स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेड

नवौं वार्षिक साधारण सभा सम्बन्धी

प्रोक्सी फारम

(कम्पनी ऐन २०६३ को दफा ७१ को उपदफा ३ संग सम्बन्धित)

श्री सञ्चालक समिति,

स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेड

तिलोत्तमा-५, रुपन्देही

बिषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..........................जिल्ला.....................................म.न.पा/उ.म.न.पा/न.पा./गा.पा.वडा नं..........बस्ने म/हामी ....ले त्यस वित्तीय संस्थाको शेयरधनीको हैसियतले २०८३ साल .... महिना .... गते .... बारका दिन हुने साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि .... जिल्ला .... म.न.पा/उ.म.न.पा/न.पा./गा.पा. वडा नं................ बस्ने त्यस वित्तीय संस्थाका शेयरवाला श्री .... शेयरधनी परिचय पत्र नं./हि.ग्रा.खा.नं...................... लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

निवेदक:

दस्तखत:

नाम:

ठेगाना:

शेयरधनी परिचय पत्र नं./हि.ग्रा.खा.नं.

किता नं............. देखि .... सम्म

मिति:

द्रस्टब्य:

१. यो निवेदन साधारण सभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै यस वित्तीय संस्थाको केन्द्रीय कार्यालय तिलोत्तमा-५, रुपन्देहीमा पेश गरी सक्नुपर्नेछ ।

दर्तानं.१५४१८३/०७३/०७४

स्वाभिमान लघुवित्त वित्तीय संस्था लि.
Swabhimaan Laghubitta Bittiya Sanstha Ltd.
नेपाल राष्ट्र बैंकबाट 'घ' वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्था (प्रादेशिकस्तर कार्य क्षेत्र भएको)
केन्द्रीय कार्यालय, तिलोत्तमा-५, रुपन्देही

नवौं वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु,

यस वित्तीय संस्थाको मिति २०८३/०३/०८ गते बसेको संचालक समितिको निर्णयानुसार संस्थाको नवौं वार्षिक साधारण सभा निम्नलिखित मिति, समय र स्थानमा देहायका प्रस्तावहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुंदा कम्पनी ऐन, २०६३ को दफा ६७ अनुसार सम्पूर्ण शेयरधनी महानुभावहरुको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान

मिति: २०८३/०३/३० गते मंगलवार, तदनुसार १४ जुलाई, २०२६

समय: बिहान ११.०० बजे

स्थान: स्वाभिमान लघुवित्त वित्तीय संस्था लि.को केन्द्रीय कार्यालय, तिलोत्तमा ५, रुपन्देही ।

छलफलको विषय सूची :

क. सामान्य प्रस्ताव:

(१) संचालक समितिको तर्फबाट अध्यक्षज्यूबाट प्रस्तुत हुने आर्थिक बर्ष २०८१/०८२ को बार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।

(२) लेखापरीक्षण प्रतिवेदन सहितको २०८२, आषाढ मसान्तको वासलात, आ.व. २०८१/०८२को नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण सहितको वित्तीय विवरणहरु (अनुसूचीहरु समेत) छलफल गरी पारित गर्ने ।

(३) आर्थिक वर्ष २०८२/०८३ को लेखापरीक्षण कार्यको लागि लेखापरीक्षक नियुक्ति एंव निजको पारिश्रमिक निर्धारण गर्ने ।

(४) संचालक समितिमा संस्थापक शेयरधनीहरुको तर्फबाट प्रतिनिधित्व गर्ने ४ जना संचालकहरुको निर्वाचन गर्ने ।

(५) संचालक समितिमा सर्वसाधारण शेयरधनीहरुको तर्फबाट १ जना संचालकको निर्वाचन गर्ने ।

ख. बिशेष प्रस्ताव:

(१) अन्य इजाजतपत्र प्राप्त "घ" वर्गका वित्तीय संस्थासंग मर्जर (Merger) वा प्राप्ति (Acquisition) गर्न / गराउन उपयुक्त देखिएमा सो सम्बन्धी आवश्यक सम्पूर्ण कार्य अगाडी बढाउन संचालक समितिलाई अख्तियारी प्रदान गर्ने ।

(२) नियमनकारी निकायबाट कुनै निर्णय उपर फेरबदल गर्न निर्देशन भएमा आवश्यकता अनुसार थपघट, परिमार्जन संशोधन तथा सच्याउनको लागि संचालक समितिलाई अख्तियारी दिने ।

ग. विविध ।

साधारण सभाको सन्दर्भमा शेयरधनी दर्ता किताब बन्द रहने सूचना :

मिति २०८३/०३/२२ गते वित्तीय संस्थाको दर्ता किताब बन्द (Book Close) रहनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८३/०३/१९ गतेसम्म कारोवार भई प्रचलित कानुन बमोजिम शेयर नामसारी भई कायम शेयरधनीहरुले मात्र साधारण सभामा भाग लिन र मतदान गर्न सक्नेछन् ।

संचालक समितिको आज्ञाले,
कम्पनी सचिव

साधारण सभा सम्बन्धी सामान्य जानकारी:

१. साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरु आफ्नो हितग्राही खाता नं. (DMAT) तथा परिचय खुल्ने फोटो सहितको कुनै प्रमाणपत्र अनिवार्य रुपमा साथमा लिई सभामा भाग लिन आउनु हुन अनुरोध छ । संगठित संस्थाबाट प्रतिनिधित्व गर्ने भएमा संस्थाको आधिकारिक पत्र पेश गर्नुपर्नेछ ।

२. वार्षिक साधारण सभा सम्बन्धी सञ्चालक समितिको प्रतिवेदन समेतका कागजातहरु निरीक्षण गर्न तथा प्रतिलिपि आवश्यक भएमा कार्यालय समय भित्र संस्थाको केन्द्रीय कार्यालय, तिलोत्तमा ५, रुपन्देही वा संस्थाको Website: www.swabhimaanlaghubitta.com.np बाट प्राप्त गर्न सकिने छ ।

३. साधारण सभामा भाग लिनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरुले प्रोक्सी फाराम कम्पनीको केन्द्रीय कार्यालय, तिलोत्तमा ५, रुपन्देहीमा साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै दर्ता

गरिसक्नु पर्नेछ । सभामा भाग लिनका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै मुकर्रर गर्ने भएमा सोको लिखित सूचना सोही अवधिभित्र संस्थाको केन्द्रीय कार्यालयमा दर्ता गरिसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत संस्थाको शेयरधनी हुनु पर्नेछ ।

४. प्रतिनिधि नियुक्ति गरिसक्नु भएको शेयरधनी आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गर्नु भएमा प्रोक्सी दिई सकेको भएपनि त्यस्तो प्रोक्सी बदर हुनेछ ।

५. नावालक वा फरक किसिमले सक्षम शेयरधनीहरुज्यूका तर्फबाट संस्थाको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भागलिन वा प्रतिनिधि तोक्न पाउनेछन् ।

६. शेयरधनीमहानुभावहरुबाट व्यक्त गरिएका प्रश्न, जिज्ञासा वा मन्तव्यहरुको सम्बन्धमा संचालक समितिको तर्फबाट अध्यक्ष वा निजबाट अनुमति प्राप्त व्यक्तिले जवाफ दिन सक्नेछन् ।

७. संचालकको निर्वाचन सम्बन्धी विस्तृत जानकारीको लागि वित्तीय संस्थाको रजिष्टर्ड कार्यालय, तिलोत्तमा- ५, रुपन्देहीमा सम्पर्क राख्न सकिनेछ ।

८. यस वित्तीय संस्थाको संचालकमा उम्मेदवार हुनका लागि संस्थाको नियमावलीमा उल्लेख भए बमोजिम न्यूनत्तम १०० कित्ता शेयर धारण गरेको र बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३, बमोजिम योग्य भएको हुनु पर्नेछ । संस्थापक शेयरधनीहरुको तर्फबाट ४ जना र सर्वसाधारण शेयरधनीहरुको तर्फबाट १ जना संचालकहरुको निर्वाचन सम्बन्धी कार्यक्रम निर्वाचन अधिकृतले संस्थाको केन्द्रीय कार्यालयमा सूचना प्रकाशन गरे बमोजिम हुनेछ ।

९. शेयरधनीमहानुभावहरुको सुविधाको लागि हाजिरी पुस्तिका सभा हुने दिन बिहान १०.०० बजे देखि खुल्ला रहनेछ ।

१०. अन्य थप जानकारीका लागि संस्थाको केन्द्रीय कार्यालय, तिलोत्तमा ५, रुपन्देहीमा सम्पर्क गर्नुहुन अनुरोध छ ।

संचालक समितिको प्रतिवेदन २०८१/०८२

आदरणीय शेयरधनी महानुभावहरु,
यस वित्तीय संस्थाको नवौं वार्षिक साधारण सभामा सहभागी हुन पाल्नु भएकोमा संस्थाको सञ्चालक समिति एवं सम्पूर्ण संस्थाको परिवारको तर्फबाट यहाँहरुलाई हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछौं ।

गत आर्थिक वर्षमा देशको आन्तरिक अर्थतन्त्र सुधार हुने क्रममा रहेकोले नेपाल राष्ट्रले विभिन्न किसिमको खुकुलो नीति बनाउँदै गर्दा देशमा रहेको राजनितिक अस्थिरता, विभिन्न समूहको आन्दोलन, केही व्यक्तिहरुको लघुवित्त संस्थाको प्रति लक्षित अराजक गतिविधि लगायतका कारणले कर्जाको गुणस्तरमा केही कमजोर भएको छ । यसको परिणामस्वरुप संस्थाले आर्थिक वर्ष २०८१/०८२ मा आशातित उपलब्धि हासिल गर्न नसकेता पनि केही सन्तोषजनक उपलब्धि हासिल गर्न सफल भएको छ ।

आर्थिक वर्ष २०८१/०८२ मा वित्तीय संस्थाले गरेका प्रगतिहरु, हासिल गरेका उपलब्धिहरु, संस्था सञ्चालनमा देखिएका चुनौतीहरु एवं भविष्यका अल्पकालीन तथा दीर्घकालीन योजनाहरु र समग्र लघुवित्त क्षेत्रको समीक्षा तथा पुनरावलोकन गर्न कम्पनी ऐन, २०६३, धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ तथा बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ को अधीनमा रही तयार गरिएको यो प्रतिवेदन सञ्चालक समितिको तर्फबाट वित्तीय संस्थाको नवौं वार्षिक साधारण सभामा प्रस्तुत गरेका छौं ।

(क) आर्थिक वर्ष २०८१/०८२ मा वित्तीय संस्थाको कारोवारको सिंहावलोकन :
आर्थिक वर्ष २०८१/०८२ को प्रगति विवरण समग्रमा निम्न अनुसार रहेको छ :

विवरण	असार मसान्त २०८१	असार समान्त २०८२	वृद्धि (प्रतिशतमा)
चुक्ता पूंजी	१५३,४४५,५०९	१५३,४४५,५०९	०
निक्षेप	६९४,८१६,४६७।०७	८८४,३९६,८४७।२३	२७.२८
तिर्न बाँकी कर्जा सापट	१,५७२,०४१,१५२।३२	१,८९३,४६५,९१८।६०	२०.४५
लगानी	१,५००,०००	०	(१००)
कर्जा सापट	२,३०७,४७८,३०५।९१	२,८३१,२९७,९५७।३८	२२.७०
कुल सम्पत्ति	२,४९६,५१४,८०७।८९	३,०९०,०४४,४५७।८५	२३.७७
सञ्चालन मुनाफा	(४०,०८९,१९६।०१)	६५,०२३,०९७।२९	२६२.२०
खुद नाफा	२,३५९,१६६।०६	४०,५९४,८२९।१६	१६२०.९७
खुद नाफा/कुल सम्पत्ति (प्रतिशत)	०.०९%	१.३१%	१३५५.५६
खुद नाफा/नेटवर्थ (Return on Equity) (प्रतिशत)	१.१७ %	१६.१६%	१२८१.२०
निष्कृय कर्जा/कुल कर्जा अनुपात (प्रतिशत)	७.५०%	९.८९%	३१.८७
प्रति शेयर आम्दानी (रु)	१.५४	२६.४६	१६१८.१८

समिक्षा अवधिमा वित्तीय संस्थाको कुल कर्जा २२.७० प्रतिशतले वृद्धि भई रु.२.८३ अर्ब पुगेको छ भने निक्षेप संकलन २७.२८ प्रतिशतले वृद्धि भई रु.८८.४३ करोड पुगेको छ । साथै, वित्तीय संस्थाको वासलातको आकार २३.७७ प्रतिशतले वृद्धि भई रु.३.०९ अर्ब पुगेको छ ।

आर्थिक वर्ष २०८१/०८२ मा अघिल्लो वर्षको तुलनामा संस्थाको सञ्चालन मुनाफा २६२.२० प्रतिशत र खुद मुनाफामा १६२०.९७ प्रतिशतले वृद्धि क्रमश: रु.६.५० करोड तथा रु.४.०५ करोड आर्जन गरेको छ । समिक्षा अवधिमा बैंकको पूँजीमा र सम्पत्तिमा प्रतिफल क्रमश:१६.१६ प्रतिशत र १.३१ प्रतिशत रहेको छ, जुन अघिल्लो वर्ष क्रमश: १.१७ प्रतिशत र ०.०९ प्रतिशत रहेको थियो । अघिल्लो आ.व. २०८०/०८१ मा बैंकको प्रति शेयर आम्दानी रु.१.५४ रहेकोमा समीक्षा अवधिमा १६१८.१८ प्रतिशतले वृद्धि भई रु.२६.४६ रहेको छ ।

❖ चुक्ता पूँजी तथा पूँजी पर्याप्तता अनुपात

आर्थिक वर्ष २०८१/०८२ मा बैंकको पूँजी पर्याप्तता अनुपात ७.४४ प्रतिशत रहेको छ । समिक्षा अवधिमा बैंकको न्यूनतम पूँजी पर्याप्तता अनुपात नियमनकारी निकाय श्री नेपाल राष्ट्र बैंकले तोकेको न्यूनतम अनुपात ८ प्रतिशत भन्दा ०.५६ प्रतिशत विन्दुले कम रहेको छ ।

❖ सञ्चित मुनाफा तथा जगेडा कोष

यस आर्थिक वर्षमा संस्थाले ४.०५ करोड खुद नाफा गरेको छ । यस वर्षको खुद नाफा समायोजन पश्चात संस्थाको संचित मुनाफा बढेर रु.३.८७ करोड कायम भएको छ । त्यसैगरी आर्थिक वर्षको अन्त्यमा संस्थाको जगेडा कोष रु.५.८९ करोडको भएको छ । संस्थाले आर्थिक वर्ष २०८१/०८२ को लागि कुनै किसिमको लांभाश वितरण नगर्ने निर्णय गरेकोले संचित मुनाफा तथा जगेडा कोषमा कुनै हेरफेर हुने देखिदैन ।

❖ बचत संकलन

समिक्षा अवधिमा वित्तीय संस्थाको कुल निक्षेप ८८.४३ करोड पुगेको छ, जुन गत आर्थिक वर्षको तुलनामा २७.२८ प्रतिशतको वृद्धि हो । वित्तीय संस्थाले बचतको महत्वबारे बुझाई ग्राहक सदस्यहरुलाई बचत गर्न उत्प्रेरित गरी बचत परिचालन गर्दै आएको छ । संस्थाको दिगो विकासकालागि बैंक तथा वित्तीय संस्थाको कर्जा सापटी प्रतिको निर्भरतालाई कम गर्दै लैजानुपर्ने आवश्यकता रहेकोछ । नेपाल राष्ट्र बैंकको निर्देशनको परिधिभित्र रही संस्थामा आवद्ध सबै ग्राहकहरुबाट बचत संकलन गरी श्रोतमा आत्मानिर्भर हुने गरी कार्य गर्दै आएको छ । साथै, संस्थाले चालु आ.व.मा समेत निक्षेपलाई वृद्धि गर्ने रणनीतिलाई निरन्तरता दिएको छ, जसबाट संस्थाको कोषको लागतमा पनि सुधार आउने अपेक्षा गरिएको छ ।

❖ कर्जा तथा कर्जा नोक्सानी व्यवस्था

समीक्षा अवधिमा यस वित्तीय संस्थाको खुद कर्जा लगानी अघिल्लो वर्षको तुलनामा २२.७० प्रतिशतले वृद्धि भई रु. करिब रु. २.८३ अर्ब पुगेको छ । आफ्नो दीर्घकालीन रणनीति अनुरूप वित्तीय संस्थाले कम जोखिमयुक्त, साना तथा उत्पादनमुलक कर्जालाई प्राथमिकता दिंदै थप सरलीकृत बनाएको छ । साथै, ग्राहकहरूको आवश्यकता पहिचान गरी नवीनतम कर्जा योजनाहरूको विकास मार्फत लुम्बिनी प्रदेशको पहिलो रोजाइको लघुवित्त वित्तीय संस्था बन्ने लक्ष्य संस्थाले लिएको छ ।

देशमा विद्यमान क्रमिक आर्थिक शिथिलता, बजारमा देखिएको व्यावसायिक मन्दी तथा पछिल्लो समय लघुवित्त क्षेत्र प्रति लक्षित असहज परिस्थितिका कारण समीक्षा वर्षको अन्त्यमा संस्थाको निष्क्रिय कर्जा रकम रु. २८.४० करोड (९.८९ प्रतिशत) रहन गएको छ । बाहृय चुनौतीका कारण निष्क्रिय कर्जा रकम सोचिए अनुरूप असुली हुन नसके तापनि केन्द्रीय बैंकको वर्गीकरण तथा नोक्सानी व्यवस्था सम्बन्धी निर्देशिकाको पालना गर्दै सम्भावित जोखिम व्यवस्थापनका लागि संस्थाले कुल रु.७.५१ करोड कर्जा नोक्सानी व्यवस्था कायम गरेको छ । कुल निष्क्रिय कर्जाको तुलनामा कुल नोक्सानी व्यवस्थाको अनुपात २६.४५ प्रतिशत रहेको छ ।

संस्थाले अवलम्बन गरेको दीर्घकालीन रणनीति अनुसार आगामी दिनहरूमा कर्जा प्रवाह तथा कर्जा जोखिमलाई न्युनीकरण गर्ने उद्देश्यका साथ कर्जा असुली, स्थलगत कडा अनुगमन तथा व्यवस्थापन प्रक्रियालाई थप सुदृढ र सबल बनाउँदै लगिने व्यहोरा अनुरोध गर्दछौं ।

❖ लगानी

संस्थाको आ.ब.२०८१/८२ मा म्युचुअल फण्ड, शेयर तथा अन्य केहीमा कुनै किसिमको लगानी रहेको छैन र तत्काल लगानी गर्ने योजना पनि रहेको छैन । तथापि भविष्यमा वित्तिय संस्थाको प्रतिफललाई वृद्धि गर्नको लागि उच्च सर्तकताका साथ लगानीको दायरा फराकिलो बनाउने रणनीति भने अवश्य अवलम्बन गरिने छ ।

❖ व्याज आम्दानी

समिक्षा अवधिमा यस वित्तीय संस्थाको मुख्य व्यावसायिक कारोबारमा भएको विस्तारका कारण खुद व्याज आम्दानीमा सन्तोषजनक वृद्धि भएको छ । सो बमोजिम संस्थाको कुल ब्याज आम्दानी अघिल्लो वर्षको तुलनामा २२.१४ प्रतिशतले वृद्धि भई ३९.१७ करोड पुगेको छ । देशमा विद्यमान आर्थिक शिथिलता र प्रतिकूल परिस्थितिका कारण निष्क्रिय कर्जामा वृद्धि भई असुलीमा केही चुनौती थपिए तापनि, संस्थाले खुद कर्जा प्रवाहमा हासिल गरेको २२.७० प्रतिशतको वृद्धि तथा प्रभावकारी कोष व्यवस्थापनका कारण कुल व्याज आम्दानीमा राम्रो प्रगति हासिल गर्न सफल भएको हो ।

❖ व्याज खर्च

समीक्षा अवधिमा यस वित्तीय संस्थाको कुल व्याज खर्च अघिल्लो वर्षको तुलनामा ७.३३ प्रतिशतले घट्न गई करिब रु.१९.५५ करोड कायम भएको छ । समीक्षा अवधिमा बजारको व्याजदरमा आएको क्रमिक गिरावटका कारण बैंक तथा वित्तीय संस्थाहरुबाट लिइएको कर्जा सापटको व्याजदर उल्लेख्य मात्रामा घटेको छ । सोही कारण संस्थाको भुक्तानी गर्न बाँकी कर्जा सापट तथा निक्षेप संकलन क्रमश:२०.४५ र २७.२८ प्रतिशतले वृद्धि भएतापनि, कुशल वित्तीय कोष व्यवस्थापनका कारण समग्र व्याज खर्च नियन्त्रणमा रही घट्न पुगेको हो, जसले संस्थाको खुद नाफामा सकारात्मक योगदान पुर्‍याएको छ ।

चालु आर्थिक वर्षमा समेत संस्थालाई आवश्यक पर्ने कोष व्यवस्थापन गर्दा दीर्घकालीन रणनीतिक योजना अनुरुप न्यून व्याजदर भएका बैंक तथा वित्तीय संस्थाहरुबाट मात्र कर्जा सापट परिचालन गर्ने योजना तय गरिएको छ ।

❖ खुद व्याज आम्दानी

समिक्षा अवधिमा बैंकिङ्ग क्षेत्रमा कायम रहेको सहज तरलताका कारण बैंक तथा वित्तीय संस्थाहरुबाट लिइएको कर्जा सापटको व्याजदरमा उल्लेख्य गिरावट आएको छ । यसरी संस्थाको व्याज खर्चमा आएको कमी, खुद कर्जा लगानीमा भएको वृद्धि तथा प्रभावकारी कोष व्यवस्थापनका कारण संस्थाको खुद व्याज आम्दानीमा उच्च वृद्धि हासिल भएको छ । सो बमोजिम खुद व्याज आम्दानी गत वर्षको तुलनामा ७८.७६ प्रतिशतले वृद्धि भई रु.१९.६२ करोड पुगेको छ ।

आगामी दिनहरुमा उपलब्ध कोषहरुको अधिकत्तम र उचित सदुपयोग गर्दै संस्थाको हित अनुकूल सुरक्षित तवरले कर्जा लगानी अभिवृद्धि गर्ने रणनीतिका साथ संस्थाले आफ्ना दीर्घकालीन लक्ष्यहरु अवलम्बन गर्दै अगाडि बढ्ने रणनीति तय गरेको छ ।

❖ खुद शुल्क तथा कमिशन आम्दानी

समिक्षा अवधिमा वित्तीय संस्थाले खुद शुल्क तथा कमिशन आम्दानी तर्फ रु.३.०५ करोड आर्जन गरेको छ, जुन गत वर्षको तुलनामा २०.७२ प्रतिशत बढी हो ।

संस्थाले आर्जन गर्ने खुद मुनाफामा कमिशन तथा अन्य आम्दानीको हिस्सा बढाउने रणनीतिको अनुरुप समिक्षा अवधिमा नवीनतम सेवा तथा सुविधाहरु विस्तार गरेको छ, साथै साविकका सेवा तथा सुविधाहरुलाई प्रतिस्पर्धी र ग्राहकमैत्री बनाउँदै समय सापेक्ष परिमार्जन गरेको छ ।

❖ **अन्य सञ्चालन आम्दानी**

समिक्षा अवधिमा बैंकको अन्य सञ्चालन आम्दानी ८.७७ प्रतिशतले कमी आई रु.२.०८ लाख आर्जन भएको छ, जुन अघिल्लो वर्ष २.२८ लाख रहेको थियो ।

❖ **कर्मचारी खर्च**

समिक्षा अवधिमा संस्थाको कुल कर्मचारी खर्च २७.५१ प्रतिशतले वृद्धि भई १०.०६ करोड पुगेको छ, जुन अघिल्लो वर्ष रु.७.८९ करोड रहेको थियो ।

वित्तीय संस्थाले समिक्षा वर्षमा मुख्यतया कर्मचारीको तलबमा पुनरावलोकन गरेको कारण कर्मचारी खर्चमा वृद्धि भएको हो । संस्थाले आवश्यकतानुसार नयाँ कर्मचारी भर्ना गर्नुका साथै नियमित रुपमा दक्ष कर्मचारीको पदोन्नती तथा वार्षिक कार्य सम्पादन क्षमताको मूल्याङ्कन गर्दै आईरहेको छ । समीक्षा वर्षको अन्त्यमा कर्मचारी संख्या २०२ पुगेको छ । संस्थाले कर्मचारीहरुको क्षमता अभिवृद्धि गर्नको लागि हरेक वर्ष नियमति तालिमहरु आयोजना गर्दै आएको छ । कर्मचारी तालिममा समीक्षा अवधिमा रु.२०.०२ लाख खर्च भएको छ, जुन गत वर्षको कर्मचारी तलबभत्ता खर्चको ३.०८ प्रतिशत हुन आउँछ । नेपाल राष्ट्र बैंकबाट जारी एकीकृत निर्देशन २०८१ को निर्देशन नं.६/०८१ को बुँदा नं. ५ अनुसार संस्थाले आफ्नो कर्मचारीको दक्षता अभिवृद्धिका लागि प्रत्येक वर्ष गत आर्थिक वर्षको कर्मचारीको कुल तलबभत्ता खर्चको न्युनतम ३ प्रतिशत रकम तालिम तथा वृत्ति विकास खर्च गर्नुपर्ने व्यवस्था रहेकोले संस्थाले नियामकीय निकायले तोकेको व्यवस्थाको पालना हूने किसिमले कर्मचारीको सीप विकासमा विशेष लगानी गरेको छ ।

कर्मचारीहरु नै संस्थाको सबैभन्दा मूल्यवान सम्पत्ति हुन् भन्ने मान्यतालाई आतमसात गर्दै वित्तीय संस्थाको दीर्घकालीन रणनीति अनुरुप संस्थालाई थप सबल बनाउनको लागि आवश्यक थप जनशक्ति तथा कर्मचारीको क्षमता तथा सीप अभिवृद्धिका लागि गरिएको खर्चलाई संस्थाको लगानीको रुपमा लिएको छ र आउँदा दिनहरुमा यसको प्रतिफल व्यवसाय र मुनाफा वृद्धिको रुपमा प्राप्त हुने विश्वास समेत संस्थाले लिएको छ ।

❖ **अन्य सञ्चालन खर्च**

समिक्षा अवधिमा संस्थाको अन्य सञ्चालन खर्च ३५.२९ प्रतिशतले वृद्धि भई रु.२.५२ करोड पुगेको छ, जुन अघिल्लो वर्ष १.८६ करोड रहेको थियो । कार्यालय व्यवस्थापन खर्च तथा बिशेषगरी संस्थाको कर्जा वृद्धि भएको कारण निक्षेप तथा कर्जा सुरक्षण कोषमा संस्थाले तिनुपर्ने प्रिमियम रकममा उल्लेख्य वृद्धि भएको कारण अन्य सञ्चालन खर्चमा ३५.२९ प्रतिशतको वृद्धि आएको छ ।

❖ **ह्रास तथा अपलेखन**

समिक्षा अवधिमा संस्थाको ह्रास तथा अपलेखन खर्च ३.२१ प्रतिशतले वृद्धि भई रु.७४.२९ लाख पुगेको छ, जुन अघिल्लो वर्ष रु.७१.९८ लाख रहेको थियो ।

❖ **नाफा/नोक्सान बाँडफाँड विवरण**

संस्थाको यस वर्षको खुद नाफा रु.४.०५ करोड रहेको छ र बाँडफाँड विवरण निम्न अनुसार रहेको छ :

विवरण	**यस वर्ष**
गत वर्षको संचित मुनाफा (After NFRS Adjustment)	**५,६६२,५७१**
यस वर्षको खुद मुनाफा	४०,५९४,८२९
संस्थागत सामाजिक उत्तरदायित्व कोष फिर्ता	१०३,२२०
नियामकीय समायोजन	१,५७०,९९०
जम्मा	**४७,९३१,६१०**
बाँडफाँड:	
साधारण जगेडा कोष	(८,११८,९६६)
संस्थागत सामाजिक उत्तरदायित्व कोष	(४०५,९४८)
ग्राहक संरक्षण कोष	(६०८,९२२)
संचित मुनाफा (अन्तिम मौज्दात)	**३८,७९७,७७४**

(ख) राष्ट्रिय तथा अर्न्तराष्ट्रिय परिस्थितिबाट कारोबारलाई परेको असर:

१. विश्व अर्थतन्त्र

अन्तर्राष्ट्रिय मुद्राकोष (IMF) द्वारा सन् २०२५ अक्टोबरमा प्रकाशित World Economic Outlook अनुसार सन् २०२५ र २०२६ मा विश्व अर्थतन्त्रको वृद्धिदर क्रमश: ३.२ प्रतिशत र ३.१ प्रतिशत रहने प्रक्षेपण रहेको छ । मुद्राकोषद्वारा जारी प्रतिवेदनअनुसार सन् २०२४ मा विश्वको आर्थिक वृद्धिदर ३.३ प्रतिशत रहेको थियो ।

विकसित अर्थतन्त्रहरूको समग्र आर्थिक वृद्धिदर सन् २०२४ मा १.८ प्रतिशत रहेकोमा सन् २०२५ मा १.६ प्रतिशत र सन् २०२६ मा १.६ प्रतिशत हुने अन्तर्राष्ट्रिय मुद्राकोषको प्रक्षेपण छ । उदीयमान र विकासोन्मुख अर्थतन्त्रहरूको आर्थिक वृद्धिदर सन् २०२४ मा ४.३ प्रतिशत रहेकोमा सन् २०२५ मा ४.२ प्रतिशत र सन् २०२६ मा ४.० प्रतिशत रहने प्रक्षेपण छ । उदीयमान तथा विकासोन्मुख एसियाली अर्थतन्त्रको आर्थिक वृद्धिदर सन् २०२४ मा ५.३ प्रतिशत रहेकोमा सन् २०२५ मा ५.२ प्रतिशत र सन् २०२६ मा ४.७ प्रतिशत हुने प्रक्षेपण छ । सन् २०२४ मा भारतको आर्थिक वृद्धिदर ६.५ प्रतिशत रहेकोमा सन् २०२५ मा ६.६ प्रतिशत र सन् २०२६ मा ६.२ प्रतिशत रहने प्रक्षेपण छ । त्यसैगरी, चीनको आर्थिक वृद्धिदर सन् २०२४ मा ५.० प्रतिशत रहेकोमा सन् २०२५ मा ४.८ प्रतिशत र सन् २०२६ मा ४.२ प्रतिशत हुने प्रक्षेपण छ । सन् २०२४ मा विकसित अर्थतन्त्रमा उपभोक्ता मुद्रास्फीति २.६ प्रतिशत र उदीयमान तथा विकासोन्मुख अर्थतन्त्रहरूमा ७.९ प्रतिशत कायम रहेको छ । सन् २०२५ मा विकसित अर्थतन्त्रहरूमा मुद्रास्फीति २.५ प्रतिशत र उदीयमान तथा विकासोन्मुख अर्थतन्त्रहरूमा ५.३ प्रतिशत रहने मुद्राकोषको प्रक्षेपण छ । सन् २०२४ मा ३.५ प्रतिशतले विस्तार भएको वस्तु तथा सेवाको विश्व व्यापार सन् २०२५ मा ३.६ प्रतिशतले बढ्ने कोषको प्रक्षेपण छ ।

(श्रोत: नेपाल राष्ट्र बैंक)

२. देशको आर्थिक अवस्था

कुल ग्राहस्थ उत्पादन र मुद्रास्फीति

राष्ट्रिय तथ्याङ्क कार्यालयका अनुसार आर्थिक वर्ष २०८१/०८२ मा आर्थिक वृद्धि ४.६१ प्रतिशत रहेको अनुमान छ । कृषि क्षेत्रको वृद्धि ३.२८ प्रतिशत, उद्योग क्षेत्रको ४.५३ प्रतिशत र सेवा क्षेत्रको वृद्धि ४.२१ प्रतिशत रहेको अनुमान छ । आर्थिक वर्ष २०८१/०८२ मा कुल गार्हस्थ्य उत्पादनमा कृषि, उद्योग र सेवा क्षेत्रको अंश क्रमश: २५.१६ प्रतिशत, १२.८३ प्रतिशत र ६२.०१ प्रतिशत रहेको छ । आर्थिक वर्ष २०८१/०८२ मा कुल गार्हस्थ्य बचत कुल गार्हस्थ्य उत्पादनको ६.५५ प्रतिशत

रहेको छ । कुल स्थिर पुँजी निर्माण र कुल राष्ट्रिय बचतको कुल गार्हस्थ्य उत्पादनसँगको अनुपात क्रमश: २४.०७ प्रतिशत र ३६.२४ प्रतिशत रहेको छ ।

आर्थिक वर्ष २०८१/०८२ को दोस्रो त्रैमासमा मूल्यमा चाप परेको भएतापनि तेस्रो त्रयमासदेखी क्रमिक रुपमा सुधार हुँदै २०८२ असारमा वार्षिक विन्दुगत उपभोक्ता मुद्रास्फीति २.२० प्रतिशत रहेको छ । यस अवधिमा खाद्य तथा पेय पदार्थ समूहको मुदास्फीतिको तुलनामा गैरखाद्य तथा सेवा समूहको मुदास्फीतिमा बढी सुधार देखिएको छ ।
(श्रोत: नेपाल राष्ट्र बैंक)

