

२६ औं

वार्षिक प्रतिवेदन

२०१८ / २०१९



सेन्ट्रल फाईनान्स लिमिटेड

CENTRAL FINANCE LIMITED

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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



कृष्ण प्रसाद न्यौपाने
स्वतन्त्र सञ्चालक

कानूनी सल्लाहकार
भिमसेन बन्जारा (अधिवक्ता)
कमन ल एसोसियट्स प्रा. लि.

लेखा परीक्षक
सि.ए. मनिष अमात्य
पार्टनर
एन. अमात्य एण्ड कं.
चार्टर्ड एकाउण्टेन्ट्स
काठमाडौं

विषय-सूची

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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 २०७९ साल पौष २९ गते शुक्रवारका दिन हुने २६ औं वार्षिक साधारण सभामा म/हामी स्वयम् उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा भाग लिन तथा मतदान गर्नका लागिजिल्ला..... 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

छब्बिसौं वार्षिक साधारण सभामा उपस्थितिको लागि

प्रवेश पत्र

१) शेयरधनीको नाम :

२) ठेगाना :

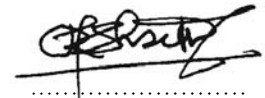
३) शेयरधनी (क्रम संख्या) नं.

४) शेयर संख्या :

५) हितग्राहि (डिम्याट) खाता नं. :

६) शेयरधनीको दस्तखत :

यो प्रवेशपत्र साधारण सभामा भाग लिन आउँदा पेश गर्नुपर्ने छ ।



रजोज मान श्रेष्ठ
कम्पनी सचिव



सेन्ट्रल फाईनान्स लिमिटेडको २६ औं वार्षिक साधारण सभा सम्बन्धी सूचना

यस वित्तीय संस्थाको मिति २०७९ साल पौष ७ गते बसेको सञ्चालक समितिको ३२२ औं बैठकको निर्णय अनुसार यस वित्तीय संस्थाको २६ औं वार्षिक साधारण सभा निम्न विषयमा छलफल गर्न निम्न मिति, समय र स्थानमा बस्ने भएकोले शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

मिति, समय र स्थान:

मिति : २०७९ साल पौष २९ गते शुक्रबार ।

समय : बिहान १०.०० बजे

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

छलफलका विषयहरू :

(क) सामान्य प्रस्ताव

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्ने वार्षिक प्रतिवेदन पारित गर्ने बारे ।
२. लेखा परीक्षकको प्रतिवेदन सहितको २०७९ साल असार मसान्तको वासलात तथा मिति २०७८/०४/०१ देखि २०७९/०३/३२ सम्मको नाफा नोक्सान हिसाव तथा सोही अवधिको नगद प्रवाहको विवरण पारित गर्ने बारे ।
३. लेखा समितिको सिफारिस बमोजिम आर्थिक वर्ष २०७९/८० को लागि लेखा परीक्षकको नियुक्ति र निजको पारिश्रमिक निर्धारण गर्ने बारे ।
४. सञ्चालक समितिले सिफारिस गरेको चुक्ता पूँजीको ५ प्रतिशतले हुने रकम रू. ४ करोड ७४ लाख ४३ हजार ७ सय ७२ पैसा ९४ नगद लाभांश दिने प्रस्ताव पारित गर्ने बारे ।
५. सञ्चालक समितिमा संस्थापक शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने सञ्चालक संख्या ३ र सर्वसाधारण शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने सञ्चालक संख्या ३ को निर्वाचन गर्नेबारे ।

(ख) विशेष प्रस्ताव

१. सञ्चालकहरूको सुविधा वृद्धि गर्ने तथा सोसँग सम्बन्धित नियमावली संशोधन सम्बन्धमा ।
२. संस्थाको नियमावलीको 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 २६ औं वार्षिक साधारण सभा तथा नगद लाभांश प्रयोजनको लागि मिति २०७९/०९/१७ गतेदेखि २०७९/०९/२९ गतेसम्म शेयर दाखिल खारेज बन्द रहने कुरा जानकारी गराइन्छ। साथै शेयरधनी दर्ता पुस्तिका बन्द भएको मिति २०७९/०९/१७ गतेको अघिल्लो दिनसम्म नेपाल स्टक एक्सचेन्ज लिमिटेडबाट कारोबार भएका शेयरधनीहरूले मात्र साधारण सभामा सहभागिता जनाउन, मतदान गर्न तथा नगद लाभांश प्राप्त गर्न सक्ने छन्।
२. सभामा भाग लिनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधिपत्र (प्रोक्सी फारमहरू) सभा शुरू हुनुभन्दा कम्तीमा ४८ घण्टा अगाडि कार्यालय समयभित्र दर्ता गरी सक्नुपर्नेछ।
३. सञ्चालक समितिमा संस्थापक र सर्वसाधारण शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने सञ्चालकहरूको निर्वाचन सम्बन्धी कार्यक्रम निर्वाचन अधिकृतको कार्यालयबाट संस्थाको सूचना पाटीमा पछि अलग्गै प्रकाशित गरिनेछ।
४. कम्पनीको आर्थिक विवरण समयभित्र प्राप्त नभएमा शेयरधनी महानुभावहरूले कम्पनीको वेबसाइट www.centralfinance.com.np तथा केन्द्रीय कार्यालय भवन, कानदेवस्थान, कुपण्डोल, ललितपुरबाट प्राप्त गर्न सकिने छ।
५. छलफलको विषय अन्तर्गत विविध शीर्षकमा शेयरधनी महानुभावहरूले छलफल गर्न चाहनु भएको विषयमा साधारण सभाको 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।

सेन्ट्रल फाईनान्स लिमिटेडको २६औं वार्षिक साधारण सभामा

सञ्चालक समितिको तर्फबाट

अध्यक्ष श्री संजोज मान श्रेष्ठज्यूद्वारा प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

सेन्ट्रल फाईनान्स लिमिटेडको २६औं वार्षिक साधारण सभामा भाग लिन आउनु भएका आदरणीय शेयरधनी महानुभावहरू, विभिन्न संस्थाबाट पाल्नु भएका प्रतिनिधि तथा अतिथिज्यूहरू लगायत सम्पूर्णलाई सञ्चालक समितिको तर्फबाट यस गरिमामय सभामा हार्दिक स्वागत एवं अभिवादन व्यक्त गर्दछु।

यस वित्तीय संस्थाको २०७९ आषाढ ३२ गतेको वासलात र सोही मितिमा समाप्त आर्थिक वर्ष २०७८/७९ को नाफा नोक्सान हिसाब साथै नगद प्रवाह विवरण र सो उपर लेखापरीक्षकको प्रतिवेदन, सहितको वार्षिक प्रतिवेदन यहाँहरू समक्ष पेश गर्दछु।

(क) विगत वर्षको कारोबारको सिंहावलोकन

कोभिड १९ को महामारीका कारण प्रभावित भई पुनरुत्थान हुन लागेको अर्थतन्त्रमा कोभिड १९ को तेस्रो लहर, खस्कंदो पूँजी बजार, बढ्दो मुद्रास्फीति, अस्थिर राजनीतिक तथा आर्थिक वातावरण र वर्षको शुरुवातदेखि नै बैंक तथा वित्तीय क्षेत्रमा देखापरेको लगानी योग्य स्रोतको संकुचनका कारण समीक्षा वर्षमा थप चुनौतीहरू देखिएका छन्।

समीक्षा वर्ष २०७८/७९ र सो भन्दा अघिल्लो आर्थिक वर्षको वित्तीय विवरण अनुसार यस वित्तीय संस्थाको तुलनात्मक अवस्था देहाय बमोजिम रहेको छ।

