

बाह्रौं

वार्षिक प्रतिवेदन
(आ.व. २०७७/०७८)



Reliance Finance Limited
रिलायन्स फाइनान्स लिमिटेड

12th

Annual Report

12th Annual Report

सञ्चालक समिति



कुश प्रसाद मल्ली
अध्यक्ष



सुरकृष्ण बैद्य
सञ्चालक (संस्थापक समूह)



रवि कृष्ण श्रेष्ठ
सञ्चालक (संस्थापक समूह)



उपेन्द्र बहादुर कार्की
सञ्चालक (सर्वसाधारण समूह)



तुलसी प्रसाद बराल
सञ्चालक (सर्वसाधारण समूह)



श्वेता कक्षपती (शाक्य)
सञ्चालक (सर्वसाधारण समूह)



विनोद कुमार तण्डुकार
स्वतन्त्र सञ्चालक



अनिल श्रेष्ठ
प्रमुख कार्यकारी अधिकृत



समाज प्रकाश श्रेष्ठ
उप-प्रमुख कार्यकारी अधिकृत



युज कुमार भैल
कम्पनी सचिव

लेखा परीक्षक
महेश्वरेन्द्र बहादुर श्रेष्ठ, एफ.सी.ए.
एम.बि.श्रेष्ठ एण्ड कम्पनी
चार्टर्ड एकाउण्टेण्टस्

रिलायन्स फाइनेन्स लिमिटेडको
बाह्रौं वार्षिक साधारण सभा बस्ने सूचना

शेयरधनी महानुभावहरू,

यस वित्तीय संस्थाको मिति २०७८/०९/०८ गते बसेको संचालक समितिको १८४ औं बैठकको निर्णयानुसार यस रिलायन्स फाइनेन्स लि. को बाह्रौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्नका लागि भिडियो कन्फ्रेन्स (Virtual Zoom Meeting) मार्फत बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति समय स्थान: (Virtual माध्यमबाट संचालन गरिने)

मिति : २०७८ साल पौष महिना ३० गते शुक्रबार (तदनुसार 14 Jan 2022)

स्थान : संस्थाको मुख्य कार्यालय, प्रदर्शनीमार्ग, काठमाण्डौ ।

समय : दिनको ११:०० बजे ।

छलफलका विषयहरू:

(क) सामान्य प्रस्तावहरू

१. संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत गरिने बाह्रौं वार्षिक प्रतिवेदन पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित आ.व.२०७७/७८ आषाढ मसान्त सम्मको वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरू पारित गर्ने ।
३. कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आ.व.२०७८/७९ को लेखापरीक्षण गर्नका लागि लेखापरिक्षण समितिको सिफारिश बमोजिम लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने बारे ।
४. संस्थाको संचालक समितिबाट सिफारीस भई नेपाल राष्ट्र बैंकबाट स्विकृत गरे बमोजिम आ.व.२०७७/०७८ मा भएको मुनाफाबाट संस्थाको चुक्ता पूँजी रु.९१,५६,५७,६६९/- को १५ प्रतिशतका दरले हुने बोनश शेयर रकम रु.१३,७३,४८,६५०/३५ (अक्षरेपी तेह्र करोड त्रिहत्तर लाख अठचालिस हजार छ सय पचास पैसा पैतिस) वितरण गरिने हुँदा सो बापत कर प्रयोजनार्थ नगद लाभांश ०.७९ प्रतिशतले हुने रु.७२,२८,८७६/३३ (अक्षरेपी बहत्तर लाख अठ्ठाईस हजार आठ सय छयत्तर पैसा तैतिस) गरि जम्मा १५.७९ प्रतिशतले हुने रु.१४,४५,७७,५२६/६८ लाभांश प्रदान गर्न वितरण गर्ने प्रस्ताव पारित गर्ने ।
५. विविध ।

(ख) विशेष प्रस्तावहरू

१. संस्थाको संचालक समितिबाट सिफारीस भई नेपाल राष्ट्र बैंकबाट स्विकृत गरे बमोजिम आ.व.२०७७/०७८ मा भएको मुनाफाबाट संस्थाको चुक्ता पूँजी रु.९१,५६,५७,६६९ /- को १५ प्रतिशतका दरले हुने बोनश शेयर रकम रु.१३,७३,४८,६५०/३५ (अक्षरेपी तेह्र करोड त्रिहत्तर लाख अठचालिस हजार छ सय पचास पैसा पैतिस) वितरण गरिने हुँदा सो बापत कर प्रयोजनार्थ नगद लाभांश ०.७९ प्रतिशतले हुने रु.७२,२८,८७६/३३ (अक्षरेपी बहत्तर लाख अठ्ठाईस हजार आठ सय छयत्तर पैसा तैतिस) गरि जम्मा १५.७९ प्रतिशतले हुने रु.१४,४५,७७,५२६/६८ लाभांश वितरण गर्ने प्रस्ताव पारित गर्ने तथा बोनश शेयर वितरण गरे पश्चात कायम हुने भिन्न अंक (Fraction) लाई भविष्यमा समायोजन गर्ने गरी यथावत राख्ने प्रस्ताव स्विकृत गर्ने ।
२. संस्थाको बाह्रौं वार्षिक साधारण सभाको निर्णय बमोजिम जारी गरेको १५ प्रतिशत बोनश शेयर प्रदान गरे पश्चात कायम हुन आउने चुक्ता पूँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) कायम हुने भएकोले संस्थाको प्रबन्धपत्र संशोधन गरि संस्थाको अधिकृत, जारी तथा चुक्ता पूँजी वृद्धि गर्ने र तदनुसार हुने गरि संस्थाको प्रबन्धपत्र/नियमावलीमा आवश्यक संशोधन, परिमार्जन र थप गर्ने ।
३. यस रिलायन्स फाइनेन्स लि.तथा अन्य कुनै बैंक, विकास बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने र गाभिने (मर्जर), प्राप्ती तथा विलय गर्न उपयुक्त देखिएमा मर्जर, प्राप्ति वा विलय गर्न, DDA गर्न, नियमनकारी निकायबाट आवश्यक स्वीकृति लिन तथा सो सम्बन्धमा सम्पूर्ण काम गर्ने अख्तियारी संचालक समितिलाई प्रदान गर्ने । साथै गाभिने (मर्जर), प्राप्ती तथा विलय समेतका सम्बन्धमा नियमनकारी निकाय वा अन्य कुनै कार्यालयहरूबाट कुनैपनि विषयमा संशोधन परिमार्जन थपघट वा परिवर्तन गर्न कुनै निर्देशन प्राप्त भएमा सो समेत मिलाई संशोधन वा परिवर्तन गर्नुपरेमा सो कार्यहरू समेत गर्न संस्थाको संचालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने ।
४. प्रबन्धपत्र नियमावली संशोधनमा नियमनकारी निकाय वा अन्य कुनै कार्यालयहरूबाट कुनैपनि विषयमा संशोधन परिमार्जन, थपघट वा परिवर्तन गर्न कुनै निर्देशन प्राप्त भएमा सो समेत मिलाई संशोधन वा परिवर्तन गर्नुपरेमा सो कार्यहरू समेत गर्न संस्थाको संचालक समितिलाई पूर्ण अख्तियारी प्रदान गर्ने ।

साधारण सभा सम्बन्धी अन्य जानकारी

- विश्वव्यापी रूपमा फैलिएको कोरोना भाइरस (COVID 19) को कारणले नेपाल सरकारले जारी गरेको सुरक्षा मापदण्डको पूर्ण पालना गरी साधारण सभा संचालन गर्नु पर्ने विशेष परिस्थितिका कारण अनलाईन (भर्चुअल) माध्यमबाट सभामा भाग लिने व्यवस्था मिलाईएको छ । त्यसरी उपस्थित भएमा सभास्थलमा उपस्थित भए सरह मान्यता दिने व्यवस्था अनुरूप कोरोना भाइरस (COVID19) बाट बच्न र बचाउन अनलाईन (भर्चुअल) माध्यमबाट उपस्थित भईदिनुहुन सम्पूर्ण शेयरधनी महानुभावहरूलाई हार्दिक अनुरोध छ । सभा शुरू हुन भन्दा १ घण्टा अगावै भर्चुअल सभा खुल्ला गरिनेछ ।
- Meeting ID / Password को लागि यस संस्थाको ईमेल agm@reliancenepal.com.np वा मोबाईल नं. ९८४९२८५२९४ मा SMS वा Viber मार्फत समयमै सम्पर्क गरि प्राप्त गर्न सकिने व्यवस्था गरिएको जानकारी गराउँदछौं । साथै अन्तिम समयमा सम्पर्क गर्दा शेयरधनीहरूको पहिचान verification गरी ID / Password समयमै पठाउन प्राविधिक कठिनाई आउन सक्ने हुँदा कम्तिमा २ दिन अगावै ID / Password लिन समेत अनुरोध छ ।
- वार्षिक साधारण सभा प्रयोजनार्थ २०७८/०९/२० गते एक दिन यस संस्थाको शेयरधनी दर्ता किताब बन्द रहने जानकारी गराउँदछौं । साथै, नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०७८/०९/१९ सम्म कारोबार भई यस संस्थाको शेयर रजिष्ट्रार सनराईज क्यापिटल लि., कमलपोखरी काठमाण्डौमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन र लाभांश प्राप्त गर्न सक्नेछन् ।
- साधारण सभाको लागि सम्पूर्ण शेयरधनी महानुभावहरूलाई वित्तीय संस्थाको शेयर लगतमा कायम रहेको सम्बन्धित ठेगानामा वित्तीय विवरण सहितको वार्षिक प्रतिवेदन पुस्तिका पठाइने छ । कुनै कारणवश उक्त वित्तीय विवरण सहितको वार्षिक प्रतिवेदन प्राप्त नभएमा शेयरधनीको निस्सा प्रस्तुत गरी कम्पनीको कार्यालयबाट वा संस्थाको शेयर रजिष्ट्रार सनराईज क्यापिटल लि. कमलपोखरीबाट सो विवरण सहितको सूचना प्राप्त गर्नसक्नु हुनेछ ।
- सम्पूर्ण शेयरधनी महानुभावहरूले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका विहान १०:०० बजेदेखि साधारण सभा सम्पन्न नभएसम्म खुल्ला रहनेछ ।
- साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने शेयरधनीहरूले प्रोक्सी फाराम सभा शुरू हुनु भन्दा कम्तीमा ७२ घण्टा अगावै संस्थाको प्रदर्शनीमार्ग स्थित संस्थाको प्रधान कार्यालयमा भौतिक वा ईमेल मार्फत दर्ता गराई सक्नु पर्नेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत यस संस्थाको शेयरधनी हुनु आवश्यक छ ।
- आफ्नो मतन्य राख्न चाहनु हुने शेयरधनीहरूले सभा हुनु भन्दा कम्तीमा ७२ घण्टा अगावै विहान १० देखि दिनको ४ बजे भित्र agm@reliancenepal.com.np मा ईमेल गरि वा फोन नं. मोबाईल नं. ९८४९२८५२९४ मा SMS वा Viber मार्फत समयमै सम्पर्क गरी आफ्नो नाम र ईमेल ठेगाना टिपाउनहुन अनुरोध छ । त्यसरी सम्पर्क गर्नुहुने शेयरधनी महानुभावहरूलाई सभामा मतव्य राख्न ID र Password उपलब्ध गराईने छ ।
- कुनै शेयरधनीले प्रतिनिधि (प्रोक्सी) नियुक्ति गर्दा आफ्नो नाममा रहेको सम्पूर्ण शेयरको प्रोक्सी एक व्यक्तिलाई मात्र तोक्न सक्ने छ । एक प्रतिनिधि फाराममा एक भन्दा बढी व्यक्तिलाई प्रतिनिधि प्रोक्सी नियुक्ति गरिएमा त्यस्तो नियुक्ति बदर हुने छ । एक शेयरधनीले एक भन्दा बढी प्रतिनिधि (प्रोक्सी) फाराम मार्फत एक भन्दा बढी प्रतिनिधि मुकरर गरेमा कम्पनीमा पहिले दर्ता भएको प्रतिनिधि (प्रोक्सी) लाई मान्यता प्रदान गरिने छ । प्रतिनिधि नियुक्त गरी सकेपछि शेयरधनी आफै सभामा उपस्थित भई हाजिर पुस्तिकामा दस्तखत गरेको अवस्थामा निजले गरिदिएको प्रोक्सी स्वतः बदर हुनेछ ।
- नाबालक वा विक्षिप्त शेयरधनीको तर्फबाट संस्थाको लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएका व्यक्तिले मात्र सभामा भाग लिन मतदान गर्न वा प्रतिनिधि तोक्न सक्नेछन् ।
- सभामा सबै शेयरधनीहरूले विविध शिर्षकमा छलफल गर्न चाहेको विषय, जिज्ञासा, मन्तव्यको सम्बन्धमा कम्तीमा ७ दिन अगावै कम्पनीको प्रधान कार्यालयमा लिखित जानकारी दिनुपर्ने छ । तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन ।
- सभामा सबै शेयरधनीहरूले विविध शिर्षकमा छलफल गर्न चाहेको विषय, जिज्ञासा, मन्तव्यको सम्बन्धमा संचालक समिति तथा संचालक समितिबाट आदेश पाएका व्यक्तिले जवाफ दिन सक्ने छन् ।
- अन्य जानकारीको लागि रिलायन्स फाइनेन्स लिमिटेडको कार्यालय प्रदर्शनी मार्ग काठमाण्डौमा कार्यालय समयभित्र सम्पर्क राख्न हुन शेयरधनी महानुभावहरूलाई अनुरोध गर्दछौं ।

रिलायन्स फाइनेन्स लिमिटेड
वि जे भवन, प्रदर्शनी मार्ग, काठमाडौं
प्रतिनिधि पत्र (प्रोक्सी फाराम)

श्री संचालक समिति,
रिलायन्स फाइनेन्स लि.
प्रदर्शनी मार्ग
काठमाडौं, नेपाल

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला म.न.पा./उप.म.न.पा./न.पा./गा.पा. वडा नं बस्ने म/हामी
.....ले त्यस कम्पनीको शेयरवालाको हैसियतले २०७८ साल पौष ३० गते
शुक्रवारका दिन हुने बाह्रौं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएको
ले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि जिल्ला म.न.पा./
उप.म.न.पा./न.पा./गा.पा. वडा नं बस्ने त्यस कम्पनीका शेयरवाला श्री
..... शेयरधनी नं लाई मेरो/हाम्रो प्रतिनिधी मनोनित गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

हस्ताक्षरको नमुना :

शेयरधनी प्रमाणपत्र नं. :

हितग्राहि (डिम्याट) खाता नं.:

शेयरधनी (क्रम संख्या) नं. :

मिति :

निवेदक :

दस्तखत:

नाम:

ठेगाना:

हितग्राहि (डिम्याट) खाता नं.:

शेयर धनी क्रम संख्या नं.:

कित्ता नं.: देखि सम्म

मिति :

द्रष्टव्य: यो प्रोक्सी फाराम सभा शुरू हुनुभन्दा ४८ घण्टा अगावै संस्थाको रजिष्टर्ड कार्यालय, प्रदर्शनी मार्ग, काठमाडौंमा पेश गरी सक्नु पर्नेछ ।

रिलायन्स फाइनेन्स लिमिटेड
वि जे भवन, प्रदर्शनी मार्ग, काठमाडौं
प्रवेश पत्र

शेयरधनीको नाम श्री शेयर प्रमाणपत्र नं

शेयरधनी परिचय नं हितग्राहि (डिम्याट) खाता नं. कुल शेयर संख्या

शेयरधनीको दस्तखत

(संस्थाको बाह्रौं वार्षिक साधारण सभामा उपस्थितिका लागि जारी गरीएको प्रवेश पत्र)

द्रष्टव्य :

१) शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला ।

२) सभामा भाग लिन आउँदा यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ ।

कम्पनी सचिव

FINANCIAL HIGHLIGHTS - CAMELS ANALYSIS

Rs in'000

Capital Adequacy	2073/074	2074/075	2075/076	2076/077	2077/078
Core Capital	670,798	881,952	977,804	1,039,571	1,218,266
Supplementary Capital	34,509	40,087	44,835	36,077	69,103
Capital Fund	705,307	922,039	1,022,638	1,075,648	1,287,368
Risk Weighted Assets	3,261,677	3,857,455	4,003,115	4,484,687	4,946,537
Capital Adequacy Ratio	21.62%	23.90%	25.55%	23.98%	26.03%
Core Capital to RWA	20.57%	22.86%	24.43%	23.18%	24.63%
Assets Quality	2073/074	2074/075	2075/076	2076/077	2077/078
Total Loan & Advances	2,652,522	3,134,797	3,830,377	4,149,104	4,764,874
Non Performing Loan	43,715	37,294	75,573	41,065	128,374
Loan Loss Provision	70,585	69,518	114,172	78,658	142,849
NPL to Total Loan & Advances	1.65%	1.19%	1.97%	0.99%	2.69%
LLP to Total Loan & Advances	2.66%	2.22%	2.98%	1.90%	3.00%
LLP to Total NPL	161.46%	186.40%	151.08%	191.55%	111.27%
Management Soundness	2073/074	2074/075	2075/076	2076/077	2077/078
Total Assets	4,028,159	4,736,793	5,282,038	6,386,087	7,215,194
Net Profit	108,380	44,850	64,119	102,533	149,506
Total Income	380,266	523,090	606,758	712,553	874,026
Total Expenses	289,458	419,488	509,610	564,458	863,894
# of Employee	82	88	92	129	162
# of Shares Outstanding	5,126	8,002	8,324	8,324	9,157
Earnings Per Employee	1,322	510	697	795	923
Earnings Per Share (Rs.)	21.14	5.60	7.70	12.32	16.33
Growth Rate in Assets	31.33%	17.59%	11.51%	20.90%	12.98%
Growth Rate in Deposits	33.12%	15.31%	11.08%	25.93%	12.14%
Growth Rate in Loan & Advances	25.69%	18.18%	22.19%	8.32%	14.84%
Growth Rate in Net Profit	25.26%	-58.62%	42.96%	59.91%	45.81%
Earnings	2073/074	2074/075	2075/076	2076/077	2077/078
Net Interest Income	133,137	156,973	207,096	215,022	151,021
Operating Expenses	66,505	79,025	98,501	141,742	181,368
Non Interest Income	24,176	25,654	33,206	39,301	318,320
Earning Assets	2,920,790	4,494,127	4,811,048	4,918,509	5,099,021
Shareholders' Equity	676,844	901,829	1,066,935	1,087,359	1,279,601
Return on Equity	16.01%	4.97%	6.01%	9.43%	11.68%
Return on Assets	2.69%	1.21%	1.21%	1.61%	2.07%
Cost-Income Ratio	17.49%	13.02%	16.23%	19.89%	20.75%
Net Interest Margin	3.31%	2.97%	3.92%	3.37%	2.09%
Liquidity	2073/074	2074/075	2075/076	2076/077	2077/078
Total Deposits	3,228,704	3,722,875	4,135,375	5,207,487	5,839,924
Cash in Vault	34,243	44,138	38,535	54,832	58,503
Cash at N R B	298,944	190,111	174,699	294,313	270,889
Cash at other Band & Fin. Inst.	842,749	1,127,037	980,671	769,405	334,147
Deposits to Assets Ratio	80.15%	70.48%	78.29%	81.54%	80.94%
C D Ratio (As per NRB Directives)	68.02%	81.49%	74.91%	66.42%	67.51%
Cash & Equivalent to Deposit Ratio	36.42%	36.57%	28.87%	21.48%	11.36%
Total Deposits to Core Capital (times)	4.81	3.81	4.23	5.01	4.79
Sensitivity	2073/074	2074/075	2075/076	2076/077	2077/078
Yield Rate	15.21%	15.16%	14.53%	12.70%	11.41%
Cost of Funds	9.41%	9.44%	9.63%	8.30%	6.60%
Net Spread	5.80%	5.72%	4.90%	4.40%	4.81%
Base Rate	12.90%	9.38%	12.34%	11.25%	9.65%

DETAIL CREDIT RISK ANALYSIS

Amount of Non Performing Loan			
Category	Gross	Provision	Net
Substandard	71,999,982	17,999,995	53,999,986
Doubtful	1,256,848	628,424	628,424
Loss	55,117,629	55,117,629	-
Total	128,374,459	73,746,049	54,628,411

Non Performing Loan Ratio	
Gross Loan	4,764,873,811
Net Loan	4,622,025,245
Gross NPL to Gross Loan & Advances	2.69%
Net NPL to Net Loan & Advances	1.18%

Movement of Non Performing Loan			
Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	41,064,589	128,374,459	87,309,870
Restructured	-	-	-
Substandard	5,050,000	71,999,982	66,949,982
Doubtful	2,400,000	1,256,848	(1,143,152)
Loss	33,614,589	55,117,629	21,503,040

Write off of Loans & Interest Suspense			
Particulars	Loan Amount	Interest Suspense	Provision Write back
Total Loan Write Off	-	-	-

Movement of Loan Loss Provision			
Particulars	Opening Balance	Closing Balance	Movement
Pass	40,705,318	56,554,456	15,849,139
Watch List	1,875,377	12,548,061	10,672,684
Restructured	-	-	-
Substandard	1,262,500	17,999,995	16,737,495
Doubtful	1,200,000	628,424	(571,576)
Loss	33,614,589	55,117,629	21,503,040
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	78,657,784	142,848,566	64,190,783

Movement of Interest Suspense			
Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	25,580,164	38,053,759	12,473,595

Movements of Loan & Loan Loss Provision			
Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,149,103,882	4,764,873,811	615,769,929
Total Loan Loss Provision	78,657,784	142,848,566	64,190,783

विषय सूची

संचालक समितिको तर्फबाट अध्यक्षज्यूको वार्षिक प्रतिवेदन	१
कम्पनी ऐन, २०६३ सम्बन्धित विवरणहरू	६
धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ सम्बन्धि विवरण	९
लेखापरिक्षकको प्रतिवेदन	१०
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प्रबन्धपत्रको प्रस्तावित संशोधन	७८
वित्तीय भलक	७९
टिपोट	८१

रिलायन्स फाइनेन्स लि.

