

सोहँ

वार्षिक प्रतिवेदन

(आ.व. २०२१/०२२)



# Reliance Finance Limited

## रिलायन्स फाइनान्स लिमिटेड

*16th Annual Report*

# संचालक समिति



कुश प्रसाद मल्ली  
अध्यक्ष



तुलसी प्रसाद बराल  
संचालक (सर्वसाधारण समूह)



युगेश लाल विजयकुमार  
संचालक (सर्वसाधारण समूह)



सरस्वती पाठक  
संचालक (सर्वसाधारण समूह)



ईश्वरी प्रसाद न्यौपाने  
स्वतन्त्र संचालक



समाज प्रकाश श्रेष्ठ  
प्रमुख कार्यकारी अधिकृत



रामहरि आचार्य  
उप-प्रमुख कार्यकारी अधिकृत



युज कुमार भैल  
कम्पनी सचिव

लेखा परीक्षक  
सी.ए.ज्ञानेन्द्र बहादुर भारी  
साझेदार  
बि.आर.एस.न्यौपाने एण्ड कम्पनी  
चार्टर्ड एकाउण्टेन्ट्स

**रिलायन्स फाइनान्स लिमिटेडको  
सोहौं वार्षिक साधारण सभा बस्ने सूचना**

**शेयरधनी महानुभावहरू**

यस वित्तीय संस्थाको मिति २०८२/०९/०८ गते बसेको संचालक समितिको ३५८ औं बैठकको निर्णयानुसार यस रिलायन्स फाइनान्स लि. को सोहौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी तथा उपस्थितिको लागि हार्दिक अनुरोध छ ।

**सभा हुने मिति समय र स्थान :**

मिति : २०८२ साल पौष महिना ३० गते बुधवार (तदनुसार १४ जनवरी २०२६)  
स्थान : अनुपम फुड ल्याण्ड एण्ड व्यांक्वेट प्रा.लि. , बत्तीसपुतली, गौशाला, काठमाण्डौ ।  
समय : दिनको ११:३० बजे ।

**(क) सामान्य प्रस्तावहरू**

१. संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत गरिने आर्थिक वर्ष २०८१/०८२ को सोहौं वार्षिक प्रतिवेदन पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित आ.व. २०८१/०८२ आषाढ मसान्त सम्मको वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरु पारित गर्ने ।
३. कम्पनी ऐन, २०८३ को दफा १११ बमोजिम आ.व. २०८२/०८३ को बाह्य लेखापरीक्षण गर्नका लागि लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने बारे ।  
(वर्तमान लेखापरीक्षक श्री वी.आर.एस. न्यौपाने एण्ड कम्पनी लि. लेखापरीक्षकमा नियुक्त गर्न योग्य हुनुहुन्छ)
४. विविध ।

**(ख) विशेष प्रस्तावहरू**

१. यस रिलायन्स फाइनान्स 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 (Due Diligence Audit) गर्न, नियमनकारी निकायबाट आवश्यक स्वीकृति लिन तथा सो सम्बन्धमा सम्पूर्ण काम गर्ने अखिलायारी संचालक समितिलाई प्रदान गर्ने । साथै गाभिने (मर्जर), प्राप्ति तथा विलय समेतका सम्बन्धमा नियमनकारी निकाय वा अन्य कुनै कार्यालयहरुबाट कुनैपनि विषयमा संशोधन परिमार्जन थपघट वा परिवर्तन गर्न कुनै निर्देशन प्राप्त भएमा सो समेत मिलाई संशोधन वा परिवर्तन गर्नुपरेमा सो कार्यहरु समेत गर्न संस्थाको संचालक समितिलाई पूर्ण अखिलायारी प्रदान गर्ने ।

## साधारण सभा सम्बन्धी अन्य जानकारी

- वार्षिक साधारण सभा प्रयोजनार्थ २०८२/९/१७ गते एक दिन यस संस्थाको शेयरधनी दर्ता किताब बन्द रहने जानकारी गराउंदछौ । साथै, नेपाल स्टक एक्सचेंज लिमिटेडमा मिति २०८२/०९/१६ गते सम्म कारोबार भई सि.डि.एस. एप्ड क्लियरिङ लि. बाट राफसाफ भई यस संस्थाको शेयर रजिस्ट्रार लक्ष्मी सनराईज क्यापिटल लि., कमलपोखरी काठमाडौंमा प्राप्त शेयर नामसारी लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन सक्नेछन् ।
- साधारण सभाको लागि सम्पूर्ण शेयरधनी महानुभावहरूले आ.व. २०८१/०८२ को वित्तीय विवरण सहितको वार्षिक प्रतिवेदन संस्थाको केन्द्रीय कार्यालय वा शेयर रजिस्ट्रार लक्ष्मी सनराईज क्यापिटल लि. कमलपोखरीबाट प्राप्त गर्न सक्नुहुनेछ । साथै उक्त प्रतिवेदन कम्पनीको वेबसाईट [www.reliancenepal.com.np](http://www.reliancenepal.com.np) मा हेर्न वा डाउनलोड गर्न सक्नुहुनेछ ।
- सम्पूर्ण शेयरधनी महानुभावहरूले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका विहान १०:३० बजेदेखि साधारण सभा सम्पन्न नभएसम्म खुल्ला रहनेछ ।
- साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने शेयरधनीहरूले प्रोक्सी फाराम सभा शुरु हुनु भन्दा कम्तीमा ७२ घण्टा अगावै संस्थाको केन्द्रीय कार्यालय कमलादीमा भौतिक, ईमेल वा आधिकारीक डिजिटल माध्यम मार्फत दर्ता गराई सक्नु पर्नेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत यस संस्थाको शेयरधनी हुनु आवश्यक छ ।
- सभामा सबै शेयरधनीहरूले विविध शिर्षकमा छलफल गर्न चाहेको विषय, जिज्ञासा, मन्तव्यको सम्बन्धमा कम्तीमा ७ दिन अगावै कम्पनीको केन्द्रीय कार्यालयमा लिखित जानकारी दिनुपर्ने छ । तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन ।
- 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 पहिलो दर्ता भएको प्रतिनिधि (प्रोक्सी) लाई मान्यता प्रदान गरिनेछ । प्रतिनिधि नियुक्त गरि सकेपछि शेयरधनी आफै सभामा उपस्थित भई हाजिर पुस्तिकामा दस्तखत गरेको अवस्थामा निजले गरिदिएको प्रोक्सी स्वतः बदर हुनेछ ।
- नावालक वा फरक क्षमता भएका 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 संचालक समिति तथा संचालक समितिबाट आदेश पाएका व्यक्तिले जवाफ दिन सक्ने छन् ।
- अन्य जानकारीको लागि रिलायन्स फाइनान्स लिमिटेडको केन्द्रीय कार्यालयमा कार्यालय समयभित्र सम्पर्क राख्न हुन शेयरधनी महानुभावहरूलाई अनुरोध गर्दछौ ।

## रिलायन्स फाइनान्स लिमिटेड

रिलायन्स भवन, कमलादी, काठमाडौं  
प्रतिनिधि पत्र (प्रोक्सी फाराम)

श्री संचालक समिति,  
 रिलायन्स फाइनान्स लि.  
 कमलादी, 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 २०८२/०९/३० का दिन हुने सोहँ वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा  
 सहभागी हुन नसक्ने भएकोले 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/हितग्राही खाता नं. .... लाई मेरो/हाम्रो प्रतिनिधी मनोनित  
 गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

हस्ताक्षरको नमुना :

निवेदक :

दस्तखत: .....

नाम: .....

ठेगाना: .....

शेयरधनी नं.: .....

हितग्राहि (डिम्याट) खाता नं.: .....

शेयर संख्या: .....

शेयरधनी प्रमाणपत्र नं. : .....

हितग्राहि (डिम्याट) खाता नं.: .....

शेयरधनी (कम संख्या) नं. : .....

मिति : .....

मिति : .....

द्रष्टव्य: यो प्रोक्सी फाराम सभा शुरु हुनुभन्दा ७२ घण्टा अगावै संस्थाको केन्द्रीय कार्यालय, कमलादी, काठमाडौंमा पेश गरी सक्नु पर्नेछ ।

## रिलायन्स फाइनान्स लिमिटेड

रिलायन्स भवन, कमलादी, काठमाडौं

### प्रवेश पत्र

शेयरधनीको नाम श्री .....

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

शेयरधनीको दस्तखत .....

(संस्थाको सोहँ वार्षिक साधारण सभामा उपस्थितिका लागि जारी गरीएको प्रबेश-पत्र)

द्रष्टव्य :

- १) शेयरधनी आफैले खाली कोष्ठहरु भर्नुहोला ।
- २) सभामा भाग लिन आउँदा यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ ।

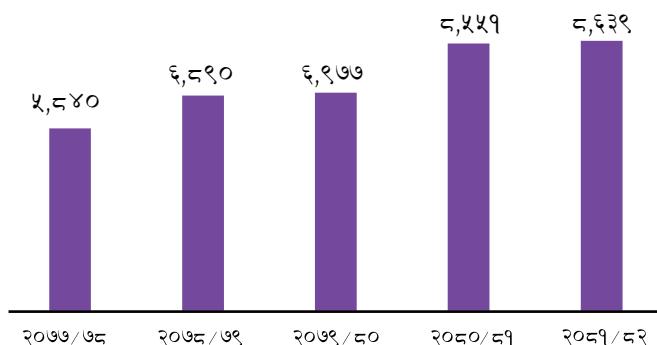


कम्पनी सचिव

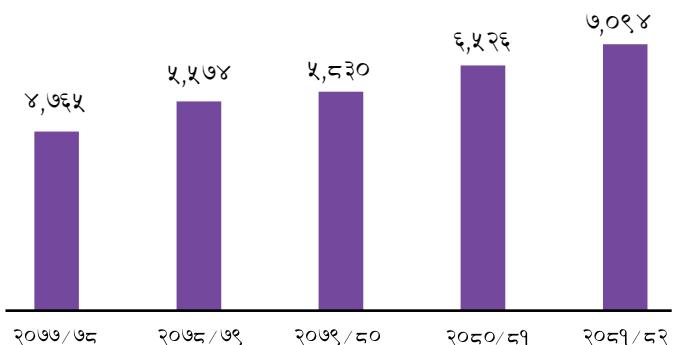


## संस्थाको विगत पाँच वर्षको वित्तीय भालकहरू

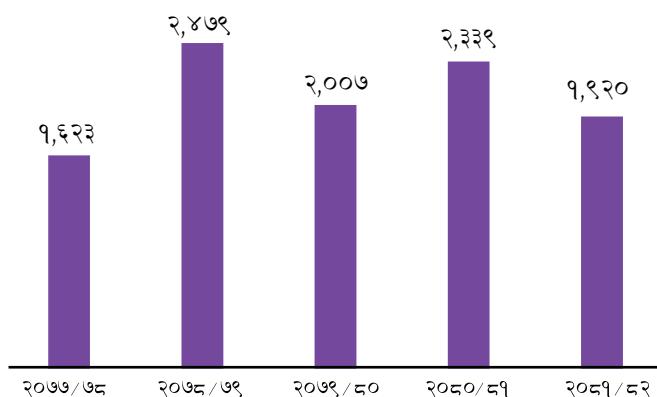
संस्थाको निक्षेप संकलन (रु. दश लाखमा)



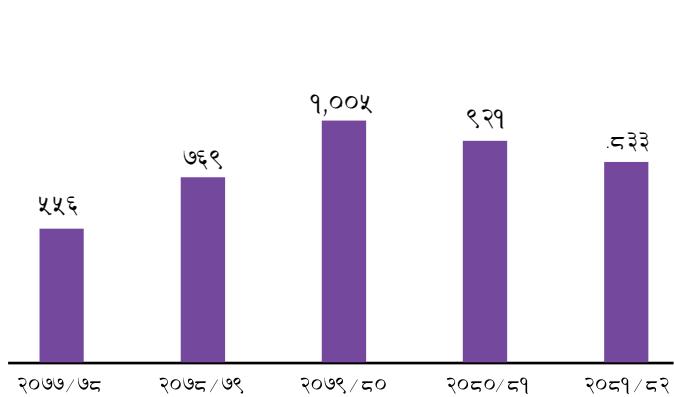
कर्जा तथा सापट (रु. दश लाखमा)



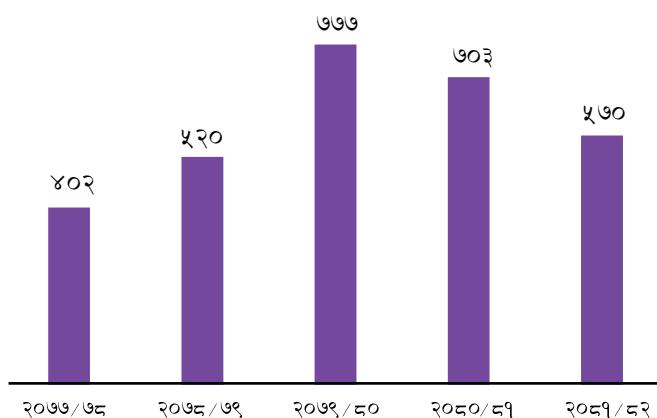
लगानी (रु. दश लाखमा)



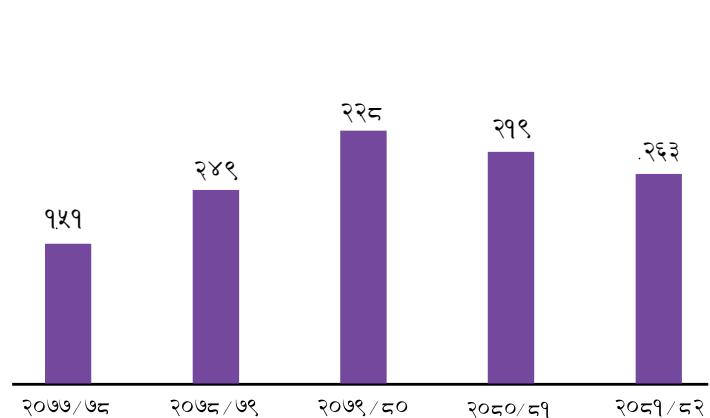
ब्याज आय (रु. दश लाखमा)



ब्याज खर्च (रु. दश लाखमा)

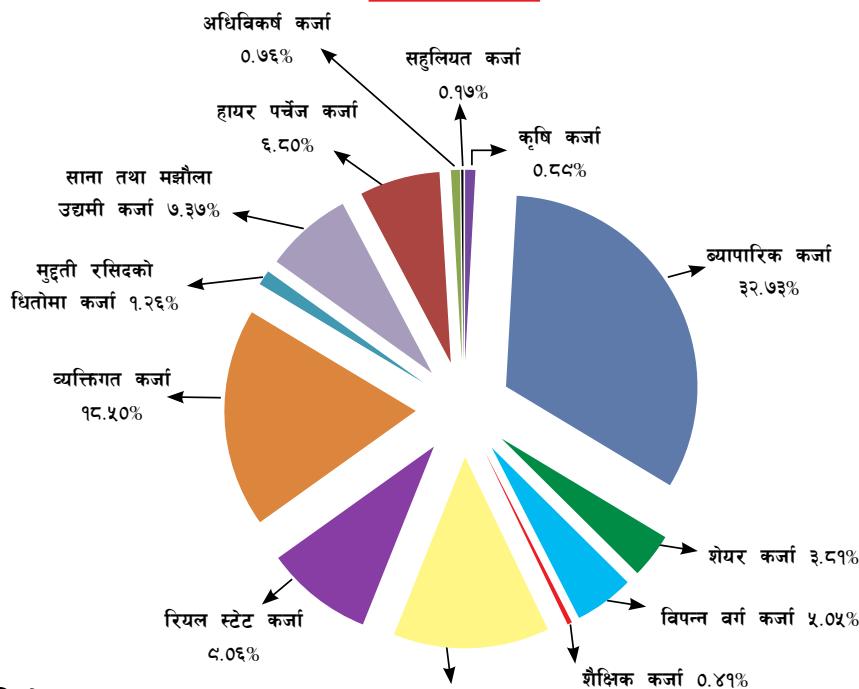


खुद ब्याज आमदानी (रु. दश लाखमा)

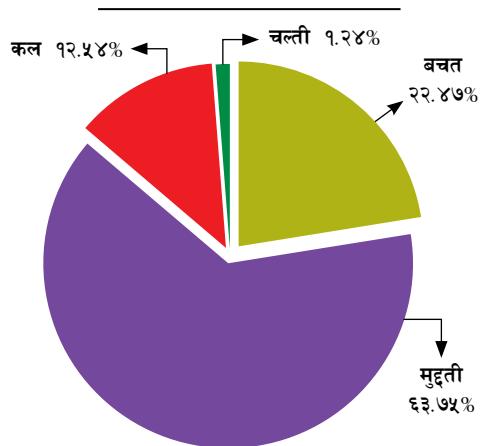


## वित्तीय भालकहरु

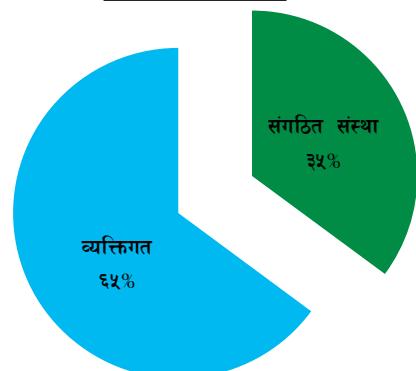
### कर्जा मिश्रण



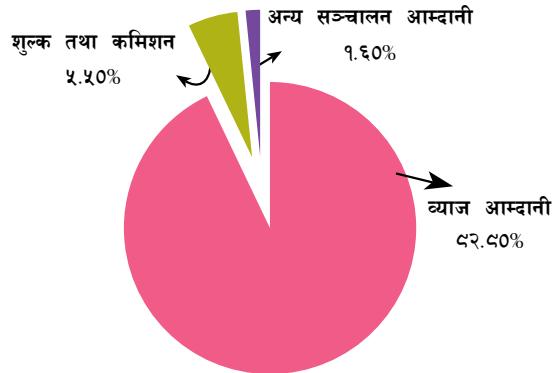
### संस्थाको निक्षेप संकलन



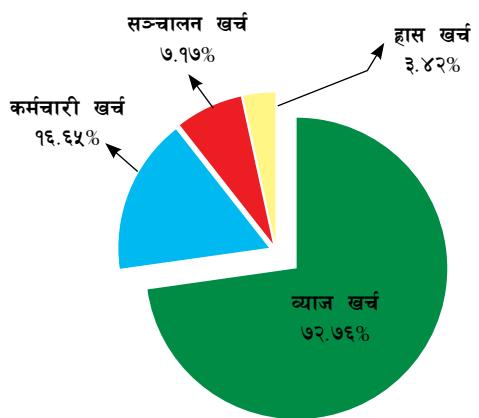
### निक्षेप मिश्रण



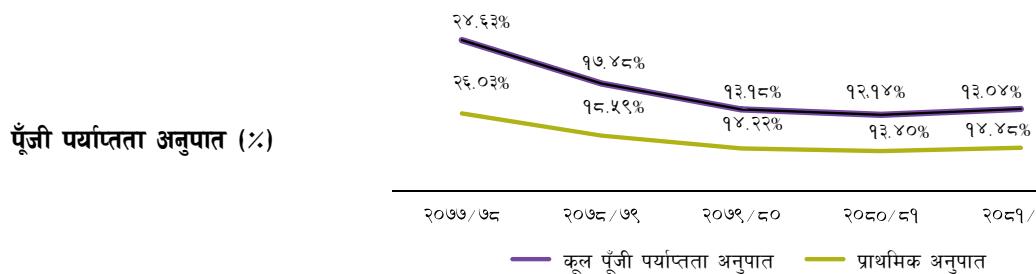
### आमदानीका श्रोतहरु



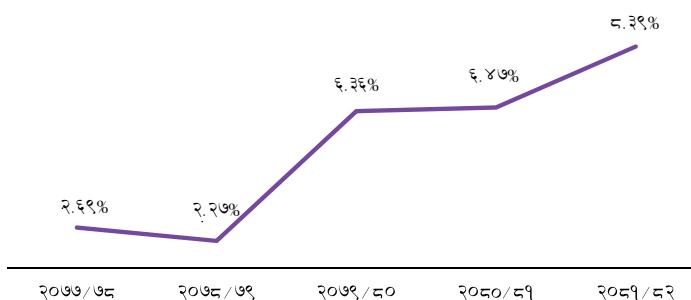
### खर्चका श्रोतहरु



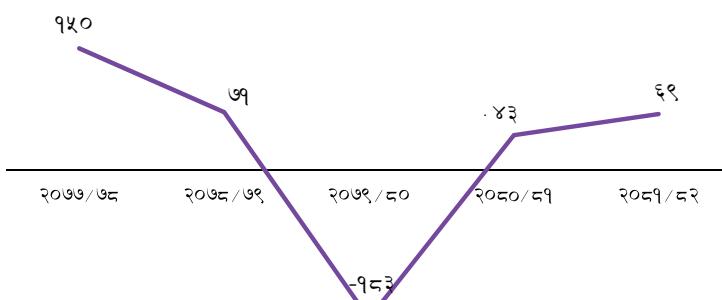
## संस्थाको विगत पाँच वर्षको वित्तीय भेलकहरु



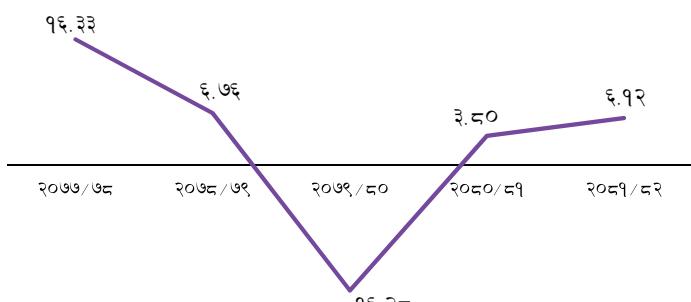
### निष्क्रिय कर्जा कर्जा (%)



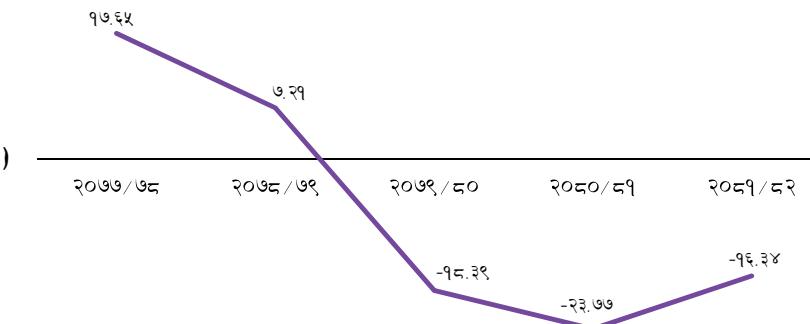
### खुद नाफा (रु. दश लाखमा)



