाब  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

विवरण	अनुसूची	चालु आ.व. रु.	गत आ.व. रु.
१ ब्याज आम्दानी	४.१८	३८,५३०,६२३	४५,८०८,०७४
२ ब्याज खर्च	४.१९	१५,१७५,७७३	११,३२६,३०४
<b>खूद ब्याज आम्दानी/(खर्च)</b>		<b>२३,३५४,८५०</b>	<b>३४,४८१,७७०</b>
३ कमिशन तथा डिस्काउण्ट	४.२०	३	८,७१४
४ अन्य संचालन आम्दानी	४.२१	१,८२२,३३०	-
५ सटही घटबढ आम्दानी	४.२२	-	-
<b>कूल संचालन आम्दानी/(नोक्सानी)</b>		<b>२५,१७७,१८३</b>	<b>३४,४९०,४८४</b>
६ कर्मचारी खर्च	४.२३	११,१५९,४४८	११,६१६,७२१
७ अन्य संचालन खर्च	४.२४	९,३५२,०३४	८,२३१,७११
८ सटही घटबढ नोक्सान	४.२२	-	-
<b>सम्भावित नोक्सानी व्यवस्था अधिको संचालन मूनाफा/(नोक्सानी)</b>		<b>४,६६५,७०१</b>	<b>१४,६४२,०५२</b>
९ सम्भावित नोक्सानी व्यवस्थाहरु	४.२५	१,५६१,३६२	१,५७३,३७२
<b>संचालन मूनाफा/(नोक्सानी)</b>		<b>३,१०४,३३९</b>	<b>१३,०६८,६८०</b>
१० गैर संचालन आम्दानी/(खर्च)	४.२६	(२,२९४,८२२)	(४,८९९,८४१)
११ सम्भावित नोक्सानी व्यवस्थाबाट फिर्ता	४.२७	७८,५४८,४४१	१२५,८४६,६६७
<b>नियमित कारोवारबाट भएको मूनाफा/(नोक्सानी)</b>		<b>७९,३५७,९५८</b>	<b>१३४,०१५,५०६</b>
१२ असामान्य कारोवारहरुबाट भएको आम्दानी/(खर्च)	४.२८	(३५७,६९२)	-
<b>सम्पूर्ण कारोवार समावेश पछिको खूद मूनाफा/(नोक्सानी)</b>		<b>७९,०००,२६६</b>	<b>१३४,०१५,५०६</b>
१३ कर्मचारी बोनस व्यवस्था		७,१८१,८४२	२,०७०,७९५
१४ आयकर व्यवस्था		४६७,०१२	६,७५५,५०१
- यस वर्षको कर व्यवस्था			६,२१२,३८४
- विगत वर्षसम्मको कर व्यवस्था			५६,४९७
- यस वर्षको स्थगन कर आम्दानी/(खर्च)		४६७,०१२	४८६,६२०
<b>खूद नाफा/नोक्सान</b>		<b>७१,३५१,४११</b>	<b>१२५,१८९,२१०</b>

४.१८ देखि ४.२८ सम्मका अनुसूचीहरु नाफा नोक्सान हिसावका अभिन्न अंग हुन् ।

संलग्न समितिको तर्फबाट

संलग्न प्रतिवेदन अनुसार

दिपक महर्जन  
अध्यक्ष

सविन घिमिरे  
संचालक

नरेश कुमार श्रेष्ठ  
संचालक

विष्णु प्रसाद भट्टवाल  
संचालक

संजय कुमार चौधरी, एफसिए  
प्रिन्सिपल  
नि. संजय चौधरी एण्ड एसोसिएट्स  
चाटर्ड एकाउन्टेन्ड्स

उत्तम अर्याल  
संचालक

प्रोसन कुमार साह  
संचालक

सुरेन्द्र व. न्हूले प्रधान  
प्रमुख कार्यकारी अधिकृत

जवीन रजित  
लेखा प्रमुख



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
नाफा नोक्सान बाँडफाँड हिासाब  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

विवरण	अनुसूची	चालू आ.व. रु.	गत आ.व. रु.
<b>आम्दानी</b>			
१ गत वर्षसम्मको संचित नाफा			
२ यस वर्षको मूनाफा		७१,३५१,४११	१२५,१८९,२११
३ गत वर्षसम्मको स्थगन कर समायोजन		-	-
४ सटही घटबढ कोष		-	-
<b>जम्मा</b>		<b>७१,३५१,४११</b>	<b>१२५,१८९,२१२</b>
<b>खर्च</b>			
१ गत वर्षसम्मको संचित नोक्सान		२७५,१९१,९६६	३७४,०९१,४४४
२ यस वर्षको नोक्सान			-
३ साधारण जगेडा कोष		१४,२७०,२८२	२५,०३७,८४२
४ भैपरी आउने जगेडा			
५ संस्था विकास कोष			
६ लाभांश समीकरण कोष			
७ कर्मचारी सम्बन्धी जगेडाहरु			
८ प्रस्तावित लाभांश			
९ प्रस्तावित बोनश शेयर			
१० विशेष जगेडा कोष			
११ सटही घटबढ कोष			
१२ पूंजी फिर्ता जगेडा कोष			
१३ पूंजी समायोजन कोष			
१४ स्थगन कर जगेडा			
१५ संस्थागत सामाजिक उत्तरदायित्व कोषमा सारेको		७१३,५१४	१,२५१,८९२
<b>जम्मा</b>		<b>२९०,१७५,७६२</b>	<b>४००,३८१,१७८</b>
१५. संचित मूनाफा/नोक्सान		(२१८,८२४,३५१)	(२७५,१९१,९६६)

संलग्न समितिको तर्फबाट

संलग्न प्रतिवेदन अनुसार

दिपक महर्जन  
अध्यक्ष

सबिन घिमिरे  
संचालक

नरेश कुमार श्रेष्ठ  
संचालक

विष्णु प्रसाद भट्टवाल  
संचालक

उत्तम अर्याल  
संचालक

प्रोसन कुमार साह  
संचालक

सुरेन्द्र ब. न्हुछे प्रधान  
प्रमुख कार्यकारी अधिकृत

जबनी रजित  
लेखा प्रमुख

संजय कुमार चौधरी, एफसिए  
प्रिन्सिपल  
नि. संजय चौधरी एण्ड एसोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स

# ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

ईविवटीमा भएको परिवर्तन सतबन्धि विवरण

आ.ब. २०७४/०७५

रकम रु. मा

विवरण	शेयर पुंजी	सञ्चित नाफा नोक्सान	साधारण जगेडा कोष	पुंजीगत जगेडा कोष	प्रस्तावित बोनस शेयर	सटही घटबढ कोष	स्थगन कर जगेडा	अन्य जगेडा कोषहरू	कूल रकम
शुरू मौज्जात	१८७,९४५,३१३	(२७५,१९१,९६७)	११९,६९९,८३५				-		३२,४५३,१८१
समायोजन		-							-
कलस इन एडभान्स	४८,९२९,४००								४८,९२९,४००
समायोजित शुरु मौज्जात	२३६,८७४,७१३	(२७५,१९१,९६७)	११९,६९९,८३५				-		८१,३८२,५८१
समायोजन									
कलस इन एडभान्स	-								-
यस वर्षको मुनाफा		७१,३५१,४११							७१,३५१,४११
साधारण जगेडा कोष		(१४,२७०,२८२)	१४,२७०,२८२						
प्रस्तावित बोनस शेयर		-							-
प्रस्तावित लाभांश		-							-
संस्थागत सामाजिक उत्तरदायित्व कोष		(७३,५१४)						७३,५१४	
अन्तिम मौज्जात	२३६,८७४,७१३	(२१८,८२४,३५२)	१३३,९७०,११७				-	७३,५१४	१५२,७३३,९९२

संलग्न समितिको तर्फबाट

दिपक महंजन  
अध्यक्ष

उत्तम अर्याल  
सचालक

सविन घिमिरे  
सचालक

प्रोत्तम कुमार साह  
सचालक

नरेश कुमार श्रेष्ठ  
सचालक

सुरेन्द्र ब. लुब्धे प्रधान  
प्रमुख कार्यकारी अधिकृत

विष्णु प्रसाद भट्टवाल  
सचालक

जबीन रजित  
लेखा प्रमुख

संलग्न प्रतिवेदन अनुसार

संजय कुमार चौधरी, एफसिए  
प्रिन्सिपल  
नि. संजय चौधरी एण्ड एसोसिएट्स  
चाटर्ड एकाउन्टन्ट्स





ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
नगद प्रवाह विवरण  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

विवरण	यस वर्ष (रु.)	गत वर्ष (रु.)
<b>क. कारोबार संचालनबाट नगद प्रवाह</b>	७७,३५१,०८०	२८,४३७,८७०
<b>१. नगद प्राप्ति</b>	४०,३५२,९५६	३९,२१४,७७१
१.१ व्याज आम्दानी	३८,५३०,६२३	३९,२०६,०५७
१.२ कर्मिशन तथा डिप्लोउन्ट आम्दानी	३	८,७१४
१.३ विदेशी विनिमय कारोबारबाट आम्दानी	-	-
१.४ अपलेखित कर्जाको असुली	-	-
१.५ अन्य आम्दानी	१,८२२,३३०	-
<b>२ नगद भुक्तानी</b>	४०,७४७,३८४	३१,८१६,२०६
२.१ व्याज खर्च	१५,१७५,७७३	११,३२६,३०४
२.२ कर्मचारी खर्च	११,१५९,४४८	११,६१६,७२१
२.३ कार्यालय संचालन खर्च	८,१९९,७८०	७,०४१,६४६
२.४ आयकर भुक्तानी	६,२९२,३८४	१,८३१,५३५
२.५ अन्य खर्च	-	-
<b>कार्यगत पूजी गतिविधि अधिको नगद प्रवाह</b>	(३९४,४२८)	७,३९८,५६५
<b>संचालन सम्बन्धी चालू सम्पत्तिमा कमी/(वृद्धि)</b>	(८०,५४७,४२७)	२२१,६१५,४३८
१. माग तथा अल्प सूचनामा प्राप्त हुने रकममा कमी/(वृद्धि)	-	-
२. अन्य अल्पकालीन लगानीमा कमी/(वृद्धि)	-	-
३. कर्जा तथा बिल्स खरीदमा कमी/(वृद्धि)	(९०,२५७,९०३)	२१८,७३७,५८३
४. अन्य सम्पत्तिमा कमी/(वृद्धि)	९,७१०,४७६	२,८७७,८५५
<b>संचालन सम्बन्धी चालू दायित्वमा (कमी)/वृद्धि</b>	१५८,२९२,९३५	(२००,५७६,१३३)
१. निक्षेप दायित्वमा (कमी)/वृद्धि	१६०,२८३,९१४	(२०४,११४,२६०)
२. सर्टिफिकेट अफ डिपोजिटमा (कमी)/वृद्धि	-	-
३. अल्पकालीन सापटीमा (कमी)/वृद्धि	-	-
४. अन्य दायित्वमा (कमी)/वृद्धि	(१,९९०,९७९)	३,५३८,१२७
<b>ख. लगानी कारोबारमा नगद प्रवाह</b>	(५,८४६,८९५)	४८,६११,३४३
१. दीर्घकालीन लगानीमा कमी/(वृद्धि)	१,११९,५६१	-
२. स्थिर सम्पत्तिमा कमी/(वृद्धि)	(३,६६६,९१३)	-
३. दीर्घकालीन लगानीमा व्याज आम्दानी	-	६,६०२,०१८
४. लाभांश आम्दानी	९६०,१००	४०३,७७०
५. अन्य	(४,२५९,६४३)	४१,६०५,५५५
<b>ग. वित्तीय श्रोत कारोबारबाट नगद प्रवाह</b>	-	४४,४००,०००
१. दीर्घकालीन ऋण (वण्ड, डिबेन्चर आदि) मा वृद्धि/(कमी)	-	-
२. शेयर पूँजीमा वृद्धि/(कमी)	-	-
३. कल इन एडभान्समा वृद्धि/(कमी)	-	४४,४००,०००
४. अन्य दायित्वमा वृद्धि/(कमी)	-	-
५. नेपाल राष्ट्र बैंकबाट प्राप्त सहूलियत/पुनर्कर्जामा वृद्धि/(कमी)	-	-
<b>घ. नगद तथा बैंक मौज्जातको विनिमय दरमा भएको फरकबाट आम्दानी र खर्च</b>	-	-
<b>ङ. यस वर्षको सम्पूर्ण गतिविधिबाट नगद प्रवाह</b>	७१,५०४,१८५	१२१,४४९,२१३
<b>च. नगद तथा बैंकमा रहेको शुरु मौज्जात</b>	२०१,०१३,७७५	७९,५६४,५६२
<b>छ. नगद तथा बैंकमा रहेको अन्तिम मौज्जात</b>	२७२,५१७,९६०	२०१,०१३,७७५

संलग्न समितिको तर्फबाट

संलग्न प्रतिवेदन अनुसार

दिपक महर्जन  
अध्यक्ष

सबिन घिमिरे  
संचालक

नरेश कुमार श्रेष्ठ  
संचालक

विष्णु प्रसाद भेटवाल  
संचालक

संजय कुमार चौधरी, एफसिए  
प्रिन्सिपल

उत्तम अर्याल  
संचालक

प्रोसन कुमार साह  
संचालक

सुरेन्द्र ब. न्हूछे प्रधान  
प्रमुख कार्यकारी अधिकृत

जबनी रजित  
लेखा प्रमुख

नि. संजय चौधरी एण्ड एसोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स





ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
शेयर पूंजी तथा स्वामित्व  
२०७५ आषाढ मसान्त

अनुसूची - ४.१

विवरण	यस वर्ष रु.	गत वर्ष रु.
<b>१. शेयर पूंजी</b>		
<b>१.१ अधिकृत पूंजी</b>		
क) ४,०००,००० साधारण शेयर प्रति शेयर रु. १००.०० ले	४००,०००,०००	४००,०००,०००
ख) ..... नन्ऱिडिमेवल प्रिफरेन्स शेयर प्रति शेयर १००.०० ले		
ग) ..... रिडिमेवल प्रिफरेन्स शेयर प्रति शेयर रु. .... ले		
<b>१.२ जारी पूंजी</b>		
क) ३,७५८,९०६ साधारण शेयर प्रति शेयर रु. १००.०० ले	३७५,८९०,६२६	३७५,८९०,६२६
ख) ..... नन्ऱिडिमेवल प्रिफरेन्स शेयर प्रति शेयर रु. १००.०० ले		
ग) ..... रिडिमेवल प्रिफरेन्स शेयर प्रति शेयर रु. .... ले		
<b>१.३ चूक्ता पूंजी</b>		
क) १८,७९,४५३.३१३ साधारण शेयर प्रति शेयर रु. १००.०० ले	१८७,९४५,३१३	१८७,९४५,३१३
ख) ..... नन्ऱिडिमेवल प्रिफरेन्स शेयर प्रति शेयर रु. .... ले		
ग) ..... रिडिमेवल प्रिफरेन्स शेयर प्रति शेयर रु. .... ले		
<b>१.४ प्रस्तावित बोनस शेयर</b>		
<b>१.५ कल्स इन एडभान्स</b>	४८,९२९,४००	४८,९२९,४००
<b>जम्मा (१.३+१.४+१.५)</b>	<b>२३६,८७४,७१३</b>	<b>२३६,८७४,७१३</b>

शेयर स्वामित्व विवरण	यस वर्ष रु.		गत वर्ष रु.	
	प्रतिशत (%)	शेयर पूंजी रु.	प्रतिशत (%)	शेयर पूंजी रु.
<b>१. स्वदेशी स्वामित्व</b>				
१.१ नेपाल सरकार				
१.२ क वर्गका इजाजतपत्र प्राप्त संस्थाहरु				
१.३ अन्य इजाजतपत्र प्राप्त संस्थाहरु				
१.४ अन्य संस्थाहरु				
१.५ सर्वसाधारण	४५	८४,५७५,३९१	४५	८४,५७५,३९१
१.६ अन्य	५५	१०३,३६९,९२२	५५	१०३,३६९,९२२
<b>२. वैदेशिक स्वामित्व</b>				
<b>जम्मा</b>	<b>१००</b>	<b>१८७,९४५,३१३</b>	<b>१००</b>	<b>१८७,९४५,३१३</b>



## ललितपुर फाइनान्स लिमिटेड

ललितपुर, नेपाल

चूका पुंजीको ०.५ प्रतिशत वा सोभन्दा बढी शेयरधारण गर्ने शेयरधनीहरूको विवरण

क्र.सं.	शेयरधनीको नाम	यस वर्ष		गत वर्ष	
		प्रतिशत	शेयर पुंजी रु.	प्रतिशत	शेयर पुंजी रु.
१	विजय बहादुर मानन्धर	१३७७	२५,८७२,८००	१३७७	२५,८७२,८००
२	सुमन केडिया	११७१	२२,०००,०००	११७१	२२,०००,०००
३	नीरज श्रेष्ठ	७५०	१४,०९६,३००	७५०	१४,०९६,३००
४	सुभाष नरसिं शाक्य	४८४	९,०९७,११०	४८४	९,०९७,११०
५	सुविन्दु श्रेष्ठ	४४७	८,४०४,४८०	४४७	८,४०४,४८०
६	त्रिलोक नरसिं शाक्य	३७१	६,९७९,८३०	३७१	६,९७९,८३०
७	अनिता गोयल	३५६	६,७००,०००	३५६	६,७००,०००
८	महेक गोयल जैन	३२३	६,०७२,५००	३२३	६,०७२,५००
९	मोहित अग्रवाल	२७१	५,१००,०००	२७१	५,१००,०००
१०	मंगल देवी शाक्य	२६३	४,९५०,०००	२६३	४,९५०,०००
११	लालबहादुर घिसिङ	१२५	२,३५७,५००	१२५	२,३५७,५००
१२	रोशन तायल	१२१	२,२७३,०००	१२१	२,२७३,०००
१३	सिम्पल अग्रवाल	१२१	२,२७३,०००	१२१	२,२७३,०००
१४	राजेश लाल श्रेष्ठ	११६	२,१७९,१००	११६	२,१७९,१००
१५	नुतन धाख्वा	१०८	२,०२१,५००	१०८	२,०२१,५००
१६	कृष्ण लक्ष्मी शिल्पकार	१०२	१,९२१,२००	१०२	१,९२१,२००
१७	दिनेश लाल श्रेष्ठ	०९३	१,७५४,१००	०९३	१,७५४,१००
१८	ज्ञानु मानन्धर	०९३	१,७५४,१००	०९३	१,७५४,१००
१९	केदार मान सिं श्रेष्ठ	०९३	१,७५४,१००	०९३	१,७५४,१००
२०	राजेश्वरी श्रेष्ठ	०९३	१,७५४,१००	०९३	१,७५४,१००
२१	यज्ञ बहादुर मानन्धर	०९३	१,७५४,१००	०९३	१,७५४,१००
२२	रोशन बंशल	०८८	१,६५३,८००	०८८	१,६५३,८००
२३	दिव्य कुमारी सिं श्रेष्ठ	०७२	१,३५३,२००	०७२	१,३५३,२००
२४	सगरमाथा इन्स्योरेन्स कम्पनी लि.	०६७	१,२५२,९००	०६७	१,२५२,९००



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
जगेडा तथा कोषहरु  
२०७५ आषाढ मसान्त

अनुसूची - ४.२

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. साधारण/वैधानिक जगेडा कोष	१३३,९७०,११७	११९,६९९,८३५
२. पुंजीगत जगेडा		
३. क्यापिटल रिडेम्प्सन रिजर्भ		
४. पुंजी समायोजन कोष		
५. अन्य जगेडा तथा कोष	७१३,५१४	१,२५१,८९२
५.१ भैपरी आउने जगेडा		
५.२ संस्था विकास कोष		
५.३ लाभांश समीकरण कोष		
५.४ विशेष जगेडा कोष		
५.५ सम्पत्ति पूनर्मुल्यांकन कोष		
५.६ अन्य स्वतन्त्र जगेडा (स्थगन कर वापत)	-	-
५.७ संस्थागत सामाजिक उत्तरदायित्व कोष	७१३,५१४	१,२५१,८९२
६. सञ्चित नाफा र नोक्सान	(२१८,८२४,३५१)	(२७५,१९१,९६७)
७. सटही घटबढ कोष		
<b>जम्मा</b>	<b>(८४,१४०,७२०)</b>	<b>(१५४,२४०,२४१)</b>

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
ऋणपत्र तथा बण्ड  
२०७५ आषाढ मसान्त

अनुसूची - ४.३

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. .... प्रतिशत वण्ड/ऋणपत्र प्रति वण्ड/ऋणपत्र रु ..... ले मिति ..... मा जारी भएको र मिति ..... मा चुक्ता हुने (हालसम्मको Redemption Reserve रकम रु .....)	-	-
२. .... प्रतिशत वण्ड/ऋणपत्र प्रति वण्ड/ऋणपत्र रु ..... ले मिति ..... मा जारी भएको र मिति ..... मा चुक्ता हुने (हालसम्मको Redemption Reserve रकम रु .....)	-	-
३. ....	-	-
<b>४. जम्मा १ + २ + ३</b>	<b>-</b>	<b>-</b>



ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल  
तिर्न बांकी कर्जा सापट  
२०७५ आषाढ मसान्त

अनुसूची - ४.४

विवरण	यस वर्ष रु.	गत वर्ष रु.
<b>क. स्वदेशी</b>		
१. नेपाल सरकार	-	-
२. नेपाल राष्ट्र बैंक	-	-
३. रिपो दायित्व	-	-
४. अन्तर बैंक तथा वित्तीय संस्था	-	-
५. अन्य संगठित संस्थाहरु	-	-
६. अन्य	-	-
<b>जम्मा</b>	-	-
<b>ख. विदेशी</b>		
१. बैंकहरु	-	-
२. अन्य	-	-
<b>जम्मा</b>	-	-
<b>जम्मा (क+ख)</b>	-	-

ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल  
निक्षेप हिसाब  
२०७५ आषाढ मसान्त

अनुसूची - ४.५

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. व्याज तिर्नु नपर्ने खाताहरु	-	-
<b>क. चल्ती हिसाब</b>		
<b>१. स्वदेशी मुद्रामा</b>		
१.१ नेपाल सरकार	-	-
१.२ 'क' वर्गका इजाजतपत्र प्राप्त संस्थाहरु	-	-
१.३ अन्य इजाजतपत्र प्राप्त वित्तीय संस्थाहरु	-	-
१.४ अन्य संगठित संस्थाहरु	-	-
१.५ व्यक्तिगत	-	-
१.६ अन्य	-	-
<b>२. विदेशी मुद्रामा</b>		
२.१ नेपाल सरकार	-	-
२.२ 'क' वर्गका इजाजतपत्र प्राप्त संस्थाहरु	-	-
२.३ अन्य इजाजतपत्र प्राप्त वित्तीय संस्थाहरु	-	-
२.४ अन्य संगठित संस्थाहरु	-	-
२.५ व्यक्तिगत	-	-
२.६ अन्य	-	-
<b>ख. मार्जिन</b>		
१. कर्मचारी जमानत	-	-
२. जमानत मार्जिन	-	-
३. प्रतितपत्र मार्जिन	-	-
<b>ग. अन्य</b>		
	-	-



१. स्वदेशी मुद्रामा	-	-
१.१ वित्तीय संस्थाहरु	-	-
१.२ अन्य संगठित संस्थाहरु	-	-
१.३ व्यक्तिगत	-	-
<b>२. विदेशी मुद्रामा</b>	-	-
२.१ वित्तीय संस्थाहरु	-	-
२.२ अन्य संगठित संस्थाहरु	-	-
२.३ व्यक्तिगत	-	-
<b>व्याज तिर्नु नपर्ने खाताहरुको जम्मा</b>	-	-
<b>२. व्याज तिर्नु पर्ने खाताहरु</b>	-	-
<b>क. बचत हिसाब</b>	१७२,१३२,६७८	१०२,४२२,८४३
१. स्वदेशी मुद्रामा	१७२,१३२,६७८	१०२,४२२,८४३
१.१ संघ संस्थाहरु	४४,४२१,९२८	५,४४१,१६२
१.२ व्यक्तिगत	१२३,९०९,४४०	९०,९९२,१५९
१.३ अन्य	३,८०१,३०९	५,९८९,५२१
२. विदेशी मुद्रामा	-	-
२.१ संघ संस्थाहरु	-	-
२.२ व्यक्तिगत	-	-
२.३ अन्य	-	-
<b>ख. मुद्दती हिसाब</b>	११५,८३५,६२२	२५,२६१,५४३
१. स्वदेशी मुद्रामा	११५,८३५,६२२	२५,२६१,५४३
१.१ संघ संस्थाहरु	१,१००,०००	१,१००,०००
१.२ व्यक्तिगत	११४,७३५,६२२	२४,१६१,५४३
१.३ अन्य	-	-
२. विदेशी मुद्रामा	-	-
२.१ संघ संस्थाहरु	-	-
२.२ व्यक्तिगत	-	-
२.३ अन्य	-	-
<b>ग. मागेको बखत तिर्नु पर्ने हिसाब</b>	-	-
१. स्वदेशी मुद्रामा	-	-
१.१ 'क' वर्गका इजाजतपत्र प्राप्त संस्थाहरु	-	-
१.२ अन्य इजाजतपत्र प्राप्त वित्तीय संस्थाहरु	-	-
१.३ अन्य संगठित संस्थाहरु	-	-
१.४ व्यक्तिगत	-	-
१.५ अन्य	-	-
२. विदेशी मुद्रामा	-	-
२.१ 'क' वर्गका इजाजतपत्र प्राप्त संस्थाहरु	-	-
२.२ अन्य इजाजतपत्र प्राप्त वित्तीय संस्थाहरु	-	-
२.३ अन्य संगठित संस्थाहरु	-	-
२.४ व्यक्तिगत	-	-
२.५ अन्य	-	-
<b>घ. सर्टिफिकेट अफ डिपोजिट</b>	-	-
१. संगठित संस्थाहरु	-	-
२. व्यक्तिगत	-	-
३. अन्य	-	-
<b>व्याज तिर्नु पर्ने खाताहरुको जम्मा</b>	२८७,९६८,३००	१२७,६८४,३८६
<b>जम्मा निक्षेप (१+२)</b>	२८७,९६८,३००	१२७,६८४,३८६



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
भुक्तानी दिनुपर्ने बिलहरू  
२०७५ आषाढ मसान्त

अनुसूची - ४.६

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. स्वदेशी मुद्रा	-	-
२. विदेशी मुद्रा	-	-
जम्मा	-	-

ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
अन्य दायित्व  
२०७५ आषाढ मसान्त

अनुसूची - ४.७

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. पेन्सन/उपदान कोष	१८२,८११	८७०,६११
२. कर्मचारी सञ्चय कोष		
३. कर्मचारी कल्याण कोष		
४. कर्मचारी बोनस व्यवस्था	९,८४४,३१६	२६,१४८,८०२
५. निक्षेपमा भूक्तानी दिन बांकी व्याज	३,६०९,९६०	१,१०७,०६७
६. सापटीमा भूक्तानी दिन बांकी व्याज		
७. पाकी नसकेको डिस्काउण्ट र कमिशन		
८. सण्डी क्रेडिटर्स	३१,४४९,४६३	१०,९५४,०१५
९. शाखा मिलान हिसाव	-	-
१०. स्थगन कर दायित्व	१,०३५,२४१	५६८,२२९
११. भूक्तानी दिन बांकी लाभांश	९,६६५	९,६६५
१२. अन्य	२,३९५,०६८	१,९५८,३६८
जम्मा	४८,५२६,५२४	४१,६१६,७५७



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
नगद मौज्जात

२०७५ आषाढ मसान्त

अनुसूची - ४.८

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. स्वदेशी मुद्रा (सिक्का समेत)	४,९७१,४२३	२,६८६,७६०
२. विदेशी मुद्रा		
<b>जम्मा</b>	<b>४,९७१,४२३</b>	<b>२,६८६,७६०</b>

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
नेपाल राष्ट्र बैंकमा रहेको मौज्जात

२०७५ आषाढ मसान्त

अनुसूची - ४.९

विवरण	यस वर्ष				कुल रु.	गत वर्ष रु.
	स्वदेशी मुद्रा	विदेशी मुद्रा रु.				
		भा.रु.	परिवर्त्य वि.मु.	जम्मा		
१. नेपाल राष्ट्र बैंक	-	-	-	-	-	-
क. चल्ली खाता	२४,२३६,४२३	-	-	-	२४,२३६,४२३	१७६,५४८,२५५
ख. अन्य खाता	-	-	-	-	-	-
<b>जम्मा</b>					<b>२४,२३६,४२३</b>	<b>१७६,५४८,२५५</b>

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
बैंक/वितीय संस्थामा रहेको मौज्जात

२०७५ आषाढ मसान्त

अनुसूची - ४.१०

विवरण	यस वर्ष				कुल रु.	गत वर्ष रु.
	स्वदेशी मुद्रा	विदेशी मुद्रा रु.				
		भा.रु.	परिवर्त्य वि.मु.	जम्मा		
१. स्वदेशी इजाजतपत्र प्राप्त संस्थाहरू	-	-	-	-	-	-
क. चल्ली खाता	२४३,३१०,११५	-	-	-	२४३,३१०,११५	२१,७७८,७५८
ख. अन्य खाता	-	-	-	-	-	-
२. विदेशी बैंकहरू	-	-	-	-	-	-
क. चल्ली खाता	-	-	-	-	-	-
ख. अन्य खाता	-	-	-	-	-	-
<b>जम्मा</b>	<b>२४३,३१०,११५</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>२४३,३१०,११५</b>	<b>२१,७७८,७५८</b>





ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
माग तथा अल्पसूचनामा प्राप्त हुने रकमहरू  
२०७५ आषाढ मसान्त

अनुसूची - ४.११

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. स्वदेशी मुद्रामा	-	-
२. विदेशी मुद्रामा	-	-
जम्मा	-	-

ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
लगानी  
२०७५ आषाढ मसान्त

अनुसूची - ४.१२

विवरण	प्रयोजन		यस वर्ष	गत वर्ष रु.
	व्यापारिक	अन्य		
१. नेपाल सरकारको ट्रेजरी बिल	-	-	-	-
२. नेपाल सरकारको बचतपत्र	-	-	-	-
३. नेपाल सरकारको अन्य ऋणपत्र	-	-	-	-
४. नेपाल राष्ट्र बैंक ऋणपत्र	-	-	-	-
५. विदेशी ऋणपत्र	-	-	-	-
६. स्वदेशी इजाजतपत्र प्राप्त संस्था	-	-	-	-
७. विदेशी बैंक	-	-	-	-
८. संगठित संस्थाहरूको शेयर	१५,५६८,७०८	-	१५,५६८,७०८	१४,१२२,१८७
९. संगठित संस्थाहरूको डिवेन्चर तथा वण्ड	-	-	-	-
१०. अन्य लगानी	-	-	-	-
कुल लगानी	१५,५६८,७०८	-	१५,५६८,७०८	१४,१२२,१८७
व्यवस्था	३,१३४,७३३	-	३,१३४,७३३	१,५७३,३७२
खुद लगानी	१२,४३३,९७५	-	१२,४३३,९७५	१२,५४८,८१५



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
शेयर, डिवेन्चर तथा वण्डमा लगानी  
२०७५ आषाढ मसान्त

अनुसूची - ४.१२ (क)

विवरण	परल मोल	बजार मूल्य	व्यवस्था रकम	कुल लगानी रकम	
				यस वर्ष रु.	गत वर्ष रु.
१. शेयर लगानी	१५,५६८,७०८।३३	१२,४३३,९७५	३,१३४,७३३	१५,५६८,७०८	१४,१२२,१८७
१.१ बूटवल पावर कम्पनी लि. ४६६५ कित्ता साधारण शेयर रु १०० का दरले	३,५४९,६९२	२,१३१,९०५	१,४१७,७८७।१६	३,५४९,६९२	८,४९५,६७२
१.२ नेपाल क्लियरिङ हाउस लि. ३,५१५ कित्ता साधारण शेयर रु १०० का दरले	३५१,५००	३५१,५००	-	३५१,५००	३५१,५००
१.३ कर्जा सुचना केन्द्र २,८०० कित्ता साधारण शेयर रु ३३।७५ का दरले (१,२५३ बोनश शेयर सहित)	९४,५००	९४,५००	-	९४,५००	९४,५००
१.४ नेपाल दुरसंचार कम्पनी १३६७० कित्ता साधारण शेयर रु ८४६।६० का दरले	११,५७३,०१६	९,८५६,०७०	१,७१६,९४६।१७	११,५७३,०१६	-
१.९ रुरल माइक्रो ८४०० कित्ता साधारण शेयर रु ७४६।१३ का दरले (१८९० बोनश शेयर सहित)			-	-	५,१८०,५१५
२. डिवेन्चर तथा वण्ड लगानी					
२.१ ..... कम्पनी प्रा.लि.					
२.२ .....					
३. जोखिम सम्बन्धी व्यवस्था				(३,१३४,७३३)	(१,५७३,३७२)
३.१ गत वर्षसम्मको व्यवस्था				(१,५७३,३७२)	-
३.२ यस वर्षको बढी/ढघटी)				(१,५६१,३६२)	(१,५७३,३७२)
<b>जम्मा</b>				<b>१२,४३३,९७५</b>	<b>१२,५४८,८१५</b>



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
व्यापारिक लगानी (Held for Trading)

२०७५ आषाढ मसान्त

अनुसूची ४.१२.१

विवरण	परल मूल्य	पछिल्लो बजार मूल्य (क)	हालको बजार मूल्य (ख)	यस वर्ष नाफा/(नोक्सान) रकम (ख)-(क)	गत वर्ष नाफा/(नोक्सान) रकम	कैफियत
१. नेपाल सरकारको ट्रेजरी बिल	-	-	-	-	-	-
२. नेपाल सरकारको बचतपत्र	-	-	-	-	-	-
३. नेपाल सरकारको अन्य ऋणपत्र	-	-	-	-	-	-
४. नेपाल राष्ट्र बैंक ऋणपत्र	-	-	-	-	-	-
५. विदेशी ऋणपत्र	-	-	-	-	-	-
६. स्वदेशी इ.प्रा. संस्थाको शेयर	-	-	-	-	-	-
७. स्वदेशी इ.प्रा. संस्थाको डिभेन्चर तथा वण्ड	-	-	-	-	-	-
८. स्वदेशी संगठित संस्थाको शेयर, डिभेन्चर तथा वण्ड	१५,४७४,२०८	-	-	-	-	-
९. विदेशी बैंकमा भएको लगानी	-	-	-	-	-	-
१०. अन्तर बैंक लगानी	-	-	-	-	-	-
११. अन्य लगानी	-	-	-	-	-	-
<b>कुल लगानी</b>	<b>१५,४७४,२०८</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

मुक्तानी मितिसम्म धारण गर्ने लगानी (Held To Maturity)

२०७५ आषाढ मसान्त

अनुसूची ४.१२.२

विवरण	परल मूल्य रकम (क)	हाल सम्मको क्षति रकम (ख)	यस वर्षको क्षति रकम (ग)	यस वर्ष नाफा/(नोक्सान) रकम (क-ख-ग)	गत वर्ष नाफा/(नोक्सान) रकम	कैफियत
१. नेपाल सरकारको ट्रेजरी बिल	-	-	-	-	-	-
२. नेपाल सरकारको बचतपत्र	-	-	-	-	-	-
३. नेपाल सरकारको अन्य ऋणपत्र	-	-	-	-	-	-
४. नेपाल राष्ट्र बैंक ऋणपत्र	-	-	-	-	-	-
५. विदेशी ऋणपत्र	-	-	-	-	-	-
६. स्वदेशी इ.प्रा. संस्थाको शेयर	-	-	-	-	-	-
७. स्वदेशी इ.प्रा. संस्थाको डिभेन्चर तथा वण्ड	-	-	-	-	-	-
८. स्वदेशी संगठित संस्थाको शेयर, डिभेन्चर तथा वण्ड	९,४५००	-	-	-	-	-
९. विदेशी बैंकमा भएको लगानी	-	-	-	-	-	-
१०. अन्तर बैंक लगानी	-	-	-	-	-	-
११. अन्य लगानी (स्वदेशी इ.प्रा संस्थाको मुद्दतीमा)	-	-	-	-	-	-
<b>कुल लगानी</b>	<b>९,४५००</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

बिक्रीको लागि उपलब्ध लगानी (Available for Sale)

२०७५ आषाढ मसान्त

अनुसूची ४.१२.३

विवरण	परल मूल्य	पछिल्लो बजार मूल्य (क)	हालको बजार मूल्य (ख)	यस वर्ष कोष समायोजन रकम (ख)-(क)	गत वर्ष नाफा/(नोक्सान) रकम	कैफियत
१. नेपाल सरकारको ट्रेजरी बिल	-	-	-	-	-	-
२. नेपाल सरकारको बचतपत्र	-	-	-	-	-	-
३. नेपाल सरकारको अन्य ऋणपत्र	-	-	-	-	-	-
४. नेपाल राष्ट्र बैंक ऋणपत्र	-	-	-	-	-	-
५. विदेशी ऋणपत्र	-	-	-	-	-	-
६. स्वदेशी इ.प्रा. संस्थाको शेयर	-	-	-	-	-	-
७. स्वदेशी इ.प्रा. संस्थाको डिभेन्चर तथा वण्ड	-	-	-	-	-	-
८. स्वदेशी संगठित संस्थाको शेयर, डिभेन्चर तथा वण्ड	-	-	-	-	-	-
९. विदेशी बैंकमा भएको लगानी	-	-	-	-	-	-
१०. अन्तर बैंक लगानी	-	-	-	-	-	-
११. अन्य लगानी	-	-	-	-	-	-
<b>कुल लगानी</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

कर्जा, सापट तथा बिल्स खरीद वर्गीकरण र सोको लागि व्यवस्था

२०७५ आषाढ मसान्त

अनुसूची - ४.१३

विवरण	कर्जा तथा सापट			विदेशी	जम्मा	खरीद तथा डिस्काउण्ट गरिएको बिल			यस वर्ष रू.	गत वर्ष रू.
	स्वदेशी					स्वदेशी	विदेशी	जम्मा		
	प्रा. क्षे.		अन्य							
	वीमित	अवीमित								
१. सक्रिय कर्जा सापट			१६५,४६७,५८५		१६५,४६७,५८५	-		१६५,४६७,५८५	२,२६१,११२	
१.१ असल			१५१,६४२,९२२		१५१,६४२,९२२			१५१,६४२,९२२	२,२६१,११२	
१.२ सुक्ष्म निगरानी			१३,८२४,६६३		१३,८२४,६६३			१३,८२४,६६३	-	
२. निष्क्रिय कर्जा सापट			३०३,३०५,४६६		३०३,३०५,४६६			३०३,३०५,४६६	३७५,७८६,८९५	
२.१ पुनर्संरचना/पून्तर्ालिकीकरण गरिएको			६८४,०६९		६८४,०६९			६८४,०६९	-	
२.२ कमसल			७,५००,०००		७,५००,०००			७,५००,०००	-	
२.३ शंकास्पद			-		-			-	-	
२.४ खराब			२९५,१२१,३९७		२९५,१२१,३९७			२९५,१२१,३९७	३७५,७८६,८९५	
<b>क) कूल कर्जा</b>			<b>४६८,७७३,०५१</b>		<b>४६८,७७३,०५१</b>			<b>४६८,७७३,०५१</b>	<b>३७८,०४८,००७</b>	
३. कर्जा नोकसानी व्यवस्था										
३.१ असल			१,५१६,४२९		१,५१६,४२९			१,५१६,४२९	२२,६११	
३.२ सुक्ष्म निगरानी			६९१,२३३		६९१,२३३			६९१,२३३	-	
३.२ पुनर्संरचना/पून्तर्ालिकीकरण गरिएको			८५,५०९		८५,५०९			८५,५०९	-	
३.३ कमसल			१,८७५,०००		१,८७५,०००			१,८७५,०००	-	
३.४ शंकास्पद			-		-			-	-	
३.५ व्यक्तिगत/संस्थागत जमानत			-		-			-	-	
३.६ खराब			२९५,१२१,३९७		२९५,१२१,३९७			२९५,१२१,३९७	३७५,७८६,८९५	
३.७ अतिरिक्त कर्जा नोकसानी व्यवस्था			-		-			-	-	
<b>ख) कूल व्यवस्था</b>			<b>२९९,२८९,५६८</b>		<b>२९९,२८९,५६८</b>			<b>२९९,२८९,५६८</b>	<b>३७५,८०९,५०६</b>	
४. गत वर्षसम्मको व्यवस्था										
४.१ असल			२२,६११		२२,६११			२२,६११	९०,६७५	
४.२ सुक्ष्म निगरानी			-		-			-	५,८३४,०४९	
४.२ व्यक्तिगत/संस्थागत जमानत			-		-			-	२,०८१,५४४	
४.३ कमसल			-		-			-	२,७२३,७३९	
४.४ शंकास्पद			-		-			-	१६,१२५,१४७	
४.५ खराब			३७५,७८६,८९५		३७५,७८६,८९५			३७५,७८६,८९५	४२७,८९१,८५३	
४.६ अतिरिक्त कर्जा नोकसानी व्यवस्था			-		-			-	-	
<b>ग) गत वर्षसम्मको कूल व्यवस्था</b>			<b>३७५,८०९,५०६</b>		<b>३७५,८०९,५०६</b>			<b>३७५,८०९,५०६</b>	<b>४५४,७४७,००७</b>	
घ) यस वर्षको व्यवस्थावाट फिर्ता			७६,५१९,९३९		७६,५१९,९३९			७६,५१९,९३९	७८,९३७,५०१	
ङ) यस वर्षको थप व्यवस्था			(७६,५१९,९३९)		(७६,५१९,९३९)			(७६,५१९,९३९)	(७८,९३७,५०१)	
यस वर्षको खुद थप घट					-			(७६,५१९,९३९)	(७८,९३७,५०१)	
<b>खुद कर्जा (क - ख)</b>			<b>१६९,४८३,४८३</b>		<b>१६९,४८३,४८३</b>			<b>१६९,४८३,४८३</b>	<b>२,२३८,५०१</b>	



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
कर्जा, सापठ तथा विल्स खरीदको सुरक्षण  
२०७५ आषाढ मसान्त

अनुसूची - ४.१३ (क)

विवरण	यस वर्ष रु.	गत वर्ष रु.
<b>(क) सुरक्षित</b>		
१. चल/अचल सम्पत्तिको सुरक्षणमा	४६८,४६०,११६	३७७,३८४,९८७
२. स्वदेशी ईजाजत प्राप्त संस्थाको जमानतमा		
३. सरकारी जमानतमा		
४. अन्तर्राष्ट्रिय श्रेणीकृत बैंकको जमानतमा		
५. निर्यात कागजातको सुरक्षणमा		
६. मुद्दती रसीदको सुरक्षणमा		
(क) संस्थाको आफ्नै मुद्दती रसिदको सुरक्षण	३१२,९३५	६६३,०२०
(ख) अन्य ईजाजत पत्र प्राप्त संस्थाको मुद्दती रसिदको सुरक्षण		
७. सरकारी ऋणपत्रको सुरक्षणमा		
८. काउण्टर जमानतमा		
९. व्यक्तिगत जमानतमा		
<b>(ख) असुरक्षित</b>		
<b>जम्मा</b>	<b>४६८,७७३,०५१</b>	<b>३७८,०४८,००७</b>