विवरण	आ.व. २०७८/७९	आ.व. २०७७/७८	वृद्धि/(हास) प्रतिशत
पूँजी कोष पर्याप्तता	२२.४४	२६.३०	(१४.६८)
शेयर पूँजी	९४,८८,७५,४५९	८८,१०,३५,७०९	७.७०
नेट वर्थ	१,२१,१२,३७,६९५	१,२०,००,४५,०८५	०.९३
लगानी	१,५८,२३,२७,४२३	१,६३,३८,१६,९५२	(३.१५)
निक्षेप	६,३२,६६,३४,७९४	५,५१,८५,२३,२२१	१४.६४
कर्जा तथा सापटी	५,२६,५६,४३,१३२	४,२८,४६,२९,२८३	२२.९०
सञ्चालन मुनाफा	७,८६,७०,२३८	१५,१९,८६,९६७	(४८.२४)
वितरण योग्य नाफा	५,०६,५०,२२३	१०,६७,६५,६५०	(५२.५६)

पूँजी संरचना:

आर्थिक वर्ष २०७७/७८ को अन्त्यमा यस वित्तीय संस्थाको चुक्ता पूँजी रु.८८ करोड १० लाख ३५ हजार ७ सय ९ कायम रहेकोमा बोनस शेयर निष्काशन बापत रु.६ करोड ७८ लाख ३९ हजार ७ सय ५० थप गरी समीक्षा वर्ष २०७८/७९ को अन्त्यमा यस संस्थाको चुक्ता पूँजी रु.९४ करोड ८८ लाख ७५ हजार ४ सय ५९ कायम रहेको छ।

निक्षेप तथा कर्जा सापटी :

समीक्षा वर्ष २०७८/७९ मा अघिल्लो आर्थिक वर्षको निक्षेपको तुलनामा १४.६४ प्रतिशतले वृद्धि गरी कुल रु.६ अर्ब ३२ करोड ६६ लाख निक्षेप परिचालन गरेको छ। कर्जा लगानीमा अघिल्लो आर्थिक वर्षको तुलनामा २२.९० प्रतिशतले वृद्धि गरी रु.५ अर्ब २६ करोड ५६ लाख कर्जा प्रवाह गरेको छ।

सञ्चालन मुनाफा तथा वितरण योग्य नाफा :

समीक्षा वर्ष २०७८/७९मा समग्र बैकिङ्ग क्षेत्रमा लगानी योग्य तरलताको अभाव र बढ्दो ब्याज दरको प्रभाव समेतले संस्थाको सञ्चालन मुनाफा अघिल्लो वर्षको तुलनामा ४८.२४ प्रतिशतले संकुचित हुन गई कूल सञ्चालन मुनाफा रु.७

करोड ८६ लाख ७० हजार २ सय ३८ मा सिमित हुन पुगेको छ, भने वितरण योग्य नाफा रू.५ करोड ६ लाख ५० हजार २ सय २३ रहेको छ ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर

समीक्षा वर्षमा शुरू भएको रूस र युक्रेन युद्धको कारण विश्वव्यापी अर्थतन्त्रमा प्रभाव परेको छ । युद्धको कारण पेट्रोलियम पदार्थ र खाद्यान्न वस्तुको मूल्यमा उल्लेख्य वृद्धि भएको छ भने त्यसको प्रभाव विश्व व्यापार गतिविधि र पूँजी प्रवाहमा पनि देखिएको छ । अन्तर्राष्ट्रिय मुद्रा कोषका अनुसार सन् २०२१ मा ६.१ प्रतिशतले विस्तार भएको विश्व अर्थतन्त्रको वृद्धिदर सन् २०२२ मा ३.६ प्रतिशतमा सीमित हुने कोषको प्रक्षेपण छ । कोभिड १९ को विश्वव्यापी महामारीका कारण प्रभावित भई पुनरूत्थान हुन लागेको विश्व अर्थतन्त्रमा थप चुनौती थपिएको छ ।

राष्ट्रिय तथा अन्तर्राष्ट्रिय राजनीतिक एवं आर्थिक अवस्था, सरकार तथा नियामक निकायहरूको नीति, नियम, तथा निर्देशनहरू, व्यवसायिक प्रतिस्पर्धा तथा अन्य अर्थतन्त्रका परिसूचकहरू आदिको बैंक तथा वित्तीय कारोबारमा प्रत्यक्ष तथा अप्रत्यक्ष असर पर्दछ । नेपालको सन्दर्भमा समीक्षा वर्षको शुरूवात देखि नै समग्र बैकिङ्ग क्षेत्रमा मूल्य एवं बाट्य क्षेत्र स्थायित्वमा देखिएको दबाव र लगानी योग्य स्रोतमा देखिएको संकुचनका कारण बैंक तथा वित्तीय संस्थाको व्यवसायमा थप चुनौतीहरू थपिएको छ । समीक्षा वर्ष २०७८/७९ मा चालू खाता एवं शोधनान्तर घाटा, विप्रेषणको वृद्धिदरमा कमी, निक्षेप परिचालन र कर्जा प्रवाहको वृद्धिदर अघिल्लो आर्थिक वर्षको तुलनामा कमी, ब्याजदर र मुद्रास्फीति दरमा उच्च वृद्धि, आदि जस्ता अर्थतन्त्रका परिसूचकहरूले बैकिङ्ग व्यवसायमा थप चुनौती सृजना भएको छ ।

विप्रेषण आप्रवाह :

समीक्षा वर्ष २०७८/७९ मा विप्रेषण आप्रवाह ४.८ प्रतिशतले वृद्धि भई रू.१००७ अर्ब ३१ करोड पुगेको छ । अघिल्लो वर्ष विप्रेषण आप्रवाह ९.८ प्रतिशतले बढेको थियो ।

चालू खाता एवं शोधनान्तर स्थिति :

समीक्षा वर्ष २०७८/७९ मा चालू खाता रू. ६२३ अर्ब ३३ करोडले घाटामा रहेको छ । अघिल्लो वर्ष चालू खाता रू.३३३ अर्ब ६७ करोडले घाटामा रहेको थियो । समीक्षा वर्षमा पुँजीगत ट्रान्सफर ३४.५ प्रतिशतले कमी आई रू. ९ अर्ब ९९ करोड पुगेको छ भने खुद प्रत्यक्ष वैदेशिक लगानी ४.९ प्रतिशतले कमी आई रू. १८ अर्ब ५६ करोड कायम भएको छ । त्यस्तै शोधनान्तर स्थिति रू.२५५ अर्ब २६ करोडले घाटा रहेको छ । अघिल्लो वर्षमा शोधनान्तर स्थिति रू.१ अर्ब २३ करोडले बचतमा रहेको थियो ।

ब्याजदर :

२०७८ असारमा ९१ दिने ट्रेजरी विलको भारित औसत ब्याजदर ४.५५ प्रतिशत रहेकोमा २०७९ असारमा १०.६६ प्रतिशत कायम भएको छ । वाणिज्य बैंकहरूबीचको अन्तर बैंक कारोबारको भारित औसत ब्याजदर भने २०७८ असारको ४.१२ प्रतिशतको तुलनामा २०७९ असारमा ६.९९ प्रतिशत रहेको छ ।

निक्षेप परिचालन :

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूको निक्षेप ९ प्रतिशतले बढेको छ भने अघिल्लो वर्षमा यस्तो निक्षेप २१.४ प्रतिशतले बढेको थियो । निक्षेपको संरचनामा अघिल्लो आर्थिक वर्षको तुलनामा कूल निक्षेपमा मुद्दती निक्षेपको अंश वृद्धि भएर कूल निक्षेपको ४७.० प्रतिशत मुद्दती निक्षेपबाट ५५.८ प्रतिशत रहेको छ । कूल निक्षेपमा चल्ती, वचत र अन्य निक्षेपको अंश अघिल्लो आर्थिक वर्षको तुलनामा घटेको छ ।

कर्जा प्रवाह :