### प्रति शेयर आमदानी (रु.)



### वितरण योग्य प्रति शेयर आमदानी (रु.)



**FINANCIAL HIGHLIGHTS - CAMELS ANALYSIS**

Rs in'000

Capital Adequacy	2077/078	2078/079	2079/080	2080/081	2081/082
Core Capital	1,218,266	1,280,265	1,065,913	1,014,613	1,114,020
Supplementary Capital	69,103	81,043	83,985	105,231	122,869
Capital Fund	1,287,368	1,361,307	1,149,898	1,119,844	1,236,889
Risk Weighted Assets	4,946,537	7,324,027	8,085,356	8,356,976	8,542,573
<b>Capital Adequacy Ratio</b>	<b>26.03%</b>	<b>18.59%</b>	<b>14.22%</b>	<b>13.40%</b>	<b>14.48%</b>
<b>Core Capital to RWA</b>	<b>24.63%</b>	<b>17.48%</b>	<b>13.18%</b>	<b>12.14%</b>	<b>13.04%</b>
Assets Quality	2077/078	2078/079	2079/080	2080/081	2081/082
Total Loan & Advances	4,764,874	5,574,114	5,829,936	6,526,416	7,094,211
Non Performing Loan	128,374	126,731	370,953	422,252	595,487
Loan Loss Provision	142,849	139,029	387,821	396,873	416,485
<b>NPL to Total Loan &amp; Advances</b>	<b>2.69%</b>	<b>2.27%</b>	<b>6.36%</b>	<b>6.47%</b>	<b>8.39%</b>
<b>LLP to Total Loan &amp; Advances</b>	<b>3.00%</b>	<b>2.49%</b>	<b>6.65%</b>	<b>6.08%</b>	<b>5.87%</b>
<b>LLP to Total NPL</b>	<b>111.27%</b>	<b>109.70%</b>	<b>104.55%</b>	<b>93.99%</b>	<b>69.94%</b>
Management Soundness	2077/078	2078/079	2079/080	2080/081	2081/082
Total Assets	7,215,194	9,209,575	8,672,274	9,895,135	10,027,198
Net Profit	149,506	71,147	(182,612)	42,609	68,610
Total Income	874,026	816,691	1,040,059	967,495	896,459
Total Expenses	650,244	713,605	1,222,604	926,292	802,543
No. of Employee	162	167	168	168	165
No. of Shares Outstanding	9,157	10,530	11,215	11,215	11,215
<b>Earnings Per Share (Rs.)</b>	<b>16.33</b>	<b>6.76</b>	<b>-16.28</b>	<b>3.80</b>	<b>6.12</b>
<b>Growth Rate in Assets</b>	<b>12.98%</b>	<b>27.64%</b>	<b>-5.83%</b>	<b>14.10%</b>	<b>1.33%</b>
<b>Growth Rate in Deposits</b>	<b>12.14%</b>	<b>17.98%</b>	<b>1.25%</b>	<b>22.56%</b>	<b>1.03%</b>
<b>Growth Rate in Loan &amp; Advances</b>	<b>14.84%</b>	<b>16.98%</b>	<b>4.59%</b>	<b>11.95%</b>	<b>8.70%</b>
<b>Growth Rate in Net Profit</b>	<b>45.81%</b>	<b>-52%</b>	<b>-356.67%</b>	<b>123%</b>	<b>61.02%</b>
Earnings	2077/078	2078/079	2079/080	2080/081	2081/082
Net Interest Income	151,021	249,005	228,282	218,587	263,082
Operating Expenses	181,368	193,200	197,289	214,538	213,241
Non Interest Income	318,320	47,281	35,254	46,205	63,687
Earning Assets	5,099,021	6,114,554	6,175,276	6,795,572	7,353,565
Shareholders' Equity	1,279,601	1,317,103	1,127,602	1,172,346	1,259,474
<b>Return on Equity</b>	<b>11.68%</b>	<b>5.40%</b>	<b>-16.19%</b>	<b>3.63%</b>	<b>5.85%</b>
<b>Return on Assets</b>	<b>2.07%</b>	<b>0.77%</b>	<b>-2.11%</b>	<b>0.43%</b>	<b>0.68%</b>
<b>Cost-Income Ratio</b>	<b>20.75%</b>	<b>23.66%</b>	<b>18.97%</b>	<b>22.17%</b>	<b>23.79%</b>
<b>Net Interest Margin</b>	<b>2.09%</b>	<b>2.70%</b>	<b>2.63%</b>	<b>2.21%</b>	<b>2.62%</b>
Liquidity	2077/078	2078/079	2079/080	2080/081	2081/082
Total Deposits	5,839,924	6,890,130	6,976,587	8,550,575	8,638,512
Cash in Vault	58,503	65,397	70,525	57,042	54,438
Cash at NRB	270,889	221,570	242,269	313,221	334,495
Cash at other BanK & Fin. Inst.	334,147	540,440	345,341	269,157	259,354
<b>Deposits to Assets Ratio</b>	<b>80.94%</b>	<b>74.81%</b>	<b>80.45%</b>	<b>86.41%</b>	<b>86.15%</b>
<b>C D Ratio (As per NRB Directives)</b>	<b>95.45%</b>	<b>80.90%</b>	<b>83.56%</b>	<b>76.33%</b>	<b>82.12%</b>
<b>Cash &amp; Equivalent to Deposit Ratio</b>	<b>11.36%</b>	<b>12.01%</b>	<b>9.43%</b>	<b>7.48%</b>	<b>7.50%</b>
<b>Total Deposits to Core Capital (times)</b>	<b>4.79</b>	<b>5.38</b>	<b>6.55</b>	<b>8.43</b>	<b>7.75</b>
Sensitivity	2077/078	2078/079	2079/080	2080/081	2081/082
Yield Rate	11.41%	13.79%	14.60%	12.61%	10.01%
Cost of Funds	6.60%	9.35%	10.02%	8.01%	5.91%
Net Spread	4.81%	4.44%	4.58%	4.60%	4.10%
Base Rate	9.65	12.19	13.02	11.04	8.53

### DETAIL CREDIT RISK ANALYSIS

#### Amount of Non Performing Loan

Category	Gross	Provision	Net
Substandard	100,954,579	21,492,095	79,462,485
Doubtful	381,541,590	190,120,071	191,421,519
Loss	112,990,963	110,842,338	2,148,625
<b>Total</b>	<b>595,487,133</b>	<b>322,454,504</b>	<b>273,032,629</b>

#### Non Performing Loan Ratio

Gross Loan			7,094,210,854
Net Loan			6,677,725,907
Gross NPL to Gross Loan & Advances			8.39%
Net NPL to Net Loan & Advances			4.09%

#### Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
<b>Non Performing Loan</b>	<b>422,251,797</b>	<b>595,487,133</b>	<b>173,235,335</b>
Restructured	-	-	-
Substandard	85,950,255	100,954,579	15,004,324
Doubtful	100,910,556	381,541,590	280,631,034
Loss	235,390,987	112,990,963	(122,400,023)

#### 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	63,406,920	57,993,880	(5,413,040)
Watch List	41,824,123	36,036,563	(5,787,560)
Restructured			-
Substandard	21,477,903	21,492,095	14,192
Doubtful	37,043,453	190,120,071	153,076,618
Loss	233,120,102	110,842,338	(122,277,764)
PG & Third Party Collateral	-	-	-
<b>Total Loan Loss Provision</b>	<b>396,872,501</b>	<b>416,484,947</b>	<b>19,612,446</b>

#### Movement of Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	70,784,457	107,983,937	37,199,480

#### Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	6,526,415,615	7,094,210,854	567,795,239
Total Loan Loss Provision	396,872,501	416,484,947	19,612,446

**विषय सूची**

संस्थाको बारे संक्षिप्त जानकारी	१
संचालक समितिको तर्फबाट अध्यक्षज्यूको वार्षिक प्रतिवेदन	२
कम्पनी ऐन, २०६३ सम्बन्धित विवरणहरू	८
धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ सम्बन्धित विवरण	११
लेखापरिक्षकको प्रतिवेदन	१२
वित्तीय विवरणहरू	१८
वित्तीय विवरण प्रकाशन गर्न नेपाल राष्ट्र बैंकको स्विकृती पत्र	८८
टिपोट	९०

## संस्थाको बारे सक्षिप्त जानकारी

नेपाल राष्ट्र बैंकबाट “ग” वर्गको वित्तीय कारोबार गर्दै आएको रिलायन्स फाइनान्स लिमिटेड वित्तीय कारोबार सञ्चालन गरेको १७ औं वर्षमा चलिरहेको छ ।

यस फाइनान्स कम्पनीले २०८२ असार मसन्त सम्ममा २१ वटा शाखा र १ वटा ए.टि.एम मार्फत देशको पूर्व देखि पश्चिमसम्म सेवा प्रदान गरि आएका छौं ।

कम्पनीको नाम : रिलायन्स फाइनान्स लिमिटेड

इजाजतपत्र प्राप्त मिति : २०८६.०८.१०

वित्तीय कारोबार सुरू गरेको मिति : २०८६.०८.१८

कम्पनी रजिस्ट्रारको कार्यालयमा दर्ता मिति: २०८६.०८.२३

स्थायी लेखा नं. : ३०३७६३६९९

प्रधान कार्यालय रहेको स्थान : कमलादी, काठमाडौं

कार्यक्षेत्र (जिल्लाहरू) : राष्ट्रिय स्तर

**शाखा कार्यालयहरू:** न्युरोड (काठमाडौं), नारायणगढ (चितवन) पोखरा (कास्की), बैंसीशहर (लमजुङ) बनेपा (काभ्रे) धादिङ बेसी (धादिङ), चारआली (भापा), इमाडोल (ललितपुर), गोरखा, मणिग्राम (रूपन्देही), महेन्द्रनगर (कञ्चनपुर), कोहलपुर (बाँके) अत्तरीया (कैलाली), दमक (भापा), सीतापार्वीला (काठमाडौं), धनगढी (कैलाली), विर्तामोड, धुलाबारी (भापा), टाँडी (चितवन), भैरहवा र बुटवल (रूपन्देही)

फोन नं. : ०१-५३२३११७, ५३६१०४९, ५९०३६९८, ५३२०६९८

Website: [www.reliancenepal.com.np](http://www.reliancenepal.com.np), Email: [info@reliancenepal.com.np](mailto:info@reliancenepal.com.np)

### संस्थाको पूँजीको संरचना

अधिकृत पूँजी रु. १ अर्ब २० करोड

जारी पूँजी रु. १ अर्ब १२ करोड १४ लाख ५१ हजार ७ सय मात्र ।

चुक्ता पूँजी रु. १ अर्ब १२ करोड १४ लाख ५१ हजार ७ सय मात्र ।

### संस्थाको सञ्चालक समिति

सि.नं.	नाम	पद
१	श्री कुश प्रसाद मल्ती	अध्यक्ष (संस्थापक समूह)
२	श्री तुलसी प्रसाद बराल	सञ्चालक (सर्वसाधारण समूह)
३	श्री युगेश लाल विजुक्षे	सञ्चालक (सर्वसाधारण समूह)
४	श्री सरस्वती पाठक	सञ्चालक (सर्वसाधारण समूह)
५	श्री ईश्वरी प्रसाद न्यौपाने	सञ्चालक (स्वतन्त्र)

### अन्य महत्वपूर्ण जानकारीहरू

प्रमुख कार्यकारी अधिकृत : श्री समाज प्रकाश श्रेष्ठ

प्रमुख गुनासो अधिकृत : श्री रामहरि आचार्य

कम्पनी सचिव : श्री युज कुमार भैल

प्रमुख अनुपालना अधिकृत : श्री प्रदिप गुरागाई

प्रमुख लेखा तथा वित्तीय विभाग : श्री अनश्व बतौला

लेखापरिक्षक : श्री बी.आर.एस. न्यौपाने एण्ड कम्पनी लि.



## रिलायन्स फाइनान्स लि.को

**सोहौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट संस्थाका अध्यक्ष श्री कुश प्रसाद मल्लीले  
प्रस्तुत गर्नुभएको आ.व. २०८१/८२ को वार्षिक प्रतिवेदन**

आदरणीय शेयरधनी महानुभावहरू,

रिलायन्स फाइनान्स लिमिटेडको सोहौं वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरू, आमन्त्रित नियमन निकायका पर्यवेक्षक प्रतिनिधि महानुभावहरू, कानूनी सल्लाहकार, लेखापरीक्षक, पत्रकारज्यू तथा संस्थाका पदाधिकारीहरूलाई संस्थाको संचालक समिति तथा संस्थाको परिवारको तथा मेरो व्यक्तीगत तर्फबाट हार्दिक स्वागत तथा अभिवादन गर्दछु ।

यस गरिमामय सभामा संचालक समितिका तर्फबाट प्रस्तुत संचालक समितिबाट स्वीकृत भै नेपाल राष्ट्र बैंकबाट समेत स्वीकृत भएको आर्थिक वर्ष २०८१/८२ को संस्थाको लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाव र नगद प्रवाह विवरण सहितको यो वार्षिक प्रतिवेदन यहाँहरू समक्ष पेश गर्न पाउँदा हार्मीलाई खुशी लागेको छ । यो प्रतिवेदन, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन २०६३ लगायत प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशनको परिधिभित्र रहि तयार गरिएको व्यहोरा समेत जानकारीको लागि अनुरोध छ ।

**१) आर्थिक वर्ष २०८१/०८२ को कारोबारको सिंहावलोकनः**

देशको राजनैतिक अस्थिरता सरकारमा भएको परिवर्तन, अर्थतन्त्र सम्बन्धी नियम, कानून, करका दर, आयात निर्यात सम्बन्धी नियमहरूमा अस्थिरताले गर्दा नेपाली अर्थतन्त्रमा समेत नकारात्मक प्रभाव पर्नु स्वभाविकै हो । युवा शक्तिको विदेश पलायन, औद्योगिक क्षेत्रको विस्तारमा समेत प्रभाव परेको छ । घरजग्गा व्यवसायमा आएको मन्दी तथा शेयर बजारमा देखिएको शिथिलताले गर्दा बजारमा लगानीको अवसरमा देखिएको कमीले गर्दा यसको प्रभाव यस संस्थामा पर्नु स्वभाविक नै हो । नेपाली समाजमा केहि तत्वहरूले बैंक वित्तीय संस्थाको कर्जा नियमित नगर्नेहरूलाई संरक्षण गर्ने तथा बैंक वित्तीय संस्था प्रति नकारात्मक अफवाह फैलाएको कारणले असूली कार्यमा नकारात्मक प्रभाव परेकोले संस्थाले सोचे अनुसार प्रतिफल हासिल गर्न कठिन भएको व्यहोरा सम्बन्धित सबैमा अनुरोध गर्दछु । माथि उल्लेखित कठिनाइहरूका बीच पनि संस्थाले विचलित नभई निक्षेप संकलन तथा कर्जा प्रवाह कार्यलाई सुव्यवस्थित ढंगले निरन्तरता दिनुका साथै लक्ष्य अनुरूप कर्जा प्रवाह तथा असूली हुन नसकेता पनि संस्थाको व्यवसायमा सन्तोषजनक बृद्धि गर्न सक्षम भएका छौं ।

संस्थाको विगत दुई आ.व. को वित्तीय स्थिती निम्न अनुसार छः

शिर्षक	आ.व २०८०/८१ आषाढ मसान्त सम्म (लेखापरिक्षित)	आ.व २०८१/८२ आषाढ मसान्त सम्म (लेखापरिक्षित)
निक्षेप	रु. ८,५५,०५,७४,९२३	रु. ८,६३,८५,९२,९९४
कर्जा	रु. ६,५२,८४,१५,६१५	रु. ७,०९,४२,१०,८५४
ब्याज आर्जन	रु. ९२,९२,८९,७९९	रु. ८३,२७,७२,२०१
ब्याज खर्च	रु. ७०,२७,०२,८०६	रु. ५६,९६,८९,७६२
खुद नाफा/(नोक्सान) कर तथा कर्मचारी वोनस पछि	रु. ४,२६,०९,३४४	रु. ६,८६,०९,७७३

प्रस्तुत वित्तीय स्थितिलाई अवलोकन गर्दा आ.व २०८१/८२ मा संस्थाले गैह बैंकिङ सम्पत्ति विक्री तथा कर्जा असूलीमा देखिएको सक्रियताले संस्थाको विगत वर्षमा भन्दा मुनाफा, निक्षेप तथा कर्जामा बृद्धि भई समग्र वित्तीय स्थिति सन्तोषजनक नै देखिन्छ । आगामी दिनमा संस्थाको कारोबार अनुपात तथा दायरा फराकिलो बनाउदै अधिकतम प्रतिफल आर्जन गरि लगानीकर्ताहरूलाई पनि उच्चतम प्रतिफल दिन संचालक समिति र व्यवस्थापन निरन्तर प्रयासरत छौं ।

यस संस्थाले का.जि.का.म.न.पा. वडा नं. १ कमलादीमा केन्द्रीय कार्यालय बाट कारोबार गर्दै आएको छ। आगामी दिनमा कारोबारको दायरा अझ फराकिलो बनाई कारोबार बृद्धि गर्दै संस्थालाई अझ बढि प्रतिफलदायक अवस्थामा पुऱ्याउनका लागि शाखाहरू विस्तार गर्दै लैजाने योजना रहेको छ। हाल संस्थाले केन्द्रीय कार्यालय सहित देश भरमा २२ वटा शाखा संजाल मार्फत कारोबार गर्दै आएका छौं। संस्थाले देशको पूर्व देखी पश्चिम सम्म आफ्नो उपस्थिति जनाई सेवा विस्तार गरेको व्यहोरा सहर्ष जानकारी गराउन चाहन्छु।

२) **राष्ट्रिय तथा अन्तर्राष्ट्रिय स्थितिबाट वित्तीय संस्थाको कारोबारमा परेको असर :**

ठुला शक्ती राष्ट्रहरूबीचमा भएको युद्ध, व्यापार व्यवसायमा नकारात्मक होडवाजी, करको दायरामा बृद्धिले विश्वव्यापी रूपमा परेका आयात निर्यात व्यापार व्यवसायमा परेको नकारात्मक प्रभाव समेतको कारणले गर्दा विश्व अर्थिक बजारमा परेको अस्थितरताले गर्दा नेपाली अर्थतन्त्रमा समेत नकारात्मक प्रभाव परेको छ। उक्त प्रभावले गर्दा स्थानीय बजारमा देखिएको उद्योग, व्यापार, उत्पादनमा कम, निर्यातमा कमिले गर्दा परेको अर्थिक मन्दि, शेयर बजारमा देखिएको शिथिलता घरजग्गा कारोबारमा आएको कमीले अर्थ व्यवस्थामा पारेको नकारात्मक प्रभाव, मुल्य बृद्धि, राजनैतिक वातावरण, कर्जा भुक्तानी नगर्ने प्रवृत्तीको कारण समेतले समग्र अर्थिक कारोबारमा प्रत्यक्ष प्रभाव पर्न गएको छ। देशमा भएको जेन जी आन्दोलनले यस संस्थाले लगानी गरेका क्षेत्रहरू होटल, यातायात, पर्यटन, व्यापार व्यवसाय, उद्योग, घरजग्गा, शेयरबजार क्षेत्रमा लामो समय सम्म भएको शिथिलता एंवं सो परिस्थितीले हाल सम्म पनि सहज हुन नसकदा सो क्षेत्रको कारोबारमा नकारात्मक प्रभाव पर्न आएको छ।

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

असहज परिस्थितिका बाबजुद पनि यस संस्थाले आवश्यक सजगता अपनाउँदै प्रतिस्पर्धात्मक वित्तीय बजारमा आफ्नो स्थान सुरक्षित गर्न सदा कृयाशील रहेको जानकारी गराउंदछौं।

३) **प्रतिवेदन तथार भएको मिति सम्मको उपलब्धी र भावी योजना सम्बन्धमा संचालक समितिको धारणा :**

क) सूचना प्रविधितर्फ यस संस्थाले Core Banking System लाई समय सापेक्ष स्तरोन्तती गर्नुका साथै सुचना प्रविधिको पूर्वाधारहरू विकास गर्न सफल भएको छौं। संस्थाले रिलायन्स स्मार्ट एप्स (Digital Banking), ATM, IPS, Connect IPS, ABBS, C-ASBA, SMS Alert, Real Time Gross Settlement (RTGS), जस्ता सुविधाहरू आफ्नो ग्राहकवर्गहरूलाई उपलब्ध गराउँदै आएका छौं। साथै संस्थाको जोखिम न्यूनिकरण गर्नुका लागि Data Security / Disaster Recovery Center, को व्यवस्था गर्नुका साथै go AML Software (कालोसूची सम्बन्धी सफ्टवेयर) मानव संसाधन सम्बन्धी सफ्टवेय प्रयोगमा ल्याएका छौं। साथै संस्थालाई आवश्यक पर्ने Loan Management System (LMS), Memo Management System प्रयोगमा ल्याई सकेका छौं।

ख) **बजार निर्माताको इजाजतपत्र (Market Maker) कार्य गरि आएको सम्बन्धमा**

संस्थाले बजार निर्माताको इजाजतपत्र (Market Maker) कार्य गर्न अनुमती लिई हाल निष्काशन हुने तथा भइरहेका राष्ट्रिय बचतपत्र, नागरिक बचतपत्रको प्राथमिक तथा दोस्रो बजार कारोबार र वैदेशिक रोजगार बचतपत्रको दोस्रो बजार कारोबार मात्र गर्ने एंवं भविष्यमा नेपाल सरकारको तर्फबाट निष्काशन हुने अन्य ऋणपत्रको समेत प्राथमिक तथा दोस्रो बजार कारोबार गर्नुका लागि अनुमति प्राप्त गर्दै कार्य गरि आएको व्यहोरा अनुरोध छ। त्यस्तै संस्थाले विदेशी विनिमय कारोबार गर्ने ईजाजतपत्र लिई सकेको छौं निकट भविष्यमा नै संस्थाको केन्द्रीय कार्यालय कमलादी तथा न्यूरोड शाखा बाट विदेशी विनिमयको कारोबार गर्ने व्यहोरा सबैमा जानकारीको लागि अनुरोध छ। यसबाट संस्थाका ग्राहकलाई सुविधा पुग्नका साथै कारोबार विस्तार भई आम्दानी पनि बृद्धि हुने विश्वास लिएका छौं।

ग) हामीले संस्थाको केन्द्रीय कार्यालय सहित काठमाडौं उपत्यका तथा उपत्यका बाहिर शाखा विस्तार गरि कारोबारको दायरा फराकिलो गर्ने क्रममा केन्द्रीय कार्यालय बाहेक काठमाण्डौको न्यूरोड र सितापाईला तथा ललितपुरको ईमाडोल सहित पोखरा (कास्की), बेसीशहर (लमजुङ) 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), भैरहवा (रूपन्देही) र बुटवल (रूपन्देही) गरि २१ वटा शाखा कार्यालय संचालन गरि देशको पूर्व देखि पश्चिम सम्म सेवा गर्दै आएको व्यहोरा जानकारी गराउँदछौ ।

आगामी दिनमा देशका शहरी तथा ग्रामिण भेगका जनताहरू सम्म वित्तीय पहुंच पुऱ्याउने हाम्रो लक्ष्यलाई निरन्तरता दिई विभिन्न क्षेत्रमा शाखा विस्तार गरी संस्थाले वित्तीय बजारमा एउटा सबल र सक्षम वित्त कम्पनीको रूपमा आफ्नो पहिचान बनाउनका लागि यहाँहरूको सद्भाव तथा सहयोगको अपेक्षा गर्दछौ ।

#### **वित्तीय संस्थाको भावी कार्यक्रमहरू :**

- क) संस्थाले वित्तीय बजार विस्तार गर्दै 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 बढ़ि गर्दै जाने ।
- ग) संस्थाले कर्जाको क्षेत्र विस्तार गरी गुणस्तरमा क्रमशः सुधार गर्दै लैजाने ।
- घ) सेवा विस्तार गर्ने : संस्थाले आफ्ना ग्राहकहरूलाई सरल र सुलभ वित्तीय सेवा प्रदान गर्ने क्रममा विभिन्न आधुनिक सेवा प्रदान गर्दै आएकोमा यस प्रकारको आधुनिक सेवालाई थप विस्तार गर्दै लैजाने ।
- ङ) गैर पूँजीगत कृयाकलापबाट आय बढ़ि गर्ने : संस्थाले पूँजीगत कृयाकलापका साथै गैर पूँजीगत कृयाकलापबाट आफ्नो वित्तीय कारोबार बढ़ि गर्दै आय बढ़िका 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) संस्थागत जोखिमलाई न्यूनीकरण गरी पारदर्शि सेवालाई अभिबढ़ि गर्न आगामी दिनमा संस्थागत सुशासनलाई अभ्य सुदृढ गर्दै लैजाने छ ।
- ज) विदेशी विनिमयको कारोबारको अनुमती लिई सकेको हुँदा संस्थाको केन्द्रीय कार्यालय तथा न्यूरोड शाखाबाट विदेशी विनिमयको कारोबार सुचारू गर्ने ।
- झ) संस्थाले प्रदान गर्दै आइरहेको सेवा सुविधालाई अभ्य छिटो छरितो प्रदान गर्न Memo Management System र Loan Management System शुरू गरि संस्थामा डिजिटलाईजेशन कार्यलाई प्रोत्साहन दिएका छौ ।
- ञ) संस्थाको कारोबार विस्तारको क्रममा संस्थाले विशिष्टिकृत लगानी कोषहरू जस्तै प्राईभेट इक्वीटी, भेन्चर क्यापिटल, हेजफण्ड जस्ता विशिष्टिकृत कोषहरूमा संस्थापक वा शेयरधनी वा इकाईधनीको रूपमा लगानी गर्ने, खरिद बिक्री गर्ने, उपरोक्त कोषहरूको व्यवस्थापन गर्ने कम्पनी स्थापना गर्ने वा शेयरधनी भई लगानी गर्ने, सम्पत्ति व्यवस्थापन सम्बन्धी कम्पनी स्थापना गर्ने वा लगानी गर्ने तथा उपरोक्त बमोजिम गरिएका लगानीहरू कानुन बमोजिम बिक्री तथा हस्तान्तरण गर्ने, सामुहिक लगानी कोषमा लगानी गर्ने तथा कोष प्रवर्द्धक भई सामुहिक लगानीकोषको स्थापना गर्ने, सामुहिक लगानी कोषका इकाईहरू खरिद बिक्री गर्ने तथा बुक विल्डीज़ विधि अन्तर्गत जारि हुने धितोपत्रको संस्थागत योग्य लगानीकर्ता (Qualified Institutional Investor) को रूपमा लगानी गर्ने, धितोपत्रको खरिद बिक्री गर्ने जस्ता कार्य विस्तार गर्दै लैजाने योजना रहेको छ ।
- ट) यस योजना अनुसार यस संस्थाले अगुवाईमा स्थापन भएको रिलायन्स नेपाल भेन्चर क्यापिट लिमिटेडेमा यस संस्थाले लगानी गरेका छौ । उक्त लगानीबाट विविध क्षेत्रमा लगानी विस्तार गर्ने कार्यलाई टेवा दिनुका साथै संस्थाको मुनाफा बढ़ि गर्नेमा विश्वस्त छौ ।
- ठ) 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 । आउँदा दिनहरूमा पनि यस्ता कृयाकलापहरूलाई निरन्तरता दिनुका साथै थप कार्यक्रमहरू संचालन गरिनेछ ।