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
स्थिर सम्पत्ति  
२०७५ आषाढ मसान्त

अनुसूची - ४.१४

विवरण	स्थिर सम्पत्ति						गत वर्ष र.
	भवन	परिवहन साधन	मेशिनरी	कार्यालय सामान	अन्य	यस वर्ष र.	
१. परल मील							
क) गतवर्षको मौज्जात		२,५०५,१८७	६,२८४,०४७	५,३३४,१४२	९,८३,८१९	१५,१०७,१९५	१५,१०७,१९५
ख) यस वर्षको थप		३,०२०,०००	१५२,६४०	४४,१६६	११,३३४	३,२२८,१४०	-
ग) यस वर्षको पुनरमूल्यांकन/पुनरलेखन		३,६७४	(५८५,१४४)	६२७	६	३,७२१	-
घ) यस वर्षको विक्री							-
ड) यस वर्षको अपलेखन		(३,४३७)	(१२३,०९२।०४)	(२३१,१६३)	-	(३५७,६९२)	-
कुल (क+ख+ग+घ+ड) परल मील	-	५,५२५,४२४	६,३१३,०१०	५,१४७,७७२	९९५,१५९	१७,९८१,३६३	१५,१०७,१९५
२. हास कट्टी							
क) गतवर्ष सम्मको		२,४३८,२०६	५,५२८,९४७	४,७१५,८१९	६२४,४५६	१३,३०७,४२८	१२,७६९,४५३
ख) यस वर्षको	-	४१६,०८९।५२	१९९,१८३।८८	१२७,०४१।८७	५५,०३९।०१	७९७,३५४।२८	५३७,९७५
ग) हास कट्टी रकम समायोजन/फिर्ता							-
कुल हासकट्टी	-	२,८५४,२९६	५,७२८,१३०।८८	४,८४२,८६१	६७९,४९५	१४,१०४,७८२	१३,३०७,४२८
३. बुक भ्यालु							
ख) जम्मा	-	२,६७१,१२८	५८४,८७९	३०४,९११	३१५,६६४	३,८७६,५८१	१,७९९,७६७
५. पूँजीगत निर्माण (पूँजीकरण गरिनुपर्ने)							
६. लीज होल्ड सम्पत्ति							
जम्मा (३+४+५+६)						४०६,०४७	३२५,८९५

\* Written Down Value

लिजहोल्ड सम्पत्तिको विवरण	र.
चालु आर्थिक वर्षको शुरुको मौज्जात	३२५,८९५
चालु वर्षको थप	४३५,०५०
चालु वर्षको हास	३५४,८९८
यस वर्षको खुद जम्मा	४०६,०४७



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
गैर बैकिङ्ग सम्पत्ति  
२०७५ आषाढ मसान्त

अनुसूची - ४.१५

ऋणी वा पार्टीको नाम ठेगाना	गैर बैकिङ्ग सम्पत्ति सकार गरेको मिति	कुल गैर बैकिङ्ग सम्पत्ति रकम रु.	नाफा/नोक्सानी व्यवस्था		खुद गैर बैकिङ्ग सम्पत्ति रु.	गत वर्ष रु.
			प्रतिशत%	रकम		
अनूप रानामगर	२०७१/१२/०२	-	१००	-	-	२,०२८,५०२
कुल जम्मा		-	१००	-		२,०२८,५०२

गैर बैकिङ्ग सम्पत्ति थप बिबरण	यस वर्ष	गत वर्ष
खर्चबाट आएको गैर बैकिङ्ग सम्पत्ति	-	१,५७८,८९९
ब्याज मुलतवीबाट सारेको	-	४४९,६०३
कुल जम्मा	-	२,०२८,५०२

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
अन्य सम्पत्ति  
२०७५ आषाढ मसान्त

अनुसूची - ४.१६

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. मसलन्द मौज्दात		
२. लगानी विक्रीबाट प्राप्त हुन बांकी रकम	-	-
३. कर्जामा असूल गर्न बांकी ब्याज	२४४,६६८,५०१	२२०,७११,८९५
न्युन: ब्याज मुलतवी रकम	(२४४,६६८,५०१)	(२२०,७११,८९५)
४. असूल गर्न बांकी कमिशन		
५. सण्डी डेव्टर्स	७७,२४८	४८८,०७८
६. कर्मचारी सापटी र पेशकी	२४,०२१,४८०	२५,२५१,३९३
७. अग्रिम आयकर	४,८३५,६४४	११,०३८,४२२
८. मार्गस्थ नगद		
९. मार्गस्थ अन्य (चेक समेत)		
१०. विना सुचना ड्राफ्टको भूक्तानी		
११. अपलेखन हुन बांकी खर्च	-	-
१२. स्थगन कर		
१३. अन्य	१,५७६,४००	३,४४३,३५५
जम्मा	३०,५१०,७७२	४०,२२१,२४८
अन्य सम्पत्तिमा व्यवस्था		
खुद अन्य सम्पत्ति	३०,५१०,७७२	४०,२२१,२४८





ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
अन्य सठपति (थप विवरण)

२०७५ आषाढ मसान्त

अनुसूची - ४.१६ (क)

विवरण	यस वर्ष रु.				गत वर्ष रु.
	१ वर्ष सम्म	१ वर्ष देखि ३ वर्ष सम्म	३ वर्ष भन्दा माथि	जम्मा रु.	
१. कर्जामा असुल गर्न बाँकी ब्याज	-	-	-	२४४,६६८,५०१	२२०,७११,८९५
२. विना सूचना ड्राफ्टको भुक्तानी	-	-	-	-	-
३. शाखा मिलान हिसाव	-	-	-	-	-

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
सठभावित दायित्वहरू

२०७५ आषाढ मसान्त

अनुसूची - ४.१७

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. संस्था उपर दावी परेको तर संस्थाले दायित्व स्वीकार नगरेको रकम	-	-
२. प्रतितपत्रहरू (मार्जिन नघटाई पुरा रकम)		
(क) ६ महिना भन्दा कम अवधिको	-	-
(ख) ६ महिना भन्दा वढी अवधिको	-	-
३. पुनः डिस्काउन्ट गरिएका विलहरू	-	-
४. म्याद नाघि नसकेको ग्यारेन्टी/वण्ड		१००,०००
(क) विड वण्ड	-	-
(ख) परफरमेन्स वण्ड	-	-
(ग) अन्य ग्यारेन्टी/वण्ड	-	१००,०००
५. चुक्ता वा भुक्तान हुन बाँकी शेयर लगानी	-	-
६. फरवार्ड एक्स्चेन्ज कन्ट्राक्टको बाँकी दायित्वहरू	-	-
७. कलेक्सनमा रहेका विलहरू	-	-
८. मञ्जुरी तथा समर्थन	-	-
९. प्रत्याभुति प्रतिबद्धता	-	-
१०. अपरिवर्त्य कर्जा प्रतिबद्धता (Irrecoverable Loan Commitment)	-	-
११. अन्तर्राष्ट्रिय श्रेणीकृत बैंकको काउन्टर ग्यारेन्टीमा दिईएको ग्यारेन्टी	-	-
१२. अग्रिम भुक्तानी ग्यारेन्टी (Advance Payment Guarantee)	-	-
१३. कर्जा प्रवाहको लागि वित्तीय जमानत (Financial Guarantee)	-	-
१४. आयकर वापत सम्भावित दायित्व (Contingent Liabilities on Income Tax)	-	-
१५. अन्य	-	-
१६. ....	-	-
१७. ....	-	-
<b>जम्मा</b>	<b>-</b>	<b>१००,०००</b>



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
व्याज आम्दानी

मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.१८

विवरण	यस वर्ष रु.	गत वर्ष रु.
<b>क. कर्जा सापट र अधिविकर्षमा</b>	२३,६०९,६६२	३९,२०६,०५७
१. कर्जा सापट	२३,६०९,६६२	३९,२०६,०५७
२. अधिविकर्ष		
<b>ख. लगानीमा</b>	-	-
१. नेपाल सरकारको सुरक्षणपत्र	-	-
(क) ट्रेजरी विल्स	-	-
(ख) विकास ऋणपत्र	-	-
(ग) राष्ट्रिय वचतपत्र	-	-
२. विदेशी ऋणपत्र		
(क)		
(ख)		
३. नेपाल राष्ट्र बैंकको ऋणपत्र		
४. डिभेन्चर तथा वण्ड		
५. अन्तर बैंक लगानीमा व्याज		
(क) बैंक/वित्तीय संस्थाहरू		
(ख) अन्य संस्थाहरू		
<b>(ग) एजेन्सी मौज्दातमा</b>		
१. स्वदेशी बैंक/वित्तीय संस्थाहरू		
२. विदेशी बैंकहरू		
<b>(घ) माग तथा अल्पसूचनामा प्राप्त हुने मौज्दातमा</b>		
१. स्वदेशी बैंक/वित्तीय संस्थाहरू		
२. विदेशी बैंकहरू		
<b>(ङ) अन्यमा</b>	१४,९२०,९६१	६,६०२,०१८
१. सर्टिफिकेट अफ डिपोजिट		
२. अन्तर बैंक/वित्तीय संस्था कर्जा		
३. अन्य	१४,९२०,९६१	६,६०२,०१८
<b>जम्मा</b>	<b>३८,५३०,६२३</b>	<b>४५,८०८,०७४</b>



ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

व्याज खर्च

मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.१९

विवरण	यस वर्ष रु.	गत वर्ष रु.
<b>क. निक्षेप दायित्वमा</b>	१५,१६५,४९९	११,३१६,५४६
१. मुद्दती निक्षेप	६,९५५,२३३	४,२८५,२६३
१.१ स्वदेशी मुद्रा	६,९५५,२३३	४,२८५,२६३
१.२ विदेशी मुद्रा		
२. वचत निक्षेप	८,२१०,२६५	७,०३१,२८३
२.१ स्वदेशी मुद्रा	८,२१०,२६५	७,०३१,२८३
२.२ विदेशी मुद्रा		
३. मागेको वखत तिर्नुपर्ने निक्षेप		
३.१ स्वदेशी मुद्रा		
३.२ विदेशी मुद्रा		
४. सर्टिफिकेट अफ डिपोजिट्स		
<b>ख. कर्जा सापटमा</b>	-	-
१. ऋणपत्र तथा वण्ड		
२. नेपाल राष्ट्र बैंकबाट प्राप्त कर्जा		
३. अन्तर बैंक/वित्तीय संस्था कर्जा		
४. अन्य संगठित संस्था		
५. अन्य कर्जा		
<b>ग. अन्यमा</b>	१०,२७४	९,७५८
१. ....	१०,२७४	९,७५८
२. ....	-	-
<b>जम्मा</b>	<b>१५,१७५,७७३</b>	<b>११,३२६,३०४</b>



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
कमिशन तथा डिस्काउन्ट  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२०

विवरण	यस वर्ष रु.	गत वर्ष रु.
क. बिल्स खरीद तथा डिस्काउन्ट		
१. स्वदेशी		
२. विदेशी		
ख. कमिशन	३	-
१. प्रतितपत्र		
२. जमानत पत्र		
३. कलेक्सन फी		
४. रेमिटेन्स फी		
५. क्रेडिट कार्ड	३	
६. शेयर प्रत्याभूति/निष्काशन (कलेक्सन)		
७. सरकारी कारोवार वापत		
८. इ.प्रा. कमिशन वापत		-
९. वट्टा आम्दानी (विमा)		
ग. अन्य		८,७१४
जम्मा	३	८,७१४

ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
अन्य सञ्चालन आम्दानी  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२१

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. सेफ डिपोजिट भल्टको भाडा	-	-
२. क्रेडिट कार्ड निष्काशन तथा नवीकरण	-	-
३. ATM कार्ड निष्काशन तथा नवीकरण	४,६५०	-
४. टेलेक्स/टि.टि.	-	-
५. सेवा शुल्क	१,८०९,७००।००	-
६. नवीकरण शुल्क	-	-
७. अन्य	७,९८०	-
जम्मा	१,८२२,३२९।५९	-



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
सटही घटबढ आठदानी/(नोकसान)  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२२

विवरण	यस वर्ष रु.	गत वर्ष रु.
क. विनिमय दरमा भएको फरकबाट	-	-
ख. विदेशी मुद्रा कारोवारबाट (वट्टा बाहेक)	-	-
जम्मा आम्दानी/(नोकसान)	-	-

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
कर्मचारी खर्च  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२३

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. तलब	७,२५६,७६०	७,३८२,१४७
२. भत्ता	१,९०५,६६५	१,७८९,३७७
३. सञ्चयकोषमा थप	७२५,६७६	७३९,४११
४. तालिम खर्च	५४,८०५	
५. पोशाक		
६. औषधोपचार	६०४,७३०	६१६,१७६
७. बीमा	३००,०००	९०,०००
८. पेन्सन तथा उपदान व्यवस्था	१८२,८११	८७०,६११
९. अन्य	१२९,०००	१२९,०००
जम्मा	११,१५९,४४८	११,६१६,७२१



ललितपुर फाइनान्स लिमिटेड

ललितपुर, नेपाल

अन्त्य सञ्चालन खर्च

मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२४

विवरण	यस वर्ष रू.	गत वर्ष रू.
१. घरभाडा	१,२५३,०५२	१,२२४,२४७
२. बत्ती, विजुली र पानी	२४९,९४६	१९७,९१०
३. मर्मत तथा संभार	२१९,५०४	२४४,४२९
क. भवन		
ख. सवारी साधन	९५,०९२	१०४,९९९
ग. कम्प्युटर एण्ड सफ्टवेयर	४९,२१५	७९,९४१
घ. अन्य	७५,१९७	५९,४८९
४. बीमा	४९२,६४०	६०५,८१४
५. पोष्टेज, टेलिक्स, टेलिफोन, फ्याक्स	२८७,१७९	३६०,८२३
६. कार्यालय उपकरण फर्निचर र संभार		
७. भ्रमण भत्ता र खर्च	८२,१००	६१,१००
८. मसलन्द र छपाई	१५०,२७९	१३८,०७२
९. पत्रपत्रिका तथा पुस्तक	३३,३९०	४४,६६५
१०. विज्ञापन	२१४,४०२	५४,५५२
११. कानुनी खर्च	५३७,४५०	१५,०००
१२. चन्दा	१००	१,०००
१३. सञ्चालक समितिसम्बन्धी खर्च	२३६,०००	२६८,०३५
क. बैठक भत्ता	२३६,०००	२६८,०००
ख. अन्य	-	३५
१४. साधारण सभासम्बन्धी खर्च	३१७,६३१	
१५. लेखापरीक्षण सम्बन्धी खर्च	४०७,९३०	३१७,५३०
क. बाह्य लेखापरीक्षण शुल्क	१३६,७३०	१३६,७३०
ख. आन्तरिक लेखापरीक्षण शुल्क	२२६,०००	१३५,६००
ग. अन्य	४५,२००	४५,२००
१६. रकम स्थानान्तरण कमिशन		
१७. स्थिर सम्पत्ति ह्रास कट्टी	७९७,३५४	५३७,९७६
१८. पुर्व संचालन खर्च अपलेखन		
१९. शेयर निष्काशन खर्च	४०,०००	२६,६००
२०. प्राविधिक सेवा सोधभर्ना	४७६,०६९	४९२,६८०
२१. मनोरञ्जन खर्च	१६०,०९७	२१३,४३९
२२. अपलेखन खर्च	३५४,९००	६५२,०८९
२३. सुरक्षा खर्च	१,२८९,०४४	१,२८९,०५४
२४. कर्जा सुरक्षण प्रिमियम		
२५. कमिशन र डिस्काउन्ट	-	-
२६. अन्य	१,७५२,९६७	१,४८६,६९५
क. इन्धन	३३१,३४३	३०३,१४६
ख. सवारी साधन कर	८,५५०	३४,८६०
ग. दस्तुर तथा शुल्क	१,०७४,७५७	१,०३२,२२३
घ. विविध	५३,३२९	६१,४५२
ङ. अन्य	२८४,९८८	५५,०१४
<b>जम्मा</b>	<b>९,३५२,०३४</b>	<b>८,२३१,७११</b>



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
सम्भावित नोक्सानी व्यवस्था  
मिति २०७४।०४।०९ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२५

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. कर्जा नोक्सानी व्यवस्थामा भएको वृद्धि	-	-
२. लगानी नोक्सानी व्यवस्थामा भएको वृद्धि	१,५६९,३६२	१,५७३,३७२
३. गैर बैकिङ्ग सम्पत्ती नोक्सानी व्यवस्था	-	-
४. अन्य सम्पत्तिमा गरिएको व्यवस्था	-	-
<b>जम्मा</b>	<b>१,५६९,३६२</b>	<b>१,५७३,३७२</b>

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
गैर सञ्चालन आम्दानी/नोक्सान  
मिति २०७४।०४।०९ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२६

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. लगानी विक्रीबाट आम्दानी/(नोक्सान)	१,००४,७२९	
२. सम्पत्ति विक्रीबाट आम्दानी/(नोक्सान)		
३. लाभांश	९६०,९००	४०३,७७०
४. नेपाल राष्ट्र बैंकबाट प्राप्त सहूलियत	-	-
क. तोकिएको शाखाहरूको नोक्सान बापत क्षतिपूर्ति		
ख. ब्याज क्षतिपूर्ति		
ग. सटही काउन्टर		
५. अन्य	(४,२५९,६४३)	(५,३०३,६९९)
क. घरबहाल आम्दानी		
ख. गैर बैकिङ्ग सम्पत्ति विक्रीमा आम्दानी/नोक्सानी	(४,२५९,६४३)	(५,३०३,६९९)
ग. अन्य आम्दानी/नोक्सानी	-	-
<b>खुद गैर सञ्चालन आम्दानी / (नोक्सान)</b>	<b>(२,२९४,८२२)</b>	<b>(४,८९९,८४९)</b>



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
सम्भावित नोक्सानी व्यवस्थाबाट फिर्ता  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२७

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. कर्जा नोक्सानी व्यवस्थाबाट फिर्ता	७६,५१९,९३९	७८,९३७,५०१
२. गैर बैंकिङ्ग सम्पत्ती नोक्सानी व्यवस्थाबाट फिर्ता	२,०२८,५०२	४६,९०९,९६६
३. लगानी व्यवस्थाबाट फिर्ता		
४. अन्य सम्पत्तिको व्यवस्थाबाट फिर्ता		
<b>जम्मा</b>	<b>७८,५४८,४४१</b>	<b>१२५,८४६,६६७</b>

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
असामान्य कारोबारहरूबाट भएको आम्दानी/खर्च  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२८

विवरण	यस वर्ष रु.	गत वर्ष रु.
१. अपलेखन भएको कर्जाको असुली	-	-
२. स्वेच्छिक अवकाश खर्च	-	-
३. असुली हुन नसक्ने कर्जाको अपलेखन (अनुसूची ४.२८क)	-	-
४. अन्य खर्च/आम्दानी	-	-
५. अन्य सम्पत्तिको अपलेखन	(३५७,६९२)	
<b>जम्मा</b>	<b>(३५७,६९२)</b>	

ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
अपलेखित कर्जाको विवरण  
मिति २०७४।०४।०१ देखि २०७५।०३।३२ सम्म

अनुसूची - ४.२८ (क)

क्र.सं.	कर्जा प्रकार	अपलेखन गरिएको रकम	धितोको प्रकार तथा रकम	धितो मूल्यांकनको आधार	कर्जा स्वीकृत गर्ने अधिकारी/तह	कर्जा असुलीका लागि भए गरेका प्रयास	कैफियत
१.	चालु पूँजी कर्जा	-	-	-	-	-	-
२.	परियोजना कर्जा	-	-	-	-	-	-
३.	स्थिर पूँजी कर्जा	-	-	-	-	-	-
४.	व्यक्तिगत कर्जा	-	-	-	-	-	-
५.	अन्य कर्जा	-	-	-	-	-	-
	<b>कुल कर्जा</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





## ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

संचालक, कार्यकारी प्रमुख, संस्थापक, कार्यकारी शेयरहोल्डरहरूलाई ाषको कर्जा सापट विवरण

२०७५ साल आषाढ मसान्त

खरीद तथा डिस्काउन्ट गरिएका बिलहरू र कर्जा, सापट तथा अधिविक्रयमा प्रवाहित कूल रकम मध्ये संचालक, कार्यकारी प्रमुख, संस्थापक, कर्मचारी, शेयर होल्डरहरू र निजहरूको परिवारका सदस्य वा त्यस्ता व्यक्ति जसानी बसेको वा मैनेजिड. एजेन्ट भएको कृने संस्था वा कम्पनीलाई गाएको रकमको विवरण देहाए बमोजिम छ।

अनुसूची - ४.२९

संस्थापक / सञ्चालक / कार्यकारी प्रमुखको नाम	गत वर्ष सम्मको बाँकी		यस वर्ष असुली		यस वर्ष थप कर्जा	आषाढ मसान्त सम्म बाँकी	
	सांवा	ब्याज	सांवा	ब्याज		सांवा	ब्याज
(क) सञ्चालक							
१. ....	-	-	-	-	-	-	-
२. ....	-	-	-	-	-	-	-
(ख) कार्यकारी प्रमुख							
१. ....	-	-	-	-	-	-	-
२. ....	-	-	-	-	-	-	-
(ग) संस्थापक							
१. ....	-	-	-	-	-	-	-
२. ....	-	-	-	-	-	-	-
(घ) कर्मचारी							
१. ....	-	-	-	-	-	-	-
२. ....	-	-	-	-	-	-	-
(ङ) शेयरधनीहरू							
१. ....	-	-	-	-	-	-	-
२. ....	-	-	-	-	-	-	-
<b>जम्मा रु.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

पूँजीकोष तालिका

२०७५ साल आषाढ मसान्त

अनुसूची - ४.३०

(रु. हजारमा)

विवरण	यस वर्ष रु.	गत वर्ष रु.
क) प्राथमिक पूँजी	१४०,८४८,५७१	७१,६५७,१९५
१) चूक्ता पूँजी	१८७,९४५,३१३	१८७,९४५,३१३
२) प्रस्तावित बोनस शेयर		
३) शेयर प्रिमियम		
४) फिर्ता नहुने अग्राधिकार शेयर		
५) साधारण जगेडा कोष	१३३,९७०,११७	११९,६९९,८३५
६) सञ्चित नाफा/(नोक्सान)	(२७५,१९१,९६६)	(३७४,०९१,४४४)
७) वासलातमा देखाइएको चालू आ.व.को नाफा/(नोक्सान) हिसावको रकम	५६,३६७,६१५	९८,८९९,४७८
८) पूँजी फिर्ता जगेडा कोष (बोनस शेयर)		
९) पूँजी समायोजन कोष		
१०) क्लस इन एडभान्स	४८,९२९,४००	४८,९२९,४००
११) अन्य स्वतन्त्र कोषहरु	-	-
घटाउने:		
- ख्याति (Goodwill) वापतको रकम		
- सीमाभन्दाबढी लगानी गरिएको रकम	(११,१७१,९०८)	(९,७२५,३८७)
- अवास्तविक सम्पत्ति (Fictitious Assets)		
- वित्तीय स्वार्थ रहेको कम्पनीको धितोपत्रमा लगानी गरेको रकम		
- यस बैंकको निर्देशन पालना नगरी स्थिर सम्पत्ति खरिद गरेको रकम		
- सीमाभन्दा बढी आवासभवन निर्माण तथा जग्गाविकासमा लगानी गरेको रकम		
- तोकिएको समयभित्र विक्री वितरण गर्न नसकेको शेयर प्रत्याभूति		
- प्रचलित ऐन तथा कानूनले प्रतिबन्ध गरेका व्यक्ति तथा समुहलाई कर्जा सूविधा		
ख) पुरक पूँजी कोष	२,२०७,६६२	२२,६११
१) असल कर्जाको लागि गरिएको कर्जा नोक्सानी व्यवस्था	२,२०७,६६२	२२,६११
२) अतिरिक्त कर्जा नोक्सानी व्यवस्था	-	-
३) हाइब्रिड पूँजी उपकरण	-	-
४) सुरक्षण नराखिएको सहायक अवधिको ऋण	-	-
५) सटही समीकरण कोष	-	-
६) सम्पत्ति पुनर्मुल्याङ्कन कोष	-	-
७) लगानी समायोजन कोष	-	-
ग) जम्मा पूँजी कोष (क + ख)	१४३,०५६,२३३	७१,६७९,८०६
घ) जोखिम भारित सम्पत्तिको आधारमा कायम गर्नुपर्ने न्युनतम पूँजी कोष	६९,८२५,०७६	५४,२७५,०८९
पूँजी कोष (११ प्रतिशत)	२२१५४	१४१५३
प्राथमिक पूँजी (५.५ प्रतिशत)	२२१९९	१४१५२
पूँजीकोष (अधिक ११.५४ प्रतिशतले)	७३,२३१,१५७	१७,४०४,७१७
प्राथमिक पूँजी (अधिक १६.६९ प्रतिशतले)	१०५,९३६,०३३	४४,५१९,६५०



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल  
जोखिम भारित सम्पति विवरण तालिका  
२०७५ साल आषाढ मसान्त

अनुसूची - ४.३० (क)  
रु.हजारमा

विवरण	भार	यस वर्ष		गत वर्ष	
		रकम रु	जोखिम भारित सम्पति	रकम रु	जोखिम भारित सम्पति
क) वासलात बमोजिमको सम्पत्तिहरू (On Balance sheet Assets)					
नगद मौज्जात	०	४,९७९,४२३	-	२,६८६,७६०	-
सुन (विनिमय योग्य)	०				
नेपाल राष्ट्र बैंकमा रहेको नगद मौज्जात	०	२४,२३६,४२३	-	१७६,५४८,२५५	-
नेपाल सरकारको सुरक्षणपत्रमा गरेको लगानी	०	-		-	
नेपाल राष्ट्र बैंक ऋण पत्रमा गरेको लगानी	०	-		-	
आफ्नै मुद्दती धितोमा पुर्ण सुरक्षित हुने गरी प्रदान गरिएको मुद्दती रसिद धितो कर्जा	०	३१२,९३५	-	६६३,०२०	-
सरकारी सुरक्षणपत्रको धितोमा पुर्ण सुरक्षित हुने गरी प्रदान गरेको कर्जा	०				
सरकारी सुरक्षणपत्रको पाउनु पर्ने व्याज रकम (Accrued Interest)	०				
विपन्न वर्ग कर्जा अन्तर्गत गणना हुने युवा तथा साना व्यवसायी स्वरोजगार		-		-	
कोषमा 'ख' र 'ग' वर्गका इजाजतपत्रप्राप्त संस्थाले जम्मा गरेको रकम	०				
स्वदेशी इजाजतपत्र बैंक तथा वित्तीय संस्थामा रहेको नगद मौज्जात	२०	२४३,३१०,११५	४८,६६२,०२३	२१,७७८,७५८	४,३५५,७५२
अन्य इजाजतपत्र प्राप्त बैंक/वित्तीय संस्थाको मुद्दती रसिद धितोमा लगानी गरेको कर्जा	२०	-		-	
विदेशी बैंकहरूमा रहेको मौज्जात	२०	-		-	
मागको बखत प्राप्त हुने रकम (Money at call)	२०	-		-	
अन्तर्राष्ट्रिय श्रेणीकृत इजाजतपत्र प्राप्त संस्थाको ग्यारेण्टीमा गएको कर्जा	२०	-		-	
अन्तर्राष्ट्रिय श्रेणीकृत बैंकमा गरेको लगानी	२०	-		-	
अन्तर बैंक सापटी	२०	-		-	
शेयर, डिभेन्चर तथा बण्डमा भएको लगानी	१००	१५,५६८,७०८	१५,५६८,७०८	१४,१२२,१८७	१४,१२२,१८७
अन्य लगानीहरू	१००				
कर्जा तथा सापट तथा विल्स खरीद/ डिस्काउण्ट समेत (कुल रकम)	१००	४०२,८९२,२३६	४०२,८९२,२३६	३११,८१७,१०७	३११,८१७,१०७
स्थिर सम्पतिहरू	१००	४,२८२,६२८	४,२८२,६२८	२,१२५,६६२	२,१२५,६६२
पाउनु पर्ने अन्य खुद व्याज रकम	१००	-		-	
अन्य सबै सम्पत्तिहरू	१००	२५,६७५,१२८	२५,६७५,१२८	३१,२११,३२९	३१,२११,३२९
सीमा नाघेको रियल स्टेट/आवासीय घर कर्जा	१५०	६५,५६७,८८०	९८,३५१,८२०	६५,५६७,८८०	९८,३५१,८२०
जम्मा (क)		७८६,८१७,४७५	५९५,४३२,५४३	६२६,५२०,९५८	४६९,९८३,८५६
ख) वासलात बाहिरको कारोवारहरू (off balance sheet items)					
विल्स कलेक्सन	०				
अग्रिम विदेशी विनिमय सम्झौता	१०				
६ महिना भन्दा कम अवधिको प्रतिपत्र (पुरै रकम)	२०				
अन्तर्राष्ट्रिय श्रेणीकृत विदेशी बैंकको काउन्टर ग्यारेण्टीमा जारी गरेको ग्यारेण्टी	२०				
६ महिना भन्दा बढी अवधिको प्रतिपत्र (पुरै रकम)	५०				
विडवण्ड, परफरमेन्स बण्ड र प्रत्याभुति (Underwriting) सम्बन्धि प्रतिवद्धता	५०				
पुनः खरीद गर्ने शर्तमा विक्री गरेको कर्जा	५०				
अग्रिम भुक्तानी ग्यारेण्टी (Advance payment Guarantee)	१००				
वित्तीय तथा अन्य जमानत (Financial and Other Guarantee)	१००				
अपरिवर्त्य कर्जा प्रतिवद्धता (Irrevocable Loan commitment)	१००				
आयकर वापत सम्भावित दायित्व	१००				
Acceptance सहित अन्य सबै प्रकारका सम्भावित दायित्वहरू	१००	-	-	१००,०००	१००,०००
भुक्तानीका लागि दावी परेको जमानत (Unpaid Guarantee Claims)	२००				
जम्मा (ख)		-	-	१००,०००	१००,०००
सञ्चालन जोखिम वापत कायम गर्नु पर्ने रकम	१००	३९,३४०,८७४	३९,३४०,८७४	३१,३२६,०४८	३१,३२६,०४८
कुल जोखिम भारित सम्पति (क+ख)		८२६,१५८,३४९	६३४,७७३,४१७	६५७,९४७,००६	४९३,४०९,९०४



ललितपुर फाइनान्स लिमिटेड  
ललितपुर, नेपाल  
५ वर्षको प्रमुख सुचकाङ्क  
२०७५ साल आषाढ मसान्त

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विवरण	सुचकाङ्क	आ.व. २०७०/०७१	आ.व. २०७१/०७२	आ.व. २०७२/०७३	आ.व. २०७३/०७४	आ.व. २०७४/०७५
१. खुद नाफा/कुल आम्दानी प्रतिशत	प्रतिशत	०।९४	(०।१८)	(२।३३)	२।७३	१।७७
२. प्रति शेयर आम्दानी	रु.	०	०	०	०।००	०।००
३. प्रति शेयर बजार मूल्य	रु.	०	०	०	०	०
४. मूल्य आम्दानी अनुपात	प्रतिशत	०	०	०	०	०
५. शेयर पुंजीमा लाभांश (बोनश सहित)	प्रतिशत	०	०	०	०	०
६. शेयर पुंजीमा नगद लाभांश भुक्तानी	प्रतिशत	०	०	०	०	०
७. व्याज आम्दानी/कर्जा तथा सापट	प्रतिशत	१६.७२	१७.१४	७३०	१२।१२	८।२२
८. कर्मचारी खर्च/कुल संचालन खर्च	प्रतिशत	५२.४५	४८.८६	५३।८७	५८।५३	५४।४१
९. कुल निक्षेप तथा सापटीमा व्याज खर्च	प्रतिशत	९.५२	१०.७२	११।५७	८।८७	५।२७
१०. सट्टि घटबढ आम्दानी/कुल आम्दानी	प्रतिशत	०	०	०	०	०
११. कर्मचारी बोनश/कुल कर्मचारी खर्च	प्रतिशत	१७०.६५	०	०	०	०
१२. खुद नाफा/कर्जा सापट	प्रतिशत	१५।९६	(०।०३)	(०।१७)	०।३३	०।१५
१३. खुद नाफा/कुल सम्पत्ति	प्रतिशत	१२।२०	(२।६८)	(३।५९)	४।५०	१।४८
१४. कुल कर्जा/निक्षेप	प्रतिशत	८१।४	९१।२८	१७९।८६	२९६।०८	१६२।७९
१५. कुल संचालन खर्च/कुल सम्पत्ति	प्रतिशत	१.८४	३.३५	८।१५	७।६९	४।१९
१६. जोखिमभारित सम्पत्तिमा पुंजीकोषको पर्याप्तता						
क) प्राथमिक पुंजी	प्रतिशत	२।३०	(०।३२)	(१।३०)	१।५२	२।१९
ख) पुरक पुंजी	प्रतिशत	०।४२	०।२१	(०।७७)	०।००	०।३५
ग) कुल पुंजी कोष	प्रतिशत	२।७२	(०।११)	(१।२९)	१।५३	२।५४
१७. तरलता	प्रतिशत	३३.५८	३९.९७	२३।९८	१५।७३	९।६३
१८. निष्क्रिय कर्जा/कुल कर्जा	प्रतिशत	४०.३३	६०.३४	७८।९३	९९।४०	६४।७०
१९. व्याज दर अन्तर	प्रतिशत	६.३८	४.७६	४।७६	४।७६	२।९५
२०. बुक नेट वर्थ	रु.	३५,५६६,०००	१४,५३९,८४६	(८६,९५४,७४०)	८२,६३४,४७३	१५,७३३,९९२
२१. कुल शेयर	संख्या	१,८७९,४५३	१,८७९,४५३	१,८७९,४५३	१,८७९,४५३	१,८७९,४५३
२२. कुल कर्मचारी	संख्या	२३	२३	२३	२३	२३
२३. अन्य						



## ललितपुर फाइनेन्स लिमिटेड

ललितपुर, नेपाल

अनुसूची ४.३२

### क) लेखासम्बन्धी महत्वपूर्ण नीतिहरू

#### १. सामान्य जानकारी

ललितपुर फाइनेन्स लिमिटेड नेपालमा स्थापित सीमित दायित्व भएको कम्पनी हो । यसको रजिष्टर्ड कार्यालय ललितपुरमा रहेको छ । यो वित्तीय संस्था नेपाल स्टक एक्सचेञ्जमा सूचीकृत छ । यो नेपाल राष्ट्र बैंकबाट “ग” वर्गका इजाजतपत्र प्राप्त वित्तीय संस्थाको रूपमा कार्यरत छ ।

#### २. वित्तीय विवरण तयारीका आधारहरू

ललितपुर फाइनेन्स लिमिटेडका आर्थिक विवरणहरू लेखाको सामान्य सिद्धान्त, निरन्तरताको सिद्धान्त, नेपाल राष्ट्र बैंकका नीति, निर्देशन, बैंकिङ व्यवसायमा प्रचलित लेखा नीति, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन, २०६३, तथा नेपाल लेखामानको अधीनमा रही तयार गरिएको छ ।

#### ३. वित्तीय विवरणको स्वीकृति

प्रस्तुत वित्तीय विवरणहरू कम्पनीको सञ्चालक समितिको मिति २९७५ को ३७९औं बैठकको निर्णय बमोजिम स्वीकृत गरिएको छ ।

#### ४. लेखाङ्कनको आधार

वित्तीय विवरणहरू नेपाली रुपैयाँमा देखाइएका छन् । वित्तीय विवरणहरू ऐतिहासिक लागतको आधारमा तयार पारिएका छन् । नेपाल लेखामान तथा लेखाका सर्वमान्य सिद्धान्तहरूअनुरूप वित्तीय विवरणहरू तयार पार्दा केही आवश्यक लेखा अनुमानहरू गरिएका छन् । साथै विभिन्न लेखा नीतिहरूको पालना गर्ने क्रममा व्यवस्थापनद्वारा विवेक पनि प्रयोग गर्नुपर्ने आवश्यकता रहने हुनाले आवश्यकता अनुसार स्वविवेक पनि प्रयोग गरिएको छ ।

#### ५. प्रमुख लेखा नीतिहरूको सारांश

वित्तीय विवरणहरू तयार पार्दा आधार मानिएका लेखाका सर्वमान्य सिद्धान्त र लेखा नीतिहरू तल उल्लेख गरिएका छन् ।

अन्यथा लेखिएकोमा बाहेक यी नीतिहरूको पालना निरन्तर रूपमा गरिएको छ ।

#### ६. स्थिर सम्पत्ति र ह्रासकट्टी नीति

- स्थिर सम्पत्तिलाई ऐतिहासिक लागत अवधारणाको आधारमा, सम्पत्ति प्राप्तिसंग सम्बन्धित खर्चहरू समेत सोही स्थिर सम्पत्तिमा समावेश गरी पूँजीकरण गरिएको छ ।
- जग्गामा ह्रासकट्टी गरिएको छैन ।
- स्थिर सम्पत्तिहरूमा आयकर ऐन, २०५८ मा उल्लेखित घट्दो शेष प्रणाली (Diminishing Balance Method) नीति तथा निम्न बमोजिम दरमा ह्रासकट्टी गरिएको छ ।

स्थिर सम्पत्तिको प्रकार	ह्रासकट्टी प्रतिशत
भवन	५
कार्यालय सामान तथा कम्प्युटर उपकरण	२५
परिवहन साधन	२०
मेशिनरी (जेनेरेटर, एटिएम मेशिन आदि)	१५

- पट्टा विकास (Leasehold Development) खर्चलाई आयकर ऐन, २०५८ बमोजिम पट्टा अवधिको आधारमा ह्रासकट्टी गर्ने नीति अवलम्बन गरिएको छ ।



७. आयकर व्यवस्था नीति

- आयकर ऐन, २०५८ र आयकर नियमावली, २०५९ (संशोधनसहित) को व्यवस्था अनुसार करयोग्य आयको हिसाब गरी चालु आयकर (current tax) को व्यवस्था गरिएको छ। अन्तिम कर निर्धारण हुँदा सो व्यवस्था रकम भिन्न भएमा सोही अनुरूप सम्बन्धित वर्षमा आवश्यक समायोजन हुनेछ।
- लेखांकन गरिएको रकम (Accounting Base) र आयकर ऐन, २०५८ अनुसार गणना गरिएको कर आधार (Tax Base) रकममा हुने अस्थायी फरक तथा दावीयोग्य करसम्बन्धी नोक्सानीलाई नेपाल लेखामान ९ अनुसार स्थगन गरिएको कर (Deferred Tax) खर्च/आम्दानी र स्थगन गरिएको कर सम्पत्ति/दायित्वको व्यवस्था गर्ने लेखा नीति रहेको छ। यसबाहेक भविष्यमा यथेष्ट करयोग्य आयसंग समायोजन गर्न बाँकी कर नोक्सानीको लागि पनि स्थगन कर सम्पत्तिको सिर्जना गर्ने नीति रहेको छ।

८. लगानीसम्बन्धी नीति

- (क) ललितपुर फाइनेन्स लिमिटेडको पूरा अवधिसम्म राख्ने अभिप्राय (Long Term Holding Motive) ले गरेको लगानीलाई अपलेखित लागतमा मूल्यांकन गर्ने नीति रहेको छ। परल मूल्यबाट क्षति घटाएर अपलेखित लागत गणना गरी क्षतिलाई सम्बन्धित अवधिको नाफा/नोक्सानखातामा समावेश गर्ने नीति रहेको छ।
- (ख) अल्पकालमा मूल्यमा हुने परिवर्तनबाट नाफा आर्जन गर्ने उद्देश्यले गरेको व्यापारिक लगानी (Held for Trading) लाई बजार मूल्यअनुसार दैनिक रुपमा मूल्यांकन गर्ने र मूल्यमा हुने भिन्नतालाई नाफा/नोक्सान खातामा समावेश गर्ने नीति रहेको छ।
- (ग) व्यापारिक लगानी (Held for Trading) र भुक्तानी मितिसम्म धारण गर्ने लगानी (Held to Maturity) अन्तर्गत नपर्ने सम्पूर्ण लगानीलाई बिक्रीको लागि उपलब्ध लगानी (Available for Sale) को रुपमा वर्गीकरण गरी बजारदरअनुरूप नियमित रुपमा मूल्यांकन (Marked to Market on Regular Basis) गरी भिन्नतालाई जगेडा मार्फत समायोजन गर्ने नीति रहेको छ। बिक्रीको लागि उपलब्ध लगानी पोर्टफोलियो (Available for Sale Portfolio) को सम्मको रकम पूरक पुँजी (Supplementary Capital) मा गणना हुने लगानी समायोजन कोष (Investment Adjustment Reserve) खडा गरी राख्ने नीति रहेको छ।
- (घ) लगानीलाई लागत वा बजार मूल्यमध्ये जुन कम हुन्छ, सोही रकममा मूल्यांकन गरी सोहीअनुसार लेखांकन गर्ने नीति रहेको छ। धितोपत्र विनिमय बजारमा सूचीकृत नभएको शेयरमा गरिएको लगानीलाई लागत मूल्यमा मूल्यांकन गरी सोहीअनुसार लेखांकन गर्ने नीति रहेको छ।

९. सटही घटबढ समायोजन नीति

यस वित्तीय संस्थाले विदेशी मुद्राको कारोबार नगर्ने हुनाले सटही घटबढ समायोजन नीति तर्जुमा गरिएको छैन।

१०. गैर बैकिङ्ग सम्पत्तिको लेखांकन नीति

धितोमा रहेको सम्पत्ति लिलाम बिक्रीबाट संस्थाको कर्जा असुल गर्ने प्रक्रिया अपनाउँदा बिक्री हुन नसकेको सम्पत्ति (घर तथा जग्गा) नेपाल सरकारका स्थानीय प्रतिनिधि तथा प्राविधिकहरूको रोहवरमा सकार गर्दा धितोको प्रचलित बजार मूल्य वा धितो सकार गर्ने अघिल्लो दिन सम्मको सम्पूर्ण लेना रकममध्ये जुन कम हुन्छ, सोही मूल्यमा मूल्याङ्कन गरी वित्तीय संस्था आफैले सकारी उल्लेखित सम्पत्ति आफ्नो नाममा नामसारी गरी गैरबैकिङ्ग सम्पत्तिमा देखाइने नीति लिइएको छ। गैरबैकिङ्ग सम्पत्तिहरूमा सम्भावित नोक्सानी व्यवस्था नेपाल राष्ट्र बैंकको निर्देशिका बमोजिम गरिएको छ।

११. पूँजीकृत नगरिने सम्पत्तिहरूसम्बन्धी लेखाङ्कन नीति

रु.१,००० सम्म मूल्य भएका उपकरण तथा सामानहरू खरीद गर्दा पूँजीकृत नगरी खरिद गरेकै वर्षमा नाफा नोक्सान हिसाबमा खर्च लेख्ने नीति लिइएको छ।