**बाह्रौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट संस्थाका अध्यक्ष
श्री कुश प्रसाद मल्लीज्यूले प्रस्तुत गर्नुभएको आ.ब. २०७७/७८ को वार्षिक प्रतिवेदन**

आदरणीय शेयरधनी महानुभावहरू,

रिलायन्स फाइनेन्स लिमिटेडको बाह्रौं वार्षिक साधारण सभामा भौतिक र भर्चुअल रूपमा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरू, आमन्त्रित नियमन निकायका पर्यवेक्षक प्रतिनिधि महानुभावहरू, लेखापरीक्षक तथा संस्थाका पदाधिकारीहरूलाई संचालक समिति तथा संस्थाको परिवारको तर्फबाट म हार्दिक स्वागत तथा अभिवादन गर्दछु।

गत दुई वर्ष देखि हाल सम्म पनि विश्वव्यापी कोरोना भाईरस महामारीको प्रभावले विश्व अर्थतन्त्रलाई नै नकरात्मक प्रभाव पारिराखेको तथ्य यहाँहरू सबैलाई अवगत भएको कुरा हो। सोको कारणले नेपालको अर्थतन्त्रमा पनि नकरात्मक असर पारिरहेको र यस्को साथै नेपालको अर्थ बजारमा भएको तरलताको अभाव, व्यापार व्यवसायमा मन्दीले बैंक तथा वित्तीय क्षेत्र लगायत सबै प्रकारका व्यवसायमा प्रतिकूल परिस्थिति श्रृजना भएको कुरा यहाँहरूलाई विदितै छ। यस्तो कठिन परिस्थिति बाबजुद पनि यस संस्थाले विगतको तुलनामा आर्थिक वर्ष २०७७/७८ मा पनि उत्साहजनक उपलब्धि हासिल गरेको कुरा यहाँहरू समक्ष जानकारी गराउन चाहन्छु।

यस गरिमामय सभामा संचालक समितिका तर्फबाट प्रस्तुत आर्थिक वर्ष २०७७/७८ को संस्थाको लेखापरिक्षकको प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाव र नगद प्रवाह विवरण सहितको यो वार्षिक प्रतिवेदन यहाँहरू समक्ष पेश गर्न पाउँदा हामीलाई खुशी लागेको छ। यस प्रतिवेदन बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन २०६३ लगायत प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी गरेको निर्देशनको परिधिभित्र रहि तयार गरिएको व्यहोरा समेत जानकारीको लागि अनुरोध छ।

१) आ. ब. २०७७/०७८ को कारोबारको सिंहावलोकन:

प्रस्तुत आ.ब.मा कोभिड १९ को महामारीले गर्दा भएको विश्वव्यापी बन्दाबन्दी, देशमा भएको बन्दाबन्दी, अर्थ व्यवस्थामा पारेको नकारात्मक प्रभाव, ब्याजदरमा देखापरेको प्रतिस्पर्धात्मक उतार चढाव, वित्तीय बजारमा भएको तरलताको कमी, बैंक तथा वित्तीय संस्थाहरू विचमा पहिले कर्जा प्रवाह गर्ने र हाल निक्षेप लिने अस्वस्थ प्रतिस्पर्धा, उद्योग ब्यापार, कलकारखाना, पसल, होटल पर्यटन, यातायात, स्कुल कलेज लगायत सबै आर्थिक क्षेत्रमा भएको परेको प्रभाव, स्वास्थ्य सुरक्षाका सबै उपायहरू अपनाउदां समेत संस्थाका कर्मचारीहरूलाई कोभिड संक्रमणबाट प्रभावित हुन गएको जस्ता कारणले गर्दा लक्ष्य अनुरूप कर्जा असुली, कर्जा प्रवाह तथा निक्षेप संकलनमा उल्लेखनिय बृद्धि गर्न नसकेता पनि यस संस्थाले उत्साहजनक प्रतिफल आर्जन सक्षम भएकोमा छ। यस्तो अवस्थामा पनि समिक्षा अवधि आ.ब. २०७७/७८ मा यस संस्थाको निक्षेप तर्फ बाह्र प्रतिशतले बृद्धि भई करीब रु. पाँच अरब चौरासी करोड रहन गयो भने कर्जा लगानी तर्फ पन्ध्र प्रतिशतले बृद्धि भई करीब रु. चार अरब छयहत्तर करोड पुऱ्याउन सफल भएका छौं। जसको फलस्वरूप आ.ब.२०७७/७८ मा हामीले करीब रु. पन्ध्र करोड खूद मुनाफा आर्जन गर्न सफल भएका छौं। उक्त नाफाबाट शेयरधनीहरूलाई १५ प्रतिशत बोनस शेयर तथा कर प्रयोजनार्थ ०.७९ प्रतिशत नगद लाभांश दिने प्रस्ताव गरेका छौं। यसरी संस्थाको कारोबारको दायरालाई फराकिलो पार्ने र प्रतिफल बृद्धि गर्ने क्रममा हामीले निक्षेप र कर्जाको अनुपातमा समेत नेपाल राष्ट्र बैंकबाट निर्देशित सिमा भित्र रहि कारोबार गर्न सक्षम भएका छौं।

यस वित्तीय संस्थाको विगत तथा वर्तमान आ.ब.को कारोबार तथा वित्तीय स्थिति निम्न तालिकाले स्पष्ट गर्दछ :-

शिर्षक	आ.ब २०७७/७८ आषाढ मसान्त सम्म	आ.ब २०७८/७९ मंसिर मसान्त सम्म
निक्षेप	रु. ५,८३,९९,२४,१००	रु. ५,९३,२६,००,६०४
कर्जा	रु. ४,७६,४८,७३,८११	रु. ५,०७,४३,९३,६४३
ब्याज आर्जन	रु. ५५,५७,०५,९९५	रु. २३,५२,७५,९१९
ब्याज खर्च	रु. ४०,४६,८४,९३०	रु. १७,२८,४६,२५९
कुल मुनाफा कर तथा कर्मचारी बोनस पछि	रु. १४,९५,०६,१५१	रु. ५९,१९,७४७

प्रस्तुत वित्तीय स्थितिलाई अवलोकन गर्दा वित्तीय संस्थाको समग्र वित्तीय स्थिति संतोषजनक नै देखिन्छ तापनी आगामी दिनमा संस्थाको कारोबार अनुपात तथा दायरा फराकिलो बनाउदै प्रतिफल आर्जन गरि लगानीकर्ताहरूलाई पनि उच्चतम प्रतिफल दिनका लागि संचालक समिति र व्यवस्थापन सदाभै प्रयत्नशील रहेका छौं ।

आगामी दिनमा कारोबारको दायरा अझ फराकिलो गरि कारोबार बृद्धि गर्दै संस्थालाई अझ बढि प्रतिफल दायक अवस्थामा पुऱ्याउनका लागि शाखाहरू विस्तार गर्दै लैजाने योजना अनुरूप हामीले काठमाण्डौ प्रदर्शनीमार्ग स्थित संस्थाको प्रधान कार्यालय र देश भरमा २० वटा शाखा संजाल विस्तार गरि सकेका छौं । उक्त शाखा विस्तारले हामी देशको पूर्व देखी पश्चिम सम्म आफ्नो उपस्थिति जनाई सेवा विस्तार गरेको व्यहोरा सहर्ष जानकारी गराउन चाहन्छु ।

२) राष्ट्रिय तथा अन्तर्राष्ट्रिय स्थितिबाट वित्तीय संस्थाको कारोबारलाई परेको असर :

कोभिड १९ एवं हालको Omicron भाइरसको महामारीको कारणले भएको विश्वव्यापी बन्दाबन्दी, अन्तर्राष्ट्रिय बजारमा देखिएका विभिन्न समस्याहरू, विश्वका देशहरूमा आवत जावतमा रोक, सबै आर्थिक क्षेत्रमा भएको उतारचढाव, व्याजदरमा उतार चढाव, अस्थिर राजनैतिक अवस्था, आर्थिक कारोबारमा मन्दी, शेयर बजारमा देखिएको उतार चढाव जस्ता कारणले समग्र आर्थिक कारोबारमा प्रत्यक्ष प्रभाव पर्न गएको छ । यस संस्थाले लगानी गरेका क्षेत्रहरू होटल, यातायात, पर्यटन, व्यापार व्यवसाय, उद्योग क्षेत्र लामो समय सम्म भएको गिरावट एवं सो परिस्थितिले हाल सम्म पनि सहज हुन नसक्दा सो क्षेत्रको कारोबारमा नकरात्मक प्रभाव पर्न आएको छ ।

यसरी परेको प्रभावलाई न्यून गर्न नेपाल राष्ट्र बैंकबाट जारी भएको निर्देशनले केही राहत भएको छ । हाल केही सहजता आए पनि आर्थिक अवस्थामा आशातित सुधार हुन नसकेकोले त्यसको प्रत्यक्ष प्रभावबाट यस संस्था पनि अछुतो रहन सकेको छैन ।

बैंक तथा वित्तीय संस्थाहरूको पूँजी बृद्धि र तथा देशभरी शाखाहरू विस्तार गर्ने होडवाजीको कारणबाट उत्पन्न भएको प्रतिस्पर्धात्मक अवस्था विद्यमान नै रहेको एवं लगानी योग्य व्यवसायिक वातावरणको सिमितता कायमै रहेको कारणबाट पनि वित्तीय संस्थाको कारोबारलाई असर परेको देखिन्छ । यस्तो परिस्थितिका बाबजुद यस संस्थाले आवश्यक सजगता अपनाउदै शाखाहरू विस्तार गरी प्रतिस्पर्धात्मक वित्तीय बजारमा आफ्नो स्थान सुरक्षित गर्ने तर्फ कृयाशिल रहेको जानकारी गराउंदछौं ।

३) प्रतिवेदन तयार भएको मिति सम्म चालु वर्षको उपलब्धी र भविष्यका सम्बन्धमा संचालक समितिको धारणा :

क) यस संस्थाको चुक्ता पूँजी रु. ९१,५६,५७,६६९/- (अक्षरेपी एकानब्बे करोड छपन्न लाख सत्ताउन हजार छ सय उनान्सत्तरी मात्र) को १५ प्रतिशतका दरले हुने बोनश शेयर रकम रु. १३,७३,४८,६५०/३५ (अक्षरेपी तेह करोड त्रिहत्तर लाख अठचालिस हजार छ सय पचास पैसा पैतिस) तथा नगद लाभांश (कर प्रयोजनार्थ) ०.७९ प्रतिशतले हुने रु. ७२,२८,८७६/३३ (अक्षरेपी बहत्तर लाख अठ्ठाईस हजार आठ सय छयत्तर पैसा तेत्तिस) गरि जम्मा १५.७९ प्रतिशतले हुने रु. १४,४५,७७,५२६/६८ लाभांश शेयरधनीलाई प्रदान गर्ने प्रस्ताव गरेका छौं, उक्त प्रस्ताव यस गरिमामय सभाबाट पारित गरिदिनु हुनेछ भन्ने विश्वास लिएका छौं ।

ख) सूचना प्रविधितर्फ यस संस्थाले आफ्नो Core banking System लाई समय सापेक्ष स्तरोन्नती संगै सूचना प्रविधिसंग सम्बन्धित पूर्वाधारहरू विकास गर्न सफल भएको छौं । संस्थाले रिलायन्स स्मार्ट एप्स (Digital Banking), ATM, IPS, Connect IPS, ABBS, C-ASBA, SMS Alert, SCT MoCo (Sajilo Payments, Sajilo Life apps) Real Time Gross Settlement (RTGS), जस्ता सुविधाहरू संचालन गरि आएका छौं । साथै संस्थाको जोखिम न्यूनिकरण गर्नका लागि Data Security र Disaster Recovery Center , को व्यवस्था गर्नुका साथै GO AML Software जडान गरि सकेका छौं ।

ग) बजार निर्माताको इजाजतपत्र (Market Maker) प्राप्त भएको सम्बन्धमा ।

संस्थाले नेपाल राष्ट्र बैंकको बजार निर्माता सम्बन्धी कार्यविधि, २०७० बमोजिम हाल निष्काशन हुने तथा भइरहेका राष्ट्रिय बचतपत्र, नागरिक बचतपत्रको प्राथमिक तथा दोस्रो बजार कारोबार र वैदेशिक रोजगार बचतपत्रको दोस्रो बजार कारोबार मात्र गर्ने एवं भविष्यमा नेपाल सरकारको तर्फबाट निष्काशन हुने अन्य ऋणपत्रको समेत प्राथमिक तथा दोस्रो बजार कारोबार गर्नका लागि अनुमति प्राप्त गरि कार्य गरि आएको व्यहोरा अनुरोध छ । यसबाट संस्थाका ग्राहकलाई सुविधा पुग्नका साथै विविध क्षेत्रको कारोबार विस्तार भई आमदानी पनि बृद्धि हुने विश्वास लिएको छु ।

घ) काठमाडौं उपत्यका तथा उपत्यका बाहिर शाखा विस्तार गरि कारोबारको दायरा फराकिलो गर्ने क्रममा मुख्य कार्यालय बाहेक काठमाण्डौको न्यूरोड र सितापाईला तथा ललितपुरको ईमाडोल सहित पोखरा (कास्की), बेसीशहर (लमजुङ्ग) नारायणघाट (चितवन), आरूघाट (गोरखा), बनेपा (काभ्रेपलाञ्चोक), चारआली (भापा), गोरखा बजार (गोरखा), मणिग्राम (रूपन्देही), धनगढी (कैलाली), महेन्द्रनगर (कन्चनपुर), कोहलपुर (बाँके), अत्तरिया (कैलाली), दमक (भापा), विर्तामोड (भापा), धुलावारी (भापा), टाँडी (चितवन) र भैरहवा (रूपन्देही) गरि २० वटा शाखा कार्यालय संचालन गरि देशको पूर्व देखि पश्चिम सम्म सेवा गर्दै आएको व्यहोरा जानकारी गराउंदछौं। साथै निकट भविष्यमा नै बटुवलमा शाखा खोल्ने योजना रहेको छ।

आउंदा दिनहरूमा देशका शहरी तथा ग्रामिण भेगका जनताहरू सम्म वित्तीय पहुँच पुऱ्याउने हाम्रो लक्ष्यलाई निरन्तरता दिई विभिन्न क्षेत्रमा शाखा विस्तार गर्दै संस्थाले वित्तीय बजारमा एउटा सबल र सक्षम वित्त कम्पनीको रूपमा आफ्नो पहिचान बनाउनका लागि यहाँहरूको सद्भाव तथा सहयोगको अपेक्षा गर्दछौं।

वित्तीय संस्थाको भावी कार्यक्रमहरू:

- क) संस्थाले वित्तीय बजारमा शाखा विस्तार गर्दै एउटा सबल र सक्षम वित्तीय संस्थाको रूपमा आफ्नो पहिचान बनाउने।
- ख) संस्थाले आगामी दिनहरूमा निक्षेप तथा कर्जाका आकर्षक नयाँ योजनाहरू तर्जुमा गरि वित्तीय कारोबारको रकम तथा ग्राहकहरूको संख्या समेत बृद्धि गर्दै जाने।
- ग) संस्थाले प्रवाह गर्ने कर्जाको क्षेत्र विस्तार गर्ने तथा गुणस्तरमा कमशः सुधार गर्दै लैजाने।
- घ) सेवा विस्तार गर्ने : संस्थाले आफना ग्राहकहरूलाई सरल र सुलभ वित्तीय सेवा प्रदान गर्ने क्रममा विभिन्न आधुनिक सेवा प्रदान गर्दै आएकोमा यस प्रकारको आधुनिक सेवालाई थप विस्तार गर्दै लाने।
- ङ) गैर पूँजीगत कृयाकलापबाट आय बृद्धि गर्ने : संस्थाले पूँजीगत कृयाकलापका साथै गैर पूँजीगत कृयाकलापबाट आफ्नो वित्तीय कारोबार बृद्धि गर्दै आय बृद्धिका लागि आवश्यक कार्यहरू गरिने छ।
- च) संस्थाले आगामी दिनहरूमा ठुला परियोजनाहरूमा लगानी गर्ने योजना रहेको छ जसका लागि अन्य बैंक तथा वित्तीय संस्थासंगको सहकार्यमा सहवित्तीयकरण कर्जा प्रवाह गर्ने लक्ष्य लिईएको छ।
- छ) संस्थाको जोखिमलाई न्यून गर्न र पारदर्शी सेवालाई अभिवृद्धि गर्न आगामी दिनमा संस्थागत सुशासन लाई अझ सुदृढ गर्दै लैजाने छ।
- ज) संस्थागत सामाजिक उत्तरदायित्व निर्वाह गर्ने : संस्थाले संस्थागत सामाजिक उत्तरदायित्व बहन गर्दै विभिन्न सामाजिक कृयाकलाप संचालन गर्ने गरेको तथा आगामी दिनमा समेत सो कार्यहरूलाई निरन्तरता दिइनेछ। यस संस्थाले संस्थागत सामाजिक उत्तरदायित्व निर्वाह गर्ने क्रममा निम्न लिखित कार्य गरेको व्यहोरा अनुरोध छ। आउंदा दिनहरूमा पनि यस्ता कृयाकलापहरूलाई निरन्तरता दिनुका साथै थप कार्यक्रमहरू संचालन गरिनेछ।