### कार्यक्रमको विवरण

- रक्तदान कार्यक्रम संचालन गरेको ।
- समुन्द्रमन विद्या प्रतिस्थान योग साधाना केन्द्रलाई योग गर्ने ज्याकेट वितरण गरेको ।
- वित्तीय साक्षरता कार्यक्रम संचालन गरेको ।
- संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने विभिन्न शाखाहरू बाट विभिन्न सामाजिक संघ संस्थालाई सहयोग गरेको ।
- नैमित्ररण्य संस्कृत गुरुकुलम, बनेपालाई शैक्षिक सामाग्री वितरण गरेको ।

ड) विप्रेषण कारोबार बृद्धि गर्ने : रेमिटान्स सेवाले नेपालको आर्थिक अवस्थामा पुऱ्याएको योगदानलाई मध्य नजर गर्दै यस संस्थाले विभिन्न रेमिटान्स कम्पनीहरूसंग सम्झौता गरि सेवा प्रदान गर्दै आएको छ । आगामी दिनमा अन्य थप रेमिटान्स कम्पनीहरूसंग सम्झौता गरि सेवामा थप बृद्धि गरिने छ ।

ढ) संस्थामा आबद्ध जनशक्तिहरूको क्षमता बृद्धि गर्दै लाने हेतुले संस्थालाई डिजिटल प्रविधि मैत्री बनाउनका विभिन्न सफ्टवेयरहरू खरिद गरि लागू गरिने र सोका लागि विभिन्न तालिम तथा प्रशिक्षणहरू प्रदान गर्दै जाने ।

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, Real Time Gross Settlement (RTGS), QR टेलर सेवा, QR कारोबारलाई अभ्य सजिलो बनाउन कोईली डिभार्ड्स सुविधा, मोबाईल Banking क्रस बोर्डर ट्रान्जेक्सन सेवाहरू समेत प्रदान गरिएको र समय सापेक्ष नयां सेवाहरू थप गर्दै लिगानेछ । 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 अन्तर्गत 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, इन्टरनेट लगायतका विलहरू भुक्तानी गर्न, पसलहरूमा QR कोड मार्फत भुक्तानी दिनका साथै संस्थाका ग्राहकले संस्थाबाट प्रदान गरिने QR कोड प्रयोग गरि कारोबार गर्न सक्नेछ । साथै संस्थाले विदेशी विनिमय कारोबार गर्ने ईजातपत्र लिई सकेको छौ निकट भविश्यमा नै संस्थाको केन्द्रिय कार्यालय तथा न्यूरोड शाखा बाट विदेशी विनिमयको कारोबार गर्ने छौ । उपरोक्त सुविधाहरूबाट संस्थाका ग्राहकहरू लाभान्वित हुने विश्वास लिएको छु ।

५) **औद्योगिक तथा व्यावसायिक सम्बन्ध :**

वित्तीय संस्थाले सम्बन्धित नियमन निकायहरू, संस्थाका ग्राहकहरू, औद्योगिक प्रतिष्ठानहरू तथा विभिन्न संघ संस्थाहरूसंग कारोबार अभिवृद्धि गर्ने क्रममा सौहार्दपूर्ण सम्बन्ध राख्दै आएको तथा आगामी दिनहरूमा अभ्य सुदृढ बनाउने तर्फ हाम्रो प्रयास रहने छ । यस संस्थाले विभिन्न संस्थाको सदस्य रहनुका साथै आगामी दिनमा अन्य संस्थाहरूसंग सम्बन्ध अभिवृद्धि गर्न सदैव प्रयत्नशिल रहदै आएको 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 ।**  
**समीक्षा अवधिमा भएको संचालक समितिको विवरण ।**



क्र.सं	नाम	पद
१.	श्री कुश प्रसाद मल्ली	अध्यक्ष
२.	श्री ईश्वरी प्रसाद न्यौपाने	संचालक
३.	श्री तुलसी प्रसाद बराल	संचालक
४.	श्री युगेश लाल विजुक्षे	संचालक
५.	श्री सरस्वती पाठक	संचालक

समीक्षा वर्षमा यस संस्थाका संचालक समितिकाबाट संचालक श्री स्वेता कक्षपती (शाक्य), श्री विष्णुमान जोशी, सन्दीपा अधिकारीले दिनुभएको राजीनामा स्वीकृत गरिएको र संचालकमा श्री युगेश लाल विजुक्षे र श्री सरस्वती पाठकलाई संचालकमा नियुक्ती गरेको 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) सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समिति ५) मर्जर समिति गठन गरेको छ । आवश्यकता अनुसार सो समितिहरूको बैठक समय समयमा बस्नुका साथै सो समितिले आफ्नो प्रतिवेदन संचालक समितिको बैठकमा पेश गर्ने गरेको जानकारी गराउँदछौ ।

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

राष्ट्रिय र अन्तर्राष्ट्रिय, बजारमा देखिएका विभिन्न समस्याहरू, विभिन्न देश विचको युद्ध, तरलताको अभाव, आर्थिक मन्दी, शेयर तथा घर जग्गा कारोबारमा आएका गिरावट समेतबाट कर्जा विस्तार एंब असुलीमा समस्या, विश्व बजारमा नेपाली बजारले प्रतिस्पर्धा गर्न नसक्नु राजनैतिक अस्थरता, बैंक तथा वित्तीय संस्था बीचको प्रतिस्पर्धात्मक अवस्था, नेपाल सरकार तथा नेपाल राष्ट्र बैंक लगायत नियमनकारी निकायले नीति परिवर्तन गर्नाले पर्न सक्ने असरहरू, निष्क्रेप तथा लगानीको व्याजदरमा परिवर्तन, वित्तीय बजारमा तरलता अभाव समेतका कारण पर्न सक्ने असर, निश्चित समयमा कर्जा असुली नभएका कारणले पर्न जाने असरहरू, बैंक तथा वित्तीय संस्था प्रति नकरात्मक हल्ला, आर्थिक अवस्थामा आउने परिवर्तन, पुँजी 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 बाबजुद विभिन्न रणनीति तथा योजनाहरूलाई लागू गर्दै संस्थाको कारोबारलाई चुस्त बनाउने तर्फ संचालक समिति सजग रहेको छ ।

**९) लेखापरिक्षक नियुक्ति सिफारिस सम्बन्धमा :**

आ.व. २०८२/०८३ को लेखापरीक्षण गर्नका लागि बाह्य लेखापरिक्षकमा साविकका लेखापरिक्षक श्री बी.आर.एस. न्यौपाने एप्ड कम्पनी लि. लाई पारिश्रमिक बापत भ्याट बाहेक रु.५,००,०००।०० (अक्षरेपी पाँच लाख मात्र) उपलब्ध गराउने गरि बाह्य लेखापरिक्षकमा नियुक्ती गर्ने प्रस्ताव गरेका छौं । उक्त प्रस्तावलाई साधारण सभामा अनुमोदनको लागि पेश गर्ने संचालक समितिको निर्णय पारित गरिदिनहुन अनुरोध गरिएको छ ।

**१०) मानव संशाधन व्यवस्थापन :**

मिति २०८२ साल असार मसान्त सम्ममा यस संस्थामा कुल १६५ जना कर्मचारीहरू कार्यरत रहेको जानकारी गराउदै यस संस्थाको कार्य प्रणालीलाई छिटो छरितो चुस्त दुरुस्त र अभ प्रभावकारी बनाउन, दक्ष तथा विभिन्न बैंकिङ क्षेत्रका अनुभवी व्यक्तिहरूलाई आबद्ध गरि अनुभवी जनशक्ति तयार पारिएको र नपुग जनशक्ति आबद्ध गर्ने नीति रहेको व्यहोरा अनुरोध छ । साथै संस्थामा आबद्ध जनशक्तिहरूलाई सिप तथा दक्षता अभिवृद्धि गर्न तपसील बमोजिमको प्रशिक्षण प्रदान गरिएको छ ।

**Program Name**

Nepal BFSI Summit 2024, 3rd edition

AML/CFT

AML/CFT and ORM

Anti Money Laundering

Comprehensive KYC/AML/CFT AND Operational Risk Management

Credit Analysis to Enhance Sales, Diversity Risks/ Recovery/ Legal

Credit Risk Management

Cyber Securities Issues in Payment and Settlement System

Deposit & Credit Guarantee Fund

Emotional Intelligence

Financial Literacy

Foreign Exchange Management, Regulations, Operations & Compliance

Interbank Payment System (NCHL-IPS), Operating Rules 2015

KYC/AML/CFT & Operational Risk Management

Liquidity Management

NCHL System Service

NCHL SYSTEM/SERVICE ORIENTATION AND TRAINING

Operation Procedure & Risk in Banking

Operational Excellence

Operational Risk Management

Orientation Training on Basic Operation/AML/CFT/Credit/Risk/IT/Business

Recovery and NPA Management

Risk in Bank and Finance & overall credit effectiveness

Sales & Motivation" (Let's Play Sales)

Treasury Management

Working Capital Assessment as per NRB

**११) मर्जर सम्बन्धि कार्यका सम्बन्धमा :**

नेपाल राष्ट्र बैंकबाट दिइएको निर्देशन बमोजिम "ग" वर्गको वित्तीय संस्थाको चुक्ता पुँजी पर्याप्तता भई सकेको भएता पनि यस संस्थाको विगतका साधारण सभाबाट यस संस्था तथा कुनै उपयुक्त बैंक, विकास बैंक तथा वित्तीय संस्थासंग एक आपसमा गाभ्ने गाभिने, एक्वीजिसन (विलय) तथा प्राप्ती गर्ने गराउने प्रकृयालाई खुला राखी संस्थाको स्तरोन्नति गरि संस्थालाई अगाडी बढाउने प्रस्ताव पारित गरिसकिएकोमा सो प्रस्ताव यस साधारण सभामा पनि पुनः पेश गरेको यहांहरु सबैमा अबगत छ ।

**१२) धन्यवाद ज्ञापन**

वित्तीय संस्थाको प्रगति तथा समृद्धिमा प्रत्यक्ष तथा अप्रत्यक्ष रूपमा सहयोग गर्नुहुने हाम्रा सम्पूर्ण सहभागि शेयरधनी महानुभावहरु, निक्षेपकर्ता, ग्राहकवर्ग, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, कम्पनी रजिस्ट्रारको कार्यालय, नेपाल स्टक एक्सचेञ्ज, सिडिएस एण्ड क्लियरिङ लिमिटेड लगायत सम्बन्धित नियमन निकायहरु, संचालक समितिका साथिहरु 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 यहांहरुको अपेक्षा अनुरूप कार्य गर्नका लागि म, संचालक समिति लगायत व्यवस्थापन समेत प्रतिबद्ध रहेको जानकारी गराउंदछौ ।

धन्यवाद ।

संचालक समितिको तर्फबाट

द.

(ईश्वरी प्रसाद न्यौपाने)

मिति : २०८२/०९/...

संचालक

संचालक समितिको तर्फबाट

द.

(कुश प्रसाद मल्ली)

अध्यक्ष



कम्पनी ऐन २०६३ को दफा १०५ को उपदफा ४ संग सम्बन्धित अन्य विवरणहरू

क) विगत वर्षको कारोबारको सिंहावलोकन :

संचालक समितिको प्रतिवेदन नं. १ मा उल्लेख गरिएको छ ।

ख) राष्ट्रिय तथा अन्तराष्ट्रिय 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 प्रतिकृया :

वित्तीय संस्थाको नियमित कारोबारसँग सम्बन्धित सामान्य कैफियतहरू बाहेक लेखापरीक्षण प्रतिवेदनमा अन्य कैफियतहरू रहेको छैन । उक्त सामान्य कैफियतहरू तथा लेखापरीक्षकले दिएको सुभावहरू प्रति सञ्चालक समिति / व्यवस्थापन समिति सजग रहनुको साथै कैफियतहरूलाई सुधार गर्न संस्था कटिवद्ध रहेको छ ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम,

नभएको ।

(झ) शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्गित 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 ।

(ज) 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 गराउँदछौ ।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी, यस वित्तीय संस्थाको आधारभूत शेयरधनीहरूले त्यस्तो कुनै पनि जानकारी उपलब्ध गराएको छैन ।

(ङ) 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	३,०९,९३०
श्री तुलसी प्रसाद बराल	संचालक	२,३९२
श्री युगेशलाल बिजुक्छे	संचालक	२००
श्री सरस्वती पाठक	संचालक	१,०००
श्री ईश्वरी प्रसाद न्यौपाने	संचालक	नभएको
श्री समाज प्रकाश श्रेष्ठ	प्रमुख कार्यकारी अधिकृत	५०,९२९

(द) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा 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 अङ्ग्रित 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 व्यवस्था हुनुका साथै आवश्यक नीति, विनियमहरू तथा निर्देशिकाहरू रहेको ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण:

	आ.व.०८०/०८१ मा	आ.व.०८१/०८२ मा
कर्मचारी खर्च रकम	रु. १२,३३,५६,५४७/-	रु. १३,०३,३७,९४३/-
कार्यालय खर्च रकम	रु. ९,११,८१,९०३/-	रु. ८,२९,०२,८२३/-
कुल व्यवस्थापन खर्च रकम	रु. २१,४५,३८,४५०/-	रु. २१,३२,४०,७६६/-

(द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुभाव दिएको भए सोको विवरण,  
 उपरोक्त उल्लेखित समिक्षा वर्षमा यस संस्थाको लेखापरीक्षण समितिको संयोजकमा संचालक श्री तुल्सी प्रसाद बराल र सदस्यमा श्री प्रदीप गुरागाइ र सदस्य सचिवमा श्री अभय मुल्ली रहनु भएको छ ।  
 सो समितिको संयोजकलाई प्रति बैठक रु. ४,५००/- प्रदान गर्ने गरिएको छ । सदस्य र सदस्य सचिव कर्मचारीलाई भत्ता उपलब्ध नगराएको । समितिले नियमित रूपमा व्यवस्थापनलाई सुभाव 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, प्रवन्ध 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. २०८१/८२ मा सञ्चालकलाई प्रदान गरिएको सुविधा :

पद	प्रतिबैठक भत्ता रु.	पत्रपत्रिका तथा मोबाइल सुविधा
अध्यक्ष	रु. ७,५००/-	रु. ३,५००/-
संचालक	रु. ७,०००/-	रु. ३,५००/-

आ.ब. २०८१/८२ मा कार्यकारी प्रमुख तथा पदाधिकारीहरू (प्रवन्धक सम्म) लाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

विवरण	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरू
तलब, भत्ता तथा अन्य सुविधाहरू	रु. ४८,४६,६७९/-	रु. १,०१,४०,६८०/-

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

(प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :

यस वित्तीय संस्थाले घोषणा गरेको लाभांश मध्ये २०८१/८२ को अन्त्यसम्म शेयरधनीहरूबाट दाबी नआएको रकम निम्न अनुसार रहेको छ ।

आ.ब.	२०८१/०८२ सम्म
आ.ब. २०७४/७५ को	रु. २०,५१,७४५/-
आ.ब. २०७५/७६ को	रु. ४९,५४,५६३/-

(नोट : आ.ब. २०६८/०६९ र आ.ब. ०६९/०७० को शेयरधनीले बुझिलिन बाँकी रहेको लाभांशको रकम लगानीकर्ता संरक्षणकोषमा जम्मा गरिएको छ । )

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

समिक्षा वर्षमा नभएको ।

(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 कारबाही सम्बन्धी विवरण :
  - क) त्रैमास अवधिमा संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :
    - कर्जा कारोबारका सिलसिलामा कर्जा असुली र आयकर 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 :
    - आ.ब. २०८१/८२ मा 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 :
    - आ.ब. २०८१/८२ मा यस सम्बन्धमा त्यस्तो मुद्दा दर्ता भएको वा गरेको जानकारी प्राप्त नभएको ।
- ५) संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण :
  - क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यबस्थापनको धारणा :
 

यस संस्थाको शेयर माग र आपूर्तिको आधारमा निर्धारण हुने गरी नेपाल धितोपत्र विनियम बजारमा कारोबार भईरहेको छ । शेयरबजारमा शेयरको मूल्यमा आउने उतारचढाव सँगै यस संस्थाको शेयरको मूल्यमा परिवर्तन हुने गरेको छ ।
  - ख) गत बर्षको प्रत्येक त्रैमासको अवधिमा संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबारको शेयर संख्या र कारोबार दिन :

क्रम संख्या	त्रयमास	शेयरका अधिकतम मूल्य	शेयरका न्युनतम मूल्य	शेयरका अन्तिम मूल्य	कुल कारोबारको संख्या	कारोबार दिन
१	प्रथम	रु. ७७४४०	रु. ४७५१४०	रु. ६४३	५०,७९५	५७
२	दोस्रो	रु. ७२१	रु. ५२९	रु. ५८०१२०	२५,७९१	५४
३	तेस्रो	रु. ६७४१९०	रु. ४८११९०	रु. ५१४१५१	२६,७०६	५६
४	चौथो	रु. ५२८१९२	रु. ४५८१९७	रु. ५०४१२७	९,९९७	६३

- ६) समस्या र चुनौती
  - क) आन्तरिक समस्या र चुनौती
 

दक्ष जनशक्ति कायम राख्न कठिन, वित्तीय श्रोतको लागतमा बढ्दि, अस्वस्थ प्रतिस्पर्धा, आयको विविधिकरण, खर्चमा मितव्यिता ।
  - ख) बाह्य समस्या र चुनौती
 

व्याजदरमा उतार चढाव, राजनैतिक अवस्था, आर्थिक कारोबारमा मन्दी, शेयर बजारमा मन्दी, तिव्र प्रतिस्पर्धा ।
  - ग) रणनीति
 

निष्केप 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 जारि गरिएको निर्देशन, परिपत्रहरू, धितोपत्र ऐन, र सो ऐन अनुसार जारि भएको नियमावली, विनियमावलीहरू तथा निर्देशनहरू, नेपाल स्टक एक्सचेंज लि.बाट जारि गरिएको निर्देशनहरू लगायत प्रचलित कानूनलाई परिपालना गरिएको छ । साथै संस्थाको आन्तरिक तथा बाह्य लेखापरिक्षकबाट प्राप्त भएको सल्लाह सुभावलाई परिपालन गर्दै संस्थागत सुशासन कायम गर्न संचालक समिति र व्यवस्थापन प्रतिवद्ध रहेको छ ।

### Independent Auditor's Report

#### To The Shareholders of Reliance Finance Limited

#### Report on the Audit of Financial Statements

##### Opinion

We have audited the accompanying financial statements of Reliance Finance Limited (**referred to as “the Finance”**) which comprises the Statement of financial position as at 32<sup>nd</sup> Ashadh 2082 (16<sup>th</sup> July 2025), Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, to the best of our knowledge and according to the explanation given to us, the aforementioned financial statements present fairly, in all material respects the financial position of the Finance as at 32<sup>nd</sup> Ashadh 2082 (16<sup>th</sup> July 2025) and its financial performance, changes in equity, its cash flows for the year then ended and a summary of significant accounting policies and explanatory notes in accordance with Nepal Financial Reporting Standards (NFRSs).

##### Basis for Opinion

We have 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 Finance in accordance with The Institute of Chartered Accountants of Nepal's (ICAN) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the financial year ended 32<sup>nd</sup> Ashad 2082. 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. The results of our audit procedures include the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S. N	Key Audit Matters	How our Audit addressed the Key Audit Matters
1.	<b>Interest Recognition</b>  Interest income of the Finance is recognized in accordance with the Guidance Note on Interest Income Recognition, 2025, issued by Nepal Rastra Bank (NRB). As per the guideline, the interest recognition is based on the stage (Stage 1, 2, or 3) of	Our audit procedures for interest income recognition included: <ul style="list-style-type: none"> <li>• We obtained a clear understanding of the process of accrual of interest</li> </ul>

Member of  **Nexia**

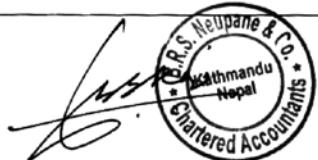
BRS Neupane & Co. is a member of Nexia, a leading, global network of independent accounting and consulting firms that are members of Nexia International Limited. Nexia International Limited, a company registered in the Isle of Man, does not provide services to clients. Please see the "Member firm disclaimer: <https://nexia.com/member-firm-disclaimer>" for further details.



<p>each financial asset as determined at the previous quarter's end. As per the guideline, for stage 3 financial assets, interest income recognized on an accrual basis (coupon rate or effective rate) shall be adjusted against the movement in accrued interest receivable during the current quarter, and interest suspense at the beginning of the quarter, and only cash-based interest income during the current quarter shall be recognized. Similarly, for Stage 1 and 2 financial assets, interest income is recognized on accrual basis (coupon rate or effective rate) and any interest suspense at the beginning of quarter is also recognized as interest income.</p> <p>The manual intervention is required for the interest recognition process. Hence, it creates risk of improper application of guidelines, in staging financial assets and determination of interest income. So, this may have an effect on recognition of interest income of the Finance. Therefore, we have considered it as Key Audit Matter.</p>	<p>income on loans and advances in the Core Banking System of the Finance.</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Finance's process for classifying loans into Stages 1-3 as per NRB ECL guidelines.</li> <li>• We tested the accuracy of the loan and advances staging classifications based on the previous quarter end and if new loan and advances are added during the quarter, based on stage at initial recognition.</li> <li>• We verified, on a sample basis, the recognition of interest income based on staging of loan and advances.</li> <li>• We also performed manual recalculations of interest for selected loans and advance from each stage.</li> </ul>
<p><b>2. Investment Valuation, Identification, and Impairment</b></p> <p>Investment of the Finance comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted equity instruments. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and NRB Directive no. 8. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> <li>• Review of the investment of the Finance and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive.</li> <li>• We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment.</li> <li>• For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.</li> <li>• For quoted investments valued at Fair value through other comprehensive income, we insured that fair valuation has been done at the closing transaction price in NEPSE as on 32<sup>nd</sup> Ashadh 2082 and for unquoted investments, the fair value has been taken on the basis of book value per share.</li> </ul>
<p><b>3. Impairment of Loans and Advances</b></p> <p>The impairment of loans and advances is a Key Audit Matter as the Finance has significant credit exposure to a large number of borrowers, and there is a high degree of complexity, judgment, and estimation involved in the determination of Expected Credit Loss (ECL). The same</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We tested, on a sample basis, the approval of new lending facilities against the Finance's credit policies, the performance of annual loan</li> </ul>



<p>resulted in a significant audit effort to address the risk around loan recoverability and the determination of ECL.</p> <p>As per the NFRS 9 - Expected Credit Loss Related Guidelines, 2024, BFIs are required to recognize impairment on credit exposures as the higher of</p> <ul style="list-style-type: none"> <li>▪ ECL calculated as per NFRS 9 and</li> <li>▪ Existing regulatory provisions in Unified Directives.</li> </ul> <p>Accordingly, the higher of the above is taken as impairment loss for loans and advances. The Finance's Portfolio of gross loans and advances amounts to NPR 7,262,850,528 on which the Finance has reported the higher of the following impairments:</p> <table border="1"> <thead> <tr> <th>Impairment</th><th>Current Year</th></tr> </thead> <tbody> <tr> <td>Impairment as per NFRS 9</td><td>49,012,233</td></tr> <tr> <td>Impairment as per NRB Directives</td><td>416,484,947</td></tr> </tbody> </table> <p>The Finance's portfolio of loans and advances is material to the financial statements. Determination of impairment as per NRB ECL guideline involves significant management judgment in assessing staging (Stage 1, Stage 2 and Stage 3), estimation of Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD), and consideration of forward-looking macroeconomic assumptions.</p> <p>Considering the regulatory requirement, existing business environment, and judgments involved in the ECL calculation, it is a matter of higher importance for the intended users of financial statements. Hence, we have determined this as a Key Audit Matter.</p>	Impairment	Current Year	Impairment as per NFRS 9	49,012,233	Impairment as per NRB Directives	416,484,947	<ul style="list-style-type: none"> <li>• assessments, and controls over the monitoring of credit quality.</li> <li>• We evaluated the Finance's policies and procedures relating to staging of loans and recognition of impairment under NFRS 9 and NRB Guidelines 2024.</li> <li>• We assessed the methodologies, assumptions, and data used by management in developing PD, LGD, and EAD models, including the incorporation of forward-looking macroeconomic information and collateral valuation practices.</li> <li>• We engaged in discussions with credit risk and finance officials to understand judgments applied in ECL estimates, including recoverability of exposures.</li> <li>• We tested the design and operating effectiveness of periodic internal reviews of asset quality and collateral values.</li> <li>• We evaluated the adequacy and transparency of related disclosures in the financial statements in line with NFRS 9 and NRB requirements.</li> <li>• We tested on sample basis the provisions for loan and advances as per NRB Directives requirement.</li> </ul>
Impairment	Current Year						
Impairment as per NFRS 9	49,012,233						
Impairment as per NRB Directives	416,484,947						
<p><b>4. Information Technology System and Controls Impacting Financial Reporting</b></p> <p>The IT environment of the Finance is complex and uses a large number of independent and interdependent IT systems. The Finance's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed on daily basis. Due to the dependency of Finance's key financial accounting and reporting process on IT system, and high chance that any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators. Considering this we have identified testing of such IT systems and related control environment as a key audit matter.</p> <p>The accuracy and reliability of the financial reporting process depend on the IT systems and the related control environment, including general controls over user access management and change in management across applications, networks, database, and operating systems. There is also a risk that, gaps in the change management, segregation of duties or user access management controls may undermine our ability to place some reliance thereon in our audit. Lapses Failures/ incorrect</p>	<p>Our audit approach regarding Information Technology of the Finance is based upon the Information Technology Guidelines issued by NRB and it also included:</p> <ul style="list-style-type: none"> <li>• Verification of the interest income and expense booking regarding loan and deposits on test check basis with the CBS of the Finance.</li> <li>• Reliance on the IT audit conducted by the Finance.</li> <li>• Verification of the provisioning of the loan and advances based on ageing on test check basis.</li> </ul>						



	output if any of such systems may result in material misstatement in the financial statements.	
5.	<p><b>Investment Property (Non-Banking Assets)</b></p> <p>Investment Properties includes land, land and building acquired by the Finance as non-banking assets but not sold as on the reporting date.</p> <p>The Finance 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 reviewed the Non-Banking Assets as per Nepal Rastra Bank's Directives.</p> <p>This specific item has been found included under investment property without being mentioning the mode of subsequent measurement.</p>

#### **Information other than the Financial Statements and Auditors Report thereon**

The Finance's management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statement, our responsibility is to read the other information when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered



material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Finance's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Finance's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Finance to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



**Report on Other Legal and Regulatory Requirements (Bank and Financial Institutions Act 2073 and Companies Act 2063)**

We have determined to communicate following matters in accordance with the requirements of NRB Directives, Companies Act 2063, BAFIA 2073 and other regulatory requirements.

