



वार्षिक प्रतिवेदन
२०७७/७८



गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था)

GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

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नयाँ प्राविधिक प्रणालीका साथ गुडविल मोबाइल बैंकिङ्ग



SCAN ME



२७ वर्षदेखि तपाईंको सफलताको लागि वित्तपोषण गर्दै,
हामी गुडविल फाइनान्स लिमिटेड

Financing for Success... since 1995

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SCAN ME



२७ वर्षदेसि तपाईंको सफलताको लागि वित्तपोषण गर्दै,
हामी गुडविल फाइनान्स लिमिटेड

Financing for Success... since 1995

साधारण सभा सम्बन्धी जानकारी

१. सभामा उपस्थित हुने शेयरधनीहरूले यो पुस्तिका साथमा लिई आउनु हुन अनुरोध छ ।
२. मिति २०७८ साल पौष १६ गते देखि मिति २०७८ साल पौष २९ गतेसम्म संस्थाको शेयर नामसारी दाखिला खारेज बन्द गरिएको छ ।
३. शेयरधनी महानुभावहरूको सुविधाको लागि सभा हुने दिन अर्थात मिति २०७८ साल पौष २९ गते दिनको १०:०० बजे सभा स्थलमा उपस्थित जनाउने कार्यको लागि उपस्थित पुस्तिका राख्ने व्यवस्था मिलाईएको छ ।
४. प्रतिनिधि-पत्र ल्याउने व्यक्ति पनि यस संस्थाको शेयर धनी मध्येबाटै हुनु पर्नेछ । प्रतिनिधि पत्र सभा हुनु भन्दा ४८ घण्टा अगावै यस संस्थाको कार्यालयमा दाखिल भैसकेको हुनु पर्नेछ ।
५. नाबालक वा विक्षिप्त शेयरधनीहरूको तर्फबाट संरक्षकले सभामा भाग लिन वा शेयरधनीहरू मध्ये कुनै अन्य व्यक्तिलाई प्रतिनिधि तोक्न पाउने छन् । तर आफु संरक्षक भएको शेयरधनीहरूको बाहेक अरुको प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भागलिन पाउने छ ।
६. संयुक्त रूपमा शेयर खरिद गरिएको अवस्थामा लगत किताबमा पहिलो नाम उल्लेख भएका व्यक्ति वा सर्वसम्मत प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भागलिन पाउनेछ ।
७. एकै व्यक्तिले एक भन्दा बढी व्यक्तिलाई प्रतिनिधि-पत्र दिएको भएमा सबै प्रतिनिधि-पत्र रद्द हुने छन् ।
८. प्रतिनिधि-पत्र दिने शेयरधनी स्वयं सभामा उपस्थित भई उपस्थित किताबमा दस्तखत गर्नु भएमा प्रतिनिधि-पत्र दिइसकेको भएता पनि स्वतः बदर हुनेछ ।
९. प्रतिनिधि-पत्र पेश गर्नहुने शेयरधनी महानुभावले प्रतिनिधि-पत्र दिने शेयरधनीको नाम, शेयर प्रमाण पत्र नम्बर र शेयर कित्ता उल्लेख भएको सुची तयार गरी पेश गर्न पर्नेछ ।
१०. सभामा भाग लिन आउंदा शेयरधनी महानुभावहरूले प्रवेश-पत्र अथवा शेयर प्रमाण पत्र अनिवार्य रूपले ल्याउनु पर्नेछ ।
११. शेयरधनी महानुभावहरूलाई सभाकक्ष भित्र व्याग तथा अन्य सर-समान नल्याउनु हुन अनुरोध गरिन्छ ।
१२. वार्षिक साधारण सभा सम्बन्धि प्रतिवेदन संस्थाको www.goodwillfinance.com.np वेबसाइटमा राखिएको छ ।
१३. प्रतिवेदन माथिको सल्लाह र सुझाव लिखित वा e-mail: info@goodwill.net.np मार्फत जानकारी गराउँन सकिने छ ।
१४. अन्य जानकारीको लागि संस्थाको कर्पोरेट कार्यालय हात्तिसारमा सम्पर्क राख्न हुन अनुरोध गरिन्छ ।

साधारण सभाको सुचना

यस संस्थाको मिति २०७८/०९/०६ मा बसेको सञ्चालक समितिको ३७९ औं बैठकको निर्णय बमोजिम सत्ताईसौं वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा निम्न प्रस्ताव उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सबै शेयरधनी महानुभावहरूलाई उपस्थितको लागि हार्दिक अनुरोध गर्दछु।

क) सभा हुने मिति, समय र स्थान :

मिति : २०७८ साल पौष २९ गते बिहिवार (तदनुसार १३ जनवरी २०२२)

समय : बिहान ११:३० बजे

स्थान : होटल क्राउन इम्पेरियल, रविभवन, काठमाडौं।

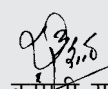
ख) छलफलका बिषयहरू :

- १) सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन।
- २) लेखा परीक्षकको प्रतिवेदन सहित २०७८ आषाढ मसान्तसम्मको वासलात तथा आ.व.२०७७/०७८ को नाफा-नोक्सान हिसाब र नगद प्रवाह विवरण स्वीकृत गर्ने।
- ३) लेखा समितिको सिफारिस बमोजिम आ.व. २०७८/७९ को लागि लेखापरीक्षकको नियुक्ती र निजको पारिश्रामिक निर्धारण गर्ने। (वर्तमान लेखापरीक्षक श्री विदुर एशोसियेट्स पुनः नियुक्ती गर्न नमिल्ने।)
- ४) संचालक समितिले सिफारिस गरे बमोजिम चुक्ता पूँजीको कर सहितको प्रति शेयर नगद लाभांश ३.९% (तीन दशमलब नौ) प्रतिशतका दरले जम्मा रु. ३,३८,२०,८००।०० (अक्षरेपी तीन करोड अठ्तीस लाख बीस हजार आठ सय रूपैया मात्र) नगद लाभांश वितरण गर्न प्रस्ताव पारित गर्ने।

विशेष प्रस्ताव :

- १) संचालक समितिले सिफारिस गरे बमोजिम ९.९% (नौ दशमलब एक) प्रतिशतका दरले हुने रु. ७,८९,१५,२००।०० (अक्षरेपी सात करोड उनानब्बे लाख पन्ध्र हजार दुई सय रूपैया मात्र) बोनस शेयर वितरण गर्ने।
- २) वित्तीय संस्थाको जारी तथा चूक्ता पूँजी संशोधन गर्ने।
- ३) प्रबन्ध पत्र तथा नियमावलीमा पारित गरिएको संशोधन प्रस्तावमा नियमकारी निकायबाट कुनै फेर बदल, थपघट गर्न निर्देशन वा सुझाव भएमा सोही बमोजिम गर्न संचालक समिति वा संचालक समितिले तोकेको पदाधिकारीलाई अख्तियारी प्रत्यायोजन गर्ने
- ४) विविध।

आज्ञाले



कम्पनी सचिव

साधारण सभा सम्बन्धी जानकारी

- १) मिति २०७८ साल पौष १६ गते देखि मिति २०७८ साल पौष २९ गते सम्म संस्थाको शेयर नामसारी दाखिला खारेज बन्द गरिएको छ।
- २) शेयरधनी महानुभावहरूको सुविधाको लागि सभा हुने दिन अर्थात मिति २०७८ साल पौष २९ गते दिनको १०:०० बजे सभा स्थलमा उपस्थित जनाउने कार्यको लागि उपस्थित पुस्तिका राख्ने व्यवस्था मिलाईएको छ।
- ३) वार्षिक साधारण सभा सम्बन्धि प्रतिवेदन संस्थाको www.goodwillfinance.com.np वेबसाइटमा राखिएको छ।
- ४) प्रतिवेदन माथिको सल्लाह र सुझाव लिखित वा e-mail: info@goodwill.net.np मार्फत जानकारी गराउन सकिने छ।
- ५) अन्य जानकारीको लागि संस्थाको कर्पोरेट कार्यालय हात्तीसारमा सम्पर्क राख्न हुन अनुरोध गरिन्छ।

गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था)

को

प्रस्तावित प्रबन्ध-पत्र संशोधनको तीन महले

दफा	साविकको व्यवस्था	दफा	संशोधन औचित्य	
५ख	वित्तीय संस्थाले तत्काल जारी गर्ने शेयर पुंजी रु. ८६,७२,००,००० (अक्षरेपी छयासी करोड बहत्तर लाख रूपैया मात्र) हुनेछ ।	५ख	वित्तीय संस्थाले तत्काल जारी गर्ने शेयर पुंजी रु. ९४,६९,९५,२००। (अक्षरेपी चौरानब्बे करोड एकसाठी लाख पन्ध्र हजार दुई सय रूपैया मात्र) हुनेछ ।	बोनस शेयर वितरण पश्चात पुंजी वृद्धि भएकोले ।
५ग	वित्तीय संस्थाको तत्काल चुक्ता पुंजी रु. ८६,७२,००,००० (अक्षरेपी छयासी करोड बहत्तर लाख रूपैया मात्र) हुनेछ ।	५ग	वित्तीय संस्थाले तत्काल चुक्ता पुंजी रु. ९४,६९,९५,२००। (अक्षरेपी चौरानब्बे करोड एकसाठी लाख पन्ध्र हजार दुई सय रूपैया मात्र) हुनेछ ।	बोनस शेयर वितरण पश्चात पुंजी वृद्धि भएकोले ।


 २७ औं
वार्षिक साधारण सभा



गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था)
GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

HEAD OFFICE

Hattisar, Kamalpokhari, Kathmandu, Nepal

PO Box: 8867, Kathmandu, Nepal

Tel: 01-4444039 • Fax: 01-4443414

Email: info@goodwill.net.np

साधारण सभामा प्रतिनिधि नियुक्त गर्ने निवेदन (प्रोक्सी फारम)

श्री सञ्चालक समिति,
गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था),
हात्तिसार, काठमाडौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

जिल्ला.....म.न.पा./उप.म.न.पा./न.पा./गा.पा., वडा नं. बस्ने म/हामीले गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था)को शेयरवालाको हैसियतले मितिका दिन हुने सत्ताईसौं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन जिल्लाम.न.पा./उप.म.न.पा./न.पा./गा.पा., वडा नं. बस्ने त्यस कम्पनीका शेयरवाला श्री शेयर प्रमाण-पत्र नं. लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

निवेदक

दस्तखत :

नाम :

ठेगाना :

शेयर प्रमाण-पत्र नं.

कित्ता नं. देखि सम्म

मिति

द्रष्टव्य :

यो निवेदन सत्ताईसौं वार्षिक साधारण सभा हुनु भन्दा कम्तिमा
४८ घण्टा अगावै कम्पनीको कार्यालयमा पेश गरिसक्नु पर्नेछ ।



गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था)
GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

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Email: info@goodwill.net.np

प्रवेश पत्र

शेयर धनीको नाम

शेयरधनी परिचय नं. शेयर संख्या शेयरधनीको सही

गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था) को सत्ताईसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

मिति २०७८ साल पौष २८ गते बिहीवार हुने गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था) को सत्ताईसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र ।



कम्पनी सचिव



गुडविल फाइनेन्स लिमिटेड (वित्तीय संस्था)
GOODWILL FINANCE LIMITED

नेपाल राष्ट्र बैंकबाट "ग" वर्गको इजाजतप्राप्त राष्ट्रियस्तरको संस्था

गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था) को २७ औं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्ष श्री विश्व प्रकाश साखःज्यूले प्रस्तुत गर्नु भएको वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावज्यूहरू,

यस गुडविल फाइनान्स लिमिटेड (वित्तीय संस्था) को २७ औं वार्षिक साधारण सभामा उपस्थित हुनु भएका सम्पूर्ण शेयरधनी महानुभावहरू, आमन्त्रित अतिथीज्यूहरू, पत्रकारवर्ग लगायत सम्पूर्ण शुभचिन्तक महानुभावहरूमा संचालक समितिको तर्फबाट हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु।

यहाँहरू समक्ष यस वार्षिक साधारण सभामा २०७८ आषाढ मसान्तको वासलात, २०७७ श्रावण १ देखि २०७८ आषाढ मसान्तसम्मको नाफा नोक्सान हिसाब, नाफा नोक्सान बाँडफाँड हिसाब र सोही मितिको नगद प्रवाह विवरण तथा अन्य सम्पूर्ण वित्तीय विवरणहरू साथै सो उपर लेखापरीक्षकको प्रतिवेदन सहितको वार्षिक प्रतिवेदन स्वीकृतिका लागि प्रस्तुत गर्दछु।

क) समग्र आर्थिक अवस्थाको विश्लेषण:

सन् २०१९ को अन्त्यतिरबाट सुरु भएको कोभिड-१९ महामारीले सन् २०२० मा ३.१ प्रतिशतले संकुचन भएको विश्व अर्थतन्त्र कोभिड-१९ को दोस्रो लहरको बावजुद सन् २०२१ मा ५.९ प्रतिशतले विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषको अनुमान छ। त्यसैगरी, सन् २०२० मा ४.६ प्रतिशतले सङ्कुचन भएको विकसित मुलुकहरूको अर्थतन्त्र सन् २०२१ मा ५.६ प्रतिशतले विस्तार हुने प्रक्षेपण रहेको छ भने सन् २०२० मा २.१ प्रतिशतले सङ्कुचन हुने अनुमान रहेको उदीयमान तथा विकासशील अर्थतन्त्र सन् २०२१ मा ६.३ प्रतिशतले विस्तार हुने प्रक्षेपण छ। अधिकांश मुलुकहरूले अवलम्बन गरेको लचिलो तथा असाधारण नीतिगत प्रयासहरू र सङ्क्रमण विरुद्ध खोपको उपलब्धतासँगै कोभिड-१९ को कारणले सन् २०२० मा संकुचनमा गएको विश्व अर्थतन्त्र पुनरुत्थान हुन थालेको अन्तर्राष्ट्रिय संघ-संस्थाहरूको विश्लेषण रहेको छ। तसर्थ कोभिड-१९ को दोस्रो लहरको प्रभाव पहिलो लहरको तुलनामा कम भएको देखिन्छ। तथापि, पर्यटन आयमा निर्भर र खोपको उपलब्धता सहज नभएका मुलुकहरूको आर्थिक पुनरुत्थानको गति भने अझै न्यून रहने देखिएको छ। महामारीको सङ्क्रमण कायमै रहेकोले पर्यटनलगायत अति प्रभावित क्षेत्रको पुनरुत्थानमा थप समय लाग्ने देखिएको छ। महामारीबाट अर्थतन्त्रमा परेको असर न्यूनीकरण गर्दै शीघ्र आर्थिक पुनरुत्थानको लागि एकातर्फ नियामकीय निकायको तर्फबाट सहजीकरण र सहूलियत उपलब्ध गराउनु पर्ने आवश्यकता छ भने अर्को तर्फ वित्तीय स्थायित्वको साथै वाट्य क्षेत्र स्थायित्वमा पर्न सक्ने प्रतिकूल प्रभाव तर्फ पनि सजग रहनु पर्ने अवस्था छ।

बन्दाबन्दीको कारण नेपालको आर्थिक वृद्धि न्यून भए तापनि अन्य केही आर्थिक सूचाङ्कहरू सकारात्मक देखिन्छन्। आर्थिक वर्ष २०७६/७७ मा २.०९ प्रतिशतले सङ्कुचनमा गएको नेपालको अर्थतन्त्र आर्थिक वर्ष २०७७/७८ मा ४.०१ प्रतिशतले विस्तार हुने केन्द्रीय तथ्याङ्क विभागको अनुमान रहेको छ। वार्षिक औसत उपभोक्ता मुद्रास्फीति लक्षित सीमा (७ प्रतिशत) को करिब आधा ३.६० प्रतिशत कायम रहेको छ भने कुल गार्हस्थ्य उत्पादनसँगको कुल गार्हस्थ्य बचतको अनुपात गत वर्ष भन्दा केही वृद्धि भई ६.६ प्रतिशत रहेको अनुमान छ। विप्रेषण आप्रवाह ९.८ प्रतिशतले वृद्धि भई रु.९६१ अर्ब ५ करोड पुगेको छ। तर आर्थिक वर्ष २०७७/७८ मा आयात र निर्यात दुवैमा वृद्धि भएपनि (निर्यात ४४.४ प्रतिशत र आयात २८.७) आयातको तुलनामा निर्यात रकम थोरै भएकोले यस अवधिमा वस्तु व्यापार घाटा २७.३ प्रतिशतले बढेको छ। परिणाम स्वरूप चालु खाता घाटा रु.३३ अर्ब ७६ करोड र शोधनान्तर बचत रु.२८२ अर्ब ४१ करोड रहेकोमा समीक्षा वर्षमा चालु खाता घाटा रु.३३३ अर्ब ६७ करोड र शोधनान्तर बचत रु.१ अर्ब २३ करोड मात्र रहेको छ। गत वर्ष कुल विदेशी विनिमय सञ्चित ११ अर्ब ७५ करोड अमेरिकी डलर रहेको छ।

बैंक तथा वित्तीय संस्थाको निक्षेप परिचालन २१.४ प्रतिशतले वृद्धि भई रु.४,६६२ अर्ब ७३ करोड पुगेको छ भने निक्षेपको तुलनामा कर्जा विस्तार बढी अर्थात् २७.३ प्रतिशतले वृद्धि भई रु.४,०८४ अर्ब ८१ करोड पुगेको छ। बैंक तथा वित्तीय संस्थाका शाखा विस्तारसँगै वित्तीय पहुँच बढेको छ। बैंक तथा वित्तीय संस्थाको शाखा संख्या २०७७ असार मसान्तमा ९,७६५ रहेकोमा २०७८ असार मसान्तमा १०,६८३ पुगेको छ। कुल ७५३ स्थानीय तह मध्ये २०७८ असारसम्म ७५० तहमा वाणिज्य बैंकहरूका

शाखा विस्तार भएका छन् ।

कोभिड-१९ महामारीको बावजुद पनि नेपाल सरकारको आर्थिक वर्ष २०७८/७९ को बजेटले उच्च आर्थिक वृद्धिदर, ७ प्रतिशत हासिल गर्ने अनुमान गरेको सन्दर्भमा मौद्रिक नीतिले महामारीबाट प्रभावित क्षेत्रहरूको पुनरुत्थान गर्दै अर्थतन्त्र विस्तारमा सहयोग पुर्याउन मौद्रिक सहजीकरण गर्नुपर्ने र आर्थिक तथा वित्तीय स्थायित्व कायम गर्न कसिलो नीति अवलम्बन गर्नुपर्ने अवस्थाबीच तालमेल मिलाई सन्तुलित कार्यदिशा अवलम्बन गरेको देखिन्छ । सो को लागि वित्तीय स्रोत परिचालनको दायरा फराकिलो बनाउँदै उपलब्ध वित्तीय साधनलाई उत्पादन अभिवृद्धि, रोजगारी सिर्जना, उद्यमशीलता विकास र दिगो तथा समावेशी आर्थिक विकास हासिल गर्नेतर्फ मौद्रिक नीति परिलक्षित भएको देखिन्छ । मूल्य तथा वाह्य क्षेत्र स्थायित्वमा पर्नसक्ने दवावतर्फ सजग रहँदै मौद्रिक नीतिको अङ्कुश (Anchor) को रूपमा रहेको विद्यमान स्थिर विनिमयदर पद्धतिलाई कायम राख्दै समष्टिगत आर्थिक स्थितिका आधारमा मौद्रिक व्यवस्थापन गरेको देखिन्छ । जस अन्तर्गत बैंक तथा वित्तीय संस्थाले कायम गर्नुपर्ने अनिवार्य नगद अनुपात ३ प्रतिशतको विद्यमान व्यवस्थालाई यथावत राख्ने, अन्तिम ऋणदाता सुविधाको रूपमा उपयोग गर्ने बैंकदरलाई ५ प्रतिशतमा यथावत राख्ने व्यवस्था गरेको छ । ब्याजदर करिडोरको प्रभावकारी कार्यान्वयन स्वरूप माथिल्लो सीमाको रूपमा रहेको स्थायी तरलता सुविधा दर ५ प्रतिशतलाई यथावत राख्ने र तल्लो सीमाको रूपमा रहेको निक्षेप सङ्कलन दरलाई १ प्रतिशतबाट वृद्धि गरी २ प्रतिशत गर्ने, नीतिगत दरको रूपमा रहेको रिपो दरलाई ३ प्रतिशतबाट वृद्धि गरी ३.५ प्रतिशत कायम गर्ने, क, ख र ग वर्गका बैंक तथा वित्तीय संस्थाहरूले कायम गर्नुपर्ने विद्यमान वैधानिक तरलता अनुपात क्रमशः १० प्रतिशत, ८ प्रतिशत र ७ प्रतिशतलाई यथावत कायम राख्ने, बैंक तथा वित्तीय संस्थाहरूमा सुशासन प्रवर्द्धन तथा सुदृढीकरण गरी वित्तीय मध्यस्थताको कार्यलाई कुशल र प्रभावकारी बनाउने, भुक्तानी कारोबारमा विद्युतीय माध्यमको प्रयोगलाई प्रवर्द्धन, वित्तीय पूर्वाधारको विकास र वित्तीय साक्षरता अभिवृद्धि मार्फत् वित्तीय पहुँच तथा वित्तीय समावेशीकरण प्रवर्द्धन आदि वित्तीय क्षेत्रमा सन्तुलित तरलता व्यवस्थापनको लागि ल्याइएका उपकरणको रूपमा लिन सकिन्छ ।

ख) वित्तीय उपलब्धी:

कोभिड-१९ महामारीको असर तथा वित्तीय बजारमा देखिएका विभिन्न चुनौतीका बावजुद पनि संस्थाको वित्तीय अवस्था अत्यन्त राम्रो देखिएको छ । कोभिड-१९ को दोस्रो लहरको कारणले भएको बन्दाबन्दीले योजना अनुरूपको लगानी हुन नसक्नु, महामारीको कारण ऋणीहरूलाई परेको कर्जा भुक्तानीमा समस्या, अतिरिक्त कर्जा नोक्सानीको व्यवस्था आदि कारणको बावजुद आर्थिक वर्ष २०७७/७८ मा संस्थाले मुनाफा आर्जन गर्न सफल भएको छ । संस्थाले आ.व.२०७७/७८ को अवधिसम्मको सञ्चित नाफा मध्येबाट लाभांश स्वरूप ९.१ प्रतिशत बोनस शेयर र ३.९ प्रतिशत कर सहितको नगद लाभांश वितरण गर्ने प्रस्ताव स्वीकृतिको लागि साधारण सभामा पेश गरेको छ । वित्तीय उपलब्धिको झलक तल दिइएको छ ।

(क) आ.व. २०७७/०७८ को वित्तीय कारोबार :

निक्षेप :

समिक्षा अवधिमा देशमा आर्थिक क्रियाकलापले गत वर्षको तुलनामा तुलनात्मक रूपमा निक्षेपमा वृद्धि कायम गर्न सफल भएको छ । जस अन्तर्गत आ.व.२०७७/७८ मा करिब १८.८४% निक्षेप वृद्धि भई रु. १०,०९,३९,८४,९९७ पुर्याउन सक्षम भएको छ ।

निक्षेपको झलक तल उल्लेख गरिएको छ:

निक्षेप	आ.व.०७६/०७७	आ.व. ०७७/०७८	(कम) वृद्धि	%
मुद्दती निक्षेप	५,१२,२२,५३,११०	६,०८,२१,८०,११६	९५,९९,२७,००६	१८.७४
वचत निक्षेप	१,९२,००,६९,५९९	२,८१,१५,४९,८००	८९,१४,८०,२०१	४६.४३
कल निक्षेप	१,३५,६०,६२,८६४	१,१७,२४,७७,२३३	(१८,३५,८५,६३१)	(१३.५४)
अन्य निक्षेप	९,५६,१३,१४५	२,७७,७७,८४८	(६,७८,३५,२९७)	(७०.९५)
जम्मा	८,४९,३९,९८,७१८	१०,०९,३९,८४,९९७	१,५९,९९,८६,२७९	१८.८४

कर्जा :