१२. आम्दानी/खर्च लेखाङ्कन गर्ने नीति

क) ब्याज गणनाको आधार : कर्जा सापटको ब्याज आम्दानीलाई नगद प्राप्तिको आधार (Cash Basis) मा आम्दानी जनाउने गरिएको छ, जुन नेपाल लेखामानअनुसार छैन। असुल हुन बाँकी ब्याज रकमलाई ब्याज मुलतवी खातामा लेखाङ्कन गर्ने नीति अबलम्बन गरिएको छ। लगानीबाट प्राप्त ब्याज आम्दानीलाई प्रोदभावी आधार (Accrual Basis) मा लेखांकन



गर्ने नीति रहेको छ ।

ख) लाभांश, शुल्क तथा कमिशन आम्दानी : कमिशन तथा अन्य आम्दानीलाई प्रोदभावी आधारमा लेखाङ्कन गरिएको छ । साथै, लाभांश तथा सेवा शुल्कलाई नगद आधारमा लेखांकन गर्ने नीति अवलम्बन गरिएको छ ।

ग) ब्याज खर्च : ब्याज तिर्नुपर्ने निक्षेप दायित्व तथा कर्जा सापटमा तिर्नुपर्ने ब्याज रकमलाई प्रोदभावी आधारमा लेखांकन गर्ने नीति रहेको छ ।

**१३. सम्भावित कर्जा नोक्सानी व्यवस्था तथा असुली हुन नसक्ने कर्जाहरूको अपलेखन नीति**

कर्जा तथा सापटमा निहित जोखिमलाई न्यूनीकरण गर्न कर्जा सापटलाई नेपाल राष्ट्र बैंकको निर्देशिका अनुसार वर्गीकरण गरी नियमानुसार १ देखि १०० प्रतिशतसम्म सम्भावित कर्जा नोक्सानी बापत व्यवस्था गरिएको छ । साथै असुल हुन नसक्ने कर्जाहरूको हकमा नेपाल राष्ट्र बैंकको निर्देशिका अनुसार खराब श्रेणीमा वर्गीकृत कर्जालाई नेपाल राष्ट्र बैंकद्वारा स्वीकृत वित्तीय संस्थाको कर्जा अपलेखन विनियमावलीको अधीनमा रहि सो ऋण उपर वित्तीय संस्थाको दावीलाई अविच्छिन्न राखी किताबी अपलेखन गरिन्छ ।

तर चालु पूँजी प्रकृतिका कर्जाहरूमा प्राप्त हुनुपर्ने ब्याज नियमित नभएको अवस्थामा त्यस्तो कर्जालाई ब्याज बक्यौता अवधिको आधारमा वर्गीकरण गर्ने र सोअनुरूप कर्जा नोक्सानी व्यवस्था गर्ने गरिएको छैन ।

**१४. मर्चेन्ट बैंकिंग कारोबारसम्बन्धी नीति**

मर्चेन्ट बैंकिंग कारोबार सम्बन्धमा कुनै संगठित संस्थाको धितोपत्र निष्कासन हुँदा शेयर संकलन केन्द्रको रुपमा काम गर्ने गरेको र सोबाट प्राप्त कमिशनलाई नगद प्राप्तिको आधारमा मात्र आम्दानी जनाउने गरिएको छ ।



ललितपुर फाइनेन्स लिमिटेड  
ललितपुर, नेपाल

अनुसूची ४.३३

ख) लेखासम्बन्धी टिप्पणीहरू :

१. कर्जा तथा सापट प्रवाह, असुली तथा अपलेखनको सारांश

रु. हजारमा

विवरण	२०७४/७५	२०७३/७४
शुरुको मौज्दात	३७८,०४८	५९६,७८५
यस वर्षमा कर्जा प्रवाह	१५९,५६०	-
जम्मा	५३७,६०८	५९६,७८५
यस वर्षको असुली	७०,०३६	२१८,७३७
कर्जा अपलेखन	-	-
कर्जा बांकी	४६७,५७२	३७८,०४८

२. ब्याज आम्दानी, असुली तथा अपलेखनको सारांश

विवरण	२०७४/७५	२०७३/७४
गत वर्ष सम्म असुल हुन बांकी ब्याज	२२०,७१२	२८७,२२२
यस वर्षको ब्याज आम्दानी	३८,५३१	४५,८०८
जम्मा	२५९,२४३	३३३,०३०
यस वर्ष ब्याज असुली	१४,५७४	११२,३१८
वर्षान्तमा असुल हुन बांकी ब्याज	२४४,६६९	२२०,७१२

नेपाल राष्ट्र बैंकको निर्देशानुसार २०७५ आषाढ मसान्तसम्ममा उपरोक्तानुसार असुल गर्न बांकी रहेको ब्याज रकम रु. २४४,६६९ हजारलाई ब्याज मूलतवी हिसावमा देखाईएकोछ ।

३. भारित औसत ब्याजदर अन्तर

विवरण	रकम रु.	ब्याज रु.	औषत ब्याजदर
कर्जा तथा सापट	४६८,७७३,०५०।५७	३८,५३०,६२३।१७	८।२२%
निक्षेप	२८७,९६८,२९९।९९	१५,१७५,७७२।८०	५।२७%
खुद ब्याजदर अन्तर			२।९५%

४. निक्षेप दायित्वसम्बन्धी विवरण

यस वर्षमा निक्षेप दायित्वमा भएको परिवर्तन निम्नानुसार रहेको छ:

रु हजारमा

विवरण	गत वर्षको बांकी	यसवर्ष थप/घट(खुद)	यस वर्षान्तको बांकी
१. मुद्दती निक्षेप	२,५२,६९	९,०५,७४	११,५८,३५
२. वचत निक्षेप	१०,२४,२३	६,९७,१०	१७,२१,३३
३. अन्य	००	००	००
जम्मा	१२,७६,८४	१६,०२,८४	२८,७९,६८





५. सम्पत्ति अपलेखनसम्बन्धी विवरण

लिजहोल्ड सम्पत्तिमा गत वर्षसम्म अपलेखन गरिएको रकम रु. ६,५२,०८९।- र यस वर्ष अपलेखन गरिएको रु.३,५४,०००।- रहेको छ ।

६. स्थगन कर सम्पत्ति वा दायित्व

स्थगन कर सम्पत्ति तथा दायित्व मापन गर्नको लागि निम्नलिखित अस्थायी अन्तरहरु पहिचान गरिएका छन् :

विवरण	वासलातको रकम	कर आधार	अस्थाई फरक
लगानी	१२,४३३,९७५	१५,५६८,७०८	३,१३४,७३३
स्थिर सम्पत्ति	४,२८२,६२८	४,५९८,६९९	३१६,०७१
<b>जम्मा सम्पत्ति</b>	<b>१६,७१६,६०३</b>	<b>२०,१६७,४०७</b>	<b>३,४५०,८०४</b>
सम्पत्तिमा अस्थाई फरक			३,४५०,८०४
दायित्वमा अस्थाई फरक			-
खुद अस्थाई फरक			३,४५०,८०४
स्थगन कर दायित्व यस वर्षसम्मको			१,०३५,२४१
स्थगन कर दायित्व गत वर्षसम्मको			५६८,२२९
यस वर्ष स्थगन कर			४६७,०१२

७. कल्स इन एडभान्स

प्रस्तुत वर्षमा कल्स इन एडभान्स परिवर्तन भएको छैन ।

८. आयकर व्यवस्था

आयकर व्यवस्था तथा वित्तिय नाफा र करयोग्य आय बीच फरकको हिसाब मिलान निम्नानुसार रहेको छ ।

		रकम
सम्पूर्ण कारोबार समावेश पछिको खुद नाफा		७९,०००,२६६
कर्मचारी बोनस व्यवस्था		७,९८१,८४२
वित्तिय नाफा		७१,८१८,४२३
मरम्मत संभार		१५,८२६
आर्थिक विवरणको अनुसूची अनुसार मरम्मत संभार खर्च	२१९,५०४	
आयकर ऐन २०५८ बमोजिम मिन्हा हुने मरम्मत संभार खर्च	२०३,६७८	
ह्रास खर्च		१७७,५८४
आर्थिक विवरणको अनुसूची अनुसार ह्रास खर्च	१,१५२,२५५	
आयकर ऐन २०५८ बमोजिम मिन्हा हुने ह्रास खर्च	९७४,६७१	
जोखिम व्यहोर्ने कोष व्यवस्था		(८१,४२१,९०७)
आर्थिक विवरणको अनुसूची अनुसार जोखिम व्यहोर्ने कोष व्यवस्था	(७६,९८७,०७९)	
आयकर ऐन २०५८ बमोजिम मिन्हा हुने रकम	४,४३४,८२८	
लाभांश आम्दानी		(९६०,१००)
मिन्हा नहुने खर्चहरु		३८३,४२५
चन्दा	१००	
अपलेखन भएको स्थिर सम्पत्ति	३५७,६९२	
जरिवाना	२५,६३३	
गत आ.व. बाट जिम्मेवारी सरेको व्यवसायको नोक्सानी (दफा २०.१ख)		-
करयोग्य आय		(९,९८६,७४८)
आयकर व्यवस्था ३० प्रतिशतले		-



८. सम्बद्ध व्यक्ति/समूहबारे जानकारी

८.१ सम्बद्ध कम्पनी

यस वित्तीय संस्थाको सहायक कम्पनी रहेको छैन ।

८.२ प्रमुख व्यवस्थापन कर्मचारी र तिनलाई प्रदान गरिएको पारिश्रमिक र सुविधा

नाम	पद	चालु तलब भत्ता र सुविधा	बोनस तथा क.सं.कोष	जम्मा
सुरेन्द्र बहादुर न्हुच्छे प्रधान	प्रमुख कार्यकारी अधिकृत	१४,१२,५००	९०,०००	१५,०२,५००

८.३ सञ्चालक र तिनलाई प्रदान गरिएको पारिश्रमिक र सुविधा

विवरण	बैठकको संख्या	बैठक भत्ता
सञ्चालक समितिको बैठक	१५	२,३६,०००
अन्य खर्च		-

१०. पूँजीकोष

नेपाल राष्ट्र बैंकको निर्देशन अनुसार पूँजीकोष गणना गर्दा यस वर्षान्तमा २२.५४ प्रतिशत पूँजीकोष कायम भएको छ ।

१२. कर्मचारी बोनस व्यवस्था

प्रस्तुत वर्षमा बोनस ऐन बमोजिम कर्मचारी बोनस व्यवस्था गरिएको छ ।

१३. पूँजी वृद्धि योजना सम्बन्धमा:

संस्थाको मिति २०७४।१।२८ गते बसेको संचालक समितिको ३५८ औं बैठकको निर्णयानुसार यस संस्थाको चुक्ता पूँजी दुई वर्ष (मिति २०७६।८।१८ भित्रमा) पुर्याउनु पर्ने ने.रा.बैंकको निर्देशन बमोजिम यस संस्थाले एक वरावर एक (१:१) को अनुपातमा हकप्रद शेयर जारी गर्नका लागि स्वीकृति प्राप्तभै सो प्रकृया अगाडि वढाई सकेको र सो जारी भए पश्चात यसै आ.व.२०७४।०७ मा संस्थाको चुक्ता पूँजी रु.३७,५८,९०,६००। पुग्ने र तत्पश्चात आगामी आ.व.२०७५।०७ मा पुनः एक वरावर एक दसमलव तेह्र (१:१.१३) वा आवश्यक अनुपातमा हकप्रद शेयर जारी गरी संस्थाको पूँजी रु.८० करोड पुर्याउने साथै संस्थाको आगामी वार्षिक साधारण सभाबाट अन्य बैंक तथा वत्तीय संस्थाहरूसंग मर्जर वा एक्विजिशनमा जान सक्ने गरी प्रस्ताव पेश गरी सो विकल्पहरु समेत खुला राखि वा आवश्यकतानुसार अवलम्बन गरी तोकिएको चुक्ता पूँजी पुर्‍याउने गरी ने.रा.बैंकमा पूँजी वृद्धि योजना पेश गरि सकिएको छ ।

१४. अन्य आवश्यक जानकारी

क) कर्मचारी सेवाशर्त नियमावली अनुसार ३ वर्ष स्थायी सेवा पूरा गरिसकेका कर्मचारीहरुको लागि उपदान योगदान वापत् यस वर्ष रु. १,८२ हजार नाफा नोक्सान हिसाबमा खर्च देखाइएको छ ।

ख) गत वर्षका अंकहरु आवश्यकता अनुसार पुनर्वर्गीकरण गरिएको छ तथा अंकहरुलाई निकटतम रुपैयाँमा देखाइएको छ ।



**ललितपुर फाइनेन्स लिमिटेड**

ललितपुर, नेपाल

संस्थापक र संस्थापक समूहका शेयरधनीले आफ्नो स्वामित्वमा रहेको शेयर अन्य बैंक तथा वित्तीय संस्थामा धितो राखि कर्जा लिएको विवरण

२०७५ साल आषाढ मसान्त

अनुसूची ४.३४

क्र.सं.	संस्थापक/संस्थापक समूह अन्तर्गत पर्ने शेयरधनीको नाम	संस्थापकको स्वामित्वमा कायम रहेको शेयर		कर्जा विवरण			कैफियत
		कुल कित्ता संख्या	कुल चुक्ता पूँजीको प्रतिशत	कर्जा लिएको अन्य बैंक/वित्तीय संस्थाको नाम	कर्जा रकम	धितोमा रहेको शेयर कित्ता संख्या	
	जम्मा	-	-				



Lalitpur Finance Ltd.

Comparison of Unaudited & Audited Financial Statement as of F/Y 2074/075

Rs.'000'

Particulars	Unaudited	Audited	Variance		Reasons for Variance
			Amount	%	
1. Total Capital and Liabilities(1.1 to 1.7)	791,653	489,229	(302,424)	-38.20	
1.1 Paid-up Capital	236,875	236,875	0	0.00	
1.2 Reserve and Surplus	(76,153)	(84,141)	(7,988)	10.49	
1.3 Debentures and Bond					
1.4 Borrowings					
1.5 Deposits(a+b)	287,968	287,968	(0)	0.00	
a) Domestic Currency	287,968	287,968	(0)	0.00	
b) Foreign Currency					
1.6 Income Tax Liability		-	-		
1.7 Other Liability	342,963	48,527	(294,436)	-85.85	Provision of Staff Bonus, Loss Provisions
2. Total Assets(2.1 to 2.7)	791,652	489,228	(302,424)	-38.20	
2.1 Cash and Bank Balances	267,314	272,518	5,204	1.95	Interest on Bank Balances
2.2 Money at Call and Short Notice					
2.3 Investments	15,569	12,434	(3,135)	-20.13	Loss provision
2.4 Loan and Advances	467,573	169,483	(298,090)	-63.75	Loss provision
a. Real Estate Loan	114,515	19,600			Loan Loss provision
1. Residential Real Estate Loan (Except Personal Home Loan upto Rs.1 Crore)					
2. Business Complex & Residential Apartment Construction Loan					Loan Loss provision
3. Income Generating Commercial Complex Loan					
4. Other Real Estate Loan (Including Land Purchase & Plotting)	114,515	19,600			Loan Loss provision
b. Personal Home Loan of Rs.1 Crore or Less	23,412	59,241			Loan Loss provision
c. Margin Type Loan	22,564	22,564			Loan Loss provision
d. Term Loan	69,260	29,684			Loan Loss provision
e. Overdraft Loan/TR Loan/WC Loan					
f. Others	237,822	38,394		0.00	
2.5 Fixed Assets	4,283	4,283	(0)	0.00	
2.6 Non-Banking Assets		-	-		
2.7 Other Assets	36,915	30,511	(6,405)	-17.35	
3. Profit and Loss Account					
3.1 Interest Income	38,531	38,531	0	0.00	
3.2 Interest Expenses	15,176	15,176	0	0.00	
A. Net Interest Income(3.1-3.2)	23,355	23,355	0	0.00	
3.3 Fees, Commission and Discount	5	0	(5)		
3.4 Other Operating Income	1,810	1,822	13		
3.5 Foreign Exchange Gain/Loss (Net)					
B. Total Operating Income(A+3.3+3.4+3.5)	25,169	25,177	8	0.03	
3.6 Staff Expenses	11,065	11,159	95	0.85	
3.7 Other Operating Expenses	9,447	9,352	(95)	-1.00	
C. Operating Profit Before Provision (B-3.6-3.7)	4,658	4,666	8	0.17	
3.8 Provision for Possible Losses	3,147	1,561	(1,586)		Additional Provision for Investments
D. Operating Profit (C-3.8)	1,511	3,104	1,594	105.51	
3.9 Non Operating Income/Expenses(Net)	(2,287)	(2,295)	(8)	-0.01	
3.10 Write Back of Provision for Possible Loss	86,343	78,548	(7,795)	-9.11	Write back of LLP, NBA & Investments
E. Profit from Regular Activities(D+3.9+3.10)	85,567	79,358	(6,209)	-7.26	
3.11 Extraordinary Income/Expenses(Net)	-358	(358)	(0)		
F. Profit before Bonus and Taxes(E+3.11)	85,209	79,000	(6,209)	-7.29	
3.12 Provision for Staff Bonus	(7,746)	(7,182)	564		
3.13 Provision for Tax		(467)	(467)		
Net Profit/Loss (F-3.12-3.13)	77,463	71,351	97	0.13	



SANJAY CHAUDHARY & ASSOCIATES  
CHARTERED ACCOUNTANTS

Mahalaxmi-5, Tikathali  
Lalitpur, Nepal

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LALITPUR FINANCE LIMITED

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Lalitpur Finance Limited (hereinafter referred to as "the Financial Institution") which comprise the Statement of Financial Position as at Asar 31, 2076 (July 16, 2019), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial statements").

In our opinion, and to the best of our information and according to the explanations given to us, and subject to the effect of matters mentioned in Basis of Qualified Opinion section, the aforesaid financial statements presents fairly, in all material respects, the financial position of the Financial Institution as at Asar 31, 2076 (July 16, 2019) and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Companies Act, 2063 and Bank and Financial Institution Act, 2073.

#### Basis of Qualified Opinion

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Financial Institution in accordance with the Handbook of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the 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 audit opinion on the financial statements.

On review of the financial statements of the institution, we noted following major issues which are not rectified by the management of the financial institution. Considering the effects of these issues, we consider to issue qualified audit report.

1. The financial institution was failed to maintain paid up capital of Rs. 80 crore at the current year end as prescribed under NRB Directions and could not increase paid up capital by right issue as per its capital plan.
2. The financial institution has not treated un-recovery of legal expenses, insurance premium expenses and other service charges Rs. 1,218,101 as Force Loan receivable from loanees since long time.
3. Cost of cabins, partitions and temporary structures are not to be treated as fixed assets. These items neither have long useful life and nor be repairable for reuse. These items are usually in nature of use and throw and their economic benefits are exhausted within a year. The financial institution should remove items in nature of office upkeep and maintenance from fixed assets.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in the audit of the financial statements of the current period. Those 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.

1. Credit Monitoring System: Realizing the necessity of credit monitoring systems to prevent the loan from being downgraded and having updated information about the borrower, the credit department in coordination with the credit committee reviews and monitors the use of the credit and also periodically reviews the borrower's overall financial soundness and capability of payment his installments as per necessity. However the current practice of the financial institution in regard to the inspection of collateral, their existence, verification of the ownership, follow up for overdue principal and interest and recoverability of loans and advances is not sufficient. To overcome deficiencies pointed out in our preliminary audit report, the financial institution should ensure that such inspection reflects the actual recoverability status of the mortgaged assets and suitable corrective measures should be taken in time to ensure recoverability of loans and advances. It should pay much and serious attention for recovery of overdue loans.
2. Effectiveness of Risk Management Committee: The risk management committee analyses the risk identified and probable risk that may arise covering all aspects such as market risk, credit risk, liquidity risk, operation risk, etc. Only one meeting of the committee has been conducted during the current financial year. The Committee was not effective to review credit risk, market risk and taking risks mitigating measures so that the financial institution was not exposed to excess risks. Considering the scope of activities, the effectiveness of the risk management committee is not reasonable in the sense that it does not conduct the meeting as per requirement nor identify various risks and develop the strategic plan to mitigate such risks.
3. Effectiveness of the Audit Committee: The audit committee has not taken up the required business and regular meeting has not been found conducted. The committee never reviewed company's financial condition; internal controls; audit program; risk management system; compliance of BAFIA, NRB Directives and its own rules; efficiency and effectiveness of its operations. Hence the Audit Committee was not found effective.



#### Other Information

1. The financial institution should recommend the KarjaSuchana Kendra Ltd. to blacklist the borrowers with principal overdue amount Rs. 25,825,000 and interest overdue amount Rs. 7,470,568 as stated in our preliminary audit report and personal guarantor of such borrower to be in compliance with the provisions of the NRB Directives.
2. The financial institution should recover expired loans as mentioned on our preliminary audit report principal overdue amount Rs. 269,430,959 and interest overdue amount Rs. 253,308,000.
3. The financial institution should take adequate medical insurance coverage under Section 54 and adequate accidental insurance coverage of its employees under Section 55 of the Labour Act, 2074.
4. As mentioned in our preliminary audit report, staff advance Rs. 669,920 has not been settled since long time.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Financial Institution's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management Report, Report of the Board of Directors and Chairman's Statement but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 and error.

In preparing the financial statements, management is responsible for assessing the Financial Institution's ability to continue as 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 Financial Institution or to cease the operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Financial Institution'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 a 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism through the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Financial Institution'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 auditor's report. However, future events or conditions may cause the Financial Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Financial Institution to express an opinion in the financial statements. We are responsible for the direction, supervision and performance of the Financial Institution audit. We remain solely responsible for our audit opinion.



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 the relevant ethical requirement 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.

#### Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The Statement of Financial Position, Statement of Profit or Loss (including Other Comprehensive Income), Statement of Cash Flows and attached Schedules dealt with by this report are prepared as per procedure and format prescribed by Nepal Rastra Bank and agree with the books of account maintained by the Financial Institution.
- iii. The proper books of accounts as required by the law have been maintained by the Financial Institution.
- iv. During our examination of the books of account of the Financial Institution, we have not come across any cases where any office holder of the Financial Institution has acted contrary to the provisions of law or caused loss or damage to the Financial Institution.
- v. The Financial Institution has been functioning as per the Directives of Nepal Rastra Bank.
- vi. We have not come across any fraudulence in the accounts, based on our sample examination of the books.
- vii. Non-performing loan is beyond the limit prescribed by NRB Directives.
- viii. The financial institution is required to appoint independent director under Section 14(3) of the BAFIA, 2073 and under Section 86(3) of the Companies Act, 2063.
- ix. As per Rule 56(4)(ka) of the Labor Rules 2075, the financial institution is required to submit labor audit report to the Labour Relation Committee and Nepal Rastra Bank.
- x. The financial institution needs to have effective recovery process to recover defaulted and bad loans and overdue interests under NRB direction in the interests of depositors and investors.

**For, Sanjay Chaudhary & Associates**

Chartered Accountants



Sanjay Kumar Chaudhary, FCA

Principal

Dated: 2021-03-25

Lalitpur, Nepal

UDIN: 210325CA00508kp3j3



**Lalitpur Finance Limited**  
Statement of Financial Position  
As on 31 Asar 2076 (As at 16 July 2019)

Particulars	Note	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
<b>Assets</b>				
Cash and cash equivalent	4.1	281,005,849	248,281,538	24,465,519
Due from Nepal Rastra Bank	4.2	18,084,694	24,236,423	176,548,255
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	-	-	-
Loans and advances to customers	4.7	139,355,352	176,781,122	9,464,710
Investment securities	4.8	11,786,285	12,433,975	13,878,300
Current tax assets	4.9	4,789,271	4,835,644	11,038,422
Investment in subsidiaries	4.10	-	-	-
Investment in associates	4.11	-	-	-
Investment property	4.12	-	-	2,028,503
Property and equipment	4.13	6,037,641	3,876,580	2,125,662
Goodwill and Intangible assets	4.14	319,037	406,047	-
Deferred tax assets	4.15	1,404,975	1,035,241	169,390
Other assets	4.16	22,563,067	20,915,916	23,599,773
<b>Total Assets</b>		<b>485,346,171</b>	<b>492,802,485</b>	<b>263,318,534</b>
<b>Liabilities</b>				
Due to Bank and Financial Institutions	4.17	5,849,604	25,005,479	-
Due to Nepal Rastra Bank	4.18	-	-	-
Derivative financial instruments.	4.19	-	-	-
Deposits from customers	4.20	302,126,091	266,572,781	128,791,453
Borrowing	4.21	-	-	-
Current Tax Liabilities	4.9	-	-	6,212,384
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	-	-
Other liabilities	4.23	31,172,685	43,322,443	39,853,286
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
<b>Total liabilities</b>		<b>339,148,380</b>	<b>334,900,703</b>	<b>174,857,123</b>
<b>Equity</b>				
Share capital	4.26	187,945,313	187,945,313	187,945,313
Share premium		-	-	-
Retained earnings		(230,890,518)	(214,763,163)	(270,243,532)
Reserves	4.27	189,142,995	184,719,632	170,759,630
<b>Total equity attributable to equity holders</b>				
Non-controlling interest				
<b>Total equity</b>		<b>146,197,790</b>	<b>157,901,782</b>	<b>88,461,411</b>
<b>Total liabilities and equity</b>		<b>485,346,171</b>	<b>492,802,485</b>	<b>263,318,534</b>
Contingent liabilities and commitment	4.28			100,000

As per our report of even date

**Naresh Kumar Shrestha**  
Director

**Deepak Maharjan**  
Chairman

**Bishnu Prasad Bhetwal**  
Director

**CA. Sanjay Chaudhary**  
Principal

Sanjay Chaudhary & Associates

**Sabin Ghimire**  
Director

**Uttam Aryal**  
Director

**Chandra Shekhar Khadka**  
Acting Chief Executive Officer/Company Secretary

**Jabin Ranjit**  
Finance Head





**Lalitpur Finance Limited**  
Statement of Profit or Loss  
For the year ended 31 Asar 2076 (As at 16 July 2019)

Particulars	Note	Current Year	Previous Year
Interest income	4.29	68,686,737	40,952,885
Interest expense	4.30	30,420,213	15,175,773
<b>Net interest income</b>		<b>38,266,524</b>	<b>25,777,112</b>
Fee and commission income	4.31	1,458,705	1,814,353
Fee and commission expense	4.32	-	-
<b>Net fee and commission income</b>		<b>1,458,705</b>	<b>1,814,353</b>
<b>Net interest, fee and commission income</b>		<b>39,725,229</b>	<b>27,591,465</b>
Net trading income	4.33	-	-
Other operating income	4.34	1,066,651	(2,286,842)
Total operating income		40,791,880	25,304,623
Impairment charge/(reversal) for loans and other losses	4.35	20,821,460	(76,519,918)
<b>Net operating income</b>		<b>19,970,420</b>	<b>101,824,541</b>
<b>Operating expense</b>			
Personnel expenses	4.36	18,444,673	22,938,295
Other operating expenses	4.37	10,102,373	6,910,736
Depreciation & Amortisation	4.38	1,758,798	1,152,254
<b>Operating Profit</b>		<b>(10,335,425)</b>	<b>70,823,256</b>
Non operating income	4.39	-	-
Non operating expense	4.40	-	357,692
<b>Profit before income tax</b>		<b>(10,335,425)</b>	<b>70,465,564</b>
Income tax expense	4.41		
Current Tax		46,373	-
Deferred Tax		(175,427)	1,397
<b>Profit for the year</b>		<b>(10,206,371)</b>	<b>70,464,167</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		(10,206,371)	70,464,167
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>(10,206,371)</b>	<b>70,464,167</b>
Earnings per share			
Basic earnings per share		-5.43	37.49
Diluted earnings per share		-5.43	37.49

As per our report of even date

**Naresh Kumar Shrestha**  
Director

**Deepak Maharjan**  
Chairman

**Bishnu Prasad Bhetwal**  
Director

**CA. Sanjay Chaudhary**  
Principal

Sanjay Chaudhary & Associates

**Sabin Ghimire**  
Director

**Uttam Aryal**  
Director

**Chandra Shekhar Khadka**  
Acting Chief Executive Officer/Company Secretary

**Jabin Ranjit**  
Finance Head



**Lalitpur Finance Limited**  
Statement of Other Comprehensive Income  
For the year ended 31 Asar 2076 (As at 16 July 2019)

Particulars	Note	Current Year	Previous Year
<b>Profit for the year</b>		(10,206,371)	70,464,167
<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		(647,690)	(2,890,826)
Gains/(losses) on revaluation			
Actuarial gain/loss on defined benefit plans		(1,044,239)	999,784
Income tax relating to above items		194,307	867,248
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>(1,497,622)</b>	<b>(1,023,794)</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
Gains/(losses) on cash flow hedge			
Exchange gains/(losses) (arising from translating financial assets of foreign operation)			
Income tax relating to above items			
Reclassify to profit or loss			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>		-	-
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>		-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>(1,497,622)</b>	<b>(1,023,794)</b>
<b>Total Comprehensive Income for the year</b>		<b>(11,703,993)</b>	<b>69,440,373</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		(11,703,993)	69,440,373
Non-controlling interest			
<b>Total comprehensive income for the year</b>		<b>(11,703,993)</b>	<b>69,440,373</b>

**Naresh Kumar Shrestha**  
Director

**Deepak Maharjan**  
Chairman

**Bishnu Prasad Bhetwal**  
Director

As per our report of even date

**CA. Sanjay Chaudhary**  
Principal

Sanjay Chaudhary & Associates

**Sabin Ghimire**  
Director

**Uttam Aryal**  
Director

**Chandra Shekhar Khadka**  
Acting Chief Executive Officer/Company Secretary

**Jabin Ranjit**  
Finance Head



Lalitpur Finance Limited  
Statement of cash flows  
For the year ended 31 Asar 2076

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	53,962,355	23,609,662
Fees and other income received	1,458,705	1,814,353
Dividend received	-	-
Receipts from other operating activities	58,600	7,980
Interest paid	(30,420,770)	(12,672,880)
Commission and fees paid	-	-
Cash payment to employees	(18,122,546)	(38,151,035)
Other expense paid	(19,518,824)	13,227,020
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(12,582,480)</b>	<b>(12,164,900)</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank	6,151,729	152,311,832
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	18,412,097	(89,524,705)
Other assets	(3,454,938)	1,412,089
	21,108,888	64,199,216
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions	(19,155,875)	25,005,479
Due to Nepal Rastra Bank	-	-
Deposit from customers	35,553,310	137,781,328
Borrowings	-	-
Other liabilities	(2,059,919)	(3,318,085)
	14,337,516	159,468,723
<b>Net cash flow from operating activities before tax paid</b>	<b>22,863,924</b>	<b>211,503,039</b>
Income taxes paid	-	(9,606)
<b>Net cash flow from operating activities</b>	<b>22,863,924</b>	<b>211,493,433</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(1,237,775)	4,010,387
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(3,832,849)	(6,807,915)
Receipt from the sale of property and equipment	-	-
Purchase of intangible assets	-	(760,947)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	13,922,960	14,920,961
Dividend received	1,008,051	960,100
<b>Net cash used in investing activities</b>	<b>9,860,387</b>	<b>12,322,586</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	-	-
Interest paid	-	-
Other receipt/payment	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>32,724,311</b>	<b>223,816,019</b>
Cash and cash equivalents at Sawan 1, 2075	248,281,538	24,465,519
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash and cash equivalents at Asar end 2076</b>	<b>281,005,849</b>	<b>248,281,538</b>



**Lalitpur Finance Limited**  
**Notes to the financial statements**  
**for the year ended 31 Asar 2076**

**1. Reporting Entity**

Lalitpur Finance Limited (hereinafter referred to as “the Financial Institution”) is a public limited company domiciled in Nepal which has been in operation since 1995 AD. It’s registered and corporate office is at Lagankhel-05, Lalitpur, Nepal. It is established under the Finance Company Act 2042 and Company Act 2053 and has been performing its functions effectively under the guidance and license from Nepal Rastra Bank (Central Bank) as a Class “Ga” licensed institution. It is listed on Nepal Stock Exchange and its stock symbol is “LAFIN”.

The Financial Institution offers financial services such as loans and advances and deposits to wide range of clients encompassing individuals and corporate. The financial statements for the year ended on 16 July 2019 (Ashadh 31, 2076) are authorized for issue by the management 2077-12-12. The Board of Directors acknowledges the responsibility of preparation of financial statements of the institution.

**2. Basis of Preparation**

The Financial statements of the Financial Institution have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2075.

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

**2.1 Statement of Compliance**

The Financial statements have been prepared 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) and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2075.

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

**2.2 Reporting period and approval of financial statements**

The Financial Institution has, for the preparation of financial statements, adopted the NFRS with effect from fiscal year 2075/76. To comply the NFRS provisions following dates have been considered, in terms of first time adoption.

Relevant Financial Statement	Nepalese Calendar	English Calendar
Opening NFRS SFP* date	1 Shrawan 2074	16 July 2017
Comparative SFP* Date	32 Ashad 2075	16 July 2018
Comparative reporting period	1 Shrawan 2074-32 Ashad 2075	16 July 2017 -16 July 2018
First NFRS SFP* Date	31 Ashad 2076	16 July 2019
First NFRS reporting period	1 Shrawan 2075- 31 Ashad 2076	17 July 2018-16 July 2019
*SFP- Statement of Financial Position		

The \_\_\_<sup>nd</sup> meeting of the Board of Directors held 2077-12-12 has approved the financial statements accompanied with notes to the financial statements and the Board acknowledges the responsibility of preparation of financial statements of the institution. The approved financial statements have been recommended for approval by the shareholders in the 23<sup>rd</sup> annual general meeting of the Finance.

**2.3 Functional and Presentation Currency**

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

**2.4 Use of Estimates, Assumptions and Judgements**

The Financial Institution, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, it 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.



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 Financial Institution 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 Financial Institution 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.

#### 1.1.1 Going Concern

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

### 2.5 Changes in Accounting Policies

The Financial Institution has prepared the opening statement of financial position as per Nepal Financial Reporting Standard (NFRS) as at 15 July 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by NFRS, not recognizing the items of assets or liabilities which are not permitted by NFRS, by reclassifying items from previous GAAP to NFRS as required by NFRS, and applying NFRS in measurement of recognized assets and liabilities.

### 2.6 Reporting Pronouncements

The Financial Institution has, for the preparation of financial statements, adopted the NFRS pronounced by ICAN. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Details of carve out provided are as follows:

#### 1.1.1 NFRS 10: Consolidated Financial Statements

In para 19 of NFRS 10, a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so.

The carve out is not relevant as the Financial Institution does not have any Subsidiary or Associate.

#### 1.1.2 NAS 17: Lease

In para 33, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

The carve out is optional and provided for FY 2017-18 only. Accordingly, the Financial Institution has opted the carve out.

#### 1.1.3 NAS 39: Financial Instruments: Recognition and Measurement

##### a) Impairment

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



impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.

The carve out is not optional and has been provided for the FY 2017-18, 2018-19 & 2019-20.

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

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

The carve out is optional and has been provided for the FY 2017-18 and 2018-19. Accordingly, the Financial Institution has opted the carve out.

**c) Impracticability to determine interest income on amortized cost**

In para AG 93, once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

The carve out is optional and has been provided for the FY 2017-18, 2018-19 & 2019-20. Accordingly, the Financial Institution has opted the carve out.

**2.7 New Standards in issue but not yet effective**

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

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

**2.8 New standards and interpretations not adopted**

The updates on IFRS subsequent to 2012 become applicable when the ASB incorporates them within the NFRS. The Financial Institution has not adopted those standards.

**2.9 Discounting**

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

**3.10 Limitation of NFRS Implementation**

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

**3. Significant Accounting Policies**

**3.1 Basis of Measurement**

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

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- investment property is measured at fair value
- the liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.



### 3.2 Basis of Consolidation

#### a. Business Combination

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

**The Financial Institution shall measure goodwill at the acquisition date as;**

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

The Financial Institution does not have any Business combinations as on the reporting date and hence the notes prepared are for reference for any future events of business combinations.

#### b. Non-Controlling Interest (NCI)

For each business combination, the Financial Institution shall elect to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquire identifiable net assets, which are generally at fair value.

Changes in the Finance Institution's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

The Financial Institution does not have any Business combinations as on the reporting date and hence the notes prepared are for reference for any future events of business combinations.

#### c. Subsidiaries

Subsidiaries are the entities controlled by the Financial Institution. The Financial Institution controls an entity if 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. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The Financial Institution shall reassess whether it has control if there are changes to one or more of the elements of control. In preparing the consolidated financial statements, the financial statements are combined line by line by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. The carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary are eliminated in full. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (such as interest income and technical fee) are eliminated in full while preparing the consolidated financial statements.

The Financial Institution does not have any Subsidiaries as on the reporting date and hence the notes prepared are for reference for any future events of acquiring controlling interest.

#### d. Loss of Control

Upon the loss of control, the Financial Institution shall derecognize the assets and liabilities of the subsidiary, carrying amount of non-controlling interests and the cumulative translation differences recorded in equity related to the subsidiary. Further parent's share of components previously recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss or retained earnings as appropriate. Any surplus or deficit arising on the loss of control





is recognized in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

The Financial Institution does not have any Subsidiaries as on the reporting date and hence the notes prepared are for reference for any future events of acquiring controlling interest.

**e. Special Purpose Entities**

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objectives. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Financial Institution and the SPE's risks and rewards, the Financial Institution concludes that it controls the SPE.

The following circumstances may indicate a relationship in which, in substance, the Financial Institution controls and consequently consolidates an SPE:

- The activities of the SPE are being conducted on behalf of the Financial Institution according to its specific business needs so that the Financial Institution obtains benefits from the SPE's operation.
- The Financial Institution has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an 'autopilot' mechanism, the Financial Institution has delegated these decision-making powers.
- The Financial Institution has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE.
- The Financial Institution retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

**f. Transaction Elimination on Consolidation**

All intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Financial Institution does not have any Business combinations as on the reporting date and hence only standalone financial statements have been prepared. The notes prepared are for reference for any future events of business combinations.

**3.3 Cash and Cash equivalent**

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

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

**3.4 Financial Assets and Financial Liabilities**

**A. Recognition**

The Financial Institution 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. It initially recognizes loans and advances, deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Finance 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 Financial Institution commits to purchase/ acquire the financial assets. Generally purchase and sale of financial assets are recognized on trade date at which the Financial Institution commits to purchase or sell the asset.

**B. Classification**

**I. Financial Assets**

The Financial Institution classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of its 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 Financial Institution 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 are 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 Financial Institution makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

**II. Financial Liabilities**

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

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

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

• **Financial Liabilities measured at amortised cost**

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

**C. Measurement**

**i. Initial Measurement**

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

**ii. Subsequent Measurement**

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

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

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



### 3.4.1 De-recognition

#### De-recognition of Financial Assets

The Financial Institution 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 it 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 de-recognition that is created or retained by the Financial Institution is recognized as a separate asset or liability. On de-recognition 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 Financial Institution neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, it 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.

#### De-recognition 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

### 3.4.2 Determination of Fair Value

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

The fair values are determined according to the following hierarchy:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

When available, the Financial Institution 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 Financial Institution establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

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

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



### 3.4.3 Impairment

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

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

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

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

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

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

Impairment losses on assets measured at amortised cost

As per NAS 39

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

All Loans and advances to customers are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the Finance.

The Financial Institution assumed all Loans and advances to be individually significant and hence collective impairment has not been provided.

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

#### **As per Loan Loss Provision of Nepal Rastra Bank**

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



### **Policies Adopted**

As per the Carve out notice issued by ICAN, the Financial Institution has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

### **3.5 Trading Assets**

Trading assets and liabilities are those assets and liabilities that the Financial Institution 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.

The Financial Institution does not have any Trading Assets as on reporting date.

### **3.6 Derivatives Assets and Derivative Liabilities**

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

The Financial Institution does not have any Derivative Assets or Derivative Liabilities as on reporting date.

### **3.7 Loan to Staffs**

Loan to staffs has been recognized at amortised cost. The Financial Institution has used weighted average cost of fund for discounting the staff loan. The difference between book value and amortised cost is recognized as Prepaid staff cost.

### **3.8 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 labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Financial Institution 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 Financial Institution adopts cost model for entire class of property and equipment. Neither class of the property and equipment are 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.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the institution. 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.

#### **b. Capital Work in Progress**

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

The Financial Institution does not have any Capital Work In Progress as on Reporting date.

#### **c. Depreciation**

Depreciation on other assets is calculated using Diminishing Balance Method as per management judgement as follows:



Group	% depreciation
Building	5
Office Equipment and Computers	25
Vehicle	20
Office Machinery	15
Leasehold	Lease Period

#### **De-recognition**

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 the de-recognition 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).

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

### **3.9 Goodwill Intangible Assets**

#### *Acquired Intangible Assets*

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

#### **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.

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

### **3.10 Investment Property/Non-Current Assets Held for Sale**

#### **Investment Property**

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

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

#### **Non-Current Assets Held for Sale**

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

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

The Financial Institution does not have any Non-Current Assets Held for Sale as on reporting date.

### **3.11 Income Tax**

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

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

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



**b. Deferred Tax**

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

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

**3.12 Deposits, debts securities issued and subordinated liabilities**

**a. Deposits**

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

**b. Debt Securities Issued**

It includes debentures, bonds or other debt securities issued by the Financial Institution. Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Finance designates liabilities at fair value through profit or loss. The Financial Institution has not issued any debt securities.

**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 Financial Institution does not have any of such subordinated liabilities.

**3.13 Provisions**

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

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

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

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

**3.14 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 Financial Institution and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The Financial Institution's revenue comprises of interest income, fees and commission, and the bases of incomes recognition are as follows:

**a. Interest Income**

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

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

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Finance estimates cash flows considering all contractual





terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract.

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

**b. Fees & Commission**

Fees and commissions income are recognized as income on cash basis at the time of issue of Guarantee or LC.

**c. Dividend Income**

Dividend income is 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 realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

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

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

**3.15 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 Finance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

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



**ii. Defined Benefit plan**

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

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

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

**iii. Termination Benefits**

Termination benefits are recognized as an expense when the Financial Institution is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**3.17 Leases**

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

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

The Financial Institution has entered a Lease agreement which has the clause of normal increment of 10% of the initial lease rent every two years which the management assumes are in line with the lessor's expected inflationary cost increases.

**3.18 Foreign Currency Translation**

The financial statements are presented in Nepalese Rupees (NPR).

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date.

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

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

The financial institution does not have any Foreign exchange transaction.

**3.19 Financial guarantee and loan commitment**

Financial guarantees are contracts that require the Financial Institution 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 Financial Institution 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 Institution has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

**3.20 Share Capital and Reserves**

The Financial Institution 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





institution after deducting all its liabilities. Common shares are classified as equity of the institution and distributions thereon are presented in statement of changes in equity.

Dividends on ordinary 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, foreign exchange equalization reserve, regulatory reserve, investment adjustment reserve, staff training and development fund, CSR reserve etc.

### **3.21 Earnings per share including diluted**

The Financial Institution 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 Finance by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### **3.22 Segment Reporting**

The Financial Institution has not identified any key segments of the business on the basis of nature of operations that assist the Financial Institution in decision process and to allocate the resources. Therefore, segment reporting is not done by the Financial Institution.