- We have obtained all the information and the explanation which to the best of our knowledge and belief, where necessary for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Finance.
- Returns received from the branch offices of the Finance were adequate for the purposes of our audit, though the statements are not independently audited.
- The capital fund, risk bearing fund and the provisions for impairment of assets of the Finance are adequate considering the Directives issued by Nepal Rastra Bank.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Finance we have not come across any cases where the Board of Directors or any office bearer of the Finance have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Finance and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Finance, its shareholders and its depositors.
- The business of the Finance has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per NRB Directives.

  
Gyanendra B. Bhari, FCA  
Partner



COP No.: 7  
UDIN: 251217CA00070T8GmV

Place: Kathmandu, Nepal  
Date: 17.12.2025



Reliance Finance Limited  
Statement of Financial Position  
As at 32 Asar 2082

Particulars	Note	As at 32.03.2082	As at 31.03.2081
<b>Assets</b>			
Cash and cash equivalent	4.1	313,791,599	326,198,690
Due from Nepal Rastra Bank	4.2	334,495,080	313,220,913
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/Fis	4.6	69,336,422	348,833,985
Loans and advances to customers	4.7	6,777,029,159	5,939,519,695
Investment securities	4.8	1,919,755,631	2,339,451,252
Current tax assets	4.9	22,758,714	47,769,591
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	210,597,568	210,405,795
Property and equipment	4.13	307,737,762	313,778,087
Goodwill and Intangible assets	4.14	1,093,238	1,645,054
Deferred tax assets	4.15	-	2,376,724
Other assets	4.16	70,602,965	51,935,287
<b>Total Assets</b>		<b>10,027,198,138</b>	<b>9,895,135,075</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	250,509,192	400,662,950
Due to Nepal Rastra Bank	4.18	-	246,150,000
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	8,388,003,002	7,903,761,973
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	5,383,891	-
Other liabilities	4.23	123,828,145	172,213,874
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>8,767,724,230</b>	<b>8,722,788,797</b>
<b>Equity</b>			
Share capital	4.26	1,121,451,730	1,121,451,730
Share premium		1,140,765	1,140,765
Retained earnings		(183,244,826)	(266,552,777)
Reserves	4.27	320,126,239	316,306,560
<b>Total equity attributable to equity holders</b>		<b>1,259,473,908</b>	<b>1,172,346,278</b>
Non-controlling interest			
<b>Total equity</b>		<b>1,259,473,908</b>	<b>1,172,346,278</b>
<b>Total liabilities and equity</b>		<b>10,027,198,138</b>	<b>9,895,135,075</b>
Contingent liabilities and commitment	4.28	183,574,097	131,373,076
Net assets value per share		112.31	104.54

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

Samaj Prakash Shrestha  
Chief Executive Officer

Kush Prasad Mally  
Chairman

Tulsi Prasad Baral  
Director

Gyanendra B. Bhari, FCA  
B.R.S.Neupane & Co.  
Chartered Accountants

Yugesh Lal Bijukchhe  
Director

Ishwari Prasad Neupane  
Director

Reliance Finance Limited  
 Statement of Profit or Loss  
 For the year ended on 32 Ashad 2082

Particulars	Note	Current Year	Previous Year
Interest income	4.29	832,772,201	921,289,719
Interest expense	4.30	569,689,762	702,702,806
<b>Net interest income</b>		<b>263,082,439</b>	<b>218,586,912</b>
Fee and commission income	4.31	49,357,833	39,254,502
Fee and commission expense	4.32	-	-
<b>Net fee and commission income</b>		<b>49,357,833</b>	<b>39,254,502</b>
<b>Net interest, fee and commission income</b>		<b>312,440,272</b>	<b>257,841,415</b>
Net trading income	4.33	-	-
Other operating income	4.34	14,328,674	6,950,345
<b>Total operating income</b>		<b>326,768,946</b>	<b>264,791,760</b>
Impairment charge/(reversal) for loans and other losses	4.35	19,612,446	9,051,068
<b>Net operating income</b>		<b>307,156,500</b>	<b>255,740,692</b>
<b>Operating expense</b>			
Personnel expenses	4.36	130,337,943	123,356,547
Other operating expenses	4.37	56,142,867	61,727,241
Depreciation & Amortisation	4.38	26,759,957	29,454,661
<b>Operating Profit</b>		<b>93,915,734</b>	<b>41,202,242</b>
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
<b>Profit before income tax</b>		<b>93,915,734</b>	<b>41,202,242</b>
Income tax expense	4.41		
Current Tax		25,481,570	-
Deferred Tax		(175,609)	(1,407,102)
<b>Profit for the period</b>		<b>68,609,773</b>	<b>42,609,344</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		68,609,773	42,609,344
Non-controlling interest			
Profit for the period		68,609,773	42,609,344
<b>Earnings per share</b>			
Basic earnings per share		6.12	3.80
Diluted earnings per share		6.12	3.80

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

 Samaj Prakash Shrestha  
 Chief Executive Officer

 Kush Prasad Mally  
 Chairman

 Tulsi Prasad Baral  
 Director

 Gyanendra B. Bhari, FCA  
 B.R.S.Neupane & Co.  
 Chartered Accountants

 Yugesh Lal Bijukchhe  
 Director

 Ishwari Prasad Neupane  
 Director

Date:02-Poush-2082, Kathmandu



**Reliance Finance Limited  
Statement of Comprehensive Income  
For the year ended on 32 Asar 2082**

Particulars	Note	Current Year	Previous Year
Profit for the year		68,609,773	42,609,344
<b>Other comprehensive income, net of income tax</b>			
<b>a) Items that will not be reclassified to profit or loss</b>			
Gain/(loss) from investments in equity instruments measured at fair value		26,454,081	3,049,196
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items		(7,936,224)	(914,759)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>18,517,857</b>	<b>2,134,437</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
Gains/(losses) on cash flow hedge			
Exchange gain/(losses) arising from translating financial assets of foreign operation			
Income tax relating to above items			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>			-
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>			
<b>Other comprehensive income for the period, net of income tax</b>		<b>18,517,857</b>	<b>2,134,437</b>
<b>Total comprehensive income for the period</b>		<b>87,127,630</b>	<b>44,743,781</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		87,127,630	44,743,781
Non-controlling interest		-	-
<b>Total comprehensive income for the period</b>		<b>87,127,630</b>	<b>44,743,781</b>

Samaj Prakash Shrestha  
Chief Executive Officer

Kush Prasad Mally  
Chairman

Tulsi Prasad Baral  
Director

Gyanendra B. Bhari, FCA  
B.R.S.Neupane & Co.  
Chartered Accountants

Yugesh Lal Bijukchhe  
Director

Ishwari Prasad Neupane  
Director

Date:02-Poush-2082, Kathmandu

Reliance Finance Limited  
Statement of Changes in Equity  
For the year ended on 31 Asar 2082

Particulars	Attributable to Equity holders of the Bank							Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve		
<b>Balance at 1 Shrawan 2081</b>	<b>1,121,451,730</b>	<b>1,140,765</b>	<b>164,059,986</b>	-	<b>149,497,587</b>	<b>(1,974,081)</b>	-	<b>(266,552,777)</b>	<b>1,172,346,278</b>
Adjustment/Restatement	-	-	-	-	149,497,587	(1,974,081)	-	(266,552,777)	-
Adjusted/Restated balance at 1 Shrawan 2081	1,121,451,730	1,140,765	164,059,986	-	-	-	-	4,723,070	1,172,346,278
Comprehensive income for the year									-
Profit for the year									-
Other comprehensive income, net of tax									-
Remeasurements of defined benefit liability (assets)									-
Fair value reserve (Investment in equity instrument):									-
Fair value reserve (Investment in equity instrument):									-
Net change in fair value									-
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									-
Transfer from reserve during the year									-
Transactions with owners, directly recognised in equity									-
Right share issued									-
Share based payments									-
Dividends to equity holders									-
Bonus shares issued									-
Cash dividend paid									-
<b>Total contributions by, and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at Asar end 2082</b>	<b>1,121,451,730</b>	<b>1,140,765</b>	<b>177,781,940</b>	-	<b>120,791,970</b>	<b>16,608,559</b>	-	<b>(183,244,826)</b>	<b>4,943,770</b>
									<b>1,259,473,908</b>

**Reliance Finance Limited**  
**Statement of Changes in Equity**  
**For the year ended on 31 Asar 2081**

Particulars	Attributable to Equity holders of the Bank							Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalization Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve		
<b>Balance at 1 Sarwan 2080</b>	<b>1,121,451,730</b>	<b>1,140,765</b>	<b>154,522,690</b>		<b>50,866,414</b>	<b>968,614</b>			<b>1,127,602,498</b>
Adjustment/Restatement	-	-	-	-	-	-	-	-	<b>1,127,602,498</b>
Adjusted/Restated balance at 1 Shrawan 2080	1,121,451,730	1,140,765	154,522,690	-	50,866,414	968,614	-	-	1,127,602,498
Comprehensive income for the year								-	
Profit for the year								-	
Other comprehensive income, net of tax								-	
Remeasurements of defined benefit liability (assets)								-	
Fair value reserve (investment in equity instrument):								-	
Net change in fair value								-	
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								-	
Transfer from reserve during the year								-	
Transactions with owners, directly recognised in equity								-	
Right share issued								-	
Share based payments								-	
Dividends to equity holders								-	
Bonus shares issued								-	
Cash dividend paid								-	
<b>Total contributions by and distributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,172,346,278</b>
<b>Balance at Asar end 2081</b>	<b>1,121,451,730</b>	<b>1,140,765</b>	<b>164,059,986</b>		<b>149,497,587</b>	<b>(1,974,081)</b>	<b>-</b>	<b>(266,552,777)</b>	<b>4,723,070</b>

**Samaj Prakash Shrestha**  
Chief Executive Officer

**Tulsi Prasad Baral**  
Director

**Gyanendra B. Bhari, FCA  
B.R.S.Neupane & Co.  
Chartered Accountants**

<b>Ishwari Prasad Neupane</b>	Chairman
<b>Yugesh Lal Bijukchhe</b>	Director

Date:02-Poush-2082, Kathmandu

**Reliance Finance Limited**  
**Statement of Cash Flow**  
For the year ended on 32 Asar 2082

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	817,190,055	954,122,738
Fees and other income received	49,357,833	39,254,502
Divided received		
Receipts from other operating activities	7,633,392	3,839,304
Interest paid	(569,689,762)	(702,702,806)
Commission and fees paid		
Cash payment to employees	(140,773,024)	(127,934,574)
Other expense paid	(56,142,867)	(61,727,241)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>107,575,627</b>	<b>104,851,921</b>
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(21,274,167)	(70,951,835)
Placement with bank and financial institutions	-	-
Other trading assets		
Loan and advances to bank and financial institutions	279,497,563	81,753,879
Loans and advances to customers	(857,121,909)	(778,535,277)
Other assets	28,437,603	(44,170,851)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	(150,153,758)	213,204,099
Due to Nepal Rastra Bank	(246,150,000)	68,324,000
Deposit from customers	484,241,030	1,243,934,186
Borrowings	-	(370,000,000)
Other liabilities	(43,001,839)	22,655,193
<b>Net cash flow from operating activities before tax paid</b>	<b>(417,949,849)</b>	<b>471,065,316</b>
Income taxes paid	(9,074)	(17,108,812)
<b>Net cash flow from operating activities</b>	<b>(417,958,923)</b>	<b>453,956,505</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	419,695,621	(332,664,582)
Receipts from sale of investment securities	660,232	1,125,144
Purchase of property and equipment	(21,199,113)	(28,337,446)
Receipt from the sale of property and equipment		
Purchase of intangible assets	551,817	102,453
Receipt from the sale of intangible assets		
Purchase of investment properties	(191,773)	(185,834,825)
Receipt from the sale of investment properties		
Interest received		
Dividend received	6,035,049	1,985,897
<b>Net cash used in investing activities</b>	<b>405,551,833</b>	<b>(543,623,359)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares	-	-
Dividends paid		
Interest paid		
Other receipt/payment		
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,407,091)</b>	<b>(89,666,854)</b>
<b>Opening balance of cash and cash equivalent, Shrawan 1,2081</b>	<b>326,198,689</b>	<b>415,865,544</b>
Effect of exchange rate fluctuations on cash and cash equivalents held		
<b>Closing Cash and Cash Equivalent as at Asar end 2082</b>	<b>313,791,599</b>	<b>326,198,689</b>

**Samaj Prakash Shrestha**  
Chief Executive Officer

**Kush Prasad Mally**  
Chairman

**Tulsi Prasad Baral**  
Director

**Gyanendra B. Bhari, FCA**  
**B.R.S.Neupane & Co.**  
Chartered Accountants

**Yugesh Lal Bijukchhe**  
Director

**Ishwari Prasad Neupane**  
Director



**Reliance Finance Limited**  
**Notes to Financial Statements**  
For the year ended on 32 Asar 2082

## **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 Kamaladi-1, Kathmandu. Finance Co. has 21 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 (NFRS) 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.

### **2.2 Reporting Period and Approval of Financial Statements**

#### **2.2.1 Reporting Period**

The reporting period for this financial statements is fiscal year 2081-82, starting from 1 Shrawan 2081 and ending on 32 Ashad 2082. 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 09.02.2082 meeting no.357 .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 2081 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 Impairment of Loan and Advances**

The Loan and advances not settled till asar end 2082 has to be considered for down grading assets quality.

#### **2.6 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.

#### **2.7 New Standards in Issue but not Yet Effective**

Amendments in existing Standards and interpretations issued by International Accounting Standards Board (IASB) after the pronouncement of NFRS have not been applied and shall be adopted as and when made effective by ICAN/ASBA.

#### **2.8 New Standards and Interpretation not Adopted**

Finance Co. has adopted all the applicable interpretation pronounced by ICAN.

## 2.9 Discounting

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

## 2.10 Going Concern

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

## 2.11 Standalone Financial Statements

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

## 2.12 Quality of Loan Upgradation with Retrospective Effect

Company's loan quality as of 16th Mangsir 2082, the audit finalization date, has been upgraded due to the repayment of overdue loan installment/ loan regularization as per NRB Unified Directives,2081,no.2/081. The consequential effect of such loan upgradation has caused reduction of Loan Loss Provision (LLP) amount by Rs.19,178 thousand with increment of profit by same amount.Such increment of profit amount has been recognized by the company considering the profit recognizable as of Ashad end 2082.

## 2.13 New Standards in issue that has become effective from this year NFRS 9 Financial Instruments replaces NAS 39 Financial Instruments: Recognition and Measurement.

NFRS 9 also replaces the existing incurred loss impairment approach with an expected credit loss approach, resulting in earlier recognition of credit losses. The NFRS 9 impairment model has three stages. Entities are required to recognize a 12-month expected loss allowance on initial recognition based on the basis of probability of default (PD) of the remaining maturity period of the instrument (Stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk (Stage 2). The assessment of whether a significant increase in credit risk has occurred is a key aspect of the NFRS 9 methodology and involves quantitative measures, such as forward-looking probabilities of default, and qualitative factors and therefore requires considerable management judgment. Stage 3 requires objective evidence of impairment, which is similar to the guidance on incurred losses in previously existing NAS 39. NFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions. The need to consider multiple economic scenarios and how they could impact the loss allowance is a very subjective feature of the NFRS 9 impairment model. Loan commitments and financial guarantees not measured at fair value through profit or loss are also in scope. The Finance prepares its financial statements in accordance with Nepal Financial Reporting with effect from FY 2074/75, impairment of financial assets is assessed using the Expected Credit Loss (ECL) model under NFRS 9, in line with guidelines issued by Nepal Rastra Bank (NRB). This replaces the earlier incurred loss model under NAS 39.

### Scope

ECL provisions are recognized on the following financial instruments:

- ◆ Financial assets measured at amortized cost
- ◆ Financial assets measured at fair value through other comprehensive income (FVOCI)
- ◆ Lease receivables and Contract assets
- ◆ Loan commitments (except those measured at FVTPL)
- ◆ Financial guarantee contracts

### ECL Measurement

ECL represents a probability-weighted estimate of credit losses (present value of expected cash shortfalls) and is determined using the following three key parameters:

- ◆ Probability of Default (PD): likelihood of default over a specified horizon; minimum prudential floor of 2.5% is applied.
- ◆ Loss Given Default (LGD) : proportion of exposure not expected to be recovered in case of default. While determining loss rate or recovery rate for the purpose of calculation of loss allowance, expected cash flows from collateral realization are to be considered based on latest valuations.
- ◆ Exposure at Default (EAD): expected exposure at the time of default, including on-balance and off-balance sheet exposures.

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

### Staging of Financial Assets

Financial assets are categorized into three stages based on changes in credit risk since initial recognition:

- ◆ Stage 1: 12-month ECL is recognized.
- ◆ Stage 2 (Significant Increase in Credit Risk – SICR): Lifetime ECL is recognized.
- ◆ Stage 3 (Credit-impaired): Lifetime ECL is recognized; interest income is recognized on a cash basis.

#### **Significant Increase in Credit Risk (SICR) Indicators**

The Finance determines SICR based on both quantitative and qualitative factors, including but not limited to:

- ◆ More than 1 months past due
- ◆ Absolute Lifetime PD is 5% or more
- ◆ Relative Lifetime PD is increased by 100% or more
- ◆ Risk rating (internal or external) downgraded by 2 notches since initial recognition
- ◆ Risk rating downgraded to non-investment grade by external credit rating agency (BB+ or below) or by Finance's internal credit rating system
- ◆ Deterioration of relevant determinants of credit risk (e.g future cash flows) for an individual obligor (or pool of obligors)
- ◆ Expectation of forbearance or restructuring due to financial difficulties
- ◆ Deterioration of prospects for sector or industries within which a borrower operates
- ◆ Borrowers affected by macroeconomic conditions based on reasonable and supportable forecasts.
- ◆ Modification of terms resulting in restructuring/ rescheduling
- ◆ Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition
- ◆ Management decision to strengthen collateral and/or covenant requirements for credit exposures because of changes in the credit risk of those exposures since initial recognition

Initial recognition is done as stage 1 unless it is purchased or credit impaired financial assets. Assets with no SICR and with low credit risk at reporting date are also stage 1. Financial assets with overdue up to 1 months are also stage 1 assets.

Financial instruments are classified under Stage 2 when there is a significant increase in credit risk since initial recognition. This includes exposures with contractual payments overdue for more than 1 months but not exceeding 3 months, and loans categorized as 'Watchlist' as per NRB prudential directives. Loans without approved credit lines or those with credit lines revoked by the Finance are also included. Further, loans that have been restructured or rescheduled but are not yet classified as non-performing fall under this stage, except in cases where changes arise from prepayments or adjustments in installment due to floating interest rate changes.

Financial instruments are classified under Stage 3 when contractual payments are overdue for more than 3 months or when the Bank and Financial Institution (BFI) assesses that the borrower is unlikely to meet its credit obligations in full without realization of security. Indicators of unlikelihood to pay include loans placed on non-accrual status, distressed restructurings involving material concessions, bankruptcy filings by either the borrower or the Finance, sale of exposures at a significant credit-related loss, or evidence that repayment is dependent on collateral realization. Additionally, loans classified as non-performing under NRB prudential directives and other credit-impaired instruments showing objective evidence of impairment are included. Such evidence may consist of significant financial difficulty of the borrower, breaches of contract such as default, concessions granted due to financial distress, high probability of bankruptcy or financial reorganization, disappearance of an active market due to credit concerns, or origination/purchase of assets at a deep discount reflecting incurred credit losses.

### **3 Significant Accounting Policies**

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

<b>Note No.</b>	<b>Accounting Policy</b>	<b>Information Note No.</b>
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 expense	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 becomes party to the contractual arrangement.

#### 3.4.2 Classification and Measurement

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

- i) At Amortized Cost
- ii) At Fair Value through Profit or Loss (FVPL)
- iii) At Fair Value through Other Comprehensive Income (FVOCI)

- i) **At amortized cost:** Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Finance Co. has intent and ability to hold till maturity. They are initially measured at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such

financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

ii) **At fair value through profit or loss:** Financial assets are classified at fair value through profit or loss if the Finance Co. manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to profit or loss.

iii) **At fair value through other comprehensive income:** Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are measured at fair value. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein are recognized in other comprehensive income and presented in the fair value reserve in equity. Finance Co. has opted to classify the investment made in shares and mutual fund schemes as financial assets at FVOCI on initial recognition.

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

#### 3.4.3 De-recognition

##### Financial Assets

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

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

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

##### Financial Liabilities

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

#### 3.4.4 Determination of fair value

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

When available, the Finance Co. measures the fair value of an instrument using the quoted price in an active market for that instrument. The market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the 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 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.

Additional Disclosure

### 3.4.8 IMPAIRMENT CALCULATION AS PER NFRS 9 (EXPECTED CREDIT LOSS CALCULATION)

NFRS 9 also replaces the existing incurred loss impairment approach with an expected credit loss approach, resulting in earlier recognition of credit losses. The NFRS 9 impairment model has three stages, Stage 1,2 and 3. Collective impairment is done for all the stages based on shared credit risk characteristics.

MORE DISCLOSURES RELATED TO EXPECTED CREDIT LOSS:

#### Credit Risk Management Practice

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. Credit risk can also arise from operational failures that result in an unauthorized or inappropriate loans and advances, commitment or investment. The Finance's major credit risks arise from loans and advances, treasury operations and off-balance sheet related credit risk exposures.

#### IMPAIRMENT OF FINANCIAL ASSETS – ADOPTION OF NFRS 9- FINANCIAL INSTRUMENTS

The Finance has adopted NFRS 9: Financial Instruments, which introduces a forward-looking Expected Credit Loss (ECL) model for the recognition of impairment on financial assets. NFRS 9 replaces the previous incurred loss model under NAS 39, and requires recognition of credit losses based on a three-stage model, reflecting changes in credit risk since initial recognition.

NFRS 9 mandates an impairment model that requires the recognition of Expected Credit Losses (ECL) on all financial debt instruments held at Amortized cost, Fair Value through Other Comprehensive Income (FVOCI), undrawn loan commitments and financial guarantees.

Although NFRS 9 was originally announced by the Institute of Chartered Accountants of Nepal (ICAN) to be effective from 16 July 2021 (Shrawan 1, 2078), full implementation—particularly of the ECL framework—was deferred for Finance and financial institutions until fiscal year 2080/81, due to various operational and technical challenges including the impact of COVID-19, limited model readiness, and resource constraints.

Accordingly, the provisions of NFRS 9, including the ECL impairment model, have been made fully applicable from fiscal year 2081/82 for licensed banks and financial institutions. To facilitate a consistent and robust implementation of the ECL framework, the Nepal Rastra Bank (NRB) has issued detailed ECL Implementation Guidelines, developed in alignment with international practices and regulatory frameworks of comparable jurisdictions. These guidelines are intended to support institutions in applying NFRS 9 requirements prudently and uniformly across the banking sector.

#### SIGNIFICANT INCREASE IN CREDIT RISK

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Finance considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Finance's historical experience and expert credit assessment and including forward-looking information. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure. The Finance has defined the criteria for Significant increase in credit risk in its own ECL Policy which are in consistent with the NFRS 9 – Expected Credit Loss Related Guidelines, 2024 issued by Nepal Rastra Bank. The criteria are as follow:

- More than 30 days past dues
- Absolute lifetime PD is 5% or more
- Relative lifetime PD is increased by 100% or more.
- Risk rating downgraded by 2 notches since initial recognition.
- Risk rating downgraded to non-investment grade by external credit rating agency.
- Deterioration of relevant determinant of credit risk
- Expectation of forbearance or restructuring due to financial difficulties



- Deterioration of prospects for sector or industries within which a borrower operates
- Borrower affected by macroeconomic conditions based on reasonable and supportable forecasts.
- Modification of terms resulting in restructuring/ rescheduling.
- Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition.

