



सेन्ट्रल फाईनान्स लिमिटेड

CENTRAL FINANCE LIMITED

*Serving Your Financial Needs*

25<sup>th</sup>

**ANNUAL  
REPORT**

2077/2078

सेन्ट्रल फाईनान्स लिमिटेड  
CENTRAL FINANCE LIMITED  
संस्थापक: श्री. वि. प्र. शर्मा, श्री. ए. ए. शर्मा, श्री. ए. ए. शर्मा

# सञ्चालक समिति



**संजोज मान श्रेष्ठ**  
अध्यक्ष  
संस्थापक समूहबाट



**चण्डिका श्रेष्ठ**  
सञ्चालक  
संस्थापक समूहबाट



**चैत्य राज शाक्य**  
सञ्चालक  
संस्थापक समूहबाट



**विद्या भूषण ध्वज जोशी**  
सञ्चालक  
सर्वसाधारण शेयरधनीको तर्फबाट



**डा. किशोर हाकुदुवाल**  
सञ्चालक  
सर्वसाधारण शेयरधनीको तर्फबाट



**रमेश थापा श्रेष्ठ**  
सञ्चालक  
सर्वसाधारण शेयरधनीको तर्फबाट



**कृष्ण प्रसाद न्यौपाने**  
स्वतन्त्र सञ्चालक

## कानूनी सल्लाहकार

कृष्ण प्रसाद भण्डारी (अधिवक्ता)  
हाउस अफ अटोर्नीज  
अनामनगर  
काठमाडौं

## लेखा परीक्षक

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के.पि. एन. एण्ड एसोसियट्स  
चार्टर्ड एकाउण्टेन्ट्स  
काठमाडौं

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**विषय : प्रतिनिधि नियुक्त गरेको बारे ।**

.....जिल्ला.....न.पा./गा.पा., वडा नं.....वस्ने म/हामी .....

..... ले त्यस संस्थाको शेयरधनीको हैसियतले मिति २०७८ साल पौष ३० गते शुक्रवारका दिन हुने २५ औं वार्षिक साधारण सभामा म/हामी स्वयम् उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि .....जिल्ला.....न.पा./गा.पा., वडा नं..... वस्ने त्यस संस्थाका शेयरधनी श्री ..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु / पठाएका छौं ।

**प्रतिनिधि नियुक्त भएको व्यक्तिको :**

हस्ताक्षरको नमुना :

शेयरधनी प्रमाणपत्र नं. : .....

हितग्राहि (डिम्याट) खाता नं.: .....

शेयरधनी (क्रम संख्या) नं. : .....

मिति : .....

**द्रष्टव्य :**

यो प्रतिनिधि (प्रोक्सी) फाराम सभा शुरु हुनुभन्दा ४८ घण्टा अगावै संस्थाको रजिष्टर्ड कार्यालय कृपणडोल ललितपुरमा दर्ता गरी सक्नुपर्ने छ ।

**निवेदक :**

दस्तखत: .....

नाम: .....

ठेगाना: .....

शेयरधनी प्रमाणपत्र नं. : .....

हितग्राहि (डिम्याट) खाता नं.: .....

शेयर संख्या

कित्ता नं.: ..... देखि ..... सम्म

**सेन्ट्रल फाईनान्स लिमिटेड को**

पच्चिसौ वार्षिक साधारण सभामा उपस्थितिको लागि

**प्रवेश पत्र**

१) शेयरधनीको नाम : .....

२) ठेगाना : .....

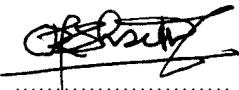
३) शेयरधनी (क्रम संख्या) नं.

४) शेयर संख्या : .....

५) हितग्राहि (डिम्याट) खाता नं. : .....

६) शेयरधनीको दस्तखत : .....

यो प्रवेशपत्र साधारण सभामा भाग लिन आउँदा पेश गर्नुपर्ने छ ।



रजो ज मान श्रेष्ठ  
कम्पनी सचिव





## सेन्ट्रल फाईनान्स लिमिटेडको २५ औं वार्षिक साधारण सभासम्बन्धी सूचना

शेयरधनी महानुभावहरु,

यस वित्तीय संस्थाको मिति २०७८ साल पौष ८ गते बसेको सञ्चालक समितिको ३१० औं बैठकको निर्णय अनुसार यस वित्तीय संस्थाको २५ औं वार्षिक साधारण सभा निम्न विषयमा छलफल गर्न निम्न मिति, समय र स्थानमा बस्ने भएकोले शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

### मिति, समय र स्थान

मिति : २०७८ साल पौष ३० गते शुक्रवार ।

समय : दिनको ११.०० बजे

स्थान : सेन्ट्रल फाईनान्स लि., केन्द्रीय कार्यालय, कानदेवस्थान, कुपण्डोल, ललितपुर ।

### छलफलका विषयहरू

#### (क) सामान्य प्रस्ताव

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्ने वार्षिक प्रतिवेदन पारित गर्ने बारे ।
२. लेखा परीक्षकको प्रतिवेदन सहितको २०७८ साल असार मसान्तको वासलात तथा मिति २०७७/०४/०१ देखि २०७८/०३/३१ सम्मको नाफा नोक्सान हिसाव तथा सोही अवधिको नगद प्रवाहको विवरण पारित गर्ने बारे ।
३. लेखा समितिको सिफारिस बमोजिम आर्थिक वर्ष २०७८/७९ को लागि लेखापरीक्षकको नियुक्ति र निजको पारिश्रमिक निर्धारण गर्ने बारे ।
४. सञ्चालक समितिले सिफारिस गरेको चुक्ता पूँजीको ३.३ प्रतिशतले हुने रकम रु. २ करोड ९० लाख ७४ हजार १ सय ७८ पैसा ४० नगद लाभांश दिने प्रस्ताव पारित गर्ने बारे ।

#### (ख) विशेष प्रस्ताव

१. सञ्चालक समितिले सिफारिस गरेको चुक्ता पूँजीको ७.७ प्रतिशतले हुने रकम रु. ६ करोड ७८ लाख ३९ हजार ७ सय ४९ पैसा ५९ बोनस शेयर जारी गर्ने सम्बन्धी प्रस्ताव पारित गर्ने बारे ।
२. बोनस शेयर जारी गर्दा संस्थाको जारी तथा चुक्ता पूँजी वृद्धि हुने हुँदा सो बमोजिम प्रवन्ध-पत्रमा संशोधन गर्ने सम्बन्धमा ।
३. संस्थाको प्रवन्ध-पत्रको प्रस्तावित संशोधनमा नियमन निकायबाट कुनै निर्देशन वा सुझाव दिएमा सोही अनुरूप आवश्यक समायोजन गर्न संस्थाको सञ्चालक समितिलाई अधिकार प्रत्यायोजन गर्ने सम्बन्धमा ।

#### (ग) विविध

सञ्चालक समितिको आज्ञाले,  
कम्पनी सचिव

## साधारण सभा सम्बन्धी जानकारी

१. यस वित्तीय संस्थाको २५ औं वार्षिक साधारण सभा, बोनश शेयर तथा नगद लाभांश प्रयोजनको लागि कम्पनीको शेयर दाखिला खारेज कार्य मिति २०७८/०९/१८ गतेदेखि २०७८/०९/३० गतेसम्म बन्द रहने छ। साथै शेयरधनी दर्ता पुस्तिका बन्द भएको मिति २०७८/०९/१८ को अघिल्लो दिनसम्म नेपाल स्टक एक्सचेन्ज लिमिटेडबाट कारोबार भएका शेयरधनीहरूले मात्र साधारण सभामा सहभागिता जनाउन, मतदान गर्न, बोनश शेयर तथा नगद लाभांश प्राप्त गर्न सक्ने छन्।
२. विश्वव्यापी रूपमा फैलिएको कोभिड १९ र सोको नयाँ भेरियन्ट ओमिक्रोनको संक्रमण न्यूनीकरण गर्न नेपाल सरकारले तोकेको सुरक्षा मापदण्डको पूर्णपालना गरी सभा सम्पन्न गर्नुपर्ने भएकोले Virtual माध्यमबाट पनि वार्षिक साधारण सभामा भाग लिने व्यवस्था मिलाइएको र यस किसिमको उपस्थितिलाई सभा हलमा उपस्थित भए सरह मान्यता प्रदान गरिने छ। Virtual माध्यम मार्फत आफ्नो मन्तव्य राख्न चाहने शेयरधनी महानुभावहरूले cflagm2078@centralfinance.com.np मा इमेल गरी वा फोन नं. ५९७०००५ मा सम्पर्क गरि सभा शुरु हुनु भन्दा ७ दिन अगावै आफ्नो नाम तथा इमेल टिपाउनु पर्नेछ। Virtual मार्फत उपस्थित हुने शेयरधनी महानुभावहरूलाई Meeting ID / Password उपलब्ध गराई सभामा सहभागी हुने व्यवस्था मिलाइने छ। Virtual माध्यम मार्फत सहभागी हुने शेयरधनीहरूको लागि साधारण सभा शुरु हुनुभन्दा १ घण्टा अगाडिदेखि Virtual माध्यम खुला गरिने छ। उक्त समयवधि भित्रमा सहभागी हुने शेयरधनीहरूले दिइएको ID र Password को माध्यमबाट लग इन गरी आफ्नो परिचय, डिम्याट खाता नं. र शेयर संख्यासहित उपस्थितिको जानकारी सभालाई दिनुपर्नेछ।
३. सभामा भाग लिनेको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधिपत्र (प्रोक्सी फारमहरू) सभा शुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगाडि कार्यालय समयभित्र दर्ता गरी सक्नुपर्नेछ।
४. कम्पनीको आर्थिक विवरण समयभित्र प्राप्त नभएमा शेयरधनी महानुभावहरूले कम्पनीको वेबसाइट [www.centralfinance.com.np](http://www.centralfinance.com.np) तथा केन्द्रीय कार्यालय, कानदेवस्थान, कृपण्डोलबाट प्राप्त गर्न सकिने छ।
५. छलफलको विषय अन्तर्गत विविध शीर्षकमा शेयरधनी महानुभावहरूले छलफल गर्न चाहनु भएको विषयमा साधारणसभाको मितिभन्दा कम्तीमा सात (७) दिन अगावै कम्पनीको कार्यालय मार्फत कम्पनीका अध्यक्षलाई लिखित रूपमा जानकारी दिनुपर्नेछ।
६. शेयरधनीहरूले व्यक्त गरेको मन्तव्य वा जिज्ञासाको सम्बन्धमा सञ्चालक समितिका तर्फबाट सामूहिक रूपले वा समितिबाट अख्तियारी पाएका व्यक्तिले जवाफ दिन सक्नेछन्।
७. सभा सम्बन्धी अन्य जानकारीको लागि कार्यालय समयभित्र संस्थाको केन्द्रीय कार्यालयमा सम्पर्क गर्न अनुरोध छ।



## २५औं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट अध्यक्ष

### श्री संजोज मान श्रेष्ठज्यूद्वारा प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

सेन्ट्रल फाईनान्स लिमिटेडको २५औं वार्षिक साधारण सभामा भाग लिन आउनु भएका तथा भर्चुअल माध्यमबाट भाग लिईरहनुभएका आदरणीय शेयरधनी महानुभावहरु, विभिन्न संस्थाबाट पाल्नु भएका प्रतिनिधि तथा अतिथिज्यूहरुलाई स्वागत गर्न पाउँदा हामी सञ्चालक समितिका सबै सदस्यहरु खुशी भएका छौं ।

यस वित्तीय संस्थाको २०७८ आषाढ ३१ गतेको वासलात र सोही मितिमा समाप्त आर्थिक वर्ष २०७७/७८ को नाफा नोकसान हिसाब साथै नगद प्रवाह विवरण र सो उपर लेखापरीक्षकको प्रतिवेदन सहितको वार्षिक प्रतिवेदन यहाँहरु समक्ष पेश गर्दछु ।

#### (क) विगत वर्षको कारोबारको सिंहावलोकन

कोभिड-१९ को दोस्रो लहरका कारण आर्थिक वर्ष २०७७/७८ मा संघिय सरकार तथा स्थानीय सरकारबाट कोभिड-१९ को महामारी रोकथाम तथा नियन्त्रणका लागि गरिएको निषेधाज्ञाको प्रत्यक्ष असर मानव जीवनका विभिन्न पक्ष र आर्थिक क्रियाकलापमा परेको हामी सबैमा जानकारी भएकै हो । नेपाल सरकारको प्रयासबाट खोपको सहज उपलब्धताका कारण महामारीको असर न्यूनिकरण र नेपाल राष्ट्र बैंकको नीतिगत पहलका कारण मुलुकको आर्थिक कृयाकलाप सञ्चालनमा महत्वपूर्ण सहयोग पुगेको छ । कोभिड-१९ को नियन्त्रण, रोकथाम, उपचार तथा आर्थिक पुनरुत्थानको लागि मुलुकले अवलम्बन गरेका नितिगत व्यवस्थाको कारण अर्थतन्त्रमा सुधार आउने संकेतहरु देखिएका छन् ।

समीक्षा आर्थिक वर्ष २०७७/७८ मा यस संस्थाले हासिल गरेको उपलब्धिको संक्षिप्त विवरण निम्नानुसार रहेको छ ।

विवरण	आ.व. २०७७/७८	आ.व. २०७६/७७	वृद्धि/(ह्रास)%
पुंजी कोष पर्याप्तता	२६.३०	२६.२६	०.१५
शेयर पुंजी	८८,१०,३५,७०९	८२,३३,९७,८५९	७
नेट वर्थ	१,२०,००,४५,०८५	१,०७,३९,५७,०९४	११.७४
लगानी	१,६३,३८,१६,९५२	७४,४१,०१,३८५	११९.५७
निक्षेप	५,५१,८५,२३,२२१	४,५१,६२,४८,५१२	२२.१९
कर्जा तथा सापटी	४,२८,४६,२९,२८३	३,५८,६४,९६,२०१	१९.४७
सञ्चालन मुनाफा	१५,१९,८६,९६७	११,७६,३७,५७०	२९.२०
वितरण योग्य नाफा	१०,६७,६५,६५०	८,८०,११,९००	२१.३१

समीक्षा आर्थिक वर्ष २०७७/७८ मा गत वर्षको निक्षेप भन्दा २२.१९ प्रतिशतले वृद्धि गरी कुल रु.५ अर्ब ५१ करोड ८५ लाख निक्षेप संकलन गरेको छ । कर्जा लगानी गत आ.व. भन्दा १९.४७ प्रतिशतले वृद्धि भई रु.४ अर्ब २८ करोड ४६ लाख पुगेको छ । संस्थाले समीक्षा आर्थिक वर्ष २०७७/७८ मा रु.३ अर्ब ५२ करोड ३३ लाख कर्जा लगानी रु.२ अर्ब ८२ करोड ५२ लाख कर्जा असुली गरेको छ ।

#### (ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर

सन् २०२० मा ३.२ प्रतिशतले संकुचन भएको विश्व अर्थतन्त्र सन् २०२१ मा ६.० प्रतिशतले विस्तार हुने अन्तर्राष्ट्रिय मुद्रा कोषको अनुमान छ । विकसित राष्ट्रहरुको तथा विकासोन्मुख देशहरुको अर्थतन्त्र सन् २०१९ मा वृद्धि दर क्रमशः १.९ प्रतिशत र ४.१ प्रतिशत हुने प्रक्षेपण गरिएकोमा सन् २०२० मा शून्यको हाराहारीमा पुग्ने अनुमान गरिएको छ ।

नेपालको अर्थतन्त्र आर्थिक वर्ष २०७६/७७ मा २.०९ प्रतिशतले संकुचन भएतापनि समीक्षा वर्षमा ४.०९ प्रतिशतले विस्तार हुने केन्द्रीय तथ्यांक विभागको अनुमान रहेको छ। आर्थिक वर्षको अन्तिम त्रैमास अवधिमा कोभिड-१९ को सङ्क्रमण दर घट्दै गएका कारण धेरै मुलुकहरूले आर्थिक क्रियाकलाप सहज बनाउन बन्दाबन्दी (Lockdown) लगायतका व्यवस्थाहरू क्रमशः खुकुलो बनाउँदै लगेकोले सरकार तथा निजी क्षेत्रको आत्मबल बढेको कारण व्यवसाय तथा आर्थिक गतिविधि विस्तारको वातावरण बनेको छ। यसैको फलस्वरूप कर्जा विस्तारै वृद्धि हुनुका साथै आयात कारोबारमा समेत बढोत्तरी भएकै कारण व्यापार घाटामा समेत अनुकूल असर पर्न गएको स्थिति रहेको छ।

समीक्षा आर्थिक वर्षमा बैंक तथा वित्तीय संस्थाको निक्षेप परिचालन २१.४ प्रतिशतले वृद्धि भएको छ। २०७८ असार मसान्तमा बैंक तथा वित्तीय संस्थाको कुल निक्षेपमा संस्थागत निक्षेपको अंश ४२.७ प्रतिशत रहेको छ। २०७८ असार मसान्तको कुल निक्षेपमा चल्ती, बचत र मुद्दतीको अंश क्रमश १० प्रतिशत, ३१.९ प्रतिशत र ४८.६ प्रतिशत रहेको थियो।

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाको कर्जा प्रवाह २७.३ प्रतिशतले वृद्धि भएको छ। कोभिड-१९ ले अर्थतन्त्रमा पारेको असर न्यूनीकरण गर्दै आर्थिक पुनरुत्थानलाई सघाउने उद्देश्यका साथ व्यवस्था गरिएको पुनर्कर्जा, सहूलियतपूर्ण कर्जा लगायत मौद्रिक एवमं नियामकीय सहजीकरणले गर्दा कर्जा प्रवाह उल्लेख्य रूपमा बढेको छ।

आर्थिक वर्ष २०७७/७८ मा नेपालबाट वैदेशिक रोजगारीमा जानेहरूको सङ्ख्या ६२.८ प्रतिशतले घटेतापनि विप्रेषण आप्रवाह ९.८ प्रतिशतले वृद्धि भई रु.९६१ अर्ब ५ करोड पुगेको छ। कोरोनाको महामारीका कारण यस्तो वृद्धि दर चालु आर्थिक वर्षमा घटी रहेको देखापरेको छ।

आर्थिक वर्ष २०७७/७८ मा चालु खाता घाटा रु.३३३ अर्ब ६७ करोड कायम भएको छ। गत वर्ष यस्तो घाटा रु.३३ अर्ब ७६ करोड थियो। त्यस्तै शोधनान्तर स्थिति रु.१ अर्ब २३ करोडले बचतमा रहेको छ। गत वर्ष शोधनान्तर स्थिति रु.२८२ अर्ब ४१ करोडले बचतमा रहेको थियो।

आर्थिक वर्ष २०७७/०७८ मा औसत उपभोक्ता मुद्रास्फीति ६.२३ प्रतिशत रहेको थियो। गत आ.व.मा औसत उपभोक्ता मुद्रास्फीति ६.१५ प्रतिशत रहेको थियो।

निर्यात व्यापारमा कमी आएकाेले व्यापार घाटा बढ्न गई शोधनान्तर स्थितिमा कमी भएका कारण विदेशी विनिमय सञ्चितिमा सामान्य सङ्कुचन देखिएको छ। २०७८ असार मसान्तमा रु.१३९९ अर्ब ३ करोड कुल विदेशी विनिमय सञ्चिति २०७७ असार मसान्तमा रु.१४०२ अर्ब ८४ करोड रहेको थियो।

नेपाल राष्ट्र बैंकबाट इजाजतपत्र प्राप्त बैंक तथा वित्तीय संस्थाहरूको संख्या २०७८ साल असार मसान्तमा १३३ कायम भए अनुसार २७ वाणिज्य बैंक, १८ विकास बैंक, १७ वित्त कम्पनी, ७० लघुवित्त वित्तीय संस्था र १ पूर्वाधार विकास बैंक सञ्चालनमा रहेका छन्। बैंक तथा वित्तीय संस्थाहरूको शाखा संख्या २०७७ असार मसान्तमा ९,७६५ रहेकोमा २०७८ असार मसान्तमा १०,६८३ पुगेको छ।

वर्तमान कोभिड-१९ को महामारीको स्थितिमा वित्तीय कारोबार गर्दा हुन सक्ने सञ्चालन जोखिम लगायत विविध चुनौतिहरूका वावजुद यस संस्थाले आफ्नो कार्य प्रभावकारी रूपमा सञ्चालन गरी ग्राहक सन्तुष्टी, सेवाको गुणस्तरमा नयाँ नयाँ प्रविधि तथा अवसरहरूको पहिचान र प्रयोग जस्ता पक्षहरूलाई ध्यानमा राखी आन्तरिक तथा बाह्य वातावरणको विश्लेषण गर्दै आफ्ना कृयाकलापहरू सञ्चालन गर्दै अघि बढि रहेको छ।

(ग) **प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :**  
**प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि**

संस्थाको केन्द्रिय कार्यालय ललितपुरको कुपण्डोल कानदेवस्थान स्थित आफ्नै जग्गामा भवन निर्माण सम्पन्न गरी यहि आ.व.बाट सम्पूर्ण बैकिङ्ग सेवा संचालन गरिसकेको सहर्ष जानकारी गराउंदछु।

संस्थाले SMS Banking, IPS, Connect IPS जस्ता सेवाहरू सञ्चालनमा ल्याई सकेकोमा नेपाल राष्ट्र बैंकबाट स्विकृति प्राप्त गरी मोबाईल बैकिङ्ग एप Central Smart सञ्चालनमा ल्याई eSewa जस्ता विद्युतीय भुक्तानी सेवा सञ्चालनमा ल्याइसकेको छ। संस्थाले Smart Choice Technology (SCT) संगको सहकार्यमा विश्वमै सबैभन्दा बढी कार्ड प्रयोगकर्ता

भएको Union Pay International संग साभेदारी गरी चिपको सुरक्षा भएको एटीएम तथा PoS मा डेबिट कार्ड जारी गरी सेवा प्रदान गरिआएको छ ।

संस्थाको कार्य सञ्चालन तथा ग्राहक सेवाहरुलाई चुस्त दुरुस्त बनाउन आन्तरिक कार्य प्रणालीलाई अटोमेशन र डीजिटाइजेसनलाई बढावा दिन Nimble Infosys को HRM System (HR, Payroll Management, Assets and Inventory Management) लागु गरिसकेको छ । त्यस्तै कर्जा लगानीको लागि Credit Automation (ORWLA) Software सञ्चालनमा ल्याइसकेको छ ।

संस्थाले ग्राहकहरुको स्पष्ट पहिचान गर्न KYC Conductor Module, सम्पत्ति शुद्धीकरणका लागि goAML Software लागु गरिसकेको र सो मार्फत रिपोर्टिङ्ग भइरहेको छ ।

संस्थाले ग्राहकहरुको बैंक खाता, वॉलेट, क्यूआर जस्ता विद्युतीय रकमान्तर तथा भुक्तानीका माध्यममा सहज पहुंचको लागि नेपाल क्लियरिङ्ग हाउस लिमिटेडले प्रवर्द्धन गरेको National Payment Switch (NPS) मा सदस्य बनिसकेको छ ।

२०७८ साल मंसिर मसान्तमा संस्थाको निक्षेप रु.५ अर्ब ८३ करोड ३५ लाख, कर्जा रु.५ अर्ब ५९ लाख, लगानी रु.९ अर्ब, ५३ करोड ५७ लाख र नगद तथा बैंक मौज्जात रु.५७ करोड ९ लाख रहेको छ ।

#### **भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा**

१. निक्षेप र कर्जा लगानीमा प्रतिस्पर्धी व्याजदर कायम गरी आफ्नो ग्राहक वर्गलाई नयाँ निक्षेप र कर्जा योजनाहरु तर्जुमा गरी गुणस्तरीय र आधुनिक बैंकिङ्ग सेवा प्रदान गर्नेछ ।
२. कृषि, घरेलु, साना उद्योग तथा विपन्न वर्गमा लगानी बढाउन प्राथमिकता दिई लगानीका योजनाहरु सञ्चालन गरिनेछ ।
३. संस्थाले आधुनिक र समय सापेक्ष सेवा प्रदान गर्ने नीति अनुरूप डिजिटल बैंकिङ्ग, डिजिटल पेमेन्ट तथा सूचना तथा प्रविधिसंग सम्बन्धित QR Payment जस्ता अन्य आधुनिक सेवा प्रदान गरिनेछ ।
४. संस्थाले ई-बैंकिङ्ग सेवा र सेवाग्राहीले घरमै बसेर खाता खोल्ने जस्ता सेवाहरु दिने लक्ष्य लिएको छ ।
५. संस्थाका संस्थागत ग्राहकहरुलाई विद्युतीय माध्यमबाट रकमान्तर, राजश्व भुक्तानी लगायतका सेवा प्रदान गर्ने उद्देश्यले नेपाल क्लियरिङ्ग हाउस लिमिटेडसंगको सहकार्यमा Corporate Pay सुविधा सञ्चालन गरिनेछ ।
६. संस्थाको आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई अझ बढी सुदृढ बनाइनेछ ।
७. विज्ञापन तथा व्यापार प्रवर्द्धन कार्यक्रमद्वारा संस्थाले आफ्नो ब्रान्ड विस्तार गरी व्यापार बढाउदै लगिने छ ।
८. कर्मचारीहरुको कार्य दक्षतालाई अभिवृद्धि गर्न, वृत्ती विकास तथा सेवा प्रवाहमा चुस्तता ल्याउन सीप विकास र तालिम कार्यक्रमलाई निरन्तरता दिइनेछ ।

#### **(घ) शाखा विस्तार**

यस संस्थाले आधुनिक बैंकिङ्ग सेवा सहित काठमाण्डौको चावहिल र गोंगबु गणेशस्थान, चितवनको नारायणगढ, रुपन्देहीको बुटवल, भक्तपुरको च्याम्हासिंह, महोत्तरीको बर्दिबास, नवलपरासीको बर्दघाट, बाराको सिमरा, सिन्धुलीको भिमान र डकाहा, सर्लाहीको लालबन्दी, धनुषाको जनकपुरधाम, सुनसरीको इटहरीमा शाखा र भक्तपुरको सल्लाघारीमा एक्सटेन्सन काउण्टर खोलि कारोबार विस्तार गरेको छ ।

कोभिड १९ महामारीका कारण सिर्जित परिस्थितिका कारण लक्ष्य अनुरूप शाखा विस्तार गर्न नसकिए तापनि वर्तमान सहज परिस्थितिमा कार्य क्षेत्र, सञ्जाल विस्तार तथा व्यवसाय वृद्धि गर्नको लागि भापाको विर्तामोड र रुपन्देहीको भैरहवामा थप शाखा सञ्चालनमा ल्याउने गरी तयारी भइरहेको छ ।

संस्थाले थप शाखा विस्तार गर्दै ग्रामीण तथा शहरोन्मुख क्षेत्रमा बैंकिङ्ग सेवा प्रदान गर्ने र बढी भन्दा बढी ग्राहकहरुलाई समेटे

खुद्रास्तरको निक्षेप संकलन, सेवाग्राही समक्ष भुक्तानी सेवाको सहजता, बैंकिङ्ग सेवाको विस्तार र स्थानीय ग्राहक सुविधामा वृद्धि गर्ने अपेक्षा गरेको छ ।

**(ड) संस्थागत सामाजिक उत्तरदायित्व**

समीक्षा आर्थिक वर्षको खुद मुनाफाको १ प्रतिशत रकम संस्थागत सामाजिक उत्तरदायित्व बहन गर्न यस वर्ष २०७७/७८ को खुद मुनाफाबाट रु.११ लाख १२ हजार ३ सय ३८ छुट्याइएको छ । उक्त कोषबाट यस संस्थाले विभिन्न किसिमको सामाजिक कार्यहरूमा रकम खर्च गरी संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने नीति लिएको छ ।

**(च) कारोबारलाई असर पार्ने मुख्य कुराहरू**

१. नेपाल सरकार र नेपाल राष्ट्र बैंकले बैंकिङ्ग नीतिमा परिवर्तन गर्दा श्रृजना हुन सक्ने सम्भावित जोखिमहरू ।
२. अन्तर्राष्ट्रिय बजारको प्रभावले देशको आर्थिक अवस्थामा आउने परिवर्तनबाट पर्न सक्ने जोखिमहरू ।
३. तरलतामा हुने उतारचढावका कारणले निक्षेप तथा कर्जा लगानीको व्याजदरमा हुने परिवर्तनले व्यवसाय वृद्धिमा पर्ने जोखिमहरू ।
४. बैंकिङ्ग क्षेत्रमा तीव्रतर प्रतिस्पर्धाका कारण पर्न सक्ने असरहरू ।
५. पुंजी बजारको उतार चढावबाट बैंकिङ्ग कारोबारमा पर्न सक्ने असरहरू ।