कार्यक्रमको विवरण

- ◆ नयाँ बानेश्वर स्थित नयाँ नेपाल समाज केन्द्रलाई खाद्यान्न वितरण गरेको।
 - ◆ काठमाण्डौ जिल्ला साँखुमा अवस्थित द्वन्द पिडित तथा अपाङ्ग समाज नेपालमा रहेका बालबालिकालाई खाद्यान्न तथा औषधीहरू सहयोग स्वरूप प्रदान गरेको।
 - ◆ माईती नेपालमा भएको रक्तदान कार्यक्रममा आर्थिक सहयोग प्रदान गरेको।
 - ◆ जावलाखेल ललितपुरमा भएको रक्तदान कार्यक्रममा आर्थिक एवं खाजा सहयोग प्रदान गरेको।
 - ◆ सम्पूर्ण शाखा कार्यालयहरूबाट संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा विभिन्न स्थानिय सामाजिक संस्था, सामुदायिक विद्यालय समेतलाई सहयोग गरेको।
- झ) कार्यालय भवनको लागि जग्गा तथा भवन खरिद गर्ने : संस्था प्रति जनविश्वास बृद्धि गर्न एवं संस्थाको गरिमा बृद्धि गर्नका लागि संस्थाको आफ्नै कार्यालय भवनको आवश्यकता महसुस भएकोले सोका लागि यथाशिघ्र चाँडै घर/जग्गा खरिद गरिने लक्ष्य लिइएको छ।
- ञ) विप्रेषण कारोबार बृद्धि गर्ने : रेमिटेन्स सेवामा नेपालको आर्थिक अवस्थामा पुऱ्याएको योगदानलाई मध्य नजर गर्दै यस संस्थाले विभिन्न रेमिटेन्स कम्पनीहरूसंग सम्भौता गरि सेवा प्रदान गर्दै आएको छ। आगामी दिनमा अन्य थप रेमिटेन्स कम्पनीहरूसंग सम्भौता गरि सेवामा थप बृद्धि गरिने छ।

४) **बैंकिङ सुविधा:**

वित्तीय संस्थाले आफ्ना ग्राहकहरूलाई निक्षेप तथा कर्जाको सुविधाको आधारभूत सेवाका अतिरिक्त आधुनिक प्रविधिमा आधारित मोबाईल Banking, चिप कार्ड बेसको SCT Network ATM सेवा, सी आस्वा (C-ASBA), IPS, Connect IPS सेवा, ABBS सेवा, Electronic Cheque Clearing (ECC), SMS Banking, SCT MoCo (Sajilo Payments, Sajilo Life apps) Real Time Gross Settlement (RTGS), सेवाहरू प्रदान गरिएको र समय सापेक्ष नयां सेवाहरू थप गर्दै लानेछ। संस्थाले ग्राहकलाई प्रदान गर्ने चिप कार्ड बेसको SCT Network ATM कार्ड बाट Union Pay नेटवर्कमा आधारित रही कारोबार गर्न सकिनेछ। साथै संस्थाले संचालनमा ल्याएको Digital Banking अर्न्तगत आफ्नै मोबाईल एप्स रिलायन्स स्मार्ट एप्स संचालनमा ल्याएको छ, उक्त सेवाबाट सबै ग्राहकहरूले आफ्नो खाताको जानकारी लिने, संक्षिप्त विवरण हेर्ने, अन्य बैंक तथा वित्तीय संस्थामा र संस्था भित्रै एक खाता बाट अर्को खातामा रकम स्थानान्तरण गर्न, टेलिफोन, धारा, बत्ती, ईन्टरनेट लगायतका विलहरू भुक्तानी गर्न, पसलहरूमा QR कोड मार्फत भुक्तानी दिनका साथै संस्थाका ग्राहकले संस्थाबाट प्रदान गरिने QR कोड प्रयोग गरि कारोबार गर्न सक्नेछ। उपरोक्त सुविधाहरूबाट संस्थाका ग्राहकहरू लाभान्वित हुने विश्वास लिएको छ।

५) **औद्योगिक तथा व्यावसायिक सम्बन्ध:**

वित्तीय संस्थाले सम्बन्धित नियमन निकायहरू, संस्थाका ग्राहकहरू, औद्योगिक प्रतिष्ठानहरू तथा विभिन्न संघ संस्थाहरूसंग कारोवार अभिवृद्धि गर्ने कममा सौहार्दपूर्ण सम्बन्ध राख्दै आएको तथा आगामी दिनहरूमा अझ सुदृढ बनाउने तर्फ हाम्रो प्रयास रहने छ। यस संस्था विभिन्न संस्थाको सदस्य रहनुका साथै आगामी दिनमा अन्य संस्थाहरूसंग सम्बन्ध अभिवृद्धि गर्न सदैव प्रयत्नशिल रहदै आएको छ।

६) **संचालक समितिमा भएको हेरफेर र सो का कारण:**

यस आ.व.मा संस्थाको संचालक समितिमा हेरफेर नभएको व्यहोरा अनुरोध छ।

७) **अन्य समितिहरू:**

नेपाल राष्ट्र बैंकको निर्देशन र बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ मा भएको व्यवस्था बमोजिम संचालक समितिले आफ्नो जवाफदेहीमा १) लेखापरीक्षण समिति, २) जोखिम व्यवस्थापन समिति ३) कर्मचारी व्यवस्थापन तथा सेवा सुविधा समिति, ४) सम्पत्ती शुद्धिकरण निवारण सम्बन्धी समिति, ५) मर्जर समिति ६) घरजग्गा (सम्पत्ती) खरिद समिति गठन गरेको छ। आवश्यकता अनुसार सो समितिहरूको बैठक समय समयमा बस्नुका साथै सो समितिले आफ्नो प्रतिवेदन संचालक समितिको बैठकमा पेश गर्ने गरेको जानकारी गराउंदछौं।

८) **कारोबारलाई असर पर्ने मुख्य कुराहरू:**

कोरोना भाईरसको महामारीको कारणले भएको विश्वव्यापी बन्दाबन्दी, अन्तर्राष्ट्रिय बजारमा देखिएका विभिन्न समस्याहरू, आवत जावतमा रूकावट, सबै आर्थिक क्षेत्र लकडाउनका कारणले ठप्प रहेको, कर्जा लिने ऋणीहरूको व्यापार व्यवसाय बन्द भई कर्जा असुलीमा समस्या, विश्व बजारमा नेपाली बजारले प्रतिस्पर्धा गर्न नसक्नु, राजनैतिक अस्थिरता, बैंक तथा वित्तीय संस्था बीचको प्रतिस्पर्धात्मक अवस्था, नेपाल सरकार तथा नेपाल राष्ट्र बैंक लगायत नियमनकारी निकायले नीति परिवर्तन गर्नाले पर्न सक्ने असरहरू, निक्षेप तथा लगानीको व्याजदरमा परिवर्तन, वित्तीय बजारमा तरलता अभाव समेतका कारण पर्न सक्ने असर, निश्चित समयमा कर्जा असुली नभएका कारणले पर्न जाने असरहरू, आर्थिक अवस्थामा आउने परिवर्तन, पूँजी बजारमा देखिएको उतार चढावका साथै तरलताको उतार चढाव, त्यस्तै वित्तीय क्षेत्रमा नेपाल सरकारको नीति, औद्योगिक श्रम समस्या, जस्ता सवालहरू विद्यमान नै रहेका कारणले समेत संस्थाको कारोबारलाई असर पारेको देखिन्छ। यी सबै परिस्थितिहरूको बावजुद विभिन्न रणनीति तथा योजनाहरूलाई लागू गर्दै संस्थाको कारोबारलाई चुस्त बनाउने तर्फ संचालक समिति सजग रही चालु आ.व.मा यस संस्थाले अझ बढी मुनाफा आर्जन गर्ने लक्ष्य लिएका छौं।

९) **लाभांश बांडफांड गर्न सिफारिश गरिएको रकम:**

यस संस्थाको चुक्ता पूँजी रु.९१,५६,५७,६६९/- (अक्षरेपी एकानब्बे करोड छपन्न लाख सत्ताउन हजार छ सय उनान्सत्तरी मात्र) को १५ प्रतिशतका दरले हुने बोनश शेयर रकम रु.१३,७३,४८,६५०/३५ (अक्षरेपी तेह्र करोड त्रिहत्तर लाख अठचालिस हजार छ सय पचास पैसा पैतिस) तथा नगद लाभांश (कर प्रयोजनार्थ) ०.७९ प्रतिशतले हुने रु.७२,२८,८७६/३३ (अक्षरेपी

बहत्तर लाख अष्टाईस हजार आठ सय छयत्तर पैसा तेंतिस) गरि जम्मा १५.७९ प्रतिशतले हुने रू.१४,४५,७७,५२६/६८ लाभांश शेयरधनीलाई प्रदान गर्ने प्रस्ताव गरेका छौं, उक्त प्रस्ताव यस गरिमामय सभाबाट पारित गरिदिन हुनेछ भन्ने विश्वास लिएका छौं ।

१०) लेखापरिक्षक नियुक्ति सिफारिस सम्बन्धमा:

यस संस्थाको लेखापरीक्षण समितिको सिफारिस बमोजिम लेखापरिक्षक सुन्दर एण्ड कम्पनी लाई आगामी आर्थिक वर्ष २०७८/०७९ को हिसाब किताब लेखापरिक्षण कार्य गर्नका लागि बाह्य लेखापरिक्षक (Statutory Auditor) नियुक्ति गर्न तथा निजको पारिश्रमिक भ्याट बाहेक रू.४,००,००० /- (अक्षरेपी चार लाख मात्र) दिने गरि साधारण सभामा अनुमोदनको लागि पेश गर्ने संचालक समितिको निर्णय पारित गरिदिनहुन अनुरोध गरिएको छ ।

११) मानव संशाधन व्यवस्थापन:

आ.ब २०७८ साल मंसीर मसान्त सम्ममा यस संस्थामा कुल १६३ जना कर्मचारीहरू कार्यरत रहेको जानकारी गराउदै यस संस्थाको कार्य प्रणालीलाई छिटो छरितो चुस्त दुरूस्त र अभि प्रभावकारी बनाउन, दक्ष तथा विभिन्न बैकिङ्ग क्षेत्रका अनुभवी व्यक्तीहरूलाई आबद्ध गरि अनुभवी जनशक्ति तयार पारिएको व्यहोरा अनुरोध छ । साथै संस्थामा आबद्ध जनशक्तिहरूलाई विभिन्न प्रशिक्षणहरू प्रदान गर्ने तथा तालिममा सहभागि गराउन गरिएको र आगामी दिनहरूमा पनि यस्तो तालिम तथा प्रशिक्षणका कार्यलाई निरन्तरता दिई समयानुसार संस्थालाई आवश्यक जनशक्तिको विकाश गर्दै लगिनेछ ।

१२) मर्जर सम्बन्धि कार्यका सम्बन्धमा:

नेपाल राष्ट्र बैकबाट दिइएको निर्देशन बमोजिम “ग” बर्गको वित्तीय संस्थाको चुक्ता पूँजी पर्याप्तता भई सकेको भएता पनि यस संस्थाको विगतका साधारण सभाबाट यस संस्था तथा कुनै उपयुक्त बैक, विकाश बैक तथा वित्तीय संस्थासंग एक आपसमा गाभ्ने गाभिने, एक्वीजिसन (विलय) तथा प्राप्ती गर्ने गराउने प्रकृत्यालाई खुला राखी संस्थाको स्तरोन्नति गरि संस्थालाई अगाडी बढाउने प्रस्ताव पारित गरिसकिएकोमा सो प्रस्ताव यस साधारण सभामा पनि पुनः पेश गरेको यहाँहरू सबैमा अवगत छ ।

१३) संस्थाको अधिकृत जारी र चुक्ता पूँजी वृद्धि गर्ने लगायतका विषयमा प्रबन्धपत्र तथा नियमावली संशोधन सम्बन्धमा:

संस्थाले बोनश शेयर प्रदान गरे पश्चात् संस्थाको अधिकृत, जारी तथा चुक्ता पूँजी वृद्धि हुने भएकोले निम्न बमोजिम संस्थाको अधिकृत, जारी र चुक्ता पूँजी वृद्धि गर्ने र सोहि बमोजिम हुने गरि प्रबन्धपत्र तथा नियमावली संशोधन गर्न प्रस्ताव गरेका छौं ।

अधिकृत पूँजी रू.१,२०,००,००,०००।०० (अक्षरेपी एक अर्ब विस करोड)

जारी पूँजी रू.१,०५,३०,०६,३१९ /- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस)

चुक्ता पूँजी रू.१,०५,३०,०६,३१९ /- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस)

१४) धन्यवाद ज्ञापन:

वित्तीय संस्थाको प्रगति तथा समृद्धिमा प्रत्यक्ष तथा अप्रत्यक्ष रूपमा सहयोग गर्नुहुने हाम्रा सम्पूर्ण सहभागि शेयरधनी महानुभावहरू, निक्षेपकर्ता, ग्राहकवर्ग, नेपाल राष्ट्र बैक लगायत सम्बन्धित नियमन निकायहरू तथा लगनशिल, कर्मठ कर्मचारी वर्गका साथै अन्य सम्बन्धित सबैमा विगतमा प्राप्त भएको सहयोगका लागि आभार प्रकट गर्दै भविष्यमा समेत निरन्तर रूपमा सहयोग तथा सद्भाव प्राप्त हुने अपेक्षा गर्दै यहाँहरूको अपेक्षा अनुरूप कार्य गर्नका लागि म, संचालक समिति लगायत व्यवस्थापन समेत प्रतिबद्ध रहेको जानकारी गराउंदछौं ।

धन्यवाद ।

संचालक समितिको तर्फबाट

द.

(विनोद कुमार तण्डुकार)

संचालक

संचालक समितिको तर्फबाट

द.

(कुश प्रसाद मल्ली)

अध्यक्ष

मिति : २०७८/०९/०८

कम्पनी ऐन २०६३ को दफा १०८ को उपदफा ४ संग सम्बन्धित अन्य विवरणहरू

- क) विगत वर्षको कारोबारको सिंहावलोकन :
संचालक समितिको प्रतिवेदन नं. १ मा उल्लेख गरिएको छ ।
- ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :
प्रत्यक्ष रूपमा कम्पनीको कारोबारलाई असर परेको छैन ।
- (ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा,
संचालक समितिको प्रतिवेदन नं. १ र ३ मा उल्लेख गरिएको छ ।
- (घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध,
संचालक समितिको प्रतिवेदन नं. ५ मा उल्लेख गरिएको छ ।
- (ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण,
संचालक समितिको प्रतिवेदन नं. ६ मा उल्लेख गरिएको छ ।
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरू,
संचालक समितिको प्रतिवेदन नं. ८ मा उल्लेख गरिएको छ ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया ।
वित्तीय संस्थाको नियमित कारोबारसंग सम्बन्धित सामान्य कैफियतहरू बाहेक लेखापरीक्षण प्रतिवेदनमा अन्य कैफियतहरू रहेको छैन । उक्त सामान्य कैफियतहरू तथा लेखापरीक्षकले दिएको सुझावहरू प्रति सञ्चालक समिति / व्यवस्थापन समिति सजग रहनुको साथै कैफियतहरूलाई सुधार गर्न संस्था कटिबद्ध रहेको छ ।
- (ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम,
संचालक समितिको प्रतिवेदन नं. ९ मा उल्लेख गरिएको छ ।
- (झ) शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो
बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम
तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण :
शेयर जफत भएको छैन ।
- (ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको
पुनरावलोकन : यस वित्तीय संस्थाको कुनै सहायक कम्पनी नभएको ।
- (ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको
कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :
यस वित्तीय संस्थाको समिक्षा वर्षमा कम्पनीको कारोबारमा कुनै महत्वपूर्ण परिवर्तन गरिएको छैन तथा यस संस्थाको सहायक
कम्पनी नभएको जानकारी गराउंदछौं ।
- (ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी,
यस वित्तीय संस्थाको आधारभूत शेयरधनीहरूले त्यस्तो कुनै पनि जानकारी उपलब्ध गराएको छैन ।

- (ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :
सञ्चालकहरूको शेयरको स्वामित्व विवरण निम्न अनुसार छ :

नाम	पद	शेयर संख्या
श्री कुश प्रसाद मल्ली	अध्यक्ष	३,००,०६७
श्री सुरकृष्ण वैद्य	संचालक	२४,६५३
श्री रवि कृष्ण श्रेष्ठ	संचालक	९८,६९०
श्री तुलसी प्रसाद बराल	संचालक	१,९५३
श्री उपेन्द्र बहादुर कार्की	संचालक	१,२३३
श्री श्वेता कक्षपती (शाक्य)	संचालक	१,६९३
श्री विनोद कुमार तण्डुकार	संचालक	नभएको
श्री अनिल श्रेष्ठ	प्रमुख कार्यकारी अधिकृत	३६,९८०

- (ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :
त्यस्तो कुनै जानकारी उपलब्ध गराएको छैन ।

- (ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :
यस वित्तीय संस्थाको शेयर वित्तीय संस्था आफैले खरिद गरेको छैन ।

- (त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :
आन्तरिक नियन्त्रणका लागि आन्तरिक लेखापरिक्षण गर्ने ब्यबस्था हुनुका साथै आवश्यक नीति, विनियमहरू तथा निर्देशिकाहरू रहेको ।

- (थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

विवरण	आ.व.०७६/०७७मा	आ.व.०७७/०७८मा
कर्मचारी खर्च रकम	रु.८,३५,६४,२४३/-	रु.१०,६५,६७,२५८/-
कार्यालय खर्च रकम	रु.५,८१,७७,६४१/-	रु.७,४८,०१,०३९/-
कुल व्यवस्थापन खर्च रकम	रु.१४,१७,४१,८८४/-	रु.१८,१३,६८,२९७/-

- (द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण,
उपरोक्त उल्लेखित समिक्षा वर्षमा यस संस्थाको लेखापरीक्षण समितिको संयोजकमा संचालक श्री उपेन्द्र बहादुर कार्की र सदस्यमा संचालक श्री तुलसी प्रसाद बराल र सदस्य सचिवमा श्री कौशल्या श्रेष्ठ रहनु भएको छ ।

सो समितिको संयोजकलाई प्रति बैठक रु.४,५००/- तथा संचालक सदस्यलाई प्रति बैठक रु. ४,०००/- प्रदान गर्ने गरिएको छ । सदस्य सचिव कर्मचारीलाई भत्ता उपलब्ध नगराएको । समितिले नियमित रूपमा व्यवस्थापनलाई सुझाव तथा निर्देशनहरू दिने गर्दछ ।

- (ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाकी भए सो कुरा :

वित्तीय संस्थाको संचालक, प्रबन्ध संचालक कुनैपनि पदाधिकारी, कार्यकारी प्रमुख, वित्तीय संस्थाका आधारभूत शेयरधनी वा निजको नातेदार वा निज संलग्न रहेको फर्म, वित्तीय संस्था वा संगठित संस्थाले वित्तीय संस्थालाई कुनैपनि रकम बुझाउन बाकी रहेको छैन ।

- (न) सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :
आ.ब. २०७७/७८ मा सञ्चालकलाई प्रदान गरिएको सुविधा :

पद	प्रति बैठक भत्ता रू.	पत्रपत्रिका तथा मोवाइल सुविधा
अध्यक्ष	रू. ७,५००/-	रू. १,५००/-
संचालक	रू. ७,०००/-	रू. १,५००/-

- आ.ब. २०७७/७८ मा कार्यकारी प्रमुख तथा पदाधिकारीहरू (प्रबन्धक सम्म)लाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

विवरण	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरू
तलब, भत्ता तथा अन्य सुविधाहरू	रू. ४१,८४,७९६/-	रू. १०,२३,८२,४६२/-

अन्य सुविधाको हकमा कर्मचारी सेवा विनियमावली बमोजिम तथा संचालक समितिले निर्णय गरे बमोजिम ।

- (प) शेयरधनीहरूले बुझिलिन बाकी रहेको लाभांशको रकम :
यस वित्तीय संस्थाले घोषणा गरेको लाभांश मध्ये २०७७/७८ को अन्त्यसम्म शेयरधनीहरूबाट दावी नआएको रकम निम्न अनुसार रहेको छ ।

आ.ब.	२०७६/०७७ सम्म
आ.ब. २०६८/६९ को	रू. २,७४,५३८/-
आ.ब. २०६९/७० को	रू. ५,१७,२५६/-
आ.ब. २०७४/७५ को	रू. २७,९३,०६४/-
आ.ब. २०७५/७६ को	रू. ६९,७०,७६२/-
जम्मा	रू. १,०५,५५,६२०/-

