

तेह्रौं

वार्षिक प्रतिवेदन
(आ.व. २०७८/०७९)



Reliance Finance Limited
रिलायन्स फाइनान्स लिमिटेड

13th

Annual Report

13th Annual Report

सञ्चालक समिति



कुश प्रसाद मल्ली
अध्यक्ष



सुरकृष्ण बैद्य
सञ्चालक (संस्थापक समूह)



रवि कृष्ण श्रेष्ठ
सञ्चालक (संस्थापक समूह)



उपेन्द्र बहादुर कार्की
सञ्चालक (सर्वसाधारण समूह)



तुलसी प्रसाद बराल
सञ्चालक (सर्वसाधारण समूह)



श्वेता कक्षपती (शाक्य)
सञ्चालक (सर्वसाधारण समूह)



विनोद कुमार तण्डुकार
स्वतन्त्र सञ्चालक



समाज प्रकाश श्रेष्ठ
का.मु. प्रमुख कार्यकारी अधिकृत



युज कुमार भैल
कम्पनी सचिव

लेखा परीक्षक
सी.ए.अनिला श्रेष्ठ
साझेदार
सुन्दर एण्ड कम्पनी
चार्टर्ड एकाउण्टेन्ट्स

रिलायन्स फाइनेन्स लिमिटेडको तेह्रौं वार्षिक साधारण सभा बस्ने सूचना

शेयरधनी महानुभावहरु,

यस वित्तीय संस्थाको मिति २०८०/०३/०८ गते बसेको संचालक समितिको ३०६ औं बैठकको निर्णयानुसार यस रिलायन्स फाइनेन्स लि. को तेह्रौं 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 : २०८० साल असार महिना ३१ गते (तदनुसार १६ जुलाई, २०२३)

स्थान : स्मार्ट दरवार वैक्वेट, धुम्बाराही, काठमाण्डौ ।

समय : दिनको ११:०० बजे ।

सामान्य प्रस्तावहरु:

१. संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत गरिने आर्थिक वर्ष २०७८/०७९ को तेह्रौं वार्षिक प्रतिवेदन पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित आ.व.२०७८/७९ आषाढ मसान्त सम्मको वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरु पारित गर्ने ।
३. कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आ.व.२०७९/८० को लेखापरीक्षण गर्नका लागि लेखापरीक्षण समितिको सिफारिश बमोजिम लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने बारे । (साविकका लेखापरीक्षक श्री सुन्दर एण्ड कम्पनी योग्य हुनुहुन्छ ।)
४. संस्थाको संचालक समितिबाट सिफारिस भई नेपाल राष्ट्र बैंकबाट स्विकृत गरे बमोजिम आ.व.२०७८/०७९ मा भएको मुनाफाबाट कुल चुक्ता पूँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) को ६.५० प्रतिशतका दरले हुने रु.६,८४,४५,४११/- (अक्षरेपी छ करोड चौरासी लाख पैतालिस हजार चार सय एघार मात्र) बराबरको बोनश शेयर वितरण गरिने हुँदा सोको कर प्रयोजनार्थ नगद लाभांश चुक्ता पूँजीको ०.३४ प्रतिशतले हुने रु.३६,०२,३९०/- (अक्षरेपी छत्तिस लाख दुई हजार तिन सय नब्बे मात्र) नगद लाभांश प्रदान गर्ने प्रस्ताव पारित गर्ने ।
५. सञ्चालक समितिमा संस्थापकको तर्फ बाट प्रतिनिधित्व गर्ने सञ्चालक संख्या ३ जना र सर्वसाधारण शेयरधनीहरुको समूहबाट प्रतिनिधित्व गर्ने सञ्चालक संख्या ३ जना को निर्वाचन गर्ने ।
६. विविध ।

(ख) विशेष प्रस्तावहरु:

१. संस्थाको संचालक समितिबाट सिफारिस भई नेपाल राष्ट्र बैंकबाट स्विकृत गरे बमोजिम आ.व.२०७८/०७९ मा भएको मुनाफाबाट कुल चुक्ता पूँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) को ६.५० प्रतिशतका दरले हुने रु.६,८४,४५,४११/- (अक्षरेपी छ करोड चौरासी लाख पैतालिस हजार चार सय एघार मात्र) बराबरको बोनश शेयर वितरण गर्ने र सो बापत कर प्रयोजनार्थ नगद लाभांश चुक्ता पूँजीको ०.३४ प्रतिशतले हुने रु.३६,०२,३९०/- (अक्षरेपी छत्तिस लाख दुई हजार तिन सय नब्बे मात्र) गरि जम्मा लाभांश रकम चुक्ता पूँजीको ६.८४ प्रतिशतले हुने रु.७,२०,४७,८०१/- (अक्षरेपी सात करोड विस लाख सतचालिस हजार आठ सय एक वितरण गर्ने प्रस्ताव पारित गर्ने तथा बोनश शेयर वितरण गरे पश्चात कायम हुने भिन्न अंक (Fraction) लाई भविष्यमा समायोजन गर्ने गरी यथावत राख्ने प्रस्ताव स्विकृत गर्ने ।
२. संस्थाको तेह्रौं वार्षिक साधारण सभाको निर्णय बमोजिम जारी गरेको ६.५० प्रतिशत बोनश शेयर प्रदान गरे पश्चात कायम हुन आउने चुक्ता पूँजी तथा जारी पूँजी रु.१,१२,१४,५१,७३०/- (अक्षरेपी एक अर्ब बाह्र करोड चौधलाख एकाउन्न हजार सात सय तिस मात्र) कायम हुने भएकोले संस्थाको प्रबन्धपत्र संशोधन गरि संस्थाको जारी तथा चुक्ता पूँजी वृद्धि गर्ने र तदनुसरुप हुने गरि संस्थाको प्रबन्धपत्र/नियमावलीमा आवश्यक संशोधन, परिमार्जन र थप गर्ने ।
३. काठमाण्डौ का.म.न.पा. वडा नं. २८ प्रदर्शनीमार्गमा संस्थाले केन्द्रीय कार्यालय संचालन गरि आएको संस्थाको केन्द्रीय कार्यालय राख्ने प्रयोजनका लागि का.जि.का.म.न.पा. वडा नं. १ कमलादीमा संस्था आफैले घर जग्गा खरिद गरेको हुँदा उक्त घरमा संस्थाको केन्द्रीय कार्यालय सार्ने भएकोले नेपाल राष्ट्र बैंकको स्वीकृती लिई संस्थाको प्रबन्धपत्र/नियमावलीमा संस्थाको केन्द्रीय कार्यालयको ठेगाना संशोधन गर्नुपर्ने भएकोले तदनुसरुप हुने गरि प्रबन्धपत्र तथा नियमावली संशोधन गर्न प्रस्ताव गरेका छौं ।
४. संचालकले पाउने पत्रपत्रिका तथा संचार सुविधा वृद्धि गर्ने सम्बन्धमा ।
५. यस रिलायन्स फाइनेन्स लि.तथा अन्य कुनै बैंक, विकास बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने र गाभिने (मर्जर), प्राप्ती तथा विलय गर्न उपयुक्त देखिएमा मर्जर, प्राप्ति वा विलय गर्न, DDA गर्न, नियमनकारी निकायबाट आवश्यक स्वीकृति लिन तथा सो सम्बन्धमा सम्पूर्ण काम गर्ने अख्तियारी संचालक समितिलाई प्रदान गर्ने । साथै गाभिने (मर्जर), 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 अख्तियारी प्रदान गर्ने ।
६. प्रबन्धपत्र नियमावली संशोधनमा 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 अख्तियारी प्रदान गर्ने ।

साधारण सभा सम्बन्धी अन्य जानकारी

१. वार्षिक साधारण सभा प्रयोजनार्थ २०८०/०३/२० गते एक दिन यस संस्थाको शेयरधनी दर्ता किताब बन्द रहने जानकारी गराउँदछौं । साथै, नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०८०/०३/१९ सम्म कारोबार भई सि.डि.एस. एण्ड क्लियरिङ लि. बाट राफसाफ भई यस संस्थाको शेयर रजिष्ट्रार सनराईज क्यापिटल लि., कमलपोखरी काठमाण्डौमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन र बोनस शेयर तथा नगद लाभांश प्राप्त गर्न सक्नेछन् ।
२. साधारण सभाको लागि सम्पूर्ण शेयरधनी महानुभावहरूले आ.व.२०७८/०७९ को वित्तीय विवरण सहितको वार्षिक प्रतिवेदन संस्थाको केन्द्रिय कार्यालय वा शेयर रजिष्ट्रार सनराईज क्यापिटल लि. कमलपोखरीबाट प्राप्त गर्न सक्नु हुनेछ । साथै उक्त प्रतिवेदन कम्पनीको वेबसाईट www.relianceneपाल.com.np मा हेर्न वा डाउनलोड गर्न गर्नसक्नुहुनेछ ।
३. सम्पूर्ण शेयरधनी महानुभावहरूले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका विहान १०:०० बजेदेखि साधारण सभा सम्पन्न नभएसम्म खुल्ला रहनेछ ।
४. साधारण सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने शेयरधनीहरूले प्रोक्सी फाराम सभा शुरु हुनु भन्दा कम्तीमा ७२ घण्टा अगावै संस्थाको प्रदर्शनीमार्ग स्थित संस्थाको प्रधान कार्यालयमा भौतिक वा ईमेल मार्फत दर्ता गराई सक्नु पर्नेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत यस संस्थाको शेयरधनी हुनु आवश्यक छ ।
५. सभामा सबै शेयरधनीहरूले विविध शिर्षकमा छलफल गर्न चाहेको विषय, जिज्ञासा, मन्तव्यको सम्बन्धमा कम्तीमा ७ दिन अगावै कम्पनीको प्रधान कार्यालयमा लिखित जानकारी दिनुपर्ने छ । तर यसलाई छलफल र पारित हुने प्रस्तावको रुपमा समावेश गरिने छैन ।
६. 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 मुकुर गरेमा कम्पनीमा पहिले दर्ता भएको प्रतिनिधि (प्रोक्सी) लाई मान्यता प्रदान गरिने छ । प्रतिनिधि नियुक्त गरी सकेपछि शेयरधनी आफै सभामा उपस्थित भई हाजिर पुस्तिकामा दस्तखत गरेको अवस्थामा निजले गरिदिएको प्रोक्सी स्वतः बदर हुनेछ ।
७. नाबालक वा विक्षिप्त शेयरधनीको तर्फबाट संस्थाको लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएका व्यक्तिले मात्र सभामा भाग लिन मतदान गर्न वा प्रतिनिधि तोक्न सक्नेछन् ।
८. संचालक निर्वाचन सम्बन्धी विवरण, निर्वाचन तालिका, संचालकको योग्यता सम्बन्धी विवरणहरु यस रिलायन्स फाइनेन्स लि. को केन्द्रीय कार्यालयमा रहेको निर्वाचन अधिकृतको कार्यालयमा टाँस गरिने छ ।
९. सभामा सबै शेयरधनीहरूले विविध शिर्षकमा छलफल गर्न चाहेको विषय, जिज्ञासा, मन्तव्यको सम्बन्धमा संचालक समिति तथा संचालक समितिबाट आदेश पाएका व्यक्तिले जवाफ दिन सक्ने छन् ।
१०. अन्य जानकारीको लागि रिलायन्स फाइनेन्स लिमिटेडको केन्द्रीय कार्यालय प्रदर्शनी मार्ग काठमाण्डौमा कार्यालय समयभित्र सम्पर्क राख्न हुन शेयरधनी महानुभावहरूलाई अनुरोध गर्दछौं ।

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

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

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला म.न.पा./उप.म.न.पा./न.पा./गा.पा. वडा नं बस्ने म/हामी
.....ले त्यस कम्पनीको शेयरवालाको हैसियतले २०८०/०३/३१ गते आइतवारका दिन
हुने तेह्रौं 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 नंबस्ने त्यस कम्पनीका शेयरवाला श्री शेयरधनी नं
..... लाई मेरो/हाम्रो प्रतिनिधी मनोनित गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

हस्ताक्षरको नमुना :

शेयरधनी प्रमाणपत्र नं. :

हितग्राहि (डिम्याट) खाता नं.:

शेयरधनी (क्रम संख्या) नं. :

मिति :

निवेदक :

दस्तखत:

नाम:

ठेगाना:

हितग्राहि (डिम्याट) खाता नं.:

शेयर धनी क्रम संख्या नं.:

शेयर संख्या:

मिति :

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

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

शेयरधनीको नाम श्री

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

शेयरधनीको दस्तखत

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

द्रष्टव्य :

१) शेयरधनी आफैले खाली कोष्ठहरु भर्नुहोला ।

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

कम्पनी सचिव

FINANCIAL HIGHLIGHTS - CAMELS ANALYSIS
Rs in '000

Capital Adequacy	2074/075	2075/076	2076/077	2077/078	2078/079
Core Capital	881,952	977,804	1,039,571	1,218,266	1,280,265
Supplementary Capital	40,087	44,835	36,077	69,103	81,043
Capital Fund	922,039	1,022,638	1,075,648	1,287,368	1,361,307
Risk Weighted Assets	3,857,455	4,003,115	4,484,687	4,946,537	6,912,174
Capital Adequacy Ratio	23.90%	25.55%	23.98%	26.03%	19.69%
Core Capital to RWA	22.86%	24.43%	23.18%	24.63%	18.52%

Assets Quality	2074/075	2075/076	2076/077	2077/078	2078/079
Total Loan & Advances	3,134,797	3,830,377	4,149,104	4,764,874	5,574,114
Non Performing Loan	37,294	75,573	41,065	128,374	126,731
Loan Loss Provision	69,518	114,172	78,658	142,849	139,029
NPL to Total Loan & Advances	1.19%	1.97%	0.99%	2.69%	2.27%
LLP to Total Loan & Advances	2.22%	2.98%	1.90%	3.00%	2.49%
LLP to Total NPL	186.40%	151.08%	191.55%	111.27%	109.70%

Management Soundness	2074/075	2075/076	2076/077	2077/078	2078/079
Total Assets	4,736,793	5,282,038	6,386,087	7,215,194	9,209,575
Net Profit	44,850	64,119	102,533	149,506	71,147
Total Income	523,090	606,758	712,553	874,026	816,691
Total Expenses	419,488	509,610	564,458	650,244	713,605
# of Employee	88	92	129	162	167
# of Shares Outstanding	8,002	8,324	8,324	9,157	17,686
Earnings Per Employee	510	697	795	923	426
Earnings Per Share (Rs.)	5.60	7.70	12.32	16.33	4.02
Growth Rate in Assets	17.59%	11.51%	20.90%	12.98%	27.64%
Growth Rate in Deposits	15.31%	11.08%	25.93%	12.14%	17.98%
Growth Rate in Loan & Advances	18.18%	22.19%	8.32%	14.84%	16.98%
Growth Rate in Net Profit	-58.62%	43%	59.91%	45.81%	-52.41%

Earnings	2074/075	2075/076	2076/077	2077/078	2078/079
Net Interest Income	156,973	207,096	215,022	151,021	249,005
Operating Expenses	79,025	98,501	141,742	181,368	193,200
Non Interest Income	25,654	33,206	39,301	318,320	47,281
Earning Assets	4,494,127	4,811,048	4,918,509	5,099,021	6,114,554
Shareholders' Equity	901,829	1,066,935	1,087,359	1,279,601	1,317,103
Return on Equity	4.97%	6.01%	9.43%	11.68%	5.40%
Return on Assets	1.21%	1.21%	1.61%	2.07%	0.77%
Cost-Income Ratio	13.02%	16.23%	19.89%	20.75%	23.66%
Net Interest Margin	2.97%	3.92%	3.37%	2.09%	2.70%

Liquidity	2074/075	2075/076	2076/077	2077/078	2078/079
Total Deposits	3,722,875	4,135,375	5,207,487	5,839,924	6,890,130
Cash in Vault	44,138	38,535	54,832	58,503	65,397
Cash at N R B	190,111	174,699	294,313	270,889	221,570
Cash at other Band & Fin. Inst.	1,127,037	980,671	769,405	334,147	540,440
Deposits to Assets Ratio	70.48%	78.29%	81.54%	80.94%	74.81%
C D Ratio (As per NRB Directives)	81.49%	74.91%	66.42%	81.59%	80.90%
Cash & Equivalent to Deposit Ratio	36.57%	28.87%	21.48%	11.36%	12.01%
Total Deposits to Core Capital (times)	3.81	4.23	5.01	4.79	5.38

Sensitivity	2074/075	2075/076	2076/077	2077/078	2078/079
Yield Rate	15.16%	14.53%	12.70%	11.41%	13.79%
Cost of Funds	9.44%	9.63%	8.30%	6.60%	9.35%
Net Spread	5.72%	4.90%	4.40%	4.81%	4.44%
Base Rate	9.38	12.34	11.25	9.65	12.19

DETAIL CREDIT RISK ANALYSIS

Amount of Non Performing Loan			
Category	Gross	Provision	Net
Substandard	53,328,016	13,246,371	40,081,645
Doubtful	57,326,626	28,663,313	28,663,313
Loss	16,076,802	16,076,802	-
Total	126,731,444	57,986,486	68,744,958

Non Performing Loan Ratio	
Gross Loan	5,574,113,702
Net Loan	5,435,084,689
Gross NPL to Gross Loan & Advances	2.27%
Net NPL to Net Loan & Advances	1.26%

Movement of Non Performing Loan

Particulars	Opening Balance	Closing Balance	Movement
Non Performing Loan	128,374,459	126,731,444	(1,643,016)
Restructured	-	-	-
Substandard	71,999,982	53,328,016	(18,671,966)
Doubtful	1,256,848	57,326,626	56,069,778
Loss	55,117,629	16,076,802	(39,040,827)

Write off of Loans & Interest Suspense

Particulars	Loan Amount	Interest Suspense	Provision Write back
Total Loan Write Off	682,851	-	-

Movement of Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Pass	56,554,456	66,475,626	9,921,170
Watch List	12,548,061	14,566,901	2,018,840
Restructured	-	-	-
Substandard	17,999,995	13,246,371	(4,753,625)
Doubtful	628,424	28,663,313	28,034,889
Loss	55,117,629	16,076,802	(39,040,827)
PG & Third Party Collateral	-	-	-
Total Loan Loss Provision	142,848,566	139,029,013	(3,819,553)

Movement of Interest Suspense

Particulars	Opening Balance	Closing Balance	Movement
Interest Suspense	38,053,759	38,559,825	506,066

Movements of Loan & Loan Loss Provision

Particulars	Opening Balance	Closing Balance	Movement
Total Loan & Advances	4,764,873,811	5,574,113,702	809,239,891
Total Loan Loss Provision	142,848,566	139,029,013	(3,819,553)

विषय सूची

संचालक समितिको तर्फबाट अध्यक्षज्यूको वार्षिक प्रतिवेदन	१
कम्पनी ऐन, २०६३ सम्बन्धित विवरणहरु	८
धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ सम्बन्धित विवरण	११
लेखापरिक्षकको प्रतिवेदन	१२
वित्तीय विवरणहरु	१५
वित्तीय विवरण प्रकाशन गर्न नेपाल राष्ट्र बैंकको स्विकृती पत्र	८२
प्रबन्ध पत्र तथा नियमावलीको प्रस्तावित संशोधन	८४
वित्तीय झलक	८६
टिपोट	८८

रिलायन्स फाइनेन्स लि.