#### DEFAULT DEFINITION:

The Finance considers loan to be in default when it is unlikely that the borrower will repay its credit obligations in full without recourse to actions such as realizing security, or when the borrower is past due on any material credit obligation by more than 3 months.

The Finance may consider other qualitative factors, such as management's assessment of the borrower's creditworthiness, which could indicate a significant deterioration in the ability to meet obligations. The Finance may use their own definitions of default if they are consistent with this principle and applied in a manner aligned with their credit risk management practices. Default definitions play a critical role in determining expected credit losses (ECL) and the Finance has applied it consistently across the ECL measurement process.

#### PORTFOLIO SEGREGATION OF CREDIT RISK EXPOSURES:

For measurement of ECL, portfolio segmentation is based on similar credit risk characteristics. In performing the portfolio segmentation of credit assets, the Finance considers product types as per the NRB reporting Form 2.2.

#### STAGING OF FINANCIAL INSTRUMENTS

NFRS 9: Financial Instruments, the Finance classifies financial assets into three stages based on the change in credit risk since the initial recognition. This staging framework forms the basis for calculating Expected Credit Losses (ECL) and reflects the level of credit deterioration.

Financial instruments that are not already credit impaired are originated into stage 1 and a 12 month expected credit losses provisions is recognized.

Instrument will remain in stage 1 until they experience significant credit deterioration (Stage 2) or they become credit impaired (stage 3). Instruments will transfer to stage 2 and a lifetime expected credit loss provision is recognized when there has been a significant change in Credit risk compared to what was expected at origination. The framework used to determine a significant increase in credit risk is set out below:

Stage	Financial Instruments	ECL Measurement
Stage 1	Performing	12-month ECL
Stage 2	Performing but has exhibited significant increase in credit risk(impaired)	Lifetime ECL
Stage 3	Non Performing/Credit impaired	Lifetime ECL

#### PARAMETER OF ESTIMATING EXPECTED CREDIT LOSS:

Expected credit losses are a probability weighted estimate of credit losses (i.e. Present Value of all cash shortfalls) over the expected life of the financial instruments. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that an entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

The relevant parameters of ECL measurement include Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Finance establishes its PD models, LGD models and EAD models on the basis of the historical information available with the Finance along with the incorporation of forward-looking information.

#### COMPONENT DEFINITION

##### Probability of Default (PD)

The Probability of Default (PD) represents the likelihood that the counterparty will not be able to meet its contractual obligation. For Stage 1 assets, PD is calculated over the next 12 months; for Stage 2, PD reflects

the lifetime of the asset. Stage 3 exposures are assumed to have a PD of 100% (Since already in default). PD estimates incorporate forward-looking macroeconomic assumptions (e.g., GDP growth, inflation) and are updated periodically based on statistical models calibrated to historical defaults and adjusted for the current and expected economic environment.

### **Loss Given Default (LGD)**

LGD is the percentage of exposure that is not expected to be recovered in the event of a default. The LGD is usually defined as the amount of credit that is lost by a financial institution when an obligor defaults. LGD models are developed based on historical data, historical experience of cash recovery from defaults (including settlements), cost and time of recoveries and all other relevant and supportable information (including forward looking information).

While determining loss rate or recovery rate for the purpose of calculation of loss allowance, expected cash flows from collateral realization are to be considered based on latest reliable internal/external valuations . Finance deploys its internal team or forms a committee to review the value of collateral as required.

### **Exposure at Default (EAD)**

Exposure at Default (EAD) refers to the expected exposure to a borrower at the event of default. This is dynamic in nature and keeps changing when the borrower repays his debt or obligation or take additional debt. For defaulted accounts or stage 3 accounts, EAD is simply the amount outstanding at the point of default. However, for stage 1 and stage 2 accounts, the following elements is considered for computation of EAD under NFRS 9 at the instrument or facility level:

- Time horizon over which EAD needs to be estimated.
- Projected cash flows till the estimated default point.
- Residual maturity.
- Deterministic or non-deterministic nature of the payment terms.

The methodology of EAD varies according to the nature of the product. The products are separated into three main categories.

- **Funded Loans:**

In the case of the funded loans made available at the predetermined moment or where the total amount is loaned at the initial recognition, the exposure at default is the total amount outstanding at that time plus any interest up to the time of default, except for stage 3 where the EAD equals the total amount outstanding.

- **Working capital facilities:**

In case of those loan products of short term nature like working capital, overdraft or the credit cards, the exposure at default is calculated as the higher of limit or the sum of total outstanding and interest, except for stage 3 loans where the EAD equals the total amount outstanding.

- **Potential Exposures (Off- balance sheet exposures):**

For potential exposures like: - Letter of Credit and Guarantees, the EAD is calculated as the product of potential exposures and CCF. CCF for such exposures ranges from 0% to 100%.

If data is not available for off balance sheet exposures, the Finance uses CCF for the calculation of EAD for off balance sheet exposures as prescribed in "NFRS 9- Expected Credit Loss Related Guidelines, 2024.

### **CREDIT IMPAIRED FINANCIAL ASSETS:**

A financial instrument is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial instrument have occurred. Evidence that a financial instrument is credit-impaired include observable data about the following events:

- Significant financial difficulty of the issuer or the borrower.
- A breach of contract, such as a default or past due event
- The lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lenders would not otherwise consider.
- It is becoming probable that the borrower will enter bankruptcy or other financial re-organization.
- The disappearance of an active market for that financial instrument because of financial difficulties.

- vi. The purchase or origination of a financial instrument at a deep discount that reflects the incurred credit losses.
- vii. The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Finance

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

#### **ESTIMATION OF EXPECTED CREDIT LOSS FOR CREDIT IMPAIRED FINANCIAL ASSETS:**

For credit-impaired exposures, the Probability of Default (PD) is assumed to be 100%, as these loans have already met the default criteria under the Finance's credit risk policy.

#### **KEY INPUTS, ASSUMPTIONS AND ESTIMATION TECHNIQUES:**

##### **a. General Approach**

The Finance applies the general approach for recognition of Expected Credit Losses loans and advances to customers, loans to banks and financial institutions, investment securities measured at amortized cost or FVOCI, and loan commitments and financial guarantees and staff loans. Under this approach, exposures are classified into Stage 1, Stage 2, or Stage 3 based on changes in credit risk since initial recognition, with a 12-month ECL recognized for Stage 1 and lifetime ECL for Stages 2 and 3. Interest income is calculated on the gross carrying amount for Stages 1 and 2, and on the actual receipt basis for Stage 3.

##### **b. Simplified Approach**

The Finance's policy is to apply the simplified approach to trade receivables without a significant financing component, lease receivables, contract assets under NFRS 15, and certain short-term staff or retail loans. Under this approach, lifetime ECL is recognized from initial recognition without staging assessment, typically using a provision matrix or simplified statistical model adjusted for forward-looking information. However, no ECL has been calculated for these items during the reporting period.

#### **CREDIT IMPAIRED FINANCIAL ASSETS:**

The Finance's Expected Credit Loss (ECL) estimates are based on a combination of internal historical data, regulatory guidance and forward-looking macroeconomic information. Historical default rates are derived from the Finance's internal portfolio performance records, covering default rates actually observed by the Finance in past. Historical loss rates are derived from the Finance's internal portfolio covering default, recoveries and write offs over the past years. This includes portfolio level default histories, Days Past Due (DPD) migration trends, collateral recovery rates and cure rates. Where internal history is insufficient to produce statistically reliable estimates- particularly for certain loan products or off-balance sheet exposures – the Finance supplements its analysis with:

- Parameters and indicative ratios provided in the Nepal Rastra Bank's ECL Implementation Guidelines (eg, Credit Conversion Factor [CCF], utilization ratios).
- Floor rates prescribed by Nepal Rastra Bank for Probability of Default (PD)

Forward looking adjustments are applied to historical rates to reflect expected changes in the economic environment. These adjustments are informed by macroeconomic forecasts sourced from the International Monetary Fund (IMF). The Finance uses scenario-weighted projections (baseline, upturn, downturn) to modify Probability of Default (PD) estimates, ensuring that the ECL reflects both past performance and anticipated future conditions.

#### **INCORPORATION OF FORWARD LOOKING INFORMATION:**

It is a fundamental principle of NFRS 9 that the provisions Finance hold against the potential future Credit Risk losses should depend, not just on the health of the economy today, but should also take into account potential changes to the economic environment.

To capture the effect of changes to the economic environment, the Probability of Default (PD) used to calculate ECL incorporate the forward- looking information in the form of forecasts of the values of economic variable.

#### **COLLATERAL VALUATION**

The Finance seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, Government Securities, Letters of Credit/Guarantees, real estate, receivables, inventories, other non-financial assets etc.,

While determining loss rate or recovery rate for the purpose of calculation of loss allowance, expected cash flows from collateral realization have been considered based on Valuation.

The Finance determines the Net Realizable value of collateral as the current fair value reduced by estimated realization costs and the applicable haircut, in accordance with the Nepal Rastra Bank's NFRS 9 – Expected Credit Loss Related Guidelines, 2024. The realization cost and haircut used are:

S.N	COLLATERAL DETAILS	REALIZATION COST	HAIRCUT
1	Land & Building	5%	25%
2	Vehicle	0%	50%
3	Guarantees	0%	0%
4	Fixed Assets	5%	25%
5	Gold & Silver	5%	10%
6	Non-Governmental Securities	5%	10%
7	Others	0%	25%
8	Insurance Policy	5%	25%
9	Governmental Securities	2%	0%
10	Share Securities	5%	10%
11	Gold	10%	0%
12	Other Fixed Assets	5%	25%

#### Recognition of Impairment Charge on Loan and Advances

The Finance for the current financial year has assessed the impairment under para 5.5 of the NFRS 9 impairment model and the NRB Directive.

The Finance, following regulatory backstop as mentioned Clause 16 of “NFRS 9- Expected Credit Loss Related Guidelines, 2024” has recognize impairment on credit exposures as the HIGHER of total ECL calculated as per NFRS 9 and existing regulatory provisions as mentioned in Unified NRB Directives no 02. Following is the details of impairment under both methods:

S.N	Particulars	Amount
1	Total Impairment as per NRB	416,484,947
2	Total Impairment as per ECL	49,012,233

#### Movement of Impairment during the year ending 32.03.2082

SN	Particulars	Stage 1		Stage 2		Stage 3			
		Gross carrying Amount	ECL	Gross carrying Amount	ECL	Gross carrying Amount	ECL	Gross carrying Amount	ECL
1	Opening Balance as on Shrawan 1, 2081	5,330,118,487	51,305,831	408,496,984	1,958,800	787,800,144	46,240,553	6,526,415,615	99,505,185
2	New Advances	2,326,814,295	1,626,103	50,725,358	583,769	97,960,352	-	2,475,500,005	2,209,872
3	Repaid	(339,941,838)	(17,595,738)	(17,409,390)	(409,730)	(35,235,490)	(6,502,833)	(392,586,718)	(24,508,301)
4	Assets derecognized	(1,152,995,345)	(24,511,890)	(132,741,534)	(96,339)	(229,381,169)	(3,586,294)	(1,515,118,048)	(28,194,523)
5	Transfer to Stage 1	174,166,811	112,045	(108,617,282)	(60,332)	(65,549,529)	(51,714)	-	-
6	Transfer to Stage 2	(299,631,667)	(2,310,386)	369,488,567	3,622,385	(69,856,900)	(1,311,999)	-	-
7	Transfer to Stage 3	(446,961,430)	(3,935,786)	(115,459,377)	(978,469)	562,420,808	4,914,255	1	-
8	Off balance Sheet Exposures								
9	Total	5,591,569,313	4,690,180	454,483,326	4,620,085	1,048,158,216	39,701,969	7,094,210,855	49,012,233
10	Amounts written off/ charged off								
11	Foreign Exchange Adjustments								
12	Closing Balance	5,591,569,313	4,690,180	454,483,326	4,620,085	1,048,158,216	39,701,969	7,094,210,855	49,012,233

**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 in case 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 the gross inflow of economic benefits during the period arising from the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Finance Co. and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable.

#### **3.13.1 Interest income**

Interest, in general, is recognized using effective interest rate on the particular assets. 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.

Further, Interest income on Loan and Advances is recognized as per the guideline on recognition of interest income ,2025 issued by NRB.

SN	Particulars	FY 2081-82
1	Total AIR-Current Year	143,867,668
2	Interest Recognition Suspended Non Performing Loan	75,881,143
3	Accured Income Recognized for Performing Loan	67,986,525
4	Interest Received till Shrawan 15th	(35,883,732)
5	Interest calculation ECL	-
6	Accured Income Recognized for Performing Loan(After 15 dyas Interest Received)	32,102,794
7	Upto Previous Year Income Recognized- transferred to regulatory reserve	12,591,130
8	AIR(Net) to be transferred to regulatory reserve this year	3,386,430
	<b>Total Amount to regulatory reserve</b>	<b>15,977,561</b>

### 3.13.2 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. the fees and commission income and expense that are integral to the effective interest rate on the financial assets and financial liability are included in the measurement of the effective interest rate.

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

### 3.13.3 Dividend income

Dividend income is recognized when the right to receive dividend is established i.e. dividend is approved by general meeting of companies.

Dividend income if related to period earlier than the date of acquisition of shares and its amount related to pre and post acquisition could be segregated, then the pre-acquisition period dividend is adjusted to cost of investment.

### 3.13.4 Net trading income

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

### 3.13.5 Other Operating Income

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

### 3.14 Interest expense

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

### 3.15 Employees Benefits

Employee expenses includes the amount paid to employees of 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 under 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

Company has obtained all office spaces on lease for varying periods. Lease payments are either on monthly or quarterly basis. Lease accounting has been prepared according to NFRS-16. As per NFRS 16 para C2, the date of initial application is the beginning of the annual reporting period. In line with para C8 (a) and (b) (ii), company has measured lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application and right of use assets an amount equal to the lease liability relating to that lease recognised in the statement of financial position. In such scenario, Company shall not be required to restate comparative information.

#### Assets/Liabilities recognized as per NFRS 16

Particulars	Amount(NPR)
Opening -Right of use Assets(ROU)	45,866,140
Addition	21,316,873
Disposal	(3,066,395)
Accumulated Depreciation-ROU	(10,826,655)
Net Right of use Assets(ROU)	53,289,962
Lease payment during the year	11,407,481

### 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 17 of Directive 6/081, 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 Staff Loan**

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

The Staff loan as on Asar end 2082 is Rs. 9,77,55,588 as per amortization schedule based on NFRS.

**3.24 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.

**Reliance Finance Limited**  
**Notes to Financial Statements**
**Cash and cash equivalent**

4.1

Particulars	As at 32.03.2082	As at 31.03.2081
Cash in hand	54,437,913	57,042,156
Balances with B/FIs	259,353,686	269,156,534
Money at call and short notice	-	-
Other	-	-
<b>Total</b>	<b>313,791,599</b>	<b>326,198,690</b>

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 32.03.2082	As at 31.03.2081
Statutory balances with NRB	334,495,080	313,220,913
Securities purchased under resale agreement		
Other deposit and receivable from NRB		
<b>Total</b>	<b>334,495,080</b>	<b>313,220,913</b>

**Placements with Bank and Financial Institutions**

4.3

Particulars	As at 32.03.2082	As at 31.03.2081
Placement with domestic B/FIs		
Placement with foreign B/FIs		-
Less: Allowances for impairment		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Derivative financial instruments**

4.4

Particulars	As at 32.03.2082	As at 31.03.2081
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		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Other trading assets**

4.5

Particulars	As at 32.03.2082	As at 31.03.2081
Treasury bills		-
Government bonds		-
NRB Bonds		-
Domestic Corporate bonds		-
Equities		-
Other		-
<b>Total</b>	<b>-</b>	<b>-</b>
Pledged		-
Non-pledged		-



**Loan and advances to B/FIs**

4.6

Particulars	As at 32.03.2082	As at 31.03.2081
Loans to microfinance institutions	70,036,789	353,070,835
Other		
Less: Allowances for impairment	(700,368)	(4,236,850)
<b>Total</b>	<b>69,336,422</b>	<b>348,833,985</b>

**Note:** The above amount represents provided to micro finance institution in the normal course of business, RFL dose not have any accrued interest amount of micro finance in this period.

4.6.1: Allowances for impairment		
<b>Balance at Shrawan 1</b>		
Impairment loss for the year:		
Opening	4,236,850	5,671,370
Charge for the year	(3,536,482)	(1,434,520)
Recoveries/reversal		
Amount written off		
<b>Balance at Ashad end</b>	<b>700,368</b>	<b>4,236,850</b>

**Loans and advances to customers**

4.7

Particulars	As at 32.03.2082	As at 31.03.2081
Loan and advances measured at amortized cost	7,192,813,738	6,332,155,347
Less: Impairment allowances		
Collective impairment	(322,454,504)	(291,641,458)
Individual impairment	(93,330,075)	(100,994,193)
<b>Net amount</b>	<b>6,777,029,159</b>	<b>5,939,519,695</b>
Loan and advances measured at FVTPL		
<b>Total</b>	<b>6,777,029,159</b>	<b>5,939,519,695</b>

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.

Particulars	As at 32.03.2082	As at 31.03.2081
Individual impairment	-	-
Collective impairment	322,454,504	291,641,458
<b>Total</b>	<b>322,454,504</b>	<b>291,641,458</b>

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

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Performing loan</b>	<b>6,428,686,932</b>	<b>5,751,092,983</b>
Good	5,707,226,427	4,914,539,510
Watch list	721,460,505	836,553,473
<b>Non-performing loan</b>	<b>595,487,133</b>	<b>422,251,797</b>
Substandard	100,954,579	85,950,255
Doubtful	381,541,590	100,910,556
Loss	112,990,963	235,390,987
<b>Total</b>	<b>7,024,174,064</b>	<b>6,173,344,780</b>
<b>Add: loan to employees and Net AIR</b>	<b>168,639,674</b>	<b>158,810,566</b>
<b>Total loan</b>	<b>7,192,813,738</b>	<b>6,332,155,347</b>
<b>Impairment allowance</b>		
<b>Performing loan</b>	<b>93,330,075</b>	<b>100,994,193</b>
Good	57,293,512	59,170,070
Watch list	36,036,563	41,824,123
<b>Non-performing loan</b>	<b>322,454,504</b>	<b>291,641,458</b>
Substandard	21,492,095	21,477,903
Doubtful	190,120,071	37,043,453
Loss	110,842,338	233,120,102
Additional	-	-
<b>Total</b>	<b>415,784,579</b>	<b>392,635,651</b>

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

Product	As at 32.03.2082	As at 31.03.2081
Term loans	2,662,672,802	2,481,857,974
Overdraft	54,118,888	54,451,826
Cash Credit Loan	809,493,282	757,695,157
Trust receipt/Import loans	-	-
Demand and other short term working capital loans	314,393,529	398,816,345
Personal residential loans	935,500,309	829,046,890
Real estate loans	642,445,231	419,277,687
Margin lending loans	270,179,871	345,532,241
Hire purchase loans	482,626,452	204,340,300
Deprived sector loans	370,782,433	93,072,323
Bills purchased	-	-
Staff loans	97,755,588	100,779,170
Other	551,998,057	589,254,037
<b>Sub total</b>	<b>7,191,966,442</b>	<b>6,274,123,951</b>
Interest receivable	70,884,086	58,031,396
<b>Grand total</b>	<b>7,262,850,528</b>	<b>6,332,155,347</b>

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

Currency	As at 32.03.2082	As at 31.03.2081
Nepalese rupee	7,192,813,738	6,332,155,347
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>7,192,813,738</b>	<b>6,332,155,347</b>

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

Collateral	As at 32.03.2082	As at 31.03.2081
<b>Secured</b>		
Movable/immovable assets	6,798,419,001	6,120,931,806
Gold and silver	-	-
Guarantee of domestic B/FIs	-	-
Government guarantee	-	-
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	89,234,629	104,863,738
Collateral of Governement securities	-	-
Counter guarantee	-	-
Personal guarantee	92,712,821	11,133,523
Other collateral	282,484,077	95,226,280
<b>Subtotal</b>	<b>7,262,850,528</b>	<b>6,332,155,347</b>
<b>Unsecured</b>		
<b>Grand Total</b>	<b>7,262,850,528</b>	<b>6,332,155,347</b>



**4.7.4: Allowances for impairment**

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Specific allowances for impairment</b>		
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		-
<b>Balance at Asar end</b>		-
<b>Collective allowances for impairment</b>		
Balance at Shrawan 1	392,635,651	382,150,064
Impairment loss for the year:		
Charge/(reversal) for the year	23,148,928	10,485,588
Exchange rate variance on foreign currency		
Other movement		
<b>Balance at Asar end</b>	<b>415,784,579</b>	<b>392,635,651</b>
<b>Total allowances for impairment</b>	<b>415,784,579</b>	<b>392,635,651</b>

**Investment securities**

4.8

Particulars	As at 32.03.2082	As at 31.03.2081
Investment securities measured at amortized cost	1,704,926,478	2,155,000,450
Investment in equity measured at FVTOCI	214,829,154	184,450,802
<b>Total</b>	<b>1,919,755,631</b>	<b>2,339,451,252</b>

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

Particulars	As at 32.03.2082	As at 31.03.2081
Debt securities		-
Government bonds	1,454,885,382	1,454,885,382
Government treasury bills	-	-
Investments - Citizen Saving Bonds	-	-
Nepal Rastra Bank bonds		
Nepal Rastra Bank deposits instruments	250,041,096	700,115,068
Other		
Less: specific allowances for impairment		
<b>Total</b>	<b>1,704,926,478</b>	<b>2,155,000,450</b>

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

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Equity instruments</b>		
Quoted equity securities	206,181,654	177,184,002
Unquoted equity securities	8,647,500	7,266,800
<b>Total</b>	<b>214,829,154</b>	<b>184,450,802</b>

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

S.No	Particulars	As at 32.03.2082		As at 31.03.2081	
		Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>		<b>190,019,842</b>	<b>206,181,654</b>	<b>186,188,118</b>	<b>177,184,002</b>
1	National Life Insurance Co.Ltd. 1,53,663 promoter shares of Rs.313.29 each	48,140,742	52,706,409	48,140,742	43,365,506
2	National Life Insurance Co.Ltd. 93,518 ordinary shares of Rs.603.08 each	56,398,432	58,315,954	56,398,432	53,502,995
3	NLG Insurance Co.Ltd. 3,919 promoter shares of Rs.66.22 each	259,529	1,526,999	108,229	956,265
4	Siddhartha Premier Insurance Co.Ltd. 1,487 ordinary shares of Rs.741.61 each	1,102,779	1,249,600	1,104,584	1,278,671
5	IGI Prudential Insurance Ltd 10 ordinary shares (Bonus Share)	-	5,570	-	5,580
6	NIC SIA Balance Fund 50,000 units of Rs.10 each	500,000	488,500	500,000	480,000
7	NIBL Sahabagita Fund 1,00,000 units of Rs.10 each	1,000,000	1,128,000	1,000,000	1,056,000
8	Laxmi Unnati Kosh 2,50,000 units of Rs.10 each	2,500,000	2,597,500	2,500,000	2,250,000
9	Sana Kisan Bikas Laghubitta Sanstha Ltd 5 ordinary shares (Bonus Share)	-	4,422	-	4,269
10	Surya Life Insurance Company Limited 3,975 ordinary shares of Rs.577.99 each	2,297,499	1,775,593	2,297,499	1,708,853
11	Kumari Equity Fund 2,50,000 units of Rs.10 each	2,500,000	2,487,500	2,500,000	2,415,000
12	Sanima Large Cap Fund 10,00,000 units of Rs.10 each	10,000,000	10,230,000	10,000,000	9,290,000
13	NIBL Samridhi Fund-2 1,00,000 units of Rs.10 each	1,000,000	883,000	1,000,000	825,000
14	Nerudhe Laghu Bitta Sanstha 16,007 promoter shares of Rs.194.28 each	3,109,790	5,442,380	3,109,790	6,418,807
15	Prabhu Select Fund 2,50,000 units of Rs.10 each	2,502,085	2,822,500	2,500,000	2,447,500
16	Sunrise Bluechip Fund 10,00,000 units of Rs.10 each	10,000,000	10,000,000	10,000,000	8,270,000
17	Kumari Dhanbirdhhi 50,000 units of Rs.10 each	500,000	502,500	500,000	483,500
18	Sagarmatha Lumbini General Insurance Co. 150 ordinary shares (Bonus Share)	-	108,914	-	109,050
19	NIC ASIA Flexicap Fund 50,000 units of Rs.10 each	500,000	507,500	500,000	462,500