- (फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :
आ.ब. २०७६/७७ मा दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेका छैन ।
- (ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :
छैन ।
- (भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :
यसै प्रतिवेदन अन्तर्गत सम्बन्धित ठाउँमा खुलाईएको छ ।
- (म) अन्य आवश्यक कुराहरू ।
यसै प्रतिवेदन तथा वित्तीय विवरणमा सम्बन्धित ठाउँमा खुलाईएको छ ।

धितोपत्र दर्ता तथा निष्काशन नियमावली २०७३ को नियम २६(२) संग सम्बन्धित अन्य विवरणहरू

- १) सञ्चालक समितिको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- २) लेखापरीक्षको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- ३) लेखापरीक्षण भएको वित्तीय विवरण : यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- ४) कानूनी कारवाही सम्बन्धी विवरण :
 - क) त्रैमास अवधिमा संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :
कर्जा कारोबारका सिलसिलामा कर्जा असूली सम्बन्धी दायर भएको मुद्दा रहेको ।
 - ख) संस्थाका संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए :
यस सम्बन्धमा त्यस्तो मुद्दा दर्ता भएको वा गरेको जानकारी प्राप्त नभएको ।
 - ग) संस्थाका संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको भए :
यस सम्बन्धमा त्यस्तो मुद्दा दर्ता भएको वा गरेको जानकारी प्राप्त नभएको ।
- ५) संस्थाको शेयर कारोवार तथा प्रगतिको विश्लेषण :
 - क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोवार सम्बन्धमा व्यवस्थापनको धारणा :
यस संस्थाको शेयर माग र आपूर्तिको आधारमा निर्धारण हुने गरी नेपाल धितोपत्र विनिमय बजारमा कारोवार भईरहेको छ । शेयरबजारमा शेयरको मूल्यमा आउने उतारचढाव संगै यस संस्थाको शेयरको मूल्यमा परिवर्तत हुने गरेको छ ।
 - ख) गत वर्षको प्रत्येक त्रैमासको अवधिमा संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोवारको शेयर संख्या र कारोवार दिन :

क्रम संख्या	त्रयमास	शेयरका अधिकतम मूल्य	शेयरका न्यूनतम मूल्य	शेयरका अन्तिम मूल्य	कुल कारोवारको संख्या	कारोवार दिन
१	प्रथम	रु. १९६/-	रु. १२०/-	रु. १७०/-	४५८९	६३
२	दोस्रो	रु. १९५/-	रु. १६२/-	रु. १९५/-	४५६३	५८
३	तेस्रो	रु. ३०६/-	रु. १९६/-	रु. २९३/-	१३१८५	५९
४	चौथो	रु. ५६२/-	रु. २२८/-	रु. ५३२/-	३७३९६	६५

६) समस्या र चुनौती

क) आन्तरिक समस्या र चुनौती

दक्ष जनशक्ति कायम राख्न कठिन, वित्तीय श्रोतको लागतमा वृद्धि, अस्वस्थ प्रतिस्पर्धा, आयको विविधिकरण, खर्चमा मितव्ययिता

ख) बाह्य समस्या र चुनौती

व्याजदरमा उतार चढाव, राजनैतिक अवस्था, आर्थिक कारोवारमा मन्दी, शेयर बजारमा मन्दी, तिव्र प्रतिस्पर्धा ।

ग) रणनीति

- निक्षेप तथा कर्जामा विविधिकरण, आय आर्जनको नयाँ क्षेत्र विस्तार, सेवामा विविधिकरण, शाखा तथा सेवामा विस्तार ।

७) संस्थागत सुशासन

बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३, नेपाल राष्ट्र बैंक बाट जारी गरिएको निर्देशन, परिपत्रहरू, धितोपत्र ऐन, र सो ऐन अनुसार जारी भएको नियमावली, विनियमावलीहरू तथा निर्देशनहरू, नेपाल स्टक एक्सचेञ्ज लि.बाट जारी गरिएको निर्देशनहरू लगायत प्रचलित कानूनलाई परिपालना गरिएको छ । साथै संस्थाको आन्तरिक तथा बाह्य लेखापरीक्षकबाट प्राप्त भएको सल्लाह सुझावलाई परिपालन गर्दै संस्थागत सुशासन कायम गर्न संचालक समिति र व्यवस्थापन प्रतिवद्ध रहेको छ ।

M.B. SHRESTHA & CO.

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 New Baneshwor

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 G.P.O. Box : 720
 Kathmandu, Nepal.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RELIANCE FINANCE LIMITED

Opinion on the Financial Statements

We have audited the accompanying financial statements of Reliance Finance Limited. ("the Company") which comprise the Statement of Financial Position as at 31 Ashadh 2078 corresponding to 15 July 2021, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of 31 Ashadh 2078 (15 July, 2021), and its financial performances, changes in equity and its cash flows for the year ended on that date in accordance with Nepal Financial Reporting Standards (NFRS) as mentioned under section (b) of Report on Other Legal and Regulatory Requirements (Bank & Financial Institution Act and Company Act)

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirement that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key Audit Matters

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

Key Audit Matters	How our Audit addressed the Key Audit Matters
<p>Impairment of Loans and Advances to Customers Total Loans and Advances to Customers: Rs.4,76,48,74 thousand as on 15th July 2021 (NPR. 4,14,91,04 thousand as on 15th July 2020) Total Impairment: NPR 14,28,49 thousand as on 15th July 2021 (NPR. 7,86,58 thousand as on 15th July 2020) Total accrued interest income is NPR 4,87,62 thousand (NPR . 7,28,18 thousand in F/Y 2076/77)</p>	
<p>Company's policy for the allowance for impairment of loans and advances to customers have been based on the application of incurred loss model, giving impact of COVID -19, and Nepal Rastra Bank regulations, as applicable. It involves significant management judgement and estimation. In addition, assessment of allowances for impairment is important as carve out provides for higher of the incurred loss model or NRB's directive. The carrying value of the loans & advances to customers can be materially misstating if management's judgement and estimation are inappropriate.</p>	<p>We tested the Company's operating effectiveness of key controls to identify loss events and for determining the extent of provisioning required against non- performing loans & advances. The testing of control included testing of:</p> <ul style="list-style-type: none"> ✓ Controls over correct identification and classification of non – performing loans and advances on time-based criteria ✓ Control over accurate computation and recording of provisions ✓ Tested and checked the mode of calculation for the incurred loss in accordance with incurred loss model.
<p>In addition to above, interest income of the company has been recognized on accrual basis as calculated by the Company's existing/prevaling IT System and following the interest income recognition Guidelines 2019 issued</p>	<ul style="list-style-type: none"> ✓ Control over the monitoring of loans and advances to customers with higher risk default ✓ Control over the governance and approval process for provisions including ongoing reassessment by the Company's Management

<p>by NRB. Recognition of interest income on non-performing loans and advances involves judgement and estimation on calculating net realizable value of the loans & advances.</p> <p>Therefore, considering the significance of the above matter to the financial statements, we have identified this as a key audit matter.</p>	<p>In carrying out the substantive procedures, we selected sample of loans & advances to customers and checked the repayment schedules and tested the classification of non-performing loans based on overdue period. Assessed the Management's assumption and judgement for classification of loans & advances based on repayment pattern, documentation, assessment of control over mortgage value of loans & advances, inspection and discussion with management.</p> <p>We considered the impairment charges on loans & advances to customers and interest recognition to be acceptable.</p>
<p>Investment Valuation, Identification and Impairment</p> <p>The Company's investment portfolio includes Treasury Bills, Development Bonds, and quoted and unquoted equity instruments. These instruments were valued in accordance with NAS 39 read with NFRS 9 and NRB Directive 8.</p> <p>Development bond, Treasury bill are measured at amortized cost. Investment in an equity instrument that is not held for trading are measured at fair value through Other Comprehensive Income (FVOCI).</p> <p>Given there are different methods recommended for the treatment of investments based on the nature of cash flow, the business model adopted, complexity of calculation and the significance of amount involved in such investments, same has been considered as Key Audit matter.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> ✓ Review of the Company's investment and its valuation having reference to NFRS and NRB Directive. ✓ For investment valued at amortized cost, on test check basis, we checked the effective interest rate (EIR) and amortization schedule. ✓ For the investments measured at Fair Value through Other Comprehensive Income (FVTOCT) for quoted investment, we ensured that fair valuation done at the closing transaction rate in NEPSE as on 15th July 2021. ✓ Income and Bonus received have been verified through DEMAT statement maintained by the Company wherever applicable. Also, party confirmation has been taken regarding number of equity shares held.
<p>Investment Properties (Non-Companying Assets)</p> <p>Investment Properties includes land, land and building acquired by the Company as non-companying assets but not sold as on the reporting date.</p> <p>The Company holds investment property that has been acquired through enforcement of security over the loans and advances.</p> <p>Investment property is to be measured at fair value model or cost model.</p>	<p>During the course of audit, we verified the Non-banking Assets as per Nepal Rastra Bank's Directive. This specific item has been found included under investment property without being mentioning the mode of subsequent measurement.</p>

Other Information

The Company'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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

Management's Responsibility and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls.
- 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 internal controls.
- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 (Bank & Financial Institution Act and Company Act)

On examination of the financial statements as aforesaid, we report that:

- a. We have obtained all information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our examination.
- b. In our opinion, proper books of account as required by law have been kept by the company, in so far as appears from our examination of those books of account and the financial statements deal with by this report are prepared in conformity with the NFRS based format prescribed by Nepal Rastra Bank.
- c. In our opinion, the returns received from the respective company's branches are adequate for the audit purpose, though the statements are independently not audited.
- d. In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the company, we have not come across the cases where the Board of Directors or any member thereof or any employee of the company has acted contrary to the provisions of the law relating to accounts.
- e. In our opinion, the loans and advances are charged off as per the write off policy and with the approval of the authority concern.
- f. In our opinion, the business of the company has been conducted within its authority.


Maheswarendra Bdr. Shrestha FCA

Proprietor
M.B. Shrestha & Co.,
Chartered Accountants
UDIN # 211219CA00117sCiLM
Date: December 19, 2021
Poush 04, 2078



Reliance Finance Limited
Statement of Financial Position
As at 31 Ashad 2078

Particulars	Note	As at 31.03.2078	As at 31.03.2077
Assets			
Cash and cash equivalent	4.1	392,650,589	824,237,640
Due from Nepal Rastra Bank	4.2	270,888,959	294,313,186
Placement with Bank and Financial Institutions	4.3	100,030,548	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/FIs	4.6	321,563,245	395,851,500
Loans and advances to customers	4.7	4,403,866,936	3,746,468,868
Investment securities	4.8	1,622,815,765	992,119,650
Current tax assets	4.9	17,287,083	-
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	2,346,730	1,620,874
Property and equipment	4.13	61,001,836	45,262,260
Goodwill and Intangible assets	4.14	3,024,106	2,644,200
Deferred tax assets	4.15	-	12,397,887
Other assets	4.16	19,718,302	71,170,662
Total Assets		7,215,194,099	6,386,086,727
Liabilities			
Due to Bank and Financial Institutions	4.17	175,405,219	37,739,777
Due to Nepal Rastra Bank	4.18	-	110,900,000
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	5,664,518,881	5,058,847,254
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	13,102,884
Provisions	4.22	-	-
Deferred tax liabilities	4.15	11,133,850	-
Other liabilities	4.23	84,535,488	78,138,137
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		5,935,593,438	5,298,728,053
Equity			
Share capital	4.26	915,657,669	832,416,063
Share premium		1,140,765	1,140,765
Retained earnings		161,622,050	96,069,801
Reserves	4.27	201,180,176	157,732,045
Total equity attributable to equity holders		1,279,600,660	1,087,358,674
Non-controlling interest			
Total equity		1,279,600,660	1,087,358,674
Total liabilities and equity		7,215,194,099	6,386,086,727
Contingent liabilities and commitment	4.28	178,181,604	195,391,322
Net assets value per share		139.75	130.63

Note 4.1 to 4.28 are integral part of Statement of Financial Position

Anil Shrestha
Chief Executive Officer

Kush Prasad Mally
Chairman

Sur Krishna Vaidya
Director

Maheswarendra Bahadur Shrestha, FCA
M.B. Shrestha & Co.
Chartered Accountants

Ravi Krishna Shrestha
Director

Tulsi Prasad Baral
Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 02-09-2078, Place: Kathmandu

Reliance Finance Limited
Statement of Profit or Loss
For the year ended on 31 Ashad 2078

Particulars	Note	Current Year	Previous Year
Interest income	4.29	555,705,995	637,738,543
Interest expenses	4.30	404,684,930	422,716,334
Net interest income		151,021,065	215,022,209
Fee and commission income	4.31	40,479,329	30,676,738
Fee and commission expenses	4.32	-	-
Net fee and commission income		40,479,329	30,676,738
Net interest, fee and commission income		191,500,395	245,698,947
Net trading income	4.33	-	-
Other operating income	4.34	277,840,946	8,624,090
Total operating income		469,341,341	254,323,037
Impairment charge/(reversal) for loans and other losses	4.35	64,190,783	(35,513,778)
Net operating income		405,150,558	289,836,815
Operating expenses			
Personnel expenses	4.36	106,567,258	83,564,243
Other operating expenses	4.37	62,897,235	50,627,134
Depreciation & Amortisation	4.38	11,903,804	7,550,508
Operating Profit		223,782,262	148,094,931
Non operating income	4.39	-	-
Non operating expenses	4.40	-	-
Profit before income tax		223,782,262	148,094,931
Income tax expenses	4.41		
Current Tax		66,356,086	42,945,343
Deferred Tax		7,920,024	2,616,096
Profit for the period		149,506,151	102,533,492
Profit attributable to:			
Equity holders of the Bank		149,506,151	102,533,492
Non-controlling interest			
Profit for the period		149,506,151	102,533,492
Earnings per share			
Basic earnings per share		16.33	12.32
Diluted earnings per share		16.33	12.32

Note 4.29 to 4.41 are integral part of Statement of Profit & Loss

Anil Shrestha
Chief Executive Officer

Kush Prasad Mally
Chairman

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Director

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Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 02-09-2078, Place: Kathmandu

Reliance Finance Limited
Statement of Comprehensive Income
For the year ended on 31 Ashad 2078

Particulars	Note	Current Year	Previous Year
Profit for the year		149,506,151	102,533,492
<u>Other comprehensive income, net of income tax</u>			
a) Items that will not be reclassified to profit or loss			
Gain/(loss) from investments in equity instruments measured at fair value		52,039,039	(59,490,827)
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items		(15,611,712)	17,847,248
Net other comprehensive income that will not be reclassified to profit or loss		36,427,327	(41,643,579)
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		36,427,327	(41,643,579)
Total comprehensive income for the period		185,933,479	60,889,913
<u>Total comprehensive income attributable to:</u>			
Equity holders of the Bank		185,933,479	60,889,913
Non-controlling interest		-	-
Total comprehensive income for the period		185,933,479	60,889,913

Anil Shrestha
Chief Executive Officer

Kush Prasad Mally
Chairman

Sur Krishna Vaidya
Director

Maheswarendra Bahadur Shrestha, FCA
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Chartered Accountants

Ravi Krishna Shrestha
Director

Tulsi Prasad Baral
Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 02-09-2078, Place: Kathmandu



Reliance Finance Limited
Statement of Changes in Equity
For the year ended on 31 Ashad 2078

Particulars	Attributable to Equity holders of the Bank										Total Equity	
	Share Capital	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total		Non-Controlling Interest
Balance at 1 Shrawan 2077	832,416,063	1,140,765	109,944,188	-	65,096,335	(19,846,797)	-	-	2,538,319	1,087,358,674	-	1,087,358,674
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Shrawan 2077	832,416,063	1,140,765	109,944,188	-	65,096,335	(19,846,797)	-	-	2,538,319	1,087,358,674	-	1,087,358,674
Comprehensive income for the year												
Profit for the year									96,069,801			
Other comprehensive income, net of tax										149,506,151		149,506,151
Other comprehensive income, net of tax												
Remeasurements of defined benefit liability (assets)						36,427,327						36,427,327
Fair value reserve (Investment in equity instrument)												
Fair value reserve (Investment in equity instrument)												
Net change in fair value						36,427,327						36,427,327
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			29,901,230		(38,638,871)	25,164,748			1,455,617	17,109,587		17,109,587
Transfer from reserve during the year						(10,389,472)			(472,446)	(6,419,942)		(6,419,942)
Transactions with owners, directly recognised in equity												
Right share issued												
Share based payments												
Dividends to equity holders												
Bonus shares issued	83,241,606								(83,241,606)			
Cash dividend paid									(4,381,137)			(4,381,137)
Total contributions by and distributions	83,241,606								(87,622,743)			
Balance at Ashad end 2078	915,657,669	1,140,765	139,845,418	-	26,457,464	31,355,806	-	-	161,622,049	1,279,600,660	-	1,279,600,660

Anil Shrestha
Chief Executive Officer

Kush Prasad Mally
Chairman

Sur Krishna Vaidya
Director

Ravi Krishna Shrestha
Director

Maheewendra Bahadur Shrestha, FCA
M.B. Shrestha & Co.
Chartered Accountants

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 02-09-2078, Place: Kathmandu

Reliance Finance Limited
Statement of Cash Flow
For the year ended on 31 Ashad 2078

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	547,859,924	590,649,503
Fees and other income received	40,479,329	30,676,738
Dividend received		
Receipts from other operating activities	52,640,999	1,989,090
Interest paid	(404,684,930)	(422,716,334)
Commission and fees paid		
Cash payment to employees	(131,431,954)	(83,564,243)
Other expense paid	(62,897,235)	(50,627,134)
Operating cash flows before changes in operating assets and liabilities	41,966,135	66,407,621
<u>(Increase)/Decrease in operating assets</u>		
Due from Nepal Rastra Bank	23,424,227	(119,617,345)
Placement with bank and financial institutions	(100,030,548)	
Other trading assets		
Loan and advances to bank and financial institutions	74,288,255	(49,351,500)
Loans and advances to customers	(721,588,850)	(309,049,402)
Other assets	47,522,008	(82,802,095)
<u>Increase/(Decrease) in operating liabilities</u>		
Due to bank and financial institutions	137,665,442	
Due to Nepal Rastra Bank	(110,900,000)	
Deposit from customers	605,671,627	1,072,111,928
Borrowings		
Other liabilities	4,428,317	11,513,797
Net cash flow from operating activities before tax paid	2,446,612	589,213,004
Income taxes paid	(68,785,887)	(25,196,816)
Net cash flow from operating activities	(66,339,275)	564,016,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(630,696,115)	(682,335,640)
Receipts from sale of investment securities	209,389,954	3,835,681
Purchase of property and equipment	(24,276,794)	(32,301,533)
Receipt from the sale of property and equipment		
Purchase of intangible assets	(379,906)	(1,497,882)
Receipt from the sale of intangible assets		
Purchase of investment properties	(725,857)	(906,249)
Receipt from the sale of investment properties		
Interest received		
Dividend received	2,580,472	2,799,319
Net cash used in investing activities	(444,108,245)	(710,406,306)
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	83,241,606	-
Dividends paid	(4,381,137)	(54,764,215)
Interest paid		
Other receipt/payment		6,185,945
Net cash from financing activities	78,860,469	(48,578,269)
Net increase (decrease) in cash and cash equivalents	(431,587,051)	(194,968,386)
Opening balance of cash and cash equivalents	824,237,640	1,019,206,027
Effect of exchange rate fluctuations on cash and cash equivalents held		
Closing cash and cash equivalent as at Ashad end	392,650,589	824,237,640

Anil Shrestha
Chief Executive Officer

Kush Prasad Mally
Chairman

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Tulsi Prasad Baral
Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 02-09-2078, Place: Kathmandu

Reliance Finance Limited
Notes to Financial Statements
For the year ended on 31 Ashad 2078

1 Reporting entity

Reliance Finance Limited (hereinafter referred to as "Finance Co.") is class "C" licenced financial institution licenced by Nepal Rastra Bank. Finance Co. is now operating with corporate office at Pradarshani Marg, Kathmandu. Finance Co. has 20 branch offices (excluding Head Office).