तेह्रौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट संस्थाका

अध्यक्ष श्री कुश प्रसाद मल्लीज्यूले प्रस्तुत गर्नुभएको आ.ब. २०७८/७९ को वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

रिलायन्स फाइनेन्स लिमिटेडको तेह्रौं वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी महानुभावहरु, आमन्त्रित नियमन निकायका पर्यवेक्षक, प्रतिनिधि महानुभावहरु, लेखापरीक्षक तथा संस्थाका पदाधिकारीहरुलाई संचालक समिति तथा संस्थाको परिवारको तर्फबाट म हार्दिक स्वागत तथा अभिवादन गर्दछु।

विश्वव्यापी कोरोना भाईरस महामारीको कारणले भएको विश्वव्यापी बन्दाबन्दीको कारणले विश्व अर्थतन्त्रमा परेको नकारात्मक प्रभाव एवं रुस युक्रेन युद्धले गर्दा विश्व बजारमा परेको आर्थिक मन्दि, व्याजदर बृद्धि, तरलतामा कमि भई कर्जा प्रवाह एवं कर्जा असुलीमा नकारात्मक असर भएको तथ्य यहाँहरु सबैलाई अवगत भएको कुरा हो। सोको कारणले विश्वबजार एवं नेपालको अर्थतन्त्रमा पनि नकारात्मक असर पारिरहेको र यस्को साथै नेपालको अर्थ बजारमा भएको व्यापार घाटा, तरलाताको अभाव, व्याजदरमा बृद्धि, व्यापार व्यवसायमा मन्दीले बैंक तथा वित्तीय क्षेत्र लगायत सबै प्रकारका व्यवसायमा प्रतिकूल परिस्थिति श्रृजना भएको कुरा यहाँहरुलाई विदितै छ। यस्तो कठिन परिस्थिति बाबजुद पनि यस संस्थाले विगतको तुलनामा आर्थिक वर्ष २०७८/७९ मा पनि उत्साहजनक उपलब्धि हासिल गरेको कुरा यहाँहरु समक्ष जानकारी गराउन चाहन्छु।

यस गरिमामय सभामा संचालक समितिका तर्फबाट प्रस्तुत आर्थिक वर्ष २०७८/७९ को संस्थाको लेखापरीक्षकको प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाव र नगद प्रवाह विवरण सहितको यो वार्षिक प्रतिवेदन यहाँहरु समक्ष पेश गर्न पाउँदा हामीलाई खुशी लागेको छ। यस प्रतिवेदन बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३, कम्पनी ऐन २०६३ लगायत प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी गरेको निर्देशनको परिधिभित्र रहि तयार गरिएको व्यहोरा समेत जानकारीको लागि अनुरोध छ।

१) आ. ब. २०७८/०७९ को कारोबारको सिंहावलोकन :

कोभिड १९ को महामारीले गर्दा भएको विश्वव्यापी बन्दाबन्दी र रुस युक्रेन युद्धले, अर्थ व्यवस्थामा पारेको नकारात्मक प्रभावले गर्दा हाल विश्वव्यापी रुपमा भएको आर्थिक तथा व्यापारमा मन्दि, तरलताको अभाव, व्याजदरको बृद्धि, वित्तीय बजारमा भएको तरलताको कमीले निक्षेप लिने अस्वस्थ प्रतिस्पर्धा, उद्योग व्यापार, कलकारखाना, पसल, होटल पर्यटन, यातायात, स्कुल कलेज लगायत सबै आर्थिक क्षेत्रमा परेको नकारात्मक प्रभाव, जस्ता कारणले गर्दा लक्ष्य अनुरूप कर्जा असुली, कर्जा प्रवाह तथा निक्षेप संकलनमा उल्लेखनिय बृद्धि गर्न नसकेता पनि यस संस्थाले सन्तोषजनक प्रतिफल आर्जन सक्षम भएकोमा छ। समिक्षा अवधि २०७९ चैत्र मसान्त सम्म यस संस्थाको निक्षेप तर्फ रु. ६ अरब ७९ करोड रहन गयो भने कर्जा लगानी तर्फ रु. ५ अरब ७६ करोड पुर्‍याउन सफल भएका छौं।

यस संस्थाले आ.ब. २०७८/७९ मा हामीले करीब रु. ७ करोड ११ लाख खूद मुनाफा आर्जन गर्न सफल भई उक्त नाफाबाट शेयरधनीहरुलाई ६.५० प्रतिशत बोनस शेयर तथा कर प्रयोजनार्थ ०.३४ प्रतिशत नगद लाभांश दिने प्रस्ताव गरेको व्यहोरा सहर्ष जानकारी गराउदछौं। यसरी संस्थाको कारोबारको दायरालाई फराकिलो पार्ने र प्रतिफल बृद्धि गर्ने क्रममा हामीले निक्षेप र कर्जाको अनुपातमा समेत नेपाल राष्ट्र बैंकबाट निर्देशित सिमा भित्र रहि कारोबार गर्न सक्षम भएका छौं।

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

(रु. हजारमा)

शिर्षक	आ.व २०७८/७९ आषाढ मसान्त सम्म (लेखापरिक्षित)	आ.व २०७९/८० चैत्र मसान्त सम्म (अपरिस्कृत)
निक्षेप	६८,९०,१३०	६७,९२,२४१
कर्जा	५५,७४,१७४	५७,६१,१७२
व्याज आर्जन	७,६९,४१०	७,३७,५९९
व्याज खर्च	५,२०,४०५	५,८२,६४५
कुल मुनाफा कर तथा कर्मचारी वोनस पछि	७१,१४७	४,६३९

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

आगामी दिनमा कारोबारको दायरा अझ फराकिलो गरि कारोबार बृद्धि गर्दै संस्थालाई अझ बढि प्रतिफल दायक अवस्थामा पुऱ्याउनका लागि शाखाहरू विस्तार गर्दै लैजाने योजना अनुरूप हामीले संस्थाको केन्द्रीय कार्यालय राख्ने प्रयोजनका लागि खरिद गरेको का.जि.का.म.न.पा. वडा नं. १ कमलादीमा घर जग्गा खरिद गरेको व्यहोरा सहर्ष जानकारी गराउँदछौं । संस्थाले केन्द्रीय कार्यालय सहित देश भरमा २१ वटा शाखा संजाल विस्तार गरि सकेका र का.जि.का.म.न.पा.वडा नं. १ कमलादी स्थित संस्थाको आफ्नै घरमा नयाँ शाखा खोल्नका लागि प्रकृया अगाडी बढाई सकेको व्यहोरा समेत अनुरोध छ । उक्त शाखा विस्तारले हामी देशको पूर्व देखी पश्चिम सम्म आफ्नो उपस्थिति जनाई सेवा विस्तार गरेको व्यहोरा सहर्ष जानकारी गराउन चाहन्छु ।

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

कोभिड १९ को महामारीको प्रभाव, रुस युकेन युद्धले विश्वव्यापी रुपमा व्यापार व्यवसायमा परेको नकरात्मक प्रभाव, आर्थिक क्षेत्रमा भएको मन्दी, मुल्य बृद्धि, राजनैतिक वातावरण, आर्थिक कारोबारमा मन्दी, शेयर बजारमा देखिएको मन्दी, घरजग्गा कारोबारमा सुस्तता, तरलताको अभाव, निक्षेपमामा कमि भई कर्जा प्रवाहमा परेको प्रभाव, विभिन्न सामाजिक संजालबाट कर्जा भुक्तानी नगर्नका लागि सर्वसाधारण ऋणीहरूलाई उक्साहतको प्रभाव, कर्जा भुक्तानी नगर्न प्रवृत्तीको बृद्धि जस्ता कारणले समग्र आर्थिक कारोबारमा प्रत्यक्ष प्रभाव पर्न गएको छ । यस संस्थाले लगानी गरेका क्षेत्रहरू होटल, यातायात, पर्यटन, व्यापार व्यवसाय, उद्योग क्षेत्र लामो समय सम्म भएको गिरावट एवं सो परिस्थितीले हाल सम्म पनि सहज हुन नसक्दा सो क्षेत्रको कारोबारमा नकरात्मक प्रभाव पर्न आएको छ ।

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

यस्तो परिस्थितिका बावजुद यस संस्थाले आवश्यक सजगता अपनाउँदै न्यून शाखाहरू विस्तार गरी प्रतिस्पर्धात्मक वित्तीय बजारमा आफ्नो स्थान सुरक्षित गर्ने तर्फ कृयाशील रहेको जानकारी गराउँदछौं ।

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

क) यस संस्थाको चुक्ता पुँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) को ६.५० प्रतिशतका दरले हुने बोनश शेयर रकम रु.६,८४,४५,४११/- (अक्षरेपी छ करोड चौरासी लाख पैतालिस हजार चार सय एघार मात्र) दिने भएकोले सोको कर प्रयोजनार्थ नगद लाभाँस ०.३४ प्रतिशतले हुने रु.३६,०२,३९०/- (अक्षरेपी छतिस लाख दुई हजार तिन सय नब्बे मात्र) गरि जम्मा ६.८४ प्रतिशतले हुने रु. ७,२०,४७,८०१/- (अक्षरेपी

सात करोड विस लाख सतचालिस हजार आठ सय एक) लाभांश शेयरधनीलाई प्रदान गर्ने प्रस्ताव गरेका छौं । उक्त प्रस्ताव यस गरिमामय सभाबाट पारित गरिदिनु हुनेछ भन्ने विश्वास लिएका छौं ।

- ख) सूचना प्रविधितर्फ यस संस्थाले आफ्नो Core banking System लाई समय सापेक्ष स्तरोन्नती संगै सूचना प्रविधिसंग सम्बन्धित पूर्वाधारहरु विकास गर्न सफल भएको छौं । संस्थाले रिलायन्स स्मार्ट एप्स (Digital Banking), ATM, IPS , Connect IPS, ABBS, C-ASBA, SMS Alert, SCT MoCo (Sajilo Payments, Sajilo Life apps) Real Time Gross Settlement (RTGS), जस्ता सुविधाहरु संचालन गरि आएका छौं । साथै संस्थाको जोखिम न्यूनिकरण गर्नका लागि Data Security/Disaster Recovery Center, को व्यवस्था गर्नुका साथै go AML Software, कालोसूची सम्बन्धी सफ्टवेयर जडान गरि सकेका छौं ।
- ग) बजार निर्माताको इजाजतपत्र (Market Maker) कार्य गरि आएको सम्बन्धमा ।
संस्थाले नेपाल राष्ट्र बैंकको बजार निर्माता सम्बन्धी कार्यविधि, २०७० बमोजिम हाल निष्काशन हुने तथा भइरहेका राष्ट्रिय बचतपत्र, नागरिक बचतपत्रको प्राथमिक तथा दोस्रो बजार कारोबार र वैदेशिक रोजगार बचतपत्रको दोस्रो बजार कारोबार मात्र गर्ने एवं भविष्यमा नेपाल सरकारको तर्फबाट निष्काशन हुने अन्य ऋणपत्रको समेत प्राथमिक तथा दोस्रो बजार कारोबार गर्नका लागि अनुमति प्राप्त गरि कार्य गरि आएको व्यहोरा अनुरोध छ । यसबाट संस्थाका ग्राहकलाई सुविधा पुग्नका साथै विविध क्षेत्रको कारोबार विस्तार भई आमदानी पनि बृद्धि हुने विश्वास लिएको छु ।
- घ) काठमाडौं उपत्यका तथा उपत्यका बाहिर शाखा विस्तार गरि कारोबारको दायरा फराकिलो गर्ने क्रममा केन्द्रीय कार्यालय बाहेक काठमाण्डौको न्यूरोड र सितापाईला तथा ललितपुरको ईमाडोल सहित पोखरा (कास्की), बेसीशहर (लमजुङ्ग) नारायणघाट (चितवन), आरुघाट (गोरखा), बनेपा (काभ्रेपलाञ्चोक), चारआली (भापा), गोरखा बजार (गोरखा), मणिग्राम (रुपन्देही), धनगढी (कैलाली), महेन्द्रनगर (कन्चनपुर), कोहलपुर (बाँके), अत्तरिया (कैलाली), दमक (भापा), विर्तामोड (भापा), धुलावारी (भापा), टाँडी (चितवन), भैरहवा (रुपन्देही) र बुटवल (रुपन्देही) गरि २९ वटा शाखा कार्यालय संचालन गरि देशको पूर्व देखि पश्चिम सम्म सेवा गर्दै आएको व्यहोरा जानकारी गराउँदछौं । साथै हामीले संस्थाको केन्द्रीय कार्यालय रहने संस्थाको भवनमा कमलादी शाखा खोल्नका लागि निवेदन दिई प्रकृत्यामा रहेको छ ।

आउँदा दिनहरुमा देशका शहरी तथा ग्रामिण भेगका जनताहरु सम्म वित्तीय पहुँच पुर्‍याउने हाम्रो लक्ष्यलाई निरन्तरता दिई विभिन्न क्षेत्रमा शाखा विस्तार गर्दै संस्थाले वित्तीय बजारमा एउटा सबल र सक्षम वित्त कम्पनीको रुपमा आफ्नो पहिचान बनाउनका लागि यहाँहरुको सद्भाव तथा सहयोगको अपेक्षा गर्दछौं ।

वित्तीय संस्थाको भावी कार्यक्रमहरु :

- क) संस्थाले वित्तीय बजारमा शाखा विस्तार गर्दै एउटा सबल र सक्षम वित्तीय संस्थाको रुपमा आफ्नो पहिचान बनाउने ।
- ख) संस्थाले आगामी दिनहरुमा निक्षेप तथा कर्जाका आकर्षक नयाँ योजनाहरु तर्जुमा गरि वित्तीय कारोबारको रकम तथा ग्राहकहरुको संख्या समेत बृद्धि गर्दै जाने ।
- ग) संस्थाले प्रवाह गर्ने कर्जाको क्षेत्र विस्तार गर्ने तथा गुणस्तरमा कमशः सुधार गर्दै लैजाने ।
- घ) सेवा विस्तार गर्ने : संस्थाले आफ्ना ग्राहकहरुलाई सरल र सुलभ वित्तीय सेवा प्रदान गर्ने क्रममा विभिन्न आधुनिक सेवा प्रदान गर्दै आएकोमा यस प्रकारको आधुनिक सेवालाई थप विस्तार गर्दै लाने ।
- ङ) गैर पूँजीगत कृयाकलापबाट आय बृद्धि गर्ने : संस्थाले पूँजीगत कृयाकलापका साथै गैर पूँजीगत कृयाकलापबाट आफ्नो वित्तीय कारोबार बृद्धि गर्दै आय बृद्धिका लागि आवश्यक कार्यहरु गरिने छ ।
- च) संस्थाले आगामी दिनहरुमा ठुला परियोजनाहरुमा लगानी गर्ने योजना रहेको छ जसका लागि अन्य बैंक तथा वित्तीय संस्थासंगको सहकार्यमा सहवित्तीयकरण कर्जा प्रवाह गर्ने लक्ष्य लिईएको छ ।
- छ) संस्थाको जोखिमलाई न्यून गर्न र पारदर्शिता सेवालाई अभिवृद्धि गर्न आगामी दिनमा संस्थागत सुशासन लाई अझ सुदृढ गर्दै लैजाने छ ।
- ज) संस्थागत सामाजिक उत्तरदायित्व निर्वाह गर्ने : संस्थाले संस्थागत सामाजिक उत्तरदायित्व बहन गर्दै विभिन्न सामाजिक कृयाकलाप संचालन गर्ने गरेको तथा आगामी दिनमा समेत सो कार्यहरुलाई 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

- ◆ काठमाण्डौ जिल्ला साँखुमा अवस्थित द्वन्द्व पिडित तथा अपाङ्ग समाज नेपालमा रहेका बालबालिकालाई खाद्यान्न तथा औषधीहरू सहयोग स्वरूप प्रदान गरेको ।
- ◆ मोतिपुर प्राथमिक स्वास्थ्य केन्द्र, शुद्धोधन गाउँपालिका रुपन्देही लाई स्वास्थ्य सामाग्रीहरू उपलब्ध गराएको
- ◆ मानवसेवा आश्रममा आश्रित अशक्त , असहाय, घर परिवारविहीन सडक मानवहरूको औषधी उपचारको लागि औषधीहरू वितरण गरिएको ।
- ◆ महाकाली क्षेत्रीय अस्पतालमा रहेका गरिब विरामीहरूलाई फलफूल वितरण गरिएको ।
- ◆ महाकाली क्षेत्रीय अस्पतालमा रक्तदान कार्यक्रम गरेको ।
- ◆ श्री नेपाल राष्ट्रिय प्रा. विद्यालय, कोहलपुरका निमुखा विद्यार्थीहरूको लागि युनिफर्म वितरण गरिएको ।
- ◆ श्री कालिका मिलन माध्यमिक विद्यालयलाई फोटोकपी सहितको प्रिन्टर सहयोग गरेको ।
- ◆ श्री रोटरी क्लब अफ पाटन दरबार स्क्वायरले संचालनमा ल्याउन लागेको मोबाईल क्लिनिकलाई आर्थिक सहयोग गरेको ।
- ◆ सम्पूर्ण शाखा कार्यालयहरूबाट संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने क्रममा विभिन्न स्थानिय सामाजिक संस्था, सामुदायिक विद्यालय समेतलाई सहयोग गरेको ।

भ) विप्रेषण कारोबार वृद्धि गर्ने : रेमिटान्स सेवाले नेपालको आर्थिक अवस्थामा पुर्‍याएको योगदानलाई मध्य नजर गर्दै यस संस्थाले विभिन्न रेमिटान्स कम्पनीहरूसँग सम्झौता गरि सेवा प्रदान गर्दै आएको छ । आगामी दिनमा अन्य थप रेमिटान्स कम्पनीहरूसँग सम्झौता गरि सेवामा थप वृद्धि गरिने छ ।

४) बैकिङ सुविधा :

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

५) औद्योगिक तथा व्यावसायिक सम्बन्ध:

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

६) संचालक समितिमा भएको हेरफेर र सो का कारण:

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

७) अन्य समितिहरू :

नेपाल राष्ट्र बैंकको निर्देशन र बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ मा भएको व्यवस्था बमोजिम संचालक समिति

आफनो जवाफदेहीमा १) लेखापरीक्षण समिति, २) जोखिम व्यवस्थापन समिति ३) कर्मचारी व्यवस्थापन तथा सेवा सुविधा समिति, ४) सम्पत्ती शुद्धिकरण निवारण सम्बन्धी समिति, ५) मर्जर समिति ६) घरजग्गा (सम्पत्ती) खरिद समिति, ७) आन्तरिक सजावत उप समिति गठन गरेको छ। आवश्यकता अनुसार सो समितिहरुको बैठक समय समयमा बस्नुका साथै सो समितिले आफनो प्रतिवेदन संचालक समितिको बैठकमा पेश गर्ने गरेको जानकारी गराउँदछौं।

८) कारोबारलाई असर पर्ने मुख्य कुराहरु :

अन्तर्राष्ट्रिय, राष्ट्रिय बजारमा देखिएका विभिन्न समस्याहरु, रुस युक्रेन युद्ध, तरलताको अभाव, आर्थिक मन्दी, व्याजदरमा वृद्धि, शेयर तथा घर जग्गा कारोबारमा आएका गिरावट समेतबाट कर्जा कारोबार एवं असुलीमा समस्या, विश्व बजारमा नेपाली बजारले प्रतिस्पर्धा गर्न नसक्नु, राजनैतिक अस्थिरता, बैंक तथा वित्तीय संस्था बीचको प्रतिस्पर्धात्मक अवस्था, नेपाल सरकार तथा नेपाल राष्ट्र बैंक लगायत नियमनकारी निकायले नीति परिवर्तन गर्नाले पर्न सक्ने असरहरु, निक्षेप तथा लगानीको व्याजदरमा परिवर्तन, वित्तीय बजारमा तरलता अभाव समेतका कारण पर्न सक्ने असर, निश्चित समयमा कर्जा असूली नभएका कारणले पर्न जाने असरहरु, 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 सवालहरु विद्यमान नै रहेका कारणले समेत संस्थाको कारोबारलाई असर पारेको देखिन्छ। यी सबै परिस्थितिहरुको बाबजुद विभिन्न रणनीति तथा योजनाहरुलाई लागू गर्दै संस्थाको कारोबारलाई चुस्त बनाउने तर्फ संचालक समिति सजग रहेको छ।

९) लाभांश बाँडफाँड गर्न सिफारिश गरिएको रकम :-

यस संस्थाको चुक्ता पुँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) को को ६.५० प्रतिशतका दरले हुने बोनश रकम रु.६,८४,४५,४११/- (अक्षरेपी छ करोड चौरासी लाख पैतालिस हजार चार सय एघार मात्र) तथा नगद लाभाँस (कर प्रयोजनार्थ) ०.३४ प्रतिशतले हुने रु.३६,०२,३९०/- (अक्षरेपी छतिस लाख दुई हजार तिन सय नब्बे मात्र) गरि जम्मा रु.६,८४,४५,८०१/- (अक्षरेपी सात करोड विस लाख सतचालिस हजार आठ सय एक) लाभांश शेयरधनीलाई प्रदान गर्ने प्रस्ताव गरेका छौं, उक्त प्रस्ताव यस गरिमामय सभाबाट पारित गरिदिन हुनेछ भन्ने विश्वास लिएका छौं।

१०) लेखापरिक्षक नियुक्ति सिफारिस सम्बन्धमा :

यस संस्थाको लेखापरीक्षण समितिको सिफारिश बमोजिम लेखापरिक्षक सुन्दर एण्ड कम्पनी लाई आगामी आर्थिक वर्ष २०७९/०८० को हिसाब किताब लेखापरिक्षण कार्य गर्नका लागि बाह्य लेखापरिक्षक (Statutory Auditor) नियुक्ति गर्न तथा निजको पारिश्रमिक भ्याट बाहेक रु.४,००,०००/- (अक्षरेपी चार लाख मात्र) दिने गरि साधारण सभामा अनुमोदनको लागि पेश गर्ने संचालक समितिको निर्णय पारित गरिदिनहुन अनुरोध गरिएको छ।