यी चुनौती र अवसरहरूलाई ध्यानमा राख्दै संस्थाले आफ्नो सेवाको दायरा तथा गुणस्तर वृद्धि गर्दै लैजाने, थप सेवाहरू प्रदान गर्ने तथा नयाँ बजार र क्षेत्रहरूमा आफ्ना सेवाहरू विस्तार गर्दै लैजाने रणनीति लिएको छ ।

**(छ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण**

यस समीक्षा आ.व. २०७७/०७८ मा सञ्चालक समितिमा कुनै हेरफेर भएको छैन ।

**(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम**

समीक्षा आर्थिक वर्ष २०७७/७८ को खुद मुनाफाबाट विभिन्न नियमनकारी कोषहरूमा रकम छुट्याए पश्चात् लाभांशको लागि उपलब्ध कुल नाफा रु.१० करोड ६७ लाख ६५ हजार ६ सय ५० मध्येबाट बोनश शेयरको लागि चुक्ता पूंजीको ७.७ प्रतिशतले रु.६ करोड ७८ लाख ३९ हजार ७ सय ४९ पैसा ५९ र नगद लाभांशको लागि ३.३ प्रतिशतले रु.२ करोड ९० लाख ७४ हजार १ सय ७८ पैसा ४० छुट्याई बाँकि रहेको रकम रु.९८ लाख ५१ हजार ७ सय २१ पैसा ७४ बासलातमा सारिएको छ ।

**(झ) कृतज्ञता तथा आभार**

यस संस्थामा निरन्तर रुपमा विश्वास गरी सौहार्दपूर्ण रुपमा कारोवार गर्दै आउनु भएका सम्पूर्ण ग्राहकवर्गहरू प्रति हार्दिक कृतज्ञता ज्ञापन गर्दछु । भविष्यमा पनि यहाँहरू सबैको सहयोग तथा सद्भावको अपेक्षा गर्दै यस संस्थालाई उचित मार्ग दर्शन तथा सुभावहरू दिनु भई सहयोग गर्नु हुने सहयोगी शेयरधनी महानुभावहरू, शुभेच्छुक, ग्राहकवर्गहरू, नेपाल सरकारका सम्बन्धित निकायहरू, नेपाल राष्ट्र बैंक, वाणिज्य बैंक तथा वित्तीय संस्थाहरू तथा यस संस्थाका प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद तथा कृतज्ञता ज्ञापन गर्दछु ।

धन्यवाद ।

(संजोज मान श्रेष्ठ)  
अध्यक्ष

मिति: २०७८/०९/३०

**सेन्ट्रल फाईनान्स लि.**  
**आर्थिक वर्ष २०७७/७८**

**कम्पनी ऐन २०६३ को दफा १०९(४) बमोजिम सञ्चालक समितिको प्रतिवेदन**

- क) विगत वर्षको कारोबारको सिंहावलोकन :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको भए सो असर :  
राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई पर्ने असरहरु सञ्चालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको छ ।
- ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- घ) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- च) कारोबारलाई असर पार्ने मुख्य कुराहरु :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया:  
नियमित कारोवारमा देखिएका सामान्य कैफियत बाहेक प्रचलित कानून उल्लंघन हुने कुनै नकारात्मक कुराहरु लेखापरीक्षण प्रतिवेदनमा उल्लेख भएको छैन ।
- ज) लाभांश बांडफांड गर्न शिफारिस गरिएको रकम :  
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- (भ्र) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस शेयर जफत हुनु भन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण :  
संस्थाले समीक्षा आर्थिक वर्ष २०७७/७८ मा कुनै शेयर जफत गरेको छैन ।
- ञ) विगत आर्थिक बर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक बर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :  
यस संस्थाको समीक्षा आर्थिक वर्ष २०७७/७८ मा कुनै सहायक कम्पनी रहेको छैन । काठमाण्डौको चावहिल र गोंगबु गणेशस्थान, चितवनको नारायणगढ, रुपन्देहीको वुटवल, भक्तपुरको च्यामासिंह, महोत्तरीको बर्दिबास र नवलपरासीको बर्दघाट, बाराको सिमरा, सिन्धुलीको भिमान र डकाहा, सर्लाहीको लालबन्दी, धनुषाको जनकपुर र सुनसरीको इटहरीमा शाखा कार्यालयहरु तथा भक्तपुरको सल्लाघारीमा एक्सटेन्सन काउण्टर स्थापना गरि सञ्चालन गरिएको छ ।
- ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक बर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :  
संस्थाको शाखा कार्यालयहरुले वित्तीय कारोबार प्रवर्द्धनमा महत्वपूर्ण योगदान पुऱ्याएको छ ।
- ठ) विगत आर्थिक बर्षमा कम्पनीको आधारभुत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी :  
त्यस्तो कुनै जानकारी नगराएको ।
- ड) विगत आर्थिक बर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी :  
आर्थिक वर्ष २०७७/७८ मा सञ्चालक तथा पदाधिकारीहरु कोही पनि कम्पनीको शेयर कारोवारमा संलग्न रहेको जानकारी प्राप्त गरेको छैन ।

- ढ) विगत आर्थिक बर्षमा कम्पनीसंग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको ब्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :  
त्यस्तो विवरण उपलब्ध गराइएको छैन ।
- ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :  
संस्थाले आफ्नो शेयर आफै खरिद गरेको छैन ।
- त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :  
संस्थाले पूमोरी प्लस बैकिङ्ग सफ्टवेयर प्रयोग गरी सम्पूर्ण हिसाव किताव तथा लेखा कम्प्युटराइज प्रविधिमा राखेको छ र स्वतन्त्र आन्तरिक लेखा परीक्षकको व्यवस्था छ । कम्प्युटराइज्ड प्रविधिमा आन्तरिक नियन्त्रण प्रणाली प्रभावकारी रहेको छ । विभिन्न तहमा सम्पन्न हुने काम कारवाही एक तह माथिको कर्मचारीबाट परिक्षण हुने व्यवस्था मिलाएको छ । संस्थामा जोखिम व्यवस्थापन समिति, लेखा परिक्षण समिति समेत रहेको छ । संस्थाले KYC को मापदण्ड तथा मुद्रा शुद्धीकरण (Anti money laundering) सम्बन्धी निति प्रचलित कानून तथा नेपाल राष्ट्र बैकबाट जारी निर्देशनका आधारमा तर्जुमा गरी लागु गरेको छ ।
- थ) विगत आर्थिक बर्षको कुल ब्यबस्थापन खर्चको विवरण :  
आर्थिक वर्ष २०७७/७८ मा यस संस्थाको कुल व्यवस्थापन खर्चमा कर्मचारी खर्च रु.६ करोड २ लाख ०४ हजार २७ र अन्य संचालन खर्च रु.३ करोड ४४ लाख ४४ हजार ९ सय ७० रहेको छ ।
- द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :  
लेखापरीक्षण समितिमा गैर कार्यकारी सञ्चालक रमेश थापा श्रेष्ठ संयोजक, सञ्चालक श्री विद्या भूषण ध्वज जोशी र लेखा स.अधिकृत रोजिना श्रेष्ठ सदस्य रहनु भएको छ । बैठक भत्ता बाहेक लेखा परीक्षण समितिका सदस्यहरूलाई कुनै पारिश्रमिक वा सुविधा प्रदान गरिएको छैन । सो समितिले लेखा परीक्षकले औल्याएका कैफियतहरूलाई आवश्यक सुधार गर्न सुझाव दिने काम गरेको छ ।
- ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीको आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बांकी भए सो कुरा :  
त्यस्तो कुनै रकम बांकी रहेको छैन ।
- न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :  
संस्थाको सञ्चालक समितिका सदस्यहरूलाई समितिको बैठकमा उपस्थित भए बापत भत्ता रु.५ लाख ५२ हजार, प्रमुख कार्यकारी अधिकृत लगायत व्यवस्थापकीय पदाधिकारीहरूलाई पारिश्रमिक र भत्ता रु.७३ लाख २८ हजार ३ सय ०७ भुक्तानी गरिएको छ ।
- प) शेयरधनीहरूले बुझिलिन बांकी रहेको लाभांशको रकम :  
शेयरधनीहरूले २०७८ साल असार मसान्तमा रु.६७ हजार ९ सय ८७ पैसा ८९ लाभांश बूझिलिन बांकी रहेको छ ।
- फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :  
समीक्षा आ.व. २०७७/७८ मा कार्यालय सामग्री बाहेक अन्य कुनै सम्पत्ति खरिद बिक्री गरिएको छैन ।
- ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोवारको विवरण :  
यस वित्तीय संस्थाको कुनै सम्बद्ध कम्पनी छैन ।
- भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुराहरु:  
नभएको ।
- म) अन्य आवश्यक कुराहरु :  
नरहेको ।

(संजोज मान श्रेष्ठ)  
अध्यक्ष

(डा. किशोर हाकडुवाल)  
संचालक

**धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६(२) संग  
सम्बन्धित अनुसूची १५ बमोजिमको वार्षिक विवरण**

१. संचालक समितिको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरीक्षण भएको वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
४. कानूनी कारवाही सम्बन्धी विवरण
  - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए,
    - नभएको ।
  - (ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै दायर गरेको वा भएको भए,
    - यस संस्थाको जानकारीमा नरहेको ।
  - (ग) कुनै संस्थापक वा संचालक विरुद्धमा आर्थिक अपराध गरेको सम्बन्धमा कुनै दायर भएको भए,
    - यस संस्थाको जानकारीमा नरहेको ।
५. संगठित संस्थाका शेयर कारोवार तथा प्रगतिका विश्लेषण :
  - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयर कारोवार सम्बन्धमा व्यवस्थापनको धारणा:
    - नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोवार गरि रहेको ।
  - (ख) आ.व. २०७७/७८ मा संगठित संस्थाको शेयरको अधिकतम, न्युनतम र अन्तिम मुल्यका साथै कूल कारोवार शेयर संख्या र कारोवार दिन :

त्रैमासिक	अधिकतम मुल्य	न्युनतम मुल्य	अन्तिम मुल्य	कूल कारोवार दिन	कूल कारोवार संख्या	कूल कारोवार शेयर संख्या
प्रथम त्रैमासिक	१९१	११८	१६१	६४	३१२७	७९९०९६
दोश्रो त्रैमासिक	२००	१५३	१९६	५८	३०६०	९११०९१
तेस्रो त्रैमासिक	२४२	१८३	२२५	५८	५८९१	१६२८४८८
चौथो त्रैमासिक	५३९	२१४	४८५	६५	२९०९४	६०९४७९१

६. समस्या तथा चुनौति
  - (क) आन्तरिक समस्या तथा चुनौति
    - आयको विविधिकरण ।
    - बढ्दो सञ्चालन लागत ।
  - (ख) बाह्य समस्या तथा चुनौति
    - वित्तीय संस्थाको बीच तीव्र प्रतिस्पर्धा ।
    - लगानीका सिमित अवसरहरु ।

(ग) रणनीति

- निक्षेप तथा कर्जाको विविधिकरण ।
- समय सापेक्ष प्रविधिमा आधारित नयां सेवाहरुको विकास ।
- पुंजी कोष बृद्धि ।

७. संस्थागत सुशासन

- बैंक तथा वित्तीय संस्था सम्बन्धि ऐन, २०७३, नेपाल राष्ट्र बैंकद्वारा जारी गरिएका निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ । संस्थागत सुशासनलाई सदैव उच्च प्राथमिकतामा राख्दै आएको र संस्थागत सुशासन सम्बन्धी निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ ।
- आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न लेखापरीक्षण समिति (Audit Committee) गठन छ । जसले वाह्य र आन्तरिक नियन्त्रण प्रणालीलाई अझ सुदृढ बनाउन व्यवस्थापनलाई सल्लाह र सुझावहरु दिदै आईरहेको छ ।
- नेपाल राष्ट्र बैंकको निर्देशन, स्थलगत निरिक्षण प्रतिवेदन, आन्तरिक तथा वाह्य लेखापरीक्षण प्रतिवेदनमा औल्याईएका सुझाव तथा निर्देशनहरुलाई यस वित्तीय संस्थाले सदैव पालना गर्दै आएको छ । संस्थागत सुशासनको पूर्ण पालना गर्दै यसलाई अझ सुदृढ बनाउदै लैजान यस वित्तीय संस्थाको संचालक समिति र व्यवस्थापन पूर्ण प्रतिवद्ध रहेको छ ।



## **K.P.N. & ASSOCIATES**

### **CHARTERED ACCOUNTANTS**

GPO Box: 3738  
 House No. 65, Kumari Marga-6  
 Dillibazar, Kathmandu, Nepal

#### **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Central Finance Limited

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Central Finance Limited, which comprise the statement of financial position as at 31 Ashad 2078 (15 July 2021), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Central Finance Limited as at 31 Ashad 2078 (15 July 2021), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

##### **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 company in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

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

S.N.	Key Audit Matters	Auditor's Response
1	<p>General Controls on Information Technology</p> <p>Information Technology controls with respect to transaction recording, generating reports in compliance with NRB guidelines and other compliances to regulators is an important part of the process of IT infrastructure. Most of the such reports are highly dependent on efficiency of Core Banking and other allied software.</p> <p>IT infrastructure is considered key audit matter because if any control lapses arises or incorrect data punched may result in wrong reporting to the management, stakeholders and regulators.</p>	<p>Our audit approach is based on the IT Guidelines issued by the NRB and it includes;</p> <p>a. Understanding the punching of data in system and evaluation of result and ensuring its reliability.</p> <p>b. Review of reports generated by the system on sample basis. We verified the interest income &amp; interest expenses reported by system through manual computation on sample basis.</p>

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 skepticism throughout the audit. We also:**

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

**We further report that;**

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit,
- The accounts and records of the Company has been maintained as required by law,
- Financial statements are in agreement with the books of account maintained by the Company,
- The Capital Fund, Risk Bearing Fund and the provision for possible impairment of assets of the Company are adequate as per the directives issued by the Nepal Rastra Bank,
- In our opinion and to the best of our information and according to explanation given to us, the Board of Directors, the representative or any employee of the Company has not acted contrary to the legal provisions relating to accounts nor caused direct loss or damage to the Company deliberately or acted in a manner that would jeopardize the interest and security of the Company,
- The operations of the Company were within its jurisdiction,
- The Company has not acted in a manner to jeopardize the interest and security of the depositors and investors,
- The Company has a centralized core accounting system and details received from branches though the statements are not independently audited, were adequate for the purpose of our audit, and
- We have not come across any fraudulence in accounts, so far as it appeared from our examination of books of account.

Date: 2078/08/29

Place: Dillibazar, Kathmandu

UDIN: 211215CA00469K2LWc

CA. Keshab Prasad Neupane  
Principal  
K. P. N. & Associates  
Chartered Accountants



**CENTRAL FINANCE LTD.**  
Statement of Financial Position  
As on Ashad End 2078

**IN NPR**

ASSETS	NOTE	ASHAD END 2078	ASHAD END 2077
Cash and cash equivalent	4.1	379,499,350	885,255,062
Due from Nepal Rastra Bank	4.2	272,014,273	305,601,002
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loans and advances to B/Fis	4.6	95,739,000	91,080,000
Loans and advances to customers	4.7	4,131,833,126	3,470,988,517
Investment securities	4.8	1,704,871,044	741,733,677
Current tax assets	4.9	10,628,302	3,977,035
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	2,611,789	8,239,662
Property Plant and Equipment	4.13	137,167,117	102,924,988
Goodwill and Intangible assets	4.14	425,162	566,882
Deferred tax assets	4.15	-	3,638,782
Other assets	4.16	103,101,156	25,424,072
<b>TOTAL ASSETS</b>		<b>6,837,890,318</b>	<b>5,639,429,680</b>

LIABILITIES	NOTE	ASHAD END 2078	ASHAD END 2077
Due to Bank and Financial Institutions	4.17	245,176,981	-
Due to Nepal Rastra Bank	4.18	65,668,685	(702,621)
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	5,273,346,239	4,516,248,512
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	13,173,694	-
Other liabilities	4.23	40,479,634	49,926,694
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>TOTAL LIABILITIES</b>		<b>5,637,845,233</b>	<b>4,565,472,586</b>

EQUITY			
Share Capital	4.26	881,035,709	823,397,859
Share premium		442,546	442,546
Retained Earnings		106,765,650	88,011,900
Reserves	4.27	211,801,180	162,104,789
<b>Total Equity Attributable to Equity Holders</b>		<b>1,200,045,085</b>	<b>1,073,957,094</b>
<b>Non-Controlling Interest</b>			-
<b>Total Equity</b>		<b>1,200,045,085</b>	<b>1,073,957,094</b>

<b>Total Liabilities &amp; Equity</b>		<b>6,837,890,318</b>	<b>5,639,429,680</b>
Contingent liabilities and commitment	4.28	5,177,224	15,577,224
Net assets value per share		136.21	130.43

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

Auditor

**CA. Keshab Prasad Neupane**

Principal

K.P.N & Associates

Chartered Accountants

**Dipesh Sah**  
Account Head

**Rajoj Man Shrestha**  
Chief Executive Officer

**Sanjoj Man Shrestha**  
Chairman

**Chandika Shrestha**  
Director

**Chaitya Raj Shakya**  
Director

**Dr. Kishor Hakuduwal**  
Director

**Ramesh Thapa Shrestha**  
Director

**Bidya Bhusan Dhoj Joshi**  
Director

**Krishna Prasad Neupane**  
Independent Director

Date: 29/08/2078

Place: Lalitpur

**CENTRAL FINANCE LTD.**  
Statement of Profit or Loss  
As on Ashad End 2078

IN NPR

PARTICULARS	NOTE	ASHAD END 2078	ASHAD END 2077
Interest income	4.29	570,929,446	569,960,928
Interest expense	4.30	383,793,080	362,201,611
<b>Net interest income</b>		<b>187,136,366</b>	<b>207,759,317</b>
Fee and commission income	4.31	42,826,362	32,190,805
Fee and commission expense	4.32	-	-
<b>Net fee and commission income</b>		<b>42,826,362</b>	<b>32,190,805</b>
<b>Net interest, fee and commission income</b>		<b>229,962,728</b>	<b>239,950,122</b>
Net trading income	4.33	-	-
Other operating income	4.34	55,375,461	7,533,724
<b>Total operating income</b>		<b>285,338,189</b>	<b>247,483,846</b>
Impairment charge/(reversal) for loans and other losses	4.35	10,982,521	29,575,359
<b>Net operating income</b>		<b>274,355,668</b>	<b>217,908,487</b>
Operating expense			
Personnel expenses	4.36	77,225,862	64,196,083
Other operating expenses	4.37	34,444,970	27,452,313
Depreciation & Amortization	4.38	10,697,868	8,622,521
<b>Operating Profit</b>		<b>151,986,967</b>	<b>117,637,570</b>
Non operating income	4.39	1,430,861	5,138,145
Non operating expense	4.40	221,313	143,043
<b>Profit before income tax</b>		<b>153,196,516</b>	<b>122,632,672</b>
Income tax expense	4.41		
Current Tax expenses		44,998,803	36,373,016
Deferred Tax (Expenses)/Income		(1,008,931)	(94,255)
<b>Profit for the period</b>		<b>109,206,644</b>	<b>86,353,911</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		109,206,644	86,353,911
Non-controlling interest		-	-
<b>Profit for the period</b>		<b>109,206,644</b>	<b>86,353,911</b>
<b>Earnings per share</b>			
Basic earnings per share		12.40	10.49
Diluted earnings per share		12.40	10.49

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

**Dipesh Sah**  
Account Head

**Rajoj Man Shrestha**  
Chief Executive Officer

**Sanjoj Man Shrestha**  
Chairman

**Chandika Shrestha**  
Director

Auditor  
**CA. Keshab Prasad Neupane**  
Principal  
K.P.N & Associates  
Chartered Accountants

**Chaitya Raj Shakya**  
Director

**Dr. Kishor Hakuduwal**  
Director

**Ramesh Thapa Shrestha**  
Director

**Bidya Bhusan Dhoj Joshi**  
Director

**Krishna Prasad Neupane**  
Independent Director

Date: 29/08/2078  
Place: Lalitpur

**CENTRAL FINANCE LTD.**  
Statement of Cash Flows  
As on Ashad End 2078

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Interest received	540,842,503	516,760,949
Fees and other income received	42,826,362	32,190,805
Dividend received	-	-
Receipts from other operating activities	1,430,861	5,138,145
Interest paid	(385,698,187)	(369,876,453)
Commission and fees paid	-	-
Cash payment to employees	(72,139,977)	(64,091,148)
Other expenses paid	(34,666,283)	(27,595,356)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>92,595,279</b>	<b>92,526,942</b>
<b>(Increase)/ Decrease in operating assets</b>		
Due from Nepal Rastra Bank	33,586,730	(98,421,282)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	(5,000,000)	(5,000,000)
Loan and advances to customers	(692,677,675)	(356,598,603)
Other assets	(77,497,101)	(8,198,973)
<b>(Increase)/ Decrease in operating liabilities</b>		
Due to bank and financial institutions	245,176,981	-
Due to Nepal Rastra Bank	66,371,306	(5,198,436)
Deposits from Customers	757,097,727	864,962,236
Borrowings	-	-
Other Liabilities	(11,534,521)	15,253,447
<b>Net Cash flow from operating activities before tax paid</b>	<b>408,118,725</b>	<b>499,325,332</b>
Income taxes paid	(51,650,070)	(45,240,901)
<b>Net Cash flow from operating activities</b>	<b>356,468,655</b>	<b>454,084,431</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	(906,871,324)	(443,729,939)
Receipt from the sale of investment securities	49,287,686	6,780,726
Purchase of property and equipment	(45,425,847)	(27,037,839)
Receipt from the sale of property and equipment	1,974,093	143,861
Purchase of intangible assets	-	(123,000)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	5,627,869	5,500,000
Interest received	51,098,508	14,597,684
Dividend received	6,768,402	6,624,275
<b>Net cash used in investing activities</b>	<b>(837,540,612)</b>	<b>(437,244,232)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(24,683,759)	(57,661,831)
Interest paid	-	-
Other receipt/ payment	-	-
<b>Net cash from financing activities</b>	<b>(24,683,759)</b>	<b>(57,661,831)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(505,755,716)</b>	<b>(40,821,633)</b>
Cash and cash equivalents at Shrawan 1, 2077	885,255,065	926,076,695
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash and cash equivalents at Ashad end, 2078</b>	<b>379,499,350</b>	<b>885,255,062</b>

					Auditor
					<b>CA. Keshab Prasad Neupane</b>
					Principal
					K.P.N & Associates
					Chartered Accountants
<b>Dipesh Sah</b>	<b>Rajoj Man Shrestha</b>	<b>Sanjoj Man Shrestha</b>	<b>Chandika Shrestha</b>		
Account Head	Chief Executive Officer	Chairman	Director		
<b>Chaitya Raj Shakya</b>	<b>Dr. Kishor Hakuduwal</b>	<b>Ramesh Thapa Shrestha</b>	<b>Bidya Bhusan Dhoj Joshi</b>	<b>Krishna Prasad Neupane</b>	
Director	Director	Director	Director	Independent Director	Date: 29/08/2078
					Place: Lalitpur

**CENTRAL FINANCE LTD.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended Ashad End 2078**

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Profit for the year</b>	<b>109,206,644</b>	<b>86,353,911</b>
<b>Other comprehensive income, net of income tax</b>		
<b>a) Items that will not be reclassified to profit or loss</b>		
Gains/(Losses) from investments in equity instruments measured at fair value	58,293,194	20,293,952
Gains/(Losses) on revaluation	-	-
Actuarial gain/(loss) on defined benefit plans	1,111,495	(1,238,537)
Income tax relating to above terms	(17,821,407)	(5,716,625)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>41,583,282</b>	<b>13,338,790</b>
<b>b) Items that are or may be reclassified to profit or loss</b>		
Gains/(Losses) on cash flow hedge	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation	-	-
Income tax relating to above terms	-	-
Reclassify to profit or loss	-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of income tax</b>	<b>41,583,282</b>	<b>13,338,790</b>
<b>Total comprehensive income for the period</b>	<b>150,789,926</b>	<b>99,692,701</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the bank	150,789,926	99,692,701
Non-controlling interest	-	-
<b>Total comprehensive income for the period</b>	<b>150,789,926</b>	<b>99,692,701</b>

**Dipesh Sah**  
Account Head

**Rajoj Man Shrestha**  
Chief Executive Officer

**Sanjoj Man Shrestha**  
Chairman

**Chandika Shrestha**  
Director

Auditor  
**CA. Keshab Prasad Neupane**  
Principal  
K.P.N & Associates  
Chartered Accountants

**Chaitya Raj Shakya**  
Director

**Dr. Kishor Hakuduwal**  
Director

**Ramesh Thapa Shrestha**  
Director

**Bidya Bhusan Dhoj Joshi**  
Director

**Krishna Prasad Neupane**  
Independent Director

Date: 29/08/2078  
Place: Lalitpur

**CENTRAL FINANCE LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the ASHAD END 2078**

Particulars	Share Capital	General Reserve	Share Premium	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Investment Adjustment Reserve	Other Reserve	Total
Balance as at Shrawan 1, 2077	823,397,859.00	134,897,313.00	442,546.00	32,513,980.00	(1,657,376.00)	-	88,011,899	-	(3,649,127.00)	1,073,957,094.00
Comprehensive income for the year							109,206,644			
Profit for the year										
Other Comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value					40,805,236.00					40,805,236.00
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans									778,047.00	
<b>Total comprehensive income for the year</b>					<b>40,805,236.00</b>				<b>778,047.00</b>	<b>41,583,283.00</b>
Transfer to reserve during the year		22,246,759.36					(23,359,097)		1,112,337.96	
Transfer from reserve during the year				(12,804,003.07)	(1,419,006.27)		15,245,990		(1,022,980.92)	
<b>Transactions with owners, directly recognised in equity</b>										
Right shares issued										
Share issue expenses										
Bonus shares issued	57,637,850.13						(57,637,850)			
Cash dividend paid							(24,701,936)			(24,701,936.00)
Others										
<b>Total contributions by and distributions</b>										
Balance as at Ashad end, 2078	881,035,709.13	157,144,072.36	442,546.00	19,709,976.93	37,728,853.73	-	106,765,650	-	(2,781,722.96)	1,200,045,084.93

Auditor  
**C.A. Keshab Prasad Neupane**  
Principal  
K.P.N & Associates  
Chartered Accountants

Independent Director  
**Krishna Prasad Neupane**

Director  
**Ramesh Thapa Shrestha**

Director  
**Ramesh Thapa Shrestha**

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Director  
**Ramesh Thapa Shrestha**

Chairman  
**Sanjog Man Shrestha**

Chief Executive Officer  
**Rajoj Man Shrestha**

Account Head  
**Dipesh Sah**

Director  
**Chandika Shrestha**

Director  
**Bidyha Bhusan Dhoj Joshi**

Director  
**Chaitya Raj Shakya**

Director  
**Dr. Kishor Hakuduwal**

Date: 29/08/2078  
Place: Lalitpur

**CENTRAL FINANCE LTD.**  
**STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS**  
**For the year ended Ashad End 2078**  
**(As per NRB Regulation)**

IN NPR

PATICULARS	ASHAD END 2078	ASHAD END 2077
<b>Opening retained earning</b>	<b>88,011,899</b>	<b>62,525,250</b>
Less: Dividend distributed	(24,701,936)	(57,637,850)
Less: Bonus Share issued	(57,637,850)	-
Add: Gain from sale of investment securities measured at fair value through OCI	2,027,152	
<b>Remaining balance of Retained Earnings</b>	<b>7,699,265</b>	<b>4,887,400</b>
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>109,206,644</b>	<b>86,353,911</b>
<b>Appropriations:</b>		
a. General reserve	(22,246,759)	(17,270,782)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(1,112,338)	(863,539)
e. Employees' training fund		-
f. Other	1,022,981	-
<b>Profit or (loss) before regulatory adjustment</b>	<b>86,870,528</b>	<b>69,792,098</b>
<b>Regulatory adjustment :</b>		
a. Interest receivable (-)/previous accrued interest received (+)	2,576,092.07	(12,846,170)
<b>b. Short loan loss provision in accounts (-)/reversal (+)</b>	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	-	19,615,553
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	3,545,560.00	3,465,000
e. Deferred tax assets recognised (-)/ reversal (+)	3,638,782	5,622,370
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	778,047	(866,976)
i. Other (+/-)	1,657,376.00	(1,657,376)
<b>Distributable profit or (loss) as on year end date</b>	<b>106,765,650</b>	<b>88,011,899</b>