Finance Co. was incorporated under Companies Act 2063 on 23 Ashad 2066 as public limited company. Finance Co. is listed with Nepal Stock Exchange. Finance Co. has obtained PAN (303763691) from Inland Revenue Office.

Finance Co. offers comprehensive banking services within the scope of provisions of Banking and Financial Institutions Act 2073.

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). The financial statements were prepared in accordance with the Directives issued by Nepal Rastra Bank as well as Nepal Accounting Standards.

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) Operating Lease

As per para 33 of NAS 17 Lease, lease expenses under operating lease is charged over the lease term on straight line unless another systematic basis is more representative of the time pattern of the user's benefit. The carve-out has allowed to treat expenses under operating lease as the expenses are incurred in case payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This carve out has been used and lease expenses relating to operating lease are accounted as incurred.

b) 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 2/077. 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.

c) 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.

d) 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.

2.2.2 Approval of Financial Statements

The financial statements are authorised for issue by the Board of Directors on 02.09.2078 meeting no.283 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 Finance Co. 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 Finance Co. 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 Co. 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. Considering the cost benefit analysis, Finance Co. has not done actuarial valuation and carried the liability at book value due to immaterial amount.

2.5 Changes in Accounting Policies

The financial statements are prepared as per NFRS. NFRS 1 requires the financial statements of previous period be prepared in line with NFRS. This has resulted in changes in accounting policies. The changes in policies as well as impact on statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flow is separately presented.

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 Co. 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 Company. Finance Company 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	
3.5	Trading Assets	4.5
3.6	Derivative Assets and Liabilities	4.4
3.7	Property and Equipment	4.13
3.8	Goodwill Intangible assets	4.14
3.9	Investment Property	4.12
3.10	Income tax	4.9
3.11	Deposits, debt securities issued and subordinated liabilities	4.17, 4.20, 4.24, 4.25
3.12	Provisions	4.22
3.13	Revenue	4.29, 4.31, 4.33, 4.34, 4.39
3.14	Interest expenses	4.30
3.15	Employees Benefits	4.23
3.16	Leases	

3.17	Foreign currency translation	
3.18	Financial guarantee and loan commitment	
3.19	Share capital and reserves	4.26, 4.27
3.20	Earning per share including diluted	
3.21	Segment reporting	5.4
3.22	Events after reporting date	

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 Co. 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 value 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 Finance Co. 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 Co. 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 expenses 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. 5,000 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. 50 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 expenses 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 Finance Co. 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 Finance Co. 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 and Contingent Liabilities

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 less than 25%, in line with circular issued by NRB. Interest on those loan with impairment of 25% or more have not been recognized.

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 expenses 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 it 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 expenses

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 Finance Co. 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.

Gratuity is provided as per Labour Act 2074 due to which actuarial valuation is not required. Accumulated leave is provided as per Employee Service Regulation of the Finance Co. and on book value basis. Finance Co. believes that the impact of actuarial valuation will not be material as the amount of accumulated leave itself is not material and the benefit of actuarial valuation 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. The 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.

Payment made under operating leases are recognised in profit or loss as per contractual rates with periodic adjustment on inflation. This method is more representative to the nature of expenses than the Straight line method.

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. Earning from 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 16/075, 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 Finance Co.'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 Non Banking Assets

Non Banking Assets are the assets obtained as security for loan and advances and subsequently taken by the finance Co. in the course of loan recovery. Such assets are booked at fair market value or total amount due from the borrower whichever is lower. The finance Co. has practice to transfer entire NBA amount to regulatory reserve as a provision, which amount has been deducted on distributable profit for same fiscal year.

3.23 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.

3.24 Covid -19 Pandemic Impact on Operating Profitability

As precautionary measure, the Nepal Government has also enforced the nation- wide lock down/ curfew effective from April 29, 2021 (2nd variant) to combat the COVID 19 Pandemic, with time to time extension taking into consideration of the magnitude of the disease spread at different parts of provinces. Most of the enterprises were locked-up / shut down ceasing of operation with the ultimate adverse effect on their revenues and profitability and reducing the economic activities. The operating income of the financial institution has impact same.

NRB has from time to time issued directives to the financial institutions as COVID pandemic relief measures. The Finance Co. has continued to provide enhancement to working capital loan, Restructured/Rescheduled Loan and subsidized loan to our customers as per NRB Circular. The detail has been briefly presented in notes to financial statement (5.12).

Reliance Finance Limited
Notes to Financial Statements

Cash and cash equivalent

4.1

Particulars	As at 31.03.2078	As at 31.03.2077
Cash in hand	58,503,322	54,832,438
Balances with B/FIs	334,147,268	769,405,203
Money at call and short notice	-	-
Other	-	-
Total	392,650,589	824,237,640

Balances with bank and financial institution includes balance Rs. 1,776,271.99 (p.y Rs. 1,776,271.99) with problematic financial institution (Himalaya Finance Ltd.). Presented amount is net of loss allowance on such balance.

Due from Nepal Rastra Bank

4.2

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory balances with NRB	270,888,959	294,313,186
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	270,888,959	294,313,186

Placements with Bank and Financial Institutions

4.3

Particulars	As at 31.03.2078	As at 31.03.2077
Placement with domestic B/FIs	100,030,548	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	100,030,548	-

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

4.5

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		

Loan and advances to B/FIs

4.6

Particulars	As at 31.03.2078	As at 31.03.2077
Loans to microfinance institutions	325,798,627	399,850,000
Other		
Less: Allowances for impairment	(4,235,382)	(3,998,500)
Total	321,563,245	395,851,500

4.6.1 : Allowances for impairment

Balance at Shrawan 1	As at 31.03.2078	As at 31.03.2077
Impairment loss for the year:		
Opening	3,998,500	3,500,000
Charge for the year	236,882	498,500
Recoveries/reversal		
Amount written off		-
Balance at Ashad end	4,235,382	3,998,500

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	4,542,480,120	3,821,128,151
Less: Impairment allowances		
Collective impairment	(138,613,184)	(74,659,284)
Individual impairment		-
Net amount	4,403,866,936	3,746,468,868
Loan and advances measured at FVTPL		-
Total	4,403,866,936	3,746,468,868

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.

We have selected around 26.45% of our outstanding loan for individual impairment test. The market value of collateral on valuation date was subjected to 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.

Particulars	As at 31.03.2078	As at 31.03.2077
Individual impairment	-	-
Collective impairment	46,669,165	32,028,531
Total	46,669,165	32,028,531

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	4,310,700,725	3,708,189,293
Good	4,059,739,501	3,670,681,758
Watch list	250,961,224	37,507,535
Non-performing loan	128,374,459	41,064,589
Substandard	71,999,982	5,050,000
Doubtful	1,256,848	2,400,000
Loss	55,117,629	33,614,589
Total	4,439,075,184	3,749,253,882
Add: loan to employees and Net AIR	103,404,935	71,874,270
Total loan	4,542,480,120	3,821,128,151
Impairment allowance		
Performing loan	64,867,135	38,582,194
Good	52,319,074	36,706,818
Watch list	12,548,061	1,875,377
Non-performing loan	73,746,049	36,077,089
Substandard	17,999,995	1,262,500
Doubtful	628,424	1,200,000
Loss	55,117,629	33,614,589
Additional	-	-
Total	138,613,184	74,659,284

4.7.1: Analysis of loan and advances - By Product

Product	As at 31.03.2078	As at 31.03.2077
Term loans	12,195,878	28,595,000
Overdraft	97,594,041	-
Trust receipt/Import loans	-	-
Demand and other working capital loans	7,500,000	7,500,000
Personal residential loans	619,453,890	625,388,830
Real estate loans	360,551,237	379,302,730
Margin lending loans	335,512,086	285,722,382
Hire purchase loans	396,731,560	582,561,370
Deprived sector loans	11,580,132	4,814,930
Bills purchased	-	-
Staff loans	84,944,159	13,928,825
Other	2,597,956,359	1,835,368,640
Sub total	4,524,019,344	3,763,182,707
Net Interest receivable	18,460,776	57,945,444
Grand total	4,542,480,120	3,821,128,152

4.7.2: Analysis of loan and advances - By Currency

Currency	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	4,542,480,120	3,821,128,151
Indian rupee		-
United State dollar		-
Great Britain pound		-
Euro		-
Japanese yen		-
Chinese yuan		-
Other		-
Total	4,542,480,120	3,821,128,151

4.7.3: Analysis of loan and advances - By Collateral

Collateral	As at 31.03.2078	As at 31.03.2077
Secured		
Movable/immovable assets	4,346,091,997	3,737,126,911
Gold and silver		
Guarantee of domestic B/FIs		
Government guarantee		
Guarantee of international rated bank		
Collateral of export document		
Collateral of fixed deposit receipt	53,342,311	15,240,860
Collateral of Government securities	19,250,012	
Counter guarantee		
Personal guarantee	110,846,128	54,831,556
Other collateral	12,949,672	13,928,825
Subtotal	4,542,480,120	3,821,128,152
Unsecured		
Grant Total	4,542,480,120	3,821,128,152

4.7.4: Allowances for impairment

Particulars	As at 31.03.2078	As at 31.03.2077
Specific allowances for impairment		
Balance at Shrawan 1		-
Impairment loss for the year:		-
Charge for the year		-
Recoveries/reversal during the year		-
Write-offs		-
Exchange rate variance on foreign currency		-
Other movement		-
Balance at Ashad end	-	-
Collective allowances for impairment		
Balance at Shrawan 1	74,659,284	110,671,562
Impairment loss for the year:		
Charge/(reversal) for the year	63,953,900	(36,012,278)
Exchange rate variance on foreign currency		-
Other movement		-
Balance at Ashad end	138,613,184	74,659,284
Total allowances for impairment	138,613,184	74,659,284

Investment securities
4.8

Particulars	As at 31.03.2078	As at 31.03.2077
Investment securities measured at amortized cost	1,407,306,919	800,278,637
Investment in equity measured at FVTOCI	215,508,847	191,841,013
Total	1,622,815,765	992,119,650

4.8.1: Investment securities measured at amortized cost

Particulars	As at 31.03.2078	As at 31.03.2077
Debt securities		-
Government bonds	1,112,900,213	743,500,000
Government treasury bills	294,406,706	56,778,637
Nepal Rastra Bank bonds		-
Nepal Rastra Bank deposits instruments		-
Other		-
Less: specific allowances for impairment		-
Total	1,407,306,919	800,278,637

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
<u>Equity instruments</u>		
Quoted equity securities	212,539,347	190,541,613
Unquoted equity securities	2,969,500	1,299,400
Total	215,508,847	191,841,013

4.8.3: Information relating to investment in equities

S.N.	Particulars	As at 31.03.2078		As at 31.03.2077	
		Cost	Fair Value	Cost	Fair Value
	Investment in quoted equity	169,632,038	212,539,347	223,167,992	190,541,613
1	Laxmi Equity Fund 5,80,957 units of Rs.9.98 each	5,799,474	8,017,207	5,899,474	5,182,693
2	National Life Insurance Co.Ltd. 99,969 promoter shares of Rs.481.56 each	48,140,742	63,580,284	57,909,124	35,311,006
3	National Life Insurance Co.Ltd. 59,663 ordinary shares of Rs.929.34 each	55,447,023	68,672,113	14,696,269	10,249,746
4	NMB Hybrid Fund 1,57,740 units of Rs.10 each	1,577,400	2,153,151	1,577,400	1,498,530
5	NLG Insurance Co.Ltd. 6,713 promoter shares of Rs.80.48 each	540,280	4,094,930	5,408,235	28,124,528
6	Premier Insurance Co.Ltd. 11,152 ordinary shares of Rs.968.22 each	10,797,534	13,047,840	10,907,585	8,891,960
7	Unitliver Nepal Ltd 360 ordinary shares of Rs.28,688.35 each	10,327,805	6,982,200	9,736,921	6,204,000
8	IME General Insurance Ltd 8 ordinary shares (Bonus Share)	-	9,672	4,390,700	3,135,777
9	NIC ASIA Balance Fund 50,000 units of Rs.10 each	500,000	686,500	500,000	519,000
10	Sanima Equity Fund 1,50,800 units of Rs.10 each	1,577,384	2,531,932	10,000,000	9,930,000
11	NIBL Sahabhagta Fund 1,00,000 units of Rs.10 each	1,000,000	1,740,000	1,000,000	1,000,000
12	Laxmi Unnati Kosh 2,50,000 units of Rs.10 each	2,500,000	3,155,000	-	-
13	Sana Kisan Bikas Laghubitta Sanstha Ltd 11 ordinary shares of Rs.1,555.05 each	17,106	18,040	-	-
14	Surya Life Insurance Company Limited 3,199 ordinary shares of Rs.718.19 each	2,297,499	2,949,478	-	-
15	Kumari Equity Fund 2,50,000 units of Rs.10 each	2,500,000	2,625,000	-	-

S.N.	Particulars	As at 31.03.2078		As at 31.03.2077	
		Cost	Fair Value	Cost	Fair Value
16	Sanima Large Cap Fund 10,00,000 units of Rs.10 each	10,000,000	10,500,000	-	-
17	NIBL Samridhi Fund-2 1,00,000 units of Rs.10 each	1,000,000	1,081,000	-	-
18	Nerudhe Laghu Bitta Sanstha 10,000 promoter shares of Rs.310.98 each	3,109,790	8,000,000	-	-
19	Prabhu Select Fund 2,50,000 units of Rs.10 each	2,500,000	2,535,000	-	-
20	Sunrise Bluechip Fund 10,00,000 units of Rs.10 each	10,000,000	10,160,000	-	-
21	Gurans Life Insurance Co. Ltd.	-	-	100	465
22	Nabil Equity Fund - Mutual Fund	-	-	135,000	125,955
23	Nibl Pragati Fund - Mutual Fund	-	-	1,712,470	1,395,663
24	Sagarmatha Insurance Co. Ltd.	-	-	2,768,800	2,067,800
25	Primelife Insurance Company Limited	-	-	23,962,351	20,051,622
26	Prabhu Insurance Limited	-	-	2,303,216	1,738,975
27	Rastriya Beema Company Limited	-	-	17,366,771	12,023,093
28	Shikhar Insurance Company Limited	-	-	23,428,701	19,870,500
29	Asian Life Insurance Co. Ltd.	-	-	3,343,427	3,036,214
30	Butwal Power Company	-	-	13,085,045	9,526,424
31	Janautthan Samudayik Laghubitta Sansthan Ltd.	-	-	16,090	18,370
32	Lumbini General Insurance Co Limited.	-	-	3,088,216	2,265,000
33	NIC ASIA Growth Fund	-	-	1,000,000	1,019,000
34	Sanima Mai Hydropower	-	-	4,798,809	3,255,800
35	Sunrise Mutual Fund	-	-	2,500,000	2,500,000
36	Himalayan Distillery Ltd	-	-	1,633,188	1,599,000
37	Prudential Insurance Co. Ltd.	-	-	100	493
	Investment in unquoted equity	1,082,800	2,969,500	1,082,800	1,299,400
38	Nepal Clearing House Ltd. 29,695 shares of Rs.36.46 each	1,082,800	2,969,500	1,082,800	1,299,400
	Total	170,714,838	215,508,847	224,250,792	191,841,013

Current tax assets

4.9

Particulars	As at 31.03.2078	As at 31.03.2077
Current tax assets	85,610,438	31,809,728
Current year income tax assets	82,765,970	28,965,260
Tax assets of prior periods	2,844,468	2,844,468
Current tax liabilities	68,323,355	44,912,612
Current year income tax liabilities	66,356,086	42,945,343
Tax liabilities of prior periods	1,967,269	1,967,269
Total	17,287,083	(13,102,884)

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	-	-

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

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

4.10.4: Non controlling interest of the subsidiaries

Particulars	As at 31.03.2078	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashad end		-
Dividend paid to NCI		-
	As at 31.03.2078	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashad end		-
Dividend paid to NCI		-
	As at 31.03.2078	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Ashad 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	-	-

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 Finance Co.

Particulars	Percentage of ownership held by the Finance Company	
	As at 31.03.2078	As at 31.03.2077
	-	-
	-	-
Total	-	-

4.11.4: Equity value of associates

Particulars	As at 31.03.2078	As at 31.03.2077
Total	-	-

Investment properties

4.12

Particulars	As at 31.03.2078	As at 31.03.2077
Investment properties measured at fair value		
Balance as on Shrawan 1	-	-
Addition during the year	-	-
Disposal during the year	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net amount	-	-
Investment properties measured at cost		
Balance as on Shrawan 1	1,620,874	714,624
Addition during the year	1,632,107	906,249
Disposal during the year	(906,250)	-
Adjustment/transfer		
Accumulated depreciation		
Accumulated impairment loss		
Net amount	2,346,730	1,620,874
Total	2,346,730	1,620,874

Investment property comprise the following assets accounted as non-banking assets (NBA) as per NRB Directives.