११) मानव संसाधन व्यवस्थापन :

आ.व २०७९ साल चैत्र मसान्त सम्ममा यस संस्थामा कुल १६७ जना कर्मचारीहरु कार्यरत रहेको जानकारी गराउँदै यस संस्थाको कार्य प्रणालीलाई छिटो छरितो चुस्त दुरुस्त र अझ प्रभावकारी बनाउन, दक्ष तथा विभिन्न वैकिक क्षेत्रका अनुभवी व्यक्तीहरुलाई आबद्ध गरि अनुभवी जनशक्ति तयार पारिएको र नपुग जनशक्ति आबद्ध गर्ने नीति रहेको व्यहोरा अनुरोध छ। साथै संस्थामा आबद्ध जनशक्तिहरुलाई विभिन्न प्रशिक्षणहरु प्रदान गर्ने तथा तालिममा सहभागि गराउन गरिएको र आगामी दिनहरुमा पनि यस्तो तालिम तथा प्रशिक्षणका कार्यलाई निरन्तरता दिई समयानुसार संस्थालाई आवश्यक जनशक्तिको विकास गर्दै लगिनेछ।

१२) मर्जर सम्बन्धि कार्यका सम्बन्धमा :

नेपाल राष्ट्र बैंकबाट दिइएको निर्देशन बमोजिम “ग” बर्गको वित्तीय संस्थाको चुक्ता पुँजी पर्याप्तता भई सकेको भएता पनि यस संस्थाको विगतका साधारण सभाबाट यस संस्था तथा कुनै उपयुक्त बैंक, विकाश 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 यहाँहरु सबैमा अवगत छ।

१३) संचालकको पत्र पत्रिका तथा संचार सुविधा बृद्धि गर्ने प्रस्ताव सम्बन्धमा ।

संस्थाको संचालकहरुलाई पत्रपत्रिका तथा मोबाईल सुविधा शिर्षकमा मासिक रु.१५००/(सुविधा दिई आएकोमा समय सापेक्ष संचालकहरु संग प्रत्यक्ष र भर्चुअल रुपमा नियमित बैठक एवं छलफल समेत गर्नु पर्ने भएकोले समय सापेक्ष संचालकहरु दिई आएको उक्त सुविधालाई बृद्धि गरि लाई पत्रपत्रिका एवं संचार सुविधा शिर्षकमा मासिक रु.३५००/- उपलब्ध गराउने प्रस्ताव गरेको हुँदा उक्त प्रस्ताव पारित गरि दिन हुन अनुरोध छ ।

१४) संस्थाको जारी र चुक्ता पुँजी बृद्धि गर्ने लगायतका विषयमा प्रबन्धपत्र तथा नियमावली संशोधन सम्बन्धमा :

क) संस्थाले बोनस शेयर प्रदान गरे पश्चात संस्थाको जारी तथा चुक्ता पुँजी बृद्धि हुने भएकोले सोही बमोजिम हुने गरि संस्थाको जारी तथा चुक्ता पुँजी बृद्धि सम्बन्धमा संस्थाको प्रबन्धपत्र/नियमावली संशोधन गर्नुपर्ने भएकोले तद्अनुरूप हुने गरि प्रबन्धपत्र तथा नियमावली संशोधन गर्न प्रस्ताव गरेका छौं ।

प्रबन्धपत्रमा संशोधन प्रस्ताव

	साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
अधिकृत पुँजी	रु.१,२०,००,००,०००/- (अक्षरेपी एक अर्ब विस करोड)	रु.१,२०,००,००,०००/- (अक्षरेपी एक अर्ब विस करोड)
जारी पुँजी	रु.१,०५,३०,०६,३९९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस)	रु.१,१२,१४,५९,७३०/- (अक्षरेपी एक अर्ब बाह्र करोड चौधलाख एकाउन्न हजार सात सय तिस मात्र)
चुक्ता पुँजी	रु.१,०५,३०,०६,३९९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस)	रु.१,१२,१४,५९,७३०/- (अक्षरेपी एक अर्ब बाह्र करोड चौधलाख एकाउन्न हजार सात सय तिस मात्र)

ख) काठमाण्डौ का.म.न.पा. वडा नं. २८ प्रदर्शनीमार्गमा संस्थाले केन्द्रीय कार्यालय राखी राखेकोमा संस्थाको केन्द्रीय कार्यालय राख्ने प्रयोजनका लागि का.जि.का.म.न.पा. वडा नं. १ कमलादीमा संस्था आफैले घर जग्गा खरिद गरेको व्यहोरा सहर्ष जानकारी गराउदछौं । उक्त घरमा संस्थाको केन्द्रीय कार्यालय सार्ने भएको हुँदा संस्थाको प्रबन्धपत्र/नियमावली संशोधन गर्नुपर्ने भएकोले तद्अनुरूप हुने गरि प्रबन्धपत्र तथा नियमावली संशोधन गर्न प्रस्ताव गरेका छौं ।

प्रबन्धपत्र संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. २८ प्रदर्शनीमार्गमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।	२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. १ कमलादीमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।

नियमावलीमा संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
<p>२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना :</p> <p>यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. २८ प्रदर्शनीमार्गमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।</p>	<p>२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना :</p> <p>यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. १ कमलादीमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।</p>

१५. धन्यवाद ज्ञापन

वित्तीय संस्थाको प्रगति तथा समृद्धिमा प्रत्यक्ष तथा अप्रत्यक्ष रुपमा सहयोग गर्नुहुने हाम्रा सम्पूर्ण सहभागी शेयरधनी महानुभावहरु, निक्षेपकर्ता, ग्राहकवर्ग, नेपाल राष्ट्र बैंक लगायत सम्बन्धित नियमन निकायहरु तथा मेरो कार्यकालका सफल पार्न सहयोग गर्ने मेरो संचालक समितिका साथिहरु लगनशिल, कर्मठ कर्मचारी वर्गका साथै अन्य सम्बन्धित सबैमा विगतमा प्राप्त भएको सहयोगका लागि आभार प्रकट गर्दै भविष्यमा समेत निरन्तर रुपमा सहयोग तथा सद्भाव प्राप्त हुने अपेक्षा गर्दै यहाँहरुको अपेक्षा अनुरूप कार्य गर्नका लागि म, संचालक समिति लगायत व्यवस्थापन समेत प्रतिबद्ध रहेको जानकारी गराउँदछौं ।

धन्यवाद ।

संचालक समितिको तर्फबाट

द.

(विनोद कुमार तण्डुकार)

संचालक

मिति : २०८०/०३/०८

संचालक समितिको तर्फबाट

द.

(कुश प्रसाद मल्ली)

अध्यक्ष

मिति : २०८०/०३/०८

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

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



नाम	पद	शेयर संख्या
श्री कुश प्रसाद मल्ली	अध्यक्ष	२८३५०३
श्री सुरकृष्ण वैद्य	संचालक	२८३५१
श्री रवि कृष्ण श्रेष्ठ	संचालक	११३४०१
श्री तुलसी प्रसाद बराल	संचालक	२२४६
श्री उपेन्द्र बहादुर कार्की	संचालक	१४१८
श्री श्वेता कक्षपती (शाक्य)	संचालक	१८५६
श्री विनोद कुमार तण्डुकार	संचालक	नभएको
श्री समाज प्रकाश श्रेष्ठ	का.मु.प्रमुख कार्यकारी अधिकृत	४५३६२

(ढ) विगत आर्थिक वर्षमा कम्पनीसाग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा:

त्यस्तो कुनै जानकारी उपलब्ध गराएको छैन ।

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :

यस वित्तीय संस्थाको शेयर वित्तीय संस्था आफैले खरिद गरेको छैन ।

(त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :

आन्तरिक नियन्त्रणका लागि आन्तरिक लेखापरिक्षण गर्ने व्यवस्था हुनुका साथै आवश्यक नीति, विनियमहरू तथा निर्देशिकाहरू रहेको ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

	आ.व.०७७/०७८मा	आ.व.०७८/०७९ मा
कर्मचारी खर्च रकम	रु.१०,६५,६७,२५८/-	रु.१,०१,५२४,८१५/-
कार्यालय खर्च रकम	रु.७,४८,०१,०३९/-	रु.९१,६७४,७३२ /-
कुल व्यवस्थापन खर्च रकम	रु.१८,१३,६८,२९७/-	रु.१९,३९,९९,५४७/-

(द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण,

उपरोक्त उल्लेखित समिक्षा वर्षमा यस संस्थाको लेखापरीक्षण समितिको संयोजकमा संचालक श्री उपेन्द्र बहादुर कार्की र सदस्यमा संचालक श्री तुलसी प्रसाद बराल र सदस्य सचिवमा श्री कौशल्या श्रेष्ठ रहनु भएको छ ।

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

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

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

(न) सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

आ.व.२०७८/७९ मा सञ्चालकलाई प्रदान गरिएको सुविधा :

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

आ.ब. २०७८/७९ मा कार्यकारी प्रमुख तथा पदाधिकारीहरु(प्रबन्धक सम्म)लाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

विवरण	प्रमुख कार्यकारी अधिकृत/का.मु. प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरु
तलब, भत्ता तथा अन्य सुविधाहरु	रु.७८,१७,९७२/-	रु.१,२२,८१,६१२/-

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

(प) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकम :

यस वित्तीय संस्थाले घोषणा गरेको लाभांश मध्ये २०७८/७९ को अन्त्यसम्म शेयरधनीहरुबाट दावी नआएको रकम निम्न अनुसार रहेको छ ।

आ.ब.	२०७८/०७९ सम्म
आ.ब.२०६८/६९ को	रु. २,७४,५३८/-
आ.ब.२०६९/७० को	रु. ५,१७,२५६/-
आ.ब.२०७४/७५ को	रु. २४,८२,१३४/-
आ.ब.२०७५/७६ को	रु. ६०,३४,२१९/-
जम्मा	रु. ९३,०८,१४७/-

(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 :

आ.ब. २०७८/७९ मा संस्थाले का.जि.का.म.न.पा. वडा नं. १ स्थित कित्ता नं. ४५३० को क्षेत्रफल ०-६-०-० को घर जग्गा रु.२० करोड २५ लाखमा खरिद गरेको छ ।

(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 कुराहरु :

यसै प्रतिवेदन तथा वित्तीय विवरणमा सम्बन्धित ठाउँमा खुलाईएको छ ।

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

- १) सञ्चालक समितिको प्रतिवेदन: यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- २) लेखापरीक्षको प्रतिवेदन : यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- ३) लेखापरीक्षण भएको वित्तीय विवरण : यसै वार्षिक प्रतिवेदनमा संलग्न रहेको ।
- ४) कानूनी कारवाही सम्बन्धी विवरण :
 - क) त्रैमास अवधिमा संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए :
कर्जा कारोबारका सिलसिलामा कर्जा असूली 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 :
यस सम्बन्धमा त्यस्तो मुद्दा दर्ता भएको वा गरेको जानकारी प्राप्त नभएको ।
 - ग) संस्थाका संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको भए :
यस सम्बन्धमा त्यस्तो मुद्दा दर्ता भएको वा गरेको जानकारी प्राप्त नभएको ।
- ५) संस्थाको शेयर कारोबार तथा तथा प्रगतिको विश्लेषण :
 - क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा :
यस संस्थाको शेयर माग र आपूर्तिको आधारमा निर्धारण हुने गरी नेपाल धितोपत्र विनिमय बजारमा कारोबार भईरहेको छ । शेयरबजारमा शेयरको मूल्यमा आउने उतारचढाव संगै यस संस्थाको शेयरको मूल्यमा परिवर्तन हुने गरेको छ ।
 - ख) गत वर्षको 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 न्यूनतम मूल्य	शेयरका अन्तिम मूल्य	कुल कारोबारको संख्या	कारोबार दिन
१	प्रथम	रु.७७७/-	रु.४७७/-	रु.५२५/५०	४२०९६	५७
२	दोस्रो	रु.६२१/१०	रु.४१८/-	रु.५५२/-	१९१५८	५९
३	तेस्रो	रु.५६४/-	रु.३७५/-	रु.३८२/-	१२३६४	५८
४	चौथो	रु.३७०/-	रु.२३६/-	रु.३१०/-	९८७९	६४

- ६) समस्या र चुनौती
 - क) आन्तरिक समस्या र चुनौती
दक्ष जनशक्ति कायम राख्न कठिन ,वित्तीय श्रोतको लागतमा वृद्धि, अस्वस्थ प्रतिस्पर्धा , आयको विविधिकरण , खर्चमा मितव्ययिता
 - ख) बाह्य समस्या र चुनौती
व्याजदरमा उतार चढाव,राजनैतिक अवस्था, आर्थिक कारोबारमा मन्दी, शेयर बजारमा मन्दी, तिब्र प्रतिस्पर्धा ।
 - ग) रणनीति
निक्षेप तथा कर्जामा विविधिकरण ,आय आर्जनको नयाँ क्षेत्र विस्तार, सेवामा विविधिकरण, शाखा तथा सेवामा विस्तार ।
- ७) संस्थागत सुशासन
बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३ , नेपाल राष्ट्र बैंक बाट जारी गरिएको निर्देशन, परिपत्रहरू, धितोपत्र ऐन, र सो ऐन अनुसार जारी भएको नियमावली, विनियमावलीहरू तथा निर्देशनहरू, नेपाल स्टक एक्सचेञ्ज लि.बाट जारी गरिएको निर्देशनहरू लगायत प्रचलित कानूनलाई परिपालना गरिएको छ । साथै संस्थाको आन्तरिक तथा बाह्य लेखापरीक्षकबाट प्राप्त भएको सल्लाह सुझावलाई पारिपालन गर्दै संस्थागत सुशासन कायम गर्न संचालक समिति र व्यवस्थापन प्रतिवद्ध रहेको छ ।

SUNDAR & CO.

Chartered Accountants

Pulchowk (Machagaa)
 Lalitpur 20/8 Gha
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 Fax: 977-1-5424804
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE FINANCE LIMITED

Opinion on the Financial Statements

We have audited the accompanying financial statements of Reliance Finance Limited. ("the Company") which comprise the Statement of Financial Position as at 32nd Ashadh 2079 corresponding to 16 July 2022, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above present fairly, in all material respects, the financial position of the company as of 32nd Ashadh 2079 (16 July, 2022), and its financial performances, changes in equity and its cash flows for the year ended on that date in accordance with Nepal Financial Reporting Standards (NFRS) as mentioned under section (b) of Report on Other Legal and Regulatory Requirements (Bank & Financial Institution Act and Company Act)

Basis of Opinion

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

Key Audit Matters

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

Key Audit Matters	How our Audit addressed the Key Audit Matters
<u>Impairment of Loans and Advances to Customers</u> Total Loans and Advances to Customers: Rs.5,306,470 thousand as on 16 th July 2022 (NPR. 4,542,480 thousand as on 15 th July 2021) Total Impairment: NPR. 134,340 thousand as on as on 16 th July 2022 (NPR. 138,613 thousand as on 15 th July 2021) Total accrued interest income is NPR. 650,091 thousand (NPR. 472,172 thousand in F/Y 2077/78) Company's policy for the allowance for impairment of loans and advances to customers have been based on the application of incurred loss model. It involves significant management judgement and estimation. In addition, assessment of allowances for impairment is important as carve out provides for higher of the incurred loss model or NRB's directive. The carrying value of the loans & advances to customers can be materially misstating if management's judgement and estimation are inappropriate. In addition to above, interest income of the company has been recognized on accrual basis as calculated by the Company's core banking system and following the interest income recognition Guidelines 2019 issued by NRB. Recognition of interest income on non-performing loans and advances involves judgement and estimation on calculating net realizable value of the loans & advances. Therefore, considering the significance of the above matter to the financial statements, we have identified this as a key audit matter.	We tested the Company's operating effectiveness of key controls to identify loss events and for determining the extent of provisioning required against non- performing loans & dvances. The testing of control included testing of: <ul style="list-style-type: none"> ✓ Controls over correct identification and classification of non – performing loans and advances on time-based criteria ✓ Control over accurate computation and recording of provisions ✓ Tested and checked the mode of calculation for the incurred loss in accordance with incurred loss model. ✓ Control over the monitoring of loans and advances to customers with higher risk default ✓ Control over the governance and approval process for provisions including ongoing reassessment by the Company's Management In carrying out the substantive procedures, we selected sample of loans & advances to customers and checked the repayment schedules and tested the classification of non-performing loans based on overdue period. Assessed the Management's assumption and judgement for classification of loans & advances based on repayment pattern, documentation, assessment of control over mortgage value of loans & advances, inspection and discussion with management. We considered the impairment charges on loans & advances to customers and interest recognition to be acceptable.

<p>Investment Valuation, Identification and Impairment The Company's investment portfolio includes Treasury Bills, Development Bonds, and quoted and unquoted equity instruments. These instruments were valued in accordance with NFRS 9 and NRB Directive 8.</p> <p>Development bond, Treasury bill are measured at amortized cost. Investment in an equity instrument that is not held for trading are measured at fair value through Other Comprehensive Income (FVOCI).</p> <p>Given there are different methods recommended for the treatment of investments based on the nature of cash flow, the business model adopted, complexity of calculation and the significance of amount involved in such investments, same has been considered as Key Audit matter.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <ul style="list-style-type: none"> ✓ Review of the Company's investment and its valuation having reference to NFRS and NRB Directive. ✓ For investment valued at amortized cost, on test check basis, we checked the effective interest rate (EIR) and amortization schedule. ✓ For the investments measured at Fair Value through Other Comprehensive Income (FVTOCT) for quoted investment, we ensured that fair valuation done at the closing transaction rate in NEPSE as on 16th July 2022. ✓ Income and Bonus received have been verified through DEMAT statement maintained by the Company wherever applicable.
<p>Investment Properties (Non-Companying Assets) Investment Properties includes land, land and building acquired by the Company as non-companying assets but not sold as on the reporting date.</p> <p>The Company holds investment property that has been acquired through enforcement of security over the loans and advances.</p> <p>Investment property is to be measured at fair value model or cost model.</p>	<p>During the course of audit, we verified the Non-Banking Assets as per Nepal Rastra Bank's Directive.</p> <p>This specific item has been found included under investment property without being mentioning the mode of subsequent measurement.</p>

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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


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

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

Report on Other Legal and Regulatory Requirements (Bank & Financial Institution Act and Company Act)

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

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


CA. Anila Shrestha
Partner
Sundar & Co.,
Chartered Accountants
UDIN # 230609CA00225NWexM
Date: 26th Jestha 2080
9th June 2023



Reliance Finance Limited
Statement of Financial Position
As at 32 Asar 2079

Particulars	Note	As at 32.03.2079	As at 31.03.2078
Assets			
Cash and cash equivalent	4.1	605,836,478	392,650,589
Due from Nepal Rastra Bank	4.2	221,569,845	270,888,959
Placement with Bank and Financial Institutions	4.3	-	100,030,548
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loan and advances to B/Fis	4.6	356,003,243	321,563,245
Loans and advances to customers	4.7	5,172,130,038	4,403,866,936
Investment securities	4.8	2,479,377,272	1,622,815,765
Current tax assets	4.9	12,023,262	17,287,083
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	6,455,816	2,346,730
Property and equipment	4.13	328,064,960	61,001,836
Goodwill and Intangible assets	4.14	2,698,967	3,024,106
Deferred tax assets	4.15	1,208,230	-
Other assets	4.16	24,206,942	19,718,302
Total Assets		9,209,575,054	7,215,194,099
Liabilities			
Due to Bank and Financial Institutions	4.17	206,958,100	175,405,219
Due to Nepal Rastra Bank	4.18	863,500,000	-
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	6,669,671,912	5,664,518,881
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	11,133,850
Other liabilities	4.23	152,341,873	84,535,488
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		7,892,471,885	5,935,593,438
Equity			
Share capital	4.26	1,053,006,319	915,657,669
Share premium		1,140,765	1,140,765
Retained earnings		75,912,754	161,622,050
Reserves	4.27	187,043,330	201,180,176
Total equity attributable to equity holders		1,317,103,169	1,279,600,660
Non-controlling interest			
Total equity		1,317,103,169	1,279,600,660
Total liabilities and equity		9,209,575,054	7,215,194,099
Contingent liabilities and commitment	4.28	84,522,918	178,181,604
Net assets value per share		125.08	139.75

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

Samaj Prakash Shrestha
Act. Chief Executive Officer

Kush Prasad Mally
Chairman

Sur Krishna Vaidya
Director

Anila Shrestha, FCA
Sundar & Co.
Chartered Accountants

Ravi Krishna Shrestha
Director

Tulsi Prasad Baral
Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Statement of Profit or Loss
For the year ended on 32 Ashad 2079