**Dipesh Sah**  
Account Head

**Rajoj Man Shrestha**  
Chief Executive Officer

**Sanjoj Man Shrestha**  
Chairman

**Chandika Shrestha**  
Director

Auditor  
**CA. Keshab Prasad Neupane**  
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**Chaitya Raj Shakya**  
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Director

**Ramesh Thapa Shrestha**  
Director

**Bidya Bhusan Dhoj Joshi**  
Director

**Krishna Prasad Neupane**  
Independent Director

Date: 29/08/2078  
Place: Lalitpur



**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Cash & Cash equivalent**

**NOTE 4.1**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Cash in hand	80,669,406.00	74,382,763.00
Balances with B/FIs	298,829,943.72	810,872,299
Money at call and short notice	-	-
Other	-	-
<b>TOTAL</b>	<b>379,499,350</b>	<b>885,255,062</b>

**Due from Nepal Rastra Bank**

**NOTE 4.2**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Statutory balances with NRB	272,014,272.50	305,601,002
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
<b>TOTAL</b>	<b>272,014,273</b>	<b>305,601,002</b>

**Placements with Bank and Financial Institutions**

**NOTE 4.3**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Derivative Financial Instruments**

**NOTE 4.4**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Held for Trading</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>Held for risk management</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Other Trading Assets**

**NOTE 4.5**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Investment in equity instruments	-	-
Other - Investment in units of mutual funds	-	-
<b>TOTAL</b>	-	-
Pledged	-	-
Non-pledged	-	-

**Loan and Advances to B/FIs**

**NOTE 4.6**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Loans to microfinance institutions	97,000,000.00	92,000,000
Other		
Less: Allowances for impairment	(1,261,000)	(920,000)
<b>TOTAL</b>	<b>95,739,000</b>	<b>91,080,000</b>

**Allowances for Impairment**

**NOTE 4.6.1**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Balance at Shrawan 1	920,000	870,000
Impairment loss for the year		
Charge for the year	341,000	50,000
Recoveries/reversal		-
Amount written off		-
Balance at Asadh end	1,261,000	920,000

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Loans and Advances to customers**

**NOTE 4.7**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Loans and advances measured at amortized cost	4,228,080,708	3,556,594,580
Less: Impairment allowances		
Collective impairment	(56,854,637.00)	(47,813,980)
Individual Impairment	(39,392,944.86)	(37,792,083)
<b>Net amount</b>	<b>4,131,833,126</b>	<b>3,470,988,517</b>
Loan and advances measured at FVTPL		-
<b>TOTAL</b>	<b>4,131,833,126</b>	<b>3,470,988,517</b>

**Analysis of loan and Advances - By Product**

**NOTE 4.7.1**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
<b>Product</b>		
Term Loans	372,170,271.64	71,511,736
Overdraft	96,898,804.87	-
Trust Receipt/Import loans	-	-
Demand and other working capital loans	857,697,660.28	603,925,200
Personal residential loans	689,707,697.60	672,896,880
Real estate loans	111,636,617.08	138,890,000
Margin lending loans	2,878,022.69	18,836,970
Hire purchase loans	343,793,619.69	313,547,000
Deprived sector loans	182,005,625.50	164,771,080
Bills purchased		
Staff loans	5,017,031.71	1,899,804
Other	1,538,262,974.03	1,521,467,840
<b>Subtotal</b>	<b>4,200,068,325</b>	<b>3,507,746,510</b>
<b>Interest receivable</b>	<b>28,012,383.00</b>	<b>48,848,070</b>
<b>GRAND TOTAL</b>	<b>4,228,080,708</b>	<b>3,556,594,580</b>

**Analysis of Loan and Advances - By Currency**

**NOTE 4.7.2**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Nepalese rupee	4,228,080,708	3,556,594,580
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
<b>TOTAL</b>	<b>4,228,080,708</b>	<b>3,556,594,580</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Analysis of Loan and Advances - By Collateral**

**NOTE 4.7.3**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
<b>Secured</b>		
Movable/immovable assets	4,087,089,492	3,442,457,563
Gold and silver	-	4,494,780
Guarantee of domestic B/FIs	97,397,000	-
Government guarantee	-	-
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	40,716,193	30,472,780
Collateral of Government securities	-	-
Counter guarantee	-	-
Personal guarantee	-	-
Other collateral	2,878,023	79,169,457
<b>Subtotal</b>	<b>4,228,080,708</b>	<b>3,556,594,580</b>
Unsecured		-
<b>GRAND TOTAL</b>	<b>4,228,080,708</b>	<b>3,556,594,580</b>

**Analysis of Loan and Advances - By Collateral**

**NOTE 4.7.4**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
<b>Specific allowances for impairment</b>		
<b>Balance at Shrawan 1</b>	<b>37,792,082</b>	<b>17,213,393</b>
Impairment loss for the year:		
Charge for the year	1,600,863	20,578,689
Recoveries/reversal during the year		
Write-offs		-
Exchange rate variance on foreign currency		-
Other movement		-
<b>Balance at Ashad end</b>	<b>39,392,945</b>	<b>37,792,082</b>
<b>Collective allowances for impairment</b>		
<b>Balance at Shrawan 1</b>	<b>47,813,979</b>	<b>38,867,309</b>
Impairment loss for the year:		
Charge/(reversal) for the year	9,040,658	8,946,670
Exchange rate variance on foreign currency		-
Other movement		-
<b>Balance at Ashad end</b>	<b>56,854,637</b>	<b>47,813,979</b>
<b>Total allowances for impairment</b>	<b>96,247,582</b>	<b>85,606,061</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Investment Securities**

**NOTE 4.8**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
<b>Investment securities measured at amortized cost</b>	1,440,255,729	582,800,000
Investment in equity measured at FVTOCI	264,615,315	158,933,677
<b>TOTAL</b>	<b>1,704,871,044</b>	<b>741,733,677</b>

**Investment Securities measured at amortized cost**

**NOTE 4.8.1**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Debt securities	-	-
Government bonds	1,440,255,729.00	582,800,000
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
<b>Total</b>	<b>1,440,255,729</b>	<b>582,800,000</b>
Less: specific allowances for impairment	-	-
<b>TOTAL</b>	<b>1,440,255,729</b>	<b>582,800,000</b>

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

**NOTE 4.8.2**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Equity instruments		
Quoted equity securities	262,037,041	156,355,403
Unquoted equity securities	2,578,274	2,578,274
<b>TOTAL</b>	<b>264,615,315</b>	<b>158,933,677</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**NOTE 4.8.3**  
*IN NPR*

**Information relating to investment in equities**

PARTICULARS	ASHAD END 2078		ASHAD END 2077	
	COST	FAIR VALUE	COST	FAIR VALUE
<b>INVESTMENT IN EQUITY MEASURED AT FVOCI</b>				
Investment in quoted equity				
Lumbini General Insurance Co. Ltd.	200	3120	200	1,359
4 nos. of ordinary shares of Rs. 100 each				
Butwal Power Co. Ltd.	8578431	8107638	8,578,432	5,229,194
16,023 nos. of ordinary shares of Rs. 100 each				
NAGARIK LAGANI KOSH (PROMOTER SHARE	12044228	12044228	-	-
10000 nos. of Promoter shares of Rs. 100 each				
Ridi Hydropower Development Co. Ltd.	-	9792	13,000	13,860
17 nos. of ordinary shares of Rs. 100 each				
Nepal Life Insurance Co. Ltd.	-	-	2,480,925	4,866,120
Oriental Hotel Ltd.	-	-	1,493,441	1,349,887
Nepal Doorsanchar Co. Ltd.	-	-	8,041,802	7,886,200
Sanima Mai Hydropower Ltd.	46,522,599	51,637,554	31,885,048	14,451,292
1,00,658 nos. of ordinary shares of Rs. 100 each				
Chilime Hydropower Company Limited	11,655,394	15,146,289	8,746,314	6,385,114
22,047 nos. of ordinary shares of Rs. 100 each				
Himalayan Power Partner Limited Company	-	-	2,977,167	1,135,200
Lumbini General Insurance Co. Ltd.	10,937,700	48,185,987	10,937,700	30,562,599
1,45,577 nos. of promoter shares of Rs. 100 each				
Siddhartha Equity Oriented Scheme - Mutual Fund	-	-	-	-
589,774 nos. of ordinary shares of Rs. 10 each				
NIBL Pragati Fund - Mutual Fund	-	-	8,561,920	6,977,965
856,192 nos. of ordinary shares of Rs. 100 each				
NIBL Sambriddhi Fund - 1 - Mutual Fund	-	-	6,955,640	6,886,084
695,564 nos. of ordinary shares of Rs. 100 each				
NMB Hybrid Fund L - 1 Mutual Fund	-	-	3,154,800	2,997,060
315,480 nos. of ordinary shares of Rs. 100 each				
Siddhartha Equity Fund	-	-	9,677,470	9,677,470
967,747 nos. of ordinary shares of Rs. 100 each				
Sanima Equity Fund	-	-	24,000,000	23,832,000
2,400,000 nos. of ordinary shares of Rs. 100 each				
Citizen Mutual Fund	-	-	2,000,000	2,012,000
200,000 nos. of ordinary shares of Rs. 100 each				

NIC Asia Growth Fund	-	-	2,000,000	2,038,000
200,000 nos. of ordinary shares of Rs. 100 each	-	-	2,000,000	2,214,000
NIBL Sababhagita Fund	-	-	12,000,000	12,840,000
200,000 nos. of ordinary shares of Rs. 100 each	12000000	12840000	10,000,000	10,000,000
Aarambha Chautari Lagubitta Bittiya Sanstha	2,500,000	2,540,000	5,000,000	5,000,000
128,400 nos. of promoter shares of Rs. 100 each	-	-	-	-
SUNRISE FIRST MUTUAL FUND	2,000,000	3,000,000	-	-
2,50,000 nos. of ordinary shares of Rs. 10 each	2,000,000	3,490,000	-	-
NMB 50 (MUTUAL FUND)	2,000,000	26,250,000	-	-
NIC ASIA GROWTH FUND	2,000,000	21,620,000	-	-
2,00,000 nos. of ordinary shares of Rs. 10 each	2,000,000	14,886,433	-	-
NIBL SAHABHAGITA FUND	25,000,000	39,760,000	-	-
2,00,000 nos. of ordinary shares of Rs. 10 each	20,000,000	2,516,000	-	-
SANIMA LARGE CAP FUND	14,680,900	262,037,041	160,503,858	156,355,403
25,00,000 nos. of ordinary shares of Rs. 10 each	40,000,000	1181300	94,500	1,181,300
NIBL SAMRIDDDHI FUND II	2,000,000	1396974	703,000	1,396,974
20,00,000 nos. of ordinary shares of Rs. 10 each	209,919,452	2,578,274	797,500	2,578,274
PRABHU SELECT FUND	94500	264,615,315	161,301,358	158,933,677
146809 nos. of ordinary shares of Rs. 10 each	703000	-	-	-
NIC ASIA SELECT 30 INDEX FUND	40,000,000	-	-	-
40,00,000 nos. of ordinary shares of Rs. 10 each	2,000,000	-	-	-
CITIZENS MUTUAL FUND I	209,919,452	-	-	-
2,00,000 nos. of ordinary shares of Rs. 10 each	209,919,452	262,037,041	160,503,858	156,355,403
<b>Total Of Quoted Share</b>				
Investment in unquoted equity				
Credit Information Beaurcau Ltd.	94500	1181300	94,500	1,181,300
11813 nos. of ordinary shares of Rs. 100 each	703000	1396974	703,000	1,396,974
Nepal Clearing House				
13969.74 nos. of ordinary shares of Rs. 100 each	797,500	2,578,274	797,500	2,578,274
<b>Total Of Unquoted Share</b>	210,716,952	264,615,315	161,301,358	158,933,677
<b>TOTAL</b>				

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Current tax assets**

**NOTE 4.9**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Current tax assets		
Current Year income tax assets	133,271,769.00	40,350,051
Tax assets of prior periods		-
Current tax liabilities		
Current year income tax liabilities	122,643,467.00	36,373,016
Tax liabilities of prior periods		-
<b>TOTAL</b>	<b>10,628,302</b>	<b>3,977,035</b>

**Investment in subsidiaries**

**NOTE 4.10**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
<b>Total investment</b>	-	-
Less: Impairment allowances	-	-
<b>Net Carrying Amount</b>	-	-

**Investment in associates**

**NOTE 4.11**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
<b>Total investment</b>	-	-
Less: Impairment allowances	-	-
<b>Net Carrying Amount</b>	-	-



**Investment properties**

**NOTE 4.12**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
<b>Investment properties measured at fair value</b>		
Balance as on Shrawan 1	-	-
Addition/disposal during the year	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
<b>Net Amount</b>	-	-
<b>Investment properties measured at cost</b>		
Balance as on Shrawan 1	8,239,662.00	13,739,658
Addition/disposal during the year	(5,627,869.00)	(5,500,000)
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
<b>Net amount</b>	<b>2,611,793</b>	<b>8,239,658</b>
<b>TOTAL</b>	<b>2,611,789</b>	<b>8,239,662</b>

<b>Name of Loanee</b>	<b>ASHAD END 2078</b>	
	<b>Date Of NBA</b>	<b>Amount</b>
Gyanendra Das Shrestha	14/07/2006	248,675
Anita Malakar	25/01/2015	432,595
Rituy Kumari Acharya	06/03/2019	1,930,519
		<b>2,611,789</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
For the year ended Ashad End 2078

**NOTE 4.13**  
**IN NPR**

**Property and Equipment**

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	ASHAD END 2078	ASHAD END 2077
<b>Cost</b>										
As on Shrawan 1, 2076	37,622,000	-	11,798,716	4,398,945	20,161,893	8,453,887	16,838,977	248,265	99,522,683	87,272,833
Addition during the Year	-	-	2,201,706	375,130	8,915,702	927,259	4,028,890	-	16,448,687	-
Acquisition	-	-	-	-	-	-	-	-	-	12,561,574
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	(121,764)	(308,800)	(4,925)	(236,548)	-	(672,037)	(311,724)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashad end 2077</b>	<b>37,622,000</b>	<b>-</b>	<b>14,000,422</b>	<b>4,652,311</b>	<b>28,768,795</b>	<b>9,376,221</b>	<b>20,631,319</b>	<b>248,265</b>	<b>115,299,333</b>	<b>99,522,683</b>
Addition during the Year	-	-	6,602,236	2,991,942	1,367,003	1,592,290	7,104,908	-	19,658,379	16,448,687
Acquisition	-	-	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(634,319)	(832,753)	(4,152,933.33)	(2,030,760)	(2,085,552)	(196,326)	(9,932,643)	(672,037)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashad end 2078</b>	<b>37,622,000</b>	<b>-</b>	<b>19,968,339</b>	<b>6,811,500</b>	<b>25,982,865</b>	<b>8,937,752</b>	<b>25,650,675</b>	<b>51,939</b>	<b>125,025,069</b>	<b>115,299,333</b>
<b>Depreciation and Impairment</b>										
As on Shrawan 1, 2076	-	-	7,131,799	3,274,928	13,280,422	4,701,412	11,426,180	223,953	40,038,694	40,038,694
Depreciation charge for the Year	-	-	1,712,364	374,311	2,566,531	1,143,227	2,313,013	6,078	8,115,524	16,231,048
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(107,435)	(271,799)	(4,795)	(170,608)	-	(554,637)	(1,109,274)
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As on Ashad end 2077</b>	<b>-</b>	<b>-</b>	<b>8,844,163</b>	<b>3,541,804</b>	<b>15,575,154</b>	<b>5,839,844</b>	<b>13,568,585</b>	<b>230,031</b>	<b>47,599,581</b>	<b>55,160,468</b>
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	-	2,623,081	743,916	2,785,359	1,207,940	3,192,960	2,893	10,556,148	8,115,524
Disposals	-	-	(577,269)	(783,226)	(3,956,952)	(1,879,885)	(1,918,077)	(189,663)	(9,305,072)	(554,637)
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>As on Ashad end 2078</b>	<b>-</b>	<b>-</b>	<b>10,889,975</b>	<b>3,502,494</b>	<b>14,403,560</b>	<b>5,167,899</b>	<b>14,843,468</b>	<b>43,261</b>	<b>48,850,656</b>	<b>47,599,581</b>
Capital Work in Progress Net Book Value as on Ashad end 2077		35,225,236								24,636,084
Capital Work in Progress Net Book Value as on Ashad end 2078		60,992,704								35,225,236.27
As on Ashad end 2076	37,622,000	-	4,666,917	1,124,017	6,881,471	3,752,475	5,412,797	24,312	59,483,989	52,486,138
As on Ashad end 2077	37,622,000	35,225,236	5,156,259	1,110,507	13,193,641	3,536,377	7,062,734	18,234	102,924,989	84,120,073
As on Ashad end 2078	37,622,000	60,992,704	9,078,364	3,309,006	11,579,305	3,769,853	10,807,207	8,678	137,167,117	102,924,988

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
For the year ended Ashad End 2078

**NOTE 4.14**  
*IN NPR*

**Goodwill and Intangible Assets**

Particulars	Software					ASHAD END 2077
	Goodwill	Purchased	Developed	Other	ASHAD END 2078	
<b>Cost</b>						
As on Shrawan 1, 2076		3,283,837				3,283,837
Addition during the Year		123,000				123,000
Acquisition						-
Capitalization						-
Disposal during the year						-
Adjustment/Revaluation						-
<b>Balance as on Ashad end 2077</b>		<b>3,406,837</b>				<b>3,283,837</b>
Addition during the Year		-				-
Acquisition		-				-
Capitalization		-				-
Disposal during the year		-				-
Adjustment/Revaluation		-				-
<b>Balance as on Ashad end 2078</b>		<b>3,406,837</b>				<b>3,406,837</b>
<b>Amortization and Impairment</b>						
As on Shrawan 1, 2076		2,332,957				2,015,997
Amortization charge for the Year		506,998				316,960
Impairment for the year						-
Disposals						-
Adjustment						-
<b>As on Ashad end 2077</b>		<b>2,839,955</b>				<b>2,332,957</b>
Amortization charge for the Year		141,721				506,998
Impairment for the year		-				-
Disposals						-
Adjustment						-
<b>As on Ashad end 2078</b>		<b>2,981,675</b>				<b>2,839,955</b>
<b>Capital Work in Progress Net Book Value</b>						
As on Ashad end 2076		950,880				1,267,840
As on Ashad end 2077		566,882				950,880
As on Ashad end 2078		425,162				566,882

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Deferred Tax**

**NOTE 4.15**

*IN NPR*

PARTICULARS	CURRENT YEAR		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/FIs	-	-	-
Loans and advances to customers	-	-	-
Interest Receivable on Loans and advances	-	-	-
Investment properties	-	-	-
Investment securities	-	16,169,509	(16,169,509)
Property & equipment	782,023	-	782,023
Employees' defined benefit plan	2,213,792	-	2,213,792
Lease liabilities	-	-	-
Provisions			-
Other temporary differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>2,995,815</b>	<b>16,169,509</b>	<b>(13,173,694)</b>
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
<b>Net Deferred tax asset/(liabilities) as on year end of 2078</b>			<b>(13,173,694)</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2077			(3,638,782)
<b>Origination/(Reversal) during the year</b>			<b>16,812,476</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>(1,008,931)</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>17,821,407</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			-

IN NPR

PARTICULARS	PREVIOUS YEAR		
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loan and Advance to B/Fis	-	-	-
Loans and advances to customers	-	-	-
Interest Receivable on Loans and advances	-	-	-
Investment properties	-	-	-
Investment securities	-	(710,304)	710,304
Property & equipment	888,208	-	888,208
Employees' defined benefit plan	2,040,270	-	2,040,270
Lease liabilities	-	-	-
Provisions			-
Other temporary differences	-	-	-
<b>Deferred tax on temporary differences</b>	<b>2,928,478</b>	<b>(710,304)</b>	<b>3,638,782</b>
Deferred tax on carry forward of unused tax losses			-
Deferred tax due to changes in tax rate			-
<b>Net Deferred tax asset/(liabilities) as on year end of 2077</b>			<b>3,638,782</b>
Deferred tax (asset)/liabilities as on Shrawan 1, 2076			(9,261,152)
<b>Origination/(Reversal) during the year</b>			<b>5,622,370</b>
<b>Deferred tax expense/(income) recognised in profit or loss</b>			<b>(94,255)</b>
<b>Deferred tax expense/(income) recognised in other comprehensive income</b>			<b>5,716,625</b>
<b>Deferred tax expense/(income) recognised in directly in equity</b>			<b>-</b>

**CENTRAL FINANCE LTD.**

**Deferred Tax Calculation**

**CLOSING FY -2076/77 NFRS (Previous Year)**

Particulars	Book Carrying Amount	Tax Base Amount	Diff Asset/ (Liability)	Tax Rate	Def. Tax Asset/ (Liability)
Temporary Difference for:					
Provision for Gratuity	3,467,949.00	-	3,467,949.00	30%	1,040,385.00
Provision for Leave Encashment	3,332,949.00	-	3,332,949.00	30%	999,885.00
Provision for Loan Receivable		-	-	30%	-
<b>Total Deferred Tax Assets/(Liability)</b>					<b>2,040,270.00</b>
Accrued Interest Income Receivable		-	-	30%	-
Investment property (Reversal of Provision for NBA)		-	-	30%	-
Investment fair value through PL		-	-	30%	-
Investment fair value through OCI	158,933,677.40	161,301,358.21	2,367,680.81	30%	710,304.00
Staff Loan - Housing Loan (Insurance tie up)				30%	-
Staff Loan - Vehicle Loan				30%	-
Staff Loan -Home Loan				30%	-
Deferred Employee Expenditure				30%	-
<b>Total Deferred Tax Assets/(Liability)</b>					<b>710,304.00</b>
Fixed Assets (including Repairs)					
WDV of Fixed Assets	103,491,870.00				
Less: WDV of Land	72,847,236.00				
WDV of Assets included under Tax	30,644,634.00	33,605,329.00	2,960,695.00	30%	888,208.00
<b>Total Deferred Tax Assets/(Liability)</b>					<b>888,208.00</b>
Net Deferred Tax Assets / (Liabilities)					3,638,782.00
Deferred Tax Expenses/(Income) for the year					

**CLOSING FY -2077/78 NFRS**

Particulars	Book Carrying Amount	Tax Base Amount	Diff Asset/ (Liability)	Tax Rate	Def. Tax Asset/ (Liability)
Temporary Difference for:					
Provision for Gratuity	3,376,163.00	-	3,376,163.00	30%	1,012,849.00
Provision for Leave Encashment	4,003,142.00	-	4,003,142.00	30%	1,200,943.00
Provision for Loan Receivable		-	-	30%	-
<b>Total Deferred Tax Assets/(Liability)</b>					<b>2,213,792.00</b>
Accrued Interest Income Receivable		-	-	30%	-
Investment property (Reversal of Provision for NBA)		-	-	30%	-
Investment fair value through PL		-	-	30%	-
Investment fair value through OCI	264,615,314.60	210,716,951.94	(53,898,362.66)	30%	(16,169,509.00)
Staff Loan - Housing Loan (Insurance tie up)				30%	-
Staff Loan - Vehicle Loan				30%	-
Staff Loan -Home Loan				30%	-
Deferred Employee Expenditure				30%	-
<b>Total Deferred Tax Assets/(Liability)</b>					<b>(16,169,509.00)</b>
Fixed Assets (including Repairs)					
WDV of Fixed Assets	137,592,278.45				
Less: WDV of Land	98,614,704.00				
WDV of Assets included under Tax	38,977,574.45	41,584,319.36	2,606,744.91	30%	782,023.00
<b>Total Deferred Tax Assets/(Liability)</b>					<b>782,023.00</b>
Net Deferred Tax Assets / (Liabilities)					(13,173,694.00)

CENTRAL FINANCE LTD.

DEFERRED TAX RECONCILIATION

For the year ended Ashad End 2078

Particulars	FY 2077.78		FY 2076.77	
	Amount	Amount	Amount	Amount
Accounting Profit(Loss)	153,196,515.93		122,632,671.57	
Rate of Income Tax	30%		30%	
Income tax at the applicable tax rate	45,958,955.00		36,789,801.00	
Interest as per Income Tax Act	-			
Tax effect of expenses that are not deductible for tax purpose				
Donation	300.00	1,000.00	150.00	500.00
Unsupported Expenses	14,090.00	46,966.03		
Others	66,394.00	221,313.00	-	-
Tax effect on exempt income				
Dividend Income	(2,030,521.00)	(6,768,402.00)	(612,691.00)	(2,042,303.00)
Others	(19,346.00)	(64,486.00)		
Additional Tax of Previous Year	-			
Others	-	-	101,501	338,337.00
<b>Total Tax Expenses</b>	<b>43,989,872.00</b>		<b>36,278,761</b>	
Current Tax	44,998,803.00		36,373,016.00	
Deferred Tax	(1,008,931.00)		(94,255.00)	
	<b>43,989,872.00</b>		<b>36,278,761.00</b>	
Difference	-			

Schedule of Fixed Assets as per the Income Tax Act 2058  
Financial Year 2077-78

Particulars	Rate	WDV as at 1 Shrawan 2077	Addition	Proceeds from Disposal	Dep. Base for Depreciation	Depreciation	WDV as at 31st Ashad 2078	Unabsorbed Additions	Unabsorbed Rep. Carried forward	Total DBV For Next Year
Pool A: Building	5.00%	-	-	-	-	-	-	-	-	-
Addition:										
From Shrawan 2077 to Poush 2077										
From Magh 2077 to Chaitra 2077										
From Baishak 2078 to Ashad 2078										
<b>Total</b>										
<b>Additions to be carried forward</b>										
Pool B: Furniture, Office Equipment, Computers etc.	25.00%	8,958,807.26	3,326,179.00		12,284,986.26	3,071,247.00	9,213,739.26	1,258,053.45	-	10,471,792.71
Addition:										
From Shrawan 2077 to Poush 2077		1,666,757.01								
From Magh 2077 to Chaitra 2077		2,060,791.18								
From Baishak 2078 to Ashad 2078		856,684.26								
<b>Total</b>		<b>4,584,232.45</b>								
<b>Additions to be carried forward</b>		<b>1,258,053.45</b>								
Pool C: Vehicles	20.00%	13,957,517.00	922,801.00	1,600,000.00	13,280,318.00	2,656,064.00	10,624,254.00	444,202.15	-	11,068,456.15
Addition:										
From Shrawan 2077 to Poush 2077		258,396.99								
From Magh 2077 to Chaitra 2077		884,606.16								
From Baishak 2078 to Ashad 2078		224,000.00								
<b>Total</b>		<b>1,367,003.15</b>								
<b>Additions to be carried forward</b>		<b>444,202.15</b>								
Pool D: Plant & Machinery, Other Assets	15.00%	4,323,565.73	5,832,559.00	374,095.00	9,782,029.73	1,467,304.00	8,314,725.73	1,272,349.09	-	9,587,074.82
Addition:										
From Shrawan 2077 to Poush 2077		4,323,316.87								
From Magh 2077 to Chaitra 2077		1,746,134.75								
From Baishak 2078 to Ashad 2078		1,035,456.47								
<b>Total</b>		<b>7,104,908.09</b>								
<b>Additions to be carried forward</b>		<b>1,272,349.09</b>								
Pool E: Leasehold Improvement	20.00%	5,848,442.15	4,648,827.00	-	10,497,269.15	2,099,454.00	8,397,815.15	1,953,408.53	-	10,351,223.68
Addition:										
From Shrawan 2077 to Poush 2077		2,584,323.57								
From Magh 2077 to Chaitra 2077		2,175,597.20								
From Baishak 2078 to Ashad 2078		1,842,314.76								
<b>Total</b>		<b>6,602,235.53</b>								
<b>Additions to be carried forward</b>		<b>1,953,408.53</b>								
Pool F: Computer Software		516,997.00	-	-	516,997.00	411,225.00	105,772.00	-	-	105,772.00
Addition:										
From Shrawan 2077 to Poush 2077		-								
From Magh 2077 to Chaitra 2077		-								
From Baishak 2078 to Ashad 2078		-								
<b>Total</b>		<b>-</b>								
<b>Additions to be carried forward</b>		<b>-</b>								
<b>TOTAL</b>		<b>33,605,329.14</b>	<b>14,730,366.00</b>	<b>1,974,095.00</b>	<b>46,361,600.14</b>	<b>9,705,294.00</b>	<b>36,656,306.14</b>	<b>4,928,013.22</b>	<b>-</b>	<b>41,584,319.36</b>