Name of Party/NBA Date	As at 31.03.2078	As at 31.03.2077
Manakamana Hastakala, Madanpur, Nuwakot / 2074.03.02	714,624	714,624
Sudarshan Bahadur Thapa, Kalaiya-4, Bara/2076.11.21	-	906,249
Chakra Trading Pvt.Ltd, Sutranagar-8, Chitwan	1,632,107	-
Total	2,346,730	1,620,874

4.13
Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicle	Furniture & Fixture	Machinery	Equipment & Others	Total Ashad end 2078	Total Ashad end 2077
Cost										
As on Shrawan 1, 2076			15,460,574	9,678,430	13,571,730	9,840,034	2,248,163	11,855,937	62,654,867	57,112,424
Addition during the Year			6,412,018	5,007,842	10,173,300	4,500,777	-	5,569,779	31,663,715	5,878,243
Acquisition										-
Capitalization										(335,800)
Disposal during the year										
Adjustment/Revaluation										
Balance As on Ashad end, 2077			21,872,592	14,686,271	23,745,030	14,340,811	2,248,163	17,425,716	94,318,582	62,654,867
Addition during the Year			6,608,546	2,128,752	12,047,623	3,306,875		2,967,911	27,059,708	31,663,715
Acquisition										
Capitalization					(1,485,608)	(66,619)			(1,552,226)	
Disposal during the year										
Adjustment/Revaluation										
Balance as on Ashad end 2078	-	-	28,481,138	16,815,023	34,307,046	17,581,067	2,248,163	20,393,627	119,826,063	94,318,582
Depreciation and Impairment										
As on Shrawan 1, 2076			13,135,117	4,642,112	8,059,002	4,440,806	1,727,023	10,139,573	42,143,633	36,147,230
Depreciation charge for the Year			1,486,289	1,686,798	1,134,983	1,059,165	95,345	1,450,109	6,912,690	6,248,052
Impairment for the year										
Disposals										
Adjustment										(251,649)
As on Ashad end 2077			14,621,406	6,328,910	9,193,985	5,499,971	1,822,368	11,589,682	49,056,322	42,143,633
Depreciation charge for the Year			2,700,250	2,416,017	2,074,393	1,647,967	117,932	2,011,831	10,968,390	6,912,690
Impairment for the year										
Disposals										
Adjustment										(1,200,484)
As on Ashad end 2078	-	-	17,321,656	8,744,927	10,114,653	7,101,178	1,940,300	13,601,514	58,824,227	49,056,322
Capital Work in Progress										
Net Book Value										
As on Ashad end 2076	-	-	2,325,457	5,036,317	5,512,728	5,399,228	521,140	1,716,364	20,511,234	20,965,194
As on Ashad end 2077	-	-	7,251,185	8,357,361	14,551,045	8,840,840	425,794	5,836,034	45,262,260	20,511,234
As on Ashad end 2078	-	-	11,159,482	8,070,096	24,192,393	10,479,889	307,862	6,792,113	61,001,836	45,262,260

Goodwill and Intangible Assets
4.14

Particulars	Goodwill	Software		Other	Total Ashad end 2078	Total Ashad end 2077
		Purchased	Developed			
<u>Cost</u>						
As on Shrawan 1, 2076		3,327,642	-	-	3,327,642	2,717,442
Addition during the Year		2,135,700			2,135,700	610,200
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
Balance as on Ashad end, 2077		5,463,342	-	-	5,463,342	3,327,642
<u>Addition during the Year</u>		1,315,320			1,315,320	2,135,700
Acquisition					-	-
Capitalization					-	-
Disposal during the year					-	-
Adjustment/Revaluation					-	-
Balance as on Ashad end 2078	-	6,778,662	-	-	6,778,662	5,463,342
<u>Amortization and Impairment</u>						
As on Shrawan 1, 2076		2,181,324	-	-	2,181,324	1,620,843
Amortization charge for the Year		637,818			637,818	560,481
Impairment for the year						
Disposals						
Adjustment						
Balance as on Ashad end, 2077		2,819,142	-	-	2,819,142	2,181,324
Amortization charge for the Year		935,414			935,414	637,818
Impairment for the year					-	-
Disposals					-	-
Adjustment					-	-
As on Ashad end 2078	-	3,754,556	-	-	3,754,556	2,819,142
<u>Capital Work in Progress</u>						
<u>Net Book Value</u>						
As on Ashad end 2076		1,146,318	-	-	1,146,318	1,096,599
As on Ashad end 2077		2,644,200	-	-	2,644,200	1,146,318
As on Ashad end 2078	-	3,024,106	-	-	3,024,106	2,644,200

Deferred Tax
4.15

Particulars	As at 31.03.2078		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities	-	13,438,202	(13,438,202)
Property & equipment	1,009,976		1,009,976
Employees' defined benefit plan	-		-
Lease liabilities			-
Provisions			-
Other temporary differences	1,294,377		1,294,377
Deferred tax on temporary differences	2,304,353	13,438,202	(11,133,850)
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
Net Deferred tax asset/(liabilities) as on 31 Ashad 2078	2,304,353	13,438,202	(11,133,850)
Deferred tax (asset)/liabilities as on 1 Shrawan 2077			(12,397,887)
Origination/(Reversal) during the year			(23,531,736)
Deferred tax (expense)/income recognised in profit or loss			(7,920,024)
Deferred tax (expense)/income recognised in other comprehensive income			(15,611,712)
Deferred tax expense/(income) recognised in directly in equity			

Particulars	As at 31.03.2077		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Investment properties	-	-	-
Investment securities	9,722,934	-	9,722,934
Property & equipment	722,386		722,386
Employees' defined benefit plan	534,119		534,119
Lease liabilities			
Provisions			
Other temporary differences	1,418,448		1,418,448
Deferred tax on temporary differences	12,397,887	-	12,397,887
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on 31 Ashad 2077	12,397,887	-	12,397,887
Deferred tax (asset)/liabilities as on 1 Shrawan 2076			2,833,266
Origination/(Reversal) during the year			15,231,152
Deferred tax (expense)/income recognised in profit or loss			(2,616,096)
Deferred tax (expense)/income recognised in other comprehensive income			17,847,248
Deferred tax expense/(income) recognised in directly in equity			

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	12,725,082	47,309,464
Accrued income	-	-
Prepayments and deposit	3,896,148	7,874,524
Income tax deposit	-	-
Deferred employee expenditure	1,149,096	1,322,579
Other	1,947,976	14,664,095
Total	19,718,302	71,170,662

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	175,405,219	37,739,777
Settlement and clearing accounts		-
Other deposits from BFIs		-
Total	175,405,219	37,739,777

Due to Nepal Rastra Bank
4.18

Particulars	As at 31.03.2078	As at 31.03.2077
Refinance from NRB		-
Standing Liquidity Facility		-
Lender of last report facility from NRB		-
Securities sold under repurchase agreements		-
Other payable to NRB		110,900,000
Total	-	110,900,000

Derivative financial instruments
4.19

Particulars	As at 31.03.2078	As at 31.03.2077
<u>Held for trading</u>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<u>Held for risk management</u>		
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
<u>Institutions customers:</u>		
Term deposits	562,858,279	955,116,128
Call deposits	629,947,674	
Current deposits	122,832,520	50,000,000
Other		630,940,924
<u>Individual customers:</u>		
Term deposits	2,244,248,027	2,151,631,720
Saving deposits	2,103,970,327	1,271,108,482
Current deposits		
Other	662,055	50,000
Total	5,664,518,881	5,058,847,254

4.20.1: Currency wise analysis of deposit from customers

Particulars	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	5,664,518,881	5,207,487,032
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
Total	5,664,518,881	5,207,487,032

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 Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance at Ashad end	-	-

Other liabilities
4.23

Particulars	As at 31.03.2078	As at 31.03.2077
Liability for employees defined benefit obligation*	-	-
Liability for long-service leave**	-	1,780,396
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	5,384,590	6,927,991
Interest payable on deposit	32,907,528	29,611,080
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	10,555,620	12,545,671
Liabilities under Finance Lease	-	-
Employee bonus payable	24,864,696	16,486,764
Other	10,823,055	10,786,235
Total	84,535,488	78,138,137

* The amount represents amount payable to employees in respect of gratuity calculated as per Labor Act 2074. Upon compliance with Labour Act 2074, the amount of liability is fixed and accordingly, does not require actuarial valuation.

** The amount is actual liability at each financial reporting date. The total liability amount is not material to the financial statements, accordingly, actuarial valuation has not been done.

4.23.1: Defined benefit obligations

As actuarial valuation is not required for gratuity as mentioned above, the disclosure part from note no. 4.23.1 to 4.23.7 is not required to be filled up, hence kept blank.

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

Plan assets comprise

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

Actual return on Plan Assets

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 Shrawan 1		
Actuarial losses		
Benefits paid by the plan		
Current service costs and interest		
Defined benefit obligations at Ashad 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 Shrawan 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 Ashad 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		

Debt securities issued
4.24

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	915,657,669	832,416,063
Convertible preference shares (equity component)		-
Irredeemable preference shares (equity component)		-
Perpetual debt (equity component only)		-
Total	915,657,669	832,416,063

4.25.1: Ordinary shares

Particulars	As at 31.03.2078	As at 31.03.2077
Authorized Capital		
10,000,000 Ordinary share of Rs. 100 each	1,000,000,000	1,000,000,000
Issued capital		
9,156,577 Ordinary share of Rs. 100 each	915,657,669	832,416,063
Subscribed and paid up capital		
9,156,577 Ordinary share of Rs. 100 each	915,657,669	832,416,063
Less: issue cost of equity capital	-	-
Total	915,657,669	832,416,063
Regulatory Capital (Capital as per NRB Directives, including proposed bonus shares for previous years)	915,657,669	832,416,063

Reconciliation of no. of equity shares	As at 31.03.2078	As at 31.03.2077
Opening	832,416,063	832,416,063
Add: issued during the year	83,241,606	-
Closing	915,657,669	832,416,063

4.25.2: Ordinary share ownership

Particulars	As at 31.03.2078		As at 31.03.2077	
	Percent	Amount	Percent	Amount
<u>Domestic ownership</u>				
Nepal Government				
"A" class licensed institutions				
Other licensed institutions				
Other Institutions	4.09	37,417,490	5.42	45,099,700
Public	95.91	878,240,179	94.58	787,316,363
Other				
<u>Foreign ownership</u>				
Total	100.00	915,657,669	100.00	832,416,063

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
Kush Prasad Mally	2.69
Gyanendra Prasad Mally	2.69
Rajendra Prasad Mally	2.69
Rastriya Beema Sansthan	2.50
Ravi krishna Shrestha	1.08
Sagarmatha Insurance Co.Ltd	0.87
Gautam Kumar Dongol	0.75
Eren Gopal Ranjitkar	0.64
Salona Tuladhar	0.63
Ram Prakash Shrestha	0.60
Amrit Lal Shrestha	0.56
Kabindra Shrestha	0.55
Rabindra Bajracharya	0.55
Ravi Bikram Dhoj Joshi	0.50

Reserves
4.27

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory general reserve	139,845,418	109,944,188
Exchange equalisation reserve	-	-
Corporate social responsibility reserve	2,480,951	1,214,435
Capital redemption reserve	-	-
Regulatory reserve	26,457,464	65,096,335
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	31,355,806	(19,846,797)
Dividend equalisation reserve	-	-
Actuarial gain	-	-
Special reserve	-	-
Other reserve	1,040,537	1,323,884
Total	201,180,176	157,732,045

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

Particulars	Corporate social responsibility	Training reserve
Opening	1,214,435	1,323,883
Addition for the year	1,495,062	-
Utilization during the year	(228,545)	(283,346)
Closing	2,480,951	1,040,537

4.27.2: The composition of regulatory reserve is as follows:

The movement in regulatory reserve is as follows:

Particulars	Amount	Note
Opening	65,096,335	
Interest income under NFRS	7,752,927	1
Shares at fair value less than their cost	(52,038,104)	2
Addition to non-banking assets	725,857	3
Deferred tax assets on items other than share valuation	4,920,449	4
Total	26,457,464	

1. Reversal from interest during the current year has been adjusted in regulatory reserve.
2. Reduction in loss on shares (on shares with fair value less than market value) has been adjusted in regulatory reserve.
3. Net Additional non- banking asset booked during the year has been included in regulatory reserve.
4. Deferred tax income booked in profit or loss has been transferred to regulatory reserve. OCI component of deferred tax on fair value movement of shares are already separately accounted under fair value reserve, their deferred tax is adjusted in fair value reserve itself, hence, is not required to be adjusted in regulatory reserve.

The composition of regulatory reserve is as follows:

Particulars	As at 31.03.2078	As at 31.03.2077
Interest income on NFRS	18,460,776	10,707,849
Loss on investment	3,345,605	55,383,709
Loss on NBA	2,346,730	1,620,873
Deferred tax	2,304,353	(2,616,096)
Total	26,457,464	65,096,335

Contingent liabilities and commitments
4.28

Particulars	As at 31.03.2078	As at 31.03.2077
Contingent liabilities	-	-
Undrawn and undisbursed facilities	96,870,000	105,780,000
Capital commitment	-	-
Lease Commitment	81,311,604	89,611,322
Litigation		
Total	178,181,604	195,391,322

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	96,870,000	105,780,000
Undrawn limits of overdrafts		
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	96,870,000	105,780,000

4.28.3: Capital commitments

Capital expenditure approved by relevant authority of the finance company 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
<u>Operating lease commitments</u>		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year	590,684	14,171,461
Later than 1 year but not later than 5 years	50,061,854	49,976,152
Later than 5 years	30,659,066	25,463,709
Sub total	81,311,604	89,611,322
<u>Finance lease commitments</u>		
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	81,311,604	89,611,322

4.28.5: Litigation

A. Income Tax Matters

Finance Co. has filed a case at Rajaswo Nyaydhikaran and Revenue Tribunal on 2078.05.13 and 2078.03.23 against the income tax assessment made by Middle Taxpayer Office for fiscal year 2071-72,2072-73 and 2073-74. The total amount demanded by tax office and not accepted by Finance Co. was Rs. 60.57 lakhs which included assessment amount of Rs. 27.27 lakhs. The case has not been decided by the authorities.

B. Other Legal Cases

There are seven cases for and against Finance Co. in different courts. The cases are of general in nature and the company does not expect any additional financial liability to arise on settlement of the cases.

Interest income
4.29

Particulars	Current Year	Previous Year
Cash and cash equivalent	13,423,573	65,186,368
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Loan and advances to bank and financial institutions	24,988,891	46,978,323
Loans and advances to customers	472,171,869	508,334,906
Investment securities	40,600,146	15,818,554
Loan and advances to staff	4,521,516	1,420,392
Other		
Total interest income	555,705,995	637,738,543

During the year, Rs. 77,52,927 has been included in interest income as per NFRS and accrued interest income on substandard, doubtful and bad loan has not been recognized.

Interest expenses
4.30

Particulars	Current Year	Previous Year
Due to bank and financial institutions	979,180	3,760,089
Due to Nepal Rastra Bank	8,716,161	21,234,516
Deposits from customers	394,989,589	396,858,715
Borrowing	-	863,014
Debt securities issued		-
Subordinated liabilities		-
Other		-
Total interest expenses	404,684,930	422,716,334

Fees and Commission Income
4.31

Particulars	Current Year	Previous Year
Loan administration fees		-
Service fees	32,214,151	27,625,001
Consortium fees		
Commitment fees		
DD/TT/Swift fees		
Credit card/ATM issuance and renewal fees	19,707	14,411
Prepayment and swap fees	2,917,715	1,768,042
Investment banking fees		
Asset management fees		
Brokerage fees	1,032,712	266,966
Remittance fees	898,761	733,134
Commission on letter of credit		
Commission on guarantee contracts issued		
Commission on share underwriting/issue		
Locker rental		
Other fees and commission income	3,396,284	269,183
Total fees and Commission Income	40,479,329	30,676,738

Fees and commission expenses
4.32

Particulars	Current Year	Previous Year
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expenses	-	-
Total fees and Commission Expenses	-	-

Net Trading Income
4.33

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

Other operating income
4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain		-
Gain/loss on sale of investment securities	274,731,793	3,835,681
Fair value gain/loss on investment properties		
Dividend on equity instruments	2,580,472	2,799,319
Gain/loss on sale of property and equipment	528,681	
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Locker rent		
Other		1,989,090
Total	277,840,946	8,624,090

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

Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	236,882	498,500
Impairment charge/(reversal) on loan and advances to customer	63,953,900	(36,012,278)
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	64,190,783	(35,513,778)

Personnel Expenses
4.36

Particulars	Current Year	Previous Year
Salary	42,290,329	32,826,198
Allowances	21,786,376	16,174,715
Gratuity expense	2,914,952	5,738,135
Provident fund	3,497,939	3,285,061
Social Security Fund	1,462,178	
Uniform		1,123,197
Training & development expense	283,346	362,659
Leave encashment	3,215,613	2,934,756
Medical/Insurance	2,959,210	2,228,463
Employees incentive		
Cash-settled share-based payments		
Pension expense		
Finance expense under NFRS	93,144	123,582
Other expenses related to staff	3,199,475	2,312,484
Subtotal	81,702,562	67,109,250
Employees bonus	24,864,696	16,454,992
Grand total	106,567,258	83,564,243

Other operating expenses
4.37

Particulars	Current Year	Previous Year
Directors' fee	1,185,500	979,583
Directors' expenses	160,556	164,975
Auditors' remuneration	1,028,000	678,000
Other audit related expenses		
Professional and legal expenses	5,254,605	3,644,918
Office administration expenses	41,448,242	31,891,884
Operating lease expenses	13,780,887	11,794,706
Operating expenses of investment properties		
Corporate social responsibility expenses	39,445	1,473,068
Onerous lease provisions		
Other		
Total	62,897,235	50,627,134

Other operating expenses

4.37

Office administration expenses include the following:	Current Year	Previous Year
Water and electricity	3,105,409	1,710,374
Repair and maintenance		
Building	-	-
Vehicles	402,881	275,358
Computer and accessories	261,266	251,384
Office equipment and furniture	35,040	29,731
Others	182,498	119,349
Insurance	1,262,140	1,229,010
Postage, telex, telephone , fax	2,897,795	2,095,970
Printing and stationery	2,621,081	1,988,058
Newspaper, books and journal	49,845	55,115
Advertisement	1,099,244	997,140
Donation	26,200	9,000
Security	14,585,479	9,286,497
Deposit and loan guarantee premium	1,204,732	931,083
Travel allowance and expenses	1,066,115	1,878,258
Entertainment	279,851	269,276
Annual/special general meeting	292,938	560,336
Other	12,075,728	10,205,946
Total	41,448,242	31,891,884

Depreciation & Amortisation

4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	10,968,390	6,912,690
Depreciation on investment property		
Amortisation of intangible assets	935,414	637,818
Total	11,903,804	7,550,508

Non operating income

4.39

Particulars	Current Year	Previous Year
Recovery of loan written off	-	-
Other income	-	-
Total	-	-

Non operating expenses

4.40

Particulars	Current Year	Previous Year
Loan written off	-	-
Redundancy provision	-	-
Expenses of restructuring	-	-
Other expenses	-	-
Total	-	-

Income tax expenses
4.41

Particulars	Current Year	Previous Year
Current tax expenses	66,356,086	42,945,343
Current year	66,356,086	42,945,343
Adjustments for prior years		
Deferred tax expenses	7,920,024	2,616,096
Origination and reversal of temporary differences	7,920,024	2,616,096
Changes in tax rate		
Recognition of previously unrecognised tax losses		
Total income tax expenses/(income)	74,276,111	45,561,439

4.41.1: Reconciliation of tax expenses and accounting profit

Particulars	Current Year	Previous Year
Current Year		
Profit before tax	223,782,262	148,094,931
Tax amount at tax rate of 30%	67,134,679	44,428,479
Add: Tax effect of expenses that are not deductible for tax purpose	1,005,525	79,045
Less: Tax effect on exempt income	1,784,117	1,562,181
Add/less: Tax effect on other items	7,920,024	-
Total income tax expenses	74,276,111	42,945,343
Effective tax rate	33.19%	29.00%

Statement of Distributable Profit or Loss
4.42

Particulars	Current Year	Previous Year
Opening retained earning	96,069,801	54,809,232
Bonus Share Distribution to shareholders	(83,241,606)	(54,764,215)
Cash Dividend(For Tax Purpose) Distribution to shareholders	(4,381,137)	
Reserves transferred to retained earning(Last year Fair value adjustment)	(2,840,048)	11,379,273
Adjusted retained earning available for distribution before current year profit	5,607,010	11,424,291
Net profit or (loss) as per statement of profit or loss	149,506,151	102,533,492
Appropriations:		
a. General reserve	(29,901,230)	(20,506,698)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(1,495,062)	(1,025,335)
e. Employees' training fund		
f. Other	(733,691)	
1. Staff Training Expenses transfer form other reserve	283,346	
2. CSR Expenses transfer from CSR reserve	39,445	
3. Difenent in Tax after Tax audit	(1,056,482)	
Profit or (loss) before regulatory adjustment	122,983,178	92,425,749
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(7,752,927)	272,137
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)	52,038,104	1,662,068
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(725,857)	(906,249)
e. Deferred tax assets recognised (-)/ reversal (+)	(4,920,449)	2,616,096
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)		
i. Other (+/-)		
Distributable profit or (loss) for current year	161,622,050	96,069,801

Reliance Finance Limited Notes to Financial Statements

5 Disclosure and Additional Information

5.1 Risk Management

The Finance Co.'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 Co.'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 Co.'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, Risk Management Department function to supervise risk on overall level.