समिक्षा अवधिको अन्त सम्ममा यहाँहरूको संस्थाले कर्जा तर्फ रु.७,९१,३३,८९,६८० ऋण प्रवाह गरेको छ । जुन गत वर्षको रु.६,८४,०५,४५,५०४ को तुलनामा १५.६८% बढी रहेको जानकारी गराउन चाहन्छु ।

यस समिक्षा वर्षमा गरिएको कर्जा प्रवाहको झलक तल दिइएको छ ।

कर्जाको किसिम	आ.व. ०७६/०७७	आ.व. ०७७/०७८	(कम)/वृद्धि	फरक %
हायर पर्चेज कर्जा	७२,३५,३४,५९०	९४,३७,१४,९५०	२२,०१,८०,३६०	३०.४३
आवास कर्जा (क+ख)	१,४५,९२,२८,३२३	१,२८,९३,७६,७५४	(१६,९८,५१,५६९)	(११.६४)
आवास कर्जा (क) रु. १,५०,००,००० सम्म	१,१९,१०,८१,८४०	१,०२,३९,११,५९४	(१६,७१,७०,२४६)	(१४.०४)
आवास कर्जा (ख) रु.१,५०,००,००० भन्दा माथि	२६,८१,४६,४८३	२६,५४,६५,१६०	(२६,८१,३२३)	(०.१)
रियलस्टेट कर्जा	२७,०८,६२,०५७	५३,७४,०४,९१०	२६,६५,४२,८५३	९८.४१
आवधिक कर्जा	२,८८,४४,२८,५१३	३,६२,०३,०१,४८२	७३,५८,७२,९६९	२५.५१
मार्जिन कर्जा	३७,५०,०९,७८६	३४,८५,४२,८२०	(२,६४,६६,९६६)	(७.०६)
विपन्न वर्ग कर्जा	३८,५०,७०,९४६	४३,६५,६३,७८२	५,१४,९२,८३६	१३.३७
कृषि कर्जा	३४,७७,३७,०७९	३२,२१,७२,८१७	(२,५५,६४,२६२)	(७.३५)
अन्य कर्जा	३९,४६,७४,२१०	४१,५३,१२,१६५	२,०६,३७,९५५	५.२३
जम्मा	६,८४,०५,४५,५०४	७,९१,३३,८९,६८०	१,०७,२८,४४,१७६	१५.६८

लगानी तथा तरलता :

समिक्षा अवधिको अन्त्यमा यस संस्थाको ने.रा.बैंक लगायत विभिन्न बैंक तथा वित्तीय संस्थाहरूको खातामा एवं आफ्नो ढुकुटीमा रहेको नगद मौज्दात समेत गर्दा रु.१,४७,१२,६५,०८३ रहेको छ । जुन गत आ.व.२०७६/०७७ मा रु.१,५७,०१,१८,१६५ रहेको थियो । यसरी तरलता गत वर्ष भन्दा रु.९,८८,५३,०८२ ले कम भएको छ । यसरी नै लगानी तर्फ गत वर्ष रु.१,९८,५९,२३,०३८ रहेकोमा यस वर्ष रु.३,५६,२४,३०,६३२ रहन आएको छ । यदपी, लगानी एवं तरलताको हिसाबले गत वर्षमा रु.३,५५,६०,४१,२०३ रहेकोमा यस आ.व. मा रु.५,०३,३६,९५,७१४ रहेको छ । जुन गत आ.व.को तुलनामा ४१.५५% ले वृद्धि भएको छ ।

मुनाफाको स्थिति :

यस समिक्षा वर्षमा संस्थाको कर्मचारी बोनस र कर अधिको मुनाफा रु.२८,१९,४४,२५० रहेको छ । जस अन्तर्गत कर पछिको मुनाफा रु.२०,३०,८९,७०५ हुन आउँछ । तर कर पछिको मुनाफामा स्थगन कर खर्च रु.९६,३९,६६९ समेतको हिसाब मिलान गर्दा खूद नाफा रु.१९,३४,५०,०३६ रहेको छ ।

ग) निक्षेप परिचालन, कर्जा विस्तार तथा व्यवस्थापन:

संस्थाले हाल स्रोत परिचालनको लागि विभिन्न किसिमका योजनाहरू सञ्चालन गर्दै आएको छ । आवश्यकता अनुसार नयाँ योजनाहरू लागु गरी स्रोत परिचालनलाई प्रभावकारी बनाउनको लागि संस्थाले विशेष पहल गरेको छ । स्रोत परिचालनको अलावा कर्जाको गुणस्तरमा विशेष ध्यान दिई संस्थाका क्रियाकलापहरूलाई अगाडि बढाईरहेको छ । कोभिड-१९ महामारीको कारण कर्जामा जोखिमको मात्रा बढ्दै गएकोले कर्जा लगानी गर्नुभन्दा अगाडि प्रभावकारी कर्जा विश्लेषण गरी अन्तिम निर्णयमा पुग्ने र कर्जा लगानी पश्चात पनि समयमै कर्जा सदुपयोगिता निरीक्षण गरी कर्जाको गुणस्तरियता वृद्धिमा विशेष जोड दिँदै आएको छ ।

घ) संस्थागत सुशासन:

संस्थागत सुशासन संस्था सञ्चालनको एक महत्वपूर्ण आधार रहेको कारण सो को महत्वलाई विशेष जोड दिई सोही बमोजिमनै संस्थाले दैनिक क्रियाकलाप सञ्चालन गर्दै आएको छ । संस्थाले आवश्यकता बमोजिम विभिन्न किसिमका नीति नियम तथा निर्देशिकाहरू तयार गरी समय अनुसार आवश्यक संशोधन तथा परिमार्जन गरी सो को कार्यान्वयन गर्दै आएको छ । शाखा कार्यालयहरूका क्रियाकलापहरूलाई पनि व्यवस्थित र प्रभावकारी बनाउनको लागि समय समयमा आन्तरिक परिपत्रको माध्यमबाट निर्देशन दिने साथै स्थलगत निरीक्षणको माध्यमबाट पनि देखिएका कमी कमजोरीहरूलाई सुधार गर्दै आइरहेका छौं । त्यसैगरी

संस्थागत सुशासनलाई थप सुदृढ गराउनको लागि विभिन्न नीतिहरूको निर्माण, संस्थाको नियमित रूपमा हुने आन्तरिक लेखापरीक्षण र बाह्य लेखापरीक्षणबाट प्राप्त हुने सुभावहरूको साथै नेपाल राष्ट्र बैंक र अन्य निकायबाट अनुगमन र सुपरिवेक्षणको क्रममा दिईएका निर्देशन र सुभावहरू आदिको कार्यान्वयन गर्दै संस्थागत सुशासनलाई थप व्यवस्थित र सुदृढ गर्दै लगिएको छ ।

ड) सूचना प्रविधि:

वित्तीय संस्थाले दैनिक कारोबारलाई चुस्त, दुरुस्त र छिटो छरितो रूपमा व्यवस्थित गराउन आवश्यक प्रविधिको व्यवस्था गरेको छ । सूचना प्रणालीको प्रयोगलाई व्यवस्थित र प्रभावकारी गराउनको लागि समय सापेक्ष रूपमा परिमार्जन र प्रणालीमा पनि परिवर्तन गर्दै संस्थाको क्रियाकलापहरूलाई अगाडि बढाउँदै गएको छ । संस्थाले आफ्नो कारोबारलाई Digitalization को प्रयोगलाई अभि प्रभावकारी बनाउने र भएको Digital माध्यमको भुक्तानीलाई प्राथमिकता दिई आगामी दिनमा थप व्यवस्थित गर्दै अघि बढ्ने योजना बनाएको छ । यस प्रयोजनको लागि Core Banking Software समेत परिवर्तन गरि NCHL संगको सहकार्यमा National Payment Switch मा आवद्ध भई विभिन्न Digital Sewa प्रदान गर्ने कार्य तदारुकताका साथ भैरहेको जानकारी गराउँदछु ।

च) आन्तरिक नियन्त्रण प्रणाली र जोखिम व्यवस्थापन:

संस्थाका क्रियाकलापलाई व्यवस्थित गर्ने एउटा उपयुक्त विधिको रूपमा आन्तरिक नियन्त्रण प्रणाली भएकोले संस्थाले विभिन्न किसिमका नीति नियम तथा निर्देशिकाहरू र विनियमावलीहरू लगायत नेपाल राष्ट्र बैंकको निर्देशन बमोजिमको अन्य नीति तथा नियम तर्जुमा गरी दैनिक कार्य सञ्चालन गर्दै आएको छ । संस्थाले आन्तरिक लेखापरीक्षण, बाह्य लेखापरीक्षण साथै आन्तरिक अनुगमनबाट प्राप्त कैफियतहरू तथा कमी कमजोरीहरूलाई सुधार गर्दै आएको छ । संस्थाद्वारा गठित लेखापरीक्षण समितिद्वारा संस्थाको आन्तरिक नियन्त्रण प्रणालीको सम्बन्धमा व्यवस्थापनमा विशेष छलफल गरी कुनै कमजोरी रहेमा व्यवस्थापनलाई सुधार गर्नको लागि सुभाव प्रदान गर्नुका साथै विशेष गरी संस्थाको दैनिक कार्य सञ्चालनमा देखिएका जोखिमहरूको वर्गीकरण गरी उक्त जोखिमहरूलाई घटाउनको लागि व्यवस्थापन समक्ष सुभाव पेश गर्ने र आवश्यकता अनुसार सञ्चालक समितिमा पनि प्रस्ताव पेश गरी छलफल गर्ने व्यवस्था मिलाईएको छ ।

छ) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर:

सन् २०२१ मा विश्व अर्थतन्त्रको विस्तार ६ प्रतिशतले र सन् २०२२ मा ४.९ प्रतिशतले हुने प्रक्षेपण गरिएको छ । त्यसैगरी सन् २०२२ मा विकसित मुलुकहरूको मुद्रास्फीति २.१ प्रतिशत र उदीयमान तथा विकासोन्मुख मुलुकहरूको मुद्रास्फीति ४.७ प्रतिशत रहने प्रक्षेपण छ । आगामी वर्ष कोभिड-१९ को महामारीले संकुचित रहेको विश्व अर्थतन्त्रको पुनरुत्थानमा सुधार आउनुका साथै मुद्रास्फीति न्यून रहने अन्तराष्ट्रिय मुद्राकोषको अनुमान छ । यद्यपी आर्थिक पुनरुत्थानको गति कोरोना विरुद्धको खोपमा पहुँच हुने र नहुने मुलुकहरू बीच भिन्न हुने देखिएको छ ।

कोभिड-१९ को कारण अन्तराष्ट्रिय व्यापारमा भएको कमी तथा कोभिड-१९ को कारणले प्रत्यक्ष रूपमा पर्यटन तथा निर्यातमा ह्रास आई समग्र बैकिङ व्यवसाय समेत प्रभावित हुन गएको छ । देशमा कच्चा पदार्थको मूल्यमा भएको वृद्धिले आयातित वस्तु तथा सेवाको लागत महँगो पर्न गई मुद्रास्फीतिमा चाप पर्न जाने र औद्योगिक वस्तुको उत्पादन लागतमा समेत वृद्धि भई स्थानीय उत्पादनको प्रतिस्पर्धी क्षमतामा ह्रास आउने देखिन्छ ।

वर्षायामको शुरूवातमै कतिपय स्थानमा बाढी पहिरो जस्ता प्राकृतिक प्रकोपबाट धनजनमा क्षति पुगेको छ । तथापि समग्र कृषि क्षेत्रको उत्पादन वृद्धि भने सन्तोषजनक रहेको अनुमान छ ।

आ.व.२०७६/७७ मा २.९ प्रतिशतले संकुचनमा गएको नेपालको अर्थतन्त्र आ.व.२०७७/७८ मा ४.१ प्रतिशतले विस्तार हुने केन्द्रिय तथ्याङ्क विभागको अनुमान रहेको छ । कुल ग्राहस्थ उत्पादनसँगको कुल ग्राहस्थ बचतको अनुपात ६.६ प्रतिशत र कूल राष्ट्रिय बचतको अनुपात ३१.४ प्रतिशत रहेको अनुमान छ । जुन अघिल्लो वर्ष क्रमशः ६.३ र ३२.६ प्रतिशत रहेको थियो ।

ज) प्रतिवेदन मितिसम्म चालु वर्षको उपलब्धी र भविष्यका सम्बन्धमा संचालक समितिको धारणा :

प्रतिवेदन तयार गर्दा (२०७८ मंसिर मसान्त) सम्म यस संस्थाको निक्षेप रु. १०,४५,८३,८६,५२२ र कर्जा रु. ९,०९,६१,९२,०१८ रहेको व्यहोरा जानकारी गराउन चाहन्छु ।

सकेसम्म सम्भावित जोखिमलाई न्यूनीकरण गरि मानव संसाधन तथा सूचना प्रविधिको माध्यमबाट भरपर्दो, सुरक्षित तथा प्रभावकारी सेवाहरू उपलब्ध गराउने हाम्रो लक्ष्य यथावत कायमै रहनेछ ।

भ) औद्योगिक तथा व्यवसायिक सम्बन्धमा :

ग्राहकहरूको सन्तुष्टि नै हाम्रो संस्थाको प्रगति भन्ने मुल अभिप्रायले संचालन रहेको हाम्रो संस्थाले औद्योगिक तथा व्यवसायिक पक्षहरूसँग सौहार्द तथा व्यवसायिकपूर्ण सम्बन्ध कायम राख्दै पारदर्शिताको आधारमा गुणस्तरीय सेवा विस्तार गर्दै आएकोमा भविष्यमा समेत यसलाई मूलमन्त्रको रूपमा लिई अगाडी बढेका छौं । तसर्थ सेवा प्रवाह गर्ने सम्बन्धमा थप आकर्षक र ग्राहक मैत्री बनाउने तर्फ हाम्रो प्रतिवद्धता रहेको व्यहोरा जानकारी गराउन चाहन्छु ।

ञ) सामाजिक उत्तरदायित्व :

हाम्रो वित्तीय संस्थाले संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत आफ्नो स्थापना कालदेखि नै सामाजिक, आर्थिक, साँस्कृतिक, खेलकुद र शैक्षिक क्षेत्रमा विभिन्न कार्यक्रमहरू संचालन गर्दै आएको छ । आर्थिक अवस्था कमजोर भएका जेहेन्दार विद्यार्थीहरूलाई छात्रवृत्ति दिने कार्य, फुटबल प्रतियोगितामा आर्थिक प्रायोजन गर्ने, विभिन्न चाडपर्वहरूमा सहयोग गर्ने र बचत गरि वित्तीय जागरण ल्याउन 'I am MBA' कार्यक्रमलाई पनि थप निरन्तरता दिइएको छ ।

ट) लेखा परिक्षण प्रतिवेदनमा संचालक समितिको प्रतिक्रिया :

आन्तरिक तथा बाह्य लेखापरीक्षकहरूबाट यस अवधिमा सामान्य कुराहरू बाहेक नीतिगत तथा संस्थाको कारोवारमा असर पर्ने खालका कुनै कैफियतहरू उल्लेखित गरिएको छैन ।

ठ) लाभांश बाँडफाँड :

समिक्षा अवधिमा यस संस्थाको खुद मूनाफा NFRS प्रावधान अन्तर्गत गत आ.व. २०७६/७७ को संचित नाफा रु.१०,९६,८२,५३३ मा सोही आ.व.को लाभांश, सामाजिक उत्तरदायित्व खर्च/जगेडा,कर्मचारी तालिम खर्च तथा Fair value Reserve मा समायोजित शेयर लगानीमा भएको नोक्सानको समायोजन पश्चात र यस आ.व. २०७७/७८ आषाढ मसान्त सम्मको खुद मूनाफा रु.१९,३४,५०,०३६ समेत जोड्दा हुन आउने संचित मुनाफा रु.१२,६५,४५,९४७ बाट यस आ.व. २०७७/७८ को खुद मूनाफाबाट २० प्रतिशत रकम रु.३,८६,९०,००७ साधारण जगेडा कोषमा र अन्य Regulatory Reserve तथा Other (Debenture Redemption Reserve) अन्तर्गत रु.५,००,००,००० सहित जम्मा रु.७,५०,२५,६१२ समायोजन गरी तथा सामाजिक उत्तरदायित्व कोषमा रु.१९,३४,५०० सार्दा बाँकी रहने मूनाफाबाट नगद लाभांश ३.९% को दरले हुन आउने रु.३,३८,२०,८०० तथा ९.९% का दरले हुन आउने रु.७,८९,१५,२०० बराबरको बोनस शेयर समेत गरी जम्मा १३% को दरले हुन आउने रु.११,२७,३६,००० लाभांश वितरण गर्ने प्रस्ताव यहाँहरू समक्ष स्वीकृतिका लागि पेश गरेको छु । यस सभामा उपस्थित शेयरधनी महानुभावज्यूहरूले यस प्रस्तावलाई पारित गरिदिनु हुने विश्वास लिएको छु ।

ड) संचालक समितिमा भएको हेरफेर र सो को कारण :

आ.व. ०७६/०७७ को साधारण सभाबाट हाम्रो संस्थामा ७ जनाको संचालक समिति रही आएकोमा उक्त संख्यालाई घटाई ५ जना मात्र संचालक संख्या कायम गरेकोले संस्थापक शेयरधनीहरूबाट २ जना, सर्वसाधारण शेयरधनीहरूबाट २ जना र १ जना स्वतन्त्र संचालक रहने गरि नियमावलीमा संशोधन समेत भैसकेको यहाँहरूलाई विदितै छ । सोही बमोजिम संस्थापक समूहका संचालक श्री सुधिर मान मास्केज्यूको राजिनामा मिति २०७७ चैत्र २७ गते देखि लागू हुने गरि संचालक समितिले स्वीकृती गरेको छ । संचालक समितिले यस्तै रिक्त रहेको स्वतन्त्र संचालक पदमा प्रा.डा.श्री सुशिल भक्त माथेमाज्यूलाई मिति २०७८/०४/१७ गते बसेको संचालक समितिको ३७३ औं बैठकबाट मिति २०७८/०४/१७ गतेदेखि लागूहुने गरी चार बर्ष अवधिका लागि स्वतन्त्र संचालकमा नियुक्ती गरिएको छ । यस नियुक्तीलाई यहाँहरूले अनुमोदन गरिदिनु हुन सादर अनुरोध गर्दछु ।

संचालक समितीको संरचना निम्न बमोजीम रहेको छ ।

१. श्री विश्व प्रकाश साखः	अध्यक्ष
२. श्री पशुपति भक्त श्रेष्ठ	संचालक
३. श्री दिलिप कुमार मुनंकर्मी	संचालक
४. श्री जेनी जोशी	संचालक
५. प्रा.डा.श्री सुशिल भक्त माथेमा	स्वतन्त्र संचालक

शेयरधनी महानुभावज्यूहरू,

अन्तमा, यस वित्तीय संस्थाको गरिमालाई उच्च बनाई राख्न तथा यसको उन्नति र प्रगतिका लागि प्रत्यक्ष वा अप्रत्यक्ष रूपमा हामी प्रति देखाउनु भएको सद्भाव प्रति हार्दिक आभार प्रकट गर्दछौं । आफ्ना सेवाग्राहीहरूलाई प्रदान गर्ने सेवालाई अझ स्तरीय सर्व सुलभ र भरपर्दो बनाउने विश्वास दिलाउँदै हाम्रा शुभचिन्तकहरू, शेयरधनी महानुभावहरू, संस्थापक शेयरधनीहरू, लगायत श्री नेपाल राष्ट्र बैंक, श्री कम्पनी रजिष्ट्रारको कार्यालय, श्री नेपाल धितोपत्र बोर्ड, श्री नेपाल स्टक एक्सचेन्ज लिमिटेड, श्री कर्जा सूचना केन्द्र लिमिटेड, श्री आन्तरिक राजस्व कार्यालय, श्री सि.डि.एस. एण्ड क्लियरिङ लिमिटेड, श्री एन.आई.वि.एल. एस क्यापिटल लिमिटेड, श्री नेपाल वित्तीय संस्था संघ, बैंक तथा वित्तीय संस्थाहरू, आन्तरिक तथा बाह्य लेखा परिक्षकज्यूहरू लगनशीलताका साथ योगदान पुऱ्याउने संस्थाका कर्मचारी साथीहरू लगायत अन्य प्रत्यक्ष अप्रत्यक्ष रूपमा सहयोग पुऱ्याउँदै आउनु भएका सम्पूर्ण निकाय तथा महानुभावज्यूहरू प्रति हार्दिक कृतज्ञता एवं धन्यवाद व्यक्त गर्दै आगामी दिनहरूमा पनि यहाँहरूको आत्मीयता र सदासयता कायमै रहने अपेक्षा व्यक्त गर्दछु ।

धन्यवाद ।

मिति: २०७८/०९/२९

विश्व प्रकाश साखः

अध्यक्ष

वार्षिक साधारण सभा

कम्पनी ऐन २०६३ को दफा १०९ को उपदफा ४ अनुसारको अतिरिक्त विवरण :

- क) विगत आर्थिक वर्षको कारोबारको सिंहवलोकन: संचालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।
- ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर: राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई प्रत्यक्ष वा अप्रत्यक्ष रूपमा असर परेको हुन्छ । राष्ट्रिय एवं मौद्रिक नीतिको स्वरूप लगायत नियमन निकायहरूको नीतिगत परिवर्तनले निश्चय नै असर पार्ने कुरामा दुईमत हुन सक्दैन ।
- ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धी र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा संचालक समितिको धारणा: संचालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।
- घ) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध: संचालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।
- ङ) संचालक समितिमा भएको हेरफेर र सो को कारण: संचालक समितिको प्रतिवेदनमा संलग्न गरिएको छ ।
- च) कारोबारलाई असर पार्ने मुख्य कुराहरू: संचालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।
- छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रकृया: सुधार निरन्तर चल्ने प्रकृया भएकोले आवश्यक निर्देशन दिने गरेको छ ।
- ज) लाभांश बाँडफाँड गर्ने सिफारिस गरिएको रकम: आ.व. २०७७/०७८ मा कायम रहेको चुक्ता पूँजी रु. ८६,७२,००,०००। को लागि प्रस्तावित लाभांश कर प्रयोजनार्थ सहितको नगद लाभांश ३.९% (तीन दशमलव नौ) प्रतिशतका दरले हुने रु. ३,३८,२०,८००।०० (अक्षरेपी तीन करोड अठ्तीस लाख बीस हजार आठ सय रूपैया मात्र) र बोनस शेयर ९.१ % (नौ दशमलव एक) प्रतिशतका दरले हुने रु. ७,८९,१५,२००।०० (अक्षरेपी सात करोड उनानब्बे लाख पन्ध्र हजार दुई सय रूपैया मात्र) गरी कर सहितको जम्मा १३% (तेह्र) प्रतिशत लाभांश रु ११,२७,३६,०००।०० (अक्षरेपी एघार करोड सत्ताईस लाख छत्तिस हजार रूपैया मात्र) वितरण गर्ने ।
- झ) शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयरको जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण: नभएको ।
- ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन: संचालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।
- ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन: संचालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।
- ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी: नभएको ।
- ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयर स्वामित्वको विवरण र कम्पनीले शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी: नभएको ।
- ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा गराइएको जानकारीको व्यहोरा: नभएको ।
- ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मूल्य तथा शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम: नभएको ।
- त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए, सोको विस्तृत विवरण: भएको । संचालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।
- थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण: संचालक समितिको प्रतिवेदनमा उल्लेख गरिएको छ ।
- द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको

काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण:

संस्थाका सञ्चालक प्रा. डा. सुशिल भक्त माथेमाज्यूको संयोजकत्वमा व्यवस्थापनबाट श्री स्वयम्भू शाक्य र श्री पारस नरसिंह प्रधान सहित तीन जना सदस्य रहने गरी लेखापरीक्षण समिति बनाइएको छ। लेखापरीक्षण समितिमा रहेका सञ्चालकज्यूलाई प्रति बैठक भत्ता रु.८००० को दरले व्यवस्था गरिएको छ। समितिले समयानुसार विभिन्न निर्देशनहरू दिने गरेको छ।

- ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा सँगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा: नभएको।
- न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, तथा पदाधिकारीहरूलाई भुक्तान गरिएको पारिश्रामिक, भत्ता तथा सुविधाको रकम: सञ्चालकहरूलाई भुक्तानी गरिने पारिश्रामिक, भत्ता तथा सुविधा बारेको विवरण प्रबन्धपत्र तथा नियमावलीमा उल्लेख गरिए अनुसार अध्यक्षज्यूलाई प्रति बैठक भत्ता रु.१०,०००/- र संचालकहरूलाई प्रति बैठक भत्ता रु.९,००० रहेको छ र आ.व. २०७७/०७८ मा संचालक समिति सम्बन्धि खर्च जम्मा रु.८,५७,३५०/- भएको छ। यस वर्ष प्रमुख कार्यकारी अधिकृतलाई तलब भत्ता, दशैँ खर्च एवं सञ्चयकोष गरी जम्मा रु. ६६,४५,०००/- प्रदान गरिएको छ। कर्मचारीहरूलाई खर्च भुक्तानी गरिएको पारिश्रामिक भत्ता तथा सुविधाहरू रु. ११,१८,०१,६५१/- रहेको छ।
- प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम: नभएको।
- फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा विक्री गरेको कुराको विवरण: नभएको।
- ब) दफा १७५ बमोजिम सम्बन्ध कम्पनी बिच भएको कारोवारको विवरण: नभएको।
- भ) यस ऐन तथा प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा: यस प्रतिवेदनको उपयुक्त ठाउँमा प्रस्तुत गरिएको छ।
- भ) अन्य आवश्यक कुराहरू: यस प्रतिवेदनको उपयुक्त ठाउँमा प्रस्तुत गरिएको छ।

वार्षिक साधारण सभा



Who We Are

Goodwill Finance Limited is the leading provider of financial solutions with a unique mix of dedication and perfect execution. With the vision of providing the best financial services for success, Goodwill Finance Limited started its operation as financial institution under the license from Nepal Rastra Bank in 1995. It is a public limited company established under the Financial Company Act 2042, on 2051 BS.