वित्तीय वजारको स्थिति
समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप १२.६ प्रतिशत (रु.८११ अर्ब ४९ करोड) ले बढेको छ । अघिल्लो वर्ष यस्तो निक्षेप १३ प्रतिशत (रु.७४२ अर्ब ३७ करोड) ले बढेको थियो । समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा ८.४ प्रतिशत (रु.४२३ अर्ब ७३ करोड) ले बढेको छ । अघिल्लो वर्ष यस्तो कर्जा ५.८ प्रतिशत (रु.२७६ अर्ब ९४ करोड) ले बढेको थियो ।

२०८१ असारमा वाणिज्य बैंकहरूको औसत आधार दर ८.०० प्रतिशत, विकास बैंकहरूको ९.७१ प्रतिशत र वित्त कम्पनीहरूको ११.२१ प्रतिशत रहेकोमा २०८२ असारमा औसत आधार दर क्रमश: ६.०२ प्रतिशत, ८.०३ प्रतिशत र ८.९७ प्रतिशत कायम भएको छ । २०८१ असारमा वाणिज्य बैंकहरूको निक्षेपको भारित औसत ब्याजदर ५.७७ प्रतिशत, विकास बैंकहरूको ६.६३ प्रतिशत र वित्त कम्पनीहरूको ७.९३ प्रतिशत रहेकोमा २०८२ असारमा निक्षेपको भारित औसत ब्याजदर क्रमश: ४.१९ प्रतिशत, ४.८८ प्रतिशत र ६.०१ प्रतिशत कायम भएको छ । २०८१ असारमा वाणिज्य बैंकहरूको कर्जाको भारित औसत ब्याजदर ९.९३ प्रतिशत, विकास बैंकहरूको ११.३४ प्रतिशत र वित्त कम्पनीहरूको १२.५५ प्रतिशत रहेकोमा २०८२ असारमा कर्जाको भारित औसत ब्याजदर क्रमश: ७.८५ प्रतिशत, ८.९५ प्रतिशत र १०.२२ प्रतिशत कायम भएको छ ।

बैंक तथा वित्तीय संस्थाहरूको सङ्ख्या २०८२ असार मसान्तमा १०७ रहेको छ । यसमध्ये २० वाणिज्य बैंक, १७ विकास बैंक, १७ वित्त कम्पनी, ५२ लघुवित्त वित्तीय संस्था र १ पुर्वाधार विकास बैंक रहेका छन् ।
(श्रोत: नेपाल राष्ट्र बैंक)

पूँजी वजारको स्थिति
२०८१ असार मसान्तमा २२४०.४१ रहेको नेप्से सुचकाङ्क २०८२ असार मसान्तमा २७९४.७९ कायम भएको छ । २०८२ असार मसान्तमा धितोपत्र बजार पुँजीकरण रु.४६५६ अर्ब ९९ करोड कायम भएको छ । २०८१ असार मसान्तमा बजार पुँजीकरण रु.३५५३ अर्ब ६८ करोड रहेको थियो । २०८१ असार मसान्तमा बजार पुँजीकरण कुल गार्हस्थ्य उत्पादनको ६२.२५ प्रतिशत रहेकोमा २०८२ असार मसान्तमा ७६.२५ प्रतिशत रहेको छ । २०८२ असार मसान्तमा नेपाल स्टक एक्सचेन्ज लिमिटेडमा सुचीकृत कम्पनीहरूको संख्या २७२ पुगेको छ । सुचीकृत कम्पनीहरूमध्ये १३२ बैंक तथा वित्तीय संस्था र बीमा कम्पनी रहेका छन् भने ९१ जलविद्युत् कम्पनी, २३ उत्पादन तथा प्रशोधन उद्योग, ७ होटल, ७ लगानी कम्पनी, ४ व्यापारिक संस्था र ८ अन्य समूहका रहेका छन् । २०८१ असारमा सूचीकृत कम्पनीहरूको सङ्ख्या २७० रहेको थियो ।
(श्रोत: नेपाल राष्ट्र बैंक)

(ग) प्रतिवेदन तयार भएको मितिसम्म चालु आर्थिक वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा,

मिति २०८२ असार मसान्तपछि संस्थाको हितलाई तात्विक असर पर्ने कुनै पनि घटना रहेको छैन । चालु आर्थिक वर्षको ९ महिनाको अवस्था अघिल्लो वर्षको सोही अवधिसँग तुलना गर्दा निम्न अनुरुप रहेको छ :

विवरण	चैत्र मसान्त २०८१	चैत्र मसान्त २०८२	वृद्धिदर
सदस्य	३४,६७९	४०,७१९	१७.४२%
ऋणी	१७,७६८	२०,९२४	१७.७६%
निक्षेप	८३७,४६६,५३२।१४	९२४,११३,८६०।४०	१०.३५%
कुल कर्जा	२,७७०,४४४,६००।५२	३,१२५,८५०,०१९।६४	१२.८३%
तिर्न बाँकी कर्जा सापट	१,८२९,८६२,१०८।८७	१,९३९,१५०,६४०।४९	५.९७%

१. शाखा विस्तार

समिक्षा अवधिमा वित्तीय संस्थाले कुनै पनि शाखा विस्तार गरेको छैन र संस्थाको कुल शाखा संख्या ३६ रहेको छ । संस्थाले प्रभावकारी रुपमा कार्य क्षेत्र, सञ्जाल विस्तार तथा व्यवस्थापनका लागि सर्वेक्षण तथा विश्लेषणको कार्यहरु गरिरहेको छ ।

२. सेवा विस्तार

वित्तीय संस्थाले ग्राहकको चाहना तथा माग बमोजिम ग्राहकवर्ग समक्ष नवीनतम, परिमार्जित, भरपर्दो तथा गुणस्तरीय सेवा प्रदान गर्दै आईरहेको छ । यसको निम्ति ग्राहकहरुको आवश्यकता, व्यापार व्यवसायमा परिवर्तन, ग्राहकवर्गहरुको समस्याको पहिचान आदि पक्षहरुको मूल्याङ्कन गरी आफ्नो जनशक्तिलाई सक्षम बनाउँदै ग्राहक वर्गहरुमा सीपमा अभिवृद्धि ल्याउने तालिम तथा समय सापेक्ष सेवा प्रदान गर्नको लागि संस्थाले अनुसन्धान तथा विकासको निरन्तरतालाई संस्थाको एक विशिष्ट पक्षको रुपमा ग्रहण गरेको छ ।

वित्तीय संस्थाले देशका कम आय भएका, ग्रामीण तथा बिकटका जनताहरुलाई समेत वित्तीय सेवा प्रदान गर्दै आईरहेको छ । संस्थाले प्रविधिमा आधारित नयाँ नयाँ डिजिटल प्रोडक्टहरु विकास गरी छिटो, छरितो र भरपर्दो सेवा प्रदान गर्ने योजना रहेको छ ।

३. नयाँ योजना

यस वित्तीय संस्थाले प्रदान गर्ने सेवा सुविधाका साथै विपन्न वर्गको उत्थानमा पुऱ्याएको योगदानका विषयमा ग्राहक सदस्य तथा अभिभावकसंग अर्न्तकृया कार्यक्रमको आयोजना गरी हाल लघुवित्त संस्थाहरुप्रति सृजना भएका भ्रमहरु चिर्ने, शाखाहरुमा कर्जा लिई व्यवसाय गर्ने सदस्यहरुको संख्यामा वृद्धि गर्नका लागि आवश्यकता पहिचान गरी व्यावसायिक तालिमको व्यवस्था गरी ऋणी संख्याको अनुपात वृद्धि गर्ने र सदस्यहरुको थप आम्दानी वृद्धिको लागि प्राथमिकता दिइनेछ । शाखाहरुमा भाखा नाघेका सदस्यहरुलाई शाखाकार्यालय, अनुगमन अधिकृत तथा केन्द्रीय कार्यालय संचालन विभाग मार्फत नियमित सम्पर्कमा रही भाखा नाघेको कर्जा असुलीको लागि विशेष पहल गरिने छ । डिजिटल प्रविधिको उपयोग गरी ग्राहक सदस्यहरुलाई वित्तीय संस्थाले प्रदान गर्ने सेवा छिटो छरितो बनाइनेछ ।

४. प्रविधि विकास तथा सूचना व्यवस्थापन प्रविधि

वित्तिय संस्थाले डिजिटल बैंकिङ्ग सेवाको विकास गरी बैंकिङ्ग सेवालाई अझ आर्कषक र प्रतिस्पर्धी बनाउन आफ्नो डिजिटल च्यानललाई सुदृढ गराउने योजना अगाडि सारेको छ । संस्थाले आफ्नो सम्पूर्ण कार्यलाई स्वचालन गर्ने र कागज रहित कार्यालय वातावरण बनाउने तर्फ प्रयासरत रहेको छ । संस्थाले सूचना प्रविधि नीति लागु गरेको छ । वित्तीय संस्थाले Digital Nepal को अवधारणा बमोजिम आफ्ना कारोवारलाई क्रमश: Digitalization गर्दै लगेकोछ । सूचना प्रविधिको उच्चतम उपयोग गरी आफ्ना ग्राहक वर्गमा गुणस्तरिय सेवा प्रवाह गरिरहेको छ । गुणस्तरिय र सुरक्षित कारोवारका लागि Core Banking Software मा समय सापेक्ष सुधार गर्दै लगिएकोछ साथै डाटाको सुरक्षाको लागि Data Centre मा Data Store गर्ने गरिएको छ । डिजिटल माध्यम (Esewa, Khalti, IPS) को प्रयोग गरी समीक्षा वर्षमा २,२४९ ग्राहक सदस्यले किस्ता, बचत जम्मा गर्नु भएको छ । हालसम्म यस माध्यमबाट कुल किस्ता बचत गरी रु. २१,२९८,८४६।३०ग्राहक सदस्यहरुले जम्मा गरिसक्नु भएको छ ।

५. मानव संशाधन

संस्थाले आफ्नो कर्मचारीहरुलाई सदैव आफ्नो महत्वपूर्ण सम्पत्तिको रुपमा लिएको छ । बदलिंदो परिवेश, गतिशिल आर्थिक वातावरणमा आफ्नो कर्मचारीहरुलाई समय सापेक्ष, दक्ष र सीपयुक्त बनाउन तथा कर्मचारीहरुको क्षमता अभिवृद्धिका साथसाथै प्रोत्साहन गर्नका लागि संस्थाले समय समयमा विभिन्न आन्तरिक तथा बाह्रय तालिमहरु उपलब्ध गराउँदै आएको छ । समीक्षा अवधिमा २० किसिमका आन्तरिक तथा बाह्रय तालिमहरुमा संस्थाका कर्मचारीहरु सहभागी भई निजहरुको क्षमता अभिवृद्धि तथा सीप विकासमा मद्दत पुगेको छ । संस्थाले कर्मचारीहरुको सीप तथा क्षमताको अभिवृद्धि गर्नका लागि संस्थामा Knowledge Based Platform को विकास गर्ने र कर्मचारीहरुलाई लघुवित्त बैंकिङ्ग व्यवसायसँग सम्बन्धित ज्ञान उपलब्ध गराउने वातावरण निमार्ण गर्ने कार्य गरी रहेको छ ।

मानव संशाधनको विकासले दैनिक कार्यमा सहयोग मात्र नभई बैंकमा नयाँ सोच, नयाँ प्रविधिहरु भित्र्याउन मद्दत पुग्ने कुरामा सञ्चालक समिति विश्वस्त छ । आगामी वर्षहरुमा समेत कर्मचारीहरुको ज्ञान तथा क्षमता वृद्धिका लागि आन्तरिक तथा बाह्रय तालिमहरु निरन्तर रुपमा सञ्चालन गरिनेछ । कुल कर्मचारीहरुको संख्या आर्थिक वर्ष २०८२ असार मसान्तसम्ममा २०२ पुगेको छ । संस्थामा कार्यरत कर्मचारीहरुमा ४६.०४ प्रतिशत पुरुष तथा ५३.९६ प्रतिशत महिला रहेका छन् ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध

संस्थाले आफ्नो व्यवसायिक दायरालाई फराकिलो पार्दै जानको लागि वित्तीय संस्थाको प्रगतिसँग सरोकार राख्ने संघ संस्था तथा आद्यौगिक व्यवसायिक प्रतिष्ठानहरुसँग सुमधुर व्यवसायिक सम्बन्ध स्थापित गरी सो सम्बन्धलाई अझ मजबुद गर्दै लगेको छ र सो प्रक्रियालाई भविष्यमा पनि निरन्तरता दिने योजना राखेको छ । यसै क्रममा संस्थाले नेपाल लघुवित्त बैकर्स संघ, नेपाल उद्योग वाणिज्य महासंघ, तिलोत्तमा उद्योग वणिज्य संघ, निक्षेप तथा कर्जा सुरक्षण कोष लगायत नियमनकारी निकायहरु नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरिङ्ग लिमिटेड जस्ता संस्थाहरुसँग रहेको सुमधुर व्यवसायिक सम्बन्धलाई समीक्षा अवधिमा समेत निरन्तरता दिएको छ ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण

आर्थिक वर्ष २०८१/०८२ मा संस्थाको सञ्चालक समितिमा स्वतन्त्र सञ्चालकको रुपमा श्री जनक राज ढुङ्गाना नियुक्त हुनु भएको छ ।

सञ्चालक समितिको संरचना देहाय बमोजिम रहेको छ :

अध्यक्ष	श्री देवीदत्त ज्ञवाली
सञ्चालक	श्री कुश सुदन सिंह (प्रतिनिधिः प्राईम कर्मशियल बैंक लि.)
सञ्चालक	श्री गिरीराज पाठक
सञ्चालक	श्री हेमलाल शर्मा
स्वतन्त्र सञ्चालक	श्री जनक राज ढुङ्गाना
सञ्चालक	श्री कविराज तिमिलसिना
सञ्चालक	श्री अभिषेक श्रेष्ठ

सञ्चालक समितिको बैठक

विद्यमान ऐन तथा वित्तीय संस्थाको नियमावलीको प्रावधान अनुरुप सञ्चालक समितिको बैठक नियमति रुपमा बस्ने गरेको छ । सञ्चालक समितिहरुको बैठकमा प्रमुख कार्यकारी अधिकृत कम्पनी सचिवको रुपमा रहनु भएको छ ।

समीक्षा अवधिमा सञ्चालक समितिको कुल १४ वटा बैठक बसेको छ । बैठकमा सञ्चालकज्यूहरुको उपस्थिति र वहाँहरुले प्राप्त गरेको भत्ताको विवरण निम्न अनुसार रहेको छ :

सदस्यहरु	उपस्थित भएको बैठक संख्या	बैठक भत्ता रु.
अध्यक्ष, श्री देवीदत्त ज्ञवाली	१४/१४	७०,०००।००
सञ्चालक, श्री कुश सुदन सिंह	१४/१४	६३,०००।००
सञ्चालक, श्री गिरीराज पाठक	१४/१४	६३,०००।००
सञ्चालक, श्री हेमलाल शर्मा	१४/१४	६३,०००।००
स्वतन्त्र सञ्चालक, श्री जनक राज ढुङ्गाना	१०/१४	१८,०००।००
सञ्चालक, श्री कविराज तिमिलसिना	१४/१४	६३,०००।००
सञ्चालक, श्री अभिषेक श्रेष्ठ	१४/१४	६३,०००।००
जम्मा		४०३,०००।००

व्यवस्थापन तहको कर्मचारीलाई सञ्चालक समिति वा सञ्चालक स्तरको समितिको बैठकमा उपस्थित भए वापत कुनै किसिमको भत्ता दिने नियम रहेको छैन र दिइएको छैन ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु

प्रतिकुल आर्थिक अवस्था, उच्च मुदास्फीति, बैदेशिक मुद्राको सञ्चिती, तरलता एवं सीमित लगानीका अवसरहरु, प्रविधि सुरक्षा चालु वर्षमा पनि चुनौतिका रुपमा रहने छन् । साथै, बढ्दो प्रतिस्पर्धा एवं दक्ष जनशक्तिको अभावले थप चुनौतिहरु थपिएका छन् ।

यी चुनौतीहरुलाई ध्यानमा राख्दै बैंकले आफ्नो सेवाको दायरा तथा गुणस्तर वृद्धि गर्दै लैजाने, थप नविनतम सेवाहरु प्रदान गर्ने तथा नयाँ बजारहरु र नयाँ क्षेत्रहरुमा आफ्नो सेवा विस्तार गर्दै लैजाने रणनीति तर्जुमा गरेको छ ।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया
यस्तो कुनै कैफियत लेखापरीक्षकको प्रतिवेदनमा उल्लेख भएको छैन ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम
यस वित्तीय संस्थाले आ.ब.२०८१/०८२ को मुनाफाबाट शेयरधनी महानुभावहरुका लागि कुनै किसिमको लाभांश (बोनश शेयर तथा नगद लाभांश) वितरण नगर्ने निर्णय गरेको छ ।

(झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण
वित्तीय संस्थाले हालसम्म कुनै शेयर जफत गरेको छैन ।

(ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन
वित्तीय संस्थाको प्रगति विवरण वार्षिक प्रतिवेदनमा छुट्टै उल्लेख गरिएको छ । यस कम्पनीको सहायक कम्पनी छैन ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन
आर्थिक वर्षमा संस्थाले सामान्य लघुवित्त कारोबारहरु आफ्नो व्यवसाय अनुरुप नै सामान्य कारोबारहरु गर्दै आएको छ । यस अवधिमा कुनै महत्वपूर्ण परिवर्तन भएको छैन । यस कम्पनीको सहायक कम्पनी छैन ।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभुत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी
विगत आर्थिक वर्षमा कुनै यस्तो जानकारी संस्थालाई प्राप्त भएको छैन ।

(ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयर स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी
समीक्षा अवधिमा बैंकका सञ्चालक तथा पदाधिकारीहरुले कुनै शेयर खरिद बिक्रि गर्नुभएको छैन भन्ने जानकारी प्राप्त भएको छ । आ.ब.२०८१/०८२ को असार मसान्तमा संस्थाका सञ्चालक तथा पदाधिकारीहरुको शेयर स्वामित्वको विवरण देहाय बमोजिम रहेको छ :

पद/तह	सञ्चालक तथा पदाधिकारीको नाम	शेयरधनी नं. हितग्राही खाता नं.	जम्मा शेयर स्वामित्व (कित्ता)	कैफियत
अध्यक्ष	श्री देवीदत्त ज्ञवाली	१३०११०००००१५५०९८	२९,७६५	संस्थापक
सञ्चालक	प्राईम कर्मशियल बैंक लि.	१३०१६९००००००००१००	२२३,२४३	संस्थापक
सञ्चालक	श्री गिरीराज पाठक	१३०११०००००१३७५११	१४,८८२	संस्थापक
सञ्चालक	श्री हेमलाल शर्मा	१३०१५४००००००१३३४६	७,४४१	संस्थापक
सञ्चालक	श्री कविराज तिमिलसिना	१३०१३५०००००११२८१	२७२	सर्वसाधारण
सञ्चालक	श्री अभिषेक श्रेष्ठ	१३०१०९००००१९४१८१	१२६	सर्वसाधारण
प्रमुख कार्यकारी अधिकृत	श्री कृष्ण राज चौधरी	१३०११९०००००००३७५५	२,९०२	सर्वसाधारण
सहायक महाप्रबन्धक	श्री ध्रुव राज कोइराला	१३०११९००००००१४७५०	१,२१५	सर्वसाधारण

प्रबन्धक	श्री राज कुमार उपाध्याय	१३०११७००००२२०३३३	४०८	सर्वसाधारण
प्रबन्धक	श्री केशव भण्डारी	१३०११२००००९८३४३३	३४७	सर्वसाधारण
सहायक प्रबन्धक	श्री नोदराज बस्याल	१३०१०९००००८६४११०	२२९	सर्वसाधारण

(ढ) विगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको ब्यहोरा

बिगत आर्थिक वर्षमा यस्तो कुनै जानकारी संस्थालाई प्राप्त भएको छैन ।

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मुल्य तथा त्यसरी शेयर खरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम

संस्थाले हालसम्म आफ्नो शेयर आफैंले खरिद गरेको छैन ।

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

संस्थाको आन्तरिक नियन्त्रण प्रणाली र यसको प्रभावकारिताको समीक्षा गर्ने जिम्मेवारी सञ्चालक समितिमा रहन्छ । यसका लागि सञ्चालक समिति अर्न्तगत नै विभिन्न समितिहरुको गठन गरिएको छ, साथै बिशेष क्षेत्रहरुको कार्य सम्पादन र चुस्त प्रभावकारी नीति निर्माण तथा परिपालना गर्नको लागि आवश्यक समिति तथा उपसमिति गठन गरी आफ्नो अधिकारहरु समेत प्रत्यायोजन गरेको छ । लेखापरीक्षण समितिले नियमित रुपमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक र नेपाल राष्ट्र बैंकको सुपरीवेक्षण प्रतिवेदनहरुको समीक्षा गरी सञ्चालक समितिलाई संस्थाको आन्तरिक नियन्त्रण प्रणालीको प्रभावकारिताका विषयमा स्वतन्त्र राय प्रदान गर्दछ ।

वित्तीय कारोवारमा अन्तर्निहित विभिन्न प्रकारका जोखिम कम गर्नका लागि वित्तीय संस्थाले आफ्नो आन्तरिक नियन्त्रण प्रणालीलाई थप मजबुत बनाउदै लगेको छ । यसका लागि प्रचलित कानुन तथा नेपाल राष्ट्र बैंकको निर्देशनको परिधिभित्र रही विभिन्न नीति, नियम, विनियम, निर्देशिका तथा कार्यविधिहरु तर्जुमा गर्ने तथा समयानुकूल संशोधन गर्ने गरिएको छ ।

वित्तीय संस्थाको आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउन आन्तरिक लेखापरीक्षण विभागले संचालक समितिको मातहतको लेखापरीक्षण समितिबाट स्वीकृत लेखापरीक्षण योजनाको आधारमा आफनो कार्या संचालन गरिरहेको छ । यसै क्रममा विभागले सम्पूर्ण कार्यालयहरुको नियमित तथा विशेष लेखापरीक्षण गरिरहेको छ ।

यसका साथै संचालक समितिको मातहतमा रहेको जोखिम व्यवस्थापन समितिको मार्गदर्शनमा जोखिम व्यवस्थापन विभागले जोखिम पहिचान, अनुगमन, नियन्त्रण र रिर्पोटङ्ग सम्बन्धी कार्य गरिरहेको छ । सम्पत्ति शुद्धिकरण अनुगमन समितिले प्रचलित कानुन र नेपाल राष्ट्र बैंकको निर्देशन बमोजिम अनुपालना स्थितीको नियमित अनुगमन विभिन्न विभागमार्फत गरिरहेको छ ।

यसका अलवा वित्तीय संस्थाको उच्च व्यवस्थापन तहमा व्यवस्थापन समिति, सम्पत्ति दायित्व उपसमिति, कर्जा विभाग, जोखिम व्यवस्थापन तथा कर्जा असुली ईकाइ आर्थिक निर्देशन समिति, पदपूर्ति समिति, खरिद समिति रहेका छन् । यस्तै शाखाको नियमित अनुगमन तथा निरीक्षणको लागि अनुगमन अधिकृतको व्यवस्था गरिएको छ । अनुगमन अधिकृतले विभागको निर्देशनमा रही बजेटरी नियन्त्रण, प्रशासनिक नियन्त्रण सम्बन्धमा स्थलगत निरीक्षण गरी आवश्यक निर्देशन दिने र विभाग तथा उच्च व्यवस्थापनलाई प्रतिवेदन पेश गर्ने गर्दछन् ।

नेपाल राष्ट्र बैंकको निर्देशन र बैंक तथा वित्तीय संस्थासम्बन्धी ऐन, २०७३ को दफा २२, २६, २७, ६० र ६१ मा भएको व्यबस्था अनुसार संचालक समितिले आफ्नो जवाफदेहीमा लेखापरीक्षण समिति, जोखिम व्यबस्थापन समिति, कर्मचारी व्यबस्थापन तथा सेवा सुविधा समिति र सम्पति शुद्धिकरण अनुगमन समिति गठन गरी काम, कर्तब्य र अधिकार तोकिदिएको छ ।

(१) लेखापरीक्षण समिति

संचालक समितिले गैर कार्यकारी संचालक श्री कुश सुदन सिंहको संयोजकत्वमा एउटा लेखापरीक्षण समिति गठन गरेको छ । यस समितिका अन्य सदस्यहरुमा संचालक श्री गिरी राज पाठक र आन्तरिक लेखापरीक्षण विभागका विभागिय प्रमुख श्री केशव भण्डारीलाई सदस्य सचिव तोकिएको छ । सो समितिले संस्थाको आर्थिक अवस्थाको समीक्षा, आन्तरिक नियन्त्रण, लेखापरीक्षण सम्बन्धी कार्यक्रम र लेखापरीक्षणको परिणाम सम्बन्धमा विस्तृत छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन दिने गरेको छ ।

प्रचलित कानुन बमोजिम संस्थाको समग्र वित्तीय अवस्था, आन्तरिक नियन्त्रण, लेखापरीक्षण योजना, र आन्तरिक लेखापरीक्षण र बाह्रय लेखापरीक्षणले पेश गरेको लेखापरीक्षण प्रतिवेदनमा औंल्याइएका कैफियत उपर समीक्षा गरी सकारात्मक कदम चाल्न व्यवस्थापनलाई निर्देशन दिने नेपाल राष्ट्र बैंकबाट भएका निरीक्षण तथा सुपरीवेक्षण प्रदिवेदनमा औंल्याइएका बुंदा र कैफियतहरुको कार्यान्वयन भए/नभएको सम्बन्धमा समीक्षा गर्ने तथा ती विषयहरुको अभिलेख गरी संचालक समितिलाई जानकारी गराउने, संस्थाको वार्षिक वित्तीय विवरणलाई सही र यथार्थ बनाउन व्यवस्थापनलाई सहयोग गर्ने, संस्थाको काम कारवाहीमा नियमितता, मितब्ययिता, औचित्य, प्रभावकारिता जस्ता विषयहरु अवलम्बन भए नभएको बारे समीक्षा गरी संचालक समितिलाई आवश्यक सुझाव दिने, संस्थाको त्रैमासिक वित्तीय विवरणको समीक्षा गरी संचालक समिति समक्ष प्रतिवेदन पेश गर्ने आदि यस समितिको प्रमुख काम कर्तव्य रहेको छ ।

(२) जोखिम व्यवस्थापन समिति

संचालक समितिले गैर कार्यकारी संचालक श्री अभिशेक श्रेष्ठको संयोजकत्वमा जोखिम व्यवस्थापन समिति गठन गरेको छ । यस समितिका सदस्यमा विभागका विभागिय प्रमुख श्री नोदराज बश्याल र सदस्य सचिवमा जोखिम व्यवस्थापन तथा कर्जा असुली ईकाइका प्रमुख श्री अजिमुल्लाह दर्जी रहनु भएको छ । लेखापरीक्षण समितिका संयोजक जोखिम व्यवस्थापन समितिका पदेन सदस्य रहने व्यवस्था छ । समितिको बैठक तीन महिनामा कम्तीमा एक पटक बस्नु पर्ने व्यवस्था छ । यस समितिको काम कर्तव्य र अधिकार नेपाल राष्ट्र बैंकको निर्देशन बमोजिम तोकिएको छ ।

(३) कर्मचारी व्यवस्थापन र सेवा सुविधा समिति

संचालक समितिले गैर कार्यकारी संचालक श्री कविराज तिमिल्सीनाको संयोजकत्वमा कर्मचारी व्यवस्थापन र सेवा सुविधा समिति गठन गरेको छ । यस समितिका अन्य सदस्यहरुमा प्रमुख कार्यकारी अधिकृत श्री कृष्ण राज चौधरी र लेखा विभागका विभागिय प्रमुख श्री राज कुमार उपाध्याय रहनु भएको छ । जनशक्ति व्यवस्थापन विभाग प्रमुख श्री ध्रुव राज कोइराला सदस्य सचिव रहनु भएको छ । यस समितिको काम कर्तव्य र अधिकार नेपाल राष्ट्र बैंकको निर्देशन बमोजिम तोकिएको छ ।

(४) सम्पत्ति शुद्धिकरण अनुगमन समिति

संचालक समितिले गैर कार्यकारी संचालक श्री गिरीराज पाठकको संयोजकत्वमा सम्पत्ति शुद्धिकरण अनुगमन समिति गठन गरेको छ । यस समितिका पदेन सदस्यहरुमा प्र.का.अ.श्री कृष्ण राज चौधरी र कर्जा विभागका विभागिय प्रमुख श्री नोद राज बश्याल तथा सदस्य सचिवमा योजना तथा अनुपालना विभागका विभागिय प्रमुख श्री राज कुमार उपाध्याय रहनु भएको छ । यस समितिको काम कर्तव्य र अधिकार नेपाल राष्ट्र बैंकको निर्देशन बमोजिम तोकिएको छ ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

आर्थिक वर्ष २०८१/०८२ को कर्मचारी खर्च रु.१०.०६ करोड र कार्यालय सञ्चालन खर्च रु.२.५२ करोड गरी कुल व्यवस्थापन खर्च रु.१२.५८ करोड रहेको छ ।

(द) लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण

यस संस्थाले गैरकार्यकारी संचालक श्री कुश सुदन सिंह, संयोजक र संचालक श्री गिरीराज पाठक सदस्य तथा आन्तरिक लेखापरीक्षण विभाग प्रमुख श्री केशव भण्डारी सदस्य सचिव रहने गरी लेखापरीक्षण समिति गठन गरेको छ । यस वर्ष यस समितिले ६ वटा बैठक बसी रु.५४,०००। बैठक भत्ता खर्च भएको छ । लेखा परीक्षण समितिले नेपाल राष्ट्र बैंकले लेखा परीक्षण समितिका लागि तोकेको निर्देशनको परिधि भित्र रही आफ्नो कार्य सम्पादन गर्दै आएको छ । लेखा परीक्षकबाट प्राप्त हुने प्रतिवेदनका सम्बन्धमा लेखा परीक्षण समितिमा छलफल तथा पुनरावलोकन गरी सुधारको लागि आवश्यक निर्देशन दिने गरेको छ । लेखा परीक्षणबाट प्राप्त प्रतिवेदनलाई लेखापरीक्षण समितिले छलफल तथा पुनरावलोकन गरी समय समयमा समितिसमक्ष पेश गर्ने गरिएको छ ।

(ध) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमूख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बांकी भए सो कुरा

यस वित्तीय संस्थाका संचालक, प्रमुख कार्यकारी अधिकृत, आधारभूत शेयरधनी र निजका नजिकका नातेदारहरु वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले यस कम्पनीलाई कुनै रकम बुझाउन बांकी रहेको छैन ।

(न) संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम

यस वित्तीय संस्थाका सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम देहाय बमोजिम रहेको छ :

पद/तह	सञ्चालक तथा पदाधिकारीको नाम	जम्मा भुक्तानी भएको रकम	कैफियत
अध्यक्ष	श्री देवीदत्त ज्ञवाली	१०६,०००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
सञ्चालक	प्राईम कर्मशियल बैंक लि.	१४८,५००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
सञ्चालक	श्री गिरीराज पाठक	१४८,५००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
सञ्चालक	श्री हेमलाल शर्मा	९९,०००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
स्वतन्त्र सञ्चालक	श्री जनकराज ढुङ्गाना	२७,०००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
सञ्चालक	श्री कविराज तिमिलसिना	१२१,५००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
सञ्चालक	श्री अभिषेक श्रेष्ठ	११७,०००।००	बैठक भत्ता तथा पत्रिका र संचार खर्च
प्रमुख कार्यकारी अधिकृत	श्री कृष्ण राज चौधरी	३,४४८,३८७।००	तलबभत्ता
सहायक महाप्रबन्धक	श्री ध्रुव राज कोइराला	१,८२२,२९४।००	तलबभत्ता

(प) शेयरधनीहरुले बुझिलिन बांकी रहेको लाभांशको रकम

शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकम रहेको छैन ।

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

विगत आर्थिक वर्षमा संस्थाले कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको छैन ।

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

आफ्नो कारोवार तथा ब्यबसायका सिलसिलामा गरिएका कारोवार बाहेक कम्पनी ऐन, २०६३ को दफा १७५ मा उल्लेख भए बमोजिम अन्य कुनै कारोवार भएको छैन ।

(भ) कम्पनी ऐन, २०६३ तथा प्रचलित कानुनबमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुरा

१. लेखापरीक्षक

यस संस्थाका बाहृय लेखापरीक्षक श्री प्रमोद पन्थी एण्ड् एसोसिएट्स, चार्टड एकाउण्टेण्टस् द्धारा आ.ब.२०८१/०८२ को संस्थाको लेखापरीक्षण कार्य सफलतापूर्वक सम्पन्न गर्नुभएको छ ।