## **4. Schedules forming part of Financial Statements**

Schedules are attached with financial statements



Statement of Changes in Equity

For the year ended 31 Asar 2076 (As at 16 July 2019)

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-controlling Interest	Total Equity
<b>Balance as at Sawan 1, 2074</b>	236,874,713	-	119,699,835	-	-	-	-	(275,191,967)	1,251,892	82,634,473	-	82,634,473
<b>Adjustment/Restatement</b>	(48,929,400.00)	-	-	-	-	-	-	4,948,435	49,807,903	5,826,938	-	88,461,411
<b>Adjusted/Restated Balance at Sawan 1, 2074</b>	187,945,313	-	119,699,835	-	-	-	-	(270,243,532)	51,059,795	88,461,411	-	88,461,411
Comprehensive Income for the year								70,464,167	(1,023,794)	70,464,167		70,464,167
Profit for the year												(1,023,794)
Other Comprehensive income, net of tax												
Remeasurement of defined benefit liability (assets)												
Fair Value Reserve (Investment in Equity Investment) :												
Net Changes in Fair Value												
Net amount transferred to profit & loss												
Net gain (loss) on revaluation												
Cash Flow Hedge:												
Effective portion of changes in Fair Value												
Net amount reclassified to profit or loss												
<b>Total comprehensive income for the year</b>								(14,983,797)	713,514			
Transfer to reserve during the year												
Transfer from the reserve during the year			14,270,283									
Transactions with owners, directly recognized in equity												
Share issued												
Share based payments												
Dividends to equity holders:												
Bonus Shares issued												
Cash Dividend Paid												
Other												
<b>Total contributions by and distributions:</b>			14,270,283					55,480,370	(310,280)	69,440,373		69,440,373
<b>Balance as at Asar End, 2075</b>	187,945,313	-	133,970,118	-	-	-	-	(214,763,162)	50,749,515	157,901,784	-	157,901,784

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-controlling Interest	Total Equity
<b>Balance as at Sawan 1, 2075</b>	187,945,313	-	133,970,118	-	-	-	-	(214,763,162)	50,749,515	157,901,784	-	157,901,784
<b>Adjustment/Restatement</b>												
<b>Adjusted/Restated Balance at Sawan 1, 2075</b>	187,945,313	-	133,970,118	-	-	-	-	(214,763,162)	50,749,515	157,901,784	-	157,901,784
Comprehensive Income for the year								(10,206,371)	(1,497,622)	(10,206,371)		(10,206,371)
Profit for the year												(1,497,622)
Other Comprehensive income, net of tax												
Remeasurement of defined benefit liability (assets)												
Fair Value Reserve (Investment in Equity Investment) :												
Net Changes in Fair Value												
Net amount transferred to profit & loss												
Net gain(loss) on revaluation												
<b>Cash Flow Hedge:</b>												
Effective portion of changes in Fair Value												
Net amount reclassified to profit or loss												
<b>Total comprehensive income for the year</b>					5,625,683			(5,625,683)				
Transfer to reserve during the year												
Transfer from the reserve during the year												
Transactions with owners, directly recognized in equity												
Right share issued												
Share based payments												
Dividends to equity holders:												
Bonus Shares issued												
Cash Dividend Paid												
Other												
<b>Total contributions by and distributions:</b>			133,970,118		5,625,683			(230,595,215)	49,251,893	146,197,791		146,197,791
<b>Balance as at Asar End, 2076</b>	187,945,313	-	133,970,118	-	5,625,683	-	-	(230,595,215)	49,251,893	146,197,791	-	146,197,791



Lalitpur Finance Limited

Notes forming part of the financial statements

4.1 Cash and Cash Equivalent

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Cash In Hand	4,215,421	4,971,423	2,686,760
Balances with BFIs	276,790,428	243,310,115	21,778,758
Money at Call and Short Notice	-	-	-
Other	-	-	-
<b>Total</b>	<b>281,005,849</b>	<b>248,281,538</b>	<b>24,465,519</b>

The fair value of cash is the carrying value. Cash at vault is adequately insured for physical and financial risks. The amount of cash at vault is maintained on the basis of the regulatory, liquidity and business requirements wherever applicable. These are closely monitored, and risks, if identified, are promptly managed.

4.2 Due from Nepal Rastra Bank

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Statutory Balances with NRB	18,084,694	24,236,423	176,548,255
Securities purchased under Resale Agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
<b>Total</b>	<b>18,084,694</b>	<b>24,236,423</b>	<b>176,548,255</b>

Being cash, the fair value of balance with the central bank is carrying amount itself. Balance with the NRB is principally maintained as a part of the regulatory cash reserve ratio required by the NRB.

4.3 Placement with Banks & Financial Institutions

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Placement with Domestic B/Fis	-	-	-
Placement with Foreign B/Fis	-	-	-
Less: Allowances for Impairment	-	-	-

4.4 Derivative financial instruments

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Held for Trading			
Interest Rate Swap			
Currency Swap			
Forward exchange Contract			
Others			
Held for risk management			
Interest Rate Swap			
Currency Swap			
Forward exchange Contract			
Others	-	-	-

These products are used by Bank as part of its own proprietary treasury exposures. From a risk perspective, the gross amount of derivative assets must be considered together with the gross amount of derivative liabilities, which are presented separately on the statement of financial position. However, NFRS does not allow netting of these positions in the statement of financial position.



#### 4.5 Other Trading Assets

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Tresury bills	-	-	
Government Bonds	-	-	
NRB Bonds	-	-	
Domestic Corporate bonds	-	-	
Equities	-	-	
Other			
<b>Total</b>	-	-	
Pledged			
Non-Pledged			

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 are presented under this account head. Trading assets include assets and classified under NFRS as Trading but are closely related to servicing the needs of the clients of the Bank.

#### 4.6 Loan and advances to BFIs

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
<b>Domestic BFIs</b>			
Loans to Microfinance Institutions			
Other			
Less: Allowances for impairment	-	-	
<b>Total</b>	-	-	

##### 4.6.1 Allowances for Impairment

Balance at Shrawan 1			
Impairment loss for the year:			
Charge for the year			
Recoveries/reversal			
Amount written off			
Balances at Ashad end	-	-	

#### 4.7 Loans and advances to customers

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Loans and advances to customers at amortised cost	458,248,278	474,870,352	385,274,216
Less: Impairment Allowances	(318,892,926)	(298,089,230)	(375,809,506)
Collective Impairment	(318,892,926)	(298,089,230)	(375,809,506)
Individual Impairment			
<b>Net amount</b>	<b>139,355,352</b>	<b>176,781,122</b>	<b>9,464,710</b>
Loan and advance measured at FVTPL			
<b>Total</b>	<b>139,355,352</b>	<b>176,781,122</b>	<b>9,464,710</b>



#### 4.7.1 Analysis of loan and advance- By Product

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Product			
Term loans	89,723,795	69,260,010	56,464,780
Overdraft	-	-	-
Trust receipt/Import loans	-	-	-
Demand and Other Working Capital loans	-	-	-
Personal residential loans	105,843,143	114,117,959	74,597,271
Real estate loans	217,796,486	227,397,353	227,071,426
Margin lending loans	6,268,780	22,563,968	1,223,037
Hire purchase loans	11,880,911	15,788,431	7,784,395
Deprived sector loans	7,829,210	8,015,213	8,438,477
Bills Purchased	-	-	-
Staff loans	9,087,664	7,297,639	7,226,209
Other	9,818,290	10,429,779	2,468,621
<b>Sub Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>
Interest Receivable	-	-	-
<b>Grand Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>

#### 4.7.2 Analysis of loan and advance- By Currency

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Nepalese rupee	458,248,278	474,870,352	385,274,216
Indian rupee			
USD			
GBP	-	-	-
Euro	-	-	-
JPY	-	-	-
Chinese Yuan	-	-	-
Other	-	-	-
<b>Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>

#### 4.7.3 Analysis of loan and advance- By Collateral

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Movable / Immovable assets	412,686,261	403,521,068	334,610,705
Gold and silver	-	-	-
Guarantee of domestic B/Fis	-	-	-
Government Guarantee	-	-	-
Guarantee of international rated bank	-	-	-
Collateral of Export document	-	-	-
Collateral of Fixed Deposit receipts	934,517	312,935	663,020
Collateral Government securities	-	-	-
Counter guarantee	-	-	-
Personal guarantee	26,271,752	36,674,743	22,362,666
Other Collateral	9,268,084	27,063,968	20,411,616
Subtotal	449,160,614	467,572,713	378,048,007
Unsecured	9,087,664	7,297,639	7,226,209
<b>Grand Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>



#### 4.7 Allowances for Impairment

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
<b>Specific allowances for impairment</b>			
Balance at Shrawan 1	(298,089,229)	(375,809,506)	-
Impairment loss for the year:			
Charge for the year	(20,803,697)		(375,809,506)
Recoveries/reversal during the year		77,720,277	
Write-offs		-	-
Exchange rate variance on foreign currency			
Other movement			
<b>Balance at Ashad end</b>	<b>(318,892,926)</b>	<b>(298,089,229)</b>	<b>(375,809,506)</b>
<b>Collective allowances for impairment</b>			
<b>Balance at Shrawan 1</b>			
Impairment loss for the year:			
Charge/(reversal) for the year			
Exchange rate variance on foreign currency			
Other movement			
<b>Balance at Ashad end</b>			
<b>Total allowances for impairment</b>	<b>(318,892,926)</b>	<b>(298,089,229)</b>	<b>(375,809,506)</b>

#### Additional Disclosures

##### 4.7.5 Financial Assets classification as per NFRS 7

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Financial Assets at fair value through profit or loss		-	-
Financial Assets at amortised cost	458,248,278	474,870,352	385,274,216
Financial Assets measured at fair value through Other Comprehensive Income			
<b>Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>

##### 4.7.6 Collateral Disclosures (NFRS 7 para 14)

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Pledged			
Non-Pledged	458,248,278	474,870,352	385,274,216
<b>Total</b>	<b>458,248,278</b>	<b>474,870,352</b>	<b>385,274,216</b>

##### 4.7.7 Interest Pertaining to Impaired Financial Assets as per NFRS 7 20d

##### 4.7.8 Classes of Fair value measurement as per NFRS 13.94

##### Financial Assets classification as per NFRS 7

The Bank holds promoter equity shares in following companies. Since the shares in following entities are unquoted, and there is a restriction on disinvestment of shares by the Bank as this is a strategic investment, there is a wide range of possible fair value measurements. Consequently, the management of the Bank has concluded that cost represents the best estimate of fair value within that range:

Particulars	Number of Shares		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Karja Suchana kendra	67,326	67,326	2,800
Nepal Clearing House Limited	25,000	25,000	3,515



4.7.9 The following table presents the Bank's financial instruments, which are held at the fair value. The table also presents the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, and the range of values for those inputs.

<b>Instrument</b>	<b>Significant unobservable Inputs</b>
Corporate securities:	
Quoted Securities	Market price as on date
Unquoted Securities	Book Value/Cost Price

#### **Valuation technique under Level 3 Measurement required as per NFRS 13.91**

##### **Fair value Level 3 disclosures**

The following sets out the basis of establishing fair values of amortised cost financial instruments. These are not generally traded and there is a significant level of management judgement involved in calculating the fair values.

##### **Cash and balances with central banks**

The fair value of cash and balances at central banks is their carrying amounts.



#### 4.8 Investment Securities

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Investment securities measured at amortized cost	-	-	-
Investment in equity measure at FVTOCI	11,786,285	12,433,975	13,878,300
<b>Total</b>	<b>11,786,285</b>	<b>12,433,975</b>	<b>13,878,300</b>

Investments made by the Bank in financial instruments has been presented under this account head in two categories i.e. 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 is measured at fair value and changes in fair value shall be recognized in 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 is made by increasing the number of shares only without changing in the cost of investment.

#### 4.8.1 Investment securities measured at amortized Cost

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Debt securities	-	-	-
Government bonds	-	-	-
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposits instruments	-	-	-
Other	-	-	-
Less: specific allowances for impairment	-	-	-
<b>Total</b>			

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

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Equity instruments			
Quoted equity securities	11,340,285	11,987,975	13,432,300
Unquoted equity securities	446,000	446,000	446,000
<b>Total</b>	<b>11,786,285</b>	<b>12,433,975</b>	<b>13,878,300</b>





Lalitpur Finance Limited

Notes forming part of the financial statements

4.8.3 Information relating to investment in equities

Particulars	Type of shares	No. of shares	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
			Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity								
Rural Microfinance Development Centre Ltd 0 shares of Rs 100 each	Ordinary	-	-	-	-	-	5,180,515	6,510,000
Butwal Power Company Limited 4665 shares of Rs 100 each	Ordinary	4,665	3,549,692	1,907,985	3,549,692	2,131,905	8,495,692	6,922,300
Nepal Dursanchaar Company 13670 shares of Rs 100 each	Ordinary	13,670	11,573,016	9,432,300	11,573,016	9,856,070	-	-
Total Quoted Investment			15,122,708	11,340,285	15,122,708	11,987,975	13,676,207	13,432,300
Investment in unquoted equity								
Nepal Clearing House Ltd 3515 shares of Rs 100 each	Promoter	3,515	351,500	351,500	351,500	351,500	351,500	351,500
Credit Information Center Ltd 2800 shares of Rs. 100 each	Promoter	2,800	94,500	94,500	94,500	94,500	94,500	94,500
Total Unquoted Investment			446,000	446,000	446,000	446,000	446,000	446,000
<b>Total</b>				<b>11,786,285</b>		<b>12,433,975</b>		<b>13,878,300</b>



Notes forming part of the financial statements

Current Tax Assets

Current Tax Assets includes advance income tax paid by Bank under self assessment required by Income Tax Act. 2058

4.9 Current Tax Assets

Particulars	Notes	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Current Tax Assets				
Current income tax assets		4,789,271	4,835,644	11,038,422
Current tax of prior periods		-	-	-
<b>Total</b>		<b>4,789,271</b>	<b>4,835,644</b>	<b>11,038,422.00</b>

Current Tax Liabilities

Current income tax liabilities		-	-	6,212,384
Current tax of prior periods		-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>6,212,384.00</b>

Valuation hierarchy

Particulars	Fair value Hierarchy (Level)	As at 16 July 2019	As at 16 July 2018	As at 15 July 2017
<b>Fair Value through profit and loss</b>				
<b>Financial Assets</b>				
NDF held for risk management	3	-	-	-
<b>Financial Liabilities</b>				
NDF held for risk management	3	-	-	-
Fair Value through Other Comprehensive Income				

Financial assets

Investment securities at OCI				
- Quoted equity securities	1	11,340,285	11,987,975	13,432,300
- Unquoted equity securities	3	446,000	446,000	446,000
Investment in subsidiaries	3	-	-	-
<b>Total</b>		<b>11,786,285</b>	<b>12,433,975</b>	<b>13,878,300</b>

Financial Instruments held at amortised cost

Particulars		As at 16 July 2019	As at 16 July 2018	As at 15 July 2017
Financial assets				
Debt securities	3	-	-	-
Government bonds	3	-	-	-
Government treasury bills	3	-	-	-
Nepal Rastra Bank bonds	3	-	-	-
Loan and advances to B/FIs	3	-	-	-
Loans and advances to customers	3	139,355,352	176,781,122	9,464,710
Accounts receivable	3	77,248	77,248	488,078
Accrued Income	3	-	-	-
Others	3	-	-	-
<b>Total</b>		<b>139,432,600</b>	<b>176,858,370</b>	<b>9,952,788</b>



Financial liabilities				
Due to Bank and Financial Institutions	3	5,849,604	25,005,479	-
Due to Nepal Rastra Bank	3	-	-	-
Deposits from customers	3	302,126,091	266,572,781	128,791,453
Borrowing	3	-	-	-
Provisions	3	-	-	-
Other liabilities	3	31,172,685	43,322,443	39,853,286
Debt securities issued	3	-	-	-
Subordinated Liabilities	3	-	-	-
<b>Total</b>		<b>339,148,380</b>	<b>334,900,703</b>	<b>168,644,739</b>

### Lalitpur Finance Limited

#### Notes forming part of the financial statements

#### 4.10 Investment in subsidiaries

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
Investment in quoted subsidiaries	-	-	-	-	-	-
Investment in unquoted subsidiaries	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-
Less: Impairment	-	-	-	-	-	-
Net Carrying amount	-	-	-	-	-	-

#### 4.10.1 Investment in Quoted Subsidiaries

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	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

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	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 bank

##### Percentage of Ownership by Bank

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
..... Ltd.						
..... Ltd.						
<b>Total</b>	-	-	-	-	-	-

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
Equity interest held by NCI (%)						
Profit/(loss) allocated during the year	-	-	-	-	-	-
Accumulated balance of NCI as on ashar end	-	-	-	-	-	-
Dividend paid to NCI	-	-	-	-	-	-



Lalitpur Finance Limited

Notes forming part of the financial statements

4.11 Investment in Associates

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in quoted associates	-		-			
Investment in unquoted associates	-		-			
<b>Total Investment</b>	-		-			
Less Impairment						
Net Carrying amount	-		-			

4.11.1 Investment in quoted associates

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..... Ltd. .... shares of Rs. .... Each						
..... Ltd. .... shares of Rs. .... Each						
<b>Total</b>	-				-	-

4.11.2 Investment in Unquoted associates

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..... Ltd. .... shares of Rs. .... Each						
<b>Total</b>	-		-		-	

4.11.3 Information relating to associates of the bank

Percentage of Ownership by Bank

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..... Ltd.						
..... Ltd.						
<b>Total</b>	-		-			

Equity value of associates

Particulars	As at 31 Asar 2076		As at 32 Asar 2075		As at 31 Asar 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
..... Ltd.						
..... Ltd.						
<b>Total</b>	-		-			



Notes forming part of the financial statements

4.12 Investment Properties

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
<b>Investment properties measured at fair value</b>			
Balance as on Sawan 1	-	2,028,503	48,937,669
Addition/disposal during the year	-	(2,028,503)	(46,909,166)
Net changes in fair value during the year	-		
Adjustment/transfer			
<b>Net amount</b>	-	-	<b>2,028,503</b>
<b>Investment properties measured at cost</b>			
Balance as on Sawan 1			
Addition/disposal during the year			
Adjustment/transfer			
Accumulated depreciation			
Accumulated impairment loss			
Net amount	-	-	-
<b>Total</b>	-	-	<b>2,028,503</b>

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



4.13 Property, Plant & Equipment (PPE)

Particulars	Land	Buildings	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total
<b>Cost</b>									
<b>Balance as on Sawan, 2074</b>			325,895	6,284,047	2,505,187	-	-	6,317,961	15,433,090
Additions during the year									
Acquisition			-	152,640	3,020,000	-	-	55,500	3,228,140
Capitalization									
Disposal during the year				(585)	-	-	-	-	-
Adjustment/ Revaluation				(123,092)	3,674	-	-	633	3,722
Others					-3,437	-	-	-231,63	(357,692)
<b>Balance as on Asar end 2075</b>	-	-	325,895	6,313,010	5,525,424	-	-	6,142,931	18,307,260
Additions during the year									
Acquisition during the year			1,434,290	561,770	-	-	-	1,836,788	3,832,848
Capitalization									
Disposals									
Adjustment/ Revaluation									
Others									
<b>Balance at Asar end 2076</b>			1,760,185	6,874,780	5,525,424	-	-	7,979,719	22,140,108
<b>Accumulated depreciation and impairment</b>									
<b>Balance as on Sawan, 2074</b>				5,528,947	2,438,206	-	-	5,340,275	13,307,428
Depreciation Charge for the Year			325,895	199,184	416,090	-	-	182,081	1,123,249
Impairment for the Year									
Disposals									
Others									
<b>Balance as on Asar end 2075</b>	-	-	325,895	5,728,131	2,854,296	-	-	5,522,356	14,430,677
Depreciation Charge for the Year			286,858	286,662	534,225	-	-	564,042	1,671,787
Impairment for the Year									
Disposals									
Others									
<b>Balance at Asar end 2076</b>	-	-	612,753	6,014,793	3,388,521	-	-	6,086,398	16,102,464
<b>Capital Work in Progress</b>									
Balance as on Sawan, 2074									
Balance as on Asar end 2075									
Balance at Asar end 2076									
Net Book Value									
<b>Balance as on Asar end 2074</b>	-	-	325,895	755,100	66,981	-	-	977,686	2,125,662
<b>Balance as on Asar end 2075</b>	-	-	-	584,879	2,671,128	-	-	620,575	3,876,580
<b>Balance at Asar end 2076</b>	-	-	1,147,432	859,987	2,136,903	-	-	1,893,321	6,037,641



#### 4.14 Goodwill and Intangible Assets

Particulars	Software			Other	Total
	Goodwill	Purchased	Developed		
<b>Cost</b>					
As on Sawan 1, 2074	-	-	-	-	-
Additions:					
Acquisition	-	435,050	-	-	435,050
Capitalization	-	-	-	-	-
Disposals during the year	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance at Asar end 2075</b>	<b>0</b>	<b>435050</b>	<b>0</b>	<b>0</b>	<b>435050</b>
Additions:					
Acquisition		-			-
Capitalization					-
Disposals during the year					-
Adjustment					-
<b>Balance as on Asar end, 2076</b>		<b>435,050</b>			<b>435,050</b>
<b>Depreciation and Impairment</b>					
As on Sawan 1, 2074		-			-
Depreciation charge for the Year		29,003			29,003
Disposals					-
Adjustment					-
<b>As on Asar end 2075</b>		<b>29,003</b>			<b>29,003</b>
Depreciation charge for the Year		87,010			87,010
Disposals					
Adjustment					
<b>As on Asar end 2076</b>		<b>116,013</b>			<b>116,013</b>
Capital Work in Progress					
<b>Net Book Value</b>					
As on Asar end 2074		-			
As on Asar end 2075		406,047			406,047
As on Asar end 2076		319,037			319,037

#### 4.15 Deferred tax

##### Deferred Tax Assets/Liabilities

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Deferred tax assets	1,404,975	1,035,241	169,390
Deferred tax liabilities	-	-	-
<b>Total</b>	<b>1,404,975</b>	<b>1,035,241</b>	<b>169,390</b>



FY 2018-19			Current Year
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and advance to BFIs			-
Loan and advance to customers		-	-
Investment Properties			-
Investment Securities	1,134,727	-	1,134,727
Property & Equipment	-	326,645	(326,645)
Employees' defined benefit plan	596,893		596,893
Lease Liabilities			-
Provisions			-
Other temporary differences	-		-
<b>Deferred tax on temporary differences</b>	<b>1,731,620</b>	<b>326,645</b>	<b>1,404,975</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 31 Asadh 2076</b>			<b>1,404,975</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2075			(1,035,241)
<b>Origination/(Reversal) during the year</b>			<b>369,734</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>(175,427)</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>(194,307)</b>
<b>Deferred tax expense/(income recognised in directly in equity</b>			

Previous Year 2017-18			Previous Year
Particulats	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and advance to BFIs			-
Loan and advance to customers	-	-	-
Investment Properties			-
Investment Securities	940,420	-	940,420
Property & Equipment	94,821	-	94,821
Employees' defined benefit plan	-		-
Lease Liabilities	-		-
Provisions	-		-
Other temporary differences	-		-
<b>Deferred tax on temporary differences</b>	<b>1,035,241</b>	<b>-</b>	<b>1,035,241</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 32nd Ashaad, 2075 (Closing)</b>			<b>1,035,241</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2074 (Opening)			(169,390)
<b>Origination/(Reversal) during the year</b>			<b>865,851</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>1,397</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>(867,248)</b>
<b>Deferred tax expense/(income recognised in directly in equity</b>			





Previous Year 2016-17

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and advance to BFIs			-
Loan and advance to customers	-	-	-
Investment Properties		-	-
Investment Securities	73,172		73,172
Property & Equipment	96,218	-	96,218
Employees' defined benefit plan	-		-
Lease Liabilities			-
Provisions			-
Other temporary differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>169,390</b>	<b>-</b>	<b>169,390</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 31st Ashaad, 2074 (Closing)</b>			<b>169,390</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2073 (Opening)			568,229
<b>Origination/(Reversal) during the year</b>			<b>737,619</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			
<b>Deferred tax expense/(income recognised directly in equity</b>			<b>(737,619)</b>

4.16 Other Assets

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Assets held for sale	-	-	-
Other non banking assets	-	-	-
Bills receivable	-	-	-
Accounts receivable	77,248	77,248	488,078
Accrued Income	-	-	-
Prepayments and Deposit			
Income Tax Deposit	-	-	-
Deferred Employee expenditure	19,599,236	16,723,841	18,025,184
Other	2,886,583	4,114,827	5,086,511
<b>Total</b>	<b>22,563,067</b>	<b>20,915,916</b>	<b>23,599,773</b>

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



#### 4.17 Due to Banks and financial Institution

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Money Market Deposit		-	-
Interbank Borrowing		-	-
Other deposits from BFIs	5,849,604	25,005,479	-
Settlement and clearing accounts		-	-
Other deposits from BFIs		-	-
<b>Total</b>	<b>5,849,604</b>	<b>25,005,479</b>	-

#### 4.18 Due to Nepal Rastra Bank

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Refinance from NRB	-	-	-
Standing Liquidity Facility		-	-
Lender of last resort facility from NRB		-	-
Securities sold under repurchase agreement		-	-
Other payable to NRB		-	-
<b>Total</b>	-	-	-

Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution is presented under this account head. This account head 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

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Held for Trading			
Interest Rate Swap			
Currency Swap			
Forward exchange Contract	-	-	-
Others			
Held for risk management			
Interest Rate Swap			
Currency Swap			
Forward exchange Contract			
Others	-	-	-

From a risk perspective, the gross amount of derivative assets must be considered together with the gross amount of derivative liabilities, which are presented separately on the statement of financial position. However, NFRS does not allow netting of these positions in the statement of financial position.



#### 4.20 Deposit from Customers

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Institutions Customers	19,036,480	20,516,449	6,541,162
Term Deposit	200,000	1,100,000	1,100,000
Call Deposit	18,836,480	19,416,449	5,441,162
Current Deposit	-	-	-
Other	-	-	-
Individual Customers	279,480,208	242,446,372	121,143,224
Term Deposit	131,721,875	114,735,622	24,161,543
Saving Deposit	144,346,555	123,909,440	90,992,159
Current Deposit	-	-	-
Other	3,411,778	3,801,310	5,989,522
<b>Total</b>	<b>298,516,688</b>	<b>262,962,821</b>	<b>127,684,386</b>

#### 4.20.1 Currency Wise Analysis of Deposit from Customer

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Nepalese rupee	298,516,688	262,962,821	127,684,386
Indian rupee	-	-	-
United States Dollar	-	-	-
Great Britain Pound	-	-	-
Euro	-	-	-
Japanese Yen	-	-	-
Chinese yuan	-	-	-
Other	-	-	-
<b>Total</b>	<b>298,516,688</b>	<b>262,962,821</b>	<b>127,684,386</b>

#### 4.21 Borrowing

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Domestic Borrowing			
Nepal Government			
Other Institution			
Other			
Subtotal	-	-	-
Foreign Borrowing			
Foreign B/FIs			
Multilateral Development Banks			
Other Institutions			
Sub total	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>



#### 4.22 Provisions

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Provisions for redundancy			
Provision for restructuring			
Pending legal issues and tax litigation			
Onerous contracts			
Other			
<b>Total</b>	-	-	-

##### 4.22.1 Movement in provision

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Balance at Sawan 1			
Provisions made during the year			
Provisions used during the year			
Provisions reversed during the year			
Unwind of discount			
Balance at Asar end	-	-	-

#### 4.23 Other Liabilities

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Liability for employees defined benefit obligations	-	-	-
Liability for long-service leave	1,085,687	875,823	782,436
Short-term employee benefits	-	-	-
Bills Payable	-	-	-
Creditors and accruals	22,033,012	31,449,463	10,954,015
Interest payable on deposit	3,609,403	3,609,960	1,107,067
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	9,665	9,665	9,665
Liabilities under Finance Lease	-	-	-
Employee bonus payable	7,181,842	9,844,316	26,148,802
Other	862,479	1,143,176	1,958,368
<b>Total</b>	<b>34,782,088</b>	<b>46,932,403</b>	<b>40,960,353</b>

##### 4.23.1 Defined benefit obligations

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

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Present value of unfunded obligation	1,085,687	875,823	782,436
Present value of funded obligation	11,168,674	8,511,917	7,859,080
Total Present value of obligations	12,254,361	9,387,740	8,641,516
Fair value of plan assets	11,233,155	11,050,344	9,502,236
Present Value of Net Obligation	1,021,206	(1,662,604)	(860,720)
Recognised liability for defined benefit obligations	1,021,206	(1,662,604)	(860,720)



#### 4.23.2 Plan Assets

##### Plan assets comprise

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Equity Shares			
Government Bonds			
Bank Deposit	11,233,155	11,050,344	9,502,236
Other			
<b>Total</b>	<b>11,233,155</b>	<b>11,050,344</b>	<b>9,502,236</b>
Actual Return on Plan assets	-	677,497	393,071

#### 4.23.3 Movement in Present Value of defined benefit Obligations

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Defined benefit obligations at Sawan 1	9,387,740	8,641,516	8,707,987
Actuarial Losses	1,044,239	(999,784)	(1,049,238)
Benefits paid by the plan	-	-	(23,920)
Current Service Cost and Interest	1,822,382	1,746,008	1,006,687
Defined benefits obligation at Asar end	12,254,361	9,387,740	8,641,516

#### 4.23.4 Movement in Present Value of Plan Assets

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Fair Value of Plan Assets at Sawan 1	11,050,344	9,502,236	7,837,375
Contributions paid into plan	182,811	870,611	1,295,710
Benefits paid by the plan	-	-	(23,920)
Actuarial Losses/gains	-	-	-
Expected return on plan assets	-	677,497	393,071
Fair Value of Plan Assets at Asar end	11,233,155	11,050,344	9,502,236

#### 4.23.5 Amount recognized in profit or loss

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Current service cost	1,071,363	1,054,687	1,006,687
Interest cost	751,019	691,321	-
Expected Return on Plan Assets	-	(677,497)	(393,071)
<b>Total</b>	<b>1,822,382</b>	<b>1,068,511</b>	<b>613,616</b>

#### 4.23.6 Amount Recognized in other comprehensive income

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Actuarial (gain)/loss	1,044,239	-999,784	-1,049,238
<b>Total</b>	<b>1,044,239</b>	<b>-999,784</b>	<b>-1,049,238</b>



#### 4.23.7 Actuarial Assumptions

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Discount rate	8%	8%	8%
Future salary increase (salary escalation rate)	6%	6%	6%
Withdrawal rate (past service factor)			
Past service: 0-<3	0	0	0
Past service: 3-<7	0.5	0.5	0.5
Past service: 7-<15	1	1	1
Past service: 15-<20	1.5	1.5	1.5
Past service: >=20	2	2	2
Expected return on Plan Assets			

#### 4.24 Debt Securities Issued

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Debt Securities issued designated at fair value through profit or loss			
Debt Securities issued at amortized cost			
<b>Total</b>	-	-	-

#### 4.25 Subordinated Liabilities

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Redeemable preference shares			
irredeemable cumulative preference shares (liabilites component)			
Other			
<b>Total</b>	-	-	-

#### 4.26 Share Capital

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

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

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Share Capital			
Ordinary Shares	187,945,313	187,945,313	187,945,313
Convertible Preference Shares (equity component only)	-	-	-
Irredeemable Preference Shares (equity component only)	-	-	-
Perpetual debt (equity component only)	-	-	-
<b>Total</b>	<b>187,945,313</b>	<b>187,945,313</b>	<b>187,945,313</b>

#### 4.26.1 Ordinary Shares

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Authorised capital			
4,000,000 Ordinary Shares @ Rs. 100 each	400,000,000	400,000,000	400,000,000
Issued capital			
3,758,906 Ordinary Shares @ Rs. 100 each	375,890,626	375,890,626	375,890,626
Paid up capital			
1,879,453.13 Ordinary Shares @ Rs. 100 each	187,945,313	187,945,313	187,945,313
	187,945,313	187,945,313	187,945,313



#### 4.26.2 Ordinary Share Ownership

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Domestic Ownership	187,945,313	187,945,313	187,945,313
Nepal Government	-	-	-
"A" Class licensed institutions	-	-	-
Other licensed institutions	-	-	-
Other institutions	-	-	-
Public	84,575,391	84,575,391	84,575,391
Other	103,369,922	103,369,922	103,369,922
Foreign Ownership	-	-	-
<b>Total</b>	<b>187,945,313</b>	<b>187,945,313</b>	<b>187,945,313</b>

#### 4.26.2.1 List of shareholder holding 0.5% or more shares

S.N.	Shareholders name	This Year		Previous Year	
		%	Amount NPR	%	Amount NPR
1	Bijay Bahadur Manandhar	13.77	25,872,800	13.77	25,872,800
2	Suman Kedia	11.71	22,000,000	11.71	22,000,000
3	Niraj Shrestha	7.50	14,096,300	7.50	14,096,300
4	Subhash Narsingh Shakya	4.84	9,097,110	4.84	9,097,110
5	Subindra Shrestha	4.47	8,404,480	4.47	8,404,480
6	Trilok Narsingh Shakya	3.71	6,979,830	3.71	6,979,830
7	Anita Goyal	3.56	6,700,000	3.56	6,700,000
8	Mahek Goyal Jain	3.23	6,072,500	3.23	6,072,500
9	Mohit Agrawal	2.71	5,100,000	2.71	5,100,000
10	Mangal Devi Shakya	2.63	4,950,000	2.63	4,950,000
11	Lal Bahadur Ghising	1.25	2,357,500	1.25	2,357,500
12	Roshan Tayal	1.21	2,273,000	1.21	2,273,000
13	Simpal Agrawal	1.21	2,273,000	1.21	2,273,000
14	Rajesh Lal Shrestha	1.16	2,179,100	1.16	2,179,100
15	Nutan Dhakwa	1.08	2,021,500	1.08	2,021,500
16	Krishna Laxmi Shilpakar	1.02	1,921,200	1.02	1,921,200
17	Dinesh Lal Shrestha	0.93	1,754,100	0.93	1,754,100
18	Gyanu Manandhar	0.93	1,754,100	0.93	1,754,100
19	Kedar Man Sing Shrestha	0.93	1,754,100	0.93	1,754,100
20	Rajeshwori Shrestha	0.93	1,754,100	0.93	1,754,100
21	Yagya Bahadur Manandhar	0.93	1,754,100	0.93	1,754,100
22	Roshan Bansal	0.88	1,653,800	0.88	1,653,800
23	Dibya Kumari Sing shrestha	0.72	1,353,200	0.72	1,353,200
24	Sagarmatha Insurance Co. Ltd	0.67	1,252,900	0.67	1,252,900



#### 4.27 Reserves

General Reserve Pertains to the regulatory requirement of Bank and Financial Institutions Act 2073.

Exchange equalization is maintained as per requirement of Nepal Rastra Bank Act

Corporate Social Responsibility reserve of of 1% is maintained as per statutory requirement

Particulars	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Statutory General reserve	133,970,117	133,970,117	119,699,835
Exchange equalization reserve	-	-	-
Corporate social responsibility reserve	1,965,406	1,965,406	1,251,892
Capital redemption reserve	-	-	-
Regulatory reserve	5,625,683	-	-
Investment adjustment reserve	-	-	-
Capital reserve	-	-	-
Assets revaluation reserve	-	-	-
Fair value reserve	(2,647,696)	(2,194,313)	(170,735)
Dividend equalization reserve	-	-	-
Actuarial gain	1,004,783	2,049,022	1,049,238
Special reserve	-	-	-
Other reserve	49,224,702	48,929,400	48,929,400
<b>Total</b>	<b>189,142,995</b>	<b>184,719,632</b>	<b>170,759,630</b>

#### General Reserve

There is a regulatory requirement to set aside 20% of the net profit to the general reserve until the reserve is twice the paid of share capital and thereafter minimum 10% of the net profit. The reserve is the accumulation of setting aside of profits over the years.

#### Exchange Equilization Reserve

There is a regulatory requirement to set aside 25% of the foreign exchange revaluation gain on the translation of foreign currency to the reporting currency. The reserve is the accumulation of such gains over the years.

#### Corporate social responsibility reserve

There is a regulatory requirement to set aside 1% of the net profit to CSR reserve.

#### 4.28 Contingent liabilities and commitments

Particulars	Bank		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Contingent liabilities	-	-	100,000
Undrawn and undisbursed facilities	-	-	-
Capital commitment	-	-	-
Lease Commitment	-	-	-
Litigation	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100,000</b>





#### 4.28.1 Contingent liabilities

Particulars	Bank		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Acceptance and documentary credit			
Bills for collection			
Forward exchange contracts	-	-	-
Guarantees			100,000
Underwriting commitment	-	-	-
Other commitments			
<b>Total</b>	-	-	<b>100,000</b>

#### 4.28.2 Undrawn and undisbursed facilities

Particulars	Bank		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Undisbursed amount of loans	-	-	-
Undrawn limits of overdrafts	-	-	-
Undrawn limits of credit cards	-	-	-
Undrawn limits of letter of credit	-	-	-
Undrawn limits of guarantee	-	-	-
<b>Total</b>	-	-	-

#### 4.28.3 Capital commitments

##### Capital expenditure approved by relevant authority of the bank but provision has not been made in financial statements

Particulars	Bank		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
<b>Capital commitments in relation to Property and Equipment</b>			
Approved and contracted for			
Approved but not contracted for			
<b>Sub total</b>			
Capital commitments in relation to Intangible assets			
Approved and contracted for			
Approved but not contracted for			
<b>Sub total</b>			
<b>Total</b>			

#### 4.28.4 Lease commitments

Particulars	Bank		
	As at 31 Asar 2076	As at 32 Asar 2075	As at 31 Asar 2074
Operating lease commitments			
Future minimum lease payments under non cancellable operating lease, where the bank is lessee			
Not later than 1 year			
Later than 1 year but not later than 5 years			
Later than 5 years			
<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

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each bank

#### 4.29 Interest income

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Cash and cash equivalent	13,922,960	14,920,961
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	53,962,355	23,609,662
Investment securities	-	-
Loan and advances to staff	801,422	2,422,262
Other	-	-
<b>Total interest income</b>	<b>68,686,737</b>	<b>40,952,885</b>

Interest Income recognized include interest income on loan and advance, investment securities except on those investment securities measured at fair value through profit or loss & FVTOCI, derivative assets held for risk management, dues from BFIs, loan and advances to staff as presented above.

#### 4.30 Interest expense

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Due to bank and financial institutions	1,289,354	5,479
Due to Nepal Rastra Bank	-	-
Deposits from customers	29,130,859	15,170,294
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
<b>Total interest expense</b>	<b>30,420,213</b>	<b>15,175,773</b>

Interest Expenses include interest accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to BFIs and NRB, derivative liabilities held for risk management.

#### 4.31 Fees and Commission Income

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Loan administration fees	-	-
Service fees	1,451,155	1,809,700
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	7,550	4,650
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	-	-
Other fees and commission income	-	3
<b>Total fees and Commission Income</b>	<b>1,458,705</b>	<b>1,814,353</b>

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, brokerage, commission on letter of credit, commission on guarantee etc. are included under this heading.

#### 4.32 Fees and commission expense

Particulars	Current Year	Previous Year
ATM management fees	-	-
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>-</b>	<b>-</b>

Payouts on account of fee and commission for services obtained by the bank are presented under this account head. This account head includes 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 are not recognized as expense under this head.

#### 4.33 Net trading income

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

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 are presented under this account head.

#### 4.34 Other operating income

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	1,004,721
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	1,008,051	960,100



Gain/loss on sale of property and equipment	-	(4,259,643)
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other	58,600	7,980
<b>Total</b>	<b>1,066,651</b>	<b>(2,286,842)</b>

Receipt of all other operating income not specifically provided under the income heads from 4.31 to 4.33 above are booked and presented under this head. This 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, gain/loss on sale of gold and silver, locker rental income etc.

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

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	-	-
Impairment charge/(reversal) on loan and advances to customer	20,803,697	(77,720,277)
Impairment charge/(reversal) on financial Investment	17,763	1,200,359
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>20,821,460</b>	<b>(76,519,918.00)</b>

#### 4.36 Personnel Expense

Particulars	Current Year	Previous Year
Salary	8,394,000	8,545,804
Allowances	4,939,452	1,297,608
Gratuity expense	1,238,875	1,068,511
Provident fund	839,400	725,676
Uniform	-	-
Training & development expense	166,900	54,805
Leave encashment	583,507	608,057
Medical	699,500	604,730
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	801,422	2,422,262
Other expenses related to staff	781,617	429,000
Subtotal	18,444,673	15,756,453
Employees bonus	-	7,181,842
<b>Grand total</b>	<b>18,444,673</b>	<b>22,938,295</b>

Provision for staff bonus is a mandatory requirement under the requirement of the Bonus Act. All expenses related to employees of a bank has been included under this head. Expenses covered under this head include employees' salary, allowances, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, finance expense under NFRS. Staff Loans are fair valued using cost of fund of the bank. The difference of previous year's day 1 difference and current year's day 1 difference are amortised staff benefit expenses which are recognised as Interest cost on FV of Loans (Finance expense under NFRS).



#### 4.37 Other operating expense

Particulars	Current Year	Previous Year
Directors' fee	524,000	236,000
Directors' expense	38,049	-
Auditors' remuneration	497,200	362,730
Other audit related expense	-	45,200
Professional and legal expense	1,371,222	2,088,276
Office administration expense	4,513,665	1,022,398
Operating lease expense	2,395,482	1,253,052
Operating expense of investment properties	-	-
Corporate social responsibility expense	-	16,933
Onerous lease provisions	-	-
Other	762,755	1,886,147
<b>Total</b>	<b>10,102,373</b>	<b>6,910,736</b>

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 includes office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non audit fee paid to auditors, professional and legal expense, expense of corporate social responsibility. No individual operating lease has terms and conditions that significantly affect the amount, timing and certainty of the cash flows.

#### Office administration expense

Particulars	Current Year	Previous Year
Light, Electricity & Water	376,953	249,946
Repair and maintenance		219,504
Repair and maintenance-Building		
Repair and maintenance- Vechiles		
Office Equipment, Furniture Repair		
Repair and maintenance- Others		
Insurance		
Postage, Telex, Telephone & Fax	209,624	287,179
Printing & Stationery	216,928	150,279
Periodicals & Books		33,390
Advertisement	119,877	
Donations		
Security Expenses	2,083,415	
Deposit/Credit Guarantee Premium		
Travelling Allowance & Expenses	84,392	82,100
Entertainm,ent		
Annual General meeting expenses		
Other		
Fuel	365,834	
Renewals & Fees	1,056,642	
Other	80,139	
<b>Total</b>	<b>4,513,665</b>	<b>1,022,398</b>



#### Depreciation & Amortisation

Particulars	Current Year	Previous Year
Depreciation on property and equipment	1,671,788	797,354
Depreciation on investment property	-	-
Amortisation of intangible assets	87,010	354,900
<b>Total</b>	<b>1,758,798</b>	<b>1,152,254</b>

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

#### Non operating income

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Non operating expense

Particulars	Current Year	Previous Year
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	-	357,692
<b>Total</b>	<b>-</b>	<b>357,692</b>

The income and expenses that have no direct relationship with the operation of transactions are presented under this head.