The Authorized Capital of the company is Rupees 1,000,000,000/- and the Issued Capital is 867,200,000.00/-. 51 % of the Paid-Up Capital is held by the promoter and the remaining 49 % is held by the general public. The shares of the company are listed at Nepal Stock Exchange Limited (NEPSE).

What We Do

Our objective is to uplift the economic status of Nepal by investing in different economic sectors under economic liberalization policy, understanding diverse customer needs, and providing a broad mix of financial services to business and individuals.

With our corporate office based in Hattisar, Kamalpokhari, Kathmandu, we are known for our financial stability and excellent customer services. We are a continuously growing company and at present our branches are spread over Dillibazar, Indrachowk, Lalitpur, Bhaktapur, Butwal, Birtamode, Itahari, Dang, Nepalgunj, Illam, Phidim, Tripureshwor, Dhangadhi, Bardibas, Nawalpur Gaidakot and Bhairahawa.

Staying true to our vision mission and objective, we have made significant impact in the financial industry. This is why we are considered the best and professionally managed financial company.

What is Our Future Plan

We strive to give optimum benefit to our shareholders. Our every strategic plan is designed to takes us closer to our vision of becoming the best financial service provider based on operational excellence and establish a successful relationship with our customers.

Our prime focus is increasing our capital base, and enlarging our loan and deposit portfolio. To facilitate our customers with easy access to our products and services, we have plans of opening our branches in more provinces of Nepal soon.

Vision

To be the best financial service provider because of operational excellence, while establishing a successful relationship with our customers.

Mission

To become a market leader in the financial sector, known for its high profitability, customer centric quality products, and outstanding services to its customers and high rates of significant and attractive returns to its stakeholders.

सञ्चालक समिति



श्री विश्व प्रकाश साखः
अध्यक्ष
(सर्वसाधारण समूह)



श्री दिलीप कुमार मुनंकर्मी
सदस्य, सञ्चालक समिति
(संस्थापक समूह)



जेनी जोशी
सदस्य, सञ्चालक समिति
(संस्थापक समूह)



श्री पशुपति भक्त श्रेष्ठ
सदस्य, सञ्चालक समिति
(सर्वसाधारण समूह)



प्रो. डा. सुशिल भक्त माथेमा
सदस्य, सञ्चालक समिति
(स्वतन्त्र संचालक)

व्यवस्थापन समिति



सरोज काजी तुलाधर



स्वयम्भू शाक्य



पारस नरसिंह प्रधान



देवकी वैद्य



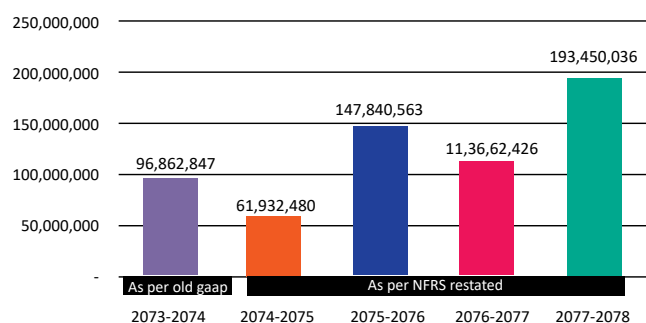
भरत बहादुर महत



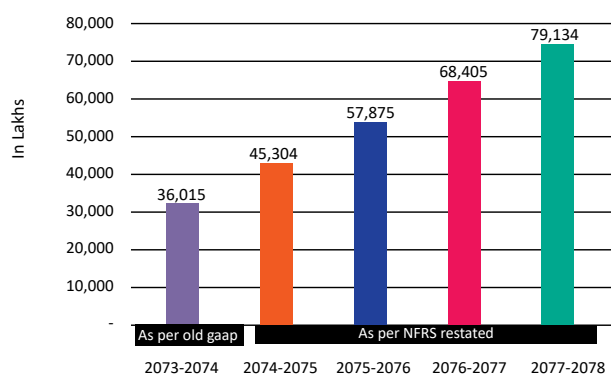
अजली रस्थापित

Financial Highlights (Graphs)

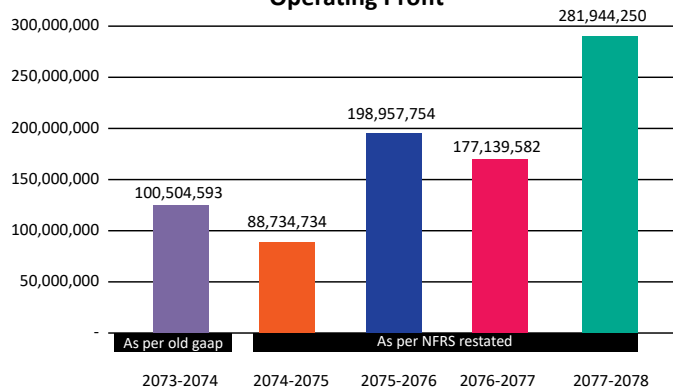
Net Profit (Loss)



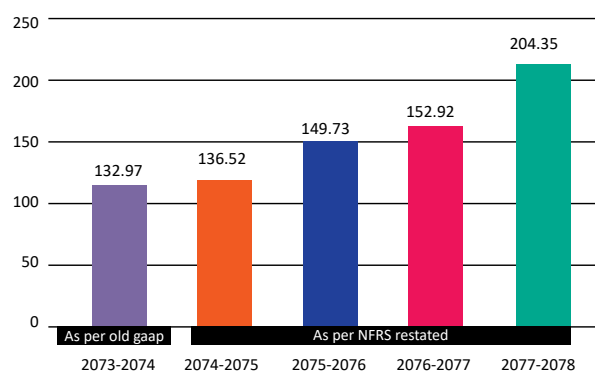
Total Loan Port Folio



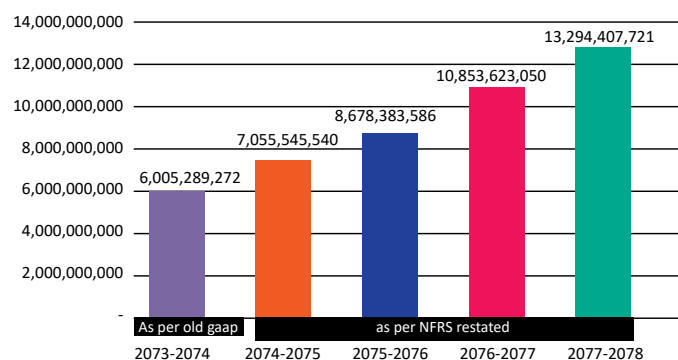
Operating Profit



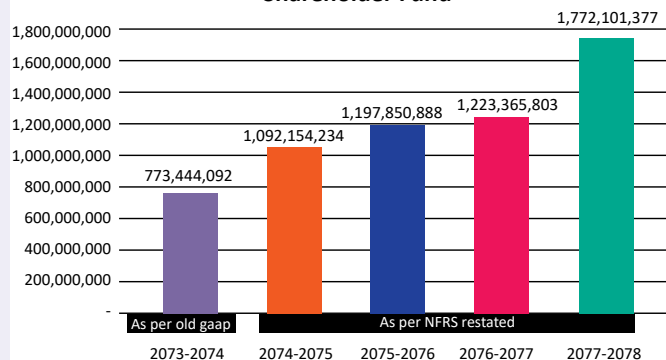
Net Worth Per Share



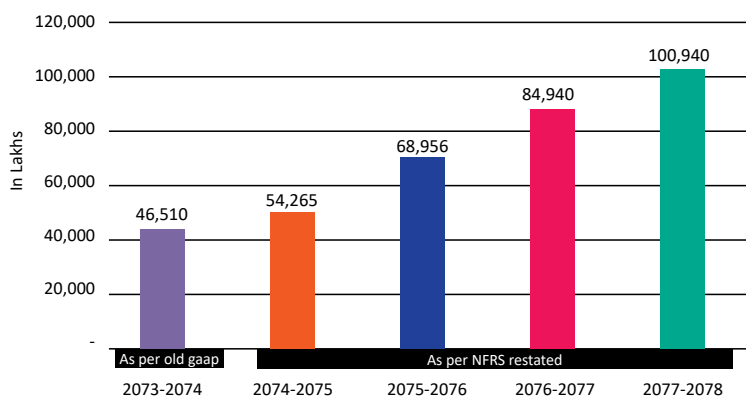
Total Assets



Shareholder Fund



Total Deposit



Principal Indicators of Last 5 Years

SN	Indicators	UNIT	FY	FY	FY	FY	FY
			2073-74	2074-75	2075-76	2076-77	2077-78
			As per GAAP		As per NFRS		
1	Net Profit/ Gross Income	Percent	15.17%	8.32%	14.40%	9.82%	13.77%
2	Earnings Per Share	NPR	16.65	7.74	18.48	14.21	22.31
3	Market Value Per Share	NPR	201.00	126	135	145	682
4	Price Earning Ratio	Ratio	12.07	16.28	7.31	10.21	30.57
5	Dividend (including bonus) on Share Capital	Percent	10.73%	5.26%	10.00%	12%	13%
6	Cash Dividend on Share Capital	Percent	0.54%	0.00%	10.00%	3.60%	3.90%
7	Interest Income/ Loans and Advances and Investments	Percent	14.53%	13.05%	13.77%	13.76%	11.53%
8	Staff Expenses/ Total Operating Expenses	Percent	9.79%	47.41%	52.15%	48.62%	56.87%
9	Interest Expenses/ Total Deposits & Borrowings	Percent	7.94%	9.29%	9.49%	9.26%	6.98%
10	Exchange Gain/ Total Income	Percent	0.00%	0.00%	0.00%	0.00%	0.00%
11	Staff Bonus/ Total Staff Expenses	Percent	29.71%	15.51%	23.25%	16.66%	22.93%
12	Net Profit/Total Loans & Advances	Percent	2.60%	1.96%	3.47%	1.75%	2.60%
13	Net Profit/ Total Assets	Percent	1.67%	0.88%	1.69%	1.05%	1.46%
14	Total Loans & Advances/ Total Deposits	Percent	71.08%	83.51%	86.28%	86.93%	73.73%
15	Total Operating Expenses/ Total Assets	Percent	8.22%	1.82%	2.11%	1.83%	1.48%
16	Capital Adequacy (On Risk Weighted Assets)						
	a. Core Capital	Percent	15.50%	18.80%	14.40%	11.12%	13.49%
	b. Supplementary Capital	Percent	0.89%	0.56%	0.66%	4.62%	4.88%
	c. Total Capital Fund	Percent	16.39%	19.35%	15.05%	15.74%	18.37%
17	Liquidity	Percent	33.39%	33.29%	30.03%	37.88%	34.34%
18	Non-Performing Loan/ Total Loans & Advances	Percent	2.63%	2.67%	1.65%	1.51%	3.49%
19	Base Rate		12.88	13.57	12.57	10.85	8.81
20	Weighted Average Interest Rate Spread	Percent	4.32%	3.83%	4.50%	4.92%	4.99%
21	Book Net Worth (Per Share)	NPR	132.97	136.52	149.73	152.92	204.35
22	Number of Shares	Nos.	5,816,650	8,000,000	8,000,000	8,000,000	8,672,000
23	Number of Staff	Nos.	87	96	119	115	127



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOODWILL FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of M/s. Goodwill Finance Limited (the "Finance"), which comprise the Statement of Financial Position as at Ashad 31, 2078 (July 15, 2021), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Finance as at 31st Ashad, 2078 (15th July 2021), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the Finance in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

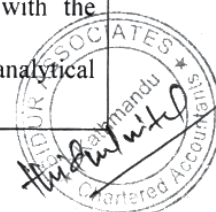
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters. We have determined, assessed and explained how we addressed the following key audit matters to be communicated in our audit report:

S. No	Key Audit Matters	Auditor's Response
1.	Investment Valuation, Identification and Impairment Investment of the Finance comprises of several investment in T-Bills, NRB/Government Bonds, and other quoted and unquoted equity investments. Valuation of these investments are conducted in line with NAS 39 read with NFRS9 and NRB directive 8. Investments in T-Bills, NRB/Government Bonds are recognized on each reporting date on Amortized costs	Our audit approach regarding valuation, verifications and identifications include following: a. Reviewing of the Investment of the Finance and its valuation with reference to the applicable NFRS and NRB directives. b. Assessing the expected cash flows and business model adopted by the Finance. c. For investment classified as FVTOCI



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	<p>whereas other quoted and unquoted equity investments at Fair Value through Other Comprehensive Income (FVTOCI).</p> <p>Given the variations of treatments used for valuation of investment based on the nature of cash flows, business model adopted and complexity of calculations, we have considered it as Key Audit Matters in our Audit</p>	<p>and quoted, we ensured that Fair value was conducted by obtaining closing market rate as on 15.07.2021. And for unquoted investment the fair value being taken as par value of investment.</p>
2.	<p>Information Technology (IT) systems and controls over financial reporting</p> <p>The entire preparation of financial statements is highly dependent on CBS and other supporting software and hardware controls. Adequate and appropriate IT controls are required to ensure that IT application process data are as expected, appropriate user access and changes are made in an appropriate manner. Such controls ensure mitigating the expected risk of erroneous output data. Audit outcome is dependent on the extent IT controls and systems, and accordingly the above areas are determined to be as key audit matter</p>	<p>We have carried out our audit procedures with Nepal Standards on Auditing guidelines towards implementation of IT policies and procedures followed by the Finance in order to effectively monitor, control, and evaluate the IT applications and controls to ensure effective implementation of such policies and procedures. Also our approach for Information Technology (IT) systems and controls over financial reporting was based on NRB Information Technology Guidelines 2012 and includes following:</p> <ol style="list-style-type: none"> Reviewed report generated by CBS Verified few loans and deposits interest calculations on test basis Verified the loan loss provision of loans and advances based on ageing for the date 15.07.2021.
3.	<p>Impairment of loans and advances</p> <p>NRB directive 4 prescribe that BAFIs shall measure impairment on Loan and advances at higher of following:</p> <ul style="list-style-type: none"> - Provision amount derived as per norms prescribed by NRB - Impairment amount derived as per NAS 39 using Incurred Loss Model <p>The process of estimating the provision for loans and advances associated with credit risk is significant and complex. The materiality of the reported amounts for the loans and advances (and impairment allowance thereof), adverse impact of COVID-19 in the financial performance of borrowers deteriorated their repaying capacity increasing risk of credit default, NRB directions to meet the COVID-19 crisis, involvement of complex calculations underpinned our basis for considering it as Key Audit Matter.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under;</p> <ol style="list-style-type: none"> Reviewing the overdue status of the loans and advances Evaluating the design of internal controls relating to implementation of circulars/ directives issued by NRB and also internal policies and procedure of the Finance. Examining all the large and other advances on a sample basis including review of valuation reports of the independent valuers as provided by the Finance's management. Reviewing the files of borrowers containing credit appraisal and other substantiating documents selected on sample basis and assessing the assigned risk premium and appropriate action taken commensurate with the operation of such accounts. Performing relevant analytical procedures.



4.	Recognition of Interest Income on Loans and advances Following implementation of NFRS and NRB Interest Income Recognition Guidelines 2019, Banks are recognizing interest income on accrual basis. Though accrual basis of income recognition is prescribed in general, the guidelines requires suspension of interest recognition on accrual basis for loans and advances with overdue of more than 12 months whereas for loans and advances with overdue of interest and installment between 3 to 12 months, interest recognition on accrual basis is limited on the basis of result of collateral testing is specified. Considering the lack of in-built system for automatically suspending the recognizing, lack of reviewing the fair value of collateral on regular basis may create improper application of NRB guidelines.	Our audit method for recognition of interest income on Loans and advances include the following: a. Reviewing the internal control process for accrued interest on loan and advances b. Obtaining the accrued interest from CBS and testing on sample basis by manual computations c. For fair value collateral mortgage as security, we considered the latest available valuation report provided by the independent valuers of the Finance.
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Responsibility of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Finance's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Finance or to cease operations, or has no realistic alternative but to do so.

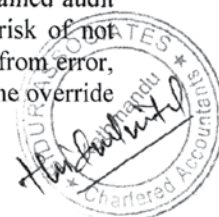
Those charged with Governance are responsible for overseeing the Finance's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Finance'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Finance 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 to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Requirements of Banks and Financial Institutions Act, 2073 and Company Act, 2063

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



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




CA. Bidur Luitel
 Proprietor
 Bidur Associates
 Chartered Accountants
 UDIN: 211216CA00876ozFQS

Place: Kathmandu, Nepal
 Date: 26th Mangsir 2078

Goodwill Finance Ltd.
Statement of Financial Position
As at 31st Ashadh 2078 (15 July 2021)

Figures in NPR

Particulars	Note	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Assets			
Cash and cash equivalents	4.1	1,076,700,635	1,275,487,862
Due from Nepal Rastra Bank	4.2	394,564,448	294,630,303
Placement with Bank and Financial Institutions	4.3	-	-
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and advances to B/FIs	4.6	266,490,000	278,421,581
Loans and advances to customers	4.7	7,432,605,272	6,506,814,832
Investment securities	4.8	3,562,430,632	1,985,923,038
Current tax assets	4.9	61,742,061	10,461,719
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	51,572,816	51,572,816
Property and Equipment	4.13	335,634,400	346,480,835
Goodwill and Intangible assets	4.14	508,005	635,006
Deferred Tax Assets	4.15	-	-
Other assets	4.16	112,159,452	103,195,059
Total Assets		13,294,407,721	10,853,623,050

Particulars	Note	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Liabilities			
Due to Bank and Financial Institutions	4.17	713,022,699	975,318,702
Due to Nepal Rashtra Bank	4.18	50,910,060	41,815,239
Derivative Financial Instrument	4.19	-	-
Deposits from customers	4.20	10,080,962,298	8,117,680,016
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	202,749,732	28,501,975
Other liabilities	4.23	226,946,518	219,492,083
Debt securities issued	4.24	247,715,037	247,449,233
Subordinated Liabilities	4.25	-	-
Total liabilities		11,522,306,344	9,630,257,247
Equity			
Share Capital	4.26	867,200,000	800,000,000
Share Premium		2,475,548	2,475,548
Retained Earnings		126,545,947	109,682,533
Reserves	4.27	775,879,882	311,207,723
Total equity attributable to equity holders		1,772,101,377	1,223,365,803
Non-controlling interest		-	-
Total Equity		1,772,101,377	1,223,365,803
Total Liabilities and Equity		13,294,407,721	10,853,623,050
Contingent Liabilities and commitment	4.28	107,640,019	2,300,000
Net Assets Value Per share		204.35	152.92

The accompanying notes are integral part of these financial statements.

As per our report of even date

.....
Bishwa Prakash Shakh
Chairman

.....
Jenny Joshi
Director

.....
Pashupati Bhakta Shrestha
Director

.....
Dilip Kumar Munankarmi
Director

.....
Prof. Dr. Sushil Bhakta Mathema
Independent Director

.....
C.A. Bidur Luitel
For
Bidur Associates
Chartered Accountants

Date: 26, Mangsir 2078
Place: Hattisar, Kamalpokhari
Kathmandu, Nepal

.....
Saroj Kaji Tuladhar
Chief Executive Officer

.....
Paras Narsingh Pradhan
Chief Finance Officer

Goodwill Finance Ltd.
Statement of Profit or Loss
for the year ended 31st Ashadh 2078 (15 July 2021)

Figures in NPR

Particulars	Note	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Interest income	4.29	1,058,237,765.90	1,038,280,635
Interest expense	4.30	753,245,209.05	769,774,198
Net interest income		304,992,556.85	268,506,436
Fees and commission income	4.31	125,579,757.33	104,992,100
Fees and commission expense	4.32	-	-
Net fee and commission income		125,579,757.33	104,992,100
Net interest and commission income		430,572,314.18	373,498,536
Net trading income	4.33	-	-
Other operating income	4.34	220,964,723.36	14,301,809
Total operating income		651,537,037.54	387,800,345
Impairment charge/(reversal) for loans and other losses	4.35	172,991,891.36	11,837,073
Net operating income		478,545,146.19	375,963,272
Operating expense			
Personnel expenses	4.36	111,801,650.88	96,670,372
Other Operating expenses	4.37	67,845,438.50	83,895,815
Depreciation and Amortisation	4.38	16,953,806.50	18,257,504
Operating Profit		281,944,250.31	177,139,582
Non operating Income	4.39	-	37,900
Non operating expense	4.40	-	-
Profit before income tax		281,944,250.31	177,177,482
Income tax expense	4.41		
Current Tax Expense		78,854,545.78	49,489,946
Deferred Tax Expense (Income)		9,639,668.67	14,025,109
Profit for the period		193,450,035.86	113,662,426
Profit attributable to:			
Equity holders of the Bank		193,450,036	113,662,426
Non-controlling interests		-	-
Profit for the period		193,450,035.86	113,662,426.24
Earnings Per Share (EPS)			
Basic EPS		22.31	14.21
Diluted EPS		22.31	14.21

The accompanying notes are integral part of these financial statements.

As per our report of even date

.....
Bishwa Prakash Shakh
Chairman

.....
Jenny Joshi
Director

.....
Pashupati Bhakta Shrestha
Director

.....
Dilip Kumar Munankarmi
Director

.....
Prof. Dr. Sushil Bhakta Mathema
Independent Director

.....
C.A. Bidur Luitel
For
Bidur Associates
Chartered Accountants

Date: 26, Mangsir 2078
Place: Hattisar, Kamalpokhari
Kathmandu, Nepal

.....
Saroj Kaji Tuladhar
Chief Executive Officer

.....
Paras Narsingh Pradhan
Chief Finance Officer

Goodwill Finance Ltd.
Statement of Other Comprehensive Income
for the year ended 31st Ashadh 2078 (15 July 2021)

Figures in NPR

Particulars	Note	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Profit for the year		193,450,036	113,662,426
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		567,719,139	(19,455,352)
Gains / (Losses) on revaluation			
Actuarial Gains / (Losses) on defined benefit plans		(19,025,513)	7,866,370
Income tax relating to above items		(164,608,088)	3,476,695
Net other Comprehensive Income that will not be reclassified to Profit or Loss		384,085,538	(8,112,288)
b Items that are or may be reclassified to Profit or Loss			
Gains (Losses) on cash flow hedge		-	-
Exchange gains (Losses) (arising from translation of 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		384,085,538	(8,112,288)
Total Comprehensive income for the year		577,535,574	105,550,139
Total Comprehensive income attributable to:			
Equity shareholder of the bank		577,535,574	105,550,139
Non controlling interest		-	-
Total Comprehensive income for the period		577,535,574	105,550,139

The accompanying notes are integral part of these financial statements.

