

33
Annual Report

३३
वार्षिक प्रतिवेदन

आ.व. २०८१/०८२



नेपाल फाइनान्स लिमिटेड
Nepal Finance Limited

“नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्रप्राप्त संस्था”

BOARD OF DIRECTORS



Prof. Hirendra Man Pradhan
Chairman



Diprash Shakya
Director
(Promoter)



Rajan Prajapati
Director
(Promoter)



Bikesh Shakya
Director
(Promoter)



Laxmi Maharjan
Director
(Public)



Yog Raj Kandel Sharma
Director
(Public)



Purushottam Prasad Poudyal
Director
(Independent)



Bishnu Prasad Gautam
Company Secretary

प्रतिनिधि (प्रोक्सी) फाराम

श्री संचालक समिति
नेपाल फाइनान्स लिमिटेड,
कमलादी, काठमाडौं ।

बिषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्लाम.न.पा./न.पा./गा.वि.स..... वडा नं.....बस्ने म/हामी
.....ले त्यस वित्तीय संस्थाको शेयरवालाको हैसियतले मिति २०८२/०९/२९ गतेका दिन
हुन गईरहेको ३३ औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा
भाग लिन तथा मतदानका लागि..... जिल्लाम.न.पा./न.पा./गा.वि.स. वडा नं.....बस्ने त्यस
संस्थाको शेयरवाला श्री.....लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएका छु/छौं ।

प्रतिनिधिको

दस्तखतः

नामः

हितग्राहि खाता नं.:

निवेदकको

दस्तखतः

नाम :

ठेगाना :

शेयर धनी नं.:

हितग्राहि खाता नं.:

शेयर संख्या:

मिति :

नेपाल फाइनान्स लिमिटेड

प्रवेश-पत्र

शेयरधनीको नाम :

शेयरधनी नं./हितग्राहि खाता नं.:

शेयर संख्या :

नेपाल फाइनान्स लि.को मिति २०८२/०९/२९ गतेका दिन हुने ३३ औं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको
प्रवेश पत्र ।

शेयरधनीको हस्ताक्षरः

कम्पनी सचिवः

द्रष्टव्यः यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै संस्थाको केन्द्रीय कार्यालयमा पेश गरिसक्नु पर्नेछ । एक
भन्दा बढी प्रोक्सीको नाम उल्लेख गरेमा प्रोक्सी रद्द गरिनेछ ।



नेपाल फाइनान्स लिमिटेड
(Nepal Finance Limited)

कमलादी, काठमाण्डौ

३३ औं वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू

यस वित्तीय संस्थाको मिति २०८२/०९/०७ गते बसेको सञ्चालक समितिको ४०८ औं बैठकको निर्णयानुसार यस वित्तीय संस्थाको तेतिसौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरूमा छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०८३ को दफा ६७ अनुसार सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, स्थान र समय

सभा हुने मिति : २०८२ साल पौष २९ गते (तदनुसार १३ जनवरी २०२६) मंगलबार ।

स्थान : लिसारा रिसेप्शन (Lisara Receptions), नक्साल, काठमाण्डौ ।

सभा शुरु हुने समय : विहान द:३० बजे ।

छलफलका विषयहरू:

(क) साधारण प्रस्तावहरू:

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले प्रस्तुत गर्नु हुने समग्र वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
२. लेखापरिक्षण प्रतिवेदन सहितको आ.व. २०८१/०८२ को वासलात, २०८१/०४/०१ देखि २०८२/०३/३२ सम्मको नाफा-नोक्सान हिसाब तथा सोही अवधिको नगद प्रवाह विवरणहरू (संलग्न अनुसूचीहरू सहित) छलफल गरी पारित गर्ने ।
३. कम्पनी ऐन, २०८३ को दफा १११ तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को दफा ६३ अनुसार आ.व. २०८२/०८२ को लेखापरिक्षण गर्न लेखापरिक्षण समितिको सिफारिस अनुसार लेखापरिक्षकको नियुक्ति गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने । (वर्तमान लेखापरिक्षक एम.आर.यु. एसोसिएट्स, चार्टर्ड एकाउन्टेन्ट्स पुनः नियुक्त हुन योग्य हुनुहुन्छ ।)

(ख) विशेष प्रस्ताव:

१. संस्थाको नियमावली शंसोधन स्वीकृत गर्ने ।
२. संस्थाको नियमावली शंसोधन गर्न अनुमती लिनु पर्ने निकायहरूबाट प्राप्त हुन आउने निर्देशन बमोजिम थपघट लगाएत आवश्यक शंसोधन गर्न संचालक समितिलाई अखिलयारी प्रदान गर्ने ।
३. संस्थाले अन्य कुनै उपयुक्त बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने/गाभिने (Merger) तथा संस्थाले अन्य कुनै उपयुक्त संस्थालाई प्राप्ति (Acquisition) गर्ने सम्बन्धमा संस्थाको चल-अचल सम्पत्ति र दायित्व तथा कारोबारको मुल्याङ्कन (Due Diligence Audit-DDA) गर्न मान्यता प्राप्त मुल्याङ्कनकर्ता नियुक्त गरी निजको पारिश्रमिक तोक्ने तथा संस्था गाभ्ने/गाभिने तथा एक्विजिशन गर्ने समझदारीपत्र (Memorandum of Understanding) तर्जुमा गर्ने, हस्ताक्षर गर्ने, अन्तिम सम्झौता तयार पार्ने, हस्ताक्षर गर्ने लगाएतका गाभ्ने/गाभिने तथा एक्विजिशन गर्ने सम्बन्धी आवश्यक सम्पूर्ण प्रक्रिया पुरा गर्न संचालक समितिलाई पूर्ण अखिलयारी प्रदान गर्ने सम्बन्धी विशेष प्रस्ताव पारित गर्ने ।

(ग) विविध ।



वार्षिक साधारण सभा सम्बन्धी अन्य जानकारी

१. साधारण सभालाई ध्यानमा राखी मिति २०८२/०९/१७ गते १ दिन संस्थाको शेयरधनी दर्ता किताव बन्द रहने छ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा २०८२/०९/१६ गतेसम्म कारोबार भई म्यादभित्र यस संस्थाको शेयर रजिस्ट्रार प्रभु क्यापिटल लिमिटेड, कमलादी, काठमाण्डौमा प्राप्त शेयर नामसारीको लिखतको आधारमा शेयरधनी दर्ता कितावमा कायम शेयरधनीहरूले सो सभामा भाग लिन पाउने छन् ।
२. साधारण सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले हितग्राही (DMAT) खाता खोलिएका/शेयर प्रमाणपत्र र आफ्नो परिचय खुल्ने प्रमाण वा सोको प्रतिलिपि अनिवार्य रूपमा साथमा लिई आउनुहुन अनुरोध छ ।
३. वार्षिक साधारण सभामा भौतिक रूपमा उपस्थित भई भाग लिन इच्छुक शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभा स्थलमा सभा हुने दिन बिहान ८:०० बजेदेखि खुल्ला रहनेछ ।
४. सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्तगर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढांचामा प्रतिनिधिपत्र (प्रोक्सी) फारम भरी सभा शुरू हुनुभन्दा कम्तीमा ४८ घण्टा अगाडि संस्थाको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ । संस्थाको शेयरधनी बाहेक अरूलाई प्रोक्सी दिन र एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी तथा अन्य कुनै किसिमबाट छुट्याई प्रोक्सी दिन पाइने छैन, यसरी दिइएको प्रोक्सी बदर हुनेछ ।
५. प्रतिनिधि (प्रोक्सी) नियुक्तगरि सकेपछि सम्बन्धित शेयरधनीले प्रतिनिधि फेरबदल गर्न चाहेमा यस अघि दिएको प्रतिनिधि (प्रोक्सी) बदर गरी यो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइयोस् भन्ने छुटै पत्र सहित प्रोक्सी फाराम संस्थाको केन्द्रीय कार्यालयमा सभा शुरू हुनु भन्दा कम्तीमा ४८ घण्टा अगावै दर्ता गराएको अवस्थामा अघिल्लो प्रतिनिधिलाई स्वतः बदर भएको मानी पछिल्लो प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइने छ । प्रतिनिधि नियुक्त गरी सकेको शेयरधनी आफै सभामा उपस्थित भई हाजीर पुस्तिकामा दस्तखत गरेमा निजले दिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ ।
६. एकभन्दा बढी व्यक्तिहरूको संयुक्त नाममा शेयर दर्ता रहेको अवस्थामा सर्वसम्मत बाट प्रतिनिधि चयन गरिएको एकजनाले मात्र वा लगत कितावमा पहिलो नाम उल्लेख भएको व्यक्तिले सभामा भाग लिन सक्ने छन् ।
७. नावालक वा मानसिक सन्तुलन ठीक नरहेको शेयरधनीहरूको तर्फबाट संस्थाको शेयर लगत दर्ता कितावमा संरक्षकको रूपमा नाम दर्ता भइरहेका महानुभावहरूले सभामा भाग लिन प्रतिनिधि तोक्न सक्नु हुनेछ ।
८. सभा सम्बन्धमा थप जानकारी आवश्यक परेमा कार्यालय समयभित्र संस्थाको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा सम्पर्क राख्न समेत अनुरोध गरिन्छ ।
९. छलफलको विषय अन्तर्गत विविध शिर्षकको सम्बन्धमा शेयरधनी महानुभावहरूले कुनै विषय उपर छलफल गर्न चाहनु भएमा सो विषय बारे सभा हुनुभन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत संचालक समितिका अध्यक्षलाई लिखित रूपमा जानकारी दिनु पर्नेछ ।

पुनर्शब्द: शेयरधनी महानुभावहरूले कम्पनीको केन्द्रीय कार्यालय कमलादी, काठमाण्डौमा उपस्थित भई वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू निरीक्षण गर्न र प्राप्तगर्न सक्ने व्यहोरा समेत जानकारीका लागि सूचित गरिन्छ । वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू संस्थाको website : www.nepalfinance.com.np मा पनि हेर्न सक्नुहुनेछ ।

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव



नेपाल फाइनान्स लिमिटेडको
३३ औं वार्षिक साधारण सभामा
सञ्चालक समितिबाट प्रस्तुत आर्थिक वर्ष २०८१/८२ को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

नेपाल फाइनान्स लिमिटेडको ३३ औं वार्षिक साधारणसभामा यहाँहरूलाई स्वागत गर्न पाउँदा हामी सञ्चालक समितिका सबै सदस्यहरू हर्षित छौं । कम्पनी ऐन, २०६३ को दफा १०९(४) मा व्यवस्था भए अनुरूप यसै साथ संलग्न सञ्चालक समितिबाट स्वीकृत भै नेपाल राष्ट्र बैंकबाट समेत स्वीकृत भएको र लेखापरिक्षण भएको २०८२ आषाढ मसान्तसम्मको वासलात, आर्थिक वर्ष २०८१/८२ को नाफा-नोक्सान हिसाब तथा नगदप्रवाह विवरण र उक्त वित्तीय विवरणहरूसँग सम्बन्धित अनुसूचीहरू तथा उक्त दफामा उल्लेख भएको निम्नानुसारको सञ्चालक समितिको प्रतिवेदन प्रस्तुत गर्दछु ।

नेपाल फाइनान्स लिमिटेडको वार्षिक प्रतिवेदन आ.ब. २०८१/८२ को रहेको छ । उक्त आ.ब.को लेखा परिक्षकमा श्री एम. आर. यु एशोसिएट्स चार्टड एकाउण्टेन्स (एफसिए श्री रमन उप्रेती) संस्थाको मिति २०८१ माघ ८ गते सम्पन्न ३२ औं वार्षिक साधारण सभाबाट नियुक्त भएकोमा आ.ब. २०८१/८२ को एनएफआरएस विधि बमोजिमको लेखापरिक्षण प्रतिवेदन तयार गरिएको छ ।

आर्थिक तथा बैंकिङ क्षेत्रका परिस्तरकहरू

नेपाल राष्ट्र बैंक आर्थिक अनुसन्धान विभागद्वारा प्रकाशित आर्थिक वर्ष २०८१/८२ को वार्षिक तथ्याङ्कमा आधारित देशको वर्तमान आर्थिक तथा वित्तीय स्थितिको सेरोफेरोमा रही वर्ष २०८१/८२ मा विद्यमान देशको समग्र आर्थिक अवस्थाको बारेमा संक्षेपमा समीक्षा गर्न अनुमति चाहन्छौं ।

कूल गार्हस्थ्य उत्पादन

आर्थिक वर्ष २०८१/८२ मा कुल गार्हस्थ्य उत्पादन वृद्धिदर ४.६१ प्रतिशत रहेको राष्ट्रिय तथ्याङ्क कार्यालयको अनुमान रहेको छ । अधिल्लो आर्थिक वर्ष यस्तो वृद्धिदर ३.६७ प्रतिशत रहेको थियो । समीक्षा वर्षमा कृषि क्षेत्रको वृद्धि ३.२८ प्रतिशत, उद्योग क्षेत्रको ४.५३ प्रतिशत तथा सेवा क्षेत्रको ४.२१ प्रतिशत वृद्धि रहेको अनुमान छ । अधिल्लो वर्ष कृषि, उद्योग तथा सेवा क्षेत्रको उत्पादन क्रमशः ३.३५ प्रतिशत, ०.११ प्रतिशत र ४.३५ प्रतिशतले वृद्धि भएको थियो । समीक्षा वर्षमा औद्योगिक क्षेत्रको उत्पादन १२.८३ प्रतिशत, सेवा क्षेत्रको उत्पादन ६२.०१ प्रतिशत र कृषि क्षेत्रको उत्पादन २५.१६ प्रतिशत रहेको छ । अधिल्लो वर्षमा औद्योगिक क्षेत्रको उत्पादन १२.९१ प्रतिशत, सेवा क्षेत्रको उत्पादन ६२.३८ प्रतिशत र कृषि क्षेत्रको उत्पादन २४.७१ प्रतिशत रहेको थियो ।

उपभोक्ता मुद्रास्फीति

आर्थिक वर्ष २०८१/८२ को एघार महिनासम्ममा औसत उपभोक्ता मुद्रास्फीति ४.२४ प्रतिशत रहेको छ । आर्थिक वर्ष २०८०/८१ मा वार्षिक औसत उपभोक्ता मुद्रास्फीति ५.४४ प्रतिशत रहेको थियो । २०८२ जेठमा खाद्य समूहको मुद्रास्फीति ०.५४ प्रतिशत र गैरखाद्य तथा सेवा क्षेत्रको मुद्रास्फीति ३.९४ प्रतिशत रही वार्षिक विन्दुगत मुद्रास्फीति २.७२ प्रतिशत रहेको छ । यस अवधिमा आन्तरिक कृषि उत्पादन बढेको, भारतमा थोक तथा उपभोक्ता मुद्रास्फीति घटेको, अन्तर्राष्ट्रिय बजारमा कच्चा तेलको मूल्यमा सुधार आएको र आन्तरिक ढुवानीसमेत सहज रहेकोले मुद्रास्फीतिमा उल्लेख्य सुधार आएको हो ।

ब्याजदर

२०८१ आषाढमा ९१-दिने ट्रेजरी बिलको भारित औसत ब्याजदर ३.०० प्रतिशत रहेकोमा २०८२ आषाढमा २.९५ प्रतिशत रहेको छ । बैंक तथा वित्तीय संस्थाहरू बीचको अन्तर-बैंक कारोबारको भारित औसत ब्याजदर २०८१ आषाढमा २.९९ प्रतिशत रहेकोमा २०८२ आषाढमा २.९६ प्रतिशत रहेको छ । वाणिज्य बैंकहरूको औसत आधार दर २०८१ आषाढमा ८.० प्रतिशत रहेकोमा २०८२ आषाढमा ६.०२ प्रतिशत कायम भएको छ । २०८२ आषाढमा वाणिज्य बैंकहरूको निक्षेपको भारित औसत ब्याजदर ४.१९ प्रतिशत र कर्जाको भारित औसत ब्याजदर ७.८५ प्रतिशत रहेको छ । अधिल्लो वर्षको सोही महिनामा यस्ता दरहरू क्रमशः ५.७७ प्रतिशत र ९.९३ प्रतिशत रहेका थिए ।



निक्षेप परिचालन

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप १२.६ प्रतिशतले बढेको छ। अधिल्लो वर्ष यस्तो निक्षेप १३ प्रतिशतले बढेको थियो। समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको कुल निक्षेपमा चल्ती, बचत र मुद्राती निक्षेपको अंश क्रमशः ७.१ प्रतिशत, ३६.८ प्रतिशत र ४८.३ प्रतिशत रहेको छ। अधिल्लो वर्ष यस्तो अंश क्रमशः ५.८ प्रतिशत, ३०.३ प्रतिशत र ५६.४ प्रतिशत रहेको थियो।

कर्जा तथा सापट

समीक्षा वर्ष २०८१/८२ मा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा ८.४ प्रतिशतले बढेको छ। अधिल्लो वर्ष यस्तो कर्जा ५.८ प्रतिशतले बढेको थियो। निजी क्षेत्रफल प्रवाहित कर्जामध्ये वाणिज्य बैंकहरूको कर्जा प्रवाह ८.६ प्रतिशतले, विकास बैंकहरूको कर्जा प्रवाह ६.१ प्रतिशतले र वित्त कम्पनीहरूको कर्जा प्रवाह ८.४ प्रतिशतले बढेको छ।

समीक्षा वर्ष २०८१/८२ मा बैंक तथा वित्तीय संस्थाहरूको औद्योगिक उत्पादन क्षेत्रफलको कर्जा ७.९ प्रतिशतले, यातायात, सञ्चार तथा सार्वजनिक सेवा क्षेत्रफलको कर्जा १५.५ प्रतिशतले, थोक तथा खुद्रा व्यापार क्षेत्रफलको कर्जा ३.४ प्रतिशतले र सेवा उद्योग क्षेत्रफलको कर्जा १२.८ प्रतिशतले बढेको छ, भने कृषि क्षेत्रफलको कर्जा ०.२ प्रतिशतले घटेको छ।

समीक्षा वर्ष २०८१/८२ मा बैंक तथा वित्तीय संस्थाहरूको लगानीमा रहिरहेको कर्जामध्ये ६४.७ प्रतिशत कर्जा घर जग्गाको धितोमा र १४.५ प्रतिशत कर्जा चालु सम्पत्ति (कृषि तथा गैर-कृषिजन्य वस्तु) को धितोमा प्रवाह भएको छ। अधिल्लो वर्षको सोही अवधिमा यस्तो धितोमा प्रवाहित कर्जाको अनुपात क्रमशः ६६.५ प्रतिशत र १३.२ प्रतिशत रहेको थियो।

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट प्रवाहित आवधिक कर्जा ७.१ प्रतिशतले, रियल स्टेट कर्जा (व्यक्तिगत आवासीय घर कर्जा समेत) ५.९ प्रतिशतले, मार्जिन प्रकृति कर्जा ५६.२ प्रतिशतले, ट्रष्ट रिसिट (आयात) कर्जा ५१.१ प्रतिशतले, हायर पर्चेज कर्जा ३.७ प्रतिशतले र डिमान्ड तथा चालु पूँजी कर्जा १३.२ प्रतिशतले बढेको छ, भने ओभरड्राफ्ट कर्जा १०.४ प्रतिशतले घटेको छ।

विप्रेषण आप्रवाह

आर्थिक वर्ष २०८१/८२ मा विप्रेषण आप्रवाह १९.२ प्रतिशतले वृद्धि भई रु. १७२२ अर्ब २७ करोड पुगेको छ। अधिल्लो वर्ष विप्रेषण आप्रवाह १६.५ प्रतिशतले बढेको थियो। २०८२ आषाढ महिनाको विप्रेषण आप्रवाह रु. १८९ अर्ब ११ करोड रहेको छ। अधिल्लो वर्षको सोही महिनामा यस्तो आप्रवाह रु. ११७ अर्ब ७८ करोड रहेको थियो।

वित्तीय पहुँच

इजाजतप्राप्त बैंक तथा वित्तीय संस्थाहरूको संख्या २०८२ असार मसान्तमा १०७ रहेको छ। यस मध्ये वाणिज्य बैंक २०, विकास बैंक १७, वित्त कम्पनी १७, लघुवित्त वित्तीय संस्था ५२ र पूर्वाधार विकास बैंक १ वटा रहेका छन्। बैंक तथा वित्तीय संस्थाहरूको शाखा संख्या २०८१ आषाढ मसान्तमा ११,५३० रहेकोमा २०८२ आषाढ मसान्तमा ११,५१२ कायम भएको छ।

क) आर्थिक वर्ष २०८१/८२ को कारोबारको सिंहालोकन

विवरण	आषाढ मसान्त		(कमि) / वृद्धि प्रतिशत
	२०८२	२०८१	
कुल सम्पत्ति	५,२०९,६४५,६९९	३,९३४,३०५,९९०	३२.४२
कुल निक्षेप	४,०९८,०९५,३९५	२,७८६,९३५,९४४	४४.९८
कुल खुद कर्जा	२,५८५,९९२,४८८	२,९४४,९७०,९४८	२०.५६
कुल लगानी	५४८,४६३,०३२	४८९,९३७,८२५	१३.८०
ब्याज आमदानी	३४४,९७०,९०९	३१०,४९३,०६५	११.१३
ब्याज खर्च	२५७,४९०,८६८	२०९,४३५,९९८	२२.९४
खुद ब्याज आमदानी	८७,४७९,२४९	१००,९७९,९४७	(१३.३७)
अन्य संचालन आमदानी (कमिशन तथा डिस्काउन्ट आमदानी समेत)	४३,८९०,३९९	३१,३३१,९३६	४०.०९
कर्मचारी खर्च	६७,६५८,२६३	६०,९९९,९२८	१०.९२
अन्य संचालन खर्च	२६,९९६,०६८	२६,८३५,४२९	०.६०



संभावित नोक्सानी व्यवस्था / (फिर्ता)	(१०,७२९,९००)	५५,९९७,९९५	(११९.९६)
गैरसंचालन आम्दानी	३,०५२,९१०	-	१००.००
संचालन मुनाफा	२०,४९५,०२३	(३८,५४१,६६८)	१५३.१८
कर/स्थगन कर	१९,६७६,५३६	(१०,३६०,१३३)	२८९.९३
कर पछिको खुद मुनाफा	३,८७०,५९७	(२८,१८१,५३५)	११३.७३

सूचकाङ्कहरू	आषाढ मसान्त		(कमि) / वृद्धि
	२०८२	२०८१	
पूँजी पर्याप्तता (प्रतिशत)	२५.७०	२९.४१	(१२.६१)
निष्क्रिय कर्जा/कुल कर्जा (प्रतिशत)	९.७४	१३.४२	(२७.४२)
कर्जानोक्सानी व्यवस्था/निष्क्रिय कर्जा (प्रतिशत)	८५.१४	७६.३९	११.४५
प्रति शेयर आम्दानी (रु.)	०.५१	(३.८६)	११३.२१
खुद नाफा/कुल आम्दानी प्रतिशत	०.९९	(८.२५)	१११.९७
नेटवर्थ प्रति शेयर (रु.)	१३४.०१	१३३.००	०.७६

१. निक्षेप संकलन:

आ.व. २०८१/८२ मा संस्थाको कुल निक्षेप रु. ४०१ करोड ८० लाख ९५ हजार ३ सय ९५ रहेको छ।

२. कर्जा तथा सापट:

आ.व. २०८१/८२ मा संस्थाको खुद कर्जा तथा सापट रु. २५८ करोड ५१ लाख १२ हजार ४ सय ८८ रहेको छ।

३. व्याज आम्दानी:

आ.व. २०८१/८२ मा नियमित एवम् संस्थामा रहेको खराब कर्जा असुलीका लागि भएका प्रयासहरूबाट रु. ३४ करोड ४९ लाख ७० हजार १ सय ९ व्याज आम्दानी गरिएको छ।

४. व्याज खर्च:

आ.व. २०८१/८२ मा संस्थाले निक्षेप दायित्वका लागि रु. २५ करोड ७४ लाख ९० हजार ८ सय ६८ मात्र व्याज खर्च गरिएको छ।

५. खुद व्याज आम्दानी:

आ.व. २०८१/८२ मा संस्थाले कुल रु. ८ करोड ७४ लाख ७९ हजार २ सय ४१ खुद व्याज आम्दानी गरेको छ।

६. अन्य संचालन आम्दानी:

आ.व. २०८१/८२ मा संस्थाले कमिशन तथा शूल्क आम्दानीसहित कुल रु. ४ करोड ३८ लाख ९० हजार ३ सय ९९ अन्य संचालन आम्दानी गरेको छ।

७. संचालन खर्च:

आ.व. २०८१/८२ मा संस्थाको कर्मचारी तथा हास खर्चसमेत गरी कुल संचालन खर्च रु. १२ करोड १४ लाख ८० हजार ३ सय ७३ भएको छ।

८. संचालन मुनाफा:

आ.व. २०८१/८२ मा संचालन नाफा रु. २ करोड ४ लाख ९५ हजार २३ भएको छ।

९. सम्पूर्ण कारोबार पछिको खुद मुनाफा:

आ.व. २०८०/८१ मा संस्थाको सम्पूर्ण कारोबार पछिको खुद मुनाफा रु. २ करोड ८१ लाख ८१ हजार ५ सय ३५ ऋणत्मक रहेकोमा आ.व. २०८१/८२ मा ११३.७३ प्रतिशतले वृद्धि भई रु. ३८ लाख ७० हजार ५ सय ९७ खुद नाफा हुन गएको छ।

१०. पूँजी कोषको पर्याप्तता:

आ.व. २०८१/८२ को अन्त्यमा पूँजी कोषको अनुपात २५.७० प्रतिशत कायम रहेको छ जुन नेपाल राष्ट्र बैंकको निर्देशन बमोजिम कायम गर्नु पर्ने न्यूनतम १० प्रतिशत भन्दा बढी रहेको छ।



११. सम्पत्तिको गुणस्तरः

संस्थामा रहेको जम्मा लगानी मध्ये करिब ९.७४ प्रतिशत निष्क्रिय कर्जा रहेकोमा करिब ५ प्रतिशत खराब कर्जा रहेको र उक्त खराब कर्जाहरूको असुलीका लागि प्रयास भइरहेको छ ।

ख) विश्व अर्थतन्त्रको प्रभावका सन्दर्भमा

आर्थिक वर्ष २०८१/८२ मा विश्व अर्थतन्त्रमा केही सुधार देखिए तापनि त्यसको गति अझै सुस्त र असन्तुलित नै रहेको छ । विकसित राष्ट्रहरूमा उपभोग, रोजगारी तथा मुद्रास्फीतिको अवस्था कोभिडपूर्वको स्तरमा फर्किए गए पनि धैरै उदीयमान तथा विकासोन्मुख अर्थतन्त्रहरूले अझै स्थायीत्व पाउन सकेका छैनन् । उच्च व्याजदर, भू-राजनीतिक तनाव, र आपूर्ति प्रणालीमा देखिएका अवरोधहरूले ती अर्थतन्त्रहरूमा अनिश्चितता थपेका छन् ।