#### Income tax expense

Particulars	Current Year	Previous Year
Current tax expense	46,373	-
Current year	-	-
Adjustments for prior years	46,373	-
Deferred tax expense	(175,427)	1,397
Origination and reversal of temporary differences		
Changes in tax rate		
Recognition of previously unrecognised tax losses		
<b>Total income tax expense</b>	<b>(129,054)</b>	<b>1,397</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

Particulars	Current Year	Previous Year
Profit before tax	(10,335,425)	70,465,564
Tax amount at tax rate of 30%	-	21,139,669
Add: Tax effect of expenses that are not deductible for tax purpose	-	-
Less: Tax effect on exempt income	-	-
Add/less: Tax effect on other items	-	-
Total income tax expense	-	21,139,669
Effective tax rate	0%	30%



**Risk Weight Exposure (RWE):**

S.N.	Description	Weight (%)	Current period	
			Amount	RWA
1	Cash Balance	0	4,215,421.00	-
2	Gold (Tradable)	0		-
3	NRB Balance	0	18,084,694.00	-
4	Investment to Govt. Bond	0		-
5	Investment to NRB Bond	0		-
6	Loan against Own FD	0	934,517.08	-
7	Loan against Govt. Securities	0		-
8	Accrued interests on Govt. bond	0		-
9	Investment to Youth Self-employment Fund	0		-
10	Balance on domestic banks and financial institutions	20	276,790,428.00	55,358,085.60
11	Loan against other banks' and financial institutions' FD	20		-
12	Foreign bank balance	20		-
13	Money at call	20		-
14	Loan against internationally rated bank guarantee	20		-
15	Investment to internationally rated Banks	20		-
16	Inter-bank lending	20		-
17	Investment on shares/debentures/bonds	100	11,786,285.00	11,786,285.00
18	Other investments	100		-
19	Loans & advances, bills purchase/discount	100	403,044,761.31	403,044,761.31
20	Fixed assets	100	6,356,677.68	6,356,677.68
21	Net interest receivables (Toral IR - 8 - Interest supsense)	100		-
22	Net Non-Banking Asset	100		-
23	Other assets (Except advance tax payment)	100	22,563,066.57	22,563,066.57
24	Real estate/residential housing loans exceeding the limits	150	54,269,000.00	81,403,500.00
	<b>Total On-Balance-sheet Items (A)</b>		<b>798,044,850.64</b>	<b>580,512,376.16</b>

**B. Off-Balance-sheet Items**

S.N.	Description	Weight (%)	Current period	
			Amount	RWA
1	Bills collection	0		
2	Forward foreign exchange contract	10		
3	L/C with maturity less than six months (Outstanding value)	20		
4	Guarantee against International rated bank's counter guarantee	20		
5	L/C with maturity more than six months (Outstanding value)	50		
6	Bid bond, performance bond and underwriting	50		
7	Loan sale with repurchase agreement	50		
8	Advance payment guarantee	100		
9	Financial and other guarantee	100		
10	Irrevocable loan commitment	100		
11	Possible liabilities for income tax	100		
12	All types of possible liabilities including acceptance	100		
13	Rediscounted bills	100		
14	Unpaid portion of partly paid share investment	100		
15	Unpaid guarantee claims	200		
16	Claimed possible liabilities but not accepted	200		
17	Amount to be maintained for operational risk (5% of Total Assets)	100	39,902,242.53	39,902,242.53
	<b>Total Off-Balance-sheet Items (B)</b>		<b>39,902,242.53</b>	<b>39,902,242.53</b>
	<b>Total Risk Weighted Assets (A) + (B)</b>			<b>620,414,618.69</b>



**Lalitpur Finance Limited**

**FY 2075/76**

**Details of other Assets**

**(Related to Note 4.16)**

<b>Particulars</b>	<b>Amount</b>
Advances to employee	296,560
Others	73,711
Atm card	487,450
Advance against Bonus	1,032,250
Advance to admin dept	846,679
SB payable to MB topUp	85,452
Gratuity	64,481
<b>Total</b>	<b>2,886,583</b>

**Details of Other Liabilities**

**(Related to Note 4.23)**

<b>Particulars</b>	<b>Amount</b>
Audit fee Payable	226,000
TDS payable	570,479
Banepa Branch	66,000
<b>Total</b>	<b>862,479</b>

**Details of Other Reserve**

**(Related to Note 4.27)**

<b>Particulars</b>	<b>Amount</b>
Staff Training Fund	295,302
OCI reserve	(2,647,696)
<b>Total</b>	<b>(2,352,394)</b>

**Details of Other Income**

**(Related to Note 4.34)**

<b>Particulars</b>	<b>Amount</b>
Tender Income	1,500
Sale of old Battery	600
Rectification of double booked expenses	56,500
<b>Total</b>	<b>58,600</b>

**Other expenses related to staff**

**(Related to Note 4.36)**

<b>Particulars</b>	<b>Amount</b>
Due to fair value of Staff Loan	781,617
<b>Total</b>	<b>781,617</b>

**Details of Other Expense**

**(Related to Note 4.37)**

<b>Particulars</b>	<b>Amount</b>
Dashain Tihar Expense	65,370
Vehicle Tax & Renewal	33,225
Staff Geust Tea	151,469
Donation	23,100
News Paper & Magazine	48,400
Insurance Expense	212,859
Repair & Maintenance	182,327
Office Cleaning Expense	46,005
<b>Total</b>	<b>762,755</b>





**Reconciliation of Income Tax**

(Related to Note 4.41)

Particulars	Amount
Net profit before tax as per Profit & Loss Account	(10,335,425)
Adjustments	-
Taxable Income	(10,335,425)
Current Year Income Tax @30%	-
Previous Year Income Tax (late submission of income tax return of FY 2074/75)	46,373
<b>Total Income Tax</b>	<b>46,373</b>

**Statement of distributable profit or loss  
For the year ended 31 Asar 2076  
(As per NRB Regulation)**

Particulars	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>(10,206,371)</b>	<b>70,464,167</b>
<b>Appropriations:</b>		
a. General reserve	-	(14,270,283)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	-	(713,514)
e. Employees' training fund	(295,302.00)	-
f. Other	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>(10,501,673)</b>	<b>55,480,370</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	-	-
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	(3,782,423)	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	(838,477)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(1,004,783)	-
i. Other (+/-)	-	-
Difference in valuation of gratuity and leave provision	-	-
Difference in valuation of Investments	-	-
<b>Distributable profit or (loss)</b>	<b>(16,127,356)</b>	<b>55,480,370</b>



## 5. Disclosures and Additional Information

### 5.1 Risk Management

The Financial Institution does not have a risk management policy. However, List of various risks that may be faced by the Financial Institution is mentioned 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 Finance in accordance with agreed terms. The Finance does not have Credit Risk Monitoring and Reporting Framework in order to mitigate/minimize the credit risk of the Finance through appropriate monitoring and reporting framework established within the Finance.

#### Maximum exposure to credit risk

The Financial Institution has financial assets consisting mainly of loans & advances and investments at amortized cost. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets.

#### 5.1.2 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

##### i. Currency Risk

Foreign exchange risk is the potential for the Financial Institution to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. However, the Financial Institution is not exposed to such risk(as on the reporting date) as the finance does not deal in any currency other than the presentation currency.

##### ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Financial Institution is exposed to is the discount rate for determining the fair value of financial instruments.

##### iii. Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial investment held at FVTOCI, whose values fluctuate as a result of changes in market prices.

#### 5.1.3 Liquidity Risk

Liquidity risk is defined as the risk that the Financial Institution will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Finance might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Finance on acceptable terms.

The following table depicts the maturity profile of the investment portfolio on a discounted 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.

(Rs. in '000)

S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
<b>Assets</b>							
1	Cash Balance	4,215					4,215
2	Balance with Banks & FIs	276,790					276,790
3	Investment in Foreign Banks						
4	Call Money						



5	Government Securities						
6	Nepal Rastra Bank Bonds						
7	Inter Bank & FI Lending						
8	Loans & Advances	4,813	2,358	54,412	27,712	359,866	449,161
9	Interest Receivable	269,767					269,767
10	Reverse Repo						
11	Receivables from other Institutions under Commitment						
12	Payment to be made for facilities under s.no 20,21 & 22						
13	Others	15,569					15,569
	Total Assets (A)	585,076	2,358	54,412	27,712	359,866	1,029,424

**Liabilities**

14	Current Deposits						
15	Saving Deposits	144,347					144,347
16	Fixed Deposits	3,032	4,603	56,069	57,131	11,087	131,922
17	Debentures						
18	Borrowings:	28,098					28,098
	(a) Call/Short Notice	24,686					24,686
	(b) Inter-bank/Financial Institutions						
	(c) Refinance						
	(d) Others	3,412					3,412
19	Other Liabilities and Provisions	344,370					344,370
	(a) Sundry Creditors	21,868					21,868
	(b) Bills Payable						
	(c) Interest Payable	3,609					3,609
	(d) Provisions	318,893					318,893
	(e) Others						
20	Payable to other institutions under Commitment						
21	Unutilized Approved Facilities						
22	Letter of Credit/Guarantee (Net of Margin)						
23	Repo						
24	Payment to be made for facilities under S.No 11						
25	Others						
	Total Liabilities (B)	519,847	4,603	56,069	57,131	11,087	648,737
	Net Financial Assets (A-B)	65,229	(2,245)	(1,657)	(29,419)	348,779	380,687

**5.1.4 Operational risk**

Operational Risk is defined as the risk of potential loss resulting from inadequate or failed internal processes, people and systems or from the impact of external events, including legal risks for the bank. Operational Risk is pervasive



across all the functions of the Finance and is influenced by all resources, including human resource, systems and procedural designs, deployed by the Finance to carry out those functions. Operational Risk can be caused by both internal and external sources such as fraud, business interruptions, system failures, damage to physical infrastructure, failure in execution and service delivery, inherent risks in products, customers, inadequacy in procedures or flawed process designs, and business practices. The risk can occur in any business function or the business supporting functions.

The financial institution is exposed to such risk. However, Formation of risk management committee, drafting of standard procedures has not been done it.

### 5.1.5 Fair Value of Financial Assets and Financial Liabilities

Particulars	Fair value Hierarchy (Level)	As at 16 July 2019	As at 16 July 2018	As at 15 July 2017
Fair Value through profit and loss				
Financial Assets				
NDF held for risk management	3	-	-	-
Financial Liabilities				
NDF held for risk management	3	-	-	-
Fair Value through Other Comprehensive Income				
Financial assets				
Investment securities at OCI				
- Quoted equity securities	1	(16,555,715)	11,987,975	13,432,300
- Unquoted equity securities	3	28,342,000	446,000	446,000
Investment in subsidiaries	3	-	-	-
<b>Total</b>		<b>11,786,285</b>	<b>12,433,975</b>	<b>13,878,300</b>

#### Financial Instruments held at amortised cost

Particulars	Fair value Hierarchy (Level)	As at 16 July 2019	As at 16 July 2018	As at 15 July 2017
Financial assets				
Debt securities	3	-	-	-
Government bonds	3	-	-	-
Government treasury bills	3	-	-	-
Nepal Rastra Bank bonds	3	-	-	-
Loan and advances to B/FIs	3	-	-	-
Loans and advances to customers	3	139,355,352	176,781,122	9,464,710
Accounts receivable	3	77,248	77,248	488,078
Accrued Income	3	-	-	-
Others	3	-	-	-
<b>Total</b>		<b>139,432,600</b>	<b>176,858,370</b>	<b>9,952,788</b>

#### Financial liabilities

Due to Bank and Financial Institutions	3	-	-	-
Due to Nepal Rastra Bank	3	-	-	-
Deposits from customers	3	307,975,695	291,578,260	128,791,453
Borrowing	3	-	-	-
Provisions	3	-	-	-
Other liabilities	3	30,946,685	43,322,443	39,853,286
Debt securities issued	3	-	-	-
Subordinated Liabilities	3	-	-	-
<b>Total</b>		<b>338,922,380</b>	<b>334,900,703</b>	<b>168,644,739</b>



## 5.2 Capital Management

### 5.2.1 Qualitative disclosures

The Financial Institution has not formulated any process such as ICAAP 2017 for sound capital management.

### 5.2.2 Quantitative disclosures

#### a) Capital Structure and Capital Adequacy

##### i. Tier 1 capital and a breakdown of its components

S.N.	Particulars	Amount (NPR '000)
A	Paid up Capital	187,945
B	Share Premium / Capital Reserve	-
C	Proposed Bonus Shares	-
D	Statutory General Reserve	133,970
E	Retained Earnings	(230,890)
F	Current Year Cumulative Profit	
G	Capital Redemption Reserve	48,929
H	Other Free Reserves	-
I	Less: Deferred Tax Assets	(1,405)
J	Less: Intangible Assets	-
K	Less: Investment in equity of institutions with financial interests	-
L	Less: Purchase of land & building in excess of limit and unutilized	-
M	Less: Loans & Facilities extended to related parties and restricted lending	-
	Core (Tier-1) Capital	138,549

##### ii. Tier 2 capital and a breakdown of its components

S.N.	Particulars	Amount (NPR '000)
A	General Loan Loss Provision	1,888
B	Exchange Equalization Reserve	
C	Investment Adjustment Reserve	
D	Other Reserves	
	Supplementary (Tier-2) Capital	1,888

##### iii. Deductions from capital

Only deferred tax assets has been deducted from capital.

##### iv. Total qualifying capital

S. N.	Particulars	Amount (NPR '000)
A	Core Capital	138,549
B	Supplementary Capital	1,888
	<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>140,437</b>

##### v. Capital Adequacy Ratio

Capital Adequacy Ratio of the Financial Institution as at 16 July 2019 stood at 22.63%.

##### vi. Summary of Financial Institution's internal approach to assess the adequacy of capital to support current and future activities, if applicable

The Financial Institution does not have any internal approach to assess the adequacy of capital to support current and future activities.

##### vii. Summary of the terms, conditions and main features of capital instruments

Ordinary share capital: The Financial Institution 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 Financial Institution, holder of equity shares will be entitled to receive remaining assets of the Financial Institution after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.



b) Risk Exposures

Risk weighted exposures for Credit Risk, Market Risk and Operational Risk

S.N.	Risk Weighted Exposure	Amount (NPR '000)
A	Risk Weighted Exposure for Credit Risk	580,512
B	Risk Weighted Exposure for Operational Risk	39,902
C	Risk Weighted Exposure for Market Risk	
	Adjustments under Pillar II	
	Add 3% of the total RWE due to non-compliance to disclosure requirement	
	Add ...% of the total deposit due to insufficient liquid assets	
<b>Total Risk Weighted Exposure</b>		<b>620,415</b>

5.2.3 Compliance with external requirement

The Financial Institutions were required by the Monetary Policy 2015/16 to attain a stipulated minimum paid up capital of NPR 800 million by mid-July 2017. As on the reporting date, the Financial Institution's paid up capital stood at NPR 187.945 million only.

5.3 Classification of financial assets and financial liabilities

Rs in '000

Financial assets	As at 16-Jul-19		As at 16-Jul-18 (Restated)		As at 15-Jul-17 (Restated)	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Assets						
Assets carried at Amortised Cost						
Cash and cash equivalent	281,006	281,006	248,282	248,282	24,466	24,466
Due from Nepal Rastra Bank	18,085	18,085	24,236	24,236	176,548	176,548
Placement with Bank and Financial Institutions	-	-	-	-	-	-
Loan and advances to B/FIs	-	-	-	-	-	-
Loans and advances to customers	139,355	139,355	176,781	176,781	9,465	9,465
Debt securities	-	-	-	-	-	-
Government bonds	-	-	-	-	-	-
Government treasury bills	-	-	-	-	-	-
Nepal Rastra Bank bonds	-	-	-	-	-	-
Other-Investment securities						
Other assets						
- Accounts receivable	77	77	77	77	488	488
	438,523	438,523	449,376	449,376	210,967	210,967
Fair Value through Profit and Loss (FVTPL)						
Derivative financial instruments						
Other trading assets						
<b>Fair Value through Other Comprehensive Income (FVTOCI)</b>						
Investment securities						
- Quoted equity securities	15,123	11,340	15,123	11,988	13,676	13,432
- Unquoted equity securities	446	446	446	446	446	446



Investment in subsidiaries	-	-	-	-	-	-
	15,569	11,786	15,569	12,434	14,122	13,878
Financial Liabilities						
Liabilities carried at Amortised Cost						
Due to Bank and Financial Institutions	-	-	-	-	-	-
Due to Nepal Rastra Bank	-	-	-	-	-	-
Deposits from customers	307,976	307,976	291,578	291,578	128,791	128,791
Other liabilities	30,947	30,947	43,322	43,322	39,853	39,853
	338,922	338,922	334,900	334,900	168,645	168,645
Fair Value through Profit and Loss (FVTPL)						
Derivative financial instruments	-	-	-	-	-	-

#### 5.4 Segment Analysis

The Financial Institution has not identified any key segments of the business on the basis of nature of operations that assist the Financial Institution in decision process and to allocate the resources. Therefore, segment reporting is not done by the Financial Institution.

#### 5.5 Contingent Liabilities and Commitment

##### 5.5.1 Contingent liabilities

Where the Financial Institution undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Financial Institution's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

The Financial Institution does not have any Contingent Liability as on the reporting date.

##### 5.5.2 Commitments

Where the Financial Institution 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 Finance has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

The Financial Institution does not have any Commitments as on the reporting date.

##### Explanatory Notes

The Financial Institution seeks to comply with all applicable laws and regulations, but may be subject to regulatory actions and investigations, the outcome of which are generally difficult to predict and can be material to the Financial Institution.

In addition to these matters, the Financial Institution may receive legal claims against it in the normal course of business. The Financial Institution considers none of these claims as material. Where appropriate, the Financial Institution recognizes a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation(s).

#### 5.6 Related Party Disclosures

##### 5.6.1 Key Management Personnel

Key Management Personnel of the Financial Institution including members of the Board of Directors, Chief Executive Officer and other executive level staffs of the Finance, as follows:



Mr. Deepak Maharjan	- Chairman
Mr. Bishnu Prasad Bhetwal	- Director
Mr. Naresh Kumar Shrestha	- Director
Mr. Uttam Aryal	- Director
Mr. Sabin Ghimire	- Director
Mr. Surendra Bahadur Nuchhe Pradhan	- Chief Executive Officer (Previous)
Mr. Chandra Shekhar Khadka	- Acting Chief Executive Officer

#### 5.6.2 Loans and Facilities extended to Related Parties and Restricted Lending

The Financial Institution has not extended any loans to Related Parties during the year.

#### 5.6.3 Loans and Advances extended to Promoters:

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

#### 5.6.4 Transaction with Board of Director of the Financial Institution

Amount in NPR.

Nature of Transaction	Current Year
Meeting Allowances (including committee meeting fee)	524,000
Meeting Expenses, Telephone, Mobile & Newspapers/Magazines	38,049

#### 5.6.5 Remuneration and facilities to Chief Executive Officer of the Financial Institution

Categories	Previous CEO	Acting CEO
a) Salary & Allowances	20,21,500	10,00,710
b) Annual Leaves including sick leave	Yes	Yes
c) Bonus as per Bonus Act	Yes	Yes
d) Gratuity, Provident Fund, Medical Benefit	Yes	Yes

In addition to the above, a vehicle facility has also been provided as per the terms of his appointment.

#### 5.6.6 Transactions with substantial shareholder

The Financial Institution doesn't have any transactions with substantial shareholder.

#### 5.6.7 Management and Technical Service Agreement (TSA)

The Financial Institution does not have any Management and Technical Service Agreement (TSA).

### 5.7 Merger and Acquisition

There are no merger or acquisitions transaction during the year. However, Nepal Finance Ltd. and Lalitpur Finance Ltd. have been entered into Memorandum of Understanding on 2077/09/23 for acquisition of the Lalitpur Finance Ltd. by the Nepal Finance Ltd., for which letter of intent from Nepal Rastra Bank is yet to be obtained.

As per letter Ref 4415/2077/078 dated 2077/10/11 from the Prime Commercial Bank Ltd. to Banks & Financial Institutions Regulation Department of the Nepal Rastra Bank, the Prime Commercial Bank has informed that the previous Memorandum of Understanding for acquisition of the Lalitpur Finance Ltd. by the Prime Commercial Bank Ltd. has been mutually agreed to be terminated.

### 5.8 Additional Disclosures of non-consolidated entities

The Financial Institution doesn't have any Subsidiary(s) as on the reporting date. Hence, there are no such entities which are required to be consolidated but not done during the year.

### 5.9 Events after reporting date

The Financial Institution 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 2019 till the signing of this financial statement on 2021-03-25

### 5.10 First Time Adoption reconciliations and disclosures

NFRS 1 (First-time Adoption of Nepal Financials Reporting Standards) provides a suitable starting point for accounting in accordance with NFRS and is required to be mandatorily followed by first-time adopters.





The Financial Institution has prepared the opening Statement of Financial Position as per NFRS as of 1st Shrawan, 2074 (17 July 2017) (the transition date) by:

- recognizing all assets and liabilities whose recognition is required by NFRS,
- not recognizing items of assets or liabilities which are not permitted by NFRS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to NFRS as required under NFRS, and
- applying NFRS in measurement of recognized assets and liabilities.

#### 5.10.1 Significant changes from the policies adopted in the past

Significant changes from the accounting policies adopted under previous GAAP (erstwhile Nepal Accounting Standards and directives issued by Nepal RastraBank) and the adoption of NFRS has been disclosed in the respective segments, including the impact.

#### 5.10.2 Reconciliation of total equity as at 16 July 2018 and 16 July 2019

Fig.NPR

Particulars	Explanatory Note *	As at 01.04.2074	As at 31.03.2075	As at 32.03.2076
		(Date of Transition)	(End of last period presented under previous GAAP)	Current period
Total equity under Previous GAAP		82,634,473	153,985,885	142,065,619
<u>Adjustments under NFRSs:</u>				
Impairment on loan and advances	A	-	-	-
Fair value & employees benefit accounting of staff loan		-	-	-
Lease accounting		-	-	-
Measurement of investment securities at fair value	B	(170,735)	(2,194,313)	(2,647,696)
Revaluation of property & equipment		-	-	-
Recognition of investment property	C	2,028,503	-	-
Amortisation of debt securities issued		-	-	-
Deferred tax	D	664,447	1,130,062	(537,835)
Defined benefit obligation of employees		-	-	-
Goodwill/Bargain purchase gain		-	-	-
Interest income	E	-	-	-
Other				
Write back of Provision created for investment	F	1,573,392	3,134,733	3,782,423
Dividend of current year added back to Reserves (Non-Adjusting Event)	G	-	-	-
Difference in employee bonus	H	-	-	-
Difference in tax as per GAAP & NFRS	I	-	-	-
Gratuity and leave actuarial valuation	J	1,731,331	1,845,415	3,535,279
<b>Total Adjustment to equity</b>		<b>5,826,938</b>	<b>3,915,897</b>	<b>4,132,171</b>
<b>Total Equity under NFRSs</b>		<b>88,461,411</b>	<b>157,901,782</b>	<b>146,197,790</b>



**Explanatory Notes:**

- a) Under previous GAAP, Loan Loss Provision was provided as per the directive of Nepal Rastra Bank. Under NFRS, the Financial Institution assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

However as per the carve out given by NRB/ ASB higher of loan loss provision as per GAAP or impairment calculated as per NFRS is eligible for charging. The impact on equity has been explained below:

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Total Impairment as per NFRS (i)	268,383,061	273,438,534	221,866,454
Loan Loss Provision as per NRB Directive (ii)	375,809,506	299,289,568	318,892,926
Higher of (i) or (ii)	375,809,506	299,289,568	879,012,358
Net Increase/Decrease in Equity	-	-	-

- b) Under previous GAAP, investments were measured at cost less diminution in value. Under NFRS, these financial assets have been classified as financial assets carried at Fair Value through Other Comprehensive Income (FVTOCI). On the date of transition to NFRS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount as explained in the table below. These changes do not affect profit before tax or total profit for the year ended 15 July 2017, 16 July 2018 and 16 July 2019 because the changes in fair value have been recognized under Other Comprehensive Income (OCI).

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Increase/ (Decrease) in carrying amount due to fair value	(243,907)	(2,890,826)	(647,690)
Already recognized in books of account	-	(170,735)	(2,194,313)
Deferred tax impact on the increased amount	73,172	867,248	194,307
Net increment in total equity	(170,735)	(2,194,313)	(2,647,696)

- c) Under previous GAAP, Non Banking Assets (NBA) was recognized as per Directives of Nepal Rastra Bank and 100% provision was made. Under NFRS, these NBA have been classified as Investment property and measured at fair value. On the date of transition to NFRS, provision as per the Directives of NRB has been reversed. Further changes in Fair value of NBA have been adjusted as shown in the table below.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Increase in carrying amount due to reversal of provision on NBA	2,028,503	-	-
Change in fair value of NBA	-	-	-
Net increment in total equity	2,028,503	-	-

- d) The conditions under NFRS were not met to provide for Investments, hence the loss provision created as per the requirement of Unified NRB Directives has been reversed and added back to the retained earnings resulting increase in equity.



### 5.10.3 Reconciliation of profit or loss

Fig. NPR

Particulars	Explanatory Note *	For the year ended 32.03.2075	For the year ended 31.03.2076
		(the latest period presented under previous GAAP) Profit/(Loss) for the year	Current year Profit/(Loss) for the year
Previous GAAP		71,351,413	(11,920,267)
<u>Adjustments under NFRSs:</u>			
Interest income	A	2,422,262	801,422
Impairment of loan and advances		-	-
Employees benefit amortisation under staff loan	B	(2,422,262)	(801,422)
Defined benefit obligation of employee	C	(8,85,700)	27,34,103
Operating lease expense		-	-
Amortisation expense of debt securities		-	-
Other operating income		-	-
Interest expense		-	-
Depreciation & Amortisation		-	-
Other			
Provision on investment adjusted	D	1,561,341	647,690
NBA provision adjusted	E	(2,028,503)	-
Deferred tax adjustment	F	465,615	(1,667,897)
Increase in staff bonus	G	-	-
Increase in current tax	H	-	-
Total Adjustment to profit or loss		(887,247)	1,713,896
Profit or loss under NFRSs		70,464,166	(10,206,371)
Other Comprehensive Income	I	(1,023,794)	(1,497,622)
<b>Total Comprehensive income under NFRS</b>		<b>69,440,373</b>	<b>(11,703,993)</b>

#### Explanatory Notes:

- a) Under previous GAAP, Interest income on Loans and Advances was recognized on cash basis as per Directive 4 of Nepal Rastra Bank (NRB). Under NFRS, Interest income is recognized on accrual basis using Effective Interest Rate (EIR) Method. Accordingly accrued interest on loans and advances is recognized as income which subsequently increases profit.

Under NFRS the amortization of prepaid staff cost is recognized as finance cost of staff under NFRS and subsequently the same amount is booked as interest income on loans and advances to staff thereby increasing interest income and profit.



Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Accrued interest on loans recognized as income	-	-
Interest income on loans & advances to staff	2,422,261.69	801,421.85
<b>Total</b>	<b>2,422,261.69</b>	<b>801,421.85</b>

- b) Under NFRS the amortization of prepaid staff cost is recognized as finance cost of staff under NFRS thereby decreasing profit.
- c) Under NFRS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognized in Other Comprehensive income (OCI). Consequently, the tax effect of the same is also recognized in Other Comprehensive Income (OCI) under NFRS instead of profit or loss. The Finance has booked Gratuity expenses as per Actuarial valuation report under previous GAAP. Hence actuarial gains/losses is only re-classified by transferring from profit or loss to OCI.
- d) The conditions under NFRS were not met to provide for Investments hence the loss provision created as per the requirement of Unified NRB Directives has been reversed.
- e) The conditions under NFRS were not met to provide for Non Banking Assets hence the loss provision created as per the requirement of Unified NRB Directives has been reversed. Further Non Banking Assets are categorized under Investment Property and measured at fair value. Hence the changes in fair value have been adjusted.

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
NBA provision reversed	(2,028,503)	-
Change in fair value of NBA	-	-
<b>Total</b>	<b>(2,028,503)</b>	<b>-</b>

- f) The impact in deferred tax expense/ income is due to the incorrectly booking of DTL instead of DTA in the Previous GAAP complied statement.
- g) Under previous GAAP, investments were measured at cost less diminution in value. Under NFRS, these financial assets have been classified as financial assets carried at Fair Value through Other Comprehensive Income (FVTOCI). These financial assets have been measured at their fair value which is higher than the cost as per previous GAAP and the changes in fair value is charged to OCI.

Under NFRS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive income (OCI). Consequently, the tax effect of the same is also recognized in Other Comprehensive Income (OCI) under NFRS instead of profit or loss. The Finance has booked Gratuity expenses as per Actuarial valuation report under previous GAAP. Hence actuarial gains/losses is only re-classified by transferring from profit or loss to OCI.

The effect of these items in Other Comprehensive Income is explained below:

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Increase in fair value of investment	(2,890,826)	(647,690)
Deferred tax on change in fair value of investment	867,248	1,943
Actuarial gains/(losses)	999,784	(1,044,239)
<b>Total</b>	<b>(1,023,794)</b>	<b>(1,497,622)</b>



5.10.4 Reconciliation of Statement of Financial Position reported for 16 July 2019 due to the adoption of NFRS

Fig. NPR

Particulars	As at 01.04.2074			As at 32.03.2075			As at 31.03.2076		
	Previous GAAP	Effect of Transition to NFRS	Opening statement of Financial NFRS Position	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount as per NFRS	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount as per NFRS
<b>Assets</b>									
Cash and cash equivalent	24,465,519	0	24,465,519	248,281,538	-	248,281,538	281,005,849	-	281,005,849
Due from Nepal Rastra Bank	176,548,255	0	176,548,255	24,236,423	-	24,236,423	18,084,694	-	18,084,694
Placement with Bank and Financial Institutions	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Other trading assets	-	-	-	-	-	-	-	-	-
Loan and advances to B/FIs	-	-	-	-	-	-	-	-	-
Loans and advances to customers	2,238,501	7,226,209	9,464,710	169,483,483	7,287,639	176,781,122	130,267,689	9,087,663	139,355,352
Investment securities	12,548,815	1,329,485	13,878,300	12,433,975	-	12,433,975	11,786,285	-	11,786,285
Current tax assets	11,038,422	0	11,038,422	4,835,644	-	4,835,644	4,789,271	-	4,789,271
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	-	-	-	-
Investment property	-	2,028,503	2,028,503	-	-	-	-	-	-
Property and equipment	2,125,662	-	2,125,662	3,876,580	-	3,876,580	6,037,641	-	6,037,641
Goodwill and intangible assets	0	-	-	406,047	-	406,047	319,037	-	319,037
Deferred tax assets	0	169,390	169,390	0	1,035,241	1,035,241	808,083	596,892	1,404,975
Other assets	29,182,826	-5,583,063	23,599,773	25,675,128	-4,759,212	20,915,916	31,586,249	-9,023,182	22,563,067
<b>Total Assets</b>	<b>258,148,000</b>	<b>5,170,534</b>	<b>263,318,534</b>	<b>489,228,818</b>	<b>3,573,668</b>	<b>492,802,486</b>	<b>484,684,798</b>	<b>661,373</b>	<b>485,346,171</b>
<b>Liabilities</b>									
Due to Bank and Financial Institutions	-	-	-	-	-	-	-	-	-
Due to Nepal Rastra Bank	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Deposits from customers	127,684,386	1,107,067	128,791,453	287,968,300	3,609,960	291,578,260	304,366,292	3,609,403	307,975,695
Borrowing	-	-	-	-	-	-	-	-	-
Current Tax Liabilities	6,212,384	-	6,212,384	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	568,229	-568,229	-	1,035,241	-1,035,241	-	-	-	-
Other liabilities	41,048,528	-1,195,242	39,853,286	47,491,283	-4,168,840	43,322,443	38,252,886	-7,080,201	31,172,685
Debt securities issued	-	-	-	-	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>175,513,527</b>	<b>-656,404</b>	<b>174,857,123</b>	<b>336,494,824</b>	<b>-1,594,121</b>	<b>334,900,703</b>	<b>342,619,178</b>	<b>-3,470,798</b>	<b>339,148,380</b>
<b>Equity</b>									
Share capital	236,874,713	-	236,874,713	236,874,713	-	236,874,713	236,874,713	-	236,874,713
Share premium	-	-	-	-	-	-	-	-	-
Retained earnings	-275,191,967	4,948,435	-270,243,532	-218,824,351	4,061,188	-214,763,163	-231,039,919	1,642,913	-229,397,006
Reserves	120,951,727	878,503	121,830,230	134,683,631	1,106,601	135,790,232	136,230,825	2,489,258	138,720,083
<b>Total equity attributable to equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-controlling interest	-	-	-	-	-	-	-	-	-
<b>Total equity</b>	<b>82,634,473</b>	<b>5,826,938</b>	<b>88,461,411</b>	<b>162,733,993</b>	<b>5,167,789</b>	<b>167,901,782</b>	<b>142,065,619</b>	<b>4,132,171</b>	<b>146,197,790</b>
<b>Total liabilities and equity</b>	<b>258,148,000</b>	<b>5,170,534</b>	<b>263,318,534</b>	<b>489,228,817</b>	<b>3,573,668</b>	<b>492,802,485</b>	<b>484,684,798</b>	<b>661,373</b>	<b>485,346,171</b>



Explanatory Notes:

- a) Under NFRS interest accrued on loans and advances to customers is added to the loans and advances. Further staff loans is also categorized as loans and advances to customers hence the amortization of staff loans is also adjusted in the same head.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Interest accrued	-	-	-
Amortisation of staff loan	(18,025,184)	(16,723,841)	(19,599,236)
Loans to BFIs reclassified	-	-	-
<b>Total</b>	<b>(18,025,184)</b>	<b>(16,723,841)</b>	<b>(19,599,236)</b>

- b) The conditions under NFRS were not met to provide for Investments, hence the loss provision created as per the requirement of Unified NRB Directives has been reversed and investment is measured at fair value.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Reversal of provision on investment	1,573,392	3,134,733	3,782,423
Increase in fair value of investment	(243,907)	(3,134,733)	(3,782,423)
<b>Total</b>	<b>1,329,485</b>	<b>-</b>	<b>-</b>

- c) Under previous GAAP, Non-Banking Assets (NBA) were recognized as per Directives of Nepal Rastra Bank and 100% provision was made. Under NFRS, NBA has been classified as Investment property and measured at fair value. Any change in fair value is charged to profit or loss. Provision as per the Directives of NRB has been reversed.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Reversal of provision on non banking assets	2,028,503	(2,028,503)	-
Change in fair value of NBA	-	-	-
<b>Total</b>	<b>2,028,503</b>	<b>(2,028,503)</b>	<b>-</b>

- d) Deferred tax liability is booked for increase in fair value of investments available for sale and its effect is given in Other Comprehensive Income (OCI). The effect of these items is given to DTA/ (DTL) as follows:

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Interest Suspense	-	-	-
Available for sale investments	73,172	940,420	1,134,727
<b>Total</b>	<b>73,172</b>	<b>940,420</b>	<b>1,134,727</b>

- e) Under NFRS staff loan provided at subsidized interest rate is measured at amortised cost using prevailing market interest rate. The Finance has used weighted average cost of fund as on balance sheet date to discount the staff loans. The difference between the carrying amount and amortised cost is recognized as prepaid staff cost.
- f) Under NFRS interest payable on customer deposits has been added to deposits from customers.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Interest payable on deposits from customers	(1,107,067)	(3,609,960)	(3,609,403)
<b>Total</b>	<b>(1,107,067)</b>	<b>(3,609,960)</b>	<b>(3,609,403)</b>



g) The effect of all the adjustments in Other Comprehensive Income is given to Reserves.

Particulars	As at 01.04.2074	As at 32.03.2075	As at 31.03.2076
Increase in fair value of investment	(243,907)	(3,134,733)	(3,782,423)
Deferred tax on change in fair value of investment	73,172	940,420	1,134,727
Actuarial gains/ (losses)	1,049,238	2,049,022	1,004,783
Transfer of Deferred tax reserves to Retained earnings	-	-	-
<b>Total</b>	<b>878,503</b>	<b>(145,291)</b>	<b>(1,642,913)</b>

#### 5.10.5 Effect of NFRS adoption for statement of profit or loss and other comprehensive income

Fig. NPR

Particulars	Explanatory Note *	For the year ended 32.03.2075			For the year ended 31.03.2076		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs	Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Interest income	a	38,530,623	2,422,262	40,952,885	67,885,315	801,422	68,686,737
Interest expense		-15,175,773	-	15,175,773	-30,420,213	0	-30,420,213
Net interest income		23,354,850	2,422,262	25,777,112	37,465,102	801,422	38,266,524
Fee and commission income		3	1,814,350	1,814,353	0	1,458,705	1,458,705
Fee and commission expense		-	0	0	0	0	0
Net fee and commission income		3	1,814,350	1,814,353	0	1,458,705	1,458,705
Net interest, fee and commission income		23,354,853	4,236,612	27,591,465	37,465,102	2,260,127	39,725,229
Net trading income	b	-	-	0	0	0	0
Other operating income	c	1,822,330	-4,109,172	-2,286,842	1,517,305	-450,654	1,066,651
<b>Total operating income</b>		<b>25,177,183</b>	<b>127,440</b>	<b>25,304,623</b>	<b>38,982,407</b>	<b>1,809,473</b>	<b>40,791,880</b>
Impairment charge/(reversal) for loans and other losses	d	74,958,577	1,561,341	76,519,918	-22,706,925	1,885,465	-20,821,460
Net operating income		100,135,760	1,688,781	101,824,541	16,275,482	3,694,938	19,970,420
Operating expense							
Personnel expenses	e	19,201,334	3,736,961	22,938,295	20,377,354	-1,932,681	18,444,673
Other operating expenses		6,910,736	0	6,910,736	10,102,373	0	10,102,373
Depreciation & Amortisation		1,152,254	0	1,152,254	1,758,798	0	1,758,798
Operating Profit		72,871,436	-2,048,180	70,823,256	-15,963,043	5,627,618	-10,335,425
Non operating income		2028503	-2,028,503	0	2,245,826	-2,245,826	0
Non operating expense	f	-2,652,514	2,294,822	-357,692	0	0	0
Profit before income tax		72,247,425	-1,781,861	70,465,564	-13,717,217	3,381,792	-10,335,425
Income tax expense							
Current Tax	g	0	-	0	-46,373	0	-46,373
Deferred Tax	h	-467,012	465,615	-1,397	1,843,324	-1,667,897	175,427
Profit for the year		71,780,413	-1,316,246	70,464,167	-11,920,266	1,713,895	-10,206,371
Other comprehensive income	i	0	-1,023,794	-1,023,794	0	-1,497,622	-1,497,622
<b>Total Comprehensive</b>		<b>71,780,413</b>	<b>-2,340,040</b>	<b>69,440,373</b>	<b>-11,920,266</b>	<b>216,273</b>	<b>-11,703,993</b>



Explanatory Notes:

- a) Under NFRS the amortization of prepaid staff cost is recognized as finance cost of staff under NFRS and subsequently the same amount is booked as interest income on loans and advances to staff thereby increasing interest income and profit.

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Accrued interest on loans & advances recognized as income	-	-
Interest income on loans & advances to staff	2,422,262	801,422
<b>Total</b>	<b>2,422,262</b>	<b>801,422</b>

- b) Non banking assets are classified as Investment property under NFRS and measured at fair value. The change in fair value of NBA is booked under Operating income.

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Change in fair value of NBA	-	-
Change in fair value of trading assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- c) Under previous GAAP, Loan Loss Provision were provided as per the directive of Nepal Rastra Bank. Under NFRS, the Bank assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

However as per the carve out given by NRB/ ASB higher of loan loss provision as per GAAP or impairment calculated as per NFRS is eligible for charging.

Further the conditions under NFRS were not met to provide for Investments and Non Banking Assets hence the loss provision created as per the requirement of Unified NRB Directives has been reversed.

The effect of above items has been explained below:

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Total Impairment as per NFRS (i)	273,438,534	221,866,454
Loan Loss Provision as per NRB Directive (ii)	298,089,230	318,892,926
Higher of (i) or (ii)	298,089,230	318,892,926
<b>Sub total</b>	<b>-</b>	<b>-</b>

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Provision for investment, net of write back reversed	1,561,341	647,690
Provision on NBA, net of write back reversed	(2,028,503)	-
Interest receivable on NBA	-	-
Sub total	(467,162)	647,690
<b>Total</b>	<b>(467,162)</b>	<b>647,690</b>

- d) Under NFRS the amortization of prepaid staff cost is recognized as finance cost of staff under NFRS and subsequently the same amount is booked as interest income on loans and advances to staff.

Under NFRS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive income (OCI). Consequently, the tax effect of the same is also recognized in Other Comprehensive Income (OCI) under NFRS instead of profit or loss. The Finance has booked Gratuity expenses as per Actuarial valuation report under previous GAAP. Hence actuarial gains/losses is only re-classified transferring from profit or loss to OCI.

The effect of above items has been explained below:





Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Finance cost of staff under NFRS	2,422,262	801,422
Actuarial gains/losses transferred to OCI	999,784	(1,044,239)
<b>Total</b>	<b>3,422,406</b>	<b>(242,817)</b>

- e) The impact in deferred tax expense/ income is due to the incorrect booking of DTL instead of DTA under previous GAAP complied financial statement.

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Deferred tax expense/(income) as per NFRS	1,397	421,466
Deferred tax (expense)/income as per GAAP	(467,012)	1,843,324
<b>Total</b>	<b>(465,615)</b>	<b>2,264,790</b>

- f) Under previous GAAP, investments were measured at cost less diminution in value. Under NFRS, these financial assets have been classified as financial assets carried at Fair Value through Other Comprehensive Income (FVTOCI). These financial assets have been measured at their fair value which is higher than the cost as per previous GAAP and the changes in fair value is charged to OCI.

Under NFRS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in Other Comprehensive income (OCI). Consequently, the tax effect of the same is also recognized in Other Comprehensive Income (OCI) under NFRS instead of profit or loss. The Finance has booked Gratuity expenses as per Actuarial valuation report under previous GAAP. Hence actuarial gains/losses is only re-classified by transferring from profit or loss to OCI.