Particulars	Note	Current Year	Previous Year
Interest income	4.29	769,409,676	555,705,995
Interest expense	4.30	520,405,063	404,684,930
Net interest income		249,004,613	151,021,065
Fee and commission income	4.31	38,742,462	40,479,329
Fee and commission expense	4.32	-	-
Net fee and commission income		38,742,462	40,479,329
Net interest, fee and commission income		287,747,075	191,500,395
Net trading income	4.33	-	-
Other operating income	4.34	4,719,169	277,840,946
Total operating income		292,466,245	469,341,341
Impairment charge/(reversal) for loans and other losses	4.35	(3,819,553)	64,190,783
Net operating income		296,285,798	405,150,558
Operating expense			
Personnel expenses	4.36	101,524,815	106,567,258
Other operating expenses	4.37	61,383,086	62,897,235
Depreciation & Amortisation	4.38	30,291,646	11,903,804
Operating Profit		103,086,251	223,782,262
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
Profit before income tax		103,086,251	223,782,262
Income tax expense	4.41		
Current Tax		32,000,924	66,356,086
Deferred Tax		(61,376)	7,920,024
Profit for the period		71,146,704	149,506,151
Profit attributable to:			
Equity holders of the Bank		71,146,704	149,506,151
Non-controlling interest			
Profit for the period		71,146,704	149,506,151
Earnings per share			
Basic earnings per share		6.76	16.33
Diluted earnings per share		6.76	16.33

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

Samaj Prakash Shrestha
Act. Chief Executive Officer

Kush Prasad Mally
Chairman

Sur Krishna Vaidya
Director

Anila Shrestha, FCA
Sundar & Co.
Chartered Accountants

Ravi Krishna Shrestha
Director

Tulsi Prasad Baral
Director

Upendra Bahadur Karki
Director

Sweta Kakshapati Shakya
Director

Binod Kumar Tandukar
Director

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Statement of Comprehensive Income
For the year ended on 32 Asar 2079

Particulars	Note	Current Year	Previous Year
Profit for the year		71,146,704	149,506,151
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to profit or loss			
Gain/(loss) from investments in equity instruments measured at fair value		(40,935,679)	52,039,039
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items		12,280,704	(15,611,712)
Net other comprehensive income that will not be reclassified to profit or loss		(28,654,975)	36,427,327
b) Items that are or may be reclassified to profit or loss			
Gains/(losses) on cash flow hedge			
Exchange gain/(losses) arising from translating financial assets of foreign operation			
Income tax relating to above items			
Net other comprehensive income that are or may be reclassified to profit or loss		-	-
c) Share of other comprehensive income of associate accounted as per equity method			
Other comprehensive income for the period, net of income tax		(28,654,975)	36,427,327
Total comprehensive income for the period		42,491,728	185,933,479
Total comprehensive income attributable to:			
Equity holders of the Bank		42,491,728	185,933,479
Non-controlling interest		-	-
Total comprehensive income for the period		42,491,728	185,933,479

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Director

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Statement of Changes in Equity
For the year ended on 32 Asar 2079

Attributable to Equity holders of the Bank

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Control-ling Interest	Total Equity
Balance at 1 Sawan 2077	832,416,063	1,140,765	109,944,188	-	65,096,335	(19,846,797)	-	96,069,801	2,538,319	1,087,358,673	-	1,087,358,674
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Sawan 2077	832,416,063	1,140,765	109,944,188	-	65,096,335	(19,846,797)	-	96,069,801	2,538,319	1,087,358,673	-	1,087,358,674
Comprehensive income for the year												
Profit for the year								149,506,151		149,506,151	-	149,506,151
Other comprehensive income, net of tax						36,427,327				36,427,327	-	36,427,327
Remeasurements of defined benefit liability (assets)										-	-	-
Fair value reserve (Investment in equity instru-ment)						36,427,327				36,427,327	-	36,427,327
Net change in fair value						36,427,327				36,427,327	-	36,427,327
Net amount transferred to profit or loss										-	-	-
Net gain (loss) on revaluation										-	-	-
Cash flow hedges:												
Effective portion of changes in fair value										-	-	-
Net Amount reclassified to profit or loss										-	-	-
Total comprehensive income for the year										-	-	-
Transfer to reserve during the year			29,901,230		(38,638,871)	25,164,748		(773,136)	1,455,617	17,109,587	-	17,109,587
Transfer from reserve during the year						(10,389,472)		4,441,977	(472,446)	(6,419,942)	-	(6,419,942)
Transactions with owners, directly recognised in equity												
Right share issued		-								-	-	-
Share based payments										-	-	-
Dividends to equity holders										-	-	-
Bonus shares issued	83,241,606							(83,241,606)		-	-	-
Cash dividend paid								(4,381,137)		(4,381,137)	-	(4,381,137)
Total contributions by and distributions	83,241,606							(87,622,743)		(4,381,137)	-	(4,381,137)
Balance at Asar end 2078	915,657,669	1,140,765	139,845,418	-	26,457,464	31,355,806	-	161,622,049	3,521,489	1,279,600,660	-	1,279,600,660

Ravi Krishna Shrestha Director	Samaj Prakash Shrestha Act. Chief Executive Officer	Kush Prasad Mally Chairman	Sur Krishna Vaidya Director	Anila Shrestha, FCA Sundar & Co. Chartered Accountants
Tulsi Prasad Baral Director	Upendra Bahadur Karki Director	Sweta Kakshapati Shakya Director	Binod Kumar Tandukar Director	

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Statement of Changes in Equity
For the year ended on 32 Asar 2079

Particulars	Attributable to Equity holders of the Bank										Total Equity
	Share Capital	Share Pre- mium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	
Balance at 1 Sawan 2078	915,657,669	1,140,765	139,845,418	-	26,457,464	31,355,806	-	161,622,049	3,521,489	1,279,600,660	1,279,600,660
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Sawan 2078	915,657,669	1,140,765	139,845,418	-	26,457,464	31,355,806	-	161,622,049	3,521,489	1,279,600,660	1,279,600,660
Comprehensive income for the year											
Profit for the year								71,146,704		71,146,704	71,146,704
Other comprehensive income, net of tax						(28,654,975)				(28,654,975)	(28,654,975)
Remeasurements of defined benefit liability (assets)											
Fair value reserve (Investment in equity instrument)						(28,654,975)				(28,654,975)	(28,654,975)
Net change in fair value						(28,654,975)				(28,654,975)	(28,654,975)
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			14,677,272		(1,518,043)	1,180,507		1,650,248	(501,079)	15,488,905	15,488,905
Transfer to reserve during the year						(1,180,507)		(13,928,720)	1,859,979	(13,249,248)	(13,249,248)
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	137,348,650							(137,348,650)			
Cash dividend paid								(7,228,876)		(7,228,876)	(7,228,876)
Total contributions by and distributions	137,348,650	-	-	-	-	-	-	(144,577,527)	-	(7,228,876)	(7,228,876)
Balance at Asar end 2079	1,053,006,319	1,140,765	154,522,690	-	24,939,421	2,700,831	-	75,912,754	4,880,388	1,317,103,169	1,317,103,169

Samaj Prakash Shrestha Act. Chief Executive Officer	Kush Prasad Mally Chairman	Sur Krishna Vaidya Director	Anila Shrestha, FCA Sundar & Co. Chartered Accountants
Ravi Krishna Shrestha Director	Upendra Bahadur Karki Director	Sweta Kakshapati Shakya Director	Binod Kumar Tandukar Director

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Statement of Cash Flow
For the year ended on 32 Asar 2079

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	756,561,952	547,859,924
Fees and other income received	38,742,462	40,479,329
Dividend received		
Receipts from other operating activities	-	52,640,999
Interest paid	(520,405,063)	(404,684,930)
Commission and fees paid		
Cash payment to employees	(111,833,440)	(131,431,954)
Other expense paid	(61,383,086)	(62,897,235)
Operating cash flows before changes in operating assets and liabilities	101,682,825	41,966,135
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	49,319,113	23,424,227
Placement with bank and financial institutions	100,030,548	(100,030,548)
Other trading assets		
Loan and advances to bank and financial institutions	(34,439,998)	74,288,255
Loans and advances to customers	(764,443,549)	(721,588,850)
Other assets	(47,094,520)	47,522,008
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	31,552,881	137,665,442
Due to Nepal Rastra Bank	863,500,000	(110,900,000)
Deposit from customers	1,005,153,031	605,671,627
Borrowings		
Other liabilities	56,672,535	4,428,317
Net cash flow from operating activities before tax paid	1,361,932,865	2,446,612
Income taxes paid	(26,737,103)	(68,785,887)
Net cash flow from operating activities	1,335,195,763	(66,339,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(856,561,506)	(630,696,115)
Receipts from sale of investment securities	728,904	209,389,954
Purchase of property and equipment	(296,657,223)	(24,276,794)
Receipt from the sale of property and equipment		
Purchase of intangible assets	325,139	(379,906)
Receipt from the sale of intangible assets		
Purchase of investment properties	(4,109,085)	(725,857)
Receipt from the sale of investment properties		
Interest received		
Dividend received	3,990,265	2,580,472
Net cash used in investing activities	(1,152,283,506)	(444,108,245)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares	137,348,650	83,241,606
Dividends paid	(7,228,876)	(4,381,137)
Interest paid		
Other receipt/payment	(99,846,142)	
Net cash from financing activities	30,273,632	78,860,469
Net increase (decrease) in cash and cash equivalents	213,185,889	(431,587,051)
Opening balance of cash and cash equivalents	392,650,589	824,237,640
Effect of exchange rate fluctuations on cash and cash equivalents held		
Closing Cash and Cash Equivalent as at Asar end	605,836,478	392,650,589

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Director

Binod Kumar Tandukar
Director

Date: 26 Jestha, 2080, Place: Kathmandu

Reliance Finance Limited
Notes to Financial Statements
For the year ended on 32 Asar 2079

1 Reporting entity

Reliance Finance Limited (hereinafter referred to as "Finance Co.") is class "C" licenced financial institution licenced by Nepal Rastra Bank. Finance Co. is now operating with corporate office at Pradarshani Marg, Kathmandu. Finance Co. has 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 (to the extent of carve out pronounced by ICAN, as stated in note 2.1.1) as issued by Accounting Standards Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The financial statements were prepared in accordance with the Directives issued by Nepal Rastra Bank as well as Nepal Accounting Standards.

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

2.1.1 Use of Carve-out

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

a) Impairment Loss on Loan and Advances

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

b) Effective Interest Rate

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

c) Interest income on amortized loan after impairment recognition

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

2.2 Reporting Period and Approval of Financial Statements

2.2.1 Reporting Period

The reporting period for this financial statements is fiscal year 2078-79, starting from 1 Shrawan 2078 and ending on 32 Ashad 2079. 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 26 Jestha 2080 meeting No.305
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 2078 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 2079 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

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

2.8 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 Poush end 2079, the audit finalization date, has been upgraded due to the repayment of overdue loan installment/ loan regularization as per NRB Unified Directives, 2078, no. 2/078. The consequential effect of such loan upgradation has caused reduction of Loan Loss Provision (LLP) amount by Rs. 31,627 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 2079."

3 Significant Accounting Policies

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

Note No.	Accounting Policy	Information Note No.
3.1	Basis of Measurement	
3.2	Basis of Consolidation	
3.3	Cash and Cash Equivalent	4.1
3.4	Financial Assets and Financial Liabilities	
3.5	Trading Assets	4.5
3.6	Derivative Assets and Liabilities	4.4
3.7	Property and Equipment	4.13
3.8	Goodwill Intangible assets	4.14
3.9	Investment Property	4.12
3.10	Income tax	4.9
3.11	Deposits, debt securities issued and subordinated liabilities	4.17, 4.20, 4.24, 4.25
3.12	Provisions	4.22

3.13	Revenue	4.29, 4.31, 4.33, 4.34, 4.39
3.14	Interest 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 Co. becomes party to the contractual arrangement.

3.4.2 Classification and Measurement

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

i) At Amortized Cost

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

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

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

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

iii) **At fair value through other comprehensive income:** Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are measured at fair value. Subsequent to initial recognition, financial assets are measured at fair value,

as far as such fair value is available, and changes therein are recognized in other comprehensive income and presented in the fair value reserve in equity. Finance Co. has opted to classify the investment made in shares and mutual fund schemes as financial assets at FVOCI on initial recognition.

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

3.4.3 De-recognition

Financial Assets

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

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

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

Financial Liabilities

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

3.4.4 Determination of fair value

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

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

If there is no quoted price in an active market, then the Finance Co. uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Fair Value Hierarchy

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

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

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

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

3.4.5 Impairment

At each reporting date, the Finance Co. assesses whether there is objective evidence that financial assets are impaired. The financial assets or a group of financial assets is impaired when objective evidence demonstrates

that a loss event has occurred after the initial recognition of the asset and that the loss has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer
- default or delinquency by a borrower
- the restructuring of a loan or advance by the Finance Co. on terms that the Finance Co. would not consider otherwise;
- indication that a borrower or issuer will enter bankruptcy
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group or economic conditions that correlate with defaults in the group.

In addition, for an investment in an equity security, a significant or prolonged decline in its net worth below its book value is objective evidence of impairment.

The Finance Co. considers evidences of impairment for loans and advances and investment securities at both specific asset and at collective level. All individually significant loans and advances and investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities with similar risk characteristics.

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

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

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

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

3.4.6 Amortized cost measurement

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

3.4.7 Effective Interest Method

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

3.5 Trading assets

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

3.6 Derivatives assets and derivative liabilities

Derivative assets and liabilities are initially measured at fair value on the contract date and are subsequently

remeasured to fair value at each reporting date. The changes in value of instruments are accounted through profit or loss.

3.7 Property and Equipment

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

Recognition

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

Measurement

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

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

Derecognition

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

Assets not capitalized

Items of property and equipment with original cost up to Rs. 5,000 are directly accounted as expenses.

Capital Work in Progress

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

Salvage Value

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

Depreciation

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

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

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

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

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

3.8 Goodwill and Intangible assets

Goodwill

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

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

Acquired Intangible Assets

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

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

Computer Software

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

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

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

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

3.9 Investment Property

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

Useful life of building held as investment property is considered to be same as that of property and equipment (i.e. 50 years) with 5% salvage value.

3.10 Income tax

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

Current Tax

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

Deferred Tax

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

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

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

Income tax on items of OCI

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

3.11 Deposits, debt securities issued and subordinated liabilities

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

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

3.12 Provisions and Contingent Liabilities

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

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

Contingent liabilities are separately disclosed in financial statements.

3.13 Revenue Recognition

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

3.13.1 Interest income

Interest, in general, is recognized using effective interest rate on the particular assets. Finance Co. has opted to use the carve-out mentioned in Note 2.1.1 (c) and continued to use the actual interest rate to account for interest income. Interest income has been booked for all interest received during the year as well as on those loans having collective impairment as per NRB Directives less than 25%, in line with circular issued by NRB. Interest on those loan with impairment of 25% or more have not been recognized.

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

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

SN	Particulars	FY 2078-79
1	Total AIR-Current Year	51,769,043.48
2	Interest Recognition Suspended Non Performing Loan	7,347,082.87
3	Accured Income Recognized for Performing Loan	44,421,960.61
4	Interest Received till Shrawan 15	13,209,219.00
5	Accured Income Recognized for Performing Loan(After 15dyas Interest Received)	31,212,741.61
6	Upto Previous Year Income Recognized- transferred to regulatory reserve	18,460,775.96
7	AIR(Net) to be transferred to regulatory reserve this year	1,203,251.40
8	Total Amount to regulatory reserve	19,664,027.36

3.13.2 Fee and commission income

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

interest rate. Finance Co. has opted to use carve-out as mentioned in Note 2.1.1 (c) on this matter and accounted all realized fee and commission income upfront.

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

3.13.3 Dividend income

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

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

3.13.4 Net trading income

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

3.13.5 Other Operating Income

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

3.14 Interest expenses

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

3.15 Employees Benefits

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

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

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

Long term employee benefits include 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 Lease for first time. As per NFRS 16 para C2, the date of initial application is the beginning of the annual reporting period in which an entity first applies this Standard. Accordingly, the opening date of current fiscal year is the initial application date of this standard. 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 reconized as per NFRS 16

Particulars	Amount(NPR)
Right of use Assets(ROU)	72,681,598.42
Accumulated Depreciation-ROU	(15,631,537.12)
Net Right of use Assets(ROU)	57,050,061.30
Lease payment during the year	15,625,123.73

3.17 Foreign Currency Transaction

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

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

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

3.18 Financial guarantee and loan commitment

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

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

3.19 Share Capital and Reserves
3.19.1 Share Capital

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

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

3.19.2 Reserves

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

a) General Reserve

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

b) Exchange Equalization Reserve

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

c) Corporate Social Responsibility (CSR) Reserve

In line with clause 16 of Directive 16/075, Finance Co. is required to allocate 1% of its net profit for the year for CSR and is required to create CSR Reserve. The amount appropriated to this reserve is expensed off as prescribed in the same Directive in the next fiscal year.

d) Regulatory Reserve

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

e) Capital Reserve

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

f) Fair Value Reserve

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

g) Actuarial Gain Reserve

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

h) Special Reserve

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

i) Assets Revaluation Reserve

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

j) Capital Redemption Reserve

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

k) Dividend Equalization Reserve

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

l) Investment Adjustment Reserve

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

3.19.3 Share Premium

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

3.19.4 Retained Earning

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

3.20 Earning per share including diluted

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

3.21 Segment reporting

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

3.22 Non Banking Assets

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

3.23 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 rate their fair value, calculate based on the market interest rate of similar product.

The Staff loan as on Asar end 2079 is Rs.4,86,26,632 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 32.03.2079	As at 31.03.2078
Cash in hand	65,396,546	58,503,322
Balances with B/FIs	540,439,932	334,147,268
Money at call and short notice	-	-
Other	-	-
Total	605,836,478	392,650,589

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 32.03.2079	As at 31.03.2078
Statutory balances with NRB	221,569,845	270,888,959
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	221,569,845	270,888,959

Placements with Bank and Financial Institutions

4.3

Particulars	As at 32.03.2079	As at 31.03.2078
Placement with domestic B/FIs		100,030,548
Placement with foreign B/FIs		-
Less: Allowances for impairment		-
Total	-	100,030,548

Derivative financial instruments

4.4

Particulars	As at 32.03.2079	As at 31.03.2078
Held for trading	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
Total	-	-

Other trading assets
4.5

Particulars	As at 32.03.2079	As at 31.03.2078
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Equities	-	-
Other	-	-
Total	-	-
Pledged	-	-
Non-pledged	-	-

Loan and advances to B/FIs
4.6

Particulars	As at 32.03.2079	As at 31.03.2078
Loans to microfinance institutions	360,692,242	325,798,627
Other	-	-
Less: Allowances for impairment	(4,688,999)	(4,235,382)
Total	356,003,243	321,563,245

4.6.1 : Allowances for impairment

Balance at Shrawan 1	As at 32.03.2079	As at 31.03.2078
Impairment loss for the year:		
Opening	4,235,382	3,998,500
Charge for the year	453,617	236,882
Recoveries/reversal	-	-
Amount written off	-	-
Balance at Asar end	4,688,999	4,235,382

Loans and advances to customers
4.7

Particulars	As at 32.03.2079	As at 31.03.2078
Loan and advances measured at amortized cost	5,306,470,052	4,542,480,120
Less: Impairment allowances		
Collective impairment	(57,986,486)	(73,746,049)
Individual impairment	(76,353,528)	(64,867,135)
Net amount	5,172,130,038	4,403,866,936
Loan and advances measured at FVTPL	-	-
Total	5,172,130,038	4,403,866,936

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

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

We have selected around 30.53% of our outstanding loan for individual impairment test. The market value of collateral on valuation date was subjected to haircut to arrive at adjusted fair value of collateral on each reporting date and if the adjusted fair value is less than outstanding amount, individual impairment is considered along with other factors like repayment history of borrower, credit rating, additional information of customer regarding financial capability, restructuring/rescheduling of loan, etc. None of the loans were individually impaired. Collective assessment has been done using past default rate (probability of default) and a calculated percentage for non-recovery (loss given default) and the rates have been used to calculate impairment allowance as per NAS 39 using incurred loss model.