२. संस्थागत सुशासन

संस्थागत सुशासन (Corporate Governance) कायम राख्न संस्था प्रतिबद्ध छ । संस्थागत सुशासन संस्थाको काम कारवाहीको मागदर्शनको रुपमा रहेको मनन् गर्दै सोही अनुरुप संचालक समितिका काम कारवाहीहरु तथा संस्थाका अन्य सबै क्रियाकलापहरु पारदर्शी रुपमा संचालन गरी संस्थागत सुशासनको विकास गर्न एवं सोको अनुभूति गराउन संस्था सदैव प्रयात्नशील छ । संस्थाले नियमनकारी निकायहरुबाट समय समयमा जारी भएका नीति निर्देशनलाई सजगताका साथ पूर्णरुपमा पालना गर्दै आएको छ ।

३. संस्थागत सामाजिक उत्तरदायित्व

यस वित्तीय संस्थाले लघुवित्त सेवाका साथै संस्थागत उत्तरदायित्वअन्र्तगत समाजका विभिन्न क्षेत्रमा योगदान पुर्‍याउँदै आएको छ । नेपाल राष्ट्र बैंकले तोकेका क्षेत्रहरु जस्तै: शिक्षा, स्वास्थ्य, वित्तीय साक्षरता कार्यक्रम, नेपालका दिगो विकास लक्ष्यले पहिचान गरेका क्षेत्रहरु, महामारी रोकथाम जस्ता क्षेत्रलाई आधार मानी यस वित्तीय संस्थाले आफ्नो सामाजिक उत्तरदायित्व कार्यक्रम अगाडि बढाउदै आईरहेको छ ।

आ.ब.२०८१/०८२ मा यस शिर्षक सम्बन्धी कोषमा एकदमै न्यून रकम रहेकोले यस वर्षमा वित्तीय साक्षरतासम्बन्धी कार्यक्रम मात्र सञ्चालन गरिएको जसको लागि रु.१०३,२२०। खर्च भएको छ ।

४. ग्राहक पहिचान र सम्पत्ति शुद्धिकरण

संस्थाले सम्पत्ति शुद्धिकरण (मनी लाउन्डरिङ्ग) निवारण ऐन, २०६४, यस सम्बन्धी नियमावली तथा नेपाल राष्ट्र बैंकले जारी गरेको सम्पत्ति शुद्धीकरण नियन्त्रणसँग सम्बन्धी निर्देशिकाहरुको पूर्णरुपमा प्रभावकारी परिपालन गर्दै आएको छ । सम्पत्ति शुद्धिकरण रोकथाम गर्न संस्थाले प्रभावकारी नीति, नियम र निर्देशिकाहरु तर्जुमा गरी लागु गरेको छ । ग्राहक पहिचान र सम्पत्ति शुद्धिकरणका विषयमा संस्थाका कर्मचारीहरुलाई अद्यावधिक राख्ने उद्देश्यसहित संस्थाले निरन्तर यस सम्बन्धी तालिमहरु पनि आयोजना गर्दै आएको छ ।

५. शेयरधनीसँगको सम्बन्ध तथा शेयरधनीहरुलाई सूचना व्यवस्था

संस्थाले शेयरधनीहरुसँग सूचना आदान प्रदान गर्ने कार्यलाई उच्च महत्व दिएको छ । वार्षिक साधारण सभामा शेयरधनी महानुभावहरुसँग प्रत्यक्ष संवादको माध्यमबाट संस्थाले मार्ग निर्देशन प्राप्त गर्ने गरेको छ । संस्थाले वार्षिक प्रतिवेदन, त्रैमासिक

प्रतिवेदन, प्रेस विज्ञप्ति लगायत अन्य जानकरीहरु विभिन्न सञ्चार माध्यम एवं संस्थाको वेब साइट www.swabhimaanlaghuibitta.com.np मार्फत उपलब्ध गराउने गरेको छ ।

६. बीमा तथा सुरक्षणसम्बन्धी कार्यक्रम

वित्तीय संस्थाले बाह्रय बीमा कम्पनीमार्फत ग्राहक सदस्यहरुको व्यवसायको सुरक्षा र नियन्त्रणका लागि ऋण र अभिभावकको बीमाको व्यवस्थापन गरेकोछ । यसले वित्तीय संस्थाको जोखिम न्यूनिकरण गर्नुका साथै मृतकको परिवारलाई थप आर्थिक सहयोग समेत पुगेको छ ।

७. ग्राहक संरक्षणका महत्वपूर्ण गतिविधि

वित्तीय संस्थाले आफ्ना ग्राहक सदस्यहरुको हित तथा संरक्षणका लागि अलग्गै ग्राहक संरक्षण कोष (Client Protection Fund) स्थापना गरेको छ । सो कोषबाट ग्राहक संरक्षण कोष कार्यविधि बमोजिम विभिन्न किसिमका सुविधाहरु उपलब्ध गराउदै आएको छ । ग्राहक संरक्षण कोषमा जम्मा भएको रकम संस्थाले ऋणीहरुको सामूहिक हित हुने कार्य गर्न, समस्यामा परेका ऋणीहरुको व्यवसायको सुरक्षण एवम् पुनर्स्थापना गर्न तथा ग्राहकको शिक्षा, स्वास्थ्य र क्षमता विकास एवम् ग्राहकहरुका सन्तानको विद्यालय स्तरको शिक्षा, स्वास्थ्य तथा पोषण सम्बन्धी कार्यमा खर्च गर्ने व्यवस्था गरेको छ ।

ग्राहक नै संस्थाको मूल सम्पति हुन भन्ने मान्यतालाई मनन् गर्दै ग्राहकलाई सन्तुष्ट बनाउन ग्राहकहरुसंग घरदैलोमा गई भेटघाट गर्ने, केन्द्र अनुगमनका क्रममा र मासिक योजनाबद्ध ढंगबाट ग्राहकहरुसंग अर्न्तकृया गर्ने, ग्राहकहरुको कुरा सुन्ने, समस्या बुझ्ने, वित्तीय अनुशासनबारे अवगत गराउने, अभिभावक भेटघाट गर्ने, परियोजना संचालनबारे प्राविधिक तथा व्यवहारिक राय सल्लाह दिनुका साथै हौसला प्रदान गर्ने कार्यलाई केन्द्रीय कार्यालय, अनुगमन कार्यालय तथा शाखा कार्यालयहरुबाट कार्यान्वयन गरिएको छ ।

आर्थिक वर्ष २०८१/०८२ का ग्राहक संरक्षण कोषबाट भएको खर्चको विवरण :

खर्चको विवरण	**रकम रु.**
ग्राहकहरुको सीप वृद्धि तालिम	१०३,०६५।
सुत्केरी पोषण खर्च	५४६,०००।
जम्मा खर्च	६४९,०६५।

८. गुनासो तथा सुनुवाइ

सेवाग्रहीले विभिन्न माध्यमबाट आफ्ना गुनासो दर्ता एवं संस्था सम्बन्धी सूचनाहरु प्राप्त गर्न सक्ने व्यवस्था संस्थाले गरेको छ । संस्थाले फोन, इमेल, गुनासो पेटिका आदि माध्यमहरु मार्फत संस्थाले ग्राहकवर्गहरुको गुनासो तथा सूचना ग्रहण र दर्ता गर्दै आएको छ ।

गुनासो तथा सूचना दर्ता गर्ने माध्यम :

श्री ध्रुव राज कोइराला
प्रमुख सूचना अधिकृत तथा प्रमुख गुनासो व्यवस्थापन अधिकारी
मो.नं. : ९७०५८५५१०१
फोन नं. : ०७१-५६१२५८/२६७
इमेल: gunaso@swabhimaanlaghubitta.com.np

संस्थाले विभाग तथा शाखाहरुमा सहायक डेस्कको स्थापना गरेको छ । हरेक प्रकारका गुनासोहरुको संस्थाले छिटो र उत्तम तरिकाले सुनुवाई गर्दै आएको छ । यस संस्थाले सधै नै आफ्ना सेवाग्राहीलाई पहिलो प्राथमिकतामा राख्दै सेवा प्रदान गर्दै आएको छ ।

९. आचरण सम्बन्धी पालना

नेपाल राष्ट्र बैंकद्धारा जारी एकीकृत निर्देशन नं.६/०८१ को बुँदा नं.१ मा उल्लेख गरिएका आचरण सम्बन्धी व्यवस्थाहरुको संस्थाका सञ्चालकज्यूहरुले पूर्ण रुपमा पालना गर्नु भएको छ ।

धन्यवाद ज्ञापन

हाम्रा शेयरधनी महानुभावहरु हाम्रो हरेक पाइलामा साथ दिने सहयात्रीहरु हुनुहुन्छ । संस्थाको उत्तरोत्तर प्रगति तथा समृद्धिको लागि तपाईहरुले प्रत्यक्ष तथा परोक्ष रुपमा पुऱ्याउनु भएको सहयोग, महत्वपूर्ण सल्लाह, निर्णय तथा मार्गदर्शनले नै संस्था आजको सबल तथा सक्षम अवस्थामा आइपुगेको छ । शेयरधनी महानुभावहरुले हामी प्रति देखाउनुभएको सद्भाव तथा विश्वासको सञ्चालक समिति सधैं नै सराहना गर्दछ । हाम्रा हरेक उपलब्धिहरुमा हाम्रा सहयात्रीहरु, हाम्रा सेवाग्राहीहरु र हाम्रा शुभचिन्तकहरुले सधैं नै साथ दिइरहनु भएको छ र यसका लागि सञ्चालक समितिको तर्फबाट यहाँहरुलाई हार्दिक कृतज्ञता व्यक्त गर्न चाहन्छौं ।

यस सञ्चालक समितिलाई निरन्तर दिशानिर्देश गर्ने श्री नेपाल राष्ट्र, श्री नेपाल धितोपत्र बोर्ड, श्री नेपाल स्टक एक्सचेन्ज, श्री कम्पनी रजिष्ट्रारको कार्यालय, श्री अर्थ मन्त्रालय, श्री नेपाल सरकार तथा अन्य नियमनकारी निकायहरुलाई उहाँहरुले पुऱ्राउनुभएको सहयोगको लागि कृतज्ञता जाहेर गर्दछौं । साथै, संस्थाको हरेक उपलब्धी र प्रगतिमा आफ्नो कडा परिश्रमका साथ महत्वपूर्ण योगदान पुऱ्याउने संस्थाका सबै कर्मचारीहरुको परिश्रमको सम्मान गर्दै यस सञ्चालक समिति आउँदा वर्षहरुमा समेत सबैसँग निरन्तर रुपमा सहयोग प्राप्त भैरहने अपेक्षा राख्दछौं ।

धन्यवाद,

सञ्चालक समितिको तर्फबाट

देवीदत्त ज्ञवाली

अध्यक्ष

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

१. **संचालक समितिको प्रतिवेदन** : यसैसाथ संलग्न छ ।

२. **लेखापरीक्षकको प्रतिवेदन** : यसैसाथ संलग्न छ ।

३. **लेखापरीक्षण भएको वित्तीय विवरण** : यसैसाथ संलग्न छ ।

४. **कानुनी कारवाही सम्बन्धी विवरण** : देहाय अनुसारको मुद्धा दायर भएको भए, मुद्धा दायर भएको मिति, विषय, मुद्धा दायर भएको संस्थापक वा संचालकको नाम र सम्भाव्य कानुनी उपचार सम्बन्धी विवरण समावेश गरिनुपर्ने ।

(क) **त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्धा दायर भएको भए** : सो नभएको

(ख) **संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कूनै मुद्धा दायर गरेको वा भएको भए** : सो नभएको ।

(ग) **कुनै संस्थापक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्धा दायर भएको भए** : सो नभएको ।

५. **संगठित संस्थाको शेयर कारोवार तथा प्रगतीको विश्लेषण** :

(क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोवार सम्बन्धमा व्यवस्थापनको धारणा : शेयर मूल्य तथा कारोवार संख्या खुल्ला बजारबाट तय भएकोले यसमा वित्तीय संस्था तटस्थ छ । शेयर मूल्यमा प्रभाव पार्न सक्ने कुनैपनि सूचना प्रचलित ऐन कानुनको अधिनमा रही प्रवाहित गर्ने गरेको छ ।

(ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकत्तम, न्यूनत्तम र अन्तिम मूल्यका साथै कुल कारोवार शेयर संख्या र कारोवार दिन : गत आ.व. को चौथो त्रैमासिक अवधिको शेयरको अधिकतम, न्यूनतम, अन्तिम मूल्य कारोवार भएको कुल दिन तथा कारोवार संख्या नेपाल स्टक एक्सचेन्ज लि.को वेभसाइट अनुसार यस प्रकार रहेको छ ।

अधिकतम मूल्य	न्यूनतम मूल्य	अन्तिम मूल्य	कारोवारको कुल दिन	कारोवार संख्या
१,९३९।४०	१,६१०	१,८२४	४४	१,३२९

६. **समस्या तथा चुनौती** : विश्वव्यापी रुपमा रहेको आर्थिक मन्दी क्रमश: सुधारोन्मुख अवस्थामा रहेको छ । सो अवधीमा समग्र आयात तथा निर्यात उल्लेख्य रुपमा घटेको छ । विप्रेषण आप्रवाहमा उल्लेख्य रुपमा बृद्धि भई शोधानान्तर स्थिति बचतमा रहेको छ । विदेशी विनिमय सच्न्चितिमा वृद्धि भएको छ । बैक तथा वित्तीय संस्थामा बचत तथा कर्जामा सामान्य सुधार आएको छ । गत वर्षहरुमा नेपालको लघुवित्त क्षेत्रमा देखिएका समस्याहरु अहिले क्रमश: कम हुदै गएका छन् । यसले लगानीको वातावरण पनि सुधारोन्मुक बन्दै गएको छ । गत वर्ष यस वित्तीय संस्थाको बचत र लगानीमा रहेको कर्जामा बृद्धि भएको छ । कुल व्याज तथा अन्य आम्दानीमा भएको सामान्य वृद्धिका कारण खुद मुनाफामा बृद्धि भएको छ ।

७. **संस्थागत सुशासन** : यस वित्तीय संस्थाले नेपाल राष्ट्र बैंकबाट जारी गरिएको संस्थागत सुशासन लगायतका निर्देशनहरु पालना गर्नुका साथै प्रचलित ऐनहरु तथा कानुनहरुको परिपालना गरेको छ । संस्थाले विभिन्न विनियमावली, नीति कार्यविधि बनाइ कार्यान्वयनमा ल्याएको छ । त्यसैगरी आफ्नो कारोबार चुस्त–दुरुस्त, छिटो–छरितो, पारदर्शी एवं आन्तरिक प्रणालीलाई प्रभावकारी बनाउन लेखा परिक्षण समिति, जोखिम व्यवस्थापन समिति, कर्मचारी सेवा–सुविधा समिति, सम्पत्ति शुद्धिकरण अनुगमन समिति लगायतका समितिहरु गठन गरी कृयाशिल गरिएको छ ।

सूचीकृत संगठित संस्थाहरुको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४ बमोजिम संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन

सुचिकृत संगठित संस्थाको नाम	स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेड
ठेगाना	तिलोत्तमा ५, रुपन्देही
इमेल	info@swabhimaanlaghubitta.om.np
वेभसाइट	www.swabhimaanlaghubitta.com.np
फोन नं.	०७१-५६१२५८,५६१२६७
प्रतिवेदन पेश गरिएको आ.ब.	२०८१/०८२

१. संचालक समिति सम्बन्धी विवरण

(क) संचालक समितिको अध्यक्षको नाम: देवीदत्त ज्ञवाली नियुक्ति मिति: २०८० माघ ७

(ख) सेयर संरचना सम्बन्धी विवरण:

शेयर स्वामित्व विवरण	आ.ब.२०८१/०८२	
	प्रतिशत	शेयर पुँजी
१.स्वदेशी स्वामित्व	**१००.००%**	**१५३,४४५,५०९.००**
१.१ नेपाल सरकार	-	-
१.२ "क" बर्गका इजाजतपत्रप्राप्त संस्थाहरु	१४.५५%	२२,३२४,३९७.९४
१.३ अन्य इजाजतपत्रप्राप्त संस्थाहरु	-	-
१.४ अन्य संस्थाहरु	-	-
१.५ सर्वसाधारण	३२.११%	४९,२६४,९८५.२८
१.६ अन्य (संस्थापक)	५३.३४%	८१,८५६,१२५.७८
२. वैदेशिक स्वामित्व	**०.००%**	**-**
जम्मा	**१००.००%**	**१५३,४४५,५०९.००**

(ग) संचालक समिति सम्बन्धी विवरण:

क्र.सं.	संचालकहरुको नाम	ठेगाना	प्रतिनिधित्व भएको समुह	शेयर संख्या	नियुक्ति भएको मिति	पद तथा गोपनियताको शपथ लिएको मिति	संचालक नियुक्तिको विधि
१	देवीदत्त ज्ञवाली	बुटवल १०, रुपन्देही	संस्थापक	२९,७६५ कित्ता	२०८०/१०/०९	२०८०/१०/०९	मनोनित
२	कुश सुदन सिंह (प्राईम कर्मशियल बैंकको तर्फबाट)	सिद्धार्थनगर ३, रुपन्देही	संस्थापक	२२३,२४३ कित्ता	२०७९/११/११	२०७९/११/११	निर्वाचित

३	गिरिराज पाठक	तिलोत्तमा ५, मणिग्राम	संस्थापक	१४,८८२ कित्ता	२०७८/०९/०९	२०७८/०९/०९	निर्वाचित
४	हेमलाल शर्मा	कागेश्वरी मनहरा ७, काठमाण्डौं	संस्थापक	७,४४१ कित्ता	२०७८/०९/०९	२०७८/०९/०९	निर्वाचित
५	जनकराज ढुङ्गाना	जय बागेश्वरी ८, काठमाण्डौं	स्वतन्त्र	(	२०८२/०१/१५	२०८६/०१/१४	मनोनित
६	कविराज तिमिलसिना	नमोबुद्ध ५, काभ्रे	सर्वसाधारण	२७२ कित्ता	२०८०/११/२१	२०८०/११/२१	निर्वाचित
७	अभिशेक श्रेष्ठ	पुतलीबजार ५, स्याङ्जा	सर्वसाधारण	१२६ कित्ता	२०७९/११/११	२०७९/११/११	मनोनित

- **संचालक समितिको बैठक**

संचालक समितिको बैठक संचालन सम्बन्धी विवरण

क्र.सं.	यस आ.व.मा बसेको संचालक समितिको बैठकको मिति	उपस्थित संचालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने संचालकको संख्या
१	२०८१/०४/२७	६	नभएको ।
२	२०८१/०५/२८	६	नभएको ।
३	२०८१/०६/१६	६	नभएको ।
४	२०८१/०८/१०	६	नभएको ।
५	२०८१/०९/०९	६	नभएको ।
६	२०८१/०९/२८	६	नभएको ।
७	२०८१/१०/२७	६	नभएको ।
८	२०८१/१२/०७	६	नभएको ।
९	२०८१/१२/२५	६	नभएको ।
१०	२०८२/०१/१५	६	नभएको ।
११	२०८२/०१/१९	७	नभएको ।
१२	२०८२/०२/२८	७	नभएको ।
१३	२०८२/०३/१४	७	नभएको ।
१४	२०८२/०३/३१	७	नभएको ।

- कुनै संचालक समितिको बैठक आवश्यक गणपुरक संख्या नपुगी संख्या नपुगी स्थगित भएको भए सोको विवरण: नभएको ।
- संचालक समितिको बैठक सम्बन्धी अन्य विवरण

संचालक समितिको बैठकमा संचालक वा वैकल्पिक संचालक उपस्थित भए/नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण खुलाउने)	भएको ।
संचालक समितिको बैठकमा उपस्थित संचालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माईन्युट) को छुट्टै अभिलेख राखे नराखेको	राखिएको ।
संचालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा)	५४ दिन
संचालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	२०७८/०९/०८

संचालक समितिको प्रति बैठक भत्ता रु.	संचालक समितिको बैठकमा उपस्थित भए वापत अध्यक्ष र अन्य संचालकले पाउने बैठक भत्ता प्रति बैठक क्रमश: रु.५,०००। र रु.४,५००। रहेको छ ।
आ.ब.को संचालक समितिको कूल बैठक खर्च रु.	संचालक समितिको कूल बैठक भत्ता खर्च रु.४०३,०००। भएको छ ।

(२) संचालकको आचरण सम्बन्धी तथा अन्य विवरण

संचालकको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचार संहिता भए/नभएको	भएको ।
एकाघर परिवारको एक भन्दा बढी संचालक भए सो सम्बन्धी विवरण:	नभएको ।

संचालकहरुको वार्षिक रुपमा सिकाई तथा पुर्नताजगी कार्यक्रम सम्बन्धी विवरण

संचालकको नाम	तालिममा सहभागी भएको मिति	तालिमको नाम
देवीदत्त ज्ञवाली	२०८१/१०/१८	संस्थागत सुशासन, जोखिम व्यवस्थापन तथा आन्तरीक नियन्त्रण प्रणाली

प्रत्येक संचालकले आफु संचालकको पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिन भित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको भए सोको विवरण:

- संस्थासंग निज वा निजको एकाघरको परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सो को विवरण - **गराएको ।**
- निज वा निजको एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चरको विवरण - **गराएको ।**
- निज अन्य कुनै संगठित संस्थाको आधारभुत शेयरधनी वा संचालक रहेको भए त्यसको विवरण - **गराएको ।**
- निजको एकाघरको परिवारको कुनै सदस्य संस्थामा पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण - **गराएको ।**

संचालकले उस्तै प्रकृतिको उद्धेश्य भएको सुचिकृत संस्थाको संचालक, तलवी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण - **नभएको ।**

संचालकहरुलाई नियमन निकाय तथा अन्य निकायहरुबाट कुनै कारवाही गरिएको भए सोको विवरण - **नभएको ।**

(३) संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण

(क) जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण: जोखिम व्यवस्थापन समितिको गठन भएको छ ।

(ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी

अ. समितिको संरचना (संयोजक तथा सदस्यहरुको नाम तथा पद)

क्र.सं	नाम	पद	संस्थामा वहाल रहेको पद
१	अभिषेक श्रेष्ठ	संयोजक	संचालक
२	कुश सुदन सिंह	सदस्य	संचालक

३	नोदराज बस्याल	सदस्य	सहायक प्रबन्धक (संचालन तथा कर्जा विभाग प्रमूख)
४	अजिमुल्ला दर्जी	सदस्य सचिव	अधिकृत (जोखिम व्यवस्थापन इकाई प्रमुख)

आ. समितिको बैठक संख्या: ४ पटक

इ. समितिको कार्य सम्बन्धी छोटो विवरण: संस्थाको जोखिम व्यवस्थापन समितिले समय सापेक्ष संस्थामा देखिएका विभिन्न जोखिमहरुको पहिचान गरी त्यसको न्युनीकरण गर्न र संस्थामा त्यसको तातविक असर पर्न नदिनको लागि आवश्यक प्रभावकारी कदम चाल्न संचालक समिति तथा केन्द्रीय कार्यालय व्यवस्थापनलाई राय सुझाव दिने गरेको छ । आ.ब.२०८१/०८२ मा बिशेष गरी संचालन, कर्जाको क्षेत्रगत तथा बजार जोखिमको बारेमा बिशेष छलफल गरी निर्णय गरेको तथा संचालक समितिमा सल्लाह तथा सुझाव पेश गरेको पाइएको छ ।

(ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको: **नभएको ।**

(घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण : **नभएको/ आन्तरिक नियन्त्रण प्रणाली चुस्त तथा दुरुस्त राख्ने कार्य संस्थाको लेखापरिक्षण समितिमा रहेको साथै विभिन्न कार्यविधि, निर्देशिका, नीति मार्फत गर्ने गरेको छ ।**

(ङ) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण:

अ. समितिको संरचना (संयोजक तथा सदस्यहरुको नाम तथा पद): **नभएको ।**

आ. समितिको बैठक संख्या: **नभएको ।**

इ. समितिको कार्य सम्बन्धी छोटो विवरण: **नभएको ।**

(च) आर्थिक प्रशासन विनियमावली भए/नभएको: **भएको ।**

(४) सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण

(क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण

बिषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका तथा संस्थाको वेभसाइट	८ औं वार्षिक साधारण सभाको सूचना २०८१/१२/२७ र २८ गते
बिशेष साधारण सभाको सूचना	बिशेष साधारण सभा नभएको ।	बिशेष साधारण सभा नभएको ।
बार्षिक प्रतिवेदन	मुख्य वार्षिक प्रतिवेदनहरु राष्ट्रिय दैनिक पत्रिका मार्फत तथा संस्थाको वेभसाइट	२०८०/०८१ को मुख्य वार्षिक प्रतिवेदन २०८१/१२/२५
त्रैमासिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका तथा संस्थाको वेभसाइट	२०८१/०८२ को चौथो त्रैमासिक विवरण २०८२/०४/२१
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशिल सूचना	पत्र, पत्रिका तथा वेभसाइट मार्फत	बोनश घोषणा, संचालकको नियुक्ति लगायतका सूचना संचालक समितिको बैठकबाट पारित भएकै दिन

		NEPSE लाई जानकारी गराएको छ ।
अन्य	अन्य केही भएमा राष्ट्रिय दैनिक पत्रिका तथा संस्थाको वेभसाइट	अन्य केही सूचना प्रकाशन नभएको ।

(ख) सूचना सार्वजनिक नगरेको वा अन्य कारणले धितोपत्र बोर्ड तथा अन्य निकायबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी: **कुनै किसिमको कारवाहीमा नपरेको ।**

(ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सम्पन्न भएको मितिः **आठौं वार्षिक साधारण सभाको मिति २०८२/०१/१९ गते सम्पन्न भएको ।**

(५) संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण

(क) कर्मचारीहरुको संरचना, पदपूर्ति, वृति विकास, तालिम, तलब, भत्ता तथा अन्य सुविधा, हाजिर र बिदा, आचारसंहिता लगायतका कुराहरु समेटिएको कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको: **कर्मचारी सेवा विनियमावली भएको ।**

(ख) सांगठनिक संरचना संलग्न गर्ने: **संलग्न गरिएको छ ।**

(ग) उच्च व्यवस्थापन तहका कर्मचारीहरुको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धी विवरण:

क्र.सं.	कर्मचारीको नाम	हालको पद	हालको शैक्षिक योग्यता	अनुभव	कैफियत
१	कृष्ण राज चौधरी	प्रमुख कार्यकारी अधिकृत	MBA	लघुवित्त वित्तीय संस्थाहरुमा ३० वर्षको कार्य अनुभव	
२	ध्रुव राज कोइराला	सहायक महाप्रबन्धक	MA	लघुवित्त वित्तीय संस्थाहरुमा ३१ वर्षको कार्य अनुभव	
३	राज कुमार उपाध्याय	प्रबन्धक	BA	लघुवित्त वित्तीय संस्थाहरुमा १७ वर्षको कार्य अनुभव	
४	केशव भण्डारी	प्रबन्धक	MBS	लघुवित्त वित्तीय संस्थाहरुमा ९ वर्षको कार्य अनुभव	
५	नोदराज बस्याल	सहायक प्रबन्धक	BBS	लघुवित्त वित्तीय संस्थाहरुमा १५ वर्षको कार्य अनुभव	
६	गोविन्द खनाल	अधिकृत	BCA	लघुवित्त वित्तीय संस्थाहरुमा ५ वर्षको कार्य अनुभव	

(घ) कर्मचारी सम्बन्धी अन्य विवरण

संरचना अनुसार कर्मचारी पदपुर्ति गर्ने गरे/नगरेको:	**वार्षिक दरबन्दी अनुसार गरेको छ ।**
नयां कर्मचारीहरुको पदपुर्ति गर्दा अपनाएको प्रकृया:	**संस्थाको कर्मचारी सेवा विनियमालवीमा उल्लेख भए बमोजिम । (खुल्ला, अन्तर्वार्ता तथा उत्कृष्ट कर्मचारी छनौट कार्यविधि अनुसार)**
व्यवस्थापन स्तरका कर्मचारीको संख्या:	**केन्द्रीय कार्यालयमा विभागिय स्तरका ६ जना कर्मचारी रहेका छन् ।**

कुल कर्मचारीको संख्या:	२०२ जना (२०८२ असार मसान्त सम्म)
कर्मचारीहरुको सक्सेसन प्लान भए/नभएको:	**भएको ।**
आ.ब. कर्मचारीहरुलाई दिइएको तालिम संख्या र सम्मलित कर्मचारीको संख्या:	**२० किसिमको तालिममा ४२५ जना कर्मचारी सहभागी भएको ।**
आ.ब.को कर्मचारी तालिम खर्च रु. :	**२,००२,६४०।४६**
कुल खर्चमा कर्मचारी खर्चको प्रतिशत:	**२८.०८ प्रतिशत**
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्चको प्रतिशत:	**२.१४ प्रतिशत**

(६) संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

(क) लेखासम्बन्धी विवरण

संस्थाको पछिल्लो आ.ब.को वित्तीय विवरण NFRS अनुसार तयार गरे/नगरेको, नगरेको भए सोको कारण:	यस संस्थाले आफ्नो वित्तीय विवरण NFRS बमोजिम तयार गरेको छ ।
संचालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति:	आ.ब.२०८०/०८१ को वार्षिक वित्तीय विवरण २०८१/१२/०७ गते
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति:	२०८१/०८२ को चौथो त्रैमासिक विवरण २०८२/०४/२१
अन्तिम लेखापरिक्षण सम्पन्न भएको मिति:	२०८०/०८१ को अन्तिम लेखापरिक्षण सम्पन्न मिति:२०८१/१२/०६ मा भएको र आ.ब.२०८१/०८२ को अन्तिम लेखापरिक्षण कार्य सम्पन्न हुन बांकी रहेको छ ।
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति:	२०८०/०८१ को वित्तीय विवरण स्वीकृत भएको मिति:२०८२/०१/१९
संस्थाको आन्तरिक लेखापरिक्षण सम्बन्धी विवरण: (अ) आन्तरिक रुपमा लेखापरिक्षण गर्न गरिएको वा बाहृय विज्ञ नियुक्त गर्ने गरिएको (आ) बाहृय विज्ञ नियुक्त गरिएको भए सोको विवरण: (इ) आन्तरिक लेखापरिक्षण कति अवधिमा गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	(अ) आन्तरिक लेखापरिक्षण गर्ने गरिएको छ । (आ) नभएको । (इ) बर्षमा कम्तिामा १ पटक गर्ने नीति संस्थाले अवलम्बन गरेको छ ।

(ख) लेखापरिक्षण समिति सम्बन्धी विवरण

संयोजकको तथा सदस्यहरुको नाम, पद तथा योग्यता:	संयोजक: कुश सुदन सिंह, योग्यता: स्नातकोत्तर सदस्य: गिरीराज पाठक, योग्यता: एस.एल.सि. सदस्य सचिव: केशव भण्डारी, योग्यता: स्नातकोत्तर
बैठक बसेको मिति तथा उपस्थित सदस्य संख्या:	➢ मिति: २०८१/०६/२१, उपस्थित: ३ जना ➢ मिति: २०८१/०९/१९, उपस्थित: ३ जना ➢ मिति: २०८१/०९/२६, उपस्थित: ३ जना ➢ मिति: २०८१/१२/०७, उपस्थित: ३ जना ➢ मिति: २०८२/०२/३०, उपस्थित: ३ जना ➢ मिति: २०८२/०३/२३, उपस्थित: ३ जना

प्रति बैठक भत्ता रु. :	लेखापरीक्षण समितिको बैठकमा उपस्थित भए वापत संचालकले पाउने बैठक भत्ता प्रति बैठक रु.४,५००। रहेको छ ।

(७) **अन्य विवरण**

संस्थाले संचालक तथा निजको एकाघरका परिवारको वित्तीय स्वार्थ भएको व्यक्ति बैंक तथा बित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रुपमा रकम लिए/नलिएको	**नलिएको ।**
प्रचलित कानुन बमोजिम कम्पनीको संचालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाताको हैसियतमा पाउने सुविधा वा लाभ बाहेक सुचिकृत संगठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/नगरेको	**नगरेको ।**
नियमनकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरुको पालना भए/नभएको	**भएको ।**
नियमनकारी निकायले संस्थाको नियमन निरीक्षण वा सुपरिवेक्षण गर्दा संस्थालाई दिइएको निर्देशन पालना भए/नभएको	**भएको ।**
संस्था वा संचालक बिरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सोको विवरण	**नचलेको ।**

परिपालना अधिकृतको नाम : राज कुमार उपाध्याय
पद: प्रबन्धक
मिति: २०८२/०८/०९

Pramod Panthi & Associates
Chartered Accountants
Mem. No. : 741
COP NO. : 605
Firm Reg. No. : 508
Pan No. : 102849295
Butwal, Rupandehi, Nepal
Email.: pramodpanthi@hotmail.com
Contact No. 071-414265, 9857035046

INDEPENDENT AUDITORS' REPORT
To the Shareholders of Swabhimaan Laghubitta Bittiya Sanstha Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Swabhimaan Laghubitta Bittiya Sanstha Ltd., a "D" class Financial Institution (hereinafter referred to as "the Microfinance"), which comprise the Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025) and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flow 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 present fairly, in all material respects, the Financial Position of the financial institution as at Ashad 32, 2082 (July 16, 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the financial institution in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities accordingly.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Revision of Financial Statements (NSA 560 - Subsequent Events)

We draw attention to Note No. 5.9 of the financial statements, which describes the circumstances leading to the revision of the originally approved and audited financial statements for the year ended Ashad 32, 2082. The financial statements were initially approved by the Board of Directors on Falgun 15, 2082 and were audited by us, upon which our original audit report dated 2082.11.15 was issued. Subsequently, after the date of our original report, the financial statements were subject to regulatory review, and a directive issued by the regulatory authority, together with further reassessment by management, resulted in certain adjustments to the financial statements. Management has accordingly revised the financial statements in line with the applicable regulatory requirements and Nepal Standard on Auditing 560 (Subsequent Events).
The revisions primarily relate to regulatory capital adjustment arising from the deduction of NPR 1,69,31,000 in respect of land not brought into use within the prescribed regulatory period, and revision in distributable profit arising from correction in the accounting treatment of leave provision expenses for tax computation purposes.

