

25th ANNUAL REPORT FISCAL YEAR 2077/78



नेपाल राष्ट्र बैंकबाट 'A' वर्गको इजाजतपत्रप्राप्त राष्ट्रिय स्तरको वित्तीय संस्था



**Progressive
Finance Limited**

प्रोग्रेसिभ फाइनेन्स लिमिटेड



BOARD OF MEMBERS

Front Left to Right Sitting

SHAMBHU LAL DANGOL
Director

BISHAL HUMAGAIN
Company Secretary

KISHORE KUMAR MAHARJAN
Chairperson

BIPLOVE SINGH
Director

SABINA MAHARJAN
Director

ANISH MAHARJAN
Director

SAMUNDRA KAJI SHRESTHA
Director

Front Left to Right Standing

BIKASH MAHARJAN
Director

प्रोक्सी फारम

श्री सञ्चालन समिति
प्रोग्रेसिभ फाइनेन्स लिमिटेड
का.म.न. पा. ३२, काठमाडौं ।

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न.पा./गा.वि.स.वडा नं बस्ने म/हामी
..... ले त्यस कम्पनीको शेयरवालाको हैसियतले मिति २०७८ साल चैत्र महिना १६ गते बुधबारका दिन हुने २५औं वार्षिक साधारण सभामा स्वयम् उपस्थिति भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन र मतदान गर्नको लागि तपशिलमा उल्लेखित व्यक्ति लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

प्रतिनिधिको

सही

नाम :

ठेगाना :

शेयर प्रमाण पत्र नं

डिम्याट नं.

शेयर किता नं

कि.नं.

निवेदक

दस्तखत

नाम :

ठेगाना :

शेयर प्रमाण पत्र नं

डिम्याट नं.

शेयर किता नं

मिति : २०७८/...../.....

द्रष्टव्य : यो निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको कर्पोरेट कार्यालयमित्र पेश गरिसक्नु पर्नेछ ।

प्रोग्रेसिभ फाइनेन्स लिमिटेड

प्रवेश पत्र

शेयरधनीको नाम :

शेयर प्रमाण पत्र नं. शेयर समुह : शेयर किता :

यस कम्पनीको २५औं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा हुने भएकाले उक्त सभामा उपस्थित हुन यो प्रवेश – पत्र जारी गरिएको छ ।

साधारण सभा हुने

मिति : २०७८ साल चैत्र महिना १६ गते बुधबार (मार्च ३०, २०२२)

स्थान : ज्यापु प्रज्ञाभवन , भोलगणेश, ललितपुर म.न.पा.वडा नं ९, ललितपुर ।

समय : दिउँसो १:०० बजे ।

.....
शेयरधनीको दस्तखत

.....
कम्पनी सचिव

विषय-सूची

• २५ औं वार्षिक साधारण सभा सम्बन्धी सूचना	३
• अध्यक्षज्यूबाट प्रस्तुत संचालक समितिको प्रतिवेदन	६
• कम्पनी ऐन, २०६३ को दफा १०९ उपदफा ४ वमोजिमको विवरण	१०
• धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६ को उपनियम २ सँग सम्बन्धित अनुसूची १५ वमोजिमको वार्षिक विवरण	१६
• लेखापरिक्षकको प्रतिवेदन	१८
• नेपाल राष्ट्र बैंकबाट दिएका निर्देशन	८६
• नेपाल राष्ट्र बैंकको निर्देशनमा व्यवस्थापनको प्रत्युत्तर	८७
• प्रोग्रेसिभ फाइनेन्स लि. को प्रवन्धपत्रमा संशोधनको लागि तीन महले सहितको प्रस्ताव	८८

प्रोग्रेसिभ फाइनेन्स लि. को २५औं वार्षिक साधारण सभा सम्बन्धी सूचना

यस प्रोग्रेसिभ फाइनेन्स लिमिटेडको मिति २०७८ फागुन १९ गते बसेको सञ्चालक समितिको ४८० औं बैठकको निर्णय बमोजिम मिति २०७८ पौष ३० गतेका लागि तोकिएको २५औं वार्षिक साधारण सभा कोभिड महामारी तथा प्राविधिक कारणवस स्थागित भएकोमा स्थगित २५औं वार्षिक साधारण सभा सम्पन्न गर्नको लागि निम्न मिति, समय र स्थानमा देहायका विषयहरूमा छलफल गर्न बस्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ।

सभा हुने मिति, समय र स्थान :

मिति : २०७८ साल चैत्र १६ गते, बुधबार (तदनुसार ३० मार्च, २०२२)
 समय : दिउसो १:०० बजे।
 स्थान : ज्यापू प्रज्ञा भवन, भोलगणेश, ललितपुर म.न.पा वडा नं. ९, ललितपुर।

छलफलका विषयहरू:

(क) सामान्य प्रस्तावहरू :-

- संचालक समितिको तर्फबाट प्रस्तुत वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने सम्बन्धमा।
- लेखापरीक्षकको प्रतिवेदन सहितको २०७८ आषाढ मसान्तको वित्तीय अवस्थाको विवरण (वासलात), नाफा/नोक्सान विवरण (अन्य विस्तृत आम्दानीको विवरण सहित), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण आदि सहितको वित्तीय विवरण छलफल गरी पारित गर्ने।
- कम्पनी ऐन, २०६३ को दफा १११ अनुसार आ.व. २०७८/०७९ को लागि लेखापरीक्षण समितिको सिफारिस बमोजिम वाह्य लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा।
- संचालक समितिबाट प्रस्ताव गरे बमोजिम आ.व. २०७७/०७८ सम्मको मुनाफा तथा शेयर प्रिमियमबाट संस्थाको चुक्ता पूँजी रु. ८०,०१,००,०००/- को ६.० प्रतिशत बोनस शेयर वितरण गरिने हुँदा सो बापत कर प्रयोजनार्थ नगद लाभांश ०.३१५८ प्रतिशतले हुने रकम रु. २५,२६,६३२ (अक्षरेपी: पच्चिस लाख छविस हजार छ सय बत्तीस रुपैया मात्र) वितरण गर्ने प्रस्ताव पारित गर्ने।
- संचालक समितिबाट संस्थापक समूहको तर्फबाट प्रतिनिधित्व गर्ने रित्त संचालक पदमा भएको नियुक्ति अनुमोदन गर्ने सम्बन्धमा।
- विविध।

(ख) विशेष प्रस्तावहरू :-

- सञ्चालक समितिबाट प्रस्ताव गरे बमोजिम कम्पनीको चुक्ता पूँजीको ६.० प्रतिशतका दरले हुन आउने रु. ४,८०,०६,०००/- (अक्षरेपी: चार करोड असी लाख छ हजार मात्र) बराबरको बोनस शेयर वितरण गर्ने स्वीकृत गर्ने र बोनस शेयर जारी गर्दा कम्पनीको प्रस्तावित अधिकृत, जारी तथा चुक्ता पूँजीको बृद्धि गर्ने र सोहि अनुसार प्रबन्धपत्र संसोधनलाई स्वीकृत गर्ने।
- प्रबन्धपत्र तथा नियमावलीको संसोधनमा नियमनकारी निकायबाट फेरबदल गर्न सुझाव प्राप्त भएमा सो अनुरूप समायोजन गर्न सञ्चालक समितिलाई अख्तियारी प्रत्यायोजन गर्ने।
- यस वित्तीय संस्था र अन्य कुनै उपयुक्त बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने गाभिने, "बैंक तथा वित्तीय संस्था प्राप्ति (Acquisition) सम्बन्धी विनियमावली, २०७०" बमोजिम एक्विजिसन गर्ने गराउने, सो सम्बन्धमा वित्तीय संस्थाको चल अचल सम्पत्ति र दायित्व तथा कारोवारको मूल्याङ्कन (Due Diligence Audit) गर्ने, मान्यता प्राप्त परामर्शदाता, मूल्याङ्कनकर्ता तथा लेखापरीक्षकहरू नियुक्त गर्ने, निजहरूको पारिश्रमिक निर्धारण गर्ने, गाभ्ने/गाभिने, एक्विजिसन सम्बन्धी समझदारी पत्र (Memorandum of Understanding) तर्जुमा गर्ने र अन्य प्रक्रिया समेत पूरा गरी सोमा हस्ताक्षर गर्ने लगायत गान्ने/गाभिने वा एक्विजिसन गर्ने गराउने कार्यसँग सम्बन्धित आवश्यक सम्पूर्ण प्रकृया पूरा गर्न सञ्चालक समितिलाई अख्तियारी दिने। (संस्थाको अस्तित्व रहनेगरी विगत साधारण सभाको निरन्तरताका लागि)

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी

१. साधारण सभा प्रयोजनका लागि गरिएको शेयर दाखिल खारेज लाई साविककै कायम गरिएको छ । जस अन्तर्गत यस अधिको सूचना मूताविक नै यस वित्तीय संस्थाको २५ औं वार्षिक साधारण सभाको प्रयोजनको लागि शेयर दाखिल खारेजको काम मिति २०७८/०५/१५ एक (१) दिनका लागि बन्द भएको थियो । साथै, नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७८/०५/१८ गते सम्म कारोबार भई प्रचलित कानून बमोजिम यस वित्तीय संस्थाको शेयर रजिष्ट्रार एनआईबिएल एस क्यापिटल लिमिटेड, लाजिम्पाट, काठमाण्डौमा प्राप्त शेयर नामसारी लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले मात्र उक्त सभामा भाग लिन पाउने छन् ।
२. शेयरधनी महानुभावहरूले आफ्नो परिचय दिने आधिकारिक परिचयपत्र तथा साधारणसभा प्रयोजनार्थ जारी प्रवेश पत्र वा नागरिकताको प्रमाणपत्रको प्रतिलिपि वा शेयर प्रमाणपत्रको प्रतिलिपि/हितग्राही खाता नम्बर लिई आउनु हुन अनुरोध गरिन्छ ।
३. सभामा भाग लिन प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावले वित्तीय संस्थाको सोही समूहको अर्को शेयरधनीलाई मात्र प्रतिनिधि नियुक्त गर्न सक्नु हुनेछ र सो सम्बन्धी प्रोक्सी फारम सभा शुरू हुनु भन्दा ४८ घण्टा अगावै वित्तीय संस्थाको कर्पोरेट कार्यालय, तिनकुने काठमाडौंमा बुझाई सक्नु पर्नेछ । प्रोक्सी फारम यस वित्तीय संस्थाको धमदकप्तम बाट Download गर्न सकिने छ ।
४. कुनै बैंक, वित्तीय कम्पनी, गुठी, संगठित संस्था, कम्पनी वा नेपाल सरकारले कम्पनीको शेयर खरिद गरेको अवस्थामा त्यस्ताको तर्फबाट खटाइएको वा मनोनित गरेको प्रतिनिधिले मतदान गर्न पाउने छ ।
५. प्रतिनिधि (प्रोक्सी) नियुक्त गरिसक्नु भएको शेयरधनी आफ्नै सभामा उपस्थित भएमा प्रोक्सी दिएको भए तापनि स्वतः बदर हुनेछ ।
६. प्रतिनिधि मुकरर गर्दा केही शेयर आफैसँग राखी आफु समेत सभामा उपस्थित हुने किसिमले आंशिक शेयरको प्रतिनिधि मुकरर गर्न पाइने छैन । सम्पूर्ण शेयरको लागि एकै व्यक्तिलाई मात्र प्रतिनिधि मुकरर गर्नु पर्दछ । साथै प्रतिनिधि (प्रोक्सी) दर्ता गरी सकेपछि सो लाई बदर गरी अर्को प्रतिनिधि पत्र (प्रोक्सी) दिन चाहनेले सो को जानकारी ४८ घण्टा अगावै दिई सक्नुपर्नेछ ।
७. नावालक वा विभिन्न शेयरधनीहरूको तर्फबाट वित्तीय संस्थाको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन, मतदान गर्न वा प्रतिनिधि (प्रोक्सी) तोक्न पाउने छ ।
८. एकै शेयरधनीले कुनै एक प्रतिनिधि मुकरर गरेकोमा सो बदर नगरी अर्को प्रतिनिधि मुकरर गरेमा जुन पहिले प्राप्त भई दर्ता हुन्छ सो मात्र मान्य हुनेछ ।
९. संगठित संस्था शेयरधनी भएमा त्यस्ता संगठित संस्थाद्वारा मनोनीत व्यक्तिले ल्याउने प्रोक्सी फारममा संस्थाको छाप, अधिकृत व्यक्तिको दस्तखत हुनुपर्नेछ ।
१०. साधारण सभाको काम कारवाही कम्पनी ऐन २०६३ तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ बमोजिम हुनेछ ।
११. सभामा भाग लिने प्रत्येक शेयरधनी महानुभावले भौतिक रूपमा उपस्थिति जनाउनु हुन अनुरोध छ । कथंमकदाचित कोभिड महामारिका कारण जिल्ला प्रशासनले कुनै निषेधात्मक निर्देशन जारी गरेको अवस्थामा साधारण सभा webminar मार्फत समेत सञ्चालन गर्न सकिनेछ । Webminar मार्फत सभा सञ्चालन गर्ने भएमा साधारण सभा हुनु अगावै सो सम्बन्धि जानकारी संस्थाले प्रदान गर्नेछ । साधारण सभाको हाजिरी पुस्तिका विहान ११:०० बजेदेखि खुल्ला रहनेछ ।
१२. छलफलको विषय मध्ये विविध शीर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीहरूले सभा शुरू हुनुभन्दा ७ दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ । तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन ।
१३. शेयरधनीहरूबाट उठेका प्रश्न, जिज्ञासाहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट अध्यक्ष वा अध्यक्षबाट अनुमति प्राप्त ८ व्यक्तिले जवाफ दिन सक्नेछन् ।
१४. शेयरधनी महानुभावहरूको जानकारीको लागि वित्तीय संस्थाको वित्तीय विवरण सहितको वार्षिक प्रतिवेदन वित्तीय संस्थाको वेबसाइट

www.pfltd.com.np माफर्त उपलब्ध गराइनेछ ।

१५. साधारणसभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समयमित्र वित्तीय संस्थाको कर्पोरेट कार्यालय, तीनकुने, काठमाण्डौमा सम्पर्क राख्न सकिने छ ।
१६. सुरक्षाको दृष्टिकोणले शेयरधनी महानुभावहरूले साधारण सभासँग सम्बन्धित कागजातहरू बाहेक यथासक्य भोला प्याकेट आदि नलिई आउनु हुन अनुरोध छ ।
१७. कोभिड-१९ को कारणले सृजना हुन सक्ने सम्भावित असर तथा जोखिमलाई मध्यनजर गरी नेपाल सरकारले पालना गर्नुपर्ने भनी तोकिएका सम्पूर्ण सुरक्षात्मक उपायहरू अवलम्बन गरी साधारण सभा सञ्चालन गर्ने प्रबन्ध मिलाईएको छ । साथै शेयरधनी महानुभावहरूले वित्तीय संस्थाको यस साधारण सभामा Webinar माफर्त भाग लिन साधारणसभा हुने समयभन्दा १४ घण्टा अगाडी कार्यालय समय मित्र मोवाईल नं. ९८५११९७३३५ वा ९८५११३१३०० मा सम्पर्क गरी सहभागीता जनाउनु हुन अनुरोध गरिन्छ ।

पुनश्च: कम्पनी ऐन २०६३ अनुसारको वार्षिक आर्थिक विवरण, सञ्चालक समितिको प्रतिवेदन र लेखापरीक्षकको प्रतिवेदन शेयरधनी महानुभावहरूले कम्पनीको कर्पोरेट कार्यालय तीनकुने, काठमाण्डौमा उपस्थित भई निरीक्षण गर्न र प्राप्त गर्न सक्ने व्यहोरा समेत जानकारीका लागि सूचित गरिन्छ । संक्षिप्त आर्थिक विवरण लगायत वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू वित्तीय संस्थाको Website: www.pfltd.com.np मा पनि हेर्न सक्नुहुनेछ ।

प्रोग्रेसिभ फाइनेन्स लिमिटेड २५औं वार्षिक साधारण सभामा सञ्चालक समितिका तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत प्रतिवेदन

शेयरधनी महानुभावहरु,

यस वित्तीय संस्थाको २५औं वार्षिक साधारण सभामा आफ्नो अमूल्य समय दिई उपस्थित हुनुभएका आदरणीय शेयरधनी महानुभाव, प्रतिनिधि, पर्यवेक्षक तथा अतिथिज्यूहरुमा सञ्चालक समितिको तर्फबाट हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु ।

सञ्चालक समिति र सम्पूर्ण प्रोग्रेसिभ फाइनेन्स परिवारको तर्फबाट यहाँहरुलाई स्वागत गर्न र यो वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा म गौरवान्वित भएको छु । वैश्विक महामारीको कारण व्यवसाय तथा सम्पूर्ण अर्थव्यवस्थामा परेको नकारात्मक असरको बाबजुद प्रोग्रेसिभ फाइनेन्स लिमिटेडले आर्थिक वर्ष २०७७/७८ मा सन्तोषजनक प्रगति गरेको प्रतिवेदन प्रस्तुत गर्न पाउँदा हर्षित छु ।

यस गरिमामय सभा समक्ष यस वित्तीय संस्थाको आ.व.२०७७/०७८ को वित्तीय अवस्थाको विवरण, नाफा नोक्सान हिसाब विवरण, नगद प्रवाह, इक्विटीमा आएको परिवर्तन तथा अनुसूचिहरु सहितका विवरण र लेखापरीक्षकको प्रतिवेदन सहितको वार्षिक प्रतिवेदन आदरणीय शेयरधनी महानुभावहरु समक्ष प्रस्तुत गरिसकिएको हुँदा सोको अध्ययन नै भविष्यमा यस वित्तीय संस्थाले निर्वाह गर्नुपर्ने भूमिकाका सम्बन्धमा यहाँहरुबाट सदा भैं अमूल्य सल्लाह एवं सुझाव प्रदान गर्नु हुनेछ भन्ने विश्वास लिएका छौं । हाम्रो उद्देश्य सधैं नै देशले अवलम्बन गरेका नियम तथा कानूनलाई अक्षरसः परिपालन गर्दै हाम्रा ग्राहकहरुलाई आधुनिक प्रविधिको प्रयोग र दक्ष मानव संसाधनद्वारा उत्कृष्ट सेवा प्रदान गर्ने, छरिएर रहेका पुँजीहरुलाई एकिकृत गरी समुचित लगानी गर्ने, लगानीकर्ताहरुलाई समुचित प्रतिफल प्रदान गर्न प्रयासरत रहने, संस्थामा राम्रो संस्थागत सुशासन र नैतिक आवरण कायम राख्ने नै रहि आएको छ । यहाँहरु कै साथ र सहयोगले आज यो वित्तीय संस्था सुदृढ एवं गतिशील संस्थाका रूपमा स्थापित हुँदै शेयरधनी महानुभावहरुलाई लाभान्श वितरण गर्नसक्ने अवस्थामा पुगेको छ । यस संस्थाको इतिहासमै पहिलो पटक लाभान्श प्रस्ताव गरिनुले संस्था प्रतिफल दिने बाटो तर्फ अग्रसर हुनथालेको संकेत प्राप्त भएको छ । अझै हामीले व्यवसाय विस्तारका निमित्त पुरा गर्नुपर्ने लामो यात्रा बाँकी नै रहेकोले आगामी दिनहरुमा समेत यहाँहरुले यस वित्तीय संस्थाको प्रगतिमा उत्तिकै साथ दिनुहुनेछ भन्ने हामीले विश्वास लिएका छौं ।



क) विगत वर्षको कारोबारको तुलनात्मक विश्लेषण :

विस्तारको क्रममा रहेकोले यस वित्तीय संस्थाले शाखा सञ्जाल वृद्धि गर्दै व्यवसायिक दायरा बढाउँदै लगेको छ । प्रविधिको उच्चतम प्रयोग गर्दै यस संस्थाले डिजिटल कारोबारलाई सुदृढ गर्दै लैजाने योजना बनाएको हुँदा यस कार्यमा शेयर धनी महानुभावहरूको साथ र सहयोग प्राप्त हुनेछ भन्ने विश्वास लिएका छौं । साथै हाल बैंकिङ क्षेत्रमा देखिएका नवीनतम प्रविधिहरूको उपयोगलाई प्राथमिकतामा राखेका छौं । विश्वव्यापी कोभिड १९ महामारीका कारण गत आ.व. २०७७/७८ को अन्त्य वित्तीय क्षेत्रका निम्ति सुखद नरहेको भएतापनि संस्थाले निष्कृय कर्जा न्यून

राखी कर्जाको गुणात्मकतालाई कायम नै राख्न सफल रहेको छ ।

वित्तीय संस्थाले नेपाल राष्ट्र बैंकको निर्देशन अनुसार **NFRS (Nepal Financial Reporting Standard)** प्रणाली अनुरूप वित्तीय विवरणहरू तयार गर्दै आइरहेको छ । यस अनुरूप आ. व. २०७६/७७ र २०७७/७८ का उपलब्धिहरूको तुलनात्मक विश्लेषण तलको तालिकामा उल्लेख गरिएको छ ।

रु. हजारमा

शीर्षक	आ.व. २०७७/७८	आ.व. २०७६/७७	वृद्धि/न्यून प्रतिशत
चुक्ता पूँजी	८००,१००	८००,१००	०%
निक्षेप संकलन	२,९१८,६५७	१७,४४,३९९	६७.३९%
कर्जा तथा सापट	२,६९२,६९७	१,६७३,५५३	६०.९०%
लगानी (शेयर तथा ऋणपत्रहरू)	५४८,६७८	३४७,८४४	५७.७३%
जम्मा सम्पत्ति	४०,९०,५३४	२,८४३,५०६	४३.८५%
सञ्चालन मुनाफा	४०,२५०	१२५	३२१००%
खुद नाफा	२६,८१८	४,४२२	५०६.४७%
खुद नाफा/जम्मा सम्पत्ति (%)	०.६५%	०.१६%	३०६.२५%
खुद नाफा/नेटवर्थ (%)	२.९७%	०.५२%	४७१.१५%
खराब कर्जा/रजम्मा कर्जा तथा सापटी (%)	१.८४%	२.१८%	-१५.६०%
प्रति शेयर आम्दानी (रु.)	३.३५%	०.५५	५०९.०९%
पूँजी पर्याप्तता अनुपात	२९.६३%	४५.३२%	-३४.६२%

ख) हालसम्मका उपलब्धी तथा भावी कार्यक्रमहरू :

१. पूँजी बृद्धि योजना:

नेपाल राष्ट्र बैंक बाट जारी निर्देशन बमोजिम चुक्ता पूँजी रु. ८० करोड १ लाख कायम रहेको हुँदा हाल पूँजी वृद्धि सम्बन्धी कुनै योजना बनाइएको छैन । यद्यपी विगत साधारण सभाको निरन्तरताका लागि संस्थाको अस्तित्व रहनेगरी मर्जर र एक्विजिशन गर्ने सम्बन्धमा सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने गरी साधारण सभामा विशेष प्रस्ताव पेश गरिएको छ । यस वित्तीय संस्थाले ६ प्रतिशत

बोनस शेयर प्रस्ताव गरेको हुँदा यसबाट रु. ४ करोड असी लाख छ हजार पूँजी वृद्धि भई जम्मा पूँजी ८४ करोड ८१ लाख ६ हजार कायम हुनेछ । वित्तीय संस्थाले प्रस्ताव गरेको ६ प्रतिशत बोनस शेयर तथा कर प्रयोजनका लागि ०.३१५८ प्रतिशत नगद लाभांश वितरण गर्ने प्रस्तावलाई स्वीकृति प्रदान गर्नुहुन समेत अनुरोध गर्दछु ।

२. शाखा कार्यालय विस्तार:

वित्तीय संस्थाको शाखा कार्यालयहरू थप गरी १६ वटा पुर्‍याइएको छ । यसबाहेक ५ वटा एक्सटेन्सन काउन्टरहरू पनि संचालनमा रहेका छन् । चालू आर्थिक वर्षमा काठमाडौं महानगरपालिका, धनुषाको जनकपुर उपमहानगरपालिका, बाराको जीतपुर सिमरा उपमहानगरपालिका, सर्लाहीको बरहथवा नगरपालिका, महोत्तरीको गौशाला नगरपालिका र काभ्रेपलान्चोकको पाँचखाल नगरपालिकामा शाखा कार्यालयहरू सुरु गरी कारोबार सञ्चालन गरिएको छ । त्यसबाहेक हेटौँडाको पदमपोखरी र बनेपाको नालामा विस्तारित काउन्टर थप गरी कारोबार सञ्चालन गरिएको छ । प्रत्येक प्रदेशमा कम्तीमा ३ वटा शाखाहरू स्थापना गर्ने योजना अनुरूप देशका विभिन्न क्षेत्रहरूमा सम्भाव्यता अध्ययन गरी