यी विश्वव्यापी प्रवृत्तिहरूको प्रभाव नेपाली अर्थतन्त्रमा पनि परिरहेको छ । नेपालको बैंकिङ प्रणालीमा तरलता अपेक्षाकृत सहज भए पनि कर्जा प्रवाह भने अझै सन्तोषजनक रूपमा बृद्धि हुन सकेको छैन ।

ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा । चालु आर्थिक वर्ष २०८२/८३ को मंसिर मसान्तसम्मको यस वित्तीय संस्थाको कारोबारको स्थिति निम्नानुसार रहेको छ ।

‘रकम रु. हजारमा’

विवरण	आ.ब. २०८२/८३ को मंसिर मसान्त	कैफियत
कुल निक्षेप दायित्व	४,९४९,०५७.०८	
कुल कर्जा तथा सापटी	२,७२१,४३५.४८	

संस्थाले आफ्नो व्यवसाय विस्तार गर्ने रणनीति विभिन्न स्थानमा रहेका १२ वटा शाखा र कालीमाटी स्थित विस्तारित काउण्टर मार्फत आफ्नो व्यवसाय गर्दै आईरहेको यहाँहरूलाई अवगत नै छ । विश्व अर्थतन्त्रमा परेको प्रभाव एवम् कारण आर्थिक गतिविधिलाई पूर्ण रूपमा संचालन गर्न कठिन भइरहेको सन्दर्भमा अपेक्षाकृत व्यवसाय गर्न नसकेको तथापी निक्षेप तथा कर्जा सापटीमा क्रिमिक रूपमा बृद्धि भइरहेको छ ।

घ) भविष्यमा गर्नुपर्ने कार्यको सम्बन्धमा सञ्चालक समितिको धारणा

१. सेवा बिस्तार

संस्थाले आफ्ना सेवाग्राहीको मागबमोजिम नयाँ तथा परिमार्जित समयसापेक्ष सेवाहरू सञ्चालनमा ल्याएको छ । ग्राहकको चाहनाअनुरूप ग्राहकवर्ग समक्ष नवीनतम, भरपर्दो तथा गुणस्तरीय सेवा प्रदान गर्दै आइरहेको छ । यसको निमित्त प्रविधिमा भइरहेको विकास र व्यापार-व्यवसायमा भएको परिवर्तनअनुरूप आफ्नो जनशक्तिलाई सक्षम बनाउदै ग्राहकवर्गलाई समयसापेक्ष सेवा प्रदान गर्ने प्रयास गरिएको छ । साथै संस्थाले ग्राहकहरूको आवश्यकता- अनुरूप निक्षेप तथा कर्जाका नयाँ योजनाहरू तर्जुमा गरी लागू गर्ने तथा बजारमा आउने परिवर्तनअनुरूप व्याजदरमा समसामयिक परिवर्तन गर्ने गरेको छ । कृषि, धेरेलु तथा साना उद्योग तथा विपन्न वर्गमा लगानी बढाउन प्रथामिकता दिइएको छ र आगामी वर्षहरूमा समेत उत्पादनशिल क्षेत्रहरूमा अभ उच्च प्रथामिकता दिई लगानी योजनाहरू संचालन गरिनेछ ।

२. प्रविधि विकास

यस संस्थाले सूचना प्रविधिमा आधारित सेवाहरूलाई समयानुकूल स्तरोन्नती गर्दै गईरहेकोछ । सूचना प्रविधिमा आधारित सेवाहरूलाई थप सुरक्षित र भरपर्दो बनाउन आवश्यक लगानीको व्यवस्था गरेको छ । वित्तीय बजारमा उपलब्ध नवीनतम सेवाहरूलाई विश्लेषण गरी ग्राहकको चाहना बमोजिमका सेवा र प्रविधिहरू अवलम्बन गरिनेछ । ग्राहकहरूलाई प्रविधिमैत्री बनाउन विभिन्न माध्यमबाट जानकारी प्रदान गर्ने र सचेतना जागृत गर्ने कार्यहरू गरिनेछ । सोही अनुरूप संस्थाले बैंकिङ क्षेत्रमा भित्रिएका Mobile Banking, Internet Banking, SMS Banking, Chip Based ATM Card, Go-AML Software, Connect IPS, IPS, RTGS, HR Management System, Customer Profiling and Fraud Detection System, Epected Credit Loss System आदिको उपयोग गर्नुको साथै भई रहेका प्रविधिहरूको स्तरोन्नती गर्ने व्यबस्था मिलाएको छ । साथै संस्थामा भएका सम्पूर्ण बैंकिंग औजारहरूको अधिकतम उपयोग गर्नेगरी कार्यसंचालन व्यबस्था मिलाइएको छ ।



३. शाखा विस्तार

संस्थाले कार्य क्षेत्र तथा सञ्जाल विस्तार तथा व्यवसाय बृद्धि गर्नको लागि संभाव्यताको अध्ययन गरी आवश्यकता अनुसार शाखा विस्तार गर्ने नीति अबलम्बन गरिने छ । यसरी विस्तारित शाखा सञ्जालले देशको सुगम क्षेत्रमा मात्र नभई दुर्गम क्षेत्रमा समेत बैंकिङ सुविधाको पहुँच पुग्ने गरी विस्तार गर्ने नीति अबलम्बन गरिनेछ । सोही अनुरूप आगामी वर्षहरूमा आवश्यकता र व्यवसायलाई बृद्धिको अनुकूलता हेरी देशका विभिन्न स्थानहरूमा शाखा विस्तारको कार्यलाई निरन्तरता दिइने छ । हाल संस्थाले देशका विभिन्न १२ स्थानमा शाखा संजाल तथा १ वटा एस्टेन्सन काउण्टर मार्फत आफ्ना सेवाहरू प्रदान गरिरहेको छ ।

४. संस्थागत सामाजिक उत्तरदायित्व

यस संस्थाले गत आर्थिक वर्षदेखि आफ्नो खुद मुनाफाको १% रकम संस्थागत सामाजिक उत्तरदायित्व बहन गर्न खर्च गर्ने कोषमा जम्मा गर्दै आएको र हालसम्म उक्त कोषमा रु. ३८ हजार ७ सय ६ जम्मा भएको छ । संस्थागत सामाजिक उत्तरदायित्व बहनअन्तर्गत नेपाल राष्ट्र बैंकवाट जारी भएको परिपत्र बमोजिम यस संस्थाले सामाजिक उत्तरदायित्व सम्बन्धी कार्यविधि सञ्चालक समितिवाट पारित गरीसकेको र सोही कार्यविधि अनुसार विभिन्न किसिमका कार्यक्रमहरू सञ्चालन गरी संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने नीति लिएको छ ।

५. मानव संशाधन

यस संस्थाको कर्मचारी व्यवस्थापन तथा सेवा सुविधा समितिले समय सापेक्ष कर्मचारीको सेवा सुविधाको पुनरावलोकन गर्ने गरेको छ । साथै कर्मचारीहरूको पारदर्शी ढंगले स्तर बृद्धि गर्नका साथै दक्ष जनशक्तिको भर्ना, छनौट, नियुक्ति, पदस्थापना, सरूवा, वृत्ति विकास, कार्य सम्पादन मुल्यांकन, पुरस्कार तथा सजायको लागि आवश्यक नीति तयार पारी प्रभावकारी ढंगले कार्यान्वयन गर्दै आएको छ । संस्थाको प्रगतिका लागि रचनात्मक भुमिका खेल्ने कर्मचारीहरूको योगदानलाई उच्च मुल्यांकन गर्दै आफ्ना जनशक्तिलाई थप दक्षता प्रदान गर्न समय सापेक्ष आवश्यक आन्तरिक तथा बाह्य तालिम प्रदान गर्दै आईरहेको छ । यसै क्रममा यस आर्थिक वर्षमा संस्थाले आफ्ना कर्मचारीहरूलाई १४ वटा विभिन्न तालिम, सेमिनार, गोष्ठी र अन्तक्रिया कार्यक्रममा ९१ जना कर्मचारीहरूलाई सहभागी गराएको छ ।

६. औद्योगिक वा व्यवसायिक सम्बन्ध

यस वित्तीय संस्थाको औद्योगिक तथा व्यवसायिक प्रतिष्ठानहरू, बैंक तथा वित्तीय संस्थाहरू, नेपाल राष्ट्र बैंक, धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरिङ, नेपाल धितोपत्र विनिमय बजार तथा कम्पनी रजिस्ट्रारको कार्यालय लगायत नेपाल सरकारका निकायहरूसँग सुमधूर सम्बन्ध रहिआएको छ । ग्राहक सन्तुष्टि नै संस्थाको मूल लक्ष्य रहेकोले ग्राहक सम्बन्ध सुदृढीकरणमा संस्थाको व्यवस्थापन लगायत सबै कर्मचारीहरू सजग रहेका छन् । यस वित्तीय संस्था र आफ्ना ग्राहकहरू बीच सुमधूर सम्बन्ध कायम रहेको तथा संस्थाको सेवाको गुणस्तर उच्च राख्न मानव संशाधन विकासमा यथेष्ट जोड दिइएको शेयरधनी महानुभावहरूलाई अवगत गराउन चाहन्छौं ।

७) सञ्चालक समितिमा भएको हेरफेर र सोको कारण

समीक्षा अवधिमा सञ्चालक समितिमा कुनै पनि हेरफेर नभएको तथा हाल कायम रहेको सञ्चालक समितिको संरचना निम्नानुसार रहेको छ ।

१. प्रा.श्री हिरेन्द्रमान प्रधान	अध्यक्ष	संस्थापक समुह
२. श्री दिप्रश शाक्य	सञ्चालक	संस्थापक समुह
३. श्री राजन प्रजापती	सञ्चालक	संस्थापक समुह
४. श्री विकेश शाक्य	सञ्चालक	संस्थापक समुह
५. श्री लक्ष्मी महर्जन	सञ्चालक	सर्वसाधारणका तर्फवाट
६. श्री योगराज कंडेल शर्मा	सञ्चालक	सर्वसाधारणका तर्फवाट
७. श्री रोजीना श्रेष्ठ	सञ्चालक	स्वतन्त्र संचालक



नोट: उल्लेखित संचालकहरूमध्ये स्वतन्त्र संचालक श्री रोजिना श्रेष्ठज्युले आफ्नो कार्य व्यस्तताको कारणले पदबाट दिनुभएको राजिनामा संस्थाको मिति २०८२ कार्तिक २१ गते बसेको संचालक समितिको बैठकले स्वीकृत गरेको र मिति २०८२ मंसिर १२ गतेको संचालक समितिको बैठकबाट श्री पुरुषोत्तम प्रसाद पौडेयालज्यू संस्थाको स्वतन्त्र संचालकमा नियुक्ति हुनु भएको व्यहोरा जानकारी गराउँदछौं ।

८) कारोबारलाई असर पार्ने मुख्य कुराहरू

संस्थाको कारोबारलाई असर पार्न सक्ने विभिन्न किसिमका जोखिमहरूलाई तल प्रस्तुत गरिएको छ ।

१. नेपाल सरकार वा नेपाल राष्ट्र बैंकले बैंक तथा वित्तीय संस्था सम्बन्धी नीतिमा परिवर्तन गर्दा श्रृजना हुन सक्ने संभावित जोखिमहरू ।
२. निक्षेप तथा कर्जा लगानीको व्याजदरमा हुने परिवर्तनबाट असर गर्ने जोखिमहरू ।
३. यथा समयमा कर्जा असुली नभई उत्पन्न हुने जोखिमहरू ।
४. देशको आर्थिक अवस्थामा आउने परिवर्तनबाट पर्न सक्ने जोखिमहरू ।
५. अन्तर्राष्ट्रिय बजारमा हुने मन्दीबाट नेपाली बजारमा पर्नसक्ने असरबाट हुनसक्ने आर्थिक जोखिमहरू ।
६. पूँजीबजारमा आउन सक्ने उतारचढावबाट हुनसक्ने जोखिमहरू ।
७. तीव्र बैकिङ्ग प्रतिस्पर्धाका कारण पर्न सक्ने असरहरू ।
८. सूचना प्रविधिको विकास संगै जोडिएका संचालन जोखिम सम्बन्धी चुनौतीहरू ।
यी चुनौती र अवसरहरूलाई ध्यानमा राख्दै संस्थाले आफ्नो सेवाको दायरा तथा गुणस्तर वृद्धि गर्दै लैजाने, थप सेवाहरू प्रदान गर्ने तथा नयाँ बजारहरू र नयाँ क्षेत्रहरूमा आफ्नो सेवाहरू विस्तार गर्दै लैजाने रणनीति लिनेछ ।

९) लेखापरीक्षकको नियुक्ति

संस्थाको आर्थिक वर्ष २०८१/८२ का हरहिसाबहरू लेखापरीक्षण गर्न संस्थाको ३२ औं वार्षिक साधारण सभाबाट नियुक्ति गरिएका लेखापरीक्षक श्री एम. आर. यु. एशोसिएट्स चार्टड एकाउण्टेन्स (एफसिए श्री रमन उप्रेती) बाट लेखापरीक्षण सम्पन्न भयो । आगामी आर्थिक वर्ष २०८२/८३ को हरहिसाबहरू लेखापरीक्षण गर्नका लागि संस्थाको लेखापरीक्षण समितिको सिफारिस अनुसार लेखापरीक्षकको नियुक्ति गरिने छ ।

१०) भावी कार्यक्रम तथा योजनाहरू

यस संस्थाका भावी कार्यक्रम तथा योजनाहरू निम्नानुसार रहेका छन्:

१. Expected Credit Loss Model पूर्ण रूपमा कार्यान्वयन ल्याउने ।
२. आ.व. २०८३/८४ देखि लागू हुने गरी पञ्च-वर्षीय रणनीतिक योजना तर्जुमा गरी सञ्चालक समितिबाट पारित कार्यान्वयनमा ल्याउने ।
३. निष्कृत कर्जा अनुपातलाई ५% भन्दा कममा राख्ने ।
४. ग्राहकहरूलाई अभ उत्कृष्ट वित्तिय सेवा उपलब्ध गराउने ।
५. संस्थाको आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई अभ बढी सुदृढ गर्ने ।
६. छिटो, छरितो र भरपर्दो सेवाका लागि प्रविधि र कर्मचारीहरूको दक्षता अभिवृद्धि गर्ने एवम् कर्मचारीहरूलाई उचित प्रशिक्षण एवं तालिम प्रदान गरि दक्ष बनाउने कार्यलाई निरन्तरता दिने ।
७. संस्थाको जोखिम व्यवस्थापनलाई थप सुदृढीकरण गर्दै लैजाने ।
८. कर्जाको गुणस्तर सुधार गर्ने र कर्जा विस्तार गर्दा कृषि, उर्जा, पर्यटन लगाएत साना तथा घरेलु उद्योग एवम् उत्पादनमुलक क्षेत्रहरूमा लगानी वृद्धि गर्ने ।
९. संस्थाको छावी (Brand) लाई सम्मानजनक रूपमा स्थापित गर्ने र थप सबल बनाउन विज्ञापन प्रसारण, समुदायसँग पहुँच (Access) कार्यलाई निरन्तरता दिने ।
१०. संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत विभिन्न थप कार्यक्रमहरू संचालन गर्ने र संस्थालाई समाजको जिम्मेवार संस्थाको रूपमा परिचित गराउँदै संस्थाको ब्राण्डलाई थप सबल बनाउने ।

अध्यक्ष

प्रा. हिरेन्द्रमान प्रधान



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

(क) विगत वर्षको कारोबारको सिंहावलोकन :

सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।

(ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :

संस्थाको व्यवसायिक कारोबारहरू लक्ष्य अनुरूप नै सुधार भइरहेको भएतापनि रूस-युकेन युद्ध र कोभिडपछिको आर्थिक अवस्थाको कारण व्यवसायमा प्रत्यक्ष असर परिरहेको जसको कारणले गर्दा समग्र वित्तीय बजारमा नै कर्जाको मागमा असर परिरहेको र सो को असर यस संस्थालाई समेत परेको छ ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :

सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरू :

सञ्चालक समितिको प्रतिवेदनमा उल्लेख भएका विषय र बुँदा नं. (क) मा उल्लेख भए बमोजिम ।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिकृया :

नियमित कारोबारमा देखिएका सामान्य कैफियतबाहेक प्रचलित कानून उल्लंघन हुने कुनै नकारात्मक कुराहरू लेखापरीक्षण प्रतिवेदनमा उल्लेख भएको छैन । प्राप्त प्रतिक्रिया र सुभावहरूमा सञ्चालक समितिको ध्यानाकर्षण भएको छ र सुधारका निम्न आवश्यक कदम पनि चालिसकिएको छ ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम ।

गरिएको छैन ।

(झ) शेयर जफत गरिएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस्तो शेयरको जफत हुनुभन्दा अगावै सो वापतको कम्पनीले प्राप्त गरेको जम्मा रकम त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण ।

यस अवधिमा वित्तीय संस्थाले कुनै शेयर जफत गरेको छैन ।

(झ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन ।

यस वित्तीय संस्थाको सहायक कम्पनी नरहेकोले यस प्रकारको कारोबार रहेको छैन ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेका प्रमुख कारोबारहरू र सो अवधिमा कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन ।

यस वित्तीय संस्थाको कम्पनी रहेको छैन । वित्तीय संस्थाले यस आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबार हरूको विवरण यस प्रतिवेदनको बुँदा नं. (क) मा आर्थिक कारोबारको सिंहावलोकन अन्तर्गत समावेश गरिएको छ ।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी ।

गत वर्षमा कम्पनीका आधारभूत शेयरधनीहरूबाट कम्पनीलाई कुनै प्रकारको जानकारी गराईएको छैन ।

(ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी ।



क्र. सं.	पद	नाम	शेयर समूह	जम्मा कित्ता
१	अध्यक्ष	प्रा. श्री हिरेन्द्रमान प्रधान	संस्थापक समूह	२,४६,७००।००
२	संचालक	श्री दिप्रश शाक्य (प्रतिनिधि: सोपान इन्भेष्टमेन्ट प्रा. लि.)	संस्थापक समूह	१९,१२५।००
३	संचालक	श्री राजन प्रजापति	संस्थापक समूह	१४३,२८।००
४	संचालक	श्री विकेश शाक्य (प्रतिनिधि: छिमेकी इन्भेष्टमेन्ट प्रा. लि.)	संस्थापक समूह	११,२५।००
५	संचालक	श्री लक्ष्मी महर्जन	सर्वसाधारण समूह	१,७६।००
६	संचालक	श्री योगराज कंडेल शर्मा (प्रतिनिधि: पानस इन्भेष्टमेन्ट प्रा. लि.)	सर्वसाधारण समूह	३,८२५।००
७	संचालक	श्री रोजिना श्रेष्ठ	स्वतन्त्र संचालक	-

नोट: उल्लेखित संचालकहरूमध्ये स्वतन्त्र संचालक श्री रोजिना श्रेष्ठज्युले आफ्नो कार्य व्यस्तताको कारणले पदबाट दिनुभएको राजिनामा संस्थाको मिति २०८२ कार्तिक २१ गते बसेको संचालक समितिको बैठकले स्वीकृत गरेको र मिति २०८२ मंसिर १२ गतेको संचालक समितिको बैठकबाट श्री पुरुषोत्तम प्रसाद पौड्यालज्यु संस्थाको स्वतन्त्र संचालकमा नियुक्ति हुनु भएको व्यहोरा जानकारी गराउँदछौं ।

संस्थाका संचालक तथा पदाधिकारीहरू संस्थाको शेयर कारोबारमा संलग्न भएको जानकारी प्राप्त भएको छैन ।

८) विगत आर्थिक वर्षमा कम्पनीसाग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा ।

वित्तीय संस्थासँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा जानकारी प्राप्त भएको छैन ।

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

वित्तीय संस्थाले आफ्नो शेयर आफै खरिद गरेको छैन ।

१०) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण ।

वित्तीय संस्थामा आवश्यकताअनुरूपको आन्तरिक नियन्त्रण प्रणाली रहेको छ, र यसलाई समयसापेक्ष रूपमा परिमार्जन गर्दै लिगाएको छ । विभिन्न तहमा सम्पन्न हुने काम-कारवाही एक तह माथिको कर्मचारीहरूबाट परीक्षण हुने व्यवस्था मिलाइएको छ । संस्थाका विभिन्न कर्मचारीहरू तथा पदाधिकारीहरूको अस्थियारी सीमा तोकिएको छ । विभिन्न कारोबारको प्रकृतिअनुरूप पर्याप्त आन्तरिक नियन्त्रण प्रणाली व्यवस्था गरिएको छ । आन्तरिक नियन्त्रण प्रणालीलाई अभ प्रभावकारी बनाउन संस्थामा Compliance Department रहेको छ ।

आन्तरिक नियन्त्रण प्रणाली सहित अन्य कुराहरूको उच्चस्तरबाट रेखदेख गर्न गैरकार्यकारी सञ्चालकको संयोजकत्वमा जोखीम व्यवस्थापन समिति, लेखापरीक्षण समिति र सम्पत्ति शुद्धिकरण निवारण सम्बन्धी समिति समेत रहेको छ ।

संस्थाले आफ्ना सबै तहका सबै शाखाका कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धिका लागि सुचारू रूपले विभिन्न तालिम तथा सीप विकासका कार्यक्रमहरू संचालन गर्ने गरेको छ । उक्त कार्यबाट कर्मचारीहरूको क्षमता तथा ज्ञान वृद्धि गरी संचालनबाट हुने जोखिम न्युनीकरण गर्ने गरिएको छ । संस्थाले आफ्नो ग्राहक पहिचान (Know your Customer) को मापदण्ड तथा मुद्रा शुद्धिकरण (Anti money laundering) सम्बन्धी नीति, विद्यमान औद्योगिक प्रचलन, प्रचलित कानून तथा नेपाल राष्ट्र बैंकबाट जारी निर्देशनका आधारमा तर्जुमा गरी लागू गरेको छ । साथै संस्थाका विद्यमान नीतिहरूलाई समय सापेक्ष रूपमा परिमार्जन तथा पुनर्लेखन गरी सम्बन्धित निकायबाट स्वीकृत समेत गरी लागू गरिएको छ ।

११) विगत आर्थिक वर्षको व्यवस्थापन तथा सञ्चालन खर्चको विवरण ।

वित्तीय संस्थाको आर्थिक वर्ष २०८१/८२ को व्यवस्थापन खर्चतर्फ रु. ६,७६,५८,२६३/- र अन्य सञ्चालन खर्च



रु. २,६९,९६,०६८/- गरी जम्मा व्यवस्थापन तथा सञ्चालन खर्च रु. ९,४६,५४,३३१/- भएको छ ।

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

यस संस्थाको सञ्चालक समितिले कम्पनी ऐन, बैंक तथा वित्तीय संस्था सम्बन्धी ऐन तथा नेपाल राष्ट्र बैंकको निर्देशनको अधीनमा रहि गैरकार्यकारी सञ्चालकको संयोजकत्वमा १ सञ्चालक सदस्य र आन्तरिक लेखापरीक्षण विभागका प्रमुख सदस्य सचिव रहने गरी लेखापरीक्षण समिति गठन गरेको छ । यस समितिमा निम्न पदाधिकारीहरू रहेका छन् ।

श्री दिप्रश शाक्य संयोजक

श्री राजन प्रजापती सदस्य

श्री सुरक्षा खड्का सदस्य सचिव

लेखापरीक्षण समितिका सदस्यहरूले आ.व. २०८१/८२ मा लिएको कूल बैठक भत्ता रु. ५०,०००/- रहेको छ । लेखापरीक्षण समितिले आन्तरिक लेखापरीक्षण प्रतिवेदन र लेखा परीक्षकको प्रारम्भिक लेखापरीक्षण प्रतिवेदनमाथि छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन जारी गर्ने र सञ्चालक समितिमा सिफारिस गर्ने गरेको छ । साथै समय समयमा संस्थाको वित्तीय अवस्थाको बारेमा विस्तृत जानकारी लिई आवश्यक निर्देशन जारी गर्ने गरेको छ । आ.व. २०८१/८२ मा जम्मा ५ वटा बैठक सम्पन्न गरी सोको प्रतिवेदन समितिको बैठकमा जानकारी तथा सिफारिस गरिएको छ ।

ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीको आधारभूत शेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा ।

वित्तीय संस्थाको 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 बाँकी रहेको छैन । तथापि संस्थाका निर्बतमान प्रमुख कार्यकारी अधिकृत श्री रविचन्द्रमान प्रधानलाई नेपाल राष्ट्र बैंकले निजबाट असुल गर्नका लागि भएको निर्देशन बमोजिमको रकम रु. ४२,५४,०७०।९३ बुझाउन बाँकी रहेकोमा सो सम्बन्धमा सम्मानित अदालतमा मुद्दा विचाराधिन रहेको र निजबाट असुल गर्नपर्ने रकम संस्थासँग सुरक्षित रहेको छ ।

न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भत्ता तथा सुविधाको रकम ।

वित्तीय संस्थाका सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई आ.व. २०८१/८२ मा भुक्तानी गरिएको पारिश्रमिक तथा भत्ता सुविधाको रकम निम्नानुसार रहेको छ ।

क्र.सं	विवरण	सञ्चालक	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी पदाधिकारी
१.	बैठक भत्ता (रु.)	५८६,०००	-	-
२.	तलव (रु.)	-	३,६००,०००	१,५१८,०००
३.	भत्ता	छैन	१,६३१,०००	७८८,१०७
४.	विदा वापतको भुक्तानी	छैन	संस्थासँग भएको करार अनुरूप	कर्मचारी सेवा नियमावली अनुरूप
५.	दर्शेभत्ता	छैन	४०१,०००	१८०,५००
६.	संचयकोष योगदान	छैन	७२०,०००	३०३,६००
७.	बोनस	छैन	-	-
८.	टेलिफोन, मोबाइल र पत्रपत्रिका	छैन	संस्थासँग भएको करार अनुरूप	कर्मचारी सेवा नियमावली अनुरूप
९.	इन्व्यन	छैन	छ	छ
१०.	गाडी सुविधा	छैन	छैन	छैन
११.	आवास सुविधा	छैन	छैन	छैन
१२.	बीमा	छैन	छैन	छैन



प) शेयरधनीहरूले बुझिलिन बाकी रहेको लाभांशको रकम ।
शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांस रकम नरहेको ।

फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण ।
यस आ.ब मा कम्पनि ऐन २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।

ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण ।
यस वित्तीय संस्थाको कुनै सम्बद्ध कम्पनी छैन ।

भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा ।
अन्त्यमा, आर्थिक तथा राजनैतिक क्षेत्रमा देखा परेको विषम परिस्थितिमा समेत यस संस्थाको उद्देश्य प्राप्तिका लागि सहयोग पुऱ्याउनुहुने सम्पूर्ण शेयरधनी महानुभावहरू, निरन्तर रूपमा ग्राहक सेवाप्रति समर्पित कर्मचारीहरू साथै, यस संस्थाको उत्तरोत्तर प्रगतिमा साथ दिने सबै निकायहरूलाई हार्दिक धन्यवाद दिई यस नेपाल फाइनान्स लिमिटेडलाई एक सफल तथा सुशासित वित्तीय संस्थाको रूपमा उभ्याउन यो सञ्चालक समिति निरन्तर लागि रहने प्रतिबद्धता व्यक्त गर्दछौं ।