In accordance with NSA 560, upon being informed by management of the NRB directive and the consequent revision of the financial statements, we reviewed the NRB directive dated 2083/01/31 to assess its nature and impact on the financial statements, evaluated whether the adjustments made in the revised financial statements appropriately reflect the requirements of the directive, verified that the disclosure requirements relating to the revision including the nature of the subsequent event have been adequately made in the notes, and issued this revised report replacing the original report to accompany the revised financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

S. N.	Key Audit Matters	Auditor's Response
1.	Impairment of Loans and Advances As per NFRS 9, the microfinance shall measure impairment loss on loans and advances, which is the higher of: a) Amount derived as per norms prescribed by NRB for loan loss provisioning, or b) Amount determined as per para 5.5 of NFRS adopting the expected credit loss model. As per the norms prescribed by NRB, provision at the prescribed rate shall be created on loans and advances based on overdue status, utilization status of the facility, status of security, etc. Hence, assessment of availability and accuracy of data for impairment under NRB provisioning norms is regarded as a key audit matter. Loan loss provision on loans and advances measured at amortized cost is Rs. 75,137,178 which is higher of ECL Model and NRB regulatory provisions. ECL model has been validated as per the NRB guidelines and ECL policy of the microfinance company. This is a key audit matter due to: The involvement of management significant judgements, assumptions and level of uncertainty associated	Our audit approach included: Reviewing the overdue status of loans and advances by obtaining data from the system and matching with NRB 2.2 report. a) Sample credit files were reviewed for assuring the utilization of loans & advances for intended purpose, account movement and account turnover. b) Assessed the alignment of the microfinance's impairment for expected credit losses computations and underlying methodology, including responses to current economic conditions, with its accounting policies. c) Evaluated the design, implementation and operating effectiveness of controls over estimation of expected credit losses, including the level of oversight, review and approval of impairment policies and procedures by the board and management. d) Tested the completeness, accuracy and reasonableness of the underlying data used in the ECL computations by agreeing details to source accounting records and relevant documents. e) Evaluated the reasonableness of credit quality assessments and related stage classifications. f) For loans assessed on individual basis — tested arithmetical accuracy of individual impairment calculations and evaluated reasonableness of key inputs

S. N.	Key Audit Matters	Auditor's Response
	with estimating future cash flows to recover such loans and advances; and The materiality of the reported amount of expected credit losses. Key areas of significant judgements, assumptions and estimates made by management in the assessment of expected credit losses for loans and advances include credit risk grading and historical loss experience, and considerations that indicate significant increase in credit risk. These are subject to inherently heightened levels of estimation uncertainty.	vis-a-vis economic conditions, collateral recovery status and timing of cash flows. g) For loans assessed on collective basis — tested key inputs and calculations; assessed reasonableness of judgements, estimates and management overlays including forward-looking information, economic scenarios considered and probability weighting assigned. Additional procedures performed for loan loss provision verification: □ Review of borrower files including repayment behaviour, financial strength, adequacy of security/collateral, legal documents, CIC reports and compliance with prudential regulations. □ Review of IT system to provide loan loss provision based on overdue payments. □ On sampling basis, verification of accuracy of provision against non-performing loans calculated by the IT system and manual calculations. □ Evaluation of appropriateness of subjective judgements made by management for performing loan borrowers. □ Review of Management and Board's evaluation and decisions on loans. □ Review of ECL validation report including key assumptions, model methodology and recommendations provided. □ Loan loss provision made by the microfinance is considered acceptable.

Other Information

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

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

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

Responsibilities of the 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 (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the financial institution'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 financial institution or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institution'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 institution to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.

ii. Accounts and records of the Microfinance have been maintained as required by law.

iii. Financial statements are in agreement with the books of account maintained by the Microfinance.

iv. Except Capital fund adequacy ratio, all other risk bearing fund and the provision for possible impairment of assets of the Microfinance are adequate as per the Directives issued by Nepal Rastra Bank.

v. In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors, the representative or any employee of the Microfinance has not acted contrary to the provisions of law relating to accounts, nor caused direct loss or damage to the Microfinance deliberately, or acted in a manner that would jeopardize the interest and security of the Microfinance.

vi. Operations of the Microfinance are within its jurisdiction.

vii. The Microfinance has not acted in a manner to jeopardize the interest and security of the depositors and investors.

viii. The Microfinance has a centralized core accounting system and details received from branches of the Microfinance, though the statements are independently not audited, were adequate for our audit.

ix. The Microfinance has failed to file the Income Tax Return (ITR) within the statutory deadline and has also not submitted the required annual returns to the Office of the Company Registrar within the prescribed time, resulting in exposure to fines and penalties under the Income Tax Act, 2058 and the Companies Act, 2063, as applicable.

x. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the books of account.

Date: 2083.02.08
Place: Rupandehi, Nepal
UDIN: 260609CA00741DEkd8

CA. Pramod Panthi
For, Pramod Panthi & Associates
Chartered Accountants

Encl: Financial Statements, Notes to Accounts & Preliminary Report

Swabhimaan Laghubitta Bittiya Sanstha Ltd
Statement of Financial Position
As on Year Ended 32nd Ashad 2082

Amount in NPR

Particulars	Note	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Assets				
Cash and Cash Equivalent	4.1	192,969,619	123,452,679	213,026,493
Statutory Balances & due from Nepal Rastra Bank	4.2	14,200,000	11,800,000	10,800,000
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative Financial Instruments	4.4	-	-	-
Other Trading Assets	4.5	-	-	-
Loans and Advances to MFIs & Co-operatives	4.6	-	-	-
Loans and Advances to Customers	4.7	2,831,297,957	2,336,616,763	2,070,874,488
Investment securities	4.8	-	-	-
Current Tax Assets	4.9	**1,771,115**	**5,198,618**	**6,009,962**
Investment Property	4.10	-	-	-
Property and Equipment	4.11	44,741,142.65	42,692,520	47,315,639
Goodwill and Intangible Assets	4.12	782,151.67	1,041,905	1,269,768
Deferred Tax Assets	4.13	**-**	**-**	**450,162**
Other Assets	4.14	4,282,472	4,002,876	4,017,654
Total Assets		**3,090,044,458**	**2,524,805,361**	**2,353,764,167**
Liabilities				
Due to Bank and Financial Institutions	4.15	-	-	-
Due to Nepal Rastra Bank	4.16	-	-	-
Derivative Financial Instruments	4.17	-	-	-
Deposits from Customers	4.18	884,396,847	694,816,467	671,346,737
Borrowings	4.19	1,893,465,919	1,572,041,152	1,425,096,190
Current Tax Liabilities	4.9	-	-	-
Provisions	4.20	-	-	-
Deferred Tax Liabilities	4.12	1,207,755	587,018	-
Other Liabilities	4.21	59,743,577	45,668,546	50,753,094
Debt Securities Issued	4.22	-	-	-
Subordinated Liabilities	4.23	-	-	-
Total Liabilities		**2,838,814,098**	**2,313,113,183**	**2,147,196,020**
Equity				
Share Capital	4.24	153,445,509	146,138,580	146,138,580
Share Premium		-	-	-
Retained Earnings		38,797,774	13,354,075	12,697,579
Reserves	4.25	58,987,077	52,199,523	47,731,989
Total Equity		**251,230,360**	**211,692,178**	**206,568,147**
Total Liabilities and Equity		**3,090,044,458**	**2,524,805,361**	**2,353,764,167**
Net Assets Value per share		**163.73**	**144.86**	**141.35**

The accompanying notes are integral part of these financial statements.

Raj Kumar Upadhyay
Finance Head

Krishna Raj Chaudhari
Chief Executive Officer

Kabiraj Timilsina
Director

Janak Raj Dhungana
Director

Hemlal Sharma
Director

Giriraj Pathak
Director

Kush Sudhan Singh
Director

Devi Dutta Gyawali
Chairperson

As per our report of even date

CA Pramod Panthi
Pramod Panthi and Associates
External Auditor

Swabhimaan Laghubitta Bittiya Sanstha Ltd
Statement of Comprehensive Income
For the Year Ended 32nd Ashad 2082

Amount in NPR

Particulars	Note	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Interest Income	4.27	391,747,535	320,748,240
Interest Expense	4.28	195,504,576	210,966,466
Net Interest Income		**196,242,959**	**109,781,774**
Fee and Commission Income	4.29	30,564,070	25,318,577
Fee and Commission Expense	4.30	-	-
Net Fee and Commission Income		**30,564,070**	**25,318,577**
Net Interest, Fee and Commisson Income		**226,807,029**	**135,100,351**
Net Trading Income	4.31	-	-
Other Operating Income	4.32	208,553	228,610
Total Operating Income		**227,015,582**	**135,328,961**
Impairment Charge/ (Reversal) for Loans and Other	4.33	28,665,860	22,836,157
Net Operating Income		**198,349,722**	**112,492,804**
Operating Expense			
Personnel Expenses	4.34	100,662,029	78,945,417
Other Operating Expenses	4.35	25,234,787	18,651,786
Depreciation & Amortisation	4.36	7,429,808	7,198,541
Operating Profit		**65,023,097**	**7,697,060**
Non Operating Income	4.37	-	-
Non Operating Expense	4.38	-	-
Profit Before Income Tax		**65,023,097**	**7,697,060**
Income Tax Expense	4.39	**24,428,268**	**2,199,265**
Current Tax		**23,807,531**	1,162,085
Deferred Tax		**620,737**	1,037,180
Profit for the Year		**40,594,829**	**5,497,795**
Profit Attributable to:			
Equity-holders of the Financial Institution		40,594,829	5,497,795
Non-controlling interest			
Profit for the Year		**40,594,829**	**5,497,795**
Earnings per Share			
Basic Earnings per Share		26.46	3.76
Diluted Earnings per Share			

Raj Kumar Upadhyay
Finance Head

Krishna Raj Chaudhari
Chief Executive Officer

Kabiraj Timilsina
Director

Janak Raj Dhungana
Director

Hemlal Sharma
Director

Kush Sudhan Singh
Director

Giriraj Pathak
Director

Devi Dutta Gyawali
Chairperson

CA Pramod Panthi
Pramod Panthi & Associates
External Auditor

Swabhimaan Laghubitta Bittiya Sanstha Ltd
Statement of Cash Flows
For the year ended 32nd Ashad 2082

Figures in NPR

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	386,883,537	315,873,077
Fees and other income received	30,564,070	25,318,577
Dividend received	-	-
Receipts from other operating activities	208,553	228,610
Interest paid	(195,504,576)	(210,966,466)
Commission and fees paid	-	-
Cash payment to employees	(100,662,029)	(78,945,417)
Other expense paid	(53,900,647)	(41,487,943)
Operating cash flows before changes in operating assets and liabilities	67,588,907	**10,020,437**
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	(2,400,000)	(1,000,000)
Placement with Bank and Financial Institutions	-	-
Other trading assets	-	-
Loans and advances to bank and financial institutions	-	-
Loans and advances to customers	(489,817,196)	(260,867,111)
Other assets	(279,595)	14,778
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposit from customers	189,580,380	23,469,730
Borrowings	321,424,766	146,944,963
Other liabilities	14,075,031	(5,084,548)
Net cash flow from operating activities before tax paid	**100,172,293**	**(86,501,750)**
Income taxes paid	(20,380,029)	(350,740)
Net cash flow from operating activities	**79,792,264**	**(86,852,490)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment securities	-	-
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(9,478,430)	(2,575,421)
Receipt from the sale of property and equipment	-	-
Purchase of intangible assets	259,754	227,863
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Others	-	-
Net cash used in investing activities	**(9,218,677)**	**(2,347,559)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Reciepts from issue of subordinated liabilities	-	-
Repayment of subordinated liability	-	-
Receipts from issue of shares	-	-
Dividends paid	(384,575)	-
Interest paid	-	-
Other receipt/payment	-	-
Movement in Reserve	(672,072)	(373,765)
Net cash from financing activities	**(1,056,647)**	**(373,765)**
Net increase (decrease) in cash and cash equivalents	**69,516,940**	**(89,573,814)**
Cash and cash equivalents at the beginning of the period	123,452,679	213,026,493
Effect of exchange rate fluctuations on cash and cash equivalents held		
Cash and cash equivalents at the end of the period	**192,969,619**	**123,452,679**

The accompanying notes are integral part of these financial statements.

Raj Kumar Upadhyay
Finance Head

Krishna Raj Chaudhari
Chief Executive Officer

Kabiraj Timilsina
Director

Giriraj Pathak
Director

Janak Raj Dhungana
Director

Hemlal Sharma
Director

Kush Sudhan Singh
Director

Devi Dutta Gyawali
Chairperson

CA Pramod Panthi
Pramod Panthi & Associates
External Auditor

Swabhimaan Laghubitta Bittiya Sanstha Ltd
Statemenet of Changes in Equity
Attributable to equity holders of the Institution

Figures in NPR

Particulars	Share Capital	Share premium	General reserve	Exchange Equalisation Fund	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained earning	Other Reserves	Capital Reserve Fund	Client Protection Fund	CSR Reserve	Actuary Reserve	Capital Adjustment /Equalization Fund	Investment Adjustment Reserve	Employee training fund	Other	Total	Non-controlling interest	Total equity
Balance as at 1st Shrawan 2080	146,138,580	-	36,856,798	-	-	-	-	13,419,094	2,772,330	-	2,008,992	717,757	-	-	-	45,582		199,186,802	-	199,186,802
Adjustment/Restatement					8,102,860	-	-	- 721,515	-	-	-	-	-	-	-	-		7,381,345	-	7,381,345
Adjusted/Restated balance at 1st Shrawan 2080	**146,138,580**	-	**36,856,798**	-	**8,102,860**	-	-	**12,697,579**	2,772,330	-	**2,008,992**	**717,757**	-	-	-	45,582	-	206,568,147	-	206,568,147
Comprehensive income for the year																				-
Profit for the year								5,497,795										5,497,795		5,497,795
Other comprehensive income, net of tax																				
Gains/(losses) from investment in equity instruments measured at fair value.																				
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																				
Total Comprehensive income for the year	-	-	-	-	-	-	-	5,497,795	-	-	-	-	-	-	-	-	-	5,497,795	-	5,497,795
Transfer to Reserves during the year	-	-	**471,833**	-	**4,425,001**	-	-		- **55,536**	-	23,592	- 109,823	-	-	-	30,696	-	4,841,299	-	4,841,299
Transfer from reserve during the year	-	-	-	-	-	-	-	- **4,841,299**	-	-	-	-	-	-	-	-	-	- 4,841,299	-	- 4,841,299
Other Adjustments	-	-	-	-	-	-	-	-	- 373,765	-	- 373,765	-	-	-	-	-	-	- 373,765		- 373,765
Transactions with owners, directly recognised in equity																		-		-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Dividends to equity holders																				
Bonus shares issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Cash dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Other (Share issue expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total contributions by and distributions	-	-	**471,833**	-	**4,425,001**	-	-	- **4,841,299**	- **429,300**	-	- **350,173**	- **109,823**	-	-	-	**30,696**	-	- **373,765**	-	- **373,765**
Balance as at 31st Ashad 2081	**146,138,580**	-	**37,328,631**	-	**12,527,862**	-	-	**13,354,075**	**2,343,030**	-	**1,658,819**	**607,933**	-	-	-	**76,278**	-	**211,692,178**	-	**211,692,178**
Balance as at 31st Ashad 2081	**146,138,580**	-	**37,328,631**	-	**12,527,862**	-	-	**13,354,075**	**2,343,030**	-	**1,658,819**	**607,933**	-	-	-	**76,278**	-	**211,692,178**	-	**211,692,178**
Adjustment/Restatement						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at	146,138,580	-	37,328,631	-	12,527,862	-	-	13,354,075	2,343,030	-	1,658,819	607,933	-	-	-	76,278	-	211,692,178	-	211,692,178
Comprehensive income for the year																				
Profit for the year								40,594,829										40,594,829	-	40,594,829
Other comprehensive income, net of tax									-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from investment in equity instruments measured at fair value.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	40,594,829	-	-	-	-	-	-	-	-	-	40,594,829	-	40,594,829
Transfer to Reserves during the year	-	-	8,118,966	-	- 1,570,990	-	-	-	911,651	-	608,922	302,728	-	-	-	-	-	7,459,627	-	7,459,627
Transfer from reserve during the year	-	-	-	-	-	-	-	- 7,459,627	-	-	-	-	-	-	-	-	-	- 7,459,627	-	- 7,459,627
Other Adjustments	-	-	-	-	-	-	-	-	- 672,072	-	- 595,794		-	-	-	- 76,278	-	- 672,072		- 672,072
Transactions with owners, directly recognised in equity																				-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders																				
Bonus shares issued	7,306,929	-	-	-	-	-	-	- 7,306,929	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	- 384,575	-	-	-	-	-	-	-	-	-	- 384,575	-	- 384,575
Other (Share issue expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	**7,306,929**	-	**8,118,966**	-	- **1,570,990**	-	-	- **15,151,131**	**239,579**	-	**13,128**	**302,728**	-	-	-	- **76,278**	-	- **1,056,647**	-	- **1,056,647**
Balance as at 32nd Ashad 2082	**153,445,509**	-	**45,447,597**	-	**10,956,872**	-	-	**38,797,774**	**2,582,608**	-	**1,671,947**	**910,662**	-	-	-	-	-	**251,230,360**	-	**251,230,360**
																				251,230,360
																		256,055,387		
																		4,825,027		

Raj Kumar Upadhyay
Finance Head

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Director

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Chairperson

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External Auditor

Swabhimaan Laghubitta Bittiya Sanstha Ltd

Statement of Comprehensive Income

For the Year Ended 32nd Ashad 2082

Figures in NPR

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Profit for the year	**40,594,829**	**5,497,795**
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		
Gains / (Losses) on Revaluation		
Actuarial Gains / (Losses) on defined benefit plans		
Income tax relating to above items	-	-
Net other Comprehensive Income that will not be reclassified to Profit or Loss	**-**	**-**
b) Items that are or may be reclassified to Profit or Loss		
Gains/ (Losses) on cash flow hedge	-	-
Exchange gains/ (Losses) (arising from translationg 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	**-**	**-**
Other Comprehensive income for the year, net of income tax	**-**	**-**
Total Comprehensive income for the year	**40,594,829**	**5,497,795**
Total Comprehensive income for the period	**40,594,829**	**5,497,795**

The accompanying notes are integral part of these financial statements.

Raj Kumar Upadhyay
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Hemlal Sharma
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Director

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Pramod Panthi & Associates
External Auditor

Statement of Distributable profit or loss
For the year ended 32nd Ashad 2082
As per NRB Regulation

Figures in NPR

Particulars	**Current Year**
Net Profit/(loss) as per Statement of Profit or Loss	**40,594,829**
Appropriation	
a. General Reserve	(8,118,966)
b. Foreign Exchange Fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(405,948)
e. Employees training fund	-
f. Customer Protection Fund	(608,922)
g. Other	-
Profit/(loss) before regulatory adjustment	**31,460,993**
Regulatory Adjustments:	
a. Interest Receivable (-)/previous accrued interest received(+)	1,570,990
b. Short loan loss provision in accounts(-)/reversal(+)	-
c. Short provision for possible losses on investment(-)/reversal(+)	-
d. Short provision for possible losses on Non-Banking Assets (-)/reversal(+)	-
e. Deferred Tax Assets recognized(-)/reveral(+)	-
f. Goodwill recognized (-)/Impairment of Goodwill(+)	-
g. Bargain purchase gain recognized (-)/reversal(+)	-
h. Actuarial Loss recognized (-)/reversal(+)	-
i. Other (+/-)	-
Net Profit for the year end 32nd Ashad 2082 avaiable for distribution	**33,031,983**
Opening Retained Earning As on 1st Shrawan	**13,354,075**
Adjustments(+/-)	103,220
Distribution:	
Bonus Share issued	(7,306,929)
Cash Dividend Paid	(384,575)
Total Distributable profit or (loss) as on year end	**38,797,774**
Annualized Distributable Profit/Loss Per Share	**25.28**

Raj Kumar Upadhyay
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Significant Accounting Policies and Notes to the Accounts

1 Reporting Entity

Swabhimaan Laghubitta Bittiya Sanstha Limited ('D-class Microfinance Development Bank' or "the Company") is a public company incorporated under the Companies Act, 2063 and licensed by Nepal Rastra Bank to conduct banking transaction as a "D" Class Financial Institution under the Bank and Financial Institution Act, 2073. The Microfinance has its Corporate Office at Tilottama-5, Rupandehi. The Microfinance received the license to commence banking operations on 26th Baishakh, 2074 BS (May 9, 2017 AD). The Microfinance's Equity Shares are listed in Nepal Stock Exchange. The objective of the Microfinance is to serve the poor backward communities of rural areas and to uplift the economic status of Nepal by investing in different economic sectors under economic liberalization policy, understanding diverse customer needs and providing broad mix of financial services to business and individuals.

The Authorized Capital of the company is NPR 160,000,000 and the Paid-up Capital is NPR 153,445,509, 67.89 percent of the Paid-Up Capital is held by the promoter and remaining 32.11 percent is held by the general public. The shares of the Company are listed at Nepal Stock Exchange Limited (NEPSE). The shareholder composition of the Microfinance is as follows (as of 2082-03-32).

S.N	Ownership	Percent
1	"A" class licensed institution	14.55
2	Other Institution and Private Sector	32.11
3	General Public	53.34
	Total	**100**

S. N	Ownership	Percent
1	Promoter Shares	67.89
2	Ordinary Shares	32.11
	Total	**100**

2 Basis of Preparation

The financial statements of the Microfinance have been prepared on accrual basis of accounting except the Cash flow information which is prepared, on a cash basis, using the indirect method. The interest income is recognized on effective interest rate method.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement of Other Comprehensive Income shown in two separate statements, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts. The significant accounting policies applied in the preparation of financial statements are set out below in point number 3. These 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 in accordance with Nepal Financial Reporting Standards (NFRS) adopted by the Accounting Standards Board (ASB) of Nepal, pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and as per the directives no. 4 of Unified Directives, 2079 issued by Nepal Rastra Bank (NRB).

The financial statements have been prepared on the going-concern basis.

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) adopted by the Accounting Standards Board (ASB) of Nepal.

Up to the year ended 31st Ashad 2081, the Company prepared its financial statements in accordance with the requirements of previous GAAP, NRB Directive and Nepal Accounting Standard (NAS) issued by ASB of Nepal. This is the Company's first NFRS adopted financial statements. The date of transition to NFRS is 1st Shrawan 2080. Refer Note 5.11 for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to NFRS has affected the Company's financial position, performance and cash flows. The financial statements have been prepared on the going-concern basis.

The Company has adopted all the NFRS and the adoption was carried out in accordance with NFRS 1, First Time Adoption of NFRS. Reconciliations and descriptions of the effect of the transition have been summarized in Notes that follows.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) is presented in the respective notes.

2.2 Reporting period and approval of financial statements

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 Nepalese calendar.

The current year period refers to 1st Shrawan 2081 to 32nd Ashadh 2082 as per Nepalese Calendar corresponding to 16th July 2024 to 16th July 2025 as per English Calendar and corresponding previous year period is 1st Shrawan 2080 to 31st Ashadh 2081 as per Nepalese Calendar corresponding to 17th July 2023 to 15th July 2024 as per English Calendar.

	Nepalese Calendar	English Calendar
Current Year	2081/82	2024/25
Previous Year	2080/81	2023/24
Current Year Period	1st Shrawan 2081 to 32nd Ashadh 2082	16th July 2024 to 16th July 2025
Previous Year Period	1st Shrawan 2080 to 31st Ashadh 2081	17th July 2023 to 15th July 2024

The Financial Statements were authorized for issue by the Board of Directors on 2083-02-08. The Company prepared its financial statements in accordance with the requirements of Nepal Financial Reporting Standards.

2.3 Functional and presentation currency

The financial statements are presented in Nepalese Currency (NPR) (rounded to the nearest Rupee unless otherwise stated), which is the company's functional currency. The Microfinance determines the functional currency and items included in the financial statements are measured using that functional currency.

2.4 Use of Estimates, assumptions and judgments

The preparation of the Microfinance's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Information about assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year are:

- Key assumptions used in discounted cash flow projections.
- Measurement of defined benefit obligations.
- Provisions, commitments and contingencies.

- Determination of net realizable value.
- Determination of useful life of the property, plants and equipment.
- Assessment of the Microfinance's ability to continue as going concern.
- Determination of fair value of financial instruments; and property and equipment.
- Impairment of financial and non-financial assets.
- Assessment of current as well as deferred tax.

2.5 Changes in Accounting Policies

The Company has consistently applied the accounting policies to all 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 standards in issue but not yet effective

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS. The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Microfinance's financial statements are disclosed below. The Microfinance intends to adopt these standards, if applicable, when they become effective.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

2.7 New Standards and interpretation not adapted

All Nepal Accounting Standards and Nepal Financial Reporting Standards and other interpretation issued by ASB of Nepal have been adapted while preparing financial statements.

2.8 Discounting

Non- current assets and liabilities are discounted where discounting is material.

3 Significant Accounting Policies

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

3.1 Basis of Measurement

The financial statements are prepared on the historical-cost basis except for the following material items in the statement of financial position:

- Investment property is measured at fair value.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Available for sale financial assets are measured at fair value.
- Investments held-for-trade is measured at fair value.
- Derivative financial instruments are measured at fair value.
- Defined benefit schemes, surpluses and deficits are measured at fair value.
- Impairment of asset is measured at fair value and related disposal cost.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company. Any revisions to accounting estimates are recognised prospectively in the period in which the estimates are revised and in the future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes that follow.

Distinction of Current and Non-Current

Assets

All the assets except the property, plant and equipment's and deferred tax assets are classified as current assets unless specific additional disclosure is made in the notes.

Liabilities

All the liabilities except the defined benefit plan obligations are classified as current liabilities unless specific additional disclosure is made in the notes.

Materiality and Aggregation
In compliance with NAS 1 - Presentation of Financial Statements, each material class of similar items is presented separately in the financial Statements. Items of dissimilar nature or functions are presented separately unless they are material.

3.2 Cash and cash equivalent

Cash and cash equivalents include cash at vault and agency bank account balances, unrestricted balances with NRB, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value. Cash and Cash equivalent are measured at amortized cost in the statement of financial position.

Statement of Cash Flows has been prepared by using the 'Direct Method' in accordance with NAS 07- Statement of Cash Flows.

3.3 Financial assets and financial liabilities

Classification and Measurement of Financial Assets and Financial Liabilities
A. Recognition

The Microfinance initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Microfinance initially recognizes loans and advances; deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Microfinance becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Microfinance commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on trade date at which the Microfinance commits to purchase or sell the asset.

Except for trade receivables not containing a significant financing component, at initial recognition, financial asset or financial liability are recognized at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Microfinance recognizes the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit and loss account when the inputs become observable, or when the instrument is derecognized.

B. Classification

I. Financial Assets

Financial asset is any asset that is:

a) cash

b) an equity instrument of another entity.

c) contractual rights:

i. to receive cash or another financial asset from another entity; or

ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

d) a contract that will or may be settled on the entity's own equity instruments and is:

i. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments

The Microfinance classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Microfinance's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The details of these conditions are outlined below:

- **Business Model Assessment:**

The Microfinance determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Microfinance's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Microfinance's Board/ Board Committees.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the Microfinance's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Microfinance's original expectations, the Microfinance does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

- **The SPPI Test (Solely Payments of Principal and Interest):**

As a second step of its classification process, the Microfinance assesses the contractual terms of financial assets to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Microfinance applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than trivial exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

Financial assets are classified into the following categories for the measurement subsequent to the initial recognition.

1. Financial assets at amortized costs
2. Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)
3. Financial assets at Fair Value through Profit or Loss (FVTPL)

1. Financial assets measured at amortized cost

The Microfinance classifies a financial asset measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

2. Financial asset measured at Fair Value through Other Comprehensive Income (FVTOCI):

The Financial assets measured at FVTOCI include debt and equity instruments measured at FVTOCI:

Debt Instruments at FVTOCI:

The Microfinance classifies a financial asset as FVTOCI if both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses and ECL and reversals are recognized in profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Equity Instruments at FVTOCI:

Investment in an equity instrument that is not held for trading is elected to be classified irrevocably as FVTOCI at the time of initial recognition. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income. Gains and losses on these equity instruments are never recycled to profit and loss account, instead directly transferred to retained earnings at the time of derecognition.

Equity instruments at FVTOCI are not subject to an impairment assessment.

3. Financial assets Measured at fair value through profit or loss (FVTPL):

Financial assets are classified as fair value through profit or loss (FVTPL) unless they are measured at Amortized Cost or FVTOCI. The following financial assets are classified as measured at FVTPL:

- They are held for trading
- They are not held for trading and are designated by management upon initial recognition or mandatorily required to be measured at fair value under NFRS 9.

These assets are subsequently measured at fair value and changes in fair value are recognized in the Statement of Profit or Loss.

II. Financial Liabilities

Financial Liabilities is any liability that is:

a) Contractual obligation:
   i. to deliver cash or another financial asset to another entity; or
   ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

b) a contract that will or may be settled on the entity's own equity instruments and is:
   i. a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
   ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Microfinance classifies its financial liabilities, other than financial guarantees and loan commitments, as follows.

1. Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in the Statement of Profit or Loss as incurred. Financial Liabilities measured at FVTPL are measured at fair value and all the Subsequent changes in fair value is recognized through Statement of Profit or Loss.

Changes in fair value are recorded in "Net fair value gains/ (losses) from financial instruments at fair value through profit or loss" with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Microfinance's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to profit or loss. Interest paid/payable is accrued in "Interest expense", using the EIR.

2. Financial Liabilities measured at amortized cost

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using an effective interest rate method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

C. Measurement

1. Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs in relation to financial assets and liabilities at fair value through profit or loss are recognized in the Statement of Profit or Loss.

2. Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial assets or liability classified as measured at amortized cost is subsequently measured at amortized cost using the effective interest rate method.

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

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in the Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

The EIR amortization is included in "Interest expense" in the Income Statement. Gains and losses too are recognized in the Income Statement when the liabilities are derecognized as well as through the EIR amortization process.

D. Modification of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flow either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Microfinance renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened, and the borrower is expected to be able to meet the revised terms.

The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Microfinance assesses whether this modification results in derecognition. In accordance with the Microfinance's policy a modification results in derecognition when it gives rise to substantially different terms. To determine the substantially different terms the Microfinance considers the qualitative factors (i.e. contractual cash flows after modification, change in currency or counterparty, interest rates, maturity, covenants) and a quantitative assessment (i.e. compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, discounted at the original effective interest rate).

In case where the financial asset is derecognized the loss allowance for ECL is remeasured at the date of derecognition to determine net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except on the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount on its revised par amount because there remains a high risk of default which has not been reduced by modification. The Microfinance monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Microfinance determines if the financial asset's credit risk has increased significantly since initial recognition by comparing the credit rating at initial recognition and the original contractual terms; with credit rating at the reporting date based on the modified terms.

Where a modification does not lead to derecognition the Microfinance calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Microfinance measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

E. Derecognition

Derecognition of Financial Assets

The Microfinance derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Microfinance neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Microfinance is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of

i. the consideration received (including any new asset obtained less any new liability assumed) and
ii. any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Microfinance neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Microfinance continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Derecognition of Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged or canceled 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 a derecognition 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 Statement of Profit or Loss.

Determination of Fair Value

Fair values of financial assets and liabilities are determined according to the following

hierarchy:

- **Level 1 –** valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that the group accesses at the measurement date.
- **Level 2 –** valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3** – valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable, where market prices are not available, then the Microfinance considers the carrying value and future cash flows from the financial instruments.

F. Impairment Losses on Financial Assets

During the year FY 2081/82, The Institute of Chartered Accountants of Nepal (ICAN) and Accounting Standards Board of Nepal (ASB Nepal) has pronounced that full version of NFRS 9 containing Expected Credit Loss (ECL) to be effective from Shrawan 1st, 2081 and financial statements of Ashad end 2082 (including quarterly financials thereon) incorporates ECL reporting. In relation to the same, “NFRS 9 – Expected Credit Loss Related Guidelines, 2024 was pronounced by the Bank and Financial Institution regulation department of Nepal Rastra Bank on Jestha 1st 2081, providing detailed guidelines for the consistent and prudent application of NFRS 9.

Initially, the updated standard of NFRS 9: Financial Instruments (in line with NFRSs 2018) was pronounced by Institute of Chartered Accountants of Nepal (ICAN) to be effective from 16th July 2021. However, due to various reasons including challenges posed by emergence of COVID, limited time availability and lack of technical expertise, full implementation of NFRS 9 was deferred till FY 2080/81, for banks and financial institutions. Hence, the provisions of NFRS 9 that includes expected credit loss, is fully effective in the Microfinance from FY 2081/82.