**Repairs & Improvement allowable under the Act.**

Pool	Dep. Base (1)	7% (2=1*7%)	Actual Repairs (3)	Repairs Allowable under the Act (4)	Unabsorbed Repairs Carried forward (5=3-4)
Pool A	-	-	-	-	-
Pool B	12,284,986.26	859,949.00	536,744.00	536,744.00	-
Pool C	13,280,318.00	929,622.00	570,718.00	570,718.00	-
Pool D	9,782,029.73	684,742.00	71,731.00	71,731.00	-
Pool E	11,014,266.15	770,999.00		770,999.00	-
<b>Total</b>	<b>46,361,600.14</b>	<b>3,245,312.00</b>	<b>1,179,193.00</b>	<b>1,950,192.00</b>	-

Account Name	Code	Pool	Amount
REPAIR COMPUTER & EQUIPMENT	9481011000006	Pool B	147,723.74
FURNITURE REPAIR MAINTAINANCE	9481011000007	Pool B	34,680.05
REPAIR OF VEHICLES	9481011000005	Pool C	495,210.23
REPAIR OF MACH & ELECT.EQUIPMENT	9481011000010	Pool D	273,128.71
			<b>950,742.73</b>

**CENTRAL FINANCE LTD.**  
**For the year ended Ashad End 2078**

**Computation of Assessable Income for the Financial Year 2076-77 (2019-20)**

Particulars	Amount	Amount
<b>Profit Before Tax &amp; After Bonus</b>		<b>153,196,515.93</b>
<b>Add:</b>		
Depreciation on PPE as per books	10,556,147.62	
Amortization of Intangible assets as per books	141,720.65	
Repair & Maintenance as per book	1,179,193.00	
Donation and Gift	1,000.00	
Write-off of Fixed Assets	706,509.00	
Fair value change in Investment securities measured at FVTPL	2,027,151.81	
Unsupported Expenses	46969.36	
Additional Interest income on Staff Loan-Ins linked PY	-	
Previous Year tax	221,313.00	
Provision for gratuity	3,083,958.00	
Long service leave provisioned this year	2,940,059.00	20,904,021.44
<b>Less:</b>		
Depreciation as per the Act	9,705,294.00	
Repair & Maintenance as per the Act	1,950,192.00	
Amortization of staff expenses previous year	-	
Provision for NBA expenses claimed as per Tax	-	
Profit on sale of assets	1,346,524.00	
Dividend Income	6,768,402.00	
Write back of investment	-	
Write Back of NBA	-	
Gratuity Paid during the year	2,064,249.00	
Leave paid during the year	2,269,866.00	24,104,527.00
<b>Assessable Income</b>		<b>149,996,010.37</b>
<b>Tax @ 30%</b>		<b>44,998,803.00</b>
Interest under Section 117		-
Interest under section 118		-
Interest under section 119		-
<b>Total Tax Liability</b>		<b>44,998,803.00</b>
<b>Gratuity and Leave Provision</b>	<b>Gratuity</b>	<b>Leave</b>
Opening balance	3,467,949.00	3,332,949.00
Charge to PL during the year	3,083,958.00	2,940,059.00
Charge to OCI during the year	(1,111,495.00)	-
	5,440,412.00	6,273,008.00
Closing balance	3,376,163.00	4,003,142.00
Paid during the year	2,064,249.00	2,269,866.00
<b>LLP deduction</b>	<b>Amount</b>	
Total Loan and Advance to Cutomer as per Schedule	4,228,080,707.83	
Total Loan and Advance to Banks / FIs as per Schedule	97,000,000.00	
Less: Interest received included in above	(28,057,703.00)	
<b>Total Loans and Advances</b>	<b>4,297,023,004.83</b>	
5% of the above	214,851,150.00	
LLP as on the year end	97,508,581.86	
Since LLP is within 5% of the gross loans and advance, the total provision charge is fully allowed as deduction		

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Other assets**

**NOTE 4.16**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	2,576,217	10,988,327
Accrued income	-	-
Prepayments and deposit	8,177,279	3,872,367
Income tax deposit	-	-
Deferred employee expenditure	7,938,482	7,758,499
Other	84,409,179	2,804,879
<b>TOTAL</b>	<b>103,101,156</b>	<b>25,424,072</b>

**Due to Bank and Financial Institutions**

**NOTE 4.17**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	245,176,981	-
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
<b>TOTAL</b>	<b>245,176,981</b>	<b>-</b>

**Due to Nepal Rastra Bank**

**NOTE 4.18**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Refinance from Nepal Rastra Bank	65,668,685	(702,621)
Standing Liquidity Facility	-	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	-	-
<b>TOTAL</b>	<b>65,668,685</b>	<b>(702,621)</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

For the year ended Ashad End 2078

**Derivative financial instruments**

**NOTE 4.19**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Held for trading</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
<b>Held for risk management</b>		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Deposits from customers**

**NOTE 4.20**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Institutions customers:</b>		
Term deposits	1,368,155,370	1,114,002,930
Call deposits		
Current deposits	19,456,632	14,178,550
Other	409,131,346	673,886,280
<b>Individual customers:</b>		
Term deposits	1,983,717,700	1,798,151,070
Saving deposits	1,492,885,191	916,029,682
Current deposits		
Other		
<b>TOTAL</b>	<b>5,273,346,239</b>	<b>4,516,248,512</b>

**Currency wise analysis of deposit from customers**

**NOTE 4.20 .1**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Nepalese rupee	5,273,346,239	4,516,248,512
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
<b>TOTAL</b>	<b>5,273,346,239</b>	<b>4,516,248,512</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Borrowing**

**NOTE 4.21**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Domestic Borrowing		
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
<b>Sub total</b>	-	-
Foreign Borrowing		
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
<b>Sub total</b>	-	-
<b>TOTAL</b>	-	-

**Provisions**

**NOTE 4.22**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
<b>TOTAL</b>	-	-

**Provisions**

**NOTE 4.22.1**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Balance at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
<b>TOTAL</b>	-	-

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Other Liabilities**

**NOTE 4.23**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Liability for employees defined benefit obligations	3,376,163.00	3,467,949
Liability for long-service leave	4,003,142.00	3,332,949
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	4,619,594.50	3,070,714
Interest payable on deposit	1,916,386.00	3,821,493
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	67,797.00	49,620
Liabilities under Finance Lease	-	-
Employee bonus payable	17,021,835.10	13,625,852
Other	9,474,716.00	22,558,117
<b>TOTAL</b>	<b>40,479,634</b>	<b>49,926,694</b>

**Defined benefit obligations**

**NOTE 4.23.1**

The amounts recognised in the statement of financial position are as follows:

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Present value of unfunded obligations	-	-
Present value of funded obligations	24620818	24,184,634
Total present value of obligations	24620818	24,184,634
Fair value of plan assets	21244655	20,716,685
Present value of net obligations	3376163	3,467,949
Recognised liability for defined benefit obligations	24620818	24,184,634

**Plan assets**

**NOTE 4.23.2**

Plan assets comprise

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	21,244,655	20,716,685
<b>TOTAL</b>	<b>21,244,655</b>	<b>20,716,685</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

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

**NOTE 4.23.3**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Defined benefit obligations at Shrawan 1	24,184,634	20,268,241
Actuarial losses	(1,103,700)	760,191
Benefits paid by the plan	(2,774,208)	(365,038)
Current service costs and interest	4714092	3,521,240
Defined benefit obligations at Ashad end	25,020,818	24,184,634

**Movement in the fair value of plan assets**

**NOTE 4.23.4**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Fair value of plan assets at Shrawan 1	20716685	17,806,219
Contributions paid into the plan	1870546	2,074,370
Benefits paid during the year	(2,774,208)	(365,038)
Actuarial (losses) gains	(392,205)	(478,346)
Expected return on plan assets	1823837	1,679,480
<b>Fair value of plan assets at Ashad end</b>	<b>21,244,655</b>	<b>20,716,685</b>

**Amount recognised in profit or loss**

**NOTE 4.23.5**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Current service costs	2,662,314	1,713,525
Interest on obligation	2,051,778	1,807,715
Expected return on plan assets	(1,823,837)	(1,679,480)
<b>TOTAL</b>	<b>2,890,255</b>	<b>1,841,760</b>

**Amount recognised in other comprehensive income**

**NOTE 4.23.6**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Actuarial (gain)/loss	(1,111,495)	1,238,537
<b>TOTAL</b>	<b>(1,111,495)</b>	<b>1,238,537</b>

**Actuarial assumptions**

**NOTE 4.23.7**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Discount rate	8.00%	9.00%
Expected return on plan asset	8.00%	9.00%
Future salary increase	7.00%	8.00%
Withdrawal rate	9.00%	10.00%

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Debt securities issued**

**NOTE 4.24**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Debt securities issued designated as at fair value through profit or loss		
Debt securities issued at amortised cost		
<b>TOTAL</b>		

**Subordinated Liabilities**

**NOTE 4.27**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Redeemable preference shares		
Irredeemable cumulative preference shares		
<b>Other</b>		
<b>TOTAL</b>		

**Share capital**

**NOTE 4.26**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Ordinary shares	881,035,709	823,397,859
Convertible preference shares (equity component)	-	-
Irredeemable preference shares (equity component)	-	-
Perpetual debt (equity component only)	-	-
<b>TOTAL</b>	<b>881,035,709</b>	<b>823,397,859</b>

**Ordinary shares**

**NOTE 4.26.1**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Authorized capital</b>		
10,400,000 Ordinary share of Rs. 100 each	1,040,000,000	1,040,000,000
<b>Issued capital</b>		
8,810,357.09 Ordinary share of Rs. 100 each	881,035,709	823,397,859
<b>Subscribed and paid up capital</b>		
8,810,357.09 Ordinary share of Rs. 100 each	881,035,709	823,397,859
<b>TOTAL</b>	<b>881,035,709</b>	<b>823,397,859</b>



**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Ordinary share ownership**

**NOTE 4.26.2**

*IN NPR*

PARTICULARS	ASHAD END 2078		ASHAD END 2077	
	Percent	Amount	Percent	Amount
<b>Domestic ownership</b>	100.00%	100.00%	823,397,859	823,397,859
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
<b>Other Institutions</b>	-	-	-	-
Public	48.76%	48.76%	401,488,796	401,488,796
Other	51.24%	51.24%	421,909,063	421,909,063
<b>Foreign ownership</b>	-	-	-	-
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>823,397,859</b>	<b>823,397,859</b>

**Reconciliation of number of shares outstanding**

PARTICULARS	ASHAD END 2078	ASHAD END 2077
At the beginning of the year	8,233,978.59	8,233,978.59
Add: Share capital of Bhaktapur Finance		-
Add: ordinary shares issued as bonus shares during the year	576,378.50	-
Add: ordinary shares issued as right shares during the year		-
<b>At the end of the year</b>	<b>8,810,357.09</b>	<b>8,233,978.59</b>

## Share Capital

List of Share holder holding 0.5% or more Share As on Ashad End 2078

Ordinary share ownership	Percentage	Share Capital
Monika Shrestha	5.91%	520,934
Dhurba Rudra Karmacharya	5.69%	500,994
Rajoj Man Shrestha	3.00%	264,456
Benuka Joshi	2.99%	263,870
Ratna Man Shrestha	2.01%	176,956
Chandika Shrestha	2.00%	175,918
Premier Insurance Company Ltd	1.98%	174,575
Shikhar Insurance Company Ltd	1.98%	174,574
Ganga Lal Bomjan	1.97%	173,416
Sanjoj Man Shrestha	1.56%	137,175
Dipak Krishna Prajapati	1.15%	101,575
Laxmi Bhakta Chawal	1.13%	99,885
Dhirendra K.C.	1.08%	94,783
Laxmi Prasad Twanabasu	1.04%	91,516
Indra Prajapati	0.62%	54,431
Chandra Man Pradhan	0.60%	52,781
Chaitya Raj Shakya	0.59%	51,933
Keshari Chand Kucheria	0.54%	47,761
Bijay Gopal Rajbhandari	0.52%	45,730
Asha Ram Baidhya	0.52%	45,707
<b>Total</b>		<b>3,248,969</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Reserves**

**NOTE 4.27**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Statutory general reserve	157,144,072	134,897,313
Exchange equalisation reserve		
Corporate social responsibility reserve	1,657,609	1,568,252
Capital redemption reserve		
Regulatory reserve	19,709,977	32,513,980
Investment adjustment reserve	-	-
Capital reserve		
Assets revaluation reserve		
Fair value reserve	37,728,854	(1,657,376)
Dividend equalisation reserve		
Debenture Redemption Reserve		
Actuarial gain	(6,452,782)	(7,230,829)
Special reserve		
Other reserve	2,013,450	2,013,449
<b>TOTAL</b>	<b>211,801,180</b>	<b>162,104,789</b>

**Statutory general reserve**

There is a statutory requirement of Bank and Financial Institution Act, 2073 which required to set aside 20% of the net profit after tax to general reserve to build up capital until the balance of the reserve is twice of the paid-up share capital. This is the restricted reserve and cannot be utilised for distribution of profit.

During the year, the finance company has appropriated Rs.2,22,46,759/- (Previous year Rs.1,72,70,782/- ) to this reserve being 20% of net profit for the year.

**Corporate social responsibility reserve**

Corporate social responsibility reserve has been created as per the circular issued by Nepal Rastra Bank, which required to apportion 1% of the net profit for the year to this reserve. During the year, CSR reserve of Rs. 11,12,338/- has been appropriated as per the circular.

The expense incurred by the Finance Company for corporate social responsibility as per the its policy is charged to statement of profit or loss with corresponding additions to retained earnings.

**Regulatory reserve**

Regulatory reserve has been created as per the directive issued by Nepal Rastra Bank and is not available for distribution of dividend (cash as well as bonus shares). The amount that is allocated from profit or retained earnings for the purpose of implementation of NFRS and include interest receivable, short provision for possible losses on investment, short loan loss provision on Non-Banking Assets, deferred tax assets recognized and actuarial loss recognized.

During the year Rs. 1,21,95,857/- has been transferred from regulatory reserve to retained earning as follows:

*IN NPR*

PARTICULARS	ASHAD END 2078
<b>Regulatory adjustment :</b>	
a. Interest receivable (-)/previous accrued interest received (+)	2,576,092
b. Short loan loss provision in accounts (-)/reversal (+)	-
c. Short provision for possible losses on investment (-)/reversal (+)	-
d. Short loan loss provision on Non-Banking Assets (-)/reversal (+)	3,545,560
e. Deferred tax assets recognised (-)/ reversal (+)	3,638,782
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Actuarial loss recognised (-)/reversal (+)	778,047
i. Other (+/-) (Fairvalue Reserve Negative Balance)	1,657,376
<b>TOTAL</b>	<b>12,195,857</b>

<b>a. Interest receivable (-)/previous accrued interest received (+)</b>	<b>Amount</b>
Accrued Interest receivable as per Trial Balance	27,860,294
Interest received till Bhadra 15, 2078 out of Interest Receivable	(8,463,605)
Interest not received but already booked income ( As per NFRS)	19,396,689
Notional Bonus Amount (@ 10%)	(1,939,669)
Interest Income after Notional Bonus	17,457,020
Notional Tax Amount (@ 30%)	(5,237,106)
Interest not received transferred to Regulatory Reserve	12,219,914
Less: Transferred in PY	14,796,006
Amount to be tranfered in CY	(2,576,092)
(As per Circular no. 6, 2076-77, Point no. (Aa))	

#### **Fair value reserve**

Fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value through other

comprehensive income and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized.

The cumulative amount of changes in fair value of those financial assets is presented under fair value reserve.

During the year, the finance company has positive balance of Rs. 3,77,28,854/- in this reserve.

#### **Actuarial gain / (loss)**

Actuarial gain or (loss) that represents change in actuarial assumptions used to determine the value employee obligations under defined benefit obligations.

During the year, the finance company has transferred balance of Rs. 7,78,047/- from this reserve.

#### **Other reserve**

There is no movement in Other Reserve as compared to previous year due to COVID 19 .

#### **Retained earnings**

Retained earnings is accumulated profit which has not been distributed to shareholders and has been ploughed back in the Finance Company's operations and is free for distribution of dividend to the shareholders.

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Contingent liabilities and commitments**

**NOTE 4.28**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Contingent liabilities	5,177,224	15,577,224
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>TOTAL</b>	<b>5,177,224</b>	<b>15,577,224</b>

**Contingent liabilities**

**NOTE 4.28.1**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	5,177,224.00	15,577,224
Underwriting commitment	-	-
Other commitments	-	-
<b>TOTAL</b>	<b>5,177,224</b>	<b>15,577,224</b>

**Undrawn and undisbursed facilities**

**NOTE 4.28.2**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Capital commitments**

**NOTE 4.28.3**

*Capital expenditure approved by relevant authority of the finance but provision has not been made in financial statements IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Capital commitments in relation to Property and Equipment</b>		
Approved and contracted for	-	-
Approved but not contracted for	-	-
<b>Sub total</b>	-	-
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for	-	-
Approved but not contracted for	-	-
<b>Sub total</b>	-	-
<b>TOTAL</b>	-	-

**Lease commitments**

**NOTE 4.28.4**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Operating lease commitments		
Future minimum lease payments under non cancellable operating lease, where the finance company is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Sub total</b>	-	-
Finance lease commitments		
Future minimum lease payments under non cancellable operating lease, where the finance company is lessee	-	-
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Sub total</b>	-	-
<b>GRAND TOTAL</b>	-	-

**Litigation**

**NOTE 4.28.5**

The finance company's litigations are generally related to its ordinary course of business pending on various jurisdictions. There are no litigations related to Income Tax or VAT.

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Interest Income**

**NOTE 4.29**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Cash and cash equivalent	8,477,492	50,212,795
Due from Nepal Rastra Bank		-
Placement with bank and financial institutions		-
Loan and advances to bank and financial institutions	14,943,599	17,359,511
Loans and advances to customers	496,166,134	486,282,045
Investment securities	51,098,508	14,597,684
Loan and advances to staff	243,714	1,508,893
Other	-	-
<b>Total interest income</b>	<b>570,929,446</b>	<b>569,960,928</b>

**Interest Expense**

**NOTE 4.30**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Due to bank and financial institutions	5,309,128	-
Due to Nepal Rastra Bank	372,815	-
Deposits from customers	378,111,137	362,201,611
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
<b>Total interest expense</b>	<b>383,793,080</b>	<b>362,201,611</b>

**Fees and Commission Income**

**NOTE 4.31**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Loan administration fees	39,709,032	30,283,825
Service fees	-	-
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	89,564	3,286
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	687,879	511,064
Commission on letter of credit	-	-
Commission on guarantee contracts issued	170,927	166,800
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	2,168,960	1,225,830
<b>Total fees and commission income</b>	<b>42,826,362</b>	<b>32,190,805</b>

**Fees and Commission Expense**

**NOTE 4.32**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	-	-
<b>Total fees and commission expense</b>	<b>-</b>	<b>-</b>

**Net Trading Income**

**NOTE 4.33**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	-	-
Other	-	-
<b>Net trading income</b>	<b>-</b>	<b>-</b>



**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Other Operating Income**

**NOTE 4.34**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	47,260,535	882,986
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	6,768,402	6,624,275
Gain/loss on sale of property and equipment	1,346,524	26,463
Gain/loss on sale of investment property	-	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
<b>TOTAL</b>	<b>55,375,461</b>	<b>7,533,724</b>

**Impairment charge/(reversal) for Loan and Other Losses**

**NOTE 4.35**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Impairment charge/(reversal) on loan and advances to B/FIs	341,000	50,000
Impairment charge/(reversal) on loan and advances to customer	10,641,521	29,525,359
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
<b>TOTAL</b>	<b>10,982,521</b>	<b>29,575,359</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Personnel Expense**

**NOTE 4.36**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Salary	27,566,242.00	23,703,071
Allowances	16,322,701.00	14,007,407
Gratuity expense	3,083,958.00	1,841,760
Provident fund	2,430,994.00	2,031,736
Uniform	1,309,015.00	742,993
Training & development expense	585,041.00	778,679
Leave encashment	2,940,059.00	2,420,793
Medical	3,058,754.00	2,711,299
Insurance	193,346.00	55,073
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	497,640.72	532,375
Other expenses related to staff	2,216,276.00	1,745,045
<b>Sub total</b>	<b>60,204,027</b>	<b>50,570,231</b>
Employees bonus	17,021,835	13,625,852
<b>GRAND TOTAL</b>	<b>77,225,862</b>	<b>64,196,083</b>

**Other Operating expense**

**NOTE 4.37**

*IN NPR*

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Directors' fee	552,000	361,000
Directors' expense	114,129	67,917
Auditors' remuneration	493,090	522,140
Other audit related expense	235,732	497,729
Professional and legal expense	233,532	329,492
Office administration expense	23,547,149	18,216,192
Operating lease expense	8,246,357	5,885,334
Operating expense of investment properties	-	-
Corporate social responsibility expense	1,022,981	1,572,509
Onerous lease provisions	-	-
Other	-	-
<b>TOTAL</b>	<b>34,444,970</b>	<b>27,452,313</b>

**CENTRAL FINANCE LTD.**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**For the year ended Ashad End 2078**

**Office Administrative Expenses**

**NOTE 4.37.1**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Water & Electricity	2,014,779	1,782,677
Repair & Maintenance	1,179,193	952,734
a) Building	-	-
b) Vehicle	570,718	495,210
c) Computer & Accessories	127,885	147,724
d) Office Equipment & Furniture	408,859	273,129
e) Other	71,731	36,671
Insurance	1,711,871	1,506,907
Postage, telex, telephone, fax	1,548,355	2,351,618
Printing & Stationary	2,288,103	1,626,995
News paper, books and journal	177,805	193,325
Advertisement	305,872	435,212
Donation	1,000	500
Security expenses	4,095,496	3,385,840
Deposit & loan guarantee premium		-
Travel Allowance and expenses	713,824	563,056
Entertainment	495,039	-
Annual/Special general meeting Expenses	434,281	454,205
Others	8,709,458	4,963,123
<b>Total</b>	<b>23,675,076</b>	<b>18,216,192</b>

**Depreciation & Amortization**

**NOTE 4.38**

*IN NPR*

<b>PARTICULARS</b>	<b>ASHAD END 2078</b>	<b>ASHAD END 2077</b>
Depreciation on property and equipment	10,556,148	8,115,524
Depreciation on investment property		-
Amortization of intangible assets	141,721	506,998
<b>TOTAL</b>	<b>10,697,868</b>	<b>8,622,521</b>

### Non Operating Income

NOTE 4.39

IN NPR

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Recovery of loan written off	-	-
Other income	1,430,861	5,138,145
<b>TOTAL</b>	<b>1,430,861</b>	<b>5,138,145</b>

### Non Operating Expense

NOTE 4.40

IN NPR

PARTICULARS	ASHAD END 2078	ASHAD END 2077
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	221,313.00	143,043
<b>TOTAL</b>	<b>221,313</b>	<b>143,043</b>

### Income Tax expense

NOTE 4.41

IN NPR

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Current tax expense</b>		
Current year	44,998,803.00	36,373,016
Adjustment for previous years		-
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(1,008,931.00)	(94,255)
Changes in tax rate		
Recognition of previously unrecognised tax losses		
<b>Total income tax expense</b>	<b>43,989,872</b>	<b>36,278,761</b>

### Reconciliation of Tax Expense and Accounting Profit

NOTE 4.41.1

IN NPR

PARTICULARS	ASHAD END 2078	ASHAD END 2077
<b>Profit before tax</b>	153,196,516	122,632,672
Tax amount at tax rate of 30%	45,958,955	36,789,802
Add: Tax effect of expense that are not deductible for tax purpose	80,784.00	150.00
<b>Less: Tax effect on exempt income</b>	<b>(2,049,867.00)</b>	<b>(612,691)</b>
Add/Less: Tax effect on other items	-	101,501
<b>Total income tax expense</b>	<b>43,989,872</b>	<b>36,278,761</b>
<b>Effective tax rate</b>	<b>30%</b>	<b>30%</b>

**CENTRAL FINANCE LTD.**

**Capital Management**

**NOTE 5.2**

**Qualitative Disclosures**

The Financial institution has developed its own internal policy and procedures and structures to manage credit, market and liquidity risk. For the purpose, the financial institution has regularly submitted report to NRB as per Internal Capital Adequacy Process (ICAAP), which acts as a guide for reporting the ongoing assessment of the financial institutions's risks, how the financial institution intends to mitigate those risks and how much current and future capital is necessary having considered other mitigating factors.

**Quantitative Disclosures**

**1. Capital Structure and Capital Adequacy**

**a. Tier 1 capital and a breakdown of its components**

<b>PARTICULARS</b>	<b>AMOUNT</b>
Paid up Capital (ordinary shares)	881,035,709
Proposed bonus share	-
Share premium	442,546
Irredeemable preferential share	-
General Reserve Fund	157,144,072
Accumulated profit/loss (Retained earnings)	106,765,650
Profit & loss a/c as per balance-sheet	-
Capital Redemption Reserve Fund	-
Capital Adjustment Fund	-
Calls in advance	-
Other Free Reserves	-
Deductions:	
Goodwill	-
Deferred tax assets	-
Investment on shares and securities in excess of limits	-
Investment to the company having financial interests	-
Fictitious Asset	-
Investment on land and building for self use not complying the Directives of NRB	-
Investment on land development and housing construction in excess of limits	-
Underwriting share not sold within the stipulated time	-
Credit and other facilities banned by the prevailing laws	-
Other Deductions	6,452,782
<b>Tier 1 Capital</b>	<b>1,138,935,195</b>

**b. Tier 2 Capital and a breakdown of its components**

<b>Supplementary Capital (Tier 2)</b>	<b>AMOUNT</b>
Provisions of loan loss made for pass loan	58,115,640
Additional loan loss provision	-
Hybrid capital instruments	-
Unsecured Subordinated Term Debt	-
Exchange Equalization Fund	-
Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-
Investment adjustment Fund	-
<b>Tier 2 Capital</b>	<b>58,115,640</b>

**c. Deduction from Capital**

Nil	
-----	--

**d. Total Qualifying Capital**

	<b>AMOUNT</b>
Tier 1 Capital	1,138,935,195
Tier 2 Capital	58,115,640
<b>Total Capital Fund (Tier 1 and Tier 2)</b>	<b>1,197,050,835</b>
Risk Weighted Exposures	4,550,966,095

**e. Capital Adequacy Ratio**

	<b>AMOUNT</b>
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	25.03%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposure Ratio (After Bank's adjustments of Pillar II)	26.30%

**f. Summary of the bank's internal approach to assess the adequacy of its capital to support current and future activities, if applicable**

The financial institution assesses the adequacy of capital on a regular basis taking into consideration of the present total risk exposure and expected future increase in this respect. The current paid up capital of the financial institution stands at NPR 88,10,35,709/-

**g. Summary of the terms and conditions and main features of all capital instruments specially in case of subordinated term debts including hybrid capital instruments**

There is no subordinated term debts and hybrid capital instruments of the financial institution.