Particulars	As at 32.03.2079	As at 31.03.2078
Individual impairment	-	-
Collective impairment	56,156,179	46,669,165
Total	56,156,179	46,669,165

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

Particulars	As at 32.03.2079	As at 31.03.2078
Performing loan	5,086,690,016	4,310,700,725
Good	4,795,351,996	4,059,739,501
Watch list	291,338,020	250,961,224
Non-performing loan	126,731,444	128,374,459
Substandard	53,328,016	71,999,982
Doubtful	57,326,626	1,256,848
Loss	16,076,802	55,117,629
Total	5,213,421,460	4,439,075,184
Add: loan to employees and Net AIR	93,048,593	103,404,935
Total loan	5,306,470,052	4,542,480,120
Impairment allowance		
Performing loan	76,353,528	64,867,135
Good	61,786,627	52,319,074
Watch list	14,566,901	12,548,061
Non-performing loan	57,986,486	73,746,049
Substandard	13,246,371	17,999,995
Doubtful	28,663,313	628,424
Loss	16,076,802	55,117,629
Additional	-	-
Total	134,340,014	138,613,184

4.7.1: Analysis of loan and advances - By Product

Product	As at 32.03.2079	As at 31.03.2078
Term loans	259,572	12,195,878
Overdraft	156,888,106	97,594,041
Trust receipt/Import loans	-	-
Demand and other working capital loans	-	7,500,000
Personal residential loans	669,630,779	619,453,890
Real estate loans	343,864,412	360,551,237
Margin lending loans	442,266,245	335,512,086
Hire purchase loans	260,563,216	396,731,560
Deprived sector loans	76,446,240	11,580,132
Bills purchased	-	-
Staff loans	48,626,632	84,944,159
Other	3,263,502,890	2,597,956,359
Sub total	5,262,048,091	4,524,019,344
Interest receivable	44,421,961	18,460,776
Grand total	5,306,470,052	4,542,480,120

4.7.2: Analysis of loan and advances - By Currency

Currency	As at 32.03.2079	As at 31.03.2078
Nepalese rupee	5,306,470,052	4,542,480,120
Indian rupee		
United State dollar		
Great Britain pound		
Euro		
Japenese yen		
Chinese yuan		
Other		
Total	5,306,470,052	4,542,480,120

4.7.3: Analysis of loan and advances - By Collateral

Collateral	As at 32.03.2079	As at 31.03.2078
<u>Secured</u>		
Movable/immovable assets	4,172,430,769	4,346,091,997
Gold and silver		
Guarantee of domestic B/FIs		
Government guarantee		
Guarantee of international rated bank		
Collateral of export document		
Collateral of fixed deposit receipt	201,579,809	53,342,311
Collateral of Governement securities	-	19,250,012
Counter guarantee		
Personal guarantee	101,993,452	110,846,128
Other collateral	830,466,023	12,949,672
Subtotal	5,306,470,052	4,542,480,120
<u>Unsecured</u>		
Grant Total	5,306,470,052	4,542,480,120

4.7.4: Allowances for impairment

Particulars	As at 32.03.2079	As at 31.03.2078
<u>Specific allowances for impairment</u>		
Balance at Sawan 1		
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal during the year		
Write-offs		
Exchange rate variance on foreign currency		
Other movement		
Balance at Asar end		
<u>Collective allowances for impairment</u>		
Balance at Sawan 1	138,613,184	74,659,284
Impairment loss for the year:		
Charge/(reversal) for the year	(4,273,170)	63,953,900
Exchange rate variance on foreign currency		-
Other movement		-
Balance at Asar end	134,340,014	138,613,184
Total allowances for impairment	134,340,014	138,613,184

Investment securities
4.8

Particulars	As at 32.03.2079	As at 31.03.2078
Investment securities measured at amortized cost	2,306,378,228	1,407,306,919
Investment in equity measured at FVTOCI	172,999,043	215,508,847
Total	2,479,377,272	1,622,815,765

4.8.1: Investment securities measured at amortized cost

Particulars	As at 32.03.2079	As at 31.03.2078
Debt securities		-
Government bonds	1,760,347,165	1,112,900,213
Government treasury bills	492,528,236	294,406,706
Investments - Citizen Saving Bonds	53,502,827	-
Nepal Rastra Bank bonds		-
Nepal Rastra Bank deposits instruments		-
Other		-
Less: specific allowances for impairment		-
Total	2,306,378,228	1,407,306,919

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

Particulars	As at 32.03.2079	As at 31.03.2078
<u>Equity instruments</u>		
Quoted equity securities	170,029,543	212,539,347
Unquoted equity securities	2,969,500	2,969,500
Total	172,999,043	215,508,847

4.8.3: Information relating to investment in equities

S,No	Particulars	As at 32.03.2079		As at 31.03.2078	
		Cost	Fair Value	Cost	Fair Value
Investment in quoted equity		168,057,914	170,029,543	169,632,038	212,539,347
1	Laxmi Equity Fund 3,77,097 units of Rs.9.98 each	3,765,113	3,733,260	5,799,474	8,017,207
2	National Life Insurance Co.Ltd. 1,189,64 promoter shares of Rs.404.67 each	48,140,742	70,307,724	48,140,742	63,580,284
3	National Life Insurance Co.Ltd. 70,999 ordinary shares of Rs.780.95 each	55,447,023	40,966,423	55,447,023	68,672,113
4	NMB Hybrid Fund 15,7740 units of Rs.10 each	1,577,400	1,766,688	1,577,400	2,153,151
5	NLG Insurance Co.Ltd. 8,122 promoter shares of Rs.66.52 each	540,280	1,941,158	540,280	4,094,930
6	Premier Insurance Co.Ltd. 12,741 ordinary shares of Rs.847.32 each	10,795,664	7,338,816	10,797,534	13,047,840
7	Uniliver Nepal Ltd 360 ordinary shares of Rs.28,688.35 each	10,327,805	6,609,600	10,327,805	6,982,200
8	IME General Insurance Ltd 9 ordinary shares (Bonus Share)	-	3,330	-	9,672
9	NIC SIA Balance Fund 50,000 units of Rs.10 each	500,000	535,500	500,000	686,500
10	Sanima Equity Fund 10,800 units of Rs.10.46 each	1,054,743	1,285,200	1,577,384	2,531,932
11	NIBL Sahabhagita Fund 1,00,000 units of Rs.10 each	1,000,000	1,071,000	1,000,000	1,740,000
12	Laxmi Unnati Kosh 2,50,000 units of Rs.10 each	2,500,000	2,390,000	2,500,000	3,155,000
13	Sana Kisan Bikas Laghubitta Sanstha Ltd 3 ordinary shares (Bonus Share)	-	3,195	17,106	18,040
14	Surya Life Insurance Company Limited 3,605 ordinary shares of Rs.637.31 each	2,297,499	1,395,135	2,297,499	2,949,478
15	Kumari Equity Fund 2,50,000 units of Rs.10 each	2,500,000	2,517,500	2,500,000	2,625,000

16	Sanima Large Cap Fund 10,00,000 units of Rs.10 each	10,000,000	9,320,000	10,000,000	10,500,000
17	NIBL Samridhi Fund-2 1,00,000 units of Rs.10 each	1,000,000	867,000	1,000,000	1,081,000
18	Nerudhe Laghu Bitta Sanstha 13,120 promoter shares of Rs.237.03 each	3,109,790	5,772,800	3,109,790	8,000,000
19	Prabhu Select Fund 2,50,000 units of Rs.10 each	2,501,855	2,402,500	2,500,000	2,535,000
20	Sunrise Bluechip Fund 10,00,000 units of Rs.10 each	10,000,000	8,740,000	10,000,000	10,160,000
21	Kumari Dhanbirdhhi 50,000 units of Rs.10 each	500,000	500,000		
22	Lumbini General Insurance Co. 160 ordinary shares (Bonus Share)	-	61,120		
23	Mero Micro Finance Laghubitta 1 ordinary shares (Bonus Share)	-	847		
24	NIC ASIA Flexicap Fund 50,000 units of Rs.10 each	500,000	500,000		
25	Nepal Life Insurance Co.Ltd 1 ordinary shares (Bonus Share)	-	747		
Investment in unquoted equity		1,082,800	2,969,500	1,082,800	2,969,500
26	Nepal Clearing House Ltd. 29,695 shares of Rs.36.46 each	1,082,800	2,969,500	1,082,800	2,969,500
	Total	169,140,714	172,999,043	170,714,838	215,508,847

Current tax assets
4.9

Particulars	As at 32.03.2079	As at 31.03.2078
Current tax assets	45,991,455	85,610,438
Current year income tax assets	43,146,987	82,765,970
Tax assets of prior periods	2,844,468	2,844,468
Current tax liabilities	33,968,193	68,323,355
Current year income tax liabilities	32,000,924	66,356,086
Tax liabilities of prior periods	1,967,269	1,967,269
Total	12,023,262	17,287,083

Investment in subsidiaries
4.10

Particulars	As at 32.03.2079	As at 31.03.2078
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

4.10.1: Investment in quoted subsidiaries

Particulars	As at 32.03.2079		As at 31.03.2078	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

4.10.2: Investment in unquoted subsidiaries

Particulars	As at 32.03.2079		As at 31.03.2078	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

4.10.3: Information relating to subsidiaries of the Bank

Particulars	Percentage of ownership held by the Bank	
	As at 32.03.2079	As at 31.03.2078
	-	-
Total	-	-

4.10.4: Non controlling interest of the subsidiaries

Particulars	As at 32.03.2079	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Asar end		-
Dividend paid to NCI		-
	As at 32.03.2079	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Asar end		-
Dividend paid to NCI		-
	As at 32.03.2079	
	Ltd.	Ltd.
Equity interest held by NCI (%)		-
Profit/(loss) allocated during the year		-
Accumulated balances of NCI as on Asar end		-
Dividend paid to NCI		-

Investment in associates
4.11

Particulars	As at 32.03.2079	As at 31.03.2078
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net carrying amount	-	-

4.11.1: Investment in quoted associates

Particulars	As at 32.03.2079		As at 31.03.2078	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

4.11.2: Investment in unquoted associates

Particulars	As at 32.03.2079		As at 31.03.2078	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

4.11.3: Information relating to associates of the Bank

Particulars	Percentage of ownership held by the Finance Company	
	As at 32.03.2079	As at 31.03.2078
	-	-
	-	-
Total	-	-

4.11.4: Equity value of associates

Particulars	As at 32.03.2079	As at 31.03.2078
Total	-	-

Investment properties
4.12

Particulars	As at 32.03.2079	As at 31.03.2078
Investment properties measured at fair value		
Balance as on Sawan 1		
Addition during the year		
Disposal during the year		
Net changes in fair value during the year		
Adjustment/transfer		
Net amount	-	-
Investment properties measured at cost		
Balance as on Sawan 1	2,346,730	1,620,874
Addition during the year	4,109,085	1,632,107
Disposal during the year		(906,250)
Adjustment/transfer		
Accumulated depreciation		
Accumulated impairment loss		
Net amount	6,455,816	2,346,730
Total	6,455,816	2,346,730

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

Name of Party/NBA Date	As at 32.03.2079	As at 31.03.2078
Manakamana Hastakala, Madanpur, Nuwakot /2074.03.02	714,624	714,624
Chakra Trading Pvt.Ltd,Sutranagar-8,Chitwan/2077.10.26	1,632,107	1,632,107
Harry Knokha Handicraft Pvt Ltd,KMC-6,Boudha/2078.06.08	1,343,397	-
Tiklal Sadashankar,Shishuwa-1,Kaski/2079.01.13	2,765,688	-
Total	6,455,816	2,346,730



Property and Equipment

4.13

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicle	Furniture & Fixture	Machinery	Equipment & Others	Right to Use Assets(ROU)	Total Asar end 2079	Total Asar end 2078
Cost											
As on Sawan 1, 2077											
Addition during the Year			21,872,592	14,686,271	23,745,030	14,340,811	2,248,163	17,425,716		94,318,582	62,654,867
Acquisition			6,608,546	2,128,752	12,047,623	3,306,875		2,967,911		27,059,708	31,663,715
Capitalization					(1,485,608)	(66,619)				72,681,598	
Disposal during the year										(1,552,226)	
Adjustment/Revaluation											
Balance As on Asar end, 2078			28,481,138	16,815,023	34,307,046	17,581,067	2,248,163	20,393,627	-	192,507,662	94,318,582
Addition during the Year	186,943,740	26,693,760	3,872,496	1,676,961	2,801,700	900,251	121,871	1,111,954		224,122,733	27,059,708
Acquisition											
Capitalization					(2,641,000)				72,681,598	(2,641,000)	(1,552,226)
Disposal during the year											
Adjustment/Revaluation											
Balance as on Asar end 2079	186,943,740	26,693,760	32,353,633	18,491,984	34,467,746	18,481,319	2,370,033	21,505,581	72,681,598	413,989,395	119,826,063
Depreciation and Impairment											
As on Sawan 1, 2077											
Depreciation charge for the Year			14,621,406	6,328,910	9,193,985	5,499,971	1,822,368	11,589,682		49,056,322	42,143,633
Impairment for the year			2,700,250	2,416,017	2,074,393	1,647,967	117,932	2,011,831		10,968,390	6,912,690
Disposals					(1,153,725)	(46,760)				(1,200,484)	
Adjustment											
As on Asar end 2078			17,321,656	8,744,927	10,114,653	7,101,178	1,940,300	13,601,514	-	58,824,227	49,056,322
Depreciation charge for the Year		194,535	3,177,133	2,959,274	2,725,301	2,021,491	143,266	2,417,891	15,631,537	29,270,427	10,968,390
Impairment for the year					(2,170,220)					-	-
Disposals										(2,170,220)	(1,200,484)
Adjustment											
As on Asar end 2079	-	194,535	20,498,789	11,704,201	10,669,733	9,122,668	2,083,566	16,019,404	15,631,537	85,924,434	58,824,227
Capital Work in Progress											
Net Book Value											
As on Asar end 2077	-	-	7,251,185	8,357,361	14,551,045	8,840,840	425,794	5,836,034	-	45,262,260	20,511,234
As on Asar end 2078	-	-	11,159,482	8,070,096	24,192,393	10,479,889	307,862	6,792,113	-	133,683,435	45,262,260
As on Asar end 2079	186,943,740	26,499,225	11,854,845	6,787,783	23,798,012	9,358,650	286,467	5,486,176	57,050,061	328,064,960	61,001,836

Company has applied NFRS-16 Leases for the first time. As per NFRS 16 opening amount of Lease assets ROU Rs.7,26,81,598 capitalized and depreciation on ROU Rs.1,56,31,537 shown on depreciation charge for the year.

Goodwill and Intangible Assets
4.14

Particulars	Goodwill	Software		Other	Total Asar end 2079	Total Asar end 2078
		Purchased	Developed			
Cost						
As on Sawan 1, 2077		5,463,342	-	-	5,463,342	3,327,642
Addition during the Year		1,315,320			1,315,320	2,135,700
Acquisition						
Capitalization						
Disposal during the year						
Adjustment/Revaluation						
Balance as on Asar end, 2078		6,778,662	-	-	6,778,662	5,463,342
Addition during the Year		696,080			696,080	1,315,320
Acquisition					-	-
Capitalization					-	-
Disposal during the year					-	-
Adjustment/Revaluation					-	-
Balance as on Asar end 2079	-	7,474,742	-	-	7,474,742	6,778,662
Amortization and Impairment						
As on Sawan 1, 2077		2,819,142	-	-	2,819,142	2,181,324
Amortization charge for the Year		935,414			935,414	637,818
Impairment for the year						
Disposals						
Adjustment						
Balance as on Asar end, 2078		3,754,556	-	-	3,754,556	2,819,142
Amortization charge for the Year		1,021,219			1,021,219	935,414
Impairment for the year					-	-
Disposals					-	-
Adjustment					-	-
As on Asar end 2079	-	4,775,775	-	-	4,775,775	3,754,556
Capital Work in Progress						
Net Book Value						
As on Asar end 2077		2,644,200	-	-	2,644,200	1,146,318
As on Asar end 2078		3,024,106	-	-	3,024,106	2,644,200
As on Asar end 2079	-	2,698,967	-	-	2,698,967	3,024,106

Deferred Tax
4.15

Particulars	As at 32.03.2079		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/ (Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs			-
Loans and advances to customers			-
Investment properties			-
Investment securities	-	1,157,499	(1,157,499)
Property & equipment	209,264		209,264
Employees' defined benefit plan	-		-
Lease liabilities	17,682,155	17,115,018	567,137
Provisions			-
Other temporary differences	1,589,328		1,589,328
Deferred tax on temporary differences	19,480,747	18,272,517	1,208,230
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
Net Deferred tax asset/(liabilities) as on 32 Asar 2079	19,480,747	18,272,517	1,208,230
Deferred tax (asset)/liabilities as on 1 Sawan 2078			11,133,850
Origination/(Reversal) during the year			12,342,080
Deferred tax (expense)/income recognised in profit or loss			61,376
Deferred tax (expense)/income recognised in other comprehensive income			12,280,704
Deferred tax expense/(income) recognised in directly in equity			

Deferred Tax

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

Other Assets
4.16

Particulars	As at 32.03.2079	As at 31.03.2078
Assets held for sale		
Other non banking assets		
Bills receivable		-
Accounts receivable	9,193,225	12,725,082
Accrued income	-	-
Prepayments and deposit	3,074,032	3,896,148
Income tax deposit		-
Deferred employee expenditure	8,563,967	1,149,096
Other	3,375,718	1,947,975
Total	24,206,942	19,718,301

Due to Bank and Financial Institutions
4.17

Particulars	As at 32.03.2079	As at 31.03.2078
Money market deposits		-
Interbank borrowing		-
Other deposits from BFIs	206,958,100	175,405,219
Settlement and clearing accounts		-
Other deposits from BFIs		-
Total	206,958,100	175,405,219

Due to Nepal Rastra Bank
4.18

Particulars	As at 32.03.2079	As at 31.03.2078
Refinance from NRB		-
Standing Liquidity Facility		-
Lender of last report facility from NRB		-
Securities sold under repurchase agreements		-
Borrowings from NRB	850,000,000	
Other payable to NRB	13,500,000	
Total	863,500,000	-

Derivative financial instruments
4.19

Particulars	As at 32.03.2079	As at 31.03.2078
<u>Held for trading</u>	-	-
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<u>Held for risk management</u>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Total	-	-

Deposits from customers
4.20

Particulars	As at 32.03.2079	As at 31.03.2078
<u>Institutions customers:</u>		
Term deposits	828,266,313	562,858,279
Call deposits	485,225,527	629,947,674
Current deposits	19,540,901	122,832,520
Other		
<u>Individual customers:</u>		
Term deposits	3,822,202,468	2,244,248,027
Saving deposits	1,514,436,704	2,103,970,327
Current deposits		
Other		662,055
Total	6,669,671,912	5,664,518,881

4.20.1: Currency wise analysis of deposit from customers

Particulars	As at 32.03.2079	As at 31.03.2078
Nepalese rupee	6,669,671,912	5,664,518,881
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
Total	6,669,671,912	5,664,518,881

Borrowing
4.21

Particulars	As at 32.03.2079	As at 31.03.2078
Domestic Borrowing	-	-
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing	-	-
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
Total	-	-

Provisions
4.22

Particulars	As at 32.03.2079	As at 31.03.2078
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1: Movement in provision

Particulars	As at 32.03.2079	As at 31.03.2078
Balance at Sawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance at Asar end	-	-

Other liabilities
4.23

Particulars	As at 32.03.2079	As at 31.03.2078
Liability for employees defined benefit obligation*	-	-
Liability for long-service leave**	-	-
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	8,673,143	5,384,590
Interest payable on deposit	53,974,087	32,907,528
Interest payable on borrowing	696,164	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	8,516,353	10,555,620
Liabilities under Finance Lease	58,940,518	-
Employee bonus payable	10,308,625	24,864,696
Other	11,232,982	10,823,055
Total	152,341,873	84,535,488

* 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 32.03.2079	As at 31.03.2078
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 32.03.2079	As at 31.03.2078
Equity securities		
Government bonds		
Bank deposit		
Other		
Total		

Actual return on Plan Assets

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As at 32.03.2079	As at 31.03.2078
Defined benefit obligations at Sawan 1		
Actuarial losses		
Benefits paid by the plan		
Current service costs and interest		
Defined benefit obligations at Asar end		

4.23.4: Movement in the fair value of plan assets

Particulars	As at 32.03.2079	As at 31.03.2078
Fair value of plan assets at Sawan 1		
Contributions paid into the plan		
Benefits paid during the year		
Actuarial (losses) gains		
Expected return on plan assets		
Fair value of plan assets at Asar end		

4.23.5: Amount recognised in profit or loss

Particulars	As at 32.03.2079	As at 31.03.2078
Current service costs		
Interest on obligation		
Expected return on plan assets		
Total	-	-

4.23.6: Amount recognised in other comprehensive income

Particulars	As at 32.03.2079	As at 31.03.2078
Acturial (gain)/loss		
Total	-	-

4.23.7: Actuarial assumptions

Particulars	As at 32.03.2079	As at 31.03.2078
Discount rate		
Expected return on plan asset		
Future salary increase		
Withdrawal rate		