आवश्यक प्रक्रिया अगाडि बढाइएको छ । कोभिड १९ को महामारीका कारण भएको लकडाउन तथा यात्रामा प्रतिबन्ध जस्ता कारणले योजना अनुरूप कार्यक्षेत्र विस्तार गर्न नसकिएको हुँदा चालू आर्थिक वर्षमा भने व्यवसाय एवं कार्यक्षेत्र विस्तारमा लाग्ने कुरा यहाँहरूलाई विश्वास दिलाउन चाहन्छु । साथै काम.पा वडा नं २२, पाको न्युरोडमा रहेको मुख्य शाखा कार्यालयलाई मिति २०७८ कार्तिक २५ गतेदेखि सोहि वडाको खिचापोखरीमा ग्राहक तथा भावी सेवाग्राहीहरूले सजिलैसँग देख्न र सहज पहुँच हुने व्यवस्थित एवं आधुनिक भवनमा स्थानान्तरण गरी कारोबार सुरु गरिएको छ ।

३. क्लस्टर कार्यालय तोकिएको :

वित्तीय संस्थाको प्रदेश नं २ मा रहेका सबैला, क्षिणेश्वरनाथ, मलंगवा, गौशाला, बरहथवा एवं जनकपुर शाखाहरूलाई सुपरिवेक्षण तथा व्यवसाय विस्तारमा सहयोग पुऱ्याउने उद्देश्य अनुरूप जनकपुरमा अवस्थित शाखा कार्यालयलाई क्लस्टर कार्यालय तोकिएको जानकारी गराउँदछु। यसरी वित्तीय संस्था प्रादेशिक संरचनातर्फ समेत उन्मुख रहेको व्यहोरा प्रस्तुत गर्न पाउँदा हर्षित छु।

यसरी नै शाखा विस्तार गर्ने क्रममा एउटै भौगोलिक क्षेत्रमा अवस्थित कम्तीमा पाँचवटा शाखाहरूका निम्ति एउटा क्लस्टर कार्यालय तोक्ने व्यवस्था मिलाइएको छ। यस्ता क्लस्टर कार्यालयहरूलाई भविष्यमा प्रादेशिक/क्षेत्रिय कार्यालयहरूमा रूपान्तरण गर्दै लैजाने संस्थाको उद्देश्य रहेको जानकारी गराउँदछु।

४. मानव संसाधन विकास :

आर्थिक वर्ष २०७७/७८ मा संस्थाले कर्मचारीहरूको क्षमता अभिवृद्धि तथा उत्प्रेरणाका निम्ति विभिन्न व्यवसायिक संस्थाहरूद्वारा आयोजित तालिम कार्यक्रमहरूमा कर्मचारीहरूलाई सहभागी गराई उनीहरूको क्षमता विकासलाई प्राथमिकता दिइएको छ। साथै कर्मचारीहरूबीच नियमित सम्पर्क तथा समन्वय गरी संस्थाको कार्य सञ्चालनमा एकरूपता ल्याउने कार्यलाई अघि बढाइएको छ। संस्थामा कार्यरत सम्पूर्ण कर्मचारीहरूलाई सम्पत्ति शुद्धिकरण तथा सञ्चालन जोखिम सम्बन्धी तालिम उपलब्ध गराउने लक्ष अनुरूप पहिलो चरणमा काठमाडौं उपत्यका तथा बनेपामा रहेका शाखा तथा विस्तारित काउन्टरहरूमा कार्यरत ६१ जना कर्मचारीहरूलाई यस्तो तालिम उपलब्ध गराइएको छ। साथै प्रदेश नं २ का शाखाहरूमा कार्यरत ३२ जना कर्मचारीहरूलाई बर्दिबासमा यस सम्बन्धी तालिम उपलब्ध गराइएको जानकारी गराउँदछु। संस्थाको शाखा तथा विभागीय प्रमुखहरूलाई संस्थाका नीतिहरूबारे पुर्नताजगी तालिम, बजेट तयारी एवं व्यवसाय विस्तारका निम्ति आवश्यक विभिन्न औजारहरूका बारेमा दुई दिने आवासीय तालिम सञ्चालन भएको छ। यसबाहेक समय समयमा कर्मचारीहरूको विषयगत

दक्षता अभिवृद्धिका निम्ति रिपोर्टिङ, कर्जा विश्लेषण, डिजीटल बैंकिङ जस्ता विषयहरूमा विभिन्न तालिम प्रदायक संस्थाहरूबाट सञ्चालित तालिमहरूमा पठाउने व्यवस्था गरिएको छ।

कार्यक्रम र कार्यक्षेत्रको विस्तार सँगै मानव संसाधन विकास आवश्यक रहने विषयलाई मध्यनजर गर्दै आवश्यक जनशक्तिहरूको व्यवस्थापन, आवश्यकता अनुसारको तालीम तथा वृत्ति विकासका कार्यक्रमहरू सञ्चालन गरी संस्थाले दक्ष जनशक्ति निर्माणमा आवश्यक पहल गरिरहेको छ। संस्थाको विकास तथा दिर्घकालीन सफलताका निम्ति कार्यरत कर्मचारीहरूको क्षमता, दक्षता, मनोबल तथा उत्प्रेरणाको महत्वपूर्ण भूमिका हुने भएकोले कर्मचारी छनौट, सरुवा, बढुवा, तालिम तथा वृत्ति विकासका निमित्त उपयुक्त नीति एवं निर्देशिकाहरू तयार गरी कार्यान्वयन गरिएको छ। २०७८ माघ सम्ममा यस संस्थामा कार्यरत कर्मचारी संख्या १५६ रहेको छ।

५. सूचना प्रविधि :

हाल प्रविधिको प्रयोगबाट गरिने कारोबार अत्याधिक वृद्धि भइरहेको परिप्रेक्षमा यस वित्तीय संस्थाले पनि आधुनिक बैंकिङका विभिन्न औजारहरू जस्तै: डेबिट कार्ड, कनेक्ट आई पि एस, मोबाइल बैंकिङ, क्यू आर कोड सम्बन्धी सेवाहरू आफ्ना ग्राहकहरूलाई उपलब्ध गराइरहेको छ। नेपाल राष्ट्र बैंकको स्थलगत निरीक्षणका क्रममा हालसम्म **System Audit** नगरिएको विषयलाई समेत उठाइएको हुँदा यसका लागि **Finlink Advisor Pvt. Ltd** सँग सम्झौता गरी **System Audit** कार्य सञ्चालन गरिएको छ। **System Audit** गरेपश्चात संस्थाको सूचना प्रविधि जोखिमको स्तर परीक्षण हुनुका साथै यसबाट हुनसक्ने विभिन्न प्रकारका जोखिम

न्यूनिकरणमा सघाउ पुग्ने अपेक्षा गरिएको छ।

साथै संस्थाको तथ्यांक सुरक्षाका लागि छुट्टै डाटाबेस सर्भर मार्फत **Disaster Recovery System** को व्यवस्थापन गरिएको छ। ग्राहकहरूको बदलिँदो चाहना, चेतनाको स्तर, ग्रामिण क्षेत्रमापनि सूचना संचार प्रविधिको उपलब्धता तथा प्रयोग, प्रतिस्पर्धात्मक वातावरण जस्ता अवस्थाहरूलाई विश्लेषण गरी चालू आर्थिक वर्ष भित्र शाखा रहित बैंकिङ संचालन गर्ने योजना अनुरूप कार्यहरू अघि बढाइएको छ।

६. संस्थागत सुशासन र अनुपालन:

संस्थाले विद्यमान ऐन कानून तथा नीति नियम र नियमनकारी निकायहरूबाट प्राप्त निर्देशनहरू मुताविक आफ्नो व्यवसाय संचालन गर्दै आएको व्यहोरा जानकारी गराउन चाहन्छु। साथै संस्थाका शेयरधनीहरू प्रति संस्थाको सञ्चालक समिति पूर्ण रूपमा जवाफदेही र उत्तरदायी रहनेछ। नेपाल राष्ट्र बैंकको नीति नियमअनुसार संस्था संचालनमा रहि आन्तरिक प्रणालीलाई व्यवस्थित गर्न त्रैमासिक रूपमा आन्तरिक लेखा परीक्षण गराई लेखापरीक्षकले दिएको सुझावहरूको कार्यान्वयन गरेका छौं। संस्थाको सञ्चालक समितिबाट संस्थागत सुशासन कायम राख्न लेखापरीक्षण समिति, जोखिम व्यवस्थापन समिति, सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समिति तथा कर्मचारी सेवा सुविधा समितिहरू गठन गरिएको तथा समितिहरूको नियमित बैठक बसी प्रभावकारी भूमिकाका लागि आवश्यक व्यवस्था

मिलाइएको छ। आन्तरिक तथा अन्तिम लेखापरीक्षणका साथै नेपाल राष्ट्र बैंकबाट समय समयमा गरिने निरीक्षण र त्यसबाट प्राप्त सुझावहरूको पूर्ण पालना गर्दै संस्थागत सुशासनलाई सुदृढ बनाउन सञ्चालक समिति तथा व्यवस्थापन सदैव कटिबद्ध रहनुका साथै कारोवारलाई व्यवस्थित गर्न आवश्यक थप नीति, नियम तथा निर्देशिकाहरू तर्जुमा गरि तदनुरूप लागू गरिएको छ। संस्थामा रहेका नीति, विनियमावली, निर्देशन तथा निर्देशिकाहरूलाई समय सापेक्ष परिमार्जन गर्दै लैजाने योजना रहेकोमा सो अनुरूप परिमार्जन तथा पुनर्लेखनको कार्य समेत सम्पन्न गरिएको छ। यस सम्बन्धमा विस्तृत विवरण वार्षिक प्रतिवेदनमा उल्लेख गरिएको छ।

७. संस्थागत सामाजिक उत्तरदायित्व:

संस्थाले सामाजिक उत्तरदायित्व अन्तर्गत विभिन्न कार्यक्रमहरूमा वित्तीय तथा कार्यगत सहयोग प्रदान गरेको छ। यसै सन्दर्भमा वित्तीय सचेतना कार्यक्रम, वित्तीय साक्षरता कार्यक्रम, सरसफाई कार्यक्रम जस्ता जनचेतनामूलक क्रियाकलापहरू

संचालन गरियो। वित्तीय संस्थाले ललितपुरमा अवस्थित ज्यापू समाज यलको अगुवाईमा गरिएका विभिन्न सामाजिक कार्यहरूमा सहयोग उपलब्ध गराएको छ।

८. लेखापरीक्षकको नियुक्ति:

यस संस्थाको अन्तिम लेखापरीक्षकका रूपमा नियुक्त एस. पाण्डे एण्ड एसोसिएट्स चार्टर्ड एकाउन्टेन्ट्सले आर्थिक वर्ष २०७७/०७८ को लेखापरीक्षण सम्पन्न गर्नुभएकोमा धन्यवाद ज्ञापन गर्दछु। साथै लेखापरीक्षक श्री एस. पाण्डे एण्ड एसोसिएट्सले कार्य व्यस्तताका कारण आगामी लेखा परिक्षण गर्न असमर्थ रहेको भनि जानकारी गराएकाले कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण सम्पन्न गर्नका लागि रन्जीब एण्ड एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री रन्जीब श्रेष्ठलाई नियुक्त गर्न लेखा

परीक्षण समितिबाट सिफारिस गरिएको हुँदा आर्थिक वर्ष २०७८/७९को लेखा परीक्षणका निमित्त रन्जीब एण्ड एसोसिएट्सका चार्टर्ड एकाउन्टेन्ट श्री रन्जीब श्रेष्ठलाई लेखापरीक्षक नियुक्तिका लागि स्वीकृति प्रदान गर्नुहुन अनुरोध गर्दछु। साथै, लेखापरीक्षण कार्य सम्पन्न गरेबापत निजको पारिश्रमिक कर बाहेक रु ३,००,००० (रु. तीन लाख मात्र) प्रस्ताव गरिएको हुँदा सोको स्वीकृतिका लागि सभा समक्ष अनुरोध गर्दछु।

९. सञ्चालक समितिमा हेरफेर एवं प्रबन्धपत्रमा संसोधन:

यस संस्थाका सञ्चालक श्री लक्ष्मी प्रसाद महर्जनले दिनुभएको राजीनामा स्वीकृत भई रिक्त रहेको सञ्चालक पदमा मिति २०७८ भाद्र १ गते बसेको सञ्चालक समितिको ४६४औं बैठकले गरेको निर्णय अनुसार बाँकी अवधिका निमित्त श्री विकास महर्जनलाई सञ्चालक नियुक्त गरेको हुँदा सोको अनुमोदनका निमित्त समेत सभा समक्ष अनुरोध गर्दछु।

साथै ६ प्रतिशत बोनस शेयर जारी गरे पश्चात कम्पनीको अधिकृत, जारी तथा चुक्ता पूँजीमा वृद्धि हुने भएकोले सोहि अनुसार प्रबन्धपत्रमा संसोधन गर्न पेश गरिएको प्रस्ताव स्वीकृतिका लागि यस सभा समक्ष अनुरोध गर्दछु। प्रबन्धपत्र संसोधन सम्बन्धी तीन महले यसै प्रतिवेदनमा संलग्न गरिएको छ।

आभार प्रकट

यस संस्थाको पच्विसौं वार्षिक साधारण सभाको यस अवसरमा यस संस्थाको स्थापनाकालदेखि संस्थालाई सहयोग पुऱ्याउँदै आउनुभएको शेयरधनी महानुभावहरू, ग्राहकहरू, लेखापरीक्षक तथा नेपाल सरकारका निकायहरू अर्थ मन्त्रालय, नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, धितोपत्र बोर्ड, नेपाल धितोपत्र विनिमय बजार, कर्जा सूचना केन्द्र एवं विभिन्न बैंक तथा वित्तीय संस्थाहरू लगायत संस्थाको कारोबार विस्तारमा प्रत्यक्ष तथा अप्रत्यक्ष रूपले सहयोग पुऱ्याउने सम्पूर्ण निकायहरू प्रति कृतज्ञता प्रकट गर्दछु। साथै संस्थाका प्रमुख कार्यकारी अधिकृत, उच्च व्यवस्थापनका कर्मचारी लगायत सम्पूर्ण कर्मचारीहरूको कर्तव्यनिष्ठता, लगनशिलता एवम् अथक परिश्रमको सराहना गर्दछु।

धन्यवाद !

किशोर कुमार महर्जन

अध्यक्ष

मिति : २०७८/१२/१६

कम्पनी ऐन २०६३ को दफा १०८ उपदफा ४ बमोजिमको विवरण

क. विगत वर्षको कारोबारको सिंहावलोकन :

सन् २०१९ को अन्तबाट विश्वव्यापी महामारीको रूपमा फैलिएको कोभिड-१९ का कारण सिर्जित आर्थिक मन्दीले बैंकिङ क्षेत्रमा प्रत्यक्ष रूपमा परेको असर, व्याज दरमा अस्वस्थ प्रतिस्पर्धा हुनु जस्ता चुनौतिहरूको सामना गर्दै यसलाई व्यवस्थापन गर्नुपर्ने अवस्था रहेकोले सम्पूर्ण शेयरधनी महानुभावहरूको साथ र सहयोगबाट यस्ता समस्या समाधान गर्न सफल भै ग्राहक वर्गमा अधिकतम सेवा सुविधा उपलब्ध गराउन सकिन्छ भन्ने विश्वास लिएका छौं। लगानी मैत्री वातावरण बन्न नसक्दा परेका असरहरूका बावजुद निष्कृत्य कर्जा अघिल्लो आर्थिक वर्षको तुलनामा न्यून भएको छ। यसका साथै बैंक तथा वित्तीय संस्थाहरू बीच अत्यधिक प्रतिस्पर्धा हुनु, नियमनकारी निकायले जारी गरेको नीति निर्देशनमा आएका परिवर्तनहरू जस्ता

कारण हुँदाहुदै संचालक समिति तथा व्यवस्थापनको अथक प्रयासबाट संस्थालाई गतिशील बनाउने दिशातर्फ उन्मुख गराउन सफल भएका छौं।

संस्थाले ग्राहकहरूको सुविधाका लागि इ-बैंकिङ, मोबाइल बैंकिङ तथा कनेक्ट आईपीएस, सी-आरवा, कर्पोरेट-पे, RTGS, QR Code लगायतका सेवाहरू सुचारु गरेको छ। निक्षेप वृद्धिमा ठूलो योगदान पुग्ने विश्वास लिएका छौं। विगत २ वर्षको संक्षिप्त वित्तीय विश्लेषण संचालक समितिका तर्फबाट प्रस्तुत वार्षिक विवरण अगाडि प्रस्तुत गरिएको छ।

ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थिति र यसका प्रभावहरू :

सन् २०१९ को अन्तबाट विश्वव्यापी महामारीको रूपमा फैलिएको कोभिड-१९ का कारण सिर्जित आर्थिक मन्दीले विश्व अर्थतन्त्र नराम्रोसँग प्रभावित हुन पुगेको छ। सन् १८७० देखि हालसम्म विभिन्न प्रकृतिका वित्तीय संकटका कारण उत्पन्न आर्थिक विषमताको तुलनामा कोभिड-१९ महामारीको विश्व अर्थतन्त्रमा सबैभन्दा ठूलो नकारात्मक प्रभाव परेको छ। महामारी नियन्त्रण गर्न अवलम्बन गरिएका विभिन्न उपायका कारण अर्थतन्त्रका विभिन्न क्षेत्रहरू उत्पादन, वितरण र श्रम बजार प्रभावित भई बरोजगारी, गरिबी र असमानता बढेको छ।

जसको कारण समिक्षा आ.व.को पहिलो र चौथो त्रैमासमा नियमित रूपमा कार्य सञ्चालन हुन नसकेको र कोरोनाको प्रभावका कारण व्यवसायको विस्तार योजना अनुसार कार्य सम्पन्न गर्न कठिनाई उत्पन्न भएको साथै तोकिएको किस्ता समयमा असुल उपर हुन नसकेको तथा मुल्य बृद्धि, घट्दो शेयर बजार कारोबार, उत्पादनमूलक क्षेत्रको लगानीमा कमी तथा तरलताको समस्या लगायतका कारणहरूले समग्र नेपाली अर्थतन्त्रलाई प्रभाव पारिरहेको अवस्था विद्यमान रहेको देखिन्छ। यस परिस्थितिमा बैंक तथा वित्तीय संस्थाहरूको बाक्लो संख्यात्मक उपस्थितिले वित्तीय बजार निकै प्रतिस्पर्धात्मक हुँदै गएको छ। जसले गर्दा बढी मुल्यमा वित्तीय श्रोत संकलन गरी ठूला तथा पुराना बैंक तथा वित्तीय संस्थाहरू संग प्रतिस्पर्धा गर्नु निकै चुनौतिपूर्ण रहेको छ।

आर्थिक वर्ष २०७७/७८ मा देशको अर्थतन्त्र ४.०१ प्रतिशतले वृद्धि भएको केन्द्रीय तथ्याङ्क विभागको अनुमान रहेको छ। २०७६ चैत्रबाट गरिएको बन्दाबन्दीको कारण आर्थिक वर्ष २०७६/७७ मा देशको अर्थतन्त्र २.०९ प्रतिशतले संकुचनमा गएको थियो। आर्थिक वर्ष २०७७/७८ मा कृषि, उद्योग र सेवा क्षेत्रको वृद्धिदर क्रमशः २.६४ प्रतिशत, ५.०५ प्रतिशत र ४.४३ प्रतिशत रहने अनुमान गरिएको छ। कुल ग्राहस्थ उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमशः २५.८३ प्रतिशत, १३.११ प्रतिशत र ६१.०६ प्रतिशत रहेको छ।

आर्थिक वर्ष २०७७/७८ मा विप्रेषण आप्रवाहमा ९.८ प्रतिशतले वृद्धि भई रु.९६९

अर्ब ५ करोड कायम हुन पुगेको छ। अघिल्लो वर्ष विप्रेषण आप्रवाह ०.५ प्रतिशतले घटेको थियो। समीक्षा अवधिमा वैदेशिक रोजगारीका लागि अन्तिम श्रम स्वीकृति (संस्थागत तथा व्यक्तिगत-नयाँ र वैधानिकीकरण) लिने नेपालीको संख्या ६२.८ प्रतिशतले घटेको छ।

सन् २०२० मा ३.३ प्रतिशतले सङ्कुचनमा गएको विश्व अर्थतन्त्र सन् २०२१ मा ६.० प्रतिशतले विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषको प्रक्षेपण छ। सन् २०२० मा २.२ प्रतिशतले संकुचन भएको उदीयमान तथा विकासशील अर्थतन्त्र सन् २०२१ मा ६.७ प्रतिशतले विस्तार हुने अनुमान गरिएको छ। सन् २०२१ मा दक्षिण एशियाका अधिकांश मुलुकको अर्थतन्त्र सुधार हुने देखिएको छ। सन् २०२१ मा भारत र चीनको अर्थतन्त्र क्रमशः १२.५ प्रतिशत र ८.४ प्रतिशतले वृद्धि हुने अनुमान रहको छ। अघिल्लो वर्ष भारतको अर्थतन्त्र ८.० प्रतिशतले सङ्कुचन भएकोमा चीनको अर्थतन्त्र २.३ प्रतिशतले विस्तार भएको थियो। सन् २०२० को अगष्टदेखि कोभिड-१९ विरुद्धको खोपको उत्पादन र वितरण शुरू भई अधिकांश देशमा खोप अभियान शुरू भइसकेको कारण आगामी दिनमा विश्व अर्थतन्त्र सामान्य तर्फ उन्मुख हुने अनुमान रहेको छ। यस्तै, आगामी दिनमा आपूर्ति श्रृंखला सुचारु हुने, वस्तुको मागमा वृद्धि हुने, काम गर्ने तरिकामा परिवर्तन हुने साथै आर्थिक पुनरुत्थानमा मुलुकहरूले अवलम्बन गरेका नीतिगत व्यवस्थाको कारण सन् २०२१ मा विश्व अर्थतन्त्र विस्तार हुने अपेक्षा गरिएको हो।

कोभिड-१९ महामारीको कारण देशको अर्थतन्त्र पनि प्रभावित भएको छ। आर्थिक वर्ष २०७६/७७ को तेस्रो त्रयमासको अन्त्यबाट शुरू भई लामो समयसम्म रहेको बन्दाबन्दीको कारण उक्त वर्षको आर्थिक वृद्धिदर पछिल्लो दुई दशकमै पहिलो पटक २०९ प्रतिशतले ऋणात्मक रहन गएको अनुमान केन्द्रीय तथ्याङ्क विभागको रहेको छ। कोभिड-१९ नियन्त्रणमा आई अर्थतन्त्रमा V-आकारको आर्थिक वृद्धि हुने अपेक्षा सहित आर्थिक वर्ष २०७७/७८ मा अर्थतन्त्र ४.०१ प्रतिशतले विस्तार हुने प्रक्षेपण गरिएको छ। यद्यपि २०७८ को शुरूवात सँगै फैलिएको दोश्रो लहरले यो वृद्धिदर कायम हुन चुनौतीपूर्ण देखिएको छ।

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

यस संस्थाको आ.व. २०७८/७९ को दोस्रो त्रैमासको अन्त्य सम्ममा रु.२,५५,१०,०४७/- सञ्चालन आम्दानी रहेको र २,४१,६४,८९३/- खुद मुनाफा रहेको छ, साथै यस अवधिमा संस्थाको कुल कर्जा तथा सापटी रु. ३,४५,०४,००,६७८/- तथा कुल निक्षेप रु. ३,६५,२५,९८,७९५/- रहेको छ। चालु आ.व. को दोस्रो त्रैमासिक अर्थात् २०७८ पौष मसान्त सम्ममा वित्तीय संस्थाको आर्थिक उपलब्धिको तुलनात्मक विवरण निम्नानुसार रहेको छ।

रु. हजारमा

विवरण	आ.व ०७८/०७९ पौष मसान्त	आ.व ०७७/०७८ पौष मसान्त	आ.व ०७६/०७७ पौष मसान्त	तुलनात्मक बृद्धि ०७८/७९ ०७७/७८	
चुक्ता पूजा	८००,१००	८००,१००	८००,१००	०%	०%
कुल निक्षेप	३६,५२,५९८.७९५	२९,८३,७७५.३५	१७,४४,३९९.८५	६७.२६%	२५.१९%
कुल लगानी	५५,८७,८७.०९१	४,३०,५१७.९१	३,७४,८४४.३९	२९.७९%	१४.८५%
कुल कर्जा	३४,५०,४००.६८	२०,३०,३६४.५८	१६,७३,५५२.७५	६९.९३%	२१.३२%
संचालन मुनाफा					
कर्मचारी बोनस तथा कर अधि	२५,५२७.३०	४०,२८९.५३	-२०,९९७.२९	-३६.६४%	-२९१.८८%
खराब कर्जा अनुपात	३.६४	४.०४%	३.४४%	-९.९०%	१७.४४%
कुल शेयर नेटवर्थ	११३.७०	१११.५८	१०७.२३	१.९०%	४.०६%

संस्थाको उन्नतिको लागि भविष्यमा गर्नुपर्ने कामको सम्बन्धमा सञ्चालक समितिको अवधारणा निम्नानुसार रहेको छ :