	<b>ASHAD End 2078</b>
<b>RISK WEIGHTED EXPOSURES</b>	<b>Amount in '000'</b>
a. Risk Weighted Exposure for Credit Risk	3,977,968
b. Risk Weighted Exposure for Operational Risk	326,527
c. Risk Weighted Exposure for Market Risk	44
Total Risk Weighted Exposures (Before adjustments of Pillar II)	4,304,539
Adjustments under Pillar II	-
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	-
Add .....% of the total deposit due to insufficient Liquid Assets	-
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	74,245
Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	129,136
Desired level of disclosure requirement has not been achieved. Add 1% of RWE	43,045
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>4,550,966</b>

**2. Risk Exposures**

**Total risk weighted exposure calculation table:**

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e
Cash Balance	80,669.00			80,669.00	0%	-
Balance With Nepal Rastra Bank	271,631.59			271,631.59	0%	-
Gold					0%	-
Investment in Nepalese Government Securities	1,423,100.00			1,423,100.00	0%	-
All Claims on Government of Nepal					0%	-
Investment in Nepal Rastra Bank securities					0%	-
All claims on Nepal Rastra Bank	3,604.13			3,604.13	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)					0%	-
Claims on Foreign Government and Central Bank (ECA -2)			-		20%	-
Claims on Foreign Government and Central Bank (ECA -3)			-		50%	-
Claims on Foreign Government and Central Bank (ECA -4-6)			-		100%	-
Claims on Foreign Government and Central Bank (ECA -7)			-		150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework					0%	-
Claims on Other Multilateral Development Banks			-		100%	-
Claims on Domestic Public Sector Entities			-		100%	-
Claims on Public Sector Entity (ECA 0-1)			-		20%	-
Claims on Public Sector Entity (ECA 2)			-		50%	-
Claims on Public Sector Entity (ECA 3-6)			-		100%	-
Claims on Public Sector Entity (ECA 7)			-		150%	-
Claims on domestic banks that meet capital adequacy requirements	298,830.00		-	298,830.00	20%	59,766.00
Claims on domestic banks that do not meet capital adequacy requirements			-		100%	-
Claims on foreign bank (ECA Rating 0-1)			-		20%	-
Claims on foreign bank (ECA Rating 2)			-		50%	-
Claims on foreign bank (ECA Rating 3-6)			-		100%	-

Total risk weighted exposure calculation table:							
A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	(Rs. in '000)
Claims on foreign bank (ECA Rating 7)			-	-	150%	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)			-	-	80%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)			-	-	85%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)			-	-	90%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)			-	-	100%	-	-
Claims on Domestic Corporates (Unrated)	1,300,825.14	15,433.33	-	1,285,391.80	100%	1,285,391.80	1,285,391.80
Claims on Foreign Corporates (ECA 0-1)			-	-	20%	-	-
Claims on Foreign Corporates (ECA 2)			-	-	50%	-	-
Claims on Foreign Corporates (ECA 3-6)			-	-	100%	-	-
Claims on Foreign Corporates (ECA 7)			-	-	150%	-	-
Regulatory Retail Portfolio (Not Overdue)	2,177,775.80	19,555.21	40,716.19	2,117,504.40	75%	1,588,128.30	1,588,128.30
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-	-
Claims secured by residential properties	689,707.70	3,087.73	-	686,619.97	60%	411,971.98	411,971.98
Claims not fully secured by residential properties			-	-	150%	-	-
Claims secured by residential properties (Overdue)			-	-	100%	-	-
Claims secured by Commercial real estate	111,636.62	-	-	111,636.62	100%	111,636.62	111,636.62
Past due claims (except for claims secured by residential properties)	2,620.00	842.46	-	1,777.55	150%	2,666.32	2,666.32
High Risk claims			-	-	150%	-	-
Lending Against Securities (Bonds & Shares)	2,878.03	74.22	-	2,803.81	100%	2,803.81	2,803.81
Investments in equity and other capital instruments of institutions listed in stock exchange	208,736.79		-	208,736.79	100%	208,736.79	208,736.79
Investments in equity and other capital instruments of institutions not listed in the stock exchange	2,578.27		-	2,578.27	150%	3,867.41	3,867.41
Staff loan secured by residential property	11,965.00			11,965.00	50%	5,982.50	5,982.50
Interest Receivable/claim on government securities	17,155.73			17,155.73	0%	-	-
Cash in transit and other cash items in the process of collection	444.00			444.00	20%	88.80	88.80
Other Assets	324,836.33	30,497.01	-	294,339.32	100%	294,339.32	294,339.32
<b>TOTAL (A)</b>	<b>6,928,994.12</b>	<b>69,489.95</b>	<b>40,716.19</b>	<b>6,818,787.97</b>		<b>3,975,379.65</b>	<b>3,975,379.65</b>



B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposure
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty			-	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	5,177.22		-	5,177.22	50%	2,588.61
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposure
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)			-	-	20%	-
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
<b>TOTAL (B)</b>	<b>5,177.22</b>	<b>-</b>	<b>-</b>	<b>5,177.22</b>		<b>2,588.61</b>
Total RWE for credit Risk Before Adjustment (A) +(B)	6,934,171.34	69,489.95	40,716.19	6,823,965.19		3,977,968.26
Adjustments under Pillar II						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						-
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						-
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>6,934,171.34</b>	<b>69,489.95</b>	<b>40,716.19</b>	<b>6,823,965.19</b>		<b>3,977,968.26</b>

### c. Risk Weighted Exposure For Operational Risk

S.N.	Particulars	Fiscal Year	Fiscal Year	Fiscal Year
		2074/075	2075/076	2076/077
1	Net Interest Income	146,690.30	182,602	207,759
2	Commission and Discount Income	30,980.62	35,849	32,191
3	Other Operating Income	6,448.86	3,001	7,534
4	Exchange Fluctuation Income			
5	Addition/Deduction in Interest Suspense during the period			
6	Gross income (a)	184,120	221,451	247,484
7	Alfa (b)	15%	15%	15%
8	Fixed Percentage of Gross Income [c=(a×b)]	27,618	33,218	37,123
9	Capital Requirement for operational risk (d) (average of c)	32,653		
10	Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
11	Equivalent Risk Weight Exposure [f=(d×e)]	326,527		

#### SRP 6.4a (8) Adjustments under Pillar II (If Gross Income for the last three years is negative)

1	Total Credit and Investment (net of Specific Provision) of releted month	-		
2	Capital Requirement for Operational Risk (5% of net credit and investment)	-		
3	Risk Weight (reciprocal of capital requirement of 11%) in times	9		
4	Equivalent Risk Weight Exposure (g)	-		
5	Equivalent Risk Weight Exposure [h=f+g]	326,527		

#### Amount of NPAs (both Gross and Net)

NPR

Particulars	Current year		Previous Year	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	4,776,000	4,179,000	-	-
Substandard loan	31,946,741	23,960,055	17,167,387	12,875,540
Doubtful loan	12,332,744	6,166,372	8,329,034	4,164,517
Loss Loan	24,642,888		36,039,920	-
<b>Total</b>	<b>73,698,372</b>	<b>34,305,427</b>	<b>61,536,341</b>	<b>17,040,057</b>

#### Ratio of Non Performing Assets as per regulatory classification

Particulars	Percentage CY	Percentage PY
Gross NPA to Gross loans and Advance	1.72%	1.14%
Net NPA to Net Loan and Advance	0.82%	0.39%

#### Details of Loan Loss Provisions

Loan Category	Amount CY	Amount PY
Pass Loan	53,571,103	33,564,728
Watchlist	4,544,535	8,465,051
Rescheduled / Restructured	597,000	
Sub-Standard	7,986,685	4,291,847
Doubtful	6,166,372	4,164,517
Loss	24,642,888	36,039,920
Additional		
<b>TOTAL</b>	<b>97,508,582</b>	<b>86,526,064</b>

### Details of Loan Classification

Loan Category	Amount CY	Amount PY
Pass Loan	4,120,854,216	3,356,472,831
Watchlist	90,890,695	169,301,030
Rescheduled / Restructured	4,776,000	-
Sub-Standard	31,946,741	17,167,387
Doubtful	12,332,744	8,329,034
Loss	24,642,888	36,039,920
Additional		
<b>TOTAL</b>	<b>4,285,443,283</b>	<b>3,587,310,202</b>

### Compliance with External Requirement

The financial institutions are required to attain minimum paid up capital of NPR 800 million as per Monetary Policy 2015/16. The financial institution's paid up capital is NPR 881.03 million and has complied with the requirement.

### Classification of financial assets and financial liabilities

NOTE 5.3

Particulars	Notes	As on 15-Jul-2021		As on 15-Jul-2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>					
Assets carried at Amortised Cost					
Cash and Cash equivalent	4.1	379,499,350	379,499,350	885,255,062	885,255,062
Due from Nepal Rastra Bank	4.2	272,014,273	272,014,273	305,601,002	305,601,002
Other Trading Assets- Government Bonds	4.5	-	-	-	-
Loans and advances to BFIs	4.6	95,739,000	95,739,000	91,080,000	91,080,000
Loans and advances to customers	4.7	4,131,833,126	4,131,833,126	3,470,988,517	3,470,988,517
Investment securities- Government Bonds	4.8	1,440,255,729	1,440,255,729	582,800,000	582,800,000
Other Assets- Account Receivable	4.16	2,576,217	2,576,217	10,988,327	10,988,327
<b>Total Assets at Amortized cost</b>		<b>6,321,917,694</b>	<b>6,321,917,694</b>	<b>5,346,712,908</b>	<b>5,346,712,908</b>
Assets carried at Fair Value through Profit and Loss (FVTPL)					
Other Trading Assets- Investment in Equity	4.5			-	-
Other Trading Assets- Investment in Units of Mutual Fund	4.5			-	-
Total Assets carried at FVTPL				-	-
Assets carried at Fair Value through Other Comprehensive Income (FVTOCI)					
Investment securities- Investment in Equity	4.8	264,615,315	264,615,315	158,933,677	158,933,677
<b>Total Assets carried at FVTOCI</b>		<b>264,615,315</b>	<b>264,615,315</b>	<b>158,933,677</b>	<b>158,933,677</b>

### Liabilities

<b>Liabilities carried at Amortised Cost</b>					
Due to Bank and Financial Institutions	4.17	245,176,981	245,176,981	-	-
Due to Nepal Rastra Bank	4.18	65,668,685	65,668,685	(702,621)	(702,621)
Deposits from customers	4.20	5,273,346,239	5,273,346,239	4,516,248,512	4,516,248,512
Other Liabilities- Bills payable	4.23	-	-	-	-
Other Liabilities- Creditors & Accruals	4.23	4,619,595	4,619,595	3,070,714	3,070,714
Other Liabilities- Interest payable on deposits	4.23	1,916,386	1,916,386	3,821,493	3,821,493
Other Liabilities- Interest payable on borrowings	4.23	-	-	-	-
Other Liabilities- Unpaid dividend	4.23	67,797	67,797	49,620	49,620
<b>Total Liabilities carried at Amortised Cost</b>		<b>5,590,795,683</b>	<b>5,590,795,683</b>	<b>4,522,487,719</b>	<b>4,522,487,719</b>

**CENTRAL FINANCE LTD.**

**Fair Value of Financial Assets and Financial Liabilities**

**NOTE 5.3**

Fair Value of Financial Assets and Financial Liabilities	Fair value Hierarchy (Level)	ASHAD END 2078	ASHAD END 2077
Fair Value through Profit and Loss			
Financial Assets			
Equity Securities	1	-	-
Other - Units of Mutual Funds	1	-	-
<b>Total</b>		-	-
Fair Value through Other Comprehensive Income			
Financial Assets			
Investment securities at OCI			
Quoted equity securities	1	262,037,040.66	156,355,403
Unquoted equity securities	3	2,578,274.00	2,578,274
<b>Total</b>		<b>264,615,314.66</b>	<b>158,933,677</b>

Financial Instruments held at amortised cost			
<b>Financial Assets</b>			
Cash and Cash equivalent	3	-	-
Due from Nepal Rastra Bank	3	272,014,272.50	305,601,002
Government bonds	3	1,440,255,729.00	582,800,000
Government treasury bills	3	-	-
Loan and advances to BFIs	3	95,739,000.00	91,080,000
Loans and advances to customers	3	4,131,833,125.97	3,470,988,517
Accounts receivable	3	-	-
<b>Total</b>		<b>5,939,842,127.47</b>	<b>4,450,469,519</b>

		6,204,457,442.13	4,609,403,196
<b>Financial Liabilities</b>			
Due to Bank and Financial Institutions	3	-	-
Due to Nepal Rastra Bank	3	65,668,685.00	(702,621)
Deposits from customers	3	5,273,346,239.00	4,516,248,512
Other Liabilities- Bills payable	3	-	-
Other Liabilities- Creditors & Accruals	3	-	-
Other Liabilities- Interest payable on deposits	3	-	-
Other Liabilities- Interest payable on borrowings	3	-	-
Other Liabilities- Unpaid dividend	3	-	-
<b>Total</b>		<b>5,339,014,924.00</b>	<b>4,515,545,892</b>

**CENTRAL FINANCE LTD.**

**Classification and fair value of financial assets and financial liabilities**

**NOTE 5.3**

**A. Financial assets and liabilities at fair value through profit and loss**

**Current year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Government bonds	-	-	-
Equity Securities	-	-	-
Units of Mutual Funds	-	-	-

**Previous year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Government bonds	-	-	-
Equity Securities	-	-	-
Units of Mutual Funds	-	-	-

**A. Financial assets and liabilities at fair value through profit and loss**

**B. Financial assets and liabilities measured at amortized cost**

Following table contains detail of the carrying amount of financial assets and liabilities as on reporting date:

**Current year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Treasury bills	-	-	-
Government bonds	-	1,440,255,729	-
Loans and advances to B/FIs	-	-	95,739,000
Loans and advances to customers	-	-	4,131,833,126

**Previous year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Treasury bills	-	-	-
Government bonds	-	582,800,000	-
Loans and advances to B/FIs	-	-	91,080,000
Loans and advances to customers	-	-	3,470,988,517

**C. Financial assets measured at fair value through other comprehensive income**

Following table contains detail of the carrying amount and based on the hierarchy of fair value measurement of financial assets as on reporting date:

**Current year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Investment securities			
Quoted Equity	262,037,041	-	-
Unquoted Equity	-	-	2,578,274
<b>TOTAL</b>	<b>262,037,041</b>	<b>-</b>	<b>2,578,274</b>

**Previous year**

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Investment securities			
Quoted Equity	156,355,403	-	-
Unquoted Equity	-	-	2,578,274
<b>TOTAL</b>	<b>156,355,403</b>	<b>-</b>	<b>2,578,274</b>

**CENTRAL FINANCE LTD.**

**Segment Analysis**

The finance company has identified segments on the basis of each geographical

**Note 5.4**  
presence in seven provinces.

**For the FY 2077-78**

*NPR*

Particulars	Province 1	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers	12,995	127,687,189	458,868,225	82,562,860	669,131,269
b. Intersegment revenue/(expenses)	-	-	-	-	-
c. Gross Revenue	12,995	127,687,189	458,868,225	82,562,860	669,131,269
d. Interest Revenue	-	112,477,161	381,153,254	77,299,031	570,929,446
e. Interest Expenses	11,990	(18,593,976)	388,146,290	14,228,776	383,793,080
f. Net interest Revenue	(11,990)	131,071,137	(6,993,036)	63,070,255	187,136,366
g. Other Income	-	-	1,430,861	-	1,430,861
h. Other Expenses	735,171	13,536,874	89,618,869	8,001,231	111,892,145
i. Depreciation & Amortization	307,940	3,521,631	6,238,513	629,784	10,697,868
j. Segment Profit /(Loss)	(1,040,042)	129,284,647	(36,054,364)	59,796,726	151,986,967
k. Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-
l. Other material non-cash items	-	-	-	-	-
m. Impairment of assets	-	-	10,982,521	-	10,982,521
<b>n. Segment assets</b>	<b>10,457,449</b>	<b>1,332,970,618</b>	<b>4,192,076,821</b>	<b>684,439,193</b>	<b>6,219,944,082</b>
<b>o. Segment liabilities</b>	<b>11,574,205</b>	<b>1,242,880,947</b>	<b>3,910,411,452</b>	<b>458,780,756</b>	<b>5,623,647,360</b>

**For the FY 2076-77**

*NPR*

Particulars	Province 1	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers		77,745,797	456,131,376	75,808,284	609,685,457
b. Intersegment revenue/ (expenses)		-	-	-	-
c. Gross Revenue		77,745,797	456,131,376	75,808,284	609,685,457
d. Interest Revenue		71,488,398	427,102,613	71,369,917	569,960,928
e. Interest Expenses		9,512,107	344,043,079	8,646,425	362,201,611
f. Net interest Revenue		61,976,291	83,059,534	62,723,492	207,759,317
g. Other Income		-	5,129,679	8,466	5,138,145
h. Other Expenses		8,620,599	73,980,532	9,300,310	91,901,441
i. Depreciation & Amortization		2,080,323	5,798,338	743,860	8,622,521
j. Segment Profit /(Loss)		57,557,143	3,944,754	57,125,689	118,627,586
k. Entity's interest in the profit or loss of associates accounted for using equity method		-	-	-	-
l. Other material non-cash items		-	-	-	-
m. Impairment of assets		-	28,475,341	-	28,475,341
<b>n. Segment assets</b>		<b>638,839,563</b>	<b>4,453,465,519</b>	<b>546,815,249</b>	<b>5,639,120,331</b>
<b>o. Segment liabilities</b>		<b>530,068,455</b>	<b>3,662,573,644</b>	<b>372,940,490</b>	<b>4,565,582,588</b>

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

*NPR*

	<b>FY 2077-78</b>	<b>FY 2076-77</b>
<b>a. Revenue</b>		
<b>Total revenues for reportable segments</b>	<b>669,131,269</b>	<b>609,685,457</b>
Other revenues		
Elimination of intersegment revenues		
Entity's revenues	669,131,269	609,685,457

**b. Profit or Loss**

*NPR*

<b>Total profit or loss for reportable segments</b>	<b>151,986,967</b>	<b>118,627,586</b>
Other profit or loss		
Elimination of intersegment profits		
Unallocated amounts		
Profit before income tax		

**c. Assets**

*NPR*

<b>Total assets for reportable segments</b>	<b>6,219,944,082</b>	<b>5,639,120,331</b>
Other assets		
Unallocated amounts		
Entity's assets	6,219,944,082	5,639,120,331

**d. Liabilities**

*NPR*

<b>Total liabilities for reportable segments</b>	<b>5,623,647,360</b>	<b>4,565,582,588</b>
Other liabilities		
Unallocated liabilities		
Entity's liabilities	5,623,647,360	4,565,582,588

**5. Information about geographical areas**

**Revenue from following geographical areas**

*NPR*

<b>a. Domestic</b>	<b>669,131,269</b>	<b>609,685,457</b>
Province 1	12,995	-
Province 2	127,687,189	77,745,797
Province 3	458,868,225	456,131,376
Province 4	-	-
Province 5	82,562,860	75,808,284
Province 6	-	-
Province 7	-	-
<b>b. Foreign</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>669,131,269</b>	<b>609,685,457</b>

**6. Information about major customers**

No any single external customer revenue amounts to 10% or more of the financial institution's revenue.

**Share option and share based payment**

**Note 5.5**

The finance company doesn't have arrangements of share based payment and share option as on reporting date

**Contingent Liabilities and commitments**

**Note 5.6**

The details of contingent liabilities and commitments has been presented in notes 4.28 above.



## Related Party Disclosures

NOTE 5.7

### Entity with significant influence over the Finance

No such entities have significant influence over the Finance company.

### Transactions during the period

Particulars	ASHAD END 2078	ASHAD END 2077
Directors:		
Director's sitting fees	552,000	395,000
Other Expenses	114,129	67,917
Interest paid to directors on deposits	-	1,317,698
Key Management Personnel (KMP):		
Remuneration and benefits paid	7,328,307	6,828,058
Interest on account balances	-	809,389

### Terms and conditions of transactions with related parties

The related party transactions are made at terms equivalent to those that prevail in an arms's length transactions. The following table provides the total amount of transaction that has been entered into with related parties for during the reporting period.

Transactions	Current Year	
	Amount	Nature of Relationship
Deposit	-	Director
Deposit	-	KMP

Transactions	Previous Year	
	Amount	Nature of Relationship
Deposit	-	Director
Deposit	-	KMP

### Details of Directors

Particulars	Current year	Previous year
Chairman	Mr. Sanjoj Man Shrestha	Mr. Sanjoj Man Shrestha
Directors	Mrs. Chandika Shrestha	Mrs. Chandika Shrestha
	Mr. Chaitya Raj Shakya	Mr. Chaitya Raj Shakya
	Dr. Kishor Hakuduwal	Dr. Kishor Hakuduwal
	Mr. Ramesh Thapa Shrestha	Mr. Ramesh Thapa Shrestha
	Mr. Bidya Bhusan Dhoj Joshi	Mr. Bidya Bhusan Dhoj Joshi
	Mr. Krishna Pd Neupane	Mr. Krishna Pd Neupane

### Details of Key managerial personnel

Particulars	Current year	Previous year
Chief Executive Officer	Mr. Rajoj Man Shrestha	Mr. Rajoj Man Shrestha

### Merger & Acquisition

NOTE 5.8

During the reporting period, there is no merger and acquisition.

### Additional disclosures on non consolidated entities

NOTE 5.9

The Finance company has no subsidiary for consolidation.

### Events after reporting date

NOTE 5.10

The events after the reporting date are all those events, whether favorable or unfavorable, which have occurred between the reporting date and the date of preparation or approval of the financial statements for its disclosure. During the review year there are no such events after reporting date.

**CENTRAL FINANCE LTD.**

**Departure from NFRS**

**NOTE 5.11**

The management of the finance company has concluded that the financial statements fairly present the company's financial position, performance and cash flows. The Institute of Chartered Accountants of Nepal (ICAN) issued "Notice regarding Decision on Carve-outs in NFRS with Alternative Treatments" on 20 September 2018 and alternative treatments as per carve outs has been adapted while preparing the financial statements.

**Limitations of NFRS**

**NOTE 5.12**

During NFRS implementation , wherever the information is not adequately available and the cost to develop the same would exceed the benefit derived, if any, has been noted and disclosed in respective sections.

**Reclassification, Regrouping and rounding off**

**NOTE 5.13**

Previous year figure have been reclassified and regrouped wherever necessary to make the same comparable with the current year figure. Figures in financial statement are rounded off to nearest rupee.

**Ratios as per NRB Directive**

Particulars	Current year		Previous year	
	This quarter	Upto this quarter (YTD)	This quarter	Upto this quarter (YTD)
Capital fund to RWA		26.30%	-	26.26%
Non-performing loan (NPL) to total loan		1.72%	-	1.73%
Total loan loss provision to Total NPL		131.76%		140.61%
Cost of Funds		6.98%	-	8.54%
CCD Ratio (As per NRB Directives)		64.44%	-	63.69%
Base Rate		9.01%	-	11.02%
Interst Rate Spread		4.90%	-	4.97%

## Significant Accounting Policies and Notes to the Accounts

### 1. Reporting entity

Central Finance Limited (hereinafter referred to as the “finance company”) is a public limited company registered under Companies Act of Nepal. The Finance Company is licensed as per the Nepal Rastra Bank (NRB) as “C” class financial institution to perform financial services as per the Bank and Financial Institutions Act (BAFIA) and its Memorandum and Articles of Association.

The head office of the finance company is located at Kupondole, Lalitpur, Nepal and carries out its financial services through its branches.

The finance company accepts deposits, issues loans, issues and processes debit cards, is engaged in investing and trading securities, as well as performs other activities set forth in the BAFIA and the Memorandum and Articles of Association of the finance company. The company offers range of financial products and services to wide range of clients encompassing individuals, mid markets and corporates.

The finance company’s shares are listed with Nepal Stock Exchange Ltd and its symbol is CFCL.

### 2. Basis of preparation of financial statements

These financial statements, which comprise the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto have been prepared in all material aspects in accordance with requirements of applicable Nepal Financial Reporting Standards (NFRS) issued by the Institute of Chartered Accountants of Nepal and in the format issued by Nepal Rastra Bank. These are prepared under accrual basis of accounting in accordance with the historical cost convention, except for certain items as follows:

- Investment in equity instruments and units of mutual fund are measured at fair value.
- Liability for defined benefit obligations is recognised at present value of the defined benefit obligation as determined by actuary.

The finance company presents its statement of financial position broadly in the order of liquidity.

The significant accounting policies applied in the preparation of financial statements are set out below in Note 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 Statement of the company which comprise of component mentioned above have been prepared in accordance with Nepal Financial Reporting Standard (hereafter referred as NFRS) issued by Accounting Standard Board of Nepal authorized by Institute of Chartered Accountants of Nepal and Nepal Rastra Bank and in compliance of requirement of the Companies Act 2006 and Generally Accepted Accounting Principles in the Banking industry in Nepal.

#### 2.2 Reporting Period and approval of financial statements

##### a. Reporting Dates

The finance company follows the Nepalese financial year based on the Nepalese calendar starting from first day of Shrawan (Mid July) of each year to the last day of Ashad (Mid July) of the next year.

Relevant financial statements date/ period	Nepalese calendar date period	English calendar
Reporting date	Ashad 31, 2078	July 15, 2021
Comparative reporting date	Ashad 31, 2077	July 16, 2020
Reporting period	Shrawan 01, 2077 to Ashad 31, 2078	July 16, 2020 to July 15, 2021
Comparative reporting period	Shrawan 01, 2076 to Ashad 31, 2077	July 17, 2019 to July 15, 2020

##### b. Approval of financial statements

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held 29.08.2078.

#### 2.3 Functional and presentation Currency

The financial statements are presented in Nepalese Rupees (Rs.), which is the functional and presentation currency of the company. Amounts in the financial statements are rounded off to the nearest rupee.

#### 2.4 Use of Estimates, assumptions and judgements

The preparation of the financial statements in accordance with NFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ

from these estimates. Estimates, judgements and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

Further information about key assumptions concerning the future, and other key sources of estimation uncertainty and judgement, are set out in the relevant disclosure notes for the following areas:

- Impairment of loans and advances
- Provisions, commitments and contingencies
- Retirement benefit obligations

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

## 2.5 New standards in issue but not yet effective

Standards as pronounced by the Institute of Chartered Accountants of Nepal (ICAN) has been used in the preparation of financial statements. Any departure from the requirements of NFRS, if any, has been separately disclosed in the explanatory notes.

A number of new standards and amendments to the existing standards and interpretations have been issued by International Accounting Standards Board (IASB) after the pronouncements of NFRS with varying effective dates. Those become applicable when ICAN incorporates them within NFRS.

## 2.6 New standards and interpretations not adapted

There have been amendments to the standards issued by IASB and applicability of the new standards have been notified for International Financial Reporting Standards (IFRS). These amendments and new standards become applicable only when ICAN pronounces them.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 also replaces the existing 'incurred loss' impairment approach with an expected credit loss approach, resulting in earlier recognition of credit losses. The IFRS 9 impairment model has three stages. Entities are required to recognize a 12-month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk (stage 2). The assessment of whether a significant increase in credit risk has occurred is a key aspect of the IFRS 9 methodology and involves quantitative measures, such as forward-looking probabilities of default, and qualitative factors and therefore requires considerable management judgment. Stage 3 requires objective evidence of impairment, which is similar to the guidance on incurred losses in IAS 39. IFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions. The need to consider multiple economic scenarios and how they could impact the loss allowance is a very subjective feature of the IFRS 9 impairment model. Loan commitments and financial guarantees not measured at fair value through profit or loss are also in scope.

These changes may result in a material increase in the finance company's impairment allowances for credit losses although the extent of any increase will depend upon, amongst other things, the composition of the finance company's lending portfolios and forecast economic conditions at the date of implementation. The requirement to transfer assets between stages and to incorporate forward looking data into the expected credit loss calculation, including multiple economic scenarios, is likely to result in impairment charges being more volatile when compared to the current IAS 39 impairment model.

The IFRS 9 expected credit loss model principally differs from the regulatory model of incurred loss model.

### a. IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. The new standard introduces the core principle that revenue must be recognized when the goods are transferred or services are rendered to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognized if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalized and amortized over the period when the benefits of the contract are consumed.

Financial instruments, leases and insurance contracts are out of scope of IFRS 15, and so this standard is not expected to have a significant impact on the finance company. IFRS 15 is effective for annual periods beginning on or after 1 January 2018.

### b. IFRS 16 Leases

On 13 January 2016 the IASB issued IFRS 16 to replace IAS 17 Leases. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset

at the start of the lease and, lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and instead, introduces a single lessee accounting model.

## 2.7 Provisions of carve-out adapted by the finance company

The Institute of Chartered Accountants of Nepal (ICAN) issued “Notice regarding Decision on Carve-outs in NFRS with Alternative Treatments” on September 20, 2018 and alternative treatments as per carve-outs has been adapted while preparing the financial statements. The detail of carve-out provisions adapted by the finance company is given hereunder:

### a. Operating lease in the financial statements of Lessees (NAS 17 Leases, Para 33)

As per carve out prescribed by ICAN for fiscal year 2017-18, “Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- Another systematic basis is more representative of the time pattern of the user’s benefit even if the payments to the lessors are not on that basis; or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases. If payments to the lessor vary because of factors other general inflation, then this condition is not met.”

### b. Incurred loss model to measure the impairment loss on loan and advances (NAS 39: Financial Instruments, Para 58: Recognition and Measurement)

As per carve out prescribed for fiscal year 2017-18, 2018-19 and 2019-20, “An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall apply paragraph 63 of to determine the amount of any impairment loss unless the entity is bank or finance company registered as per Bank and Financial Institutions Act, 2073. Such entities shall measure impairment loss on loan and advances at the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 and shall apply paragraph 63 to measure the impairment loss on financial assets other than loan and advances. The entity shall disclose the impairment loss as per this carve-out and the amount of impairment loss determined as per paragraph 63.