समीक्षा वर्षमा बैंक तथा वित्तीय संस्थाहरूबाट निजी क्षेत्रमा प्रवाहित कर्जा १३.१ प्रतिशतले बढेको छ भने अघिल्लो वर्षमा यस्तो कर्जा २७.३ प्रतिशतले बढेको थियो ।

मुद्रास्फीति :

समीक्षा वर्ष २०७८/७९ मा अघिल्लो आर्थिक वर्षको औसत मुद्रास्फीति दरमा २.७२ प्रतिशतले वृद्धि हुन गई वार्षिक औसत मुद्रास्फीति ६.३२ प्रतिशत रहेको छ । अघिल्लो आर्थिक वर्षमा औसत मुद्रास्फीति ३.६० प्रतिशत रहेको थियो । २०७८ असार मसान्तको तुलनामा अमेरिकी डलरसँग नेपाली रूपैया ६.६४ प्रतिशतले अवमूल्यन भएको छ ।

पूँजी बजार :

२०७८ असारमा नेपाल स्टक एक्सचेन्ज लिमिटेडमा सूचीकृत कम्पनीहरूको संख्या २१९ रहेकोमा २०७९ असार मसान्तमा सो संख्या बढेर २३४ पुगेको छ। २०७८ असार मसान्तमा २८८३.४ बिन्दुमा रहेको नेप्से सूचकाङ्क २०७९ असार मसान्तमा ८७३.९ बिन्दु (३०.३ प्रतिशत) ले घटेर २००९.५ पुगेको छ।

वित्तीय पहुँच :

बैंक तथा वित्तीय संस्थाहरूको शाखा संख्या २०७८ असार मसान्तमा १०,६८३ रहेकोमा २०७९ असार मसान्तमा ११,५२८ पुगेको छ। विद्युतीय भुक्तानी पूर्वाधारमा भएको विकास, विद्युतीय भुक्तानी कारोबारका लागि गरिएको प्रोत्साहन र सर्वसाधारणको विद्युतीय भुक्तानी उपकरण प्रयोगमा बढ्दो अभ्यासका कारण आर्थिक वर्ष २०७८/७९ मा विद्युतीय भुक्तानी कारोबारमा उल्लेख्य वृद्धि भएको र सरल वित्तीय पहुँचमा विद्युतीय भुक्तानी प्रणालीको पनि योगदान देखिएको छ।

माथि उल्लिखित सूचांकहरूले मुलुकको अर्थतन्त्र तथा पूँजी निर्माणमा राम्रो संकेत देखिएको छैन भने युक्रेन र रूस बीचको युद्धको प्रभावका कारण अन्तर्राष्ट्रिय तथा राष्ट्रियस्तरमा मुद्रास्फीति बढेको देखिन्छ। नेपाल राष्ट्र बैंकबाट जारी मौद्रिक नीतिको त्रैमासिक समीक्षा अनुसार नेपालको पहिलो त्रयमासमा औसत उपभोक्ता मुद्रास्फीति ८.५ प्रतिशत रहेको छ।

वित्तीय कारोबार गर्दा हुन सक्ने सञ्चालन जोखिम लगायत विविध चुनौतिहरूका बावजुद 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 चालू वर्षको उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा प्रतिवेदन तयार भएको मितिसम्म चालू आर्थिक वर्षको उपलब्धि :

१. चालू आर्थिक वर्षमा शाखा संजाल विस्तारमा मधेस प्रदेश, पर्सा जिल्ला, विरगंज महानगरपालिका-८, लिंक रोडमा बीरगंज शाखा सञ्चालनमा ल्याएको छ। मोरङको विराटनगर र रौतहटको चन्द्रनिगाहपुरमा गरी थप २ वटा शाखा कार्यालयहरू निर्माण कार्य अन्तिम चरणमा पुगेको सहर्ष जानकारी गराउँदछु।
२. विद्युतीय भुक्तानी प्रणालीमा सहज र सुरक्षित पहुँचको लागि विभिन्न सेवा प्रदायकहरू सँगको सहकार्यमा ग्राहकवर्गले आफ्नो बैंक खाताबाट विना चेक वा ATM कार्ड, रकम निकाल्न QR Teller सेवा, FonePay, Nepal Pay, Smart QR मार्फत भुक्तानी सेवा, e-Sewa तथा Khalti वालेट सेवाको शुरू गरेको छ। ग्राहकवर्गको व्यवसायमा हुने कारोबारलाई विद्युतीय माध्यमबाट सहज र सर्वसुलभ बनाउने अभिप्रायले QR Merchant सेवा पनि शुरू गरेको छ।
३. संस्था RTGS सेवामा आवद्ध भइसकेको छ।
४. संस्थागत ग्राहकहरूलाई विद्युतीय माध्यमबाट रकमान्तर, राजश्व भुक्तानी लगायतका सेवा प्रदान गर्ने उद्देश्यले नेपाल क्लियरिङ हाउस लिमिटेडसँगको सहकार्यमा Corporate Pay सुविधा सञ्चालनमा ल्याएको छ।
५. सम्पत्ति शुद्धिकरण तथा आतंकवादी क्रियाकलापमा वित्तीय लगानीको रोकथाम कार्यलाई प्रभावकारी बनाउन संस्थाले प्रयोग गर्दै आएको goAML Software मा थप PEPs Screening, कर्जा सूचना केन्द्र मार्फत कालोसूचीमा परेका व्यक्ति तथा संस्थाको पहिचान गर्न सक्ने Modified goAML System को शुरुवात गरेको छ।
६. विद्युतिय माध्यमबाट पनि KYC Update, खाता खोल्ने, चेकबुक माग गर्ने जस्ता नयाँ डिजिटल बैंकिङ्ग सेवा प्रदान गर्ने तिर पनि संस्थाको काम कारवाही अघि बढेको छ।

२०७९ साल मंसिर मसान्तमा संस्थाको निक्षेप रु.६ अर्ब २२ करोड ८४ लाख, कर्जा रु.५ अर्ब १९ करोड ५६ लाख, लगानी रु.१ अर्ब ६४ करोड २३ लाख र नगद तथा बैंक मौज्जात रु.२८ करोड ९६ लाख रहेको छ।

भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा

१. निक्षेप र कर्जा लगानीमा प्रतिस्पर्धी व्याजदर कायम गरी आफ्नो ग्राहकवर्गलाई नयाँ निक्षेप र कर्जा योजनाहरू तर्जुमा गरी गुणस्तरीय र आधुनिक बैंकिङ्ग सेवा प्रदान गरिनेछ।

२. कृषि, घरेलु, साना उद्योग तथा विपन्न वर्गमा लगानी बढाउन प्राथमिकता दिई कर्जा लगानीका योजनाहरू सञ्चालन गरिनेछ ।
३. संस्थाले आधुनिक र समय सापेक्ष सेवा प्रदान गर्ने नीति अनुरूप डिजिटल बैंकिङ्ग, डिजिटल पेमेन्ट तथा सूचना प्रविधिसंग सम्बन्धित Online Payment, QR-Payment तथा Card Transactions मा आधारित थप आधुनिक सेवा प्रदान गरिनेछ ।
४. संस्थाले ई-बैंकिङ्ग तथा एम-बैंकिङ्ग सेवा मार्फत सेवाग्राही ग्राहकवर्गले घरमै बसेर खाता खोल्न, चेकबुक माग गर्ने, KYC अद्यावधिक गर्न सकिने, जस्ता सेवाहरू थप गर्ने लक्ष्य लिएको छ ।
५. संस्थाको आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई अझ बढी सुदृढ बनाइनेछ ।
६. विज्ञापन तथा व्यापार प्रवर्द्धन कार्यक्रमद्वारा संस्थाले आफ्नो ब्रान्ड विस्तार गरी व्यापार बढाउदै लगिने छ ।
७. कर्मचारीहरूको कार्य दक्षतालाई अभिवृद्धि गर्न, वृत्ती विकास तथा सेवा प्रवाहमा चुस्तता ल्याउन सीप विकास र तालिम कार्यक्रमलाई निरन्तरता दिने छ ।
८. ATM कार्डमा ग्राहकवर्गको सुविधाको लागि पर्यावरण मैत्री Green PIN सेवाको शुरूवात गरिने छ ।
९. ग्राहकवर्गको सहजताको लागि संस्थाको वेबसाईटबाट सुविधा लिन मिल्ने गरी Chat Bot आदि थप गरी अझ ग्राहक मैत्री बनाउदै लगिने छ ।