As per our report of even date

.....
Bishwa Prakash Shakh
 Chairman

.....
Jenny Joshi
 Director

.....
Pashupati Bhakta Shrestha
 Director

.....
Dilip Kumar Munankarmi
 Director

.....
Prof. Dr. Sushil Bhakta Mathema
 Independent Director

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C.A. Bidur Luitel
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 Chartered Accountants

Date: 26, Mangsir 2078
 Place: Hattisar, Kamalpokhari
 Kathmandu, Nepal

.....
Saroj Kaji Tuladhar
 Chief Executive Officer

.....
Paras Narsingh Pradhan
 Chief Finance Officer

Goodwill Finance Ltd.
Statement of Changes in Equity
for the year ended 31st Ashadh 2078 (15 July 2021)

Figures in NPR

Particulars	Attributable to equity holders of the Bank															Non- controlling interest	Total equity	
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Investment adjustment reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	CSR Reserve	Deferred Tax Reserve	Employee training reserve	Debturure Redemption Reserve	Actuary reserve			Total
Balance at 1 Shrawan 2076	800,000,000	2,475,548	144,397,993	-	96,977,442	-	(13,691,193)	85,349,593	85,682,233	(3,340,728)	1,478,406	-	1,606,373	-	(6,425,507)	1,197,850,888	-	1,197,850,888
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Shrawan 2076	800,000,000	2,475,548	144,397,993	-	96,977,442	-	(13,691,193)	85,349,593	85,682,233	(3,340,728)	1,478,406	-	1,606,373	-	(6,425,507)	1,197,850,888	-	1,197,850,888
Comprehensive income for the year																		
Profit for the year									113,662,426	-						113,662,426	-	113,662,426
Other comprehensive income, net of tax										-								
Gains / (Losses) from investment in equity instruments measured at fair value							(13,618,747)			-						(13,618,747)	-	(13,618,747)
Gains / (Losses) on revaluation										-						-	-	-
Actuarial Gains / (Losses) on defined benefit plans										5,506,459					5,506,459		-	5,506,459
Gains / (Losses) on Cash Flow Hedge										-						-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation										-						-	-	-
Total Comprehensive income for the year										-								
Transfer to reserve during the year					17,325,091				(68,504,140)	-						(51,179,050)	-	(51,179,050)
Transfer from reserve during the year			22,732,485		(50,671,540)				50,671,540	1,136,624	1,136,624		-			23,869,110	-	23,869,110
Other Adjustments					21,803,481				8,170,474	(2,699,238)	(1,286,883)		(1,412,355)			27,274,717	-	27,274,717
Transactions with owners, directly recognised in equity										-								
Right share issued										-						-	-	-
Share based payment										-						-	-	-
Dividends to equity holders										-						-	-	-
Bonus shares issued										-						-	-	-
Cash dividend paid																(80,000,000)	-	(80,000,000)
Total contributions by and distributions to owners	-	-	22,732,485	-	(11,542,968)	-	(13,618,747)	-	24,000,299	3,943,845	(150,259)	-	(1,412,355)		5,506,459	25,514,915	-	25,514,915
Balance at 31 Asadh 2077	800,000,000	2,475,548	167,130,478	-	85,434,474	-	(27,309,940)	85,349,593	109,682,533	603,117	1,328,147	-	194,018	-	(919,048)	1,223,365,803	-	1,223,365,803
Balance at 1 Shrawan 2077	800,000,000	2,475,548	167,130,478	-	85,434,474	-	(27,309,940)	85,349,593	109,682,533	603,117	1,328,147	-	194,018	-	(919,048)	1,223,365,803	-	1,223,365,803
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Shrawan 2077	800,000,000	2,475,548	167,130,478	-	85,434,474	-	(27,309,940)	85,349,593	109,682,533	603,117	1,328,147	-	194,018	-	(919,048)	1,223,365,803	-	1,223,365,803
Comprehensive income for the year										-								
Profit for the year									193,450,036	-						193,450,036		193,450,036

Particulars	Attributable to equity holders of the Bank														Non-controlling interest	Total equity	
	Share Capital	Share premium	General reserve	Exchange equalisation reserve	Regulatory Reserve	Investment adjustment reserve	Fair value reserve	Revaluation Reserve	Retained earning	Other reserve	CSR Reserve	Deferred Tax Reserve	Employee training reserve	Debtoure Redemption Reserve			Actuary reserve
Other comprehensive income, net of tax										-						-	-
Gains / (Losses) from investment in equity instruments measured at fair value							397,403,397			-						397,403,397	397,403,397
Gains / (Losses) on revaluation										-						-	-
Actuarial Gains / (Losses) on defined benefit plans										(13,317,859)					(13,317,859)	(13,317,859)	(13,317,859)
Gains / (Losses) on Cash Flow Hedge										-						-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation										-						-	-
Total Comprehensive income for the year										-						-	-
Transfer to reserve during the year			38,690,007		(17,415,136)		16,322,140		(73,209,371)	51,934,500	1,934,500			50,000,000		16,322,140	16,322,140
Transfer from reserve during the year					6,381,605				(22,703,745)	-						(16,322,140)	(16,322,140)
Other Adjustments					(13,992,081)				15,326,495	(1,334,414)	(1,283,844)		(50,570)			-	-
Transactions with owners, directly recognised in equity										-						-	-
Right share issued																-	-
Share based payment																-	-
Dividends to equity holders																-	-
Bonus shares issued	67,200,000								(67,200,000)	-						-	-
Cash dividend paid									(28,800,000)							(28,800,000)	(28,800,000)
Other										-						-	-
Total contributions by and distributions to owners	67,200,000	-	38,690,007	-	(25,025,612)	-	413,725,537	-	16,863,415	37,282,227	650,656	-	(50,570)	50,000,000	(13,317,859)	548,735,574	548,735,574
Balance at 31 Asatd 2078	867,200,000	2,475,548	205,820,486	-	60,408,862	-	386,415,597	85,349,593	126,545,947	37,885,345	1,978,803	-	143,448	50,000,000	(142,36,907)	1,772,101,377	1,772,101,377

Goodwill Finance Ltd.
Statement of Cash Flows
for the year ended 31st Ashadh 2078 (15 July 2021)

Figures in NPR

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	993,630,105	961,925,805
Fees and other income received	123,831,567	104,667,100
Dividend Received		
Receipts from other operating activities	197,647,380	10,533,776
Interest paid	(722,979,405)	(760,239,952)
Commission and fees paid		-
Cash payment to employees	(88,983,742)	(106,017,746)
Other expense paid	(69,378,484)	(83,895,815)
Operating cash flows before changes in operating assets and liabilities	433,767,420	126,973,168
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(99,934,145)	(7,725,238)
Placement with Bank and Financial Institutions		-
Other trading assets		-
Loans and advances to bank and financial institutions	11,221,682	(32,640,510)
Loans and advances to customers	(1,084,065,858)	(873,348,317)
Other assets	(15,920,170)	(42,550,659)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(262,296,003)	1,161,847,553
Due to Nepal Rastra Bank	9,094,821	(54,718,634)
Deposit from customers	1,963,282,282	745,537,452
Borrowings		
Other liabilities	(3,022,241)	57,007,165
Net cash flow from operating activities before tax paid	952,127,789	1,080,381,980
Income taxes paid	(130,134,888)	(57,641,863)
Net cash flow from operating activities	821,992,901	1,022,740,118
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment securities	(2,178,493,978)	(1,172,691,385)
Proceeds from sale of investment securities	1,220,638,277	52,423,638
Purchase of property and equipment	(6,113,518)	(27,923,564)
Proceeds from the sale of property and equipment	240,900	1,281,230
Acquisition of intangible assets		-
Proceeds from the sale of intangible assets		
Purchase of investment properties		-
Proceeds from the sale of investment properties	-	22,457,966
Interest received		
Dividend received	1,748,191	4,130,933
Net cash used in investing activities	(961,980,128)	(1,120,321,181)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of debt securities	-	250,000,000
Repayment of debt securities		
Receipts from issue of subordinated liabilities		
Repayment of subordinated liability		
Receipts from issue of shares		
Dividends paid	(28,800,000)	(80,000,000)
Interest paid	(30,000,000)	(9,534,247)
Other receipt/payment	-	(2,629,670)
Net cash from financing activities	(58,800,000)	157,836,084
Net increase (decrease) in cash and cash equivalents	(198,787,227)	60,255,020
Cash and cash equivalents Beginning of the Period	1,275,487,862	1,215,232,842
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at 31 Asadh 2078	1,076,700,635	1,275,487,862

Significant Accounting Policies and Notes to the Accounts

1 Reporting Entity

Goodwill Finance Limited ('the Finance' or "the Company") is a public company incorporated under the Companies Act, 2063 and licensed by Nepal Rastra Bank to conduct banking transaction as a "C" Class Financial Institution under the Bank and Financial Institution Act, 2073. The Finance has its Corporate Office at Hattisar Sadak, Kathmandu. The Finance received the license to commence banking operations on Baisakh 29, 2052 BS (May 12, 1995 AD) The Finance's Equity Shares are listed in Nepal Stock Exchange. The objective of the Finance is to uplift the economic status of Nepal by investing in different economic sectors under economic liberalization policy, understanding diverse customer needs and providing broad mix of financial services to business and individuals.

The Authorized Capital of the company is Rupees 1,000,000,000/- and the Issued Capital is 867,200,000/-. 51 percent of the Paid-Up Capital is held by the promoter and remaining 49 is held by the general public. The shares of the Company are listed at Nepal Stock Exchange Limited (NEPSE). The shareholder composition of the Finance is as follows (as of 2078-03-31).

S.N	Ownership	Percent
1	General Public	97.77
2	Other Institution	2.23
	Total	100

S.N	Ownership	Percent
1	Promoter Shares	51%
2	Ordinary Shares	49%
	Total	100

2 Basis of Preparation

The financial statements of the Finance have been prepared on accrual basis of accounting except the Cash flow information which is prepared, on a cash basis, using the indirect method. The interest income is recognized on effective interest rate method.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown in two separate statements, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts. The significant accounting policies applied in the preparation of financial statements are set out below in point number 3. These 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 in accordance with Nepal Financial Reporting Standards (NFRS) adopted by the Accounting Standards Board (ASB) of Nepal, pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and as per the directives no. 4 of Unified Directives, 2077 issued by Nepal Rastra Bank (NRB).

The financial statements have been prepared on the going-concern basis.

2.2 Reporting period and approval of financial statements

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 Nepalese calendar.

The current year period refers to 1st Shrawan 2077 to 31st Ashadh 2078 as per Nepalese Calendar corresponding to 16th July 2020 to 15th July 2021 as per English Calendar and corresponding previous year period is 1st Shrawan 2076 to 31st Ashadh 2077 as per Nepalese Calendar corresponding to 17th July 2019 to 15th July 2020 as per English Calendar.

	Nepalese Calendar	English Calendar
Current Year	2077/78	2020/21
Previous Year	2076/77	2019/20
Current Year Period	1 st Shrawan 2077 to	16 th July 2020 to
	31 st Ashadh 2078	15 th July 2021

Previous Year Period	1 st Shrawan 2076 to	17 th July 2019 to
	31 st Ashadh 2077	15 th July 2020

The Financial Statements were authorized for issue by the Board of Directors on 2078/08/26 The Company prepared its financial statements in accordance with the requirements of Nepal Financial Reporting Standards.

2.3 Functional and presentation currency

The financial statements are presented in Nepalese Currency (NPR) (rounded to the nearest Rupee unless otherwise stated), which is the company's functional currency. The Finance determines the functional currency and items included in the financial statements are measured using that functional currency.

2.4 Use of Estimates, assumptions and judgments

The preparation of the Finance's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Information about assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year are:

- Key assumptions used in discounted cash flow projections.
- Measurement of defined benefit obligations.
- Provisions, commitments and contingencies.
- Determination of net realizable value.
- Determination of useful life of the property, plants and equipment.
- Assessment of the Finance's ability to continue as going concern.
- Determination of fair value of financial instruments; and property and equipment.
- Impairment of financial and non-financial assets.
- Assessment of current as well as deferred tax.

2.5 Changes in Accounting policies

The Company has consistently applied the accounting policies to all 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 standards in issue but not yet effective

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. The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Finance's financial statements are disclosed below. The Finance intends to adopt these standards, if applicable, when they become effective.

• IFRS 15 Revenue from Contract Customers

In May 2014, the IASB issued IFRS 15 Revenue from contract with customers, effective for the periods beginning on 1 January 2018 with early adoption permitted. This standard is yet to be pronounced by the Nepal Accounting Standard Board. The Bank does not anticipate early adopting IFRS 15 and no impact has been evaluated.

• IFRS 16 Leases

The Original version of IFRS 16 which was issued on January 2016 shall be applicable for annual periods beginning on or after 1 January 2019.

• IFRS 17 Insurance Contract

IFRS 17 is an International Financial Reporting Standard that was issued by the International Accounting Standards Board in May 2017. It will replace IFRS 4 on accounting for insurance contracts and has an effective date of 1 January 2021. In November 2018 the International Accounting Standards Board proposed to delay the effective date by one year to 1 January 2022.

• IFRS 19 Employee Benefits

Amendments regarding plan amendments, curtailments and settlements was done on February 2018 and shall be applicable for annual periods beginning on or after 1 January 2019.

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.

2.7 New Standards and interpretation not adapted

All Nepal Accounting Standards and Nepal Financial Reporting Standards and other interpretation issued by ASB of Nepal have been adapted while preparing financial statements.

2.8 Discounting

Non- current assets and liabilities are discounted where discounting is material.

3 Significant Accounting Policies

The principal accounting policies applied by the Finance 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 are prepared on the historical-cost basis except for the following material items in the statement of financial position:

- Investment property is measured at fair value.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Available for sale financial assets are measured at fair value.
- Investments held-for-trade is measured at fair value.
- Derivative financial instruments are measured at fair value.
- Defined benefit schemes, surpluses and deficits are measured at fair value.
- Impairment of asset is measured at fair value and related disposal cost.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company. Any revision to accounting estimates are recognised prospectively in the period in which the estimates are revised and in the future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes that follow.

Distinction of Current and Non-Current Assets

All the assets except the property, plant and equipment's and deferred tax assets are classified as current assets unless specific additional disclosure is made in the notes.

Liabilities

All the liabilities except the defined benefit plan obligations are classified as current liabilities unless specific additional disclosure is made in the notes.

Materiality and Aggregation

In compliance with NFRS 1 - Presentation of Financial Statements, each material class of similar items is presented separately in the financial Statements. Items of dissimilar nature or functions are presented separately unless they are material.

3.2 Basis of consolidation

The Finance does not have any subsidiaries or special purpose entities over which it exercises control. Hence, only standalone financial statement is prepared.

3.3 Cash and cash equivalent

Cash and cash equivalents include cash at vault and agency bank account balances, unrestricted balances with NRB, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value. Cash and Cash equivalent are measured at amortized cost in the statement of financial position.

Statement of Cash Flows has been prepared by using the 'Direct Method' in accordance with NAS 07- Statement of Cash Flows.

3.4 Financial assets and financial liabilities**Recognition**

The Finance initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Finance initially recognize loans and advances, deposits; and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the 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 Finance commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial

assets are recognized on trade date.

Classification

i. Financial Assets

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

1. Financial assets measured at amortized cost

The Finance 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.

2. 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:

a) 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 costs 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.

b) 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 Finance 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 Finance classifies the financial liabilities as follows:

a) Financial liabilities at fair value through profit or loss

Financial liabilities 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 Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss

b) Financial liabilities measured at amortized cost

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

Measurement

Financial assets at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and NFRS 9 permits the entire combined contract to be designated as at FVTPL in accordance with NFRS 9

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

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

Financial liabilities subsequently measured at amortised cost

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

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

De-recognition

i. De-recognition of financial assets

The Finance derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Finance 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 Finance is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset, and the sum of

- (i) The consideration received and
- (ii) Any cumulative gain or loss that had been recognized in other comprehensive income is recognized in Statement of Profit or Loss.

The Finance enters into transactions whereby it transfers assets recognized on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example repurchase transactions.

ii. 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 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.

Determination of fair value

'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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Finance measures the fair value of an instrument using the quoted price in an active market for that instrument. 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. If there is no quoted price in an active market, then the Finance 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.

The fair value measurement hierarchy is as follows:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

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 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. In case the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 01 valuation), the difference between the transaction price and fair value is recognized in profit or loss immediately.

Impairment

At each reporting date, the Finance assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Finance on terms that the Finance would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In case of financial difficulty of the borrower, the Finance considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and 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 an individual or collective impairment assessment, calculated using the loan's original EIR.

Impairment of financial assets measured at amortized cost

The Finance considers evidence of impairment for loans and advances and investment securities measured at amortized cost at both specific asset and collective level. The Finance first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant and that are not individually significant are assessed on collectively.

If there is objective evidence on that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. 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.

All individually significant loans and advances; and investment securities measured at amortized cost found not to be specifically impaired and those that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics.

All individually significant loans and advances and 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 of loans and advances portfolios are based on the judgments in past experience of portfolio behaviour. In assessing collective impairment, the Finance 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 amortized cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

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. 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 write off is later recovered, the recovery is recognized in the 'Other operating income'.

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

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

3.5 Trading assets

Interest income on all trading assets 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.

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.

3.6 Derivatives assets and derivative liabilities

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised

in the income statement in Net trading income. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the statement of financial position and is also recognised in the income statement in Net trading income.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item on termination and the face value is amortised over the remaining term of the original hedge using the recalculated EIR method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

3.7 Property and Equipment

a) Recognition and Measurement

Property and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Finance and the cost of the asset can be reliably measured. The cost includes expenditures that are directly attributable to the acquisition of the assets. Cost of self-constructed assets includes followings:

- Cost of materials and direct labour;
- Any other cost directly attributable to bringing the assets to the working condition for their intended use; and
- Capitalized borrowing cost

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss if any. Neither class of the property and equipment are measured at revaluation model nor is their fair value measured at the reporting date.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the entity. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred.

Any gain or losses on de-recognition of an item of property and equipment is recognized in profit or loss.

b) Capital work in progress

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

c) Depreciation

Property and equipments are depreciated from the date they are available for use on property on written down value method over estimated useful lives as determined by the Management. Depreciation is recognized in profit or loss. Land is not depreciated. Charging of depreciation is ceased from the earlier of the date from which the asset is classified as held for sale or is derecognized.

The estimated useful lives of significant items of property and equipment for current year and comparative periods are as follows:

Class of Assets	Useful Life	Rate of Depreciation
Building	20 years	5%
Vehicles	6 years	16.67%
Machinery	5 years	20%
Equipment and Others	10 years	10%

- The capitalized value of Software Purchase and installation costs are amortized over a maximum 5 years' period or within the ownership period.
- Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase. For assets purchased/sold during the year, depreciation is provided up to the date of use on pro-rata basis.

3.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually

to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The intangible asset with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

The estimated useful lives of significant items of intangible assets for current year and comparative periods are as follows:

Class of Assets	Useful Life	Rate of Depreciation
Computer software	5 years	20%

3.9 Investment Property

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

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred. If the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. Investment property which initially measured at cost and subsequently at Cost Model. Accordingly, such properties are subsequently measured at cost less accumulated depreciation and impairment loss if any.

Fair values are evaluated annually by an accredited external, independent valuator.

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

3.10 Income tax

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

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

Current Tax

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

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

Deferred Tax

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities for financial

reporting purposes and the amounts used for taxation purposes.

Deferred tax is determined using tax rates (and laws) enacted or substantively enacted at the reporting date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are reviewed at each reporting date and reversed if it is no longer probable that the related tax benefits will be realised. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

3.11 Deposits, debt securities issued and subordinated liabilities

Finance deposits consist of money placed into the Finance by its customers. These deposits are made to deposit accounts such as Fixed deposit accounts, savings accounts, margin deposit accounts, call deposit accounts and current accounts. Details and further disclosures about deposits have been explained in Note that follows.

3.12 Provisions

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

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

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

A disclosure for contingent liabilities is made where there is:

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

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

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

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

3.13 Revenue Recognition

Revenue comprises of interest income, fees and commission, foreign exchange income, cards income, disposal income etc.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Finance and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The bases of incomes recognition are as below:

Interest income

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

Interest income presented in statement of comprehensive income includes:

- Interest income on financial assets measured at amortized cost calculated on an effective interest rate method. These financial assets include loans and advances including staff loans, investment in government securities, investment in corporate bonds, investment in NRB Bond and deposit instruments, reverse repos, inter banking lending etc.
- Interest on investment securities measured at fair value, calculated on effective interest rate.
- Income on discounted instruments like bills purchased, documents negotiation is recognized over the period of discounting on accrual basis using effective interest rate.

Interest income on all trading assets 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.

Fee and commission income

Fees and commission income that are integral to the effective interest rate on a financial asset are included in measurement of effective interest rate. Other fees and commission income including management fee, service charges, syndication fee, forex transaction commission, commission of issue of guarantee are recognized as the related services are performed.

Dividend income

Dividend on investment in resident company is recognized when the right to receive payment is established. Dividend income 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 instruments.

Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded in hedging transactions.

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

Financial Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded in hedging transactions.

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

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

3.14 Interest expense

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

3.15 Employees Benefits

a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the prevailing Bonus Act 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 Benefit Plan

Post-employment benefit plan includes followings:

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as personnel expense in profit or loss in the periods during which the related service are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employee render the service are discounted at their present value. The following are the defined contribution plan provided by the Finance to its employees:

a) Employees Provident Fund

In accordance with law, all employees of the Finance are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Finance contribute monthly at a pre-determined rate (currently, 10% of the basic salary plus grades). Finance 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 Finance'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 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 discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Finance's obligation and that are denominated in the currency in which the benefits are expected to be paid. The calculation of obligation is performed annually by a qualified actuary using projected unit credit method.

The Finance recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit or loss.

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

a) Gratuity

Finance provides for gratuity on accrual basis covering eligible employees in terms of Employee Service Byelaws of the Finance. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent defined days' eligible salary payable for each completed years of service.

b) Leave Salary

The employees of the Finance are entitled to carry forward a part of their unavailed/ unutilized leave subject to a maximum limit. The employees can encash unavailed/ unutilized leave partially in terms of Employee Service Byelaws of the Finance. The Finance accounts for the liability for entire accumulated outstanding leave balance on accrual basis as per Employee Service Byelaws of the Finance.

c) Termination Benefits

Termination benefits are recognized as expense when the Finance is demonstrably committed, without realistic

possibility of withdrawal, to a formal plan to provide termination benefits to employees as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognized if the Finance has made an offer for voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be measured reliably. If the benefits are payable in more than 12 months after the reporting date, they are discounted to their present value.

3.16 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a Lessee:

Finance leases that transfer to the company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance cost in the income statement.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases that do not transfer to the company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals are recognised as an expense in the period in which they are incurred.

Company as a lessor

Leases in which the Company does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.17 Foreign Currency translation

The items included in the financial statements of the entity are measured using the functional currency of the Company.

3.18 Financial guarantee and loan commitment

The Finance makes available to its customers guarantees that may require that the Finance makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Finance to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Finance to similar risks to loans and are mitigated by the same control processes and policies.

3.19 Share capital and reserves

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

The Finance is required to maintain the capital adequacy ratio imposed by the regulator. The ratio is fixed at 11% for current year and the Finance has maintained the required ratio.

Incremental costs directly attributable to issue of an equity instruments are deducted from the initial measurement of the equity instruments.

3.20 Earnings per share including diluted

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted

average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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

3.21 Segment reporting

An operating segment is a component of the Finance that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relating to transactions with any of the Finance's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance. Since the Chief Operating Decision Maker monitors the activities of the Finance as a whole, the Finance has classified a single operating segment.