### c. Impracticability to determine transactions cost of all previous years which is the part of effective interest rate (NAS 39, Para 9: Financial Instruments: Recognition and Measurement)

As per carve out prescribed for fiscal year 2017-18 and 2018-19, “The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through 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. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instruments (for example, prepayment call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).”

### d. Impracticability to determine interest income on amortized cost (NAS 39, Para AG93: Financial Instruments: Recognition and Measurement)

As per carve out prescribed for fiscal year 2017-18, 2018-19 and 2019-20, “Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.”

## 2.8 Discounting

When the realisation of assets and settlement of obligations is for more than one year, the finance company considers discounting of such assets and liabilities where impact is material.

## 3. Significant accounting policies

### 3.1 Cash and cash equivalent

Cash and cash equivalent comprise 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 period 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 finance company in the management of its short-term commitments.

Cash and cash equivalents are measured at amortized cost in the statement of financial position.

### 3.2 Financial assets and financial liabilities

#### a. Recognition

The finance company 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 an instrument. The finance company 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 institution becomes party to the contractual provisions of the instruments. Investments in equity instruments, units of mutual funds, bonds, debenture, government securities and NRB bond are recognized on trade date at which the finance company commits to purchase/acquire the financial assets. Regular purchase and sale of financial assets are recognized on trade date.

#### b. Classification

The finance company classifies its financial assets and financial liabilities as per NFRS 9 into the following measurement categories:

##### Financial assets

- Financial assets held at fair value through profit or loss;
- Financial assets held at fair value through other comprehensive income, and
- Financial assets held at amortized cost.

##### Financial liabilities

- Held at fair value through profit or loss, or
- Held at amortized cost.

##### Financial assets

The finance company classifies the financial assets as subsequently measured at amortized cost or fair value on the basis of the finance company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Interest income from these financial assets is included in Interest Income using the effective interest rate method. The two classes of financial assets are as follows:

#### i. Financial assets recognized at amortized cost

The finance company 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 on the principal amount outstanding.

#### ii. Financial assets recognized 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:

- 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 that 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.
- 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 finance company 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 through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

##### Financial Liabilities

The finance company classifies financial liabilities as follows:

#### i. Financial liabilities recognized 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 costs are directly attributable to the acquisition are recognized in statement of profit or loss as incurred. Subsequent changes in fair value is recognized at statement of profit or loss.

**ii. Financial Liabilities recognized at amortized cost**

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

**c. Measurement**

**Initial Measurement**

Financial assets and financial liabilities are recognised when the finance company becomes party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities unless the same is measured at fair value through profit or loss. The transaction cost of financial assets and financial liabilities measured at fair value through profit or loss are expensed in profit or loss.

**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 asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using 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 the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or non-collectability.

In case of loans and advances measured at amortized cost, the processing charge and documentation charges received from customers which are directly attributable to the acquisition or issue of such financial assets are booked as income in the statement of profit or loss in the reporting period in which they are received. The effective interest rate method is not applied as it is impracticable to determine the amount.

Further, once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter calculated by applying effective interest rate to the gross carrying amount of a financial asset. Interest income on financial assets (loans and advances) which has been individually impaired are not recognised.

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 statement of profit or loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

**d. Derecognition**

**▪ Derecognition of Financial Assets**

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the finance company has transferred substantially all of the risks and rewards of ownership. Financial assets are also derecognised upon write off. Any gain or loss arising on the disposal or retirement of an item of financial asset is determined as the difference between the sales proceeds and its carrying amount and is recognised in the statement of profit or loss. The cumulative gain or loss that was recognised in other comprehensive income, is recognised to statement of profit or loss except for investment in equity instruments measured at fair value through other comprehensive income.

**▪ Derecognition of Financial Liabilities**

A financial liability is derecognized when, and only when it is extinguished (i.e. when the obligation specified in contract is discharged, cancelled or expired). If the liability is renegotiated with the original lender on substantially different contractual terms, the original liability is derecognized and new liability is recognized.

The difference between the carrying amount of a liability (or portion) extinguished or transferred to another party (including related unamortized cost) and the amount paid for it (including any non-cash assets transferred or liability assumed), are included in statement of profit or loss.

**e. 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 finance company has access at that date.

The fair value of a liability reflects its non-performance risk. When available, the finance company measures the fair value of an instrument using the quoted price in an active market for that instrument. 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 finance company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value measurement hierarchy is as follows:

**Level 1:** These are quoted prices in active markets for identical assets or liabilities that the finance company can access at the measurement date.

**Level 2:** These are the inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly. These would include prices for the similar, but not identical, assets or liabilities that were then adjusted to reflect the factors specific to the measured asset or liability.

**Level 3:** These are unobservable inputs for the assets or liability.

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. Where available, the finance company measures the fair value of an instrument using quoted prices in an active market for that instrument. If a market for a financial instrument is not active, the finance company, establishes fair value using an appropriate fair valuation technique.

For all unquoted investment in equity instruments, their cost has been considered as their fair value and accordingly these are recognised at cost, net of impairment if any.

**f. Impairment**

At each reporting date, the finance company assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through the Statement of 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.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the finance company on terms that the finance company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. In case of financial difficulty of the borrower, the finance company considers to restructure loans rather than take possession of collateral. This may involve extending the payment arrangements and agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due.

Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 63 of NAS 39 – Financial Instruments: Recognition and Measurement.

**i. Impairment of financial assets measured at amortized cost**

Impairment of loans and advances portfolios is based on the judgements of past experience of portfolio behavior. In assessing collective impairment, the finance company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Further, management has taken additional external risk (inflation, market risk and risk of data incompleteness) for the impairment of loans and advances.

Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets measured at amortized cost are calculated as the difference



between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the finance company.

If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is recognized in the 'recovery of loan written off' under Note no. 4.39.

However, in case of loans and advances, impairment loss is measured as the higher of amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per para 63 of NAS 39 – Financial Instruments: Recognition and Measurement.

**ii. Impairment of investment in equity instrument classified as fair value through other comprehensive income**

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

**3.3 Trading assets**

The finance company classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

**3.4 Property, Plant and Equipment**

All Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the finance company and the cost of the item can be measured reliably. At each balance sheet date, the assets' residual values and useful lives are reviewed, and adjusted if appropriate, including assessing for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down to the recoverable amount. Gains and losses on disposals are included in the statement of profit or loss.

Repairs and maintenance are charged to the statement of profit or loss in the year in which it is incurred.

Depreciation is calculated using the diminishing value method at the rate determined as follows:

Class of Assets	Depreciation Rate
Building	5%
Leasehold properties	5%
Computer and accessories	25%
Vehicles	20%
Furniture and fixtures	25%
Equipment and others - office equipment	25%
Equipment and others - other assets	15%

Land is not depreciated. Assets costing less than Rs. 5,000 are recognised in statement of profit or loss in the year of purchase.

**Capital Work in Progress**

The cost of Building which are not ready for their intended use till the date of statement of financial position, are disclosed under capital work-in-progress.

**3.5 Intangible Assets**

The intangible assets include software purchased by the finance company. All computer software costs incurred or licensed for use which are not integrally related to associated hardware, which can be clearly identified, reliably measured, and it's probable that they will lead to future economic benefits, are included in the statement of financial position under the category 'Intangible Assets'. Software is measured at cost less accumulated amortization and accumulated impairment loss if any. Software is amortized on a straight-line basis in profit or loss over its useful life, from the date that is available for use. The estimated useful life of software for the current and comparative periods is five years. Amortization method, useful lives and residual value are reviewed at each reporting date and adjusted, if any.

### 3.6 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 sold in ordinary course of business and owner-occupied property.

Investment property is initially measured at cost and subsequently at cost model. Accordingly, such properties are subsequently measured at cost less accumulated depreciation and impairment loss if any.

Any gain or loss on disposal of an investment property is recognized in statement of profit or loss. When the use of a property changes such that it is reclassified as property plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent reporting.

Investment property amounting to Rs.5,500,000/- has been written back from Regulatory Reserve to Retained Earning after adjustment of notional bonus and notional tax

### 3.7 Income tax

#### a. Current tax

Current tax in the statement of profit or loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws applicable during the period, together with any adjustment to tax payable in respect of previous years.

Current tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under the statement of other comprehensive income or equity, as applicable.

Current tax assets and liabilities are offset only when there is both a legal right of offset and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### b. Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Deferred tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under the statement of other comprehensive income or equity, as applicable.

### 3.8 Deposit, debt securities issued and subordinated liabilities

The estimated fair value of deposits with no stated maturity period is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity period.

Debentures are recognized at amortized cost using effective interest rates. The coupon rates of these instruments represent the effective interest rates. Effective interest rate is expected to cover for the credit risk and time value of money on these instruments as these are solely for the purpose of principal and interest.

### 3.9 Provisions

Provisions are recognized when the finance company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the finance company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in statement of profit or loss net of any reimbursement in other operating expenses

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A provision for onerous contract is recognized when the expected benefits to be derived by the finance company from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

### 3.10 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. In some cases, this may not be probable until the consideration is received or until an uncertainty is removed.

Revenue comprises of interest income, fees and commission, disposal income, etc. Revenue is recognized to the extent it is probable that the economic benefits will flow to the finance company 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 income recognition are as below:

#### a. 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 profit or loss includes:

- Interest income on financial assets measured at amortized cost is calculated on an effective interest rate to the gross carrying amount of financial assets unless the financial asset is written off either partially or fully. These financial assets include loans and advances including staff loans, investment in government securities, investment in corporate bonds, investment in NRB Bond and deposit instruments, etc.
- Interest income on loans and advances to customers which are individually impaired are not recognised as per the Guidelines on Recognition of Interest Income, 2019 issued by Nepal Rastra Bank.
- Out of Accrued Interest on Loan and Advances as on Ashad end 2078, an amount of Rs.8,463,605/- was recovered till Bhadra 15 2078 leaving a balance of Rs.19,396,689/- which is transferred to Regulatory Reserve (after considering impact of Notional bonus and Notional tax).

#### b. Fees and Commission

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 and service charges are recognized as the related services are performed.

#### c. Dividend Income

Dividend on investment in equity instruments and on units of mutual fund is recognized when the right to receive payment is established. Dividend income are presented in net trading income or other operating income based on the underlying classification of the equity instruments and units of mutual fund.

#### d. Net trading income

Net trading income comprises of gains less losses related to trading assets and liabilities and includes all realised and unrealized fair value changes, interest and dividends. .

#### e. Net income from other financial instrument at fair value through profit or loss

Gains and losses arising from changes in the fair value of other financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise

### 3.11 Interest expenses

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 finance company's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

### 3.12 Employees benefits

#### a. Short-term employee benefits

Expenses in respect of short-term benefits are recognised on the basis of amount paid or payable during which services are rendered by the employees. Liabilities for salary and allowances that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### b. Post-employment benefits

The finance company operates post-retirement benefit schemes for its employees including both defined benefit and defined contribution plans. A defined benefit scheme is a plan that defines an amount of gratuity benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and salary. A defined contribution plan is a plan into which the finance company pays fixed contributions; there is no legal or constructive obligation to pay further contributions.

**i. Defined contribution plan**

These are plans in which the finance company pays pre-defined amounts to publicly administered funds as per local regulations and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the social security fund with the government on account of provident fund. The Company's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

**ii. Defined benefit plan**

The finance company's defined benefit plans comprise of gratuity. The liability or asset recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Service costs and net interest expense or income is reflected in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in actuarial gain/(loss) reserve in the statement of changes in equity and in the statement of financial position..

**c. Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. This benefit is unfunded.

**3.13 Leases**

Minimum lease payments made under finance lease are apportioned between the finance expense and reduction of outstanding liabilities. The finance expense is allocated to each period during the lease term so as to produce the constant periodic rate of interest on the remaining balance of liabilities.

The leases entered into by the finance company are primarily operating leases. When an operating lease is terminated before the end of the lease period, any payment made to the lessor by way of penalty is recognized as an expense in the period of termination.

Actual lease payments as per the contract with lessor for the reporting period under operating lease are recognized as an expense in statement of profit or loss since the payment to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**3.14 Foreign currency translation**

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss, except when recognized in other comprehensive income.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on equities and similar non-monetary items held at fair value through profit and loss are recognized in statement of profit or loss as part of the fair value gain or loss.

**3.15 Financial guarantee and loan commitment**

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflow of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognized in financial statements but are disclosed unless they are remote. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs. Detail of financial guarantee and commitments provided by the Finance company on the reporting date is given as Note 4.28.

**3.16 Share capital and reserve**

The Finance company applies NAS 32 – Financial Instruments: Presentation, to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the finance company having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument.

Expenses incurred of issue of share capital are deducted from equity. Dividends and other returns to equity holders are recognized in the period when they are declared by the members at the annual general meeting and are treated as a deduction from equity.

### 3.16.1 Statutory General Reserve

There is a statutory requirement of Bank and Financial Institution Act, 2073 which required to set aside 20% of the net profit after tax to general reserve to build up capital until the balance of the reserve is twice of the paid-up share capital. This is the restricted reserve and cannot be utilised for distribution of profit. During the year, the finance company has appropriated Rs.2,22,46,759/- (Previous year Rs.1,73,99,630/- ) to this reserve being 20% of net profit for the year.

### 3.16.2 Corporate Social Responsibility Reserve

Corporate social responsibility reserve has been created as per the circular issued by Nepal Rastra Bank, which required to apportion 1% of the net profit for the year to this reserve. During the year, CSR reserve of Rs.11,12,338 has been appropriated as per the circular. The expense incurred by the Finance Company for corporate social responsibility as per the its policy is charged to statement of profit or loss with corresponding additions to retained earnings.

**The movement in Corporate Social Responsibility Fund is as**

Particulars	FY 2077-78	FY 2076-77
Opening Balance	1,568,252	2,277,222
Transfer During the Year	1,112,338	863,539
Expenses during the year	1,022,981	1,572,509
Closing balance	1,657,609	1,568,252

### 3.16.3 Regulatory reserve

Regulatory reserve has been created as per the directive issued by Nepal Rastra Bank and is not available for distribution of dividend (cash as well as bonus shares). The amount that is allocated from profit or retained earnings for the purpose of implementation of NFRS and include interest receivable, short provision for possible losses on investment, short loan loss provision on Non-Banking Assets, deferred tax assets recognized and actuarial loss recognized. During the year Rs. 12,195,857/- has been transferred from regulatory reserve to retained earnings.

Regulatory adjustment :	Amount
a. Interest receivable (-)/previous accrued interest received (+)	2,576,092
b. Short loan loss provision in accounts (-)/reversal (+)	-
c. Short provision for possible losses on investment (-)/reversal (+)	-
d. Short loan loss provision on Non-Banking Assets (-)/reversal (+)	3,545,560
e. Deferred tax assets recognised (-)/ reversal (+)	3,638,782
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Actuarial loss recognised (-)/reversal (+)	778,047
i. Other (+/-) (Fairvalue Reserve Negative Balance)	1,657,376
<b>TOTAL</b>	<b>12,195,857</b>

FY	Interest Receivable	Short Loan Loss Provision	Short Provision for possible losses on investment	Short provision on NBA	Deferred Tax Asset	Goodwill	Gain on Bargain Purchase Sale	Actuarial Loss Recognized	Fair Value Loss Recognized in OCI	Other	Total
2074-75	-	-	-	-	-	-	-	-	-	-	-
Transferred to Reserve during the year	-	-	-	-	-	-	-	-	-	-	-
Transferred from Reserve during the year	-	-	-	-	-	-	-	-	-	-	-
2075-76	1,949,836	-	19,615,553	8,655,987	9,261,152	-	-	6,363,853	-	-	45,846,381
Transferred to Reserve during the year	12,846,170	-	-	-	-	-	-	866,976	1,657,376	-	15,370,522
Transferred from Reserve during the year	-	-	(19,615,553)	(3,465,000)	(5,622,370)	-	-	-	-	-	(28,702,923)
2076-77	14,796,006	-	-	5,190,987	3,638,782	-	-	7,230,829	1,657,376	-	32,513,980
Transferred to Reserve during the year	-	-	-	-	(608,146)	-	-	-	-	-	(608,146)
Transferred from Reserve during the year	(2,576,092)	-	-	(3,545,560)	(3,638,782)	-	-	(778,047)	(1,657,376)	-	(12,195,857)
2077-78	12,219,914	-	-	1,645,427	(608,146)	-	-	6,452,782	-	-	19,709,977

Note: Regulatory Reserve accumulated effect was show in FY 2075-76 during First time adoption. The Regulatory reserve in schedule 4.27 of FY 2074-75( Retated) is shown as zero.

### 3.16.4 Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value through other comprehensive income and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets is presented under fair value reserve. During the year, the finance company has positive balance of Rs. 3,77,28,854/- in this reserve.

### 3.16.5 Actuarial gain / (loss)

Actuarial gain or loss that represents change in actuarial assumptions used to determine the value employee obligations under defined benefit obligations. During the year, the finance company has transferred balance of Rs. 778,047/- from this reserve.

### 3.16.6 Other reserve

There is no movement in Other Reserve as compared to previous year.

### 3.16.7 Retained earnings

Retained earnings is accumulated profit which has not been distributed to shareholders and has been ploughed back in the Finance Company's operations and is free for distribution of dividend to the shareholders.

### 3.17 Earnings per share including diluted

Basic earnings per share are calculated by dividing the net profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per shares is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares that arise in respect of convertible preference shares. The finance company does not have any convertible instruments and the diluted earning per share is same as the basic earnings per share.

### 3.18 Segment reporting

An operating segment is a component of the finance company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relating to transactions with any of the finance company's other components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

The finance company manages its branch networks under regional demarcation for supervision, monitoring and control. Inter unit charges and revenues are applied to assess the performance of the business units. These charges are nullified at the overall finance company's level. The finance company has identified segments on the basis of each geographical presence in seven provinces of the country.

Segment results that are reported by the finance company include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the finance company's corporate building), head office expenses, and tax assets and liabilities that are categorized as banking assets/liabilities.

### 3.19 Compliance with COVID 19 Impact

**Table 1**

**As of Ashad end 2078**

Particulars	No of Customer	Amount (NRs)
Accrued Interest received after Asadh end 2078 till 15 Bhardra 2078	966	8,463,605
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	NA	12,362,562
Extension of moratorium period of loan provided to industry or project under construction.	-	-
Restructured and reschedule loan with 5% Loan loss provision	4	1,665,864
Enhancement of Working Capital loan by 20% to COVID affected borrowers	-	-
Enhancement of Term Loan by 10% to COVID affected borrowers	-	-
Expiry Date of Additional 20% Working Capital Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Expiry Date of Additional 10% Term Loan (COVID Loan) extended for upto 1 year with 5% provisioning	-	-
Time Rxtension provide for repayment of principal and Interest for upto two years per clause 41 of NRB Directives	-	-

**Table 2**

Particulars	No of Customer	Amount (NRs)
Refinance Loan	15	84,319,260
Businesss Continuity Loan		

**Table 3**

**During FY 2077-2078**

Particulars	No of Customer	Amount (NRs)
Subsidized Loan	1	300,000

## **Note 5 – Disclosure and additional information**

### **Note 5.1 – Risk Management**

#### **Board Level Risk Committee**

The Board is the one who set policy, strategy and objectives, and oversee the executive function. It sets risk appetite and ensures that it is reflected in business strategy and cascaded throughout the organization.

The Finance Company has a Risk Management Committee (RMC) comprising of 3 members of the board and 2 members from the management. RMC assists the board in setting risk strategy policies, including risk tolerance and appetite levels, as stipulated by Nepal Rastra Bank for effective risk management. It frames risk management policies for credit risk, market risk and operational risk including risk integration, implementation of best risk management practices and setting up various risk limits. The Committee receives reports from management and after discussion and deliberations reaches in a conclusion that existing action taken by the management are appropriate or elevate the situations to the Board where further action is required with its recommendation.

#### **Risk Governance**

The risk management framework consists of board set of risk appetite, clear organization setup, well defined roles, well developed tools and processes and well defined policy on each risk areas.

Risk management framework is supervised by Risk Management Committee (RMC), and supported by functional committee, namely, Asset and Liability Management Committee (ALCO). The finance company has separate risk management department for managing, mitigating and controlling different risks which acts as second line of defense whereas all business functions lies as first line of defense and internal audit function and audit committee as third line of defense. Further, the financial institution has different policies which directs/supplements the risk management framework. The finance company has Board approved operational instructions, book of instructions and clear role definition for each unit which makes the process simple and robust. The finance company has also set tolerance limits on different parameters above the regulatory requirement maintaining extra caution level in managing these risks.

#### **Credit Risk**

Credit risk is defined as the potential that a finance borrower or counterparty will fail to meet its obligations in accordance with agreed terms. For measurement of credit risk, the finance company has adopted Simplified Standardized Approach (SSA) and for management of credit risk, has formulated various policies, procedure and internal guideline that is approved by the Board. The financial institution has a clear guiding document related to loaning power approved by the Board.

The credit risk department reviews all types of loan. Assessment ground for sanctioning of new loan, renewal of loan or enhancement of existing loan is defined in Credit Policy Guidelines and individual loan product paper. A separate vertical credit administration department in head office and branches are administrating loan related documents, examining loan repayment, record keeping of loan files and related security documents.

All revolving loans are reviewed/renewed annually. For overdraft loan facilities, stock verification is done quarterly. Credit administration department performs the recovery of loan.

#### **Operational Risk**

Operational risk is a risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risks. For management of operational risk, the finance company has policies in place, three line of defense in practice, risk identification, defined assessment and monitoring tools, risk control and mitigation tools. Formal channel is defined whereby various policies, procedure and internal guidelines are approved by Board in recommendation of Risk Management Committee (RMC).

The finance company has effective internal control system and information system for managing operational risk.

Risk events of the financial institution are compiled, and related function is instructed to take corrective measures wherever necessary. Such risk events are presented in RMC.

#### **Market Risk**

Market risk refers to the risk resulting from movements in market prices, in particular, changes in liquidity, interest rates, and equity prices. For measurement of market risk, the finance company has adopted net open position approach and for management of the market risk guidance, policies such as assets and liabilities management policy, investment policy and procedure are in place.

The finance company assesses interest rate risk, and equity price risk at a regular interval as per NRB guidelines and the internal policy in managing market risk and reporting to RMC and the Board.



### Liquidity Risk

Liquidity risk is the risk that the finance company will encounter difficulty in meeting obligations associated with financial instruments as they fall due.

The finance company has been maintaining cash reserve ratio, statutory liquidity ratio, net liquidity ratio and credit to core capital and deposit ratios within the limit as prescribed by NRB and are being monitored on continuous basis. Further, maturity wise structural liquidity table are being prepared as per the regulatory guidelines on monthly basis and reported to the Board on quarterly basis.

### Internal Control

Internal control system i.e. internal audit and compliance department has been reinforcing on the effective implementation of laid down policies and procedure. Regular financial activities are being closely monitored through internal control mechanism. The finance company has an appropriate control structure with well-defined control activities at every business level. Duties of officials and staff members are well defined at all level to avoid conflicting responsibilities. Members of the Board of Directors and management employees are required to pledge an oath for the Code of Ethics as per Staff Service Regulations. These laid down system are being monitored and reviewed periodically to identify the areas of potential conflicts of interest to minimize operational risk. Information system of the financial institution is upgraded continuously to cover activities of the finance company. Internal audit independently evaluates the adequacy and compliance of established guidelines for internal control system.

### Note 5.2 – Capital Management

#### 1. Qualitative disclosures

The finance company manages its capital with the following management objectives and approaches:

- To maintain the minimum paid up capital as required by its regulator, Nepal Rastra Bank.
- To maintain required level of stability for providing a degree of security to the deposit holders.
- To allocate capital efficiently that supports the development of the finance company's business so that it can continue to provide returns to the shareholders.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

Capital management of the finance company is also subject to regulatory requirements of the Nepal Rastra Bank which has prescribed the maintenance of capital adequacy norms which are based on Internal Capital Adequacy Assessment Process (ICAAP). This acts as a guideline for reporting the ongoing assessment of the finance company's risks as to how it intends to mitigate those risks and how much current and future capital is necessary having considered other mitigating factors.

#### 2. Quantitative disclosures

##### i. Capital structure and capital adequacy

##### a. Tier 1 capital and a breakdown of its components

Particulars	Amount (NPR)
Paid up Capital (ordinary shares)	881,035,709
Share premium	442,546
Irredeemable preferential share	-
Statutory general reserve	157,144,072
Retained earnings	106,765,650
Capital redemption reserve	-
Calls in advance	-
Other free reserves	-
Deductions:	-
Goodwill	-
Deferred tax assets	-
Investment on shares and securities in excess of prescribed limits	-
Investment in company having financial interests	-
Fictitious asset	-

Investment in land and building for self-use not complying the directives of NRB	-
Investment on land development and housing construction in excess of prescribed limits	-
Underwriting share not sold within the stipulated time	-
Credit and other facilities restricted by the prevailing laws	-
Other Deductions	6,452,782
<b>Tier 1 Capital</b>	<b>1,138,935,195</b>

**b. Tier 2 capital and a breakdown of its components**

Particulars	Amount (NPR)
Provisions of loan loss made for pass loan	58,115,640
Additional loan loss provision	-
Hybrid capital instruments	-
Unsecured subordinated term debt	-
Exchange equalization reserve	-
Assets revaluation Fund (max 2% of supplementary capital)	-
Investment adjustment reserve	-
<b>Tier 2 Capital</b>	<b>58,115,640</b>

**c. Total qualifying capital**

Particulars	Amount (NPR)
Tier 1 capital	1,138,935,195
Tier 2 capital	58,115,640
Total capital Fund (Tier 1 and Tier 2)	1,197,050,835
Risk weighted exposures	4,550,966,095

**d. Capital adequacy ratio**

Particulars	Ratio
Tier 1 capital to total risk weighted exposures	25.03%
Tier 1 and Tier 2 capital to total risk weighted exposure ratio	26.30%

**e. Summary of the finance company's internal approach to assess the adequacy of its capital to support current and future activities, if applicable**

The finance company assesses the adequacy of its capital on a regular basis taking into consideration the present total risk exposure and expected future increase in this respect. The paid-up share capital as at the end of the year is Rs. 88,10,35,709 /-

**f. Summary of the terms and conditions and main features of all capital instruments specially in case of subordinated term debts including hybrid capital instruments**

There are no subordinated term debts and hybrid capital instruments of the financial institution.