Debt securities issued
4.24

Particulars	As at 32.03.2079	As at 31.03.2078
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities
4.25

Particulars	As at 32.03.2079	As at 31.03.2078
Redeemable preference shares	-	-
Irredeemable cumulative preference shares	-	-
Other	-	-
Total	-	-

Share capital
4.26

Particulars	As at 31.03.2077	As at 31.03.2076
Ordinary shares	1,053,006,319	915,657,669
Convertible preference shares (equity component)		-
Irredeemable preference shares (equity component)		-
Perpetual debt (equity component only)		-
Total	1,053,006,319	915,657,669

4.25.1: Ordinary shares

Particulars	As at 32.03.2079	As at 31.03.2078
Authorized Capital		
12,000,000 Ordinary share of Rs. 100 each	1,200,000,000	1,000,000,000
Issued capital		
10,530,063 Ordinary share of Rs. 100 each	1,053,006,319	915,657,669
Subscribed and paid up capital		
10,530,063 Ordinary share of Rs. 100 each	1,053,006,319	915,657,669
Less: issue cost of equity capital	-	-
Total	1,053,006,319	915,657,669
Regulatory Capital (Capital as per NRB Directives, including proposed bonus shares for previous years)	1,053,006,319	915,657,669

Reconciliation of no. of equity shares	As at 32.03.2079	As at 31.03.2078
Opening	915,657,669	832,416,063
Add: issued during the year	137,348,650	83,241,606
Closing	1,053,006,320	915,657,669

4.25.2: Ordinary share ownership

Particulars	As at 32.03.2079		As at 31.03.2078	
	Percent	Amount	Percent	Amount
<u>Domestic ownership</u>				
Nepal Government				
"A" class licensed institutions				
Other licensed institutions				
Other Institutions	6.95	73,155,200	4.09	37,417,490
Public	93.05	979,851,120	95.91	878,240,179
Other				
<u>Foreign ownership</u>				
Total	100.00	1,053,006,320	100.00	915,657,669

The shareholders holding 0.5% or more of total paid up capital as at 32.03.2079 are as follows:

Name of shareholder	% of holding
Kush Praasd Mally	2.69
Rajendra Praasd Mally	2.56
Rastriya Beema Sansthan	2.50
Gyanendra Praasd Mally	1.96
Ravi krishna Shrestha	1.08
Sagarmatha Insurance Co.Ltd	0.98
Eren Gopal Ranjitkar	0.64
Salona Tuladhar	0.63
Gautam Kumar Dongol	0.62
Ram Prakash Shrestha	0.60
Amrit Lal Shrestha	0.56
Kabindra Shrestha	0.55
Hathway Stock Dealer Ltd	0.54
Rabindra Bajracharya	0.54
Debendra Khadka	0.51
Ravi Bikram Dhoj Joshi	0.50

Reserves
4.27

Particulars	As at 32.03.2079	As at 31.03.2078
Statutory general reserve	154,522,690	139,845,418
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	1,979,872	2,480,951
Capital redemption reserve	-	-
Regulatory reserve	24,939,421	26,457,464
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	2,700,831	31,355,806
Dividend equalisation reserve	-	-
Actuarial gain	-	-
Special reserve	-	-
Other reserve	2,900,516	1,040,537
Total	187,043,330	201,180,176

4.27.1: Movement of specific reserves for the year 2078-79 is as follows:

Particulars	Corporate social responsibility reserve	Training reserve
Opening	2,480,951	1,040,537
Addition for the year	711,467	2,451,077
Utilization during the year	(1,212,546)	(591,098)
Closing	1,979,872	2,900,516

4.27.2: The composition of regulatory reserve is as follows:

The movement in regulatory reserve is as follows:

Particulars	Amount	Note
Opening	26,457,464	
Interest income under NFRS	1,203,251	1
Shares at fair value less than their cost	(3,345,605)	2
Addition to non-banking assets	1,720,434	3
Deferred tax assets on items other than share valuation	(1,096,123)	4
Total	24,939,421	

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 32.03.2079	As at 31.03.2078
Interest income on NFRS	19,664,027	18,460,776
Loss on investment	-	3,345,605
Loss on NBA	4,067,164	2,346,730
Deferred tax	1,208,230	2,271,518
Total	24,939,421	26,424,630

Contingent liabilities and commitments
4.28

Particulars	As at 32.03.2079	As at 31.03.2078
Contingent liabilities	-	-
Undrawn and undisbursed facilities	84,522,918	96,870,000
Capital commitment	-	-
Lease Commitment	-	81,311,604
Litigation	-	-
Total	84,522,918	178,181,604

4.28.1: Contingent liabilities

Particulars	As at 32.03.2079	As at 31.03.2078
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees	-	-
Underwriting commitment		
Other commitments		
Total	-	-

4.28.2: Undrawn and undisbursed facilities

Particulars	As at 32.03.2079	As at 31.03.2078
Undisbursed amount of loans	13,880,000	96,870,000
Undrawn limits of overdrafts	70,642,918	
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	84,522,918	96,870,000

4.28.3: Capital commitments

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

Particulars	As at 32.03.2079	As at 31.03.2078
Capital commitments in relation to Property and Equipment		
Approved and contracted for		
Approved but not contracted for		
Sub total	-	-
Capital commitments in relation to Intangible assets		
Approved and contracted for		
Approved but not contracted for		
Sub total	-	-
Total	-	-

4.28.4: Lease commitments

Particulars	As at 32.03.2079	As at 31.03.2078
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		590,684
Later than 1 year but not later than 5 years		50,061,854
Later than 5 years		30,659,066
Sub total	-	81,311,604
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the bank is lessee		
Not later than 1 year		
Later than 1 year but not later than 5 years		
Later than 5 years		
Sub total	-	-
Grand total	-	81,311,604

4.28.5: Litigation

A. Income Tax Matters

Finance Co. has filed a case at Revenue Tribunal on 2078.01.27 against the income tax assessment made by Middle Taxpayer Office for fiscal year 2073-74. The total amount demanded by tax office and not accepted by Finance Co. was Rs. 16.90 lakhs which included assessment amount of Rs. 9.20 lakhs. The case has not been decided by the authority.

B. Other Legal Cases

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

Interest income
4.29

Particulars	Current Year	Previous Year
Cash and cash equivalent	5,984,130	13,423,573
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Loan and advances to bank and financial institutions	29,140,388	24,988,891
Loans and advances to customers	650,091,273	472,171,869
Investment securities	76,977,442	40,600,146
Loan and advances to staff	7,216,442	4,521,516
Other		
Total interest income	769,409,676	555,705,995

* Interest income of 2078-79 is inclusive of Rs. 1,32,09,219 collected within Shrawan 15th, 2079 in line with NRB Directives. During the year, Rs.1,27,51,966 has been included in interest income as per NFRS and accrued interest income on substandard, doubtful and bad loan has not been recognized.

Interest expenses
4.30

Particulars	Current Year	Previous Year
Due to bank and financial institutions	2,420,640	979,180
Due to Nepal Rastra Bank	658,115	8,716,161
Deposits from customers	503,449,109	394,989,589
Borrowing	11,993,156	-
Debt securities issued		
Subordinated liabilities		
Other	1,884,043	
Total interest expense	520,405,063	404,684,930

Fees and Commission Income
4.31

Particulars	Current Year	Previous Year
Loan administration fees		-
Service fees	29,228,925	32,214,151
Consortium fees		
Commitment fees		
DD/TT/Swift fees		
Credit card/ATM issuance and renewal fees	29,041	19,707
Prepayment and swap fees	2,434,395	2,917,715
Investment banking fees		
Asset management fees		
Brokerage fees	1,627,786	1,032,712
Remittance fees	928,504	898,761
Commission on letter of credit		
Commission on guarantee contracts issued		
Commission on share underwriting/issue		
Locker rental		
Other fees and commission income	4,493,810	3,396,284
Total fees and Commission Income	38,742,462	40,479,329

Fees and commission expenses
4.32

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

Net Trading Income
4.33

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

Other operating income
4.34

Particulars	Current Year	Previous Year
Foreign exchange revaluation gain		-
Gain/loss on sale of investment securities	728,904	274,731,793
Fair value gain/loss on investment properties		
Dividend on equity instruments	3,990,265	2,580,472
Gain/loss on sale of property and equipment		528,681
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Locker rent		
Other		
Total	4,719,169	277,840,946

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	453,617	236,882
Impairment charge/(reversal) on loan and advances to customer	(4,273,170)	63,953,900
Impairment charge/(reversal) on financial Investment		
Impairment charge/(reversal) on placement with banks and financial institutions		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment properties		
Total	(3,819,553)	64,190,783

Personnel Expenses
4.36

Particulars	Current Year	Previous Year
Salary	45,442,455	42,290,329
Allowances	23,730,851	21,786,376
Gratuity expense		2,914,952
Provident fund		3,497,939
Social Security Fund	8,366,451	1,462,178
Uniform	2,034,168	
Training & development expense	591,098	283,346
Leave encashment	2,683,042	3,215,613
Medical/Insurance	3,384,404	2,959,210
Employees incentive		
Cash-settled share-based payments		
Pension expense		
Finance expense under NFRS	95,758	93,144
Other expenses related to staff	4,887,963	3,199,475
Subtotal	91,216,190	81,702,562
Employees bonus	10,308,625	24,864,696
Grand total	101,524,815	106,567,258

Other operating expenses
4.37

Particulars	Current Year	Previous Year
Directors' fee	1,148,000	1,185,500
Directors' expense	120,792	160,556
Auditors' remuneration		
a) Statutory audit Fee	452,000	339,000
b) Internal audit Fee	452,000	339,000
c) System audit Fee	-	350,000
Other audit related expense		
Professional and legal expense	5,498,492	5,254,605
Office administration expense	52,499,256	41,448,242
Operating lease expense	-	13,780,887
Operating expense of investment properties		
Corporate social responsibility expense	1,212,546	39,445
Onerous lease provisions		
Other		
Total	61,383,086	62,897,235

Other operating expenses
4.37

Office administration expenses include the following:	Current Year	Previous Year
Water and electricity	3,114,583	3,105,409
Repair and maintenance		
Building	-	-
Vehicles	458,212	402,881
Computer and accessories	167,259	261,266
Office equipment and furniture	17,605	35,040
Others	135,847	182,498
Insurance	1,517,998	1,262,140
Postage, telex, telephone , fax	2,970,864	2,897,795
Printing and stationery	3,029,687	2,621,081
Newspaper, books and journal	47,690	49,845
Advertisement	2,084,339	1,099,244
Donation	8,000	26,200
Security	14,699,374	14,585,479
Deposit and loan guarantee premium	1,396,385	1,204,732
Travel allowance and expense	1,384,739	1,066,115
Entertainment	562,077	279,851
Annual/special general meeting	303,707	292,938
Other	20,600,890	12,075,728
Total	52,499,256	41,448,242

Depreciation & Amortisation
4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	29,270,427	10,968,390
Depreciation on investment property		
Amortisation of intangible assets	1,021,219	935,414
Total	30,291,646	11,903,804

Non operating income
4.39

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

Non operating expenses
4.40

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

Income tax expenses
4.41

Particulars	Current Year	Previous Year
Current tax expense	32,000,924	66,356,086
Current year	32,000,924	66,356,086
Adjustments for prior years		
Deferred tax expense	(61,376)	7,920,024
Origination and reversal of temporary differences	(61,376)	7,920,024
Changes in tax rate		
Recognition of previously unrecognised tax losses		
Total income tax expense/(income)	31,939,548	74,276,111

4.41.1: Reconciliation of tax expenses and accounting profit

Particulars	Current Year	Previous Year
Current Year		
Profit before tax	103,086,251	223,782,262
Tax amount at tax rate of 30%	30,925,875	67,134,679
Add: Tax effect of expenses that are not deductible for tax purpose	3,030,951	1,005,525
Less: Tax effect on exempt income	1,955,903	1,784,117
Add/less: Tax effect on other items	(61,376)	7,920,024
Total income tax expense	31,939,548	74,276,111
Effective tax rate	30.98%	33.19%

Statement of Distributable Profit or Loss
4.42

Particulars		Current Year	Previous Year
Opening retained earning		161,622,049	96,069,801
Bonus Share Distribution to shareholders		(137,348,650)	(83,241,606)
Cash Dividend(For Tax Purpose) Distribution to shareholders		(7,228,876)	(4,381,137)
Reserves transferred to retained earning (Last year Fair value adjustment)		-	(2,840,048)
Gain/Loss in Sale of Share from OCI		1,180,507	
Adjusted retained earning available for distribution before current year profit		18,225,029	5,607,010
Net profit or (loss) as per statement of profit or loss		71,146,704	149,506,151
Appropriations:			
a. General reserve		(14,677,272)	(29,901,230)
b. Foreign exchange fluctuation fund			
c. Capital redemption reserve			
d. Corporate social responsibility fund		(711,467)	(1,495,062)
e. Employees' training fund		(2,451,077)	
f. Other			
1.Staff Training Expenses transfer form other reserve	591,098	2,862,794	(733,691)
2.CSR Expenses transfer from CSR reserve	1,212,546		
3. Diffrence in Tax after Tax Audit	1,059,150		
Profit or (loss) before regulatory adjustment		74,394,711	122,983,178
Regulatory adjustment :			
a. Interest receivable (-)/previous accrued interest received (+)		(1,203,251)	(7,752,927)
b. Short loan loss provision in accounts (-)/reversal (+)			
c. Short provision for possible losses on investment (-)/reversal (+)		3,345,605	52,038,104
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)		(1,720,434)	(725,857)
e. Deferred tax assets recognised (-)/ reversal (+)		1,096,123	(4,920,449)
f. Goodwill recognised (-)/ impairment of Goodwill (+)			
g. Bargain purchase gain recognised (-)/reversal (+)			
h. Actuarial loss recognised (-)/reversal (+)			
i. Other (+/-)			
Distributable profit or (loss) for current year		75,912,754	161,622,049

Reliance Finance Limited

Notes to Financial Statements

5 Disclosure and Additional Information

5.1 Risk Management

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

a) Credit Risk

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

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

Each prospective borrower is thoroughly analyzed on his/her past, current status and future endeavours in order to ensure that borrower has capacity of repayment, before a credit is approved. Sufficient adequate collateral is obtained for all approved credit. Depending on the risk assigned to borrower, subsequent monitoring is being done. For similar group of borrowers, credit portfolio is prepared based on sector of loan.

The tools being used by Finance Co. to assess overall credit risk is the ratio of non-performing loan to total loan on each loan sector.

b) Market Risk

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

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

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

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

Equity Price Risk: Finance Co. has secured its loan by way of obtaining lien over the collateral of borrower. The value of loan disbursed is directly pegged with the value of collateral. Decrease in price of collateral may result in cases of non-recovery of the due amount if borrower defaults in making payment. Collateral value may decline due to environmental factors, government decision, etc. Finance Co. properly 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 analyse liquidity status. Assets Liability Management Committee is formed at Finance Co. to monitor the liquidity profile. Cash, highly liquid securities and investments form an integral part of managing liquidity risk.

d) Operational Risk

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

e) Information Technology Risk

Information technology risk refers to the risk arising from use of information technology. It includes hardware and software failure, human error on using IT, spam, virus, malicious attacks and also includes natural disaster. IT is integral part of operation of Finance Co. and Finance Co. has to rely heavily on IT. In order to minimize the risk related to IT, Finance Co. has in place Business Continuity Plan. The assessment of IT risk is done periodically by way of IS Audit, among others. Finance Co. has inhouse IT department for daily monitoring, evaluation of IT related issues. Finance Co.'s IT risk management comprises of investing in resources for identification, detection, recovery, respond and protection of IT assets.

f) Other Risk

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

5.2 Fair Value of Financial Assets and Liabilities and their Classification

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

Fair value measurement is done for investment in shares. Fair value 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 32 Ashad 2079

Particulars	Classification	Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalent				605,836,478
Due from Nepal Rastra Finance Co.	AC			221,569,845
Loans and advances to customers	AC			5,528,133,282
Investment securities				
Quoted shares	FVOCI	170,029,543		
Unquoted shares	FVOCI			2,969,500
Other Investment	AC			2,306,378,228
Total Financial Assets		170,029,543	-	8,664,887,333
Financial Liabilities				
Due to Finance Co. and Financial Institutions	AC	-		
Deposits from customers	AC			6,669,671,912
Other Liabilities	AC			152,341,873
Total Financial Liabilities		-	-	6,822,013,785

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 2079	As at 31 Ashad 2078
1.1 Risk Weighted Exposure (RWE)		
RWE for Credit Risk	6,254,742	4,598,543
RWE for Operational Risk	512,697	371,528
RWE for Market Risk	-	-
Total RWE before adjustment under Pillar II	6,767,439	4,970,071
Adjustments under Pillar II		
Adjustments under Pillar II (Add RWE equivalent to reciprocal of capital charge of 2 % of gross income)	9,387	
Adjustments under Pillar II (Overall risk management policies and procedures are not satisfactory. Add 2% of RWE)	135,349	
Total RWE	6,912,174	4,970,071
1.2 Capital		
A. Core Capital (Tier I)	1,280,265	1,218,266
Paid up Equity Share Capital	1,053,006	915,658
Irredeemable Non-cumulative preference shares		
Share Premium	1,141	1,141
Proposed Bonus Equity Shares		
Statutory General Reserves	154,523	139,845
Retained Earnings	75,913	161,622
Un-audited current year cumulative profit/(loss)		
Capital Redemption Reserve		
Capital Adjustment Reserve		
Dividend Equalization Reserves		
Other Free Reserve		
Less: Goodwill		
Less: Deferred Tax Assets	(1,208)	
Less: Fictitious Assets		
Less: Investment in equity in licensed Financial Institutions		
Less: Investment in equity of institutions with financial interests	(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		

B. Supplementary Capital (Tier II)	81,043	69,103
Cumulative and/or Redeemable Preference Share		
Subordinated Term Debt		
Hybrid Capital Instruments		
General Loan Loss Provision	81,043	69,103
Exchange Equalization Reserve		
Investment Adjustment Reserve	-	-
Assets Revaluation Reserve		
Other Reserves		
Total Capital Fund (Tier I and Tier II)	1,361,307	1,287,368
1.3 Capital Adequacy Ratio		
Tier I Capital to Total RWE	18.52%	24.51%
Total Capital Fund to Total RWE	19.69%	25.90%

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	65,397			65,397	0%	-	58,503	0
Balance With Nepal Rastra Bank	221,570			221,570	0%	-	270,889	0
Gold				-	0%	-	-	0
Investment in Nepalese Government Securities	2,274,887			2,274,887	0%	-	1,390,634	0
All Claims on Government of Nepal				-	0%	-	-	0
Investment in Nepal Rastra Bank securities				-	0%	-	-	0
All claims on Nepal Rastra Bank				-	0%	-	-	0
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-	-	0
Claims on Foreign Government and Central Bank (ECA -2)				-	20%	-	-	0
Claims on Foreign Government and Central Bank (ECA -3)				-	50%	-	-	0
Claims on Foreign Government and Central Bank (ECA-4-6)				-	100%	-	-	0
Claims on Foreign Government and Central Bank (ECA -7)				-	150%	-	-	0
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-	-	0
Claims on Other Multilateral Development Banks				-	100%	-	-	0
Claims on Public Sector Entity (ECA 0-1)				-	20%	-	-	0
Claims on Public Sector Entity (ECA 2)				-	50%	-	-	0
Claims on Public Sector Entity (ECA 3-6)				-	100%	-	-	0
Claims on Public Sector Entity (ECA 7)				-	150%	-	-	0
Claims on domestic banks that meet capital adequacy requirements	901,132			901,132	20%	180,226	434,147	153,881
Claims on domestic banks that do not meet capital adequacy requirements	1,776	1,776		-	100%	-	1,776	1,776