4 Explanatory Notes

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

4.1 Cash and Cash Equivalents

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

Cash and Cash equivalent

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Cash in hand	204,202,510	240,702,894
Balance with B/FIs	827,854,973	1,022,058,698
Money at call and short notice		
Other	44,643,152	12,726,271
Total	1,076,700,635	1,275,487,862

4.2 Due from Nepal Rastra Bank

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

Due from Nepal Rastra Bank

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Statutory Balances with NRB	394,564,448	294,630,303
Securities Purchased under re-sale agreement		
Other deposit and receivable from NRB		
Total	394,564,448	294,630,303

4.3 Placement with Bank and Financial Institutions

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

Placement with Bank and Financial Institutions

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Placements with domestic B/Fis	-	-
Placement with foreign B/Fis	-	-
Less: Allowances for Impairment	-	-
Total	-	-

4.4 Derivative Financial Instruments

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

Derivative Financial Instruments**(Figures in NPR)**

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
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	-	-
Total	-	-

4.5 Other Trading Assets

There were no trading assets held by the Finance during the year.

4.6 Loan and Advances to Banks and Financial Institutions

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

Loans and advances to BF/Is**(Figures in NPR)**

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans to microfinance institutions	270,000,000	281,221,682
Other	-	-
Less: Allowances for Impairment	(3,510,000)	(2,800,101)
Total	266,490,000	278,421,581

Impairment allowances for the loans and advances forwarded to BFIs during the year are as follows:

Allowances for Impairment**(Figures in NPR)**

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Balance at 1 st Shrawan	2,800,101	2,485,812
Impairment loss for the year:	-	-
Charge for the year	709,899	314,290
Recoveries/reversals	-	-
Amount written off	-	-
Balance at Asadh end	3,510,000	2,800,101

4.7 Loans and advances to customers

Outstanding amount of all loans and advances extended to the customers other than BFIs as well as bills purchased and discounted less the amount of impairment allowances shall be presented. Loan to employees provided according to the

Employees Bylaws of the Finance has also be presented under this head.

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans and advances measured at amortized cost	7,756,994,377	6,658,921,942
Less: Impairment allowances	324,389,104	152,107,111
Collective Allowances	324,389,104	152,107,111
Individual Allowances		-
Net amount	7,432,605,272	6,506,814,832
Loans and advances measured at FVTPL	-	-
Total	7,432,605,272	6,506,814,832

4.7.1 Analysis of Loans and Advances- By Product

Analysis of Loans and advances- By Product

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Product		
Term Loans	3,870,474,300	3,160,165,585
Overdraft		-
Trust receipt/Import loans		-
Demand and other working capital Loans	72,000,000	72,000,000
Personal residential loans	1,023,911,593	1,191,081,844
Real estate loans	802,870,077	539,008,540
Margin lending loans	348,542,818	375,009,786
Hire purchase loans	943,714,946	723,534,594
Deprived sector loans	166,563,782	105,060,805
Bills purchased		
Staff loans	23,141,156	16,735,316
Others	392,546,914	373,710,970
Sub Total	7,643,765,586	6,556,307,440
Interest receivable	113,228,791	102,614,503
Grand Total	7,756,994,377	6,658,921,942

4.7.2 Analysis of Loans and advances- By Currency

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Nepalese rupee	7,756,994,377	6,658,921,942
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yen	-	-
Other	-	-
Total	7,756,994,377	6,658,921,942

4.7.3 Analysis of Loans and advances- By Collateral

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Secured		
Movable/immovable assets	7,010,589,800	5,855,958,304
Gold and silver	227,975,490	186,280,655
Guarantee of domestic B/Fis		-
Government Guarantee		-
Guarantee of International Rated bank		-
Collateral of export document		-
Collateral of fixed deposit receipt	132,030,146	155,629,126
Collateral of Government securities	3,656,519	1,706,519
Counter Guarantee		-
Personal Guarantee		-
Other collateral	382,742,423	459,347,339
Subtotal	7,756,994,377	6,658,921,942
Unsecured	-	-
Grand Total	7,756,994,377	6,658,921,942

4.7.4 Allowances for Impairment

Impairment of financial assets

At each reporting date, the Finance has assessed whether there exists objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Finance on terms that the Finance would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In case of financial difficulty of the borrower, the Finance considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and 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 an individual or collective impairment assessment, calculated using the loan's original EIR.

1. Use of Carve Outs for Financial Assets**a. For Impairment Calculation**

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 amortised cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 of NAS 39: Financial Instruments: Recognition and Measurement, 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. Bank and Financial Institutions shall measure impairment loss on loan and advances as higher of amount derived as per prudential norms prescribed by Nepal Rastra Bank and amount determined as per paragraph 63. However, bank and financial institutions shall apply paragraph 63 of NAS 39: Financial Instruments: Recognition and Measurement to determine the amount of impairment loss on financial assets other than loan and advances.

b. For Using Effective Interest rate

During the reporting period Bank has used the exemption for not calculating Interest Income using Effective Interest Rate (EIR) as Bank has considered such calculation to be impracticable. Accordingly, Bank has used Normal interest rate to charge interest income.

c. Interest calculation on Impaired Loan and advances

NAS 39 requires when 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 recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. However, the Finance has charged interest income by applying the Normal interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

Impairment of financial assets measured at amortized cost

The Finance considers evidence of impairment for loans and advances and investment securities measured at amortized cost at both specific asset and collective level. The Finance first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant and that are not individually significant are assessed on collectively.

If there is objective evidence on that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. 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.

All individually significant loans and advances; and investment securities measured at amortized cost found not to be specifically impaired and those that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics.

All individually significant loans and advances and 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 of loans and advances portfolios are based on the judgments in past experience of portfolio behaviour. In assessing collective impairment the Finance 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 amortized cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original Normal interest rate.

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. 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.

Impairment allowance for Loans and Advances

The Finance, at each reporting date, assesses whether there is objective evidence that loans and advances carried at fair value through profit or loss are impaired and impairment provided for if impairment assessment indicates so. Loans and advances are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that loans and advances are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Finance on terms that the Finance would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In case of financial difficulty of the borrower, the Finance considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the Normal Interest rate 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 an individual or collective impairment assessment, calculated using the loan's Normal Interest rate.

Prior to this change in policy, the Finance used to provide for impairment loss of loans and advances at 1% to 100% on the basis of classification of loans and advances in accordance with the directives of Nepal Rastra Bank.

The Finance believes the new policy is preferable as it more closely aligns the accounting for these transactions with the NFRS and will aid comparability.

Following table below show the NFRS provision under two different model:

A. LOAN LOSS PROVISION AS PER NRB DIRECTIVE:

Loans and advances to BF/Is

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans to microfinance institutions	270,000,000	281,221,682
Other		-
Less: Allowances for Impairment	(3,510,000)	(2,800,101)
Total	266,490,000	278,421,581

Loans and advances to customers	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans and advances measured at amortized cost	7,756,994,377	6,658,921,942
Less:		
Impairment allowances	324,389,104	152,107,111
Collective Allowances	324,389,104	152,107,111
Individual Allowances	-	-
Net amount	7,432,605,272	6,506,814,832
Loans and advances measured at FVTPL	-	-
Total	7,432,605,272	6,506,814,832

Movement of Loan Loss Provision as per NRB directive

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Specific allowance for impairment		
Balance at Shrawan 1		
Impairment loss for the year		
Charge for the year		
Recoveries/reversal during the year		
Write-offs		
Exchange rate variance on foreign currency		
Other Movement		
Balance at Asadh end		
Collective allowance for Impairment		
Balance at Shrawan 1	152,107,111	140,584,328
Impairment loss for the year		
Charge/(reversal) for the year	172,281,993	11,522,783
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashadh end	324,389,104	152,107,111

B. IMPAIRMENT AS PER NAS 39

Loans and advances to BF/Is

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans to microfinance institutions	270,000,000	281,221,682
Other	-	-
Impairment allowances (a+b)	-	-
Collective Allowances (a)		
Individual Allowances (b)		
Total	270,000,000	281,221,682

Loans and advances to Customers

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Loans and advances measured at amortised cost		
Loans and advances to Customers	7,756,994,377	6,658,921,942
Less: Impairment allowances (a + b)	63,771,803	48,024,430
Collective Allowances (a)	57,710,762	42,241,728
Individual Allowances (b)	6,061,040	5,782,702
Total	7,693,222,574	5,658,838,020

4.8 Investment securities

Investments made by the Finance in financial instruments has been presented under this account head in three categories i.e. investment securities designated at fair value through profit or loss, investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income. Where income from the investment is received in the form of bonus shares, the valuation of investment shall be made by increasing the number of shares only without changing in the cost of investment.

Investment securities

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Investment securities measured at amortised cost	2,735,075,000	1,660,225,000
Investment Securities measured at FVTOCI	827,365,632	325,698,038
Total	3,562,440,632	1,985,923,038

4.8.1 Investment securities measured at amortized cost

Detail of Investment Securities measured at amortized cost is as follows:

Investment securities measured at amortized cost

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Debt securities	-	-
Government bonds	2,735,075,000	1,660,225,000
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
Less: specific allowances for impairment	-	-
Total	2,735,075,000	1,660,225,000

4.8.2 Investment in equity

Investment in equity measured at fair value through other comprehensive income

(Figures in NPR)

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Equity instrument		
Quoted equity instrument	787,357,832	241,401,038
Unquoted equity instrument	40,007,800	84,297,000
Total	827,365,632	325,698,038

4.8.3 Information relating to investment in equities

Investment in Quoted Equity

Particulars	As at 31st Ashadh 2078		As at 31st Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
Prabhu insurance ltd-ordinary 2000 shares of Rs. 100 each	1,585,253.34	1,920,000.00	7,778,331.52	6,408,700.00
Prabhu insurance ltd-promoters 8488 shares of Rs. 100 each	816,655.00	4,676,888.00	816,655.00	4,044,891.00
Asian Life Insurance Co Ltd 2000 shares of Rs. 100 each	2,590,034.95	2,696,000.00	9,649,291.47	9,090,432.00
AJOD Insurance limited 8030 shares of Rs. 100 each	7,241,598.01	6,528,390.00	-	-
Butwal Power Co. 3000 shares of Rs. 100 each	1,204,099.87	1,518,000.00	1,429,045.84	1,058,332.00
Chilime Hydro Power 3000 shares of Rs. 100 each	1,718,356.60	2,061,000.00	2,179,687.33	1,293,898.00
Citizen Investment Trust 7415 shares of Rs. 100 each	26,841,532.56	25,885,765.00	4,923,198.69	5,018,676.00
Citizen Mutual Fund 100000 shares of Rs. 10 each	1,000,000.00	1,258,000.00	1,000,000.00	1,006,000.00
Everest Insurance Co. Ltd. 2001 shares of Rs. 100 each	1,261,017.36	1,498,749.00	7,539,544.41	5,384,428.00
First Micro finance dev bank ltd 692 shares of Rs. 100 each	521,043.50	569,516.00	-	-
General Insurance Company 2970 shares of Rs. 100 each	2,010,707.70	2,058,210.00	3,353,548.98	3,630,720.00
Gurans Life Insurance 4618 shares of Rs. 100 each	3,371,259.24	3,505,062.00	-	-
Himalayan General Insurance Co Ltd 3000 shares of Rs. 100 each	1,956,233.27	2,304,000.00	7,073,803.23	4,634,978.00
Jalvidhyut Lagani Tatha Bikash Co Ltd 5050 shares of Rs. 100 each	1,481,371.97	2,267,450.00	231,469.75	155,610.00
Kumari Equity Fund 100000 shares of Rs. 10 each	1,000,000.00	1,050,000.00	-	-
Laxmi Equity Fund 292478 shares of Rs. 10 each	2,924,780.00	4,036,196.40	2,924,780.00	2,565,032.06
Life Insurance Corporation 1000 shares of Rs. 100 each	2,116,387.31	2,342,000.00	16,015,118.23	14,903,980.00
Lumbini General Ins. Ltd. 3150 shares of Rs. 100 each	2,193,041.47	2,457,000.00	4,900,931.64	3,320,943.00
Nepal Reinsurance Company Limited 865 shares of Rs. 100 each	1,296,082.28	1,378,810.00	1,576,903.49	1,562,400.00
Nabil Balance Fund 2 100000 shares of Rs. 10 each	1,000,000.00	1,410,000.00	1,000,000.00	990,000.00
Nabil Equity Fund(unit) 16323 shares of Rs. 10 each	163,230.00	238,315.80	163,230.00	152,293.59
National Life Insurance Co. Ltd. 5068 shares of Rs. 100 each	5,825,137.75	5,833,268.00	31,033,742.95	27,868,876.00
National Life Insurance Co. Ltd promoters 53192 shares of Rs. 100 each	27,645,192.10	33,830,112.00	33,254,712.50	18,788,264.00
Neco Insurance Co Ltd 3913 shares of Rs. 100 each	5,472,683.43	5,274,724.00	5,608,150.18	5,636,602.00
Nepal Doorsanchar 1161 shares of Rs. 100 each	1,483,998.88	1,525,554.00	2,271,508.71	2,395,335.00
Nepal Insurance Co. 3000 shares of Rs. 100 each	2,173,233.15	3,066,000.00	4,555,998.50	4,652,083.00
Nepal Life Insurance Co. Ltd 7182 shares of Rs. 100 each	15,272,694.33	13,782,258.00	14,782,843.18	15,314,040.00
NIBL Pragati Fund 35630 shares of Rs. 10 each	356,300.00	529,105.50	356,300.00	290,384.50
NIBL SF Fund - 2 250000 shares of Rs. 10 each	2,500,000.00	2,702,500.00	-	-
NirdhanUtthan Bank 146 shares of Rs. 100 each	189,238.72	233,600.00	-	-
NLG Insurance-promoters 585 shares of Rs. 100 each	81,967.51	82,075.50	1,640,840.81	2,462,539.92
NLG Insurance 8000 shares of Rs. 100 each	4,633,955.40	9,760,000.00	30,900.00	540,721.92

NMB Hybrid Fund L 1(unit) 64135 shares of Rs. 100 each	641,350.00	875,442.75	641,350.00	609,282.50
Oriental Hotel Ltd 1000 shares of Rs. 100 each	474,660.00	654,000.00	2,300,808.22	2,058,882.00
Panchakanya Mai Hydro 3000 shares of Rs. 100 each	658,269.15	906,000.00	-	-
Premier Insurance Ltd. 4000 shares of Rs. 100 each	4,525,625.36	4,680,000.00	11,232,820.52	9,776,536.00
Prime life Ins Co. Ltd 3009 shares of Rs. 100 each	2,588,201.47	2,870,586.00	1,304,343.86	1,112,445.00
Prudential Insurance 3430 shares of Rs. 100 each	2,491,331.30	2,778,300.00	1,773,260.11	1,543,090.00
Rastriya Beema Co Ltd 400 shares of Rs. 100 each	7,094,309.87	8,640,000.00	22,247,998.06	20,136,611.00
Reliance Insurance Limited 12901 shares of Rs. 100 each	8,844,617.71	8,669,472.00	-	-
Rural Micro-finance Development Centre 1014 shares of Rs. 100 each	1,110,563.11	1,392,222.00	478,021.15	587,438.00
RSDC Laghubitta Bittiya Sanstha ltd 5719 shares of Rs. 100 each	4,873,133.59	4,958,373.00	-	-
Rasuwadhi hydropower co ltd 2000 shares of Rs. 100 each	908,569.75	948,000.00	-	-
Sagarmatha Insurance Co. Ltd. 2115 shares of Rs. 100 each	2,700,877.66	2,842,560.00	19,890,972.26	16,671,200.00
Sanima General Insurance 6931 shares of Rs. 100 each	4,970,334.29	5,066,561.00	-	-
Sanima Mai Hydropower Ltd 2000 shares of Rs. 100 each	693,929.09	1,026,000.00	1,373,579.69	1,317,484.00
Shikhar Insurance Co. Ltd. 6001 shares of Rs. 100 each	11,765,727.96	11,713,952.00	33,479,311.68	28,810,187.00
Siddhartha Insurance Ltd 2240 shares of Rs. 100 each	2,203,893.03	2,369,920.00	7,429,850.36	6,229,200.00
Soaltee Hotel 1000 shares of Rs. 100 each	211,608.13	262,000.00	2,425,644.97	1,544,774.00
Surya Life Insurance ltd 3991 shares of Rs. 100 each	3,361,882.18	3,679,702.00	1,405,465.30	1,641,472.00
Sanjenjalavidhyut6000 shares of Rs. 100 each	2,658,686.22	2,694,000.00	-	-
Sanima Equity Fund 100000 shares of Rs. 10 each	1,000,000.00	1,679,000.00	-	-
Taragaon Regency Hotel 1000 shares of Rs. 100 each	317,034.11	400,000.00	126,801.54	83,028.00
Unilever Nepal Ltd. 40 shares of Rs. 100 each	1,177,625.51	775,800.00	1,177,625.51	752,000.00
Universal Power companyltd3000 shares of Rs. 100 each	645,308.76	945,000.00	-	-
United Insurance ltd. 3000 shares of Rs. 100 each	1,995,947.39	2,145,000.00	4,849,229.87	3,726,270.00
Upper Tamakoshi Hydropower Ltd 12128 shares of Rs. 100 each	9,854,178.71	8,538,112.00	1,787,170.52	1,631,000.00
Vijay Laghubitta Bittiya Sanstha 571280 shares of Rs. 100 each	30,000,000.00	557,569,280.00	30,000,000.00	48,006,700.00
Sub Total	237,694,750.05	787,357,831.95	280,014,790.03	241,401,059.49

Investment in Unquoted Equity

Investment in quoted equity	As at 31st Ashadh 2078		As at 31st Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
Citizen Investment Trust (Unit) 1000 shares of Rs. 100 each	100,000.00	100,000.00	100,000.00	100,000.00
Credit Information Beureu25876 shares of Rs. 100 each	613,400.00	2,587,600.00	613,400.00	1,380,100.00
NCHL23102 shares of Rs. 100 each	1,925,200.00	2,310,200.00	1,925,200.00	2,310,200.00
Banking Finance & Insurance Institute Of Nepal 25000 shares of Rs. 100 each	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
Citizen Life Insurance Co Ltd 300000 shares of Rs. 100 each	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
RBB Mutual Fund 250000 shares of Rs. 10 each	2,500,000.00	2,500,000.00		
Total	37,638,600.00	39,997,800.00	35,138,600.00	36,290,300.00

4.8.4 Disclosure of Cost and Fair Value

Particulars	As at 31st Ashadh 2078		As at 31st Ashadh 2077	
	Cost	Fair Value	Cost	Fair Value
Prabhu insurance ltd-ordinary 2000 shares of Rs. 100 each	1,585,253.34	1,920,000.00	7,778,331.52	6,408,700.00
Prabhu insurance ltd-promoters 8488 shares of Rs. 100 each	816,655.00	4,676,888.00	816,655.00	4,044,891.00
Asian Life Insurance Co Ltd 2000 shares of Rs. 100 each	2,590,034.95	2,696,000.00	9,649,291.47	9,090,432.00
AJOD Insurance limited 8030 shares of Rs. 100 each	7,241,598.01	6,528,390.00	-	-
Butwal Power Co. 3000 shares of Rs. 100 each	1,204,099.87	1,518,000.00	1,429,045.84	1,058,332.00
Chilime Hydro Power 3000 shares of Rs. 100 each	1,718,356.60	2,061,000.00	2,179,687.33	1,293,898.00
citizen Investment Trust 7415 shares of Rs. 100 each	26,841,532.56	25,885,765.00	4,923,198.69	5,018,676.00
Citizen Mutual Fund 100000 shares of Rs. 10 each	1,000,000.00	1,258,000.00	1,000,000.00	1,006,000.00
Everest Insurance Co. Ltd. 2001 shares of Rs. 100 each	1,261,017.36	1,498,749.00	7,539,544.41	5,384,428.00
First Micro finance dev bank ltd 692 shares of Rs. 100 each	521,043.50	569,516.00	-	-
General Insurance Company 2970 shares of Rs. 100 each	2,010,707.70	2,058,210.00	3,353,548.98	3,630,720.00
Gurans Life Insurance 4618 shares of Rs. 100 each	3,371,259.24	3,505,062.00	-	-
Himalayan General Insurance Co Ltd 3000 shares of Rs. 100 each	1,956,233.27	2,304,000.00	7,073,803.23	4,634,978.00
JalvidhyutLaganiTatha Bikash Co Ltd 5050 shares of Rs. 100 each	1,481,371.97	2,267,450.00	231,469.75	155,610.00
Kumari Equity Fund 100000 shares of Rs. 10 each	1,000,000.00	1,050,000.00	-	-
Laxmi Equity Fund 292478 shares of Rs. 10 each	2,924,780.00	4,036,196.40	2,924,780.00	2,565,032.06
Life Insurance Corporation 1000 shares of Rs. 100 each	2,116,387.31	2,342,000.00	16,015,118.23	14,903,980.00
Lumbini General Ins. Ltd. 3150 shares of Rs. 100 each	2,193,041.47	2,457,000.00	4,900,931.64	3,320,943.00
Nepal Reinsurance Company Limited 865 shares of Rs. 100 each	1,296,082.28	1,378,810.00	1,576,903.49	1,562,400.00
Nabil Balance Fund 2 100000 shares of Rs. 10 each	1,000,000.00	1,410,000.00	1,000,000.00	990,000.00
Nabil Equity Fund(unit) 16323 shares of Rs. 10 each	163,230.00	238,315.80	163,230.00	152,293.59
National Life Insurance Co. Ltd. 5068 shares of Rs. 100 each	5,825,137.75	5,833,268.00	31,033,742.95	27,868,876.00
National Life Insurance Co. Ltd promoters 53192 shares of Rs. 100 each	27,645,192.10	33,830,112.00	33,254,712.50	18,788,264.00
Neco Insurance Co Ltd 3913 shares of Rs. 100 each	5,472,683.43	5,274,724.00	5,608,150.18	5,636,602.00
Nepal Doorsanchar 1161 shares of Rs. 100 each	1,483,998.88	1,525,554.00	2,271,508.71	2,395,335.00
Nepal Insurance Co. 3000 shares of Rs. 100 each	2,173,233.15	3,066,000.00	4,555,998.50	4,652,083.00
Nepal Life Insurance Co. Ltd 7182 shares of Rs. 100 each	15,272,694.33	13,782,258.00	14,782,843.18	15,314,040.00
NIBL Pragati Fund 35630 shares of Rs. 10 each	356,300.00	529,105.50	356,300.00	290,384.50
NIBL SF Fund - 2 250000 shares of Rs. 10 each	2,500,000.00	2,702,500.00	-	-
Nirdhan Utthan Bank 146 shares of Rs. 100 each	189,238.72	233,600.00	-	-
NLG Insurance-promoters 585 shares of Rs. 100 each	81,967.51	82,075.50	1,640,840.81	2,462,539.92
NLG Insurance 8000 shares of Rs. 100 each	4,633,955.40	9,760,000.00	30,900.00	540,721.92
NMB Hybrid Fund L 1(unit) 64135 shares of Rs. 100 each	641,350.00	875,442.75	641,350.00	609,282.50
Oriental Hotel Ltd 1000 shares of Rs. 100 each	474,660.00	654,000.00	2,300,808.22	2,058,882.00
Panchakanya Mai Hydro 3000 shares of Rs. 100 each	658,269.15	906,000.00	-	-
Premier Insurance Ltd. 4000 shares of Rs. 100 each	4,525,625.36	4,680,000.00	11,232,820.52	9,776,536.00
Prime life Ins Co. Ltd 3009 shares of Rs. 100 each	2,588,201.47	2,870,586.00	1,304,343.86	1,112,445.00
Prudential Insurance 3430 shares of Rs. 100 each	2,491,331.30	2,778,300.00	1,773,260.11	1,543,090.00
Rastriya Beema Co Ltd 400 shares of Rs. 100 each	7,094,309.87	8,640,000.00	22,247,998.06	20,136,611.00
Reliance Insurance Limited 12901 shares of Rs. 100 each	8,844,617.71	8,669,472.00	-	-
Rural Micro-finance Development Centre 1014 shares of Rs. 100 each	1,110,563.11	1,392,222.00	478,021.15	587,438.00
RSDClaghubittabityasanstha ltd 5719 shares of Rs. 100 each	4,873,133.59	4,958,373.00	-	-
Rasuwadghi hydropower co ltd 2000 shares of Rs. 100 each	908,569.75	948,000.00	-	-
Sagarmatha Insurance Co. Ltd. 2115 shares of Rs. 100 each	2,700,877.66	2,842,560.00	19,890,972.26	16,671,200.00