(घ) शाखा संजालमा विस्तार

नेपाल राष्ट्र बैंकको एकीकृत निर्देशनको पालना गर्दै यस वित्तीय संस्थालाई थप मजबुत एवं प्रतिस्पर्धी बनाउन संस्थाको उपस्थिति नभएका तर व्यवसाय रणनीतिक दृष्टिकोणले महत्त्व राख्ने स्थानहरूमा संस्थाको शाखा विस्तार गर्दै जाने नीति अनुरूप समीक्षा वर्ष २०७८/७९ मा प्रदेश नं. १ को भ्रुवा जिल्ला, बिर्तामोड नगरपालिका-४, भद्रपुर रोड, अन्नपूर्ण चोकमा बिर्तामोड शाखा र लुम्बिनी प्रदेश, रूपन्देही जिल्ला, सिद्धार्थनगर नगरपालिका-१२, मिलनचोकमा भैरहवा शाखा गरी समीक्षा वर्षमा २ नयाँ शाखा विस्तार गरेको छ । ती नयाँ शाखाहरू सहित यस संस्थाका देहाय बमोजिम शाखा कार्यालयहरू ललितपुरको कुपण्डोलस्थित केन्द्रीय कार्यालय तथा कुपण्डोल शाखा, काठमाण्डौको चावहिल र गोगवु गणेशस्थान, चितवनको नारायणगढ, रूपन्देहीको बुटवल र भैरहवा, भक्तपुरको च्याम्हासिंह, महोत्तरीको बर्दिबास, नवलपरासीको बर्दघाट, बाराको सिमरा, सिन्धुलीको भिमान र डकाहा, सर्लाहीको लालबन्दी, धनुषाको जनकपुर, सुनसरीको इटहरी, भ्रुवाको बिर्तामोड शाखा गरी जम्मा १७ शाखाहरू र भक्तपुरको सल्लाघारीमा १ एक्सटेन्सन काउण्टर खोली आधुनिक बैंकिङ्ग सेवा पुऱ्याउदै आएको छ । ग्राहकवर्गको सेवा सुविधालाई मध्यनजर राख्दै विद्यमान शाखा कार्यालयहरूलाई आधुनिकरण गर्दै लैजाने क्रममा भक्तपुर शाखालाई स्थानान्तरण गरी थप सुविधायुक्त शाखाको रूपमा शाखा आधुनिकीकरण गर्ने कार्य भएको छ ।

(ङ) संस्थागत सामाजिक उत्तरदायित्व

समीक्षा आर्थिक वर्षको खुद मुनाफाको १ प्रतिशत रकम संस्थागत सामाजिक उत्तरदायित्व बहन गर्न आ.व. २०७८/७९ को खुद मुनाफाबाट रु.५ लाख ५९ हजार ८ सय ९८ 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 सृजना हुन सक्ने सम्भावित अवसर, चुनौती तथा जोखिमहरू ।
२. अन्तर्राष्ट्रिय बजारको प्रभावले देशको आर्थिक अवस्थामा आउने परिवर्तनबाट पर्न सक्ने सम्भावित अवसर, चुनौती तथा जोखिमहरू ।
३. तरलतामा हुने उतारचढावका कारणले निक्षेप तथा कर्जा लगानीको ब्याजदरमा हुने परिवर्तनले व्यवसाय वृद्धिमा पर्न सक्ने सम्भावित अवसर, चुनौती तथा जोखिमहरू ।
४. सूचना प्रविधिको विकास सँगै जोडिएका संचालन जोखिम सम्बन्धी चुनौतीहरू ।

५. पूँजी बजारको उतार चढावबाट बैकिङ्ग कारोवारमा पर्न सक्ने असरहरू ।

६. बैकिङ्ग क्षेत्रमा तीव्र प्रतिस्पर्धाका कारण पर्न सक्ने नकारात्मक 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

समीक्षा वर्ष २०७८/७९ मा सञ्चालक समितिमा कुनै हेरफेर नभए तापनि हाल मिति २०७९/६/६ गते सञ्चालक श्री रमेश थापा श्रेष्ठले राजिनामा दिनु भएको अवस्था रहेको छ ।

संस्थाको हालको सञ्चालक समितिका सदस्यहरूको ४ वर्षे कार्यकाल गत मंसिरमा समाप्त भए तापनि संस्थाको यस वार्षिक साधारण सभाबाट अर्को सञ्चालक समितिको निर्वाचन गरी नयाँ सञ्चालक समितिको गठन नभएसम्मका लागि कार्यकाल रहने गरी सञ्चालक समितिको मिति २०७९/०७/२५ सम्पन्न ३२०औं बैठकले निर्णय गरेकोलाई अनुमोदनको लागि सभा समक्ष पेश गरिएको छ । सभा बाट उक्त निर्णय अनुमोदन हुने विश्वास लिएको छु ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम

समीक्षा वर्ष २०७८/७९ को खुद मुनाफाबाट विभिन्न नियमनकारी कोषहरूमा रकम छुट्याए पश्चात् लाभांशको लागि उपलब्ध कूल नाफा रू.५ करोड ६ लाख ५० हजार २ सय २३ मध्येबाट नगद लाभांशको लागि चुक्तापूँजीको ५ प्रतिशतले रू.४ करोड ७४ लाख ४३ हजार ७ सय ७२ पैसा ९४ छुट्याई बाँकी रहेको रकम रू.३२ लाख ६ हजार ४ सय ५० पैसा १५ वासलातमा सारिएको छ ।

(झ) कृतज्ञता तथा आभार

यस संस्थामा निरन्तर सहयोग, प्रोत्साहन, र मार्गदर्शन प्रदान गरी यस वित्तीय संस्थाको मनोबल वृद्धि गर्न सहयोग गर्नु हुने हाम्रा आदरणीय शेयरधनी महानुभावहरू, ग्राहक महानुभावहरू, संस्थालाई प्राप्त अमूल्य मार्गदर्शनका लागि नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल स्टक एक्सचेन्ज लगायतका सम्पूर्ण नियामक निकायहरू लगायत अन्य प्रत्यक्ष तथा अप्रत्यक्ष रूपमा सहयोग गर्ने सम्पूर्ण सम्बद्ध पक्षहरू र आम जनसमुदाय प्रति हार्दिक धन्यवाद तथा कृतज्ञता ज्ञापन गर्दछु । भविष्यमा पनि यहाँहरू सबैको सहयोग तथा सद्भावको अपेक्षा गर्दै यस संस्थाको प्रगतिका लागि सदैव मार्गदर्शन दिने संचालक समिति, अमूल्य श्रम शक्ति, र समयका साथ दत्तचित्तका भई निरन्तर सेवा गर्ने संस्थाका प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद तथा कृतज्ञता ज्ञापन गर्दछु ।

धन्यवाद ।

(संजोज मान श्रेष्ठ)