Claims on foreign bank (ECA Rating 0-1)				-	20%	-	-	-
Claims on foreign bank (ECA Rating 2)				-	50%	-	-	-
Claims on foreign bank (ECA Rating 3-6)				-	100%	-	-	-
Claims on foreign bank (ECA Rating 7)				-	150%	-	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-	-	-
Claims on Domestic Corporates	724,218			724,218	100%	724,218	1,258,558	-
Claims on Foreign Corporates (ECA 0-1)				-	20%	-	-	-
Claims on Foreign Corporates (ECA 2)				-	50%	-	-	-
Claims on Foreign Corporates (ECA 3-6)				-	100%	-	-	-
Claims on Foreign Corporates (ECA 7)				-	150%	-	-	-
Regulatory Retail Portfolio (Not Overdue)	1,446,992		181,603	1,265,390	75%	949,042	1,800,665	1,299,366
Claims fulfilling all criterion of regularity retail except granularity	45,646			45,646	100%	45,646	18,500	998,942
Claims secured by residential properties	534,402			534,402	60%	320,641	560,474	371,212
Claims not fully secured by residential properties				-	150%	-	-	4,535
Claims secured by residential properties (Overdue)	135,229			135,229	100%	135,229	109,750	3,679
Claims secured by Commercial real estate	6,725			6,725	100%	6,725	361,104	373,500
Past due claims (except for claims secured by residential properties)	1,014,880			1,014,880	150%	1,522,321	170,265	176,733
High Risk claims	1,305,328			1,305,328	150%	1,957,993	84,230	451,445
Lending Against Securities (Bonds & Shares)				-	100%	-	357,962	-
Investments in equity and other capital instruments of institutions listed in stock exchange	212,852			212,852	100%	212,852	169,632	223,168
Investments in equity and other capital instruments of institutions not listed in the stock exchange	1,083			1,083	100%	1,083	1,083	1,083
Staff loan secured by residential property	40,256			40,256	150%	60,384	12,950	20,244
Interest Receivable/claim on government securities	31,491			31,491	50%	15,746	16,673	6,142
Cash in transit and other cash items in the process of collection				-	0%	-	-	-
Other Assets (as per attachment)	476,971	6,456		470,515	20%	94,103	308,493	42,520
TOTAL (A)	9,440,836	8,232	181,603	9,251,001	100%	6,226,208	7,386,289	4,128,225
B. Off Balance Sheet Exposures						-		0
Revocable Commitments				-	0%	-	0	0
Bills Under Collection				-	0%	-	0	0
Forward Exchange Contract Liabilities				-	10%	-	0	0
LC Commitments With Original Maturity Upto 6 months domestic counterparty				-	20%	-	0	0
Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0
Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	50%	-	0	0
Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0

Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
Bid Bond, Performance Bond and Counter guarantee domestic counterparty				-	50%	-	0	0
Foreign counterparty (ECA Rating 0-1)				-	20%	-	0	0
Foreign counterparty (ECA Rating 2)				-	50%	-	0	0
Foreign counterparty (ECA Rating 3-6)				-	100%	-	0	0
Foreign counterparty (ECA Rating 7)				-	150%	-	0	0
Underwriting commitments				-	50%	-	0	0
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-	0	0
Repurchase Agreements, Assets sale with recourse				-	100%	-	0	0
Advance Payment Guarantee				-	100%	-	0	0
Financial Guarantee				-	100%	-	0	0
Acceptances and Endorsements				-	100%	-	0	0
Unpaid portion of Partly paid shares and Securities				-	100%	-	0	0
Irrevocable Credit commitments (short term)	45,761			45,761	20%	9,152	45,761	18,900
Irrevocable Credit commitments (long term)	38,762			38,762	50%	19,381	132,421	50,446
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-	0	0
Other Contingent Liabilities				-	100%	-	0	0
Unpaid Guarantee Claims				-	200%	-	0	0
TOTAL (B)	84,523	-	-	84,523		28,533	178,182	69,346
Total RWE for credit Risk Before Adjustment (A) +(B)	9,525,359	8,232	181,603	9,335,524		6,254,742	7,564,470	4,197,571
Adjustments under Pillar II								
Total RWE for Credit Risk	9,525,359	8,232	181,603	9,335,524		6,254,742	7,564,470	4,197,571

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	G'tee of domestic banks	G'tee of MDBs	Sec/ G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)										-
Claims on Foreign government and Central Bank (ECA -3)										-
Claims on Foreign government and Central Bank (ECA-4-6)										-
Claims on Foreign government and Central Bank (ECA -7)										-
Claims on Other Multilateral Development Banks										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity (ECA 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates										-
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)	181,603									181,603
Claims fulfilling all criterion of regularity retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by Commercial Real Estate										-
Past due claims (except for claims secured by residential properties)										-
High Risk claims										-
Investments in equity and other capital instruments of institutions listed in stock exchange	-									-
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-									-
Other Assets (as per attachment)										-
Total	181,603	-	-	-	-	-	-	-	-	181,603



Off Balance Sheet Exposures													
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													-
Foreign counterparty (ECA Rating 0-1)													-
Foreign counterparty (ECA Rating 2)													-
Foreign counterparty (ECA Rating 3-6)													-
Foreign counterparty (ECA Rating 7)													-
Underwriting commitments													-
Lending of Bank's Securities or Posting of Securities as collateral													-
Repurchase Agreements, Assets sale with recourse													-
Advance Payment Guarantee													-
Financial Guarantee													-
Acceptances and Endorsements													-
Unpaid portion of Partly paid shares and Securities													-
Irrevocable Credit commitments (short term)													-
Irrevocable Credit commitments (long term)													-
Other Contingent Liabilities													-
Unpaid Guarantee Claims													-
Total													-
Grand Total													181,603

b) Operational Risk

Amount in '000

Particulars	Fiscal Year		
	2075-76	2076-77	2077-78
Net Interest Income	207,096	215,022	151,021
Commission and Discount Income	29,437	30,677	40,479
Other Operating Income	3,769	8,624	277,841
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period	14,190	47,238	-
Gross income (a)	254,492	301,561	469,341
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income $[c=(a \times b)]$	38,174	45,234	70,401
Capital Requirement for operational risk (d) (average of c)			51,270
Risk Weight (reciprocal of capital requirement of 10%) in times (e)			10
Equivalent Risk Weight Exposure $[f=(d \times e)]$			512,697
Pillar II Adjustments			
If Gross Income for the last three years is negative (6.4 a 8)			
Total Credit and Investment (net of Specific Provision) of releted month			-
Capital Requirement for Operational Risk (5% of net credit and investment)			-
Risk Weight (reciprocal of capital requirement of 10%) in times			10
Equivalent Risk Weight Exposure (g)			-
Equivalent Risk Weight Exposure $[h=f+g]$			512,697

c) Market Risk

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

d) Non Performing Assets (Gross and Net)

Non Performing Assets	Gross Amount	Impairment Allowance	Net Amount
Restructured and Rescheduled			
Sub-Standard	53,328,016	13,246,371	40,081,645
Doubtful	57,326,626	28,663,313	28,663,313
Bad	16,076,802	16,076,802	-
Total	126,731,444	57,986,486	68,744,958

5.3.4 Compliance with Capital Requirement

Inline with NRB Directive 1/078, the following is the status of compliance with capital requirements at Ashad end 2079.

Particulars	Requirement	Position
Tier I Capital to RWE	6%	18.52%
Tier I and Tier II Capital to RWE	10%	19.69%

5.4 Operating Segment Information
5.4.1 General Information

Finance Co's management has identified its operating segments based on the management of its branches and offices. In line with this, 7 different segments are identified based on 7 Provinces of Nepal on geographical separation basis. The operation, risk, transactions, etc. are more inclined on similar manner on a particular state. All the related income and expenses of such segments are presented in the segment information. Equity, staff bonus, NFRS adjustments and income tax are not segregated and are included in central account. Intra-segment transactions are eliminated. Finance Co. does not have presence in Province 2 and Karnali province, hence, it is not reported. In general, the products that derive revenue is classified in the following manner.

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

5.4.2 Segment result and segment position for the year ended on Ashad 2079

Particulars	Province 1	Madesh	Bagmati	Gandaki	Lumbini	Karnali	Far west	Unallocated	Total
Revenue from external customers	36,493,381		642,060,432	85,315,143	20,852,512		28,149,840		812,871,307
Intersegment revenues									-
Net revenue	36,493,381	-	642,060,432	85,315,143	20,852,512	-	28,149,840	-	812,871,307
Interest income	33,499,784		609,785,035	81,736,395	19,757,178	-	24,631,283		769,409,676
Interest expenses	14,001,941		428,796,643	57,910,262	8,854,019	-	10,842,197		520,405,063
Net interest revenue	19,497,843	-	180,988,392	23,826,133	10,903,159	-	13,789,086	-	249,004,613
Depreciation and amortization	1,991,754		24,421,135	650,394	1,126,908		2,101,455		30,291,646
Segment profit/(loss)	(6,429,547)		133,005,198	(1,387,611)	(7,992,048)		(14,109,741)		103,086,251
Entity's interest in the profit or loss of associate accounted for using equity method									
Other material non-cash items:									-
Loans:	368,593,238	-	3,911,070,496	565,083,886	295,492,311	-	387,893,350	-	5,528,133,282
Consumer	262,341,945		2,231,023,781	480,137,974	62,653,414	-	173,423,327		3,209,580,441
Corporate	106,251,293		1,680,046,715	84,945,912	232,838,897	-	214,470,023		2,318,552,841
Deposit	285,037,506	-	5,476,134,261	848,144,988	120,006,205	-	147,307,052	-	6,876,630,012
Consumer	199,144,759		4,193,149,069	714,855,942	91,704,168	-	136,230,234		5,335,084,172
Corporate	85,892,746		1,282,985,192	133,289,046	28,302,037	-	11,076,818		1,541,545,840
Impairment of Assets	4,715,717		109,013,043	7,616,893	7,921,491	-	9,761,869		139,029,013
Segment Assets	439,880,553		7,386,307,431	629,707,635	334,865,292	-	418,814,142		9,209,575,054
Segment Liabilities	285,037,506		6,491,976,133	848,144,988	120,006,205	-	147,307,052		7,892,471,885

**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	812,871,307
Other revenue	
Elimination of intersegment revenues	
Entity's revenue	812,871,307

b) Profit or loss

Total profit or loss for reportable segments	103,086,251
Other profit or loss	
Elimination of intersegment profit	
Unallocated amounts:	
NFRS adjustments	
Profit before income tax	103,086,251

c) Assets

Total assets for reportable segments	9,209,575,054
Other assets	
Unallocated assets	
Entity's assets	9,209,575,054

d) Liabilities

Total liabilities for reportable segments	7,892,471,885
Other liabilities	
Unallocated liabilities	
Entity's liabilities	7,892,471,885

5.4.5 Information about product and services

Particulars	Amount
Consumer banking	717,974,123
Corporate banking	5,984,130
Treasury	76,977,442
Others	11,935,612

5.4.6 Information about geographical areas

Revenue from geographical areas are as follows:

Domestic:	
Province 1	36,493,381
Madesh	-
Bagmati	642,060,432
Gandaki	85,315,143
Lumbini	20,852,512
Karnali	28,149,840
Far West	-
Foreign:	-
Total	812,871,307

5.4.7 Information about major customers

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

5.5 Share options and share based payment

Not applicable

5.6 Contingent liabilities and capital commitment

Contingent liabilities are:

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

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

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

5.7 Related parties disclosure

Related parties of the Finance Company include key management personnel of the Finance Company.

5.7.1 Key management personnel

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

a) Board of Directors

Board of Directors of the Finance Company comprise the following:

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

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

Allowance and facilities provided to board members

Chairperson of the Board is provided Rs. 7,500 and other board members are provided Rs. 7,000 as meeting fees for attending the board meetings. Total amount paid as meeting allowance during the year to board members was Rs. 9,68,000.

All board members are provided Rs. 1,500 per month in order to cover expenses related to newspaper and telephone expenses.

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

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

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

b) Chief Executive Officer

Mr. Samaj Prakash Shrestha serves as Act.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. 37,50,598. Vehicle is provided for official purpose only during office hours.

Finance Company has not entered into any commercial transaction with its CEO.

5.8 Merger and acquisition

During the current fiscal year, there has not been any completed merger or acquisition. Finance Co. has not entered into any such agreements subsequently also.

5.9 Additional disposal of none consolidated Entity

The Finance Company has no 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 of the finance co. has proposed 6.50% bonus share of Rs.6,84,45,411 and 0.34% of Rs.36,02,390 cash dividend (for tax purpose) of paid up capital vide board meeting dated 26.02.2080.

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

5.12 Other additional disclosure Regulatory Reserve

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

FY	Interest Receivable	Short loan loss provision	Short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss Recognized	Fair Value Loss Recognized in OCI	Other	Total
FY 2074-075	-	-	-	-	-	-	-	-	-	-	-
Transfer To/(From) Reserve	10,979,986	-	57,045,777	714,624	-	-	-	-	-	-	68,740,387
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
Total	19,664,028	-	(0)	4,067,164	1,208,230	-	-	-	-	-	-

Additional Disclosures: Forbearance/relaxation

Particulars	As of Ashad end 2079	
	No.of Customers	Amount(NRs.)
Accured Interest Received after Ashad end 2079 till 15 Shrawan 2079	931	13,209,219
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	153	186,526
Extension of moratorium period of loan provided to Industry or Project under construction	N/A	N/A
Restructured/Rescheduled Loan with 5% Loan Loss Provision	N/A	N/A
Enhancement of Working Capital Loan by 20% COVID affected borrowers.	N/A	N/A
Expiry Date of Additional 20% Working Capital Loan(COVID Loan) extended for upto 1 year with 5% provisioning	N/A	N/A
Expiry Date of Additional 10% Term Loan(COVID Loan) extended for upto 1 year with 5% provisioning	N/A	N/A
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives 2	N/A	N/A

Refinance and Business Continuity

Particulars	During FY 2078/2079	
	No.of Customers	Amount(NRs.)
Refinance Loan	N/A	N/A
Business Continuity Loan	N/A	N/A

Subsidized Loan

Particulars	During FY 2078/2079	
	No.of Customers	Amount(NRs.)
Subsidized Loan	155	58,304,230

5.13 Major Financial Indicators of Last Five Years

S.N.	Particulars	Indicator	2078-79	2077-78	2076-77	2075-76	2074-75
1	Net profit/total income	%	8.75	17.11	15.14	10.57	13.14
2	Earning per share						
	Basic earning per share	Rs.	6.76	16.33	12.32	8.78	11.83
	Diluted earning per share	Rs.	6.76	16.33	12.32	8.78	11.83
3	Market price per share	Rs.	310	532	121	126	119
4	Price/earning ratio	Times	45.88	32.58	9.82	14.36	10.06
5	Dividend or bonus per share	Rs.	6.50	15.00	10.00	0.00	0.00
6	Cash dividend	Rs.	0.34	0.79	0.53	6.58	2.63
7	Interest income/loan and advances	%	14.76	12.52	17.01	16.48	16.48
8	Employee expenses/total operating expenses	%	52.55	58.76	58.96	54.24	52.79
9	Employee expenses/total deposit and borrowing	%	1.48	1.82	1.60	1.29	1.21
10	Exchange income/total income	%	0.00	0.00	0.00	0.00	0.00
11	Staff bonus/total employee expenses	%	10.15	23.33	19.69	20.20	14.08
12	Net profit/loans and advances	%	1.29	3.16	2.48	1.71	2.22
13	Net profit/total assets	%	0.77	2.07	1.61	1.21	1.44
14	Total loans and advances/total deposit	%	80.90	81.59	72.00	84.16	80.32
15	Total operating expenses/total assets	%	2.10	2.51	2.22	1.86	1.79
16	Capital adequacy ratio						
	a) Core Capital	%	18.52	24.51	23.18	24.43	33.93
	b) Supplementary Capital	%	1.17	1.39	0.80	1.12	1.42
	c) Total Capital Fund	%	19.69	25.90	23.98	25.55	35.35
17	Cash reserve ratio (CRR)	%	35.17	35.17	21.48	28.87	36.57
18	NPAs/total loan and advances	%	2.27	2.69	1.10	2.17	1.25
19	Base rate	%	12.19	9.65	11.25	12.34	9.38
20	Weighted average interest rate spread	%	4.44	4.81	4.40	4.90	5.72
21	Book net worth	Rs.	1,317,103	1,279,601	1,087,359	1,066,935	976,523
22	Total shares	No.	10,530,063	9,156,577	8,324,160	8,324,160	8,022,886
23	Total employees	No.	167	162	129	92	88
24	Others:						
	Per employee business (Rs. In lakh)	%	312.18	274.02	290.64	378.30	339.98
	Employee expenses/total income	%	12.49	12.19	12.34	8.81	8.62



Reliance Finance Limited
Comparison Audited and Unaudited Financial Statements
Fiscal Year: 2078-79

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	605,812	605,836	25	0.00	Interest Capitalized
Due from Nepal Rastra Bank	221,570	221,570	-	-	
Placement with Bank and Financial Institutions	-	-	-		
Derivative financial instruments	-	-	-		
Other trading assets	-	-	-		
Loan and advances to B/FIs	360,692	356,003	(4,689)	(1.30)	Regrouping of loan to microfinance from loan to customer
Loans and advances to customers	5,171,798	5,172,130	332	0.01	Regrouping of loan to microfinance from loan to customer
Investment securities	2,479,377	2,479,377	-	-	
Current tax assets	14,623	12,023	(2,599)	(17.77)	Final calculation of income tax expenses for the period
Investment in subsidiaries	-	-	-		
Investment in associates	-	-	-		
Investment property	6,456	6,456	-	-	
Property and equipment	270,317	328,065	57,747	21.36	Correction on calculation of depreciation and regrouping amortization expenses
Goodwill and Intangible assets	2,786	2,699	(87)	(3.12)	Correction on calculation of intangible assets
Deferred tax assets	1,147	1,208	61	5.32	Final Calculation of Deferred Tax
Other assets	16,792	24,207	7,415	44.16	AIR (net of interest suspense) included in loans to customer
Total Assets	9,151,370	9,209,575	58,205	0.64	
Liabilities					
Due to Bank and Financial Institutions	206,356.68	206,958	601	0.29	Regrouping of Deposit to customer
Due to Nepal Rastra Bank	863,500	863,500	-	-	
Derivative financial instruments	-	-	-		
Deposits from customers	6,670,273	6,669,672	(601)	(0.01)	Regrouping of Deposit to customer

Borrowing	-	-	-	-	
Current Tax Liabilities	-	-	-	-	
Provisions	-	-	-	-	
Deferred tax liabilities	-	-	-	-	
Other liabilities	92,582	152,342	59,760	64.55	Changes in figures of liabilities on finalization of calculation related to staffs, bonus etc.
Debt securities issued	-	-	-	-	
Subordinated Liabilities	-	-	-	-	
Total liabilities	7,832,712	7,892,472	59,760	0.76	
Equity					
Share capital	1,053,006	1,053,006	-	-	
Share premium	1,141	1,141	-	-	
Retained earnings	42,671	75,913	33,242	77.90	Finalization of LLP and Income
Reserves	221,839	187,043	(34,796)	(15.69)	Finalization of LLP and Income
Total equity attributable to equity holders	1,318,658	1,317,103	(1,554)	(0.12)	
Non-controlling interest					
Total equity	1,318,658	1,317,103	(1,554)	(0.12)	
Total liabilities and equity	9,151,370	9,209,575	58,206	0.64	

Statement of Profit or Loss	As per Unaudited Financial Statements	As per Audited Financial Statements	Variance		Reasons for Variance
			In Amount	In %	
Interest income	770,644	769,410	(1,234)	(0.16)	Change in NFRS based Interest income of Staff Loan
Interest expense	517,825	520,405	2,580	0.50	Calculation of lease expenses
Net interest income	252,819	249,005	(3,814)	(1.51)	
Fee and commission income	38,588	38,742	155	0.40	TDS from remittance co. booked as commission.
Fee and commission expense	-	-	-	-	
Net fee and commission income	38,588	38,742	155	0.40	
Other operating income	4,719	4,719	-	-	
Total operating income	296,126	292,466	(3,659)	(1.24)	



Impairment charge/(reversal) for loans and other losses	(761)	(3,820)	(3,058)	401.63	Finalization of LLP and Income
Net operating income	296,887	296,286	(601)	(0.20)	
Personnel expenses	102,660	101,525	(1,135)	(1.11)	Changes in figures of staffs bonus.
Other operating expenses	76,032	61,383	(14,649)	(19.27)	Regrouping of amortization expenses
Depreciation & Amortisation	14,336	30,292	15,955	111.29	Correction on calculation of depreciation and regrouping amortization expenses as per NFRS.
Operating profit	103,859	103,086	(772)	(0.74)	
Non operating income/(expense)	-	-	-	-	
Profit before tax	103,859	103,086	(772)	(0.74)	
Income tax	31,158	31,940	782	2.51	Final calculation of income tax expenses for the period
Profit /(loss) for the period	72,701	71,147	(1,554)	(2.14)	
Other comprehensive income	(28,655)	(28,655)	-	-	
Total comprehensive income	44,046	42,492	(1,554)	(3.53)	Correction on calculation of Fair Value on share sold
Distributable Profit					
Net profit/(loss) as per profit or loss	72,701	71,147	(1,554)	(2.14)	
Add/Less: Regulatory adjustment as per NRB Directive	(48,134)	4,766	52,900	(109.90)	In interim report, regulatory adjustment was not made.
Free profit/(loss) after regulatory adjustments	24,568	75,913	51,345	209.00	