Sanima General Insurance 6931 shares of Rs. 100 each	4,970,334.29	5,066,561.00	-	-
Sanima Mai Hydropower Ltd 2000 shares of Rs. 100 each	693,929.09	1,026,000.00	1,373,579.69	1,317,484.00
Shikhar Insurance Co. Ltd. 6001 shares of Rs. 100 each	11,765,727.96	11,713,952.00	33,479,311.68	28,810,187.00
Siddhartha Insurance Ltd 2240 shares of Rs. 100 each	2,203,893.03	2,369,920.00	7,429,850.36	6,229,200.00
Soaltee Hotel 1000 shares of Rs. 10 each	211,608.13	262,000.00	2,425,644.97	1,544,774.00
Surya Life Insurance ltd 3991 shares of Rs. 100 each	3,361,882.18	3,679,702.00	1,405,465.30	1,641,472.00
Sanjenjalavidhyut6000 shares of Rs. 100 each	2,658,686.22	2,694,000.00	-	-
Sanima Equity Fund 100000 shares of Rs. 10 each	1,000,000.00	1,679,000.00	-	-
Taragaon Regency Hotel 1000 shares of Rs. 100 each	317,034.11	400,000.00	126,801.54	83,028.00
Unilever Nepal Ltd. 40 shares of Rs. 100 each	1,177,625.51	775,800.00	1,177,625.51	752,000.00
Universal Power CompanyLtd3000 shares of Rs. 100 each	645,308.76	945,000.00	-	-
United Insurance ltd. 3000 shares of Rs. 100 each	1,995,947.39	2,145,000.00	4,849,229.87	3,726,270.00
Upper Tamakoshi Hydropower Ltd 12128 shares of Rs. 100 each	9,854,178.71	8,538,112.00	1,787,170.52	1,631,000.00
Vijay Laghubitta Bittiya Sanstha 571280 (promoter) shares of Rs. 100 each	30,000,000.00	557,569,280.00	30,000,000.00	48,006,700.00
Sub Total	237,694,750.05	787,357,831.95	280,014,790.03	241,401,059.49
Citizen Investment Trust (Unit) 1000 shares of Rs. 100 each	100,000.00	100,000.00	100,000.00	100,000.00
Credit Information Beureu25876 shares of Rs. 100 each	613,400.00	2,587,600.00	613,400.00	1,380,100.00
NCHL23102 shares of Rs. 100 each	1,925,200.00	2,310,200.00	1,925,200.00	2,310,200.00
Banking Finance & Insurance Institute Of Nepal 25000 shares of Rs. 100 each	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
Citizen Life Insurance Co Ltd 300000 shares of Rs. 100 each	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
RBB Mutual Fund 250000 shares of Rs. 10 each	2,500,000.00	2,500,000.00		
Grand Total	275,333,350.05	827,355,631.95	315,153,390.03	277,691,359.49

4.9 Current Tax Assets and Liabilities

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Current Tax Assets		
Current year income tax assets	140,596,607	59,951,665
Tax assets of prior periods		
Total	140,596,607	59,951,665
Current Tax Liabilities		
Current year income tax liabilities	78,854,546	49,489,946
Tax Liabilities of prior periods		
Total	78,854,546	49,489,946
Total	61,742,061	10,461,719

4.10 Investment in Subsidiaries

There was no Investment by the Finance in Subsidiaries.

4.11 Investment in Associates

There was no Investment by the Finance in Associates.

4.12 Investment Properties

Land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard has been presented under this account head. This also includes land, land and building acquired as non-banking assets by the Finance but not sold. After Initial Recognition, the Finance chose either the fair value model to subsequently measure Investment Properties. No Investment properties are measured at cost. The detail of Investment properties measured at fair value is as follows:

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Investment Properties measured at fair value		
Balance as on Shrawan 1	51,572,816	74,030,783
Addition/Disposal during the year	-	(22,457,966)
Net changes in fair value during the year		
Adjustment/Transfer		
Net Amount	51,572,816	51,572,816
Investment Properties measured at cost		
Balance as on Shrawan 1	-	-
Addition/Disposal during the year	-	-
Adjustment/Transfer	-	-
Accumulated impairment loss	-	-
Net Amount	-	-
Total	51,572,816	51,572,816

Details

S.N.	Name of Borrower	Amount	Date
1	K.S.D. Hiusing, Damak-17 jhapa	48,590,640	02/22/2075
2	Ramesh Barhakoti, Damak-17 Jhapa	2,982,176	10/28/2075
	Total	51,572,816	

4.13 Property and Equipment

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

Particulars	Land	Building	Leasehold Properties	Computer and Accessories	Vehicles	Furniture & Fixture	Machinery	Others Assets	Total	Total
									As at 31st Ashadh 2078	As at 31st Ashadh 2077
Cost										
Balance as on 1st Shrawan 2076	217,930,313	52,032,447	-	17,695,452	46,190,035	64,950,464	-	49,245,062		448,043,774
Addition during the Year										
Acquisition										-
Capitalization				1,353,394	5,562,300	14,797,224		6,210,646		27,923,564
Disposal during the year										-
Adjustment/Revaluation					(3,208,800)			(15,912)		(3,224,712)
Balance as on 31st Ashadh 2077	217,930,313	52,032,447	-	19,048,846	48,543,535	79,747,689	-	55,439,796		472,742,626
Addition during the Year										
Acquisition				309,050	4,656,250	94,336		1,053,882	6,113,518	
Capitalization									-	
Disposal during the year					(240,900)				(240,900)	
Adjustment/Revaluation									-	
Balance as on 31st Ashadh 2078	217,930,313	52,032,447	-	19,357,896	52,958,885	79,842,024	-	56,493,678	478,615,243	
Depreciation and Impairment										
Balance as on 1st Shrawan 2076	-	19,808,942	-	10,284,150	18,048,352	35,276,615	-	26,930,979		110,349,037
Impairment for the year										-
Depreciation charge for the Year		1,616,028		1,709,443	4,902,118	5,916,574		3,954,589		18,098,752
Disposal					(2,185,601)			(398)		(2,185,999)

Adjustment		(97,061)						97,061		-
Balance As on 31st Ashadh 2077	-	21,327,909	-	11,993,593	20,764,868	41,193,189	-	30,982,231		126,261,790
Impairment for the year										-
Depreciation charge for the Year		1,535,227		1,579,468	4,417,322	5,573,815		3,720,973	16,826,805	
Disposals					(107,752)				(107,752)	
Adjustment										-
Balance As on Ashadh end 2078	-	22,863,136	-	13,573,061	25,074,438	46,767,004	-	34,703,204	142,980,843	
Capital Work in Progress		-	-	-	-	-	-	-		
Net Book Value as on 31st Asadh 2076	217,930,313	32,223,505	-	7,411,303	28,141,684	29,673,850	-	22,314,084		
Net Book Value as on 31st Ashadh 2077	217,930,313	30,704,538	-	7,055,253	27,778,667	38,554,500	-	24,457,565		346,480,835
Net Book Value as on 31st Ashadh 2078	217,930,313	29,169,311	-	5,784,835	27,884,447	33,075,020	-	21,790,474	335,634,400	

4.14 Goodwill and Intangible Assets

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

Particulars	Goodwill	Software		Other	Total	Total
		Purchased	Developed		As at 31st Ashadh 2078	As at 31st Ashadh 2077
Cost						
Balance as on 1st Shrawan 2076		2,352,394	-	-		2,352,394
Addition during the Year						
Acquisition	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on 31st Ashadh 2077	-	2,352,394	-	-		2,352,394
Addition during the Year						
Acquisition	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on 31st Ashadh 2078	-	2,352,394	-	-	2,352,394	
Ammortization and Impairment						
Balance as on 1st Shrawan 2076	-	1,558,637	-	-		1,558,637
Ammortization charge for the Year	-	158,751	-	-	-	158,751
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
Balance as on 31st Ashadh 2077	-	1,717,388	-	-		1,717,388
Ammortization charge for the Year	-	127,001	-	-	127,001	
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
Balance as on 31st Ashadh 2078	-	1,844,390	-	-	1,844,390	
Capital Work in Progress						
Net Book Value as on 31st Asadh 2076	-	793,757	-	-		
Net Book Value as on 31st Ashadh 2077	-	635,006	-	-		635,006
Net Book Value as on 31st Ashadh 2078	-	508,005	-	-	508,005	

4.15 Deferred Tax Assets

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

(Figures in NPR)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred Tax on Temporary differences on following items			<i>Previous year 2076-77</i>
Loans and Advances to B/FIs	-	-	-
Loans and Advances to customers	-	-	-
Investment Properties	-	-	-
Investment Securities	5,836,606		5,836,606
Property and equipment		(39,347,726)	(39,347,726)
Employees' defined benefit plan	3,814,317	-	3,814,317
Lease liabilities	-	-	-
Provisions	-	-	-
Other temporary differences	1,194,829	-	1,194,829
Deferred Tax on Temporary differences	10,845,751	(39,347,726)	(28,501,975)
Deferred Tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Deferred tax (asset)/liabilities as on year end of 2076/77			(28,501,975)
Deferred tax(asset)/liabilities as on shrawan 1, 2076			(17,953,560)
Origination/(Reversal) during the year			10,548,415
Deferred tax expense/(income) recognised in profit or loss			(14,025,109)
Deferred tax expense/(income) recognised in other comprehensive income			3,476,695
Deferred tax expense/(income) recognised directly in equity			-

Current year 2077-78

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred Tax on Temporary differences on following items			
Loans and Advances to B/FIs			-
Loans and Advances to customers			-
Investment Properties			-
Investment Securities	(165,606,685)		(165,606,685)
Property and equipment		(40,538,179.34)	(40,538,179)
Employees' defined benefit plan	1,958,924		1,958,924
Lease liabilities			-
Provisions			-
Other temporary differences	1,436,208		1,436,208
Deferred Tax on Temporary differences	(162,211,552)	(40,538,179)	(202,749,732)
Deferred Tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Deferred tax asset / (liabilities) as on year end of 2077-78			(202,749,732)
Deferred tax asset / (liabilities) as on Ashadh 31, 2077			(28,501,975)
Origination/(Reversal) during the year			174,247,756
Deferred tax expense/(income) recognised in profit or loss			9,639,669
Deferred tax expense/(income) recognised in other comprehensive income			164,608,088
Deferred tax expense/(income) recognised directly in equity			

4.16 Other assets

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Assets held for sale		
Other Non-Banking Assets		
Bills Receivable		
Accounts receivable		
Accrued income		
Prepayments and deposits	1,129,750	19,613,310
Income tax deposit		
Deferred Employee Expenditure	7,814,655	4,227,922
Other	103,215,047	79,353,827
Total	112,159,452	103,195,059

4.17 Due to Bank and financial institution

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

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Money market deposits		
Interbank borrowing	700,000,000	599,000,000
Other deposits from BFIs	13,022,699	376,318,702
Settlement and clearing accounts		-
Total	713,022,699	975,318,702

4.18 Due to Nepal Rastra Bank

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

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Refinance from NRB	50,910,060	41,815,239
Standing liquidity facility		-
Lender of last report facility from NRB		-
Securities sold under repurchase agreement		-
Other payable to NRB		-
Total	50,910,060	41,815,239

4.19 Derivative financial instruments

There were no derivative financial instruments held by the Finance during the year.

4.20 Deposits from Customers

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

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Institutions Customers:		
Term deposits	767,944,679	786,960,230
Call Deposits	1,159,454,534	979,744,162
Current Deposits		-

Other		-
Subtotal:	1,927,399,213	1,766,704,392
Individual Customers:		
Term deposits	5,314,235,436	4,335,292,880
Saving Deposits	2,811,549,800	1,920,069,599
Current Deposits		
Other	27,777,848	95,613,145
Subtotal:	8,153,563,085	6,350,975,624
Total	10,080,962,298	8,117,680,016

4.20.1 Currency wise analysis of deposits from customers

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Nepalese rupee	10,080,962,298	8,117,680,016
Indian rupee		
United states dollar		
Great Britain pound		
Euro		
Japanese yen		
Chinese yuan		
Other		
Total	10,080,962,298	8,117,680,016

4.21 Borrowing

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Domestic Borrowing:		
Nepal Government	-	-
Other institution	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing:		
Foreign Bank and Financial Institutions	-	-
Multilateral Development Bank	-	-
Other institutions	-	-
Sub total	-	-
Total	-	-

4.22 Provisions

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

4.23 Other liabilities

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Liability for employees defined benefit obligations	6,529,748	25,214,390
Liability for long-service leave	4,681,383	3,889,006
Short-term employee benefits	105,977	93,756
Bills payable		
Creditors and Accruals	26,017,606	17,193,061
Interest payable on deposit	111,653,192	105,296,977
Interest payable on borrowing		
Liabilities on deferred grant income		
Unpaid Dividend		
Liabilities under finance lease		
Employee bonus payable	28,194,425	17,717,748
Other	49,764,187	50,087,144
Total	226,946,518	219,492,083

4.23.1 Defined benefit obligation

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

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

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Present value of unfunded obligations		
Present value of funded obligations	46,263,896	37,714,390
Total present value of obligations	46,263,896	37,714,390
Fair value of plan assets	39,734,149	12,500,000
Present value of net obligations	6,529,748	25,214,390
Recognised liability for defined benefit obligation	6,529,748	25,214,390

4.23.2 Plan Assets

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Equity securities	-	-
Government bonds	-	-
Bank deposits	39,734,149	12,500,000
Other	-	-
Total	39,734,149	12,500,000

4.23.3 Movement in the present value of defined benefit obligations

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Defined benefit obligation at Shrawan 1st	37,714,389	37,795,037
Actuarial (Gains) / losses	19,025,513	(7,866,370)
Benefit paid by the plan	(19,053,525)	-
Current service cost and interest	8,577,519	7,785,722
Defined benefit obligation at Ashadh end	46,263,896	37,714,389

4.23.4 Movement in the fair value of plan assets

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Fair value of plan assets at Shrawan 1st	12,500,000	-
Contributions paid into the plan	38,954,751	12,500,000
Benefit paid during the year	(19,053,525)	-
Actuarial (losses) gains	-	-
Expected return on plan assets	7,332,923	-
Fair value of plan assets at Ashadh end	39,734,149	12,500,000

4.23.5 Amount recognised in profit or loss

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Current service cost	6,140,783	4,762,119
Past Service Cost		
Interest on obligation	2,436,736	3,023,603
Expected return on plan assets	(7,332,923)	-
Total	1,244,596	7,785,722

4.23.6 Amount recognised in other comprehensive income

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Actuarial (gains) / losses	19,025,513	(7,866,370)
Total	19,025,513	(7,866,370)

4.23.7 Actuarial assumptions

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
	Gratuity	Gratuity
Discount Rate	6.00%	6.50%
Expected Return on Plan Asset	6.50%	6.50%
Future Salary Increase	6.50%	6.50%
Withdrawal rate	1.00%	1.00%

4.24 Debt securities issued

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Debt securities issued designated at fair value through profit or loss		-
Debt securities issued at amortised cost	247,715,037	247,449,233
Total	247,715,037	247,449,233

4.25 Subordinated Liabilities

No Subordinated Liabilities has been issued by the Finance.

4.26 Share Capital

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Ordinary shares	867,200,000	800,000,000
Convertible preference share(Equity component)	-	-
Irredeemable preference share(Equity component)	-	-
Perpetual debt(Equity component only)	-	-
Total	867,200,000	800,000,000

4.26.1 Ordinary Shares

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Authorized capital:		-
10,000,000 ordinary shares of Rs.100 each	1,000,000,000	1,000,000,000
Issued capital:		
8,672,000 ordinary shares of Rs.100 each	867,200,000	800,000,000
Subscribed and paid of capital		
8,672,000 ordinary shares of Rs.100 each	867,200,000	800,000,000
Total	867,200,000	800,000,000

4.26.2 Ordinary share ownership

Particulars	As at 31st Ashadh 2078		As at 31st Ashadh 2077	
	Percent	Amount	Percent	Amount
Domestic ownership:				
Nepal Government				-
"A" class licensed institution				-
Other licensed institutions				-
Other institutions	2.23%	19,338,560	2.23%	17,840,000
Public	97.77%	847,861,440	97.77%	782,160,000
Other				-
Foreign ownership				-
Total	100%	867,200,000	100%	800,000,000

4.27 Reserves

Particulars	As at 31st Ashadh 2077	As at 31st Ashadh 2076
Statutory General Reserve	205,820,486	167,130,478
Exchange equalisation reserve	-	-
Corporate social responsibility reserve	1,978,803	1,328,147
Capital redemption reserve	-	-
Regulatory reserve	60,408,862	85,434,474
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	85,349,593	85,349,593
Fair value reserve	386,415,597	(27,309,940)
Dividend equalisation reserve		

Actuarial gains	(14,236,907)	(919,048)
Other reserve	50,143,448	
Debenture Redemption Reserve	50,000,000	-
Employee training	143,448	194,018
Total	775,879,882	311,207,723

4.27.1 General Reserve

General Reserve is created as per Section 44 of the Banks and Financial Institutions Act 2073 equivalent to 20% of the net profit earned during the year until the reserve is twice the paid-up share capital of the Bank after which 10% of the net profit earned during the year shall be set aside as General Reserve.

Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank.

4.27.2 Exchange Fluctuation Reserve Fund

Exchange Fluctuation Reserve is the reserve created as per Section 44 of the Banks and Financial Institutions Act 2073 equivalent to 25% of the foreign exchange gain realized on the translation of foreign currency to the reporting currency during the year other than Indian Rupees.

Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank other than to set off revaluation loss incurred, if any during the year.

4.27.3 Investment Adjustment Reserve

Investment Adjustment Reserve is created as per the regulatory requirement equivalent to 2% of investment securities classified as available for sale which are not listed within the prescribed time except on investment on shares specifically allowed by Nepal Rastra Bank. It is presented within other reserve in Statement of changes in equity.

4.27.4 Fair Value Reserve

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

4.27.5 Assets Revaluation Reserve

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

4.27.6 Regulatory Reserve

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

The interest income received within Bhadra 15 which were receivable as on Ashadh end has been adjusted in the financial statement and the regulatory reserve has been created only for the remaining balance of interest receivable as on Bhadra 15.

- a. Interest Receivable as on Bhadra 15 2078 = Rs.124,076,570
- b. Interest Received within Bhadra 15 2078 = Rs. 41,273,743

4.27.7 Corporate Social Responsibility Fund

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

4.27.8 Other Reserve Fund

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

Movement of Other Reserves are as follows:

Particulars	CSR	Employee Training	Actuarial gain / (loss)	Def Tax Reserve	Total Other Reserve
2076.03.31	1,478,406	1,606,373	-	(6,425,507)	(3,340,728)
NFRS Adjustment					
Expensed off during 2076.77	(1,286,883)	(1,412,355)	-		(2,699,238)
Allocated during 2076.77	1,136,624	-		5,506,459	6,643,083
Other Adjustment					-
2077.03.31	1,328,147	194,018		(919,048)	603,117
NFRS Adjustment					
Expensed off during 2077.78	(1,283,844)	(50,570)			(1,334,414)
Allocated during 2077.78	1,934,500		50,000,000	(13,317,859)	38,616,641
Other Adjustment					-
2078.03.31	1,978,803	143,448	50,000,000	(14,236,907)	37,885,344

4.28 Contingent Liabilities and Commitment

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Contingent Liabilities	42,600,000	2,300,000
Undrawn and undisbursed facilities	65,040,019	-
Capital commitment	-	-
Lease commitment	-	-
Litigation	-	-
Total	107,640,019	2,300,000

4.28.1 Contingent Liabilities

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Acceptance and Documentary credit		-
Bills for collection		-
Forward exchange contracts		-
Guarantees	42,600,000	2,300,000
Underwriting commitments		
Other commitments		
Total	42,600,000	2,300,000

4.28.2 Undrawn and Undisbursed Facilities

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Undisbursed amount of loans	-	-
Undrawn limits of overdraft	-	-
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	65,040,019	-
Undrawn limits of guarantee	-	-
Total	65,040,019	-

4.29 Interest Income

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

Particulars	As at 31st Ashadh 2078	As at 31st Ashadh 2077
Cash and cash equivalents	22,645,162	76,249,566
Due from Nepal Rastra Bank		
Placement with Banks and Financial Institutions		
Loans and Advances to Bank and Financial Institutions	15,841,750	16,403,204
Loans and advances to customers	875,145,444	893,542,649
Investment securities	141,480,889	49,599,070
Loans and advances to staff	3,124,521	2,486,145
Other	-	-
Total interest income	1,058,237,766	1,038,280,635

4.30 Interest Expenses

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Due to Bank and Financial Institutions	424,649	13,154,425
Due to Nepal Rastra Bank	4,619,178	11,719,078
Deposits from customers	717,935,578	735,287,547
Borrowing	-	-
Debt securities issued	30,265,804	9,613,149
Subordinated liabilities	-	-
Other	-	-
Total interest expense	753,245,209	769,774,198

4.31 Fees and Commission Income

Fee income is earned for diverse ranges of services provided by the Finance to its customers. Fee income arises on the execution of a significant act completed or from provision of services like service fees, Loan documentation fee, loan management fee, consortium fee, commitment fee, card issuance and renewal fees, prepayment and swap fee, remittance fee, investment banking fee, asset management fee, brokerage, commission on letter of credit, commission on guarantee, locker rental income, etc.

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Loan Administration fees		
Service fees	58,126,954	61,267,492
Consortium fees		
Commitment fees		
DD/TT/Swift fees		
Credit card/ATM issuance and renewal fees		
Prepayment and swap fees		
Investment banking fees		
Assets management fees		
Brokerage fees		
Remittance fees		

Commission on letter of credit		
Commission on Guarantee Contracts issued	524,000	42,000
Commission on share underwriting/issued		
Locker rental	342,700	325,000
Other Fees and Commission Income	66,586,104	43,357,607
Total Fees and Commission Income	125,579,757	104,667,100

4.32 Fees and Commission Expense

Payment on account of fee and commission for services obtained by the Finance has been presented under this account head. This account head shall include card related fees, guarantee commission, brokerage expenses etc.

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other Fees and Commission Expense	-	-
Total Fees and Commission Expense	-	-

4.33 Net trading income

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
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	-	-
Total Net trading income	-	-

4.34 Other operating income

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Foreign Exchange Revaluation Gain		
Gain/loss on sale of investment Securities	216,337,981	8,163,295
Fair value gain/loss on investment property		

Dividend on equity instruments	1,797,001	4,130,933
Gain/loss on sale of property and equipment	(13,148)	242,517
Gain/loss on sale of investment property		-
Operating lease income	1,004,000	1,708,999
Gain/loss on sale of gold and silver		-
Other	1,838,890	56,065
Total other operating income	220,964,723	14,301,809

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

It includes impairment charge/reversal on loan and advances to customers, loan and advances to bank and financial institutions, investment securities, placement with bank and financial institutions, property and equipment, goodwill and intangible assets, investment properties etc

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Impairment charge/(reversal) on loan and advances to B/FIs	709,899	362,242.85
Impairment charge/(reversal) on loan and advances to customer	172,281,993	11,474,829.92
Impairment charge/(reversal) on financial Investment		
Impairment charge/(reversal) on placement with bank and financial institutions		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment property		
Total impairment charge/(reversal) for loan and other losses	172,991,891	11,837,073

4.36 Personnel Expense

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Salary	56,969,997	53,647,702
Allowances	4,005,275	3,838,975
Gratuity expenses	8,898,824	7,785,722
Provident fund	4,622,973	4,257,776
Uniform	28,125	1,054,398
Training & Development Expense	50,570	1,412,355
Leave encashment	4,768,616	3,238,271
Medical		
Insurance	729,684	714,734
Employees Incentive		
Cash-settled share-based payments		
Pension Expense		
Finance expenses under NFRS	746,583	732,892
Other Expenses Related to Staff	2,786,579	2,269,799
Subtotal	83,607,226	78,952,624
Employees Bonus	28,194,425	17,717,748
Grand Total	111,801,651	96,670,372

* As per Finance Ordinance 2078/79, the expenses shown under gratuity and provident fund for the employees for the month of Jestha and Ashadh of 2078 would be deposited by the Government of Nepal as COVID facilities and shall be accounted when the amount is received in staff's SSF account.