(म) अन्य आवश्यक कुरा :
नभएको ।



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

१. संचालक समितिको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरीक्षण भएका वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
४. कानूनी कारवाही सम्बन्धी विवरण :
 - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाका विरुद्ध कुनै मुद्दा दायर भएको भए, यस संस्थाको कर्जासँग सम्बन्धित बाहेक अन्य मुद्दा दायर नभएको ।
 - (ख) संगठित संस्थाका संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमका अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए, यस संस्थाको जानकारीमा नरहेको ।
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिका विश्लेषण :
 - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारण : नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार रहेको ।
 - (ख) आ.व. २०८१/८२ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन

त्रैमासिक अवधी	अधिकतम मूल्य	न्युनतम मूल्य	अन्तिम मूल्य	कारोबार संख्या	कारोबार दिन
पहिलो त्रैमास	२,४९८.००	९०७.९०	१,४४५.५०	७९,३२९	५६
दोस्रो त्रैमास	१,५५०.००	९१७.००	९१७.००	६७,३७८	५५
तेस्रो त्रैमास	८५१.००	६७९.२६	६८३.०४	४०,९८८	५६
चौथो त्रैमास	७६३.६०	५९०.९८	७४९.३७	२२,७०६	६३

(श्रोत : नेपाल स्टक एक्सचेन्ज)

६. समस्या तथा चुनौति

- क) आन्तरिक समस्या तथा चुनौती
 - आयको विविधिकरण ।
 - वित्तीय स्रोतको लागतमा वृद्धि ।
 - दक्ष कर्मचारी व्यवस्थापन
- ख) बाह्य समस्या र चुनौती
 - बैंक तथा वित्तीय संस्थाको बीच रहेको तीव्र प्रतिष्पर्धा ।
 - कर्जाको माग तथा निक्षेप वृद्धिमा सन्तुलन नहुनु ।
 - वित्तीय स्रोतको अभाव ।
 - विगतमा गुमेको शाखामा वृद्धि
- ग) रणनीति
 - निक्षेप तथा कर्जाको विविधिकरण ।
 - आय आर्जन गर्ने नयाँ क्षेत्रहरु विस्तार तथा निक्षेप परिचालनमा जोड ।
 - समय सापेक्ष प्रविधिमा आधारित नयाँ सेवाहरुको विकास ।
 - पूर्जी तथा पूर्जी कोष वृद्धि ।
 - अभक्त मजबुद प्रणाली तथा अनुपालना पद्धतीको विकास ।



७. संस्थागत सुशासन

बैंक तथा वित्तीय संस्था सम्बन्धि ऐन, २०७३, नेपाल राष्ट्र बैंकद्वारा जारी गरिएका निर्देशन तथा परिपत्रहरुको पूर्ण रूपमा पालना गरिएको छ। संस्थागत सुशासनलाई सदैव उच्च प्राथमिकतामा राख्दै र संस्थागत सुशासन सम्बन्धी निर्देशन तथा परिपत्रहरुको पुर्णरूपले पालना गरिने छ।

आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न लेखापरीक्षण समिति (Audit Committee) गठन गरिएको छ जसले बाह्य र आन्तरिक लेखापरीक्षकबाट दिईएका सुभाव तथा निर्देशनहरुलाई कार्यान्वयन गराउनुका साथै आन्तरिक नियन्त्रण प्रणालीलाई अभ्य सुदृढ बनाउन व्यवस्थापनलाई सल्लाह र सुभावहरु दिई आईरहेको छ।

कारोबारलाई छिटो, छारितो, चुस्त तथा वैज्ञानिक बनाउन तथा अन्य आवश्यक रणनीति तय गर्न व्यवस्थापन समिति, जोखिम व्यवस्थापन समिति, AML/CFT Committee, सम्पत्ति/दायित्व व्यवस्थापन समिति लगायतका विभिन्न समितिहरु क्रियाशिल रहेका छन्।

नेपाल राष्ट्र बैंकको निर्देशन, स्थलगत निरिक्षण प्रतिवेदन, आन्तरिक तथा बाह्य लेखापरीक्षण प्रतिवेदनमा औल्याईएका सुभाव तथा निर्देशनहरुलाई यस संस्थाले सदैव पालना गर्दै संस्थागत सुशासनको पूर्ण पालना तथा संस्थालाई अभ्य सुदृढ बनाउदै लैजान यस संस्थाको संचालक समिति र व्यवस्थापन प्रतिबद्ध रहेको छ।



M.R.U ASSOCIATES

Chartered Accountants

Independent Auditor's Report

To the Shareholders of Nepal Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Nepal Finance Limited (the "Company"), which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for opinion

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

Emphasis of Matter

The NRB Directive (NRB Directive no 21/2081) requires the national level class C financial institutions to maintain the minimum capital of 80 crore. The NRB has given time period of two years from the date of release of company from problematic category viz. Mangsir 24, 2076 to maintain its capital requirement as per NRB Directive. Such a minimum capital requirement has not yet been met, which the company has planned to meet through appropriate procedure for unsubscribed portion of right share issued.

Further the company has accumulated loss of NPR 290,086,137 as at Ashad 32, 2082 which is significant and has reduced the value of assets to generate cash flows.

Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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.

S.N	Key Audit Matters	Auditor's Response
1.	Interest Recognition The interest income of the company is has to be recognized in accordance with the guidance note on interest income recognition 2025 issued by NRB.	We applied following procedures in respect of verification of interest income: <ol style="list-style-type: none"> Understanding of the core banking software of the finance company how interest rate on loans and advances has been implemented in system. Whether interest income on advances are



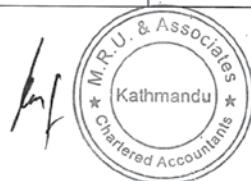


	<p>As per the guideline, the interest recognition is based on the stage (Stage 1, 2, or 3) of each financial asset as determined at the previous quarter's end. As per the guideline, for stage 3 financial assets, interest income recognized on an accrual basis (coupon rate or effective rate) shall be adjusted against the movement in accrued interest receivable during the current quarter, and interest suspense at the beginning of the quarter, and only cash-based interest income during the current quarter shall be recognized. Similarly, for Stage 1 and 2 financial assets, interest income is recognized on accrual basis (coupon rate or effective rate) and any interest suspense at the beginning of quarter is also recognized as interest income.</p> <p>The manual intervention is required for the interest recognition process. Hence, it creates risk of improper application of guidelines, in staging financial assets and determination of interest income. So, this may have an effect on recognition of interest income of the company.</p> <p>Thus we have considered is as key audit matter.</p>	<p>automatically generated in the CBS system.</p> <p>c. We obtained an understanding of company's process for classifying loans into stages 1-3 as per NRB ECL guidelines.</p> <p>d. Review of accrual and recognition interest income whether relevant NFRS and the NRB norms have been followed by the finance company for the same.</p> <p>e. Review and verify the transactions relating to manual debit or credit of interest in the system</p> <p>f. Understanding as to how the finance company's management monitors their business, analyze its credit portfolio and the interest income thereon.</p> <p>g. Review whether the legal remedies against defaulting borrowers are not adversely affected.</p> <p>Accounting policies and recognition of interest income has been considered acceptable.</p>
2.	<p>Investment Valuation, Identification, and Impairment</p> <p>Investment of the company comprises of investment in government bonds, T- bills, development bonds and investment in quoted and unquoted equity instruments, debentures, and mutual funds. The valuation of the aforesaid securities has been done in compliance with NFRS 9 and NRB Directive no 8. The investment in the government and NRB bonds and T-bills should be recognized on reporting date on Amortized cost basis whereas other investments in equity instruments, other than those held for trading, should be valued at Fair Value through Other Comprehensive Income.</p> <p>Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculations and the significance of amount involved in such investments, same has been considered as Key Audit Matter in our audit.</p>	<p>Our audit approach regarding verification of process of investment valuation, identification and impairment included:</p> <p>a. Review of the investment of company and its valuation having reference to NFRS issued by the Accounting Standard Board of Nepal and NRB Directive 4 read with 8.</p> <p>b. We assessed the nature of expected cash flow of the investments as well as the business model adopted by the management on the basis of available evidence/circumstances and ensured that classification of investment is commensurate with nature of cash flow and management intention of holding the investment.</p> <p>c. For the investment valuation that are done at amortized cost, we checked the EIR and amortization schedule on test basis.</p> <p>d. For the investment valued through OCI for quoted investment, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on Ashadh 32, 2082 (16.07.2025) and for the unquoted investment the fair value has been taken as the NPR 100.</p>
3.	<p>Impairment of loan and advance</p> <p>As per NFRS 9 (crave-out issued by ICAN) bank shall measure impairment loss on loans and advances at the higher of</p> <ul style="list-style-type: none"> • Amount derived as prescribed by Nepal Rastra Bank for loan loss provisioning; and • Amount determined as per Para 5.5 of NFRS 9, read with crave out issued by institute of Chartered accountants of Nepal adopting expected credit loss model 	<p>Our audit approach included</p> <p>a. Reviewing the overdue status of loans and advances by obtaining data from the system and matching the same with NRB 2.2 Report</p> <p>b. Sample credit files were reviewed for the purpose of assuring the utilization of loan and advances for the intended purpose, account movement and account turnover</p> <p>c. Assessed the alignment of the Bank's impairment for expected credit losses computation and underlying methodology including responses to</p>





	<p>As per norms prescribed, provision at prescribed rate on loans and advances based on overdue status of loans and advances as well as utilization status of the facility, status of security, borrower's whereabouts etc. hence assessment of availability and accuracy of data for impairment under NRB provisioning norms is regards as key audit matters</p> <p>Expected credit loss of loans and advances measured at amortized cost as disclosed in note 4.7, is determined by management based on the accounting policies described in note 3.4.3 to the financial statements.</p> <p>This was key audit matter due to</p> <ul style="list-style-type: none"> • The involvement of significant management judgements, assumption and level of uncertainty associated with estimating future cash flows to recover such loans and advances and • The materiality of the reported amount of expected credit losses <p>Key areas of significant judgement, assumptions and estimates made by the management in the assessment of expected credit losses for loan and advances include forward looking macroeconomic scenarios, associated weightage and considerations that indicate significant increase in credit risk. These are subject to inherently heightened levels of estimation of uncertainty.</p> <p>Information of such key estimates assumption and judgements are disclosed in Note 3.4.3</p>
4.	<p>Information Technology General Controls</p> <p>As most of the information of the company is digitally stored and transactions are carried out digitally/electronically with minimal manual interventions, we have considered information technology status of the company is our key audit areas.</p>





		with the CBS of the company. c. Reliance on the IT audit conducted by the company d. Verification of provisioning of the loan and advances based on ageing on test check basis
5.	<p>Goodwill on Acquisition Following the acquisition of Lalitpur Finance Ltd. In FY 2077/78. The company has calculated and restated goodwill retrospectively. The company is required to annually test the amount of goodwill for impairment, which is complex, highly judgmental and based on several assumption and indicators which are affected by expected future market or economic conditions.</p> <p>Thus we have considered this as a key audit matters</p>	<p>Our audit approach regarding recognition of goodwill on business combination is based on NFRS 3 with interpretation explanatory notes issued by ASB and guidance notes issued by ICAN, and it included:</p> <p>a. Reviewing the calculation and recognition of goodwill based on agreed prices (as per Due diligence report) including the terms and conditions of merger and acquisition in line with the above guidelines b. Reviewing impairment testing of goodwill including the assumption and other indicators taken by the company</p>

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in Management Report, Report of the Director's Report and Chairman's Statement but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing the 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 the Financial Statements

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence





that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

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

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

Report on other Legal and Regulatory Requirement

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the branch offices of the company, though the statements are independently not audited, were adequate for the purpose of the audit; the financial statements have been prepared in accordance with the provisions of the Companies Act 2063, and they are in agreement with the books of accounts of the company; and the accounts and records of the company are properly maintained in accordance with the prevailing laws except that non-performing loan is yet to be maintained within 5%.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the loans have been written off as specified; the business of the company was conducted satisfactorily, and the company's transaction were found to be within the scope of its authority except that the certain promoter shares of the company held by co-operative are yet to be sold/settled. We did not come across cases of accounting related fraud and cases where board of directors or any director or any office bearer of the company has acted contrary to the provision of law or caused loss or damage to the company or committed any misappropriation of the funds of the company.

Raman Uperty
Managing Partner



Date: November 28, 2025
Place: Kathmandu

UDIN: 251128CA00590UR3Dt



Nepal Finance Limited
Statement of Financial Position
As on 32 Ashadh 2082

Amount in NPR

Particulars	Note	Current Year	Previous Year
Assets			
Cash and Cash Equivalents	4.1	545,446,355	735,275,501
Due from Nepal Rastra Bank	4.2	1,140,700,915	262,054,164
Placement with Bank and Financial Institutions	4.3	-	-
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to BFIs	4.6	91,055,188	166,403,393
Loans and Advances to Customers	4.7	2,494,057,300	1,977,767,555
Investment Securities	4.8	548,463,032	481,937,825
Current Tax Assets	4.9	30,369,330	27,444,744
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment Property	4.12	179,065,282	54,427,486
Property and Equipment	4.13	134,443,355	155,396,291
Goodwill and Intangible Assets	4.14	19,202,032	21,155,698
Deferred Tax Assets	4.15	13,642,372	40,503,308
Other Assets	4.16	13,200,538	11,940,025
Total Assets		5,209,645,699	3,934,305,990
Liabilities			
Due to Bank and Financial Institutions	4.17	137,835,511	232,430,158
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	3,880,259,884	2,554,505,786
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	173,782,442	176,582,353
Debt Securities Issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total Liabilities		4,191,877,837	2,963,518,297
Equity			
Share Capital	4.26	759,446,747	729,906,747
Share Premium		51,100,367	51,082,367
Retained Earnings		(290,086,137)	(244,569,103)
Reserves	4.27	497,306,885	434,367,682
Total Equity Attributable to Equity Holders		1,017,767,862	970,787,693
Non Controlling Interest		-	-
Total Equity		1,017,767,862	970,787,693
Total Liabilities and Equity		5,209,645,699	3,934,305,990
Contingent Liabilities and Commitments	4.28	23,458,875	27,145,428
Net Assets Value per share		134.01	133.00

As per our attached report of even date

Suresh Shrestha Head - Accounts & Finance	Uddhab Raj Thapaliya Chief Executive Officer	Prof. Hirendra Man Pradhan Chairman	Laxmi Maharjan Director
Yog Raj Kandel Sharma Director	Diprash Shakya Director	Rajan Prajapati Director	Bikesh Shakya Director
Raman Uperty, FCA Managing Partner For MRU Associates Chartered Accountants			

Date : November 28, 2025
Kathmandu, Nepal



Nepal Finance Limited
Statement of Profit or Loss
For the year ended 32 Ashadh 2082

Particulars	Note	Current Year	Amount in NPR Previous Year
Interest Income	4.29	344,970,109	310,413,065
Interest Expense	4.30	257,490,868	209,435,918
Net Interest Income		87,479,241	100,977,147
Fee and Commission Income	4.31	13,361,911	13,880,602
Fee and Commission Expense	4.32	124,144	606,971
Net Fee and Commission Income		13,237,767	13,273,631
Net Interest, Fee and Commission Income		100,717,008	114,250,778
Net Trading Income	4.33	-	-
Other Operating Income	4.34	30,528,488	17,450,534
Total Operating Income		131,245,496	131,701,312
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	(10,729,900)	55,997,195
Net Operating Income		141,975,396	75,704,117
Operating Expense			
Personnel Expenses	4.36	67,658,263	60,999,128
Other Operating Expenses	4.37	26,996,068	26,835,421
Depreciation & Amortisation	4.38	26,826,042	26,411,236
Operating Profit		20,495,023	(38,541,668)
Non Operating Income	4.39	3,052,110	-
Non Operating Expense	4.40	-	-
Profit Before Income Tax		23,547,133	(38,541,668)
Income Tax Expense	4.41		
Current Tax		-	-
Deferred Tax		19,676,536	(10,360,133)
Profit for the Period		3,870,597	(28,181,535)
Profit Attributable to:			
Equity-holders of the Company		3,870,597	(28,181,535)
Non-Controlling Interest			
Profit for the Period		3,870,597	(28,181,535)
Earnings per Share			
Basic Earnings per Share		0.51	(3.86)
Diluted Earnings per Share		0.51	(3.86)

As per our attached report of even date

Suresh Shrestha
Head - Accounts & Finance

Uddhab Raj Thapaliya
Chief Executive Officer

Prof. Hirendra Man Pradhan
Chairman

Laxmi Maharjan
Director

Yog Raj Kandel Sharma
Director

Diprash Shakya
Director

Rajan Prajapati
Director

Bikesh Shakya
Director

Raman Upadhyay, FCA
Managing Partner

For MRU Associates
Chartered Accountants

Date : November 28, 2025
Kathmandu, Nepal



Nepal Finance Limited
Statement of Other Comprehensive Income
For the year ended 32 Ashadh 2082

Particulars	Current Year	Amount in NPR Previous Year
Profit for the year	3,870,597	(28,181,535)
Other Comprehensive Income, Net of Income Tax	-	-
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investment in equity instruments measured at fair value	21,194,644	(5,139,937)
(Gains/(losses) from investment in equity instruments measured at fair value Then Lalitpur Finance)	-	-
Gains/(losses) on revaluation	-	-
Actuarial gains/(losses) on defined benefit plans	-	-
Income tax relating to above items	(6,358,393)	1,541,981
Net other comprehensive income that will not be reclassified to profit or loss	14,836,251	(3,597,956)
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge	-	-
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassify to profit or loss	-	-
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method	-	-
Other Comprehensive Income for the year, Net of Income Tax	14,836,251	(3,597,956)
Total Comprehensive Income for the Period	18,706,848	(31,779,491)
Total Comprehensive Income attributable to:		
Equity-Holders of the Company	18,706,848	(31,779,491)
Non-Controlling Interest	-	-
Total Comprehensive Income for the Period	18,706,848	(31,779,491)

As per our attached report of even date

Suresh Shrestha
Head - Accounts & Finance

Uddhab Raj Thapaliya
Chief Executive Officer

Prof. Hirendra Man Pradhan
Chairman

Laxmi Maharjan
Director

Yog Raj Kandel Sharma
Director

Diprash Shakya
Director

Rajan Prajapati
Director

Bikesh Shakya
Director

Raman Uperty, FCA
Managing Partner
For MRU Associates
Chartered Accountants

Date : November 28, 2025
Kathmandu, Nepal

Nepal Finance Limited
Statement of Changes in Equity
For the year ended 32 Ashadh 2082

Amount in NPR

Particulars	Share Capital	Share Premium	General Reserve	Attributable to Equity-Holders of the Finance Company					Non-Controlling Interest	Total Equity
				Exchange Equalisation	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earnings		
Balance at Shirawan 01, 2080	721,532,247	51,054,092	242,700,828	-	94,879,743	40,117,817	-	(212,979,846)	49,432,615	992,737,496
Adjustment/Restatement	-	-	-	-	-	-	-	-	-	-
Provision for NBA net of defer tax	-	-	-	-	-	-	-	-	-	-
Comprehensive Income for the year										
Profit for the year	-	-	-	-	-	-	-	(28,181,535)	-	(28,181,535)
Other Comprehensive Income, Net of Tax										
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	(3,597,956)	-	-	-	(3,597,956)	(3,597,956)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-
Goodwill/Bargain Purchase Gain From Equity Transaction	-	-	-	-	(3,597,956)	-	-	-	(3,597,956)	(3,597,956)
Total Comprehensive Income for the year										
Transfer to Reserves during the year	-	-	-	-	9,089,093	-	-	(14,010,869)	(4,921,776)	(4,921,776)
Transfer from Reserves during the year	-	-	-	-	2,281,873	-	-	(17,578,388)	(536,331)	(15,832,846)
Transactions with Owners, directly recognized in Equity										
Share Issued	2,374,500	28,275	-	-	-	-	-	-	2,402,775	2,402,775
Share Based Payments	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-	-	-	-	-
Other: share premium	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions	2,374,500	28,275							2,402,775	2,402,775
Balance at Ashadh 31, 2081	729,906,747	51,082,367	242,700,828	-	106,250,709	36,519,861	-	(244,569,103)	48,896,284	970,787,693



नेपाल फाइनान्स लिमिटेड
Nepal Finance Limited



Nepal Finance Limited
Statement of Changes in Equity
For the year ended 32 Ashadh 2082

Amount in NPR

Particulars	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2081	729,906,747	51,082,367	242,700,828	-	106,250,709	36,519,861	-	(244,560,103)	48,896,284	970,787,693	-	970,787,693
Adjustment/Restatement	-	-	-	-	-	-	(2,754,302)	-	(2,754,302)	-	(2,754,302)	
Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	3,870,597	-	3,870,597	-	
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-	-	-	-	
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	14,836,251	-	-	14,836,251	-	14,836,251	
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	
Exchange gains/(losses)(arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	-	14,836,251	-	3,870,597	-	18,706,848	-	18,706,848	
Transfer to Reserves during the year	-	-	774,119	-	(3,429,964)	-	(52,904,126)	410,213	(55,149,758)	-	(55,149,758)	
Transfer from Reserves during the year	-	-	-	-	50,806,309	-	-	6,270,797	(457,724)	56,619,382	-	56,619,382
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	
Share Issued	29,540,000	18,000	-	-	-	-	-	-	29,558,000	-	29,558,000	
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	
Cash Dividend	-	-	-	-	-	-	-	-	-	-	-	
Total Contributions by and Distributions	29,540,000	18,000	-	-	-	-	-	-	29,558,000	-	29,558,000	
Balance at Ashadh 32, 2082	759,446,747	51,100,367	243,474,947	-	153,627,054	51,356,112	-	(290,086,137)	48,848,773	1,017,767,862	-	1,017,767,862

As per our attached report of even date

Suresh Shrestha **Uddhab Raj Thapaliya**
Head - Accounts & Finance Chief Executive Officer

Yog Raj Kandel Sharma **Diprash Shakya** **Rajan Prajapati** **Bikesh Shakya**
Director Director Director Director

Raman Upfrey, FCA
Managing Partner
For MRU Associates
Chartered Accountants



Nepal Finance Limited
Statement of Cash Flows
For the year ended 32 Ashadh 2082

Amount in NPR

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	344,970,109	310,413,065
Fee and Other Income Received	13,361,911	13,880,602
Dividend Received	973,085	727,547
Receipts from Other Operating Activities	32,607,513	16,722,987
Interest Paid	(257,490,868)	(209,435,918)
Commissions and Fees Paid	(124,144)	(606,971)
Cash Payment to Employees	(67,658,263)	(60,999,128)
Corporate Social Responsibility Expenses Paid	(457,724)	(536,332)
Other Expenses Paid	(16,266,168)	(82,832,616)
Operating Cash Flows before Changes in Operating Assets and Liabilities	49,915,451	(12,666,764)
(Increase) Decrease in Operating Assets		
Due from Nepal Rastra Bank	(878,646,751)	(115,833,001)
Placement with Banks and Financial Institutions	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	75,348,205	(90,066,826)
Loans and Advances to Customers	(516,289,746)	(674,379,540)
Other Assets	17,285,757	(5,054,487)
Increase (Decrease) in Operating Liabilities		
Due to Banks and Financials Institutions	(94,594,647)	87,103,376
Due to Nepal Rastra Bank	-	-
Deposit from Customers	1,325,754,097	748,398,146
Borrowings	-	-
Other Liabilities	(2,799,911)	(36,635,797)
Net Cash Flow from Operating Activities before Tax Paid	(24,027,544)	(99,134,893)
Income Tax Paid	(19,676,536)	10,360,133
Net Cash Flow from Operating Activities	(43,704,080)	(88,774,760)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investment Securities	(74,771,428)	(48,738,070)
Receipts from Sale of Investment Securities	26,686,564	322,047,973
Purchase of Property and Equipment	(3,000,486)	(2,562,577)
Receipts from Sale of Property and Equipment	94,320	-
Purchase of Intangible Assets	(54,240)	(830,348)
Receipts from Sale of Intangible Assets	-	-
Purchase of Investment Properties	(124,637,796)	-
Receipts from Sale of Investment Properties	-	9,853,050
Interest Received	-	-
Dividend Received	-	-
Net Cash Used in Investing Activities	(175,683,066)	279,770,028
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issue of Debt Securities	-	-
Repayments of Debt Securities	-	-
Receipts from Issue of Subordinated Liabilities	-	-
Repayments of Subordinated Liabilities	-	-
Receipt from Issue of Shares	29,558,000	2,402,775
Dividends Paid	-	-
Interest Paid	-	-
Other Receipts/Payments	-	-
Net Cash from Financing Activities	29,558,000	2,402,775
Net Increase (Decrease) in Cash and Cash Equivalents	(189,829,146)	193,398,043
Opening Cash and Cash Equivalents	735,275,501	541,877,458
Effect of Exchange Rate fluctuations on Cash and Cash Equivalents Held	-	-
Closing Cash and Cash Equivalents	545,446,355	735,275,501

As per our attached report of even date

Suresh Shrestha Head - Accounts & Finance	Uddhab Raj Thapaliya Chief Executive Officer	Prof. Hirendra Man Pradhan Chairman	Laxmi Maharjan Director
Yog Raj Kandel Sharma Director	Diprash Shakya Director	Rajan Prajapati Director	Bikesh Shakya Director
Date : November 28, 2025 Kathmandu, Nepal			Raman Uprety, FCA Managing Partner For MRU Associates Chartered Accountants



Nepal Finance Limited
Statement of Distributable Profit or Loss
For the year ended 32 Ashadh 2082
(As per NRB Regulation)

Particulars	Current Year	Amount in NPR Previous Year
Net profit or (loss) as per statement of profit or loss	3,870,597	(28,181,535)
Appropriations:		
a. General reserve	(774,119)	-
b. Foreign exchange fluctuation fund		-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(38,706)	-
e. Employees' training fund	(371,508)	-
f. Other		-
Other(Fair Vaule Gain on sale of investment)	1,927,349	7,963,244
Profit or (loss) before regulatory adjustment	4,613,612	(20,218,291)
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	3,429,965	(9,089,093)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(54,831,475)	6,207,422
e. Deferred tax assets recognised (-)/ reversal (+)	4,025,166	(8,489,295)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	-	-
Distributable profit or (loss)	(42,762,731)	(31,589,257)
Opening Retained Earining as on Shrawan 1 2081	(244,569,103)	(212,979,846)
Adjustment(+/-)	(2,754,302)	-
Ditribution	-	-
Bonus Share Issued	-	-
Cash Dividend Paid	-	-
Total Distributable profit or (loss) as on year end date	(290,086,137)	(244,569,103)

As per our attached report of even date

Suresh Shrestha
Head - Accounts & Finance

Uddhab Raj Thapaliya
Chief Executive Officer

Prof. Hirendra Man Pradhan
Chairman

Laxmi Maharjan
Director

Yog Raj Kandel Sharma
Director

Diprash Shakya
Director

Rajan Prajapati
Director

Bikesh Shakya
Director

Raman Uprety, FCA
Managing Partner
For MRU Associates
Chartered Accountants



NEPAL FINANCE LIMITED

As on 32nd Ashadh, 2082 (July 16, 2025)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

1. Reporting Entity

Nepal Finance Limited is a limited liability company domiciled in Nepal which has been in operation in Nepal since 2049/04/07 BS. The Finance Company is registered with the Office of Company Registrar as a public limited company and carries out banking activities in Nepal under the license from Nepal Rastra Bank as Class "C" licensed institution (National Level). It's registered, and corporate office are at Kamaladi, Kathmandu, Nepal.