अध्यक्ष

मिति: २०७९/९/२९

सेन्ट्रल फाईनान्स लिमिटेड

आर्थिक वर्ष २०७८/७९

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 असर :
राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई पर्ने असरहरू 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 कुराहरू :
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया:
नियमित कारोबारमा देखिएका सामान्य कैफियतबाहेक प्रचलित कानून उल्लंघन हुने कुनै नकारात्मक कुराहरू लेखापरीक्षण प्रतिवेदनमा उल्लेख भएको छैन ।
- ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :
सञ्चालक समितिको प्रतिवेदनमा उल्लेख गरिएको ।
- झ) 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 वर्ष २०७८/७९ मा कुनै शेयर जफत गरेको छैन ।
- ञ) विगत आर्थिक वर्षमा कम्पनी र यस सहायक कम्पनीको कारोबारको प्रगति र आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :
यस संस्थाको समीक्षा वर्ष २०७८/७९ मा कुनै सहायक कम्पनी रहेको छैन । काठमाण्डौको चावहिल र गोंगबु गणेशस्थान, चितवनको नारायणगढ, रूपन्देहीको बुटवल, भक्तपुरको च्यामासिंह, महोत्तरीको बर्दिबास र नवलपरासीको बर्दघाट, बाराको सिमरा, सिन्धुलीको भिमान र डकाहा, सर्लाहीको लालबन्दी, धनुषाको जनकपुर, सुनसरीको इटहरी, झापाको विर्तामोड, रूपन्देहीको भैरहवामा शाखा कार्यालयहरू तथा भक्तपुरको सल्लाघारीमा एक्सटेन्सन काउन्टर स्थापना गरी सञ्चालन गरिएको छ ।
- ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्त्वपूर्ण परिवर्तन :
संस्थाको शाखा कार्यालयहरूले वित्तीय कारोबार प्रवर्द्धनमा महत्त्वपूर्ण योगदान पुऱ्याएको छ ।
- ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :
त्यस्तो कुनै जानकारी नगरिएको ।

- ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :
आर्थिक वर्ष २०७८/७९ मा सञ्चालक तथा पदाधिकारीहरू कोही पनि कम्पनीको शेयर कारोबारमा संलग्न रहेको जानकारी प्राप्त गरेको छैन ।
- ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत 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 पुमोरी प्लस बैंकिङ्ग सफ्टवेयर प्रयोग गरी सम्पूर्ण हिसाव किताब 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 परीक्षण हुने व्यवस्था मिलाएको छ । संस्थामा जोखिम व्यवस्थापन समिति, लेखा परीक्षण समिति समेत रहेको छ । संस्थाले KYC को मापदण्ड तथा मुद्रा शुद्धीकरण विरोधी (Anti Money Laundering) सम्बन्धी नीति प्रचलित कानून तथा नेपाल राष्ट्र बैकबाट जारी निर्देशनका आधारमा तर्जुमा गरी लागू गरेको छ ।
- थ) विगत आर्थिक वर्षको कूल व्यवस्थापन खर्चको विवरण :
आर्थिक वर्ष २०७८/७९ मा यस संस्थाको कूल व्यवस्थापन खर्चमा कर्मचारी खर्च रु.७ करोड ६९ लाख १२ हजार १ सय ४८ र अन्य संचालन खर्च रु.६ करोड ८७ लाख ७५ हजार ८ सय ८६ 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 कृष्ण प्रसाद न्यौपाने 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, कम्पनीका आधारभुत 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 ५९ हजार, प्रमुख कार्यकारी अधिकृत लगायत व्यवस्थापकीय पदाधिकारीहरूलाई पारिश्रमिक र भत्ता रु. १ करोड ६३ लाख ७६ हजार ६ सय ४५ भुक्तानी गरिएको छ ।
- प) शेयरधनीहरूले बुझिलिन बांकी रहेको लाभांशको रकम :
शेयरधनीहरूले २०७९ साल असार मसान्तमा रु. २ लाख २ हजार ८ सय ४५ लाभांश बुझिलिन बांकी रहेको छ ।
- फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :
समीक्षा आ.व. २०७८/७९ 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 कुराहरू:
नभएको ।
- म) अन्य आवश्यक कुराहरू :
नरहेको ।

(संजोज मान श्रेष्ठ)
अध्यक्ष

(डा. किशोर हाकुदुवाल)
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 समावेश गरिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत समावेश गरिएको ।
३. लेखापरीक्षण भएको वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत समावेश गरिएको ।
४. कानूनी कारवाही सम्बन्धी विवरण
 - (क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएका 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 भएका भए,
- यस संस्थाको जानकारीमा नरहेको ।
 - (ग) कुनै संस्थापक वा संचालक विरुद्धमा आर्थिक अपराध गरेको सम्बन्धमा कुनै दायर भएका भए,
- यस संस्थाको जानकारीमा नरहेको ।
५. संगठित संस्थाको 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 गरिरहेको ।
 - (ख) आ.व. २०७८/७९ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कूल कारोवार शेयर संख्या र कारोवार दिन :

त्रैमासिक	अधिकतम मूल्य	न्यूनतम मूल्य	अन्तिम मूल्य	कूल कारोवार दिन	कूल कारोवार संख्या	कूल कारोवार शेयर संख्या
प्रथम त्रयमास	८१४.९	४५०.८	४९९	५७	४३,३००	७८,२४,०३६
दोश्रो त्रयमास	६३७	३८५	५२६	५९	१८,९८७	२७,५०,१६९
तेस्रो त्रयमास	५५६	३७१.५	३८५.८	५८	१०,७५९	१४,०४,८५८
चौथो त्रयमास	४०१	२३७	३०२	६४	८,४१२	९,२२,१३६

६. समस्या तथा चुनौति

- (क) आन्तरिक समस्या तथा चुनौति
 - ब्याजदर अन्तर कायम राख्ने चुनौति ।
 - बढ्दो सञ्चालन खर्च ।
 - शाखा वृद्धि सँगसँगै संचालन जोखिम व्यवस्थापन चुनौति ।
 - आयमा विविधिकरण ।
- (ख) बाह्य समस्या तथा चुनौति
 - बैंक संस्थाको बीच तीव्र प्रतिस्पर्धा ।
 - तरल राजनैतिक अवस्था तथा खस्किँदो व्यवसायिक मनोबल ।

- बढ्दो मुद्रास्फीति दर तथा ब्याजदर ।
- लगानीका सीमित अवसरहरु ।

(ग) रणनीति

- व्यवसाय विविधीकरण तथा नयाँ लगानी योग्य क्षेत्रको खोजी गर्ने ।
- समय सापेक्ष प्रविधिमा आधारित नयाँ नयाँ सेवाहरुको उत्पादन तथा उपलब्ध गराउने ।
- संस्थागत सेशासनको सुदृढीकरण गर्ने ।
- आन्तरिक कार्य प्रणालीमा खर्च मितव्ययिता अपनाउने ।

७. संस्थागत सुशासन

- बैंक तथा वित्तीय संस्था सम्बन्धी 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 दिँदै आईरहेको छ ।
- नेपाल राष्ट्र बैंकको निर्देशन, स्थलगत निरीक्षण 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 ।

N. Amatya & Co.
Chartered Accountants

UDIN: 221219CA00209R6g7s

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
CENTRAL FINANCE LTD.**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Central Finance Ltd. (*hereinafter referred to as "the finance company"*), which comprise the statement of financial position as at Ashad 32, 2079 (July 16, 2022), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the 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 the finance company as at Ashad 32, 2079 (July 16, 2022), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the finance company in accordance with the code of ethics for professional accountant issued by Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics for professional accountants. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 financial year ended on Ashad 32, 2079 (July 16, 2022). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of loans and advances to customers including interest income recognition (Refer Note 4.35 "Loan impairment allowance charge/(reversal)", Note 4.7.4 and Note 3.4.6 of the financial statements for impairment of loans and advances to customers) (Refer Note 4.29 "Interest income" and Note 3.13 of the financial statements for the interest income recognition)</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We planned and tested the operating effectiveness of key controls established by the finance company to identify loss events and for determining the extent of provisioning required against non-performing loans and advances to customers.
<p>Allowances for impairment of loans and advances to customers have been made based on incurred loss model. The finance company is required to apply its judgement and estimation to determine allowances for impairment. In addition, the assessment of impairment is significant as carve out by ICAN provides for higher of incurred loss</p>	