4.37 Other operating expense

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Directors' fee	840,000	907,500
Directors' expense	17,350	120,457
Auditors' remuneration	548,050	519,800
Other audit related expense	964,506	300,662
Professional and legal expense	808,019	147,132
Office administration expense	44,730,149	51,821,838
Operating lease expense	12,035,047	11,542,275
Operating expense of investment properties		-
Corporate Social Responsibility Expense	1,283,844	1,286,883
Onerous lease provision		
Other	6,618,473	17,249,268
Total other operating expense	67,845,438	83,895,815

4.37.1 Office Administration Expenses

Office Administration expenses is the expenses incurred in the operation of the organization specifically incurred by the office. It includes water and electricity, repair and maintenance, insurance, printing and stationery, newspaper, advertisement, donation, security, deposit and guarantee premium, travel allowance and expenses, entertainment, annual general/special general meeting expenses, internet expenses, etc.

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Water and electricity	3,463,800	3,604,654
Repair and maintenance		
(a) Building	859,350	676,852
(b) Vehicle	1,708,682	1,243,036
(c) Computer and accessories	325,453	412,106
(d) Office equipment and furniture	144,361	199,724
(e) Other	665,119	665,588
Insurance	1,968,752	2,111,219
Postage, telex, teleTel., fax	1,556,608	1,900,997
Printing and stationery	2,792,243	4,077,114
News paper, books and journals	392,877	429,131
Advertisement	4,150,994	3,963,008
Donation		
Security expense	10,403,364	10,403,364
Deposit and loan guarantee premium	2,315,994	1,961,536
Travel allowance and expense	502,934	376,000
Entertainment	1,540,390	1,273,851

Annual/special general meeting expense	271,838	2,242,620
Other		
Website	3,384,942	3,332,052
Software	3,881,270	5,445,507
Others	4,401,179	7,503,477
Total	44,730,149	51,821,838

4.38 Depreciation & Amortisation

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Depreciation on Property and Equipment	16,826,805	18,098,752
Depreciation on investment property		
Amortization of intangible assets	127,001	158,751
Total depreciation and amortization	16,953,807	18,257,504

4.39 Non-operating income

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Recovery of loan written off	-	-
Other income		37,900
Total non-operating income	-	37,900

4.40 Non-Operating Expenses

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Loan Written Off	-	-
Redundancy provision	-	-
Expenses of restructuring	-	-
Other expense	-	-
Total non-operating Expenses	-	-

4.41 Income tax Expense

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

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Current tax expense		
Current year	78,854,546	49,489,946
Adjustment for prior years		-
Deferred tax expense		
Origination and reversal of temporary differences	9,639,669	14,025,109
Changes in tax rate		-
Recognition of previously unrecognized tax losses		-
Total income tax expense	88,494,214	63,515,055

4.41.1 Reconciliation of tax expense and accounting profit

Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Profit before tax	281,944,250	177,177,482
Tax amount at tax rate of 30.0%	84,583,275	53,153,244
Add: Tax effect of expenses that are not deductible for tax purpose	9,236,200	8,975,605
Less: Tax effect on exempt income		
Add/less: Tax effect on other items	(14,964,929)	(12,638,904)
Total income tax expense	78,854,546	49,489,946
Effective tax rate	27.97%	27.93%

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वार्षिक साधारण सभा

**Statement of Distributable profit or loss
for the year ended 31st Ashadh 2078 (15 July 2021)
As per NRB Regulation**

Particulars	Current Year 2077-78	Previous Year 2076-77
Opening Retained Earnings Before Allocation (Adjusted)	109,682,533	85,682,233
Adjustments:		
Cash Dividend	(28,800,000)	-
Bonus Share Issued	(67,200,000)	(80,000,000)
CSR Expenses	191,523	(35,223)
Employee Training Reserve	50,570	1,412,356
CSR Reserve	1,092,321	1,286,883
Opening FV Reserve for Loss on Shares charged to Retained Earning	(16,322,140)	-
Net Profit/(loss) as per Statement of Profit or Loss	193,450,036	113,662,426
Appropriation		
a. General Reserve	38,690,007	22,732,485
b. Foreign Exchange Fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	1,934,500	1,136,624
e. Employees training fund	-	-
f. Other (Debtenture Redemption Reserve)	50,000,000	-
Profit/(loss) before regulatory adjustment	102,825,528	89,793,317
Regulatory Adjustments:		
a. Interest Receivable (-)/previous accrued interest received(+)	17,415,136	(17,325,091)
b. Short loan loss provision in accounts(-)/reversal(+)		
c. Short provision for possible losses on investment(-)/reversal(+)	-	36,523,021
d. Short provision for possible losses on Non-Banking Assets (-)/reversal(+)	(6,381,605)	14,148,519
e. Deferred Tax Assets recognized(-)/reversal(+)		-
f. Goodwill recognized (-)/Impairment of Goodwill(+)		
g. Bargain purchase gain recognized (-)/reversal(+)		
h. Actuarial Loss recognized (-)/reversal(+)	(13,317,859)	5,506,459
i. Other (+/-) (Fair Value Loss Recognized)	27,309,940	(27,309,940)
Profit or (Loss) after Regulatory Adjustments	127,851,141	101,336,285
Total Retained Earnings	126,545,947	109,682,533

5. Disclosures & Additional Information

5.1 Risk Assessment and Management

Credit Risk

A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. Factors for the credit risk includes Counterparty Risk, Concentration Risk and Securitization Risk.

The Finance has applied following mitigates for management of Credit Risk factors:

- Independent and ongoing credit quality review
- Limiting credit exposures
- Problem credit management system
- Diversification of risk asset portfolio among several sectors and sub sectors of the economy over a large number of customers
- Deposit of borrower in bank, cash margin and additional collateral at individual level
- Proper valuation, storage, maintenance and insurance of collaterals.

Such mitigates are monitored by Board of Directors, Risk Management Committee which is Board Level Committee, Credit Risk Management Department, NRB Inspection team and Internal Audit Department of the Finance

Market Risk

Market risk is the possibility of a customer experiencing losses due to factors that affect the overall performance of the Finance in which the customer is involved. Market risk is systematic risk of the financial market.

Factors of Market Risk includes Interest Rate Risk, Equity Risk in Banking Book.

The Finance has applied following mitigates for management of the Market Risk factors:

- Stress testing/simulation of market conditions
- Gap Analysis
- Limiting trading activity of instruments in the different markets
- Regular review of risk management processes
- Regular review of Risk Tolerance and appetite limit.
- Measurement of Equity price shocks.
- Measurement of Interest Rate Shocks
- Interest rate related Risk Monitoring.

Such mitigates are monitored by Board of Directors, Risk Management Committee, Internal Audit Department

Liquidity Risk

Liquidity risk is the risk that the Finance 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.

Factors of Liquidity Risk includes Deterioration in quality of credit portfolio Concentrations in either assets or liabilities, Rapid asset growth funded by highly volatile large deposits, A large size of off-balance sheet exposure.

The Finance has applied following mitigates for the management of Liquidity Risk:

- Appropriate composition of assets and liabilities
- Diversified and stable sources of funds
- Access to inter-bank market
- Contingency funding plan for crisis situations
- Regular stress testing
- Cushion of liquid assets held
- Consistent analysis using liquidity ratios
- Review of Deposit Mix Concentration.

Such mitigates are monitored by BOD, Finance and Credit Department, Internal Audit Department.

Fair value of Financial Assets and Liabilities

Fair Value of financial assets and liabilities risk management includes effective portfolio management by finance department which is monitored by BOD, and other high-level officials.

5.2 Capital Management

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

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

1. Capital Structure and a Breakdown of its Components:

Tier 1 Capital and a breakdown of its components is as follows:

S.N.	Particulars	Amount in 000's	Amount in 000's
1	Paid up Equity Share Capital	867,200.00	800,000.00
2	Irredeemable Non-cumulative preference shares		
3	Share Premium	2,475.55	2,475.55
4	Proposed Bonus Equity Shares		
5	Statutory General Reserves	205,820.49	167,130.48
6	Retained Earnings	126,545.95	109,682.53
7	Un-audited current year cumulative profit/(loss)		
8	Capital Redemption Reserve	50,000.00	
9	Capital Adjustment Reserve		
10	Dividend Equalization Reserves		
11	Other Free Reserve		
12	Less: Goodwill		
13	Less: Deferred Tax Assets		
14	Less: Fictitious Assets	(508.00)	(635.01)
15	Less: Investment in equity in licensed Financial Institutions		
16	Less: Investment in equity of institutions with financial interests		
17	Less: Investment in equity of institutions in excess of limits		(59,276.17)
18	Less: Investments arising out of underwriting commitments		
19	Less: Reciprocal crossholdings		
20	Less: Purchase of land & building in excess of limit and unutilized		
21	Less: Other Deductions		
	Total Tier 1 Capital	1,251,533.98	1,019,377.38

Tier 2 Capital and a breakdown of its components is as follows:

S.N.	Particulars	Amount in 000's	Amount in 000's
1	Cumulative and/or Redeemable Preference Share		
2	Subordinated Term Debt	247,715.04	247,449.23
3	Hybrid Capital Instruments	-	-
4	General loan loss provision	119,123.29	90,643.39
5	Exchange Equalization Reserve		
6	Investment Adjustment Reserve		
7	Assets Revaluation Reserve		
8	Other Reserves	85,350	85,350
	Total Tier 2 Capital	452,187.92	423,442.22

1.3 CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	13.49%	10.63%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	15.70%	12.27%

2. Risk Exposures

The risk weighted exposures as of 15th July 2021 is given below:

1. 1 Risk Weighted Exposures	Current Period	Previous Period
Risk Weighted Exposure for Credit Risk	8,769,416	7,649,755
Risk Weighted Exposure for Operational Risk	506,567	1,519,702
Risk Weighted Exposure for Market Risk	6	10
<i>Adjustments under Pillar II</i>		
Add: 3% of the total RWE due to non compliance to Disclosure Requirement (6.4 a 10)	-	-
Add:% of the total deposit due to insufficient Liquid Assets(6.4 a 6)	-	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	9,275,990	9,169,468

• Risk weighted exposures for Credit Risk

(Rs. In '000)

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Cash Balance	204,203			204,203	0%	-
Balance With Nepal Rastra Bank	394,564			394,564	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities	2,735,075			2,735,075	0%	-
All Claims on Government of Nepal				-	0%	-
Investment in Nepal Rastra Bank securities				-	0%	-
All claims on Nepal Rastra Bank				-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)			-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)			-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)			-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)			-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-
Claims on Other Multilateral Development Banks			-	-	100%	-
Claims on Domestic Public Sector Entities			-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)			-	-	20%	-
Claims on Public Sector Entity (ECA 2)			-	-	50%	-

Claims on Public Sector Entity (ECA 3-6)			-	-	100%	-
Claims on Public Sector Entity (ECA 7)			-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	872,498		-	872,498	20%	174,500
Claims on domestic banks that do not meet capital adequacy requirements			-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)			-	-	20%	-
Claims on foreign bank (ECA Rating 2)			-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)			-	-	100%	-
Claims on foreign bank (ECA Rating 7)			-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-
Claims on Domestic Corporates (Unrated)			-	-	100%	-
Claims on Foreign Corporates (ECA 0-1)			-	-	20%	-
Claims on Foreign Corporates (ECA 2)			-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)			-	-	100%	-
Claims on Foreign Corporates (ECA 7)			-	-	150%	-
Regulatory Retail Portfolio (Not Overdue)			-	-	75%	-
Claims fulfilling all criterion of regularity retail except granularity	5,828,529	327,899	-	5,500,630	100%	5,500,630
Claims secured by residential properties	1,023,912		-	1,023,912	60%	614,347
Claims not fully secured by residential properties			-	-	150%	-
Claims secured by residential properties (Overdue)			-	-	100%	-
Claims secured by Commercial real estate	802,870		-	802,870	100%	802,870
Past due claims (except for claims secured by residential properties)			-	-	150%	-
High Risk claims			-	-	150%	-
Lending Against Securities (Bonds & Shares)	348,543		-	348,543	100%	348,543
Investments in equity and other capital instruments of institutions listed in stock exchange	787,358		-	787,358	100%	787,358
Investments in equity and other capital instruments of institutions not listed in the stock exchange	39,998		-	39,998	150%	59,997
Staff loan secured by residential property	23,141			23,141	50%	11,571

Interest Receivable/claim on government securities	-			-	-	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	499,875	51,573	-	448,302	100%	448,302
TOTAL (A)	13,560,565	379,472	-	13,181,093		8,748,116

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	65,040		65,040	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	42,600		-	42,600	50%	21,300
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)			-	-	20%	-
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	107,640	-	-	107,640		21,300
Total RWE for credit Risk Before Adjustment (A) +(B)	13,668,215	335,897	-	13,332,317		8,769,416

Adjustments under Pillar II						
Add: 10% of the loan and facilities in excess of Single Obligor Limits(6.4 a3)	-	-	-	-	-	-
Add: 1% of the contract(sale) value in case of the sale of credit with recourse (6.4 a4)	-	-	-	-	-	-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	13,668,215	335,897	-	13,332,317	-	8,769,416

- Amount of NPAs (Both Gross and Net) Rs. In '000'

S. No.	Particulars	Gross NPA (Rs.)	Loan-Loss Provision (Rs.)	Net NPA (Rs.)
a.	Substandard	57,176.30	14,294.07	42,882.22
b.	Doubtful	47,344.95	23,672.48	23,672.48
c.	Bad	170,809.26	170,809.26	-
	Total	275,330.51	208,775.81	66,554.70

- **NPA Ratios:**

- Gross NPA to Gross Advances : 3.49%
- Net NPA to Net Advances : 0.88%

- **Movement of Non-Performing Assets Rs. In 000**

Particulars	Current Year	Previous Year	Changes %
Non-Performing Assets	275,330.51	78,284.35	252%
Non-Performing Assets (%)	3.50%	1.14%	207%

- **Write off of Loans and Interest Suspense**

Following Loans and Interest Suspense have been written off during the year 2020-21.

- None

- **Movements in Loan Loss provision and Interest Suspense: Rs. In '000'**

Particulars	Loan Loss Provision	Interest Suspense
Opening balance	152,107	110,446
Write Back/off in the years		
Addition in the year	175,792	33,522
Balance as at 15h July 2021	327,899	143,968

- Details of Subordinated Term Debt:

- The Finance has issued Debenture of Fair Value NRs. 25 Crore, of coupon rate 12%, maturing in the F/Y 2082/83.

- Details of Additional Loan Loss Provision:

Additional Loan Loss Provision of Rs. 172,281,993 has been made during the year 2020-21.

- **Segregation of Investment Portfolio**

S. No.	Investment Category	Amount Rs. (000)
1.	Held for Trading	-
2.	Held to Maturity	2,735,075,000
3.	Available for Sale	827,355,632

3. Risk Management Function

GFIL is exposed to various types of risks including credit, market, liquidity, operational, legal, compliance and reputation risks. The objective of the risk management framework at the Finance is to ensure that various risks are understood, measured and monitored and that the policies and procedures established to address these risks are strictly adhered to. The Finance has set up a strong control and monitoring environment for comprehensive risk management at all levels of operation.

Measurement of Risks for Capital Adequacy Purpose:

Under Pillar 1 of the specific NRB guidelines, the finance company currently follows Simplified Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Net Open Position approach for Market risk.

A. Credit Risk

Strategies and Process:

All credit related aspects are governed by Operation Manual of GFIL. These documents outline the type of products that can be offered, customer categories, credit approval process and limits. These documents are approved by the Board of directors.

The Finance Company's main emphasis is on SME credit. Different limits of lending power have been assigned at branch level, department head level and the credit committee level. Every aspect relating to credit such as procedure, documentation etc. are clearly defined in the Operation Manual and the Credit Policy of the Finance.

Pre-Sanction:

The branch managers have the authority to approve the credit within their permissible limits after due scrutiny of background of the promoter, nature of business, turnover in the account, other financial indicators, income, collateral and security. Loans above the authority of branch are recommended to head office for further decision.

Credit Risk Assessment Process:

Risk Management Department carries out a comprehensive credit risk assessment process that encompasses analysis of relevant quantitative and qualitative information to ascertain credit rating of the borrower. The credit rating process involves assessment of risk emanating from various sources such as market risk, management risk, environmental risk, financial risk and security risk taking into consideration as much as 30 sub-parameters under each of these categories. Credit thresholds have been set for forwarding the credit files for risk rating before they are submitted for approval in the credit committee by the concerned credit units.

Post Sanction Monitoring/ Follow up:

Concerned branch are required to obtain regular information of the business. In case of revolving loans, the drawing power is checked commensurate with the existing level of stocks and working capital checked and verified at regular interval. The credit units at the Head Office are also required to prepare quarterly credit report to submit at higher level as a part of formal monitoring process.

B. Operation Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Finance's business activities.

The board level committee that undertakes supervision and review of operational risk aspects are the Risk Management Committee and Audit Committee. The board and the risk committee review the operational risk level and the material operational risk exposure. The Audit committee supervises audit and compliance related aspects. Internal Audit department on the other hand carries out audit according to the audit plan and reports findings to the audit committee.

Risk Arising from breakdown of Information and Operating System:

The Finance has implemented centralized software FINMAN Accounting Software and has improved in its MIS infrastructure in order to ensure the associated operational risks being brought down to an acceptably low level.

To safeguard the probable losses resulting from system failure or natural disaster, the Finance has taken following policies to minimize the risk:

- Back up – Daily back up of all balances are taken at the end of the day. the Finance is developing a system of auto back up in the near future.
- Disaster Recovery Site – the Finance has established disaster recovery site.
- Validation of Entry and Password control – There is a system of maker and checker for entry validation before posting. Access authority for data entry, update, modification and validation has been given on the basis of levels of staffs.
- Exception Reporting – The system creates exception report as and when required.

Risk Arising from Procedural Lapses and Internal control:

The company has defined every banking procedures in the Operation Manual related to banking transactions. Internal

circulars are issued whenever required. Reporting by branches is regular.

Corporate Governance:

NRB Guidelines with respect to Corporate Governance are duly complied with.

C. Market Risk

a. Investments

Currently GFIL has not made any investment for trading purpose. The investment in government securities have been made to hold till maturity. The investment in equity of listed institutions has been held as available for sale.

b. Foreign Exchange

The company's policy is to maintain the net open position of convertible foreign currency where exchange rate risk persists in matching position.

5.3 Classification of financial assets and financial liabilities

Particulars	Fair Value through PL	Amortized Cost	Fair Value through OCI	Total
Financial Assets:				
Cash and cash equivalents		1,076,700,635		1,076,700,635
Due from Nepal Rastra Bank		394,564,448		394,564,448
Loans and advances to B/FIs		266,490,000		266,490,000
Loans and advances to customers		7,432,605,272		7,432,605,272
Investment securities (Govt. & Development Bonds)		2,735,075,000		2,735,075,000
Investment securities (Equity)			827,355,632	827,355,632
Other Financial assets		104,344,797		104,344,797
Total financial Assets		12,009,780,152	827,355,632	12,837,135,784
Financial Liabilities:				
Due to Bank and Financial Institutions		713,022,699		713,022,699
Due to Nepal Rastra Bank		50,910,060		50,910,060
Deposits from customers		10,080,962,298		10,080,962,298
Other Financial Liabilities		26,017,606		26,017,606
Debt securities issued		247,715,037		247,715,037
Total financial Liabilities		11,118,627,700		11,118,627,700

5.4 Segment Analysis

5.4.1 General Information

The Finance's operation is managed centrally through Head Office. All strategic, financial and operational policies and operations are controlled and directed from the head office. The finance operates in 16 branches though has a single jurisdiction

The Finance has identified following segments as reportable:

- Banking Segment involves functions like collecting deposits and lending activities among other similar activities.
- Treasury Segment involves short term and long-term investment activities like investing in T-Bills, Bonds, Shares of companies etc.
- Remittance Segment involves activities of transferring / receiving funds locally and/or globally.

There is no inter-unit cost transfer mechanism within the bank.

5.4.2 The segmental information about profit or loss, assets and liabilities are presented below:

Name of Segment	Banking	Treasury	Remittance
a. Revenues from external customers	967,524,348	346,206,979	-
b. Intersegment revenues	-		-
c. Net Revenue	967,524,348	346,206,979	-
d. Interest revenue	894,111,715	164,126,051	-
e. Interest Expense	718,360,227	34,884,982	-

f. Net interest revenue (b)	175,751,488	129,241,069	-
g. Depreciation and amortization*	-	-	-
h. Segment Profit / (Loss)	175,751,488	129,241,069	-
i. Entity's interest in the profit or loss of associates accounted using equity method	-	-	-
j. Other Material non cash item	-	-	-
k. Impairment of assets	-	-	-
l. Segment Assets*	9,221,933,171	3,562,430,632	-
m. Segment liabilities*	10,844,895,057	247,715,037	-

* Depreciation and amortization cannot be allocated to reportable segment from internal data record keeping system.

** The presented assets and liabilities exclude assets such as PPE, Intangibles, Advances and payables that are not allocable to particular segment.

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

a) Revenue

Total revenue of reportable segments	1,313,731,328
Other revenue	91,050,919
Elimination of intersegment revenue	
Entity's revenues	1,404,782,247

b) Profit or Loss

Total profit or loss for reportable segments	304,992,557
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	(23,048,307)
Profit before income tax	281,944,250

c) Assets

Total assets for reportable segments	12,784,363,803
Other assets	
Unallocated amounts	510,043,918
Entity's assets	13,294,407,721

d) Liabilities

Total liabilities for reportable segments	10,844,895,057
Other liabilities	
Unallocated liabilities	677,411,287
Entity's liabilities	11,522,306,344

e) Information about product and service

Revenue from each type of product and services described in point 1 (b) above

Banking	967,524,348
Treasury	346,206,979
Remittance	-

f) Information about geographical areas

Finance has been assessing segment results differently than as required.

g) Information about major customer:

None of the customer individually or as a group contributes to 10% or more of the Finance's revenue.

5.5 Share options and share based payment

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

5.6 Contingent Liabilities and Commitments

Litigation is a common occurrence in the banking industry due to the nature of business undertaken. The finance company has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the finance makes adjustment to account for adverse effect which the claims may have on its financial standing. Contingent liabilities on other matters have already been disclosed in notes 4.28.

5.7 Related party disclosures

The related parties of the Finance which meets the definition of related parties as defined in "NAS 24 Related Parties Disclosure" are as follows:

i. Key Management Personnel (KMP)

The key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any director. The key management of the Finance includes members of its Board of Directors, Chief Executive Officer, and other higher-level employee of the Finance. The name of the key management personnel who were holding various positions in the office during the year were as follows:

Name of the Key Management Personnel	Post
Bishwa Prakash Saakha	BOD Chairman
Dilip Kumar Munankarmi	Director
Jeny Joshi	Director
Prof. Dr. Sushil Bhakta Mathema	Director
Pashupati Bhakta Shrestha	Director
Saroj KajiTuladhar	Chief Executive Officer
Swayambhu Shakya	Executive Manager/Company Secretary
Paras Narsingh Pradhan	Executive Manager
Devaki Baidya	Manager
Bharat Bahadur Mahat	Manager
Anjali Sthapit	Manager

5.7.1 Compensation to Key Management Personnel

The members of Board of Directors are entitled for meeting allowances. Salary and allowances are provided to Chief Executive Officer and other member of Key Management Personnel (KMP). Salary and Allowances paid to the Chief Executive Officer is based on the contract entered by the Finance with him whereas compensation paid to other member of KMP are governed by Employees Bye laws and decisions made by management time to time in this regard. In addition to salaries and allowances, non- cash benefits like vehicle facility, subsidized rate employees loan, termination benefits are also provided to KMP.