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ०१-४४३९९२५
Site: www.nrb.org.np
Email: nrbfsd@nrb.org.np
पोष्ट बक्स: ७३

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/रिलायन्स/०७९/८०
च.नं. २३२

मिति: २०८०/०३/०८

श्री रिलायन्स फाइनेन्स लिमिटेड,
प्रदर्शनीमार्ग, काठमाडौं।



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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा अनुरोध छ। साथै, संस्थाले प्रस्ताव गरे अनुसार आर्थिक वर्ष २०७८/७९ को नियमनकारी समायोजन पछिको वितरणयोग्य मुनाफा रु.७,५९,९२,७५४/- बाट २०७९ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु.१,०५,३०,०६,३९९/- को ६.५० प्रतिशतले हुन आउने रकम रु.६,८४,४५,४९९/- (अक्षरेपी छ करोड चौरासी लाख पैतालीस हजार चार सय एघार मात्र) बराबरको बोनस शेर तथा सोही चुक्ता पुँजीको ०.३४ प्रतिशतले हुन आउने रकम रु.३६,०२,३९०/- (अक्षरेपी छतीस लाख दुई हजार तीन सय नब्बे मात्र) नगद लाभांश (लाभांशमा लाग्ने कर प्रयोजनको लागि) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा समेत निर्णयानुसार अनुरोध छ।

- (१) कर्जा प्रवाह पश्चात अनिवार्य रुपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन।
- (२) नियमित रुपमा System Audit गर्ने व्यवस्था मिलाउनु हुन।
- (३) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७९ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरुपमा पालना गर्नुहुन।
- (४) कर्जा प्रवाह र व्यवस्थापन, कर्जाको व्याज तथा हर्जाना मिनाहा, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन।

भवदीय,
(राजू पौडेल)
उप-निर्देशक

बोधार्थ :

श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई।

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

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

महोदय,

उपरोक्त सम्बन्धमा तहांको पत्र संख्या वि.सं.सु.वि./गैरस्थलगत /रिलायन्स/०७९/०८० च.नं. २३२, मिति २०८०/०३/०८ को पत्र मार्फत जारी भएको निर्देशन उपर यस संस्थाको प्रतिक्रिया तथा उल्लेखित बुँदाहरुको सुधारको स्थिति तपसिल बमोजिम रहेको व्यहोरा जानकारीका लागि अनुरोध छ ।

१. तहांको निर्देशन बमोजिम कर्जा सदुपयोगिताको सुनिश्चितता गर्ने व्यहोरा अनुरोध छ ।
२. तहांबाट जारी भएका निर्देशन अनुसार गरिने व्यहोरा अनुरोध छ ।
३. सम्पत्ती शुद्धिकरण तर्फ विशेष सजग भई तहांबाट जारी भएका निर्देशनहरुको पूर्ण रुपमा परीपालना गरिनेछ ।
४. तहांबाट जारी भएका निर्देशनहरु अक्षरसः पालना गरिनेछ, तथा लेखा परिक्षण प्रतिवेदनमा औल्याइएका कैफियतहरु नदोहोरिने गरी सुधार गर्दै लगिनेछ ।

भवदिय,
समाज प्रकाश श्रेष्ठ
का.मु. प्रमुख कार्यकारी अधिकृत

रिलायन्स फाइनेन्स लिमिटेडको प्रबन्धपत्रमा संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा	संशोधन गर्नुपर्ने कारण र औचित्य
६ (क) वित्तीय संस्थाको अधिकृत पूँजी रु.१,२०,००,००,०००/- हुनेछ । सो पूँजीलाई प्रतिशेयर रु.१००/- (रु.एक सय) दरका थान १,२०,००,००० साधारण शेयरमा विभाजन गरिएको छ ।	६ (क) वित्तीय संस्थाको अधिकृत पूँजी रु.१,२०,००,००,०००/- हुनेछ । सो पूँजीलाई प्रतिशेयर रु.१००/- (रु.एक सय) दरका थान १,२०,००,००० साधारण शेयरमा विभाजन गरिएको छ ।	साविक बमोजिम राख्ने
६ (ख) वित्तीय संस्थाको तत्काल जारी पूँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) हुनेछ । सो पूँजीलाई प्रतिशेयर रु.१००/- (रु.एक सय) दरका १,०५,३०,०६३.१९ थान साधारण शेयरमा विभाजन गरिएको छ ।	६ (ख) वित्तीय संस्थाको तत्काल जारी पूँजी रु.१,१२,१४,५१,७३०/- (अक्षरेपी एक अर्ब बाह्र करोड चौधलाख एकाउन्न हजार सात सय तिस मात्र) हुनेछ । सो पूँजीलाई प्रतिशेयर रु.१००/- (रु.एक सय) दरका १,१२,१४,५१७.३० थान साधारण शेयरमा विभाजन गरिएको छ ।	संस्थाले ६.५० प्रतिशत बोनस शेयर जारी गरे पश्चात संस्थाको अधिकृत, जारी, र चुक्ता पूँजी बृद्धि हुने भएकोले सोही अनुसार मिलान गरिएको ॥
६ (ग) वित्तीय संस्थाको तत्काल चुक्ता पूँजी रु.१,०५,३०,०६,३१९/- (अक्षरेपी एक अर्ब पाँच करोड तिस लाख छ हजार तिन सय उन्नाईस) हुनेछ ।	६ (ग) वित्तीय संस्थाको तत्काल चुक्ता पूँजी रु.१,१२,१४,५१,७३०/- (अक्षरेपी एक अर्ब बाह्र करोड चौधलाख एकाउन्न हजार सात सय तिस मात्र) हुनेछ ।	

रिलायन्स फाइनेन्स लिमिटेडको प्रबन्धपत्रमा संशोधन

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. २८ प्रदर्शनीमार्गमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।	२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. १ कमलादीमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।

रिलायन्स फाइनेन्स लिमिटेडको

नियमावलीमा संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. २८ प्रदर्शनीमार्गमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।	२. वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना : यस वित्तीय संस्थाको रजिष्टर्ड (केन्द्रीय) कार्यालय काठमाण्डौ जिल्ला काठमाण्डौ महानगरपालिका वडा नं. १ कमलादीमा रहनेछ । नेपाल राष्ट्र बैंकको स्वीकृती लिई आवश्यकता अनुसार शाखा, उपशाखा वा अन्य कार्यालय खोली वित्तीय कारोबार गर्न सकिनेछ ।

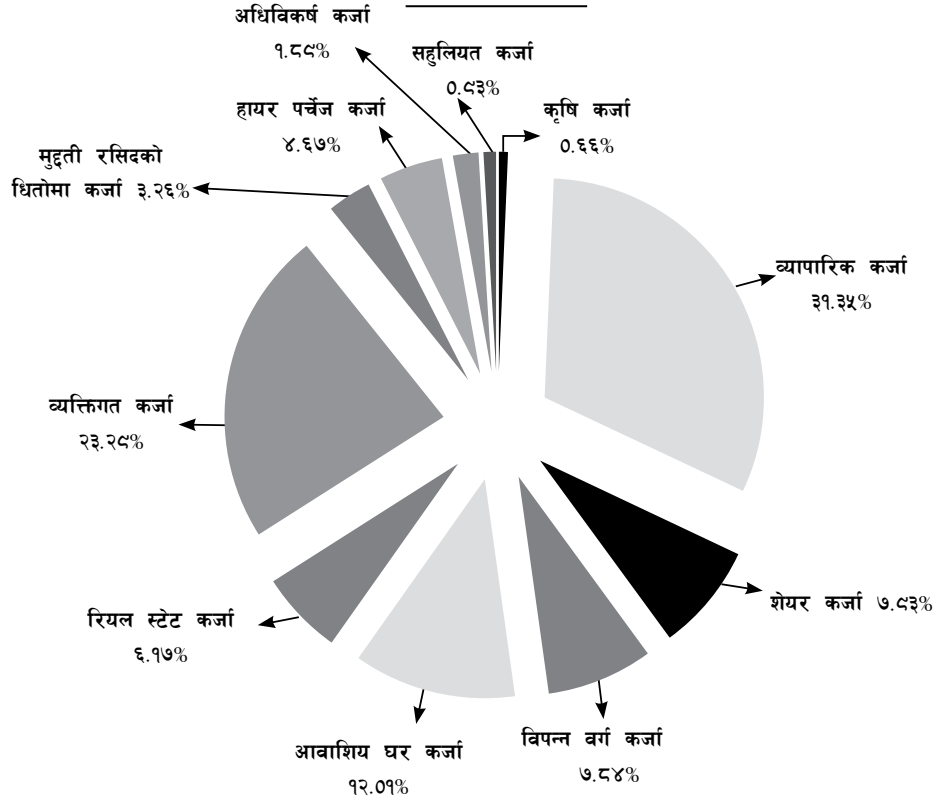
रिलायन्स फाइनेन्स लिमिटेडको

नियमावलीमा संशोधन प्रस्ताव

साविक व्यवस्था र दफा	हाल गर्नुपर्ने संशोधन र दफा
३२.ग)(उ) टेलिफोन पत्रपत्रिका र सवारी साधन भाडा बापत प्रति महिना रु.१५००/- (एक हजार पाँचसय)	३२. ग) (उ) पत्रपत्रिका , संचार सुविधा र सवारी साधन भाडा बापत प्रति महिना रु.३५००/- (तिन हजार पाँचसय)

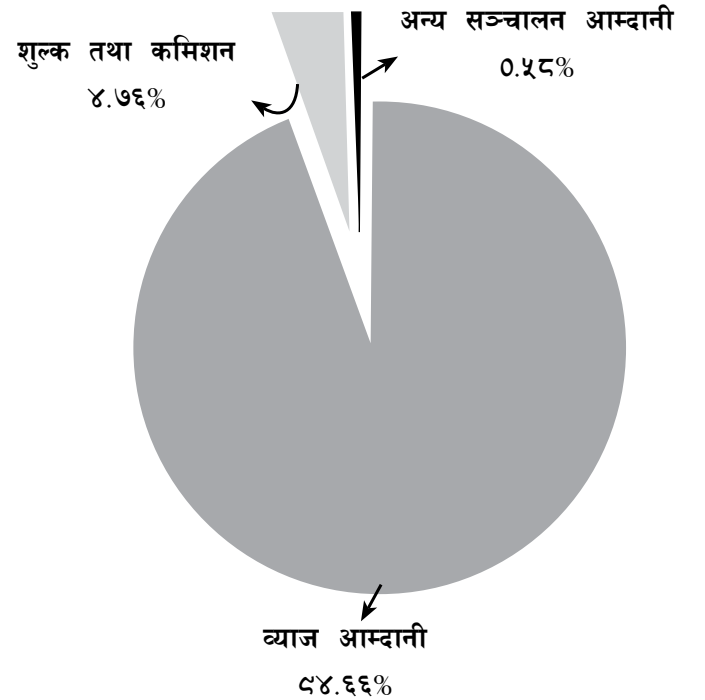
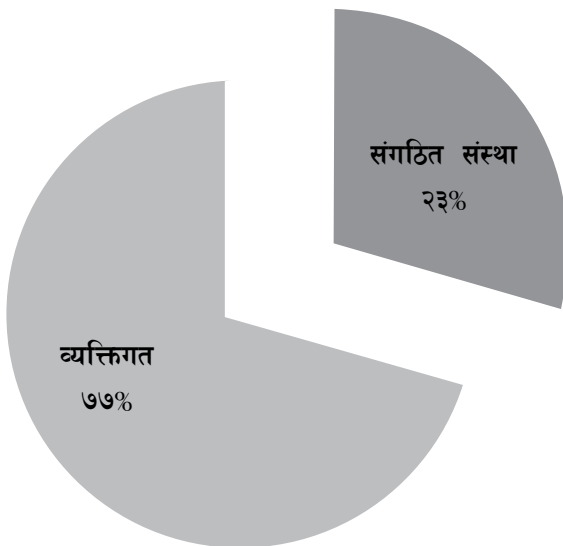
वित्तीय भलकहरु

कर्जा मिश्रण



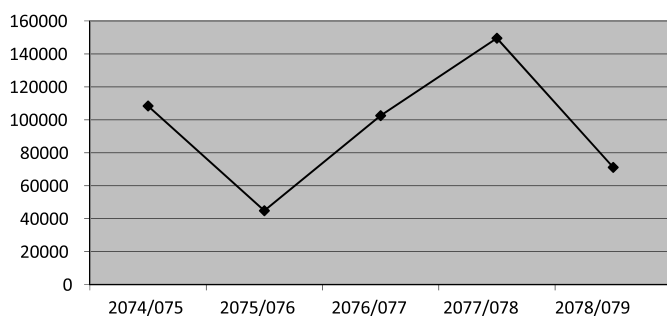
आम्दानीका श्रोतहरु

निक्षेप मिश्रण

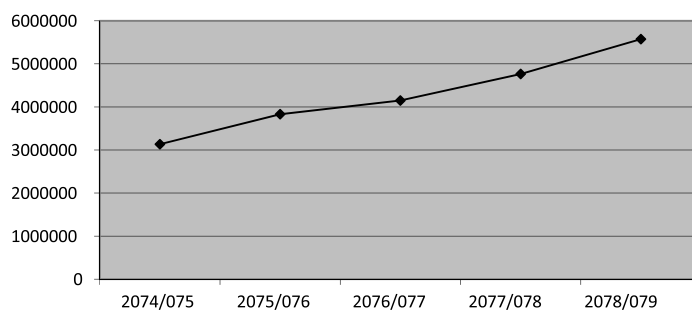


Trend Lines Presenting Financial Indicators

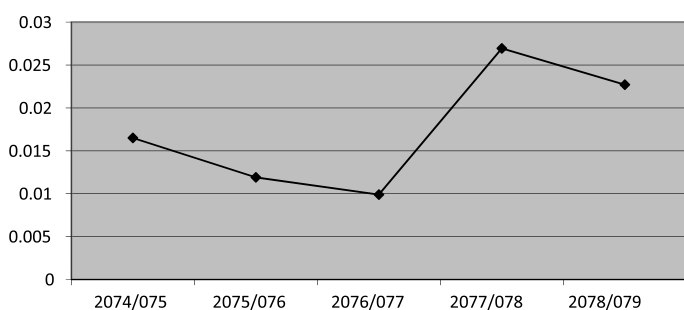
Net Profit (Rs. '000)



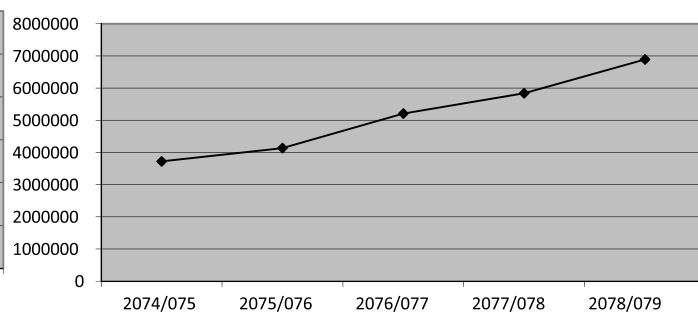
Total Loan & Advances (Rs. '000)



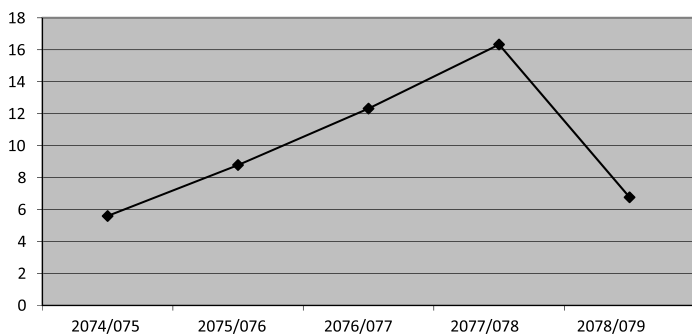
Non Performing Loan Ratio (%)



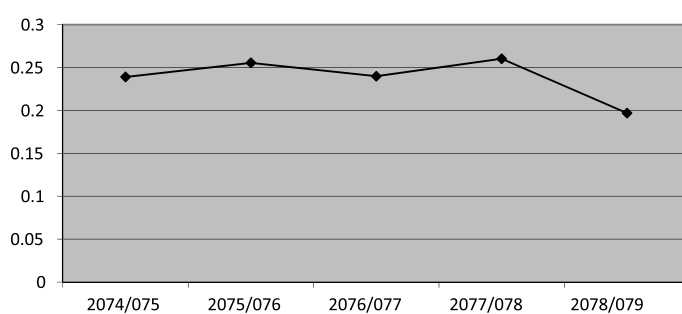
Total Deposits (Rs.'000)



Earnings Per Share (Rs.)



Capital Adequacy Ratio (%)



नोट तथा टिपोट

નોટ તથા ટિપોટ

[illegible]

व्यवस्थापन समुह

समाज प्रकाश श्रेष्ठ

(का.मु. प्रमुख कार्यकारी अधिकृत)

बिष्णु लाल श्रेष्ठ

(प्रमुख-जोखिम व्यवस्थापन/अनुपालन अधिकृत
मानव संसाधन/सूचना अधिकारी)

ओमकार मणि आचार्य दिक्षित

(प्रमुख व्यवसाय अधिकृत)

दिक्पाल श्रेष्ठ

(प्रमुख-कर्जा विभाग)

सृजना श्रेष्ठ

(प्रमुख-लेखा विभाग)

कौशल्या श्रेष्ठ

(प्रमुख-असुली विभाग)

रविन शाक्य

(प्रमुख-कर्जा प्रशासन)

युज कुमार भैल

(प्रमुख-कानून विभाग/कम्पनी सचिव)

प्रदिप गुराँगाई

(प्रमुख-कर्जा जोखिम विभाग)

एलिना श्रेष्ठ

(प्रमुख-सामान्य सेवा विभाग)

मनी मानन्धर

(प्रमुख-सूचना तथा सामान्य प्रविधि विभाग)

शाखा प्रमुखहरु

न्यूरोड शाखा

अखण्ड श्रेष्ठ

नारायणगढ शाखा

नारायण प्रसाद वाग्ले

पोखरा शाखा

प्रकाश पौडेल

बेसीशहर शाखा

सन्तोष खनियाँ

बनेपा शाखा

सुवास के.सी.

आरुघाट शाखा

सुबत लामिछाने

चारआली शाखा

जिवन श्रेष्ठ

इमाडोल शाखा

प्रहिना जोशी

गोरखा शाखा

हिमाल खड्का

मणिग्राम शाखा

विष्णु पराजुली

अत्तरिया शाखा

पदम बहादुर धानुक

महेन्द्रनगर शाखा

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कोहलपुर शाखा

कुल बहादुर पुन

दमक शाखा

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धुलावारी शाखा

बालकृष्ण घिमिरे

टाँडी शाखा

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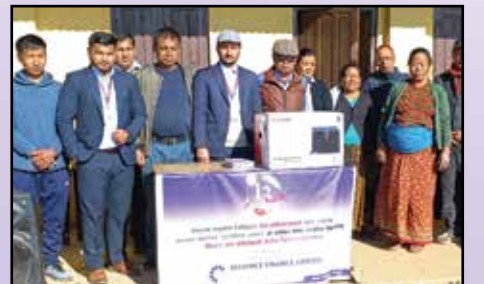
साँखु स्थित द्वन्द पिडित तथा अपाङ्ग
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जिव्हाजीको प्रत्येक पलमा
हाम्रो दरिलो साथ

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Tel: 5345104, 5345105

Narayangarh

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056-596598

Pokhara

Mahendrapool
Ward No.- 4, Kaski
061-580983, 573581

Besishahar

Narayanasthan Tole
Ward No.- 10, Lamjung
Tel.: 066-520815, 520816

Kavre

Banepa, Kavre
011-663244

Arughat

Arughat, Gorkha
064-410172, 410173

Charali

Charali, Jhapa
023 - 460102

Imadol

Imadol, Lalitpur
01-5201704, 5200750

Gorkha

Gorkha Bazar
064-420278

Manigram

Tilottama - 05, Rupandehi
071-562902

Attariya

Attariya Bazar, Kailali
091-550033, 550084

Mahendranagar

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099-520440, 520422

Kohalpur

Kohalpur-11
081-542154/542174

Damak

Thana Road, Jhapa
023-582602, -582603

Birtamode

Birtamode, Jhapa
023-530743, 530747

Dhangadhi

Dhangadhi
091-523462

Sitapaila

Nagarjun-4, Sitapaila
01-5233397/ 98

Dhulabari, Jhapa

Dhulabari, Jhapa
023-564391, 564392

Tandi, Chitwan

056-593269/593401

Bhairahawa

Bhairahawa
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