- कोरोनाका कारणले व्यवसायमा पर्न गएको असरलाई मध्यनजर गर्दै ग्राहक सदस्यहरूको आवश्यकता अनुसारका सेवाहरू प्रदान गर्ने।
- कोभिड-१९ को कारण समय व्रितीय क्षेत्रमा परेको असरलाई मध्यनजर गर्दै क्षेत्रगत रूपमा प्रवाह भएका कर्जाहरूको समष्टिगत जोखिम मूल्याङ्कन गरी सो को न्यूनीकरणका लागि आवश्यक पहल गरिने।
- विप्रेषण सेवालाई प्रभावकारी बनाउन थप विप्रेषणको कारोबार गर्ने एजेन्सीहरूसँग सहकार्य बढाउदै लैजाने।
- कर्जा तथा लगानीको गुणस्तर वृद्धि गरी कर्जा लगानी बढाईनेछ। विशेषतः विपन्न वर्ग कर्जा तथा उत्पादनशिल क्षेत्रमा प्रवाह हुने कर्जालाई प्राथमिकता दिइनेछ।
- कर्जाको नयाँ योजनाहरू लागु गरिनेछ।
- नयाँ निक्षेप योजनाहरू लागू गर्दै लगिनेछ।
- वित्तीय क्षेत्रमा आएका नयाँ नयाँ प्रविधिहरूलाई आत्मसात गर्दै कारोबार बृद्धि गरिनेछ।
- संस्थाका कर्मचारीको कार्यक्षमतामा बृद्धि ल्याउन विभिन्न तालिम सेमिनारहरूमा सहभागिता गराउँदै लगिनेछ।
- सामाजिक उत्तरदायित्व अन्तरगतका कार्यहरू प्रभावकारी रूपमा गरिनेछ।
- आवश्यक नीति तथा निर्देशिकाहरू समयसापेक्ष रूपमा निर्माण तथा परिमार्जन गर्दै जाने।
- व्यवसाय विस्तारका लागि शाखाहरूको विस्तारलाई प्राथमिकता दिइनेछ।
- लगानीको दायरा बढाउन विभिन्न वित्तीय औजारहरूको (Financial Tools) समुचित उपयोग गर्दै संस्थालाई मुनाफातर्फ उन्मुख गराइने।
- KYC, AML/Compliance सम्बन्धी व्यवस्था कार्यान्वयनमा प्रभावकारिता ल्याउन सम्बन्धित कर्मचारीलाई आवश्यक तालिम तथा क्षमता अभिवृद्धिमा जोड दिइने।

घ) औद्योगिक तथा व्यावसायिक सम्बन्ध :

वित्तीय संस्थाले आफुसँग सम्बन्धित औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरूसँग संस्थागत एवं व्यवसायिक मूल्य र मान्यताको आधारमा मैत्रीपूर्ण सम्बन्ध कायम गर्दै आएको छ र यस सम्बन्धलाई व्यवसायिक तथा पारदर्शिताका आधारमा वित्तीय संस्थाको हितमा रहने गरी अभि विकसित गर्दै लगिने छ ।

ङ) संचालक समितिमा भएको हेरफेर र सोको कारण :

नभएको

च) कारोवारलाई असर पार्ने मुख्य कुराहरु:

- कोरोना भाइरसको पटक पटक देखापर्ने नयाँ **Variant** ले देशको समग्र आर्थिक कृयाकलापमा पार्ने असर ।
- आर्थिक पुनरुत्थानका लागि नेपाल सरकार तथा नेपाल राष्ट्र बैंकबाट गरिने नीतिगत व्यवस्थाबाट बैंकिङ्ग क्षेत्रमा हुनसक्ने असर ।
- विप्रेषण आप्रवाहमा आउन सक्ने परिवर्तनबाट बैंकिङ्ग क्षेत्रको साधन परिचालनमा पर्न जाने चाप ।
- उत्पादनमूलक, रोजगारीमूलक तथा निर्यातमुखी क्षेत्रमा लगानी वृद्धि गर्दै लैजाने राज्यको नीति ।
- निक्षेप वृद्धि तथा कर्जा विस्तार बिच तादात्म्य हुन नसक्दा तरलता तथा ब्याज आम्दानीमा पर्ने असर ।
- बैंकिङ्ग क्षेत्रमा बढ्दो प्रतिस्पर्धाका कारण मुनाफामा पर्न सक्ने असर ।
- कृषि, उर्जा पर्यटन तथा लघु, साना एवम् मझौला उद्यम लगायतका क्षेत्रमा निश्चित प्रतिशतसम्म लगानी गर्नुपर्ने व्यवस्था ।
- बैंकमा कार्यरत समग्र कर्मचारीको उत्पादकत्वमा वृद्धि गर्दै लैजानुपर्ने अवस्था ।
- शाखा सञ्जालको विस्तारबाट सञ्चालन लागतमा पर्न जाने असर ।
- सूचना प्रविधि तथा डिजिटाइजेशनको उपभोग बढेसँगै देखापर्ने विभिन्न जोखिमहरुको व्यवस्थापन ।
- सम्पत्ति शुद्धीकरण निवारणसँग सम्बन्धित राष्ट्रिय तथा अन्तर्राष्ट्रिय नियम, कानून र अभ्यासहरुको परिपालना ।
- फराकिलो व्यापार घाटाले शोधनान्तरमा पर्न जाने चाप ।
- बढ्दो अस्वस्थ प्रतिस्पर्धाका कारण बढ्न सक्ने जोखिम ।
- लगानी योग्यपूँजीको बढ्दो लागतका कारण उत्पन्न जोखिम ।
- संचालन जोखिमका कारण उत्पन्न हुनसक्ने समस्याहरु ।
- ब्याज दर परिवर्तनका कारण उत्पन्न जोखिम ।
- नयाँ उद्योग, व्यवसायहरु स्थापना हुने क्रम न्यून रहेको हुँदा लगानीका क्षेत्रहरुको सिमितता ।

छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिक्रिया:

आ.व.२०७७/०७८को लेखापरीक्षण प्रतिवेदनमा बैंकिङ्ग कारोवारको सिलसिलामा हुने सामान्य कैफियतहरु बाहेक वित्तीय संस्थाको कारोवारमा असर पार्ने खालका अन्य कुनै कैफियतहरु उल्लेख भएका छैनन् ।

ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

आ.व. २०७७/०७८ मा चुक्ता पूँजीको ६ प्रतिशतका दरले हुन आउने रु. ४,८०,०६,०००/- (अक्षरेपी: चार करोड असी लाख छ हजार मात्र) बराबरको बोनस शेयर वितरण र ६ प्रतिशत बोनस शेयर वितरण गरिदा सो बापत कर प्रयोजनार्थ नगद लाभांश ०.३१५८ प्रतिशतले हुने रकम रु. २५,२६,६३२/ (अक्षरेपी: पच्चीस लाख छब्बीस हजार छ सय बत्तिस रुपैया मात्र) वितरण गर्न सञ्चालक समिति मार्फत प्रस्ताव सिफारिस गरिएको छ ।

भ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयर जफत हुनु भन्दा अगावै सो वापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर विक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर वापत रकमफिर्ता गरेको भए सोको विवरण:

यस वित्तीय संस्थाको प्रतिवेदनको मितिसम्म कुनै शेयर जफत भएको छैन।

ज) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोवारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन:

यस वित्तीय संस्थाको कुनै सहायक कम्पनी रहेको छैन।

ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोवारहरू र सो अवधिमा कम्पनीको कारोवारमा आएको कुनै महत्वपूर्ण परिवर्तन:

यस कम्पनीको कुनै सहायक कम्पनी नरहेको हुँदा यसले कम्पनीको कारोबारमा कुनै महत्वपूर्ण परिवर्तन आएको छैन।

ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीले वित्तीय संस्थालाई उपलब्ध गराएको जानकारी:

यस कम्पनीका कुनै पनि आधारभूत शेयरधनीहरूले कम्पनीलाई कुनै लिखित वा मौखिक जानकारी उपलब्ध गराउनु भएको छैन।

ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी:

यस वित्तीय संस्थाका सञ्चालकहरूले २०७८ आषाढ मसान्तसम्म लिएको शेयर (कल ईन एड्भान्स समेत) को स्वामित्वको विवरण देहाय बमोजिम रहेको छ। साथै सञ्चालक एवं पदाधिकारीहरू वित्तीय संस्थाको शेयर कारोबारमा संलग्न रहनुभएको छैन।

नाम	पद	लिएको संस्थापक शेयर संख्या	सर्वसाधारण शेयर
श्री किशोर कुमार महर्जन	अध्यक्ष	२५,८०८	८,५७२
श्री शम्भु लाल डंगोल	सञ्चालक	१,५२,८००	२६,८८५
श्री विकास महर्जन	सञ्चालक	६६,८९३	०
श्री समुन्द्र काजी श्रेष्ठ	सञ्चालक	०	१,८०,६८८
श्री सविना महर्जन	सञ्चालक	०	१,०००
श्री अनिश महर्जन	संचालक	०	१,८८८
श्री विप्लव सिंह	स्वतन्त्र संचालक	०	५००

ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको वारेमा उपलब्ध गराएको जानकारीको व्यहोरा:

समिक्षा अवधिमा वित्तीय संस्थालाई यस सम्बन्धी कुनै जानकारी उपलब्ध भएको छैन।

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

समिक्षा अवधिमा वित्तीय संस्थाले आफ्नो शेयर आफैले खरिद गरेको छैन।

त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सो को विस्तृत विवरण :

संस्थामा जोखिम व्यवस्थापन समिति, लेखापरीक्षण समिति, कर्मचारी सेवा सुविधा समिति तथा सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समिति गठन गरिएको छ। साथै संस्थाको कारोबारका सन्दर्भमा भविष्यमा आवश्यक पर्ने नीति, विनियमावली तथा निर्देशनहरू समय सापेक्ष परिमार्जन एवं तर्जुमा गरी तदनुरूपको कार्यान्वयनमा जोड दिई संस्थाको आन्तरिक नियन्त्रण प्रणालीलाई अभि सुदृढ बनाउँदै लैजाने लक्ष्य लिइएको छ।

आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न त्रैमासिक रूपमा आन्तरिक लेखापरीक्षण गराई प्रतिवेदनमा दिइएका सुझावहरू कार्यान्वयन गर्ने तथा स्वतन्त्र रूपमा रहेको लेखापरीक्षण समितिको बैठकले दिएका निर्देशनहरूको कार्यान्वयन गर्ने व्यवस्था मिलाइएको छ।

थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण:

विवरण	आ.व. २०७७/०७८
कुल कर्मचारी खर्च	४,९९,९६,९६३।००
कुल कार्यालय खर्च	२,४९,९५,०२०।००

द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझावदिएको भए सोको विवरण

लेखापरीक्षण समिति :

१. श्री अनिश महर्जन	संयोजक
२. श्री शम्भु लाल डंगोल	सदस्य
३. श्री विक्रम शाक्य	सदस्य सचिव

उपरोक्त बमोजिमको लेखापरीक्षण समितिले नेपाल राष्ट्र बैंक लगायत बाह्य तथा आन्तरिक लेखापरीक्षण प्रतिवेदन उपर विस्तृत अध्ययन तथा विश्लेषण गरि सोमा उल्लेखित निर्देशन एवं कैफियतहरूका सम्बन्धमा व्यवस्थापनबाट आवश्यक जानकारी लिई सो को प्रतिवेदन कार्यान्वयनको सिफारिस एवं सुझाव सहित सञ्चालक समिति समक्ष पेश गर्ने गरेको छ। यस अवधिमा लेखापरीक्षण समितिका

पदाधिकारी मध्ये संयोजक र संचालक सदस्यलाई प्रति बैठक रु.४,०००/- रुपैयाँ बैठक भत्ता बाहेक अन्य कुनै पनि भत्ता वा सुविधा उपलब्ध गराइएको छैन। सदस्य सचिवलाई सचिवालय व्यवस्थापन तथा बैठकमा प्रस्तुत गरिने विषयवस्तुहरू तयार गर्ने जिम्मेवारी रहेको हुँदा निजलाई प्रति बैठक रु.२,०००/- सदस्य सचिव भत्ता उपलब्ध गराइएको छ।

ध) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभुत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले वित्तीय संस्थालाई कुनै रकम बुझाउन बाँकी भए सो कुरा:

संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभुत शेयरधनी वा निजको नातेदार वा निज संलग्न रहेको फर्म, वित्तीय संस्था वा संगठित संस्थाले वित्तीय संस्थालाई कुनैपनि रकम बुझाउन बाँकी रहेको छैन।

न) संचालक, प्रबन्ध संचालक, प्रमुख कार्यकारी अधिकृत तथा पदाधिकारीहरूलाई भुक्तानी गरीएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

आ.व. २०७७/०७८ मा संचालक समितिका सदस्यहरूलाई बैठक भत्ता बापत र अन्य सुविधा बापत जम्मा रु. ६,०८,०००/- उपलब्ध गराइएको छ। साथै कम्पनीका प्रमुख कार्यकारी अधिकृतलाई तलब तथा भत्ता बापत आ.व २०७७/०७८ मा वार्षिक रु.२७,९३,०००/- उपलब्ध गराइएको छ। त्यसका साथै इन्धन तथा मर्मत सहित सवारी साधन तथा अन्य सुविधा कर्मचारी नियमावली अनुसार उपलब्ध गराइएको छ।

प) शेयरधनीले बुझिलिन बाँकी रहेको लाभांशको रकम :

हाल सम्म लाभांश वितरण गरिएको छैन।

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

समिक्षा अवधिमा वित्तीय संस्थाले कम्पनी ऐन, २०६३ को दफा १४१ बमोजिमको कुनै सम्पत्ति खरिद वा बिक्री गरेको छैन।

ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण:

बितीय संस्थाले समिक्षा अवधिमा कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम अन्य कुनै कम्पनीसँग सम्बद्ध रहि कुनै किसिमको कारोबार गरेको छैन।

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

ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुराहरू नभएको।

म) अन्य आवश्यक कुराहरू : नभएको

अनिश महर्जन
 संचालक
 प्रोग्रेसिभ फाइनेन्स लि.
 मिति: २०७८/१२/१६

किशोर कुमार महर्जन
 अध्यक्ष
 प्रोग्रेसिभ फाइनेन्स लि.

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

१. सञ्चालक समितिको प्रतिवेदन :

वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

२. लेखापरीक्षकको प्रतिवेदन :

वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण:

वार्षिक प्रतिवेदनको सम्बन्धित शीर्षक अन्तर्गत राखिएको ।

४. कानुनी कारवाही सम्बन्धी विवरण :

क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :

आर्थिक वर्ष २०७७/७८ मा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको छैन ।

ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्ध प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए :

यस सम्बन्धमा वित्तीय संस्थालाई कुनै जानकारी प्राप्त नभएको ।

ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए :

यस सम्बन्धमा वित्तीय संस्थालाई कुनै जानकारी प्राप्त नभएको ।

५. संगठित संस्थाको शेयर कारोबार तथाप्रगतिको विश्लेषण :

क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा:

नेपाल धितोपत्र बोर्डको रेखदेखमा धितोपत्र बजारमा खुल्ला बजारले निर्धारण गरे अनुरूप कारोबार हुने हुँदा यस संस्थाको व्यवस्थापन तटस्थ छ ।

ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन :

गत आर्थिक वर्षमा शेयरको अधिकतम, न्यूनतम, अन्तिममूल्य, कारोबार संख्या र कारोबार भएको दिनको विवरण (नेपाल स्टक एक्सचेन्ज लिमिटेडको वेबसाइट अनुसार) निम्न बमोजिम रहेको छ :

आ. व. २०७७/०७८

क्र.सं.	विवरण	पहिलो त्रैमास	दोश्रो त्रैमास	तेश्रो त्रैमास	चौथो त्रैमास
१	अधिकतम मूल्य	२५८	२१३	१६७	२२८
२	न्यूनतम मूल्य	२५१	२०८	१६४	२१९
३	अन्तिम मूल्य	२५५	२१०	१६६	२२३
४	कारोबार संख्या	१०३	१४७	१५३	५९२
५	कारोबार दिन	२०	३१	४१	४६

६. समस्या तथा चुनौतीहरू :

(१) आन्तरिक समस्या र चुनौती :

- (क) बढ्दो मुद्रास्फिटिका कारण संचालन खर्चमा बृद्धि ।
- (ख) शाखा विस्तार तथा नयाँ सेवा शुरू गर्नको लागि आवश्यक दक्ष जनशक्तिको अभाव ।
- (ग) ब्याजदर अन्तरमा ह्रास ।
- (घ) संस्थागत निक्षेपको अनुपात घटाइ सर्वसाधारणको निक्षेपको अंशवृद्धि गर्नु पर्ने व्यवस्था ।
- (ङ) दक्ष कर्मचारीहरू पलायन हुनबाट रोक्नुपर्ने ।

(२) बाह्य चुनौतीहरू :

- (क) बैंक तथा वित्तीय संस्थाहरूको संख्यामा भएको वृद्धिले सिर्जना गरेको प्रतिस्पर्धा ।
- (ख) सिमित लगानी क्षेत्रमा भएको प्रतिस्पर्धा ।
- (ग) तरलतामा हुने उतार चढाव तथा सोको कारणबाट सम्पति र दायित्व तथा निक्षेप तथा कर्जाको व्याजदर व्यवस्थापनमा चुनौतिहरू ।
- (घ) लगानी मैत्री वातावरणको अभाव ।
- (ङ) सरकारको पूँजीगत खर्चमा भएको कमि र न्यून तरलता ।

७. संस्थागत सुशासन :

- (क) संस्थागत सुशासनको उल्लंघनलाई शुन्य सहनशिलताको नीतिलाई निरन्तरता दिइदै आएको छ । संस्थाका लगानीकर्ता शेयरधनीहरू, सर्वसाधारण निक्षेपकर्ताहरू, कर्मचारी, ऋणी लगायत सम्बद्ध सबै सरोकारवालाहरूको हितको संरक्षणमा विशेष प्राथमिकता दिदै आएको छ ।
- (ख) प्रचलित नेपाल कानून, नेपाल राष्ट्र बैंक लगायतका नियमनकारी निकायबाट जारी भएका निर्देशन परिपत्रहरू एवं बैंकको नीति नियमहरूको अक्षरशः परिपालना गर्दै आएको छ ।
- (ग) संस्थाले अनुपालना विभाग (**Compliance Department**) र आन्तरिक लेखापरीक्षण विभाग (**Internal Audit**) को गठन गरि सो माफत संस्थागत सुशासन परिपालनाको प्रत्याभुति तथा सोको प्रभावकारिताको अनुगमन, निरीक्षण तथा परीक्षण गरी आन्तरिक नियन्त्रण प्रणालीलाई सुदृढ गरिएको छ ।
- (घ) संचालक समितिको प्रत्येक बैठकमा विगतमा भएको निर्णयको कार्यान्वयन र संस्थाको कारोबारको अवस्थाको बारेमा व्यवस्थापनबाट जानकारी लिई आवश्यकताअनुसार कार्य संचालन गर्न व्यवस्थापनलाई निर्देशन दिने गरिएको छ ।

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

Report on the Audit of the Amended Financial Statement

Opinion

We have audited the accompanying amended financial statement of Progressive Finance Limited ("the Finance"), which comprise the Statement of Financial Position - Amended as at Ashad 31, 2078, (July 15 2021), the Statement of Profit or Loss - Amended (including Other Comprehensive Income), the Statement of Change in Equity - Amended and the Statement of Cash Flows - Amended for the year then ended on that date and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement presents fairly, in all material respects, the financial position of the Finance, as at Ashad 31, 2078, (July 15, 2021), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards with allowed carveouts and comply with Company Act, 2063 and Bank and Financial Institution Act 2073.

Basis for Opinion

We conducted our audit of the financial statement in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Finance in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Emphasis of Matter: Amendment of Financial Statements

Without modifying our opinion, we draw attention to Note 5.10 to the amended financial statements, which explains that the amended financial statements for the year ended Asadh 31, 2078 has been restated from those which we originally reported on Poush 2nd 2078.

Key audit matters: Our assessment of risks of material misstatement

Key audit matters are those matters that in our professional judgement, were of most significance in the audit of the financial statement and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarize below the key audit matters, in decreasing order of audit significance in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statement as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.



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Key Audit Matters	Auditor's Response
<p>Impairment of loans and Advances to Customers</p> <p>Finance's Policy for the allowance for Impairment of Loans and Advances has been described in Notes 2.4.3, Based on the application of Incurred Loss Model and the impact of COVID-19, the estimation of credit impairment on the loans and advances is uncertain as it involves significant management judgement and estimation. Further, the compulsory carve-out to provide for higher of the incurred loss model or Central Bank's Directive also makes the assessment of impairment important.</p> <p>The carrying value of the loans and advances can be materially misstated if judgements made by the management are inappropriate.</p>	<p>Our audit procedures to verify allowances for impairment of loans and advances included, amongst others, the following:</p> <p>Control design, observation, and operation:</p> <p>We tested the operating effectiveness of key controls established by the finance to identify loss events and for determining the extent of provisioning required against non-performing loans and advances.</p> <p>Test of Controls on impairment: The testing of controls included testing of:</p> <ul style="list-style-type: none"> controls over correct classification of non - performing loans and advances on time- based criteria. control over statistical models used to calculate the incurred loss as prescribed under Incurred Loss Model; controls over monitoring of loans and advances with higher risk of default; controls over accurate computation and recording of provisions; and controls over the governance and approval process related to provisions including continuous reassessment by the management. <p>Substantive Procedures: We selected a sample of loan accounts and performed the following substantive procedures:</p> <ul style="list-style-type: none"> checked repayments of loan installments and tested classification of non-performing loans based on the number of days overdue. evaluated the management's assessment for classification of customer's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and thorough discussions with the management. Assessment of control over mortgagee value of loans and advances. <p>Independent Re-performance:</p> <p>We independently recalculated the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for a sample of exposures and compared the results with management's calculations.</p>
<p>Information Technology (IT)</p> <p>The Finance's key financial accounting and reporting processes are highly dependent on the automated controls over the Finance's IT systems. There exists a risk</p>	<p>Our audit approach regarding information technology of the finance included:</p> <p>User access management and control: We tested the design, operation, and effectiveness of control over</p>



Key Audit Matters	Auditor's Response
during the change in management, segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) which may undermine our ability to place some reliance thereon in our audit.	<p>granting, removal and appropriateness of access rights on the accounting and reporting system of the Finance.</p> <p>Change management control operation: We obtained and inspected the change management policies and, reviewed the sample of changes in inputs and control functions on the systems, to confirm that changes had been performed in line with approved decisions.</p> <p>Segregation of duties: Tested a sample of the automated controls that are designed to enforce appropriate segregation of duties.</p> <p>Test of outputs: We have tested a sample of outputs particularly interest income and expenses on loans and advances of the system through manual calculations.</p>

Information Other than the Financial Statement and Auditor's Report Thereon

The Finance's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statement and our auditor's report thereon.

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

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statement

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

In preparing the financial statement 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.

The Board of Directors is responsible for overseeing the Finance's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statement

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Finance's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 statement 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 statement including the disclosures and whether the financial statement 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 in the financial statement. We are responsible for the direction, supervision and performance of the Finance's 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.



Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The Statement of Financial Position - Amended, Statement of Profit or Loss - Amended (including other Comprehensive Income), Statement of Changes in Equity - Amended, Statement of Cash Flow - Amended and attached Schedules dealt with by this report are prepared as per procedure and format prescribed by Nepal Rastra Bank and agree with the books of account maintained by the Finance.
- iii. The proper books of accounts as required by the law have been maintained by the Finance.
- iv. During our examination of the books of account of the Finance, we have not come across any cases where any office holder of the Finance has acted contrary to the provisions of law or caused loss or damage to the Finance.
- v. The Finance has been functioning as per the Directives of Nepal Rastra Bank.
- vi. We have not come across any fraudulence in the accounts based on our sample examination of the books, and
- vii. The returns received from branches of the Finance though the statements are independently not audited were adequate for the purpose of our audit.