20	Nepal Life Insurance Co.Ltd 1,176 units of Rs.570.48 each	670,885	909,013	670,885	661,711
21	Himalayanl Life Insurance Co.Ltd 1 ordinary shares (Bonus Share)	-	407	-	391
22	NIBL Growth Fund 2,50,000 units of Rs.10 each	2,500,000	2,465,000	2,500,000	2,660,000
23	Prabhu Smart Fund 5,00,000 units of Rs.10 each	5,000,000	5,735,000	5,000,000	4,805,000
24	RBB Mutual Fund2 2,50,000 units of Rs.10 each	2,500,000	2,520,000	2,500,000	2,375,000
25	Sunrise Focused Equity Fund 10,00,000 units of Rs.10 each	10,000,000	10,040,000	10,000,000	8,240,000
26	Subha Laxmi Kosh 50,000 units of Rs.10 each	500,000	601,500	500,000	538,500
27	Sanima Growth Fund 5,00,000 units of Rs.10 each	5,000,000	5,160,000	5,000,000	5,070,000
28	Butwal Power Company Limited 3,346 units of Rs.294.39 each	985,039	3,203,092	985,039	1,037,260
29	Citizen Super 30 mutual Fund 2,50,000 units of Rs.10 each	2,500,000	2,520,000	2,500,000	2,500,000
30	Chilime Hydro power Company Limited 1 ordinary shares (Bonus Share)	-	533	-	465
31	Himalayan 80-20 mutual Fund 2,50,000 units of Rs.10 each	2,500,000	2,900,000	2,500,000	2,497,500
32	Laxmi Value Fund 2 2,50,000 units of Rs.10 each	2,500,000	2,530,000	2,500,000	2,310,000
33	Shivam Cement Ltd 1,340 units of Rs.457.82 each	613,485	716,954	613,485	620,341
34	Sanima Mai Hydropower Ltd. 4,876 units of Rs.295.24 each	1,439,577	3,056,813	1,439,577	1,505,004
35	Sidhartha Investment Growth Schem-3 2,50,000 units of Rs.10 each	2,500,000	2,610,000	2,500,000	2,362,500
36	Garima Samriddhi Yojana 2,50,000 units of Rs.10 each	2,500,000	2,487,500		
37	MBL Equity Fund 1,00,000 units of Rs.10 each	1,000,000	993,000		
38	Muktinath Mutual Fund-1 5,00,000 units of Rs.10 each	5,000,000	4,950,000		
39	Laxmi Equity Fund			3,765,113	3,571,109
40	Sanima Equity Fund			1,054,743	1,099,728

<b>Investment in unquoted equity</b>		1,082,800	8,647,500	1,082,800	7,266,800
41	Nepal Clearing House Ltd. 86,475 shares of Rs.12.52 each	1,082,800	8,647,500	1,082,800	7,266,800
<b>Total</b>		<b>191,102,642</b>	<b>214,829,154</b>	<b>187,270,918</b>	<b>184,450,802</b>

Reliance Finance Limited  
 Notes to Financial Statements

**Current tax assets**

4.9

Particulars	As at 32.03.2082	As at 31.03.2081
Current tax assets	50,207,554	49,736,860
Current year income tax assets	47,363,086	46,892,392
Tax assets of prior periods	2,844,468	2,844,468
Current tax liabilities	27,448,839	1,967,269
Current year income tax liabilities	25,481,570	-
Tax liabilities of prior periods	1,967,269	1,967,269
<b>Total</b>	<b>22,758,714</b>	<b>47,769,591</b>

**Investment in subsidiaries**

4.10

Particulars	As at 32.03.2082	As at 31.03.2081
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
<b>Total investment</b>	<b>-</b>	<b>-</b>
Less: Impairment allowances		
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>

**4.10.1: Investment in quoted subsidiaries**

Particulars	As at 32.03.2082		As at 31.03.2081	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.10.2: Investment in unquoted subsidiaries**

Particulars	As at 32.03.2082		As at 31.03.2081	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.10.3: Information relating to subsidiaries of the Bank**

Particulars	Percentage of ownership held by the Bank	
	As at 32.03.2082	As at 31.03.2081
<b>Total</b>		

**4.10.4: Non controlling interest of the subsidiaries**

Particulars	As at 32.03.2082	
	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 32.03.2082	
	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 32.03.2082	
	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 32.03.2082	As at 31.03.2081
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
<b>Total investment</b>	-	-
Less: Impairment allowances	-	-
<b>Net carrying amount</b>	-	-

**4.11.1: Investment in quoted associates**

Particulars	As at 32.03.2082		As at 31.03.2081	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

**4.11.2: Investment in unquoted associates**

Particulars	As at 32.03.2082		As at 31.03.2081	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

**4.11.3: Information relating to associates of the Bank**

Particulars	Percentage of ownership held by the Finance Company	
	As at 32.03.2082	As at 31.03.2081
	-	-
	-	-
<b>Total</b>	-	-

**4.11.4: Equity value of associates**

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Total</b>	-	-

**Investment properties**

4.12

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Investment properties measured at fair value</b>		
Balance as on Shrawan 1		
Addition during the year		
Disposal during the year		
Net changes in fair value during the year		
Adjustment/transfer		
<b>Net amount</b>	-	-
<b>Investment properties measured at cost</b>		
Balance as on Shrawan 1	210,405,795	24,570,970
Addition during the year	60,667,498	216,050,774
Disposal during the year	(60,475,724)	(30,215,950)
Adjustment/transfer		
Accumulated depreciation		
Accumulated impairment loss		
Net amount	210,597,568	210,405,795
<b>Total</b>	<b>210,597,568</b>	<b>210,405,795</b>

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

Name of Party/NBA Date	As at 32.03.2082	As at 31.03.2081
Manakamana Hastakala, Madanpur, Nuwakot /2074.03.02	714,624	714,624
Chandra Lal Khathariya/Dhangadi/21.04.2080	3,525,642	3,525,642
Rawat Agriculture Trading/Dhangadi/21.04.2080	11,332,744	36,567,432
Trimurti Itta Udhayog/Rupandehi/09.06.2080	29,483,089	29,483,089
Trimurti Enterprises/Rupandehi/09.06.2080	4,577,198	4,577,198
Trimurti Rice and Oil Mill/Rupandehi/09.06.2080	22,913,307	22,913,307
Gyan Bdr Gurung/Syanja/17.07.2080	1,257,892	1,257,892
Gyan Krishna Suntala tatha Pasupanchi firm/Syanja/17.07.2080	2,490,798	2,490,798
Lumbini Saw Mill/Rupandehi/13.01.2081	33,755,453	33,755,453
Trading/Bara/18.01.2081	6,845,020	6,845,020
Bishal and rajesh furniture uddhyog/Nawalparasi/18.01.2081	22,527,286	22,527,286
Pabitra Sharma/Rupandehi/25.01.2081	3,030,678	3,030,678
Sudip Hotel & retaurant/Rupandehi/28.03.2081	7,753,025	7,753,025
Laya Prasad Oli/Jhapa/2081.10.21	3,719,838.05	-
Pawan Agriculture Firm/Attariya/2081.10.29	19,993,869	-
Kamal Hardware and Suppliers/Kailali/2082.02.20	2,140,000	-
Nirmal Lama/Thankot,Kathmandu/2082.02.27	6,280,862	-
Abdul Shankar Ekwal Khan/Chitwan/2082.03.25	1,880,000	-
Jayakara Enterprises Pvt Ltd/Kailali/2082.03.31	26,376,245	-
Everest garment /Rupandehi/19.04.2080	-	3,856,378
Anjali P.R Suppliers/Rupandehi/30.01.2081	-	9,443,635
Lumbini Green Leaf intergrated agro farm/Rupandehi/26.03.2081	-	21,664,340
<b>Total</b>	<b>210,597,568</b>	<b>210,405,795</b>



Property and Equipment									4.13
Particulars	Land	Building	Leasehold Properties	Vehicle	Furniture & Fixture	Machinery	Equipment & Others	Right to Use Assets(ROU)	Total Asar end 2082
<b>Cost</b>									
As on Shrawan 1, 2080	186,943,740	26,693,760.0	42,296,658	19,549,360	29,504,203	21,464,159	3,139,133	26,343,039	72,681,598
Addition during the Year	-	-	6,712,595	1,112,901	3,500,000	996,933	635,000	1,419,278	16,272,854
Acquisition									428,615,650
Capitalization									30,649,560
Disposal during the year									23,775,485
Adjustment/Revaluation									-
<b>Balance As on Asar end, 2081</b>	<b>186,943,740</b>	<b>26,693,760</b>	<b>47,452,488</b>	<b>20,662,261</b>	<b>29,123,323</b>	<b>19,032,025</b>	<b>2,191,025</b>	<b>25,689,309</b>	<b>88,954,452</b>
Addition during the Year									246,742,383
Acquisition									428,615,650
Capitalization									-
Disposal during the year									(9,149,229)
Adjustment/Revaluation									-
<b>Balance as on Asar end 2082</b>	<b>186,943,740</b>	<b>26,693,760</b>	<b>49,093,349</b>	<b>21,050,015</b>	<b>23,870,123</b>	<b>19,181,465</b>	<b>1,858,387</b>	<b>26,067,765</b>	<b>107,204,929</b>
Depreciation and Impairment									461,963,533
As on Shrawan 1, 2080	-	729,873	24,094,941	14,518,716	9,717,560	11,102,421	2,280,520	18,668,671	31,694,081
Depreciation charge for the Year		529,984	5,560,316	2,343,775	3,053,139	2,269,121	186,888	3,223,754	11,394,231
Impairment for the year									28,561,208
Disposals									30,606,379
Adjustment									-
<b>As on Asar end 2081</b>	<b>-</b>	<b>1,259,858</b>	<b>29,019,092</b>	<b>16,862,491</b>	<b>10,833,525</b>	<b>10,532,789</b>	<b>1,101,851</b>	<b>20,266,377</b>	<b>43,088,312</b>
Depreciation charge for the Year		504,069	6,080,288	1,984,721	1,393,321	2,153,098	163,822	2,876,167	10,826,655
Impairment for the year									25,982,140
Disposals									28,561,208
Adjustment									-
<b>As on Asar end 2082</b>	<b>-</b>	<b>1,763,927</b>	<b>35,099,381</b>	<b>18,175,814</b>	<b>8,683,933</b>	<b>12,662,374</b>	<b>1,003,659</b>	<b>22,921,717</b>	<b>53,914,967</b>
Capital Work in Progress									154,225,771
Net Book Value									132,964,295
As on Asar end 2080	186,943,740	25,963,887	18,201,717	5,030,645	19,786,643	10,361,738	858,613	40,987,517	315,808,868
As on Asar end 2081	186,943,740	25,433,902	18,433,396	3,799,771	18,289,798	8,499,236	1,089,173	45,866,140	313,778,087
As on Asar end 2082	186,943,740	24,929,833	13,993,968	2,874,201	15,186,190	6,559,091	854,728	3,146,048	307,737,762
									313,778,087

Reliance Finance Limited  
 Notes to Financial Statements

## Goodwill and Intangible Assets

4.14

Particulars	Goodwill	Software		Other	Total Asar end 2082	Total Asar end 2081
		Purchased	Developed			
<b>Cost</b>						
<b>As on Shrawan 1, 2080</b>		<b>7,474,742</b>		-	<b>7,474,742</b>	<b>7,474,742</b>
Addition during the Year		791,000			791,000	-
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
<b>Balance as on Asar end, 2081</b>		<b>8,265,742</b>		-	<b>8,265,742</b>	<b>7,474,742</b>
Addition during the Year		226,000			226,000	791,000
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
<b>Balance as on Asar end 2082</b>	-	<b>8,491,742</b>		-	<b>8,491,742</b>	<b>8,265,742</b>
<b>Amortization and Impairment</b>						
<b>As on Shrawan 1, 2080</b>		<b>5,727,235</b>		-	<b>5,727,235</b>	<b>4,775,775</b>
Amortization charge for the Year		893,453			893,453	951,460
Impairment for the year						
Disposals						
Adjustment						
<b>Balance as on Asar end, 2081</b>		<b>6,620,688</b>		-	<b>6,620,688</b>	<b>5,727,235</b>
Amortization charge for the Year		777,817			777,817	893,453
Impairment for the year						
Disposals						
Adjustment						
<b>As on Asar end 2082</b>	-	<b>7,398,504</b>		-	<b>7,398,504</b>	<b>6,620,688</b>
<b>Capital Work in Progress</b>						
<b>Net Book Value</b>						
<b>As on Asar end 2080</b>		<b>1,747,507</b>		-	<b>3,024,106</b>	<b>2,644,200</b>
<b>As on Asar end 2081</b>		<b>1,645,054</b>		-	<b>1,645,054</b>	<b>3,024,106</b>
<b>As on Asar end 2082</b>	-	<b>1,093,238</b>		-	<b>1,093,238</b>	<b>1,645,054</b>



Reliance Finance Limited  
Notes to Financial Statements

Deferred Tax

4.15

Particulars	As at 32.03.2082		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities	-	7,117,953	(7,117,953)
Property & equipment	-	143,845	(143,845)
Employees' defined benefit plan	-		-
Lease liabilities	17,332,014	15,986,989	1,345,026
Provisions			-
Other temporary differences	532,882		532,882
<b>Deferred tax on temporary differences</b>	<b>17,864,896</b>	<b>23,248,787</b>	<b>(5,383,891)</b>
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<b>Net Deferred tax asset/(liabilities) as on 32 Asar 2082</b>	<b>17,864,896</b>	<b>23,248,787</b>	<b>(5,383,891)</b>
<b>Recognized in Profit and Loss</b>			1,734,063
Recognized in OCI			(7,117,953)
<b>Recognized directly in Equity</b>			-
<b>Deferred tax (asset)/liabilities as on 1 Shrawan 2081</b>			<b>(2,376,724)</b>
Origination/(Reversal) during the year			(7,760,615)
Deferred tax (expense)/income recognised in profit or loss			175,609
Deferred tax (expense)/income recognised in other comprehensive income			(7,936,224)
Deferred tax expense/(income) recognised in directly in equity			

Deferred Tax

Particulars	As at 31.03.2081		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities	846,035	-	846,035
Property & equipment	-	274,070	(274,070)
Employees' defined benefit plan	-		-
Lease liabilities	15,031,719	13,759,842	1,271,877
Provisions			-
Other temporary differences	532,882		532,882
<b>Deferred tax on temporary differences</b>	<b>16,410,635</b>	<b>14,033,911</b>	<b>2,376,724</b>
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<b>Net Deferred tax asset/(liabilities) as on 31 Asar 2081</b>	<b>16,410,635</b>	<b>14,033,911</b>	<b>2,376,724</b>
Deferred tax (asset)/liabilities as on 1 Shrawan 2080			(1,884,381)
<b>Origination/(Reversal) during the year</b>			<b>492,343</b>
Deferred tax (expense)/income recognised in profit or loss			1,407,102
Deferred tax (expense)/income recognised in other comprehensive income			(914,759)
Deferred tax expense/(income) recognised in directly in equity			

**Reliance Finance Limited**  
**Notes to Financial Statements**
**Other Assets**
**4.16**

Particulars	As at 32.03.2082	As at 31.03.2081
Assets held for sale		
Other non banking assets		-
Bills receivable	-	-
Accounts receivable	47,169,403	32,818,904
Accrued income	-	-
Prepayments and deposit	11,976,196	9,980,084
Income tax deposit	-	-
Deferred employee expenditure	9,083,412	5,030,874
Other	2,373,954	4,105,425
<b>Total</b>	<b>70,602,964</b>	<b>51,935,287</b>

**Due to Bank and Financial Institutions**
**4.17**

Particulars	As at 32.03.2082	As at 31.03.2081
Money market deposits		-
Interbank borrowing		-
Other deposits from BFIs		250,509,192
Settlement and clearing accounts		400,662,950
Other deposits from BFIs		
<b>Total</b>	<b>250,509,192</b>	<b>400,662,950</b>

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

Particulars	As at 32.03.2082	As at 31.03.2081
Refinance from NRB		
Standing Liquidity Facility		
Lender of last report facility from NRB		
Securities sold under repurchase agreements		-
Borrowings from NRB	-	-
Other payable to NRB	-	246,150,000
<b>Total</b>	<b>-</b>	<b>246,150,000</b>

**Derivative financial instruments**
**4.19**

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Held for trading</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>Held for risk management</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Deposits from customers**

4.20

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Institutions customers:</b>		
Term deposits	1,843,733,173	1,372,871,862
Call deposits	833,010,070	588,967,478
Current deposits	106,724,910	78,418,029
Other		
<b>Individual customers:</b>		
Term deposits	3,663,380,926	4,311,835,010
Saving deposits	1,941,153,923	1,551,669,593
Current deposits		
Other		
<b>Total</b>	<b>8,388,003,002</b>	<b>7,903,761,973</b>

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

Particulars	As at 32.03.2082	As at 31.03.2081
Nepalese rupee	8,388,003,002	7,903,761,973
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>Total</b>	<b>8,388,003,002</b>	<b>7,903,761,973</b>

**Borrowing**

4.21

Particulars	As at 32.03.2082	As at 31.03.2081
Domestic Borrowing	-	-
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
Foreign Borrowing	-	-
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Provisions**

4.22

Particulars	As at 32.03.2082	As at 31.03.2081
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.22.1: Movement in provision**

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Balance at Shrawan 1</b>	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
<b>Balance at Asar end</b>	-	-

**Other liabilities**

4.23

Particulars	As at 32.03.2082	As at 31.03.2081
Liability for employees defined benefit obligation*	-	-
Liability for long-service leave**	-	-
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	12,511,339	32,533,747
Interest payable on deposit	23,883,942	62,529,522
Interest payable on borrowing	-	-
Liabilities on defered grant income	-	-
Unpaid Dividend	7,006,308	7,293,393
Liabilities under Finance Lease	57,773,381	50,105,730
Employee bonus payable	10,435,082	4,578,027
Other	12,218,093	15,173,455
<b>Total</b>	<b>123,828,145</b>	<b>172,213,874</b>

\*\*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 32.03.2082	As at 31.03.2081
Present value of unfunded obligations		
Present value of funded obligations		
Total present value of obligations		
Fair value of plan assets		
Present value of net obligations		
Recognised liability for defined benefit obligations		

**4.23.2: Plan assets**
**Plan assets comprise**

Particulars	As at 32.03.2082	As at 31.03.2081
Equity securities		
Government bonds		
Bank deposit		
Other		
<b>Total</b>		

Actual return on plan assets



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

Particulars	As at 32.03.2082	As at 31.03.2081
Defined benefit obligations at Shravan 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 32.03.2082	As at 31.03.2081
Fair value of plan assets at Shravan 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 32.03.2082	As at 31.03.2081
Current service costs		
Interest on obligation		
Expected return on plan assets		
<b>Total</b>	-	-

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

Particulars	As at 32.03.2082	As at 31.03.2081
Actuarial (gain)/loss		
<b>Total</b>	-	-

**4.23.7: Actuarial assumptions**

Particulars	As at 32.03.2082	As at 31.03.2081
Discount rate		
Expected return on plan asset		
Future salary increase		
Withdrawal rate		

**Debt securities issued**

4.24

Particulars	As at 32.03.2082	As at 31.03.2081
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
<b>Total</b>	-	-

**Subordinated Liabilities**

4.25

Particulars	As at 32.03.2082	As at 31.03.2081
Redeemable preference shares	-	-
Irredeemable cumulative preference shares	-	-
Other	-	-
<b>Total</b>	-	-

**Share capital**

4.26

Particulars	As at 32.03.2082	As at 31.03.2081
Ordinary shares	1,121,451,730	1,121,451,730
Convertible preference shares (equity component)		
Irredeemable preference shares (equity component)		
Perpetual debt (equity component only)		
<b>Total</b>	<b>1,121,451,730</b>	<b>1,121,451,730</b>

**4.26.1: Ordinary shares**

Particulars	As at 32.03.2082	As at 31.03.2081
Authorized Capital		
12,000,000 Ordinary share of Rs. 100 each	1,200,000,000	1,200,000,000
Issued capital		
11,121,451 Ordinary share of Rs. 100 each	1,121,451,730	1,121,451,730
Subscribed and paid up capital		
11,121,451 Ordinary share of Rs. 100 each	1,121,451,730	1,121,451,730
Less: issue cost of equity capital	-	-
<b>Total</b>	<b>1,121,451,730</b>	<b>1,121,451,730</b>
Regulatory Capital (Capital as per NRB Directives, including proposed bonus shares for previous years )	1,121,451,730	1,121,451,730

Reconciliation of no. of equity shares	As at 32.03.2082	As at 31.03.2081
Opening	1,121,451,730	1,121,451,730
Add: issued during the year		
<b>Closing</b>	<b>1,121,451,730</b>	<b>1,121,451,730</b>

**4.26.2: Ordinary share ownership**

Particulars	As at 32.03.2082		As at 31.03.2081	
	Percent	Amount	Percent	Amount
<b>Domestic ownership</b>				
Nepal Government				
"A" class licensed institutions				
Other licensed intitutions				
Other Institutions	7.89	88,430,500	6.79	76,119,700
Public	92.11	1,033,021,230	93.21	1,045,332,030
Other				
<b>Foreign ownership</b>				
<b>Total</b>	<b>100.00</b>	<b>1,121,451,730</b>	<b>100.00</b>	<b>1,121,451,730</b>



**The shareholders holding 0.5% or more of total paid up capital as at 32.03.2082 are as follows:**

Name of shareholder	% of holding
Kush Prasad Mally	2.69
Rastriya Beema Sansthan	2.50
Rajendra Prasad Mally	1.99
Gyanendra Prasad Mally	1.96
Surya Jyoti Life Insurance Co.Ltd	1.39
Prudential Capital Management Company Pvt. Ltd	1.11
Sagarmatha Insurance Co.Ltd	0.87
Ravi krishna Shrestha	0.78
Ram Prakash Shrestha	0.73
Eren Gopal Ranjitkar	0.64
Ram Prasad Pant	0.64
Salona Tuladhar	0.63
Gautam Kumar Dongol	0.62
Amrit Lal Shrestha	0.56
Kabindra Shrestha	0.55
Rabindra Bajracharya	0.54
Ravi Bikram Dhoj Joshi	0.50

**Reserves**

4.27

Particulars	As at 32.03.2082	As at 31.03.2081
Statutory general reserve	177,781,940	164,059,985
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	1,049,037	474,709
Capital redemption reserve	-	-
Regulatory reserve	120,791,970	149,497,587
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	16,608,559	(1,974,081)
Dividend equalisation reserve	-	-
Actuarial gain	-	-
Special reserve	-	-
Other reserve	3,894,732	4,248,360
<b>Total</b>	<b>320,126,239</b>	<b>316,306,560</b>

**4.27.1: Movement of specific reserves for the year 2081-82 is as follows:**

Particulars	Corporate social responsibility reserve	Training reserve
<b>Opening</b>	<b>474,709</b>	<b>4,248,360</b>
Addition for the year	686,098	2,507,083
Utilization during the year	(111,770)	(2,860,710)
<b>Closing</b>	<b>1,049,037</b>	<b>3,894,732</b>

**4.27.2: The composition of regulatory reserve is as follows:**

The movement in regulatory reserve is as follows:

Particulars	Amount	Note
<b>Opening</b>	<b>149,497,587</b>	
Interest income under NFRS	3,386,430	1
Shares at fair value less than their cost	(1,974,081)	2
Addition to non-banking assets	(27,741,241)	3
Deferred tax assets on items other than share valuation	(2,376,724)	4
<b>Total</b>	<b>120,791,970</b>	

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.

The composition of regulatory reserve is as follows:

Particulars	As at 32.03.2082	As at 31.03.2081
Interest income on NFRS	15,977,561	12,591,130
Loss on investment	-	1,974,081
Loss on NBA	104,814,410	132,555,651
Deferred tax	-	2,376,724
<b>Total</b>	<b>120,791,970</b>	<b>149,497,587</b>

**Contingent liabilities and commitments**

4.28

Particulars	As at 32.03.2082	As at 31.03.2081
Contingent liabilities	-	-
Undrawn and undisbursed facilities	183,574,097	131,373,076
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>Total</b>	<b>183,574,097</b>	<b>131,373,076</b>

**4.28.1: Contingent liabilities**

Particulars	As at 32.03.2082	As at 31.03.2081
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees	-	
Underwriting commitment		
Other commitments		
<b>Total</b>	<b>-</b>	<b>-</b>



#### 4.28.2: Undrawn and undisbursed facilities

Particulars	As at 32.03.2082	As at 31.03.2081
Undisbursed amount of loans	101,652,213	76,844,563
Undrawn limits of overdrafts	81,921,884	54,528,513
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
<b>Total</b>	<b>183,574,097</b>	<b>131,373,076</b>

#### 4.28.3: Capital commitments

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

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Capital commitments in relation to Property and Equipment</b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

#### 4.28.4: Lease commitments

Particulars	As at 32.03.2082	As at 31.03.2081
<b>Operating lease commitments</b>		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Finance lease commitments</b>		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>-</b>	<b>-</b>

#### 4.28.5: Litigation

##### A. Income Tax Matters

Finance Co. has filed a case at Rajaswo Nyadhikaran and Revenue Tribunal on 2078.01.27 and 2080.04.29 against the income tax assessment made by Middle Taxpayer Office for fiscal year 2073-74 and 2075-76. The total amount demanded by tax office and not accepted by Finance Co. was Rs. 98.74 lakhs which included assessment amount of Rs. 26.40 lakhs. The case has not been decided by the authorities.

##### B. Other Legal Cases

There are twelve 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.

**Reliance Finance Limited**  
**Notes to Financial Statements**
**Interest income**
**4.29**

Particulars	Current Year	Previous Year
Cash and cash equivalent	2,833,888	6,591,038
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Loan and advances to bank and financial institutions	13,459,037	51,805,073
Loans and advances to customers	727,813,344	758,885,053
Investment securities	80,405,013	94,470,255
Loan and advances to staff	8,231,425	9,537,239
Other	29,495	1,060
<b>Total interest income</b>	<b>832,772,201</b>	<b>921,289,719</b>

\*Interest income of 2081-82 is inclusive of Rs. 3,58,83,732 collected within Shrawan 15, 2082 in line with NRB Directives.