**ii. Risk exposures**

**a. Total risk weighted exposure of the finance company is detailed as below:**

**Balance sheet items**

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Cash Balance	0%	80,669.00	-
Balance With Nepal Rastra Bank	0%	271,631.59	-
Gold	0%	-	-
Investment in Nepalese Government Securities	0%	1,423,100.00	-
All Claims on Government of Nepal	0%	-	-
Investment in Nepal Rastra Bank securities	0%	-	-

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
All claims on Nepal Rastra Bank	0%	3,604.13	-
Claims on Foreign Government and Central Bank (ECA 0-1)	0%	-	-
Claims on Foreign Government and Central Bank (ECA -2)	20%	-	-
Claims on Foreign Government and Central Bank (ECA -3)	50%	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	100%	-	-
Claims on Foreign Government and Central Bank (ECA -7)	150%	-	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	0%	-	-
Claims on Other Multilateral Development Banks	100%	-	-
Claims on Domestic Public Sector Entities	100%	-	-
Claims on Public Sector Entity (ECA 0-1)	20%	-	-
Claims on Public Sector Entity (ECA 2)	50%	-	-
Claims on Public Sector Entity (ECA 3-6)	100%	-	-
Claims on Public Sector Entity (ECA 7)	150%	-	-
Claims on domestic banks that meet capital adequacy requirements	20%	298,830.00	59,766.00
Claims on domestic banks that do not meet capital adequacy requirements	100%	-	-
Claims on foreign bank (ECA Rating 0-1)	20%	-	-
Claims on foreign bank (ECA Rating 2)	50%	-	-
Claims on foreign bank (ECA Rating 3-6)	100%	-	-
Claims on foreign bank (ECA Rating 7)	150%	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	20%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AAA)	80%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to AA+ to AA-)	85%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to A+ to A-)	90%	-	-
Claims on Domestic Corporates (Credit rating score equivalent to BBB+ & below)	100%	-	-
Claims on Domestic Corporates (Unrated)	100%	1,285,391.80	1,285,391.80
Claims on Foreign Corporates (ECA 0-1)	20%	-	-
Claims on Foreign Corporates (ECA 2)	50%	-	-
Claims on Foreign Corporates (ECA 3-6)	100%	-	-
Claims on Foreign Corporates (ECA 7)	150%	-	-
Regulatory Retail Portfolio (Not Overdue)	75%	2,117,504.40	1,588,128.30
Claims fulfilling all criterion of regularity retail except granularity	100%	-	-
Claims secured by residential properties	60%	686,619.97	411,971.98
Claims not fully secured by residential properties	150%	-	-
Claims secured by residential properties (Overdue)	100%	-	-
Claims secured by Commercial real estate	100%	111,636.62	111,636.62
Past due claims (except for claims secured by residential properties)	150%	1,777.55	2,666.32
High Risk claims	150%	-	-
Lending Against Securities (Bonds & Shares)	100%	2,803.81	2,803.81
Investments in equity and other capital instruments of institutions listed in stock exchange	100%	208,736.79	208,736.79

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Investments in equity and other capital instruments of institutions not listed in the stock exchange	150%	2,578.27	3,867.41
Staff loan secured by residential property	50%	11,965.00	5,982.50
Interest Receivable/claim on government securities	0%	17,155.73	-
Cash in transit and other cash items in the process of collection	20%	444.00	88.80
Other Assets	100%	294,339.32	294,339.32
<b>TOTAL (A)</b>	<b>0%</b>	<b>6,818,787.97</b>	<b>3,975,379.65</b>

#### Off-balance sheet Items

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Revocable Commitments	0%	-	-
Bills Under Collection	0%	-	-
Forward Exchange Contract Liabilities	10%	-	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty	20%	-	-
Foreign counterparty (ECA Rating 0-1)	20%	-	-
Foreign counterparty (ECA Rating 2)	50%	-	-
Foreign counterparty (ECA Rating 3-6)	100%	-	-
Foreign counterparty (ECA Rating 7)	150%	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	50%	-	-
Foreign counterparty (ECA Rating 0-1)	20%	-	-
Foreign counterparty (ECA Rating 2)	50%	-	-
Foreign counterparty (ECA Rating 3-6)	100%	-	-
Foreign counterparty (ECA Rating 7)	150%	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	50%	-	-
Foreign counterparty (ECA Rating 0-1)	20%	-	-
Foreign counterparty (ECA Rating 2)	50%	-	-
Foreign counterparty (ECA Rating 3-6)	100%	-	-
Foreign counterparty (ECA Rating 7)	150%	-	-
Underwriting commitments	50%	-	-
Lending of Bank's Securities or Posting of Securities as collateral	100%	-	-
Repurchase Agreements, Assets sale with recourse	100%	-	-
Advance Payment Guarantee	100%	5,177.22	5,177.22
Financial Guarantee	100%	-	-
Acceptances and Endorsements	100%	-	-
Unpaid portion of Partly paid shares and Securities	100%	-	-
Irrevocable Credit commitments (short term)	20%	-	-
Irrevocable Credit commitments (long term)	50%	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	20%	-	-
Other Contingent Liabilities	100%	-	-
Unpaid Guarantee Claims	200%	-	-
<b>Total Off-Balance-sheet Items (B)</b>		<b>15,577,224</b>	<b>15,577,224</b>

### C Risk Weighted Exposure For Operational Risk

Particulars	2074/075	2075/076	2076/077
Net Interest Income	146,690.30	182,602	207,759
Commission and Discount Income	30,980.62	35,849	32,191
Other Operating Income	6,448.86	3,001	7,534
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period			
Gross income (a)	184,120	221,451	247,484
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	27,618	33,218	37,123
Capital Requirement for operational risk (d) (average of c)	32,653		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure C= [f=(d×e)]	326,527		
	146,690.30	182,602	207,759
<b>Total Risk Weighted Exposure (A) + (B)+ (C)</b>	<b>30,980.62</b>	<b>35,849</b>	<b>32,191</b>

#### b. Amount of NPAs (both gross and net)

##### Amount in NPR

Particulars	ASHAD 2078		ASAHD 2077	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	4,776,000	4,179,000	-	-
Sub-standard loan	31,946,741	23,960,055	17,167,387	12,875,540
Doubtful loan	12,332,744	6,166,372	8,329,034	4,164,517
Loss Loan	24,642,888		36,039,920	-
<b>Total</b>	<b>73,698,372</b>	<b>34,305,427</b>	<b>61,536,341</b>	<b>17,040,057</b>

#### Ratio of non-performing assets as per regulatory classification

Particulars	%	%
Gross NPA to gross loans and advance	1.72%	1.14%
Net NPA to Net Loan and Advance	0.82%	0.39%

#### Details of loan loss provision

Amount in NPR

Particulars	ASHAD 2078	ASAHD 2077
Pass Loan	53,571,103	33,564,728
Watchlist	4,544,535	8,465,051
Rescheduled / Restructured	597,000	
Sub-Standard	7,986,685	4,291,847
Doubtful	6,166,372	4,164,517
Loss	24,642,888	36,039,920
Additional		
<b>Total</b>	<b>97,508,582</b>	<b>86,526,064</b>

#### Details of loan Classification

Particulars	ASHAD END 2078	ASHAD END 2077
Pass Loan	4,120,854,216	3,356,472,831
Watchlist	90,890,695	169,301,030

Rescheduled / Restructured	4,776,000	-
Sub-Standard	31,946,741	17,167,387
Doubtful	12,332,744	8,329,034
Loss	24,642,888	36,039,920
Additional		
<b>Total</b>	<b>4,285,443,283</b>	<b>3,587,310,202</b>

### 3. Compliance with external requirement

The finance company is required to maintain a paid up capital of Rs. 800,000,000 as per Monetary Policy 2015/16. The paid-up share capital is Rs. 823,397,859 as on Ashad 31, 2076 and has complied with this requirement.

#### Note 5.3 – Classification of financial assets and financial liabilities

##### 1. The following presents the classification of financial assets and liabilities.

Particulars		As on 15 July 2020 Carrying Value	As on 15 July 2020 Fair Value	As on 16 July 2019 Carrying Value	As on 16 July 2019 Fair Value
Financial assets		“000”	“000”	“000”	“000”
Measured at amortized cost					
Cash and cash equivalent	4.1	379,499	379,499	885,255	885,255
Due from Nepal Rastra Bank	4.2	272,014	272,014	305,601	305,601
Other Trading Assets - Government Bonds	4.5	-	-	-	-
Loans and advances to BFIs	4.6	95,739	95,739	91,080	91,080
Loans and advances to customers	4.7	4,131,833	4,131,833	3,470,989	3,470,989
Government bonds	4.8	1,440,256	1,440,256	582,800	582,800
Account receivable	4.16	2,576	2,576	10,988	10,988
Sub-total		6,321,918	6,321,918	5,346,713	5,346,713
Measured at fair value through profit and loss (FVTPL)					
Investment in equity instruments	4.5	-	-	-	-
Investment in units of mutual fund	4.5	-	-	-	-
<b>Sub-total</b>		-	-	-	-
Measured at fair value through other comprehensive income (FVTOCI)					
Investment in equity instruments	4.8	264,615	264,615	158934	158934
<b>Sub-total</b>		<b>264,615</b>	<b>264,615</b>	<b>158934</b>	<b>158934</b>
Total financial assets		6,586,533	6,586,533	5,505,647	5,505,647
Financial liabilities					
Measured at amortized cost					
Due to BFIs	4.17	245,177	245,177	-	-
Due to Nepal Rastra Bank	4.18	65,669	65,669	(703)	(703)
Deposits from customers	4.20	5,273,346	5,273,346	4,516,249	4,516,249
Bills payable	4.23	-	-	-	-
Creditors and accruals	4.23	4,620	4,620	3,071	3,071
Interest payable on deposits	4.23	1,916	1,916	3,821	3,821
Interest payable on borrowings	4.23	-	-	-	-
Unpaid dividend	4.23	68	68	50	50
<b>Total financial liabilities</b>		<b>5,590,796</b>	<b>5,590,796</b>	<b>4,522,488</b>	<b>4,522,488</b>

**2. The following presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis**

*Amount in NPR*

Particulars	Fair value hierarchy (level)	ASHAD END 2078	ASHAD END 2077
Financial assets			
Measured at fair value through profit or loss			
Equity securities – quoted	1	-	-
Units of mutual fund – quoted	1	-	-
Sub-total		-	-
Measured at fair value through other comprehensive income			
Equity securities – quoted	1	262,037,040.66	156,355,403
Equity securities – unquoted	3	2,578,274.00	2,578,274
Sub-total		264,615,314.66	158,933,677
Measured at amortized cost			
Due from Nepal Rastra Bank	3		305,601,002
Government bonds	3	-	582,800,000
Loan and advances to BFIs	3	272,014,272.50	91,080,000
Loans and advances to customers	3	1,440,255,729.00	3,470,988,517
<b>Sub-total</b>		-	<b>4,450,469,519</b>
<b>Total financial assets</b>		<b>95,739,000.00</b>	<b>4,609,403,196</b>
Financial liabilities		4,131,833,125.97	
Measured at amortised cost		-	
Due to Nepal Rastra Bank	3	5,939,842,127.47	(702,621)
Deposits from customers	3		4,516,248,512
<b>Total financial liabilities</b>		<b>6,204,457,442.13</b>	<b>4,515,545,892</b>

The carrying amounts of cash and cash equivalents, account receivable, due to bank and financial institutions, bills payables, creditors and accruals, interest payable on deposits and borrowings and unpaid dividend are same as their fair values, due to their short-term nature.

Note 5.4 – Operating segment information

**1. General information**

The finance company has identified segments on the basis of each geographical presence in seven provinces. The finance company has presence in three provinces namely; Province 1, Province 3, Province 3 and Province 5.

**2. Information about profit or loss, assets and liabilities**

**i. For the financial year 2077-78**

*Amount in NPR*

	Province 1	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers	12,995	127,687,189	458,868,225	82,562,860	669,131,269
b. Intersegment revenue/(expenses)	-	-	-	-	-
c. Gross Revenue	12,995	127,687,189	458,868,225	82,562,860	669,131,269
d. Interest Revenue	-	112,477,161	381,153,254	77,299,031	570,929,446
e. Interest Expenses	11,990	(18,593,976)	388,146,290	14,228,776	383,793,080
f. Net interest Revenue	(11,990)	131,071,137	(6,993,036)	63,070,255	187,136,366
g. Other Income	-	-	1,430,861	-	1,430,861
h. Other Expenses	735,171	13,536,874	89,618,869	8,001,231	111,892,145
i. Depreciation & Amortization	307,940	3,521,631	6,238,513	629,784	10,697,868

	Province 1	Province 2	Province 3	Province 5	TOTAL
j. Segment Profit /(Loss)	(1,040,042)	129,284,647	(36,054,364)	59,796,726	151,986,967
k. Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-	-
l. Other material non-cash items	-	-	-	-	-
m. Impairment of assets	-	-	10,982,521	-	10,982,521
n. Segment assets	10,457,449	1,332,970,618	4,192,076,821	684,439,193	6,219,944,082
o. Segment liabilities	11,574,205	1,242,880,947	3,910,411,452	458,780,756	5,623,647,360

**ii. For the financial year 2076-77**

*Amount in NPR*

Particulars	Province 2	Province 3	Province 5	Total
a. Revenues from external customers	77,745,797	456,131,376	75,808,284	609,685,457
b. Intersegment revenue/ (expenses)	-	-	-	-
c. Gross Revenue	77,745,797	456,131,376	75,808,284	609,685,457
d. Interest Revenue	71,488,398	427,102,613	71,369,917	569,960,928
e. Interest Expenses	9,512,107	344,043,079	8,646,425	362,201,611
f. Net interest Revenue	61,976,291	83,059,534	62,723,492	207,759,317
g. Other Income	-	5,129,679	8,466	5,138,145
h. Other Expenses	8,620,599	73,980,532	9,300,310	91,901,441
i. Depreciation & Amortization	2,080,323	5,798,338	743,860	8,622,521
j. Segment Profit /(Loss)	57,557,143	3,944,754	57,125,689	118,627,586
k. Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-
l. Other material non-cash items	-	-	-	-
m. Impairment of assets	-	28,475,341	-	28,475,341
n. Segment assets	638,839,563	4,453,465,519	546,815,249	5,639,120,331
o. Segment liabilities	530,068,455	3,662,573,644	372,940,490	4,565,582,588

**3. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

**i. Revenue**

*Amount in NPR*

Particulars	Current year	Previous year
Total revenues for reportable segments	669,131,269	609,685,457
Other revenues		-
Elimination of intersegment revenues		-
Entity's revenues	669,131,269	609,685,457

**ii. Profit or Loss**

*Amount in NPR*

Particulars	Current year	Previous year
Total profit or loss for reportable segments	151,986,967	118,627,586
Other profit or loss	-	-
Elimination of inter segment profits		-
Unallocated amounts		
Profit before tax	151,986,967	118,627,586



### iii. Assets

*Amount in NPR*

Particulars	Current year	Previous year
Total assets for reportable segments	6,219,944,082	5,639,120,331
Other assets		-
Unallocated assets		-
Entity's assets	6,219,944,082	5,639,120,331

### iv. Liabilities

*Amount in NPR*

Particulars	Current year	Previous year
Total liabilities for reportable segments	5,623,647,360	4,565,582,588
Other liabilities		-
Unallocated liabilities		-
Entity's liabilities	5,623,647,360	4,565,582,588

### 4. Information about geographical areas

The financial company has revenue from following geographical areas:

*Amount in NPR*

Particulars	Current year	Previous year
<b>Domestic</b>		
Province 1	12,995	-
Province 2	127,687,189	77,745,797
Province 3	458,868,225	456,131,376
Province 5	82,562,860	75,808,284
<b>Foreign</b>	-	-
<b>Total</b>	<b>669,131,269</b>	<b>609,685,457</b>

### 5. Information about major customers

The revenue from a single customer does not exceed 10% or more of the total revenue of the finance company.

#### Note 5.5 – Share option and share based payment

The finance company does not have arrangements of share-based payment and share option as on reporting date.

#### Note 5.6 – Contingent Liabilities and commitments

The details of contingent liabilities and commitments has been presented in notes 4.28 of the financial statement.

#### Note 5.7 – Related party disclosures

The Company does not have any holding, subsidiary company and associate companies.

## 1. Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the finance company. Key management personnel include the board of directors and chief executive officer of the finance company as follows:

Name of key management personnel	Designation Current year	Designation Previous year
Mr. Sanjoj Man Shrestha	Chairman	Chairman
Mrs. Chandika Shrestha	Director	Director
Mr. Chaitya Raj Shakya	Director	Director
Dr. Kishor Hakuduwal	Director	Director
Mr. Ramesh Thapa Shrestha	Director	Director
Mr. Bidya Bhusan Dhoj Joshi	Director	Director
Mr. Krishna Pd Neupane	Independent Director	Independent Director
Mr. Rajoj Man Shrestha	Chief Executive Officer	Chief Executive Officer

The related party transactions are made at terms equivalent to those that prevail in an arm's length transactions. The following table provides the total amount of transaction that has been entered into with related parties for during the reporting period.

*Amount in NPR*

Particulars	Current year	Previous year
<b>With directors</b>		
Director's sitting fees	552,000	395,000
Other Expenses	114,129	67,917
Interest paid on deposits	-	1,317,698
<b>With chief executive officer</b>		
Remuneration and benefits paid	7,328,307	6,828,058
Interest paid on deposits	222,496	809,389

### Note 5.8 – Merger and acquisitions

During the reporting period, the finance company has not gone into merger and acquisition nor is pursuing any merger and acquisition.

### Note 5.9 – Additional disclosures on non-consolidated entities

The finance company does not have any subsidiary company and therefore consolidated financial statement as per NFRS is not required to be prepared.

### Note 5.10 – Events after reporting date

The events after the reporting date are all those events, whether favorable or unfavorable, which occurs between the reporting date and the date approval of the financial statements by the board of directors. During this period, there are no such events that require adjustment or additional disclosure

### Note 5.12 – Proposed Distributions (Dividend and Bonus Shares)

The board of directors in its meeting dated 29.08.2078 has proposed 7.70% Bonus share amounting to Rs. 67,839,749.59 and 3.30% cash dividend amounting to Rs. 29,074,178.40

The amount proposed is subject to approval of Nepal Rastra Bank and subject to approval of the shareholders in the ensuing annual general meeting of the finance company.

**Financial Indicator for Five Years**  
**Statement of Principal Indicators institution wise**

FINANCIAL YEARS		2077-78	2076-77	2075/76	2074/75	2073/74
Indicators	Unit	Amount	Amount	Amount	Amount	Amount
Adequacy of Capital Fund on Risk Weighted Assets						
Core Capital	Percent	25.03%	25.44%	26.08%	25.95%	22.97%
Total Capital Fund	Percent	26.30%	26.26%	26.90%	26.83%	23.85%
Risk Weighted Exposure	NPR	4,550,966,095	4,099,529,359	3,849,552,209	3,324,268,343	2,769,016,659
Earning Per Share (Average share outstanding)	NPR	12.40	10.49	10.57	9.31	15
Market Value Per Share	NPR	485	120.00	114.00	114	191
Book Net Worth Per Share	NPR	136.21	130.43	125.32	113.89	129.92
Net Profit Per Staff	NPR	895,136.43	872,261.72	906,230.74	932957.6625	1259473.839
Per Employee Staff Cost	NPR	608,121.48	510,810.41	435,385.92	590285.04	655741.4
Number of Promotor Equity Shares	Nos.	4,514,426.97	4,219,090.63	4,219,090.63	3662654.8	2746134.8
Number of Public Equity Shares	Nos.	4,295,930.12	4,014,887.96	4,014,887.96	3690978.7	2460493.35
Number of Permanent Staffs	Nos.	99	84.00	56.00	65	56
Number of Branches	Nos.	14	10.00	9.00	7	5
Number of Extension Counters	Nos.	1	-	-	0	0
Number of ATM Machines	Nos.	6	4.00	3.00	0	0
Price Earning Ratio	Times	39.11	11.44	10.79	12.24	12.73
Dividend (including bonus) on Share Capital	Percent	-	7.00	7.00	7.19	13.42
Cash Dividend on Share Capital	Percent	-	3.00	7.00	7.19	0.67
Net Profit / Gross Income	Percent	16.29	14.16	16.26	15.94	23.1
Net Profit / Loans and Advances	Percent	2.58	2.42	2.73	7.19	0.67
Return on Total Assets	Percent	1.6	1.53	1.84	1.77	2.25
Return on Equity	Percent	9.10	8.04	8.43	10.15	15.00
Interest Income / Loans and Advances	Percent	11.93	16	15.54	15.58	11.79
Exchange Gain / Total Income	Percent	0.00	0.00	0.00	0.00	0.00
Interest Expenses / Total Deposits and Borrowings	Percent	7.19	8.02	8.58	8.41	5.9
Total Operating Expenses / Total Assets	Percent	1.79	1.78	1.86	8.07	6.33
Staff Expenses / Total Operating Expenses	Percent	49.20	58.36	58.13	13.84	15.52
Staff Bonus / Total Staff Expenses	Percent	22.04	15.73	18.70	25.29	27.48
Total Credit / Deposits	Percent	81.27	78.87	87.41	84.36	88.3
Non-Performing Loans / Total Loans	Percent	1.72	1.73	1.14	0.87	1.89
Base Rate	Percent	9.01	11.02	13.26	15.75	NA
Weighted Average Interest Rate Spread	Percent	4.9	4.97	4.82	4.18	5.1
CRR	Percent	4.93	7.15	5.67	8.67	8.09

**CENTRAL FINANCE LTD.**  
**Condensed Statement of financial position**  
**As on quarter ended Ashad 2078**

ASSETS	NOTE	Variance				Reason for variance
		As per UnAudited Financial	As per Audited Financial	In Amount	in %	
Cash and cash equivalent	4.1	379,499,350	379,499,350	-		
Due from Nepal Rastra Bank	4.2	272,014,273	272,014,273	-		
Placement with Bank and Financial Institutions	4.3	-	-	-		
Derivative financial instruments	4.4	-	-	-		
Other trading assets	4.5	-	-	-		
Loans and advances to B/FIs	4.6	96,030,000	95,739,000	(291,000)	-0.30%	Remarks 1
Loans and advances to customers	4.7	4,132,419,006	4,131,833,126	(585,880)	-0.01%	Remarks 2
Investment securities	4.8	1,651,570,791	1,704,871,044	53,300,253	3.23%	Remarks 3
Current tax assets	4.9	8,813,997	10,628,302	1,814,305	20.58%	Remarks 4
Investment in subsidiaries	4.10	-	-	-		
Investment in associates	4.11	-	-	-		
Investment property	4.12	2,611,789	2,611,789	-		
Property Plant and Equipment	4.13	137,056,986	137,167,117	110,131	0.08%	Remarks 5
Goodwill and Intangible assets	4.14	425,161	425,162	1		
Deferred tax assets	4.15	-	-	-		
Other assets	4.16	153,825,112	103,101,156	(50,723,955)	-32.98%	Remarks 6
<b>TOTAL ASSETS</b>		<b>6,834,266,464</b>	<b>6,837,890,318</b>	<b>3,623,854</b>	<b>0.05%</b>	

LIABILITIES	NOTE					
Due to Bank and Financial Institutions	4.17	-	245,176,981	245,176,981		Remarks 7
Due to Nepal Rastra Bank	4.18	65,668,685	65,668,685	-		
Derivative financial instruments	4.19	-	-	-		
Deposits from customers	4.20	5,518,523,220	5,273,346,239	(245,176,981)	-4.44%	Remarks 8
Borrowing	4.21	-	-	-		
Current Tax Liabilities	4.9	-	-	-		
Provisions	4.22	-	-	-		
Deferred tax liabilities	4.15	12,864,224	13,173,694	309,470	2.41%	Remarks 9
Other liabilities	4.23	40,217,580	40,479,634	262,054	0.65%	Remarks 10
Debt securities issued	4.24	-	-	-		
Subordinated Liabilities	4.25	-	-	-		
<b>TOTAL LIABILITIES</b>		<b>5,637,273,709</b>	<b>5,637,845,233</b>	<b>571,524</b>	<b>0.01%</b>	

EQUITY						
Share Capital	4.26	881,035,709	881,035,709	-		
Share premium		442,546	442,546	-		
Retained Earnings		100,761,890	106,765,650	6,003,759	5.96%	Remarks 11
Reserves	4.27	214,752,610	211,801,180	(2,951,430)	-1.37%	Remarks 12
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>1,196,992,755</b>	<b>1,200,045,085</b>	<b>3,052,330</b>		
NON-CONTROLLING INTEREST						
<b>TOTAL EQUITY</b>		<b>1,196,992,755</b>	<b>1,200,045,085</b>	<b>3,052,330</b>	<b>0.25%</b>	

<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>6,834,266,464</b>	<b>6,837,890,318</b>	<b>3,623,854</b>	<b>0.05%</b>	
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**CENTRAL FINANCE LTD.**  
**Condensed Statement of Profit or Loss**  
**For the quarter ended Ashad 2078**

IN NPR

Particulars	NOTE	Unaudited	Audited	Variance	in %	Reason for Variance
Interest income	4.29	569,679,158	570,929,446	1,250,289	0.22%	Remarks 13
Interest expense	4.30	383,793,080	383,793,080	-		
Net interest income		185,886,078	187,136,366	1,250,289	0.67%	
Fee and commission income	4.31	42,826,362	42,826,362	-		
Fee and commission expense	4.32	-	-	-		
Net fee and commission income		42,826,362	42,826,362	-	0.00%	
Net interest, fee and commission income		228,712,440	229,962,728	1,250,289	0.55%	
Net trading income	4.33	-	-	-		
Other operating income	4.34	57,402,612	55,375,461	(2,027,152)	-3.53%	Remarks 14
Total operating income		286,115,052	285,338,189	(776,863)	-0.27%	
Impairment charge/(reversal) for loans and other losses	4.35	10,582,521	10,982,521	400,000	3.78%	Remarks 15
Net operating income		275,532,531	274,355,668	(1,176,863)	-0.43%	
Operating expense				-		
Personnel expenses	4.36	75,357,428	77,225,862	1,868,434	2.48%	Remarks 16
Other operating expenses	4.37	34,572,897	34,444,970	(127,927)	-0.37%	Remarks 17
Depreciation & Amortization	4.38	10,856,053	10,697,868	(158,185)	-1.46%	Remarks 18
Operating Profit		154,746,153	151,986,967	(2,759,185)	-1.78%	
Non operating income	4.39	1,518,852	1,430,861	(87,991)	-5.79%	Remarks 19
Non operating expense	4.40	221,313	221,313	-		
Profit before income tax		156,043,692	153,196,516	(2,847,176)	-1.82%	
Income tax expense	4.41			-		
Current Tax expenses		46,813,108	44,998,803	(1,814,305)	-3.88%	Remarks 20
Deferred Tax Expenses/(Income)		-	(1,008,931)	(1,008,931)		
Profit for the period		109,230,584	109,206,644	(23,940)	-0.02%	

Remarks	
1	Provision Amount of Loan on Loan and Advance to BFI was taken 1% instead of 1.3%
2	Due to change in LLP in Audited Financial statements
3	Due to change in NAV of Mutual funds and the amount booked as advance investment categorized as in vestment during Audit
4	Due to change in Profit during audit
5	Due to change in depreciation of Fixed assets during audit
6	Due to transfer of advance for investment to investment
7	Deposit from BFI is segregated from total deposit during audit
8	Deposit from BFI is segregated from total deposit during audit
9	Due to change in fair value of investment
10	Ommitted Liability booked during audit
11	Due Change in Profit
12	Due to change in profit and reserve during audit
13	unbooked interest in call account booked during audit
14	Due to transfer amount on sale of shares which was recognized in OCI previously to Distributable profit
15	Due to increase in LLP
16	Due to change in Employee Bonus
17	Due to reclassification of expenses
18	Due to change in depreciation during audit
19	Due to reclassification of Income
20	Due to change in profit

**CENTRAL FINANCE LTD.**  
**Condensed Statement of Financial Position**  
**As on quarter ended ASHOJ 2078**

ASSETS	NOTE	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	4.1	341,618,977	379,499,350
Due from Nepal Rastra Bank	4.2	262,494,733	272,014,273
Placement with Bank and Financial Institutions	4.3	-	-
Derivative financial instruments	4.4	-	-
Other trading assets	4.5	-	-
Loans and advances to B/FIs	4.6	96,030,000	95,739,000
Loans and advances to customers	4.7	4,555,406,080	4,131,833,126
Investment securities	4.8	1,629,748,730	1,704,871,044
Current tax assets	4.9	2,995,072	10,628,302
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	2,611,789	2,611,789
Property Plant and Equipment	4.13	134,201,291	137,167,117
Goodwill and Intangible assets	4.14	1,013,891	425,162
Deferred tax assets	4.15	-	-
Other assets	4.16	57,637,499	103,101,156
<b>TOTAL ASSETS</b>		<b>7,083,758,062</b>	<b>6,837,890,318</b>

LIABILITIES	NOTE	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	4.17	-	245,176,981
Due to Nepal Rastra Bank	4.18	165,840,935	65,668,685
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	5,667,505,248	5,273,346,239
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	7,466,479	13,173,694
Other liabilities	4.23	44,898,918	40,479,634
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>TOTAL LIABILITIES</b>		<b>5,885,711,579</b>	<b>5,637,845,233</b>

EQUITY			
Share Capital	4.26	881,035,709	881,035,709
Share premium		442,546	442,546
Retained Earnings		93,980,006	106,765,650
Reserves	4.27	222,588,222	211,801,180
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>1,198,046,482</b>	<b>1,200,045,085</b>
NON-CONTROLLING INTEREST		-	-
<b>TOTAL EQUITY</b>		<b>1,198,046,482</b>	<b>1,200,045,085</b>

<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>7,083,758,062</b>	<b>6,837,890,318</b>
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**CENTRAL FINANCE LTD.**  
**Condensed Statement of profit or loss**  
**For the quarter ended ASHOJ 2078**