For S. Pandey & Associates
Chartered Accountants



Santosh Pandey, CA
Principal

Date: 2022.01.12
Place: Kathmandu
UDIN: 220112CA01142gtqLW



Statement of Financial Position Amended

As at 31 Asar 2078

Particulars	Note	As at 31.03.2078	As at 31.03.2077
Assets			
Cash and cash equivalent	4.1	585,913,183	594,040,745
Due from Nepal Rastra Bank	4.2	129,107,407	158,808,547
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	445,095,288	462,502,374
Loans and advances to customers	4.7	2,247,601,365	1,211,050,369
Investment securities	4.8	548,678,013	347,844,398
Current tax assets	4.9	4,713,077	662,152
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	4,100,000	-
Property and equipment	4.13	74,804,243	39,251,820
Goodwill and Intangible assets	4.14	891,762	1,300,831
Deferred tax assets	4.15	-	-
Other assets	4.16	49,639,115	28,044,690
Total Assets		4,090,543,453	2,843,505,926
Liabilities			
Due to Bank and Financial Institutions	4.17	59,901,550	218,785,475
Due to Nepal Rastra Bank	4.18	171,227,269	-
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	2,918,657,648	1,744,399,857
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	6,094,045	2,838,598
Other liabilities	4.23	33,460,391	19,492,498
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		3,189,340,903	1,985,516,429
Equity			
Share capital	4.26	800,100,000	800,100,000
Share premium		7,124,781	7,124,781
Retained earnings		44,725,864	7,435,459
Reserves	4.27	49,251,904	43,329,258
Total equity attributable to equity holders		901,202,550	857,989,498
Non-controlling interest			
Total equity		901,202,550	857,989,498
Total liabilities and equity		4,090,543,453	2,843,505,926
Contingent liabilities and commitment	4.28	217,572,021	116,981,527
Net assets value per share		112.52	107.21

This is the same financial statement mentioned in our attached report

Parbhat Nischal Giri
Head of Accounts

Bishal Humagain
Chief Executive Officer

Shambhu Lal Dangol
Director

Kishore Kumar Maharjan
Chairperson

Santosh Pandey, CA Principal
S. Pandey & Associates
Chartered Accountants

Sabina Maharjan
Director

Anish Maharjan
Director

Shamundra Kaji Shrestha
Director

Bikash Maharjan
Director

Biplove Singh
Independent Director

Date : 2078/09/28
Place : Kathmandu

Statement of Profit or Loss Amended

For the year ended on 31 Asar 2078

Particulars	Note	Current Year	Previous Year
Interest income	4.29	237,287,341	234,491,607
Interest expense	4.30	156,476,509	128,065,036
Net interest income		80,810,832	106,426,570
Fee and commission income	4.31	19,947,226	9,194,650
Fee and commission expense	4.32	383,761	-
Net fee and commission income		19,563,465	9,194,650
Net interest, fee and commission income		100,374,297	115,621,221
Net trading income	4.33	-	-
Other operating income	4.34	61,697,700	12,175
Total operating income		162,071,997	115,633,396
Impairment charge/(reversal) for loans and other losses	4.35	11,839,894	43,163,047
Net operating income		150,232,104	72,470,349
Operating expense			
Personnel expenses	4.36	49,196,163	32,861,881
Other operating expenses	4.37	49,552,509	31,878,208
Depreciation & Amortisation	4.38	11,233,879	7,605,339
Operating Profit		40,249,553	124,921
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
Profit before income tax		40,249,553	124,921
Income tax expense	4.41		
Current Tax		13,501,811	(3,712,732)
Deferred Tax Expenses/(Income)		(69,773)	(584,582)
Profit for the period		26,817,516	4,422,235
Profit attributable to:			
Equity holders of the Bank		26,817,516	4,422,235
Non-controlling interest		-	-
Profit for the period		26,817,516	4,422,235
Earnings per share			
Basic earnings per share		3.35	0.55
Diluted earnings per share		3.35	0.55

This is the same financial statement mentioned in our attached report

Parbhat Nischal Giri
Head of Accounts

Bishal Humagain
Chief Executive Officer

Shambhu Lal Dangol
Director

Kishore Kumar Maharjan
Chairperson

Santosh Pandey, CA Principal
S. Pandey & Associates
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Sabina Maharjan
Director

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Director

Shamundra Kaji Shrestha
Director

Bikash Maharjan
Director

Biplove Singh
Independent Director

Date : 2078/09/28
Place : Kathmandu

Statement of Comprehensive Income Amended

For the year ended on 31 Asar 2078

Particulars	Note	Current Year	Previous Year
Profit for the year		26,817,516	4,422,235
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to profit or loss			
Gain/(loss) from investments in equity instruments measured at fair value		23,422,195	12,910,829
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items		(7,026,658)	(3,873,249)
Net other comprehensive income that will not be reclassified to profit or loss		16,395,536	9,037,580
b) Items that are or may be reclassified to profit or loss			
Gains/(losses) on cash flow hedge			
Exchange gain/(losses) arising from translating financial assets of foreign operation			
Income tax relating to above items			
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 period, net of income tax		16,395,536	9,037,580
Total comprehensive income for the period		43,213,052	13,459,815
Total comprehensive income attributable to:			
Equity holders of the Bank		43,213,052	13,459,815
Non-controlling interest			
Total comprehensive income for the period		43,213,052	13,459,815

This is the same financial statement mentioned in our attached report

Parbhat Nischal Giri
Head of Accounts

Bishal Humagain
Chief Executive Officer

Shambhu Lal Dangol
Director

Kishore Kumar Maharjan
Chairperson

Santosh Pandey, CA Principal
S. Pandey & Associates
Chartered Accountants

Sabina Maharjan
Director

Anish Maharjan
Director

Shamundra Kaji Shrestha
Director

Bikash Maharjan
Director

Biplove Singh
Independent Director

Date : 2078/09/28
Place : Kathmandu

Statement of Changes in Equity Amended

For the year ended on 31 Asar 2078

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non Controlling Interest	Total Equity
Balance at Asar end 2076	800,100,000	7,124,781	18,088,566	-	8,244,833	(199,648)	-	10,867,025	304,125	844,529,681	-	844,529,681
Adjustment/Restatement										-	-	-
Adjusted/Restated balance at 1 Sawan 2076	800,100,000	7,124,781	18,088,566	-	8,244,833	(199,648)	-	10,867,025	304,125	844,529,683	-	844,529,683
Comprehensive income for the year										-	-	-
Profit for the year								4,422,235		4,422,235	-	4,422,235
Other comprehensive income, net of tax										-	-	-
Remeasurements of defined benefit liability (assets)										-	-	-
air value reserve (Investment in equity instrument):										-	-	-
Net change in fair value						9,037,580				9,037,580	-	9,037,580
Net amount transferred to profit or loss										-	-	-
Net gain (loss) on revaluation										-	-	-
Cash flow hedges:										-	-	-
Effective portion of changes in fair value										-	-	-
Net Amount reclassified to profit or loss										-	-	-
Total comprehensive income for the year					7,079,133			(8,157,926)	194,346	-	-	-
Transfer to reserve during the year			884,447					304,125	(304,125)	-	-	-
Transfer from reserve during the year										-	-	-
Transactions with owners, directly recognised in equity										-	-	-
Right share issued										-	-	-
Share based payments										-	-	-
Dividends to equity holders										-	-	-
Bonus shares issued										-	-	-
Cash dividend paid										-	-	-
Total contributions by and distributions										-	-	-
Balance at Asar end 2077	800,100,000	7,124,781	18,973,013	-	15,323,966	8,837,932	-	7,435,459	194,346	857,989,498	-	857,989,498

Statement of Changes in Equity Amended

For the year ended on 31 Asar 2078

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non Controlling Interest	Total Equity
Balance at Asar end 2077	800,100,000	7,124,781	18,973,013	-	15,323,966	8,837,932	-	7,435,459	194,346	857,989,498	-	857,989,498
Adjustment/Restatement												
Adjusted/Restated balance at 1 Sawan 2077	800,100,000	7,124,781	18,973,013	-	15,323,966	8,837,932	-	7,435,459	194,346	857,989,498	-	857,989,498
Comprehensive income for the year												
Profit for the year								26,817,516		26,817,516	-	26,817,516
Other comprehensive income, net of tax												
Remeasurements of defined benefit liability (assets)												
Fair value reserve (Investment in equity instrument):												
Net change in fair value						16,395,536				16,395,536	-	16,395,536
Net amount transferred to profit or loss												
Net gain (loss) on revaluation												
Cash flow hedges:												
Effective portion of changes in fair value												
Net Amount reclassified to profit or loss												
Total comprehensive income for the year												
Transfer to reserve during the year			5,363,503					(8,541,463)	710,334	(2,467,625)	-	(2,467,625)
Transfer from reserve during the year			2,467,625		(10,377,663)	(8,636,689)		19,014,352		2,467,625	-	2,467,625
Transactions with owners, directly recognised in equity												
Right share issued												
Share based payments												
Dividends to equity holders												
Bonus shares issued												
Cash dividend paid												
Total contributions by and distributions												
Balance at Asar end 2078	800,100,000	7,124,781	26,804,142	-	4,946,303	16,596,780	-	44,725,864	904,680	901,202,550	-	901,202,550

This is the same financial statement mentioned in our attached report

Parbhat Nischal Giri Head of Accounts	Bishal Humagain Chief Executive Officer	Kishore Kumar Maharjan Chairperson	Shambhu Lal Dangol Director	Santosh Pandey, CA S. Pandey & Associates Chartered Accountants
Sabina Maharjan Director	Anish Maharjan Director	Shamundra Kaji Shrestha Director	Bikash Maharjan Director	Biplove Singh Independent Director

Date : 2078/09/28
Place : Kathmandu

Statement of Cash Flow Amended

For the year ended on 31 Asar 2078

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	263,812,789	180,703,701
Fees and other income received	19,947,226	9,194,650
Dividend received	-	-
Receipts from other operating activities	61,880,075	(3,861,690)
Interest paid	(156,476,509)	(125,529,062)
Commission and fees paid	(383,761)	-
Cash payment to employees	(44,068,260)	(32,509,795)
Other expense paid	(49,552,509)	(31,878,208)
Operating cash flows before changes in operating assets and liabilities	95,159,051	(3,880,404)
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	29,701,140	(121,974,764)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	17,407,085	(385,391,559)
Loans and advances to customers	(1,074,916,338)	(280,255,054)
Other assets	(18,539,562)	3,788,325
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(158,883,925)	178,731,402
Due to Nepal Rastra Bank	171,227,269	-
Deposit from customers	1,174,257,791	673,444,647
Borrowings	-	-
Other liabilities	10,238,208	4,527,415
Net cash flow from operating activities before tax paid	245,650,719	68,990,009
Income taxes paid	(20,607,599)	(2,023,115)
Net cash flow from operating activities	225,043,121	66,966,894
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(347,515,836)	(245,079,629)
Receipts from sale of investment securities	163,077,758	25,000
Purchase of property and equipment	(46,907,137)	(26,201,123)
Receipt from the sale of property and equipment	150,003	-
Purchase of intangible assets	409,069	-
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	(4,100,000)	-
Receipt from the sale of investment properties	-	-
Interest received	-	3,782,448
Dividend received	1,715,460	617
Net cash used in investing activities	(233,170,683)	(267,472,687)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	-	-
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	-	-

Statement of Cash Flow Amended

For the year ended on 31 Asar 2078

Particulars	Current Year	Previous Year
Net increase (decrease) in cash and cash equivalents	(8,127,562)	(200,505,793)
Cash and cash equivalents as at Sawan 1, 2077	594,040,745	794,546,538
Effect of exchange rate fluctuations on cash and cash equivalents held		
Closing Cash and Cash Equivalent at Ashad 31, 2078	585,913,183	594,040,745

This is the same financial statement mentioned in our attached report

Parbhat Nischal Giri
Head of Accounts

Bishal Humagain
Chief Executive Officer

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Director

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Director

Bikash Maharjan
Director

Biplove Singh
Independent Director

Date : 2078/09/28
Place : Kathmandu

Notes to Financial Statements

For the year ended on 31 Asar 2078

1 Reporting entity

Progressive Finance Limited (hereinafter referred to as "Finance Co.") is class "C" licenced financial institution licenced by Nepal Rastra Bank. Finance is now operating with corporate office at Tinkune Kathmandu, main branch at New Road Kathmandu, 9 other branches and 4 extension counters.

Finance Co. was incorporated under Companies Act 2063 on as public limited company. Finance is listed with Nepal Stock Exchange.

Finance Co. offers comprehensive banking services within the scope of provisions of Banking and Financial Institutions Act 2074.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements are prepared in line with Nepal Financial Reporting Standards (to the extent of carve out pronounced by ICAN, as stated in note 2.1.1) as issued by Accounting Standards Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

Nepal Rastra Bank issued circular for reporting format of financial institutions in line with NFRS on November 30, 2017 along with treatment of certain items in the specified reserves. The financial statements are prepared in line with the stated circular, accordingly, are in compliance with regulatory requirement of Nepal Rastra Bank. The financial statements also comply the requirements of Companies Act 2063 and policy, procedures and directives of Securities Board of Nepal.

2.1.1 Use of Carve-out

ICAN has provided carve out on specific areas for alternative treatment of the items of financial statements required as per NFRS. Based on such, Finance Co. has used following carve out for preparation and presentation of financial statements in line with NFRS.

a) Impairment Loss on Loan and Advances

As per para 63 of NAS 39 Financial Instruments: Recognition and Measurement, impairment loss is calculated on incurred loss model. The carve out has allowed to use higher amount of loss calculated as per para 63 or as per NRB Directives 2/076. Finance Co. has used this carve out and presented the impairment loss calculated as per NRB Directives and disclosed the amount of impairment loss as per NAS 39.

b) Effective Interest Rate

As per the definition of effective interest rate (EIR) as per para 9 of NAS 39, all the initial points paid or received is required to be considered for calculation of EIR and the same EIR is used to calculate interest on loans and advances. As per the carve out, if calculation of EIR is impracticable or immaterial, then such could be ignored. Finance Co. has used the carve out and has not considered initial points paid or received on loans to be part of EIR, rather such amount has been accounted as income on accrual basis.

c) Interest income on amortized loan after impairment recognition

As per para AG63 of NAS 39, Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The carve out provides that interest income can be calculated on gross carrying amount of loan. Finance Co. has used the stated carve out in preparing the financial statements.

2.2 Reporting Period and Approval of Financial Statements

2.2.1 Reporting Period

The reporting period for this financial statements is fiscal year 2077-78, starting from 1 Shrawan 2077 and ending on 31 Ashad 2078. Financial information of following period/dates are provided on the financial statements.

1. Comparative NFRS financial statements (financial statements as on and for the period ended on 31 Ashad 2077)
2. NFRS financial statements for current period (financial statements as on and for the period ended on 31 Ashad 2078)

2.2.2 Approval of Financial Statements

The financial statements are authorised for issue by the Board of Directors in meeting no. 473 on 1st Poush 2078. The financial statements are presented for approval to the upcoming annual general meeting of shareholders.

2.3 Functional and Presentation Currency

The financial statements are presented in Nepalese Rupee, which is also the functional currency of Finance Co. Figures are rounded off to nearest Rupee, accordingly, minor rounding off error may exist.

2.4 Use of Estimates, Assumptions and Judgments

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards (NFRS) requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the company's accounting policies. The company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that might result in adjustment to the carrying amounts of assets and liabilities within the next financial year are on the following components:

1. Classification of financial assets

Classification of financial assets into Amortized cost or at fair value (either through profit or loss or through other comprehensive income) depends upon the intention of management whether to hold or trade the assets. At the reporting dates, the classification been based on the intention of management on particular group of financial assets. The classification of financial assets may change based on the economic circumstances and intention of management.

2. Fair value of financial assets

Fair value of financial statements is determined on three levels on the basis of available market on reporting date and the measurement may change depending on available market circumstances.

The fair value of financial instruments that are traded in an active market is the closing price on the reporting dates. Whenever the instruments are not actively traded in active market, they are determined using other techniques considering the observable market inputs to the extent possible.

The Bank measures fair values using the following fair value hierarchy as provided in NFRS 13.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.

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

Level 3 inputs are unobservable inputs for the asset or liability. Company has used its own data (accounting value) and considered if there exists factors that would otherwise result in changes to the book value of assets or liabilities.

3. Impairment loss on financial assets

Impairment loss on financial assets is provided on the higher of loan loss provision as per NRB Directive 2077 and para 63 of NAS 39. On calculating loss as per para 63, estimates are made on amount of loans that are considered to require individual assessment, grouping of loans for collective assessment, parameters for assessing impairment, future cash flow estimates, historical data on similar types of loan or group of loans.

4. Useful life and salvage value of property and equipment

Management reconsiders the economic useful life and salvage value of property and equipment on each reporting dates based on the information available on such dates.

5. Impairment loss of non financial assets

Impairment loss is calculated if carrying amount exceeds the recoverable amount. For recoverable amount, value in use is estimated and an estimated discount rate is used to arrive the present value of value in use.

6. Current Tax and Deferred tax

Significant management judgment is required to arrive at the figure of current tax and deferred tax, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The finance based its assumptions and estimates on parameters available when the financial statements were prepared.

7. Employee benefit obligations

Judgment is required to determine the estimated liability that shall arise on part of accumulated leave of staff which is generally paid out on retirement or termination of employment. Valuation of such is done by qualified actuary using assumption like interest rate, rate of increase in annual compensation, remaining service period etc. Factors considered may change depending on market

changes or legal changes which are beyond the control of the company. Since the finance is registered under Social Security Fund, actuarial valuation for retirement benefits except leave is not required. Considering the cost benefit analysis, Finance Co. has not done actuarial valuation and carried the liability at book value.

2.5 Changes in Accounting Policies

There are changes in accounting policy adopted by the finance in this fiscal year as follows;

*Operating Lease : As per NAS 17 Para 33, Lease payment under an operating lease shall be recognised as an expense on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefits. Previously , payment made under operating leases were recognised in profit or loss as per contractual rates with periodic adjustment on inflation. However, since finance has entered into number of lease agreements during the year, for recognizing rental expense under operating lease for this fiscal year, SLM method has been adopted. The total rental expense for the remaining term of the rental agreement including all the incremental clauses divided by the remaining term of the agreement gives the rental expense for the year 2077-78.

2.6 New Standards in Issue but not Yet Effective

The financial statements are prepared in line with NFRS issued on 2013. NFRS has not been revised thereafter and accordingly, accounting standards issued by International Accounting Standard Boards and revision thereof have not been considered.

2.7 New Standards and Interpretation not Adopted

Finance has adopted all the applicable interpretation pronounced by ICAN.

2.8 Discounting

Discounting has been applied whenever the assets and liabilities are of non-current in nature and the impact of discounting is material.

2.9 Going Concern

The financial statements are prepared on the assumption that Finance Co. is going concern entity.

2.10 Standalone Financial Statements

The presented financial statements is the standalone financial statement of Finance Co. Finance Co. does not have subsidiary, accordingly, preparation of consolidated financial statement is not required.

3 Significant Accounting Policies

The significant accounting policies adopted by Finance Co. while preparing financial statements are as follows:

Note No.	Accounting Policy	Information Note No.
3.1	Basis of Measurement	
3.2	Basis of Consolidation	
3.3	Cash and Cash Equivalent	4.1
3.4	Financial Assets and Financial Liabilities	
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3.1 Basis of Measurement

Financial statements are prepared on historical cost convention except for the following material items:

Particulars	Measurement Basis
Investment in shares and mutual fund schemes	Fair value
Non-banking assets	Lower of Market Value or Outstanding Receivable at the date of booking NBA
Loans to employees	Amortized cost
Property and equipment, investment property and intangible assets	Deemed cost as fair value

3.2 Basis of consolidation

Finance Co. does not have subsidiary companies, accordingly, consolidation of financial statements is not a requirement.

3.3 Cash and cash equivalent

Cash and cash equivalent comprises of cash, demand deposit and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In general, short term investments with original maturity of up to three months are considered as cash equivalent. Cash and cash equivalent are presented at amortized cost on the financial statements.

3.4 Financial assets and financial liabilities

Financial assets is any assets that is cash, equity instrument of another entity or any contractual right to receive cash or financial assets of another entity.

Financial liability is any liability with contractual obligation to deliver cash or other financial assets to another entity.

3.4.1 Recognition

The Finance Co. initially recognises financial assets or financial liability on the date of which the Finance becomes party to the contractual arrangement.

3.4.2 Classification and Measurement

Financial Assets: The classification and measurement of financial assets depend on how these are managed i.e. the Finance Co.'s business model and their contractual cash-flow characteristics. Based on these factors, financial assets are classified on following three categories:

i) At Amortized Cost

ii) At Fair Value through Profit or Loss (FVPL)

iii) At Fair Value through Other Comprehensive Income (FVOCI)

- i) At amortized cost: Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Finance Co. has intent and ability to hold till maturity. They are initially measured at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses.
- ii) At fair value through profit or loss: Financial assets are classified at fair value through profit or loss if the Finance Co. manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to profit or loss.
- iii) At fair value through other comprehensive income: Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are measured at fair value. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein are recognized in other comprehensive income and presented in the fair value reserve in equity. Finance Co. has opted to classify the investment made in shares and mutual fund schemes as financial assets at FVOCI on initial recognition.

Financial Liabilities: Finance Co. classifies its financial liabilities, other than financial guarantee and loan commitments, as measured at amortised cost or fair value through profit or loss. Financial liability is measured initially at fair value, or an item not at fair value through profit or loss, at transactions costs that are directly attributable to its acquisition or issue.

3.4.3 De-recognition

Financial Assets

Financial assets are partially or fully de-recognized in any of the following condition:

- termination of contractual rights to cash flow
- upon transfer of contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Finance Co. neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.

On derecognition of a financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognised) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit or loss.

Financial Liabilities

Upon settlement or termination of any liability related to financial liability, financial liability is de-recognized. The difference between carrying amount and settlement amount is accounted through statement of profit or loss.

3.4.4 Determination of fair value

Fair is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is initially considered based on quoted rate where the assets or liabilities are principally transaction, in the absence of which the most advantageous market is the active market.

When available, the Finance Co. measures the fair value of an instrument using the quoted price in an active market for that instrument. The market is regarded as active if transactions for the assets 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 Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise 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.

Fair value of non-financial assets like property & equipment, investment property and intangible assets are considered the deemed cost of such assets in line with NFRS 1.

Fair Value Hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values.

Level 1: Fair value is determined based on quoted price of financial instruments in active market.

Level 2: Fair value is determined based on quoted price of similar financial instruments within consideration to significant observable inputs.

Level 3: Fair value is determined used using other method as the inputs for valuation are unobservable inputs for the asset or liability. Finance Co. has used its own data (accounting value) and considered if there exists factors that would otherwise result in changes to the book value of assets or liabilities for this level of valuation.

3.4.5 Impairment

At each reporting date, the Finance Co. assesses whether there is objective evidence that financial assets are impaired. The financial assets 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 and that the loss has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer
- default or delinquency by a borrower
- the restructuring of a loan or advance by the Finance Co. on terms that the Finance would not consider otherwise;
- indication that a borrower or issuer will enter bankruptcy
- the disappearance of an active market for a security; or
- 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 net worth below its book value is objective evidence of impairment.

The Finance Co. considers evidences of impairment for loans and advances and investment securities at both specific asset and at collective level. 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 investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities with similar risk characteristics.

In assessing the collective impairment, the Finance Co. uses the statistical modelling of historic trends of the probability of default, the time of recoveries and the amount of loss incurred and makes an adjustment if the current economic and credit conditions are such that the actual losses are likely to be greater or lesser than is suggested by historic trends. Default rates, loss rates and expected timing of future recoveries are regularly benchmarked against the actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as difference between the carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or investment securities. Interest on the impaired assets continues to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss (through OCI for such investments measured at fair value through OCI on which there exists fair value reserve).

The Finance Co. writes off a loan or an investment security, either partially or in full and any related allowance for impairment losses, when the Finance determines that there is no realistic prospect of recovery.

3.4.6 Amortized cost measurement

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

3.4.7 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

3.5 Trading assets

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

3.6 Derivatives assets and derivative liabilities

Derivative assets and liabilities are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The changes in value of instruments are accounted through profit or loss.

3.7 Property and Equipment

Non-financial tangible assets that are held for service providing to customers and for administrative use of the Finance Co. are classified as Property and Equipment.

Recognition

Property and Equipment are recognized in books whenever it is probable that future economic benefits associated with such assets will flow to the entity and the amount of assets can be reliably measured.

Measurement

At initial recognition, items of property and equipment are measured at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Finance Co. Ongoing repair and maintenance are expensed off as incurred.

Subsequent to the initial measurement, there is option to measure the assets either on cost or on revaluation. Finance has measured all items at cost on subsequent measurement. On transition to NFRS, the Finance Co. has elected to continue with the carrying value of all of its property and equipment measured as per the previous NAS and use that carrying value as the deemed cost as fair value in line with provisions of NFRS 1.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Assets not capitalized

Items of property and equipment with original cost up to Rs. 2,000 are directly accounted as expenses.

Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Salvage Value

The Finance Co. has assessed the salvage value of all property, plant and equipment considering the expected realizable value on the end of life of such assets.

Depreciation

Depreciation is charged upon the assets is available for use and does not cease until the assets is disposed off, classified as held for sale or ceases to generate economic benefits.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property and equipment so as to write-off their carrying value over the expected useful economic lives.

Items of property and equipment are depreciated on Straight Line Method over their useful life.

Management of the Finance Co. has assessed useful life and salvage value of property and equipment, as follows:

Items	Estimated useful life (years)	Salvage Value
Building	50	5%
Leasehold Properties	Lease period	0
Computer & Accessories	5	0
Vehicle	10	25%
Furniture & Fixture	7	3%
Machinery	10	5%
Equipment & Others	3-5	0%

3.8 Goodwill and Intangible assets

Goodwill

Goodwill arises on the acquisition financial institutions when the aggregate of the fair value of the consideration transferred exceed the amount of the identifiable assets and liabilities acquired. If the amount of the identifiable assets and liabilities acquired is greater, the difference is recognised immediately in the Statement of profit or loss.