The effect of these items in Other Comprehensive Income is explained below:

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Increase in fair value of investment	(2,890,826)	(647,690)
Deferred tax on change in fair value of investment	867,248	194,307
Actuarial gains/(losses)	999,784	(1,044,239)
<b>Total</b>	<b>(1,023,794)</b>	<b>(1,497,622)</b>

#### 5.10.6 Effect of NFRS adoption for statement of cash flows

Fig. NPR

Particulars	Explanatory Note *	For the year ended 32.03.2075			For the year ended 31.03.2076		
		Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs	Previous GAAP	Effect of Transition to NFRSs	Amount as per NFRSs
Net cash flows from operating activities	a	34,945,178	176,548,256	211,493,433	(1,372,488)	24,236,422	22,863,924
Net cash flows from investing activities	b	12,322,586	-	12,322,586	9,860,387	-	9,860,387
Net cash flows from financing activities	c	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalent		47,267,764	176,548,256	223,816,019	8,487,888	24,236,422	32,724,311
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-	-	-	-	-
Cash and cash equivalent at the beginning of the period	D	201,013,775	-176,548,256	24,465,519	272,517,960	-24,236,422	248,281,538
Cash and cash equivalent at the end of the period		248,281,538	-	248,281,538	281,005,849	-	281,005,849



Explanatory Notes:

a) The following items are re-classified in cash flow from Operating activities:

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Due from Nepal Rastra Bank	152,311,832	6,151,729
<b>Total</b>	<b>152,311,832</b>	<b>6,151,729</b>

b) The following items are re-classified in Cash and cash equivalents:

Particulars	For the year ended 32.03.2075	For the year ended 31.03.2076
Due from Nepal Rastra Bank	(176,548,255)	(24,236,423)
<b>Total</b>	<b>(176,548,255)</b>	<b>(24,236,423)</b>

## 6 Other Explanatory Notes

### 6.1 Impairment

As per the Carve out notice issued by ICAN, the Financial Institution has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

Particulars	2075/76	2074/75	2073/74
LLP as per NRB Directives (a)	318,892,926	298,089,230	375,809,506
Individual Impairment as per NFRS	221,866,454	273,438,534	268,383,061
Collective Impairment as per NFRS	-	-	-
Total Impairment as per NFRS (b)	221,866,454	273,438,534	268,383,061
Charged to P&L (Higher of a & b)	318,892,926	298,089,230	375,809,506

### 6.2 Investment Properties/ Non-Banking Assets

Non-Banking Assets (NBA) has been shown under investment property. It has been recognized at lower of fair value or amount due at the time of assumption of NBA. Previously 100% provision was made against NBA as per NRB requirement. The details of book value of NBA is presented hereunder:

The Book value and Fair value of NBA given below is same because the NBA was sold within 11 months from the previous reporting date. Since the time period is less than 12 months, no discounting has been done and book value has been assumed to be fair value.

Name of borrower	Date of assuming NBA	As at 16-Jul-19		As at 16-Jul-18		As at 15-Jul-17	
		Book value	Fair value	Book value	Fair value	Book value	Fair value
Anup Ranamagar	2072/03/24	-	-	-	-	2,028,503	2,028,503
Grand Total		-	-	-	-	2,028,503	2,028,503

### 6.3 Accrued Interest on loan

Previously the Financial Institution recognized interest income on Cash basis as per requirement of NRB directives. However under NFRS interest income is recognized on accrual basis. Accordingly the Interest Suspense is recognized as income. However interest receivable on some restricted loans which is assumed to be irrecoverable in the foreseeable future has not been recognized as income. The details of which is presented below:

Particulars	2075/76	2074/75	2073/74
Interest suspense	269,766,812	244,668,501	220,711,895
Assumed to irrecoverable	269,766,812	244,668,501	220,711,895
Recognised as income	-	-	-



#### 6.4 Amortisation of staff loan

The Financial Institution has recognized staff loan at amortised cost. The details of amortization pertaining to respective years have been summarized below.

Particulars	2075/76	2074/75	2073/74
Book value of Staff loan	28,686,900	24,021,479	25,251,393
Prepaid staff cost	19,599,236	16,723,840	18,025,183
Amortised cost of Staff loan	9,087,664	7,297,639	7,226,209

#### 6.5 Earnings per share

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

Particulars	Units	Year ended	Year ended
		16-Jul-19	16-Jul-18
Profit attributable to equity shareholders (a)	NPR	(9,933,998)	70,464,167
Weighted average of number of equity shares used in computing basic earnings per share (b)	Nos.	1,879,453.13	1,879,453.13
Basic and diluted earnings per equity share of Rs 100 each (a/b)	Rs	(5.29)	37.49

As there is no potential ordinary shares that would dilute current earning of equity holders, basic EPS and diluted EPS are equal for the period presented.

#### 6.6 Proposed Distributions (Dividends and Bonus Shares)

The Finance has not proposed any distributions during the year.

#### 6.7 Unpaid Dividends

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

NPR. '000

Particulars	As at 16 July 2019	As at 16 July 2018	As at 15 July 2017
Not collected for more than 5 years			
Not collected up to 5 years	9,665	9,665	9,665
<b>Total</b>	<b>9,665</b>	<b>9,665</b>	<b>9,665</b>

#### 6.8 Non-performing assets

The Financial Institution's non-performing assets ratio stood at 80.91% as at balance sheet date. The total non-performing assets as at balance sheet date is NPR 363,397,117 and loan loss provision related to non-performing assets calculated as per NRB directives is NPR 317,004,811 which is 87.23% of NPA. Also, the total loan loss provision to NPA is 87.75%.

Particulars	This Year	Previous Year	Change	
			Amount	%
Pass loan (performing loans)	85,763,497	165,467,585	-79,704,088	-48.17%
Non-Performing Loans (NPL)				
Restructured/rescheduled	-	684,069	-684,069	-100%
Substandard	58,927,400	7,500,000	51,427,400	685.70%
Doubtful	4,393,512	-	4,393,512	100%
Loss	300,076,205	295,121,397	4,954,808	1.68%
Gross Loans & Advances	449,160,614	468,773,051	-19,612,437	



NPL ratios:

Gross NPL to Gross Loans & Advances	80.91%
Net NPL to Net Loans & advances	35.61%

## 6.9 Concentration of Deposits, Loans & Advances and Contingents

(NPR)

Particulars	Loans & Advances and Bills Purchased		Deposits & Borrowings		Non Funded	
	16 July 2019	16 July 2018	16 July 2019	16 July 2018	16 July 2019	16 July 2018
Total Amount Outstanding	449,161	401,571	304,368	287,968	-	-
Highest Exposure of a Single Unit	137,587	137,587	144,347	122,929	-	-
Concentration of exposure	30.63%	34.26%	47.43%	42.69%	-	-

For the calculation of concentration, loans and advances is total loans extended to the customers except staff loans and interest accruals on loans and the deposits is total deposits from the customers excluding interest payables. Single Obligor Limit and Sector-wise Limit (Directive No.3) for funded is not within the limit as prescribed by NRB directives.

## 6.10 Regulatory Reserve

As per the NRB Directive 4/075 clause 3 the Financial Institution is required to credit an amount equal to the adjustments made as per NFRS while preparing Opening Statement of Financial Position and NFRS compliant financial statements of succeeding years to the Regulatory Reserve. The amount shall be transferred from Retained Earning to the Regulatory Reserve in the Statement of Changes in Equity. Accordingly the Finance has credited the following amounts:

Fig. NPR

Particulars	2075/76
Short provision for possible losses on investment	3,782,423
Deferred tax assets	838,477
Gratuity and leave provision valuation	1,004,783
<b>Total</b>	<b>5,625,683</b>

## 6.11 Corporate Social Responsibility Reserve

As per the NRB Circular # Bai.Bi.Ni.Bi./Niti/Partipatra/Kakhgha/11/073/74 on the Corporate Social Responsibility, the Finance has to allocated 1% of the net profit of current fiscal year for CSR activities. Since, the Finance made losses in the current year; the amount allocated for corporate social responsibility reserve is Nil. However, NPR 713,514 was allocated for corporate social responsibility reserve in the previous year.

Particulars	2075/76	2074/75
Opening as on Shrawan 1	1,965,106	1,251,892
Addition during the year	-	713,514
CSR expense during the year	-	16,933
Closing as on Ashad end	1,965,106	1,965,106

## 6.12 Staff Training and Development Fund

As per the NRB Circular # Bai.Bi.Ni.Bi./Niti/Partipatra/Kakhaga/10/073/74 4ka the bank shall spend 3% of the total Personnel expenses of preceding year on Staff training and development. Further if such amount could not be spent, short amount shall be credited to Staff training and development fund which shall be spent in the next year. Accordingly bank has not spent during FY 2075/76 against mandatory requirement of NPR 295,302. Hence NPR 295,302 has been credited to Staff training and development fund.



Particulars	2075/76	2074/75
Personnel expenses of previous year	9,843,412	
3% of above	295,302	
Staff training & development expense during the year charged to reserve	-	
Staff training & development expense during the year charged to P&L	-	
Transferred to reserve	295,302	

### 6.13 Principal Indicators

S.N.	Particulars	Indicators	2075-76
			2018-19
1.	Percent of Net Profit/Gross Income	Percent	-51.98%
2.	Earning Per Share	Rs.	-5.43
3.	Market Value Per Share	Rs.	126
4.	Price Earning (PE) Ratio	Ratio	-23.20
5.	Stock Dividend on Share Capital	Percent	-
6.	Cash Dividend on Share Capital	Percent	-
7.	Interest Income/Loan & Advances	Percent	49.29%
8.	Staff Expenses/Total Operating Expenses	Percent	30%
9.	Interest Expenses on Total Deposit and Borrowing (Cost of Fund)	Percent	9.87%
10.	Exchange Gain/Total Income	Percent	-
11.	Staff Bonus/Total Staff Expenses	Percent	-
12.	Net Profit/Loan and Advances	Percent	-7.32%
13.	Net Profit/Total Assets (Return on Assets)	Percent	-2.10%
14.	Total Credit/Deposits	Percent	45.24%
15.	Total Operating Expenses/Total Assets	Percent	13%
16.	Adequacy of Capital Fund on Risk Weighted Exposure		
	a. Core Capital	Percent	22.33%
	b. Supplementary Capital	Percent	0.3%
	c. Total Capital Fund	Percent	22.63%
17.	Liquidity	Percent	91.24%
18.	Non-Performing Assets (Overdue Credit)/Total Credit	Percent	80.91%
19.	Weighted Average Interest Rate Spread	Percent	2.85%
20.	Book Net-Worth (Per Share)	Rs.	77.79
21.	Total Number of Shares	'000 Nos	1,879
22.	Total Number of Staffs	Nos	23
23.	Net Profit Per Staff	Rs.	-508,869
24.	Total staff cost per staff	Rs.	247,527
25.	Total Number of Branches	Nos	2

**Note:**

1. The earning per share mentioned above is computed based on the weighted average number of shares outstanding during the Year ended Ashad 2076.
2. The above figures are extracted from the report sent to NRB as per the format specified and hence such figures are as per GAAP and not NFRS.



6.14 Unaudited Financial Results as of 32 Ashadh, 2076

**Lalitpur Finance Limited**  
**Unaudited Financial Results (Quarterly)**  
as at Fourth Quarter ending on 32/03/2076 (16.07.2019) of the Fiscal Year 2075/2076  
As per NRB Circular No. Bai.Ni.Bi.Ni./Niti/Paripatra/KaKhaGa/10/074/75 and  
Bai.Bi.Ni.Bi./Niti/Paripatra/KaKhaGa/23/074/75 (NFRS Compliant)

NPR

Statement of Financial Position	Ashadh End, 2076	Chaitra End, 2075	Ashadh End, 2075
	This Quarter Ending	Corresponding Previous Quarter Ending	Corresponding Previous Year Ending
Assets			
Cash and Cash equivalent	281,005,849	245,008,341	248,281,538
Due from NRB and Placements With BFIs	18,084,694		24,236,423
Loan and Advances	139,355,352	486,290,391	176,781,122
Investments Securities	11,786,285	15,568,711	12,433,975
Investment in Subsidiaries and Associates	-	-	-
Property and equipment	6,037,641	5,095,310	3,876,580
Goodwill and Intangible assets	319,037	-	406,047
Other assets	28,803,686	41,141,270	26,786,801
<b>Total Assets</b>	<b>485,392,544</b>	<b>793,104,023</b>	<b>492,802,485</b>
Capital and Liabilities			
Paid Up Capital	236,874,713	236,874,713	236,874,713
Reserves and Surplus	(90,404,550)	(117,434,930)	(78,972,931)
Deposits	307,975,695	312,265,340	291,578,260
Borrowings	-	-	-
Bond and Debenture	-	-	-
Other liabilities and provisions	30,946,685	361,398,900	43,322,443
<b>Total Capital and Liabilities</b>	<b>485,392,544</b>	<b>793,104,023</b>	<b>492,802,485</b>

Statement of Profit or Loss	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Ending
Interest Income	68,686,737	31,023,800	40,952,885
Interest Expense	30,420,213	22,953,480	15,175,773
Net Interest Income	38,266,524	8,070,320	25,777,112
Fee and Commission Income	1,458,705	880,030	1,814,353
Fee and Commission Expense	0	0	0
Net Fee and Commission Income	1,458,705	880,030	1,814,353
Other Operating Income	1,066,651	1,197,210	-2,286,842
Total Operating Income	40,791,880	10,147,560	25,304,623
Impairment Charge/(Reversal) For Loans And Other Losses	20,821,460	33,411,650	-76,519,918
Net Operating Income	19,970,420	-23,264,090	101,824,541
Personnel Expenses	18,444,673	11,390,450	22,938,295



Other Operating Expenses	11,635,172	8,095,910	8,062,990
Operating Profit	-10,109,425	-42,750,450	70,823,256
Non Operating Income/Expense	0	903,570	-357,692
Profit Before Tax	-10,109,425	-41,846,880	70,465,564
Income Tax	-175,427	0	1,397
Profit /(Loss) For The Period	-9,933,998	-41,846,880	70,464,167
Other Comprehensive Income	-1,497,622	0	-1,023,794
<b>Total Comprehensive Income</b>	<b>-11,431,620</b>	<b>-41,846,880</b>	<b>69,440,373</b>
Distributable Profit			
Net Profit/(Loss) As Per Profit Or Loss	-11,431,620	-41,846,880	69,440,373
Add/(Less): Regulatory Adjustment As Per NRB Directives	-216,274	0	1,911,041
Free Profit/(Loss) After Regulatory Adjustments	-11,647,894	-41,846,880	71,351,414
<b>Ratios:</b>			
Capital Fund to RWA (As per NRB Directive)	14.37%	18.44%	22.30%
Non performing loan (NPL) to total loan (As per NRB Directive)	1.13%	75.33%	80.91%
Total loan loss provision to Total NPL (As per NRB Directive)	159.60%	88.61%	87.75%
Cost of Funds	7.99%	9.40%	9.50%
Credit to Deposit Ratio ( As per NRB Directive)	72.15%	112.79%	100.97%
Base Rate	11.51%	17.17%	37.66%
Basic Earning Per Share Rs.	-6.08	-22.27	36.95
Diluted Earning Per Share Rs.	-6.08	-22.27	36.95

**Notes to NFRS Compliant Financials as per NRB Circular no Bai. Bi. Ni. Bi/ Niti/Paripatra/  
KaKhaGa/23/074/75.**

1. The above figures may undergo changes on completion of statutory audit and/or as per the directives of Nepal Rastra Bank.
2. On implementation of NFRS, the previous periods' figures have been revised, wherever necessary in accordance with the NFRS Compliant Financial statement format provided by NRB and the principles and policies adopted by the Finance in accordance with NFRS.
3. Interest income on loans and advances are shown as per Circular 01- "Interest Income Recognition Related" form NRB dated 2076/04/10
4. All the reserves and surplus have been created based on the net profit as per NRB Directive No. 4 and the difference in the profit as per NFRS and NRB Directive no. 4 have been transferred to Regulatory reserve.
5. Provision for Gratuity and leave have been provided for as per the Actuary valuation Report.
6. The Financial Institution, while complying NFRS, has applied appropriate accounting judgment as having potentially material impact on the financial statements and exercise judgment in making accounting estimates. Further, financial assets and liabilities have been classified in accordance with the requirements of NFRS and consistently applied in the comparative period also.



**Segment Reporting:**

The Financial Institution has not identified any key segments of the business on the basis of nature of operations that assist the Finance in decision process and to allocate the resources. Therefore, segment reporting is not done by the Financial Institution.

Reconciliation of Net Profit as per NFRS Complied Financial Statements and Financial Statement prepared as per NRB Directives and Local GAAP:

<b>NPR</b>	
<b>Particulars</b>	<b>Asar end, 2076</b>
Profit/(Loss) Before Regulatory Adjustment	(11,431,620)
Interest income recognized on accrual basis	-
Deferred tax asset recognized	1,667,897
Reversal of write back of provision on Non-Banking Assets	-
Reversal of provision for Investment	(647,690)
Difference in valuation of investment	453,383
Gratuity and leave provision valuation	(1,689,864)
Reversal of staff bonus as per GAAP	-
Staff Bonus as per NFRS	-
Tax Expenses as per GAAP	-
Tax Expenses as per NFRS	-
Profit/(Loss) After Regulatory Adjustment	(11,647,894)





**SANJAY CHAUDHARY & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Mahalaxmi-5, Tikathali  
Lalitpur, Nepal

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF LALITPUR FINANCE LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Lalitpur Finance Limited (hereinafter referred to as "the Financial Institution") which comprise the Statement of Financial Position as at Asar 31, 2077 (July 15, 2020), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial statements").

In our opinion, and to the best of our information and according to the explanations given to us, and subject to the effect of matters mentioned in Basis of Qualified Opinion section, the aforesaid financial statements presents fairly, in all material respects, the financial position of the Financial Institution as at Asar 31, 2077 (July 15, 2020) and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Companies Act, 2063 and Bank and Financial Institution Act, 2073.

Basis of Qualified Opinion

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Financial Institution in accordance with the Handbook of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the 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 audit opinion on the financial statements.

On review of the financial statements of the institution, we noted following major issues which are not rectified by the management of the financial institution. Considering the effects of these issues, we consider to issue qualified audit report.

The financial institution was failed to maintain paid up capital of Rs. 80 crore at the current year end as prescribed under NRB Directions and as per its capital plan.

The financial institution has not treated un-recovery of legal expenses, insurance premium expenses and other service charges Rs. 1,203,312 as Force Loan receivable from loanees since long time.

Cost of cabins, partitions and temporary structures amounting Rs. 349,554 are not to be treated as fixed assets. These items neither have long useful life and nor be repairable for reuse. These items are usually in nature of use and throw and their economic benefits are exhausted within a year. The financial institution should remove items in nature of office upkeep and maintenance from fixed assets.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in the audit of the financial statements of the current period. Those 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.

**Credit Monitoring System:** Realizing the necessity of credit monitoring systems to prevent the loan from being downgraded and having updated information about the borrower, the credit department in coordination with the credit committee reviews and monitors the use of the credit and also periodically reviews the borrower's overall financial soundness and capability of payment his installments as per necessity. However the current practice of the financial institution in regard to the inspection of collateral, their existence, verification of the ownership, follow up for overdue principal and interest and recoverability of loans and advances is not sufficient. To overcome deficiencies pointed out in our preliminary audit report, the financial institution should ensure that such inspection reflects the actual recoverability status of the mortgaged assets and suitable corrective measures should be taken in time to ensure recoverability of loans and advances. It should pay much and serious attention for recovery of overdue loans.

**Effectiveness of Risk Management Committee:** The risk management committee analyses the risk identified and probable risk that may arise covering all aspects such as market risk, credit risk, liquidity risk, operation risk, etc. Regular meeting of the committee has not been conducted during the current financial year. The Committee was not effective to review credit risk, market risk and taking risks mitigating measures so that the financial institution was not exposed to excess risks. Considering the scope of activities, the effectiveness of the risk management committee is not reasonable in the sense that it does not conduct the meeting as per requirement nor identify various risks and develop the strategic plan to mitigate such risks.

**Effectiveness of the Audit Committee:** The audit committee has not taken up the required business and regular meeting has not been found conducted. The committee never reviewed company's financial condition; internal controls; audit program; risk management system; compliance of BAFIA, NRB Directives and its own rules; efficiency and effectiveness of its operations. Hence the Audit Committee was not found effective.



#### Other Information

The financial institution should recommend the KarjaSuchana Kendra Ltd. to blacklist the borrowers with principal overdue amount Rs. 1,879,212 and interest overdue amount Rs. 5,553,596 as stated in our preliminary audit report and personal guarantor of such borrower to be in compliance with the provisions of the NRB Directives.

The financial institution should recover expired loans as mentioned on our preliminary audit report principal overdue amount Rs. 270,691,040 and interest overdue amount Rs. 209,604,401.

As mentioned in our preliminary audit report, staff advance Rs. 669,920 has not been settled since long time.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Financial Institution's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management Report, Report of the Board of Directors and Chairman's Statement but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 and error.

In preparing the financial statements, management is responsible for assessing the Financial Institution's ability to continue as 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 Financial Institution or to cease the operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Financial Institution'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 a 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism through the audit.

We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Institution's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of 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 Financial Institution'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 auditor's report. However, future events or conditions may cause the Financial Institution to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Financial Institution to express an opinion in the financial statements. We are responsible for the direction, suspension and performance of the Financial Institution audit. We remain solely responsible for our audit opinion.

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 the relevant ethical requirement 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.

Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.

The Statement of Financial Position, Statement of Profit or Loss (including Other Comprehensive Income), Statement of Cash Flows and attached Schedules dealt with by this report are prepared as per procedure and format prescribed by Nepal Rastra Bank and agree with the books of account maintained by the Financial Institution.

The proper books of accounts as required by the law have been maintained by the Financial Institution.

During our examination of the books of account of the Financial Institution, we have not come across any cases where any office holder of the Financial Institution has acted contrary to the provisions of law or caused loss or damage to the Financial Institution.

The Financial Institution has been functioning as per the Directives of Nepal Rastra Bank.

We have not come across any fraudulence in the accounts, based on our sample examination of the books.

Non-performing loan is beyond the limit prescribed by NRB Directives. The financial institution needs to have effective recovery process to recover defaulted and bad loans and overdue interests under NRB direction in the interests of depositors and investors.

The term of office of the directors has already expired under Section 15(1) of the Banks and Financial Institutions Act, 2073. The financial institution needs to form a Board of Directors possessing qualifications as prescribed under Section 16(1) of the Act.

As per Rule 56(4)(ka) of the Labor Rules 2075, the financial institution is required to submit labor audit report to the Labour Relation Committee and Nepal Rastra Bank.

For, Sanjay Chaudhary & Associates  
Chartered Accountants



Sanjay Kumar Chaudhary, FCA  
Principal

Dated: 2078/02/12 Lalitpur, Nepal  
UDIN:210602CA00508UEI9f



**Lalitpur Finance Limited**  
Statement of Financial Position  
As on 31 Asar 2077 (As at 15 July 2020)

Particulars	Note	As at 31 Asar 2076	As at 32 Asar 2075
<b>Assets</b>			
Cash and cash equivalent	4.1	289,583,274	281,005,849
Due from Nepal Rastra Bank	4.2	22,558,633	18,084,694
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	-	-
Loans and advances to customers	4.7	37,614,988	139,355,352
Investment securities	4.8	25,012,736	11,786,285
Current tax assets	4.9	4,631,742	4,789,271
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	-	-
Property and equipment	4.13	4,661,913	6,037,641
Goodwill and Intangible assets	4.14	232,027	319,037
Deferred tax assets	4.15	1,315,740	1,404,975
Other assets	4.16	21,598,615	22,563,067
<b>Total Assets</b>		<b>407,209,669</b>	<b>485,346,171</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	1,128,606	5,849,604
Due to Nepal Rastra Bank	4.18	-	-
Derivative financial instruments.	4.19	-	-
Deposits from customers	4.20	234,361,054	302,126,091
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	-
Other liabilities	4.23	32,313,300	31,172,685
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>267,802,960</b>	<b>339,148,380</b>
<b>Equity</b>			
Share capital	4.26	187,945,313	187,945,313
Share premium		-	-
Retained earnings		(237,802,642)	(230,890,518)
Reserves	4.27	189,264,038	189,142,995
<b>Total equity attributable to equity holders</b>			
Non-controlling interest			
<b>Total equity</b>		<b>139,406,709</b>	<b>146,197,790</b>
<b>Total liabilities and equity</b>		<b>407,209,669</b>	<b>485,346,171</b>
Contingent liabilities and commitment	4.28	-	-
Net assets value per share			

**Naresh Kumar Shrestha**  
Director

**Deepak Maharjan**  
Chairman

**Bishnu Prasad Bhetwal**  
Director

As per our report of even date

**CA. Sanjay Chaudhary**  
Principal

Sanjay Chaudhary & Associates

**Sabin Ghimire**  
Director

**Uttam Aryal**  
Director

**Chandra Shekhar Khadka**  
Acting Chief Executive Officer/Company Secretary

**Jabin Ranjit**  
Finance Head



**Lalitpur Finance Limited**  
Statement of Profit or Loss  
For the year ended 31 Asar 2077 (As at 15 July 2020)

Particulars	Note	Current Year	Previous Year
Interest income	4.29	47,473,890	68,686,737
Interest expense	4.30	24,095,487	30,420,213
<b>Net interest income</b>		<b>23,378,402</b>	<b>38,266,524</b>
Fee and commission income	4.31	265,801	1,458,705
Fee and commission expense	4.32	-	-
<b>Net fee and commission income</b>		<b>265,801</b>	<b>1,458,705</b>
<b>Net interest, fee and commission income</b>		<b>23,644,203</b>	<b>39,725,229</b>
Net trading income	4.33	-	-
Other operating income	4.34	874,783	1,066,651
Total operating income		24,518,986	40,791,880
Impairment charge/(reversal) for loans and other losses	4.35	(2,069,778)	20,821,460
<b>Net operating income</b>		<b>26,588,765</b>	<b>19,970,420</b>
<b>Operating expense</b>			
Personnel expenses	4.36	17,351,548	18,444,673
Other operating expenses	4.37	11,222,458	10,102,373
Depreciation & Amortisation	4.38	1,462,746	1,758,798
<b>Operating Profit</b>		<b>(3,447,988)</b>	<b>(10,335,425)</b>
Non operating income	4.39	-	-
Non operating expense	4.40	29,993	-
<b>Profit before income tax</b>		<b>(3,477,980)</b>	<b>(10,335,425)</b>
Income tax expense	4.41		
Current Tax		111,156	46,373
Deferred Tax		440,180	(175,427)
<b>Profit for the year</b>		<b>(4,029,317)</b>	<b>(10,206,371)</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		(4,029,317)	(10,206,371)
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>(4,029,317)</b>	<b>(10,206,371)</b>
Earnings per share			
Basic earnings per share		-2.14	-5.43
Diluted earnings per share		-2.14	-5.43

As per our report of even date

**Naresh Kumar Shrestha**  
Director

**Deepak Maharjan**  
Chairman

**Bishnu Prasad Bhetwal**  
Director

**CA. Sanjay Chaudhary**  
Principal

Sanjay Chaudhary & Associates

**Sabin Ghimire**  
Director

**Uttam Aryal**  
Director

**Chandra Shekhar Khadka**  
Acting Chief Executive Officer/Company Secretary

**Jabin Ranjit**  
Finance Head



**Lalitpur Finance Limited**  
Statement of Other Comprehensive Income  
For the year ended 31 Asar 2077 (As at 15 July 2020)

Particulars	Note	Current Year	Previous Year
<b>Profit for the year</b>		<b>(4,029,317)</b>	<b>(10,206,371)</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		(1,169,818)	(647,690)
Net change in fair value			
Net amount transferred to profit or loss			
Gains/(losses) on revaluation			
Cash flow hedges:			
Effective portion of changes in fair value			
Net Amount reclassified to profit or loss			
Actuarial gain/loss on defined benefit plans		(1,942,891)	(1,044,239)
Income tax relating to above items		350,945	194,307
<b>Other comprehensive income for the period, net of income tax</b>			
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>(2,761,764)</b>	<b>(1,497,622)</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
Gains/(losses) on cash flow hedge			
Exchange gains/(losses) (arising from translating financial assets of foreign operation)			
Income tax relating to above items			
Reclassify to profit or loss			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>			-
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>			-
<b>Other comprehensive income for the year, net of income tax</b>		<b>(2,761,764)</b>	<b>(1,497,622)</b>
<b>Total Comprehensive Income for the year</b>		<b>(6,791,081)</b>	<b>(11,703,993)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		(6,791,081)	(11,703,993)
Non-controlling interest			
<b>Total comprehensive income for the year</b>		<b>(6,791,081)</b>	<b>(11,703,993)</b>



Lalitpur Finance Limited  
Statement of Changes in Equity  
For the year ended 31 Asar 2077 (As at 15 July 2020)

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-controlling Interest	Total Equity
Balance as at Sawan 1, 2075	187,945,313	-	133,970,118	-	-	-	-	(214,763,162)	50,749,515	157,901,784	-	157,901,784
Adjustment/Restatement												
Adjusted/Restated Balance at Sawan 1, 2075	187,945,313	-	133,970,118	-	-	-	-	(214,763,162)	50,749,515	157,901,784	-	157,901,784
Comprehensive Income for the year												
Profit for the year												
Other Comprehensive income, net of tax												
Remeasurement of defined benefit liability (assets)												
Fair Value Reserve (Investment in Equity Investment) :								(10,206,371)	(1,497,622)	(10,206,371)		(10,206,371)
Net Changes in Fair Value												
Net amount transferred to profit & loss												
Net gain(loss) on revaluation												
Cash Flow Hedge:												
Effective portion of changes in Fair Value												
Net amount reclassified to profit or loss												
Total comprehensive income for the year												
Transfer to reserve during the year												
Transfer from the reserve during the year					5,625,683			(5,625,683)				
Transactions with owners, directly recognized in equity												
Share issued												
Share based payments												
Dividends to equity holders:												
Bonus Shares issued												
Cash Dividend Paid												
Other												
<b>Total contributions by and distributions:</b>	<b>187,945,313</b>	<b>-</b>	<b>133,970,118</b>	<b>-</b>	<b>5,625,683</b>	<b>-</b>	<b>-</b>	<b>(230,595,215)</b>	<b>49,251,893</b>	<b>146,197,791</b>	<b>-</b>	<b>146,197,791</b>
Balance as at Sawan 1, 2076	187,945,313	-	133,970,118	-	5,625,683	-	-	(230,595,215)	49,251,893	146,197,791	-	146,197,791
Adjustment/Restatement												
Adjusted/Restated Balance at Sawan 1, 2076	187,945,313	-	133,970,118	-	5,625,683	-	-	(230,595,215)	49,251,893	146,197,791	-	146,197,791
Comprehensive Income for the year												
Profit for the year												
Other Comprehensive income, net of tax												
Remeasurement of defined benefit liability (assets)												
Fair Value Reserve (Investment in Equity Investment) :												
Net Changes in Fair Value												
Net amount transferred to profit & loss												
Net gain(loss) on revaluation												
Cash Flow Hedge:												
Effective portion of changes in Fair Value												
Net amount reclassified to profit or loss												
Total comprehensive income for the year												
Transfer to reserve during the year												
Transfer from the reserve during the year												
Transactions with owners, directly recognized in equity												
Right share issued												
Share based payments												
Dividends to equity holders:												
Bonus Shares issued												
Cash Dividend Paid												
Other												
<b>Total contributions by and distributions:</b>	<b>187,945,313</b>	<b>-</b>	<b>133,970,118</b>	<b>-</b>	<b>8,508,490</b>	<b>-</b>	<b>-</b>	<b>(237,507,339)</b>	<b>46,490,129</b>	<b>139,406,709</b>	<b>-</b>	<b>139,406,709</b>
Balance as at Asar End, 2077	187,945,313	-	133,970,118	-	8,508,490	-	-	(237,507,339)	46,490,129	139,406,709	-	139,406,709



Lalitpur Finance Limited  
Statement of cash flows  
For the year ended 31 Asar 2077

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	47,473,890	53,962,355
Fees and other income received	265,801	1,458,705
Dividend received	694,537	-
Receipts from other operating activities	180,246	58,600
Interest paid	(24,095,487)	(30,420,770)
Commission and fees paid	-	-
Cash payment to employees	(17,351,548)	(18,122,546)
Other expense paid	(9,182,673)	(19,518,824)
Operating cash flows before changes in operating assets and liabilities	(2,015,235)	(12,582,480)
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(4,473,939)	6,151,729
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	101,740,364	18,412,097
Other assets	1,211,216	(3,454,938)
	98,477,641	21,108,888
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(4,720,998)	(19,155,875)
Due to Nepal Rastra Bank	-	-
Deposit from customers	(67,765,037)	35,553,310
Borrowings	-	-
Other liabilities	1,140,614	(2,059,919)
	(71,345,421)	14,337,516
Net cash flow from operating activities before tax paid	25,116,986	22,863,924
Income taxes paid	(551,336)	-
<b>Net cash flow from operating activities</b>	<b>24,565,649</b>	<b>22,863,924</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(13,226,451)	(1,237,775)
Receipts from sale of investment securities		
Purchase of property and equipment	(0.00)	(3,832,849)
Receipt from the sale of property and equipment		
Purchase of intangible assets		-
Receipt from the sale of intangible assets		-
Purchase of investment properties		-
Receipt from the sale of investment properties		-
Interest received		13,922,960
Dividend received	-	1,008,051
<b>Net cash used in investing activities</b>	<b>(13,226,451)</b>	<b>9,860,387</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares		-
Dividends paid		-
Interest paid		
Other receipt/payment	(2,761,764)	
<b>Net cash from financing activities</b>	<b>(2,761,764)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	8,577,433	32,724,311
Cash and cash equivalents at Sawan 1, 2076	281,005,849	248,281,538
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash and cash equivalents at Asar end 2077</b>	<b>289,583,274</b>	<b>281,005,849</b>





Statement of distributable profit or loss For the year ended 31 Asar 2077 (As per NRB Regulation)		
Particulars	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>(4,029,317)</b>	<b>(10,206,371)</b>
<i>Appropriations:</i>		
a. General reserve	-	-
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	-	-
e. Employees' training fund	-	(295,302.00)
f. Other	-	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>(4,029,317)</b>	<b>(10,501,673)</b>
<i>Regulatory adjustment :</i>		
a. Interest receivable (-)/previous accrued interest received (+)	(209,558)	-
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	(1,169,818)	(3,782,423)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	440,180	(838,477)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(1,942,891)	(1,004,783)
i. Other (+/-)	-	-
Difference in valuation of gratuity and leave provision	-	-
Difference in valuation of Investments	-	-
<b>Distributable profit or (loss)</b>	<b>(6,911,404)</b>	<b>(16,127,356)</b>



**Lalitpur Finance Limited**  
**Notes to the financial statements**  
**for the year ended 31 Asar 2077**

**1. Reporting Entity**

Lalitpur Finance Limited (hereinafter referred to as “the Financial Institution”) is a public limited company domiciled in Nepal which has been in operation since 1995 AD. It’s registered and corporate office is at Lagankhel-05, Lalitpur, Nepal. It is established under the Finance Company Act 2042 and Company Act 2053 and has been performing its functions effectively under the guidance and license from Nepal Rastra Bank (Central Bank) as a Class “Ga” licensed institution. It is listed on Nepal Stock Exchange and its stock symbol is “LAFIN”.

The Financial Institution offers financial services such as loans and advances and deposits to wide range of clients encompassing individuals and corporate. The financial statements for the year ended on 15 July 2020 (Asar 31, 2077) are authorized for issue by the management on 2078/02/12. The Board of Directors acknowledges the responsibility of preparation of financial statements of the institution.

**2. Basis of Preparation**

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

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

**2.1 Statement of Compliance**

The Financial statements have been prepared 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) and in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2077.

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

**2.2 Reporting period and approval of financial statements**

The Financial Institution has, for the preparation of financial statements, adopted the NFRS with effect from fiscal year 2076/77.

Relevant Financial Statement	Nepalese Calendar	English Calendar
Current Year Period	1 Shrawan 2076-31 Asar 2077	17 July 2019- 15 July 2020
Comparative reporting period	1 Shrawan 2075-31 Asar 2076	17 July 2018 -16 July 2019
*SFP- Statement of Financial Position		

The 428<sup>th</sup> meeting of the Board of Directors held on 2077/02/12 has approved the financial statements accompanied with notes to the financial statements and the Board acknowledges the responsibility of preparation of financial statements of the institution. The approved financial statements have been recommended for approval by the shareholders in the 24<sup>th</sup> annual general meeting of the Financial Institution.

**2.3 Functional and Presentation Currency**

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

**2.4 Use of Estimates, Assumptions and Judgements**

The Financial Institution, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, it 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.

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 Financial Institution 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 Financial



Institution 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.

#### **1.1.1 Going Concern**

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

### **2.5 Changes in Accounting Policies**

The Financial Institution has prepared the financial position as per Nepal Financial Reporting Standard (NFRS) as at 15 July 2020 by recognizing all assets and liabilities whose recognition is required by NFRS, not recognizing the items of assets or liabilities which are not permitted by NFRS and applying NFRS in measurement of recognized assets and liabilities.

### **2.6 Reporting Pronouncements**

The Financial Institution has, for the preparation of financial statements, adopted the NFRS pronounced by ICAN. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). Details of carve out provided are as follows:

#### **1.1.1 NFRS 10: Consolidated Financial Statements**

In para 19 of NFRS 10, a parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances unless it is impracticable to do so.

The carve out is not relevant as the Financial Institution does not have any Subsidiary or Associate.

#### **1.1.2 NAS 34: Interim Financial Reporting**

In para 2, if an entity's interim financial report is described as complying with NFRSs, it must comply with all of the requirements of this Standard. Paragraph 19 requires certain disclosures in that regard. However, an entity shall not require to restate its corresponding previous interim period balance if it is impracticable to restate. However, this particular carve out is not applicable to the company for FY 2019-20.

#### **1.1.3 NAS 39: Financial Instruments: Recognition and Measurement**

##### **a) Impairment**

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

The carve out is not optional and has been provided for the FY 2017-18 to 2019-20.

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

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



the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve out is optional and has been provided for the FY 2017-18 to 2019-20. Accordingly, the Financial Institution has opted the carve out.

**c) Impracticability to determine interest income on amortized cost**

In para AG 93, once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

The carve out is optional and has been provided for the FY 2017-18 to 2019-20. Accordingly, the Financial Institution has opted the carve out.

**2.7 New Standards in issue but not yet effective**

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

A new Financial Reporting Standard (NFRS 2018) has been pronounced by the ICAN on 11th Asar 2077. The NFRS 2018 contains some new standards with amendments to the existing standards.

NFRS 2018 introduces the new standard as mentioned hereunder which will be applicable from the date mentioned below:

Standards	Applicable date
NFRS 9	16 July 2021
NFRS 14	16 July 2021
NFRS 15	16 July 2021
NFRS 16	16 July 2021
NFRS 17	16 July 2021

**2.8 Discounting**

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

**2.9 Limitation of NFRS Implementation**

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

**3. Significant Accounting Policies**

**3.1 Basis of Measurement**

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

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- investment property is measured at fair value
- the liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the net total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

**3.2 Basis of Consolidation**

**a. Business Combination**

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

The Financial Institution shall measure goodwill at the acquisition date as;

- the fair value of the consideration transferred, plus
- the recognized amount of any non-controlling interests in the acquire, plus



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

The Financial Institution does not have any Business combinations as on the reporting date and hence the notes prepared are for reference for any future events of business combinations.

**b. Non-Controlling Interest (NCI)**

For each business combination, the Financial Institution shall elect to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquire identifiable net assets, which are generally at fair value.

Changes in the Finance Institution's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

The Financial Institution does not have any Business combinations as on the reporting date and hence the notes prepared are for reference for any future events of business combinations.

**c. Subsidiaries**

Subsidiaries are the entities controlled by the Financial Institution. The Financial Institution controls an entity if 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. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The Financial Institution shall reassess whether it has control if there are changes to one or more of the elements of control. In preparing the consolidated financial statements, the financial statements are combined line by line by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. The carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary are eliminated in full. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (such as interest income and technical fee) are eliminated in full while preparing the consolidated financial statements.

The Financial Institution does not have any Subsidiaries as on the reporting date and hence the notes prepared are for reference for any future events of acquiring controlling interest.

**d. Loss of Control**

Upon the loss of control, the Financial Institution shall derecognize the assets and liabilities of the subsidiary, carrying amount of non-controlling interests and the cumulative translation differences recorded in equity related to the subsidiary. Further parent's share of components previously recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss or retained earnings as appropriate. Any surplus or deficit arising on the loss of control is recognized in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

The Financial Institution does not have any Subsidiaries as on the reporting date and hence the notes prepared are for reference for any future events of acquiring controlling interest.

**e. Special Purpose Entities**

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objectives. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Financial Institution and the SPE's risks and rewards, the Financial Institution concludes that it controls the SPE.



The following circumstances may indicate a relationship in which, in substance, the Financial Institution controls and consequently consolidates an SPE:

- The activities of the SPE are being conducted on behalf of the Financial Institution according to its specific business needs so that the Financial Institution obtains benefits from the SPE's operation.
- The Financial Institution has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an 'autopilot' mechanism, the Financial Institution has delegated these decision-making powers.
- The Financial Institution has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE.
- The Financial Institution retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

**f. Transaction Elimination on Consolidation**

All intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Financial Institution does not have any Business combinations as on the reporting date and hence only standalone financial statements have been prepared. The notes prepared are for reference for any future events of business combinations.

**3.3 Cash and Cash equivalent**

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

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

**3.4 Financial Assets and Financial Liabilities**

**A. Recognition**

The Financial Institution 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. It initially recognizes loans and advances, deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Finance 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 Financial Institution commits to purchase/ acquire the financial assets. Generally purchase and sale of financial assets are recognized on trade date at which the Financial Institution commits to purchase or sell the asset.

**B. Classification**

**I. Financial Assets**

The Financial Institution classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of its 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 Financial Institution 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 are 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 Financial Institution 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 Financial Institution classifies its financial liabilities, other than financial guarantees and loan commitments, as follows;

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

## C. Measurement

### i. Initial Measurement

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

### ii. Subsequent Measurement

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

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

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

### 3.4.1 De-recognition

#### De-recognition of Financial Assets

The Financial Institution 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 it 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 de-recognition that is created or retained by the Financial Institution is recognized as a separate asset or liability. On de-recognition 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 Financial Institution neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, it 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.

#### **De-recognition 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 de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

#### **3.4.2 Determination of Fair Value**

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

The fair values are determined according to the following hierarchy:

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

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

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

When available, the Financial Institution 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 Financial Institution establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

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

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

#### **3.4.3 Impairment**

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

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

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Financial Institution initiates legal recourse of recovery in respect of a credit obligation of the counterpart.





- Where the Financial Institution consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

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

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

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

Impairment losses on assets measured at amortised cost  
As per NAS 39

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

All Loans and advances to customers are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the Finance.

The Financial Institution assumed all Loans and advances to be individually significant and hence collective impairment has not been provided.

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

As per Loan Loss Provision of Nepal Rastra Bank

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

#### **Policies Adopted**

As per the Carve out notice issued by ICAN, the Financial Institution has measured impairment loss on loan and advances as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39.

### **3.5 Trading Assets**

Trading assets and liabilities are those assets and liabilities that the Financial Institution 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.

The Financial Institution does not have any Trading Assets as on reporting date.

### 3.6 Derivatives Assets and Derivative Liabilities

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

The Financial Institution does not have any Derivative Assets or Derivative Liabilities as on reporting date.

### 3.7 Loan to staffs

Loan to staffs has been recognized at amortised cost. The Financial Institution has used weighted average cost of fund for discounting the staff loan. The difference between book value and amortised cost is recognized as Prepaid staff cost.

### 3.8 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 labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Financial Institution 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 Financial Institution adopts cost model for entire class of property and equipment. Neither class of the property and equipment are 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.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the institution. 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.

#### b. Capital Work in Progress

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

The Financial Institution does not have any Capital Work In Progress as on Reporting date.

#### c. Depreciation

Depreciation on other assets is calculated using Diminishing Balance Method as per management judgement as follows:

Group	% Depreciation
Building	5
Office Equipment and Computers	25
Vehicle	20
Office Machinery	15
Leasehold	Lease Period

#### d. De-recognition

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 the de-recognition 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).