IN NPR

Particulars	NOTE	Current Year		Previous Year Corresponding	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	4.29	157,036,919	157,036,919	147,032,381	147,032,381
Interest expense	4.30	102,675,870	102,675,870	98,796,944	98,796,944
<b>Net interest income</b>		<b>54,361,049</b>	<b>54,361,049</b>	<b>48,235,437</b>	<b>48,235,437</b>
Fee and commission income	4.31	10,672,681	10,672,681	6,461,680	6,461,680
Fee and commission expense	4.32	-	-	-	-
<b>Net fee and commission income</b>		<b>10,672,681</b>	<b>10,672,681</b>	<b>6,461,680</b>	<b>6,461,680</b>
<b>Net interest, fee and commission income</b>		<b>65,033,730</b>	<b>65,033,730</b>	<b>54,697,117</b>	<b>54,697,117</b>
Net trading income	4.33	-	-	509,048	509,048
Other operating income	4.34	3,452,976	3,452,976	6,540,686	6,540,686
<b>Total operating income</b>		<b>68,486,707</b>	<b>68,486,707</b>	<b>61,746,851</b>	<b>61,746,851</b>
Impairment charge/(reversal) for loans and other losses	4.35	14,172,773	14,172,773	28,917,392	28,917,392
<b>Net operating income</b>		<b>54,313,933</b>	<b>54,313,933</b>	<b>32,829,459</b>	<b>32,829,459</b>
<b>Operating expense</b>					
Personnel expenses	4.36	21,800,326	21,800,326	12,060,042	12,060,042
Other operating expenses	4.37	9,515,100	9,515,100	7,196,149	7,196,149
Depreciation & Amortization	4.38	3,612,540	3,612,540	2,705,230	2,705,230
<b>Operating Profit</b>		<b>19,385,967</b>	<b>19,385,967</b>	<b>10,868,037</b>	<b>10,868,037</b>
Non operating income	4.39	136,192	136,192	-	-
Non operating expense	4.40	24,350	24,350	368,193	368,193
<b>Profit before income tax</b>		<b>19,497,809</b>	<b>19,497,809</b>	<b>10,499,844</b>	<b>10,499,844</b>
Income tax expense	4.41				
Current Tax expenses		5,849,343	5,849,343	3,149,953	3,149,953
Deferred Tax Expenses/(Income)		-	-	-	-
<b>Profit for the period</b>		<b>13,648,466</b>	<b>13,648,466</b>	<b>7,349,891</b>	<b>7,349,891</b>

**CENTRAL FINANCE LTD.**  
**Statement of comprehensive income**  
**For the quarter ended ASHOJ 2078**

*IN NPR*

Particulars	NOTE	Current Year		Previous Year Corresponding	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
<b>Profit for the year</b>		<b>13,648,466</b>	<b>13,648,466</b>	<b>7,349,891</b>	<b>7,349,891</b>
<b>Other comprehensive income, net of income tax</b>					
<b>a) Items that will not be reclassified to profit or loss</b>					
Gains/(Losses) from investments in equity instruments measured at fair value		(17,992,485)	(17,992,485)	76,062,600	76,062,600
Gains/(Losses) on revaluation				-	-
Actuarial gain/(loss) on defined benefit plans				-	-
Income tax relating to above terms		5,397,745	5,397,745	(22,818,780)	(22,818,780)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>(12,594,740)</b>	<b>(12,594,740)</b>	<b>53,243,820</b>	<b>53,243,820</b>
<b>b) Items that are or may be reclassified to profit or loss</b>					
Gains/(Losses) on cash flow hedge				-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation				-	-
Income tax relating to above terms				-	-
Reclassify to profit or loss				-	-
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>				-	-
<b>c) Share of other comprehensive income of associate accounted as per equited method</b>					
Other comprehensive income for the year, net of income tax		(12,594,740)	(12,594,740)	53,243,820	53,243,820
<b>Total comprehensive income for the period</b>		<b>1,053,726</b>	<b>1,053,726</b>	<b>60,593,711</b>	<b>60,593,711</b>
<b>Basic earnings per share</b>		<b>6.20</b>	<b>6.20</b>	<b>3.34</b>	<b>3.34</b>
<b>Diluted earnings per share</b>		<b>6.20</b>	<b>6.20</b>	<b>3.34</b>	<b>3.34</b>
Total comprehensive income attributable to:		1,053,726	1,053,726	60,593,711	60,593,711
Equity holders of the bank		1,053,726	1,053,726	60,593,711	60,593,711
Non-controlling interest					
<b>Total comprehensive income for the period</b>		<b>1,053,726</b>	<b>1,053,726</b>	<b>60,593,711</b>	<b>60,593,711</b>



धितोपत्र दत्ता निष्काशन नियमावली २०७३ को अनुसूची १४

Particulars	ASHOJ 2078	Asad 2078
Liquidity (CRR)	33.97%	37.59%
Value of per share on total assets	804.03	776.72
Number of equity shares	8810357.09	8810357.09
Earnings per share (Annualized)	6.20	12.40
Net worth per share	135.98	136.21
Price earnings ratio	80.53	39.11
Closing Price	499	485

**CENTRAL FINANCE LTD.**  
**Ratios as per NRB Directive**

Particulars	Current year		Previous year	
	This quarter	Upto this quarter (YTD)	This quarter	Upto this quarter (YTD)
Capital fund to RWA		26.30%		21.79%
Non-performing loan (NPL) to total loan		1.72%		4.37%
Total loan loss provision to Total NPL		131.76%		73.89%
Cost of Funds		6.98%		7.97%
Credit to Deposit Ratio		64.44%		69.74%
Base Rate		9.01%		10.20%
Interst Rate Spread		4.90%		4.94%



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



केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन : ४४९९८०४/४४९९२५०  
फ्याक्स : ४४९५९५८  
इमेल : fsidreportsfc@nrb.org.np  
Web : www.nrb.org.np  
पोष्ट बक्स : ७३

पत्रसंख्या:- वि.कं.सु.वि./अफसाइट/एजिएम/०७/२०७८-७९/२००

मिति २०७८/०९/०८

श्री सेन्ट्रल फाइनेन्स लिमिटेड,  
कुपण्डोल, ललितपुर,

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

महाशय,

तर्हावाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आ.व.२०७७/७८ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्न र प्रस्तावित नगद लाभांश रु.२,९०,७४,१७८।४०(अक्षरेपी दुई करोड नब्बे लाख चौहत्तर हजार एक सय अठहत्तर पैसा चालिस मात्र) र बोनस शेयर रु.६,७८,३९,७४९।५९(अक्षरेपी छ करोड अठहत्तर लाख उन्चालिस हजार सात सय उन्पचास पैसा उन्साठ्ठी मात्र)आयकर ऐन/नियमावली तथा अन्य प्रचलित कानुनी व्यवस्थाको समेत पालना गरी वार्षिक साधारण सभाबाट स्वीकृत भए पश्चात् मात्रै वितरण गर्न देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

१. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षा प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने व्यवस्था गर्नुहुन ।
२. नियमित रुपमा System Audit गर्ने व्यवस्था मिलाउनु हुन ।
३. यस बैंकबाट जारी एकीकृत निर्देशन नं.१९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरुको पूर्ण रुपमा पालना गर्नहुन ।
४. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारणसभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन ।

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

भवदीय,  
Rishu  
206108105  
(राम कृष्ण राई)  
सहायक निर्देशक

बोधार्थ :

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



# सेन्ट्रल फाईनान्स लिमिटेड

## CENTRAL FINANCE LIMITED

Serving Your Financial Needs

Head Office: Kupondole, Lalitpur  
Tel. : 5544517, 5552126, 5522289, 5536420  
Fax: 977-01-5540842, P.O. Box No. 7062 (Ktm.)  
E-mail: central@ntc.net.np  
Web: www.centralfinance.com.np

(नेपाल राष्ट्र बैंकबाट 'ग' वर्गको इजाजत पत्र प्राप्त संस्था)

च.नं.: ५९०/२०७८/७९



मिति: २०७८/०९/११

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

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

महाशय,

त्यस विभागको मिति २०७८/०९/०८, पत्रसंख्या वि.क.सु.वि./अफसाइट/एजिएम/०७/२०७८-७९/२०० को पत्र प्राप्त भई व्यहोरा अवगत भयो । उपरोक्त पत्रमा उल्लेखित निर्देशनको सम्बन्धमा यस संस्थाको सञ्चालक समितिमा छलफल भई संस्थाको प्रतिक्रिया निम्न बमोजिम भएको व्यहोरा अनुरोध छ ।

१. त्यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखा परिक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरू सुधार गरी त्यस्ता कैफियतहरू पुनः दोहोरिन नदिने व्यवस्था मिलाइएको व्यहोरा अनुरोध छ ।
२. निर्देशन बमोजिम नियमित रूपमा System Audit गर्ने व्यवस्था मिलाईने व्यहोरा अनुरोध छ ।
३. त्यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७८ बमोजिम सम्पत्ति शुद्धिकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धि व्यवस्थाहरूको पूर्ण रूपमा पालना गरीने व्यहोरा अनुरोध छ ।
४. कम्पनी ऐन, २०६३ को दफा १८२(९) बमोजिम साधारण सभाबाट स्वीकृत भई ५ वर्षसम्म पनि दावि नपरेका भुक्तानी दिन बाँकी लाभांशलाई लगानीकर्ता संरक्षण कोषमा दाखिल गरीने छ ।

भवदीय,

(रजो ज मान श्रेष्ठ)

प्रमुख कार्यकारी अधिकृत

बोधार्थ :

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

Branch Office: Chabahil, Kathmandu, Tel: 01-4460624, 4460803 | Shahid Chowk, Narayangadh, Tel: 056- 570945, 571941 | Milan Chowk, Butwal, Tel: 071-550351  
Chyamhasinha, Bhaktapur, Tel: 01-6618471, 6618472, 6619672 | Bardibas, Mahottari, Tel: 044-550623, 550734 | Bardaghat, Nawalparasi, Tel: 078-580810, 580811  
Simara, Bara, Tel:053-520015, 520016

"साविकका सेन्ट्रल फाईनान्स लिमिटेड र भक्तपुर फाईनान्स कम्पनी लिमिटेड एक आपसमा गाभिएर बनेको संस्था"

सेन्ट्रल फाईनान्स लिमिटेडको २५औं वार्षिक साधारण सभामा पेश गरेको प्रबन्धपत्रमा संशोधन सम्बन्धी तीन महले

क्रसं	दफा	साविकको व्यवस्था	संशोधन	संशोधन गर्नुपर्ने कारण
२	५(ख)	वित्तीय संस्थाको जारी पूँजी रु.८८,१०,३५,७०९.१३ (अक्षरेपी अठासी करोड दश लाख पैतिस हजार सात सय नौ पैसा तेह मात्र) हुनेछ। उक्त पूँजीलाई १०० दरका ८८,१०,३५,७०९.१३ (अठासी लाख दश हजार तीन सय सन्ताउन्न दशमलव शून्य नौ एक तीन) थान साधारण शेयरमा विभाजन गरिएको छ।	वित्तीय संस्थाको जारी पूँजी रु.९४,८८,७५,४५८.७३ (अक्षरेपी चौरान्बे करोड अठासी लाख पचहत्तर हजार चार सय अन्ठाउन्न पैसा त्रिहत्तर मात्र) हुनेछ। उक्त पूँजीलाई १०० दरका रु.९४,८८,७५,४५८.७३ चौरान्बे लाख अठासी हजार सात सय चौवन्न दशमलव अन्ठाउन्न त्रिहत्तर थान साधारण शेयरमा विभाजन गरिएको छ।	हालको जारी पूँजीमा रु.६,७८,३९,७४९.५९ बोनश शेयर जारी गर्दा जारी पूँजी वृद्धि हुने भएकोले।
३	५(ग)	वित्तीय संस्थाको चुक्ता पूँजी रु.८८,१०,३५,७०९.१३ (अक्षरेपी अठासी करोड दश लाख पैतिस हजार सात सय नौ पैसा तेह मात्र) हुनेछ। उक्त पूँजीलाई १०० दरका ८८,१०,३५,७०९.१३ (अठासी लाख दश हजार तीन सय सन्ताउन्न दशमलव शून्य नौ एक तीन) थान साधारण शेयरमा विभाजन गरिएको छ।	वित्तीय संस्थाको चुक्ता पूँजी रु.९४,८८,७५,४५८.७३ (अक्षरेपी चौरान्बे करोड अठासी लाख पचहत्तर हजार चार सय अन्ठाउन्न पैसा त्रिहत्तर मात्र) हुनेछ। उक्त पूँजीलाई १०० दरका रु.९४,८८,७५,४५८.७३ चौरान्बे लाख अठासी हजार सात सय चौवन्न दशमलव अन्ठाउन्न त्रिहत्तर) थान साधारण शेयरमा विभाजन गरिएको छ।	हालको चुक्ता पूँजीमा रु.६,७८,३९,७४९.५९ बोनश शेयर जारी गर्दा चुक्ता पूँजी वृद्धि हुने भएकोले।

## नोट तथा टिपट

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 **सेन्ट्रल फाईनान्स लि.**  
**CENTRAL FINANCE LTD.**  
*Serving Your Financial Needs*

**केन्द्रिय कार्यालय**

कुपण्डोल, ललितपुर, पो.ब.नं. ७०६२ (काठमाडौं)

फोन नं.: ५५७०००५, ५४४४५१७, ५४४०८४२, ५४५२१२६, ५४२२२८५, ५४३६४२०

E-mail: info@centralfinance.com.np, Website: www.centralfinance.com.np

**चावहिल शाखा**

चावहिल, काठमाण्डौ

फोन नं.: ०१-४४६०६२४, ४४६०८०३, ४४८४६६३

**बुटवल शाखा**

मिलनचोक, बुटवल

फोन नं.: ०७१-५५०३५१, ५५०३५२

**बर्दिबास शाखा**

बर्दिबास, महोत्तरी

फोन नं.: ०४४-५५०७३४, ५५०६२३

**सिमरा शाखा**

सिमरा, बारा

फोन नं.: ०५३-५२००१५, ५२००१६, ५२००६५

**गोगबु गणेश स्थान शाखा**

टोखा, काठमाडौं

फोन नं.: ०१-४९८२९३०, ४९८२८४०

**लालबन्दी शाखा**

लालबन्दी, सर्लाही

फोन नं.: ०४६-५०१७६३, ५०१७६४

**जनकपुर शाखा**

रामचोक, जनकपुरधाम

फोन नं.: ०४१-५९०४३६, ५९०४३७

**नारायणगढ शाखा**

शहीदचोक, नारायणगढ

फोन नं.: ०५६-५९८९४५, ५९८९४१, ५९८८५३

**भक्तपुर शाखा**

च्याम्हासिंह, भक्तपुर

फोन नं.: ०१-६६१८४७१, ६६१८४७२, ६६१९६७१

**बर्दघाट शाखा**

बर्दघाट, नवलपरासी

फोन नं.: ०७८-५८०८१०, ५८०८११

**मिमान शाखा**

भिमान, सिन्धुली

फोन नं.: ०४७-४१००४२, ४१००४४

**सल्लाघारी एक्सटेन्सन काउन्टर**

सल्लाघारी, भक्तपुर

फोन नं.: ०१-६६१९६७२

**डकाहा शाखा**

डकाहा, सिन्धुली

फोन नं.: ९८१७८३३७१३, ९८१७८३३७५६

**ईटहरी शाखा**

ईटहरी, सुनसरी

फोन नं.: ०२५-५९०१९६, ५९०१९७

**नयाँ खुल्न लागेका शाखाहरू**

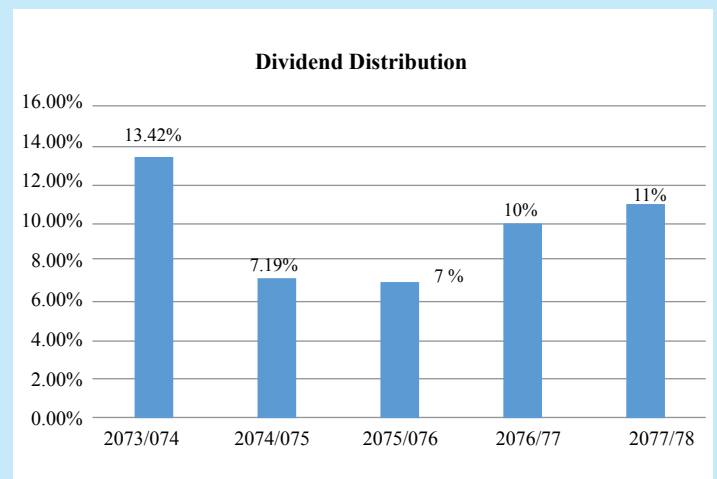
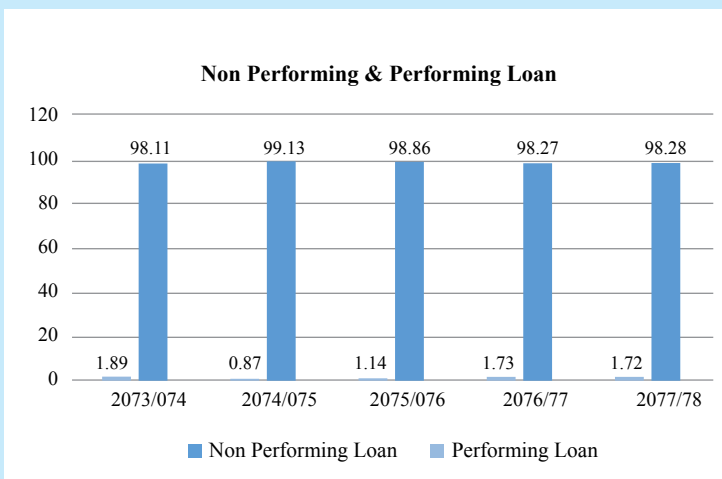
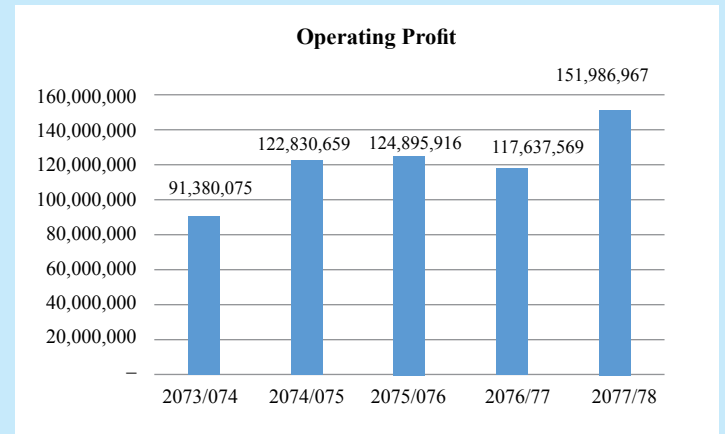
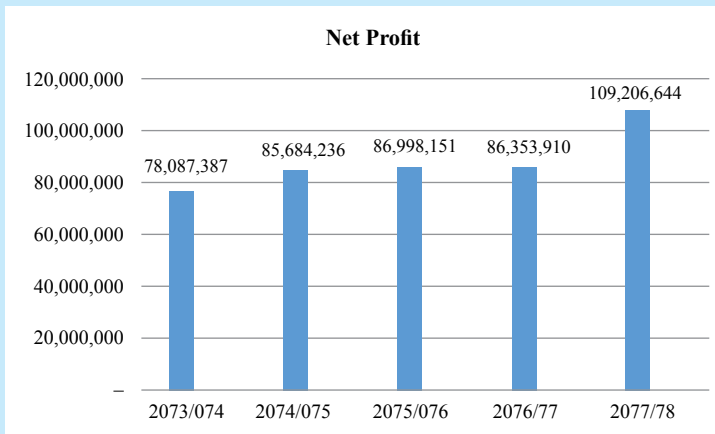
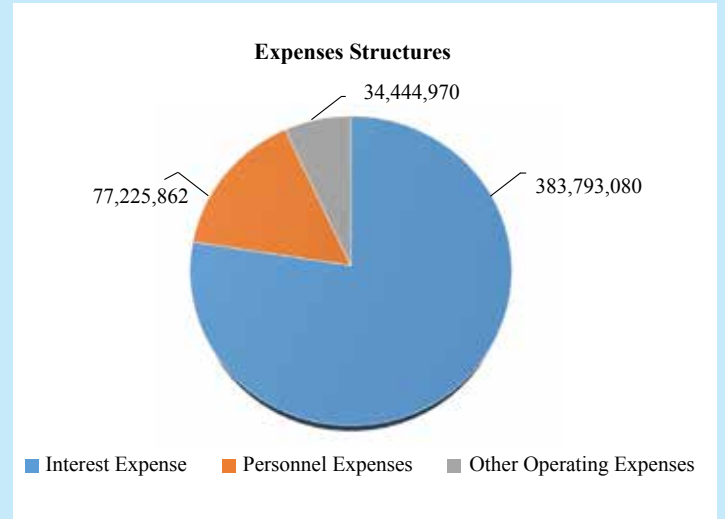
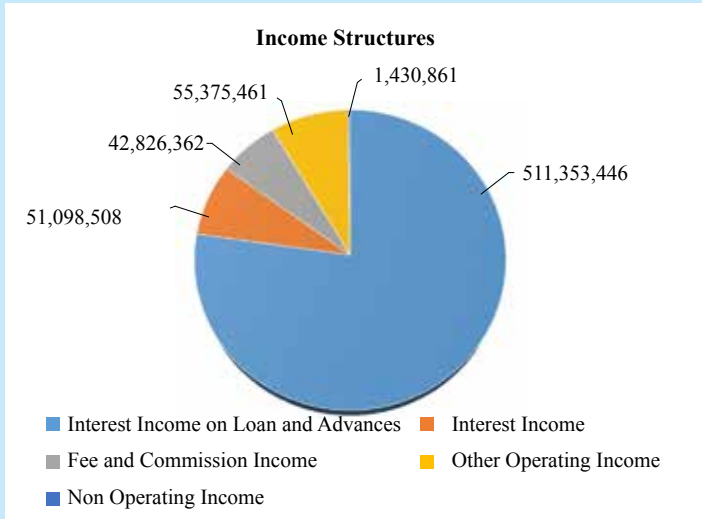
१. बिर्तामोड शाखा

बिर्तामोड, भ्रपा

२. भैरहवा शाखा

भैरहवा, रूपन्देही

# Financial Highlights



## २४ औं वार्षिक साधारण सभाको केहि भलकहरु



## संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत शाखाहरुबाट भएका सामाजिक कार्यहरु



नारायणगढ शाखा



बर्दिबास शाखा



सिमरा शाखा



लालबन्दी शाखा



डकाहा शाखा



जनकपुर शाखा



## उच्च व्यवस्थापन तह



**रजो ज मान श्रेष्ठ**

प्रमुख कार्यकारी अधिकृत/कम्पनी सचिव



**विनोद नरसिंह श्रेष्ठ**

नायब प्रमुख कार्यकारी अधिकृत/सूचना अधिकृत

## व्यवस्थापन तह तथा विभागीय प्रमुखहरू



**प्रविणा जोशी**  
संचालन विभाग



**जेनिस ताम्राकार जोशी**  
कर्जा विभाग



**गोविन्द प्रसाद प्रसाई**  
कर्जा प्रशासन तथा असुली विभाग



**दिपेश भट्टराई**  
कर्जा जोखिम विभाग



**दिपेश साह**  
लेखा विभाग



**अजय राज जोशी**  
सूचना प्रविधि विभाग



**श्रृजना माथेमा**  
प्रशासन तथा मानव संशाधन विभाग

## शाखा प्रमुखहरू



**सरिता श्रेष्ठ**  
चावहिल शाखा



**मधु सुदन पौडेल**  
नारायणगढ शाखा



**तुल्सी प्रसाद पौड्याल**  
बुटवल शाखा



**कान्छी मैया प्रजापति**  
भक्तपुर शाखा



**गीर्णजंग थापा**  
बर्दिवास शाखा



**सुदिप सुबेदी**  
बर्दघाट शाखा



**कृष्ण कुमार भ्ना**  
सिमरा शाखा



**सागर प्रधान**  
भिमान शाखा



**दिपक कुमार श्रेष्ठ**  
गोगाबु गणेशस्थान शाखा



**उमेश भट्टराई**  
लालबन्दी शाखा



**दिपेश पाण्डे**  
डुकाहा शाखा



**दिलीप कुमार यादव**  
जनकपुर शाखा



**भेघराज देवकोटा**  
इटहरी शाखा



**योगेन्द्र ब. प्रधानाङ्ग**  
सल्लाघारी एक्सटेन्सन

# संस्थाले प्रदान गर्ने सेवाहरू:

## निक्षेप योजना (Deposit Scheme)

### क) बचत खाता (Saving Account)

- चल्ती खाता (Current Account)
- संस्थागत/कल खाता (Corporate/Call Account)
- साधारण बचत (Normal Saving)
- सरल बचत (Simple Saving)
- ज्येष्ठ नागरिक बचत (Senior Citizenship Saving)
- महिला बचत (Mahila Saving)
- बाल बचत (Bal Saving)
- शेयरधनी बचत (Shareholder Saving)
- कर्मचारी बचत (Employee Saving)
- सञ्चयकोष बचत (Provident Fund Saving)

### ख) विशेष बचत खाता (Special Saving)

बढ्दो मौज्जातमा सोही अनुसारको आकर्षक ब्याज प्राप्त गर्ने गरी खोलिने खाता

### ग) क्रमिक निक्षेप योजना (Recurring Deposit Scheme)

न्यूनतम रु. ५००।- बाट खाता खोल्न सकिने, ४२ किस्ता भुक्तानी गर्दा ५० किस्ता बराबर रकम फिर्ता पाइने ।

### घ) मुद्दती निक्षेप (Fixed Deposit)

३ महिनादेखि ६ वर्षसम्मका लागि विभिन्न अवधिका मुद्दती खाताहरू खोल्न सकिने ।

## कर्जा तथा लगानी (Loan & Advance)

- १) आवधिक कर्जा (Term Loan)
- २) डिमाण्ड तथा अन्य चालू पूँजी कर्जा (Demand & Other Working Capital Loan)
- ३) व्यक्तिगत आवासीय घर/जग्गा कर्जा (Residential Personal Home/Land Loan)
- ४) रियल स्टेट कर्जा (Real Estate Loan)
- ५) मार्जिन कर्जा (Margin Loan)
- ६) हायरपचेज कर्जा (Hire Purchase Loan)
- ७) विपन्न वर्ग कर्जा (Deprived Sector Loan)
- ८) अधिविकर्ष कर्जा (Overdraft Loan)
- ९) अन्य प्रोडक्ट (Other Product)
  - क) शैक्षिक कर्जा (Educational Loan)
  - ख) साना तथा मझौला उद्यमी कर्जा (Small & Medium Industrial Loan)
  - ग) कृषि कर्जा (Agricultural Loan)
  - घ) व्यक्तिगत कर्जा (Personal Loan)
  - ङ) सुनचाँदी कर्जा (Gold & Silver Loan)
  - च) पर्यटन क्षेत्र कर्जा (Tourism Sector Loan)
  - छ) मुद्दती रसिद धितोमा कर्जा (Loan Against FDR)
  - ज) बण्ड/डिबेन्चर कर्जा (Loan Against Bonds/Debentures)

## गैर कोषमा आधारित सुविधाहरू (Non-Fund Based Facilities)

- वित्तीय जमानतपत्र (Financial Guarantee)
- प्रत्याभूति (Underwriting)
- बिड बण्ड (Bid Bond)
- परफरमेन्स बण्ड (Performance Bond)
- अग्रिम भुक्तानी बैंक जमानी (Advance Payment Guarantee)

## अन्य सेवा (Other Facilities)

- विदेशी विनिमय सटही कारोबार
- सरकारी बचत/ऋणपत्रको साँवा तथा व्याज भुक्तानी ।
- सरकारी ऋणपत्रको दोस्रो बजार मार्फत कारोबार ।

## रेमिटिन्स सेवा (Remittance Service)

नेपाल भित्र तथा विदेशका विभिन्न स्थानबाट आफन्त तथा प्रियजनले पठाएको रकम बुझिलिन तथा नेपालभित्र रकम पठाउन विभिन्न रेमिट्यान्स सेवाहरूको सुविधा



## सेवाहरू

- निःशुल्क ABBS सुविधा
- C-ASBA सुविधा
- Mobile Banking
- IPS सुविधा
- Debit Card सुविधा
- SMS Banking
- Remittance
- connect IPS सुविधा ।

## विशेषताहरू:

- सुरक्षित, विश्वसनीय र छिटो छरितो कारोबार
- निक्षेपमा प्रत्येक तीन महिना तथा एकमुष्ट वार्षिक भुक्तानी गरिने
- शिघ्र तथा सजिलो कर्जा प्रक्रिया
- धितोको उचित मूल्यांकन
- कर्जामा घट्दो साँवा (Diminishing Balance) मा व्याज लाग्ने ।