Goodwill is allocated to cash generating units (CGU) at the lowest level at which goodwill is monitored for internal management process. Impairment testing is performed annually, and whenever there is an indication that CGU may be impaired. If the present value of expected cash inflows is less than carrying amount, impairment loss is recognized and accounted through Statement of Profit or Loss. Goodwill is stated at cost less accumulated impairment losses.

Acquired Intangible Assets

Intangible assets are recognized whenever the cost of assets can be reliably measured, by the past experience it is demonstrated Finance Co. has control over such assets for the specified period and it is probable that future economic benefits could be derived from such assets. Finance has followed NAS 38 for accounting of intangible assets.

In the financial statements, software are presented as intangible assets.

Computer Software

Computer software are capitalised on the basis of the purchase cost of software or license and costs incurred to bring it to use. Cost of internally developed software includes directly attributable costs.

Intangible assets are amortized over the period of its estimated use, or incase of licenses, over the period of contractual right of use. Whenever there is no specific life or license period, such software are amortized over the period of five years.

At each reporting date, impairment test of intangible assets is done in order to oversee whether the carrying amount exceeds recoverable amount. Impairment loss is charged to Statement of Profit or Loss.

On transition to NFRS, the Finance Co. has elected to continue with the carrying value of all of its intangible assets measured as per the previous NAS and use that carrying value as the deemed cost as fair value in line with provisions of NFRS 1.

3.9 Investment Property

Investment property is land and building held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

Useful life of building held as investment property is considered to be same as that of property and equipment (i.e. 40 years) with 5% salvage value.

3.10 Income Tax

Income tax expenses include current tax, deferred tax and any adjustments recognised in the period for current tax of prior periods.

Current Tax

Current tax is the amount of income tax payable in respect of taxable profit. This is calculated as per the provisions of Income Tax Act with the effective tax rate for current period. Taxable profit differs from the profit reported in the statement of profit or loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible. Income tax rate applicable for Finance Co. is 30% (previous year rate was 30%).

Deferred Tax

Deferred tax is calculated using balance sheet approach on temporary differences between tax base of assets and liabilities and carrying amount in the financial statements. Deferred tax is calculated using known future tax rate on each reporting date.

Deferred tax is recognized when it is probable that future taxable profit will be available to adjust the impact of temporary differences. Changes in deferred tax over period is recognized as deferred tax income/expenses in Statement of Profit or Loss.

In line with NRB Directives, deferred tax reserve is created to the amount equal to deferred tax assets and presented as part of regulatory reserve from current year.

Income tax on items of OCI

Income tax arising on the items of other comprehensive income is charged to statement of OCI itself.

3.11 Deposits, debt securities issued and subordinated liabilities

Deposit are financial liabilities and are generally repayable on demand except fixed period deposit accepted by Finance Co. from its customers.

"The bank borrows money by issuing debt securities and subordinated debt. The borrowing is acknowledged or evidenced by issue of a negotiable instrument. The negotiable instrument can be certificate of deposit, commercial paper or debt note. Subordinated debt is issued to meet the capital requirements at bank level and to supply the capital to various operations. This debt generally consists of negotiable instruments and is usually listed on exchanges providing an active secondary market for the debt."

3.12 Provisions

Provision is a liability with uncertain timing and event. Provision is recognised if as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent Liabilities: Contingent liabilities are i) possible obligations arising from past events whose existence will be confirmed on happening or not happening or uncertain future events not wholly within the control of Finance Co., or ii) a present obligation arising from past events but are not recognized because outflow of resources to settle may not be required or such amount can not be reliably estimated.

Contingent liabilities are separately disclosed in financial statements.

3.13 Revenue Recognition

Revenue is recognized in line with NAS 18 Revenue when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

3.13.1 Interest income

Interest, in general, is recognized using effective interest rate on the particular assets. Finance Co. has opted to use the carve-out mentioned in Note 2.1.1 (c) and continued to use the actual interest rate to account for interest income. Interest income has been booked for all interest received during the year as well as on those loans having collective impairment as per NRB Directives up to 50%, in line with circular issued by NRB. Interest on those loan with impairment on more than 50% have not been recognized.

As on Asadh End 2077 the finance has ceased accrual of interest amounting to NPR. 11,039,329 related to bad and doubtful loan which was NPR. 2,848,942 as on Asadh End 2076.

Finance Co., in general, generates interest income from loan to customers, investment in debt securities and call deposits.

3.13.2 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. the fees and commission income and expense that are integral to the effective interest rate on the financial assets and financial liability are included in the measurement of the effective interest rate. Finance Co. has opted to use carve-out as mentioned in Note 2.1.1 (c) on this matter and accounted all realized fee and commission income upfront.

Commission on guarantees issued that are for more than one year are immediately accounted as income. If the period of guarantee is more than one year, then proportionate amount of fee is accounted as income.

3.13.3 Dividend income

Dividend income is recognized when the right to receive dividend is established i.e. dividend is approved by general meeting of companies. Dividend income if related to period earlier than the date of acquisition of shares and its amount related to pre and post acquisition could be segregated, then the pre-acquisition period dividend is adjusted to cost of investment.

3.13.4 Net trading income

Income derived from buying/selling of assets and liabilities classified as for trading purpose are accounted as net trading income. Gain and loss on trading assets and liabilities are recognized on mark to market basis and not on realization basis.

3.13.5 Other Operating Income

Income other than interest, fees & commission and trading income are accounted as other operating income. This primarily comprises of changes in foreign exchange rate, dividend income, gain on disposal of non-financial assets etc.

3.14 Interest expense

Interest on deposit accepted from customer and borrowings of the Finance Co. are accounted on accrual basis.

3.15 Employees Benefits

Employee expenses includes the amount paid to employees of bank in respect of their service. Payment in respect of services are for the current service and long term benefits. Long term benefits are in the form of defined contribution plan and defined benefit plan. Expenses under defined contribution plan are accounted as they incur and on defined benefit plan as per the actuarial valuation.

Employee benefits are accounted using normal calculation method. Actuarial valuation has not been done considering the cost benefit and materiality impact.

Short term employee benefits include salary, allowance, encashment of unused leave, provident fund, annual bonus based on profit of the Finance Co., subsidized loans etc. These are provided as the services are rendered by the employees and measured on undiscounted amount of payment made.

Long term employee benefits include accumulated leave not encashed during service period. These are generally paid on retirement or termination of service of the employee.

Employee benefits are provided as per Employee Service Regulation of the Finance Co. and on book value basis. Finance believes that the impact of actuarial valuation will not be material and its benefit will not be more than the cost involved on such expert valuation.

3.16 Leases

"A lease is classified at the inception date as a finance lease or an operating lease. Finance Co. has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition."

Finance Co. has not entered into finance lease.

In line with NAS 17, lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

3.17 Foreign Currency Transaction

Transaction in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate of exchange prevailing on that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payment during the year and

the amortised cost in the foreign currency translated at the rate of exchange at the reporting date.

Non monetary assets and liabilities that measured at fair value in a foreign currency are translated into the functional currency at the rate of exchange prevailing at the date on which the fair value is determined. Non monetary items that are measured based on historical cost in the foreign currency are translated using the rate of exchange on the date of transactions. The resulting exchange gain or loss differences are generally recognised in Profit or Loss.

3.18 Financial guarantee and loan commitment

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

Liabilities arising from financial guarantees or commitments to provide a loan at a below -market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable. Financial guarantees and commitments to provide a loan at a below market interest rate included within other liabilities.

3.19 Share Capital and Reserves

3.19.1 Share Capital

Equity share capital is financial instruments issued by the company only to the extent that they do not meet the definition of financial liabilities.

All the issued shares are paid up and are listed with Nepal Stock Exchange for the purpose of trading by shareholders. All shares have right to vote on the basis of no. of shares held. Finance Co. does not have shares of other kind other than ordinary shares.

3.19.2 Reserves

Finance Co. has created various types of reserves as part of regulatory requirement.

a) General Reserve

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

b) Exchange Equalization Reserve

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

c) Corporate Social Responsibility (CSR) Reserve

In line with clause 16 of Directive 16/076, Finance Co. is required to allocate 1% of its net profit for the year for CSR and is required to create CSR Reserve. The amount appropriated to this reserve is expensed off as prescribed in the same Directive in the next fiscal year.

d) Regulatory Reserve

This is specific reserve created in line with NRB Directive 4. All the adjustments made in NFRS that are different from earlier NRB Directives are included in this fund. This fund is not available for distribution of dividend.

e) Capital Reserve

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

f) 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 shall be presented under this account head.

g) Actuarial Gain Reserve

This reserve is for presenting the OCI component of defined benefit obligations. This is not an actual reserve.

h) Special Reserve

In line with circular no. 12/072/073, the interest capitalised on loan that have been restructured or rescheduled because of the borrower facing difficulty resulting from earthquake in 2072 is kept in this reserve. The reserve is required to be maintained till the loan is settled.

i) Assets Revaluation Reserve

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

j) Capital Redemption Reserve

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

k) Dividend Equalization Reserve

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

l) Investment Adjustment Reserve

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

3.19.3 Share Premium

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

3.19.4 Retained Earning

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

3.20 Earning per share including diluted

The Finance Co. measures earning per share on the basis of the earning attributable to the equity shareholders for the Period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33 Earnings per Share. EPS for prior year have been restated because of issue of bonus share during the year as per NAS 33.

3.21 Segment reporting

Segment has been segregated based on the management function of Finance Co. and accordingly, the seven states of Nepal are considered as the segments. Income and expenses directly related to such segments are reported. Assets and liabilities specific to those are presented as segment assets and liabilities. Income tax is not segregated.

3.22 Events after Reporting Date

These are the events occurring between the reporting date and up to the date of approval of financial statements which are either adjustable or unadjustable.

Adjustable events are adjusted in the presented financial statements. There are no events that require additional disclosure in the financial statements.

Notes to Financial Statements

Cash and cash equivalent

4.1

Particulars	As at 31.03.2078	As at 31.03.2077
Cash in hand	64,937,996	47,649,740
Balances with B/FIs	22,502,604	5,452,614
Money at call and short notice	498,472,582	540,938,391
Other Cash and Cash Equivalent	-	-
Total	585,913,183	594,040,745

Due from Nepal Rastra Bank

4.2

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory balances with NRB	129,107,407	158,808,547
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	129,107,407	158,808,547

Placements with Bank and Financial Institutions

4.3

Particulars	As at 31.03.2078	As at 31.03.2077
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

Derivative financial instruments

4.4

Particulars	As at 31.03.2078	As at 31.03.2077
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

Other trading assets

Particulars	As at 31.03.2078	As at 31.03.2077
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
Total	-	-
Pledged		
Non-pledged		

Notes to Financial Statements

Loan and advances to B/FIs

4.6

Particulars	As at 31.03.2078	As at 31.03.2077
Loans to microfinance institutions	450,956,649	467,172,286
Other		
Less: Allowances for impairment	(5,861,361)	(4,669,913)
Total	445,095,288	462,502,374

4.6.1: Allowances for impairment

Particulars	As at 31.03.2078	As at 31.03.2077
Balance at Shrawan 1	4,669,913	778,897.00
Impairment loss for the year:		
Charge for the year	1,191,448	3,891,016
Recoveries/reversal		
Amount written off		
Balance at Asar end	5,861,361	4,669,913

Loans and advances to customers

4.7

Particulars	As at 31.03.2078	As at 31.03.2077
Loan and advances measured at amortized cost	2,321,845,107	1,274,645,665
Less: Impairment allowances		
Collective impairment	(74,243,742)	(63,595,296)
Individual impairment		
Net amount	2,247,601,365	1,211,050,369
Loan and advances measured at FVTPL		
Total	2,247,601,365	1,211,050,369

Loan and advance is inclusive of staff loan and accrued interest on such loan net of interest suspense amount.

The above amount of impairment allowance is as per Directive issued by Nepal Rastra Bank.

The total amount of impairment reported to NRB as on asadh end 2078 was Rs. 76,671,760 out of which Rs.70,810,399 was related to loans and advances to customers and remaining 58,613,60 related to loans and advances to BFI's. The impairment amount of loans and advances to customers increased by Rs. 34,33,343 due to increment of provisions recommended by the Statutory Auditor.

We have selected outstanding loan exceeding 50 Lacs for individual impairment test. The market value of collateral on valuation date was subjected to 25% haircut to arrive at adjusted fair value of collateral on each reporting date and if the adjusted fair value is less than outstanding amount, individual impairment is considered along with other factors like repayment history of borrower, credit rating, additional information of customer regarding financial capability, restructuring/rescheduling of loan, etc. None of the loans were individually impaired. Collective assessment has been done using past default rate (probability of default) and a calculated percentage for non- recovery (loss given default) and the rates have been used to calculate impairment allowance as per NAS 39 using incurred loss model. Provided below is the impairment calculated as per NFRS:

Particulars	As at 31.03.2078	As at 31.03.2077
Individual impairment		
Collective impairment	6,075,603	5,622,994
Total	6,075,603	5,622,994

Loan classification and impairment allowance as per NRB Directive 2 is as follows:

Particulars	As at 31.03.2078	As at 31.03.2077
Performing loan	2,247,593,637	1,157,513,446
Good	1,976,093,041	819,315,132
Watchlist	271,500,596	338,198,314
Non-performing loan	51,192,770	57,086,061
Substandard	13,888,779	25,161,756
Doubtful	383,466	8,807,760
Loss	36,920,525	23,116,546
Total	2,298,786,407	1,214,599,507
Add: loan to employees and Net AIR	23,058,700	60,046,158
Total loan	2,321,845,107	1,274,645,665
Impairment allowance		
Performing loan	33,930,344	25,103,067
Good	20,945,990	8,193,151
Watchlist	12,984,355	16,909,916
Non-performing loan	40,313,398	33,810,865
Substandard	3,201,140	6,290,439
Doubtful	191,733	4,403,880
Loss	36,920,525	23,116,546
Additional	-	4,681,364
Total	74,243,742	63,595,296

4.7.1: Analysis of loan and advances - By Product

Particulars	As at 31.03.2078	As at 31.03.2077
Term loans	229,690,903	302,162,252
Overdraft	-	-
Trust receipt/Import loans	-	-
Demand and other working capital loans	388,371,173	307,092,098
Personal residential loans	608,127,329	54,562,747
Real estate loans	324,481,247	50,309,614
Margin lending loans	124,506,494	49,293,586
Hire purchase loans	81,841,953	82,543,588
Deprived sector loans	87,650,118	10,478,599
Bills purchased	-	-
Staff loans	23,058,699.97	14,053,150
Other	434,551,383	358,157,024
Sub total	2,302,279,300	1,228,652,658
Interest receivable	19,565,807	45,993,008
Grand total	2,321,845,107	1,274,645,665

4.7.2: Analysis of loan and advances - By Currency

Particulars	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	2,321,845,107	1,274,645,665
Indian rupee		
United State dollar		
Great Britain pound		
Euro		
Japanese yen		
Chinese yuan		
Other		
Total	2,321,845,107	1,274,645,665

4.7.3: Analysis of loan and advances - By Collateral

Particulars	As at 31.03.2078	As at 31.03.2077
Secured		
Movable/immovable assets	2,064,122,764	1,106,488,097
Gold and silver		
Guarantee of domestic B/FIs	2,700,000	-
Government guarantee		
Guarantee of international rated bank		
Collateral of export document		
Collateral of fixed deposit receipt	18,180,099	3,590,534
Collateral of Government securities		
Counter guarantee		
Personal guarantee	86,786,278	24,677,454
Other collateral	150,055,966	139,889,580
Subtotal	2,321,845,107	1,274,645,665
Unsecured		
Grant Total	2,321,845,107	1,274,645,665

4.7.4: Allowances for impairment

Particulars	As at 31.03.2078	As at 31.03.2077
Specific allowances for impairment		
Balance at Sawan 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 Asar end	-	-
Collective allowances for impairment		
Balance at Sawan 1	63,595,296	24,323,264
Impairment loss for the year:		
Charge/(reversal) for the year	10,648,446	39,272,032
Exchange rate variance on foreign currency		
Other movement		
Balance at Asar end	74,243,742	63,595,296
Total allowances for impairment	74,243,742	63,595,296

Investment securities 4.8

Particulars	As at 31.03.2078	As at 31.03.2077
Investment securities measured at amortized cost	415,000,000	215,000,000
Investment in equity measured at FVTOCI	133,678,013	132,844,398
Total	548,678,013	347,844,398

4.8.1: Investment securities measured at amortized cost

Particulars	As at 31.03.2078	As at 31.03.2077
Debt securities	-	-
Government bonds	415,000,000	215,000,000
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
Less: specific allowances for impairment	-	-
Total	415,000,000	215,000,000

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

Particulars	As at 31.03.2078	As at 31.03.2077
Equity instruments		
Quoted equity securities	132,352,713	131,755,397
Unquoted equity securities	1,325,300	1,089,000
Total	133,678,013	132,844,397

Notes to Financial Statements**4.8.3: Information relating to investment in equities**

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity	109,773,827	132,352,713	10,079,628	8,664,369
RMDC Laghubitta Bittiya Sanstha Limited (RMDC)	-	-	5,062,619	4,254,369
Nepal Life Insurance Company Limited (NLIC)	-	1,919		
1 shares of Rs. 100 each				
National Life Insurance Company Limited (NLICL)	18,250,842	16,183,060	5,017,009	4,410,000
14060 shares of Rs. 100 each				
Forward Microfinance Laghubitta Bittiya Sanstha Limited (FOWAD)	-	2,770		
1 shares of Rs. 100 each				
Global IME Laghubitta Bittiya Sanstha Limited (GILB)	-	2,815		
1 shares of Rs. 100 each				
Mero Microfinance Laghubitta Bittiya Sanstha Limited (MERO)	-	157,692		
102 shares of Rs. 100 each				
Gurans Life Insurance Company Limited (GLICL)	-	759		
1 shares of Rs. 100 each				
Suryodaya Laghubitta Bittiya Sanstha Limited (SLBS)	-	20,760		
12 shares of Rs. 100 each				
Laxmi Unnati Kosh (LUK)	30,000,000	37,860,000		
3000000 units of Rs. 100 each				
Prabhu Select Fund (PSF)	14,680,900	14,886,433		
1468090 units of Rs. 100 each				
Sunrise Bluechip Fund (SBCF)	15,000,000	15,240,000		
1500000 units of Rs. 100 each				
Sunrise First Mutual Fund	26,970,000	43,152,000		
2697000 units of Rs. 100 each				
Butwal Power Company Limited	106,260	106,260		
210 units of Rs. 100 each				
Chhimek Laghubitta Bikas Bank Limited	1,122,748	1,098,200		
646 units of Rs. 100 each				
Chilime Hydropower Company Limited	120,225	120,225		
175 units of Rs. 100 each				
Citizen Investment Trust	62,838	62,838		
18 units of Rs. 100 each				
National Life Insurance Co. Ltd.	1,151	1,151		
1 units of Rs. 100 each				
Prime Life Insurance Company Limited	218,466	218,466		
229 units of Rs. 100 each				
RMDC Laghubitta Bittiya Sanstha Ltd.	308,925	308,925		
225 units of Rs. 100 each				
RSDC Laghubitta Bittiya Sanstha Ltd.	39,882	39,882		
46 units of Rs. 100 each				
Sana Kisan Bikas Bank Ltd	492,000	492,000		
300 units of Rs. 100 each				
Surya Life Insurance Company Limited	69,150	69,150		
75 units of Rs. 100 each				
Api Power Company Ltd.	782,223	782,223		
1941 units of Rs. 100 each				

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Chhimek Laghubitta Bikas Bank Limited	672,980	654,500		
385 units of Rs. 100 each				
Chilime Hydropower Company Limited	83,020	96,180		
140 units of Rs. 100 each				
First Micro Finance Development Bank Ltd.	188,518	172,007		
209 units of Rs. 100 each				
NMB Microfinance Bittiya Sanstha Ltd.	396,150	407,265		
285 units of Rs. 100 each				
Prime Life Insurance Company Limited	62,090	66,780		
70 units of Rs. 100 each				
RMDC Laghubitta Bittiya Sanstha Ltd.	67,815	61,785		
45 units of Rs. 100 each				
Surya Life Insurance Company Limited	77,644	86,668		
94 units of Rs. 100 each				
Portfolio Management Service	-	-	109,944,651	123,091,028
NIC Asia Capital			24,944,651	30,383,584
Sunrise Capital			25,000,000	29,315,316
NIBL Capital			25,000,000	27,987,675
Himalayan Capital			15,000,000	15,404,453
Mutual Fund			20,000,000	20,000,000
Investment in unquoted equity	194,500	1,325,300	194,500	1,089,000
Karja Suchana Kendra	94,500	1,181,300	94,500	945,000
11813 shares of Rs. 100 each				
Nepal Clearing House Limited	100,000	144,000	100,000	144,000
1440 shares of Rs. 100 each				
Total	109,968,327	133,678,013	120,218,779	132,844,397

Notes to Financial Statements

Current tax assets/(liabilities)

4.9

Current tax assets	21,269,751	662,152
Current year income tax assets	21,269,751	662,152
Tax assets of prior periods		
Current tax liabilities	16,556,674	-
Current year income tax liabilities	16,556,674	-
Tax liabilities of prior periods		
Net assets/(liabilities)	4,713,077	662,152

Investment in subsidiaries

4.10

Particulars	As at 31.03.2078	As at 31.03.2077
Investment in quoted subsidiaries		
Investment in unquoted subsidiaries		
Total investment	-	-
Less: Impairment allowances		
Net carrying amount	-	-

Notes to Financial Statements

4.10.1: Investment in quoted subsidiaries

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Total	-	-	-	-

4.10.2: Investment in unquoted subsidiaries

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Total	-	-	-	-

4.10.3: Information relating to subsidiaries of the Bank

	Percentage of ownership held by the Bank	
	As at 31.03.2078	As at 31.03.2077
Total	-	-

Notes to Financial Statements

4.10.4: Non controlling interest of the subsidiaries

Particulars	As at 31.03.2077
	... Ltd.
Equity interest held by NCI (%)	-
Profit/(loss) allocated during the year	-
Accumulated balances of NCI as on Asar end	-
Dividend paid to NCI	-
	As at 31.03.2077
	... Ltd.
Equity interest held by NCI (%)	-
Profit/(loss) allocated during the year	-
Accumulated balances of NCI as on Asar end	-
Dividend paid to NCI	-

Investment in associates

4.11

Particulars	As at 31.03.2078	As at 31.03.2077
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

Notes to Financial Statements

4.11.1: Investment in quoted associates

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Total	-	-	-	-

4.11.1: Investment in quoted associates

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Total	-	-	-	-

4.11.2: Investment in unquoted associates

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
Total	-	-	-	-

4.11.3: Information relating to associates of the Bank

	Percentage of ownership held by the Bank	
	As at 31.03.2078	As at 31.03.2077
Total	-	-

4.11.4: Equity value of associates

.....Ltd.	
.....Ltd.	
Total	

Notes to Financial Statements

Investment properties

4.12

Particulars	As at 31.03.2078	As at 31.03.2077
Investment properties measured at fair value		
Balance as on Sawan 1	-	-
Addition/disposal during the year	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	-	-
Investment properties measured at cost		
Balance as on Sawan 1	-	-
Addition/disposal during the year	4,100,000.0	-
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
Net amount	4,100,000	-
Total	4,100,000	-

Investment Property includes following property booked as non- banking assets:

1. Land situated at Musikot Municipality Ward no. 01 with Plot no. 1003, 1005, 998 & 384 with value Rs. 11,00,000
2. Land situated at Bara, Rampurtokani Ward no. 9 with Plot no. 104 with value of Rs. 30,00,000.