The Finance Company offers maximum banking services of banking products and services including loans and advances, deposits etc. to wide range of clients encompassing individuals, corporates, large public sector companies, government corporations, etc. as authorized by the Nepal Rastra Bank (Central Bank of Nepal).

The Finance Company is listed on Nepal Stock Exchange and its stock symbol is "NFS".

2. Basis of Preparation

The financial statements of the Finance Company have been prepared on accrual basis of accounting except the Cash Flow information, which is prepared on a cash basis, using the direct method. The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts of the group and separate financial statements as stated above of the Finance Company. The accounting policies are consistently applied to all the years presented, except for the changes in accounting policies disclosed specifically.

2.1. Statement of Compliance

The financial statements have been prepared and approved by the Board of Directors in accordance with Nepal Financial Reporting Standards (NFRS) and as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and as per the provisions of Bank and Financial Institutions Act, 2073 in the format issued by Nepal Rastra Bank in Directive No. 4 of NRB Directives, 2081.

The financial statements are approved for issue by the company's Board of Directors on 28th November 2025

2.2. Reporting Period

Reporting Period is a period from the first day of Shrawan (mid July) of any year to the last day of Ashadh (mid July) of the next year as per Nepali calendar.

	Nepali Calendar	English Calendar
Current Year	2081/82	2024/25
Previous Year	2080/81	2023/24
Current Year Period	Shrawan 01, 2081 to Ashadh 32, 2082	July 16, 2024 to July 16, 2025
Previous Year Period	Shrawan 01, 2080 to Ashadh 31, 2081	July 17, 2023 to July 15, 2024

2.3. Functional and Presentation Currency

The financial statements of the Group are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the company operates. Financial information is presented in Nepalese Rupees. There was no change in the presentation and functional currency during the year under review. The figures are rounded to nearest integer, except otherwise indicated.

2.4. Use of Estimates, Assumptions and Judgment

The Finance Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Finance Company is required to make judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate. The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed. The NFRS requires the Finance Company to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Finance Company applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively. Disclosures



of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.5. **Changes in Accounting Policies**

The Company has consistently applied the accounting policies to all the periods presented in these financial statements except for new or revised statements and interpretations implemented during the year. The nature and effect of new standards and interpretations are discussed in note that follows.

2.6. **New Reporting standards issued but not effective**

For the reporting of financial instruments, NAS 32 Financial Instruments Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments. Few carve-outs on applicable Accounting Standards as provided by the Institute of Chartered Accountants of Nepal have been used by the Finance Company which includes carve-out issued on 02.04.2079 for impracticability to determine transaction cost of all previous years which is the part of effective interest rate and implementation of expected credit loss model for computing impairment on loans and advances, the quantitative and qualitative impact of the same have been disclosed in detail in Notes to the Accounts.

2.7. **Discounting**

Non- current assets and liabilities are discounted where discounting is material. Interest income and expenses have been recognized on unwinding of financial assets and liabilities respectively.

2.8. **Materiality and Aggregation**

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the Nepal Accounting Standard – NAS 1 on ‘Presentation of Financial Statements’. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Finance Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.9. **Going Concern**

The Board has made an assessment of the company’s ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.10. **Prior Period Errors**

Prior Period Errors are omissions or misstatements in an entity’s financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years’ financial statements. Sometimes such changes may not be practicable. In such cases, it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

3. **Significant Accounting Policies**

The principal accounting policies applied by the Finance Company in the preparation of these financial statements are presented below. These policies have been consistently applied to all the years presented unless stated otherwise.

3.1. **Basis of Measurement**

The Financial Statements of the Finance Company have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

- Available for sale investments (quoted) are measured at fair value.
- Liabilities for defined benefit obligations are recognized at the present value of the defined benefit obligation less the fair value of the plan assets.
- Financial assets and financial liabilities held at amortized cost are measured using a rate that is a close approximation of effective interest rate.

3.2. **Basis of consolidation**

a. **Business Combinations and Goodwill**

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Finance Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is immediately recognized in the profit or loss.



The Finance Company elects on a transaction-by transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Finance Company incurs in connection with a business combination are expensed as incurred.

The Finance Company has applied Exemptions for NFRS 3 as stated in Appendix C as follows:

A first-time adopter may elect not to apply NFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NFRSs). However, if a first-time adopter restates any business combination to comply with NFRS 3 it shall restate all later business combinations and shall also apply NFRS 10 from that same date.

However, the Finance Company does not have control over any other entity for consolidation of Financial Statements.

Investments in Shares made by the Finance Company are financial investments and have been described under 4.8 in Notes.

b. Non-Controlling Interest (NCI)

Reporting entity also attributes total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The finance company presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent. The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the Nepal Finance Ltd. and non-controlling interests are determined on the basis of present ownership interests.

However, Finance Company does not have a Subsidiary. So, the non-controlling interest has not been calculated separately.

c. Subsidiaries

Subsidiaries are entities that are controlled by the Finance Company. The Finance Company is presumed to control an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Finance Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control mentioned above.

The Financial Statements of Subsidiaries are fully consolidated from the date on which control is transferred to the Finance Company and continue to be consolidated until the date when such control ceases. The Financial Statements of the Finance Company's Subsidiaries are prepared for the same reporting year as per the Finance Company, using consistent accounting policies.

However, Finance Company does not have any subsidiary.

d. Loss of Control

When the Finance Company loses control over a Subsidiary, it derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Finance Company recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant NFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with relevant NFRS or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Finance Company recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

However, Finance Company does not have any subsidiary.

e. Special Purpose Entity (SPE)

An entity may be created to accomplish a narrow and well-defined objective (e.g., to affect a lease, research and development activities or a securitization of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the SPE. Examples of SPEs include entities set up to affect a lease, a securitization of financial assets, or R&D activities. Nepal Financial Reporting Standard 10 Consolidated Financial Statement is applicable in relation to consolidation of special purpose entity.

The Finance Company does not have any special purpose entity.



f. Transaction elimination on consolidation

In consolidating a subsidiary, the group eliminates full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the subsidiary and the Finance Company (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

The Finance Company does not have any subsidiary.

3.3 Cash and cash equivalents

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value and are used by the Finance Company in the management of short-term commitments.

Details of the Cash and Cash Equivalents are given in Note 4.1 to the Financial Statements.

3.4 Financial assets and Financial Liabilities

Initial Recognition

a. Date of Recognition

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Finance Company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

b. Recognition and Initial Measurement of Financial Instruments

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

Classification and Subsequent Measurement of Financial Instruments

Classification and Subsequent Measurement of Financial Assets

At the inception, a financial asset is classified into one of the following:

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

- i. Financial assets held for trading
- ii. Financial assets designated at fair value through profit or loss

(b) Held to Maturity Financial Assets

(c) Loans and Receivables

(d) Financial assets available for sale

The subsequent measurement of financial assets depends on their classification.

(a) Financial Assets at Fair Value through Profit or Loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

(a)(i) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by Finance Company that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards (NAS) 39 "Financial Instruments: Recognition and Measurement".

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in 'Net trading income'. Dividend income is recorded in 'Net trading income' when the right to receive the payment has been established

Finance Company evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When Finance Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Finance Company may elect to reclassify these financial assets. Financial assets held for trading include instruments such as government securities



and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term.

(a) (ii) Financial Assets Designated at Fair Value through Profit or Loss

Finance Company designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The assets contain one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or losses are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial instruments designated at fair value through profit or losses' in the Statement of Profit or Loss. Interest earned is accrued under 'Interest income', using the effective interest rate method, while dividend income is recorded under 'Other operating income' when the right to receive the payment has been established.

The Finance Company has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

(b) Held to Maturity Financial Assets

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Finance Company has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in 'Interest income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss.

(c) Loans and Receivables from Customers

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Finance Company intends to sell immediately or in the near term and those that the Finance Company, upon initial recognition, designates as fair value through profit or loss.
- Those that the Finance Company, upon initial recognition, designates as available for sale
- Those for which the Finance Company may not recover substantially all of its initial investment through contractual cash flows, other than because of credit deterioration.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less allowance for impairment. Within this category, loans and advances to the customers have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Income' in the Statement of Profit or Loss. The losses arising from impairment are recognized in 'Impairment charge / reversal for loans and other losses' in the Statement of Profit or Loss.

(d) Financial Assets Available for Sale

Available for sale financial assets include equity and debt securities. Equity Investments classified as 'Available for Sale' are those which are neither classified as 'Held for Trading' nor 'Designated at fair value through profit or loss. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available for sale financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Available for sale reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Where Finance Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. Interest earned whilst holding 'Available for sale financial investments' is reported as 'Interest income' using the effective interest rate. Dividend earned whilst holding 'Available for sale financial investments' are recognized in the Statement of Profit or Loss as 'other operating income' when the right to receive the payment has been established. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss under 'Impairment charge for loans and other losses' and removed from the 'Available for sale reserve'.

Financial assets under AFS that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortized cost of the security are recognized in income statement and other changes in the carrying amount are recognized in other comprehensive income.

In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the fair value will be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield, option volatilities and currency rates. When such evidence exists, the Finance Company recognizes a trading gain or loss on inception of the financial instrument, being the difference between the transaction price and fair value.

When unobservable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value from the transaction price as indicated by the valuation model is not recognized immediately in the income statement. Instead, it is recognized over the life of the transaction on an appropriate basis, when the inputs become observable, the transaction matures or is closed out, or when the Finance Company enters into an offsetting transaction.

Classification and Subsequent Measurement of Financial Liabilities

At the inception, Finance Company determines the classification of its financial liabilities. Accordingly financial liabilities are classified as:

(a) Financial liabilities at fair value through profit or loss

- i. Financial liabilities held for trading
- ii. Financial liabilities designated at fair value through profit or loss

(b) Financial liabilities at amortized cost

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

(a) (i) Financial Liabilities Held for Trading

Financial liabilities are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category includes derivative financial instrument entered into by Finance Company that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement).

(a) (ii) Financial Liabilities Designated at Fair Value through Profit or Loss

Finance Company designates financial liabilities at fair value through profit or loss at following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the liabilities.
- The liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
- The liability contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

(b) Financial Liabilities at Amortized Cost

Financial instruments issued by Finance Company that are not classified as fair value through profit or loss are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in Finance Company having an obligation either to deliver cash or another financial asset to another Finance Company, or to exchange financial assets or financial liabilities with another Finance Company under conditions that are potentially unfavorable to the Finance Company or settling the obligation by delivering variable number of Finance Company's own equity instruments.

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Within this category, deposits and debt instruments with fixed maturity period have been recognized at amortized cost using the method that very closely approximates effective interest rate method. The amortization is included in 'Interest Expenses' in the Statement of Profit or Loss. Gains and losses are recognized in the Statement of Profit or Loss when the liabilities are derecognized.



Reclassification of Financial Instruments

3.4.1. (a) Reclassification of Financial Instruments 'At fair value through profit or loss'

Finance Company does not reclassify derivative financial instruments out of the fair value through profit or loss category when it is held or issued.

Non-derivative financial instruments designated at fair value through profit or loss upon initial recognition are not reclassified subsequently out of fair value through profit or loss category.

Finance Company may, in rare circumstances reclassify financial instruments out of fair value through profit or loss category if such instruments are no longer held for the purpose of selling or repurchasing in the near term notwithstanding that such financial instruments may have been acquired principally for the purpose of selling or repurchasing in the near term. Financial assets classified as fair value through profit or loss at the initial recognition which would have also met the definition of 'Loans and Receivables' as at that date is reclassified out of the fair value through profit or loss category only if Finance Company has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Any gain or loss already recognized in respect of the reclassified financial instrument until the date of reclassification is not reversed to the Statement of Profit or Loss.

If a financial asset is reclassified, and if Finance Company subsequently increases its estimates of the future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

3.4.1. (b) Reclassification of 'Available for sale' Financial Instruments

Finance Company may reclassify financial assets out of available for sale category as a result of change in intention or ability or in rare circumstances that a reliable measure of fair value is no longer available.

A financial asset classified as available for sale that would have met the definition of loans and receivables at the initial recognition may be reclassified out of available for sale category to the loans and receivables category if Finance Company has the intention and ability to hold such asset for the foreseeable future or until maturity.

The fair value of financial instruments at the date of reclassification is treated as the new cost or amortized cost of the financial instrument after reclassification. Difference between the new amortized cost and the maturity value is amortized over the remaining life of the asset using the effective interest rate. Any gain or loss already recognized in Other Comprehensive Income in respect of the reclassified financial instrument is accounted as follows:

i) Financial assets with fixed maturity:

Gain or loss recognized up to the date of reclassification is amortized to profit or loss over the remaining life of the investment using the effective interest rate. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

ii) Financial assets without fixed maturity:

Gain or loss recognized up to the date of reclassification is recognized in profit or loss only when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

If a financial asset is reclassified, and if Finance Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than an adjustment to the carrying amount of the asset at the date of change in estimate.

3.4.1. (c) Reclassification of 'Held to Maturity' Financial Instruments

As a result of a change in intention or ability, if it is no longer appropriate to classify an investment as held to maturity, Finance Company may reclassify such financial assets as available for sale and re-measured at fair value. Any difference between the carrying value of the financial asset before reclassification and fair value is recognized in equity through other comprehensive income.

However, if Finance Company were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity [other than in certain specific circumstances permitted in Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement)], the entire category would be tainted and would have to be reclassified as 'Available for sale'. Furthermore, Finance Company would be

prohibited from classifying any financial assets as ‘Held to Maturity’ during the following two years. These reclassifications are at the election of management and determined on an instrument-by-instrument basis.

De-recognition of Financial Assets and Liabilities

3.4.2. (a) De-recognition of Financial Assets

Finance Company derecognizes a financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or
- Finance Company has transferred its rights to receive cash flows from the asset or
- Finance Company has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either Finance Company has transferred substantially all the risks and rewards of the asset or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

When Finance Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Finance Company’s continuing involvement in the asset. In that case, Finance Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Finance Company has retained.

When Finance Company’s continuing involvement that takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received by Finance Company that Finance Company could be required to repay.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to income statement as gains and losses from investment securities.

3.4.2. (b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

3.4.2. (c) Repurchase and Reverse Repurchase Agreements

Securities sold under agreement to repurchase at a specified future date are not de-recognized from the Statement of Financial Position as the Finance Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the Statement of Financial Position as a liability with a corresponding obligation to return it, including accrued interest under ‘Securities sold under repurchase agreements’, reflecting the transaction’s economic substance to the Finance Company. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest rate. When the Finance Company has the right to sell or re-pledge the securities, the Finance Company reclassifies those securities in its Statement of Financial Position as ‘Financial assets held for trading pledged as collateral’ or ‘Financial assets available for sale pledged as collateral’, as appropriate.

Conversely, securities purchased under agreements to resell at future date are not recognized in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, under ‘Reverse repurchase agreements’ reflecting the transaction’s economic substance to the Finance Company. The difference between the purchase and resale prices is recorded as ‘Interest income’ and is accrued over the life of the agreement using the effective interest rate. If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within ‘Financial liabilities held for trading’ and measured at fair value with any gains or losses included in ‘Net trading income’.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial



Position when and only when Finance Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under NFRSs or for gains and losses arising from a group of similar transaction such as in trading activity.

Amortized Cost Measurement

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

Fair Value Measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Finance Company has access at that date. The fair value of liability reflects its non-performance risk. When available, the Finance Company measures the fair value of an instrument using the quoted price in an active market for that instrument (Level 01 valuation). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis on an arm’s length basis.

If there is no quoted price in an active market, then the Finance Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. Valuation techniques include using recent arm’s length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Finance Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. Assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price. Where the Finance Company has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to net open position as appropriate.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Finance Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Finance Company entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Finance Company believes a third-party market participant would take them into account in pricing a transaction.

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available.

However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). Fair values are determined according to the following hierarchy:

Level 1 input

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Held for trading and available for sale investments have been recorded using Level 1 inputs.

Level 2 inputs

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

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest best use or by selling it to another market participant that would use the asset in its highest and best use.

The Finance Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Implementation of NFRS 9 -Expected Credit Loss

The measurement of impairment losses across the categories of financial assets under Nepal Financial Reporting Standard - NFRS 9 on "Financial Instruments" (NFRS 9) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. Accordingly, Finance reviews its individually significant loans and advances portfolio at each reporting date to assess whether an impairment loss is to be recognized in the Income Statement. In particular, the Management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, Management makes judgements about a borrower's financial situation and the net realizable value of any underlying collateral (foreclosure) and expected cash from operations. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable. These estimates are based on assumptions about several factors and hence actual results may differ, resulting in future changes to the impairment allowance made.

Following NFRS 9, the Finance's Expected Credit Loss (ECL) calculations are outputs of complex models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of Finance's ECL models that are considered accounting judgements and estimates include:

- Criteria for qualitatively assessing whether there has been a significant increase in credit risk (SICR) and if so, allowances for financial assets measured on a Lifetime Expected Credit Loss (LT - ECL) basis.
- Segmentation of financial assets when their ECL is assessed on a collective basis.
- Various statistical formulas and the choice of inputs used in the development of ECL models.
- Associations between macroeconomic inputs, such as GDP growth, inflation, interest rates, exchange rates and unemployment and the effect of these inputs on Probability of Default (PDs).
- Forward-looking macroeconomic scenarios and their probability weightings.
- Coupon rate of loan has been considered by the Finance as effective interest rate.

As such, the accuracy of the impairment provision depends on the model assumptions and parameters used in determining the ECL calculations. Further, Finance has assigned weightages for base (normal) case, best case and worst-case scenarios when assessing the probability weighted forward looking macro-economic indicators.

3.4.3

Impairment charges and other losses

Identification and measurement of impairment of financial assets

The institution applies NFRS 9 for the recognition and measurement of financial instruments, utilizing a forward-looking General ECL model to calculate impairment provisions for loans and receivables. Impairment provisions are not recognized for receivables that have not been accrued or accounted for.

Under NFRS 9, impairment assessments are categorized into two main approaches:

- Individual Impairment
- Collective Impairment

3.4.3.(a) Individual Impairment

The Institution shall test objective evidence of impairment for Individually Significant Loans (ISL). If an ISL evaluated under the objective evidence test for impairment does not require an individual impairment provision, it is then assessed under the collective impairment framework having categorized within the appropriate risk bucket. Conversely, loans that have already undergone individual assessment and have been assigned an impairment provision are excluded from the collective impairment assessment. All Stage 3 assets shall be subject to individual impairment.

3.4.3.1.1. Modality for Cash Flow Estimations

- The Credit Business Departments and/or Recovery Department shall determine the most appropriate mode of recovery for all identified ISLs with objective evidence of the losses



incurred and stage 3 assets.

- The Credit Business Departments and/or Recovery Department shall determine the future cash inflows of the ISL with objective evidence of impairment and stage 3 loans based on historical repayment patterns and anticipated future cash flows as agreed with the customer.
- The expected timing of the cash flows shall be estimated based on the current status of the recovery process.
- The basis of the assumption and methodology adopted to forecast future cash flows shall be approved by Head of Recovery Department.
- The future cash flows shall be estimated considering Forced Sales Value (FSV) of mortgaged/foreclosed properties considering the projections with substantial evidence.
- Valuation of mortgaged/foreclosed properties shall be done internally or through external valuators for the purpose of computation of ECL under this policy.

3.4.3.1.2. Measurement of ECL of ISLs

ECL is measured as the present value of cash shortfalls, which is the difference between the cash flows due to the entity under the contract and the cash flows the institution expects to receive. It is calculated by discounting the future cash flows using the contract interest rate or effective interest rate.

3.4.3.(b) Collective Impairment

All contracts that are not subject to individual impairment shall be subject to collective impairment, determined by their respective segment classification

3.4.3.3. Staging

For the purposes of impairment and income recognition, financial assets under the scope of impairment requirement shall be classified into stage 1,2 or 3 within each portfolio segment.

- Stage 1 -** All loans and advances other than purchased or originated credit-impaired financial assets and those required to be differently categorized by NRB guidelines, are classified at initial recognition as stage 1.
- Stage 2 -** Upon subsequent review, any loans, and advances where there is a significant increase in credit risk are classified as stage 2.
- Stage 3 -** Any loans and advances where an actual default has taken place are classified as stage 3.

Purchased or originated credit impaired (POCI) financial assets: Financial assets which are credit impaired on initial recognition are categorized within Stage 3 with a carrying value already reflecting the LTECL.

3.4.3.4. Criteria or Indicators of Significant Increase in Credit Risk (SICR)

The following criteria or indicators shall be considered to assess SICR:

- More than 30 days past due
- Deterioration of relevant determinants of credit risk (eg future cash flows) for an individual obligor (or pool of obligors)
- Expectation of forbearance or restructuring due to financial difficulties
- Deterioration of prospects for sector or industries within which a borrower operates
- Borrowers affected by macroeconomic conditions based on reasonable and supportable forecasts.
- Modification of terms resulting in restructuring/rescheduling.
- Credit Quality Indicators determined as per internal credit assessment of performing loans which are subject to individual monitoring and review, are weaker than that in the initial recognition
- Both qualitative and quantitative factors shall be considered while assessing whether there has been significant increases in credit risk.
- Exposure on borrower whose business/project is not in operation with overdue of up to 30 days as at reporting date.

3.4.3.5. Transfer criteria between stages

- Transfer From Stage 2 to Stage 1: Where there is evidence of significant reduction in credit risk, the institution shall upgrade such exposure from Stage 2 to Stage 1.
- Transfer Out of Stage 3: Though the conditions for an exposure to be classified in Stage 3 no longer exist, the institution shall continue to monitor for a minimum probationary period of

90 days to upgrade from Stage 3.

- For restructured/rescheduled exposures: The institution shall monitor restructured/rescheduled exposures classified under Stage 3 for a minimum probationary period of 24 months before upgradation.
Upgrading of stages for exposures shall be executed by the Credit Risk Management Department.

3.4.3.6. Methodology of ECL Impairment

3.4.3.6.1. Life-time Expected Credit Losses

Lifetime ECLs represent the expected credit losses arising from all possible default events over the expected life of a financial instrument. The institution shall estimate the likelihood of default occurring during the instrument's expected life. Lifetime ECLs are recognized for contracts in Stage 2 and Stage 3, representing the expected credit losses arising from all potential default events over the expected life of the financial asset.

3.4.3.6.2. 12 month expected credit losses

The 12-month ECL represents a portion of the lifetime ECL, specifically the credit losses expected from default events that may occur within the 12 months following the reporting date. For Stage 1 contracts, a 12-month ECL is recognized, which reflects the lifetime expected credit loss on the asset, weighted by the probability of default occurring within the next 12 months. This is distinct from the full lifetime ECL, which considers the entire duration of the financial instrument.

3.4.3.7. Method of calculating ECL

The ECL computation methodology is as follows.

$$ECL = PD \times LGD \times EAD \times DF$$

Where:

PD : Probability of Default

LGD : Loss Given Default

EAD : Exposure at Default

DF : Discount Factor

The institute computes ECL using three main components; a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) under the collective assessment. These parameters are generally derived from developed statistical models and historical data and then adjusted to reflect forward-looking information.

PD – The probability of default represents the likelihood of a borrower defaulting on its financial obligations either over the next 12-months (12m PD) or over the remaining lifetime (Lifetime PD) of the obligation.

LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time.

EAD – The exposure at default represents the expected exposure in the event of a default.

3.4.3.7.1. Estimation of PD

The PD represents the likelihood of default within a given time horizon (12 months for Stage 1 and lifetime for Stage 2 and 3).

Probability of default is computed using transition matrix as NFRS 9 requires point-in-time (PIT) PDs. Therefore, through-the-cycle (TTC) PDs needs to be converted into PIT PDs. Transition matrix based on days past due information for past 5 years is analyzed to establish TTC PDs and establish credit index based on the historical information. Year on year transition is taken into account on a monthly basis. All these PDs are calculated for the summarized product segments.

3.4.3.7.2. Forward Looking Information – EFA Calculation

The Through-the-Cycle (TTC) PDs is converted into Point-in-Time (PIT) PDs using a scoring platform. The Scorecard analysis is conducted using several quantitative macroeconomic variables, with weightages for each variable calculated based on the



correlation between the macroeconomic variable and the Weighted Average PD for the corresponding period across all product segments combined.

Since the products shall be segmented into different categories for estimating forward-looking PD rates, the correlation between the default events of each product segment and the macroeconomic variables is calculated separately. This approach ensures that accurate scores are assigned for deriving Point-in-Time PD rates specific to each product segment.

The institution shall rely on broad range of quantitative forward-looking information as economic inputs such as the following in its Eco model. These inputs are mainly extracted from “World Economic Outlook Database” of International Monetary Fund (IMF) website.

Quantitative inputs	Code
Current Account Balance-Percent of GDP	CURR
Unemployment Rate-Unemployment, total (% of total labour force) (modelled ILO estimate)	UNEMP
Inflation, average consumer prices-Percent change	INF
Gross Domestic Product, constant prices-Percent change	GDP
Gross National Savings-Percent of GDP-(Units)	GNS
General Government Revenue-Percent of GDP-(Units)	REV
Gross Government Debt – Percent of GDP-(Units)	GGD

3.4.3.7.3. Estimation of LGD

LGD is the percentage of the loan that the institution expects to lose if the borrower defaults. It is influenced by factors such as collateral, recovery rates, and workout costs.

The LGD is the percentage of the loan that the institution expects to lose if the borrower defaults. It is influenced by factors such as collateral, recovery rates, and workout costs.

The LGD shall be calculated in following order:

- (i) Historical actual recovery rates shall be used in first place.
- (ii) If historical rates are unavailable, LGD shall be calculated based on valuation (prudential floors) for ECL calculation as outlined in NRB guideline considering disposal time and costs until expected disposal of collateral or assets. However, value of collateral or assets for loans that have defaulted and not realized within 5 years of default, shall not be used for determining loss or recovery rates. The management shall decide LGD floor for portfolio or collateral in such case from time to time in order to estimate account disposal time and costs until expected disposal of collateral or assets with minimum floor rate of 10%.
- (iii) If such net realizable value of collateral or other sources is reliably undeterminable or where the institution is unable to compute LGDs due to lack of data or inputs, LGD of 45 per cent for such credit exposures shall be applied with approval of Board of Directors.

Haircut to collateral value for recovery expense and non-recovery shall be considered at the rates prescribed in ECL guidelines issued by Nepal Rastra Bank.

3.4.3.7.4. Estimation of EAD

EAD is the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of the principal and interest, whether scheduled by contract or otherwise and expected draw downs on committed facilities.