Each prospective borrower is thoroughly analyzed 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 mitigate 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. Risk Management Department is in place to monitor and mitigate operational risk. 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. In order to minimize the risk related to IT, Finance Co. has in place Business Continuity Plan. The assessment of IT risk is done periodically by way of IS Audit, among others. Finance Co. has inhouse 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 everchanging 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 Co. 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 heirarchy 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
<u>Financial Assets</u>				
Cash and cash equivalent				392,650,589
Due from Nepal Rastra Finance Co.	AC			270,888,959
Loans and advances to customers	AC			4,725,430,180
Investment securities				
Quoted shares	FVOCI	212,539,347		
Unquoted shares	FVOCI			2,969,500
Other Investment	AC			1,407,306,919
Total Financial Assets		212,539,347	-	6,799,246,147
<u>Financial Liabilities</u>				
Due to Finance Co. and Financial Institutions	AC	-		175,405,219
Deposits from customers	AC			5,664,518,881
Other Liabilities	AC			84,535,488
Total Financial Liabilities		-	-	5,924,459,589

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 Co. 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 Ashad 2078	As at 31 Ashad 2077
1.1 Risk Weighted Exposure (RWE)		
RWE for Credit Risk	4,598,543	4,197,571
RWE for Operational Risk	347,994	287,116
RWE for Market Risk	-	-
Total RWE before adjustment under Pillar II	4,946,537	4,484,687
<u>Adjustments under Pillar II</u>		
Total RWE	4,946,537	4,484,687
1.2 Capital		
A. Core Capital (Tier I)	1,218,266	1,039,571
Paid up Equity Share Capital	915,658	832,416
Irredeemable Non-cumulative preference shares		
Share Premium	1,141	1,141
Proposed Bonus Equity Shares		
Statutory General Reserves	139,845	109,944
Retained Earnings	161,622	96,070
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)	69,103	36,077
Cumulative and/or Redeemable Preference Share		
Subordinated Term Debt		
Hybrid Capital Instruments		
General Loan Loss Provision	69,103	36,077
Exchange Equalization Reserve		
Investment Adjustment Reserve	-	-
Assets Revaluation Reserve		
Other Reserves		
Total Capital Fund (Tier I and Tier II)	1,287,368	1,075,648
1.3 Capital Adequacy Ratio		
Tier I Capital to Total RWE	24.63%	23.18%
Total Capital Fund to Total RWE	26.03%	23.98%

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	Current Year						Previous Year	
	Book Value	Specific Provision	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		
Cash Balance	58,503			58,503	0%	-	54,832	0
Balance With Nepal Rastra Bank	270,889			270,889	0%	-	294,313	0
Gold				-	0%	-	-	0
Investment in Nepalese Government Securities	1,390,634			1,390,634	0%	-	800,279	0
All Claims on Government of Nepal				-	0%	-	-	0
Investment in Nepal Rastra Bank securities				-	0%	-	-	0
All claims on Nepal Rastra Bank				-	0%	-	-	0
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0	-	-	0
Claims on Foreign Government and Central Bank (ECA -2)				-	20%	-	-	0
Claims on Foreign Government and Central Bank (ECA -3)				-	50%	-	-	0
Claims on Foreign Government and Central Bank (ECA-4-6)				-	100%	-	-	0
Claims on Foreign Government and Central Bank (ECA -7)				-	150%	-	-	0
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-	-	0
Claims on Other Multilateral Development Banks				-	100%	-	-	0
Claims on Public Sector Entity (ECA 0-1)				-	20%	-	-	0
Claims on Public Sector Entity (ECA 2)				-	50%	-	-	0
Claims on Public Sector Entity (ECA 3-6)				-	100%	-	-	0
Claims on Public Sector Entity (ECA 7)				-	150%	-	-	0
Claims on domestic banks that meet capital adequacy requirements	434,147			434,147	20%	86,829	769,405	153,881

Claims on domestic banks that do not meet capital adequacy requirements	1,776			1,776	100%	1,776	1,776	1,776
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	1,258,558			1,258,558	100%	1,258,558	-	-
Claims on Foreign Corporates (ECA 0-1)				-	20%	-	-	-
Claims on Foreign Corporates (ECA 2)				-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)				-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)				-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	1,800,665			1,800,665	75%	1,350,498	1,732,488	1,299,366
Claims fulfilling all criterion of regularity retail except granularity	18,500			18,500	100%	18,500	998,942	998,942
Claims secured by residential properties	560,474			560,474	60%	336,285	618,687	371,212
Claims not fully secured by residential properties				-	150%	-	3,023	4,535
Claims secured by residential properties (Overdue)	109,750			109,750	100%	109,750	3,679	3,679
Claims secured by Commercial real estate	361,104			361,104	100%	361,104	373,500	373,500
Past due claims (except for claims secured by residential properties)	170,265			170,265	150%	255,398	117,822	176,733
High Risk claims	84,230			84,230	150%	126,345	300,963	451,445
Lending Against Securities (Bonds & Shares)	357,962			357,962	100%	357,962	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	169,632			169,632	100%	169,632	223,168	223,168
Investments in equity and other capital instruments of institutions not listed in the stock exchange	1,083			1,083	100%	1,083	1,083	1,083
Staff loan secured by residential property	12,950			12,950	150%	19,425	13,496	20,244
Interest Receivable/claim on government securities	16,673			16,673	50%	8,336	12,283	6,142
Cash in transit and other cash items in the process of collection				-	0%	-	-	-
Other Assets (as per attachment)	310,839	2,347		308,493	20%	61,699	212,601	42,520
TOTAL (A)	7,388,636	2,347	-	7,386,289	100%	4,523,180	6,532,340	4,128,225
B. Off Balance Sheet Exposures								0
Revocable Commitments				-	0%	-	0	0
Bills Under Collection				-	0%	-	0	0
Forward Exchange Contract Liabilities				-	10%	-	0	0
LC Commitments With Original Maturity Upto 6 months domestic counterparty				-	20%	-	0	0
Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0
Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	50%	-	0	0

Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0
Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
Bid Bond, Performance Bond and Counter guarantee domestic counterparty				-	50%	-	0	0
Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0
Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
Underwriting commitments				-	50%	-	0	0
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-	0	0
Repurchase Agreements, Assets sale with recourse				-	100%	-	0	0
Advance Payment Guarantee				-	100%	-	0	0
Financial Guarantee				-	100%	-	0	0
Acceptances and Endorsements				-	100%	-	0	0
Unpaid portion of Partly paid shares and Securities				-	100%	-	0	0
Irrevocable Credit commitments (short term)	45,761			45,761	20%	9,152	94,500	18,900
Irrevocable Credit commitments (long term)	132,421			132,421	50%	66,210	100,891	50,445
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-	0	0
Other Contingent Liabilities				-	100%	-	0	0
Unpaid Guarantee Claims				-	200%	-	0	0
TOTAL (B)	178,182	-	-	178,182		75,363	195,391	69,346
Total RWE for credit Risk Before Adjustment (A) + (B)	7,566,817	2,347	-	7,564,470		4,598,543	6,727,731	4,197,571
Adjustments under Pillar II								
Total RWE for Credit Risk	7,566,817	2,347	-	7,564,470		4,598,543	6,727,731	4,197,571

Eligible Credit Risk Mitigants	Credit exposures										Total
	Deposits with 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)		
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)	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	-	-	-	-	-	-	-	-	-	-	-

b) Operational Risk

Amount in '000

Particulars	Fiscal Year		
	2074-75	2075-76	2076-77
Net Interest Income	152,494	207,096	207,096
Commission and Discount Income	24,846	29,437	29,437
Other Operating Income	5,701	3,769	3,769
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period	3,963	14,190	14,190
Gross income (a)	187,004	254,492	254,492
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	28,051	38,174	38,174
Capital Requirement for operational risk (d) (average of c)			34,799
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10
Equivalent Risk Weight Exposure [f=(d×e)]			347,994
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]			347,994

c) Market Risk

Currency	Open Position (FCY)	Exchange Rate	Open Position (NRs.)		Relevant 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	71,999,982	17,999,995	53,999,986
Doubtful	1,256,848	628,424	628,424
Bad	55,117,629	55,117,629	-
Total	128,374,459	73,746,049	54,628,411

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%	24.63%
Tier I and Tier II Capital to RWE	10%	26.03%

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 similiar 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 Co. does not have presence in Province 2 and Karnali province, hence, it is not reported.

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

- i) Consumer Financing: Revenue generated by serving individual consumer is categorized under this product. This includes loans and deposit from individual customer.
- ii) Corporate Financing: Revenue generated from customer other than consumer is categorized under this product. This includes loan and deposit.
- iii) Treasury: Revenue generated by way of making investment in government securities, corporate bonds, mutual fund units, shares etc. are grouped under this product.
- iv) Others: Other revenue are included in this product and includes operational service fees, locker, guarantee commission, etc.

5.4.2 Segment result and segment position for the year ended on Ashad 2078

Particulars	Province 1	Province 2	Bagmati	Gandaki	Lumbini	Karnali	Far west	Unallocated	Total
Revenue from external customers	20,723,737		757,736,223	75,170,949	9,488,978		10,906,383		874,026,270
Intersegment revenues									-
Net revenue	20,723,737	-	757,736,223	75,170,949	9,488,978	-	10,906,383	-	874,026,270
Interest income	17,832,244		452,122,882	71,685,154	6,520,451		7,545,264		555,705,995
Interest expenses	7,266,578		335,386,706	51,599,791	5,457,009		4,974,846		404,684,930
Net interest revenue	10,565,665	-	116,736,176	20,085,364	1,063,442	-	2,570,418	-	151,021,066
Depreciation and amortization	2,019,943		5,596,264	788,937	849,473		2,649,185		11,903,803
Segment profit/(loss)	(6,429,547)		253,701,209	(1,387,611)	(7,992,048)		(14,109,741)		223,782,262
Entity's interest in the profit or loss of associate accounted for using equity method									
Other material non-cash items:									-
Loans:	294,251,196	-	3,468,121,490	472,747,081	251,649,354	-	238,661,059	-	4,725,430,180
Consumer	183,258,462		1,998,473,680	396,352,439	42,489,522		96,444,505		2,717,018,607
Corporate	110,992,734		1,469,647,810	76,394,642	209,159,833		142,216,554		2,008,411,572
Deposit	196,466,496	-	4,711,945,134	743,872,994	92,903,776	-	94,735,700	-	5,839,924,100
Consumer	136,705,143		3,514,078,247	570,385,176	53,754,806		82,957,037		4,357,880,409
Corporate	59,761,353		1,197,866,888	173,487,817	39,148,970		11,778,663		1,482,043,691
Impairment of Assets	5,241,771		116,611,293	12,371,490	4,973,096	-	3,650,915		142,848,566
Segment Assets	343,255,529		5,788,174,198	552,059,992	265,468,804	-	266,235,576		7,215,194,099
Segment Liabilities	196,466,496		4,807,614,472	743,872,994	92,903,776	-	94,735,700		5,935,593,438

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	874,026,270
Other revenue	
Elimination of intersegment revenues	
Entity's revenue	874,026,270

b) Profit or loss

Total profit or loss for reportable segments	223,782,262
Other profit or loss	
Elimination of intersegment profit	
Unallocated amounts:	
NFRS adjustments	
Profit before income tax	223,782,262

c) Assets

Total assets for reportable segments	7,215,194,099
Other assets	
Unallocated assets	1,149,096
Entity's assets	7,216,343,195

d) Liabilities

Total liabilities for reportable segments	5,935,593,438
Other liabilities	
Unallocated liabilities	
Entity's liabilities	5,935,593,438

5.4.5 Information about product and services

Particulars	Amount
Consumer banking	537,640,089
Corporate banking	13,423,573
Treasury	40,600,146
Others	282,362,462

5.4.6 Information about geographical areas

Revenue from geographical areas are as follows:

Domestic:	
Province 1	20,723,737
Province 2	-
Bagmati	757,736,223
Gandaki	75,170,949
Lumbini	9,488,978
Karnali	10,906,383
Far West	-
Foreign:	-
Total	874,026,270

5.4.7 Information about major customers

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

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 Finance Company include key management personnel of the Finance Company.

5.7.1 Key management personnel

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

a) Board of Directors

Board of Directors of the Finance Company comprise the following:

Name	Position
Kush Prasad Mally	Chairperson
Sur Krishna Vaidya	Director
Ravi Krishna Shrestha	Director
Tulsi Prasad Baral	Director
Upendra Bahadur Karki	Director
Sweta Kakshapati Shakya	Director
Binod Kumar Tandukar	I. Director

Mr. Yuja Kumar Bhaila serves as the secretary of Board.

Allowance and facilities provided to board members

Chairperson of the Board is provided Rs. 7,500 and other board members are provided Rs. 7,000 as meeting fees for attending the board meetings. Total amount paid as meeting allowance during the year to board members was Rs. 9,90,000.

All board members are provided Rs. 1,500 per month 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 Finance Company.

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 Finance Company with its board members.

b) Chief Executive Officer

Mr. Anil Shrestha serves as Chief Executive Officer of the Finance Co. He is provided salary and allowance and benefits as per contract entered on his appointment. Annual salary and allowances provided to Mr. Shrestha during the year amounts to Rs. 41,84,796 (previous year Rs. 40,41,800). Vehicle is provided for official purpose only during office hours.

Finance Company 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. Finance Co. has not entered into any such agreements subsequently also.

5.9 Additional Disposal of none consolidated Entity

The Finance Company has no on unconsolidated Entity.

5.10 Events after reporting date

The Finance Co. follows NAS 10 Events After Reporting Period for accounting and reporting of the events that occur after the reporting period. Finance Co. classifies those events as adjusting and non-adjusting. There are no material events both adjusting or non-adjusting for the reporting period.

5.11 Proposed Distribution (Dividend and Bonus Shares)

The Board of Directors of the finance co. has proposed 15 % bonus share of Rs.13,73,48,650 and 0.79% of Rs.72,28,876 cash dividend (for tax purpose) of paid up capital vide board meeting dated 02.09. 2018.

The proposed dividend is subjected to approval from Nepal Rastra Bank and then the shareholder in the insuring Annual General Meeting of the company.

5.12 Other additional disclosure
a. Regulatory Reserve

The amount to this reserve has been allocated from profit/retain earning as per the directives of Nepal Rastra Bank for the purpose of implementation of NFRSs and is not regarded as free for distribution of dividend. Details are as presented under:

FY	Interest Receivable	Short loan loss provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss Recognized	Fair Value Loss Recognized in OCI	Other	Total
FY 2074-075	15,878,435	-	40,240,211	13,055,328	-	-	-	-	-	-	69,173,974
FY 2075-076	(4,898,449)		16,805,566	(12,340,704)							(433,587)
FY 2076-077	(272,137)		(1,662,068)	906,249	(2,616,096)						(3,644,052)
Transfer From Reserve											-
Transfer To Reserve	-										-
FY 2077-078	7,752,927		(52,038,104)	725,857	4,920,449						(38,638,871)
Transfer From Reserve	-										-
Transfer To Reserve											-
Total	18,460,776	-	3,345,605	2,346,730	2,304,353	-	-	-	-	-	26,457,464

- b. Nepal Rastra Bank has taken measures to reduce the impact of the covid-19 pandemic. As the covid-19 continues to spread all over the world, which has contributed to significant decline and volatility in domestic market. The finance co. has abided by the directives issued by Nepal Rastra Bank. Pursuant to requirement of Nepal Rastra Bank Circular no.1/078/79 related to AGM clearance and dividend distribution procedure of fiscal year 2077.78, following disclosure are provided.

For bearance/relaxation

Particulars	As of Ashad end 2078	
	No. of Customers	Amount(NRs.)
Accrued Interest Received after Ashad end 2078 till 15 Bhadra 2078	N/A	N/A
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	106	13,335,177
Extension of moratorium period of loan provided to Industry or Project under construction	N/A	N/A
Restructured/Rescheduled Loan with 5% Loan Loss Provision	153	171,365,188
Enhancement of Working Capital Loan by 20% COVID affected borrowers.	1	11,000,000
Expiry Date of Additional 20% Working Capital Loan(COVID Loan) extended for upto 1 year with 5% provisioning	N/A	N/A
Expiry Date of Additional 10% Term Loan(COVID Loan) extended for upto 1 year with 5% provisioning	N/A	N/A
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives 2	N/A	N/A

Refinance and Business Continuity

Particulars	During FY 2077/2078	
	No. of Customers	Amount(NRs.)
Refinance Loan	N/A	N/A
Business Continuity Loan	N/A	N/A

Subsidized Loan

Particulars	During FY 2077/2078	
	No. of Customers	Amount(NRs.)
Subsidized Loan	123	52,127,118

Reliance Finance Limited
Notes to Financial Statements

5.11 Major Financial Indicators of Last Five Years

S.N.	Particulars	Indicator	2077-78	2076-77	2075-76	2074-75	2073-74
1	Net profit/total income	%	17.11	15.14	10.57	13.14	28.50
2	Earning per share						
	Basic earning per share	Rs.	16.33	12.32	8.78	11.83	21.14
	Diluted earning per share	Rs.	16.33	12.32	8.78	11.83	
3	Market price per share	Rs.	532	121	126	119	212
4	Price/earning ratio	Times	32.58	9.82	14.36	10.06	10.03
5	Dividend or bonus per share	Rs.	15.00	10.00	0.00	0.00	12.00
6	Cash dividend	Rs.	0.79	0.53	6.58	2.63	0.63
7	Interest income/loan and advances	%	12.52	17.01	16.48	16.48	13.42
8	Employee expenses/total operating expenses	%	58.76	58.96	54.24	52.79	46.57
9	Employee expenses/total deposit and borrowing	%	1.82	1.60	1.29	1.21	0.96
10	Exchange income/total income	%	0.00	0.00	0.00	0.00	0.00
11	Staff bonus/total employee expenses	%	23.33	19.69	20.20	14.08	49.83
12	Net profit/loans and advances	%	3.16	2.48	1.71	2.22	4.09
13	Net profit/total assets	%	2.07	1.61	1.21	1.44	2.69
14	Total loans and advances/total deposit	%	78.37	72.00	84.16	80.32	82.15
15	Total operating expenses/total assets	%	2.51	2.22	1.86	1.79	1.65
16	Capital adequacy ratio						
	a) Core Capital	%	24.63	23.18	24.43	33.93	20.57
	b) Supplementary Capital	%	1.40	0.80	1.12	1.42	1.06
	c) Total Capital Fund	%	26.03	23.98	25.55	35.35	21.62
17	Cash reserve ratio (CRR)	%	35.17	21.48	28.87	36.57	36.42
18	NPAs/total loan and advances	%	2.69	0.99	1.97	1.19	1.65
19	Base rate	%	9.65	11.25	12.34	9.38	12.90
20	Weighted average interest rate spread	%	4.81	4.40	4.90	5.72	5.80
21	Book net worth	Rs.	1,279,601	1,087,359	1,066,935	976,523	676,844
22	Total shares	No.	9,156,577	8,324,160	8,324,160	8,022,886	5,125,715
23	Total employees	No.	162	129	92	88	82
24	Others:						
	Per employee business (Rs. In lakh)	%	274.02	290.64	378.30	339.98	313.55
	Employee expenses/total income	%	12.19	12.34	8.81	8.62	6.63

Reliance Finance Limited
Comparison Audited and Unaudited Financial Statements
Fiscal Year: 2077-78

Amount in '000

Statement of Financial Position	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance		Reasons for Variance
			In Amount	In %	
Assets					
Cash and cash equivalent	392,651	392,651	-	-	
Due from Nepal Rastra Bank	270,889	270,889	-	-	
Placement with Bank and Financial Institutions	-	100,031	100,031		Regrouping of loan to Placement
Derivative financial instruments	-	-	-	-	
Other trading assets	-	-	-	-	
Loan and advances to B/FIs	425,799	321,563	(104,235)	(24.48)	Regrouping of loan to microfinance and Placement from loan to customer
Loans and advances to customers	4,395,083	4,403,867	8,784	0.20	Regrouping of loan to microfinance from loan to customer
Investment securities	1,622,737	1,622,816	79	0.00	Final calculation of income tax expenses for the period
Current tax assets	24,969	17,287	(7,682)	(30.77)	
Investment in subsidiaries	-	-	-	-	
Investment in associates	-	-	-	-	
Investment property	2,347	2,347	-	-	
Property and equipment	57,635	61,002	3,366	5.84	Correction on calculation of depreciation and regrouping amortization expenses
Goodwill and Intangible assets	3,024	3,024	-	-	
Deferred tax assets	-	-	-	-	
Other assets	19,922	19,718	(204)	(1.02)	AIR (net of interest suspense) included in loans to customer
Total Assets	7,215,055	7,215,194	139	0.00	
Liabilities					
Due to Bank and Financial Institutions	-	175,405	175,405		Regrouping of Deposit to customer
Due to Nepal Rastra Bank	-	-	-	-	
Derivative financial instruments	-	-	-	-	
Deposits from customers	5,839,924	5,664,519	(175,405)	(3.00)	Regrouping of Deposit to customer
Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred tax liabilities	13,580	11,134	(2,446)	(18.01)	Correction on calculation of deferred expenses
Other liabilities	81,355	84,535	3,181	3.91	Changes in figures of liabilities on finalization of calculation related to staffs, bonus etc.
Debt securities issued	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
Total liabilities	5,934,858	5,935,593	735	0.01	