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Key audit matter	How our audit addressed the key audit matter
<p>model or as per NRB directive for determining the impairment allowance.</p> <p>The carrying value of loans and advances to the customers can be materially misstating if the finance company's judgement and estimation are inappropriate.</p> <p>In addition to above, interest income on loans and advances to customers has been recognized on accrual basis and following the interest income recognition guidelines 2019 issued by NRB. Recognition of interest income on non-performing loans and advances involves estimation and judgements.</p> <p>Considering the significance of above matters, we have identified this as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> ▪ The testing of controls includes testing of controls over correct identification and classification of non- performing loans and advances to customers on time-based criteria, control over statistical models used to calculate the incurred loss in accordance with incurred loss model; control over monitoring of loans and advances to customers with higher risk default; control over accurate computation and recording of provisions; control over the governance and approval process related to provisions including continuous reassessment by management. ▪ We selected a sample of loans and advances to customers, checked installments of repayments and tested classification of non-performing loans and advances to customers based on number of days overdue; evaluated the finance company's assessment for classification of loans and advances to customers as performing and non-performing based on repayment pattern, documentation, inspection and thorough discussion with management; assessment of control over mortgage value of loans and advances to customers. ▪ We selected sample of loans and advances to customers and independently performed and reassessed whether there was need to classify loans and advances to customers as non- performing and compared our outcome to that prepared by the finance company and challenged various assumptions and judgements which were used by management. ▪ We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and NRB requirements relating to allowances and interest recognition, and considered it to be acceptable.
<p>Information technology system and control impacting financial reporting in relation to the finance company</p>	
<p>The finance company's information technology environment is complex and involves a large number of independent and inter-dependent information technology systems used in operations of the finance company for processing and recording a large volume of transactions at</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ In assessing the integrity of the IT systems, we involved our team to obtain understanding of IT infrastructure and IT systems relevant to finance company's financial reporting process.



Key audit matter	How our audit addressed the key audit matter
<p>numerous locations. Due to this, there is high degree of reliance and dependency on such information technology systems for the finance company's financial reporting process. Due to the importance of the impact of the information technology systems and related control environment on financial reporting process of the finance company, we have identified testing of such information technology system and related control environment as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> ▪ Access rights were tested over applications, operating systems, networks and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodic review of access rights. ▪ We further tested segregation of duties, including preventive controls to ensure that the access to change applications, the operating system or databases were granted only to authorized personnel. ▪ Other areas such as security configurations and controls around the change management were also assessed. ▪ We also evaluated the design and tested the operating effectiveness of the key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds and automated calculations and considered to be acceptable.

Information other than the financial statement and auditor's report thereon

The management of the finance company is responsible for the other information. The other information comprises the information included in the statement of the Board of Directors and Chairman.

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

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

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the finance 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, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the finance company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 finance company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the finance 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.

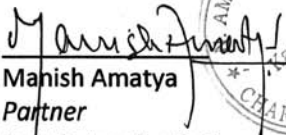
Report on other legal and regulatory requirements


We report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the finance company, so far as appears from our examination of those books.
- c. The enclosed statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows have been prepared in conformity with format prescribed by Nepal Rastra Bank and the same are in agreement with the books of account maintained by the finance company.
- d. In our opinion, the finance company has maintained adequate capital funds and adequate provisions for possible impairment of assets in accordance with the directives of Nepal Rastra Bank.



- e. To the best of our information and according to explanations given to us and so far, appeared from our examination of the books of account of the finance company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the finance company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the finance company relating to the accounts in the finance company.


Manish Amatya
Partner
For: N. Amatya & Co.
Chartered Accountants



Address: Kathmandu

Date: Poush 3, 2079 (December 18, 2022)

CENTRAL FINANCE LTD.
Statement of Financial Position
As on Ashad End 2079

ASSETS	NOTE	ASHAD END 2079	ASHAD END 2078
Cash and cash equivalent	4.1	548,457,237	379,499,350
Due from Nepal Rastra Bank	4.2	312,400,196	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	164,624,035	95,739,000
Loans and advances to customers	4.7	5,011,541,067	4,131,833,126
Investment securities	4.8	1,629,346,225	1,704,871,044
Current tax assets	4.9	26,538,138	10,628,302
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	681,270	2,611,789
Property Plant and Equipment	4.13	202,962,572	137,167,117
Goodwill and Intangible assets	4.14	1,754,451	425,162
Deferred tax assets	4.15	-	-
Other assets	4.16	35,159,310	103,101,157
TOTAL ASSETS		7,933,464,502	6,837,890,318
LIABILITIES	NOTE	ASHAD END 2079	ASHAD END 2078
Due to Bank and Financial Institutions	4.17	237,173,864	245,176,981
Due to Nepal Rastra Bank	4.18	300,230,137	65,668,685
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	6,089,460,930	5,273,346,239
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	3,906,028	13,173,694
Other liabilities	4.23	91,455,848	40,479,634
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
TOTAL LIABILITIES		6,722,226,807	5,637,845,233
EQUITY			
Share Capital	4.26	948,875,459	881,035,709
Share premium		442,546	442,546
Retained Earnings		50,650,223	106,765,650
Reserves	4.27	211,269,467	211,801,180
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		1,211,237,695	1,200,045,085
NON-CONTROLLING INTEREST			
TOTAL EQUITY		1,211,237,695	1,200,045,085
TOTAL LIABILITIES & EQUITY			
Contingent liabilities and commitment	4.28	19,458,485	5,177,224
Net assets value per share		127.65	136.21

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

Dipesh Sah
Account Head

Chaitya Raj Shakya
Director

Rajoj Man Shrestha
Chief Executive Officer

Dr. Kishor Hakuduwal
Director

Sanjoj Man Shrestha
Chairman

Bidya Bhusan Dhoj Joshi
Director

Chandika Shrestha
Director

Krishna Prasad Neupane
Independent Director

Auditor
CA. Manish Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Date: 03.09.2079
Place: Lalitpur

CENTRAL FINANCE LTD.
Statement of Profit or Loss
For the year ended Ashad End 2079

IN NPR

PARTICULARS	NOTE	ASHAD END 2079	ASHAD END 2078
Interest income	4.29	725,854,669	570,929,446
Interest expense	4.30	491,561,202	383,793,080
Net interest income		234,293,467	187,136,366
Fee and commission income	4.31	38,110,842	42,826,362
Fee and commission expense	4.32	-	-
Net fee and commission income		38,110,842	42,826,362
Net interest, fee and commission income		272,404,309	229,962,728
Net trading income	4.33	-	-
Other operating income	4.34	5,474,573	55,375,461
Total operating income		277,878,882	285,338,189
Impairment charge/(reversal) for loans and other losses	4.35	44,676,600	10,982,521
Net operating income		233,202,282	274,355,668
Operating expense			
Personnel expenses	4.36	85,780,508	77,225,862
Other operating expenses	4.37	41,178,745	34,444,970
Depreciation & Amortization	4.38	27,572,791	10,697,869
Operating Profit		78,670,238	151,986,967
Non operating income	4.39	1,169,357	1,430,861
Non operating expense	4.40	24,350	221,313
Profit before income tax		79,815,244	153,196,516
Income tax expense	4.41		
Current Tax expenses		26,354,649	44,998,803
Deferred Tax Expenses/(Income)		(2,529,224)	(1,008,931)
Profit for the period		55,989,819	109,206,644
Profit attributable to:			
Equity holders of the Bank		55,989,819	109,206,644
Non-controlling interest		-	-
Profit for the period		55,989,819	109,206,644
Earnings per share			
Basic earnings per share		5.90	12.40
Diluted earnings per share		5.90	12.40
Annualized Earning Per Share			