For loans and receivables with contractual maturity loans balances is taken up to the

remaining maturity based on the repayment pattern. Mainly mid-year balances in the repayment schedule are taken by discounting them to the reporting date. For unutilized credits and other off-balance sheet items credit conversion factor is used to get the EAD. The calculation varies depending on the type of credit product.

Term Loans

EAD is calculated based on the loan's amortization schedule, expected future exposure and undrawn commitments.

For these products, EAD is based on historical usage patterns. A higher CCF is applied to the unused credit limit, as borrowers are likely to draw down more credit before defaulting.

Off Balance Sheet Exposures

If data for off-balance sheet exposures is unavailable, the Credit Conversion Factors specified by NRB shall be applied.

3.4.3.7.5. Scenario probability weighting

In order to capture the prevailing economic conditions into Economic Factor Adjustment (EFA) to incorporate the expected credit loss in determining the impairment for collectively assessed portfolios, the Bank used following weightages for the expected economic scenarios.

Economic Scenario	New Weightages
Best	11%
Base	68%
Worst	21%

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

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

Interest income

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

Interest income presented in the statement of profit or loss includes:

- Interest income on financial assets measured at amortized cost is calculated on an effective interest rate to the gross carrying amount of financial assets unless the financial asset is written off either partially or fully. These financial assets include loans and advances including staff loans, investments in government securities, investments in corporate bonds, investments in NRB Bond and deposit instruments, inter-bank lending, etc.
- NFRS 9 requires recognition of interest income on the financial assets measured at amortised cost using the effective interest rate. Nepal Rastra Bank has on July 27, 2025, issued Guidance Note on Interest Recognition, 2025 wherein it has provided transitional arrangement plan towards full implementation for NFRS 9. This guideline allows banks and financial institutions to recognise interest on loans and advances based on coupon rate of interest for the financial year 2081-82 and 2082-83 and thereafter from the financial year 2083-84 use the effective interest rate on loans and advances.
- This guideline aims to advance towards full implementation of NFRS 9, the interest income recognition practice will be transitioned as follows:



Interest income	Year 1 (FY 2081/82)	Year 2 (FY 2082/83)	Year 3 (FY 2083/84)
Stage 1 and Stage 2 Financial Assets	Based on coupon interest rate on principal outstanding for all financial assets (accrual basis)	Based on coupon interest rate applied on principal outstanding for all financial assets (accrual basis)	Based on effective interest rate applied on gross carrying amounts for all financial assets except for old term loans Based on deemed effective interest rate applied for old term loans only (where integral fees have already been recognized as income in previous years)
Stage 3 or Purchased or Originated Credit impaired financial assets	Based on cash basis approach (incremental) Coupon interest rate applied on principal outstanding	Based on cash basis approach (incremental) Coupon interest rate applied on principal outstanding	Based on amortised cost as per NFRS 9 Deemed Effective interest rate for old term loans is calculated without taking into account integral fees already booked and is applied on amortised cost Effective interest rate of all financial assets other than old term loans is to be calculated based on integral fees obtained and also considering discounts, premiums and other integral costs and is applied on amortised cost.

The Finance has used this provision of this guideline to recognise interest on loans and advances by using the coupon rate of interest instead of the effective rate of interest.

Loans and advances to banks, financial institutions, and customers have been measured at amortized cost in accordance with NFRS 9. As permitted by the carve-out provided by the Institute of Chartered Accountants of Nepal (ICAN) until FY 2082/83, the contractual coupon rate has been applied as the Effective Interest Rate (EIR) for the purpose of Expected Credit Loss (ECL) computation.

Interest income has been recognized in line with the Guidance Note on Interest Income Recognition, 2025 issued by Nepal Rastra Bank (NRB). In compliance with the requirement to recognize interest on Stage 3 loans on a cash basis, Nepal Finance Limited derecognized NPR 396,384,769 relating to accrued interest not realized in cash during FY 2081/82.

Impairment of financial assets has been assessed under paragraph 5.5 of NFRS 9 and relevant NRB Directives. In accordance with Clause 16 of NFRS 9 – Expected Credit Loss Related Guidelines, 2024 and ICAN's carve-out, impairment has been recognized at the higher of (i) ECL computed under NFRS 9 and (ii) loan loss provisions as per NRB Directives.

Details of such impairment are as mentioned below:

Particulars	Amount in NPR	
	Year ended Ashad 2082	Year ended Ashad 2081
Impairment (A)	170,597,527	240,170,372
Provision as per NRB (B)	229,440,472	240,170,372
Impairment to be considered (Higher of A or B)	229,440,472	240,170,372

Note: The Impairment for FY 2081-82 is calculated as per Expected Credit Loss model under NFRS 9, whereas for the previous FY 2080-81, it was calculated based on the Incurred Loss Model under NAS 39.



3.5 Trading Assets

One of the categories of financial assets at fair value through profit or loss is “held for trading” financial assets. All financial assets acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking are trading assets.

3.6 Derivatives assets and derivative liabilities

A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as an interest rate, commodity or security price, or index; that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and that is settled at a future date.

Forward contracts are the contracts to purchase or sell a specific quantity of a financial instrument, a commodity, or a foreign currency at a specified price determined at the outset, with delivery or settlement at a specified future date. Settlement is at maturity by actual delivery of the item specified in the contract, or by a net cash settlement.

All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the statement of financial position regardless of whether they are held for trading or non-trading purposes. Changes in fair value on derivatives held for trading are included in net gains/ (losses) from financial instruments in fair value through profit or loss on financial assets/ liabilities at fair value through profit or loss.

Finance Company doesn't deal with any derivative financial instruments.

3.7 Property, Plant and Equipment

Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Finance Company applies the requirements of the Nepal Accounting Standard - NAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably measured.

Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to replace part of an item of property, plant& equipment. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of computer equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Cost Model

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

Revaluation Model

The Finance Company has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount.

On revaluation of an asset, any increase in the carrying amount is recognized in ‘Other comprehensive income’ and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within that part will flow to the Finance Company and it can be reliably measured. The cost of day to day servicing of property, plant and equipment are charged to the Statement of Profit or Loss as incurred.

Depreciation

Depreciation is calculated by using the written down value method on cost or valuation of the Property & Equipment other than freehold land and leasehold properties.



The rates of depreciations are given below:

Rate of Depreciation per annum (%)

Asset Category	For the year ended 16 July 2025
Buildings	5%
Motor Vehicles	20%
Computer Equipment	25%
Furniture, Office Equipment	25%
Machinery	15%

Residual Value and estimated useful lives of Property and equipment are reviewed at each year end and adjusted, if appropriate. If any asset is in use even after its full depreciation, such assets are not considered material. And also, the assets are reviewed at each year end for indicators of impairment. If in such review, the carrying amount of any asset is higher than its recoverable amount, the asset is written down to its recoverable amount immediately.

Depreciation on Leasehold Property and Software (Intangible Assets) had been computed using the Written Down Value (WDV) method in the previous fiscal year instead of the Straight Line Method (SLM) in accordance with the Bank's accounting policy. As a result, depreciation for the previous fiscal year was understated by NPR 1,114,415 on Leasehold Property and NPR 493,479 on Software, totaling NPR 1,607,894.

The understatement has been corrected in the current fiscal year by adjusting the amount through Depreciation & Amortization under Schedule 4.13 – Property, Plant and Equipment and Schedule 4.14 – Intangible Assets in the Statement of Profit or Loss. This adjustment has not been reflected in opening retained earnings and has been accounted for entirely in the current year's profit or loss.

Changes in Estimates

The asset's methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of an asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Finance Company incurs in connection with the borrowing of funds.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.8 Goodwill and Intangible Assets

Goodwill arising out of acquisition is initially measured at cost. Goodwill is measured at the excess of the aggregate of the consideration transferred taken together with the amount recognized for any non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. At the reporting date, the Finance Company has recognized the goodwill as intangible asset that has been arisen from the acquisition of erstwhile Lalitpur Finance Limited.

Goodwill from Acquisition of erstwhile Lalitpur Finance Limited has been recognized of Rs. 16,952,666.00 as calculated below:

Particulars	Amount (Rs)
Net Assets Received	209,652,982
Purchase Consideration (1,879,453 shares at net worth Rs 120.57 each share)	226,605,648
Goodwill	16,952,666

Goodwill and intangible assets with infinite useful life such as license are not amortized but are assessed for impairment

in each reporting period or as and when there is indication of impairment. The assessment of infinite life is reviewed each reporting period to determine whether the infinite life continues to be supportable.

The Goodwill recognized upon acquisition of erstwhile Lalitpur Finance Limited has been assessed for impairment and indication of impairment of such goodwill has not been observed at the end of the reporting period. These acquisitions have resulted in synergistic growth in the business of the Finance Company with significant boost observed in many key areas. As the assets acquired from these acquisitions along with the goodwill will continue to provide support in generation of future cash flows as well, the probability of the goodwill being impaired is assessed to be very low. The impairment indicators are being monitored regularly.

Recognition

An intangible asset is an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administrative purposes. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost. Expenditure incurred on an intangible item that was initially recognized as an expense by the Finance Company in previous annual Financial Statements or interim Financial Statements are not recognized as part of the cost of an intangible asset at a later date.

Computer Software & Licenses

Cost of purchased licenses and all computer software costs incurred, licensed for use by the Finance Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category 'Intangible assets' and carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent Expenditure

Expenditure incurred on software is capitalized only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Goodwill is measured at cost less accumulated impairment losses.

Amortization of Intangible Assets

Intangible Assets, except for goodwill, are amortized on a straight-line basis in the Statement of Profit or Loss from the date when the asset is available for use, over the best of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Finance Company. Amortization methods, useful lives, residual values are reviewed at each financial year end and adjusted if appropriate. The Finance Company assumes that there is no residual value for its intangible assets.

Asset Category	For the year ended 16 July 2025	For the year ended 15 July 2024
Computer Software	5 years	5 years
Licenses	5 years	5 years

De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising on de recognition of an item of intangible assets is included in the Statement of Profit or Loss when the item is derecognized.

3.9 Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

Measurement

Investment property is accounted for under Cost Model in the Financial Statements. Accordingly, after recognition as an asset, the property is carried at its cost, less impairment losses. If any property is reclassified to investment property due to changes in its use, fair value of such property at the date of reclassification becomes its cost for subsequent accounting.

De-recognition:

Investment properties are derecognized when they are disposed of or permanently withdrawn from use since no future economic benefits are expected. Transfers are made to and from investment property only when there is a change in use. When the use of a property changes such that it is reclassified as Property, Plant and Equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.



Details of Investment Property as on Ashad end 2082 are as follows:

Rs in thousand

S.N.	Particular	Date of NBA Booked	Closing FY 2081-82
1	Snow Hatchary Udyog	2071.03.32	17,285.29
2	Purnima Trade Link	2071.03.32	2,850.00
3	B.B Trade Link	2071.05.04	2,950.00
4	Sudhir Basnet	2071.03.32	3,300.00
5	Kumari Trade Link	2071.05.24	8,600.00
6	Anuska International Concern Pvt Ltd	2079.07.30	8,000.00
7	Lila Rayamajhi, Inaruwa-4, Sunsari	2080.12.12	3,640.00
8	G.C. Group of Company	2080.12.12	2,627.20
9	Oriental Builders and Developers Pvt. Ltd. Kathmandu	2081.03.27	5,175.00
10	Dambar Dhoj Bishwokarma	2081.09.22	3,513.26
11	New Luniva Beverage Pvt. Ltd.	2081.09.24	36,405.13
12	Baniya Builders Pvt. Ltd	2082.03.17	9,130.00
13	Messiah Contruction Pvt. Ltd	2082.03.17	69,983.51
14	Messiah Contruction Pvt. Ltd	2082.03.17	5,605.89
Total			179,065.28

Investment in Associates

Associates are those entities in which the Finance Company has significant influence, but not control, over the financial and operating policies. Investments in associate entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The Finance Company doesn't have any associates. The Finance Company considers that mere representation of the Finance Company in Board of Directors doesn't indicate significant influence.

3.10 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

3.11 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued, and subordinated liabilities are the Finance Company's sources of funding. Deposits include non-interest-bearing deposits, saving deposits, term deposits, call deposits and margin deposits. The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The fair value of fixed interest-bearing deposits is considered as the interest receivable on these deposits plus carrying amount of these deposits. The fair value of debt securities issued is also considered as the carrying amount of these debt securities issued. Sub-ordinated liabilities are liabilities subordinated, at the event of winding up, to the claims of depositors, debt securities issued and other creditors. The Finance Company does not have any debt securities issued and subordinated liabilities.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Finance Company 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. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows. A provision for onerous contracts is recognized when the expected benefits to be derived by the Finance Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Provision is not recognized for future operating losses.

Before a provision is established, the Finance Company recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

3.13 Regulatory Reserve

Regulatory reserve has been created as required by NRB Directive 4.3 by earmarking certain amounts of the retained earnings in respect of various NFRS adjustments carried out in its first NFRS financial statement as well as subsequent financial statements. Amount in this reserve is not distributable unless approved by NRB. The details are as follows:



Particulars	In respect of interest income recognized on accrual basis	Short loan loss provision on Non-Banking Assets (-)/ reversal (+)	Bargain Purchase Gain	Goodwill	Short provision for possible losses on Investment	In respect of loss on Fair value recognition of investment in securities	In respect of deferred tax Assets recognized	Others (Transferred from then M/S Lalitpur Finance)	Total
Balance as on Asadh end, 2077	352,637.00	92,936,567.00	-	-	1,836,883.00	-	18,245,611.00	-	113,371,698.00
Transfer during FY 2077-78	179,536.00	(10,945,455.00)	-	16,952,666.00	(1,836,883.00)	-	25,721,368.00	13,068,855.00	43,140,087.00
Balance as on Asadh end, 2078	532,173.00	81,991,112.00	-	16,952,666.00	-	-	43,966,979.00	13,068,855.00	156,511,785.00
Transfer during FY 2078-79	1,183,671.00	(18,608,975.00)	-	-	-	-	(5,804,390.00)	(13,068,855.00)	(36,298,549.00)
Balance as on Asadh end, 2079	1,715,844.00	63,382,137.00	-	16,952,666.00	-	-	38,162,589.00	-	120,213,236.00
Transfer during FY 2079-80	3,700,483.00	(22,885,400.00)	-	-	-	-	(6,148,576.00)	-	(25,333,493.00)
Balance as on Asadh end, 2080	5,416,326	40,496,737.00	-	16,952,666.00	-	-	32,014,013.00	-	94,879,743.00
Transfer during FY 2080-81	9,089,092.76	(6,207,421.50)	-	-	-	-	8,489,295.00	-	11,370,966.00
Balance as on Asadh end, 2081	14,505,418.76	34,289,315.50	-	16,952,666.00	-	-	40,503,308.00	-	106,250,708.00
Transfer during FY 2081-82	(3,429,964.82)	54,831,474.67	-	-	-	-	(4,025,166.07)	-	47,376,343.78
Balance as on Asadh end, 2082	11,075,455.20	89,120,790.17	-	16,952,666.00	-	-	36,478,141.93	-	153,627,053.58

General Reserve:

Particulars	Amount (Rs.)
Opening reserve	242,700,827
Addition during the year: (20% of the net profit)	774,119
Closing Reserve	243,474,947

20% of the net profit is set aside every year to the general reserve as per Banking and Financial Institution Act, 2073 until the reserve is twice the paid of share capital. No Dividend (either cash dividend or bonus share) are distributed from the amount in General/ Statutory Reserve:

3.14 Other Reserves

The other reserves shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount (Rs.)
Opening reserve	48,896,284
Changes during the year:	
Capital Adjustment Reserve*	-
Staff Skill Development Fund	371,508
Corporate social responsibility reserve	(419,018)
Closing Reserve*	48,848,773

* Closing balance of Other Reserves includes closing balance of Capital Adjustment Reserve, which is the amount received by the Finance Company from its shareholders but yet to be capitalized due to legal issues.

Corporate Social Responsibility Reserve:

In accordance with the directives outlined in NRB directive no. 6/81, a statutory reserve has been established by the Institution. This reserve necessitates an annual allocation of an amount equivalent to 1% of the bank's net profit. The purpose of this reserve is to support the bank's corporate social responsibility initiatives in the forthcoming year, as mandated by the requirement to allocate and utilize a minimum of 1% of the net profit for corporate social responsibility. The following represents the reserve balance at the conclusion of the reporting period.

Particulars	Amount (Rs.)
Opening reserve	457,724
Addition during the year	38,706
Expenses during the year	(457,724)
Closing Reserve	38,706

Employees' training fund

As per NRB Directive 6(6), Bank should spend 3% of total personnel expense of previous year on training and personal development of its employees. Accordingly, the Bank has spent during the FY 2081/82 on different Internal & External Trainings.

Staff Skill Development Fund

Particulars	Amount (Rs.)
Opening reserve	74,459
Addition during the year (3%) of Total Personnel Expenses of Previous year	1,360,212
Employee training expenses during FY 2081-82	988,704
Short employee training expenses during FY 2081-82	-
Closing Reserve	445,968

3.15 Fair value Reserve

This is a non-statutory reserve and is a requirement in the application of accounting policy for financial assets. NFRS 9 requires that cumulative net change in the fair value of financial assets measured at FVTOCI is recognized under fair value reserve heading until the fair valued asset is de-recognized. Any realized fair value changes upon disposal of the re-valued asset are reclassified from this reserve heading to retained earnings. The fair value reserve shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount (Rs.)
Opening reserve	36,519,861
Changes during the year	14,836,251
Closing Reserve	51,356,112

3.16 Share Premium

Share Premium, as shown in the SOCE of the financial statements comprises of followings:

Particulars	Amount (Rs.)
Opening Share Premium	51,082,367
Addition during the year due to Auction of Right Share	18,000
Closing Share Premium	51,100,367

3.17 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Finance Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized. The Finance Company applies NFRS 15 – “Revenue from Contract with Customers” in the accounting of revenue, unless otherwise stated.

Interest Income

For all financial assets measured at amortized cost, interest bearing financial assets classified as Fair value through other comprehensive income, interest income is recorded using the rate that closely approximates the EIR because the Finance Company considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Further, Interest income on Loans and Advances is recognized as per the Guidance Note on Interest Income Recognition, 2025 issued by NRB.

S.N	Particular	FY 2081-82
1.	Total AIR- Current Year	418,638,045
2.	Interest Recognition Suspended	396,384,769
3.	Accrued Income Recognized	22,253,275
4.	Interest Received till Shrawan End	-
5.	Accrued Income Recognized as per ECL Guidelines	22,253,275

Accrued interest (not realized in cash), has been appropriated to regulatory reserve at net of staff bonus, general reserve, corporate social responsibility and income tax as per regulatory requirement.



During the previous fiscal year, the Bank had overstated interest income on investment securities by NPR 2,754,301.81 due to an error in accounting for accrued interest on development bonds. In the current fiscal year, this error has been corrected by adjusting NPR 2,754,301.81 directly against Retained Earnings through the Statement of Changes in Equity (SOCE). The corresponding amount has been restored to interest income for the current year to correctly reflect income for the year.

Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over that period. These fees include Service fees, commission income. Loan syndication fees are recognized as revenue when the syndication has been completed and the Finance Company retained no part of the loan package for itself, or retained a part at the same effective interest rate as for the other participants. Portfolio and other management advisory fees and service distribution fees are recognized based on the applicable contracts, usually on a time apportionment basis.

Dividend Income

Dividend income is on equity instruments are recognized in the statement of profit and loss within other income when the Finance Company's right to receive payment is established.

Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities.

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

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instrument is designated at fair value through profit or loss. The Finance Company has no income under the heading net income from other financial instrument at fair value through profit or loss.

3.18 Interest Expense

For financial liabilities measured at amortized cost using the rate that closely approximates effective interest rate, interest expense is recorded using such rate. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

3.19 Employee Benefits

Employee benefits include:

- Short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:
 - i. Wages, salaries and social security contributions;
 - ii. Paid annual leave and paid sick leave;
 - iii. Profit sharing and bonuses, and
 - iv. Non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees;

Short term employee benefits are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Finance Company has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- Post-employment benefits, such as the following:
 - i. Retirement benefits (eg: pensions, lump sum payments on retirement); and
 - ii. Other post-employment benefits such as post-employment life insurance and post-employment medical care;
- Other long term employee benefits and
- Termination benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which a Finance Company pays fixed contribution into a separate bank (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to Finance Company by the employees and is recorded as an expense under 'Personnel expense' as and when they



become due. Unpaid contributions are recorded as a liability under 'Other Liabilities'.

Finance Company contributed 10% on the basic salary of each employee as the Employees' Provident Fund. The above expenses are identified as contributions to 'Defined Contribution Plans' as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, staff gratuity has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

Gratuity

The Gratuity benefits for the permanent staffs are provided as per existing employees byelaws. The new Labor Act 2074 is applicable from Bhadra 19, 2074 which requires payment of minimum Gratuity of at least 8.33% of basic salary to all staff (equal to one-month basic salary per year). The Finance Company has decided for the revision of its Employees Byelaws as per New Labor Act in FY 2078-79.

An actuarial valuation is to be carried out every year to ascertain the full liability under gratuity.

Finance Company's obligation in respect of defined benefit obligation is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods and discounting that benefit to determine its present value, then deducting the fair value of any plan assets to determine the net amount to be shown in the Statement of Financial Position. The value of a defined benefit asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reduction on the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement that apply to any plan in Finance Company. An economic benefit is available to Finance Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Finance Company determines the interest expense on the defined benefit liability by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the defined benefit liability at the beginning of the annual period. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Finance Company's obligations.

The increase in gratuity liabilities attributable to the services provided by employees during the year (current service cost) has been recognized in the Statement of Profit or Loss under 'Personnel Expenses' together with the net interest expense. Finance Company recognizes the total actuarial gain and loss that arises in calculating Finance Company's obligation in respect of gratuity in other comprehensive income during the period in which it occurs.

The demographic assumptions underlying the valuation are retirement age (60 years), early withdrawal from service and retirement on medical grounds.

Unutilized Accumulated Leave

Finance Company's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. Finance Company's net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of Finance Company's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

Disclosure of Actuarial Valuation for Leave:

Liability

S.N.	Particular	Total Leave
1	PV of Obligation at beginning of the year	7,176,249
2	Current Service Cost	3,476,649
3	Interest Cost	548,807
4	Benefits paid	(632,316)
5	Actuarial (gain)/Loss	-
6	Liability at the end of the year	10,569,389

3.20 Leases

NFRS 16 – Leases has introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability



representing its obligation to make lease payments. The Finance Company has applied NFRS 16 effective from FY 2078-79.

For any new contracts entered into, the Finance Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition, the Finance Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Finance Company;
- The Finance Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Finance Company has the right to direct the use of the identified asset throughout the period of use. The Finance Company assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

3.20.1 Measurement and recognition of leases as Lessee

At lease commencement date, the Finance Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Finance Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Finance Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Finance Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Finance Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Finance Company’s incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Finance Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Expenses recognized as per NFRS 16:

Particulars	Amount (NPR)
Interest Expenses	8,866,014
Depreciation	12,881,867

Assets/Liabilities recognized as per NFRS 16

Particulars	Amount (NPR)
Right of Use Assets (ROU)	156,969,680
Adjustment during the year	959,033
Gross Right of Use Assets (ROU)	157,928,713
Accumulated Depreciation – ROU	53,569,537
Net Right of Use Assets (ROU)	104,359,176
Lease Liability	125,554,693

As per NFRS 16 – Leases, if the lessee elects to apply this standard, the lessee shall recognize a lease liability at the date of initial application for leases previously classified as an operating lease applying NAS 17 and recognize a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying NAS 17. Accordingly, the Finance Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

3.21 Foreign Currency Transactions, Translation and Balances

All foreign currency transactions are translated into the functional currency, which is Nepalese Rupees, using the exchange rates prevailing at the dates when the transactions were affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Nepalese Rupees using the spot foreign exchange rate ruling at that date and all differences arising on non-trading activities are taken to 'Other Operating Income' in the Statement of Profit or Loss. The foreign currency gains or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the rates of exchange prevailing at the end of the reporting period.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items in foreign currency measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange differences arising on the settlement or reporting of monetary items at rates different from those which were initially recorded are dealt with in the Statement of Profit or Loss. However, foreign currency differences arising on available-for-sale equity instruments are recognized in other comprehensive income.

Forward exchange contracts are valued at the forward market rates ruling on the reporting date. Both unrealized losses and gains are reflected in the Statement of Profit or Loss.

However, no such contracts have been entered by the Finance Company.

3.22 Financial guarantee and loan commitment

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts may have various legal forms, such as a guarantee, some types of letter of credit, etc. Where the Finance Company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, over drafts etc. whether cancellable or not and the Finance Company had not made payments at the reporting date, those instruments are included in these financial statements as commitments.

3.23 Share capital and reserves

Share capital and reserves are different classes of equity claims. Equity claims are claims on the residual interest in the assets of the entity after deducting all its liabilities. Changes in equity during the reporting period comprise income and expenses recognized in the statement of financial performance; plus, contributions from holders of equity claims, minus distributions to holders of equity claims.

3.24 Earnings per share

Finance Company presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of Finance Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

Earnings per share is calculated and presented in the face of Statement of Profit and loss

3.25 Segment reporting

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Not every part of an entity is necessarily an operating segment or part of an operating segment. For example, a corporate headquarters or some functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the entity and would not be operating segments. For the purposes of this NFRS, an entity's post-employment benefit plans are not operating segments.



The Finance Company has identified eight segments based on the geographic locations of its offices in the country. Interest earnings and foreign exchange gains/losses generated while conducting businesses under different segments are reported under the respective segment. All transactions between the units are conducted on arm's length basis, with intra unit revenue and cost being nullified at the Finance Company level.

3.26 Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Finance Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the fair value of the Cash Generating Units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

3.27 Dividend on Ordinary Shares

Dividend on ordinary shares is recognized as a liability and deducted from equity when they are approved by the Finance Company's shareholders. Interim Dividend is deducted from equity when they are declared and no longer at the discretion of the Finance Company. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date.

3.28 Cash Flow Statement

The cash flow statement has been prepared using 'The Direct Method', whereby gross cash receipts and gross cash payments of operating activities, finance activities and investing activities have been recognized.

3.29 Comparative Figures

The comparative figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

3.30 Additional Disclosures

A. Staff Loans measured at fair value

Under previous NAS, staff loans were recorded at cost less repayments net of loan loss provision, if any. Under NFRS, the Finance Company has to measure the staff loans granted below the market interest rate at their fair value, calculate based on the market interest rate of similar products. The Staff loan as on Ashadh end 2082 is NPR 26,285,834 as per amortization schedule based on NFRS.

B. Adjustment on loan impairment

As per carve out issued by Institute of Chartered Accountants of Nepal, the loan loss provision should be made at higher of:

- Provision as required by NRB Directives or
- Provision as required by Nepal Accounting standards (Para 63 of NAS-39)

Analyzing the same, since the provision as required by NRB Directive was higher, specific loan loss provision were made based on the arrears time period and General provision were made at a specified rate given by NRB time to time in compliance with the NRB Directives and subsequent amendment there to.