Notes to Financial Statements Amended

Property and Equipment 4.13

Particulars Other	Land	Building	Leasehold	Computer &	Vehicle	Furniture &	Machinery	Equipment &
Cost								
Balance as on Asar end 2076	-	-	10,490,371	7,409,548	7,313,830	1,525,903	-	5,528,799
Addition during the Year								-
Acquisition	-	-	14,235,145.5	4,692,511	1,146,950	2,358,611	-	8,204,454
Capitalization					(136,902)			(136,902)
Disposal during the year								(4,448,109)
Adjustment/Revaluation			(4,448,109)					
Balance as on Asar end 2077	-	-	20,277,407	12,102,059	8,323,878	3,884,514	-	13,733,253
Addition during the Year								-
Acquisition	30,000,000.0		5,859,230	3,542,392	1,251,500	1,292,754		46,498,068
Capitalization								-
Disposal during the year				(135,360)				(17,569)
Adjustment/Revaluation				(1,207,303)	(2,825)	(3,400)		(1,556,584)
Balance as on Asar end 2078	30,000,000	-	26,136,638	14,301,787	9,572,553	5,173,868	-	17,924,819
Depreciation and Impairment								
As on Asar end 2076	-	-	2,213,201	3,329,288	1,669,923	1,320,588	-	3,496,584
Impairment for the year								
Depreciation charge for the Year	-	-	2,887,186	1,683,971	542,235	181,306		7,163,170
Disposals					(123,460)			(123,460)
Adjustment								
As on Asar end 2077	-	-	5,100,387	5,013,259	2,088,698	1,501,894	-	5,365,057
Impairment for the year								
Depreciation charge for the Year			4,449,934	2,448,125	555,464	505,056		10,824,809
Disposals				(28,407)				(3,687)
Adjustment				(1,024,688)	(2,825)	(3,425)		(1,556,585)
As on Asar end 2078	-	-	9,550,321	6,408,288	2,641,337	2,003,525	-	7,701,953
Capital Work in Progress	-	-	-	-	-	-	-	-
Net Book Value								
As on Asar end 2076	-	-	8,277,170	4,080,260	5,643,907	205,315	-	2,032,215
As on Asar end 2077	-	-	15,177,021	7,088,800	6,235,180	2,382,620	-	8,368,196
As on Asar end 2078	30,000,000	-	16,586,317	7,893,499	6,931,216	3,170,343	-	10,222,866
								74,804,243

Notes to Financial Statements Amended

Goodwill and Intangible Assets

4.14

Particular	Goodwill	Software Purchased	Software Developed	Other	Total
Cost					
As on Sawan 1, 2076	-	2,978,645.00	-	-	2,978,645
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Asar end 2077	-	2,978,645	-	-	2,978,645
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	(767,800)	-	-	(767,800)
Balance as on Asar end 2078	-	2,210,845	-	-	2,210,845
Amortization and Impairment					
As on Sawan 1, 2076	-	1,235,645.00	-	-	1,235,645
Amortization charge for the Year	-	442,169	-	-	442,169
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Asar end 2077	-	1,677,814	-	-	1,677,814
Amortization charge for the Year	-	409,069	-	-	409,069
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	(767,800)	-	-	(767,800)
As on Asar end 2078	-	1,319,083	-	-	1,319,083
Capital Work in Progress	-	-	-	-	-
Net Book Value					
As on Asar end 2076	-	1,743,000	-	-	1,743,000
As on Asar end 2077	-	1,300,831	-	-	1,300,831
As on Asar end 2078	-	891,762	-	-	891,762

Notes to Financial Statements Amended

Deferred Tax

4.15

Particulars	Deferred Tax Assets	As at 31.03.2078 Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			-
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities		7,112,906	(7,112,906)
Property & equipment		354,076	(354,076)
Employees' defined benefit plan	1,372,937		1,372,937
Lease liabilities			-
Provisions			-
Other temporary differences			-
Deferred tax on temporary differences			(6,094,045)
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			

Particulars	Deferred Tax Assets	As at 31.03.2078 Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Net Deferred tax asset/(liabilities) as on year end of Ashad 31, 2078			(6,094,045)
Deferred tax (asset)/liabilities as on Sawan 1, 2077			(2,838,598)
Deferred tax expenses/(income) during the year			3,255,447
Deferred tax expense/(income) recognised in profit or loss			(69,773)
Deferred tax expense/(income) recognised in other comprehensive income			7,026,658
Deferred tax expense/(income) recognised in directly in equity			(3,701,438)

Particulars	Deferred Tax Assets	As at 31.03.2078 Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities		3,787,685	(3,787,685)
Property & equipment		374,941	(374,941)
Employees' defined benefit plan	1,178,788		1,178,788
Lease liabilities			-
Provisions			-
Other temporary differences	145,240		145,240
Deferred tax on temporary differences			(2,838,598)
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 Ashad 31, 2076			(2,838,598)
Deferred tax (asset)/liabilities as on Sawan 1, 2076			450,068
Deferred tax expenses/(income) during the year			(3,288,667)
Deferred tax expense/(income) recognised in profit or loss			(584,582)
Deferred tax expense/(income) recognised in other comprehensive income			3,873,249
Deferred tax expense/(income) recognised in directly in equity			

Notes to Financial Statements Amended

Other Assets

4.16

Particulars	As at 31.03.2078	As at 31.03.2077
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	34,621,450	6,990,869
Accrued income	8,857,944	10,154,303
Prepayments and deposit	1,408,105	1,529,335
Income tax deposit	-	-
Deferred employee expenditure	3,410,028	4,724,751
Other miscellaneous assets	1,341,587	4,645,432
Total	49,639,115	28,044,690

Due to Bank and Financial Institutions

4.17

Particulars	As at 31.03.2078	As at 31.03.2077
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	59,901,550	218,785,475
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
Total	59,901,550	218,785,475

Due to Nepal Rastra Bank

4.18

Particulars	As at 31.03.2078	As at 31.03.2077
Refinance from NRB	171,227,269	-
Standing Liquidity Facility	-	-
Lender of last resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
Total	171,227,269	-

Derivative financial instruments

4.19

Particulars	As at 31.03.2078	As at 31.03.2077
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	-	-

Deposits from customers

4.20

Particulars	As at 31.03.2078	As at 31.03.2077
Institutions customers:		
Term deposits	672,714,000	479,255,000
Call deposits	352,352,830	154,983,745
Current deposits	169,930,710	177,753,383
Other	12,972,390	52,950,666
Individual customers:		
Term deposits	910,561,760	423,400,512
Saving deposits	766,443,850	453,896,473
Current deposits	33,682,108	2,119,307
Other	-	40,771
Total	2,918,657,648	1,744,399,857

4.20.1: Currency wise analysis of deposit from customers

Particulars	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	2,918,657,648	1,744,399,857
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-

Particulars	As at 31.03.2078	As at 31.03.2077
Other	-	-
Total	2,918,657,648	1,744,399,857

Borrowing 4.21

Particulars	As at 31.03.2078	As at 31.03.2077
Domestic Borrowing	-	-
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing	-	-
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
Total	-	-

Provisions 4.22

Particulars	As at 31.03.2078	As at 31.03.2077
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1: Movement in provision

Particulars	As at 31.03.2078	As at 31.03.2077
Balance at Sawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance at Asar end	-	-

Other liabilities 4.23

Particulars	As at 31.03.2078	As at 31.03.2077
Liability for employees defined benefit obligation*	3,040,267	2,051,584
Liability for long-service leave	2,749,223	1,877,709
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	3,413,961	7,320,760
Interest payable on deposit	636,478	3,743,145
Interest payable on borrowing	1,927,002	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	-	-
Liabilities under Finance Lease	-	-
Employee bonus payable	4,037,447	12,492
Other liabilities	17,656,013	4,486,807
Total	33,460,391	19,492,498

*This represents gratuity payable amount calculated on non-actuarial basis. Please refer accounting note no. 3.15.

As actuarial valuation has not been done, the following notes (note 4.23.1 to 4.23.7) are not required to be filled up. Nevertheless, the form has been provided.

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

Particulars	As at 31.03.2078	As at 31.03.2077
Present value of unfunded obligations		
Present value of funded obligations		
Total present value of obligations		
Fair value of plan assets		
Present value of net obligations		
Recognised liability for defined benefit obligations		

4.23.2: Plan assets

There is no plan assets.

Particulars	As at 31.03.2078	As at 31.03.2077
Equity securities		
Government bonds		
Bank deposit		
Other		
Total		

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As at 31.03.2078	As at 31.03.2077
Defined benefit obligations at Sawan 1		
Actuarial losses		
Benefits paid by the plan		
Current service costs and interest		
Defined benefit obligations at Asar end		

4.23.4: Movement in the fair value of plan assets

Particulars	As at 31.03.2078	As at 31.03.2077
Fair value of plan assets at Sawan 1		
Contributions paid into the plan		
Benefits paid during the year		
Actuarial (losses) gains		
Expected return on plan assets		
Fair value of plan assets at Asar end		

4.23.5: Amount recognised in profit or loss

Particulars	As at 31.03.2078	As at 31.03.2077
Current service costs		
Interest on obligation		
Expected return on plan assets		
Total		

4.23.6: Amount recognised in other comprehensive income

Particulars	As at 31.03.2078	As at 31.03.2077
Actuarial (gain)/loss		
Total		

4.23.7: Actuarial assumptions

Particulars	As at 31.03.2078	As at 31.03.2077
Discount rate		
Expected return on plan asset		
Future salary increase		
Withdrawal rate		

Particulars	As at 31.03.2078	As at 31.03.2077
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities**4.25**

Particulars	As at 31.03.2078	As at 31.03.2077
Redeemable preference shares	-	-
Irredeemable cumulative preference shares	-	-
Other	-	-
Total	-	-

Share capital**4.26**

Particulars	As at 31.03.2078	As at 31.03.2077
Ordinary shares	800,100,000	800,100,000
Convertible preference shares (equity component)	-	-
Irredeemable preference shares (equity component)	-	-
Perpetual debt (equity component only)	-	-
Total	800,100,000	800,100,000
Regulatory share capital	800,100,000	800,100,000

4.26.1: Ordinary shares

Particulars	As at 31.03.2078	As at 31.03.2077
Authorized Capital		
8,001,000 Ordinary share of Rs. 100 each	800,100,000	800,100,000
Issued capital		
8,001,000 Ordinary share of Rs. 100 each	800,100,000	800,100,000
Subscribed and paid up capital*		
8,001,000 Ordinary share of Rs. 100 each	800,100,000	800,100,000
Total	800,100,000	800,100,000
Capital as per NRB Directives	800,100,000	800,100,000

Reconciliation of no. of equity shares	As at 31.03.2078	As at 31.03.2077
Opening	8,001,000	8,001,000
Add: issued during the year	-	-
Closing	8,001,000	8,001,000

4.26.2: Ordinary share ownership

Particulars	As at 31.03.2078		As at 31.03.2077	
	Percent	Amount	Percent	Amount
Domestic ownership				
Nepal Government				
"A" class licensed institutions				
Other licensed institution				
Other Institutions	0.30%	23,828	0.65%	52,236
Public	99.70%	7,977,172	99.35%	7,948,764
Other (Corporate)				
Foreign ownership				
Total		8,001,000		8,001,000

The shareholders holding 0.5% or more of total paid up capital as at 31.03.2078 are as follows:

Name of shareholder	% of holding	Total Shares	Amount Rs.
Ram Kaji Awale	3.15	252,400	25,240,000
Rushan Shrestha	2.21	177,214	17,721,400
Babu Raja Maharjan	2.00	159,724	15,972,400
Mukesh Maharjan	1.95	156,134	15,613,400
Bishan Maharjan	1.95	156,070	15,607,000
Krishna Awale	1.94	155,448	15,544,800
Rushan Shrestha	1.93	154,084	15,408,400
Surendra Awale	1.90	152,400	15,240,000
Laxmi Prasad Maharjan	1.90	152,400	15,240,000
Rabi Maharjan	1.90	152,400	15,240,000
Shambhu Lal Dangol	1.90	152,400	15,240,000
Bhim Lal Maharjan	1.90	152,400	15,240,000
Ram Maharjan	1.90	152,400	15,240,000
Manoj Dangol	1.90	152,400	15,240,000
Sangha Ratna Dangol	1.90	152,400	15,240,000
Sanu Kaji Maharjan	1.90	152,400	15,240,000
Samundra Kaji Shrestha	1.76	140,644	14,064,400
Krishna Awale	1.41	112,649	11,264,900
Babu Krishna Maharjan	1.39	111,418	11,141,800
Babu Kaji Maharjan	1.18	94,241	9,424,100
Ramesh Maharjan	1.16	92,795	9,279,500
Hera Man Maharjan	1.12	89,850	8,985,000
Ram Kaji Awale	1.03	82,043	8,204,300
Ishwori Bade	0.99	78,814	7,881,400
Sachin Maharjan	0.92	73,912	7,391,200
Isha Shrestha	0.92	73,403	7,340,300
Pancha Ram Maharjan	0.92	73,275	7,327,500
Bish Ram Singh	0.91	72,771	7,277,100
Tirtha Lal Maharjan	0.86	68,664	6,866,400
Bikash Maharjan	0.84	66,813	6,681,300
Anil Maharjan	0.79	62,865	6,286,500
Toya Nath Poudel	0.77	61,736	6,173,600
Rajendra Shakya	0.70	55,844	5,584,400
Binaya Amatya	0.62	50,000	5,000,000
Ishan Shrestha	0.62	50,000	5,000,000
Arjun Maharjan	0.59	47,356	4,735,600
Mina Maharjan Chitrakar	0.55	43,966	4,396,600
Purna Maharjan	0.50	40,000	4,000,000
Total	52.82	4,225,733	422,573,300

Reserves

4.27

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory general reserve	26,804,142	18,973,013
Exchange equalisation reserve	-	-
Corporate social responsibility reserve	268,175	44,222
Capital redemption reserve	-	-
Regulatory reserve	4,946,303	15,323,966
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-

Particulars	As at 31.03.2078	As at 31.03.2077
Fair value reserve	16,596,780	8,837,932
Dividend equalisation reserve	-	-
Actuarial gain	-	-
Special reserve	-	-
Other reserve	-	-
Capital Adjustment Fund	-	-
Staff Training Reserve	636,505	150,124
Total	49,251,904	43,329,258

Regulatory reserve includes the amount that is allocated from profit or retained earnings for the finance as per directive of NRB for the purpose of implementation of NFRS and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares). The amount allocated to this reserve includes the following adjustments as per NFRS:

Particulars	As at 31.03.2078	As at 31.03.2077
Accured Interest on Loans and Advances recognised as income	2,146,303	15,323,966
Provision for NBA (Net of Bonus and Tax)	2,800,000	
Loss on Investment		
Deferred Tax Assets		
Total	4,946,303	15,323,966

Disclosures as per Notice 1/2078/79 relating to AGM and Dividend Distribution Procedure is as follows:

FY	Interest Receivable	Short Loan Loss Provision	Short provision for possible losses in Investment	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss recognised	Fair Value Loss Recognised in OCI	Other	Total
From 74/75 till reporting period	2146303								2800000	4946303
Total	2146303	-	-	-	-	-	-	-	2800000	4946303

Movement of specific reserves for the year 2077-78 is as follows:

Particulars	Corporate social responsibility reserve	Training reserve
Opening	44,222	150,124
Addition for the year	268,175	636,505
Utilization during the year	(44,222)	(150,124)
Closing	268,175	636,505

Contingent liabilities and commitments

4.28

Particulars	As at 31.03.2078	As at 31.03.2077
Contingent liabilities	-	-
Undrawn and undisbursed facilities	104,360,190	38,883,170
Capital commitment	-	-
Lease Commitment	113,211,831	78,098,357
Litigation		
Total	217,572,021	116,981,527.00

4.28.1: Contingent liabilities

Particulars	As at 31.03.2078	As at 31.03.2077
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees		
Underwriting commitment		
Other commitments		
Total	-	-

4.28.2: Undrawn and undisbursed facilities

Particulars	As at 31.03.2078	As at 31.03.2077
Undisbursed amount of loans	104,360,190	38,883,170
Undrawn limits of overdrafts		
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	104,360,190	38,883,170

4.28.3: Capital commitments

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

Particulars	As at 31.03.2078	As at 31.03.2077
Capital commitments in relation to Property and Equipment		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Total	-	-

4.28.4: Lease commitments

Particulars	As at 31.03.2078	As at 31.03.2077
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	15,373,284	9,148,072
Later than 1 year but not later than 5 years	55,591,530	38,433,392
Later than 5 years	42,247,018	30,516,893
Sub total	113,211,831	78,098,357
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
Sub total	-	-
Grand total	113,211,831	78,098,357

4.28.5: Litigation

There is no any legal case pending for or against the Finance company.

Notes to Financial Statements Amended

Interest income

4.29

Particulars	As at 31.03.2078	As at 31.03.2077
Cash and cash equivalent	1,935,514	41,573,751
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	214,445,413	187,716,923
Investment securities	17,730,025	3,782,448
Loan and advances to staff	2,078,898	1,418,485
Other	1,097,491	-
Total interest income	237,287,341	234,491,607

Interest expense

4.30

Particulars	As at 31.03.2078	As at 31.03.2077
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	1,927,613	-
Deposits from customers	154,548,895	128,065,036
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
Total interest expense	156,476,509	128,065,036

Fees and Commission Income

4.31

Particulars	As at 31.03.2078	As at 31.03.2077
Loan administration fees	-	-
Service fees	19,127,005	8,137,268
Penalty Income	375,668	861,757
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	97,185	400
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	265,267	194,428
Commission on letter of credit	-	-
Commission on guarantee contracts issued	36,000	-
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	46,101	798
Total fees and Commission Income	19,947,226	9,194,650

Fees and commission expense

4.32

Particulars	As at 31.03.2078	As at 31.03.2077
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	383,761	-
Total fees and Commission Expense	383,761	-

Net trading income

4.33

Particulars	As at 31.03.2078	As at 31.03.2077
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	-	-
Net trading income	-	-

Other operating income

4.34

Particulars	As at 31.03.2078	As at 31.03.2077
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	59,912,573	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	1,715,460	183,166
Gain/loss on sale of property and equipment	29,167	-
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	40,500	18,000
Total	61,697,700	201,166

Impairment charge/(reversal) for loan and other losses

4.35

Particulars	As at 31.03.2078	As at 31.03.2077
Impairment charge/(reversal) on loan and advances to B/FIs	1,191,448	3,891,016
Impairment charge/(reversal) on loan and advances to customer	10,648,446	39,272,031
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Total	11,839,894	(4,213,828)

Personnel Expense

4.36

Particulars	As at 31.03.2078	As at 31.03.2077
Salary	21,040,110	15,748,502
Allowances	15,549,495	10,819,523
Gratuity expense	218,941	574,674
Provident fund	2,404,146	1,484,621
Uniform	1,080,000	800,000
Training & development expense	499,475	506,426
Leave encashment	1,337,112	961,645
Medical	2,512,211	1,690,374
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	529,718	263,624
Other expenses related to staff	-	-
Subtotal	45,171,208	32,849,389
Employees bonus	4,024,955	12,492
Grand total	49,196,163	32,861,881

Other operating expense**4.37**

Particulars	As at 31.03.2078	As at 31.03.2077
Directors' fee	748,000	561,800
Directors' expense	16,858	210,805
Auditors' remuneration	197,750	169,500
Other audit related expense	342,820	218,815
Professional and legal expense	684,853	869,953
Office administration expense	24,195,020	19,280,968
Operating lease expense	12,819,316	9,182,040
Operating expense of investment properties	-	-
Corporate social responsibility expense	1,147,343	1,384,326
Onerous lease provisions	-	-
Operating expense of investment securities	9,400,549	-
Total	49,552,509	31,878,208

Office administration expenses include the following:	Current Year	Previous Year
Water and electricity	1,853,560	1,332,153
Repair and maintenance		
Building	-	-
Vehicles	195,176	165,653
Computer and accessories	-	-
Office equipment and furniture	380,332	785,945
Others	2,867,938	1,771,016
Insurance	1,549,204	951,102
Postage, telex, telephone , fax	1,889,777	1,488,884
Printing and stationery	1,930,327	1,145,604
Newspaper, books and journal	44,061	124,981
Advertisement	1,674,003	1,001,707
Donation	-	40,000
Security	8,346,324	5,966,400
Deposit and loan guarantee premium	-	-
Travel allowance and expense	295,149	796,914
Entertainment	992,877	366,713
Annual/special general meeting	89,325	428,746
Other expenses	2,086,968	2,915,150
Total	24,195,020	19,280,968

Depreciation & Amortisation**4.38**

Particulars	As at 31.03.2078	As at 31.03.2077
Depreciation on property and equipment	10,824,809	7,163,170
Depreciation on investment property	-	-
Amortisation of intangible assets	409,069	442,169
Total	11,233,879	7,605,339

Non operating income**4.39**

Particulars	As at 31.03.2078	As at 31.03.2077
Recovery of loan written off	-	-
Other income	-	-
Total	-	-

Non operating expense

4.40

Particulars	As at 31.03.2078	As at 31.03.2077
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	-	-
Total	-	-

Income tax expense

4.41

Particulars	As at 31.03.2078	As at 31.03.2077
Current tax expense	13,501,811	(3,712,732)
Current year	12,855,236	-
Adjustments for prior years	646,575	(3,712,732)
Deferred tax expense	(69,773)	(584,582)
Origination and reversal of temporary differences	(69,773)	(584,582)
Changes in tax rate		
Recognition of previously unrecognised tax losses		
Total income tax expense	13,432,037	(4,297,314)

4.41.1: Reconciliation of tax expense and accounting profit

Current Year		
Profit before tax	40,249,553	124,921
Tax amount at tax rate of 30%	12,074,866	37,476
Add: Tax effect of expenses that are not deductible for tax purpose	875,008	(37,476)
Less: Tax effect on exempt income	(94,638)	-
Add/less: Tax effect on other items	(0)	-
Total income tax expense	12,855,236	-
Effective tax rate	31.94%	0.00%

Notes to Financial Statements Amended

Statement of Distributable Profit or Loss

4.42

Particulars	As at 31.03.2078	As at 31.03.2077
Opening Retained Earnings	7,435,459	10,867,025
Net profit or (loss) as per statement of profit or loss	26,817,516	4,422,235
Appropriations:		
a. General reserve	(7,831,129)	(884,447)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(223,953)	238,066
e. Employees' training fund	(486,381)	(128,289)
f. Investment Adjustment Reserve	-	-
g. Other	8,636,689	-
Profit or (loss) before regulatory adjustment	26,912,742	3,647,565
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	13,177,663	(8,737,483)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	1,293,846
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(2,800,000)	-
e. Deferred tax assets recognised (-)/ reversal (+)	-	364,505
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	-	-
Distributable profit or (loss) from current year profit	37,290,405	(3,431,566)
Total Distributable Profit as on Year End Date	44,725,864	7,435,459

Notes to Financial Statements

5 Disclosure and Additional Information

5.1 Risk Management

The Finance Company's business activities expose to a variety of risks, namely primarily to fluctuations in foreign currency exchange rates, liquidity risk, operational risk and credit risk, which may adversely impact the fair value of its financial instruments and in overall, impact the financial performance and position of Finance Co. The Finance Co.'s Board and senior management has overall responsibility for the establishment and oversight of the Finance's risk management. The Finance Co.'s risk management policies are established to identify and analyses the risks faced by the Finance Co., to set appropriate risk limits (tolerance limit) and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Credit Risk

Credit risk refers to the probability of loss due to a borrower's failure to make payments on the loan provided by the Finance Co. This directly impacts the financial performance of Finance Co.. Motive of credit risk management is to gain a complete understanding of a Finance's overall credit risk by viewing risk at the individual, customer and portfolio levels so that mitigating measures could be applied at desired levels.

Credit policy, product papers are the primary documented matters that are directly linked to credit risk management. The policies and procedures to be followed are in documented form defining roles and responsibilities of the personnel involved that provides a degree to autonomy on the evaluation and analysis of individual borrower. Credit Administration Department as well as senior management function to supervise risk on overall level.

Each prospective borrower is thoroughly analysed on his/her past, current status and future endeavours in order to ensure that borrower has capacity of repayment, before a credit is approved. Sufficient adequate collateral is obtained for all approved credit. Depending on the risk assigned to borrower, subsequent monitoring is being done. For similar group of borrowers, credit portfolio is prepared based on sector of loan. The tools being used by Finance Co. to assess overall credit risk is the ratio of non-performing loan to total loan on each loan sector.

b) **Market Risk**

Market risk is the risk of happening of potential loss on assets of the Finance Co. due to market factors. Market factors mainly comprise of interest rate, foreign exchange and collateral price. This risk is not entirely manageable as it encompasses factors that are not wholly within the control of Finance Co. and arises on transaction with customers. In general, management of this type of risk is by diversification.

Finance Co. has the objective of effective risk management by way of risk identification, measurement, monitoring, management and analysis.

Interest Rate Risk:

Interest rate risk is the risk of increased volatility due to changes in interest rate. Our nation has seen frequent and high changes in interest rate on deposit in the recent year with interest rate skyrocketing on few months time. Managing this risk is itself a huge challenge because fund diversion from one to Finance to another Finance is of high probability. Finance Co. has been focusing on raising fixed term deposits with fixed interest rate in order to lock the available liquidity/deposit for specified period.

Foreign Exchange Risk:

Foreign exchange risk is the risk of changes in exchange rates of convertible foreign currencies. This risk mainly arises from changes in exchange rate of US Dollars. Finance Co. does not have transaction in foreign currency.