The Microfinance recognizes a loss allowance for expected credit losses on a financial asset that are measured at Amortized Cost (AC), Fair Value Through Other Comprehensive Income (FVTOCI), a lease receivable, a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply.

The ECL approach results in the early recognition of credit losses because it includes, not only losses that have already been incurred, but also expected future credit losses – it is a forward-looking model.

Any financial instrument classified and measured at FVTPL is not covered under impairment requirements of NFRS 9. The methods for the calculation of Expected Credit Loss is classified into 3 broad approaches:

1. General approach

These approaches are applicable to financial assets measured at amortized cost, financial assets measured at FVOCI with recycling, Loan commitments (not at FVTPL), Financial guarantee contracts (not at FVTPL).

Lifetime ECL is recognized for all financial assets where the credit risk has increased significantly since initial recognition.

At the reporting date, if the credit risk has not increased significantly since initial recognition, the Microfinance measures the loss allowance for those financial assets at an amount equal to 12- month ECL.

For loan commitments and financial guarantee contracts, the date that the entity becomes party to the irrevocable commitments is considered to be the date of initial recognition for the purpose of applying the impairment requirements. The Microfinance recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with NFRS 9.

Under the general approach, NFRS 9 recognizes a three-stage approach to measure expected credit losses and recognize interest income.

Stage 1:

The financial instruments that have not had a significant increase in credit risk since initial recognition are classified in Stage 1. The Financial instruments at stage 1 require, at initial recognition, a provision for ECL associated with the probability of default events occurring within the next 12 months (12-month ECL). For those financial assets with a remaining maturity of less than 12 months, a Probability of Default (PD) is used that corresponds to the remaining maturity. Interest is calculated on the gross carrying amount of the financial asset before adjusting for ECL.

This stage includes the following:

i. Initially recognized financial instruments (other than those purchased or originated credit impaired financial assets)

ii. Financial instruments having no significant increase in credit risk since initial recognition.

iii. Financial assets for which contractual payments are not overdue or are overdue for up to 1 month.

iv. Financial instruments having low credit risk at the reporting date.

For this purpose, instruments with low credit risk include:

- All exposures on Nepal Government/Province/Local Level or Nepal Rastra Bank
- Exposures fully guaranteed by Nepal Government/Province/Local Level.
- Foreign Sovereign exposures having rating BBB- and above from an external rating agency at the reporting date.
- All exposures on BIS, IMF, EC, ECB and multilateral development banks with risk weight of 0% as defined in Capital Adequacy Framework 2015.
- Debenture/bonds having rating of AA or above at reporting date from external credit rating agency.

The Microfinance determines at each reporting date whether the financial instruments meet the requirement of low credit risk. If the instrument does not meet the requirement of low credit risk, the Microfinance determines whether the risk of default on the financial instrument has been increased significantly or not after initial recognition. If the risk has been increased, the instruments are classified under stage 2 and accordingly lifetime ECL is recognized.

Stage 2:

The financial instruments having significant increase in credit risk since initial recognition are classified in Stage 2. A provision is required for the lifetime ECL representing losses over the life of the financial instrument (lifetime ECL). Interest income is continued to be recognized on a gross basis.

This stage includes the following:

v. Financial instruments having significant increase in credit risk since initial recognition.
vi. Financial instruments having contractual payments overdue for more than 1 month but not exceeding 3 months.
vii. Loans classified as 'Watchlist' as per NRB directive on prudential provisioning.
viii. Loans without approved credit line or with credit line revoked by microfinance.
ix. Loan that has been restructured/rescheduled but not classified as non-performing loan as per existing provisions of NRB directives. However, rescheduling of installment/EMI based loans resulting in reduction in number of installments due to prepayments or change in number of installments due to change in interest rates under floating interest rate are not applicable.
x. Claims on non-investment grade financial instruments i.e. with a credit rating of BB+ or below.

Stage 3:

The credit impaired or defaulted financial instruments are classified or moved to Stage 3. A provision is required for the lifetime ECL representing the losses over the life of the instrument (lifetime ECL) with the probability of default (PD) a 100%. Interest income is calculated on an actual receipt basis.

This stage includes the following:

xi. Financial instruments having contractual payments overdue for more than 3 months
xii. The Microfinance considers that the borrower is unlikely to pay its credit obligations to the Microfinance in full, without realizing securities (if held).

The indicators of unlikeness to pay include:

- The Microfinance puts credit obligation on non-accrued status.
- The Microfinance consents to distressed restructuring of credit obligation resulting in reduction in financial obligation due to material forgiveness, postponement of principal, interest
- The Microfinance has filed for the debtor's bankruptcy or a similar order in respect of the borrower's credit obligation.
- The Microfinance sells a part of the credit obligation at a material credit-related economic loss.
- The debtor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation.
- There is evidence that full repayment based on contractual terms is unlikely without the Microfinance 's realization of collateral regardless of whether the exposure is current or past due by a few days.

xiii. Loan is classified non- performing as per NRB prudential provisioning directive.
xiv. Credit impaired financial instruments with objective evidence of impairment.
xv. The financial assets classified as purchased or originated credit impaired (POCI) assets as per NFRS 9. POCI assets also refer to new loans disbursed during the current reporting period for accounts that were classified under Stage 3 at previous reporting date.

Particulars	Stage 1	Stage 2	Stage 3
Nature	12 month expected credit loss	12 month expected credit loss	Lifetime expected credit loss
Risk	No significant risk since initial recognition	Significant credit risk since initial recognition	Credit impaired (With objective evidence of impairment)
Nature	Performing	Performing	Non-performing
Interest Revenue	Effective interest on gross carrying amount	Effective interest on gross carrying amount	Interest on Incremental Receipt Basis

Definition of Credit Impaired Financial Instruments:

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

- Significant financial difficulty of the issuer or the borrower.
- A breach of contract, such as a default or past due event.
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial instrument because of financial difficulties; or
- The purchase or origination of a financial instrument at a deep discount that reflects the incurred credit losses.

Credit impaired financial instruments also includes credit impaired defined by the Microfinance as per their risk management practices.

Indicators of significant increase in credit risk (SICR):

Assessment of significant increase in credit risk since initial recognition is required for determining whether the lifetime or the 12-month expected credit loss is to be recognized. NRB's guidelines regarding Expected credit Loss has given the following conditions which are deemed as indicators of significant increase in credit risk.

i. More than one month past due
ii. Absolute lifetime PD is 5% or more
iii. Relative lifetime PD is increased by 100% or more
iv. Risk rating (internal or external) downgraded by 2 notches since initial recognition
v. Risk rating downgraded to non-investment grade by external credit rating agency (BB+ or below) or by microfinance's internal credit rating system

vi. Deterioration of relevant determinants of credit risk (e.g. future cash flows) for an individual obligor (or pool of obligors)
vii. Expectation of forbearance or restructuring due to financial difficulties
viii. Deterioration of prospects for sector or industries within which a borrower operates
ix. Borrowers affected by macroeconomic conditions based on reasonable and supportable forecasts.
x. Modification of terms resulting in restructuring/rescheduling
xi. 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
xii. Management decision to strengthen collateral and/or covenant requirements for credit exposures because of changes in the credit risk of those exposures since initial recognition.
xiii. Both qualitative and quantitative factors are encouraged to be considered while assessing whether there have been significant increases in credit risk. Accurate identification of drivers of credit risk and reliable demonstration of linkage between those drivers and level of credit risk is also critical.

2. Simplified approach applicable to certain trade receivables, contract assets and lease receivables.

Under simplified approach, the entity measures loss allowance at an amount equal to the Lifetime ECL

- Mandatorily for the trade receivables or contract assets which do not contain the significant financing component.
- Has been applied optionally for the trade receivables, lease receivables and other contract asset which contain a significant financing component.

3. Specific approach for purchased or originated Credit-impaired Financial Asset.

These approaches are applicable to loan and advances swapped, purchased or exchanged by the Microfinances and has high credit risk.

The Microfinance is required to include the initial expected credit losses in the estimated cash flows when calculating the credit-adjusted effective interest rate for financial assets that are considered to be purchased or originated credit-impaired at initial recognition. Hence, only the cumulative changes in lifetime expected credit losses since initial recognition is recognized as a loss allowance for purchased or originated credit-impaired financial assets.

Portfolio segmentation:

Guidelines under NFRS 9 on the collective assessment of ECL,

- As per NFRS 9, depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, the Microfinance may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due.
- For the purpose of determining significant increases in credit risk and recognizing a loss allowance on a collective basis, the Microfinance groups financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The following factors are considered for Portfolio Segmentation while calculating ECL:

- The individual or collective assessment approaches is used depending on the ability to incorporate forward-looking information into the ECL estimate.
- Collective assessments is generally used for a large group of similar lending exposures, while individual assessments is considered for significant exposures or specific credit concerns.-as mentioned in policy
- Grouping exposures having similar risks helps estimate the impact of future factors like economic changes on ECL, when individual assessments cannot consider forward looking information. If the forward-looking information has already been considered in individual assessments, additional assessment on a collective basis is be avoided, if it results in double-counting.
- Grouping exposures in such a way that an increase in the credit risk of particular exposures is masked by the performance of the group as a whole is avoided.

Curing Period and Transfer Criteria Between Stages:

Financial assets are transferred between the different categories (other than POCI) depending on their relative change in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described in Note and also as per the Policy on Upgrading of Credit Facilities. Financial instruments are transferred out of Stage 3 when they no longer exhibit any evidence of credit impairment as described above as per the Policy on Upgrading of Credit Facilities.

The Microfinance has developed a comprehensive Policy on Upgrading of Credit Facilities in line with the NFRS 9- Expected Credit Loss Related Guidelines, 2024. Accordingly, credit facilities other than restructured and rescheduled facilities are upgraded to a better stage.

Transfer from Stage 2 to Stage 1:
Where there is evidence of significant reduction in credit risk, the Microfinance upgrades 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 Microfinance continues to monitor for a minimum probationary period of three month to upgrade from Stage 3.

For Restructured/Rescheduled Exposures:
The Microfinance monitors restructured/ rescheduled exposures classified under Stage 3 for a minimum probationary period of 24 months before up-gradation.
Upgrading of stages for exposures is executed by the Risk Management Department.

Provisioning for other financial assets at amortized cost
In addition to the ECL for loans and investments as prescribed above, the Microfinance also holds other financial assets such as balances with bank, working advances and other financial assets. The Microfinance recognizes ECL on such assets based on the historical loss experience measures (e.g. write off rates / provisioning rates) adjusted for expected losses in the future keeping in mind the nature of industry (e.g. regulated industry like banking) and credit ratings of such counterparties.

ECL Calculation:

The Microfinance measures ECL in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes and the reasonable and supportable information available without undue cost or effort at the reporting date, about past events, current conditions and forecast of future economic conditions. While estimating the ECLs, the Microfinance considers three probability-weighted scenarios (a base case, a best case and a worse case).

The calculation of ECL consists of three key components and discount factor:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

ECL= PD*LGD*EAD*Discount Factor

i. **Probability of Default (PD):**

PD is an estimate of the likelihood of a default over a given time horizon. NFRS 9 requires separate PD for 12-month duration and lifetime duration depending on the stage allocation of the borrower.

For assets which are in Stage 1, a 12-month PD is required. For Stage 2 and Stage 3 assets, a lifetime PD is required, for which a PD term structure needs to be built.

PD describes the probability of a loan to eventually falling in default (>3 months past due) category. To calculate the PD, loans are classified in three stages based on risk profile of the individual loans. PD percentage is calculated for each loan account separately and is determined by using available historical observations. PD for stage 1: is derived as percentage of all loans in stage 1 moving into stage 3 in 12 months' time. PD for stage 2: is derived as percentage of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation. PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 3 months which matches the definition of stage 3.

As per NRB Guidelines, PD is an estimate of the likelihood of a default over a given time horizon. With regards to PD estimation, the following measures are considered by the Microfinance.

i. Derived PD based on historical default migration rates and/other data, internal and external credit rating etc.
ii. Incorporated forward-looking PD information as well by adjusting PD to its sensitivity to changes in certain macroeconomic factors.
iii. Used at least five-year historical data, where available, for calculating PDs and validate any smoothing of data or inputs by the Risk Management Department.

Irrespective of results derived by the model of the Microfinance, prudential floor of 2.5% as prescribed by the NRB is used.

ii. **Loss Given Default (LGD):**

LGD is the percentage of exposure that is not expected to be recovered in the event of a default. The LGD is usually defined as the amount of credit that is lost by a financial institution when an obligor defaults.

LGD models are developed based on historical data, historical experience of cash recovery from defaults (including settlements), cost and time of recoveries and all other relevant and supportable information (including forward looking information).

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

It is recommended to pursue computation of LGD in the following order:

i. Use historical actual recovery rates in first place.

ii. If historical rates are unavailable, use valuation (prudential floors) for ECL calculation as outlined in this guideline taking into acount disposal time and costs until expected disposal of collateral or assets. However, value of collateral or assets for loans that have defaulted and BFIs have also not been able to realize within 5 years of default, cannot be used for determining loss or recovery rates.

iii. If such net realizable value of collateral or other sources are reliably undeterminable and BFIs are unable to compute LGDs due to lack of data or inputs, they are required to obtain approval of the same from the board of directors. Such BFIs are required to use a minimum LGD of 45 per cent for such credit exposures.

Note: BFIs should demonstrate via sound back-testing that the assumptions used are reasonable and grounded in observed experience. In this context, BFIs should regularly back-test their valuation history (last valuation before the asset was classified as a NPL or Stage 3) vs. their sales history (net sales price of collateral).

iii. **Exposure at Default (EAD):**

Exposure at Default (EAD) refers to the expected exposure to a borrower at the event of default.

This is dynamic in nature and keeps changing when the borrower repays his debt or obligation or take additional debt.

For defaulted accounts or stage 3 accounts, EAD is simply the amount outstanding at the point of default. However, for stage 1 and stage 2 accounts, the following elements is considered for computation of EAD under NFRS 9 at the instrument or facility level:

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

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

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

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

Consideration of Reasonable and Supportable Information:

The Microfinance uses experienced credit judgment in determining whether the information used for the assessment of credit risk and measurement of ECL is, reasonable and supportable. The information considered includes the information about past events, present conditions and forecasts of future economic conditions.

Consideration of Forward-looking Information:

The Microfinance incorporates forward-looking information into both its assessment as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Microfinance also obtained experienced credit judgement from economic outlook and Risk Management Departments to formulate a base case, a best case and a worst-case scenario. The base case represents a most-likely outcome and is aligned with information used by the Microfinance for strategic planning and budgeting. Quantitative economic factors are based on economic data and forecasts published by the NSO, NRB, and other reliable sources and statistical models. The Microfinance also obtained experienced credit judgement from economic outlook and Risk Management Departments to formulate a base case, a best case and a worst-case scenario. The base case represents a most-likely outcome and is aligned with information used by the Microfinance for strategic planning and budgeting. Quantitative economic factors are based on economic data and forecasts published by the NSO, NRB, and other reliable sources and statistical models.

Drivers of Credit Risk

Parameters	***Sources***
GDP	CBS
Agricultural GDP	NRB
Inflation	World Bank
Unemployment Rate	NRB
Interest Rate	NRB
Remittance Inflow	NRB
Per Capita Income	CBS

Consideration of Time Value of Money:

The lifetime Expected Credit Loss (LTECL) is discounted to the reporting date, not to the expected default or some other date, using the coupon interest rate determined at initial recognition or approximation thereof, that will be applied when recognizing the financial assets resulting from the loan commitment.

Collateral valuation

The Microfinance seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, Government Securities, Letters of Credit/Guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements, etc. While determining loss rate or recovery rate for the purpose of calculation of loss allowance, expected cash flows from collateral realization have been considered based on latest reliable internal/external valuations.

Net realizable value of all other collateral **or** ***other sources that BFIs have legal right to recover from***, shall be determined as current fair value less 25% haircut.

The following table provides the quantitative information about the fair value of the collateral held by the Microfinance for the financial assets that have been credit impaired (Stage 3) as at the reporting date:

Type of Collateral	Total exposures in Stage 3	Fair Value of Collateral Pledged	Carrying Amount of Financial Assets Secured
Land	42,585,946.04	138,438,420.46	138,438,420.46
Buildings			
Vehicles			
cash deposits			
Securities			
Gold/Silver			
Other Assets			
Multiple assets class			

No Impairment due to use of Collateral:

The information about the financial instruments for which the Microfinance has not recognized loss allowance because of the collateral has been disclosed below. The Net Realizable value of the collateral has been determined as the fair value less hair cut and realization cost as prescribed by NRB for different types of collateral.

The details of such financial assets (loans and advances) are given below:

Loan Products	Total Loan Exposures	NRV of Collateral Pledged	Description of Collateral
Micro Enterprises Loan (P03)	117,167,060.20	370,732,297.94	Land
Individual Loan (Collateral)	277,324,178.72	998,579,746.98	Land

Impact on adoption of adoption of NFRS 9

Impact on equity

The Microfinance has transitioned to Expected Credit Loss (ECL) model for recognizing impairment on the financial assets from the current year. In accordance with NFRS 9 and NRB Directives, the Microfinance has not restated prior period figures. Instead, the increase in impairment provisions resulting from the application of the ECL Model has been determined as Day 1 impact and disclosed separately. The additional provision, net of the tax, represents a reduction in the shareholder's equity as at the date of the transition, although no adjustment has been made to the comparative financial statements of the prior periods.

Particulars	Amount (Rs.)
Total Equity as on 1st Shrawan 2081	211,692,178
Adjustment due to first time adoption of ECL	-
Adjusted Total Equity as on 1st Shrawan 2081	211,692,178

Presentation of allowance for Expected Credit Loss in the statement of Financial Position:

Loss allowance as per the ECL are presented in the statement of financial position as follows:

- **Financial assets measured at amortized cost:** as a deduction from the gross carrying amount of the assets.
- **For advances measured at cost:** as a deduction from the gross carrying amount of the advances.
- **Loan commitments and financial guarantee contracts:** as a provision in other liabilities
- Where a financial instrument includes both a drawn and an undrawn component, and the Microfinance cannot identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- **Debt instruments measured at FVOCI**: No loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in OCI.

Scenario probability weighting (Microfinance)

Scenario	As on Ashadh end 2082	As on Ashadh end 2081
Best Case	20%	20%
Base (Normal) Case	30%	30%
Worst Case	50%	50%

The Microfinance has not changed probability weighting for the scenario through out the year.

G. Write-off of Loans and Advances:

Loans (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

H. Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

I. Revenue recognition:

Interest Income

Pursuant to adoption of ECL model, recognition of interest income has been based upon NRB, Guidance Note on Interest Income Recognition, 2025.

For Stage 1 and Stage 2 Loans and Advances: Interest on gross recognition following the accrual basis

For Stage 3 Loans and Advances: Interest on actual cash receipt basis.

NFRS Requirement

NFRS requires interest income to be recognized using the effective interest method, except for those classified at fair value through profit or loss. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is calculated on initial recognition of the financial asset or liability by estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts expected to be paid or received by the Microfinance including expected early redemption fees and related penalties and premiums and discounts that are an integral part of the overall return. Once financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Impairment Charge of the Microfinance for the FY 2081/82

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

The Microfinance, following regulatory backstop as mentioned Clause 16 of **"NFRS 9- Expected Credit Loss Related Guidelines, 2024"** has recognize impairment on credit exposures as the **HIGHER** of total ECL calculated as per NFRS 9 and existing regulatory provisions as mentioned in Unified NRB Directives no 02. The Following table below depicts the calculation of impairment allowance as per NFRS 9 and NRB Directives:

S.N.	Financial Statement Items	2081/82		2080/81	
		As per NFRS 9 (ECL)	As per NRB	As per NFRS 9 (ECL)	As per NRB
	On Balance Sheet Items:				
1	Cash and Cash Equivalent				
2	Due from Nepal Rastra Bank				
3	Placement with Bank and Financial Institutions				
4	Derivative financial instruments				
5	Other trading assets				
6	Loan and advances to B/FIs				

7	Loans and advances to customers	22,634,162.77	75,137,177.94	15,518,528.17	24,705,086.20
8	Investment securities				
9	Current tax assets				
10	Investment in subsidiaries				
11	Investment in associates				
12	Other assets:				
	a) Lease Receivable				
	b) Contract Asset				
	c) Others				
	Off Balance Sheet Items:				
13	Loan Commitments				
14	Financial guarantee contracts				
15	Others				
	Total	**22,634,162.77**	**75,137,177.94**	**15,518,528.17**	**24,705,086.20**

Impairment Charge as per Expected Credit Loss (ECL) method

Particulars	**As as Ashadh end 2082**
Loans and advances to customers (A)	22,634,162.76
Other financial assets (B)	
Off-balance sheet credit exposures (C)	
Total impairment charges (D = A+B+C)	22,634,162.76
Investments in subsidiaries (E)	
Direct write-offs (F)	
Total charge to Impairment Charge to Income Statements	22,634,162.76

Particulars	**As at Ashadh end 2082**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to customers (A)	4,913,225.82	386,012.85	17,334,924.09	22,634,162.76
Other Financial Assets (B)				
Cash and cash equivalent				
Due from Nepal Rastra Bank				
Placement with Bank and Financial Institutions				

Derivative Financial Instruments				
Other Trading Assets				
Other assets				
Off-balance sheet credit exp (C)				
Total impairment charges (D = A+B+C)	4,913,225.82	386,012.85	17,334,924.09	22,634,162.76

Loan Classification and Corresponding ECL:

Classification	Stage	2081/82		2080/81	
		Outstanding amount	**ECL**	**Outstanding Amount**	**ECL**
Performing Loans					
Pass Loan	Stage 1	2,534,920,747.89	4,913,225.82	2,212,815,610.82	3,895,333.55
Watchlist	Stage 2	45,347,508.80	386,012.85	28,998,240.30	386,680.92
Restructured from performing	Stage 2	-	-	-	-
Non-Performing Loans					
Restructured from non-performing	Stage 3	3,526,506.83	191,433.18	-	-
Substandard	Stage 3	42,535,871.21	2,960,727.19	18,283,724.48	1,310,642.07
Doubtful	Stage 3	17,457,655.35	1,438,658.15	40,506,961.28	3,230,626.48
Loss Loan	Stage 3	50,657,107.24	3,654,624.16	46,883,255.04	6,185,895.95
Stage1 transferred to stage 3	Stage3	164,997,228.20	8,630,699.66	5,430,847.70	405,795.21
Stage 2 transferred to stage 3	Stage3	12,687,361.91	458,781.76	1,030,984.34	103,553.99
Off balance Sheet exposures					
Receivables					
Total		**2,872,129,987.43**	**22,634,162.77**	**2,353,949,624.14**	**15,518,528.17**
Corresponding ECL					
Stage 1		2,534,920,747.89	4,913,225.82	2,212,815,611.00	3,895,333.55
Stage 2		45347508.80	386012.85	28,998,240.30	386,680.92
Stage 3		291,861,730.70	17,334,924.09	112,135,772.80	11,236,513.70

Off balance Sheet exposures					
Receivables					
Total		**2,872,129,987.43**	**22,634,162.77**	**2,353,949,624.10**	**15,518,528.17**

Recognition

The Microfinance initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Microfinance initially recognize loans and advances, deposits; and debt securities/subordinated liabilities issued on the date that they are originated which is the date that the Microfinance becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Microfinance commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on trade date.

Classification

i. Financial Assets

The Microfinance classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the Microfinance's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The two classes of financial assets are as follows:

1. *Financial assets measured at amortized cost*

The Microfinance classifies a financial asset measured at amortized cost if both of the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. *Financial asset measured at fair value*

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

a) Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

b) Financial assets at fair value through other comprehensive income

Investment in an equity instrument that is not held for trading and at the initial recognition, the Microfinance makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

ii. Financial Liabilities

The Microfinance classifies the financial liabilities as follows:

a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.

b) Financial liabilities measured at amortized cost

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest method.

Measurement

Financial assets at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and NFRS 9 permits the entire combined contract to be designated as at FVTPL in accordance with NFRS 9.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognized in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition

i. De-recognition of financial assets

The Microfinance derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Microfinance neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for de-recognition that is created or retained by the Microfinance is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset, and the sum of

(i) The consideration received and
(ii) Any cumulative gain or loss that had been recognized in other comprehensive income is recognized in Statement of Profit or Loss.

The Microfinance enters into transactions whereby it transfers assets recognized on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example repurchase transactions.

ii. 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 a 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 Statement of Profit or Loss.

Determination of fair value

'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 Microfinance has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Microfinance measures the fair value of an instrument using the quoted price in an active market for that instrument. 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. If there is no quoted price in an active market, then the Microfinance 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.

The fair value measurement hierarchy is as follows:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

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 Microfinance 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. In case the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 01 valuation), the difference between the transaction price and fair value is recognized in profit or loss immediately.

Impairment

At each reporting date, the Microfinance assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Expected Credit Losses

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, the Microfinance 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. These estimates are based on assumptions about a number of factors and hence actual results may differ, resulting in future changes to the impairment allowance made.

A collective impairment provision is established for:

- Microfinance's homogeneous loans and advances that are not considered individually significant; and
- Assets of microfinance that are individually significant but that were not found to be individually impaired.

Following NFRS 9, the Microfinance's Expected Credit Loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the Microfinance'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 Microfinance 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, the Microfinance has assigned weightages for base (normal) case, best case and worst-case scenarios when assessing the probability weighted forward looking macro-economic indicators.

Probability of Default (PD):

PD is an estimate of the likelihood of a default over a given time horizon. NFRS 9 requires separate PD for 12-month duration and lifetime duration depending on the stage allocation of the borrower.

For assets which are in Stage 1, a 12-month PD is required. For Stage 2 and Stage 3 assets, a lifetime PD is required, for which a PD term structure needs to be built.

PD describes the probability of a loan to eventually falling in default (>3 months past due) category. To calculate the PD, loans are classified in three stages based on risk profile of the individual loans. PD percentage is calculated for each loan account separately and is determined by using available historical observations. PD for stage 1: is derived as percentage of all loans in stage 1 moving into stage 3 in 12 months' time. PD for stage 2: is derived as percentage of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation. PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 3 months which matches the definition of stage 3.

As per NRB Guidelines, PD is an estimate of the likelihood of a default over a given time horizon. With regards to PD estimation, the following measures are considered by the Microfinance.

iv. Derived PD based on historical default migration rates and/other data, internal and external credit rating etc.

v. Incorporated forward-looking PD information as well by adjusting PD to its sensitivity to changes in certain macroeconomic factors.

vi. Used at least five-year historical data, where available, for calculating PDs and validate any smoothing of data or inputs by the Risk Management Department.

Irrespective of results derived by the model of the Microfinance, prudential floor of 2.5% as prescribed by the NRB is used.

Loss Given Default (LGD):

LGD is the percentage of exposure that is not expected to be recovered in the event of a default. The LGD is usually defined as the amount of credit that is lost by a financial institution when an obligor defaults.

LGD models are developed based on historical data, historical experience of cash recovery from defaults (including settlements), cost and time of recoveries and all other relevant and supportable information (including forward looking information).

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

It is recommended to pursue computation of LGD in the following order:

iv. Use historical actual recovery rates in first place.

v. If historical rates are unavailable, use valuation (prudential floors) for ECL calculation as outlined in this guideline taking into acount disposal time and costs until expected disposal of collateral or assets. However, value of collateral or assets for loans that have defaulted and BFIs have also not been able to realize within 5 years of default, cannot be used for determining loss or recovery rates.

vi. If such net realizable value of collateral or other sources are reliably undeterminable and BFIs are unable to compute LGDs due to lack of data or inputs, they are required to obtain approval of the same from the board of directors. Such BFIs are required to use a minimum LGD of 45 per cent for such credit exposures.

Note: BFIs should demonstrate via sound back-testing that the assumptions used are reasonable and grounded in observed experience. In this context, BFIs should regularly back-test their valuation history (last valuation before the asset was classified as a NPL or Stage 3) vs. their sales history (net sales price of collateral).

Exposure at Default (EAD):

Exposure at Default (EAD) refers to the expected exposure to a borrower at the event of default.

This is dynamic in nature and keeps changing when the borrower repays his debt or obligation or take additional debt.

For defaulted accounts or stage 3 accounts, EAD is simply the amount outstanding at the point of default. However, for stage 1 and stage 2 accounts, the following elements is considered for computation of EAD under NFRS 9 at the instrument or facility level:

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

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

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

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

Consideration of Reasonable and Supportable Information:

The Microfinance uses experienced credit judgment in determining whether the information used for the assessment of credit risk and measurement of ECL is, reasonable and supportable. The information considered includes the information about past events, present conditions and forecasts of future economic conditions.

Consideration of Forward-looking Information:

The Microfinance incorporates forward-looking information into both its assessment as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Microfinance also obtained experienced credit judgement from economic outlook and Risk Management Departments to formulate a base case, a best case and a worst-case scenario. The base case represents a most-likely outcome and is aligned with information used by the Microfinance for strategic planning and budgeting. Quantitative economic factors are based on economic data and forecasts published by the NSO, NRB, and other reliable sources and statistical models. The Microfinance also obtained experienced credit judgement from economic outlook and Risk Management Departments to formulate a base case, a best case and a worst-case scenario. The base case represents a most-likely outcome and is aligned with information used by the Microfinance for strategic planning and budgeting. Quantitative economic factors are based on economic data and forecasts published by the NSO, NRB, and other reliable sources and statistical models.

3.4 Trading assets

Interest income on all trading assets is considered to be incidental to the microfinance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

Interest expense on all trading liabilities is considered to be incidental to the microfinance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

3.5 Property and Equipment

a) Recognition and Measurement

Property and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Finance and the cost of the asset can be reliably measured. The cost includes expenditures that are directly attributable to the acquisition of the assets. Cost of self-constructed assets includes followings:

- Cost of materials and direct labour;
- Any other cost directly attributable to bringing the assets to the working condition for their intended use; and
- Capitalized borrowing cost

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss if any. Neither any class of the property and equipment are measured at revaluation model nor is their fair value measured at the reporting date.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the entity. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred.

Any gain or losses on de-recognition of an item of property and equipment is recognized in profit or loss.

b) Capital work in progress

Assets in the course of construction are capitalised in the assets under capital work in progress account (CWIP). At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

c) Depreciation

Property and equipment's are depreciated based on the remaining useful life basis from the date of adoption of NFRS as determined by the Management. Depreciation is recognized in profit or loss. Land is not depreciated. Charging of depreciation is ceased from the earlier of the date from which the asset is classified as held for sale or is derecognized.

The estimated useful lives of significant items of property and equipment for current year and comparative periods are as follows:

Class of Assets	Useful Life
Machinery and Tools	7 Years
Other Fixed Assets	7 Years
Furniture and Fixture	10 Years
Computer and Laptop	7 Years
Vehicles	10 Years
Printer and Equipment	7 Years
Leasehold Assets	5 Years

- The capitalized value of Software Purchase and installation costs are amortized over a maximum 5 years' period or within the ownership period.

3.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The intangible asset with finite useful lives is amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

The estimated useful lives of significant items of intangible assets for current year and comparative periods are as follows:

Class of Assets	Useful Life	Rate of depreciation
Computer Software	5 years	20%

Goodwill on business combination is recognized on the acquisition date at the excess of (a) over (b) below:

(a) The aggregate of:

(i) The consideration transferred measured in accordance with the NFRS 3, which generally requires acquisition-date fair value

(ii) The amount of any non-controlling interest in the acquiree measured in accordance with the NFRS 3; and

iii) In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the NFRS 3.

3.7 Investment Property

Investment property is the land or building or both held either for rental income or for capital appreciation or for both, but not for sale in ordinary course of business and owner-occupied property. The Microfinance holds investment property that has been acquired through the enforcement of security over the loan and advances.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. Investment properties which are initially measured at cost are subsequently measured at cost less accumulated depreciation and impairment loss if any.

Fair values are evaluated annually by an accredited external, independent valuator.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

3.8 Income tax

The Company is subject to tax laws of Nepal. Income Taxes have been calculated as per the provisions of the Income Tax Act, 2058. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax law carry-forwards become deductible. The company considers the expected reversal of deferred tax liabilities and projected future taxable income making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

Current Tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred Tax

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is determined using tax rates (and laws) enacted or substantively enacted at the reporting date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are reviewed at each reporting date and reversed if it is no longer probable that the related tax benefits will be realised. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised 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 differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.9 Deposits, debt securities issued and subordinated liabilities

Microfinance deposits consist of money placed into the Microfinance by its customers. These deposits are made to various saving deposit accounts. Details and further disclosures about deposits have been explained in Note that follows.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is:

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.11 Revenue Recognition

Revenue comprises of interest income, fees and commission, foreign exchange income, cards income, disposal income etc. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Microfinance and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The bases of incomes recognition are as below:

Interest income

Interest income is recognized in profit or loss using effective interest method. 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 effective interest rate includes all transactions cost and fee and points paid or received that are integral part 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 statement of comprehensive income includes:

- Interest income on financial assets measured at amortized cost calculated on an effective interest rate method. These financial assets include loans and advances including staff loans, investment in government securities, investment in corporate bonds, investment in NRB Bond and deposit instruments, reverse repos, inter banking lending etc.