The details relating to compensation paid to key management personnel (directors only) were as follows:

Particulars	Current Year
Meeting Fees	840,000
Other Expenses	17,350
Total	857,350

The details relating to compensation paid to key management personnel other than directors were as follows:

Particulars	Amount
Short term employee benefits(including Bonus and Paid Leave)	Rs.15,665,360.00
Vehicle Facility	No

*Other Benefits	Yes
Other long-term benefits	No
**Post-Employment	Mentioned in Note 3.15(b)

* Other benefits and payments include Finance cost calculated towards subsidized Loans and advances provided to staffs.

** Post employment benefit includes Provident fund, Gratuity and Leave provision created, the bifurcation of which is not quantifiable separately to KMPs. The provision is made on lump sum as per the Actuarial Valuation.

5.7.2 Transaction with Vijay Laghubitta Bittiya Sanstha

Vijaya Laghubitta Bittiya Sanstha Ltd. (VLBS) is a micro finance institution licensed as a national level “D” class financial institution from Nepal Rastra Bank, the central bank of Nepal. Established on 7th Aug 2012 as a Public Limited Company under Company Act of Nepal and licensed from the Central Bank of Nepal on 3rd January 2013, its head office is at Gairidhara – 5, Nawalparasi. It aims to provide banking services to the rural unbanked population and contribute to the overall poverty reduction program through increment of production and productivity of rural Nepal. The Finance holds investment of promoter shares of Rs. 48,006,700 in share capital of VLBS which comes to 18.01% of the total capital of VLBS.

The aggregate amounts of the transactions during the year from the relevant related party at the year end are summarized below:

Total Interest Paid on deposits	Rs. 53,359.00
Total Interest Income	Rs. 15,841, 750.00
Total Outstanding Loan Balance As on Ashadh End 2077	Rs. 281,221,682.00
Total Outstanding Loan Balance As on Ashadh End 2078	Rs. 270,000,000.00
Increase in LLP Amount	Rs. 709,899.00

The investment in promoter shares of VLBS has been accounted for at fair value in financial statements of the Finance.

5.8 Merger and acquisition

No any Merger and acquisition has taken in the years presented.

5.9 Additional Disclosure of Non-consolidated entities

Since, the finance company does not have any subsidiaries, there are no such non-consolidated entities.

5.10 Events after reporting date.

Following are the adjusting events qualifying for adjustment in respect to creating Regulatory Reserve.

AIR opening 2077.04.01	110,445,900
Interest Income Recognized For the Period	13,630,670
AIR Closing 2078.03.31	143,967,617
AIR for loan and advances overdue for more than 12 months	19,891,047
AIR for other than loan and advances overdue for more than 12 months	124,076,570
Interest income received till Bhadra 15, 2078	41,273,743

5.11 Valuation Hierarchy

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

Fair Value of Financial Assets and Liabilities Measured at Fair Value

The fair value measurement hierarchy is as follows:

- Level 1** fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2** valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3** portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

Fair Value Disclosure	Level 1		Level 2		Level 3	
Particulars	As on 31.03.2078	As on 31.03.2077	As on 31.03.2078	As on 31.03.2077	As on 31.03.2078	As on 31.03.2077
Quoted Equity Shares	787,357,831	241,401,059				
Unquoted equity			39,997,800	36,290,300		

5.12 Reclassification of Other deposits from BFIs under Note 4.17 of FY 2076/77

As per Financial Statement of FY 2076/77	1,040,735,840
Classified Amount	664,417,138
Reclassified Figure	376,318,702

5.13 Loan Loss Provision as per NRB Directives No. 2

Category	Loan Amount	Provision %	Provision Amount
Good	7,026,252,887	1.3	91,341,288
Watchlist	555,640,086	5	27,782,004
Substandard	57,176,296	25	14,294,074
Doubtful	47,344,955	50	23,672,477
Bad	170,809,261	100	170,809,261
Total	7,857,223,485		327,899,104

5.14 Impact of COVID-19

Due to outbreak of novel corona virus (COVID-19) and imposition of lockdown in the country, the Finance has not been able to perform its banking transactions and collect interest and loan amount from the customers effectively. In addition, a sudden downfall in rate of disbursement of new loans has taken place. The pandemic caused by Covid-19 has impacted grossly negatively on the financial performance of the Finance.

The details as per the circular issued by NRB for the relaxation of Covid-19 affected borrowers and the recognition of interest received till Bhadra 15 accrued till Ashadh end 2078 has been shown as:

S.N.	Particulars	2078 Ashadh End	
		No. of Customer	Amount(Rs.)
1	Interest accrued till Ashadh End received till Bhadra 15	460	41,273,743.44
2	Additional 0.3% Loan Loss Provision in Pass Loan	3427	3,552,324.95
3	Credits provided to projects at construction phase for which grace period has been added	-	-
4	Rescheduling/Restructuring Loans for which loan loss provision has been maintained at 5%	107	3,331,550.03
5	Additional 20% credit provided in the working capital loans to Covid 19 affected borrowers	1	24,520,000.00
6	Additional 10% credit provided in the periodic loans to Covid 19 affected borrowers	5	25,150,000.00
7	Additional 20% credit provided in the working capital loans to Covid 19 affected borrowers, for which additional 1 year maturity period has been added after expiry	1	24,520,000.00
8	Additional 10% credit provided in the periodic loans to Covid 19 affected borrowers, for which additional 1 year maturity period has been added after expiry	5	25,150,000.00
9	Credits for which interest and principal payment period has been added for 2 years as per NRB directive 2.41	-	-

Due to the pandemic still in existence caused by Covid-19, the chances of default in loans and advances and collection of income might exist. Also there is probability of customers being infected by Covid-19 which may affect the operation of the Finance.

To cope with the impact of Covid-19, the Finance has performed following actions:

- The Finance has examined the loans and advances which are high likely to be default and has given priority for the collection of the matured loans and advances amount.
- The Finance has provided the loans and advances only after the risk valuation to the customers.
- The Finance is in the process of restructuring the loans and advances keeping in view the regulatory provisions.
- To meet working capital and liquidity of borrower, the Finance has provided short and mid term loans.
- As per the notice issued by Nepal Rastra Bank, the Finance extended temporarily the due date for the payment of interest and principal amount.
- Further the Finance provides the necessary facilities to the customers affected by Covid-19 as per the circulars and notices issued by Nepal Rastra Bank.
- The Finance has prepared plans for providing customer services safely in case the employees of the Finance get affected by Covid-19.

The Finance has believed that the actions taken by the Finance will be sufficient for the uncertainty caused temporarily by the covid-19 in operational and financial performance of the Finance. The Finance expects for V-Shaped recovery in the economy recession caused by Covid-19.

5.15 Disclosure of Shareholders holding more than 0.5% of total Shareholding

Holder No.	Shareholder Name	Qty	Percentage (in %)
1	JENI JOSHI	516,943.00	5.96%
2	SUDHIR MAN MASKEY	493,964.00	5.70%
3	SAROJ KAJI TULADHAR	342,904.00	3.95%
4	PARAMESHWAR BHAKATA MALLA	301,797.00	3.48%
5	SWORGA MAN SINGH SHRESTHA	293,364.00	3.38%
6	DIXYANT BANIYA	275,154.00	3.17%
7	RAJA RAM JOSHI	272,884.00	3.15%
8	JAYAKAR PRASAD GAUCHAN	265,911.00	3.07%
9	MANJU KUMARI AMATYA	246,990.00	2.85%
10	INDIRA JOSHI	178,364.00	2.06%
11	ARUN AGARWAL	173,200.00	2.00%
12	NAZMA KHAN	165,852.00	1.91%
13	PANNA RATNA TULADHAR	150,409.00	1.73%
14	JYOTI KUMARI SARAWAGI	126,247.00	1.46%
15	KESHAB TULADHAR	124,984.00	1.44%
16	RAJENDRA TULADHAR	123,939.00	1.43%
17	ASSETS NEPAL	119,449.00	1.38%
18	SEFINA MASKEY	119,449.00	1.38%
19	MOTI PRABHA TULADHAR	101,230.00	1.17%
20	SHANTI PRABHA TULADHAR	101,228.00	1.17%
21	DAMAR KESHAR SHRESTHA	99,511.00	1.15%
22	RAMHARI POUDEL	85,691.00	0.99%
23	SURYA CAPITAL PVT. LTD.	84,719.00	0.98%
24	RAMITA SHRESTHA	77,566.00	0.89%
25	JAY PRAKASH AGRAWAL	75,638.00	0.87%

26	SASHIKANTA AGRAWAL	72,974.00	0.84%
27	ANISH TULADHAR	60,841.00	0.70%
28	KEDAR NARAYAN MANANDHAR	56,362.00	0.65%
29	DHARMA BHAKTA BALLA	54,768.00	0.63%
30	ROMI RATNA TULADHAR	54,666.00	0.63%
31	MANOHAR KRISHNA SHRESTHA	53,285.00	0.61%
32	RAJA RATNA TULADHAR	52,378.00	0.60%
33	SUMIT KUMAR AGARWAL	50,859.00	0.59%
34	SAMYAK DHAR TULADHAR	50,615.00	0.58%
35	TRIBHUBAN DHAR TULADHAR	50,615.00	0.58%
36	TRIKAL DHAR TULADHAR	50,615.00	0.58%
37	TUSAR DHAR TULADHAR	50,615.00	0.58%
38	DIPENDRA AGRAWAL	46,509.00	0.54%

5.16 Additional Disclosure for Accrued Interest Receivable (AIR)

Statement Showing AIR Adjustment	
Particulars	Amount (Rs.)
AIR opening 2077.04.01	110,445,900
Interest Income Recognized For the Period	13,630,670
AIR Closing 2078.03.31	143,967,617
AIR for loan and advances overdue for more than 12 months	19,891,047
AIR for other than loan and advances overdue for more than 12 months	124,076,570
Interest income received till Bhadra 15	41,273,743

5.17 Additional Disclosure**5.17.1 Regulatory Reserve**

Regulatory Reserve is composed of AIR income included in Interest Income as per Accrual Basis of Accounting, Losses on remeasurement of Actuarial Liabilities, Provisions for Losses in Investment whose carrying cost is lower than Market Value, Provisions for Non- Banking Assets. Allocation to Regulatory Reserve is made out of profit of FY 2077-78. Compositions of Regulatory Reserve are as follows:

- Interest Receivable as on 2078.03.31 (net of tax and bonus effect) after taking into consideration, interest collected till Bhadra 15 of next Fiscal Year.
- Losses on remeasurement of Defined Benefit Obligation (net of tax effect) which has been charged to OCI, is allocated to Regulatory Reserve.

Particulars	Creation Due to					Total
	AIR	Actuarial Loss	Investment Loss	Provision for NBA	Fair Value	
Opening Regulatory Reserve as on 2076.04.01	13,771,126	6,425,507	36,523,021	40,257,788		96,977,442
Creation	17,325,091				27,309,940	44,635,031
Reversal	-	(5,506,459)	(36,523,021)	(14,148,519)		(56,177,999)
Closing As on 2077.03.31	31,096,217	919,048	-	26,109,269	27,309,940	85,434,474
Creation		13,317,859		6,381,604.83		19,699,464
Reversal	(17,415,136)		-	-	(27,309,940)	(44,725,076)
Closing As on 2078.03.31	13,681,081	14,236,907	-	32,490,874	-	60,408,862

5.17.2 Proposed Distributions (Dividends and Bonus Shares)

The Board has recommended 13% as (including tax) as dividend for the reported year, 2020-21. This proposal of the Board of Directors is subject to the ratification by the annual general meeting of the shareholders. The proposed distribution shall be recognized in equity in the period in which they are paid.

Comparison Between Unaudited and Audited Financial Statement

Statement of Financial Position	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Assets				0.00%	
Cash and Cash Equivalent	1,032,057,483	1,076,700,635	44,643,152	4.33%	Due to reclassification of assets
Due from Nepal Rastra Bank	394,564,448	394,564,448	-	0.00%	
Placement with Bank and Financial Institutions	-	-	-	0.00%	
Derivative Financials Instrument	-	-	-	0.00%	
Other Trading Assets	-	-	-	0.00%	
Loans and Advances to Bank and Financial Institutions	270,000,000	266,490,000	(3,510,000)	-1.30%	Change in Ammortization of Loans
Loans and Advances to Customers	7,377,952,253	7,432,605,272	54,653,020	0.74%	Change in Ammortization of Loans
Investment Securities	3,583,098,912	3,562,430,632	(20,668,280)	-0.58%	
Current Tax Assets	-	61,742,061	61,742,061	0.00%	Included in other Assets
Investment in Subsidiaries	-	-	-	0.00%	
Investment in Associates	-	-	-	0.00%	
Investment Property	51,572,816	51,572,816	-	0.00%	
Property and Equipment	335,507,399	335,634,400	127,000	0.04%	Depreciation of Intangible assets included
Goodwill and Intangible Assets	635,006	508,005	(127,001)	-20.00%	Depreciation charged
Deferred Tax Assets	-	-	-	0.00%	Included in other Assets
Other Assets	371,707,576	112,159,452	(259,548,124)	-69.83%	Due to reclassification of assets
Total Assets	13,417,095,892	13,294,407,721	(122,688,172)	-0.91%	Consequential effect of above items.

Liabilities					
Due to Bank and Financial Institutions	13,022,699	713,022,699	700,000,000	5375.23%	Due to reclassification of liability
Due to Nepal Rastra Bank	50,910,060	50,910,060	-	0.00%	-
Derivative Financials Instrument		-	-	0.00%	-
Deposits from Customers	10,080,962,298	10,080,962,298	0	0.00%	
Borrowings	700,000,000	-	(700,000,000)	-100.00%	Due to reclassification of liability
Current Tax Liabilities	77,761,864	-	(77,761,864)	-100.00%	Due to reclassification of liability
Provisions	-	-	-	0.00%	-
Deferred Tax Liabilities	28,501,975	202,749,732	174,247,756	611.35%	Due to reclassification of liability
Other Liabilities	219,385,596	226,946,518	7,560,923	3.45%	Due to reclassification of liability
Debt Securities Issued	247,449,233	247,715,037	265,804	0.11%	-
Subordinated Liabilities	-	-	-	0.00%	-
Total Liabilities	11,417,993,725	11,522,306,344	104,312,619	0.91%	Consequential effect of above items.

Equity					
Share Capital	867,200,000	867,200,000	-	0.00%	
Share Premium	2,475,548	2,475,548	0	0.00%	
Retained Earnings	137,232,963	126,545,947	(10,687,016)	(7.79%)	Due to reclassification from Reserve & Surplus
Reserves	992,193,656	775,879,882	(216,313,774)	(21.80%)	Due to reclassification to Retained earning
Total Equity Attributable to Equity Shareholders	1,999,102,167	1,772,101,377	1,772,101,377	88.64%	
Non Controlling Interest	-				
Total Equity	1,999,102,167	1,772,101,377	(227,000,790)	-11.36%	
Total Equity and Liabilities	13,417,095,892	13,294,407,721	13,294,407,721	99.09%	Consequential effect of above items.

Statement of Profit and Loss	As per Unaudited	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Interest Income	1,027,838,847	1,058,237,766	30,398,919	2.96%	AIR considered as Income
Interest Expenses	762,289,280	753,245,209	(9,044,071)	-1.19%	Interest expenses calculation adjusted
Net Interest Income	265,549,567	304,992,557	39,442,990	14.85%	
Fee and Commission Income	61,106,780	125,579,757	64,472,977	105.51%	Including Commission incomes previously classified under Other Operating Income
Fee and Commission Expenses		-	-	0.00%	
Net Fee and Commission Income	61,106,780	125,579,757	64,472,977	105.51%	
Net Interest, Fee and Commission Income	326,656,347	430,572,314	103,915,967	31.81%	
Net Trading Income		-	-	0.00%	-
Other Operating Income	68,060,057	220,964,723	152,904,666	224.66%	Few Commission incomes previously classified under Other Operating Income
Total Operating Income	394,716,405	651,537,038	256,820,633	65.06%	-
Impairment Charge/(reversal) for loans and other losses	140,511,035	172,991,891	32,480,857	23.12%	Due to recalculation of provision
Net Operating Income	254,205,370	478,545,146	224,339,776	88.25%	-
Operating Expenses					
Personnel Expenses	100,947,952	111,801,651	10,853,699	10.75%	Revised calculation of Interest on staff loan and staff bonus
Other Operating Expenses	69,378,484	67,845,438	(1,533,046)	-2.21%	Expenses booked on accrual basis
Depreciation & Amortization	16,953,806	16,953,807	1	0.00%	
Operating Profit	66,925,128	281,944,250	215,019,123	321.28%	-
Non Operating Income	194,029,276	-	(194,029,276)	-100.00%	Due to reclassification of other operating income
Non Operating Expenses		-	-	0.00%	-
Profit before Income Tax	260,954,403	281,944,250	20,989,847	8.04%	-
Income Tax Expenses		-	-	0.00%	-
Current Tax	77,761,864	78,854,546	1,092,682	1.41%	Due to change in profit

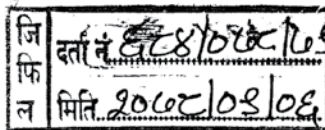
Deferred Tax	-	9,639,669	9,639,669	0.00%	Deferred tax calculation not made.
Profit for the Period	183,192,539	193,450,036	10,257,496	5.60%	Consequential effect of above items.

Consolidated Statement of Comprehensive Income	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Profit/(Loss) for the period	183,192,539	193,450,036	(10,257,496)	-5.60%	-
Other Comprehensive Income	572,680,662	384,085,538	188,595,124	32.93%	NFRS Adjustment and Change in Actuary Valuation
Total Comprehensive Income	755,873,202	577,535,574	178,337,628	23.59%	Consequential effect of above items.





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



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन : ४४१९८०४/४४१९२५०
फ्याक्स : ४४१५१५८
ईमेल : fsidreportsfc@nrb.org.np
Web : www.nrb.org.np
पोष्ट बक्स : ७३

पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/०३/२०७८-७९ | १९६

मिति २०७८/०९/०६

श्री गुडविल फाइनेन्स लिमिटेड
हात्तीसार, काठमाडौं ।



विषय: लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा ।

महाशय,

तहाँबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आ.व. २०७७/७८ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न र प्रस्तावित नगद लाभांश रु. ३,३८,२०,८००/- र बोनस शेयर रु. ७,८९,१५,२००/- आयकर ऐन/नियमावली तथा अन्य प्रचलित कानुनी व्यवस्थाको समेत पालना गरी वार्षिक साधारण सभाबाट स्वीकृत भए पश्चात् मात्रै वितरण गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. संस्थाले कर्जा प्रदाह र कर्जा प्रशासनसँग सम्बन्धित लेखापरीक्षकले औल्याएका तथा यस बैंकको स्थलगत निरीक्षणको क्रममा देखिएका कैफियतहरु यथासक्य छिटो सुधार गर्न हुन ।
२. नियमित रूपमा System Audit गर्ने व्यवस्था मिलाउन हुन ।
३. यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरुको पूर्ण रूपमा पालना गर्नहुन ।
४. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन ।

उपर्युक्त निर्देशनहरुलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन समेत 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, श्री गुडविल फाइनेन्स लिमिटेड ।

Branch Network

Province No. 1

Itahari Branch

Itahari, Sunsari
Tel:: 025-587051
Fax: 025-587050
Branch Incharge: Pramod Gautam
Mob. No.: 9841312140/9852048252
Email: itahari@goodwill.net.np

Phidim Branch

Phidim Main Road, Phidim
Tel:: 024-521068
Branch Incharge: Bikram Tiwari
Mob. No: 9852684078
Email: phidim@goodwill.net.np

Ilam Branch

Prakash Path, Ilam
Tel:: 027-520949
Fax: 027-520947
Branch Incharge: Kalpana Khatiwada
Mob. No: 9844629610/9852680949
Email: ilam@goodwill.net.np

Birtamode Branch

Birtamode, Jhapa
Tel:: 023-530548
Fax: 023-530549
Branch Incharge: Suman Poudel
Mob. No: 9852674776
Email: birtamode@goodwill.net.np

Province No. 2

Nawalpur Branch

Nawalpur Chowk
Tel:: 046-570060
Branch Incharge: Lalit Narayan Shrestha
Mob. No: 9801603530/9854057060
Email: nawalpur@goodwill.net.np

Bardibas Branch

Address: Bardibas, Mahottari
Tel:: 044-550291
Branch Incharge: Rajendra Shrestha
Mob. No: 9802747066/9854030102
Email: bardibas@goodwill.net.np

Bagmati Province

Head office

Hattisar, Kamalpokhari
Tel:: 01-4444039
Fax: 01-4443414
PO Box: 8867
Branch Incharge: Nabin Gautam
Mob. No: 9851193732
Email: info@goodwill.net.np

Bhaktapur Branch

Taumadi, Bhaktapur
Tel:: 01-6620067/01-6620068
Fax: 01-6620056
Branch Incharge: Binaya Shrestha
Mob. No: 9851130556
Email: bhaktapur@goodwill.net.np

Dillibazar Branch

Dillibazar, Kathmandu
Tel:: 01-4422290
Fax: 01-4416052
Branch Incharge: Anjali Sthapit
Mob. No: 9851127742
Email: dillibazar@goodwill.net.np

Indrachowk Branch

Indrachowk, Kathmandu
Tel:: 01-5329554 / 01-5329556
Fax: 01-4229595
Branch Incharge: Swayambhu Shakya
Mob. No: 9851111086
Email: indrachowk@goodwill.net.np

Kumaripati Branch

Kumaripati, Lalitpur
Tel:: 01-5408690/ 01-5408691/01-5408693
Fax: 01-5408693
Branch Incharge: Manjur Pradhan
Mob. No: 9851131235
Email: kumaripati@goodwill.net.np

Tripureshwor Branch

Address: Tripureshwor, Kathmandu
Tel:: 01-5331583
Branch Incharge: Pravin Upadhyaya
Mob. No: 9851217862
Email: tripureshwor@goodwill.net.np

Gandaki Province

Gaundakot Branch

Nawalparasi
Tel:: 078-501411
Branch Incharge: Durga Prasad Sharma (Dipesh)
Mob. No: 9843626470/9857028030
Email: gaundakot@goodwill.net.np

Lumbini Province

Nepalgunj Branch

Surkhet Road Banke, Nepalgunj
Tel:: 081-532056 / 532057
Fax: 081-532058
Branch Incharge: Subesh Shrestha
Mob. No: 9849676510/9858024056
Email: nepalgunj@goodwill.net.np

Dang Branch

Ghorahi, Dang
Tel:: 082-563350/ 563351
Fax: 082-563352
Branch Incharge: Ananda Panthi
Mob. No: 9857832050
Email: dang@goodwill.net.np

Butwal Branch

Ram Mandir line, Butwal
Tel:: 071-537281/ 537282/ 537283
Branch Incharge: Dipak Chapagain
Mob. No: 9857047762
Email: butwal@goodwill.net.np

Bhairahawa Branch

Siddharthanagar, Municipality-5
Tel:: 071-590964/590965
Branch Incharge: Vishal Thapa
Mob. No: 9857052219
Email: bhairahawa@goodwill.net.np

Sudurpashchim Province

Dhangadhi Branch

Dhangadhi Chauraha, Bhansar Road
Tel:: 091-417357/417359
Branch Incharge: Amar Bogati
Mob. No: 9858029199/9858485199
Email: Dhangadhi@goodwill.net.np

Up Coming Branch/Ex. Counter

Extension Counter

Address: Nayabazar, Kathmandu

Imadol Branch

Address: Imadol, Lalitpur

टिपोट



२६ औं साधारण सभाका केही भलकहरू



एक अर्काको साथमा हाम्रो विश्वास



अहिलेको यस विषम परिस्थितिमा पनि तपाईंको साथले हाम्रो विश्वास
अडिग रहेको छ । हाम्रो २०औं वार्षिकोत्सवको उपलक्ष्यमा हाम्रा सम्पूर्ण
ग्राहक महानुभाव, शुभ-चिन्तक तथा नियमन निकायसँग हातेमालो गर्दै
अघि बढ्दै जाने अठोट गर्दछौं ।