Equity Price Risk:

Finance Co. has secured its loan by way of obtaining lien over the collateral of borrower. The value of loan disbursed is directly pegged with the value of collateral. Decrease in price of collateral may result in cases of non-recovery of the due amount if borrower defaults in making payment. Collateral value may decline due to environmental factors, government decision, etc. Finance Co. properly analyses the collateral before considering it as security and conducts independent valuation of collateral. Revaluation is done on periodic basis based on the developments after previous valuation and necessary mitigative measures are taken if the value is found to have been declined.

c) **Liquidity Risk**

Liquidity risk is the risk that either Finance Co. does not have financial resource to meet its obligations when due or could access to those resources at excessively high cost. Liquidity risk is managed by complying with the Directives and circulars issued by regulatory authority on time to time basis. CRR and SLR are maintained as per regulatory requirement and periodic status of liquidity profile are prepared to analyse liquidity status. Assets Liability Management Committee is formed at Finance Co. to monitor the liquidity profile. Cash, highly liquid securities and investments form an integral part of managing liquidity risk.

d) **Operational Risk**

Operational risk is potential for loss resulting from inadequate or failed internal processes, people and systems or external events. Standard operating procedures are prepared and implemented in order to define the process, people and system involved in each operational matters with existence of four eyes on each transaction (maker and checker function). Finance Co. carries out internal audit from independent professionals on periodic basis in order to review the effectiveness of control system that has been designed to mitigate the operational risk which is monitored by the Audit Committee.

e) **Information Technology Risk**

Information technology risk refers to the risk arising from use of information technology. It includes hardware and software failure, human error on using IT, spam, virus, malicious attacks and also includes natural disaster. IT is integral part of operation of Finance Co. and Finance Co. has to rely heavily on IT. Finance Co. has in-house IT department for daily monitoring, evaluation of IT related issues. Finance Co.'s IT risk management comprises of investing in resources for identification, detection, recovery, respond and protection of IT assets.

f) **Other Risk**

The ever-changing environment gives rise to various new risks. Some of this include reputational risk, human resource risk, compliance risk etc. The risks are being evaluated and managed on daily/periodic basis by way of implementing mitigating measures. Nevertheless, the Risk Management Department/Compliance Department remains vigilant towards each risk.

5.2 **Fair Value of Financial Assets and Liabilities and their Classification**

The method of determination of fair value of financial assets and financial liabilities of the Finance at three levels (level one, level two and level three) has been disclosed in Note 3.4.4. Classification of financial assets and financial liabilities is done as mentioned in Note 3.4.2.

Fair value measurement is done for investment in shares. Fair value hierarchy of financial assets and liabilities at each reporting dates for the financial instruments presented in statement of financial position is as follows:

As at 31 Ashad 2078

Particulars	Classification	Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalent		585,913,183		
Due from Nepal Rastra Finance	AC	129,107,407		
Loans and advances to customers	AC			2,247,601,365
Investment securities				
Quoted shares	FVOCI	132,352,713		
Unquoted shares	FVOCI			1,325,300
Other Investment	AC			415,000,000
Total Financial Assets		847,373,302	-	2,663,926,665
Financial Liabilities				
Due to Finance and Financial Institutions	AC	59,901,550		
Deposits from customers	AC	2,918,657,648		
Other Liabilities	AC			
Total Financial Liabilities		2,978,559,198	-	-

As at 31 Ashad 2077

Particulars	Classification	Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalent		594,040,745		
Due from Nepal Rastra Finance	AC	158,808,547		
Loans and advances to customers	AC			1,211,050,369
Investment securities				
Quoted shares	FVOCI	131,755,397		
Unquoted shares	FVOCI			1,089,000
Other Investment	AC			215,000,000
Total Financial Assets		884,604,689	-	1,427,139,369
Financial Liabilities				
Due to Finance and Financial Institutions	AC	218,785,475		
Deposits from customers	AC	1,744,399,857		
Other Liabilities	AC			
Total Financial Liabilities		1,963,185,332	-	-

Note: AC = Amortized Cost, FVOCI = Fair Value Through OCI

5.3 Capital Management

5.3.1 Principle and Objective

The principle of capital management of the Finance is to maintain strong capital base, meet the regulatory requirements and ensure reasonable return on capital to its shareholders. The Finance Co., through its senior management level and manages the capital to meet regulatory requirement at all times and the Board ensures that such management of capital has been carried out by the management. Finance Co. has issued ordinary equity shares and the paid up capital meets the requirement of NRB. Periodic review of core capital and capital fund is also being done to ensure the capital base remains strong. Capital Adequacy Framework (CAF) 2007 (Updated 2008) is a benchmark of managing capital base of the Finance Co.

Finance Co. has not issued preference capital or any other form of hybrid instruments that may be converted into capital.

5.3.2 Capital Structure and Capital Adequacy

Capital Fund of Finance Co. as per CAF 2007 is as follows (amount in '000):

Particulars	As at 31.03.2078	As at 31.03.2077
1.1 Risk Weighted Exposure (RWE)		
RWE for Credit Risk	2,763,676.36	1,819,782.28
RWE for Operational Risk	179,690.00	74,960.00
RWE for Market Risk	-	-
Total RWE before adjustment under Pillar II	2,943,366.36	1,894,742.28
Adjustments under Pillar II		
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	48,736.73	
Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	88,300.99	
Total RWE	3,080,404.08	1,894,742.28
1.2 Capital		
A. Core Capital (Tier I)	878,754.79	833,633.25
Paid up Equity Share Capital	800,100.00	800,100.00
Irredeemable Non-cumulative preference shares		
Share Premium	7,124.78	7,124.78
Proposed Bonus Equity Shares		
Statutory General Reserves	26,804.14	18,973.01
Retained Earnings	44,725.86	7,435.46
Un-audited current year cumulative profit/(loss)	-	-
Capital Redemption Reserve		
Capital Adjustment Reserve		
Dividend Equalization Reserves		
Other Free Reserve		
Less: Goodwill		
Less: Deferred Tax Assets	-	-
Less: Fictitious Assets		
Less: Investment in equity in licensed Financial Institutions		
Less: Investment in equity of institutions with financial interests		
Less: Investment in equity of institutions in excess of limits		
Less: Investments arising out of underwriting commitments		
Less: Reciprocal crossholdings		
Less: Purchase of land & building in excess of limit and unutilized		
Less: Other Deductions		
Adjustments under Pillar II		
B. Supplementary Capital (Tier II)	33,930.34	25,103.07
Cumulative and/or Redeemable Preference Share		
Subordinated Term Debt		
Hybrid Capital Instruments		
General Loan Loss Provision	33,930.34	25,103.07
Exchange Equalization Reserve		
Investment Adjustment Reserve	-	-
Assets Revaluation Reserve	-	-
Other Reserves	-	-
Total Capital Fund (Tier I and Tier II)	912,685.13	858,736.32
1.3 Capital Adequacy Ratio		
Tier I Capital to Total RWE	28.53%	44.00%
Total Capital Fund to Total RWE	29.63%	45.32%

Notes to Financial Statements Amended

5.3.3 Risk Exposure

Table of Risk Exposure at the reporting dates (amount in '000) is as follows:

a) Credit Risk

A. Balance Sheet Exposures	Book	Specific	Current Year			Risk Weight	Risk Weighted Exposures	Previous Year	
			a	b	c			Net Value	Risk Weighted Exposures
Cash Balance	64,938								
Balance With Nepal Rastra Bank	129,107					0%	-		
Gold						0%	-		
Investment in Nepalese Government Securities	415,000					0%	-		
All Claims on Government of Nepal	20,731					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 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	821,849					20%	164,369.81		
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	1,191,903	19,016				100%	1,172,887.13		
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)	640,495	2,445			19,220	75%	464,122.90		
Claims fulfilling all criterion of regularity retail except granularity						100%	-		

A. Balance Sheet Exposures		Current Year			Previous Year		
Book	Specific	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Value	Risk Weighted Exposures
a	b	c	d=a-b-c	e	f=d*e		
Claims secured by residential properties	114,620		114,620	60%	68,772.06		
Claims not fully secured by residential properties			-	150%	-		
Claims secured by residential properties (Overdue)			-	100%	-		
Claims secured by Commercial real estate	17,688		334,626	100%	334,625.72		
Past due claims (except for claims secured by residential properties)			-	150%	-		
High Risk claims	2,963		-	150%	-		
Lending against shares	5,119		5,053	150%	7,579.08		
Investments in equity and other capital instruments of institutions listed in stock exchange	121,806		121,806	150%	182,709.74		
Investments in equity and other capital instruments of institutions not listed in the stock exchange	125,350		125,350	100%	125,349.89		
Staff loan secured by residential property			-	150%	-		
Interest Receivable/claim on government securities			-	60%	-		
Cash in transit and other cash items in the process of collection	6,877		6,877	0%	-		
Other Assets (as per attachment)			-	20%	-		
TOTAL (A)	130,048		130,048	100%	130,048.20		
B. Off Balance Sheet Exposures	4,143,121	19,220	4,081,723		2,650,464.53		
Revocable Commitments	104,360		104,360	0%	-		
Bills Under Collection			-	0%	-		
Forward Exchange Contract Liabilities			-	10%	-		
LC Commitments With Original Maturity Up to 6 months			-				
domestic counterparty			-	20%	-		
Foreign counterparty (ECA Rating 0-1)			-	20%	-		
Foreign counterparty (ECA Rating 2)			-	50%	-		
Foreign counterparty (ECA Rating 3-6)			-	100%	-		
Foreign counterparty (ECA Rating 7)			-	150%	-		
LC Commitments With Original Maturity Over 6 months			-				
domestic counterparty			-	50%	-		
Foreign counterparty (ECA Rating 0-1)			-	20%	-		
Foreign counterparty (ECA Rating 2)			-	50%	-		
Foreign counterparty (ECA Rating 3-6)			-	100%	-		
Foreign counterparty (ECA Rating 7)			-	150%	-		
Bid Bond, Performance Bond and Counter guarantee			-				
domestic 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%	-		
Underwriting commitments			-	50%	-		
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%		

A. Balance Sheet Exposures				Current Year		Previous Year	
Book	Specific	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Value	Risk Weighted Exposures
a	b	c	d=a-b-c	e	f=d*e		
Repurchase Agreements, Assets sale with recourse			-	100%	-		
Advance Payment Guarantee			-	100%	-		
Financial Guarantee			-	100%	-		
Acceptances and Endorsements			-	100%	-		
Unpaid portion of Party 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	113,212		113,212	100%	113,212		
Unpaid Guarantee Claims			-	200%	-		
TOTAL (B)	217,572	-	217,572		113,212		
Total RWE for credit Risk Before Adjustment (A) +(B)	4,360,693	42,178	4,299,296		2,763,676.36		
<i>Adjustments under Pillar II</i>							
Total RWE for Credit Risk			4,299,296		2,763,676.36		

Eligible Credit Risk Mitigants

Credit exposures	Deposits Bank (a)	Deposits with other banks/FI (b)	Gold (c)	Govt. & NRB Securities (d)	G'tee of Govt. of Nepal (e)	Sec/G'tee of other Sovereigns (f)	G'tee of domestic banks (g)	G'tee of MDBs (h)	Sec/G'tee of Foreign Banks (i)	Total
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)										-
Claims on Foreign government and Central Bank (ECA -3)										-
Claims on Foreign government and Central Bank (ECA -4-6)										-
Claims on Foreign government and Central Bank (ECA -7)										-
Claims on Other Multilateral Development Banks										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity (ECA 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates										-
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	19,220									19,220.00
Claims fulfilling all criterion of regularity retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by Commercial Real Estate										-
Past due claims (except for claims secured by residential properties)										-
High Risk claims										-
Lending against shares										-
Investments in equity and other capital instruments of institutions listed in stock exchange										-

Credit exposures	Deposits Bank	Deposits with other banks/FI	Gold	Govt.& NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Other Assets (as per attachment)	19,220	-	-	-	-	-	-	-	-	19,220
Total	19,220	-	-	-	-	-	-	-	-	19,220
Off Balance Sheet Exposures										
Forward Exchange Contract Liabilities										
LC Commitments With Original Maturity Up to 6 months domestic counterparty										
Foreign counterparty (ECA Rating 0-1)										
Foreign counterparty (ECA Rating 2)										
Foreign counterparty (ECA Rating 3-6)										
Foreign counterparty (ECA Rating 7)										
LC Commitments With Original Maturity Over 6 months domestic counterparty										
Foreign counterparty (ECA Rating 0-1)										
Foreign counterparty (ECA Rating 2)										
Foreign counterparty (ECA Rating 3-6)										
Foreign counterparty (ECA Rating 7)										
Bid Bond, Performance Bond and Counter guarantee domestic counterparty										
Foreign counterparty (ECA Rating 0-1)										
Foreign counterparty (ECA Rating 2)										
Foreign counterparty (ECA Rating 3-6)										
Foreign counterparty (ECA Rating 7)										
Bid Bond, Performance Bond and Counter guarantee domestic counterparty										
Foreign counterparty (ECA Rating 0-1)										
Foreign counterparty (ECA Rating 2)										
Foreign counterparty (ECA Rating 3-6)										
Foreign counterparty (ECA Rating 7)										
Underwriting commitments										
Lending of Bank's Securities or Posting of Securities as collateral										
Repurchase Agreements, Assets sale with recourse										
Advance Payment Guarantee										
Financial Guarantee										
Acceptances and Endorsements										
Unpaid portion of Partly paid shares and Securities										
Irrevocable Credit commitments (short term)										
Irrevocable Credit commitments (long term)										
Other Contingent Liabilities										
Unpaid Guarantee Claims										
Total	19,220	-	-	-	-	-	-	-	-	19,220
Grand Total	19,220	-	-	-	-	-	-	-	-	19,220

Statement of Financial Statements Amended

b) Operational Risk

Amount in '000

Particulars	2075/076	Fiscal Year 2076/077	2077/078
Net Interest Income	65,074.29	66,839.04	107,336.28
Commission and Discount Income	10,264.76	9,194.65	19,947.23
Other Operating Income	201.17	12.18	61,697.70
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period	5,738.62	39,587.53	(26,525.45)
Gross income (a)	81,278.84	115,633.40	162,455.7
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	12,192.00	17,346.00	24,369.00
Capital Requirement for operational risk (d) (average of c)			17,969.00
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10
Equivalent Risk Weight Exposure [f=(d×e)]			179,690.00
Pillar II Adjustments			
If Gross Income for the last three years is negative (6.4 a 8)			
Total Credit and Investment (net of Specific Provision) of related month			-
Capital Requirement for Operational Risk (5% of net credit and investment)			-
Risk Weight (reciprocal of capital requirement of 10%) in times			10
Equivalent Risk Weight Exposure (g)			-
Equivalent Risk Weight Exposure [h=f+g]			179,690.00

c) Market Risk

Currency	Open Position (FCY)	Exchange Rate	OpenPosition(NRs.)	Relecant Open Position of Previous Year
INR	-	-	-	-
USD	-	-	-	-
GBP	-	-	-	-
EUR	-	-	-	-
THB	-	-	-	-
CHF	-	-	-	-
AUD	-	-	-	-
CAD	-	-	-	-
SGD	-	-	-	-
JPY	-	-	-	-
HKD	-	-	-	-
DKK	-	-	-	-
SEK	-	-	-	-
SAR	-	-	-	-
QAR	-	-	-	-
AED	-	-	-	-
MYR	-	-	-	-
KRW	-	-	-	-
CNY	-	-	-	-
KWD	-	-	-	-
BHD	-	-	-	-
(a) Total Open Position				-
(b) Fixed Percentage				5%
(c) Capital Charge for Market Risk (=a*b)				-
(d) Risk Weight (reciprocal of capital requirement of 10%) in times				10
(e) Equivalent Risk Weight Exposure (=c×d)				-

d) Non Performing Assets (Gross and Net)

Non Performing Assets	Gross Amount	Impairment Allowance	Net Amount
Restructured and Rescheduled	-	-	-
Sub-Standard	13,888,779.06	3,201,139.74	10,687,639.33
Doubtful	383,465.59	191,732.80	191,732.80
Bad	36,920,525.16	36,920,525.16	-
Total			10,879,372.12

5.3.4 Compliance with Capital Requirement

Inline with NRB Directive 1/077, the following is the status of compliance with capital requirements at Ashad end 2078.

Particulars	Requirement	Position
Tier I Capital to RWE	6%	28.53%
Tier I and Tier II Capital to RWE	10%	29.63%

Notes to Financial Statements Amended

5.4 Operating Segment Information**5.4.1 General Information**

Finance Co's management has identified its operating segments based on the management of its branches and offices. In line with this, 7 different segments are identified based on 7 Provinces of Nepal on geographical separation basis. The operation, risk, transactions, etc. are more inclined on similar manner on a particular state. All the related income and expenses of such segments are presented in the segment information. Equity, staff bonus, NFRS adjustments and income tax are not segregated and are included in central account. Intra-segment transactions are eliminated. Finance has only presence in Province 3, hence all income, expenses, assets and liabilities have been allocated in this segment and there does not exist unallocated portion.

In general, the sectors that derive revenue is classified in the following manner.

- i) Financial Intermediary Activities: Revenue generated by way of providing financing services is categorized under this sector. This includes loans and deposit, service charges related to loans and deposit and related charges and income.
- ii) Treasury: Revenue generated by way of making investment in government securities, corporate bonds, mutual fund units, shares etc. are grouped under this product.
- iii) Others: Other revenue are included in this product and includes operational service fees, locker, guarantee commission, ATM fees, remittance commission etc.

5.4.2 Segment result and segment position for the year ended on Ashad 2076

Particulars	Province 1	Province 2	Bagmati	Gandaki	Province 5	Karnali	Far West	Total
Revenue from external customers	357,639	17,739,777	283,457,190	9,939,104				311,493,709
Intersegment revenues	862,395.17	12,006,208.61	(10,334,215)	(2,534,389)				-
Net revenue	1,220,034	29,745,986	273,122,974	7,404,715				311,493,709
Interest income	19,227	14,777,699	213,127,476	8,833,221				236,757,623
Interest expenses	112,636	5,290,804	143,806,437	7,266,631				156,476,509
Net interest revenue	(93,409)	9,486,895	69,321,039	1,566,589				80,281,114
Depreciation and amortization	247,557	2,175,712	8,579,485	495,688				11,498,443
Segment profit/(loss)	(2,647,384)	(1,622,269)	47,339,776	(3,835,003)				39,235,119
Entity's interest in the profit or loss of associate accounted for using equity method								
Other material non-cash items:								
Loans:								
Consumer	16,933,485	115,229,460	956,602,831	82,901,534				1,171,667,310
Corporate	8,363,296	256,620,191	1,221,844,782	15,867,999				1,502,696,268
Deposit								
Consumer	7,653,480	106,390,791	1,515,547,428	79,512,504				1,709,104,203
Corporate	86,926	49,389,691	1,176,653,403	43,324,975				1,269,454,996
Impairment of Assets	233,143	3,180,698	97,565,346	869,018				101,848,206
Segment Assets	5,172,160	167,172,985	3,773,569,390	119,362,297				4,065,276,832
Segment Liabilities	7,819,544	168,795,254	2,882,875,046	123,197,300				3,182,687,144

Notes to Financial Statements Amended

5.4.3 Measurement of operating segment profit or loss, assets and liabilities

i) Basis of accounting for any transactions between reportable segments:

All revenue generated including intra-segment revenue and expenses incurred in particular segment are presented under segment revenue and expenses. Intra-segment revenue/cost is netted off at Head Office.

ii) Nature of any differences between the measurements of the reportable segment's profits or losses and the entity's profit or loss before income tax

There does not exist such difference.

iii) Nature of any differences between the measurements of the reportable segment's assets and the entity's assets.

There does not exist such difference.

iv) Nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any,

Previously, segment reporting was not done. In current scenario, segment reporting based on geographical segment is presented.

v) Nature and effect of any asymmetrical allocations to reportable segments

There is no such allocation.

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

a)	Revenue	
	Total revenue for reportable segments	311,493,709
	Other revenue	-
	Elimination of intersegment revenues	-
	Entity's revenue	311,493,709

b)	Profit or loss	
	Total profit or loss for reportable segments	39,235,119
	Other profit or loss	-
	Elimination of intersegment profit	-
	Unallocated amounts:	
	Staff bonus	4,024,955
	Income tax	13,432,037
	NFRS adjustments	(29,874,596)
	Profit After income tax	26,817,516

c)	Assets	
	Total assets for reportable segments	4,065,276,832
	Other assets	-
	Unallocated assets	-
	Entity's assets	4,065,276,832

d)	Liabilities	
	Total liabilities for reportable segments	3,182,687,144
	Other liabilities	-
	Unallocated liabilities	-
	Entity's liabilities	3,182,687,144

5.4.5 Information about product and services

Particulars	Amount
Financial Intermediary Activities	238,684,321
Treasury	19,445,485
Others	813,388

5.4.6 Information about geographical areas

Revenue from geographical areas are as follows:

Domestic:	311,493,709
Province 1	357,639
Province 2	17,739,777
Province 3	283,457,190
Gandaki	9,939,104
Province 5	
Karnali	
Far West	
Foreign:	
Total Revenue	311,493,709

5.4.7 Information about major customers

None of the customer have contribution of 10% of more revenue on total revenue of Bank.

5.5 Share options and share based payment

Not applicable

5.6 Contingent liabilities and capital commitment

Contingent liabilities are:

- 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 recognised 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.

Capital commitment are projected capital expenditure a company commits to spend on long-term assets over a period of time.

Quantitative information on contingent liabilities and capital commitments are presented in Note 4.28.

5.7 Related parties disclosure

Related parties of the Bank include key management personnel of the Bank.

5.7.1 Key management personnel

Key management personnel include Board of Director of the Bank and Chief Executive Officer.

a) Board of Directors

Board of Directors of the Bank comprise the following:

Name	Position
Mr. Kishore Kumar Maharjan	Chairperson
Mr. Anish Maharjan	Director
Mr. Sambhu Lal Dangol	Director
Ms. Sabina Maharjan	Director
Mr. Samundra Kaji Shrestha	Director
Mr. Biplove Singh	Independent Director
Mr. Bishal Humagain serves as the secretary of Board.	

Allowance and facilities provided to board members

Chairperson of the Board is provided Rs. 5,000 and other board members are provided Rs. 4,000 as meeting fees for attending the board meetings. Total amount paid as meeting allowance during the year to board members was Rs. 608,000.

All board members are provided Rs. 3,000 per month per person in order to cover expenses related to newspaper and telephone expenses.

For official travel, members of board are provided travel and daily allowance as per the rules of Bank.

Apart from the stated allowance and facilities, other allowance and facilities are not provided to board members.

There has not been any commercial transaction of the Bank with its board members.

b) Chief Executive Officer

Mr Bishal Humagain serves as Chief Executive Officer of the Bank. He is provided salary and allowance and benefits as per contract entered on his appointment. Annual salary and allowances provided to Mr. Humagain during the year amounts to Rs 2,793,000 (previous year Rs. 3,623,358).

In addition, the CEO is provided vehicle facility by the bank.

Bank has not entered into any commercial transaction with its CEO.

5.8 Merger and acquisition

During the current fiscal year, there has not been any completed merger or acquisition.

5.9 Events after reporting date

Proposed dividend

Finance's Board of Directors in its meeting held on 28 Poush 2078 has decided to propose dividend of 6.3157% (6% Bonus Share Rs. 4,80,06,000 and 0.3157% Cash Dividend Rs. 25,26,632 for tax purpose). For this purpose, all the amount in the share premium account shall be utilised and balance shall be apportioned from the retained earnings.

Adjustment of Interest received till Bhadra 15 2078 on regulatory reserve

Creation of regulatory reserve is not required for Accrued interest receivable as on Ashad end 2078 which was recognized subsequently up to Bhadra 15 2078. Such accrued interest receivable as on Ashad End 2078 which was subsequently recovered within Bhadra 15 2078 amount to NPR 16,275,804.59

5.10 Amendment to Financial Statement

Management of the Finance has determined that the provision made for income tax was understated, resulting in further inaccuracies in the determination of profit after tax resulting in excess appropriation to General Reserve and Corporate Social Responsibility fund.

The finance has determined that a correction was required, and as such, has restated its previously reported financial statements as at and for the year ended Asadh 31 2078 and all related disclosures. The impact of the correction is as follows:

Head for Adjustment	Previously Reported Amount	Amended Amount	Adjustment Made	Reason for Amendment
Provision for tax	2,415,615	13,501,811	11,086,196	Previously Understated
General Reserve	29,021,381	26,804,142	(2,217,239)	Effect of tax adjustment
Corporate social responsibility fund	379,037	268,175	(110,862)	Effect of tax adjustment
Retained Earnings	53,483,959	44,725,864	(8,758,095)	Effect of tax adjustment

Capital Adequacy Ratio

Tier I Capital to Total RWE	28.78%	28.53%	-0.25%	Effect of tax adjustment
Total Capital Fund to Total RWE	29.87%	29.63%	-0.25%	

5.11 COVID Related Relief

Due to the corona virus outbreak and lockdown situation subsequent to spread of the virus, borrowers have faced/ are facing financial hardship that has aggravated their financial situation and their ability to suffice their loan commitments is under immense stress. Finance has duly complied with the directives, circulars and notices related to COVID's impact mitigating measures issued by Nepal Rastra Bank time to time. NRB from various circulars had issued notice in relation to relief for COVID affected credit customers. In the same line finance had provided relief to the customers as per the regulatory direction.