- Interest on investment securities measured at fair value, calculated on effective interest rate.
- Income on discounted instruments like bills purchased, documents negotiation is recognized over the period of discounting on accrual basis using effective interest rate.

  Interest income on all trading assets is considered to be incidental to the Microfinance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

Fee and commission income

Fees and commission income that are integral to the effective interest rate on a financial asset are included in measurement of effective interest rate. Other fees and commission income including management fee, service charges, syndication fee, forex transaction commission, commission of issue of guarantee are recognized as the related services are performed.

Dividend income

Dividend on investment in resident company is recognized when the right to receive payment is established. Dividend income is presented in net trading income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the equity instruments.

Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded in hedging transactions.

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

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- The assets and 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 financial instrument contains one or more embedded derivatives, which significantly modify the cash flows that would otherwise be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in Net gain or loss on financial assets and liabilities designated at fair value through profit or loss is recognised in statement of Profit or Loss. Interest earned or incurred is accrued in Interest income or Interest expense, respectively, using the effective interest rate (EIR), while dividend income is recorded in other operating income when the right to the payment has been established.

3.12 Interest expense

Interest expense on all financial liabilities including deposits are recognized in profit or loss using effective interest rate method. Interest expense on all trading liabilities are considered to be incidental to the Microfinance's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

3.13 Employees Benefits

a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is also recognized for the amount expected to be paid under bonus required by the prevailing Bonus Act to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably under short term employee benefits.

Short-term employee benefits include all the following items (if payable within 12 months after the end of the reporting period):

- wages, salaries and social security contributions;
- paid annual leave and paid sick leave;
- profit-sharing and bonuses; and
- non-monetary benefits

b) Post-Employment Benefit Plan

Post-employment benefit plan includes followings:

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution plans are recognized as personnel expense in profit or loss in the periods during which the related service are rendered by employees. Pre-paid contributions are recognized as an asset to the extent that cash refund or reduction in future payments is available. Contributions to a defined contribution plan being due for more than 12 months after the end of the period in which the employee render the service are discounted at their present value. The following are the defined contribution plan provided by the Microfinance to its employees:

a) Employees Provident Fund

In accordance with law, all employees of the Microfinance are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Microfinance contribute monthly at a pre-determined rate (currently, 10% of the basic salary plus grades). Microfinance does not assume any future liability for provident fund benefits other than its annual contribution.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Microfinance's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Microfinance's obligation and that are denominated in the currency in which the benefits are expected to be paid. The calculation of obligation is performed annually by a qualified actuary using projected unit credit method.

The Microfinance recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefits plans in employee benefit are expensed in profit or loss.

The following are the defined benefit plans provided by the Microfinance to its employees:

a) Gratuity

Microfinance provides for gratuity on accrual basis covering eligible employees in terms of Employee Service Byelaws of the Microfinance. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent defined days' eligible salary payable for each completed years of service.

b) Leave Salary

The employees of the Microfinance are entitled to carry forward a part of their unveiled/unutilized leave subject to a maximum limit. The employees can encash unveiled/unutilized leave partially in terms of Employee Service Byelaws of the Microfinance. The Microfinance accounts for the liability for entire accumulated outstanding leave balance on accrual basis as per Employee Service Byelaws of the Microfinance.

c) Termination Benefits

Termination benefits are recognized as expense when the Microfinance is demonstrably committed, without realistic possibility of withdrawal, to a formal plan to provide termination benefits to employees as a result of an offer made to encourage voluntary redundancy. Termination benefits are recognized if the Microfinance has made an offer for voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be measured reliably. If the benefits are payable in more than 12 months after the reporting date, they are discounted to their present value.

3.14 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 Microfinance has applied NFRS 16 effective from FY 2081-82.

For any new contracts entered into, The Microfinance considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Microfinance 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 Microfinance
- The Microfinance 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 Microfinance has the right to direct the use of the identified asset throughout the period of use. The Microfinance assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Microfinance as a Lessee:

At lease commencement date, the Microfinance 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 Microfinance, 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 Microfinance 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 Microfinance also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Microfinance 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 Microfinance’s incremental borrowing rate.

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

In line with this requirement, previously recognized operating lease liability has been regrouped in to Lease liability and Right of Use Assets.

Company as a Lessors

Leases in which the Company does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.15 Share capital and reserves

The Microfinance classifies capital instruments as equity instruments or financial liabilities in accordance with the substance of the contractual terms of the instruments. Equity represents the residual interest in the total assets of the Microfinance after deducting all its liabilities. Common shares are classified as equity, and distributions thereon are presented in the statement of changes in equity.

The Microfinance is required to maintain the Capital Adequacy Ratio (CAR) as prescribed by the regulator. The minimum required CAR for the current year is 8%. As at the end of FY 2081/82, the Microfinance has maintained a Capital Adequacy Ratio (CAR) of **7.44%**, which is **below the regulatory requirement**.

The Microfinance is undertaking necessary measures to strengthen its capital base and gradually improve the Capital Adequacy Ratio (CAR) to the regulatory requirement in the forthcoming period.

Incremental costs directly attributable to the issue of equity instruments are deducted from the initial measurement of such instruments.

3.16 Earnings per share including diluted

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of earnings per share.

3.17 Segment reporting

An operating segment is a component of the Microfinance that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relating to transactions with any of the Microfinance's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance. Since the Chief Operating Decision Maker monitors the activities of the Microfinance as a whole, the Microfinance has classified a single operating segment.

4 Explanatory Notes

The explanatory notes and significant disclosure relating to the financial statements are as follows:

4.1 Cash and Cash Equivalents

Cash and Cash Equivalents consists of the total amount of cash-in-hand, balances with other bank and financial institutions, money at call and short notice, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Microfinance in the management of its short-term commitments.

Cash and Cash equivalent			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Cash in hand	2,393,319	3,196,522	2,818,016
Balance with B/Fis*	-	-	-
Money at call and short notice	190,576,300	120,256,157	210,208,477
Other	-	-	-
Total	**192,969,619**	**123,452,679**	**213,026,493**

4.2 Statutory Balance and Due from Nepal Rastra Bank

Statutory balances held with Nepal Rastra Bank for compulsory cash reserve, securities purchased from Nepal Rastra Bank under resale agreement and other deposits with and receivables from Nepal Rastra Bank has been presented under this account head.

Due from Nepal Rastra Bank			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Statutory Balances with NRB	-	-	-
Statutory Balance with BFIs	14,200,000	11,800,000	10,800,000

Securities Purchased under re-sale agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
Total	**14,200,000**	**11,800,000**	**10,800,000**

4.3 Placement with Bank and Financial Institutions

Placements with domestic as well as foreign bank and financial institutions with original maturities of more than three months from the acquisition date are presented under this account head.

Placement with Bank and Financial Institutions			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Placements with domestic B/Fis	-	-	-
Less: Allowances for Impairment	-	-	-
Total	-	-	-

4.4 Derivative Financial Instruments

The derivative financial instruments held by the Microfinance during the year are as follows:

Derivative Financial Instruments			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Held for trading			
Interest rate swap	-	-	-
Currency swap	-	-	-
Forward exchange contract	-	-	-
Others	-	-	-
Held for risk management			
Interest rate swap	-	-	-
Currency swap	-	-	-
Forward exchange contract	-	-	-
Others	-	-	-
Total	**-**	**-**	**-**

4.5 Other Trading Assets

The trading assets held by the Microfinance during the year are as follows:

Other Trading Asses			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Treasury Bills	-	-	-
Government Bonds	-	-	-
NRB Bonds	-	-	-
Domestic Corporate Bonds	-	-	-
Equities	-	-	-
Other	-	-	-
Total	-	-	-
Pledged	-	-	-
Non-pledged	-	-	-

4.6 Loans and advances to MFIs and Cooperatives

The Loans and advance disbursed by the Microfinance to other Microfinance and `Cooperatives are as follows:

Loans and advances to MFIs and Cooperatives			**(Figures in NPR)**
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Loans to microfinance institutions	-	-	-
Loans to FIs	-	-	-
Loans to Cooperatives	-	-	-
Less: Allowance for impairment	-	-	-
Other	-	-	-
Less: Allowance for impairment	-	-	-
Total	-	-	-

4.6.1. Allowance for impairment

(Figures in NPR)

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Balance for 1st Shrawan	-	-	-
Impairment loss for the year	-	-	-
Charge for the year	-	-	-
Recoveries/reversal	-	-	-
Amount written off	-	-	-
Balance at Ashadh end			

4.7 Loans and advances to customers

Outstanding amount of all loans and advances extended to the customers other than BFIs as well as bills purchased and discounted less the amount of impairment allowances shall be presented. Loan to employees provided according to the Employees Bylaws of the Microfinance has also been presented under this head.

Loans and advances to customers	*(Figures in NPR)*		
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Loans and advances measured at amortised cost	2,906,435,135	2,383,088,081	2,094,509,649
Less: Impairment allowances	(75,137,178)	(46,471,318)	(23,635,161)
Collective Allowances	(6,965,848)	(7,504,445)	(6,890,870)
Individual Allowances	(68,171,330)	(38,966,873)	(16,744,291)
Net amount	**2,831,297,957**	**2,336,616,763**	**2,070,874,488**
Loans and advances measured at FVTPL			
Total	**2,831,297,957**	**2,336,616,763**	**2,070,874,488**

4.7.1 Analysis of Loans and Advances- By Product

Analysis of Loans and advances- By Product	*(Figures in NPR)*		
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Product			
Term Loans	2,872,129,987	2,353,949,624	2,068,434,839
Short term, term loan	-	-	-
Long term. Term loan	-	-	-
Hire purchase loan	-	-	-
Personal Residential Loans	-	-	-
Staff loans	16,913,288	16,610,595	18,422,112
Others	-	-	-
Sub Total	**2,889,043,276**	**2,370,560,219**	**2,086,856,951**
Interest receivable	17,391,860	12,527,862	7,652,698
Grand Total	**2,906,435,135**	**2,383,088,081**	**2,094,509,649**

4.7.2 Analysis of Loans and advances- By Collateral

Analysis of Loans and advances- By Collateral			***(Figures in NPR)***
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Secured			
Immovable assets	-	-	-
Government Guarantee	-	-	-
Collateral of Government securities	-	-	-
Collateral of fixed deposit receipt	-	-	-
Group Guarantee	-	-	-
Personal Guarantee	-	-	-
Other collateral	-	-	-
Subtotal	-	-	-
Unsecured	-	-	-
Grand Total	**-**	**-**	**-**

4.7.3 Allowances for Impairment

Allowances for Impairment			***(Figures in NPR)***
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Specific allowance for impairment			
Balance at Shrawan 1	**38,966,873**	**16,744,291**	-
Impairment loss for the year	-	-	-
Charge for the year	(11,001,116)	22,222,582	16,744,291
Recoveries/reversal during the year	-	-	-
Write-offs	-	-	-
Exchange rate variance on foreign currency	-	-	-
Other Movement	40,205,572	-	-
Balance at Ashadh end	**68,171,330**	**38,966,873**	**16,744,291**
Collective allowance for impairment	**-**	**-**	**-**
Balance at Shrawan 1	**7,504,445**	**6,890,870**	**-**
Impairment loss for the year	**-**	**-**	**-**
Charge/(reversal) for the year	(42,787)	613,575	6,890,870
Other movement	(495,810)	-	-
Balance at Ashadh end	**6,965,848**	**7,504,445**	**6,890,870**
Total Allowance for impairment	**75,137,178**	**46,471,318**	**23,635,161**

4.8 Investment securities

Investments made by the Microfinance in financial instruments has been presented under this account head in three categories i.e., investment securities designated at fair value through profit or loss, investment securities measured at amortized cost and investment in equity measured at fair value through other comprehensive income. Where income from the investment is received in the form of bonus shares, the valuation of investment shall be made by increasing the number of shares only without changing in the cost of investment.

Investment securities	***(Figures in NPR)***

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Investment securities measured at Amortized cost	-	-	-
Investment Securities measured at FVTOCI	-	-	-
Total	**-**	**-**	**-**

4.8.1 Investment securities measured at amortized cost

Detail of Investment Securities measured at amortized cost is as follows:

Investment securities measured at amortized cost			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Debt securities	-	-	-
Government bonds	-	-	-
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposits instruments	-	-	-
Other			-
Less: specific allowances for impairment	-	-	-
Total			

4.8.2 Investment in equity

Investment in equity measured at FVTOCI			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Equity instrument	-	-	-
Quoted equity instrument	-	-	-
Unquoted equity instrument	-	-	-
Total	-	-	-

4.8.3. Information relating to investment in equities

Information relating to investment in equities						*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**		**Restated* As on 31st Ashad 2081**		**Restated* As on 1st Shrawan 2080**	
	Cost	**Fair value**	**Cost**	**Fair value**	**Cost**	**Fair value**
Investment in Quoted Equity	-	-	-	-	-	-
Total	-	-	-	-	-	-
Investment in Unquoted Equity	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.9 Current Tax Assets and Liabilities

Current Tax Assets and Liabilities			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Current Tax Assets			
Current year income tax assets	25,578,646	6,360,702	10,438,522
Tax assets of prior periods	-	-	-
Total	**25,578,646**	**6,360,702**	**10,438,522**
Current Tax Liabilities			
Current year income tax liabilities	23,807,531	1,162,085	4,428,560
Tax Liabilities of prior periods	-	-	-
Sub Total	**23,807,531**	**1,162,085**	**4,428,560**
Total	**1,771,115**	**5,198,618**	**6,009,962**

4.10 Investment Properties

Land or land and building other than those classified as property and equipment; and non-current assets held for sale under relevant accounting standard has been presented under this account head. This also includes land, land and building acquired as non-banking assets by the Microfinance but not sold. After Initial Recognition, the Microfinance chose either the fair value model to subsequently measure Investment Properties. No Investment properties are measured at cost. The detail of Investment properties measured at fair value is as follows:

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Investment Properties measured at fair value			
Balance as on Shrawan 1	-	-	-
Addition/Disposal during the year	-	-	-
Net changes in fair value during the year	-	-	-
Adjustment/Transfer	-	-	-
Net Amount	-	-	-
Investment Properties measured at cost		-	-
Balance as on Shrawan 1	-	-	-
Addition/Disposal during the year	-	-	-
Adjustment/Transfer	-	-	-
Accumulated depreciation	-	-	-
Accumulated impairment loss	-	-	-
Net Amount	-	-	-
Total	-	-	-

4.11 Property and Equipment

All assets of long-term nature (fixed) like land, building, IT equipment, fixtures and fittings, office equipment and appliances, vehicles, machinery, leasehold developments and capital work in progress owned by the Microfinance has been presented under this head.

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Other Assets	Right Of Use Assets	Total As on 32nd Ashad 2082	Total Restated* As on 31st Ashad 2081	Total Restated* As on 1st Shrawan 2080
Cost												
Balance as on 1st Shrawan 2080	16,931,000	-	633,688	8,227,850	1,499,900	8,556,607	-	4,662,810	20,253,144			**60,764,999**
Addition during the Year												
Acquisition	-	-	39,150	74,800	-	1,387,516	-	817,093	-		**2,318,559**	
Capitalization	-	-	-	-	-	-	-	-	-		**-**	
Disposal during the year	-	-	-	-	-	-	-	-	-		**-**	
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-		**-**	
Balance as on 31st Ashad 2081	**16,931,000**	**-**	**672,838**	**8,302,650**	**1,499,900**	**9,944,123**	**-**	**5,479,902.41**	**20,253,144**		63,083,557	
Addition during the Year												
Acquisition	-	309,620	74,208	2,853,406	262,900	432,275	-	733,823	4,552,445	**9,218,677**		
Capitalization	-	-	-	-	-	-	-	-	-	-		
Disposal during the year	-	-	-	-	-	-	-	-	-	-		
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-		
Balance as on 32nd Ashad 2082	**16,931,000**	**309,620**	**747,046**	**11,156,056**	**1,762,800**	**10,376,398**	**-**	**6,213,726**	**24,805,589**	**72,302,234**		
Depreciation and Impairment												
Balance as on 1st Shrawan 2080	**-**	**-**	**383,569**	**4,820,840**	**682,951**	**4,917,773**	**-**	**2,644,226**	**-**			**13,449,359**
Impairment for the year												
Depreciation charge for the Year	-	-	39,150	74,800	-	1,387,516	-	817,093	4,623,119		**6,941,678**	
Disposal											**-**	
Adjustment											**-**	

Balance as on 31st Ashad 2081	**-**	**-**	**422,719**	**4,895,640**	**682,951**	**6,305,289**	**-**	**3,461,319**	**4,623,119**		**20,391,037**	
Impairment for the year										-		
Depreciation charge for the Year	-	28,434	68,429	606,682	82,631	518,005	-	430,782	5,435,091	**7,170,054**		
Disposals										-		
Adjustment										-		
Balance as on 32nd Ashad 2082	**-**	**28,434**	**491,149**	**5,502,322**	**765,582**	**6,823,294**	**-**	**3,892,100**	**10,058,211**	**27,561,092**		
Capital Work in Progress												
Capital Work in Progress 1st Shrawan 2080									-			
Capital Work in Progress 31st Ashad 2081											-	-
Capital Work in Progress 32nd Ashad 2082										-		
Net Book Value as on 1st Shrawan 2080	**16,931,000**	**-**	**250,119**	**3,407,010**	**816,949**	**3,638,834**	**-**	**2,018,584**	**20,253,144**	**-**	**-**	**47,315,639**
Net Book Value as on 31st Ashadh 2081	**16,931,000**	**-**	**250,119**	**3,407,010**	**816,949**	**3,638,834**	**-**	**2,018,584**	**15,630,025**		**42,692,520**	
Net Book Value as on 31st Ashadh 2082	**16,931,000**	**281,186**	**255,897**	**5,653,734**	**997,218**	**3,553,104**	**-**	**2,321,625**	**14,747,378**	**44,741,143**		

4.12 Goodwill and Intangible Assets

Goodwill and intangible assets like computer software both purchased and internally generated, trade mark etc has been presented under this account head.

Particulars	**Goodwill**	**Software**		**Other**	**Total**	**Total**	**Total**
		Purchased	**Developed**		**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Cost							
Balance as on 1st Shrawan 2080	-	2,905,437	-	-			**2,905,437**
Addition during the Year						-	
Acquisition		29,000				**29,000**	

Capitalization						-	
Disposal during the year						-	
Adjustment/Revaluation						-	
Balance as on 31st Ashad 2081		**2,934,437**				**2,934,437**	
Addition during the Year							
Acquisition		-			-		
Capitalization					-		
Disposal during the year					-		
Adjustment/Revaluation					-		
Balance as on 32nd Ashad 2082	-	**2,934,437**	-	-	**2,934,437**		
Ammortization and Impairment							
Balance as on 1st Shrawan 2080		**1,635,669**					**1,635,669**
Ammortization charge for the Year						-	
Imapirment for the year		256,863				**256,863**	
Disposals						-	
Adjustment						-	
Balance as on 31st Ashad 2081		**1,892,532**				**1,892,532**	
Ammortization charge for the Year							
Imapirment for the year		259,754			259,754		
Disposals					-		
Adjustment					-		
Balance as on 32nd Ashad 2082	-	**2,152,286**	-	-	**2,152,286**		
Capital Work in Progress							
Net Book Value							
Net Book Value as on 1st Shrawan 2080	-	**1,269,768**	-	-			**1,269,768**
Net Book Value as on 31st Ashadh 2081	-	**1,041,905**	-	-		**1,041,905**	
Net Book Value as on 31st Ashadh 2082	-	**782,152**	-	-	**782,152**		

4.13 Deferred Tax Assets

Deferred tax assets recognized as per NFRSs on temporary deductible differences, carry forward of unused tax losses, changes in tax rate etc. has been presented under this account head.

Deferred Tax Assets *(Figures in NPR)*

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/Liabilities
Deferred Tax on Temporary differences on following items			-
Loans and Advances to B/FIs			-
Loans and Advances to customers			-
Investment Properties			-
Investment Securities			
Property and equipment	35,578	10,269,103	(10,233,526)
Employees' defined benefit plan			
Lease liabilities	5,369,406		5,369,406
Provisions	3,656,365		3,656,365
Other temporary differences			
Deferred Tax on Temporary differences	**9,061,348**	**10,269,103**	**(1,207,755)**
Deferred Tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			
Net Defered tax asset/(liabilities) as on year end of 2081-82			**(1,207,755)**
Recognized in profit or loss			
Recognized in other comprehensive income			
Recognized directly in equity			
Deferred tax asset/(liabilities) as on Shrawan 1, 2081			**(587,018)**
Origination/(Reversal) during the year			**(620,737)**
Deferred tax expense/(income) recognised in profit or loss			**620,737**
Deferred tax expense/(income) recognised in other comprehensive income			**-**
Deferred tax expense/(income) recognised directly in equity			**-**

			Previous Year
Particulars	**Deferred Tax Assets**	**Deferred Tax Liabilities**	**Net Deferred Tax Assets/Liabilities**
Deferred Tax on Temporary differences on following items			
Loans and Advances to B/FIs			-
Loans and Advances to customers	-		-
Investment Properties			-
Investment Securities			-
Property and equipment	143,394	4,764,043	(4,620,649)
Employees' defined benefit plan			-
Lease liabilities	5,022,462		5,022,462
Provisions	2,769,527		2,769,527
Other temporary differences	-	3,758,358	(3,758,358)

Deferred Tax on Temporary differences	**7,935,384**	**8,522,402**	**(587,018)**
Deferred Tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
Net Defered tax asset/(liabilities) as on year end of 2080-81			**(587,018)**
Deferred tax asset/(liabilities) as on Shrawan 1, 2080			**450,162**
Origination/(Reversal) during the year			**(1,037,180)**
Deferred tax expense/(income) recognised in profit or loss			**1,037,180**
Deferred tax expense/(income) recognised in other comprehensive income			**-**
Deferred tax expense/(income) recognised directly in equity			**-**

4.14 Other assets

Other assets			***(Figures in NPR)***
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Assets held for sale			-
Other Non-Banking Assets			-
Bills Receivable			-
Accounts receivable	2,596	69,848	69,848
Accrued income		-	-
Prepayments and deposits	427,731	116,724	74,938
Income tax deposit		-	-
Deferred Employee Expenditure	2,328,496	1,327,278	1,260,206
Other Assets	**1,523,648**	**2,489,026**	**2,612,662**
Stationery Stock	523,648	989,026	1,112,662
Staff Advances	-	-	-
Client Protection Fund Investments	1,000,000	1,500,000	1,500,000
Other Assets	-	-	-
Total	**4,282,472**	**4,002,876**	**4,017,654**

4.15 Due to Bank and financial institution

The balances in accounts maintained with the institution by other local and foreign banks and financial institution has been presented under this head. Interbank borrowing, interbank deposit, balances on settlement and clearing accounts as well as other amount due to bank and financial institution has also been presented under this account head.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Borrowing from BFIs	-	**-**	**-**
Settlement and clearing accounts	-	**-**	**-**
Other	-	-	-
Total	**-**	**-**	**-**

4.16 Due to Nepal Rastra Bank

This account head shall also contain the amount of payable to Nepal Rastra Bank. Amount payable to NRB shall include amount of refinance facilities, standing liquidity facility, lender of last resort, sale and repurchase agreements, deposit from NRB etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Refinance from NRB	-	-	-
Standing liquidity facility	-	-	-
Lender of last report facility from NRB	-	-	-
Securities sold under repurchase agreement	-	-	-
Other payable to NRB	-	-	-
Total	**-**	-	-

4.17 Derivative financial instruments

The derivative financial instruments held by the Microfinance during the year are as follows:

Derivative financial instruments			*(Figures in NPR)*
Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Held for trading			
Interest rate swap	-	-	-
Currency swap	-	-	-
Forward exchange contract	-	-	-
Others	-	-	-
Held for risk management			
Interest rate swap	-	-	-
Currency swap	-	-	-
Forward exchange contract	-	-	-
Others	-	-	-
Total	-	-	-

4.18 Deposits from Customers

All deposit accounts other than deposit from BFIs (local and foreign) and NRB has been presented under this account head.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**	**Restated* As on 1st Shrawan 2080**
Institutions Customers:			
Team deposits		-	-
Call Deposits		-	-
Other		-	-
Sub-total:	**-**	**-**	**-**
Individual Customers:			
Term deposits	-	-	651,228
Saving Deposits	-	-	-
Saving from members	-	-	-
Other	884,396,847	694,816,467	670,695,509
Sub-total:	**884,396,847**	**694,816,467**	**671,346,737**
Total	**884,396,847**	**694,816,467**	**671,346,737**

4.19 Borrowing

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Domestic Borrowing:			
Nepal Government	-	-	-
Other licensed institution	1,893,465,919	1,572,041,152	1,425,096,190
Other	-	-	-
Sub total	**1,893,465,919**	**1,572,041,152**	**1,425,096,190**
Foreign Borrowing:			
Foreign Bank and Financial Institutions	-	-	-
Multilateral Development Bank	-	-	-
Other institutions	-	-	-
Sub total	-	-	-
Total	**1,893,465,919**	**1,572,041,152**	**1,425,096,190**

4.20 Provisions

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Provisions for redundancy	-	-	-
Provision for restructuring	-	-	-
Pending legal issues and tax litigation	-	-	-
Onerous contract	-	-	-
Other	-	-	-
Total	-	-	-

4.20.1. Movement in provision

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Balance at shrawan 1st	-	-	-
Provisions made during the year	-	-	-
Provisions used during the year	-	-	-
Provisions reversed during the year	-	-	-
Unwind of discount	-	-	-
Balance at Ashadh End	-	-	-

4.21 Other liabilities

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Liability for employees defined benefit obligations	1,706,098	1,502,848	1,787,446
Liability for long-service leave	10,481,784	7,728,909	7,365,793
Short-term employee benefits	-	-	-
Bills payable	-	-	-
Creditors and Accruals	39,910	183,524	78,760
Interest payable on deposit	-	-	-
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	-	-	-
Unreconciled interbranch balance	-	-	-
Liabilities under finance lease	-	-	-

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Employee bonus payable	7,258,755	498,925	1,699,268
Accrued Expenses Payable	-	-	-
Member Security Fund	-	-	-
DCGF Compensation Fund	-	-	-
Lease Liability	17,898,020	16,741,541	20,253,144
Others	**22,359,010**	**19,012,799**	**19,568,683**
Tds Payable	1,034,511	909,135	681,119
Cib Charges - New Inquiry	49,483	57,110	77,880
National Life Insurance Company Limited	93,295	116,121	492,801
Staff Salary Payable	75,614	22,984	45,905
DCGF Loan Insurance Provision	2,867,939	2,370,112	4,082,703
Interest Suspense On Staff Social Loan	141,371	-	-
Payable - Others	35,112	5,000	25,227
DCGF PAYABLE A/C	17,688,786	2,916,603	860,825
Payable - Audit Fee	334,500	334,500	337,500
Payable For Member	38,400	-	-
Service Charge Refundale	-	11,673,441	12,951,223
Payable to vendors	-	607,793	
House Rent Payable	-	-	13,500
Total	**59,743,577**	**45,668,546**	**50,753,094**

4.21.1 Defined benefit obligation

The Microfinance provides Pension & Gratuity Plan, Retirement Plan and Leave Encashment Plan (in terms of Annual Leave and Sick Leave) as defined benefits to its employees. These benefits are post-employment benefit plans and are paid based on length of service. These benefit plans are funded whereas the Microfinance makes earmark investment of these funds. The gratuity plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent defined days' eligible salary payable for each completed year of service.

The pension plan provides for lump sum payments to vested employees at retirement or equated payment till death of the employee (and half thereafter to the spouse of the employee). Further, employees of the Microfinance are entitled to avail Annual Leave and Sick Leave. The employees can carry forward the un-availed leave and are entitled to encash the cumulative leave at the time of the retirement. A qualified actuary calculates the obligation under these plans every year using projected unit credit method. The disclosure relating to defined benefit plans are as follows:

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Present value of funded obligations	-	-	-
Total present value of obligations	-	-	-
Fair value of plan assets	-	-	-
Present value of net obligations	-	-	-
Recognised liability for defined benefit obligation	-	-	-

4.21.2 Plan Assets

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposits	-	-	-
Other	-	-	-
Total	-	-	-

4.21.3 Movement in the present value of defined benefit obligations

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Defined benefit obligation at Shrawan 1st	**-**	**-**	**-**
Acquisition/Business Combination/Divestiture	**-**	**-**	**-**
Actuarial (Gains) / losses	**-**	**-**	**-**
Benefit paid by the plan	**-**	**-**	**-**
Current service cost and interest	**-**	**-**	**-**
Defined benefit obligation at Ashadh end	**-**	**-**	**-**

4.21.4 Movement in the fair value of plan assets

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Fair value of plan assets at Shrawan 1st	-	-	-
Contributions paid into the plan	-	-	-
Benefit paid during the year	-	-	-
Actuarial (losses) gains	-	-	-
Expected return on plan assets	-	-	-
Fair value of plan assets at Ashadh end	**-**	**-**	**-**

4.21.5 Amount recognised in profit or loss

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Current service cost	-	-	-
Interest on obligation	-	-	-
Expected return on plan assets	-	-	-
Total	-	-	-

4.21.6 Amount recognised in other comprehensive income

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Actuarial (gains) / losses	-	-	-
Total	**-**	**-**	**-**

4.21.7 Actuarial assumptions

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Discount rate	-	-	-
Expected return on plan assets	-	-	-
Future salary increased	-	-	-
Withdrawal rate	-		

4.22 Debt securities issued

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Debt securities issued designated at fair value through profit or loss	-	-	-
Debt securities issued at amortised cost	-	-	-
Total	-	-	-

4.23 Subordinated Liabilities

Subordinated Liabilities has been issued by the Microfinance are as follows:

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Redeemable preference shares	-	-	-
Irredemable cumulative preference shares	-	-	-
Other	-	-	-
Total	-	-	-

4.24 Share Capital

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Ordinary shares	153,445,509	146,138,580	146,138,580

Convertible preference share (Equity component)	-	-	-
Irredeemable preference share (Equity component)	-	-	-
Perpetual debt (Equity component only)	-	-	-
Total	**153,445,509**	**146,138,580**	**146,138,580**

4.24.1 Ordinary Shares

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Authorized capital:			
Ordinary shares of Rs. 100 each	160,000,000.00	150,000,000.00	150,000,000.00
Issued capital:			-
Ordinary shares of Rs. 100 each	153,445,509	146,138,580.00	146,138,580.00
Subscribed and paid of capital			-
Ordinary shares of Rs. 100 each	153,445,509	146,138,580	146,138,580
Total	**153,445,509**	**146,138,580**	**146,138,580**

4.24.2 Ordinary share ownership

Particulars	As on 32nd Ashad 2082		Restated* As on 31st Ashad 2081		Restated* As on 1st Shrawan 2080	
	Percent	Amount	Percent	Amount	Percent	Amount
Domestic ownership(promoter)						
Nepal Government						
"A" class licensed institution	14.55%	22,324,398	14.55%	21,261,331	14.55%	21,261,331
Other licensed institutions						
Domestic ownership(public)	32.11%	49,264,985	32.11%	46,919,034	32.11%	46,919,034
Other (Promoter)	53.34%	81,856,126	53.34%	77,958,215	53.34%	77,958,215
Foreign ownership Public						
Total	**100%**	**153,445,509**	**100.00%**	**146,138,580**	**100.00%**	**146,138,580**

4.24.3 Proposed distribution (Dividend and Bonus Shares)

No dividend has been proposed for this Fiscal year.

4.25 Reserves

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Statutory General Reserve	45,447,597	37,328,631	36,856,798
Capital reserve		-	-
Exchange equalization reserve		-	-
Investment adjustment reserve		-	-
Corporate social responsibility reserve	910,662	607,933	717,757
Client protection Fund	1,671,947	1,658,819	2,008,992
Capital redemption reserve		-	-
Regulatory reserve	10,956,872	12,527,862	8,102,860
Assets revaluation reserve			-
Fair value reserve	-	-	-
Dividend equalization reserve			-
Actuarial reserve	-	-	-
Special reserve			-
Debenture redemption reserve			-
Other reserve	-	76,278	45,582
Total	**58,987,077**	**52,199,523**	**47,731,989**

4.25.1 General Reserve

General Reserve is created as per Section 44 of the Banks and Financial Institutions Act 2073 equivalent to 20% of the net profit earned during the year until the reserve is twice the paid-up share capital of the Bank after which 10% of the net profit earned during the year shall be set aside as General Reserve.

Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank.

4.25.2 Exchange Equalization Reserve

Exchange Equalization Reserve is the reserve created as per Section 44 of the Banks and Financial Institutions Act 2073 equivalent to 25% of the foreign exchange gain realized on the translation of foreign currency to the reporting currency during the year other than Indian Rupees.

Such reserve could not be expensed or transferred to other heads without prior approval of Nepal Rastra Bank other than to set off revaluation loss incurred, if any during the year.

4.25.3 Investment Adjustment Reserve

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

4.25.4 Fair Value Reserve

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

4.25.5 Assets Revaluation Reserve

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

4.25.6 Regulatory Reserve

The amount that is allocated from profit or retained earnings of the Microfinance to this reserve as per the Directive of NRB for the purpose of implementation of NFRSs and which has not been regarded as free for distribution of dividend (cash as well as bonus shares) has been presented under this account head. The amount allocated to this reserve includes interest income recognized but not received in cash, difference of loan loss provision as per NRB directive and impairment on loan and advance as per NFRSs (in case lower impairment is recognized under NFRSs), amount equals to deferred tax assets, actuarial loss recognized in other comprehensive income, amount of goodwill recognized under NFRSs etc.