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

Dipesh Sah
Account Head

Chaitya Raj Shakya
Director

Rajoj Man Shrestha
Chief Executive Officer

Dr. Kishor Hakuduwal
Director

Sanjoj Man Shrestha
Chairman

Bidya Bhusan Dhoj Joshi
Director

Chandika Shrestha
Director

Krishna Prasad Neupane
Independent Director

Auditor
CA. Manish Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Date: 03.09.2079
Place: Lalitpur

CENTRAL FINANCE LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the year ended Ashad End 2079

IN NPR

PARTICULARS	NOTE	ASHAD END 2079	ASHAD END 2078
Profit for the year		55,989,819	109,206,644
Other comprehensive income, net of income tax			
a) Items that will not be reclassified to profit or loss			
Gains/(Losses) from investments in equity instruments measured at fair value		(24,764,683)	58,293,194
Gains/(Losses) on revaluation		-	-
Actuarial gain/(loss) on defined benefit plans		2,303,209	1,111,495
Income tax relating to above terms		6,738,442	(17,821,407)
Net other comprehensive income that will not be reclassified to profit or loss		(15,723,032)	41,583,282
b) Items that are or may be reclassified to profit or loss			
Gains/(Losses) on cash flow hedge		-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation		-	-
Income tax relating to above terms		-	-
Reclassify to profit or loss		-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-
c) Share of other comprehensive income of associate accounted as per equited method		-	-
Other comprehensive income for the year, net of income tax		(15,723,032)	41,583,282
Total comprehensive income for the period		40,266,788	150,789,926
Total comprehensive income attributable to:			
Equity holders of the bank		40,266,788	150,789,926
Non-controlling interest		-	-
Total comprehensive income for the period		40,266,788	150,789,926

Dipesh Sah
Account Head

Chaitya Raj Shakya
Director

Rajoj Man Shrestha
Chief Executive Officer

Dr. Kishor Hakuduwal
Director

Sanjoj Man Shrestha
Chairman

Bidya Bhusan Dhoj Joshi
Director

Chandika Shrestha
Director

Krishna Prasad Neupane
Independent Director

Auditor
CA. Manish Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Date: 03.09.2079
Place: Lalitpur

CENTRAL FINANCE LTD.
Statement of Cash Flows
For the year ended Ashad End 2079

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	648,376,735	540,842,503
Fees and other income received	38,110,842	42,826,362
Receipts from other operating activities	1,169,357	1,430,861
Interest paid	(490,840,925)	(385,698,187)
Cash payment to employees	(91,778,691)	(72,139,977)
Other expenses paid	(43,604,238)	(34,666,283)
Operating cash flows before changes in operating assets and liabilities	61,433,080	92,595,279
(Increase)/ Decrease in operating assets		
Due from Nepal Rastra Bank	(40,385,923)	33,586,730
Loan and advances to bank and financial institutions	(69,792,335)	(5,000,000)
Loan and advances to customers	(915,449,035)	(692,677,675)
Other assets	66,566,736	(77,497,102)
(Increase)/ Decrease in operating liabilities		
Due to bank and financial institutions	(8,003,118)	245,176,981
Due to Nepal Rastra Bank	234,561,452	66,371,306
Deposits from Customers	816,114,691	757,097,727
Other Liabilities	3,379,828	(11,534,521)
Net Cash flow from operating activities before tax paid	148,425,377	408,118,726
Income taxes paid	(42,264,485)	(51,650,070)
Net Cash flow from operating activities	106,160,892	356,468,656
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment securities	(49,239,864)	(906,871,324)
Receipt from the sale of investment securities	100,000,000	49,287,686
Purchase of property and equipment	(35,113,736)	(45,425,847)
Receipt from the sale of property and equipment	55,022	1,974,093
Purchase of intangible assets	(2,162,480)	-
Receipt from the sale of investment properties	3,550,832	5,627,869
Interest received	70,824,838	51,098,508
Dividend received	3,821,512	6,768,402
Net cash used in investing activities	91,736,124	(837,540,612)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(28,939,130)	(24,683,759)
Net cash from financing activities	(28,939,130)	(24,683,759)
Net increase/ (decrease) in cash and cash equivalents	168,957,885	(505,755,715)
Cash and cash equivalents at Shrawan 1, 2078	379,499,352	885,255,065
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at Ashad end, 2079	548,457,237	379,499,350

Dipesh Sah
Account Head

Chaitya Raj Shakya
Director

Rajoj Man Shrestha
Chief Executive Officer

Dr. Kishor Hakuduwal
Director

Sanjoj Man Shrestha
Chairman

Bidya Bhusan Dhoj Joshi
Director

Chandika Shrestha
Director

Krishna Prasad Neupane
Independent Director

Auditor
CA. Manish Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Date: 03.09.2079
Place: Lalitpur

CENTRAL FINANCE LTD.
STATEMENT OF CHANGES IN EQUITY
For the Ashad End 2079

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	134,897,313	442,546	32,513,980	(1,657,377)	-	88,011,899	-	(3,649,127)	1,073,957,093
Comprehensive income for the year										
Profit for the year							109,206,644			109,206,644
Other Comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value					40,805,236					40,805,236
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans									778,047	
Total comprehensive income for the year										
Transfer to reserve during the year										
Transfer from reserve during the year		22,246,759					(23,359,097)		1,112,338	
Transactions with owners, directly recognised in equity				(12,804,003)	(1,419,006)		15,245,990		(1,022,981)	
Right shares issued										
Share issue expenses										
Bonus shares issued	57,637,850						(57,637,850)			
Cash dividend paid							(24,701,936)			(24,701,936)
Others										
Total contributions by and distributions										
Balance as at Ashad end, 2078	881,035,709	157,144,072	442,546	19,709,977	37,728,854	-	106,765,650	-	(2,781,723)	1,200,045,085

IN NPR

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, 2078	881,035,709	157,144,072	442,546	19,709,977	37,728,854	-	106,765,650	-	(2,781,723)	1,200,045,085
Comprehensive income for the year										
Profit for the year							55,989,819			55,989,819
Other Comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value					(17,335,278)					(17,335,278)
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans										
Total comprehensive income for the year										
Transfer to reserve during the year		11,197,964		6,452,525			(19,527,055)		1,876,566	0
Transfer from reserve during the year				(2,828,473)			4,335,737		(1,507,264)	
Transactions with owners, directly recognised in equity										
Right shares issued										
Share issue expenses										
Bonus shares issued	67,839,750						(67,839,750)			
Cash dividend paid							(29,074,178)			(29,074,178)
Others										
Total contributions by and distributions										
Balance as at Ashad end, 2079	948,875,459	168,342,036	442,546	23,334,029	20,393,576	-	50,650,223	-	(800,174)	1,211,237,695

Dipesh Sah
 Account Head
 Date: 03.09.2079
 Place: Lalitpur

Rajoj Man Shrestha
 Chief Executive Officer

Sanjo Man Shrestha
 Chairman

Chandika Shrestha
 Director

Bidya Bhusan Dhoj Joshi
 Director

Chaitya Raj Shakya
 Director

Dr. Kishor Hakudawal
 Director

Krishna Prasad Neupane
 Independent Director

C.A. Manish Amatya
 Partner
N. Amatya & Co.
 Chartered Accountants

CENTRAL FINANCE LTD.
STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS
For the year ended Ashad End 2079
(As per NRB Regulation)

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Opening retained earning	106,765,649	88,011,899
Less: Dividend distributed	(29,074,178)	(24,701,936)
Less: Bonus Share issued	(67,839,749)	(57,637,850)
Add: Gain from sale of investment securities measured at fair value through OCI	-	2,027,152
Remaining balance of Retained Earnings	9,851,722	7,699,265
Net profit or (loss) as per statement of profit or loss	55,989,819	109,206,644
Appropriations:		
a. General reserve	(11,197,964)	(22,246,759)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(559,898)	(1,112,338)
e. Employees' training fund	(1,316,668)	-
f. Other		
Writeback from Corporate social responsibility fund	674,485	1,022,981
Writeback from Employee's training fund	832,779	-
Profit or (loss) before regulatory adjustment	44,422,553	86,870,527
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(6,452,525)	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 (+)	1,216,227	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 (+)	1,612,246	778,047
i. Other (+/-)	-	1,657,376
Distributable profit or (loss) as on year end date	50,650,223	106,765,649