TABLE 1

Particular	As of Asadh end 2078	
	No. of Customers	Amount (NRs.)
Accrued Interest Received after Asadh end 2078 till 15 Bhadra 2078	753	18,290,969
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	905	6,186,312
Extension of moratorium period of loan provided to Industry or Project under construction	-	-
Restructured/Rescheduled Loan with 5% Loan Loss Provision	20	84,494,850
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	3	17,631,067
Enhancement of Term Loan by 10% to COVID affected borrowers	4	9,945,793
Expiry Date of Additional 20% Working Capital Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives 2	25	5,598,336

TABLE 2

Particulars	No. of Customers	Amount (NRs.)
Refinance Loan	18	171,227,378
Business Continuity Loan	-	-

TABLE 3

Particulars	No. of Customers	During FY 2077/78
		Amount (NRs.)
Subsidized Loan	134	156,442,467

S.N	Particulars	Indicator	2077-78	2076-77	2075-76	2074-75	2073-74
1	Net profit/total income	%	8.41	1.81	17.64	7.51	14.18
2	Earning per share						
	Basic earning per share	Rs.	3.35	0.55	8.64	4.75	6.21
	Diluted earning per share	Rs.	3.35	0.55	8.64	4.75	6.21
3	Market price per share	Rs.	396.00	146.00	138.00	135.00	232.00
4	Price/earning ratio	Times	118.15	264.15	15.97	28.42	37.36
5	Dividend or bonus per share	Rs.	-	-	-	-	-
6	Cash dividend	Rs.	-	-	-	-	-
7	Interest income/loan and advances	%	8.62	13.83	14.00	16.64	12.25
8	Employee expenses/total operating expenses	%	44.73	45.42	50.29	44.74	14.38
9	Employee expenses/total deposit and borrowing	%	1.65	1.67	1.90	1.34	1.62
10	Exchange income/total income	%	-	-	-	-	-
11	Staff bonus/total employee expenses	%	8.18	0.04	22.71	11.44	17.36
12	Net profit/loans and advances	%	1.00	0.26	2.79	1.34	2.15
13	Net profit/total assets	%	0.66	0.16	1.43	0.61	1.68
14	Total loans and advances/total deposit	%	93.09	64.93	93.21	65.35	110.69
15	Total operating expenses/total assets	%	2.69	2.54	2.13	2.16	7.92
16	Capital adequacy ratio						
	a) Core Capital	%	28.53	44.00	65.55	173.02	32.20
	b) Supplementary Capital	%	1.10	1.32	0.96	-	1.62
	c) Total Capital Fund	%	29.63	45.32	66.51	173.02	33.82
17	Cash reserve ratio (CRR)	%	7.08	7.97	3.76	3.27	2.74
18	NPAs/total loan and advances	%	1.84	2.18	1.43	1.90	1.67
19	Base rate	%	9.42	11.22	10.55		
20	Weighted average interest rate spread	%	3.62	4.73	4.53		3.99
21	Book net worth	Rs.	112.52	107.21	105.55	140.75	104.12
22	Total shares	No.	8,001,000	8,001,000	8,001,000	2,100,000	2,100,000
23	Total employees	No.	115.00	81.00	38	31	19
24	Others:						
	Per employee business (Rs. In lakh)	%	2,773,324	3,008,623	26,799,684	16,460,387	31,850,455
	Employee expenses/total income	%	15.43	13.48	13.22	11.86	9.62

Comparison Audited and Unaudited Financial Statements Amended

Fiscal Year: 2077-78

Amount in Rs.

Statement of Financial Position	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance	In %	Reasons for Variance
Assets					
Cash and cash equivalent	535,242,650	585,913,183	(50,670,533)	-9%	Regrouping with due from NRB
Due from Nepal Rastra Bank	179,777,940	129,107,407	50,670,533	28%	Regrouping with cash and cash equivalent
Placement with Bank and Financial Institutions	-	-	-	0%	
Derivative financial instruments	-	-	-	0%	
Other trading assets	-	-	-	0%	
Loan and advances to B/FIs	454,967,902	445,095,288	9,872,614	2%	Regrouping
Loans and advances to customers	2,236,881,836	2,247,601,365	(10,719,529)	0%	Regrouping with loans and advance to B/FIs, AIR on loans (net of suspense) included along with loan which was included in other assets in unaudited
Investment securities	518,333,258	548,678,013	(30,344,755)	-6%	Correction of wrong investment entry
Current tax assets	-	4,713,077	(4,713,077)	0%	Recomputation of tax liability
Investment in subsidiaries	-	-	-	0%	
Investment in associates	-	-	-	0%	
Investment property	4,100,000	4,100,000	-	0%	
Property and equipment	73,634,364	74,804,243	(1,169,880)	-2%	Depreciation charge rectified for some assets.
Goodwill and Intangible assets	2,032,427	891,762	1,140,665	56%	Reclassified from Property & Equipment
Deferred tax assets	-	-	-	0%	
Other assets	83,643,641	49,639,115	34,004,526	41%	Staff Loans & Advances regrouped to loans & advances & Correction of Investment Entry
Total Assets	4,088,614,018	4,090,543,453	(1,929,435)		
Liabilities					
Due to Bank and Financial Institutions	34,895,890	59,901,550	(25,005,660)	-72%	Reclassification
Due to Nepal Rastra Bank	171,227,269	171,227,269	-	0%	Reclassification
Derivative financial instruments	-	-	-	0%	
Deposits from customers	2,943,663,308	2,918,657,648	25,005,660	1%	Reclassification
Borrowing	-	-	-	0%	
Current Tax Liabilities	222,534	-	222,534	100%	Recomputation of tax liability
Provisions	-	-	-	0%	
Deferred tax liabilities	344,335	6,094,045	(5,749,710)	-1670%	Recomputation of Deferred Tax
Other liabilities	36,726,896	33,460,391	3,266,505	9%	Changes in figures of liabilities on finalization of calculation related to staffs, bonus etc.
Debt securities issued	-	-	-	0%	
Subordinated Liabilities	-	-	-	0%	
Total liabilities	3,187,080,232	3,189,340,903	(2,260,671)		
Equity					
Share capital	800,100,000	800,100,000	-	0%	
Share premium	7,124,781	7,124,781	-	0%	
Retained earnings	46,540,729	44,725,864	1,814,865	4%	Resulting change of all adjustments related to
Statement of Profit or Loss and regulatory reserve	47,768,275	49,251,904	(1,483,629)	-3%	Change in profit changed the allocation to reserves along with change in fair value of investment
Reserves					

Comparison Audited and Unaudited Financial Statements Amended

Fiscal Year: 2077-78					Amount in Rs.	
Statement of Financial Position	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance			Reasons for Variance
			In Amount	In %		
Total equity attributable to equity holders	901,533,786	901,202,550	331,236			
Non-controlling interest						
Total equity	901,533,786	901,202,550	331,236			
Total liabilities and equity	4,088,614,018	4,090,543,453	(1,929,435)			

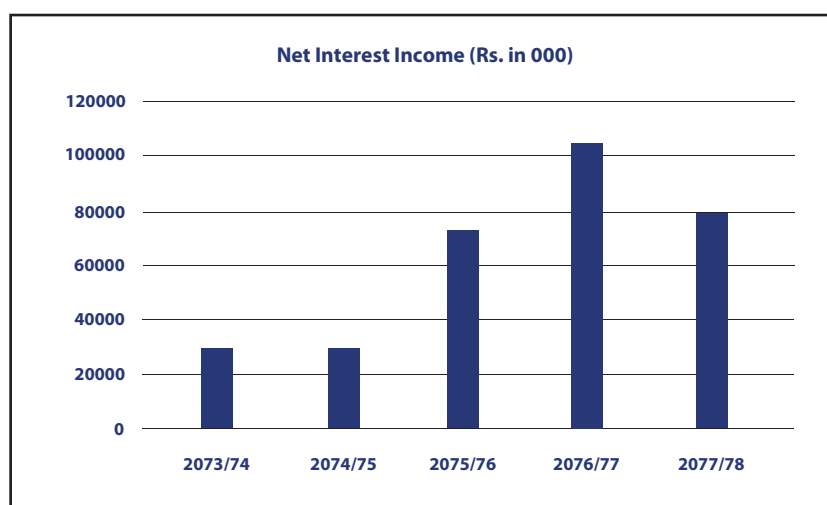
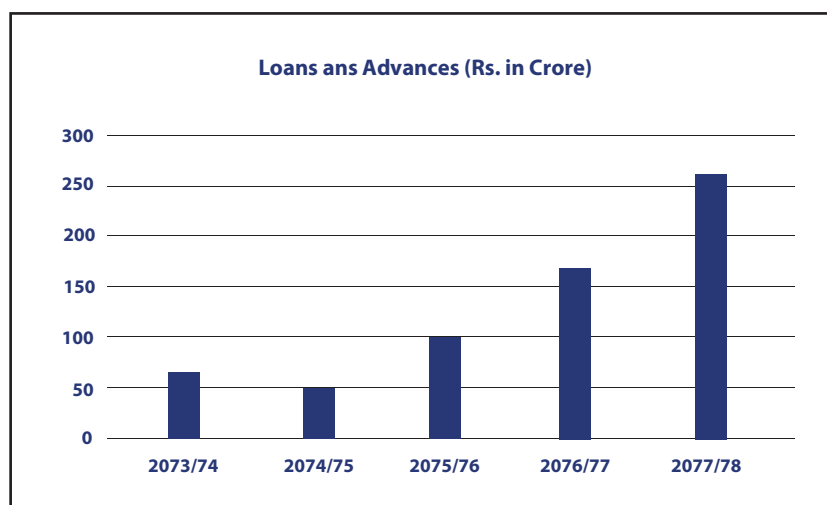
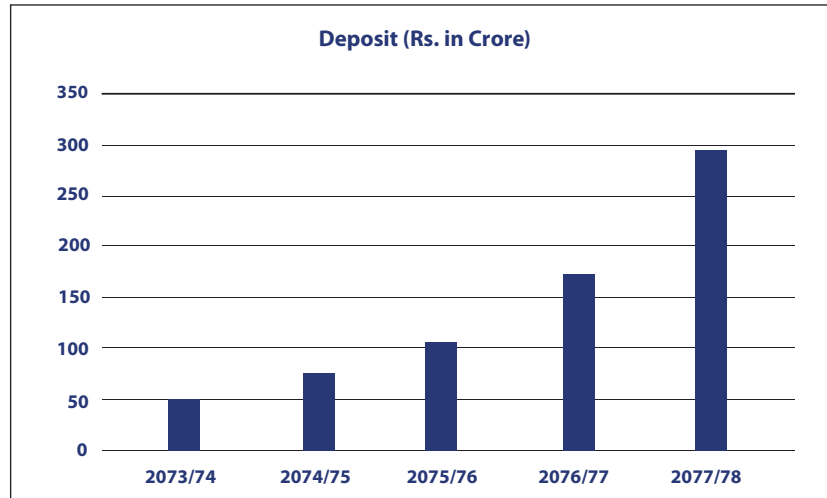
Comparison Audited and Unaudited Financial Statements Amended

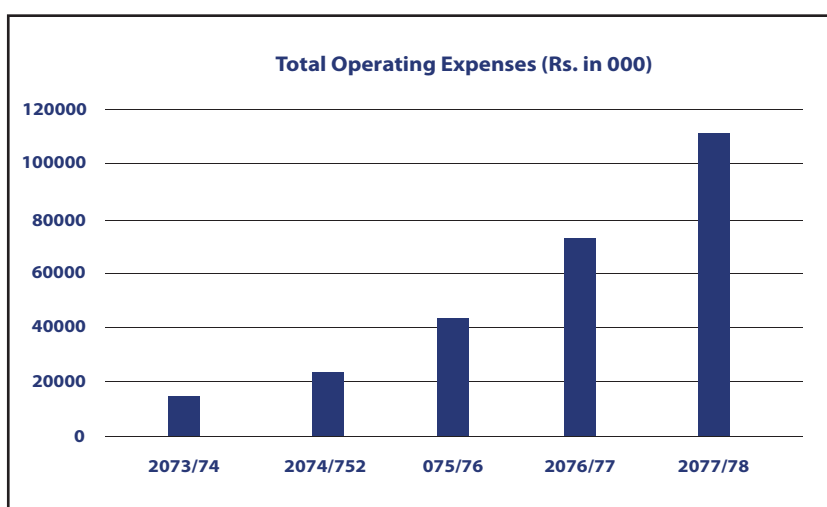
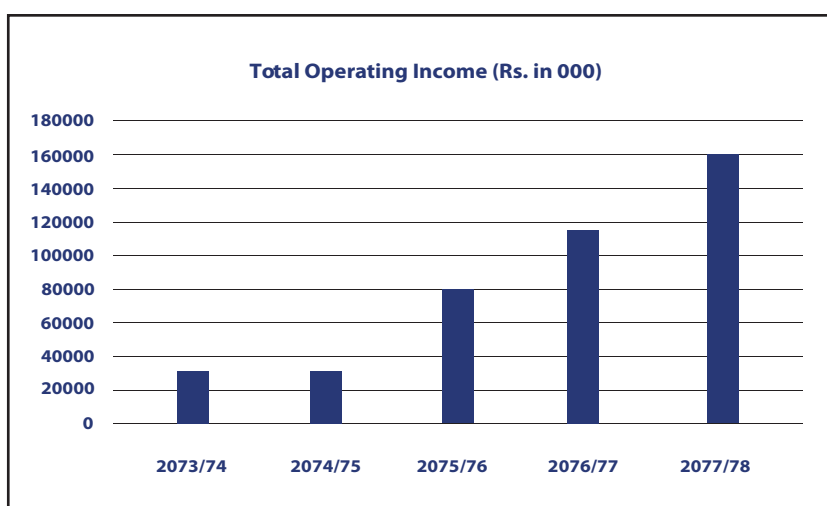
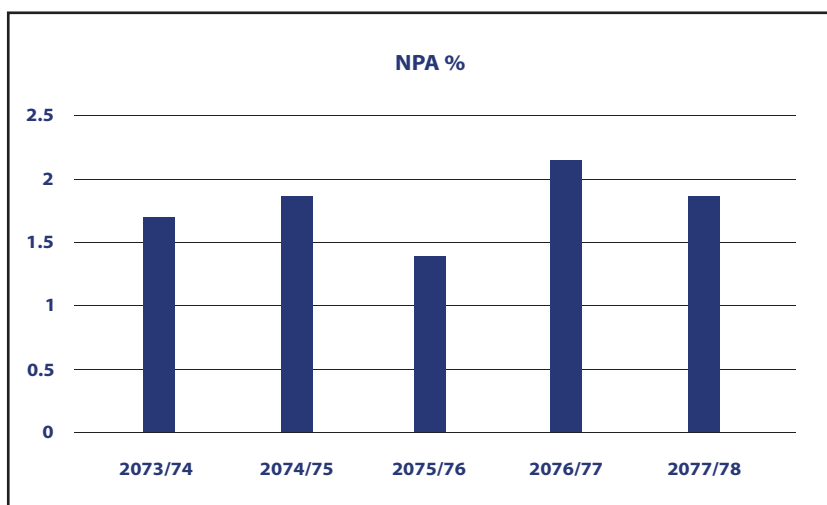
Fiscal Year: 2077-78

Amount in Rs.

Statement of Financial Position	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance In Amount	In %	Reasons for Variance
Interest income	236,190,149	237,287,341	(1,097,192)	0%	Change in accrued interest on recalculation
Interest expense	156,476,509	156,476,509	-	0%	
Net interest income	79,713,640	80,810,832			
Fee and commission income	8,634,320	19,947,226	(11,312,906)	-131%	Reclassification to Other operating income
Fee and commission expense	-	383,761	(383,761)	0%	
Net fee and commission income	8,634,320	19,563,465			
Net interest, fee and commission income	88,347,960	100,374,297			
Net trading income	-	-	-	0%	
Other operating income	22,243,309	61,697,700	(39,454,392)	-177%	Correction of Investment Entry
Total operating income	110,591,269	162,071,997			
Impairment charge/(reversal) for loans and other losses	(9,841,875)	11,839,894	(21,681,769)	220%	Change in impairment based on new NRB circular
Net operating income	120,433,144	150,232,104			
Operating expense	101,964,068				
Personnel expenses	51,389,977	49,196,163	2,193,814	4%	Finalized calculation of gratuity and bonus
Other operating expenses	39,075,648	49,552,509	(10,476,860)	-27%	Correction on few other expenses
Depreciation & Amortisation	11,498,443	11,233,879	264,564	2%	Correction on calculation of depreciation
Operating Profit	18,469,076	40,249,553			
Non operating income	40,343,306	-	40,343,306	100%	Reclassification from other operating income
Non operating expense	23,163	-	23,163	100%	Reclassification
Profit before income tax	58,789,220	40,249,553			
Income tax expense		-	-	0%	
Current Tax	17,636,766	13,501,811	4,134,955	23%	Recomputation of tax liability
Deferred Tax Expenses/(Income)	-	(69,773)	69,773	0%	
Profit for the period	41,152,454	26,817,516			
Other comprehensive income	2,391,835	16,395,536	(14,003,702)	-585%	Due to remeasurement of fair value of equity instruments
Total comprehensive income	2,391,835	16,395,536			
	43,544,288	43,213,052			
Distributable Profit					
Net profit/(loss) as per profit or loss	41,152,454	26,817,516			
Add/Less: Regulatory adjustment as per NRB Directive	(2,483,049)	(10,377,663)	7,894,614	-318%	Excess figures was transferred to regulatory reserve in unaudited financials without considering interest received, tax effect and Bonus effect.
Free profit/(loss) after regulatory adjustments	43,635,503	37,195,179	6,440,324	15%	

फर्केर हेर्दा...







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

पत्रसंख्या:- वि.सं.सु.वि./अफसाइट/एजिएम/३/२०७८-७९

मिति २०७८/११/०८

श्री प्रोग्रेसिभ फाइनेन्स लिमिटेड,
 ललितकुने, काठमाण्डौ,



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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७७/७८ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैर स्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित एवं कार्यान्वयन गर्ने गरी आ.व. २०७७/७८ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा अनुरोध छ । साथै, संस्थाले प्रस्ताव गरे अनुसार आ.व. २०७७/७८ सम्मको सञ्चित मुनाफाबाट २०७८ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु.८०,०९,००,०००/- को ६ प्रतिशतले हुन आउने रकम रु. ४,८०,०६,०००/- (अक्षरेपि चार करोड असी लाख छ हजार मात्र) बराबरको बोनस शेर तथा कर प्रयोजनको लागि सोही चुक्ता पुँजीको ०.३१५८ प्रतिशतले हुन आउने रकम रु.२५,२६,६३२/- (अक्षरेपि पच्चीस लाख छब्बीस हजार छ सय बत्तीस मात्र) नगद लाभांश अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा समेत निर्णयानुसार अनुरोध छ ।

१. संस्थाले कर्जा प्रवाह र कर्जा प्रशासनसँग सम्बन्धित लेखापरीक्षकले औल्याएका तथा यस बैंकको स्थलगत निरीक्षणको क्रममा देखिएका कैफियतहरू यथासक्य छिटो सुधार गर्न हुन ।
२. यस बैंकबाट जारी एकीकृत निर्देशन नं.१९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरूको पूर्ण रुपमा पालना गर्नुहुन ।
३. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन ।

भवदीय,



(हरिश्चन्द्र ढकाल)

उप-निर्देशक

बोधार्थ :

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



प.सं. : ३८४/०७८/०७९



मिति: २०७८/११/२०

श्री नेपाल राष्ट्र बैंक,
वित्तीय संस्था सुपरिवेक्षण विभाग,
गैर स्थलगत सुपरिवेक्षण इकाई,
बालुवाटार, काठमाडौं ।

विषय: आ.व ०७७/०७८ को वार्षिक साधारण सभा गर्न स्वीकृति दिँदा औल्याएका कैफियत सम्बन्धमा ।

महोदय,

तहाँबाट यस संस्थालाई लाभांश घोषणा/वितरण तथा वित्तीय विवरण प्रकाशन सम्बन्धमा मिति २०७८/०९/०८ को प.सं वि.क.सु.वि./अफसाइट/एजिएम/१०/२०७८-७९ को पत्रानुसार सहमति प्रदान गर्ने ब्यहोरा अवगत भयो । साथै सो पत्रमा उल्लेखित कैफियतहरु तथा निर्देशनहरु पालना गर्न संस्था सदैव प्रतिबद्ध रहेको समेत जानकारी गराउँदछौं । साथै संस्थाको मिति २०७८/०९/०८ गते बसेको संचालक समितिको ४७४ औं बैठकमा छलफल हुँदा उल्लेखित बमोजिमको जवाफ तथा प्रतिक्रिया पठाउने निर्णय भएको ब्यहोरा जानकारीका लागि अनुरोध छ ।

निर्देशन तथा कैफियतहरुका सम्बन्धमा प्रत्युत्तर :

१. संस्थाले कर्जा प्रवाह र कर्जा प्रशासनसँग सम्बन्धित लेखापरीक्षकले औल्याएका तथा तहाँ बैंकको स्थलगत निरीक्षणको क्रममा देखिएका कैफियतहरु सुधार भैरहेको र भविष्यमा समेत नदोहोरिने गरी कार्यरत रहेको ब्यहोरा अनुरोध छ ।
२. तहाँ बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७८ बमोजिमको सम्पत्ति शुद्धिकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी ब्यवस्थाहरुको पूर्ण रुपमा पालना गर्न यस संस्था प्रतिबद्ध रहेको ब्यहोरा अनुरोध छ ।
३. तहाँ बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरुको सुधार निरन्तर भैरहेको र त्यस्ता कैफियतहरु पुनः दोहोरिने नदिने प्रतिबद्धताका साथ कार्यरत रहेको ब्यहोरा अनुरोध छ ।



भवदीय,



विशाल हुमागाईं
प्रमुख कार्यकारी अधिकृत

बोधार्थ:

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

प्रोग्रेसिभ फाइनेन्स लि. को प्रबन्धपत्रमा संशोधनको लागी तीन महले सहितको प्रस्ताव

दफा	साविक व्यवस्था	हाल गर्नुपर्ने संशोधन	संशोधन गर्नुपर्ने कारण/औचित्य
५	<p>वित्तीय संस्थाको पूँजी संरचना: वित्तीय संस्थाको पूँजी संरचना देहाय बमोजिम हुनेछ ।</p> <p>क) वित्तीय संस्थाको अधिकृत पूँजी रु. ८०,०९,००,०००/- (अक्षरेपी: असी करोड एक लाख मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८०,०९,००० (असी लाख एक हजार) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>ख) वित्तीय संस्थाको तत्काल जारी गर्ने शेयर पूँजी रु. ८०,०९,००,०००/- (अक्षरेपी: असी करोड एक लाख मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८०,०९,००० (असी लाख एक हजार) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>ग) वित्तीय संस्थाको चुक्ता पूँजी रु. ८०,०९,००,०००/- (अक्षरेपी: असी करोड एक लाख मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८०,०९,००० (असी लाख एक हजार) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p>	<p>वित्तीय संस्थाको पूँजी संरचना: वित्तीय संस्थाको पूँजी संरचना देहाय बमोजिम हुनेछ ।</p> <p>क) वित्तीय संस्थाको अधिकृत पूँजी रु. ८४,८९,०६,०००/- (अक्षरेपी: चौरासी करोड एकासी लाख छ हजार मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८४,८९,०६० (चौरासी लाख एकासी हजार साठी मात्र) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>ख) वित्तीय संस्थाको तत्काल जारी गर्ने शेयर पूँजी रु. ८४,८९,०६,०००/- (अक्षरेपी: चौरासी करोड एकासी लाख छ हजार मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८४,८९,०६० (चौरासी लाख एकासी हजार साठी) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>ग) वित्तीय संस्थाको चुक्ता पूँजी रु. ८४,८९,०६०/- (अक्षरेपी: चौरासी करोड एकासी लाख छ हजार मात्र) हुनेछ । उक्त पूँजीलाई प्रति शेयर रु.१०० का दरले ८४,८९,०६० (चौरासी लाख एकासी हजार साठी) कित्ता साधारण शेयरमा विभाजन गरिएको छ ।</p>	<p>६ प्रतिशत बोनस शेयर थप भएको ।</p>

टिपोट

[illegible]

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MANAGEMENT COMMITTEE



CORPORATE OFFICE TEAM

हामीसंग उपलब्ध रेमिट्यान्स सेवाहरू





सबैलाई सधैं
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- सरल तथा सुलभ कारोबार ।
- चेक बुक तथा चेक क्लियरेन्स, ब्यालेन्स सर्टिफिकेट सुविधा ।
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- निःशुल्क ATM र Mobile Banking, सेवा ।*
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- छिटो र छरितो बैकिङ सुविधा ।

* शर्तहरू लागू हुनेछ

नेपाल राष्ट्र बैकबाट 'ज' वर्गको इजाजतपत्रप्राप्त राष्ट्रिय स्तरको वित्तीय संस्था

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केन्द्रीय कार्यालय, तीनकुने, काठमाण्डौं । फोन नं. ०१-५१९९६६४/५१९९६६५/५१९९६६७

शाखाहरू

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एक्सटरेन्शन काउन्टर

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पुल्चोक, ललितपुर ०१-५५४४४१० । ठिमी, भक्तपुर ०१-५६३९५२३ । नाला, काभ्रे ०१-१४११०३५
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