Particular	Outstanding Loan	Provision	Net
Good	2,320,497,632	23,204,976	2,297,292,656
Watchlist	176,036,682	8,801,834	167,234,848
Reschedule			
Substandard	30,919,087	7,729,772	23,189,315
Doubtful	97,713,121	48,856,560	48,856,560
Bad	140,847,329	140,847,329	-
Total	2,766,013,851	229,440,472	2,536,573,380
Staff Loan	26,285,834		
Interest Receivable	22,253,275		
Total	2,585,112,488		

C. Financial Investments- Available for Sale

Under NFRS, the Finance Company has designated such investments as available-for-sale investments and measured at fair value. Such investments include equity investments, Mutual Funds.

As at Ashadh 32 2082, the fair value of the investment was NPR 184.87 million and NAS carrying amount was NPR 111.50 million. The difference between the instruments fair value and NAS carrying amount was NPR 73.37 million has been recognized in the available-for-sale reserve and movement was charged to Other Comprehensive Income.

D. Deferred Taxation

As on 16th July 2025 Deferred Tax Assets of Rs 13.64 million was recognized in books of accounts.

E. Interest Income

Income amounting to NPR 344.97 million was recognized for financial year 2024/25. The accrual interest of Rs 22.25 Million has been recognized as on financial year end of 2024/25, the amount was not recognized as income in compliance with the NFRS 9 - Expected Credit Loss Related Guidelines, 2025 issued by NRB.

F. Personnel Cost

1. Bonus to staffs – as per the labor act, 10% bonus has been levied before bonus.

Bonus payable includes the bonus from the profit of Nepal Finance Limited amounting Rs. 2,616,348

2. Tax – tax has been computed on the basis of profit computed from NFRS. The difference due to previous year has been booked in deferred tax.



Nepal Finance Limited
Notes to Financial Statements
As on 32 Ashadh 2082

Amount in NPR

4.1

Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash in Hand	32,413,089	32,186,119
Balances with BFIs	513,033,266	703,089,382
Money at Call and Short Notice	-	-
Other	-	-
Total	545,446,355	735,275,501

Due from Nepal Rastra Bank

4.2

Particulars	Current Year	Previous Year
Statutory Balances with NRB	340,700,915	262,054,164
Securities purchased under Resale Agreement	-	-
Other Deposit and Receivable from NRB	800,000,000	-
Total	1,140,700,915	262,054,164

Placements with Banks and Financial Institutions

4.3

Particulars	Current Year	Previous Year
Placement with Domestic BFIs	-	-
Placement with Foreign BFIs	-	-
Less: Allowances for Impairment	-	-
Total	-	-

Derivative Financial Instruments

4.4

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Other Trading Assets

4.5

Particulars	Current Year	Previous Year
Treasury Bills	-	-
Government Bonds	-	-
NRB Bonds	-	-
Domestic Corporate Bonds	-	-
Equities	-	-
Other Trading Assets	-	-
Total	-	-

Loans and Advances to BFIs

4.6

Particulars	Current Year	Previous Year
Loans to Micro-Finance Institutions	91,973,996	168,421,257
Other	-	-
Less: Allowances for Impairment	918,808	2,017,864
Total	91,055,188	166,403,393



4.6.1 Allowances for Impairment

Balance at Shrawan 01	2,017,864	1,005,446
Impairment Loss for the year:		
Charge for the year	(1,099,056)	1,012,418
Recoveries/Reversal		
Amount Written Off		
Balance at Ashad End	918,808	2,017,864

4.7 Loans and Advances to Customers

Particulars	Current Year	Previous Year
Loans and Advances measured at Amortized Cost	2,722,578,964	2,215,920,063
Less: Impairment Allowances		
Collective Impairment	(31,088,003)	(26,545,003)
Individual Impairment	(197,433,661)	(211,607,505)
Net Amount	2,494,057,300	1,977,767,555
Loans and Advances measured at FVTPL	-	-
Total	2,494,057,300	1,977,767,555

4.7.1: Analysis of Loans and Advances - By Product

Particulars	Current Year	Previous Year
Product		
Term Loans	645,966,795	458,552,626
Overdraft	146,141,125	121,702,783
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	169,991,536	189,096,789
Personal Residential Loans	351,668,232	258,562,378
Real Estate Loans	230,563,205	338,795,497
Margin Lending Loans	335,401,946	316,929,166
Hire Purchase Loans	144,847,854	103,848,166
Deprived Sector Loans	40,763,948	249,948
Bills Purchased	-	-
Staffs Loans	26,285,834	19,097,847
Other	608,788,364	386,326,280
Sub-Total	2,700,418,839	2,193,161,480
Interest Receivable	22,160,125	22,758,583
Grand Total	2,722,578,964	2,215,920,063

4.7.2: Analysis of Loans and Advances - By Currency

Particulars	Current Year	Previous Year
Nepalese Rupee	2,722,578,964	2,215,920,063
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	2,722,578,964	2,215,920,063

4.7.3: Analysis of Loans and Advances - By Collateral

Particulars	Current Year	Previous Year
Secured		
Moveable/Immoveable Assets	2,625,851,184	2,125,954,928
Gold and Silver	-	-
Guarantee of Domestic BFIs	-	-
Government Guarantee	-	-
Guarantee of International Rated Bank	-	-



Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	67,740,286	68,122,544
Collateraleal of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	28,987,495	21,842,590
Other Collateral	-	-
Subtotal	2,722,578,964	2,215,920,063
Unsecured	-	-
Grand Total	2,722,578,964	2,215,920,063

4.7.4: Allowance for Impairment

Particulars	Current Year	Previous Year
Specific Allowance for Impairment		
Balance at Shrawan 01	238,152,508	183,167,731
Adjustment for Acquisition	-	-
Impairment Loss for the year	-	-
Charge for the year	-	-
Recoveries/Reversals during the year	(14,173,843)	54,984,777
Write-Offs	-	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashad End	-	-
Collective Allowances for Impairment	-	-
Balance at Sharawan 01	-	-
Impairment Loss for the year	-	-
Charge/(Reversal) for the year	4,543,000	-
Exchange Rate Variance on Foreign Currency	-	-
Other Movement	-	-
Balance at Ashad End	-	-
Total Allowances for Impairment	228,521,664	238,152,508

Investment Securities

4.8

Particulars	Current Year	Previous Year
Investment Securities measured at Amortized Cost	363,594,471	366,348,773
Investment in Equity measured at FVTOCI	184,868,561	115,589,052
Total	548,463,032	481,937,825

4.8.1: Investment Securities measured at Amortized Cost

Particulars	Current Year	Previous Year
Debt Securities	-	-
Government Bonds	363,594,471	366,348,773
Government Treasury Bills	-	-
Nepal Rastra Bank Bonds	-	-
Nepal Rastra Bank Deposit Instruments	-	-
Other	-	-
Less: Specific Allowances for Impairment	-	-
Total	363,594,471	366,348,773

Note: The investment made in government bonds with original maturities of more than three months from the acquisition date measured at the amortised cost using the effective interest rate and are presented under this head. It includes accrued interest receivable amount NPR 3,794,471 as on date 2025.07.16

4.8.2: Investment in Equity measured at FVTOCI

Particulars	Current Year	Previous Year
Equity Instruments		
Quoted Equity Securities	169,851,161	102,462,552
Unquoted Equity Securities	15,017,400	13,126,500
Total	184,868,561	115,589,052



4.8.3: Information relating to Investment in Equities

Particulars	FY 2081-82		Particulars	FY 2080-81	
	Cost	Fair Value		Cost	Fair Value
Investment in Quoted Equity					
Api Power Company Ltd. (API)	412,107	637,708	Api Power Company Ltd. (API)	412,107	392,123
2155 Shares of Rs. 100 Each	-	-	2053 Shares of Rs. 100 Each	-	-
Arun Valley Hydropower Development Co. Ltd. (AHPC)	69	292	Arun Valley Hydropower Development Co. Ltd. (AHPC)	69	178
1 Shares of Rs. 100 Each	-	-	1 Shares of Rs. 100 Each	-	-
Butwal Power Company Limited (BPCL)	10,223,194	19,138,142	Butwal Power Company Limited (BPCL)	3,667,745	2,395,680
19992 Shares of Rs. 100 Each	-	-	7728 Shares of Rs. 100 Each	-	-
Chilime Hydropower Company Limited (CHCL)	3,424,078	3,812,034	Chilime Hydropower Company Limited (CHCL)	847,877	683,550
7146 Shares of Rs. 100 Each	-	-	1470 Shares of Rs. 100 Each	-	-
Hydroelectricity Investment and Development Company Limited (HIDCL)	5,931,081	5,852,200	Chilime Hydropower Company Limited (CHCL)	2,576,201	2,325,000
20000 Shares of Rs. 100 Each	-	-	5000 Shares of Rs. 100 Each	-	-
CEDB Hydropower Development Company Limited (CHDC)	7,831,646	7,925,970	CEDB Hydropower Development Company Limited (CHDC)	9,976,767	11,590,000
3000 Shares of Rs. 100 Each	-	-	10000 Shares of Rs. 100 Each	-	-
Himalayan Life Insurance Limited (HLI)	9,560,788	8,256,598	Himalayan Life Insurance Limited (HLI)	-	96,186
20281 Shares of Rs. 100 Each	-	-	246Shares of Rs. 100 Each	-	-
IME Life Insurance Company Limited (ILI)	842,065	866,288	IME Life Insurance Company Limited (ILI)	842,065	679,500
1875 Shares of Rs. 100 Each	-	-	1500 Shares of Rs. 100 Each	-	-
Nepal Doorsanchar Company Limited (NTC)	8,547,896	8,772,700	Nepal Doorsanchar Company Limited (NTC)	10,769,449	11,569,740
10000 Shares of Rs. 100 Each	-	-	13692 Shares of Rs. 100 Each	-	-
Siddhartha Premier Insurance Limited (SPL)	2,446,024	2,665,590	Siddhartha Premier Insurance Limited (SPL)	2,446,024	2,727,603
3172 Shares of Rs. 100 Each	-	-	3172 Shares of Rs. 100 Each	-	-
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited (SKBBL)	-	4,422	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited (SKBBL)	-	2,561
5 Shares of Rs. 100 Each	-	-	3 Shares of Rs. 100 Each	-	-
Nepal Reinsurance Company Ltd. (NRIC)	10,884,586	12,601,100	Sarbottam Cement Limited (SARBTM)	4,127,741	4,032,500
10000 Shares of Rs. 100 Each	-	-	5000Shares of Rs. 100 Each	-	-
Himalayan Reinsurance Co. Ltd (HRL)	4,639,797	4,613,900	(SHL) Soaltee Hotel Limited	2,207,238	2,210,000
5000 Shares of Rs. 100 Each	-	-	5000Shares of Rs. 100 Each	-	-
Mahalaxmi Bikas Bank Ltd. (MLBL)	-	1,647	Mahalaxmi Bikas Bank Ltd. (MLBL)	-	1,408
4 Shares of Rs. 100 Each	-	-	4 Shares of Rs. 100 Each	-	-
NLG Insurance Company Ltd. (NLG)	6,200	129,360	NLG Insurance Company Ltd. (NLG)	-	77,105
166 Shares of Rs. 100 Each	-	-	97 Shares of Rs. 100 Each	-	-



Particulars	FY 2081-82 Cost	Fair Value	Particulars	FY 2080-81 Cost	Fair Value
NRN Infrastructure Development Ltd (NRN)	7,507,991	11,395,950	NLG Insurance Company Ltd. (NLG)	-	5,564
5000 Shares of Rs. 100 Each	-	- 7 Shares of Rs. 100 Each		-	-
Ngadi Group Power Ltd. (NGPL)	2,053,882	3,986,700	Ngadi Group Power Ltd. (NGPL)	3,107,763	3,410,000
10000 Shares of Rs. 100 Each	-	- 10000 Shares of Rs. 100 Each		-	-
Nepal Insurance Co. Ltd. (NICL)	2,891,668	3,549,780	Nepal Insurance Co. Ltd. (NICL)	2,891,668	3,124,000
5502 Shares of Rs. 100 Each	-	- 3550 Shares of Rs. 100 Each		-	-
Prabhu Insurance Company Ltd. Promoter (PRINPO)	5,395,746	47,078,537	Prabhu Insurance Company Ltd. Promoter (PRINPO)	5,395,746	44,943,954
104387 Shares of Rs. 100 Each	-	- 99654 Shares of Rs. 100 Each		-	-
Laxmi Value Fund 2 (LVF2)	2,500,000	2,530,000	Laxmi Value Fund 2 (LVF2)	2,500,000	2,310,000
250000 Shares of Rs. 10 Each	-	- 250000 Shares of Rs. 10 Each		-	-
Radhi Bidyut Company Ltd (RADHI)	4,043,859	4,051,200	Radhi Bidyut Company Ltd (RADHI)	2,431,639	2,682,000
5000 Shares of Rs. 100 Each	-	- 10000 Shares of Rs. 100 Each		-	-
Reliable Nepal Life Insurance Limited (RNLI)	2,376,724	2,764,744	Reliable Nepal Life Insurance Limited (RNLI)	2,376,724	2,656,400
5800 Shares of Rs. 100 Each	-	- 5800 Shares of Rs. 100 Each		-	-
Himalayan 80-20 (H8020)	2,500,000	2,900,000	Himalayan 80-20 (H8020)	2,500,000	2,497,500
250000 Shares of Rs. 10 Each	-	- 250000 Shares of Rs. 10 Each		-	-
NIC ASIA Growth Fund-2 (NICGF2)	2,500,000	2,380,000	NIC ASIA Growth Fund-2	2,500,000	2,050,000
250000 Shares of Rs. 10 Each	-	- 250000 Shares of Rs. 10 Each		-	-
Muktinath Mutual Fund 1 (MNMF1)	1,500,000	1,485,000			
150000 Shares of Rs. 10 Each	-	-			
Garima Samridhhi Yojana (GSY)	1,500,000	1,492,500			
150000 Shares of Rs. 10 Each	-	-			
Reliable Sambriddhhi Yojana-Mutual Fund (RSY)	1,500,000	1,489,500			
150000 Shares of Rs. 10 Each	-	-			
Sanima Mai Hydropower Ltd (SHPC)	5,672,643	6,269,100			
10000 Shares of Rs. 100 Each	-	-			
Sahas Urja Limited (SAHAS)	2,969,644	3,200,200			
5000 Shares of Rs. 100 Each	-	-			
Investment in Unquoted Equity	-	-	Investment in Unquoted Equity	-	-
Nepal Clearing House Limited (NCHL)	1,482,900	11,843,000	Nepal Clearing House Limited	1,482,900	9,952,100
118,430 Shares of Rs. 100 Each	-	- 99521 Shares of Rs. 100 Each		-	-
Nepal Stock Limited (NEPSE)	5,000	143,200	Nepal Stock Limited	5,000	143,200
1432 Shares of Rs. 100 each	-	- 1432 Shares of Rs. 100 each		-	-
Credit Information Beaura (CIB)	353,100	3,031,200	Credit Information Beaura	353,100	3,031,200
30312 shares of Rs.100 each	-	- 30312 shares of Rs.100 each		-	-
Total	111,502,686	184,868,561		63,417,823	115,589,052

Current Tax Assets

4.9

Particulars	Current Year	Previous Year
Current Tax Assets		
Current year Income Tax Assets	30,369,330	27,444,744
Tax Assets of Prior Periods		
Current Tax Liabilities		
Current year Income Tax Liabilities	-	-
Tax Liabilities of Prior Periods	-	-
Total	30,369,330	27,444,744

Investment in Subsidiaries

4.10

Particulars	Current Year	Previous Year
Investment in Quoted Subsidiaries	-	-
Investment in Unquoted Subsidiaries	-	-
Total Investment		
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.10.1: Investment in Quoted Subsidiaries

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.10.2: Investment in Unquoted Subsidiaries

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.10.3: Information relating to Subsidiaries of the Company

Particulars	Percentage of Ownership held by Company	
	Current Year	Previous Year
.....Ltd.	-	-
Total	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

Particulars	Percentage of Ownership held by Company	
	Current Year	Previous Year
Equity Interest held by NCI (%)		
Profit (Loss) allocated during the year		
Accumulated Balances of NCI as on Ashad End		
Dividend Paid to NCI		
Equity Interest held by NCI (%)		
Profit (Loss) allocated during the year		
Accumulated Balances of NCI as on Ashad End		
Dividend Paid to NCI		



Investment in Associates

4.11

Particulars	Current Year	Previous Year
Investment in Quoted Associates	-	-
Investment in Unquoted Associates	-	-
Total Investment	-	-
Less: Impairment Allowances	-	-
Net Carrying Amount	-	-

4.11.1: Investment in Quoted Associates

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.11.2: Investment in Unquoted Associates

Particulars	Current Year	
	Cost	Fair Value
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
.....Ltd.	-	-
.....Shares of Rs. Each	-	-
Total	-	-

4.11.3: Information relating to Associates of the company

Particulars	Percentage of Ownership held by Finance Company	
	Current Year	Previous Year
.....Ltd.	-	-

4.11.4: Equity Value of Associates

Particulars	Current Year	Previous Year
.....Ltd.	-	-

Investment Properties

4.12

Particulars	Current Year	Previous Year
Investment Properties measured at Fair Value	-	-
Opening Balance	-	-
Addition/(Disposal) during the year.	-	-
Net Changes in fair value during the year.	-	-
Adjustment/Transfer.	-	-
Net Amount	-	-
Investment Properties measured at Cost		
Opening Balance	54,427,486	64,280,536
Addition/(Disposal) during the year	124,637,796	(9,853,050)
Adjustment/Transfer	-	-
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Net Amount	179,065,282	54,427,486
Total	179,065,282	54,427,486



Particulars	Land	ROU Assets	Build-ing	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashar End 2082	Total Ashar End 2081	Total Ashar End 2080
Cost	-	-	-	-	-	-	-	-	-	-	-	-
As on Shrawan 01 2080	-	156,969,680	-	20,007,128	6,150,817	19,113,060	10,615,587	7,711,611	24,644,663	-	-	245,212,546
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	561,885	425,300	-	297,959	-	1,277,432	-	2,562,577	-
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2081	-	156,969,680	-	20,569,013	6,576,117	19,113,060	10,913,546	7,711,611	25,922,095	-	247,775,123	245,212,546
As on Shrawan 01 2081	-	156,969,680	-	20,569,013	6,576,117	19,113,060	10,913,546	7,711,611	25,922,095	-	247,775,123	-
Addition during the year	-	5,845,152	-	-	-	-	-	-	-	5,845,152	-	-
Acquisition	-	-	-	1,113,539	361,000	239,900	63,333	-	1,222,714	3,000,486	-	-
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	(4,886,119)	-	-	-	(94,320)	-	-	-	(4,980,439)	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2082	-	157,928,713	-	21,682,552	6,937,117	19,258,640	10,976,879	7,711,611	27,144,810	251,640,322	247,775,123	245,212,546
Depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-
As on Shrawan 01 2080	-	26,023,706	-	6,014,084	2,579,366	11,246,149	4,053,124	5,928,722	11,084,689	-	-	66,929,840
Depreciation charge for the year	-	14,663,964	-	2,822,747	946,305	1,572,842	1,650,558	267,433	3,525,143	25,448,992	25,448,992	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashadh end 2081	-	40,687,670	-	8,836,831	3,525,671	12,818,991	5,703,682	6,196,155	14,609,832	-	92,378,832	66,929,840
As on Shrawan 01 2081	-	40,687,670	-	8,836,831	3,525,671	12,818,991	5,703,682	6,196,155	14,609,832	-	92,378,832	66,929,840
Depreciation charge for the year	-	12,881,867	-	4,194,855	790,824	1,279,517	1,309,579	227,318	3,019,760	23,703,721	-	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As on Ashadh end 2082	-	53,569,537	-	14,146,101	4,316,495	14,098,508	7,013,261	6,423,474	17,629,592	117,196,967	92,378,832	66,929,840
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
Net Book Value	-	104,359,176	-	7,536,451	2,620,622	5,160,132	3,963,619	1,288,137	9,515,218	134,443,355	-	-
As on Ashadh end 2080	-	130,945,974	-	13,993,044	3,571,451	7,866,911	6,562,463	1,782,889	13,559,974	-	178,282,706	-
As on Ashadh end 2081	-	116,282,010	-	11,732,183	3,050,446	6,294,069	5,209,865	1,515,456	11,312,263	-	155,396,291	-
As on Ashadh end 2082	-	104,359,176	-	7,536,451	2,620,622	5,160,132	3,963,619	1,288,137	9,515,218	134,443,355	-	66,929,840



Goodwill and Intangible Assets

4.14

Amount in NPR

Particulars	Goodwill	Software		Other	Total Asar end 2082	Total Asar end 2081
		Purchased	Developed			
Cost						
As on Shrawan 01. 2080	16,952,666	6,740,600	-	-	23,693,266	-
Addition during the Year	-	-	-	-	-	-
Acquisition	-	830,348	-	-	830,348	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation		-	-	-	-	-
Balance as on Ashadh end 2081	16,952,666	7,570,948	-	-	24,523,614	-
As on Shrawan 01. 2081	16,952,666	7,570,948	-	-	24,523,614	-
Addition during the Year	-	-	-	-	-	-
Acquisition	-	54,240	-	-	54,240	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashadh end 2082	16,952,666	7,625,188	-		24,577,854	
Amortisation and Impairment						
As on Shrawan 01 2080	-	2,405,673	-	-	2,405,673	-
Amortisation charge for the year	-	962,243	-	-	962,243	537,683
Impairment for the year	-		-	-	-	-
Disposals	-		-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashadh end 2081	-	3,367,916	-	-	3,367,916	537,683
As on Shrawan 01 2081	-	3,367,916	-	-	3,367,916	-
Amortisation charge for the year	-	1,514,427	-	-	1,514,427	-
Impairment for the year	-		-	-	-	-
Disposals	-		-	-	-	-
Adjustment	-	493,479	-	-	493,479	-
As on Ashadh end 2082		5,375,822			5,375,822	
Capital Work in Progress	-		-	-	-	-
Net Book Value	-	-	-	-	-	-
As on Ashadh end 2080	16,952,666	4,334,927			21,287,593	-
As on Ashadh end 2081	16,952,666	4,203,032	-	-	21,155,698	-
As on Ashadh end 2082	16,952,666	2,249,366	-	-	19,202,032	-

Deferred Tax

4.15

Amount in NPR

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	As at 16 July 2025
			Net Deferred Tax Assets / (Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs			-
Loans and Advances to Customers	23,927,868	-	23,927,868
Investment Properties	-	-	-
Investment Securities	-	22,009,763	(22,009,763)
Property and Equipment	-	(1,795,470)	1,795,470
Employees' Defined Benefit Plan	4,830,636	-	4,830,636
Lease Liabilities	6,358,655		6,358,655
Provisions	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	35,117,159	20,214,293	14,902,866
Deferred tax on carry forward of unused tax losses	(1,260,494)	-	(1,260,494)
Deferred tax due to changes in tax rate	-	-	-
Net Deferred Tax Asset (Liabilities) as on year end of Ashadh 2082			13,642,372
Recognized in Profit and Loss			36,478,142
Recognized in Other Comprehensive Income			(22,009,763)
Recognized directly in Equity			(826,007)
Deferred Tax Asset/ (Liabilities) as on Shrawan 01 2081			40,503,308
Origination/(Reversal) during the year			(26,860,936)
Deferred Tax (expense) income recognized in profit or loss			(19,676,536)
Deferred Tax (expense) income recognized in OCI			(6,358,393)
Deferred Tax (expense) income recognized directly in Equity			(826,007)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Previous Year
			Net Deferred Tax Assets / (Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs			-
Loans and Advances to Customers	35,469,580	-	35,469,580
Investment Properties	-	-	-
Investment Securities	-	15,651,369	(15,651,369)
Property and Equipment	-	1,499,661	(1,499,661)
Employees' Defined Benefit Plan	3,827,694	-	3,827,694
Lease Liabilities	5,804,597		5,804,597
Provisions	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	45,101,871	17,151,030	27,950,841
Deferred tax on carry forward of unused tax losses	12,552,467	-	12,552,467
Deferred tax due to changes in tax rate	-	-	-
Reversal of DTA of sold investment during the year			-
Deferred Tax Asset (Liabilities) from Acquistion			-
Deferred Tax Asset (Liabilities) as on year end of Ashad 2081			27,950,841
Net Deferred Tax Asset (Liabilities) as on Ashad end 2081	-	-	40,503,308
Deferred Tax (Asset)/ Liabilities as on Shrawan 01 2080	-	-	32,014,013
Origination/(Reversal) during the year	-	-	8,489,295
Deferred Tax expense (income) recognized in profit or loss	-	-	10,360,133
Deferred Tax expense (income) recognized in OCI	-	-	1,541,981
Deferred Tax expense (income) recognized directly in Equity	-	-	(3,412,819)



Other Assets

4.16

Particulars	Current Year	Previous Year
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	1,229,546	654,285
Accrued Income	-	-
Prepayments and Deposits	766,368	771,316
Income Tax Deposit	-	-
Deferred Employee Expenditure	429,971	358,641
Other Assets	10,774,653	10,155,782
Total	13,200,538	11,940,024

Due to Banks and Financial Institutions

4.17

Particulars	Current Year	Previous Year
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	137,835,511	232,430,158
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
Total	137,835,511	232,430,158

Due to Nepal Rastra Bank

4.18

Particulars	Current Year	Previous Year
Refinance from NRB	-	-
Standing Liquidity Facility	-	-
Lender of Last Resort facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other Payable to NRB	-	-
Total	-	-

Derivative Financial Instruments

4.19

Particulars	Current Year	Previous Year
Held for Trading		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts	-	-
Others	-	-
Held for Risk Management		
Interest Rate Swap	-	-
Currency Swap	-	-
Forward Exchange Contracts.	-	-
Others	-	-
Total	-	-

Deposits from Customers

4.20

Particulars	Current Year	Previous Year
Institutional Customers:		
Term Deposits.	515,360,874	372,190,130
Call Deposits	262,374,741	165,945,896
Current Deposits.	87,045,263	90,509,980
Others.	31,500	-
Individual Customers:		
Term Deposits	2,190,118,808	1,363,250,563
Saving Deposits	801,346,495	540,707,887
Current Deposits	23,607,203	21,526,330
Others	375,000	375,000
Total	3,880,259,884	2,554,505,786



4.20.1: Currency wise analysis of deposit from customers

Particulars	Current Year	Previous Year
Nepalese Rupee	3,880,259,884	2,554,505,786
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	3,880,259,884	2,554,505,786

Borrowings

4.21

Particulars	Current Year	Previous Year
Domestic Borrowings		
Nepal Government	-	-
Other Institutions.	-	-
Other	-	-
Sub Total	-	-
Foreign Borrowings		
Foreign Banks and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub Total	-	-
Total	-	-

Provisions

4.22

Particulars	Current Year	Previous Year
Provisions for Redundancy	-	-
Provisions for Restructuring	-	-
Pending Legal Issues and Tax Litigation	-	-
Onerous Contracts	-	-
Other Provisions	-	-
Total	-	-