During the year, Rs.28,97,561 and Rs.81,17,479 has been included in interest income as per ECL and NFRS. The accrued interest income on substandard,doubtful and bad loan has not been recognized.

**Interest expense**
**4.30**

Particulars	Current Year	Previous Year
Due to bank and financial institutions	5,642,626	35,291,251
Due to Nepal Rastra Bank	-	21,530,834
Deposits from customers	562,545,678	637,816,870
Borrowing		6,726,032
Debt securities issued		
Subordinated liabilities		
Other(Finance Charge on Lease)	1,501,459	1,337,819
<b>Total interest expense</b>	<b>569,689,762</b>	<b>702,702,806</b>

**Fees and Commission Income**
**4.31**

Particulars	Current Year	Previous Year
Loan administration fees		-
Service fees	34,347,571	31,503,727
Consortium fees		
Commitment fees		
DD/TT/Swift fees		
Credit card/ATM issuance and renewal fees	28,034	28,078
Prepayment and swap fees	3,717,127	2,067,500
Investment banking fees		
Asset management fees		
Brokerage fees	492,730	592,227
Remittance fees	298,025	549,492
Commission on letter of credit		
Commission on guarantee contracts issued		
Commission on share underwriting/issue		
Locker rental		
Other fees and commission income	10,474,346	4,513,479
<b>Total fees and Commission Income</b>	<b>49,357,833</b>	<b>39,254,502</b>



**Fees and commission expense**

4.32

Particulars	Current Year	Previous Year
ATM management fees		
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees		
Remittance fees and commission		
Other fees and commission expense		
<b>Total fees and Commission Expense</b>	<b>-</b>	<b>-</b>

**Net trading income**

4.33

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

**Other operating income**

4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain		-
Gain/loss on sale of investment securities	660,232	1,125,144
Fair value gain/loss on investment properties		
Dividend on equity instruments	6,035,049	1,985,897
Gain/loss on sale of property and equipment	1,262,809	1,001,304
Gain/loss on sale of investment property	2,616,914	-
Operating lease income	3,076,865	2,838,000
Gain/loss on sale of gold and silver		
Locker rent	676,804	
Other		
<b>Total</b>	<b>14,328,674</b>	<b>6,950,345</b>

**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	(3,536,482)	(1,434,520)
Impairment charge/(reversal) on loan and advances to customer	23,148,928	10,485,588
Impairment charge/(reversal) on financial Investment		
Impairment charge/(reversal) on placement with banks and financial institutions		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment properties		
<b>Total</b>	<b>19,612,446</b>	<b>9,051,068</b>

**Personnel Expense**

4.36

Particulars	Current Year	Previous Year
Salary	59,183,722	58,678,006
Allowances	25,545,092	24,891,427
Gratuity expense		
Provident fund		
Social Security Fund	11,836,754	11,735,582
Uniform	1,939,314	2,003,874
Training & development expense	2,860,710	2,535,252
Leave encashment	5,861,435	7,086,792
Medical/Insurance	5,534,897	5,535,078
Employees incentive		
Cash-settled share-based payments		
Pension expense		
Finance expense under NFRS	567,713	359,348
Other expenses related to staff	6,573,223	5,953,161
<b>Subtotal</b>	<b>119,902,861</b>	<b>118,778,521</b>
Employees bonus	10,435,082	4,578,027
<b>Grand total</b>	<b>130,337,943</b>	<b>123,356,547</b>

**Other operating expense**

4.37

Particulars	Current Year	Previous Year
Directors' fee	1,116,500	1,144,000
Directors' expense	186,269	467,624
Auditors' remuneration		
a) Statutory audit Fee	565,000	565,000
b) Internal audit Fee	565,000	452,000
c) System audit Fee	293,800	-
Other audit related expense		
Professional and legal expense	6,701,815	5,577,508
Office administration expense	46,602,713	53,143,809
Operating lease expense	-	-
Operating expense of investment properties		
Corporate social responsibility expense	111,770	377,300
Onerous lease provisions		
Other		
<b>Total</b>	<b>56,142,867</b>	<b>61,727,241</b>

**Office administration expenses include the following:**

Current Year

Previous Year

Water and electricity	3,444,390	3,274,067
Repair and maintenance		
Building	371,459	220,023
Vehicles	269,563	506,524
Computer and accessories	127,407	210,778
Office equipment and furniture	77,474	162,351
Others	1,616,401	150,104
Insurance	2,994,572	1,806,436
Postage, telex, telephone , fax	2,702,973	3,007,855
Printing and stationery	14,955	3,161,850
Newspaper, books and journal	2,739,831	28,054
Advertisement		
Donation		1,422,634
		33,000



Security	10,393,622	13,266,700
Deposit and loan guarantee premium	2,275,411	2,121,393
Travel allowance and expense	1,100,892	1,210,904
Entertainment	289,874	254,743
Annual/special general meeting	1,466,833	159,254
Other	16,717,056	22,147,139
<b>Total</b>	<b>46,602,713</b>	<b>53,143,809</b>

**Depreciation & Amortisation** 4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	25,982,140	28,561,208
Depreciation on investment property		
Amortisation of intangible assets	777,817	893,453
<b>Total</b>	<b>26,759,957</b>	<b>29,454,661</b>

**Non operating income** 4.39

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

**Non operating expense** 4.40

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

**Income tax expense** 4.41

Particulars	Current Year	Previous Year
<b>Current tax expense</b>	<b>25,481,570</b>	<b>-</b>
Current year	25,481,570	-
Adjustments for prior years		
<b>Deferred tax expense</b>	<b>(175,609)</b>	<b>(1,407,102)</b>
Origination and reversal of temporary differences	(175,609)	(1,407,102)
Changes in tax rate		
Recognition of previously unrecognised tax losses		
<b>Total income tax expense/(income)</b>	<b>25,305,961</b>	<b>(1,407,102)</b>

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

Particulars	Current Year	Previous Year
<b>Current Year</b>		
Profit before tax	93,915,734	41,202,242
Tax amount at tax rate of 30%	28,174,720	12,360,673
Adjustments for prior years		
Add: Tax effect of expenses that are not deductible for tax purpose	3,231,020	7,061,694
Less: Tax effect on exempt income	(5,924,170)	(22,953,947)
Add/less: Tax effect on other items	(175,609)	(1,407,102)
<b>Total income tax expense</b>	<b>25,305,961</b>	<b>(4,938,682)</b>
Effective tax rate	26.95%	0.00%

Reliance Finance Limited  
 Notes to Financial Statements

## Statement of Distributable Profit or Loss

4.42

Particulars	Current Year	Previous Year
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>68,609,773</b>	<b>42,609,344</b>
Appropriations:		
a. General reserve	(13,721,955)	(9,537,295)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(574,328)	(426,093)
e. Employees' training fund	353,627	186,246
f. Other		377,300
<b>Profit or (Loss) Before Regulatory Adjustment</b>	<b>54,667,118</b>	<b>33,209,501</b>
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(3,386,430)	20,911,191
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)	1,974,081	(1,974,081)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	27,741,241	(117,075,940)
e. Deferred tax assets recognised (-)/ reversal (+)	2,376,724	(492,343)
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)		
i. Other (+/-) /Fair Value gain/(Loss)		
<b>Net Profit for the Year Available for Distribution</b>	<b>83,372,735</b>	<b>(65,421,672)</b>
Opening Balance of retained earnings	(266,552,777)	(206,208,238)
Adjustment: Gain/Loss in Sale of Share from OCI(+/-)	(64,783)	5,077,133
<b>Distribution</b>		
Bonus Shares Issued		
Cash Dividend Paid		
<b>Distributable profit or (loss) as on 31 Asar 2081</b>	<b>(183,244,826)</b>	<b>(266,552,777)</b>
<b>Annualized distributable Profit/(Loss) per share</b>	<b>(16.34)</b>	<b>(23.77)</b>



**Reliance Finance Limited**  
**Notes to Financial Statements**

**5 Disclosure and Additional Information**

**5.1 Risk Management**

In compliance with Nepal Rastra Bank Directives on 6 "Corporate Governance" the Board of Finance Company has established a Risk Management Committee with clear terms of reference. As at the date of this report, the Finance Company's Risk Management Committee comprised of the following.

S.N	Members	Designation
1	Mr. Bishnu Man Joshi	Co-ordinator
2	Mr. Tulsi Prasad Baral	Member
3	Mr. Rabin Shakya	Member
4	Mr. Pradeep Gurahain	Member Secretary

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.

**i) Risk Governance**

Risk management committee of the Finance Company has formed to review the credit risk, market risk and liquidity risk of the Finance. Apart from this the Finance Company has formed the Assets Liability Committee (ALCO) to monitor Liquidity risk as well as market risk and Anti- Money Laundering Prevention committee (AML) to monitor the operational risk. The committee and subcommittee has effectively discharged their duties & responsibility.

Risk management committee analyse the Stress testing of the Finance Company as required by Nepal Rastra Bank and its impact and corrective action to mitigate the risk.

Through its risk management framework, the Finance Company seeks to efficiently manage credit, market and liquidity risks which arise directly through the Finance Company's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking. As part of this framework, the Finance Company uses a set of principles that describe its risk management culture. The Finance has developed Risk Management Policy to manage Credit risk, Market risk and liquidity risk.

**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 Co. to another Finance Co. 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 substantial 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 analyzes the collateral before considering it as security and conducts independent valuation of collateral. Revaluation is done on periodic basis based on the developments after previous valuation and necessary mitigative measures are taken if the value is found to have been declined.

**c) Liquidity Risk**

Liquidity risk is the risk that either Finance Co. does not have financial resource to meet its obligations when due or could access to those resources at excessively high cost. Liquidity risk is managed by complying with the Directives and circulars issued by regulatory authority on time to time basis. CRR and SLR are maintained as per regulatory requirement and periodic status of liquidity profile are prepared to analyze 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) AML/CFT Risk**

AML/CFT Committee has been formed as required by the NRB Directives. Furthermore, a separate AML, KYC & CFT Unit is established which looks after the effective implementation and compliance of AML, KYC & CFT related prevailing Acts, Rules and Directives. As at the date of this report, the Finance Company's AML-CFT Committee comprised of the followings.

S.N	Members	Designation
1	Mr. Yugesh Lal Bijukchhe	Co-ordinator
2	Mr. Pradeep Guragain	Member
3	Mr. Rakesh Dangol	Member Secretary

Note: The AML/CFT Coordinator, Ms. Sweeta Kakshyapti, resigned on 2082.03.30, and a new Coordinator was appointed on 2082.05.11.

**g) 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 hierarchy of financial assets and liabilities at each reporting dates for the financial instruments presented in statement of financial position is as follows:

**As at 31 Ashad 2080**

Particulars	Classification	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalent				313,791,599
Due from Nepal Rastra Finance Co.	AC			334,495,080
Loans and advances to customers	AC			6,846,365,581
Investment securities				
Quoted shares	FVOCI	206,181,654		
Unquoted shares	FVOCI			8,647,500
Other Investment	AC			1,704,926,478
<b>Total Financial Assets</b>		<b>206,181,654</b>	-	<b>9,208,226,237</b>
<b>Financial Liabilities</b>				
Due to Finance Co. and Financial Institutions	AC	-		
Deposits from customers	AC			8,388,003,002
Other Liabilities	AC			123,828,145
<b>Total Financial Liabilities</b>		-	-	<b>8,511,831,147</b>

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 32 Ashad 2082	As at 31 Ashad 2081
<b>1.1 Risk Weighted Exposure (RWE)</b>		
RWE for Credit Risk	7,804,118	7,515,915
RWE for Operational Risk	410,397	520,895
RWE for Market Risk	-	-
<b>Total RWE before adjustment under Pillar II</b>	<b>8,214,514</b>	<b>8,036,811</b>
Adjustments under Pillar II		
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	2,186	
Add .....% of the total deposit due to insufficient Liquid Assets		
Adjustments under Pillar II(Add RWE equivalent to reciprocal of capital charge of 3 % of gross income)	79,438	79,061
Adjustments under Pillar II(Overall risk management policies and procedures are not satisfactory. Add 3% of RWE)	246,435	241,104
If desired level of disclosure requirement has not been achieved, Add .....% of RWE		
<b>Total RWE</b>	<b>8,542,573</b>	<b>8,356,976</b>
<b>1.2 Capital</b>		
<b>A. Core Capital (Tier I)</b>	<b>1,114,020</b>	<b>1,014,613</b>
Paid up Equity Share Capital	1,121,452	1,121,452
Irredeemable Non-cumulative preference shares		
Share Premium	1,141	1,141
Proposed Bonus Equity Shares		
Statutory General Reserves	177,782	164,060
Retained Earnings	(183,245)	(266,553)
Un-audited current year cumulative profit/(loss)		
Capital Redemption Reserve		
Capital Adjustment Reserve		
Dividend Redemption Reserves		
Dividend Equalization Reserves		
Other Free Reserve		
Less: Goodwill		
Less: Deferred Tax Assets	-	(2,377)
Less: Fictitious Assets		
Less: Investment in equity in licensed Financial Institutions		
Less: Investment in equity of institutions with financial interests	(3,110)	(3,110)
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		
Less: Shortfall in provision		
Less: Loan & Facilities extended to related parties and restricted lending		
<b>B. Supplementary Capital (Tier II)</b>	<b>122,869</b>	<b>105,231</b>
Cumulative and/or Redeemable Preference Share		
Subordinated Term Debt		
Hybrid Capital Instruments		
General Loan Loss Provision	94,030	105,231
Exchange Equalization Reserve		
Investment Adjustment Reserve	-	-
Accrued Interest Receivable on pass loan included in Regulatory Reserve	28,838	-
Other Reserves		-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>1,236,889</b>	<b>1,119,844</b>
<b>1.3 Capital Adequacy Ratio</b>		
<b>Tier I Capital to Total RWE</b>	<b>13.04%</b>	<b>12.14%</b>
<b>Total Capital Fund to Total RWE</b>	<b>14.48%</b>	<b>13.40%</b>

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	54,438			54,438	0%					
Balance With Nepal Rastra Bank	334,495			334,495	0%				57,042	
Gold					0%				313,221	
Investment in Nepalese Government Securities	1,432,850			1,432,850	0%				1,432,850	
All Claims on Government of Nepal										
Investment in Nepal Rastra Bank securities										
All claims on Nepal Rastra Bank	250,000			250,000	0%				700,000	
Claims on Foreign Government and Central Bank (ECA 0-1)										
Claims on Foreign Government and Central Bank (ECA -2)					20%					
Claims on Foreign Government and Central Bank (ECA -3)					50%					
Claims on Foreign Government and Central Bank (ECA-4-6)					100%					
Claims on Foreign Government and Central Bank (ECA -7)					150%					
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework					0%					
Claims on Other Multilateral Development Banks					100%					
Claims on Domestic Public Sector Entities					100%					
Claims on Public Sector Entity (ECA 0-1)					20%					
Claims on Public Sector Entity (ECA 2)					50%					
Claims on Public Sector Entity (ECA 3-6)					100%					
Claims on Public Sector Entity (ECA 7)					150%					
Claims on domestic banks that meet capital adequacy requirements	329,390			329,390	20%	65,878		622,227	124,445	
Claims on domestic banks that do not meet capital adequacy requirements	1,776	1,776			100%					
Claims on foreign bank (ECA Rating 0-1)					20%					
Claims on foreign bank (ECA Rating 2)					50%					
Claims on foreign bank (ECA Rating 3-6)					100%					
Claims on foreign bank (ECA Rating 7)					150%					
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement					20%					
Claims on Domestic Corporates (Credit rating score equivalent to AAA)					80%					
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)					85%					
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)					90%					
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)					100%					



	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Current Year		Previous Year				
							a	b	c	d=a-b-c	e	f=d* <sup>e</sup>	Net Value
Claims on Domestic Corporates (Unrated)	1,054,341			1,054,341	100%	1,054,341						1,195,149	1,195,149
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)	2,413,074	63,382	2,349,692	75%	1,762,269	1,731,841						1,298,881	1,298,881
Claims fulfilling all criterion of regularity retail except granularity	324,971	25,852	299,118	100%	299,118	294,034						294,034	294,034
Claims secured by residential properties	565,109		565,109	60%	339,065	555,024						333,015	333,015
Claims not fully secured by residential properties				-	150%	-						-	-
Claims secured by residential properties (Overdue)	125,945		125,945	100%	125,945	120,921						120,921	120,921
Claims secured by Commercial real estate				-	100%	-						-	-
Past due claims (except for claims secured by residential properties)	1,646,498		1,646,498	150%	2,469,747	1,172,909						1,759,363	1,759,363
High Risk claims	380,415	322,455	57,961	150%	86,941	405,538						608,306	608,306
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-Point 3.3(i)(1)(ii))	206,461		206,461	125%	258,077	228,368						285,459	285,459
Lending Against Securities (Bonds)				-	100%	-						-	-
Lending Against Shares	267,439		267,439	100%	267,439	343,032						386,408	386,408
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)				-	100%	-						-	-
Personal Hirepurchase/Personal Auto Loans (upto Rs.5 Million)	39,920		39,920	100%	39,920	21,665						21,665	21,665
Investments in equity and other capital instruments of institutions listed in stock exchange	187,292.3		187,292	100%	187,292	192,057						192,057	192,057
Investments in equity and other capital instruments of institutions not listed in the stock exchange	1,083		1,083	150%	1,624	1,083						1,624	1,624
Staff loan secured by residential property	39,824		39,824	50%	19,912	38,593						38,593	38,593
Interest Receivable/Claim on government securities	22,035		22,035	0%	-	22,035						22,035	22,035
Cash in transit and other cash items in the process of collection				-	20%	-						-	-
Other Assets (as per attachment)	756,937		756,937	100%	756,937	825,963						825,963	825,963
<b>TOTAL (A)</b>	<b>10,434,296</b>	<b>324,231</b>	<b>89,235</b>		<b>10,020,830</b>	<b>7,734,507</b>	<b>10,273,552</b>	<b>7,466,587</b>					
<b>B. Off Balance Sheet Exposures</b>													
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



A. Balance Sheet Exposures	Current Year					Previous Year		
	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e	Net Value g	Risk Weighted Exposures h
Foreign counterparty (ECA Rating 2)					50%	-	0	-
Foreign counterparty (ECA Rating 3-6)					100%	-	0	-
Foreign counterparty (ECA Rating 7)					150%	-	0	-
LC Commitments With Original Maturity Over 6 months domestic counterparty					50%	-	0	-
Foreign counterparty (ECA Rating 0-1)					20%	-	0	-
Foreign counterparty (ECA Rating 2)					50%	-	0	-
Foreign counterparty (ECA Rating 3-6)					100%	-	0	-
Foreign counterparty (ECA Rating 7)					150%	-	0	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	6000			6,000	40%	2,400	0	-
Foreign counterparty (ECA Rating 0-1)					20%	-	0	-
Foreign counterparty (ECA Rating 2)					50%	-	0	-
Foreign counterparty (ECA Rating 3-6)					100%	-	0	-
Foreign counterparty (ECA Rating 7)					150%	-	0	-
Underwriting commitments					50%	-	0	-
Lending of Bank's Securities or Posting of Securities as collateral					100%	-	0	-
Repurchase Agreements, Assets sale with recourse					20%	-	0	-
Advance Payment Guarantee					100%	-	0	-
Financial Guarantee					100%	-	0	-
Acceptances and Endorsements					100%	-	0	-
Unpaid portion of Partly paid shares and Securities					100%	-	0	-
Irrevocable Credit commitments (short term)	81,922			81,922	20%	16,384	54,529	10,906
Irrevocable Credit commitments (long term)	101,652			101,652	50%	50,826	76,845	38,422
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement					20%	-	0	-
Other Contingent Liabilities					100%	-	0	-
Unpaid Guarantee Claims					200%	-	0	-
<b>TOTAL (B)</b>	<b>189,574</b>	<b>-</b>	<b>-</b>	<b>189,574</b>	<b>69,610</b>	<b>131,373</b>	<b>49,328</b>	
Total RWE for credit Risk Before Adjustment (A)+(B)	10,623,870	324,231	89,235	10,210,405	7,804,118	10,404,926	7,515,915	Adjustments under Pillar II
<b>Total RWE for Credit Risk</b>	<b>10,623,870</b>	<b>324,231</b>	<b>89,235</b>	<b>10,210,405</b>	<b>7,804,118</b>	<b>10,404,926</b>	<b>7,515,915</b>	

Eligible Credit Risk Mitigants	Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	Govt. & NRB Securities	Sec/G'tee of Other Sovereigns	Sec/G'tee of Foreign Banks	Total
Balance Sheet Exposures		(a)	(b)	(c)	(d)	(e)	(f)	(d)	(f)	(i)	
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 % 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)		63,382.23								63,382	
Claims fulfilling all criterion of regularity retail except granularity		25,852.39								25,852	
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		-									-



Credit exposures	Deposits with Bank	Deposits with other banks/FI	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	Govt. & NRB Securities	Sec/G'tee of Other Sovereigns	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-									-
Other Assets (as per attachment)										-
<b>otal</b>	<b>89,235</b>									<b>89,235</b>
<b>Off Balance Sheet Exposures</b>										
Forward Exchange Contract Liabilities										-
LC Commitments With Original Maturity Upto 6 months domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
LC Commitments With Original Maturity Over 6 months domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty					6,000					6,000
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse										-
Advance Payment Guarantee										-
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (short term)					81,922					81,922
Irrevocable Credit commitments (long term)					101,652					101,652
Other Contingent Liabilities										-
Unpaid Guarantee Claims										-
<b>Total</b>										<b>189,574</b>
<b>Grand Total</b>										<b>278,809</b>

**b) Operational Risk**

Amount in '000

Particulars	Fiscal Year		
	2078-79	2079-80	2080-81
Net Interest Income	249,005	228,282	218,587
Commission and Discount Income	38,742	31,701	39,255
Other Operating Income	4,719	3,552	6,950
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period			
<b>Gross income (a)</b>	<b>292,466</b>	<b>263,535</b>	<b>264,792</b>
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed Percentage of Gross Income [c=(a×b)]</b>	<b>43,869.94</b>	<b>39,530</b>	<b>39,719</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>			<b>41,040</b>
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (e)</b>			<b>10</b>
<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>			<b>410,397</b>
Pilliar II Adjustments			
<b>If Gross Income for the last three years is negative (6.4 a 8)</b>			
Total Credit and Investment (net of Specific Provision) of releted month			-
Capital Requirement for Operational Risk (5% of net credit and investment)			-
<b>Risk Weight (reciprocal of capital requirement of 10%) in times</b>			<b>10</b>
<b>Equivalent Risk Weight Exposure (g)</b>			-
<b>Equivalent Risk Weight Exposure [h=f+g]</b>			<b>410,397</b>

**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				-
<b>(a) Total Open Position</b>				-
<b>(b) Fixed Percentage</b>				<b>5%</b>
<b>(c) Capital Charge for Market Risk (=a*b)</b>				
<b>(d) Risk Weight (reciprocal of capital requirement of 10%) in times</b>				<b>10</b>
<b>(e) Equivalent Risk Weight Exposure (=c×d)</b>				



**d) Non Performing Assets (Gross and Net)**

Non Performing Assets	Gross Amount	Impairment Allowance	Net Amount
Restructured and Rescheduled			
Sub-Standard	100,954,579	21,492,095	79,462,485
Doubtful	381,541,590	190,120,071	191,421,519
Bad	112,990,963	110,842,338	2,148,625.00
<b>Total</b>	<b>595,487,133</b>	<b>322,454,504</b>	<b>273,032,629</b>

**5.3.4 Compliane with Capital Requirement**

Inline with NRB Directive 1/081, the following is the status of complaince with capital requirements at Ashad end 2082.

Particulars	Requirement	Position
Tier I Capital to RWE	6%	13.40%
Tier I and Tier II Capital to RWE	10%	14.48%

**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 Madesh and Karnali province, hence, it is not reported.

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

- i) Consumer Financeing: Revenue generated by serving individual consumer is categorized under this product. This includes loans and deposit from individual customer.
- ii) Corporate Financeing: 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.