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



पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/११/२०७८-७९/२०३

मिति २०७८/०९/०८

श्री रिलायन्स फाइनेन्स लिमिटेड,
प्रदर्शनीमार्ग, काठमाण्डौ,

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

महाशय,

तहाँबाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आ.व.२०७७/७८ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न र प्रस्तावित नगद लाभांश रु.७२,२८,८७६।३३ (अक्षरेपी बहत्तर लाख अठ्ठाइस हजार आठ सय छयाहत्तर पैसा तैत्तिस मात्र) र बोनस शेयर रु.१३,७३,४८,६५०।३५ (अक्षरेपी तेह्र करोड त्रिहत्तर लाख अड्चालिस हजार छ सय पचास पैसा पैत्तिस मात्र) आयकर ऐन/नियमावली तथा अन्य प्रचलित कानुनी व्यवस्थाको समेत पालना गरी वार्षिक साधारण सभाबाट स्वीकृत भए पश्चात् मात्रै वितरण गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गर्न तथा त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन ।
२. यस बैंकबाट जारी गरिएको इजाजतपत्र प्राप्त बैंक तथा वित्तीय संस्थाको वार्षिक साधारण सभा प्रयोजनको लागि वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गर्ने तथा लाभांश स्वीकृत गर्ने सम्बन्धी कार्यविधि, २०७७ (प्रथम संशोधन) को खण्ड (ख) को बुँदा नं.५ बमोजिम बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ बाहेक अन्य प्रचलित कानून बमोजिम स्थापना भएको बचत तथा ऋणको कारोबार गरिरहेका संस्थाहरूले इजाजतपत्र प्राप्त बैंक तथा वित्तीय संस्थाको संस्थापक शेयरमा गरेको लगानी बिक्री गर्ने कार्य सम्पन्न नभएसम्म त्यस्तो संस्थाले पाउने नगद लाभांश तथा बोनस शेयर वितरण रोक्का राख्ने व्यवस्था मिलाउनु हुन ।
३. यस बैंकबाट जारी एकीकृत निर्देशन नं.१९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरूको पूर्ण रुपमा पालना गर्नुहुन ।

उपर्युक्त निर्देशनलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु ।

भवदीय,

(राम कृष्ण राई)
सहायक निर्देशक

बोधार्थ :

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

श्री नेपाल राष्ट्र बैंक
वित्त कम्पनी सुपरिवेक्षण विभाग
बालुवाटार, काठमाडौं ।

विषय : वित्तीय विवरण प्रकाशन गर्न स्वीकृती दिदाँ जारी भएका निर्देशन सम्बन्धमा ।

महोदय,

उपरोक्त सम्बन्धमा ताहांको पत्र संख्या वि.क.सु.वि./अफसाईट/एजिएम/११/७८/७९/२०३ मिति २०७८/०९/०८ को पत्र मार्फत जारी भएको निर्देशन उपर यस संस्थाको प्रतिक्रिया तथा उल्लेखित बुँदाहरूको सुधारको स्थिति तपसिल बमोजिम रहेको व्यहोरा जानकारीका लागि अनुरोध छ ।

१. तहांबाट जारी भएका निर्देशनहरू अक्षरसः पालना गरिनेछ, तथा लेखा परिक्षण प्रतिवेदनमा औल्याइएका कैफियतहरू नदोहोरिने गरी सुधार गर्दै लगिनेछ ।
२. तहांबाट जारी भएका निर्देशन अनुसार गरिने व्यहोरा अनुरोध छ ।
३. सम्पत्ती शुद्धिकरण तर्फ विशेष सजग भई तहांबाट जारी भएका निर्देशनहरूको पूर्ण रूपमा परीपालना गरिनेछ ।

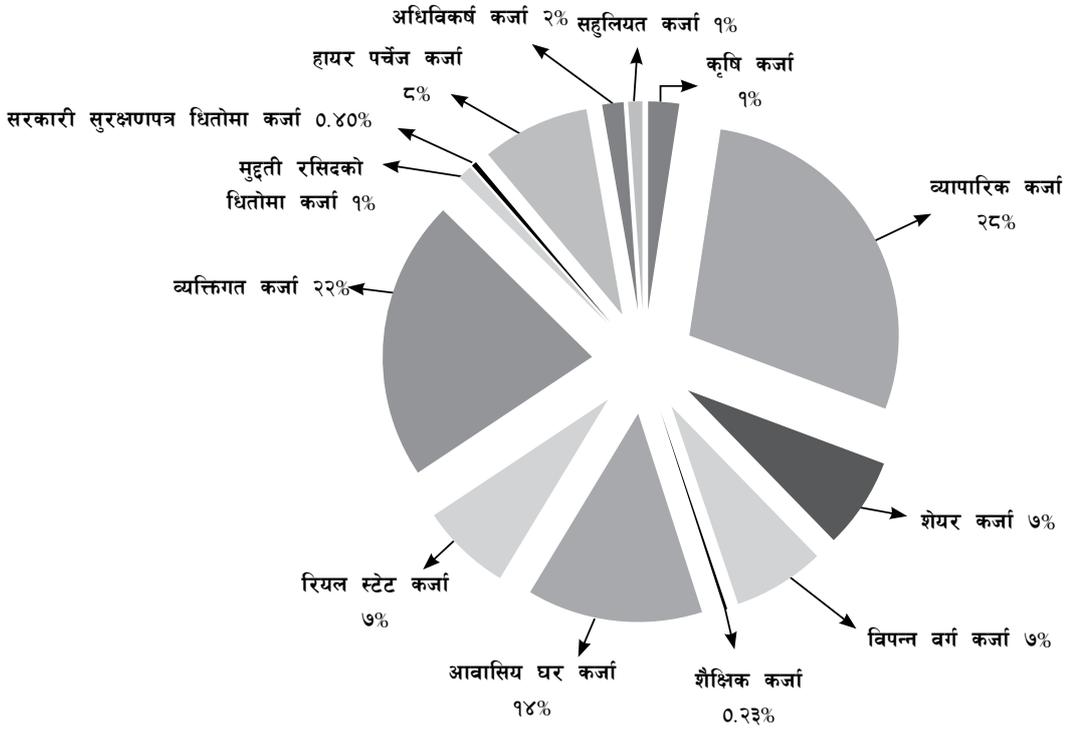
भवदिय,
अनिल श्रेष्ठ
प्रमुख कार्यकारी अधिकृत

रिलायन्स फाइनेन्स लिमिटेडको प्रबन्धपत्रमा संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा	संशोधन गर्नुपर्ने कारण र औचित्य
६ (क) वित्तीय संस्थाको अधिकृत पूँजी रू.१,००,००,००,०००/- हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका थान १,००,००,००० साधारण शेयरमा विभाजन गरिएको छ।	६ (क) वित्तीय संस्थाको अधिकृत पूँजी रू.१,२०,००,००,०००/- हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका थान १,२०,००,००० साधारण शेयरमा विभाजन गरिएको छ।	संस्थाले १५ प्रतिशत बोनस शेयर जारी गरे पश्चात संस्थाको अधिकृत, जारी, र चुक्ता पूँजी बृद्धि हुने भएकोले सोही अनुसार मिलान गरिएको।
६ (ख) वित्तीय संस्थाको तत्काल जारी पूँजी रू.९१,५६,५७,६६९ /- (अक्षरेपी एकनब्बे करोड छपन्न लाख सत्ताउन्न हजार छ सय उनान्सत्तरी) हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका ९१,५६,५७६.६९ थान साधारण शेयरमा विभाजन गरिएको छ।	६ (ख) वित्तीय संस्थाको तत्काल जारी पूँजी रू.१,०५,३०,०६,३१९ /- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका १,०५,३०,०६३.१९ थान साधारण शेयरमा विभाजन गरिएको छ।	
६ (ग) वित्तीय संस्थाको तत्काल चुक्ता पूँजी रू.९१,५६,५७,६६९ /- (अक्षरेपी एकनब्बे करोड छपन्न लाख सत्ताउन्न हजार छ सय उनान्सत्तरी) हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका ९१,५६,५७६.६९ थान साधारण शेयरमा विभाजन गरिएको छ।	६ (ग) वित्तीय संस्थाको तत्काल चुक्ता पूँजी रू.१,०५,३०,०६,३१९ /- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) हुनेछ। सो पूँजीलाई प्रतिशेयर रू.१००।- (रू.एक सय) दरका १,०५,३०,०६३.१९ थान साधारण शेयरमा विभाजन गरिएको छ।	

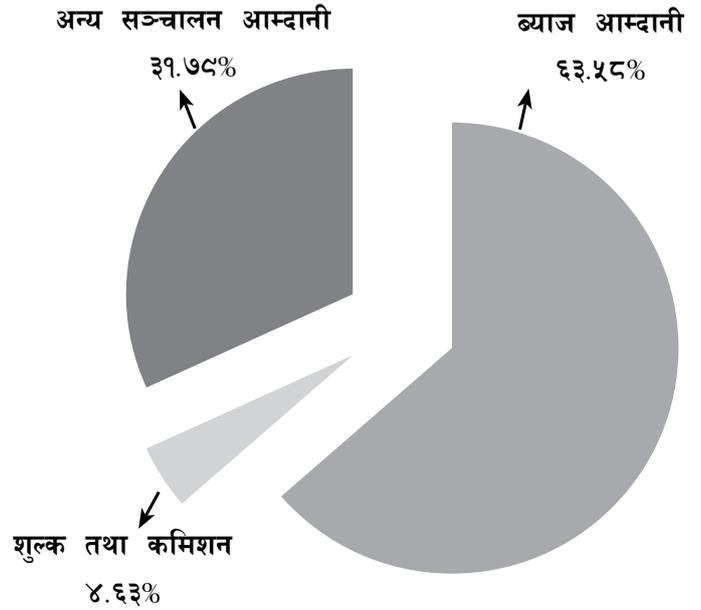
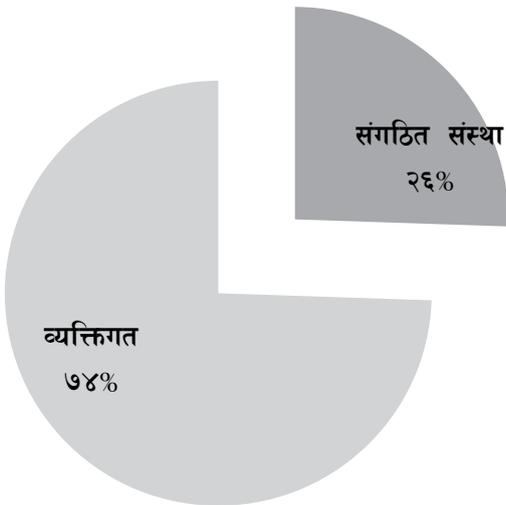
वित्तीय भलकहरू

कर्जा मिश्रण



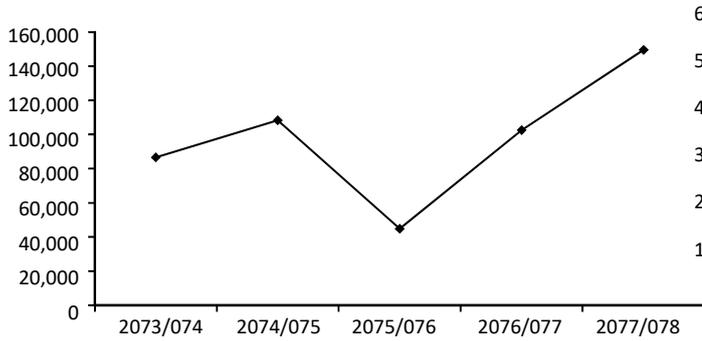
आम्दानीका श्रोतहरू

निक्षेप मिश्रण

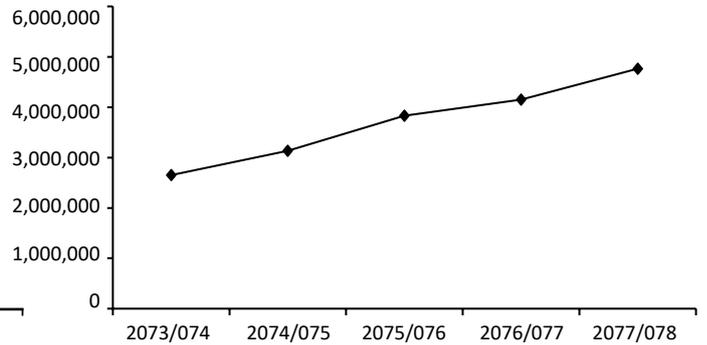


Trend Lines Presenting Financial Indicators

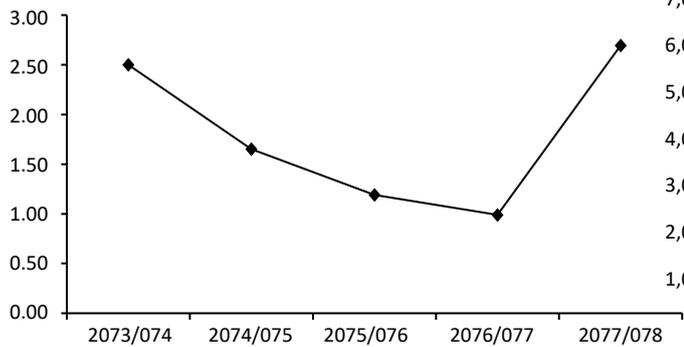
Net Profit (Rs. '000)



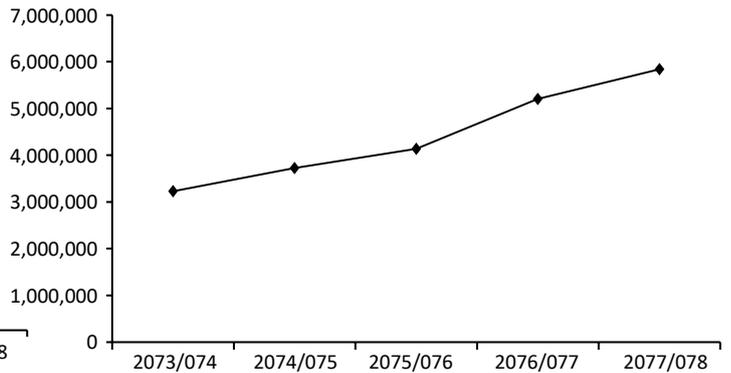
Total Loan & Advances (Rs. '000)



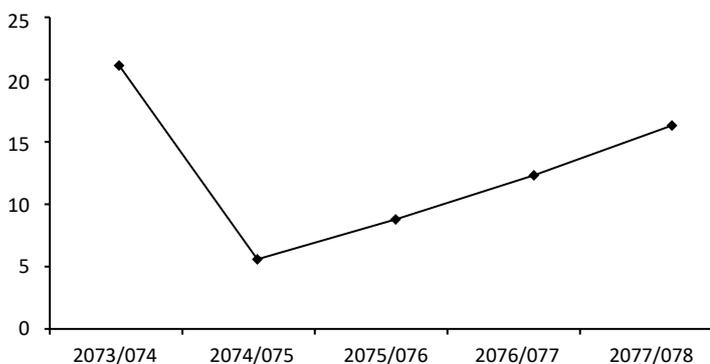
Non Performing Loan Ratio (%)



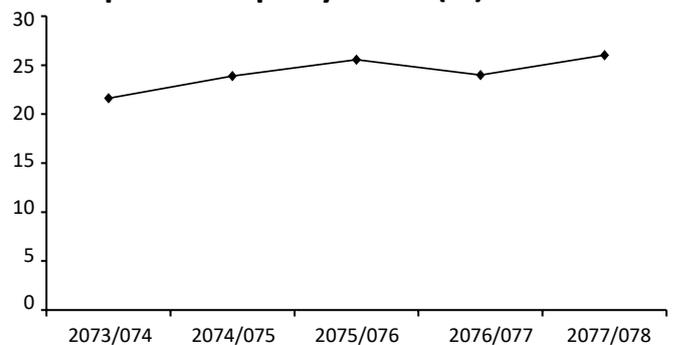
Total Deposits (Rs.'000)



Earnings Per Share (Rs.)



Capital Adequacy Ratio (%)



व्यवस्थापन समुह

अनिल श्रेष्ठ

(प्रमुख कार्यकारी अधिकृत)

समाज प्रकाश श्रेष्ठ

(उप-प्रमुख कार्यकारी अधिकृत/सूचना तथा गुनासो सुन्ने अधिकारी)

बिष्णु लाल श्रेष्ठ

(प्रमुख-जोखिम व्यवस्थापन/अनुपालन अधिकृत)

ओमकार मणि आचार्य दिक्षित

(प्रमुख व्यवसाय अधिकृत)

केशव प्रसाद खनाल

(प्रमुख-संचालन/जनशक्ति विभाग)

दिक्पाल श्रेष्ठ

(प्रमुख-कर्जा विभाग)

सृजना श्रेष्ठ

(प्रमुख-लेखा विभाग)

कौशल्या श्रेष्ठ

(प्रमुख-कर्जा प्रशासन तथा असुली विभाग)

रविन शाक्य

(नायब प्रबन्धक)

युज कुमार भैल

(प्रमुख-कानून विभाग/कम्पनी सचिव)

प्रदिप गुराँगाई

(प्रमुख-कर्जा जोखिम विभाग)

एलिना श्रेष्ठ

(प्रमुख-सामान्य सेवा विभाग)

मनी मानन्धर

(प्रमुख-सूचना तथा सामान्य प्रविधी विभाग)

शाखा प्रमुखहरू

न्यूरोड शाखा
अखण्ड श्रेष्ठ
(शाखा प्रमुख)

नारायणगढ शाखा
बुद्ध नारायण श्रेष्ठ
(शाखा प्रमुख)

पोखरा शाखा
प्रकाश पौडेल
(शाखा प्रमुख)

बेसीशहर शाखा
सन्तोष खनियौं
(शाखा प्रमुख)

बनेपा शाखा
सुवास के.सी.
(शाखा प्रमुख)

आरुघाट शाखा
सुबत लामिछाने
(शाखा प्रमुख)

चारआली शाखा
जिवन श्रेष्ठ
(शाखा प्रमुख)

इमाडोल शाखा
प्रहिना जोशी
(शाखा प्रमुख)

गोरखा शाखा
हिमाल खड्का
(शाखा प्रमुख)

मणिग्राम शाखा
विक्रम भुसाल
(शाखा प्रमुख)

अत्तरिया शाखा
खेम पन्त
(शाखा प्रमुख)

महेन्द्रनगर शाखा
महेश प्रसाद भट्ट
(शाखा प्रमुख)

कोहलपुर शाखा
कुल बहादुर पुन
(शाखा प्रमुख)

दमक शाखा
प्रकाश ढकाल
(नि. शाखा प्रमुख)

वर्तामोड शाखा
अशोक पाठक
(शाखा प्रमुख)

धनगढी शाखा
नारद न्यौपाने
(शाखा प्रमुख)

सितापाइला शाखा
प्रकाश कुमार श्रेष्ठ
(शाखा प्रमुख)

धुलावारी शाखा
बालकृष्ण घिमिरे
(शाखा प्रमुख)

टाँडी शाखा
आशिष ढकाल
(शाखा प्रमुख)

भैरहवा शाखा
अमृत राना
(शाखा प्रमुख)

संस्थागत सामाजिक उत्तरदायित्व अन्तर्गतका कार्यहरू



वानेश्वर स्थित नयाँ नेपाल समाजलाई खाद्यान्न वितरण



साँखु स्थित द्वन्द पिडित तथा अपाङ्ग समाज नेपाललाई औषधी वितरण



नेपाल स्वयंसेवी रक्तदाता समाजद्वारा आयोजित रक्तदान कार्यक्रममा आर्थिक सहयोग प्रदान



पाटन, जावलाखेलमा आयोजित रक्तदान कार्यक्रम



अत्तरिया स्थित महिला तथा बालबालिका सेम हाउसलाई न्यानो कपडा वितरण



पोखरा स्थित रामेश्वरी माध्यामिक विद्यालयलाई शैक्षिक सामग्री वितरण