4.22.1: Movement in Provision

Particulars	Current Year	Previous Year
Balance at Shrawan 01	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of Discount	-	-
Balance at Ashad end	-	-

Other Liabilities

4.23

Particulars	Current Year	Previous Year
Liabilities for employees defined benefit obligations	5,532,731	5,582,731
Liabilities for long service leave	10,569,389	7,176,249
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	22,911,233	22,598,075
Interest payable on deposits		
Interest payable on borrowing	-	-
Liabilities on defered grant income	-	-
Unpaid Dividend	-	-
Liabilities under Finance Lease	125,554,693	135,630,667
Employee bonus payable	2,616,348	-
Other Liabilities	6,598,048	5,594,629
Total	173,782,442	176,582,351



4.23.1: Defined Benefit Obligation

The amounts recognised in the statements of financial positions are as follows :

Particulars	Current Year	Previous Year
Present value of unfunded obligations	10,569,389	7,176,249
Present value of funded obligations	-	-
Total present value of obligations	10,569,389	7,176,249
Fair value of plan assets	-	-
Present value of net obligations	10,569,389	7,176,249
Recognised liability for defined benefit obligations	10,569,389	7,176,249

4.23.2: Plan Assets

Plan assets comprise

Particulars	Current Year	Previous Year
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	Current Year	Previous Year
Opening Balance	7,176,249	3,676,499
Actuarial losses		
Benefits paid by the plan	(632,316)	(2,381,439)
Current service costs and interest	4,025,456	5,881,189
Defined benefit obligations at Ashad end	10,569,388	7,176,249

4.23.4: Movement in the fair value of plan assets

Particulars	Current Year	Previous Year
Opening Balance	-	-
Contributions paid into the plan	-	-
Benefits paid during the year	-	-
Actuarial (losses) gains	-	-
Expected return on plan assets	-	-
Fair value of plan assets at Ashad end	-	-

4.23.5: Amount recognised in profit or loss

Particulars	Current Year	Previous Year
Current service costs	10,569,388	7,176,249
Interest on obligation	-	-
Expected return on plan assets	-	-
Total	10,569,388	7,176,249

4.23.6: Amount recognised in other comprehensive income

Particulars	Current Year	Previous Year
Actuarial (gain)/loss	-	-
Total	-	-

4.23.7: Actuarial assumptions

Particulars	Current Year	Previous Year
Discount rate	7.00%	8.00%
Expected return on plan asset	0.00%	0.00%
Future salary increase	10.00%	10.00%
Withdrawal rate	10.87%	10.87%

Debt securities issued

4.24

Particulars	Current Year	Previous Year
Debt securities issued designated as at fair value through profit or loss	-	-
Debt securities issued at amortised cost	-	-
Total	-	-

Subordinated Liabilities

4.25

Particulars	Current Year	Previous Year
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

Share capital

4.26

Particulars	Current Year	Previous Year
Ordinary shares	759,446,747	729,906,747
Form right share issue		
From Acquisition of Lalitpur Finance	-	-
Total	759,446,747	729,906,747

4.26.1: Ordinary Shares

Particulars	Current Year	Previous Year
Authorized Capital	1,000,000,000	1,000,000,000
10,000,000 Ordinary Shares of Rs. 100 each	1,000,000,000	1,000,000,000
Issued capital	840,265,584	840,265,584
8,402,656 Ordinary Shares of Rs. 100 each	840,265,584	840,265,584
Subscribed and paid up capital	759,446,747	729,906,747
7,299,067 Ordinary share of Rs. 100 each	729,906,747	727,532,247
Adition from acquisition	-	-
Additional from right issue	29,540,000	2,374,500
Total	759,446,747	729,906,747

4.26.2: Ordinary share ownership

Particulars	Current Year Percent	Previous Year Amount
Domestic ownership		
Nepal Government		
"A" class licensed institutions		
Other licensed intitutions		
Other Institutions	6.66%	6.14%
Public	93.34%	93.86%
Other		
Foreign ownership		
Total	100.00%	100.00%



Reserves

4.27

Particulars	Current Year	Previous Year
Statutory general reserve	243,474,947	242,700,828
Exchange equilisation reserve		
Corporate social responsibility reserve	38,706	457,724
Capital redemption reserve		
Regulatory reserve	153,627,054	106,250,709
Investment adjustment reserve		
Capital reserve		
Assets revaluation reserve		
Fair value reserve	51,356,112	36,519,861
Dividend equalisation reserve		
Actuarial gain		
Other reserve	445,967	74,460
Other reserve-Capital Adjustment Fund	48,364,100	48,364,100
Total	497,306,885	434,367,682

Contingent liabilities and commitments

4.28

Particulars	Current Year	Previous Year
Contingent liabilities	-	-
Undrawn and undisbursed facilities	23,458,875	27,145,428
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	23,458,875	27,145,428

4.28.1: Contingent Liabilities

Particulars	Current Year	Previous Year
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	-	-
Underwriting commitment	-	-
Other commitments	-	-
Total	-	-

4.28.2: Undrawn and undisbursed facilities

Particulars	Current Year	Previous Year
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	23,458,875	27,145,428
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	23,458,875	27,145,428

4.28.3: Capital commitments

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

Particulars	Current Year	Previous Year
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	Current Year	Previous Year
Operating lease commitments	-	-
Future minimum lease payments under non cancellable operating lease, where the Finance Company is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Grand total	-	-

4.28.5: Litigation

Explanatory paragraphs are required for litigation contingent liabilities as per their own case of each company

Interest Income 4.29

Amount in NPR

Particulars	Current Year	Previous Year
Cash and cash equivalent	23,761,148	11,052,185
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	49,315	2,853,245
Loan and advances to bank and financial institutions	9,510,351	21,767,211
Loans and advances to customers	281,039,135	226,958,823
Investment securities	28,555,000	46,736,836
Loan and advances to staff	2,055,160	1,044,765
Other Interest Income	-	-
Total interest income	344,970,109	310,413,065

Interest Expenses 4.30

Amount in NPR

Particulars	Current Year	Previous Year
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	248,624,854	199,606,474
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	8,866,014	9,829,444
Total interest expense	257,490,868	209,435,918

Fees and Commission Income 4.31

Amount in NPR

Particulars	Current Year	Previous Year
Loan administration fees	12,497,431	13,013,160
Service fees	-	-
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	-	-
Prepayment and swap fees	492,847	106,250
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	88,353	162,078
Commission on letter of credit	122,778	-
Commission on guarantee contracts issued	-	-
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	160,502	599,114
Total Fees and Commission Income	13,361,911	13,880,602



Fees and Commission Expense		4.32	
Particulars		Current Year	Previous Year
ATM management fees		124,144	230,169
VISA/Master card fees		-	-
Guarantee commission		-	-
Brokerage		-	-
DD/TT/Swift fees.		-	-
Remittance fees and commission		-	-
Other fees and commission expense		-	376,802
Total Fees and Commission Expense		124,144	606,971

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		27,099,393	1,013,011
Fair value gain/loss on investment properties		-	-
Dividend on equity instruments		973,085	727,547
Gain/loss on sale of property and equipment		-	-
Gain/loss on sale of investment property		-	13,300,000
Operating lease income		-	-
Gain/loss on sale of gold and silver		-	-
Other Operating Income		2,456,009	2,409,975
Total		30,528,488	17,450,534

Impairment charge/(reversal) for loan and other losses		4.35	
Particulars		Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to BFIs		(1,099,056)	1,012,418
Impairment charge/(reversal) on loan and advances to customers		(9,630,844)	54,984,777
Impairment charge/(reversal) on financial Investment		-	-
Impairment charge/(reversal) on placement with BFIs		-	-
Impairment charge/(reversal) on property and equipment		-	-
Impairment charge/(reversal) on goodwill and intangible assets		-	-
Impairment charge/(reversal) on investment properties		-	-
Total		(10,729,900)	55,997,195

Personnel Expenses		4.36	
Particulars		Current Year	Previous Year
Salary		33,173,538	28,218,341
Allowances		17,629,323	17,122,075
Gratuity Expense		-	-
Provident Fund		-	-
Social Security Fund		6,267,910	5,303,653
Uniform		-	-
Training & development expense		988,704	1,586,801
Leave encashment		4,025,456	5,235,751
Medical		2,560,750	2,399,967



Insurance	-	75,409
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	44,666	50,646
Other expenses related to staff	351,568	1,006,485
Subtotal	65,041,915	60,999,128
Employees Bonus	2,616,348	-
Grand total	67,658,263	60,999,128

Other Operating Expense

4.37

Particulars	Current Year	Previous Year
Directors' fee	586,000	685,000
Directors' expense	195,290	231,645
Auditors' remuneration	610,200	610,200
Other audit related expense	521,391	596,413
Professional and legal expense	343,478	293,500
Office administration expense	24,352,530	23,272,313
Operating lease expense	-	-
Operating expense of investment properties	-	-
Corporate social responsibility expense	22,826	-
Onerous lease provisions	-	-
Other Expenses	364,353	1,146,350
Total	26,996,068	26,835,421

Office administration expense

4.37.1

Particulars	Current Year	Previous Year
Light,Electricity & Water	2,596,067	2,085,426
Repair and maintenance	-	-
Repair & Maintenance-Building	23,730	8,152
Repair & Maintenance-Vechiles	305,704	263,092
Office Equipment, Furniture Repair	482,673	315,967
Repair & Maintenance-Others	121,850	245,716
Insurance.	505,971	741,024
Postage, Telex, Telephone & Fax	2,002,882	2,030,102
Printing & Stationery	890,076	680,861
Periodicals & Books	-	-
Advertisements	3,181,047	2,662,975
Donation	-	-
Security Expenses	4,604,244	5,382,048
Deposit/Credit Guarantee Premium	-	-
Travelling Allowances & Expenses	701,758	691,548
Entertainment	-	-
Annual General Meeting Expenses	626,266	662,405
Other	-	-
Other-Office Expenses	8,310,262	7,502,997
Total	24,352,530	23,272,313

Depreciation and Amortisation

4.38

Particulars	Current Year	Previous Year
Depreciation on property and equipment	11,936,268	10,785,029
Depreciation on investment property	-	-
Amortisation of intangible assets	2,007,906	962,243
Depreciation on Right of Use Assets	12,881,867	14,663,964
Total	26,826,042	26,411,236



Non Operating Income 4.39

Particulars	Current Year	Previous Year
Recovery of loan written off	3,052,110	-
Other income	-	-
Total	3,052,110	-

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		
Current year	-	-
Adjustments for prior years	-	-
Deferred tax expense		
Origination and reversal of temporary differences	19,676,536	(10,360,133)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	19,676,536	(10,360,133)

4.41.1: Reconciliation of tax expense and accounting profit

Particulars	Current Year	Previous Year
Profit before tax	23,547,133	(38,541,668)
Tax amount at tax rate of 30%	7,064,140	(11,562,500)
Add: Tax effect of expenses that are not deductible for tax purpose		11,562,500
Less: Tax effect on exempt income	(7,064,140)	-
Add/less: Tax effect on other items	19,676,536	(10,360,133)
Total income tax expense	19,676,536	(10,360,133)
Effective tax rate	83.56%	26.88%

5. Disclosure & Additional Information **Note 5**

5.1 Risk Management

Amount in NPR

The robust risk management capabilities are imperative in order to achieve an effective risk management framework and contain the risks associated with the business, a fully functional Risk Management Committee is responsible for identifying reporting, controlling and managing credit risk, operational risk, market risk & liquidity risk. The Risk Management Committee oversees global, macro, micro and departmental level risk that arise out of daily business operation as well as on periodic basis and are put to the oversight of Senior Management, Risk Management Committee and the Board committee to discuss the reports thereon and issue instructions as appropriate.

Risk Management Committee:

The Risk Management Committee is an independent committee of the Board of Directors that has, as its sole and exclusive function, responsibility for the risk management policies of the company and oversight of implementation of risk management framework of the company. The committee assists the Board of Directors in fulfilling its oversight responsibilities with regard to risk appetite that the company is able and willing to assume in its exposures and business activities, risk management, compliance framework, and governance structure that supports it. It periodically reviews the risk management process to ensure its integrity, accuracy, and reasonableness. It also reviews whether the internal control and risk management system is adequate or not to ensure well-ordered and prudent conduct of business. The committee is to review the overall risk management structure and monitor the effectiveness of the risk management system.

Risk Governance

Finance Company implemented policies and procedures to mitigate the risk at enterprises level arising to the company and has trained risk culture among the employees by establishing ownership mentality, capacity building programs, well defined job responsibilities and inhabiting good ethical culture. The Risk Management Committee is responsible for the establishment of, and compliance with, policies relating to Operation risk & Credit risk.

The company's risk governance structure is such that the responsibility for maintaining risk within the finance company's risk blanket is dropped down from the Board to the appropriate functional, client business, senior management and committees. The Board has set policies and procedures of risk identification, risk evaluation, risk mitigation, and control/ monitoring in line with NRB directives, and has effectively implemented the same at the company. The effectiveness of the company's internal control system is reviewed regularly by the Board, its committees, senior management, and internal audit committee.

Credit Risk

Credit risk management strategies include effectively managing the risk of financial losses arising out of booking an exposure on counterparty and also ensuring independence of the credit risk function from the origination, trading and sales function. Credit risk is managed through a defined framework which sets out policies, procedures and standards covering the measurement and management of credit risk. Clear segregation of duties has been established between transaction originator in the business and the approvers in the risk function.

Credit Risk Mitigation (CRM)

The Finance company follows the following well defined procedures to manage and mitigate the credit related risk at the various level:

The credit applications are initially reviewed at the branch by the branch manager where the branch assess the credit worthiness of the proposed borrower and the quality of the security offered.

As a second level of defense the central credit department has been set up which independently oversees whether the proceeding of the loan approval, creditworthiness and collateral offered complies with the company's and central bank's norms.

The credit proposal, if exceeds the prescribed threshold are then reviewed by the Risk Management Department which evaluates the underlying risk of the proposal and decides whether the proposal is within the risk appetite of the company. This department is independent of the business unit and reports directly to the Board level committee, Risk Management Committee.

After due review and identification of the underlying risk by the Risk Management Department, the proposal passed through different approving authorities depending upon the type of the proposal (Funded or Non-funded), level of underlying risk and amount of the proposal.

Once the proposal is approved by the prescribed approving authority, the security and post approval proceeding and initiated and completed at the branch level. The Credit Administration Department reviews the security documents and ensure compliance with the company's and Central Bank's norms before disbursement of the credit facilities.



As a measure to mitigate the risk after mitigation, the bank monitors, review on the quarterly to annual basis depending upon the type of the facilities. The level of risk and early warning signals (EWS) are identified on every review and necessary actions are taken if required.

The internal audit function of the company on the periodic basis independently observes the compliance and the status of the borrowers and recommends the management with the best practices that has to be adopted. The internal audit department directly reports the Audit Committee which is a board level committee.

On the portfolio level, the company's risk management strategies include diversifying the borrowing pool, risk based pricing, establishing the suitable exposure limits for borrowers and group of borrowers to ensure the risk taken is under the risk appetite by the Risk Management Policy of the company.

Operational Risk

Operational risk can be caused by both internal and external sources, such as fraud, business interruptions, system failures, damage to physical infrastructure, failure in execution and service delivery, inherent risks in products. The risk can occur in any business function or the business supporting functions. The effect of failure in any of the resources can have concurrent impacts across the company. Effective operational risk management system aims to minimizing losses and customer dissatisfaction due to failure in process, focusing on flows in product and their design that can expose the company to losses due to fraud analyzing the impact continuity in the company's operations. The Finance company has introduced an "Operational Risk Monitoring and Reporting Framework" all branches covering all transaction on daily basis to minimize the operational risk. The Risk Management Department is assigned with the responsibility to undertake actions related to operational risk management of the company.

Market Risk

The Company recognizes market risk as the possibility for loss of earnings or economic value to the Company caused due to adverse changes in the market level of interest rates or prices of securities (equity), foreign exchange rates and volatilities of those prices. The company has an Asset Liability Management Committee (ALCO) which meets periodically to discuss product pricing for deposits and advances and maturity profiles of assets and liabilities, articulating interest rate, view of company, funding policy, transfer pricing policy and balance sheet management. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk), and market prices (price risk).

Liquidity Risk

Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for liquid asset positions is not available to the company on acceptable terms.

The Company works continuously towards risk diversification of its assets base so as to achieve better portfolio mix and to protect/enhance the overall risk on its loan book. The strategic focus of mapping business is gradually reducing high-risk assets and increasing low risk exposures.

5.2. CAPITAL MANAGEMENT

The Finance company's capital management policies and practices support its business strategy and ensure that it is adequately capitalised to withstand even in severe macroeconomic downturns. Nepal Finance Limited is a licensed institution which provides financial services therefore it must comply with capital requirement of central Finance company so called Nepal Rastra Finance company.

The Finance company's capital consists of Tier I capital and Tier II capital.

5.2.1. Qualitative disclosures

Nepal Rastra Bank has directed the Banks to develop own internal policy, procedures and structures to manage all material risk inherent in business for assessing capital adequacy in relation to the risk profiles as well as strategies for maintaining capital levels. This includes basic requirements of having good governance, efficient process of managing all material risks and an effective regime for assessing and maintaining adequate capital. The finance company has various BODs approved policies for proper governance. The finance company is in line with BASEL provisions.

5.2.2. Quantitative disclosures

Capital structure and capital adequacy

- Tier 1 Capital and a breakdown of its Components:

Amount in NPR

1.1 RISK WEIGHTED EXPOSURES		Current Period
a	Risk Weighted Exposure for Credit Risk	2,874,304,138
b	Risk Weighted Exposure for Operational Risk	158,348,297
c	Risk Weighted Exposure for Market Risk	-
Total Risk Weighted Exposures (Before adjustments of Pillar II)		3,032,652,435
Adjustments under Pillar II		-
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	1,009,771
SRP 6.4a (6)	Add% of the total deposit due to insufficient Liquid Assets	-
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 4 % of gross income.	48,525,800
SRP 6.4a (9)	Overall risk management policies and procedures are not satisfactory. Add 4% of RWE	121,306,097
SRP 6.4a (10)	If desired level of disclosure requirement has not been achieved, Add% of RWE	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		3,203,494,104

1.2 CAPITAL		Current Period
(A) Core Capital (Tier 1)		784,181,883
a	Paid up Equity Share Capital	759,446,747
b	Irredeemable Non-cumulative preference shares	-
c	Share Premium	51,100,367
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	243,474,947
f	Retained Earnings	(290,086,137)
g	Un-audited current year cumulative profit/(loss)	-
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	48,364,100
j	Debenture Redemption Reserve	-
k	Dividend Equalization Reserves	-
l	Other Free Reserve	-
n	Less: Goodwill	-
o	Less: Fictitious Assets	-
p	Less: Investment in equity in licensed Financial Institutions	-
q	Less: Investment in equity of institutions with financial interests	-
r	Less: Investment in equity of institutions in excess of limits	-
s	Less: Investments arising out of underwriting commitments	-
t	Less: Reciprocal crossholdings	-
u	Less: Purchase of land & building in excess of limit and unutilized	-
v	Less: Other Deductions	28,118,141
Adjustments under Pillar II		-
SRP 6.4a(1)	Less: Shortfall in Provision	-
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lending	-



(B) Supplementary Capital (Tier 2)		39,133,274
a	Cumulative and/or Redeemable Preference Share	
b	Subordinated Term Debt	
c	Hybrid Capital Instruments	
d	General loan loss provision	32,006,811
e	Exchange Equalization Reserve	
f	Investment Adjustment Reserve	
g	Accrued Interest Receivable on pass loan included in Regulatory Reserve	7,126,463
h	Interest Capitalized Reserve included in Regulatory Reserve	
i	Other Reserves	
Total Capital Fund (Tier I and Tier II)		823,315,156
1.3 CAPITAL ADEQUACY RATIOS		Current Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		24.48%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)		25.70%

- Capital Adequacy Ratio:**

The capital adequacy ratio of the Finance company as on 16th July, 2025 is 25.70%

- Summary of the Finance company's internal approach to assess the adequacy of its capital to support current and future activities, if applicable:**

Nepal Finance Limited adopts healthy risk management framework. The Finance company follows Internal Capital Adequacy Assessment Process (ICAAP) and Risk Management Guideline while taking decision on any business. It has always taken note of ICAAP and has taken steps accordingly in ensuring soundness of capital position and sustainability of the business. The Finance company's policies and procedures are approved by the Board of Directors and these documents provide guidance on independent identification, measurement and management of risks across various businesses. Finance company's different committees like Audit Committee, Risk Management Committee review the business and risks periodically.

The finance company also defines risk aspects, considering domestic economic scenario, and puts in place the system to minimize and remove such risk. The risk appetite and approach towards risk taking is well discussed in management level and board level. It is always aligned with the business, its return and capital. Basel disclosures have been complied with, addressing the risks and adopting measures to minimize their impact. Increasing complexities in risks, weakness of businesses and fast changing world with intense competition pose a threat to sustainability.

Capital planning is an integral part of the Finance company's medium term strategic planning and annual budget formulation process. Total risk weighted exposures for the projected level of business operations is calculated, the required capital level is projected, and a plan is formulated to retain the required capital. The Finance company is well capitalized and able to maintain the required capital through internal generation, and equally through capital markets if needed.



Risk Weighted Exposure for Credit Risk
At the month end of Ashadh, 2082

(Rs. in NPR)

A. Balance Sheet Exposures	Book Value a	Specific Provision b	Eligible CRM c	Net Value d=a-b-c	Risk Weight e	Risk Weighted Exposures f=d*e
Cash Balance	32,413,089	-	-	32,413,089	0%	-
Balance With Nepal Rastra Bank	340,700,915	-	-	340,700,915	0%	-
Gold	-	-	-	-	0%	-
Investment in Nepalese Government Securities	359,800,000	-	-	359,800,000	0%	-
All Claims on Government of Nepal	-	-	-	-	0%	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	-
All claims on Nepal Rastra Bank	800,000,000	-	-	800,000,000	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)	-	-	-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	-
Claims on Domestic Public Sector Entities	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	605,162,997	-	-	605,162,997	20%	121,032,599
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	20%	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	-	-	-	-	80%	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	-	-	-	-	85%	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	-	-	-	-	90%	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	-	-	-	-	100%	-
Claims on Domestic Corporates (Unrated)	277,217,014	-	-	277,217,014	100%	277,217,014
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)	662,744,840	-	67,740,286	595,004,554	75%	446,253,416
Claims fulfilling all criterion of regularity retail except granularity	370,417,045	-	-	370,417,045	100%	370,417,045
Claims secured by residential properties	277,147,570	-	-	277,147,570	60%	166,288,542
Claims not fully secured by residential properties	-	-	-	-	150%	-
Claims secured by residential properties (Overdue)	74,520,662	25,481,808	-	49,038,853	100%	49,038,853
Claims secured by Commercial real estate	-	-	-	-	100%	-
Past due claims (except for claims secured by residential properties)	261,610,903	173,066,302	-	88,544,601	150%	132,816,901
High Risk claims	239,645,839	-	-	239,645,839	150%	359,468,759
Real Estate loans for land acquisition and development (Other than mentioned in Capital Adequacy framework 2007-point 3.3(j)(1)(j))	75,000,000	-	-	75,000,000	125%	93,750,000
Lending Against Securities (Bonds)	-	-	-	-	100%	-
Lending Against Shares	335,401,946	-	-	335,401,946	100%	335,401,946
Real Estate loans for land acquisition and development (For institutions/projects registered/licensed and approved by Government of Nepal for land acquisition and development purposes)	-	-	-	-	100%	-
Personal Hirepurchase/Personal Auto Loans	100,427,187	-	-	100,427,187	100%	100,427,187
Investments in equity and other capital instruments of institutions listed in stock exchange	109,629,685	-	-	109,629,685	100%	109,629,685
Investments in equity and other capital instruments of institutions not listed in the stock exchange	1,841,000	-	-	1,841,000	150%	2,761,500
Staff loan secured by residential property	5,005,511	-	-	5,005,511	50%	2,502,756
Interest Receivable/claim on government securities	3,794,471	-	-	3,794,471	0%	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	-
Other Assets (as per attachment)	295,440,813	-	-	295,440,813	100%	295,440,813
TOTAL (A)	5,227,921,487	198,548,111	67,740,286	4,961,633,091		2,862,447,016

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty			-	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	14,078,695		-	14,078,695	50%	7,039,348
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-



Foreign counterparty (ECA Rating 7)			-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	315,000		-	315,000	40%	126,000
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)	23,458,875		-	23,458,875	20%	4,691,775
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	23,458,875		-	23,458,875		11,857,122
Total RWE for credit Risk Before Adjustment (A) +(B)	5,251,380,361	198,548,111	67,740,286	4,985,091,965		2,874,304,138
<i>Adjustments under Pillar II</i>						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	5,251,380,361	198,548,111	67,740,286	4,985,091,965		2,874,304,138

B. Non Performing Assets (Gross & Net)

Particulars	Ashad F.Y 2081.82			Ashad F.Y 2080.81		
	Gross	Impairment Allowance	Net	Gross	Impairment Allowance	Net
Restructure/ Rescheduled Loan	-	-	-	4,461,067	557,633	3,903,433
Sub - Standard Loan	30,919,087	7,729,772	23,189,315	61,837,037	15,459,259	46,377,778
Doubt ful Loan	97,713,121	48,856,560	48,856,560	2,392,530	1,196,265	1,196,265
Loan Loss	140,847,329	140,847,329	-	144,655,823	144,655,823	-
Total	269,479,537	197,433,661	72,045,876	213,346,457	161,868,981	51,477,476

5.2.3. Compliance with external requirement

The finance company has complied with externally imposed capital requirements to which it is subject and there are no such consequence where the institution has not complied with those requirement.