Movement of Regulatory Reserve

Particulars	Amount(in Rs.)
Opening Balance as on 1st Shrawan 2081	12,527,861.63
Less:	
Reversal of Accrued Interest Recievable for the year 2081/82	(1,570,990.00)
Closing Balance as on 32nd Ashad 2082	10,956,871.63

4.25.7 Corporate Social Responsibility Fund

As at the end of Ashadh 2081, the Social Responsibility Fund stood at NPR 607,933.38. During the current financial year, NPR 103,220 has been expensed under the Social Responsibility Fund. The said expenditure has been accounted for under the Social Responsibility Fund expense heading. Accordingly, NPR 405,948.29 has been transferred to the Social Responsibility Fund during the current financial year.

Movement of Social Responsibility Fund

Description	Amount (NPR)
Opening balance as at end of previous FY	607,933.38
Add: Transfer during the year	405,948.29
Less: Expenditure during the year	(103,220.00)
Closing balance at end of current FY	**910,661.67**

In accordance with the Unified Directive issued by Nepal Rastra Bank for Class "D" financial institutions (Directive No. 6/082, Clause 14(2)), the expenditure of NPR 103,220, representing 16.98% of the fund balance, has been incurred for the purpose of Financial Literacy Programs for clients.

4.25.8 Client Protection Fund

As per the directive of Nepal Rastra Bank, the Customer Protection Fund stood at NPR 1,658,818.81 as at the end of Ashadh 2080. During the current financial year, an amount of NPR 662,193.02 was transferred to the Customer Protection Fund.

Statement of Movement in Customer Protection Fund:

Description	Amount (NPR)
Opening balance as at end of previous FY	1,658,818.81
Interest income from investments	53,270.58

Transfer to Customer Protection Fund (1.5% of net profit)	608,922.44
Expenses during the year	(649,065.00)
Closing balance of the year	**1,671,946.83**

The amount of NPR 23,591.65 was set aside in the Customer Protection Fund in the previous year. During the current year, NPR 649,065 has been expensed from the said fund, representing 2,751.25% of the amount set aside in the previous year.

As per the directive of Nepal Rastra Bank, the remaining balance of this fund has been earmarked by the institution and invested in fixed deposits. The total amount accumulated in the Customer Protection Fund is utilized for activities aimed at safeguarding the collective interests of borrowers, supporting the management and resolution of issues faced by borrowers, and contributing to the protection and recovery of clients in case of default. The fund is also used for educational, health, and capacity-building programs for clients, including support for the education, health, and nutrition of their children.

4.25.9 Staff Training Fund

Statement of movement in Staff training fund

Description	Amount (NPR)
Total Staff Salary & Allowance Expenses of Previous FY	64,966,353.00
Mandatory Minimum Expenditure Threshold (3% as per NRB Directives)	1,948,990.59
Actual Training Expenditure Incurred during the Current FY	2,002,640.46
Fund Balance Carried Forward from Previous FY	76,277.67
Closing Balance at the End of Current FY	**0.00**

During the Fiscal Year 2081/082, an aggregate amount of NPR 2,002,640.46 was incurred under the staff efficiency development initiative for comprehensive staff training. The expended amount has been appropriately recognized and accounted for under the "Staff Training Expense" line item in the Statement of Profit or Loss. In strict compliance with regulatory guidelines, it is explicitly disclosed that no expenses relating to foreign travel of the Chairman of the Board of Directors, Directors, and Chief Executive Officer (CEO), nor any costs associated with delegation teams participating in assemblies or conferences representing the institution, have been included within this staff training expense head.

In accordance with the prudential provisions outlined in Clause No. 5 of Directive No. 6/2081 of the Unified Directives issued to Class “D” microfinance financial institutions licensed by Nepal Rastra Bank, the institution is mandated to spend a minimum of 3% of its total staff salary and allowances expenses of the preceding fiscal year on human resource development, which has been fully complied with. Consequently, the actual deployment of resources for staff efficiency development during the Fiscal Year 2081/082 stands at **3.08%** of the previous year's total personnel expenses, thereby successfully meeting and exceeding the statutory regulatory threshold.

4.26 Contingent Liabilities and Commitment

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Contingent Liabilities	-	-	-
Undrawn and undisbursed facilities	-	-	-
Capital commitment	-	-	-
Lease commitment	-	-	-
Litigation	-	-	-
Others (Loan Commitment)	-	-	-
Total	-	-	-

4.26.1 Capital commitments

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

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Approved and contracted for			
Approved bur not contracted for			
Sub total	**-**	**-**	**-**
Approved and contracted for			
Approved bur not contracted for			
Sub total	**-**	**-**	**-**
Total	**-**	**-**	**-**

4.26.2 Lease commitments

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081	Restated* As on 1st Shrawan 2080
Operating lease commitments Future minimum lease payments under non-cancellable operating lease, where the institution is lessee	-	-	-
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-
Subtotal	-	-	-
Finance lease commitments Future minimum lease payments under non-cancellable operating lease, where the institution is lessee	-	-	-
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-
Sub total	-	-	-
Grand Total	-	-	-

4.26.3. Litigation

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

4.27 Interest Income

The interest income recognized as per NFRSs has been presented under this head. This includes interest income on loan and advance, investment securities except on those investment securities measure at fair value through profit or loss, cash and cash equivalent, due from Nepal Rastra Bank, due from BFIs, loan and advances to staff etc.

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Cash and cash equivalents	-	-
Due from Nepal Rastra Bank	-	-
Placement with Banks and Financial Institutions	-	-
Loans and Advances to Financial Institutions	-	-
Loans and advances to customers	391,429,665	320,335,678
Investment securities	-	-
Loans and advances to staff	317,870	412,563
Other	-	-
Total interest income	**391,747,535**	**320,748,240**

4.28 Interest Expenses

The interest expenses recognized as per NFRS have been presented under this head. The interest expenses include accrued on deposits collected, debt securities issued, borrowings obtained, subordinated liabilities, amount due to bank and financial institutions, due to NRB etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	61,324,208	52,751,227
Borrowing	134,180,368	158,215,239
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
Total interest expense	**195,504,576**	**210,966,466**

4.29 Fees and Commission Income

Fee income is earned for diverse ranges of services provided by the Microfinance to its customers. Fee income arises on the execution of a significant act completed or from provision of services like service fees, Loan documentation fee, loan management fee, consortium fee, commitment fee, card issuance and renewal fees, prepayment and swap fee, remittance fee, investment banking fee, asset management fee, brokerage, commission on letter of credit, commission on guarantee, locker rental income, etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Loan Administration fees	-	-
Service fees	24,930,346	18,041,100
Commitment fees	-	-
Card Issuance fees	-	-
Prepayment and swap fees	-	-
Brokerage fees	-	-
Remittance fees	-	-
Other Fees and Commission Income	**5,633,725**	**7,277,476**
Commission From Insurance Company	4,073,665	4,453,573
Income From Premature Account Close	1,560,059	2,823,903
Total Fees and Commission Income	**30,564,070**	**25,318,577**

4.30 Fees and Commission Expense

Payment on account of fee and commission for services obtained by the Microfinance has been presented under this account head. This account head shall include card related fees, guarantee commission, brokerage expenses etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Brokerage	-	-
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other Fees and Commission Expense	-	-
Total Fees and Commission Expense	-	-

4.31 Net trading income

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 has been presented under this account head.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
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	-	-
Total Net trading income	**-**	**-**

4.32 Other operating income

Receipt of all other operating income not specifically, provided under the income heads above has been booked and presented under this head. This includes foreign exchange revaluation gain, gain/loss on sale of available for sale securities, dividend on available for sale securities, gain/loss on sale of property and equipment, gain/loss on sale of investment properties, operating lease income, gain/loss on sale of gold and silver, income of Finance lease etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Foreign Exchange Revaluation Gain	-	-
Gain/loss on sale of investment Securities	-	-
Fair value gain/loss on investment property	-	-
Dividend on equity instruments	-	-
Gain/loss on sale of property and equipment	-	-
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Other	208,552.71	228,609.93
Total other operating income	**208,552.71**	**228,609.93**

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

It includes impairment charge/reversal on loan and advances to customers, loan and advances to bank and financial institutions, investment securities, placement with bank and financial institutions, property and equipment, goodwill and intangible assets, investment properties etc

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Impairment charge/(reversal) on loan and advances to B/FIs	-	-
Impairment charge/(reversal) on loan and advances to customer	28,665,860	22,836,157
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with bank and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment property	-	-
Total impairment charge/(reversal) for loan and other losses	**28,665,860**	**22,836,157**

4.34 Personnel Expense

All expenses related to employees of the Microfinance has been included under this head. Expenses covered under this head include employees' salary, allowances, pension, gratuity, contribution to provident fund, training expenses, uniform expenses, insurance, staff bonus, Microfinance expense under NFRSs, cash-settled share-based payments etc.

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Salary	40,115,739	33,956,045
Allowances	44,111,139	37,978,353
Gratuity expenses	269,447	-
Provident fund	-	-
Uniform	-	-
Training & Development Expense	1,926,363	1,823,863
Leave encashment	3,798,243	3,839,161
Medical	-	-
Insurance	-	-
Employees Incentive	-	-
Cash-settled share-based payments	-	-
Pension Expense	-	-
Finance expenses under NFRS	317,870	412,563
Other Expenses Related to Staff	2,898,440	538,430
Subtotal	**93,437,241**	**78,548,415**
Employees Bonus	7,224,789	397,002
Total personal expenses	**100,662,029**	**78,945,417**

4.35 Other operating expense

All operating expense other than those relating to personnel expense are recognized and presented under this account head. The expenses covered under this account head includes office administration expense, other operating and overhead expense, directors' emoluments, remuneration and non-audit fee paid to auditors, professional and legal expense, branch closure cost expense, redundancy cost expense, expense of restructuring, impairment of non-financial assets, expense of corporate social responsibility, onerous lease provisions etc.

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Directors' fee	134,000	126,000
Directors' expense	641,500	678,190
Auditors' remuneration	-	-
Other audit related expense	-	-
Professional and legal expense	-	-
Office administration expense	6,048,804	4,915,858
Operating lease expense	1,357,706	1,127,912
Operating expense of investment properties	-	-
Corporate Social Responsibility Expense	103,220	-
Client Protection expense	-	-
Onerous lease provision	-	-
Other		
Finance Cost on Amortization	2,365,762	2,250,124
Other	**14,583,795**	**9,553,702**
Cheque clearing Expenses (Remittance)	11,172	8,007
Guest Relation Expenses	644,563	621,611
Closing Expenses	457,800	459,200
Business Promotion Expenses	263,917	88,360
Miscellaneous Expenses	-	43,400
Bank Charge Expenses	6,934	5,485

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Software Support Expenses	401,376	336,880
Social Responsbilities Related Expenses	-	133,415
Low Cost Item Expenses	161,855	192,324
Levis & Fees	491,079	107,659
DCGF Loan Insurance Provision Expenses	10,856,165	6,832,979
Share Registration Related Expenses	433,156	120,000
Staff incentive Expenses	12,964	23,006
RTS Fees Exp.	100,000	100,000
Company Registration Charge	-	15,735
Income Tax Expenses	197,685	-
Rebate on Loan Interest	19,956	-
AGM expense	155,102	126,642
Audit Expense	370,075	339,000
Total other operating expense	**25,234,787**	**18,651,786**

4.35.1 Office Administration Expenses

Office Administration expenses is the expenses incurred in the operation of the organization specifically incurred by the office. It includes water and electricity, repair and maintenance, insurance, printing and stationery, newspaper, advertisement, donation, security, deposit and guarantee premium, travel allowance and expenses, entertainment, annual general/special general meeting expenses, internet expenses, etc.

Particulars	As on 32nd Ashad 2082	Restated* As on 31st Ashad 2081
Light,Electricity & Water	793,079	672,817
Repair & Maintenance		
Repair & Maintenance-Building		
Repair & Maintenance-Vehicles	120,814	68,000
Computer and Accesssories	215,595	137,830
Office Equipment & Furniture	236,069	168,472
Repair & Maintenance-Others	75,417	76,173
Insurance Premium Expenses	190,534	200,754
Postage, Telex, Telephone & Fax	744,011	780,421
Office Equipment, Furniture Repair		-
Travelling Allowances & Expenses	-	-
Printing & Stationery	2,072,368	1,662,387
Periodicals & Books	22,520	16,640
Advertisements	173,607	112,266
Donation	-	-
Security Expenses	-	-
Deposit/Loan Guarantee Premium		
Travel allowance and expense	1,087,683	715,721
Entertainment	-	-
Annual/special general meeting expense	-	-
Other Expenses		
Other-Annual Function Expense		-
Other-Office Expenses	-	-
Other-Registration and Renewal	-	-
Non Durable Assets Expenses	-	-
Share Issue expenses		-
Loan writeoff Expenses		-
Software Expenses	-	-

Internal Committee Expenses	-	-
Monitoring and Supervision Expenses	-	-
Covid Related Expenses		-
Fuel & Lubricant Expenses	317,107	304,376
Asset Writeoff Expenses	-	-
Other Expenses	-	-
Total	**6,048,804**	**4,915,858**

4.36 Depreciation & Amortisation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life. Depreciation measured and recognized as per NFRSs on property and equipment, and investment properties, and amortization of intangible assets has been presented under this account head.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Depreciation on Property and Equipment	7,170,054	6,941,678
Depreciation on investment property	-	-
Amortization of intangible assets	259,754	256,863
Total depreciation and amortization	**7,429,808**	**7,198,541**

4.37 Non-operating income

The income and expenses that have no direct relationship with the operation of transactions of the Microfinance has been presented under this head. The income/expense covered under this account head includes loan written off, recovery of loan, redundancy provision, expense of restructuring etc.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Recovery of loan written off	-	-
other income	-	-
Bargain Purchased Gain	-	-
Reversal of Lease Liabilities	-	-
other income	-	-
Total non-operating income	-	-

4.38 Non-Operating Expenses

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Loan Written Off	-	-
Redundancy provision	-	-
Expenses of restructuring	-	-
Other expense	-	-
Total non-operating Expenses	-	-

4.39 Income tax Expense

The amount of income tax on net taxable profit has been recognized and presented under this account head. This account head shall include current tax expense and deferred tax expense/deferred tax income.

Particulars	**As on 32nd Ashad 2082**	**Restated* As on 31st Ashad 2081**
Current tax expense	**23,807,531**	**1,162,085**

Current year	23,807,531	1,162,085
Adjustment for prior years	-	-
Deferred tax expense	**620,737**	**1,037,180**
Origination and reversal of temporary differences	620,737	1,037,180
Changes in tax rate		
Recognition of previously unrecognised tax losses		
Total income tax expense	**24,428,268**	**2,199,265**

4.39.1 Reconciliation of tax expense and accounting profit

Particulars	**As on 32nd Ashad 2082**
Profit before tax	65,023,097
Tax amount at tax rate of 30%	19,506,929
Add: Tax effect of expenses that are not deductible for tax purpose	9,012,203
Less: Tax effect on exempt income	(4,711,601)
Add/less: Tax effect on other items	-
Total income tax expense	**23,807,531**
Effective tax rate	**37%**

Statement of Distributable Profit or loss

For the year ended 32st Ashadh 2082

As per NRB regulation

Particulars	Current Year
Net Profit/(loss) as per Statement of Profit or Loss	**40,594,829**
Appropriation	
a. General Reserve	(8,118,966)
b. Foreign Exchange Fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(405,948)
e. Employees training fund	-
f. Customer Protection Fund	(608,922)
g. Other	-
Profit/(loss) before regulatory adjustment	**31,564,213**
Regulatory Adjustments:	
a. Interest Receivable (-)/previous accrued interest received(+)	1,570,990
b. Short loan loss provision in accounts(-)/reversal(+)	-
c. Short provision for possible losses on investment(-)/reversal(+)	-
d. Short provision for possible losses on Non-Banking Assets (-)/reversal(+)	-
e. Deferred Tax Assets recognized(-)/reveral(+)	-
f. Goodwill recognized (-)/Impairment of Goodwill(+)	-
g. Bargain purchase gain recognized (-)/reversal(+)	-
h. Actuarial Loss recognized (-)/reversal(+)	-
i. Other (+/-)	-
Net Profit for the year end 32nd Ashad 2082 avaiable for distribution	**33,135,203**
Opening Retained Earning As on 1st Shrawan	**13,354,075**
Adjustments(+/-)	103,220
Distribution:	
Bonus Share issued	(7,306,929)
Cash Dividend Paid	(384,575)
Total Distributable profit or (loss) as on year end	**38,797,774**
Annualized Distributable Profit/Loss Per Share	**25.28**

5 Disclosures & Additional Information

5.1 Risk Assessment and Management

Liquidity Risk

Liquidity risk is the risk that the Microfinance 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.

Factors of Liquidity Risk includes Deterioration in quality of credit portfolio Concentrations in either assets or liabilities, Rapid asset growth funded by highly volatile large deposits, A large size of off-balance sheet exposure.

The Microfinance has applied following mitigates for the management of Liquidity Risk:

- Appropriate composition of assets and liabilities
- Diversified and stable sources of funds
- Access to inter-bank market
- Contingency funding plan for crisis situations
- Regular stress testing
- Cushion of liquid assets held
- Consistent analysis using liquidity ratios
- Review of Deposit Mix Concentration.

Such mitigates are monitored by BOD, Finance and Credit Department, Internal Audit Department.

Credit Risk

A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. Factors for the credit risk include Counterparty Risk, Concentration Risk and Securitization Risk.

The Microfinance has applied following mitigates for management of Credit Risk factors:

- Independent and ongoing credit quality review
- Limiting credit exposures
- Problem credit management system
- Diversification of risk asset portfolio among several sectors and sub sectors of the economy over a large number of customers
- Deposit of borrower in bank, cash margin and additional collateral at individual level
- Proper valuation, storage, maintenance and insurance of collaterals.

Such mitigates are monitored by Board of Directors, Risk Management Committee which is Board Level Committee, Credit Risk Management Department, NRB Inspection team and Internal Audit Department of the Microfinance

Fair value of Financial Assets and Liabilities

Fair Value of financial assets and liabilities risk management includes effective portfolio management by finance department which is monitored by BOD, and other high-level officials

5.2 Capital Management

The capital management approach of the Microfinance is driven by its desire to maintain a strong capital base to support the development of its business and to meet the regulatory capital requirements at all times.

As Capital is the centrepiece of the Microfinance's performance matrix, a sound capital management forms the very core of the overall performance landscape to ensure that the Microfinance delivers on its objective of maximizing the shareholder's value. The senior management of the Microfinance is engaged and responsible for prudent capital management at all times. In compliance with the regulatory requirement of increasing the capital base as prescribed by the Central Bank, the Microfinance is comfortable in meeting the minimum capital requirements and is strongly positioned to meet the performance benchmarks.

1. Capital Structure and a Breakdown of its Components:

Tier 1 Capital and a breakdown of its components is as follows:

S.N.	Description	Period
		Current
1	Paid up Equity Share Capital	153,445,509
2	Irredeemable Non-cumulative preference shares	
3	Share Premium	-
4	Proposed Bonus Equity Shares	
5	Statutory General Reserves	45,447,597
6	Retained Earnings	38,797,774
7	Un-audited current year cumulative profit	
8	Special Reserve Fund	
9	Capital Adjustment Reserves	
10	Dividend Equalization Reserves	
11	Capital Redemption Reserves Fund	
12	Deferred Tax Reserve	
Deductions:		
a	Goodwill	
b	Deferred tax assets	
b	Investment on shares and securities in excess of limits	-
c	Investment to the company having financial interests	
d	Fictitious Asset	
e	Investment on land and building for self-use not complying the Directives of NRB	
f	Investment on land development and housing construction in excess of limits	
g	Purchase of Land & Building in excess of limit & utilized	16,931,000
h	Credit and other facilities banned by the prevailing laws	
	Total Core Capital (A)	**220,759,880**

Tier 2 Capital and a breakdown of its components is as follows:

S.N.	Description	Period
		Current
1	Cumulative and/or Redeemable Preference Share	
2	Subordinated Term Debt	
3	Hybrid Capital Instruments	
4	General loan loss provision	6,965,848
5	Exchange Equalization Reserves	
6	Investments Adjustment Reserves	

7	Assets Revaluation Reserves	
	Special Reserve Fund	
	Total Supplementary Capital (B)	**6,965,848**

C.	**Total Capital Fund (A+B)**	**227,725,728**

D.	**Minimum capital Fund to be maintained based on Risk Weighted Assets:**	
1	Minimum Capital Fund Required (8.0 % of RWA)	**244,837,150**
2	Minimum Core Capital Required (4.0 % of RWA)	**122,418,575**
3	Capital Fund maintained (in %)	**7.44%**
4	Core Capital maintained (in %)	**7.21%**

As per GAAP, previously maintained Capital Fund for the FY 2080.81 was 8.30%.

1.Statement of Risk Weighted Assets (RWA)

A. On Balance Sheet Items

S. N.	**Description**	**Weight (%)**	**Current period**	
			Amount	**RWA**
1	Cash Balance	0	2,393,319	-
2	NRB Balance	0	-	-
3	Investment to Govt. Bond	0	-	-
4	Investment to NRB Bond	0	-	-
5	Loan against Own FD	0	-	-
6	Loan against Govt. Bond	0	-	-
7	Accrued interests on Govt. bond	0	-	-
8	Balance on domestic banks and financial institutions	20	14,200,000	2,840,000
9	Money at call	20	190,576,300	38,115,260
10	Inter-bank lending	20	-	-
11	Investment on shares/debentures/bonds	100	-	-
12	Other investments	100	-	-
13	Loans & advances, bills purchase/discount	100	2,906,435,135	2,906,435,135
14	Fixed assets	100	45,523,294	45,523,294
15	Net interest receivables	100	-	-
16	Net Non-Banking Asset	100	-	-
17	Other assets (Except advance tax payment)	100	4,282,472	4,282,472
	Total On-Balance-sheet Items (A)		**3,163,410,520**	**2,997,196,161**

B. Off Balance Sheet Items

S.N.	Description	Weight (%)	Current period	
			Amount	**RWA**
1	Gaurantee	100		-
2	Irrevocable loan commitment	100		-
3	Possible liabilities for income tax	100		-
4	All types of possible liabilities including acceptance	100		-
5	Unpaid portion of partly paid share investment	100		-
6	Unpaid guarantee claims	200		-
7	Claim against entity not recognized	200		-
8	Amount to be maintained for operational risk (2% of Total Assets)	100	63,268,210	63,268,210
	Total Off-Balance-sheet Items (B)		**63,268,210**	**63,268,210**
	Total Risk Weighted Assets (A) + (B)		**3,226,678,731**	**3,060,464,372**

2. Risk Management Function

Swabhiman Laghubitta Bittiya Sanstha Limited is exposed to various types of risks including credit, market, liquidity, operational, legal, compliance and reputation risks. The objective of the risk management framework at the Microfinance is to ensure that various risks are understood, measured and monitored and that the policies and procedures established to address these risks are strictly adhered to. the Microfinance has set up a strong control and monitoring environment for comprehensive risk management at all levels of operation.

A. Credit Risk

Strategies and Process:

All credit related aspects are governed by Operation Manual of Swabhiman. These documents outline the type of products that can be offered, customer categories, credit approval process and limits. These documents are approved by the Board of directors.

The Microfinance Company's main emphasis is on SME credit. Different limits of lending power have been assigned at branch level, department head level and the credit committee level. Every aspect relating to credit such as procedure, documentation etc. are clearly defined in the Operation Manual and the Credit Policy of the Microfinance.

Pre-Sanction:

The branch managers have the authority to approve the credit within their permissible limits after due scrutiny of background of the promoter, nature of business, turnover in the account, other financial indicators, income, collateral and security. Loans above the authority of branch are recommended to head office for further decision.

Credit Risk Assessment Process:

Risk Management Department carries out a comprehensive credit risk assessment process that encompasses analysis of relevant quantitative and qualitative information to ascertain credit rating of the borrower. The credit rating process involves assessment of risk emanating from various sources such as market risk, management risk, environmental risk, financial risk and security risk taking into consideration as much as 30 sub-parameters under each of these categories. Credit thresholds have been set for forwarding the credit files for risk rating before they are submitted for approval in the credit committee by the concerned credit units.

Post Sanction Monitoring/ Follow up:

Concerned branch are required to obtain regular information of the business. In case of revolving loans, the drawing power is checked commensurate with the existing level of stocks and working capital checked and verified at regular interval. The credit units at the Head Office are also required to prepare quarterly credit report to submit at higher level as a part of formal monitoring process.

B. Operation Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Microfinance's business activities.
The board level committee that undertakes supervision and review of operational risk aspects are the Risk Management Committee and Audit Committee. The board and the risk committee review the operational risk level and the material operational risk exposure. The Audit committee supervises audit and compliance related aspects. Internal Audit department on the other hand carries out audit according to the audit plan and reports findings to the audit committee.

Risk Arising from breakdown of Information and Operating System:

The Microfinance has implemented centralized software Empower Accounting Software and has improved in its MIS infrastructure in order to ensure the associated operational risks being brought down to an acceptably low level.

To safeguard the probable losses resulting from system failure or natural disaster, the Microfinance has taken following policies to minimize the risk:

a. Back up – Daily back up of all balances are taken at the end of the day. the Microfinance is developing a system of auto back up in the near future.
b. Disaster Recovery Site – the Microfinance has established disaster recovery site.
c. Validation of Entry and Password control – There is a system of maker and checker for entry validation before posting. Access authority for data entry, update, modification and validation has been given on the basis of levels of staffs.
d. Exception Reporting – The system creates exception report as and when required.

Risk Arising from Procedural Lapses and Internal control:

The company has defined every banking procedure in the Operation Manual related to banking transactions. Internal circulars are issued whenever required. Reporting by branches is regular.

Corporate Governance:

NRB Guidelines with respect to Corporate Governance are duly complied with.

C. Market Risk

a. Investments

Currently Swabhiman has not made any investment for trading purpose. The investment in government securities have been made to hold till maturity. The investment in equity of listed institutions has been held as available for sale.

b. Foreign Exchange

The company's policy is to maintain the net open position of convertible foreign currency where exchange rate risk persists in matching position.

5.3 Classification of financial assets and financial liabilities

Particulars	Fair Value through PL	Amortized Cost	Fair Value through OCI	Total
Financial Assets:				
Cash and cash equivalents		192,969,619		192,969,619
Due from Nepal Rastra Bank		14,200,000		14,200,000
Loans and advances to B/FIs				-
Loans and advances to customers		2,831,297,957		2,831,297,957
Investment securities (Govt. &Development Bonds)		-		-
Investment securities (Equity)			-	-
Other Financial assets		-		-
Total financial Assets		**3,038,467,577**	**-**	**3,038,467,577**
Financial Liabilities:				
Due to Bank and Financial Institutions		1,893,465,919		1,893,465,919
Due to Nepal Rastra Bank				-
Deposits from customers		884,396,847		884,396,847
Other Financial Liabilities		-		-
Debt securities issued				-
Total financial Liabilities	**-**	**2,777,862,766**	**-**	**2,777,862,766**

5.4 Operating segment Information

1. General Information

a) The Microfinance's operation is managed centrally through Head Office. All strategic, financial and operational policies and operations are controlled and directed from the head office. The microfinance operates in 36 branches though has a single jurisdiction.

b) The Microfinance has identified following segments as reportable:

   a. Banking Segment involves functions like collecting deposits and lending activities among other similar activities.

   b. Treasury Segment involves short term and long-term investment activities like investing in T-Bills, Bonds, Shares of companies etc.

   c. Remittance Segment involves activities of transferring / receiving funds locally and/or globally.

There is no inter-unit cost transfer mechanism within the microfinance.

2. Information about profit or loss, assets and liabilities are presented below:

(Figures in NPR)

Particulars	Banking	Treasury	Remittance	All Other Segments
a. Revenues from external customers	416,677,881	5,633,725	-	208,553
b. Intersegment revenues	-			
c. Net Revenue	**416,677,881**	5,633,725	-	208,553
d. Interest revenue	391,747,535	-	-	-

e. Interest Expense	196,242,959	-	-	-
f. Net interest revenue (b)	**195,504,576**	-	-	-
g. Depreciation and amortization*	7,429,808	-	-	-
h. Segment Profit / (Loss)	**213,005,114**	-	-	-
i. Other Material non-cash item				
k. Impairment of assets				
l. Segment Assets*	3,038,467,577			
m. Segment liabilities*	2,777,862,766			

An entity shall disclose the following about each reportable segment if the specified amounts are included in the measure of segment assets reviewed by the chief operating decision maker or are otherwise regularly provided to the chief operating decision maker

a). Amounts of additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

3. Reconciliation of reportable segment revenues, profit or loss, assets and liabilities:

a) Revenue

Total revenue of reportable segments	**391,747,535**
Other revenue	30,772,623
Elimination of intersegment revenue	-
Entity's revenues	**422,520,158**

b) Profit or Loss

Total profit or loss for reportable segments	**213,005,114**
Other profit or loss	(147,982,017)
Elimination of intersegment profits	-
Unallocated amounts:	
Profit before income tax	**65,023,097**

c) Assets

Total assets for reportable segments	**3,038,467,577**
Other assets	-
Unallocated amounts	51,576,881
Entity's assets	**3,090,044,458**

d) Liabilities

Total liabilities for reportable segments	**2,777,862,766**
Other liabilities	-
Unallocated liabilities	60,951,332
Entity's liabilities	**2,838,814,098**

4. Information about product and service

Revenue from each type of product and services described in point 1 (b) above.

Banking	**416,677,881**
Treasury	5,633,725
Remittance	-

5. Information about geographical area

Revenue from following geographical areas

a)	**Domestic**	**Revenue (Rs.)**
	Koshi Pradesh	-
	Madesh Pradesh	-
	Bagmati Pradesh	-
	Gandaki Pradesh	-
	Lumbini Pradesh	-
	Karnali Pradesh	-
	Sudurpashchim Pradesh	-
b)	**Foreign**	-
	Total	

6. Information about major customer:

Revenue from the single external customer is less than 10 percent of the bank's total revenue.

5.5 Share options and share based payment

There is no share-based payment made by the Microfinance.

5.6 Contingent Liabilities and Commitments

Litigation is a common occurrence in the banking industry due to the nature of business undertaken. The Microfinance company has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the microfinance makes adjustment to account for adverse effect which the claims may have on its financial standing. Contingent liabilities on other matters have already been disclosed in notes 4.28.

5.7 Related party disclosures

The related parties of the Microfinance which meets the definition of related parties as defined in "NAS 24 Related Parties Disclosure" are as follows:

i. Key Management Personnel (KMP)

The key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly including any director. The key management of the Microfinance includes members of its Board of Directors, Chief Executive Officer, and others higher-level employee of the Microfinance. The name of the key management personnel who were holding various positions in the office during the year were as follows:

S.N.	Name of Key Management Personnel	Designation
1.	Devi Dutta Gyawali	BOD Chairman
2.	Kush Sudhan Singh	Director
3.	Giriraj Pathak	Director
4.	Hemlal Sharma	Director
5.	Janak Raj Dhungana	Director
6.	Kabiraj Timilsina	Director
7.	Abhishek Shrestha	Director

5.7.1 Compensation to Key Management Personnel

The members of Board of Directors are entitled for meeting allowances. Salary and allowances are provided to Chief Executive Officer and other member of Key Management Personnel (KMP). Salary and Allowances paid to the Chief Executive Officer is based on the contract entered by the Microfinance with him whereas compensation paid to other member of KMP are governed by Employees Byelaws and decisions made by management time to time in this regard. In addition to salaries and allowances, non- cash benefits like vehicle facility, subsidized rate employees' loan, termination benefits are also provided to KMP.

The details relating to compensation paid to key management personnel (directors only) were as follows:

S. No.	Particulars	Meeting Fees
1.	Devi Dutta Gyawali	106,000.00
2.	Kush Sudhan Singh	148,500.00
3.	Giriraj Pathak	148,500.00
4.	Hemlal Sharma	99,000.00
5.	Janak Raj Dhungana	27,000.00
6.	Kabiraj Timilsina	121,500.00
7.	Abhishek Shrestha	117,000.00
	Total	**767,500.00**

S.N.	Particulars	Amount
1	Key Managerial Person Allowance & Salary	9,018,862.20

5.7.2 Transaction with Related Companies

There are no related companies.

5.8 Additional Disclosure of Non-consolidated entities

Since, the Microfinance company does not have any subsidiaries, there are no such non-consolidated entities.

5.9 Events after reporting date

The financial statements for the year ended Ashad 31, 2082 were initially approved by the Board of Directors on Falgun 15, 2082 and were subsequently audited and signed by the external auditors.

Thereafter, upon submission of the audited financial statements to the regulatory authority and during the subsequent regulatory review process, along with further reassessment by both the management and external auditors, certain adjustments were identified requiring revision in the financial statements.

Accordingly, the financial statements for the fiscal year 2081/82 have been revised to incorporate the necessary adjustments. The significant changes are as follows:

- **Regulatory Capital Adjustment:** Deduction of NPR 1,69,31,000 from the Primary (Tier I) Capital Fund in respect of land remaining unutilized for more than three years from the date of acquisition, in accordance with applicable regulatory provisions identified during regulatory review and subsequent audit reassessment.
-

- **Tax and Distributable Profit Adjustment:** Revision in distributable profit arising from correction in the accounting treatment of leave provision expenses for tax computation purposes, as identified during post-audit review and regulatory examination.