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



### 3.9 Goodwill Intangible Assets

#### Acquired Intangible Assets

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

#### 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.

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

### 3.10 Investment Property/Non-Current Assets Held for Sale

#### Investment Property

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

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

#### Non-Current Assets Held for Sale

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

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

The Financial Institution does not have any Non-Current Assets Held for Sale as on reporting date.

### 3.11 Income Tax

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

#### a. Current Tax

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

#### b. Deferred Tax

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

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

### 3.12 Deposits, debts securities issued and subordinated liabilities

#### a. Deposits

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

#### b. Debt Securities Issued



It includes debentures, bonds or other debt securities issued by the Financial Institution. Deposits, debt securities issued and subordinated liabilities are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Finance designates liabilities at fair value through profit or loss. The Financial Institution has not issued any debt securities.

**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 Financial Institution does not have any of such subordinated liabilities.

**3.13 Provisions**

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

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

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

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

**3.14 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 Financial Institution and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The Financial Institution's revenue comprises of interest income, fees and commission, and the bases of incomes recognition are as follows:

**a. Interest Income**

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

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

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

Here, accrued interest receivable amount has been recognized as interest income for the good loan's accrued interest receivable and such recognized amount has been transferred to regulatory reserve as per NRB Direction 4(3).

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



**b. Fees & Commission**

Fees and commissions income are recognized as income on cash basis at the time of issue of Guarantee or LC.

**c. Dividend Income**

Dividend income is 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, dividends and foreign exchange differences.

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

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

**3.15 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 Finance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

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

**ii. Defined Benefit plan**

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

The Financial Institution recognizes all actuarial gains and losses net of deferred tax arising from defined



benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit or loss.

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

iii. Termination Benefits

Termination benefits are recognized as an expense when the Financial Institution is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### 3.17 Leases

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

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

The Financial Institution has entered a Lease agreement which has the clause of normal increment of 10% of the initial lease rent every two years which the management assumes are in line with the lessor's expected inflationary cost increases.

### 3.18 Foreign Currency Translation

The financial statements are presented in Nepalese Rupees (NPR).

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date.

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

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

The financial institution does not have any Foreign exchange transaction.

### 3.19 Financial guarantee and loan commitment

Financial guarantees are contracts that require the Financial Institution 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 Financial Institution 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 Institution has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

### 3.20 Share Capital and Reserves

The Financial Institution 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 institution after deducting all its liabilities. Common shares are classified as equity of the institution and distributions thereon are presented in statement of changes in equity.

Dividends on ordinary 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, foreign exchange equalization reserve, regulatory reserve, investment adjustment reserve, staff training and development fund, CSR reserve etc.

**3.21 Earnings per share including diluted**

The Financial Institution 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 Finance by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**3.22 Segment Reporting**

The Financial Institution has not identified any key segments of the business on the basis of nature of operations that assist the Financial Institution in decision process and to allocate the resources. Therefore, segment reporting is not done by the Financial Institution.





Lalitpur Finance Limited

Notes forming part of the financial statements

4.1 Cash and Cash Equivalent

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Cash In Hand	5,948,847	4,215,421
Balances with BFIs	283,634,427	276,790,428
Money at Call and Short Notice	-	-
Other	-	-
<b>Total</b>	<b>289,583,274</b>	<b>281,005,849</b>

4.2 Due from Nepal Rastra Bank

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Statutory Balances with NRB	22,558,633	18,084,694
Securities purchased under Resale Agreement	-	-
Other deposit and receivable from NRB	-	-
<b>Total</b>	<b>22,558,633</b>	<b>18,084,694</b>

Being cash, the fair value of balance with the central bank is carrying amount itself. Balance with the NRB is principally maintained as a part of the regulatory cash reserve ratio required by the NRB.

4.3 Placement with Banks & Financial Institutions

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Placement with Domestic B/Fis	-	-
Placement with Foreign B/Fis	-	-
Less: Allowances for Impairment	-	-

4.4 Derivative financial instruments

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<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		
Others	-	-





#### 4.5 Other Trading Assets

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Tresury bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
<b>Total</b>	-	-
Pledged		
Non-Pledged		

#### 4.6 Loan and advances to BFIs

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Domestic BFIs		
Loans to Microfinance Institutions		
Other		
Less: Allowances for impairment	-	-
<b>Total</b>	-	-

##### 4.6.1 Allowances for Impairment

Balance at Shrawan 1		
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal		
Amount written off		
Balances at Ashad end	-	-

#### 4.7 Loans and advances to customers

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Loans and advances to customers at amortised cost	354,452,926	458,248,278
Less: Impairment Allowances	(316,837,937)	(318,892,926)
Collective Impairment	-	-
Individual Impairment	(316,837,937)	(318,892,926)
Net amount	37,614,988	139,355,352
Loan and advance measured at FVTPL		
<b>Total</b>	<b>37,614,988</b>	<b>139,355,352</b>

##### 4.7.1 Analysis of loan and advance- By Product

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Product		
Term loans	62,781,260	89,723,795
Overdraft		-
Trust receipt/Import loans		-



Demand and Other Working Capital loans		-
Personal residential loans	13,010,846	105,843,143
Real estate loans	206,929,486	217,796,486
Margin lending loans	5,005,463	6,268,780
Hire purchase loans	8,891,184	11,880,911
Deprived sector loans	1,632,405	7,829,210
Bills Purchased		-
Staff loans	9,622,393	9,087,664
Other	46,579,888	9,818,290
<b>Sub Total</b>	<b>354,452,926</b>	<b>458,248,278</b>
Interest Receivable	-	-
<b>Grand Total</b>	<b>354,452,926</b>	<b>458,248,278</b>

#### 4.7.2 Analysis of loan and advance- By Currency

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Nepalese rupee	354,452,926	458,248,278
Indian rupee		
USD		
GBP	-	-
Euro	-	-
JPY	-	-
Chinese Yuan	-	-
Other	-	-
<b>Total</b>	<b>354,452,926</b>	<b>458,248,278</b>

#### 4.7.3 Analysis of loan and advance- By Collateral

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Movable / Immovable assets	157,782,767	412,686,261
Gold and silver		-
Guarantee of domestic B/Fis		-
Government Guarantee		-
Guarantee of international rated bank		-
Collateral of Export document		-
Collateral of Fixed Deposit receipts	400,000	934,517
Collateral Government securities		-
Counter guarantee		-
Personal guarantee	-	26,271,752
Other Collateral	186,647,766	9,268,084
<b>Subtotal</b>	<b>344,830,533</b>	<b>449,160,614</b>
Unsecured	9,622,393	9,087,664
<b>Grand Total</b>	<b>354,452,926</b>	<b>458,248,278</b>



#### 4.7.4 Allowances for Impairment

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Specific allowances for impairment		
Balance at Shrawan 1	(318,892,926)	(298,089,229)
Impairment loss for the year:		
Charge for the year	2,054,989	(20,803,697)
Recoveries/reversal during the year		
Write-offs		
Exchange rate variance on foreign currency		
Other movement		
Balance at Ashad end	(316,837,937)	(318,892,926)
Collective allowances for impairment		
Balance at Shrawan 1	-	-
Impairment loss for the year:		
Charge/(reversal) for the year	-	-
Exchange rate variance on foreign currency		
Other movement		
Balance at Ashad end	-	-
<b>Total allowances for impairment</b>	<b>(316,837,937)</b>	<b>(318,892,926)</b>
Additional Disclosures		

#### 4.7.5 Financial Assets classification as per NFRS 7

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Financial Assets at fair value through profit or loss		
Financial Assets at amortised cost	354,452,926	458,248,278
Financial Assets measured at fair value through Other Comprehensive Income		
<b>Total</b>	<b>354,452,926</b>	<b>458,248,278</b>

#### 4.7.6 Collateral Disclosures (NFRS 7 para 14)

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Pledged		
Non-Pledged	354,452,926	458,248,278
<b>Total</b>	<b>354,452,926</b>	<b>458,248,278</b>

#### 4.7.7 Interest Pertaining to Impaired Financial Assets as per NFRS 7 20d



#### 4.7.8 Classes of Fair value measurement as per NFRS 13.94

##### Financial Assets classification as per NFRS 7

The Bank holds promoter equity shares in following companies. Since the shares in following entities are unquoted, and there is a restriction on disinvestment of shares by the Bank as this is a strategic investment, there is a wide range of possible fair value measurements. Consequently, the management of the Bank has concluded that cost represents the best estimate of fair value within that range:

Particulars	Number of Shares	Number of Shares
	As at 31 Asar 2077	As at 31 Asar 2076
Karja Suchana kendra	6300	6,300
Nepal Clearing House Limited	3515	3,515

The following table presents the Bank's financial instruments, which are held at the fair value. The table also presents the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, and the range of values for those inputs.

##### Instrument

Corporate securities:

Quoted Securities

Unquoted Securities

##### Fair value Level 3 disclosures

The following sets out the basis of establishing fair values of amortised cost financial instruments. These are not generally traded and there is a significant level of management judgement involved in calculating the fair values.

##### Cash and balances with central banks

The fair value of cash and balances at central banks is their carrying amounts.

##### Dues from BFIs

For Placemnet to banks, the estimated fair value of fixed interest bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with a similar credit risk and remaining maturity period. These are generally the carrying amount of these assets.

##### Loans and advances to customers

The loans and advances to customers portfolio is well diversified by industry. The fair value of loans and advances to customers with a residual maturity period of less than one year generally approximates the carrying value, subject to any significant movement in credit spreads. The estimated fair value of loans and advances with a residual maturity of more than one year represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates and, where appropriate, credit spreads. Expected cash flows are discounted at current market rates to determine fair value. The rates for discounting for the purpose of fair value measurement closely approximates the effective interest rate inherent in the instruments therefore the carrying value represents the fair value.

##### Investment Securities

Investment securities those measured at level three include treasury bills and government bond.

##### Others financial assets

These assets are generally with the residual maturity of less than one year. The impact of discounted cash flows of those assets having maturity period of less than one year is insignificant. Therefore the fair value of other assets generally approximates the carrying amount.

##### Deposits and borrowings

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

##### Reclassification of financial assets

Financial assets and liabilities have been classified in accordance with the requirements of NFRS. These have been presented consistently and there have been no reclassifications since 15 July 2016, when financial instruments were restated under first time adoption of NFRS.



#### 4.8 Investment Securities

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Investment securities measured at amortized cost	-	-
Investment in equity measure at FVTOCI	25,012,736	11,786,285

#### 4.8.1 Investment securities measured at amortized Cost

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Debt securities	-	-
Government bonds	-	-
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
Less: specific allowances for impairment	-	-
<b>Total</b>	-	-

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

Particulars	As at 31 Asar 2077	As at 31 Asar 2076
Equity instruments		
Quoted equity securities	24,566,736	11,340,285
Unquoted equity securities	446,000	446,000
<b>Total</b>	<b>25,012,736</b>	<b>11,786,285</b>



#### 4.8.3 Information relating to investment in equities

Particulars	Type of shares	As at 31 Asar 2077			As at 31 Asar 2076		
		No. of shares	Cost	Fair Value	No. of shares	Cost	Fair Value
Investment in quoted equity							
Rural Microfinance Development Centre Ltd 2 shares of Rs 100 each	Ordinary	2	-	1,402	-	-	-
Butwal Power Company Limited 5645 shares of Rs 100 each	Ordinary	5,645	3,549,691	2,026,555	4,665	3,549,692	1,907,985
Nepal Dursanchaar Company 13670 shares of Rs 100 each	Ordinary	13,670	11,573,016	8,953,850	13,670	11,573,016	9,432,300
Prime Life Insurance Ltd 3312 shares of Rs 100 each	Ordinary	3,312	2,049,479	1,758,672			
Asian Life Insurance Ltd 2000 shares of Rs 100 each	Ordinary	2,000	1,313,596	1,214,000			
Neco Insurance Ltd 2280 shares of Rs 100 each	Ordinary	2,280	1,370,763	1,383,960			
NLG Insurance Co Ltd 1100 shares of Rs 100 each	Ordinary	1,100	824,155	722,700			
Laxmi Laghubitta Ltd 200 shares of Rs 100 each	Ordinary	200	216,843	242,800			
Vijaya Laghubitta Ltd 602 shares of Rs 100 each	Ordinary	602	650,630	614,040			
Ganapati Microfinance Ltd 200 shares of Rs 100 each	Ordinary	200	173,600	170,000			
Civil Laghubitta Ltd 1600 shares of Rs 100 each	Ordinary	1,600	1,657,640	1,227,200			
Swabalambhawan Bikash Bank Ltd 945 shares of Rs 100 each	Ordinary	945	1,234,627	1,165,185			
Global IME Laghubitta Ltd 1500 shares of Rs 100 each	Ordinary	1,500	1,809,295	1,977,000			
Rasuwadadhi Hydropower Ltd 5000 shares of Rs 100 each	Ordinary	5,000	880,057	750,000			
Arun Kabeli Power Ltd 5429 shares of Rs 100 each	Ordinary	5,429	802,203	629,764			
Shivam Cement Ltd 1995 shares of Rs 100 each	Ordinary	1,995	1,413,381	1,193,010			
Mahalaxmi Bikash Bank Ltd 6 shares of Rs 100 each	Ordinary	6	-	1,098			
<b>Total Quoted Investment</b>			<b>29,518,977</b>	<b>24,031,236</b>		<b>15,122,708</b>	<b>11,340,285</b>
Investment in unquoted equity							
Nepal Clearing House Ltd 3515 shares of Rs 100 each	Promoter	3,515	351,500	351,500	3,515	351,500	351,500
Credit Information Center Ltd 6300 shares of Rs. 100 each	Promoter	6,300	94,500	630,000	2,800	94,500	94,500
<b>Total Unquoted Investment</b>			<b>446,000</b>	<b>981,500</b>		<b>446,000</b>	<b>446,000</b>
<b>Total</b>			<b>29,964,977</b>	<b>25,012,736</b>			<b>11,786,285</b>



#### Current Tax Assets

Current Tax Assets includes advance income tax paid by Bank under self assessment required by Income Tax Act. 2058

#### 4.9 Current Tax Assets

Particulars	Notes	As at 31 Asar 2077	As at 31 Asar 2076
Current Tax Assets			
Current income tax assets		4,631,742	4,789,271
Current tax of prior periods		-	-
<b>Total</b>		<b>4,631,742</b>	<b>4,789,271</b>

#### Current Tax Liabilities

Current income tax liabilities		-	-
Current tax of prior periods		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

#### 4.10 Investment in subsidiaries

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
Investment in quoted subsidiaries	-	-	-	-
Investment in unquoted subsidiaries	-	-	-	-
Total Investment	-	-	-	-
Less: Impairment	-	-	-	-
Net Carrying amount	-	-	-	-

#### 4.10.1 Investment in Quoted Subsidiaries

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	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

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	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 bank

##### Percentage of Ownership by Bank

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
..... Ltd.				
..... Ltd.				
<b>Total</b>	-	-	-	-

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
Equity interest held by NCI (%)				
Profit/(loss) allocated during the year	-		-	
Accumulated balance of NCI as on ashar end	-		-	
Dividend paid to NCI	-		-	



#### 4.11 Investment in Associates

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted associates	-		-	
Investment in unquoted associates	-		-	
<b>Total Investment</b>	-		-	
Less Impairment				
Net Carrying amount	-		-	

##### 4.11.1 Investment in quoted associates

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	Cost	Fair Value	Cost	Fair Value
..... Ltd. .... shares of Rs. .... Each				
..... Ltd. .... shares of Rs. .... Each				
<b>Total</b>	-			

##### 4.11.2 Investment in Unquoted associates

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	Cost	Fair Value	Cost	Fair Value
..... Ltd. .... shares of Rs. .... Each				
<b>Total</b>	-		-	

##### 4.11.3 Information relating to associates of the bank

###### Percentage of Ownership by Bank

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	Cost	Fair Value	Cost	Fair Value
..... Ltd.				
..... Ltd.				
<b>Total</b>	-		-	

###### Equity value of associates

Particulars	As at 31 Asar 2077		As at 32 Asar 2076	
	Cost	Fair Value	Cost	Fair Value
..... Ltd.				
..... Ltd.				
<b>Total</b>	-		-	





#### 4.12 Investment Properties

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<b>Investment properties measured at fair value</b>		
Balance as on Sawan 1	-	-
Addition/disposal during the year	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer		
<b>Net amount</b>	-	-
<b>Investment properties measured at cost</b>		
Balance as on Sawan 1		
Addition/disposal during the year		
Adjustment/transfer		
Accumulated depreciation		
Accumulated impairment loss		
Net amount	-	-
<b>Total</b>	-	-



4.13 Property, Plant & Equipment (PPE)

Particulars	Land	Buildings	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & Others	Total
Cost									
Balance as on Sawan, 2075			325,895	6,313,010	5,525,424	-	-	6,142,931	18,307,260
Additions during the year									
Acquisition			1,434,290	561,770	-	-	-	1,836,788	3,832,848
Capitalization									
Disposal during the year									
Adjustment/ Revaluation									
Others									
Balance as on Asar end 2076	-	-	1,760,185	6,874,780	5,525,424	-	-	7,979,719	22,140,108
Additions during the year									
Acquisition during the year									
Capitalization									
Disposals									
Adjustment/ Revaluation									
Others									
Balance at Asar end 2077			1,760,185	6,874,780	5,525,424			7,979,719	22,140,108
Accumulated depreciation and impairment									
Balance as on Sawan, 2075			325,895	5,728,131	2,854,296	-	-	5,522,356	14,430,677
Depreciation Charge for the Year			286,858	286,662	534,225			564,042	1,671,787
Impairment for the Year									
Disposals									
Others									
Balance as on Asar end 2076	-	-	612,753	6,014,793	3,388,521	-	-	6,086,398	16,102,464
Depreciation Charge for the Year			286,858	214,997	427,381			446,501	1,375,736
Impairment for the Year									
Disposals									
Others									
Balance at Asar end 2077	-	-	899,611	6,229,790	3,815,901	-	-	6,532,899	17,478,201
Capital Work in Progress									
Balance as on Asar end 2076									
Balance at Asar end 2077									
Net Book Value									
Balance at Asar end 2076	-	-	1,147,432	859,987	2,136,903	-	-	1,893,321	6,037,641
Balance at Asar end 2077			860,574	644,990	1,709,523			1,446,820	4,661,913



#### 4.14 Goodwill and Intangible Assets

Particulars	Software			Other	Total
	Goodwill	Purchased	Developed		
<b>Cost</b>					
As on Sawan 1, 2075	-	435,050	-	-	435,050
Additions:					
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposals during the year	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance at Asar end 2076</b>	-	<b>435,050</b>	-	-	<b>435,050</b>
Additions:					
Acquisition		-			-
Capitalization					-
Disposals during the year					-
Adjustment					-
<b>Balance as on Asar end, 2077</b>		<b>435,050</b>			<b>435,050</b>
<b>Depreciation and Impairment</b>					
As on Sawan 1, 2075		29,003			29,003
Depreciation charge for the Year		87,010			87,010
Disposals					-
Adjustment					-
<b>As on Asar end 2076</b>		<b>116,013</b>			<b>116,013</b>
Depreciation charge for the Year		87,010			87,010
Disposals					
Adjustment					
<b>As on Asar end 2077</b>		<b>203,023</b>			<b>203,023</b>
Capital Work in Progress					
<b>Net Book Value</b>					
<b>As on Asar end 2076</b>		<b>319,037</b>			<b>319,037</b>
<b>As on Asar end 2077</b>		<b>232,027</b>			<b>232,027</b>

#### 4.15 Deferred tax

##### Deferred Tax Assets/Liabilities

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Deferred tax assets	1,315,740	1,404,975
Deferred tax liabilities	-	-
<b>Total</b>	<b>1,315,740</b>	<b>1,404,975</b>



FY 2019-20		Current Year	
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and advance to BFIs			-
Loan and advance to customers		-	-
Investment Properties			-
Investment Securities	1,485,672	-	1,485,672
Property & Equipment	-	269,311	(269,311)
Employees' defined benefit plan	115,176	15,798	99,378
Lease Liabilities			-
Provisions			-
Other temporary differences	-		-
<b>Deferred tax on temporary differences</b>	<b>1,600,848</b>	<b>285,109</b>	<b>1,315,740</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 31 Asadh 2077</b>			<b>1,315,740</b>
Deferred tax asset/(liabilities) as on Shrawan 1, 2076			1,404,975
<b>Origination/(Reversal) during the year</b>			<b>(89,235)</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>440,180</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>(350,945)</b>
<b>Deferred tax expense/(income recognised in directly in equity)</b>			

FY 2018-19		Previous Year	
Particulats	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and advance to BFIs			-
Loan and advance to customers		-	-
Investment Properties			-
Investment Securities	1,134,727	-	1,134,727
Property & Equipment	-	326,645	(326,645)
Employees' defined benefit plan	596,893		596,893
Lease Liabilities			-
Provisions			-
Other temporary differences	-		-
<b>Deferred tax on temporary differences</b>	<b>1,731,620</b>	<b>326,645</b>	<b>1,404,975</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 31 Asadh 2076</b>			<b>1,404,975</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2075			(1,035,241)
<b>Origination/(Reversal) during the year</b>			<b>369,734</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>(175,427)</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>(194,307)</b>
<b>Deferred tax expense/(income recognised in directly in equity)</b>			



#### 4.16 Other Assets

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	77,248	77,248
Accrued Income	209,558	-
Prepayments and Deposit	-	-
Income Tax Deposit	-	-
Deferred Employee expenditure	18,639,707	19,599,236
Other	2,672,102	2,886,583
<b>Total</b>	<b>21,598,615</b>	<b>22,563,067</b>

#### 4.17 Due to Banks and financial Institution

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Money Market Deposit	-	-
Interbank Borrowing	-	-
Other deposits from BFIs	1,128,606	5,849,604
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
<b>Total</b>	<b>1,128,606</b>	<b>5,849,604</b>

#### 4.18 Due to Nepal Rastra Bank

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of last resort facility from NRB	-	-
Securities sold under repurchase agreement	-	-
Other payable to NRB	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 4.19 Derivative financial instruments

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<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	-	-
Others	-	-



#### 4.20 Deposit from Customers

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<b>Institutions Customers</b>	<b>7,402,079</b>	<b>19,036,480</b>
Term Deposit	-	200,000
Call Deposit	7,402,079	18,836,480
Current Deposit	-	-
Other	-	-
<b>Individual Customers</b>	<b>226,958,975</b>	<b>279,480,208</b>
Term Deposit	98,757,400	131,721,875
Saving Deposit	127,105,501	144,346,555
Current Deposit	-	-
Other	1,096,075	3,411,778
<b>Total</b>	<b>234,361,054</b>	<b>298,516,688</b>

#### 4.20.1 Currency Wise Analysis of Deposit from Customer

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Nepalese rupee	234,361,054	298,516,688
Indian rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>234,361,054</b>	<b>298,516,688</b>

#### 4.21 Borrowing

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Domestic Borrowing		
Nepal Government		
Other Institution		
Other		
Subtotal	-	-
Foreign Borrowing		
Foreign B/FIs		
Multilateral Development Banks		
Other Institutions		
Sub total	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



#### 4.22 Provisions

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Provisions for redundancy		
Provision for restructuring		
Pending legal issues and tax litigation		
Onerous contracts		
Other		
<b>Total</b>	-	-

##### 4.22.1 Movement in provision

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Balance at Sawan 1		
Provisions made during the year		
Provisions used during the year		
Provisions reversed during the year		
Unwind of discount		
Balance at Asar end	-	-

#### 4.23 Other Liabilities

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Liability for employees defined benefit obligations		-
Liability for long-service leave	383,921	1,085,687
Short-term employee benefits	(52,659)	-
Bills Payable		-
Creditors and accruals	21,948,326	22,033,012
Interest payable on deposit	1,939,131	3,609,403
Interest payable on borrowing		-
Liabilities on deferred grant income		-
Unpaid Dividend	9,665	9,665
Liabilities under Finance Lease		-
Employee bonus payable	7,181,842	7,181,842
Other	903,074	862,479
<b>Total</b>	<b>32,313,300</b>	<b>34,782,088</b>

##### 4.23.1 Defined benefit obligations

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

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Present value of unfunded obligation	(52,659)	1,085,687
Present value of funded obligation	14,183,918	11,168,674
Total Present value of obligations	14,131,259	12,254,361
Fair value of plan assets	13,799,997	11,233,155
Present Value of Net Obligation	331,262	1,021,206
Recognised liability for defined benefit obligations	331,262	1,021,206



#### 4.23.2 Plan Assets

##### Plan assets comprise

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Equity Shares		
Government Bonds		
Bank Deposit		
Other	13,799,997	11,233,155
<b>Total</b>	<b>13,799,997</b>	<b>11,233,155</b>
Actual Return on Plan assets		-

#### 4.23.3 Movement in Present Value of defined benefit Obligations

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Defined benefit obligations at Sawan 1	12,254,361	9,387,740
Acturial Losses	1,044,239	1,044,239
Benefits paid by the plan	(1,437,827)	-
Current Service Cost and Interest	2,270,486	1,822,382
Defined benefits obligation at Asar end	14,131,259	12,254,361

#### 4.23.4 Movement in Present Value of Plan Assets

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Fair Value of Plan Assets at Sawan 1	11,233,155	11,050,344
Contributions paid into plan	2,566,842	182,811
Benefits paid by the plan	-	-
Acturial Losses/gains	-	-
Expected return on plan assets	-	-
Fair Value of Plan Assets at Asar end	13,799,997	11,233,155

#### 4.23.5 Amount recognized in profit or loss

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Current service cost	1,290,137	1,071,363
Interest cost	980,349	751,019
Expected Return on Plan Assets	-	-
<b>Total</b>	<b>2,270,486</b>	<b>1,822,382</b>





#### 4.23.6 Amount Recognized in other comprehensive income

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Acturial (gain)/loss	1,942,891	1,044,239
<b>Total</b>	<b>1,942,891</b>	<b>1,044,239</b>

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Discount rate	8%	8%
Future salary increase (salary escalation rate)	6%	6%
Withdrawal rate (past service factor)		
Past service: 0-<3	0	0
Past service: 3-<7	0.5	0.5
Past service: 7-<15	1	1
Past service:15-<20	1.5	1.5
Past service:>=20	2	2
Expected return on Plan Assets		

#### 4.24 Debt Securities Issued

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Debt Securities issued designated at fair value through profit or loss		
Debt Securities issued at amortized cost		
<b>Total</b>	<b>-</b>	<b>-</b>

#### 4.25 Subordinated Liabilities

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Redeemable preference shares		
irredeemable cumulative preference shares (liabilites component)		
Other		
<b>Total</b>	<b>-</b>	<b>-</b>

#### 4.26 Share Capital

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

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

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<b>Share Capital</b>		
Ordinary Shares	187,945,313	187,945,313
Convertible Preference Shares (equity component only)	-	-
Irredeemable Preference Shares (equity component only)	-	-
Perpetual debt (equity component only)	-	-
<b>Total</b>	<b>187,945,313</b>	<b>187,945,313</b>



#### 4.26.1 Ordinary Shares

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<b>Authorised capital</b>		
4,000,000 Ordinary Shares @ Rs. 100 each	400,000,000	400,000,000
<b>Issued capital</b>		
3,758,906 Ordinary Shares @ Rs. 100 each	375,890,626	375,890,626
<b>Paid up capital</b>		
1,879,453.13 Ordinary Shares @ Rs. 100 each	187,945,313	187,945,313
<b>Total</b>	<b>187,945,313</b>	<b>187,945,313</b>

#### 4.26.2 Ordinary Share Ownership

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
<b>Domestic Ownership</b>	<b>187,945,313</b>	<b>187,945,313</b>
Nepal Government	-	-
"A" Class licensed institutions	-	-
Other licensed institutions	-	-
Other institutions	-	-
Public	84,575,391	84,575,391
Other	103,369,922	103,369,922
<b>Foreign Ownership</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>187,945,313</b>	<b>187,945,313</b>

#### 4.27 Reserves

Particulars	As at 31 Asar 2076	As at 32 Asar 2075
Statutory General reserve	133,970,117	133,970,117
Exchange equalization reserve	-	-
Corporate social responsibility reserve	1,965,406	1,965,406
Capital redemption reserve	-	-
Regulatory reserve	8,508,490	4,132,171
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	(3,466,569)	(2,647,696)
Dividend equalization reserve	-	-
Actuarial gain	(938,108)	1,004,783
Special reserve	-	-
Other reserve	49,224,702	49,224,702
<b>Total</b>	<b>189,264,038</b>	<b>187,649,483</b>



#### 4.28 Contingent liabilities and commitments

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Contingent liabilities	-	-
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>Total</b>	-	-

#### 4.28.1 Contingent liabilities

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts	-	-
Guarantees		
Underwriting commitment	-	-
Other commitments		
<b>Total</b>	-	-

#### 4.28.2 Undrawn and undisbursed facilities

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>Total</b>	-	-

#### 4.28.3 Capital commitments

##### Capital expenditure approved by relevant authority of the bank but provision has not been made in financial statements

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Capital commitments in relation to Property and Equipment		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>		
Capital commitments in relation to Intangible assets		
Approved and contracted for		
Approved but not contracted for		
Sub total		
<b>Total</b>		



#### 4.28.4 Lease commitments

Particulars	As at 31 Asar 2077	As at 32 Asar 2076
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>		
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>		
<b>Grand total</b>		

#### 4.28.5 Litigation

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each bank

#### 4.29 Interest income

Particulars	Current Year	Previous Year
Cash and cash equivalent	12,661,967	13,922,960
Due from Nepal Rastra Bank		-
Placement with bank and financial institutions		-
Loan and advances to bank and financial institutions		-
Loans and advances to customers	33,852,393	53,962,355
Investment securities		-
Loan and advances to staff	959,529	801,422
Other	-	-
<b>Total interest income</b>	<b>47,473,890</b>	<b>68,686,737</b>

#### 4.30 Interest expense

Particulars	Current Year	Previous Year
Due to bank and financial institutions	112,300	1,289,354
Due to Nepal Rastra Bank		
Deposits from customers	23,983,188	29,130,859
Borrowing		-
Debt securities issued		-
Subordinated liabilities		-
Other	-	-
<b>Total interest expense</b>	<b>24,095,487</b>	<b>30,420,213</b>



#### 4.31 Fees and Commission Income

Particulars	Current Year	Previous Year
Loan administration fees		-
Service fees	264,601	1,451,155
Consortium fees		-
Commitment fees		-
DD/TT/Swift fees		-
Credit card/ATM issuance and renewal fees	1,200	7,550
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	-	-
Other fees and commission income	-	-
<b>Total fees and Commission Income</b>	<b>265,801</b>	<b>1,458,705</b>

#### 4.32 Fees and commission expense

Particulars	Current Year	Previous Year
ATM management fees		-
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>-</b>	<b>-</b>

#### 4.33 Net trading income

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

#### 4.34 Other operating income

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain		-
Gain/loss on sale of investment securities	160,999	-
Fair value gain/loss on investment properties		-



Dividend on equity instruments	694,537	1,008,051
Gain/loss on sale of property and equipment		-
Gain/loss on sale of investment property		-
Operating lease income		-
Gain/loss on sale of gold and silver		-
Locker rent		-
Other	19,247	58,600
<b>Total</b>	<b>874,783</b>	<b>1,066,651</b>

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

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs		-
Impairment charge/(reversal) on loan and advances to customer	(2,069,778)	20,803,697
Impairment charge/(reversal) on financial Investment	-	17,763
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>(2,069,778)</b>	<b>20,821,460</b>

#### 4.36 Personnel Expense

Particulars	Current Year	Previous Year
Salary	8,356,003	8,394,000
Allowances	4,761,218	4,939,452
Gratuity expense	698,710	1,238,875
Provident fund	827,800	839,400
Uniform	385,330	-
Training & development expense		166,900
Leave encashment	673,124	583,507
Medical	689,834	699,500
Insurance		-
Employees incentive		-
Cash-settled share-based payments		-
Pension expense		-
Finance expense under NFRS	959,529	801,422
Other expenses related to staff	-	781,617
<b>Subtotal</b>	<b>17,351,548</b>	<b>18,444,673</b>
Employees bonus	-	-
<b>Grand total</b>	<b>17,351,548</b>	<b>18,444,673</b>

#### 4.37 Other operating expense

Particulars	Current Year	Previous Year
Directors' fee	432,000	524,000
Directors' expense	23,277	38,049
Auditors' remuneration	271,200	497,200
Other audit related expense		-



Professional and legal expense	1,220,364	1,371,222
Office administration expense	5,488,261	4,513,665
Operating lease expense	2,882,049	2,395,482
Operating expense of investment properties		-
Corporate social responsibility expense	63,900	-
Onerous lease provisions		-
Other	841,408	762,755
<b>Total</b>	<b>11,222,458</b>	<b>10,102,373</b>

#### Office administration expense

Particulars	Current Year	Previous Year
Light, Electricity & Water	296,212	376,953
Repair and maintenance	145,551	
Repair and maintenance-Building		
Repair and maintenance- Vechiles		
Office Equipment, Furniture Repair		
Repair and maintenance- Others		
Insurance	601,117	
Postage, Telex, Telephone & Fax	213,825	209,624
Printing & Stationery	131,848	216,928
Periodicals & Books		
Advertisement	91,298	119,877
Donations	15,800	
Security Expenses	2,340,129	2,083,415
Deposit/Credit Guarantee Premium		
Travelling Allowance & Expenses	17,455	84,392
Entertainment	211,882	
Annual General meeting expenses		
Other		
Fuel	198,015	285,695
Renewals & Fees	952,360	1,056,642
Other	270,770	80,139
<b>Total</b>	<b>5,486,261</b>	<b>4,513,665</b>

#### 4.38 Depreciation & Amortisation

Particulars	Current Year	Previous Year
Depreciation on property and equipment	1,088,878	1,671,788
Depreciation on investment property		-
Amortisation of intangible assets	373,868	87,010
<b>Total</b>	<b>1,462,746</b>	<b>1,758,798</b>

#### 4.39 Non operating income

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income		-
<b>Total</b>	<b>-</b>	<b>-</b>



#### 4.40 Non operating expense

Particulars	Current Year	Previous Year
Loan written off		-
Redundancy provision		-
Expense of restructuring		-
Other expense	29,993	-
<b>Total</b>	<b>29,993</b>	<b>-</b>

The income and expenses that have no direct relationship with the operation of transactions are presented under this head.

#### 4.41 Income tax expense

Particulars	Current Year	Previous Year
Current tax expense	111,156	46,373
Current year	-	-
Adjustments for prior years	111,156	46,373
Deferred tax expense	440,180	(175,427)
Origination and reversal of temporary differences		
Changes in tax rate		
Recognition of previously unrecognised tax losses		
<b>Total income tax expense</b>	<b>551,336</b>	<b>(129,054)</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

Particulars	Current Year	Previous Year
Profit before tax	(3,477,980)	(10,335,425)
Tax amount at tax rate of 30%		-
Add: Tax effect of expenses that are not deductible for tax purpose		-
Less: Tax effect on exempt income		-
Add/less: Tax effect on other items		-
Total income tax expense	-	-
Effective tax rate	0%	0%





## 5. Disclosures and Additional Information

### 5.1 Risk

### Management

The Financial Institution does not have a risk management policy. However, List of various risks that may be faced by the Financial Institution is mentioned 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 Finance in accordance with agreed terms. The Finance does not have Credit Risk Monitoring and Reporting Framework in order to mitigate/minimize the credit risk of the Finance through appropriate monitoring and reporting framework established within the Finance.

#### Maximum exposure to credit risk

The Financial Institution has financial assets consisting mainly of loans & advances and investments at amortized cost. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets.

#### 5.1.2 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

##### i. Currency Risk

Foreign exchange risk is the potential for the Financial Institution to experience volatility in the value of its assets, liabilities and solvency and to suffer actual financial losses as a result of changes in value between the currencies of its assets and liabilities and its reporting currency. However, the Financial Institution is not exposed to such risk(as on the reporting date) as the finance does not deal in any currency other than the presentation currency.

##### ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The major interest rate risk that the Financial Institution is exposed to is the discount rate for determining the fair value of financial instruments.

##### iii. Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial investment held at FVTOCI, whose values fluctuate as a result of changes in market prices.

#### 5.1.3 Liquidity Risk

Liquidity risk is defined as the risk that the Financial Institution will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Finance might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Finance on acceptable terms. The finance company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and ensuring availability of high grade collateral which could be used to secure additional funding at any given time.

#### 5.1.4 Operational risk

Operational Risk is defined as the risk of potential loss resulting from inadequate or failed internal processes, people and systems or from the impact of external events, including legal risks for the bank. Operational Risk is pervasive across all the functions of the Finance and is influenced by all resources, including human resource, systems and procedural designs, deployed by the Finance to carry out those functions. Operational Risk can be caused by both internal and external sources such as fraud, business interruptions, system failures, damage to physical infrastructure, failure in execution and service delivery, inherent risks in products, customers, inadequacy in procedures or flawed process designs, and business practices. The risk can occur in any business function or the business supporting functions.

The financial institution is exposed to such risk. However, Formation of risk management committee, drafting of standard procedures has not been done it.



### 5.1.5 Fair Value of Financial Assets and Financial Liabilities

Fair value represents value at which an asset can be exchanged or a liability can be discharged in an orderly transaction on a given date. Fair value accounting is a means to ensure that the balance sheet reflects the current value of assets and liabilities with corresponding effects for changes duly given in the income statement. The Finance accounts for fair value of financial assets and liabilities using the standard valuation hierarchy depending on the nature of assets/ liabilities which involves reliance on quoted market prices, value of similar nature assets/ liability and acceptable valuation techniques.

## 5.2 Capital Management

### 5.2.1 Qualitative disclosures

The Financial Institution has not formulated any process such as ICAAP 2017 for sound capital management.

### 5.2.2 Quantitative disclosures

#### a) Capital Structure and Capital Adequacy

##### i. Tier 1 capital and a breakdown of its components

S.N.	Particulars	Amount (NPR '000)
A	Paid up Capital	187,945
B	Share Premium / Capital Reserve	-
C	Proposed Bonus Shares	-
D	Statutory General Reserve	133,970
E	Retained Earnings	(237,802)
F	Current Year Cumulative Profit	
G	Capital Redemption Reserve	48,929
H	Other Free Reserves	-
I	Less: Deferred Tax Assets	(1,316)
J	Less: Intangible Assets	-
K	Less: Investment in equity of institutions with financial interests	-
L	Less: Purchase of land & building in excess of limit and unutilized	-
M	Less: Loans & Facilities extended to related parties and restricted lending	-
	<b>Core (Tier-1) Capital</b>	<b>131,726</b>

##### ii. Tier 2 capital and a breakdown of its components

S.N.	Particulars	Amount (NPR '000)
A	General Loan Loss Provision	198
B	Exchange Equalization Reserve	
C	Investment Adjustment Reserve	
D	Other Reserves	
	<b>Supplementary (Tier-2) Capital</b>	<b>198</b>

##### iii. Deductions from capital

Only deferred tax assets has been deducted from capital.

##### iv. Total qualifying capital

S.N.	Particulars	Amount (NPR '000)
A	Core Capital	131,726
B	Supplementary Capital	198
	<b>Total Qualifying Capital (Total Capital Fund)</b>	<b>131,924</b>

##### v. Capital Adequacy Ratio

Capital Adequacy Ratio of the Financial Institution as at 15 July 2020 stood at 25.59%.



vi. **Summary of Financial Institution's internal approach to assess the adequacy of capital to support current and future activities, if applicable**  
The Financial Institution does not have any internal approach to assess the adequacy of capital to support current and future activities.

vii. **Summary of the terms, conditions and main features of capital instruments**

Ordinary share capital: The Financial Institution 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 Financial Institution, holder of equity shares will be entitled to receive remaining assets of the Financial Institution after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) **Risk Exposures**

Risk weighted exposures for Credit Risk, Market Risk and Operational Risk

S.N.	Risk Weighted Exposure	Amount (NPR '000)
A	Risk Weighted Exposure for Credit Risk	479,715
B	Risk Weighted Exposure for Operational Risk	35,905
C	Risk Weighted Exposure for Market Risk	
	<b>Adjustments under Pillar II</b>	
	Add 3% of the total RWE due to non-compliance to disclosure requirement	
	Add ...% of the total deposit due to insufficient liquid assets	
	<b>Total Risk Weighted Exposure</b>	<b>515,620</b>

5.2.3 **Compliance with external requirement**

The Financial Institutions were required by the Monetary Policy 2015/16 to attain a stipulated minimum paid up capital of NPR 800 million by mid-July 2017. As on the reporting date, the Financial Institution's paid up capital stood at NPR 187.945 million only.



### 5.3 Classification of financial assets and financial liabilities

Rs in '000

Financial assets	As at 15-Jul-2020	
	Carrying Value	Fair value
<b>Assets</b>		
Assets carried at Amortised Cost		
Cash and cash equivalent	289,583	289,583
Due from Nepal Rastra Bank	22,559	22,559
Placement with Bank and Financial Institutions	-	-
Loan and advances to B/FIs	-	-
Loans and advances to customers	37,615	37,615
Debt securities	-	-
Government bonds	-	-
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Other-Investment securities	-	-
Other assets		
- Accounts receivable	77	77
	349,834	349,834
<b>Fair Value through Profit and Loss (FVTPL)</b>		
Derivative financial instruments		
Other trading assets		
<b>Fair Value through Other Comprehensive Income (FVTOCI)</b>		
Investment securities		
- Quoted equity securities	29,519	24,567
- Unquoted equity securities	446	446
Investment in subsidiaries	-	-
	29,965	25,013
<b>Financial Liabilities</b>		
<b>Liabilities carried at Amortised Cost</b>		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	235,490	235,490
Other liabilities	32,313	32,313
<b>Fair Value through Profit and Loss (FVTPL)</b>		
Derivative financial instruments	-	-

### 5.4 Segment Analysis

The Financial Institution has not identified any key segments of the business on the basis of nature of operations that assist the Financial Institution in decision process and to allocate the resources. Therefore, segment reporting is not done by the Financial Institution.

### 5.5 Share options and Share based payment

None

### 5.6 Contingent Liabilities and Commitment

#### 5.6.1 Contingent liabilities

Where the Financial Institution undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Financial Institution's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.



Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

The Financial Institution does not have any Contingent Liability as on the reporting date.

#### 5.6.2 Commitments

Where the Financial Institution 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 Finance has not made payments at the reporting date, those instruments are included in these financial statement as commitments.

The Financial Institution does not have any Commitments as on the reporting date.

#### Explanatory Notes

The Financial Institution seeks to comply with all applicable laws and regulations, but may be subject to regulatory actions and investigations, the outcome of which are generally difficult to predict and can be material to the Financial Institution.

In addition to these matters, the Financial Institution may receive legal claims against it in the normal course of business. The Financial Institution considers none of these claims as material. Where appropriate, the Financial Institution recognizes a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation(s).