5.3 Classification of financial assets and financial liabilities

The financial assets and liabilities are classified in Amortised Cost, fair value through profit and loss and fair value through other comprehensive income. The following table exhibit the the classification of financial assets and liabilities:

Financial Assets	As on 32nd Ashadh 2082			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	545,446,355	-	-	545,446,355
Due from Nepal Rastra Bank	1,140,700,915	-	-	1,140,700,915
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	91,055,188	-	-	91,055,188
Loans and Advances to Customers	2,494,057,300	-	-	2,494,057,300
Investment Securities	363,594,471	-	184,868,561.00	548,463,032
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Other Assets	13,200,538	-	-	13,200,538
Total Financial Assets	4,648,054,767	-	184,868,561.00	4,832,923,328

Financial Liabilities				
Due to Bank and Financial Institutions	137,835,511	-	-	137,835,511
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	3,880,259,884	-	-	3,880,259,884
Borrowings	-	-	-	-
Other Liabilities	173,782,442	-	-	173,782,442
Debt Securities Issued	-	-	-	-
Total Financial Liabilities	4,191,877,837	-	-	4,191,877,837

Financial Assets	As on 31st Ashadh 2081			
	Amortised Cost	FVTPL	FVTOCI	Total
Cash and Cash Equivalents	735,275,501	-	-	735,275,501
Due from Nepal Rastra Bank	262,054,164	-	-	262,054,164
Placement with Bank and Financial Institutions	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Other Trading Assets	-	-	-	-
Loans and Advances to BFIs	166,403,393	-	-	166,403,393
Loans and Advances to Customers	1,977,767,555	-	-	1,977,767,555
Investment Securities	366,348,773	-	115,589,052	481,937,825
Investment in Subsidiaries	-	-	-	-
Investment in Associates	-	-	-	-
Other Assets	11,940,025	-	-	11,940,025
Total Financial Assets	3,519,789,411	-	115,589,052	3,635,378,463

Financial Liabilities				
Due to Bank and Financial Institutions	232,430,158	-	-	232,430,158
Due to Nepal Rastra Bank	-	-	-	-
Derivative Financial Instruments	-	-	-	-
Deposits from Customers	2,554,505,786	-	-	2,554,505,786
Borrowings	-	-	-	-
Other Liabilities	176,582,353	-	-	176,582,353
Debt Securities Issued	-	-	-	-
Total Financial Liabilities	2,963,518,297	-	-	2,963,518,297

Note: Fair value of Quoted Investment Securities are determined at level one hierarchy while of Unquoted securities are valued either at cost or other appropriate models as disclosed under corresponding section of notes to accounts

5.4 Operating Segment Information

1. General Information

Factors that management used to identify the entity's reportable segments

An operating segment is a component of the company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the company's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Based on the nature of the business, transactions, products and services, the management have identified four reporting segment for the purpose of financial reporting:

1 General Information

- a The finance company has categorized its segment on the basis of presence in the geographical locations of the country
- b Each segment provides commercial banking services such as corporate and retail lending, deprived sector lending, various deposit products and transaction banking services

2. Segment Reporting

A. Information about reportable segment

Particular	Bagamati Province	Lumbini Province	Gandaki Province	Madhesh Province	Amount in NPR
(a) Revenue from External Customers	274,861,581	38,139,550	25,575,944	6,393,034	344,970,109
(b) Intersegment Revenues	-	-	-	-	-
(c) Net Revenue	-	-	-	-	-
(d) Interest revenue	274,861,581	38,139,550	25,575,944	6,393,034	344,970,109
(e) Interest expense	199,943,398	35,152,411	17,845,862	4,549,197	257,490,868
(f) Net Interest Revenue	74,918,183	2,987,139	7,730,082	1,843,837	87,479,241
(g) Depreciation and Amortization	24,339,274	818,157	1,244,215	424,397	26,826,042
(h) Segment Profit/(Loss)	58,662,008	4,631,177	6,948,207	1,141,706	71,383,099
(i) Entities interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-
(j) Other material non cash items:	-	-	-	-	-
.....	-	-	-	-	-
.....	-	-	-	-	-
.....	-	-	-	-	-
(k) Impairment of Assets	(8,083,099)	(2,462,195)	(462,340)	277,734	(10,729,900)
(l) Segment Assets	4,297,554,086	521,822,903	323,700,078	66,568,631	5,209,645,699

B. Reconciliation of reportable segment profit or loss

Particulars	Current Year
Total Profit before tax for reportable segment	71,383,099
Profit before tax for other segment	
Elimination of intersegment profit	
Elimination of discontinues operation	
Uncollected Amounts:	
-Other Corporate Expenses	(47,835,966)
Profit before tax	23,547,133

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

The transaction between the branches are charged at transfer price decided by Management Committee of the finance company.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods.



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

a. Revenue

Total revenues for reportable segment	344,970,109
Other revenues	-
Elimination of intersegment revenues	-
Entity's revenues	344,970,109

b. Profit or loss

Total profit or loss for reportable segments	71,383,099
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	-
Other Corporate Expenses	(47,835,966)
Profit before income tax	23,547,133

c. Assets

Total assets for reportable segments	5,209,645,699
Other assets	-
Unallocated amounts	-
Entity's assets	5,209,645,699

d. Liabilities

Total liabilities for reportable segments	-
Other liabilities	-
Unallocated liabilities	4,191,877,837
Entity's liabilities	4,191,877,837

5 Information about products and services

Revenue from each type of product and services described in point no. 1(b) above

- a. Loans and advances
- b. Fees and commission income

6 Information about geographical areas

Revenue from following geographical areas

(a) Domestic	344,970,109
All Other Segments	-
(b) Foreign	-
Total	344,970,109

7 Information about major customers

Total revenue from any single external customer does not amount to 10 percent or more of the company's revenue.

5.5 Share options and share based payment

A share-based payment is a transaction in which the Finance Company receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the entity's shares or other equity instruments of the entity. The Finance Company does not have any share option and share based payment.

5.6 Contingent liabilities and commitment

Contingent Liabilities:

Where the Finance Company undertakes to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the Finance Company's transaction banking business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, and for bidding purpose.

Commitments:

Where the Finance Company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the Finance Company has not made payments at the reporting date, those instruments are included in this financial statement as commitments.

Please refer Note No. 4.28.1 to 4.28.4 for the detail of contingent liabilities and commitments as at 16 July 2025.

Litigations:

Litigations are anticipated in the context of business operations due to the nature of the transactions involved. The Finance Company and the Group are involved in various such legal actions and the controls have been established to deal with such legal claims. There are pending litigations existing as at the end of the reporting period against the Finance Company, resulting through normal business operations.

Except in the course of regular transaction, such litigation case has not been reported yet.

5.7 Related party's disclosures

a) Transaction with related party

Other than the directors' meeting fees and related meeting expenses, no any other transactions are made with related party.

b) Key Managerial Personnel

Key Management Personnel KMP of the Finance Company include members of the Board, Chief Executive Officer and all top-level executives. Followings are a list of Board of Directors and CEO bearing office at 16 July 2025.

S.N.	Name of the Key Management Personnel	Post
1	Prof. Mr. Hirendra Man Pradhan	Board-Chairman
2	Mr. Diprash Shakya	Board-Member
3	Mr. Rajan Prajapati	Board-Member
4	Mr. Bikesh Shakya	Board-Member
5	Mrs. Laxmi Maharjan	Board-Member
6	Mr. Yograj Kandel Sharma	Board-Member
7	Mrs. Rojina Shrestha	Board-Member (Upto 2025/11/07)
8	Mr. Uddhab Raj Thapaliya	CEO
9	Mr. Bishnu Prasad Gautam	ACEO/Company Secretary

All members of the Board are non-executive directors and no executive compensation is paid to the directors. Specific non-executive allowances paid to directors are as under:

Total **NPR 586,000/-**

These allowances and benefits are approved by the Annual General Meeting of the Finance Company.



c) Compensation to Management Level Employees

Details of Key Management Personnel	Total Compensation (Rs.)
Uddhab Raj Thapaliya (CEO)	6,352,000
Bishnu Prasad Gautam (ACEO)	2,790,207

- * Post-employment benefits include Gratuity. Provident Fund is deposited in an independent institution and Gratuity is provided for as per Employee Byelaws of the Finance Company.
- ** Other long term employment benefit includes Home Leave and Sick Leave encashment over and above the accumulation limit set as per Employee Byelaws of the Finance Company.
- *** KMP also get vehicle facility, fuel, and mobile facilities as per agreement.

5.8 Merger and acquisition

The financial institution has not entered into any merger and acquisition during the fiscal year.

Lalitpur Finance Ltd. (A 'C' class national level finance company) was acquired during the year 2077-78. Nepal Rastra Bank via letter no. Merger/98/077/78 dated 2078/03/15 has provided approval to Nepal Finance for jointly carrying transaction in the name of Nepal Finance Ltd. The financial institutions started joint operation since 27 Asar 2078 as a Nepal Finance Ltd. Goodwill resulting from the acquisition has been recognized retrospectively, detail of which has been presented in the relevant section of the notes.

5.9 Additional disclosures of non-consolidated entities

Not applicable.

5.10 Events after reporting period

There are no material events that have occurred subsequent to 16 July, 2025 till the signing of this financial statement on 28th November 2025.

5.11 Refinance & interest Subsidized Loan:

Bank has provided refinancing facilities as per Refinancing Procedure 2077 and other facilities as per NRB Directive 2. Details are as follows:

Particulars	During FY 2081/82	
	No. of Customers	Amount (NRs)
Refinance Loan	-	-
Business Continuity Loan	-	-

Bank has provided interest subsidy facilities as per Unified Procedures on Interest Subsidy to Subsidies Loans, 2078. Details are as follows:

Particulars	As on FY 2081/82	
	No. of Customers	Amount (NRs)
Subsidized Loan	39	42,144,973



Nepal Finance Limited
Comparison Unaudited and Audited Financial Statements as of FY 2081/82

Statement of Financial Position	Amount in NPR			
	As per unaudited Financial Statement	As per Audited Financial Statement	Variance In amount In %	Reasons for Variance
Assets				
Cash and cash equivalent	1,345,446,355	545,446,355	(800,000,000)	-146.67% Reclassification of SDF
Due from NRB	340,700,915	1,140,700,915	800,000,000	70.13% Reclassification of SDF
Placement with BFIs	-	-	-	0.00%
Derivative Financial Instrument	-	-	-	0.00%
Other Trading Assets	-	-	-	0.00%
Loans and Advances to BFIs	91,055,188	91,055,188	-	0.00%
Loans and Advances to Customer	2,495,169,199	2,494,057,300	(1,111,899)	-0.04% Adjustment of Impairment Charges
Investments Securities	544,668,561	548,463,032	3,794,471	0.69% Reclassification of Interest Receivable from Bond
Current Tax Assets	21,031,029	30,369,330	9,338,301	30.75% Change in income and effect of Deferred Tax
Investment in subsidiaries and associates	-	-	-	0.00%
Investment in associates	179,065,282	179,065,282	-	0.00%
Investment Property	-	-	-	0.00%
Property And Equipment	147,349,444	134,443,355	(12,906,089)	-9.60% Reclassification & Recognition of NFRS 16 Lease & Depreciation
Goodwill and intangible assets	22,172,180	19,202,032	(2,970,148)	-15.47% Reclassification & Depreciation
Deferred Tax Assets	40,503,308	13,642,372	(26,860,936)	-196.89% Change in income and effect of Deferred Tax
Other assets	16,923,680	13,200,538	(3,723,142)	-28.20% Reclassification of Interest Receivable from Bond & Deferred Employee Exp.
Total Assets	5,244,085,141	5,209,645,699	(34,439,442)	0.00%
Capital and Liabilities				
Due to Bank and Financial Institutions	137,835,511	137,835,511	-	0.00%
Due to Nepal Rastra Bank	-	-	-	0.00%
Derivative Financial Instruments	-	-	-	0.00%
Deposits from Customers	3,880,259,884	3,880,259,884	-	0.00%
Borrowings	-	-	-	0.00%
Current Tax Liabilities	-	-	-	0.00%
Provisions	-	-	-	0.00%
Deferred Tax Liabilities	-	-	-	0.00%
Other Liabilities	182,703,539	173,782,442	(8,921,097)	-5.13% Change in Lease Liability & Lease obligation



Statement of Financial Position	As per unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			In amount	In %	
Debt Securities Issued	-	-	-	0.00%	
Subordinated Liabilities	-	-	-	0.00%	
Total Liabilities	4,200,798,934	4,191,877,837	(8,921,097)	-0.21%	
Equity				0.00%	
Share Capital	759,446,747	759,446,747	-	0.00%	
Share Premium	51,100,367	51,100,367	-	0.00%	
Retained Earnings	(287,964,319)	(290,086,137)	(2,121,818)	-7.72%	Changes in Profit & Regulatory reserve transfer
Reserves	520,703,412	497,206,885	(23,396,527)	-9.73%	Change in Profit and Reserve
Total Equity Attributable to Equity Holders	1,043,286,207	1,017,767,862	(25,518,345)		
Total Capital and Liabilities	5,244,085,141	5,209,645,699	(34,439,442)		
Statement of Profit or Loss					
Interest income	339,117,258	344,970,109	5,852,851	1.70%	Calculation of ECL Interest Income, Deferred Employee Expenditure & Bond Interest Adj
Interest expense	248,624,854	257,490,868	8,866,014	3.44%	Interest Expenses of Lease Liability
Net interest income	90,492,404	87,479,241	(3,013,163)	-3.44%	
Fee and commission income	13,343,269	13,361,911	18,642	0.14%	Impact of Accrual Income
Fee and commission expense	124,144	124,144	-	0.00%	
Net fee and commission income	13,219,125	13,237,767	18,642	0.14%	
Net Trading Income	-	-			
Other operating income	31,913,626	30,528,488	-1,385,138	-4.54%	Reclassification
Total operating income	135,625,155	131,245,496	(4,379,659)	-3.34%	
Impairment charge/(reversal) for loans and other losses	(14,824,352)	(10,729,900)	4,094,452	-38.16%	Change in Loan Loss Provision
Net operating income	150,449,507	141,975,396	(8,474,111)	-5.97%	
Personnel expenses	66,458,724	67,658,263	1,199,539	1.77%	Change in Bonus and Deferred Expenses
Other operating expenses	45,986,595	26,996,068	-18,990,527	-70.35%	Change in Lease Liability and CSR Expenses
Depreciation & Amortisation	9,990,769	26,826,042	16,835,273	62.76%	Depreciation on ROU Assets
Operating profit	28,013,419	20,495,023	(7,518,396)	-37%	
Non operating income/expense	3,052,110	3,052,110	-	-	
Profit before tax	31,065,529	23,547,133	(7,518,396)	-31.93%	Due to other effects
Income tax	9,319,659	19,676,536	10,356,877	52.64%	Change in income and effect of Deferred Tax
Profit / (loss) for the period	21,745,870	3,870,597	(17,875,273)	-461.82%	



Nepal Finance Limited

Major Indicators

Major Financial Indicators of last 5 years

S. No.	Indicators	Unit	FY 2077/78	FY 2078/79	FY 2079/80	FY 2080/81	FY 2081/82
1	Net Profit/Gross income	Percent	56.21%	14.79%	6.93%	-21.40%	2.88%
2	Earnings per share	NPR	10.29	5.33	2.77	-3.86	0.51
3	Market value per share	NPR	570.00	300.08	351.00	894.00	741.37
4	Price earning Ratio	Ratio	55.41	56.32	126.83	-200.00	1,454.64
5	Dividend (including bonus) on Share Capital (%)	Percent	0.00%	0.00%	0.00%	0.00%	0.00%
6	Cash Dividend on Share Capital (%)	Percent	0.00%	0.00%	0.00%	0.00%	0.00%
7	Interest Income/ Loans and Advances (%)	Percent	12.68%	16.84%	20.68%	14.48%	13.34%
8	Staff Expenses/ Total Operating Expenses (%)	Percent	30.27%	26.13%	18.91%	53.39%	55.69%
9	Interest Expenses/ Total Deposits & Borrowings (%)	Percent	2.53%	6.56%	9.81%	7.51%	6.41%
10	Exchange Gain/ Total Income (%)	Percent	-	-	-	-	-
11	Staff Bonus/ Total Staff Expenses (%)	Percent	12.52%	5.81%	4.73%	0.00%	3.87%
12	Net Profit/Total Loans & Advances (%)	Percent	16.03%	2.26%	1.46%	-1.31%	0.15%
13	Net Profit/ Total Assets (%)	Percent	3.49%	0.98%	0.64%	-0.72%	0.07%
14	Total Loans & Advances/ Total Deposits (%)	Percent	48.17%	81.87%	76.39%	76.94%	64.34%
15	Total Operating Expenses/ Total Assets (%)	Percent	3.40%	3.62%	3.62%	2.90%	2.33%
16	Capital Adequacy (On Risk Weighted Assets)						
a.	Core Capital	Percent	63.70%	43.71%	42.64%	28.42%	24.48%
b.	Supplementary Capital	Percent	0.65%	0.98%	1.01%	0.99%	1.22%
c.	Total Capital Fund	Percent	64.35%	44.69%	43.65%	29.41%	25.70%
17	Liquidity (%)	Percent	118.29%	70.42%	70.01%	48.93%	51.01%
18	Non-Performing Loan/ Total Loans & Advances (%)	Percent	46.35%	14.07%	12.16%	13.42%	9.74%
19	Weighted Average Interest Rate Spread	Percent	5.10%	4.88%	4.58%	4.58%	4.58%
20	Book Net Worth (Per Share)	NPR	137.46	132.82	136.45	133.00	134.01
21	Number of Shares	No.	4,934,963.25	7,254,722.47	7,275,322.47	7,299,067.47	7,594,467.47
22	Number of Staff	No.	75	92	95	97	97



Nepal Finance Limited
List of Shareholder holding 0.5% and above share
As on Ashadh end 2082

S.N	Name	No of share	Percentage	Amount (Rs.)
1	Pramila Shakya	766,360	10.09%	76,636,000.00
2	Bijay Bahadur Manandhar	258,728	3.41%	25,872,800.00
3	Harendra Man Pradhan	246,700	3.25%	24,670,000.00
4	Suman Kedia	219,900	2.90%	21,990,000.00
5	Rajan Prajapati	143,289	1.89%	14,328,900.00
6	Rajendra Shakya	139,647	1.84%	13,964,700.00
7	Meera Agrawal	137,963	1.82%	13,796,300.00
8	Rabi Chandra Man Pradhan	135,700	1.79%	13,570,000.00
9	Moti Maya Shakya	109,889	1.45%	10,988,900.00
10	Shikhar Insurance Co Ltd	100,000	1.32%	10,000,000.00
11	Subindra Shrestha	83,531	1.10%	8,353,100.00
12	Trilok Narsing Shakya	82,000	1.08%	8,200,000.00
13	Prabhu Mahalaxmi Life Insurance Limited	80,000	1.05%	8,000,000.00
14	Himalayan Everest Insurance Limited	75,000	0.99%	7,500,000.00
15	Anita Goyal	67,000	0.88%	6,700,000.00
16	Mahek Goyal Jain	60,725	0.80%	6,072,500.00
17	Mohit Agrawal	51,000	0.67%	5,100,000.00
18	Prasana Ratna Bajracharya	49,623	0.65%	4,962,300.00
19	Dilip Shakya	49,623	0.65%	4,962,300.00
20	Pancha Raj Shakya	49,623	0.65%	4,962,300.00
21	Sunil Shakya	49,623	0.65%	4,962,300.00
22	Shailendra Kumar Mishra	44,500	0.59%	4,450,000.00
23	Hem Raj Upadhyaya	44,500	0.59%	4,450,000.00
24	Narendra Man Shakya	44,500	0.59%	4,450,000.00



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/नेपाल/०८२/८३
च.नं.: ६६

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ०१-५७९६४९
Site: www.nrb.org.np
Email: nrbfisd@nrb.org.np
पोस्ट बक्स: ७३

मिति: २०८२/०९/०६



श्री नेपाल फाइनान्स लिमिटेड,
कमलादी, काठमाण्डौ।

विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा।

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण, सोसँग सम्बन्धित अनुसूचीहरू लगायतका वार्षिक वित्तीय विवरणहरू साधारणसभा प्रयोजनको लागि प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. यस बैंकबाट जारी एकीकृत निर्देशन नं. २१/०८१ बमोजिम यथाशीघ्र चुक्ता पूँजी पुऱ्याउनु हुन।
२. निष्कृत कर्जालाई यथाशीघ्र न्यूनीकरण गर्न योजना बनाई कार्यान्वयन गर्नुहुन।
३. यस बैंकबाट जारी एकीकृत निर्देशन नं. ४/०८१ को बुँदा ४(ङ) को व्यवस्था अनुसार Statement of Other Comprehensive Income मा लेखांकन भएको रु. १९ लाख २७ हजार आयको २० प्रतिशत रकम साधारण जगेडा कोषमा जम्मा गर्नुहुन।
४. आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन।

भवदीय,

(राकेश प्रजापति)
उप-निर्देशक

बोधार्थ:

१. श्री नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग।
२. श्री नेपाल राष्ट्र बैंक, वित्तीय संस्था सुपरिवेक्षण विभाग, कार्यान्वयन इकाई-४।
३. श्री IBS (Individual Bank Supervisor) Officer



नेपाल फाइनान्स लिमिटेड Nepal Finance Limited

“नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्र प्राप्त संस्था”

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च. नं. ३००। २०८२/०८३

मिति: २०८२/०९/०७

श्रीमान कार्यकारी निर्देशक ज्यू
नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग
बालवाटार, काठमाण्डौ ।

विषय: वित्तीय विवरण प्रकाशन स्वीकृतीका लागि दिईएको निर्देशनको प्रत्युत्तर सम्बन्धमा ।

महोदय,

तहाँको मिति २०८२/०९/०६ को वि.सं.सु.वि./गैरस्थलगत/नेपाल/०८२/८३ च. नं.९६ को पत्र बमोजिम यस संस्थाको आ.ब. २०८१/०८२ को वित्तीय विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण, नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसाँग सम्बन्धित अनुसूचीहरु लगायतका वार्षिक वित्तीय विवरणहरु साधारणसभा प्रयोजनका लागि प्रकाशनको स्वीकृती प्राप्त भएकोमा उक्त पत्रको निर्देशनहरुको हालसम्म भए गरेका काम कारबाहीहरुमा देहाय बमोजिम सुधार र पालना गरिने व्यहोरा तहाँको जानकारीका लागि अनुरोध छ ।

१. तहाँ बैंकबाट निर्देशन भए बमोजिम संस्थाको चुक्ता पुँजी पुर्याउनको लागि प्रक्रिया अगाडी बढाईरहेको र यथासिद्ध तोकिएको चुक्ता पुँजी पुर्याउनको लागि संस्था प्रतिबद्ध रहेको व्यहोरा तहाँको जानकारीको लागि अनुरोध छ ।
२. निर्देशनानुसार कार्यान्वयन गरिने व्यहोरा जानकारीका लागि अनुरोध छ ।
३. तहाँ बैंकको निर्देशानुसार चालु आ. ब. मा समायोजन गरिने व्यहोरा अनुरोध छ ।
४. निर्देशानुसार पनः नदोहोरिने गरी कार्यान्वयनमा ल्याईने व्यहोरा अनुरोध छ ।

भवदीय,

•उद्दबराज थपलिया
प्रमुख कार्यकारी अधि

प्रमुख कार्यकारी अधिकृत



917

Received

~~Table 10~~



नेपाल फाइनान्स लिमिटेड
नियमावलीको प्रस्तावित संशोधनको विवरण

नियमावली

क्र. सं.	हालको व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
१	<p><u>दफा २९</u></p> <p><u>संचालकको पारिश्रमिक भत्ता र सुविधा सम्बन्धी व्यवस्था</u></p> <p>१ (ख) समितिको बैठकमा उपस्थित भए वापत संचालक समितिको अध्यक्षले रु.६,०००।०० र अन्य संचालकलाई रु.५,०००।०० बैठक भत्ता प्रदान गरिने छ ।</p> <p>१(घ) संचालक समितिको अध्यक्षलाई पत्रपत्रिका इन्टरनेट वापत मासिक रु.३००।०० र टेलिफोन सुविधा वापत रु.२,०००।०० एवं संचालक समितिका सदस्यलाई पत्रपत्रिका इन्टरनेट र टेलिफोन सुविधा वापत मासिक रु.३,०००।०० उपलब्ध गराईने छ ।</p>	<p><u>दफा २९</u></p> <p><u>संचालकको पारिश्रमिक भत्ता र सुविधा सम्बन्धी व्यवस्था</u></p> <p>१ (ख) समितिको बैठकमा उपस्थित भए वापत संचालक समितिको अध्यक्षले रु.११,०००।०० र अन्य संचालकलाई रु.९,०००।०० बैठक भत्ता प्रदान गरिने छ ।</p> <p>१ (घ) संचालक समितिको अध्यक्षलाई पत्रपत्रिका इन्टरनेट वापत मासिक रु.५,०००।०० र टेलिफोन सुविधा वापत रु.३,०००।०० एवं संचालक समितिका सदस्यलाई पत्रपत्रिका इन्टरनेट र टेलिफोन सुविधा वापत मासिक रु.५,०००।०० उपलब्ध गराईने छ ।</p>	<p>समयानुकूल संचालकहरूको सुविधा बढाउन आवश्यक भएकोले ।</p>

ગોટ તથા ટિપોટ



गोट तथा टियोट

Senior Management Team

Mr. Uddhab Raj Thapaliya
Chief Executive Officer (CEO)

Mr. Bishnu Prasad Gautam
Assistant Chief Executive Officer (ACEO)

Mr. Sagar Prajapati
Chief Risk, Compliance & AML/CFT Officer

Department Head

Mr. Chandra Shekhar Khadka
CRAD & Legal

Mr. Madhu Nepal
Operation & Treasury

Mr. Dharma Dutta Sharma
Credit Administration

Mr. Suresh Shrestha
Account & Finance

Ms. Roshi Shrestha
Human Resource

Mr. Abiral Shrestha
Main Branch

Ms. Mandira Maharjan
Pulchowk Branch

Mr. Jenish Tamrakar
Banepa Branch

Mr. Yagya Mani Ghimire
Murgiya Branch

Mr. Rudra Lal Bhusal
Gaidakot Branch

Mr. Harendra Bhattarai
Machhapuchre Branch

Ms. Mina Dangol
Lagankhel Branch

Mr. Prajun Joshi
New Road Branch

Mr. Pankaj Kumar Thakur
Dhanushadham Branch

Mr. Sudip Neupane
Hetauda Branch

Mr. Arjun Gautam
Tilottama Branch

Mr. Mahesh Bohora
Palungtar Branch

Mr. Tejraj Shrestha
Kalimati Extension Counter

Branch Network

MAIN BRANCH

Kamaladi-28, Kathmandu
Tel. No.: 01-4545885/86

PULCHOWK BRANCH

Pulchowk-16, Lalitpur
Tel. No.: 01-5268584/5268683

BANEPA BRANCH

Banepa-07, Kavre
Tel. No.: 011-665364/65

MURGIYA BRANCH

Sainamaina- 03, Rupandehi
Tel. No.: 071-440411/ 440414

GAINDAKOT BRANCH

Gaindakot-4, Nawalparasi East
Tel. No.: 078-501031/501041

MACHHAPUCHHRE BRANCH

Machhapuchhre-2, Kaski
Tel. No.: 061-422100, 422101

LAGANKHEL BRANCH

Lagankhel-5, Lalitpur
Tel. No.: 01-5523850/5525115

NEWROAD BRANCH

Newroad-22, Kathmandu
Tel. No.: 01-5315671/5315846

DHANUSHADHAM BRANCH

Dhanushadham-3, Dhanusha
Tel. No.: 011-414075/76

HETAUDA BRANCH

Hetauda - 4, Makwanpur
Tel. No.: 057-590884/85

TILOTTAMA BRANCH

Tilottama-3, Rupandehi
Tel. No.: 071-438277/071

PALUNGSTAR BRANCH

Palungtar -5, Gorkha
Tel. No.:064-400011/14

KALIMATI EXTENSION COUNTER

Kalimati-13, Kathmandu
Tel. No.: 01-5315255



नेपाल फाइनान्स लिमिटेड
Nepal Finance Limited

“नेपाल राष्ट्र बैंकबाट “ग” वर्गको इजाजतपत्रप्राप्त संस्था”

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