## Segment result and segment position for the year ended on Asar 2082

Particulars	Koshi	Madesh	Bagmati	Gandaki	Lumbini	Karnali	Far west	Unallocated	Total
Revenue from external customers	42,612,637		643,617,311	112,717,029	40,114,420		57,397,310		896,458,708
Intersegment revenues									-
<b>Net revenue</b>	<b>42,612,637</b>	<b>-</b>	<b>643,617,311</b>	<b>112,717,029</b>	<b>40,114,420</b>	<b>-</b>	<b>57,397,310</b>	<b>-</b>	<b>896,458,708</b>
Interest income	39,003,139		595,591,758	110,722,382	36,826,791	-	50,628,132		832,772,202
Interest expenses	19,765,666		448,033,400	63,683,857	23,530,624	-	14,676,216		569,689,763
<b>Net interest revenue</b>	<b>19,237,473</b>	<b>-</b>	<b>147,558,358</b>	<b>47,038,525</b>	<b>13,296,167</b>	<b>-</b>	<b>35,951,916</b>	<b>-</b>	<b>263,082,439</b>
Depreciation and amortization	1,941,538		21,617,909	438,631	1,216,951		1,544,928		26,759,957
<b>Segment profit/(loss)</b>	<b>(18,412,902)</b>		<b>3,119,752</b>	<b>30,490,709</b>	<b>(1,927,137)</b>		<b>80,645,313</b>		<b>93,915,734</b>
Entity's interest in the profit or loss of associate accounted for using equity method									
Other material non-cash items:									-
<b>Loans:</b>	<b>938,515,976</b>	<b>-</b>	<b>1,101,285,042</b>	<b>713,583,832</b>	<b>511,776,667</b>	<b>-</b>	<b>3,581,204,063</b>	<b>-</b>	<b>6,846,365,581</b>
Consumer	633,544,122		574,503,654	306,125,082	355,750,657	-	1,351,342,748		3,221,266,262
Corporate	304,971,854		526,781,388	407,458,750	156,026,010	-	2,229,861,316		3,625,099,318
<b>Deposit</b>	<b>378,370,145</b>	<b>-</b>	<b>6,277,968,061</b>	<b>1,203,588,011</b>	<b>464,035,743</b>	<b>-</b>	<b>314,550,234</b>	<b>-</b>	<b>8,638,512,194</b>
Consumer	273,939,555		4,210,874,695	653,762,662	221,195,555	-	163,659,189		5,523,431,656
Corporate	104,430,590		2,067,093,366	549,825,348	242,840,189	-	150,891,044		3,115,080,538
<b>Impairment of Assets</b>	<b>34,149,586</b>		<b>265,611,200</b>	<b>7,996,270</b>	<b>77,162,521</b>	<b>-</b>	<b>31,565,371</b>	<b>-</b>	<b>416,484,947</b>
<b>Segment Assets</b>	<b>689,864,293</b>		<b>7,606,328,284</b>	<b>539,980,834</b>	<b>438,297,833</b>	<b>-</b>	<b>752,726,893</b>	<b>-</b>	<b>10,027,198,138</b>
<b>Segment Liabilities</b>	<b>378,370,145</b>		<b>6,407,180,097</b>	<b>1,203,588,011</b>	<b>464,035,743</b>	<b>-</b>	<b>314,550,234</b>	<b>-</b>	<b>8,767,724,230</b>

#### 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	896,458,708
Other revenue	
Elimination of intersegment revenues	
<b>Entity's revenue</b>	<b>896,458,708</b>

##### b) Profit or loss

<b>Total profit or loss for reportable segments</b>	<b>93,915,734</b>
Other profit or loss	
Elimination of intersegment profit	
Unallocated amounts:	
NFRS adjustments	
<b>Profit before income tax</b>	<b>93,915,734</b>

##### c) Assets

<b>Total assets for reportable segments</b>	<b>10,027,198,138</b>
Other assets	
Unallocated assets	
<b>Entity's assets</b>	<b>10,027,198,138</b>

##### d) Liabilities

<b>Total liabilities for reportable segments</b>	<b>8,767,724,230</b>
Other liabilities	
Unallocated liabilities	
<b>Entity's liabilities</b>	<b>8,767,724,230</b>

#### 5.4.5 Information about product and services

Particulars	Amount
Consumer banking	790,630,214
Corporate banking	2,833,888
Treasury	80,405,013
Others	22,589,593

#### 5.4.6 Information about geographical areas

Revenue from geographical areas are as follows:

Domestic:	Amount
Koshi	42,612,637
Madhesh	-
Bagmati	643,617,311
Gandaki	112,717,029
Lumbini	40,114,420
Karnali	-
Far West	57,397,310
<b>Foreign:</b>	-
<b>Total</b>	<b>896,458,708</b>

#### 5.4.6 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 Co. comprise the following:

Name	Position
Kush Prasad Mally	Chairman
Tulsi Prasad Baral	Director
Yugesh Lal Bijukchhe	Director
Ishwori Prasad Neupane	Independent Director

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



#### **Allowance and facilities provided to board members**

Chairman 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. 11,16,500.

All board members are provided Rs. 3,500 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. Samaj Prakash 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. 48,46,679. 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 disclosures of non consolidated entities**

The Finance Co. has no unconsolidated entities.

#### **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 in its meetings dated 02.09.2082 have not proposed any dividend for fiscal year 2081.82

## 5.12 Other additional disclosure

### 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
For FY 2075-076	10,979,986	-	57,045,777	714,624	-	-	-	-	-	-	68,740,387
Transfer To/(From) Reserve	(272,137)		(1,662,069)	906,249	(2,616,096)						(3,644,052)
For FY 2076-077	(272,137)	-	(1,662,069)	906,249	(2,616,096)	-	-	-	-	-	65,096,335
Transfer To/(From) Reserve	7,752,927		(52,038,104)	725,857	4,920,449						(38,638,871)
For FY 2077-078	7,752,927	-	(52,038,104)	725,857	4,920,449	-	-	-	-	-	26,457,464
Transfer To/(From) Reserve	1,203,251		(3,345,605)	1,720,434	(1,096,123)	-	-	-	-	-	(1,518,043)
For FY 2078-079	1,203,251	-	(3,345,605)	1,720,434	(1,096,123)	-	-	-	-	-	24,939,421
Transfer To/(From) Reserve	13,838,294		-	11,412,548	676,151						25,926,992
For FY 2079-080	13,838,294	-	-	11,412,548	676,151	-	-	-	-	-	50,866,413
Transfer To/(From) Reserve	(20,911,191)		1,974,081	117,075,940	492,343						98,631,173
For FY 2080-081	(20,911,191)	-	1,974,081	117,075,940	492,343	-	-	-	-	-	149,497,587
Transfer To/(From) Reserve	3,386,430		(1,974,081)	(27,741,241)	(2,376,724)						(28,705,617)
For FY 2081-082	3,386,430	-	(1,974,081)	(27,741,241)	(2,376,724)	-	-	-	-	-	120,791,970
<b>Total</b>	<b>15,977,561</b>	<b>-</b>	<b>(-)</b>	<b>104,814,410</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### Additional Disclosures:

#### Refinance and Business Continuity

Particulars	During FY 2081/2082	
	No.of Customers	Amount(NRs.)
Refinance Loan	-	-
Business Continuity Loan	N/A	N/A

#### Subsidized Loan

Particulars	During FY 2081/2082	
	No.of Customers	Amount(NRs.)
Subsidized Loan	82	12,712,763



Reliance Finance Limited  
Notes to Financial Statements

**5.13 Major Financial Indicators of Last Five Years**

S.N.	Particulars	Indicator	2081-82	2080-81	2079-80	2078-79	2077-78
1	Net profit/total income	%	7.65	4.40	-17.56	8.75	17.11
2	Earning per share						
	Basic earning per share	Rs.	6.12	3.80	-16.28	6.76	16.33
	Diluted earning per share	Rs.	6.12	3.80	-16.28	6.76	16.33
3	Market price per share	Rs.	504.27	459	386	310	532
4	Price/earning ratio	Times	82.42	120.81	-23.70	45.88	32.58
5	Dividend or bonus per share	Rs.	0.00	0.00	0.00	6.50	15.00
6	Cash dividend	Rs.	0.00	0.00	0.00	0.34	0.79
7	Interest income/loan and advances	%	11.86	14.92	18.63	14.76	12.52
8	Employee expenses/total operating expenses	%	61.12	57.50	55.81	52.55	58.76
9	Employee expenses/total deposit and borrowing	%	1.51	1.49	1.61	1.48	1.82
10	Exchange income/total income	%	0.00	0.00	0.00	0.00	0.00
11	Staff bonus/total employee expenses	%	8.01	3.71	0.00	10.15	23.33
12	Net profit/loans and advances	%	1.00	0.68	-3.26	1.29	3.16
13	Net profit/total assets	%	0.68	0.43	-2.11	0.77	2.07
14	Total loans and advances/total deposit	%	82.57	76.58	83.66	80.90	84.12
15	Total operating expenses/total assets	%	2.13	2.17	2.27	2.10	2.51
16	Capital adequacy ratio						
	a) Core Capital	%	13.04	12.14	13.18	17.48	24.63
	b) Supplementary Capital	%	1.44	1.26	1.04	1.11	1.40
	c) Total Capital Fund	%	14.48	13.40	14.22	18.59	26.03
17	Liquidity Ratio	%	27.01	32.44	36.69	46.51	35.17
18	NPAs/total loan and advances	%	8.39	6.47	6.36	2.27	2.69
19	Base rate	%	8.53	11.04	13.02	12.19	9.65
20	Weighted average interest rate spread	%	4.10	4.60	4.58	4.44	4.81
21	Book net worth	Rs.	1,259,474	1,172,346	1,127,602	1,317,103	1,279,601
22	Total shares	No.	11,214,517	11,214,517	11,214,517	10,530,063	9,156,577
23	Total employees	No.	165	168	168	167	162
24	Others:						
	Per employee business (Rs. In lakh)	%	425.71	367.46	321.05	312.18	274.02
	Employee expenses/total income	%	14.54	12.75	10.59	12.49	12.19

Reliance Finance Limited  
 Comparison Audited and Unaudited Financial Statements  
 Fiscal Year: 2081-82

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	313,792	313,792	-	-	
Due from Nepal Rastra Bank	334,495	334,495	-	-	
Placement with Bank and Financial Institutions	-	-	-	-	
Derivative financial instruments	-	-	-	-	
Other trading assets	-	-	-	-	
Loan and advances to B/FIs	70,037	69,336	(700)	(1.00)	Regrouping of loan to microfinance from loan to customer
Loans and advances to customers	6,737,372	6,777,029	39,657	0.59	Regrouping of loan to microfinance from loan to customer
Investment securities	1,921,196	1,919,756	(1,440)	(0.07)	
Current tax assets	34,816	22,759	(12,058)	(34.63)	Final calculation of income tax expenses for the period
Investment in subsidiaries	-	-	-	-	
Investment in associates	-	-	-	-	
Investment property	210,874	210,598	(277)	(0.13)	NBA adjustment under valuation
Property and equipment	300,793	307,738	6,943	2.31	ROU calculation
Goodwill and Intangible assets	1,093	1,093	-	-	
Deferred tax assets	2,377	-	(2,377)	(100.01)	Correction on calculation of deferred expenses
Other assets	66,550	70,603	4,053	6.09	AIR (net of interest suspense) included in loans to customer
<b>Total Assets</b>	<b>9,993,395</b>	<b>10,027,198</b>	<b>33,801</b>	<b>0.34</b>	
Liabilities					
Due to Bank and Financial Institutions	245,896	250,509	4,614	1.88	Regrouping of loan to microfinance from loan to customer
Due to Nepal Rastra Bank	-	-	-	-	
Derivative financial instruments	-	-	-	-	



Deposits from customers	8,392,617	8,388,003	(4,614)	(0.05)	Regrouping of loan to microfinance from loan to customer
Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred tax liabilities	8,384	5,384	(3,000)	(35.78)	Correction on calculation of deferred expenses
Other liabilities	111,906	123,828	11,922	10.65	Changes in figures of liabilities on finalization of calculation related to staffs, bonus etc.
Debt securities issued	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
<b>Total liabilities</b>	<b>8,758,802</b>	<b>8,767,724</b>	<b>8,922</b>	<b>0.10</b>	
Equity					
Share capital	1,121,452	1,121,452	0	0.00	
Share premium	1,141	1,141	-	-	
Retained earnings	(199,042)	(183,245)	15,797	(7.94)	Finalization of LLP and Income
Reserves	311,042	320,126	9,084	2.92	Finalization of LLP and Income
Total equity attributable to equity holders	1,234,593	1,259,474	24,881	2.02	
Non-controlling interest					
<b>Total equity</b>	<b>1,234,593</b>	<b>1,259,474</b>	<b>24,881</b>	<b>2.02</b>	
<b>Total liabilities and equity</b>	<b>9,993,395</b>	<b>10,027,198</b>	<b>33,803</b>	<b>0.34</b>	

Statement of Profit or Loss	As per Unaudited Financial Statements	As per Financial Statements	Variance		Reasons for Variance
			In Amount	In %	
Interest income	808,412	832,772	24,360	3.01	Change in NFRS based Interest income
Interest expense	568,188	569,690	1,501	0.26	ROU adjustment
<b>Net interest income</b>	<b>240,224</b>	<b>263,082</b>	<b>22,858</b>	<b>9.52</b>	
Fee and commission income	51,998	49,358	(2,641)	(5.08)	TDS from remittance co.booked as commission.
Fee and commission expense	-	-	-	-	
<b>Net fee and commission income</b>	<b>51,998</b>	<b>49,358</b>	<b>(2,641)</b>	<b>(5.08)</b>	
Other operating income	10,457	14,329	3,872	37.02	Regrouping of income
<b>Total operating income</b>	<b>302,680</b>	<b>326,769</b>	<b>24,089</b>	<b>7.96</b>	
Impairment charge/(reversal) for loans and other losses	38,790	19,612	(19,178)	(49.44)	Finalization of LLP and Income losses
Net operating income	263,890	307,157	43,267	16.40	
Personnel expenses	125,520	130,338	4,818	3.84	Changes in figures of staffs bonus.
Other operating expenses	68,026	56,143	(11,884)	(17.47)	Regrouping of amortization expenses
Depreciation & Amortisation	14,676	26,760	12,084	82.34	Correction on calculation of depreciation and regrouping amortization expenses as per NFRS.
<b>Operating profit</b>	<b>55,667</b>	<b>93,916</b>	<b>38,249</b>	<b>68.71</b>	
Non operating income/(expense)	-	-	-	-	
Profit before tax	55,667	93,916	38,249	68.71	
Income tax	12,963	25,306	12,343	95.22	Final calculation of income tax expenses for the period
<b>Profit / (loss) for the period</b>	<b>42,704</b>	<b>68,610</b>	<b>25,906</b>	<b>60.66</b>	
Other comprehensive income	19,563	18,518	(1,045)	(5.34)	
<b>Total comprehensive income</b>	<b>62,267</b>	<b>87,128</b>	<b>24,861</b>	<b>39.93</b>	
<b>Distributable Profit</b>					
Net profit/(loss) as per profit or loss	42,704	68,610	25,906	60.66	Correction on calculation of Fair Value on share sold
Add/Less: Regulatory adjustment as per NRB Directive	(241,746)	(251,855)	(10,109)	4.18	In interim report, regulatory adjustment was not made.
<b>Free profit/(loss) after regulatory adjustments</b>	<b>(199,042)</b>	<b>(183,245)</b>	<b>15,797</b>	<b>(7.94)</b>	



नेपाल राष्ट्र बैंक  
वित्तीय संस्था सुपरिवेक्षण विभाग



पत्रसंख्या: वि.सं.सु.वि. / गैरस्थलगत / रिलायन्स / ०८२/८३  
च.नं. : १०३

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन: ०१-५७९९६४९  
Email: nrbfisd@nrb.org.np  
Web: [www.nrb.org.np](http://www.nrb.org.np)  
पोस्ट बक्स नं. ७३

मिति: २०८२/०९/०७

श्री रिलायन्स फाइनान्स लिमिटेड,  
कमलादी, काठमाडौं ।

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

महाशय,

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

१. निष्कृत्य कर्जा व्यवस्थापन सम्बन्धमा योजना बनाई कार्यान्वयन गर्नु हुन ।
२. यस बैंकबाट जारी एकीकृत निर्देशन नं ४/०८१ बुँदा नं. ४ को व्यवस्था बमोजिम सञ्चित मुनाफासंग सम्बन्धित खुद स्थगन कर सम्पत्ति रु. १७,३४,०६३ बरावरको रकम सञ्चित मुनाफा खातालाई खर्च गरी नियमनकारी कोषमा रकमान्तर गरी वित्तीय विवरण समायोजन गर्नुहुन ।
३. नेपाल राष्ट्र बैंकबाट जारी भएको NFRS 9 Expected Credit Loss Related Guidelines, 2024 मा रहेको व्यवस्थाको पूर्णरूपमा पालना हुने गरी ECL Model लाई थप सुधार गर्नुहुन ।
४. आन्तरिक लेखापरीक्षक, वात्य लेखापरीक्षक तथा यस बैंकबाट औल्याइएका कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,



(राकेश प्रजापति)  
उप-निर्देशक

**बोधार्थ:**

श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।  
श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाइ-५ ।  
श्री IBS (Individual Bank Supervisor) Officer

च.नं. २११/०८२/०८३

मिति : २०८२/०९/०९

श्री नेपाल राष्ट्र बैंक  
वित्तीय संस्था सुपरिवेक्षण विभाग  
बालुवाटार, काठमाण्डौ ।

**विषय : वित्तीय विवरण प्रकाशन गर्न स्वीकृति दिदा जारी भएका निर्देशन सम्बन्धमा ।**

महोदय,

उपरोक्त सम्बन्धमा तहाँको पत्र संख्या वि.सं.सु.वि./गैरस्थलगत /रिलायन्स/०८२/०८३ च.न.१०३, मिति २०८२/०९/०७ को पत्र मार्फत जारी भएको निर्देशन उपर यस संस्थाको प्रतिक्रिया तथा उल्लेखित बुँदाहरूको सुधारको स्थिति तपसिल बमोजिम रहेको व्यहोरा जानकारीका लागि अनुरोध छ ।

१. तहाँको निर्देशन बमोजिम निष्कृय कर्जा व्यवस्थापन सम्बन्धी योजना बनाई कार्यान्वयन गर्ने व्यहोरा अनुरोध छ ।
२. तहाँको निर्देशन बमोजिम खुद स्थगन कर सम्पत्ति बराबरको रकम नियमानुसार वित्तीय विवरणमा समायोजन गरिने व्यहोरा अनुरोध छ ।
३. तहाँको निर्देशन बमोजिम ECL Model लाई थप सुधार गरिने व्यहोरा अनुरोध छ ।
४. आन्तरिक लेखपरीक्षक, बाह्य लेखापरिक्षक तथा तहाँबाट औल्याएका कैफियतहरू सुधार गर्दै लगिने व्यहोरा अनुरोध छ ।

भवदिय,  
समाज प्रकाश श्रेष्ठ  
प्रमुख कार्यकारी अधिकृत

## गोट तथा टिपोट

# व्यवस्थापन समुह

## समाज प्रकाश श्रेष्ठ

(प्रमुख कार्यकारी अधिकृत)

## रामहरि आचार्य

(उप-प्रमुख कार्यकारी अधिकृत)

### आलोक मिश्र

(प्रमुख व्यवसाय अधिकृत)

### रविन शाक्य

(प्रमुख-संचालन अधिकृत)

### प्रदीप गुरागाँई

(प्रमुख जोखिम अधिकृत/अनुपालना अधिकृत)

### अनश्रु बतौला

(प्रमुख वित्त अधिकृत)

### दिक्षिण श्रेष्ठ

(प्रमुख-असुली विभाग)

### नविन्द्र के.सी

(प्रमुख-रिटेल एण्ड एसएमई कर्जा)

### युज कुमार भैल

कम्पनी सचिव

### मनी मानन्धर

(प्रमुख-सूचना तथा प्रविधि विभाग)

### राकेश डंगोल

(AML/CFT कार्यान्वयन अधिकृत)

### सन्दीप खत्री

(प्रमुख-मार्केटिङ तथा ब्रान्डिङ)

### विष्णु बस्नेत

(प्रमुख कर्जा अनुगमन तथा नियन्त्रण)

### नारायण पौडेल

(प्रमुख-कर्जा जोखिम विभाग)

### जुना श्रेष्ठ

(प्रमुख-कर्जा प्रशासन विभाग)

### प्राञ्जल तिम्सिना

(प्रमुख-मानव संसाधन विभाग)

## शाखा प्रमुखहरु

न्यूरोड शाखा अखण्ड श्रेष्ठ	नारायणगढ शाखा सतीश महर्जन	पोखरा शाखा सन्तोष खनियाँ	बेसीशहर शाखा भरत नेपाली	बनेपा शाखा सुवास के.सी.	धादिङ बेशी शाखा प्रकाश कुमार श्रेष्ठ	चारआली शाखा राजन राना
इमाडोल शाखा सरस्वती श्रेष्ठ	गोरखा शाखा सुबत लामिश्वाने	मणिग्राम शाखा विष्णु पराजुली	अत्तरिया शाखा महेश बहादुर कुँवर	महेन्द्रनगर शाखा महेश प्रसाद भट्ट	कोहलपुर शाखा सुशिल बस्नेत	दमक शाखा ईशाहाक राई
विरामोड शाखा जिवन श्रेष्ठ	धनगढी शाखा दोबन बहादुर रावल	सितापाइला शाखा सागर शाही	धूलावारी शाखा अमोद कुमार गुप्ता	टाँडी शाखा नारायण प्रसाद वाग्ले	भैरहवा शाखा प्रज्ञान पौडेल	बुटवल शाखा लक्ष्मण न्यौपाने

## संस्थागत सामाजिक उत्तरदायित्व सम्बन्धि कार्यक्रम



रक्तदान कार्यक्रम: बालाजु, बाईपास, काठमाडौं



स्टेशनरी सामाग्री वितरणः  
नैमित्तिक रूप संस्कृत गुरुकुलम्, बनेपा

**NEPAL PAY** Reliance Finance Smart App  
अब स्मार्ट मात्र हैन, सहज पैनि।

**RELIANCE FINANCE LIMITED**  
रिलायन्स फाइनान्स लिमिटेड  
977-1-5361104, 5323117, 5361041, 5903698, 5320698  
info@reliancenepal.com.np www.reliancenepal.com.np

**सर्वाधिक ब्याजदर**  
तथा अकर्त्तव्य सुविधाहरू

**सारथी**  
दघत साता

RELIANCE FINANCE LIMITED  
रिलायन्स फाइनान्स लिमिटेड  
Head Office: 8/1 Bhawan, PadmaVihar Marg, Kathmandu  
977-1-5361104, 5323117, 5361041, 5903698  
www.reliancenepal.com.np

**SCT** #TAPANDOG

SCT UPI डेबिट कार्ड  
आपे रिलायन्स उपग्रेड्यो महिनी रट्टैको रातामा  
3% SCT-UPI Debit Card निर्दिष्ट ब्याज।

रिलायन्स फाइनान्स लिमिटेड  
अन्य कुनै पनि बैंक तथा  
वित्तीय संस्थाको खातामा सिधै  
रकमावर गर्न सकिने।

**IPS**  
connect IPS  
pay direct from bank

**ECC** | **RTGS** | **CORPORATE PAY**  
Business Payments Platform

**RELIANCE FINANCE LIMITED**  
रिलायन्स फाइनान्स लिमिटेड  
फिल्म नामी जाहीर

**DIGITAL BANKING FEATURE**  
to your account just like that

fi- | fone pay | Sewa

**रिलायन्स रेमिटेन्स**  
मुहुर्ती खाता

• स्वास्थ्यक व्याज प्रति वर्ष जमिते • जातिका वैदालिक व्याज तुलना  
• १०% जरार कर्त्ता वित जमिते • वित्तीय अवधि: ३ बालिका तो जाता की

**रेमिटेन्स सेवाहरू (Remittance)**

<b>himal remit</b> गोपनीय दूरधर्मी	<b>easylink</b> REMITTANCE	<b>WESTERN UNION WU</b> moving money for better
<b>eSewa</b> MONEY TRANSFER	<b>IME</b> INTERNATIONAL MONEY EXPRESS	<b>PROBIZ</b> Money Transfer
<b>ipay remit</b>	<b>SAMSARA</b> MONEY TRANSFER	<b>City EXPRESS</b> Multi currency remittance

Khalti मा Link & Load सेवाहरू  
with Reliance Finance Smart

Link Today

Interest on Loan  
Best rate > ८% p.a. Prepaid

## **RELIANCE FINANCE LIMITED** रिलायन्स फाइनान्स लिमिटेड

Head Office: G.P.O.Box: 20136, Reliance Bhawan, Kamaladi - 01, Kathmandu, Nepal., Tel: Tel: 01-5323117, 5361041, 5903698, 5320698

Branch Office:

New Road	Narayangarh	Pokhara	Besishahar	Kavre	Dhading Besi	Charali	Imadol
Dharma Path, Kathmandu	Shahid Chowk	Mahendrapool	Narayanthan Tole	Banepa, Kavre	Dhading	Charali, Jhapa	Imadol, Lalitpur
Tel: 5345104, 5345105	Ward No.-3, Chitwan	Ward No.-4, Kaski	Ward No.-10, Lamjung	011-663244	010-590707, 590708	023-461102, 461421	01-5201704, 5200750
Gorkha	Manigram	Attariya	Mahendranagar	Kohalpur	Damak	Birtamode	
Gorkha Bazar	Tilottama - 05, Rupandehi	Attariya Bazar, Kailali	Bhimdatta-4, Kanchanpur	Kohalpur-11	Thana Road, Jhapa	Birtamode, Jhapa	
064-420278	071-562902	091-550033, 550084	099-520440, 520422	081-542154/542174	023-582602, 582603	023-530743, 530747	
Dhangadhi	Sitapaila	Dhulabari, Jhapa	Tandi, Chitwan	Bhairahawa	Butwal		
Dhangadhi	Nagarjun-4, Sitapaila	Dhulabari, Jhapa	056-593269/593401	Bhairahawa	Butwal		
091-523462, 523616	01- 5233397/ 5233398	023-564391, 564392	071-590901/590902	071-590174, 590175			