### 5.7 Related Party Disclosures

#### 5.7.1 Key Management Personnel

Key Management Personnel of the Financial Institution including members of the Board of Directors, Chief Executive Officer and other executive level staffs of the Finance, as follows:

Mr. Deepak Maharjan	-	Chairman
Mr. Bishnu Prasad Bhetwal	-	Director
Mr. Naresh Kumar Shrestha	-	Director
Mr. Uttam Aryal	-	Director
Mr. Sabin Ghimire	-	Director
Mr. Chandra Shekhar Khadka	-	Acting Chief Executive Officer

#### 5.7.2 Loans and Facilities extended to Related Parties and Restricted Lending

The Financial Institution has not extended any loans to Related Parties during the year.

#### 5.7.3 Loans and Advances extended to Promoters:

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

#### 5.7.4 Transaction with Board of Director of the Financial Institution

Amount in NPR.

Nature of Transaction	Current Year
Meeting Allowances (including committee meeting fee)	432,000
Meeting Expenses, Telephone, Mobile & Newspapers/Magazines	23,277

#### 5.7.5 Remuneration and facilities to Acting Chief Executive Officer of the Financial Institution

Amount NPR

a) Salary & Allowances	12,78,333
b) Annual Leaves including sick leave	Yes
c) Bonus as per Bonus Act	Yes
d) Gratuity, Provident Fund, Medical Benefit	Yes

In addition to the above, a vehicle facility has also been provided as per the terms of his appointment.

#### 5.7.6 Transactions with substantial shareholder

The Financial Institution doesn't have any transactions with substantial shareholder.

#### 5.7.7 Management and Technical Service Agreement (TSA)

The Financial Institution does not have any Management and Technical Service Agreement (TSA).



### 5.8 Merger and Acquisition

There are no merger or acquisitions transaction during the year. However, Nepal Finance Ltd. and Lalitpur Finance Ltd. have been entered into Memorandum of Understanding on 2077/09/23 for acquisition of the Lalitpur Finance Ltd. by the Nepal Finance Ltd., for which letter of intent has been obtained from Nepal Rastra Bank on 2078/01/15.

### 5.9 Additional Disclosures of non-consolidated entities

The Financial Institution doesn't have any Subsidiary(s) as on the reporting date. Hence, there are no such entities which are required to be consolidated but not done during the year.

### 5.10 Events after reporting date

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

There are no material events that have occurred subsequent to 15 July 2020 till the signing of this financial statement on 2078/02/25.

### 5.11 Major Indicators

S. No.	Indicators	Unit	FY 2076/77
1	Net Profit/Gross income	Percent	-13.08%
2	Earnings per share	NPR	(2.14)
3	Market value per share	NPR	126.00
4	Price earnings Ratio	Ratio	(58.77)
5	Dividend (including bonus) on Share Capital (%)	Percent	-
6	Cash Dividend on Share Capital (%)	Percent	-
7	Interest Income/ Loans and Advances (%)	Percent	126.21%
8	Staff Expenses/ Total Operating Expenses (%)	Percent	32.05%
9	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	10.28%
10	Exchange Gain/ Total Income (%)	Percent	-
11	Staff Bonus/ Total Staff Expenses (%)	Percent	-
12	Net Profit/Total Loans & Advances (%)	Percent	-10.71%
13	Net Profit/ Total Assets (%)	Percent	-0.99%
14	Total Loans & Advances/ Total Deposits (%)	Percent	16.05%
15	Total Operating Expenses/ Total Assets (%)	Percent	13.29%
16	Capital Adequacy (On Risk Weighted Assets)		
	a. Core Capital	Percent	25.55%
	b. Supplementary Capital	Percent	0.04%
	c. Total Capital Fund	Percent	25.59%
17	Liquidity (%)	Percent	123.56%
18	Non-Performing Loan/ Total Loans & Advances (%)	Percent	94.38%
19	Weighted Average Interest Rate Spread	Percent	6.55%
20	Book Net Worth (Per Share)	NPR	74.17
21	Number of Shares	No.	1,879,453
22	Number of Staff	No.	23
23	Number of branch	No.	2

Note: The figure of Loans and Advances has been taken net of impairment.



6 Other Explanatory Notes

6.1 Regulatory Reserve

Fig. NPR

Particulars	2076/77
Opening Reserve	5,625,683
Accrued interest receivable	209,558)
Short provision for possible losses on investment	1,169,818)
Deferred tax assets	-440,180
Actuarial loss	1,942,891)
Total	8,508,490

6.2 Corporate Social Responsibility Reserve

Particulars	2076/77	2075/76
Opening as on Shrawan 1	1,965,106	1,965,106
Addition during the year	-	-
CSR expense during the year	-	-
Closing as on Asar end	1,965,106	1,965,106

6.3 Staff Training and Development Fund

Particulars	2076/77	2075/76
Opening reserve	295,302	295,302
Add: for the year	-	-
Less: expense from fund	-	-
Transferred to reserve	295,302	295,302



### Major Indicators

S. No.	Indicators	Unit	FY 2076/77
1	Net Profit/Gross income	Percent	-13.08%
2	Earnings per share	NPR	(2.14)
3	Market value per share	NPR	126.00
4	Price earning Ratio	Ratio	(58.77)
5	Dividend (including bonus) on Share Capital (%)	Percent	-
6	Cash Dividend on Share Capital (%)	Percent	-
7	Interest Income/ Loans and Advances (%)	Percent	126.21%
8	Staff Expenses/ Total Operating Expenses (%)	Percent	32.05%
9	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	10.28%
10	Exchange Gain/ Total Income (%)	Percent	-
11	Staff Bonus/ Total Staff Expenses (%)	Percent	-
12	Net Profit/Total Loans & Advances (%)	Percent	-10.71%
13	Net Profit/ Total Assets (%)	Percent	-0.99%
14	Total Loans & Advances/ Total Deposits (%)	Percent	16.05%
15	Total Operating Expenses/ Total Assets (%)	Percent	13.29%
16	Capital Adequacy (On Risk Weighted Assets)		
	a. Core Capital	Percent	25.55%
	b. Supplementary Capital	Percent	0.04%
	c. Total Capital Fund	Percent	25.59%
17	Liquidity (%)	Percent	123.56%
18	Non-Performing Loan/ Total Loans & Advances (%)	Percent	94.38%
19	Weighted Average Interest Rate Spread	Percent	6.55%
20	Book Net Worth (Per Share)	NPR	74.17
21	Number of Shares	No.	1,879,453
22	Number of Staff	No.	23
23	Number of branch	No.	2
	Note: The figure of Loans and Advances has been taken net of impairment.		





Lalitpur Finance Limited  
Unaudited Financial Results (Quarterly)  
as at Fourth Quarter ending on 31/03/2077 (15.07.2020) of the Fiscal Year 2076/2077

NPR

Statement of Financial Position	Asar End, 2077 This Quarter Ending	Chaitra End, 2076 Corresponding Previous Quarter Ending	Asar End, 2076 Corresponding Previous Year Ending
<b>Assets</b>			
Cash and Cash Equivalent	289,583,274.00	296,699,654.00	281,005,849.00
Due from Nepal Rastra Bank	22,558,633.00	19,361,327.00	18,084,694.00
Placement with Banks and FIs			
Derivative Financial Instruments			
Other Trading Assets			
Loans and Advances to Banks and FIs			
Loans and Advances to Customers	37,614,988.00	63,367,575.00	139,355,352.00
Investment Securities	24,267,877.00	22,662,906.00	11,786,285.00
Current Tax Assets	4,789,271.00	4,835,644.00	4,835,644.00
Investment in Subsidiaries			
Investment in Associates			
Investment Property			
Property and Equipment	4,661,913.00	5,005,847.00	6,037,641.00
Goodwill and Intangible Assets	232,027.00	253,779.00	319,037.00
Deferred Tax Assets	1,570,793.00	2,118,856.00	1,404,975.00
Other Assets	21,598,616.00	22,454,090.00	22,563,067.00
<b>Total Assets</b>	<b>406,877,392.00</b>	<b>436,759,678.00</b>	<b>485,392,544.00</b>
<b>Liabilities</b>			
Due to Banks and FIS			
Due to Nepal Rasra Bank			
Derivative Financial Instruments			
Deposit from Customers	235,489,660.00	233,890,772.00	307,975,695.00
Borrowings			
Current Tax Liabilities			
Provisions			
Deferred Tax Liabilities			
Other Liabilities	32,087,300.00	32,834,541.00	30,946,685.00
Debt Securities Issued			
Subordinated Liabilities			
<b>Total Liabilities</b>	<b>267,576,960.00</b>	<b>266,725,313.00</b>	<b>338,922,380.00</b>
<b>Equity</b>			
Share Capital	236,874,713.00	236,874,713.00	236,874,713.00
Share Premium			
Retained Earnings	(232,715,896.00)	(201,344,206.00)	(228,829,331.00)
Reserves	135,141,615.00	134,503,858.00	138,424,782.00
<b>Total Equity Attributable to Equity Holders</b>	<b>139,300,432.00</b>	<b>170,034,365.00</b>	<b>146,470,164.00</b>
Non Controlling Interest			
<b>Total Equity</b>	<b>139,300,432.00</b>	<b>170,034,365.00</b>	<b>146,470,164.00</b>
<b>Total Liabilities and Equity</b>	<b>406,877,392.00</b>	<b>436,759,678.00</b>	<b>485,392,544.00</b>
Contingent liabilities and commitment			



Statement of Profit or Loss	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Ending
Interest Income	47,473,890.00	42,499,549.00	68,686,737.00
Interest Expense	24,095,487.00	19,173,711.00	30,420,213.00
<b>Net Interest Income</b>	<b>23,378,403.00</b>	<b>23,325,838.00</b>	<b>38,266,524.00</b>
Fee and Commission Income	265,801.00	148,325.00	1,458,705.00
Fee and Commission Expense			
<b>Net Fees and Commission Income</b>	<b>265,801.00</b>	<b>148,325.00</b>	<b>1,458,705.00</b>
<b>Net Interest, Fees and Commission Income</b>	<b>23,644,204.00</b>	<b>23,474,163.00</b>	<b>39,725,229.00</b>
Net Trading Income			
Other Operating Income	874,783.00	837,866.00	1,066,651.00
<b>Total Operating Income</b>	<b>24,518,987.00</b>	<b>24,312,029.00</b>	<b>40,791,880.00</b>
Impairment Charge/(Reversal) for Loans and Other Losses	(2,069,778.00)	(25,682,639.00)	20,821,460.00
<b>Net Operating Income</b>	<b>26,588,765.00</b>	<b>49,994,668.00</b>	<b>19,970,420.00</b>
Personnel Expenses	17,351,548.00	13,464,546.00	18,444,673.00
Other Operating Expenses	11,222,458.00	7,575,931.00	9,876,373.00
Depreciation and Amortization	1,462,746.00	1,097,059.00	1,758,799.00
<b>Operating Profit</b>	<b>(3,447,987.00)</b>	<b>27,857,132.00</b>	<b>(10,109,425.00)</b>
Non-Operating Income			
Non-Operating Expense	29,993.00	29,993.00	-
<b>Profit Before Tax</b>	<b>(3,477,980.00)</b>	<b>27,827,139.00</b>	<b>(10,109,425.00)</b>
Income Tax Expenses	408,585.00	342,014.00	(175,427.00)
Current Tax		-	
Deferred Tax	408,585.00	342,014.00	(175,427.00)
<b>Profit/(Loss) For The Period</b>	<b>(3,886,565.00)</b>	<b>27,485,125.00</b>	<b>(9,933,998.00)</b>

Statement of Other Comprehensive Income	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Ending
<b>Profit or loss for the year</b>	<b>(3,886,565.00)</b>	<b>27,485,125.00</b>	<b>(9,933,998.00)</b>
<b>Other comprehensive income</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	(1,914,677.00)	(3,519,649.00)	(647,690.00)
• Gains/(losses) on revaluation			
• Actuarial gains/(losses) on defined benefit plans	(1,942,891.00)	(1,457,169.00)	(1,044,239.00)
• Income tax relating to above items	574,403.00	1,055,895.00	194,307.00
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>(3,283,165.00)</b>	<b>(3,920,923.00)</b>	<b>(1,497,622.00)</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
• Gains/(losses) on cash flow hedge			
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)			
• Income tax relating to above items			
• Reclassify to profit or loss			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>			



<b>Other comprehensive income for the period, net of income tax</b>	<b>(3,283,165.00)</b>	<b>(3,920,923.00)</b>	<b>(1,497,622.00)</b>
<b>Total comprehensive income for the period</b>	<b>(7,169,730.00)</b>	<b>23,564,202.00</b>	<b>(11,431,620.00)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank	(7,169,730.00)	23,564,202.00	(11,431,620.00)
Non-controlling interest			
<b>Total comprehensive income for the period</b>	<b>(7,169,730.00)</b>	<b>23,564,202.00</b>	<b>(11,431,620.00)</b>
Earning per share			
Basic earning per share			
Annualized earning per share	(3.03)	-	(5.29)
Diluted earning per share	-	-	-

Statement of distributable profit or loss	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Ending
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>(3,886,565.00)</b>		<b>(9,933,998.00)</b>
<b>1. Appropriations</b>			
<b>1.1 Profit required to be appropriated to:</b>	-	-	-
a. General Reserve (-)			
b. Capital Redemption Reserve (-)			
c. Exchange Fluctuation Fund (-)			
d. CSR Fund (-)			
e. Employees Training Fund (-)			
f. Other (-)			
<b>1.2 Profit required to be transferred to Regulatory Reserve:</b>	<b>199,027.00</b>	-	-
a. Transferred to Regulatory Reserve (-)	(209,558.00)		-
b. Transferred from Regulatory Reserve (+)	408,585.00		-
<b>Net Profit for the period end available for distribution</b>	<b>(3,687,538.00)</b>		<b>(9,933,998.00)</b>

<b>Ratios:</b>			
Capital Fund to RWA (As per NRB Directive)	14.63	18.77	18.44
Non performing loan (NPL) to total loan (As per NRB Directive)	94.38	93.95	75.33
Total loan loss provision to Total NPL (As per NRB Directive)	97.35	89.92	88.61
Cost of Funds	8.30	9.12	9.40
Credit to Deposit Ratio (As per NRB Directive)	93.39	86.93	112.79
Base Rate	33.83	18.11	17.17
Interest Rate Spread (As per NRB Directive)	6.55	5.83	4.92



Lalitpur Finance Ltd.

Comparison Unaudited and Audited Financial Statements as of FY 2076/77

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	289,583	289,583	(0)	0.00%	
Due from NRB and placements with BFIs	22,559	22,559	0	0.00%	
Loan and advances	37,615	37,615	0	0.00%	
Investments Securities	24,268	25,013	(745)	-2.98%	Due to FV measurement
Investment in subsidiaris and associates	-	-	-	0.00%	
Property And Equipment	4,662	4,662	0	0.00%	
Goodwill and intangible assets	232	232	(0)	0.00%	
Other assets	27,959	27,546	413	1.50%	Due to Reclassification & Recogniton of Defered Tax assets
<b>Total Assets</b>	<b>406,878</b>	<b>407,210</b>	<b>(332)</b>	<b>-0.08%</b>	<b>Due to effects of above changes</b>
<b>Capital and Liabilities</b>					
Paid up Capital	236,875	187,945	48,930	26.03%	Due to Reclassification of capital redemption reserve
Reserves and surplus	(97,574)	(48,539)	(49,035)	101.02%	Due to other effects
Deposits	235,490	235,490	0	0.00%	
Borrowings			-		
Bond and Debenture			-	0.00%	
Other liabilities and provisions	32,087	32,313	(226)	-0.70%	Due to Reclassification
<b>Total Capital and Liabilities</b>	<b>406,878</b>	<b>407,210</b>	<b>(332)</b>	<b>-0.08%</b>	<b>Due to effects of above changes</b>
<b>Statement of Profit or Loss</b>					
Interest income	47,474	47,474	0	0.00%	Due to Reclassification of Income, recognition of interest accrual
Interest expense	24,095	24,095	(0)	0.00%	Due to Reclassification
<b>Net interest income</b>	<b>23,379</b>	<b>23,379</b>	<b>(0)</b>	<b>0.00%</b>	
Fee and commission income	266	266	0	0.00%	
Fee and commission expense	-	-	-		
Net fee and commission income	266	266	0	0.00%	
Other operating income	875	875	0	0.00%	
<b>Total operaing income</b>	<b>24,520</b>	<b>24,520</b>	<b>0</b>	<b>0.00%</b>	
Impairment charge/(reversal) for loans and other losses	(2,070)	(2,070)	(0)	0.00%	
<b>Net operating income</b>	<b>26,590</b>	<b>26,590</b>	<b>0</b>	<b>0.00%</b>	
Personnel expenses	17,352	17,352	0	0.00%	
Other operating expenses	12,685	12,685	(0)	0.00%	
<b>Operating profit</b>	<b>(3,447)</b>	<b>(3,447)</b>	<b>(0)</b>	<b>0.00%</b>	



Non operating income/expense	30	30	0		
Profit before tax	(3,477)	(3,477)	(0)	0.00%	
Income tax	409	440	(31)	-7.08%	Change in income and effect of Deferred Tax
<b>Profit /(loss) for the period</b>	<b>(3,886)</b>	<b>(3,918)</b>	<b>32</b>	<b>-0.82%</b>	<b>Due to effects of above changes</b>
Other comprehensive income	(3,283)	(2,762)	(521)		Due to FV measurement
<b>Total comprehensive income</b>	<b>(7,169)</b>	<b>(6,680)</b>	<b>(489)</b>	<b>7.32%</b>	<b>Due to effects of above changes</b>
<b>Distributable Profit</b>	<b>(7,169)</b>	<b>(6,680)</b>	<b>(489)</b>	<b>7.32%</b>	
Net profit/(loss) as per profit or loss	(3,886)	(3,918)	32	-0.82%	
Add/Less: Regulatory adjustment as per NRB Directive	199	(2,882)	3,081		Due to regulatory adjustments
<b>Free profit/(loss) after regulatory adjustments</b>	<b>(3,687)</b>	<b>(6,800)</b>	<b>3,113</b>	<b>-45.78%</b>	<b>Due to regulatory adjustments</b>



**Risk Weight Exposure (RWE):**

S.N.	Description	Weight (%)	Current period	
			Amount	RWA
1	Cash Balance	0	5,948,847.34	-
2	Gold (Tradable)	0		-
3	NRB Balance	0	22,558,633.39	-
4	Investment to Govt. Bond	0		-
5	Investment to NRB Bond	0		-
6	Loan against Own FD	0	400,000.00	-
7	Loan against Govt. Securities	0		-
8	Accrued interests on Govt. bond	0		-
9	Investment to Youth Self-employment Fund	0		-
10	Balance on domestic banks and financial institutions	20	283,634,426.93	56,726,885.39
11	Loan against other banks' and financial institutions' FD	20		-
12	Foreign bank balance	20		-
13	Money at call	20		-
14	Loan against internationally rated bank guarantee	20		-
15	Investment to internationally rated Banks	20		-
16	Inter-bank lending	20		-
17	Investment on shares/debentures/bonds	100	25,012,736.42	25,012,736.42
18	Other investments	100		-
19	Loans & advances, bills purchase/discount	100	319,193,975.73	319,193,975.73
20	Fixed assets	100	4,893,940.21	4,893,940.21
21	Net interest receivables (Toral IR - 8 - Interest suspense)	100		-
22	Net Non-Banking Asset	100		-
23	Other assets (Except advance tax payment)	100	21,598,614.93	21,598,614.93
24	Real estate/residential housing loans exceeding the limits	150	34,858,950.00	52,288,425.00
	<b>Total On-Balance-sheet Items (A)</b>		<b>718,100,124.96</b>	<b>479,714,577.68</b>

**B. Off-Balance-sheet Items**

S.N.	Description	Weight (%)	Current period	
			Amount	RWA
1	Bills collection	0		
2	Forward foreign exchange contract	10		
3	L/C with maturity less than six months (Outstanding value)	20		
4	Guarantee against International rated bank's counter guarantee	20		
5	L/C with maturity more than six months (Outstanding value)	50		
6	Bid bond, performance bond and underwriting	50		
7	Loan sale with repurchase agreement	50		
8	Advance payment guarantee	100		
9	Financial and other guarantee	100		
10	Irrevocable loan commitment	100		
11	Possible liabilities for income tax	100		
12	All types of possible liabilities including acceptance	100		
13	Rediscounted bills	100		
14	Unpaid portion of partly paid share investment	100		
15	Unpaid guarantee claims	200		
16	Claimed possible liabilities but not accepted	200		
17	Amount to be maintained for operational risk (5% of Total Assets)	100	35,905,006.25	35,905,006.25
	<b>Total Off-Balance-sheet Items (B)</b>		<b>35,905,006.25</b>	<b>35,905,006.25</b>
	<b>Total Risk Weighted Assets (A) + (B)</b>			<b>515,619,583.93</b>



Particulars		Amount in Rs.
<b>Tier 1 Capital (Core Capital) (CET1 +AT1)</b>		
<b>Common Equity Tier 1 (CET 1)</b>		
a	Paid up Equity Share Capital	187,945,313
b	Equity Share Premium	-
d	Statutory General Reserves	133,970,117
e	Retained Earnings	-237,802,642
k	Other Free Reserve- Capital Adjustment Reserve	48,929,400
l	Less: Goodwill	-
m	Less: Intangible Assets	-
n	Less: Deferred Tax Assets	(1,315,739.51)
o	Less: Fictitious Assets	-
w	Less: Defined Benefit Pension Assets	-
y	Less: Other Deductions	-
	Adjustments under Pillar II	
	Less: Shortfall in Provision (6.4 a 1)	-
	Less: Loans and Facilities extended to Related Parties and Restricted lending (6.4 a 2)	-
<b>Common Equity Tier 1 (CET 1)</b>		<b>131,726,449</b>
a	Perpetual Non Cumulative Preference Share Capital	-
b	Perpetual Debt Instruments	-
c	Stock Premium	-
<b>Additional Tier 1 (AT1)</b>		<b>-</b>
<b>Tier 1 Capital (Core Capital) (CET1 +AT1)</b>		<b>131,726,449</b>

Qualifying Capital	Amount in Rs.
Core Capital (Tier 1 Capital)	131,726,449
Supplementary Capital (Tier II)	198,000
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>131,924,449</b>

<b>Total RWE</b>	<b>515,619,584</b>
Capital Fund	25.59%
Core Capital	25.55%
Supplimentary Capital	0.04%





नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
गैर-स्थलगत सुपरिवेक्षण इकाई



LAT/ADMIN/FRD/K HR-38/076/077

29-09-2076

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन : ४४१९८०४/४४११२४०  
फ्याक्स : ४४१४१५८  
इमेल : fsidreportsfc@nrb.org.np  
Web : www.nrb.org.np  
पोस्ट बक्स : ७३

पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/१३/२०७६-७७/२६६ मिति २०७६/०९/२९  
ललितपुर फाइनेन्स लिमिटेड  
लगनखेल, ललितपुर।

**विषय: वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा।**

महाशय,

तर्हावाट पेश गरिएको आ.व.२०७४/७५ को वित्तीय विवरणहरु र संलग्न अनुसूचीहरु, लेखापरिक्षण प्रतिवेदन एवं लेखापरिक्षकले पेश गरेको लड्गफर्म अडिट रिपोर्टको आधारमा आ.व. २०७४/७५ को वार्षिक हिसाब संस्थालाई समस्याग्रस्त अवस्थावाट फुकुवा गर्दा यस बैंकवाट दिइएको शर्त अनुसार संस्थालाई समस्याग्रस्त अवस्थामा पुर्‍याउन जिम्मेवार व्यक्तिहरुको पहिचान गरी प्रचलित कानून बमोजिम कारवाहीको शिफारिस गर्न गठित समितिले पेश गरेको " पहिचान तथा छानबिन प्रतिवेदन २०७३" मा आरोपित भएका व्यक्तिहरु उपर प्रचलित कानून बमोजिमको कारवाही प्रक्रिया अघि बढाएको र यस बैंकको स्थलगत निरीक्षण मार्फत कारवाही गर्न निर्देशन दिइएका व्यक्तिहरु उपर समेत कारवाही गरिएको सुनिश्चित गरे पश्चात मात्र प्रचलित कानुनी व्यवस्थाको पालना गरी वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

- सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण ऐन, २०६४, सम्पत्ति शुद्धीकरण (मनि लाउण्डरिङ्ग) निवारण नियमावली, २०७३ तथा नेपाल राष्ट्र बैंकवाट जारी भएको एकीकृत निर्देशन तथा परिपत्रका व्यवस्थाहरुको पूर्ण पालना गर्न संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ।
- संस्थागत सुशासन सम्बन्धी यस बैंकवाट जारी निर्देशनको पालना गर्न तथा संस्थाको लागि आवश्यक आन्तरिक नीति, निर्देशिका, कार्यविधि तयार गरि कार्यन्वयन गर्न र आन्तरिक नियन्त्रण प्रणाली प्रभावकारी बनाउन संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ।
- यस बैंकको निर्देशन बमोजिमको चुक्ता पुँजी रु.८० करोड पुर्‍याउन र संस्थाको भावी व्यवसायिक तथा रणनीतिक योजना तयार गरि कार्यान्वयन गर्न संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ।
- समस्याग्रस्त अवस्थावाट फुकुवा गर्दा दिइएका पालना हुन बाँकी शर्तहरु पालना गर्नु हुन साथै यस बैंकको निरीक्षण तथा सुपरिवेक्षणवाट औल्याएका कैफियतहरु सुधार गरि निर्देशनहरुको पालना गर्न र लेखापरिक्षणको प्रारम्भिक प्रतिवेदन तथा अन्तिम प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने व्यवस्था मिलाउन हुन।
- कर्जा असुलीमा देखिएको जोखिम न्युनीकरण गर्नुहुन।






नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
गैर-स्थलगत सुपरिवेक्षण इकाई

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन : ४४१९८०४/४४१९२५०  
फ्याक्स : ४४१५१५८  
इमेल : fsidreportsfc@nrb.org.np  
Web : [www.nrb.org.np](http://www.nrb.org.np)  
पोष्ट बक्स : ७३

६. यस बैंकबाट जारी एकीकृत निर्देशन, २०७५ को निर्देशन नं. १२ को बुँदा नं. १० बमोजिमको अवस्थामा रहेका कतिपय ऋणीहरू र सो संग सम्बन्धित संचालक, प्रोप्राइटर तथा धन जमानीकर्ताहरूलाई कालोसूचीमा समावेश गर्न कर्जा सुचना केन्द्रमा सिफारिश गर्नु हुन ।
  ७. यस बैंकको रियल स्टेट कर्जा अन्तर्गत अन्य रियल स्टेट कर्जा सम्बन्धी निर्देशनको पालना नगरेको देखिएकोले सीमाभन्दा बढी कर्जा प्रवाह गरेको रकमको १५० प्रतिशत जोखिम भारित सम्पति कायम गरी उक्त कर्जा तोकिएको सिमा भित्र ल्याउन संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ ।
  ८. चालु पुँजी प्रकृतिका कर्जाहरूमा प्राप्त हुनुपर्ने ब्याज नियमित नभएको अवस्थामा त्यस्तो कर्जालाई ब्याज बक्यौता अवधिको आधारमा कर्जा वर्गीकरण र सो अनुरूप कर्जा नोक्सानी व्यवस्था गर्नु हुन ।
- उपर्युक्त निर्देशनहरूलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नुहुन अनुरोध गर्दछु ।

भवदीय,

  
(खिलनाथ दहाल)  
सहायक निर्देशक

बोधार्थ :

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



# नेपाल फाइनेन्स लिमिटेड Nepal Finance Limited

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मिति: २०७८/०४/३१

च. नं. १२८ "नेपाल राष्ट्र बैंकबाट "ग" वर्गको वित्त कम्पनीको स्तुतपत्रप्राप्त संस्था"  
प.सं. २०७८/०७९

श्रीमान कार्यकारी निर्देशक  
नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
बालुवाटार, काठमाण्डौ ।



बिषय: वित्तीय विवरण प्रकाशन स्वीकृतीका लागि दिईएको निर्देशनको प्रत्युत्तर सम्बन्धमा ।

महोदय,

तहाँको मिति २०७६/०९/२९ को पत्र संख्या २७७ बमोजिम साविक ललितपुर फाइनेन्स लिमिटेडको आ. ब. २०७४/०७५ को वित्तीय विवरण, संलग्न अनुसूचीहरु र लेखा परिक्षण प्रतिवेदन सहितको विवरण बार्षिक साधारण सभा प्रयोजन तथा वित्तीय विवरण प्रकाशनको स्वीकृती प्राप्त भएकोमा उक्त पत्रको निर्देशनहरुको हालसम्म भए गरेका काम कारवाहीहरुमा देहाय बमोजिम सुधार र पालना गरिने ब्यहोरा तहाँको जानकारीका लागि अनुरोध छ ।

१. सम्पत्ति शुद्धिकरण निवारण ऐन, नियमावली तथा तहाँबाट जारी भएका एकिकृत निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गर्नुका साथै थप सजग रही उक्त बिषयमा शून्य सहनशिलताको सिद्धान्त अपनाइने ब्यहोरा जानकारीका लागि अनुरोध छ ।
२. संस्थागत सुशासन सम्बन्धी तहाँबाट जारी भएका एकिकृत निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालनाको लागि निर्देशानुसार आन्तरिक नीति, निर्देशिका र कार्यविधि तयार पार्ने एवम् आन्तरिक नियन्त्रण प्रणालीलाई चुस्त बनाई प्रभावकारी रुपमा कार्यान्वयनमा लगिने ब्यहोरा जानकारीका लागि अनुरोध छ ।
३. यस संस्था र नेपाल फाइनेन्स लि. को प्राप्त कार्य सम्पन्न भईसकेकोले निर्देशानुसार चुक्ता पूजी पुर्याउनको लागि कार्य अगाडी बढाईरहेको ब्यहोरा जानकारीको लागि अनुरोध छ ।
४. संस्था समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिईएका शर्तहरुको पूर्ण पालना तथा तहाँबाट दिईएका निर्देशन र शर्तहरुलाई सुधार गरी पुनः दोहोरिन नदिने गरी कार्य संचालनको ब्यवस्था गरिएको ब्यहोरा तहाँको जानकारीको लागि अनुरोध छ ।
५. कर्जा असुलीमा देखिएको जोखिम न्युनिकरणको लागि निर्देशानुसार आवश्यक प्रबन्ध मिलाईने ब्यहोरा तहाँको जानकारीको लागि अनुरोध छ ।
६. निर्देशानुसार ऋणीहरु र सो संग सम्बन्धित संचालक, प्रोपराईटर तथा धन जमानीकर्तालाई कालोसूचीमा समावेश गर्ने कार्य गरिरहेको ब्यहोरा जानकारीका लागि अनुरोध छ ।
७. निर्देशानुसार ब्यवस्था मिलाईसकिएको ब्यहोरा जानकारीका लागि अनुरोध छ ।
८. निर्देशानुसार कर्जा बर्गिकरण गरी कर्जा नोक्सानी ब्यवस्था कायम गरिसकिएको ब्यहोरा जानकारीका लागि अनुरोध छ ।

भवदीय,

उध्दवराज थपलिया  
प्रमुख कार्यकारी अधिकृत



नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
गैर-स्थलगत सुपरिवेक्षण इकाई



केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
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फ्याक्स : ४४१२१५८  
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Web : www.nrb.org.np  
पोष्ट बक्स : ७३

पत्रसंख्या:- वि.क.सु.वि./अफसाइट/एजिएम/०१/२०७८-७९/१४४ मिति २०७८/०४/१०  
ललितपुर फाइनेन्स लिमिटेड  
लगनखेल, ललितपुर ।

विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा ।

महाशय,

तहावाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा प्रचलित कानुनी व्यवस्थाको पालना गर्ने गरी आ.व २०७५/७६ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिइएका पालना हुन बाँकी शर्तहरू पालना गर्नुहुन साथै यस बैंकबाट यसै अघि वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गर्दा दिइएका निर्देशन र शर्तहरू तथा यस बैंकको निरीक्षण तथा सुपरिवेक्षणबाट औल्याएका कैफियतहरू सुधार गरी दिइएका निर्देशन र शर्तहरूको पूर्ण पालना गर्नुहुन । त्यस्तै लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गरी त्यस्ता कैफियतहरू पुनःदोहोरिन नदिने व्यवस्था गर्नुहुन ।
२. नियमित रूपमा System Audit गर्ने व्यवस्था मिलाउनु हुन ।
३. सम्पत्ति शुद्धीकरण (मनि लाउण्ड्रिङ्ग) निवारण ऐन, २०६४(दोस्रो संशोधन, २०७०), सम्पत्ति शुद्धीकरण (मनि लाउण्ड्रिङ्ग) निवारण नियमावली, २०७३ तथा नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन तथा परिपत्रका व्यवस्थाहरूको पूर्ण पालना गर्न संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ ।
४. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन । उपर्युक्त निर्देशनलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टैपानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु ।

भवदीय,

(अपिल सुवेदी)  
सहायक निर्देशक

बोधार्थ :

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





# नेपाल फाइनान्स लिमिटेड Nepal Finance Limited

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च. नं. १२६

प.सं. २०७८/०७९

श्रीमान कार्यकारी निर्देशक  
नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
बालुवाटार, काठमाण्डौ



मिति: २०७८/०४/३१

विषय: वित्तीय विवरण प्रकाशन स्वीकृतीका लागि दिईएको निर्देशनको प्रत्युत्तर सम्बन्धमा ।

महोदय,

तहाँको मिति २०७८/०४/१० को पत्र संख्या ४४ बमोजिम साविक ललितपुर फाइनान्स लिमिटेडको आ. ब. २०७५/०७६ को वित्तीय विवरण, संलग्न अनुसूचीहरु र लेखा परिक्षण प्रतिवेदन सहितको विवरण बार्षिक साधारण सभा प्रयोजन तथा वित्तीय विवरण प्रकाशनको स्वीकृती प्राप्त भएकोमा उक्त पत्रको निर्देशनहरुको हालसम्म भए गरेका काम कारवाहीहरुमा देहाय बमोजिम सुधार र पालना गरिने ब्यहोरा तहाँको जानकारीका लागि अनुरोध छ ।

१. संस्था समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिईएका शर्तहरुको पूर्ण पालना तथा तहाँबाट दिईएका निर्देशन र शर्तहरुलाई सुधार गरी पुनः दोहोरिन नदिने गरी कार्य संचालनको ब्यवस्था गरिएको ब्यहोरा तहाँको जानकारीको लागि अनुरोध छ ।
२. निर्देशानुसार ब्यवस्था मिलाईने ब्यहोरा जानकारीको लागि अनुरोध छ ।
३. सम्पत्ति शुद्धिकरण निवारण ऐन, नियमावली तथा तहाँबाट जारी भएका एकिकृत निर्देशन तथा परिपत्रहरुको पालना गरिरहेको तथा भविष्यमा पनि सोको पूर्ण रुपमा पालना गर्नुका साथै थप सजग रही उक्त विषयमा शुन्य सहनशिलताको सिद्धान्त अपनाइने ब्यहोरा जानकारीका लागि अनुरोध छ ।
४. साधारण सभाबाट स्वीकृत भई ५ बर्षसम्म पनि दावी नपरेका भुक्तानी दिन बाँकी लाभांशलाई कम्पनी ऐन, २०६३ मा भएको ब्यवस्थाको पालना हुने गरी यथाशक्य छिटो लगानीकर्ता संरक्षण कोषमा दाखिला गर्ने ब्यवस्था मिलाईने ब्यहोरा जानकारीका लागि अनुरोध छ ।

भवदीय,

उद्धवराज थपलियो  
प्रमुख कार्यकारी अधिकृत



नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
गैर-स्थलगत सुपरिवेक्षण इकाई



केन्द्रीय कार्यालय  
घालुवाटार, काठमाडौं  
फोन : ४४१९८०४/४४१९२५०  
फ्याक्स : ४४१५१५८  
इमेल : fsidreportsfe@nrb.org.np  
Web : www.nrb.org.np  
पोस्ट बक्स : ७३

पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/०२/२०७८-७९/४९ मिति २०७८/०४/२९

नेपाल फाइनेन्स लिमिटेड  
(तत्कालिन ललितपुर फाइनेन्स लिमिटेड)  
कमलादी, काठमाण्डौ ।

विषय: वित्तीय विवरण प्रकाशन सम्बन्धमा

महाशय,

तत्कालिन ललितपुर फाइनेन्स लिमिटेडबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा प्रचलित कानुनी व्यवस्थाको पालना गर्ने गरी आ.व.२०७६/७७ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिइएका पालना हुन बाँकी शर्तहरू पालना गर्नुहुन साथै यस बैंकबाट यस अघि वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गर्दा दिइएका निर्देशन र शर्तहरू तथा यस बैंकको निरीक्षण तथा सुपरिवेक्षणबाट औल्याएका कैफियतहरू सुधार गरी दिइएका निर्देशन र शर्तहरूको पूर्ण पालना गर्नुहुन । त्यस्तै लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गरी त्यस्ता कैफियतहरू पुनःदोहोरिन नदिने व्यवस्था गर्नुहुन ।
- System Audit गर्ने व्यवस्था मिलाउनु हुन ।
- सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण ऐन, २०६४(दोस्रो संशोधन, २०७०), सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण नियमावली, २०७३ तथा नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन तथा परिपत्रका व्यवस्थाहरूको पूर्ण पालना गर्न संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ ।
- कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन ।

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

भवदीय,

..... 2085/08/29  
(प्रतिभा अधिकारी)  
उप निर्देशक

बोधार्थ :

- नेपाल राष्ट्र बैंक  
बैंक तथा वित्तीय संस्था नियमन विभाग ।
- वित्त कम्पनी सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई, ललितपुर फाइनेन्स लिमिटेड



# नेपाल फाइनेन्स लिमिटेड Nepal Finance Limited

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मिति: २०७८/०४/२९

च. नं. १२५.....

प.सं. २०७८/०७९

श्रीमान कार्यकारी निर्देशक जी  
नेपाल राष्ट्र बैंक  
वित्त कम्पनी सुपरिवेक्षण विभाग  
बालुवाटार, काठमाण्डौ ।



विषय: वित्तीय विवरण प्रकाशन स्वीकृतीका लागि दिईएको निर्देशनको प्रत्युत्तर सम्बन्धमा ।

महोदय,

तहाँको मिति २०७८/०४/२९ को पत्र संख्या ५९ बमोजिम साविक ललितपुर फाइनेन्स लिमिटेडको आ. ब. २०७६/०७७ को वित्तीय विवरण, संलग्न अनुसूचीहरू र लेखा परिक्षण प्रतिवेदन सहितको विवरण वार्षिक साधारण सभा प्रयोजन तथा वित्तीय विवरण प्रकाशनको स्वीकृती प्राप्त भएकोमा उक्त पत्रको निर्देशनहरूको हालसम्म भए गरेका काम कारवाहीहरूमा देहाय बमोजिम सुधार र पालना गरिने ब्यहोरा तहाँको जानकारीका लागि अनुरोध छ ।

१. संस्था समस्याग्रस्त अवस्थाबाट फुकुवा गर्दा दिईएका शर्तहरूको पूर्ण पालना तथा तहाँबाट दिईएका निर्देशन र शर्तहरूलाई सुधार गरी पुनः दोहोरिन नदिने गरी कार्य संचालनको ब्यवस्था गरिएको ब्यहोरा तहाँको जानकारीको लागि अनुरोध छ ।
२. निर्देशानुसार ब्यवस्था मिलाईने ब्यहोरा जानकारीको लागि अनुरोध छ ।
३. सम्पत्ति शुद्धिकरण निवारण ऐन, नियमावली तथा तहाँबाट जारी भएका एकिकृत निर्देशन तथा परिपत्रहरूको पालना गरिरहेको तथा भविष्यमा पनि सोको पूर्ण रुपमा पालना गर्नुका साथै थप सजग रही उक्त विषयमा शुन्य सहनशिलताको सिद्धान्त अपनाइने ब्यहोरा जानकारीका लागि अनुरोध छ ।
४. साधारण सभाबाट स्वीकृत भई ५ बर्षसम्म पनि दावी नपरेका भुक्तानी दिन बाँकी लाभाशंलाई कम्पनी ऐन, २०६३ मा भएको ब्यवस्थाको पालना हुने गरी यथाशक्य छिटो लगानीकर्ता संरक्षण कोषमा दाखिला गर्ने ब्यवस्था मिलाईने ब्यहोरा जानकारीका लागि अनुरोध छ ।

भवदीय,

उध्दवराज थपलिया  
प्रमुख कार्यकारी अधिकृत



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नोट तथा टिपोट





## Senior Management Team



**Mr. Uddhab Raj Thapaliya**  
Chief Executive Officer (CEO)



**Mr. Bishnu Prashad Gautam**  
Assitant Chief Executive Officer(ACEO)/ Company Secretary

## Department Head



**Mr. Sagar Prajapati**  
Compliance and Operation



**Mr. Chandra Shekhar Khadka**  
Legal and Recovery



**Mr. Basu Dev Kc**  
Information Technology



**Mr Sudip Risal**  
Credit Risk Assessment &  
Credit Administration



**Mr. Bishal Thapa**  
Finance



**Ms. Roshi Shrestha**  
Human Resource

## Branch Manager/Incharge



**Mr. Madhu Nepal**  
Corporate Branch



**Ms. Mandira Maharjan**  
Pulchowk Branch



**Mr. Jenish Tamrakar**  
Banepa Branch



**Mr. Shashidhar Ghimire**  
Murgiya Branch



**Mr. Rudra Lal Bhusal**  
Gaidakot Branch



**Mr. Dharma Dutta Sharma**  
Machhapuchre Branch



**Mr. Pankaj Kumar Thakur**  
Dhanushadham Branch



**Mr. Subhash Poudel**  
Lagankhel Branch



**Mr. Mahesh Mandal**  
New Road Branch



**Ms. Namuna Karanjit**  
Banepa II Branch



**Ms. Mina Dangol**  
Kantipath Extension Counter

## Branch Network

### HEAD OFFICE

Kamaladi-28, Kathmandu  
Tel. No.: 01-4545885/86/87

### PULCHOWK BRANCH

Pulchowk-16, Laliptur  
Tel. No.: 01-5260584/5260683

### BANEPA BRANCH

Banepa-07, Kavre  
Tel. No.: 011-665364/65

### MURGIYA BRANCH

Sainamaina- 03, Rupandehi  
Tel. No.: 071-440411/ 440414

### GAINDAKOT BRANCH

Gaindakot-4, Nawalparasi East  
Tel. No.: 078-501031/501041

### MACHHAPUCHHRE BRANCH

Machhapuchhre-2, Kaski  
Tel. No.: 061-422100, 422101

### DHANUSHADHAM BRANCH

Dhanushadham-3, Dhanusha  
Tel. No.: 011-414075/76

### LAGANKHEL BRANCH

Lagankhel-5, Lalitpur  
Tel. No.: 01-5523850/5525115

### NEWROAD BRANCH

Newroad-22, Kathmandu  
Tel. No.: 01-5315671/5315846

### BANEPA II BRANCH

Banepa-07, Kavre  
Tel. No.: 011-662397/662398

### UP COMING BRANCH

Hetauda

### UP COMING EXTENSION COUNTER

Kalimati, Kathmandu

E-mail: [info@nepalfinancelimited.com.np](mailto:info@nepalfinancelimited.com.np)  
website : [www.nepalfinancelimited.com.np](http://www.nepalfinancelimited.com.np)