These adjustments reflect outcomes of regulatory review and post-audit reassessment conducted jointly through the regulatory authority's review process and further evaluation by the external auditors and management.

The revised financial statements were subsequently approved and authorized for issuance by the Board of Directors in its meeting held on 2083/02/08.

5.10 Disclosure effect of transition from previous GAAP to NFRSs

1. Reconciliation of Equity

Particulars	Explanatory note	As at 01.04.2080 (Date of Transition)	End of last period presented under previous GAAP
Total equity under Previous GAAP		**199,315,502**	**200,891,168**
Adjustments for NFRS			
Impairment on loan and advances		-	-
Fair value and employees benefit accounting of staff loan		-	(412,563)
Lease accounting			
Measurement of investment securities at fair value	1		
Remeasurement of property and equipment			(4,105,925)
Recognition of investment property			
Amortisation of debt securities issued			
Deferred tax	2	321,462	(638,787)
Defined benefit obligation of employees	3		(156,802)
Goodwill/Bargain purchase gain			
Interest Income	4	7,652,698	12,940,424
Other			384,575
Reversal of Dividend	5		
Recognition of RoU			3,511,603
Liability for long-service leave	6	(721,515)	(721,515)
Total Adjustments to Equity		**7,252,645**	**10,801,010**
Total equity under Previous NFRSs		**206,568,147**	**211,692,178**

Explanatory Notes:

1. **Deferred tax**
   Deferred tax is revised due to adjustments made in NFRS financials and deferred tax income/expenses is revised. Deferred tax on Fair Value of Investment and Actuarial Gain/(loss) on remeasurement of DBO is adjusted through equity.

2. **Defined benefit obligation of employees**
   The amount adjusted above is for loss/(gain) on remeasurement of Defined benefit Obligation (Gratuity) as per actuarial valuation which has been adjusted through OCI to equity.

3. **Interest Income**
   The accrued interest receivable on end of reporting period except for bad loan has been booked on accrual basis in the retained earnings through the interest income.

4. **Liability for long service leave**
   The amount adjusted above is for remeasurement of long service leave as per actuarial valuation.

2. Reconciliation of profit or loss

Particulars	Explanatory note	End of last period presented under previous GAAP

Profit or loss under GAAP		**2,359,166**
Adjustments for NFRS		
Interest income	1	5,287,727
Impairment of loans and advances		
Employees benefit amortization under staff loan		(412,563)
Defined benefit obligation of employee	2	(156,802)
Operating lease expense	3	3,511,603
Amortisation expense of debt securities		
Other operating income		
Interest expense		
Depreciation and Amortisation		(4,105,925)
Other		51,770
Staff Bonus	3	
Finance Cost on Lease Liabilities		
Income Tax Expenses		(1,037,180)
Provision on Investment Securities	4	
Total Adjustments to profit or loss		**3,138,629**
Profit or loss under NFRSs		**5,497,795**
Other comprehensive income		
Total Comprehensive income under NFRSs		**5,497,795**

Explanatory Notes:

1. **Interest Income**
   The accrued interest receivable on end of reporting period except for bad loan has been booked on accrual basis in the retained earnings through the interest income.

2. **Defined benefit obligation of employees**

   The amount adjusted above is remeasurement of Defined benefit Obligation (Gratuity) as per actuarial valuation.

3. Effect of NFRSs Adoption for the statement of financial position.

	Explanatory Notes	As at 01.04.2080 (Date of Transition)			As at 31.03.2081 (End of last period presented under previous GAAP)		
ASSETS		**Previous GAAP**	**Effect of Transition to NFRS**	**Opening NFRS SFP**	**Previous GAAP**	**Effect of Transition to NFRS**	**Amount as per NFRS**
Cash and cash equivalents		225,326,493	12,300,000	213,026,493	136,752,679	13,300,000	123,452,679
Statutory Balance and Due from Nepal Rastra Bank		-	(10,800,000)	10,800,000	-	(11,800,000)	11,800,000
Placement with Bank and Financial Institutions		-	-	-	-	-	-
Derivative Financial Instruments		-	-	-	-	-	-
Other Trading Assets		-	-	-	-	-	-
Loans and advances to MFIs and Cooperatives	1	-	-	-	-	-	-
Loans and advances to customers	1	2,044,799,678	(26,074,810)	2,070,874,488	2,307,478,306	(29,138,457)	2,336,616,763
Investment securities	2	-	-	-	-	-	-
Current tax assets	3	-	(6,009,962)	6,009,962	-	(5,198,618)	5,198,618
Investment property		-	-	-	-	-	-
Property and Equipment	4	28,332,263	(18,983,376)	47,315,639	27,587,207	(15,105,314)	42,692,520
Goodwill and Intangible assets	5	-	(1,269,768)	1,269,768	-	(1,041,905)	1,041,905
Deferred Tax Assets	6	-	(450,162)	450,162	-	-	-
Other assets		28,758,333	24,740,679	4,017,654	24,696,616	20,693,740	4,002,876
Total Assets		**2,327,216,768**		**2,353,764,167**	**2,496,514,808**	**28,290,553**	**2,524,805,361**
	Explanatory Notes	**As at 01.04.2080 (Date of Transition)**			**As at 31.03.2081 (End of last period presented under previous GAAP)**		

Liabilities		Previous GAAP	Effect of Transition to NFRS	Opening NFRS SFP	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Due to Bank and Financial Institutions	8	-	-	-	-	-	-
Due to Nepal Ratsra Bank		-	-	-	-	-	-
Derivative Financial Instrument		-	-	-	-	-	-
Deposits from customers	8	671,346,737	-	671,346,737	694,816,467	-	694,816,467
Borrowings		1,425,096,190	-	1,425,096,190	1,572,041,152	-	1,572,041,152
Current Tax Liabilities	3	-	-	-	-	-	-
Provisions		-	-	-	-	-	-
Deferred Tax Liabilities	9	-	-	-	-	(587,018)	587,018
Other liabilities	10	31,458,339	19,294,754	50,753,094	28,381,446	(17,287,100)	45,668,546
Debt securities issued		-	-	-	-	-	-
Subordinated Liabilities		-	-	-	-	-	-
Total liabilities		**2,127,901,266**	**19,294,754**	**2,147,196,020**	**2,295,239,065**	**17,874,118**	**2,313,113,183**
Equity					-	-	
Share Capital	11	146,138,580	-	146,138,580	153,830,084	7,691,504	146,138,580
Share Premium		-	-	-	-	-	-
Retained Earnings	12	-	12,697,579	12,697,579	-	(13,354,075)	13,354,075
Reserves	13	53,176,922	(5,444,934)	47,731,989	47,445,659	(4,753,864)	52,199,523
Total Equity		**199,315,502**	**7,252,645**	**206,568,147**	**201,275,743**	**10,416,435**	**211,692,178**
Total Liabilities and Equity		**2,327,216,768**	**26,547,399**	**2,353,764,167**	**2,496,514,808**	**28,290,553**	**2,524,805,361**

Explanatory Notes:

1. Adjustments made to loans and advances to customers is for interest income recognised in accrual basis and amortisation of staff loan and also due to reclassification
2. Adjustments made to investment securities is for market value adjustment and reversal of previously recognised provision for investment.
3. Current tax is recognized net of current tax liabilities as per NFRS. Therefore, the difference can be observed in above statement.
4. Adjustments made to Property and Equipment is for segregation of intangible assets which was previously included in property and equipment.
5. Intangible assets were presented under the heading of Property Plant and Equipment and now has been reclassified to Intangible Assets as per NFRS.
6. Deferred tax asset is revised as per NFRS and adjusted as per NFRS calculation.
7. Adjustments made to other liability includes actuarial liability adjustments as per actuarial valuation of defined benefit obligation.
8. Adjustment made for Equity Share Capital is for proposed Bonus Shares
9. Retained earnings adjustments can be verified through note 5.11.1.

10. Adjustments for reserve can be verified through note no. 5.11.2.

4.Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Notes	(End of last period presented under previous GAAP)		
		As per Old GAAP As at 31st Ashadh 2081	Adjustments for NFRS	Restated* As at 31st Ashadh 2081
Interest income	1	315,460,514	(5,287,727)	320,748,240
Interest expense		210,966,466	-	210,966,466
Net interest income		**104,494,048**	**(5,287,727)**	**109,781,774**
Fees and commission income		25,547,186	228,610	25,318,577
Fees and commission expense		-	-	-
Net fee and commission income		**25,547,186**	**228,610**	**25,318,577**
Net interest and commission income		**130,041,234**	**(5,059,117)**	**135,100,351**
Net trading income		-	-	-
Other operating income		-	(228,610)	228,610
Total operating income		**130,041,234**	**(5,287,727)**	**135,328,961**
Impairment charge/(reversal) for loans and other losses	2	22,836,157	-	22,836,157
Net operating income		**107,205,077**	**(5,287,727)**	**112,492,804**
Operating expense		-	-	-
Personnel expenses		78,376,052	(569,365)	78,945,417
Other Operating expenses		25,256,004	6,604,219	18,651,786
Depreciation and Amortization		-	(7,198,541)	7,198,541
Operating Profit		**3,573,021**	**(4,124,040)**	**7,697,060**
Non-operating Income		-	-	-
Non-operating expense		-	-	-
Profit before income tax		**3,573,021**	**(4,124,040)**	**7,697,060**
Income tax expense		1,213,855	(985,410)	2,199,265
Current Year Income Tax		1,213,855	51,770	1,162,085
Deferred Tax income	3	-	(1,037,180)	1,037,180
Profit for the period		**2,359,166**	**(3,138,629)**	**5,497,795**
Other Comprehensive Income for the Period, Net of Income Tax	4	**-**	**-**	**-**
Total Comprehensive Income for the Period		**2,359,166**	**(3,138,629)**	**5,497,795**

Explanatory Notes:

1. Interest income has been booked on the basis of the Interest Recognition Guidelines, 2025.
2. Provision booked for investment has been reversed from the impairment charge.
3. Deferred tax calculation has been made as per NFRS.
4. Adjustment for investment remeasurement and Actuarial valuation has been made through OCI.

5.Effect of NFRS adoption for statement of cash flows

	For the Year ended 31.03.2081			
Particulars	*Explanatory Notes*	**Previous GAAP**	**Effect of transition to NFRS**	**Amount as per NFRS**
Net cash flows from operating activities	1	(88,919,945)	2,067,455	(86,852,490)
Net cash flows from investing activities		745,057	(3,092,616)	(2,347,559)
Net cash flows from financing activities	2	(398,926)	25,161	(373,765)
Net increase/(decrease) in cash and cash equivalent		(88,573,814)	(1,000,000)	(89,573,814)
Cash and cash equivalent at the beginning of the period	3	223,826,493	(10,800,000)	213,026,493
Cash and cash equivalent at the end of the period		**135,252,679**	**(11,800,000)**	**123,452,679**

Explanatory Notes

1. Under NFRS, the net cash flows from operating activities includes the movement of Dues to/from Nepal Rastra Bank, placements with BFI's and money at call and short notice. Dues from Nepal Rastra Bank were previously included in cash and cash equivalents whereas money at call and short notice is included in cash and cash equivalent as of now. The movement of short-term investment shown under previous GAAP includes that of T-Bills and Bonds. Now the same has been included in investment activities except that having maturity period 3 months or less which is included in cash and cash equivalent.
2. Under NFRS, the financing activities include expenses incurred for Client Protection fund and CSR expenses too.
3. NAS 7 defines cash equivalents as 'short-term' highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value'. Under NFRS Inter-bank lending, Treasury bills and short-term government bonds with a maturity date of three months or less is shown as cash and cash equivalents. Under previous GAAP, the cash and cash equivalent included Balance at Nepal Rastra Bank however the same has been shown under dues from Nepal Rastra Bank under NFRS.

Creation and expense of the Regulatory Reserve

Regulatory Reserves	DTA	AIR	Acturial Loss	Fair Value Reserves	Restructure Loan
31/03/2080	**450,162**	7,652,698	-	-	-
	(450,162)	4,875,164	-	-	-
31/03/2081	-	**12,527,862**	-	-	-
	-	(1,570,990)	-	-	-
32/03/2082	-	**10,956,872**	-	-	-

For the transition date and the comparative period, the AIR recognised as income has been transferred 100% from the Retained Earning to the Regulatory Reserve as per the Regulatory requirement. And, for the current reporting period required 63% of such amount has been transferred to the Regulatory Reserve.

5.11 Valuation Hierarchy

Following tables demonstrates the valuation hierarchy of Bank's Assets and Liabilities. This fair value may differ from the actual amount that may be received or paid on settlement, realization or maturity of those Financial Assets and Liabilities.

Fair Value of Financial Assets and Liabilities Measured at Fair Value

The fair value measurement hierarchy is as follows:

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

5.12 Loan Loss Provision as per NRB Directives No. 2

Category	**Loan Amount**	**Provision Amount**
Good	2,537,669,023.66	6,344,176.85
Watchlist	46,915,605.65	586,445.22
Rescheduled	3,526,506.83	127,579.04
Substandard	25,836,730.00	1,614,795.70
Doubtful	19,064,497.75	2,383,062.32
Bad	239,117,623.50	64,081,118.81
Total	**2,872,129,987.39**	**75,137,177.94**
Additional		
Total Provision	**2,872,129,987.39**	**75,137,177.94**

NRB has reclassified the loans from other categories of loans to Loss Category increasing the total Loan loss provision by 39,709,762 increasing the initial loan loss provision of 35,427,451.83 to 75,137,177.94.

Loan Classification	**Loan adjustment**	**Provision Adjustment**
Good	(150,374,109.65)	(375,935.47)
Watch List	(9,589,985.82)	(119,874.83)
RES	-	-
Sub Standard	(1,144,258.89)	(71,516.18)
Doubtful	-	-
Loss	161,108,354.36	40,277,088.59
Net Increase	**-**	**39,709,762.11**

5.13 Disclosure of Shareholders holding more than 0.5% of total Shareholding

Details of Shareholders holding 0.5% or more shares			
Name of Shareholder	**Number of Share**	**Holding %**	**Amount**
Prime Commercial Bank Limited	223,243.00	14.55%	22,324,300.00
Devi Dutta Gyawali	29,765.00	1.94%	2,976,500.00
Hari Prasad Pokharel	29,765.00	1.94%	2,976,500.00

Raju Kumar Shrestha	133,946.00	8.73%	13,394,600.00
Parsuram Dhakal	29,765.00	1.94%	2,976,500.00
Giriraj Pathak	14,882.00	0.97%	1,488,200.00
Prasanna Pradhan	213,322.00	13.90%	21,332,200.00
Santosh Narayan Shrestha	66,973.00	4.36%	6,697,300.00
Ram Bahadur Karki	14,882.00	0.97%	1,488,200.00
Raj Krishna Shrestha	24,807.00	1.62%	2,480,700.00
Bal Krishna Pandey	29,765.00	1.94%	2,976,500.00
Sunil Narayan Shrestha	66,973.00	4.36%	6,697,300.00
Masusudhan Kumar Shrestha	14,882.00	0.97%	1,488,200.00
Raghu Kumar Shrestha	37,207.00	2.42%	3,720,700.00
Krishna Prasad Aryal	29,765.00	1.94%	2,976,500.00
Pragya Thapa	74,412.00	4.85%	7,441,200.00
Humnath Bhandari	13,052.00	0.89%	1,305,200.00
Hari Om Makaju	17,174.00	1.18%	1,717,400.00

5.18 Comparison of Unaudited and Audited Financial Statement

Statement of Financial Position	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Assets					
Cash and Cash Equivalent	192,970,907	192,969,619	(1,288)	0.00%	Due to the decrease in money at short call.
Due from Nepal Rastra Bank	14,200,000	14,200,000	-	0.00%	-
Placement with Bank and Financial Institutions	-	-	-	0.00%	-
Derivative Financials Instrument	-	-	-	0.00%	-
Other Trading Assets	-	-	-	0.00%	-
Loans and Advances to MFIs and Cooperatives	-	-	-	0.00%	-
Loans and Advances to Customers	2,884,103,650	2,831,297,957	(52,805,692)	-1.83%	Recalcualtion of the deffered employee expenditure.
Investment Securities	-	-	-	0.00%	
Current Tax Assets	-	1,771,115	1,771,115	0.00%	
Investment Property	-	-	-	0.00%	
Property and Equipment	28,424,898	44,741,143	16,316,245	57.40%	Addition of Right to Use(ROU) assets and recalculation of the depreciation.
Goodwill and Intangible Assets	765,459	782,152	16,692	2.18%	Recalculation of the ammortization.
Deferred Tax Assets	51,770	-	(51,770)	-100.00%	Due to the change in Right to use assets, lease liability and other items.
Other Assets	1,952,476	4,282,472	2,329,996	119.34%	Recalcualtion of the deffered employee expenditure
Total Assets	**3,122,469,160**	**3,090,044,458**	**(32,424,702)**	**-1.04%**	**Consequential effect of above items.**
Liabilities					
Due to Bank and Financial Institutions	-	-	-	0.00%	Reclassification of head as Borrowings.
Due to Nepal Rastra Bank	-	-	-	0.00%	-
Derivative Financial Instrument	-	-	-	0.00%	-
Deposits from Customers	884,396,847	884,396,847	-	0.00%	Recalcuation of Liability after consideration of AIR.
Borrowings	1,893,465,919	1,893,465,919	-	0.00%	Reclassification of head as Borrowings.

Current Tax Liabilities	11,539,792	-	(11,539,792)	-100.00%	Recalcuation of Tax Liabilities.
Provisions	-	-	-	0.00%	-
Deferred Tax Liabilities	-	1,207,755	1,207,755	0.00%	-
Other Liabilities	45,716,397	59,743,577	14,027,180	30.68%	Due to reclassification of liability and Lease Liabilities
Debt Securities Issued	-	-	-	0.00%	-
Subordinated Liabilities	-	-	-	0.00%	-
Total Liabilities	**2,835,118,955**	**2,838,814,098**	**3,695,143**	**0.13%**	Consequential effect of above items.
Equity					
Share Capital	153,445,509	153,445,509	-	0.00%	-
Share Premium	-	-	-	0.00%	-
Retained Earnings	60,339,935	38,797,774	(21,542,161)	-35.70%	Due to recalculation of profit or loss during the year
Reserves	73,564,761	58,987,077	(14,577,684)	-19.82%	Due to recalculation of profit or loss during the year
Total Equity Attributable to Equity Shareholders	**287,350,205**	**251,230,360**	**(36,119,845)**	**-12.57%**	**Consequential effect of above items.**
Non Controlling Interest		3,090,044,458			
Total Equity	**287,350,205**	**3,341,274,818**	**3,053,924,613**	**1062.79%**	Consequential effect of above items.
Total Equity and Liabilities	**3,122,469,160**	**6,180,088,916**	**3,057,619,756**	**97.92%**	Consequential effect of above items.

Statement of Profit and Loss	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Interest Income	400,593,691	391,747,535	(8,846,156)	-2.21%	Due to the interest income of the staff loan.
Interest Expenses	195,504,576	195,504,576	-	0.00%	-
Net Interest Income	**205,089,115**	**196,242,959**	**(8,846,156)**	**-4.31%**	
Fee and Commission Income	30,509,365	30,564,070	54,705	0.18%	Due to the increase in other fees and commission income.
Fee and Commission Expenses	-	-	-	0.00%	-
Net Fee and Commission Income	**30,509,365**	**30,564,070**	**54,705**	**0.18%**	-
Net Interest, Fee and Commission Income	**235,598,480**	**226,807,029**	**(8,791,451)**	**-3.73%**	-
Net Trading Income	-	-	-	0.00%	-
Other Operating Income	208,553	208,553	-	0.00%	-
Total Operating Income	**235,807,033**	**227,015,582**	**(8,791,451)**	**-3.73%**	-

Impairment Charge/(reversal) for loans and other losses	(11,043,902)	28,665,860	39,709,762	-359.56%	
Net Operating Income	**246,850,935**	**198,349,722**	**(48,501,213)**	**-19.65%**	**-**
Operating Expenses	-	-			
Personnel Expenses	105,093,316	100,662,029	(4,431,287)	-4.22%	Due to the NFRS staff expenditure(recalculation of DEE) and recalcualtion of bonus.
Other Operating Expenses	29,279,818	25,234,787	(4,045,030)	-13.82%	Due to the recalcualtion of the rental expenses as per Lease liability and ROU are recalculated.
Depreciation & Amortization	3,063,081	7,429,808	4,366,727	142.56%	Due to the recalcualtion of the lease liability.
Operating Profit	**109,414,720**	**65,023,097**	**(44,391,623)**	**-40.57%**	**-**
Non Operating Income	-	-	-	0.00%	-
Non Operating Expenses	-	-	-	0.00%	-
Profit before Income Tax	**109,414,720**	**65,023,097**	**(44,391,623)**	**-40.57%**	**-**
Income Tax Expenses	37,063,733	24,428,268	(12,635,465)	-34.09%	
Current Tax	37,063,733	23,807,531	(13,256,202)	-35.77%	Due to change in profit
Deferred Tax	-	620,737	620,737	0.00%	Deferred tax calculation not made.
Profit for the Period	**72,350,987**	**40,594,829**	**(31,756,157)**	**-44%**	**Consequential effect of above items.**

Consolidated Statement of Comprehensive Income	As per Unaudited Financial Statement	As per Audited Financial Statement	Variance		Reasons for Variance
			Amount	%	
Profit/(Loss) for the period	72,350,987	40,594,829	31,756,157	43.89%	Consequential effect of above items.
Other Comprehensive Income	-	-	-	0.00%	No effect of OCI provided on Profit and Loss Account.
Total Comprehensive Income	**72,350,987**	**40,594,829**	**31,756,157**	**43.89%**	**Consequential effect of above items.**

स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेड
तिलोत्तमा ५, रुपन्देही
प्रमूख सुचकांङ्क
कम्तीमा विगत ५ बर्षको परिसूचकहरु

क.सं.	विवरण	सूचाङ्क	आ. व. २०८१/०८२	आ. व. २०८०/०८१	आ. व. २०७९/०८०	आ. व. २०७८/०७९	आ. व. २०७७/०७८
१	खुद नाफा/कूल आम्दानी प्रतिशत	प्रतिशत	९.६१	०.६९	२.७४	१३.०५	२३.४१
२	प्रति शेयर आम्दानी	रु.	२६.४६	१.५४	६.२७	२७.६२	४२.९९
३	प्रति शेयर बजार मूल्य	रु.	१,८२४.००	१,२१४.८०	१,१५०.००	१,५६१.२०	२,५०८.००
४	मूल्य आम्दानी अनुपात (PE Ratio)	अनुपात	६८.९५	७८८.८३	१८३.४१	५६.५२	५८.३४
५	शेयर पुंजीमा लाभांश (बोनस सहित)	प्रतिशत	-	५.२६	-	२१.०५	३४.००
६	शेयर पुंजीमा नगद लाभांश भूक्तानी	प्रतिशत	-	०.२६	-	१.०५	१.७०
७	ब्याज आम्दानी/कर्जा तथा सापट	प्रतिशत	१३.८४	१४.९९	१४.९८	१४.९९	१४.९३
८	कर्मचारी खर्च/कूल सञ्चालन खर्च	प्रतिशत	७०.०८	१९.१८	१७.२६	२२.५१	१२.५१
९	कूल निक्षेप तथा सापटीमा ब्याज खर्च	प्रतिशत	७.०४	३०.८८	३१.८८	२५.८४	१७.४९
१०	सटही घटबढ आम्दानी/कूल आम्दानी	प्रतिशत	-	-	-	०.००	-
११	कर्मचारी बोनस/कूल कर्मचारी खर्च	प्रतिशत	७.७३	०.५१	२.१४	१०.१२	१८.८१
१२	खुद नाफा /कर्जा सापट	प्रतिशत	१.४३	०.११	०.४४	२.२५	४.१४
१३	खुद नाफा /कूल सम्पत्ति	प्रतिशत	१.३१	०.०९	०.३९	१.८१	३.०१
१४	कूल कर्जा/निक्षेप	प्रतिशत	३२०.१४	३३८.७९	३०८.१०	३१२.२२	२९१.५२
१५	कूल सञ्चालन खर्च/कूल सम्पत्ति	प्रतिशत	४.३१	१६.२९	१८.०६	१२.८९	२०.२८
१६	जोखिम भारित सम्पत्तिमा पुंजीकोषको पर्याप्तता						
	(क) प्राथमिक पुंजी	प्रतिशत	७.२१%	८.००%	८.८७%	८.४६%	८.६५%
	(ख) पुरक पुंजी	प्रतिशत	०.२३%	०.३०%	०.३१%	०.४९%	०.७२%
	(ग) कूल पुंजी कोष	प्रतिशत	७.४४%	८.३०%	९.१८%	८.९५%	९.३७%
१७	तरलता (CRR)	प्रतिशत	०.५३	०.५३	०.५३	०.८१	०.५६
१८	निष्कृय कर्जा/कूल कर्जा	प्रतिशत	९.८९	७.३५	४.१९	१.११	०.६८
१९	ब्याज दर अन्तर (Weighted Average Interest Rate Spread)		८.७५	४.७४	४.२७	६.६०	८.६०
२०	बुक नेटवर्थ	रु.	२५१,२३०,३६०.०३	१९८,४४४,५९८.४५	१९६,२८५,७७१.५५	१८६,११३,९५९.०३	१४७,०४३,५७८.३६
२१	कूल शेयर	संख्या	१,५३४,४५५.०९	१,५३४,४५५.०९	१,४६१,३८५.८०	१,४६१,३८५.८०	१,२१७,८२१.५०
२२	कूल कर्मचारी	संख्या	२०२	१९२	१८८	१५०.००	१४४
२३	अन्य		-	-	-	-	०

नेपाल राष्ट्र बैंक
लघुवित्त संस्था सुपरिवेक्षण विभाग

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ४४१२८२३
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पोष्ट बक्स नं.: ७३

पत्र संख्या: ल.वि.स.सु.वि./गैर-स्थलगत/स्वाभिमान/०८२/८३/300

मिति: २०८३/०३/०८

श्री स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेड,
तिलोत्तमा, रुपन्देही ।

विषय: आर्थिक वर्ष २०८१/८२ को वार्षिक वित्तीय विवरणहरु प्रकाशन गर्ने सम्बन्धमा ।

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०८१/८२ को लेखापरीक्षण भएको वासलात, नाफा नोक्सान हिसाव सोसँग सम्बन्धित अनुसूचीहरु, लेखापरीक्षकको प्रारम्भिक तथा अन्तिम लेखापरीक्षण प्रतिवेदन र सो उपर व्यवस्थापनको प्रतिक्रिया, लङ्गफर्म अडिट रिपोर्ट लगायतका वित्तीय विवरणहरुको आधारमा गैर-स्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरुका सम्बन्धमा अन्य प्रचलित कानूनी व्यवस्था समेतको पालना गर्ने गरी देहाय बमोजिमका निर्देशनहरु शेयरधनीहरुको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित तथा कार्यान्वयन गर्ने गरी संस्थाले प्रस्ताव गरे अनुसार वार्षिक साधारण सभा प्रयोजनको लागि आर्थिक वर्ष २०८१/८२ को वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध छ ।

(क) संस्थाको २०८२ असार मसान्तमा कुल जोखिम भारित सम्पत्तिको आधारमा कुल पुंजीकोषको अनुपात न्युन रहेकोले पुंजी योजना पेश गर्नुहुन ।

(ख) यस बैंकबाट "घ" वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०८२ को निर्देशन नं. २/०८२ को बुंदा नं.१(अ) बमोजिम कर्जाको वर्गिकरण गरी कर्जा नोक्सानी व्यवस्था कायम गर्ने व्यवस्थाको पूर्ण पालना गर्नुहुन ।

(ग) यस बैंकबाट "घ" वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०८२ को निर्देशन नं.३/०८२ को बुंदा नं. २(ज) बमोजिम विना धितो सामुहिक जमानीमा वा धितोको सुरक्षणमा लघुकर्जा प्रदान गर्दा निर्देशन बमोजिमको कर्जा सीमा ननाघ्ने गरी एउटा ऋणीलाई अधिकतम २ वटा लघुवित्त वित्तीय संस्थाले कर्जा प्रवाह गर्न सक्नेछन भन्ने व्यवस्थाको पूर्ण पालना गर्नुहुन ।

(घ) यस बैंकबाट "घ" वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्थाहरुलाई जारी भएको एकीकृत निर्देशन २०८२ को निर्देशन नं.५/०८२ को बुंदा नं. २(ख) बमोजिमको व्यवस्थाको पूर्ण पालना गर्नुहुन ।

(ङ) यस बैंकबाट "घ" वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०८२ को निर्देशन नं.६/०८२ को बुंदा नं. ६(४) बमोजिमको जोखिम व्यवस्थापन समितिलाई निष्क्रिय कर्जा घटाउने तर्फ थप सक्रिय र प्रभावकारी बनाउनु हुन । साथै, संस्थामा निष्क्रिय कर्जा अनुपात ९.८९ प्रतिशत रहेको सन्दर्भमा निष्क्रिय कर्जा व्यवस्थापन गर्न ठोस कार्ययोजना पेश गर्नुहुन ।

(च) यस बैंकबाट "घ" वर्गको इजाजतपत्रप्राप्त लघुवित्त वित्तीय संस्थाहरुलाई जारी गरिएको एकीकृत निर्देशन, २०८२ को निर्देशन नं. ८/०८२ को बुंदा नं. ५(६) को पूर्ण पालना गर्ने गर्नुहुन ।

(छ) संस्थाबाट प्रवाह हुने कर्जाको पूर्ण विवरण कर्जा सूचना केन्द्रमा अद्यावधिक हुने व्यवस्था मिलाउनु हुन । साथै, उक्त विवरण कर्जा सूचना केन्द्रसँग आवधिक रुपमा Reconcile गरी एकरुपता कायम गर्नुहुन ।

(ज) संस्थाको आन्तरिक र बाह्य लेखापरीक्षक तथा यस बैंकको स्थलगत निरीक्षण तथा गैरस्थलगत सुपरिवेक्षणले औंल्याएका थप अन्य कैफियतहरु समेत पुन: नदोहोरिने गरी सुधार गर्नुहुन ।

भवदीय,

(सुबोधमान श्रेष्ठ)
उप-निर्देशक

बोधार्थ :
१. नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभाग ।
२. कार्यान्वयन इकाई, लघुवित्त संस्था सुपरिवेक्षण विभाग ।

वार्षिक वित्तीय विवरणहरू प्रकाशन गर्न स्वीकृति दिने सन्दर्भमा प्राप्त निर्देशनहरूको प्रत्यूत्तर

यस स्वाभिमान लघुवित्त वित्तीय संस्था लिमिटेडको आगामी नवौं वार्षिक साधारण सभा प्रयोजनार्थ वार्षिक वित्तीय विवरण प्रकाशन गर्न नेपाल राष्ट्र बैंक, लघुवित्त संस्था सुपरिवेक्षण विभाग, केन्द्रीय कार्यालय, बालुवाटारको पत्र संख्या ल.वि.स.सु.वि./गैर-स्थलगत/स्वाभिमान/०८२/८३/३००, मिति २०८३/०३/०८ को पत्रमार्फत स्वीकृती दिने सन्दर्भमा प्राप्त हुन आएका निर्देशनहरु उपर यस वित्तीय संस्थाको संचालक समितिको मिति २०८३/०३/०८ गते बसेको ११९औं बैठकबाट पारित प्रत्युत्तर:

- निर्देशन नं. (क) सम्बन्धमा: निर्देशन अनुसार पुंजी योजना पेश गरिने व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (ख) सम्बन्धमा: निर्देशन अनुसार कर्जाको वर्गिकरण गरी कर्जा नोक्सानी व्यवस्था कायम गरिएको छ ।
- निर्देशन नं. (ग) सम्बन्धमा: नेपाल राष्ट्र बैंकको निर्देशन नं.३/०८२ को बुँदा नं.२(ज) पालना गरिने व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (घ) सम्बन्धमा: निर्देशन अनुसार गरिने व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (ङ) सम्बन्धमा: निर्देशन अनुसार निष्क्रिय कर्जा व्यवस्थापन कार्ययोजना पेश गरिने व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (च) सम्बन्धमा: निर्देशन अनुसार गरिएको व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (छ) सम्बन्धमा: निर्देशन अनुसार गरिने व्यहोरा सादर अनुरोध छ ।
- निर्देशन नं. (ज) सम्बन्धमा: निर्देशन अनुसार गरिने व्यहोरा सादर अनुरोध छ ।

अन्तमा नेपाल राष्ट्र बैकबाट यस वित्तीय संस्थाको आर्थिक बर्ष २०८१/८२ को लेखापरीक्षण भएको वासलात, नाफा नोक्सानहिसाब, सो संग सम्बन्धीत अनुसूचीहरु, लेखापरीक्षकको प्रतिवेदन, लङ्गफर्म अडिट रिपोर्ट समेतको आधारमा गैरस्थलगत सुपरीवेक्षण गरी मार्ग निर्देशन प्रदान गरेकोमा नेपाल राष्ट्र बैक प्रति हार्दिक आभार ब्यक्त गर्दछौं ।

नोटः