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

Bidya Bhusan Dhoj Joshi
Director

Krishna Prasad Neupane
Independent Director

Auditor
CA. Manish Amatya
Partner
N. Amatya & Co.
Chartered Accountants

Date: 03.09.2079
Place: Lalitpur

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Cash & Cash equivalent

NOTE 4.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Cash in hand	73,032,720	80,669,406
Balances with B/FIs	475,424,517	298,829,944
Money at call and short notice	-	-
Other	-	-
TOTAL	548,457,237	379,499,350

Due from Nepal Rastra Bank

NOTE 4.2

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Statutory balances with NRB	307,700,480	272,014,273
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	4,699,716	-
TOTAL	312,400,196	272,014,273

Placements with Bank and Financial Institutions

NOTE 4.3

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Placement with domestic B/FIs	-	-
Placement with foreign B/FIs	-	-
Less: Allowances for impairment	-	-
TOTAL	-	-

Derivative Financial Instruments

NOTE 4.4

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Held for Trading		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
TOTAL	-	-

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Other Trading Assets

NOTE 4.5

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Treasury bills	-	-
Government bonds	-	-
NRB Bonds	-	-
Domestic Corporate bonds	-	-
Investment in equity instruments	-	-
Other - Investment in units of mutual funds	-	-
TOTAL	-	-
Pledged	-	-
Non-pledged	-	-

Loan and Advances to B/FIs

NOTE 4.6

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Loans to microfinance institutions	166,792,335	97,000,000
Other		
Less: Allowances for impairment	(2,168,300)	(1,261,000)
TOTAL	164,624,035	95,739,000

Allowances for Impairment

NOTE 4.6.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Balance at Shrawan 1	1,261,000	920,000
Impairment loss for the year		
Charge for the year	907,300	341,000
Recoveries/reversal		
Amount written off		
Balance at Ashad end	2,168,300	1,261,000

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Loans and Advances to customers

NOTE 4.7

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Loans and advances measured at amortized cost	5,151,557,949	4,228,080,708
Less: Impairment allowances		
Collective impairment	(72,243,093)	(56,854,637)
Individual Impairment	(67,773,789)	(39,392,945)
Net amount	5,011,541,067	4,131,833,126
Loan and advances measured at FVTPL	-	-
TOTAL	5,011,541,067	4,131,833,126

Analysis of loan and Advances - By Product

NOTE 4.7.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Product		
Term Loans	1,017,330,151	372,170,272
Overdraft	297,836,551	96,898,805
Trust Receipt/Import loans	-	-
Demand and other working capital loans	934,615,462	857,697,660
Personal residential loans	691,368,150	689,707,698
Real estate loans	216,824,416	111,636,617
Margin lending loans	5,034,122	2,878,023
Hire purchase loans	343,431,842	343,793,620
Deprived sector loans	75,654,690	182,005,626
Bills purchased	-	-
Staff loans	18,217,550	5,017,032
Other	1,516,755,412	1,538,262,974
Subtotal	5,117,068,346	4,200,068,325
Interest receivable	34,489,603	28,012,383
GRAND TOTAL	5,151,557,949	4,228,080,708

Analysis of Loan and Advances - By Currency

NOTE 4.7.2

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Nepalese rupee	5,151,557,949	4,228,080,708
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
TOTAL	5,151,557,949	4,228,080,708

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
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Analysis of Loan and Advances - By Collateral

NOTE 4.7.3

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Secured		
Movable/immovable assets	4,992,785,195	4,087,089,492
Gold and silver	-	-
Guarantee of domestic B/FIs	-	97,397,000
Government guarantee	-	-
Guarantee of international rated bank	-	-
Collateral of export document	-	-
Collateral of fixed deposit receipt	158,772,755	40,716,193
Collateral of Government securities	-	-
Counter guarantee	-	-
Personal guarantee	-	-
Other collateral	-	2,878,023
Subtotal	5,151,557,949	4,228,080,708
Unsecured	-	-
GRAND TOTAL	5,151,557,949	4,228,080,708

Analysis of Loan and Advances - By Collateral

NOTE 4.7.4

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Specific allowances for impairment		
Balance at Shrawan 1	39,392,945	37,792,082
Impairment loss for the year:		
Charge for the year	28,380,844	1,600,863
Recoveries/reversal during the year	-	-
Write-offs	-	-
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashad end	67,773,789	39,392,945
Collective allowances for impairment		
Balance at Shrawan 1	56,854,637	47,813,979
Impairment loss for the year:		
Charge/(reversal) for the year	15,388,456	9,040,658
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashad end	72,243,093	56,854,637
Total allowances for impairment	140,016,882	96,247,582

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Investment Securities

NOTE 4.8

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Investment securities measured at amortized cost	1,344,485,121	1,440,255,729
Investment in equity measured at FVTOCI	284,861,104	264,615,315
TOTAL	1,629,346,225	1,704,871,044

Investment Securities measured at amortized cost

NOTE 4.8.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Debt securities		-
Government bonds	1,344,485,121	1,440,255,729
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposits instruments	-	-
Other	-	-
Total	1,344,485,121	1,440,255,729
Less: specific allowances for impairment	-	-
TOTAL	1,344,485,121	1,440,255,729

Investment in equity measured at fair value through other comprehensive income

NOTE 4.8.2

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Equity instruments		
Quoted equity securities	281,751,904	262,037,041
Unquoted equity securities	3,109,200	2,578,274
TOTAL	284,861,104	264,615,315

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

NOTE 4.8.3
IN NPR

PARTICULARS	ASHAD END 2079		ASHAD END 2078	
	COST	FAIR VALUE	COST	FAIR VALUE
INVESTMENT IN EQUITY MEASURED AT FVOCI				
Investment in quoted equity				
Lumbini General Insurance Co. Ltd.	200	1,528	200	3,120
4 nos. of ordinary shares of Rs. 100 each				
Butwal Power Co. Ltd.	8,578,432	5,675,250	8,578,431	8,107,638
17,625 nos. of ordinary shares of Rs. 100 each				
NAGARIK LAGANI KOSH (PROMOTER SHARE)	12,044,229	25,150,000	12,044,228	12,044,228
10000 nos. of Promoter shares of Rs. 100 each				
Ridi Hydropower Development Co. Ltd.	-	14,246	-	9,792
17 nos. of ordinary shares of Rs. 100 each				
Sanima Mai Hydropower Ltd.	46,522,599	33,881,544	46,522,599	51,637,554
1,10,724 nos. of ordinary shares of Rs. 100 each				
Chilime Hydropower Company Limited	11,655,394	9,670,008	11,655,394	15,146,289
23,701 nos. of ordinary shares of Rs. 100 each				
Lumbini General Insurance Co. Ltd.	10,937,700	50,595,336	10,937,700	48,185,987
1,52,856 nos. of promoter shares of Rs. 100 each				
Aarambha Chautari Lagubitta Bittiya Sanstha	12,000,000	16,718,500	12,000,000	12,840,000
1,67,185 nos. of promoter shares of Rs. 100 each				
SUNRISE BLUECHIP FUND	2,500,000	2,185,000	2,500,000	2,540,000
2,50,000 nos. of ordinary shares of Rs. 10 each				
NIC ASIA GROWTH FUND	2,000,000	2,230,000	2,000,000	3,000,000
2,00,000 nos. of ordinary shares of Rs. 10 each				
NIBL SAHABHAGITA FUND	2,000,000	2,142,000	2,000,000	3,490,000
2,00,000 nos. of ordinary shares of Rs. 10 each				
SANIMA LARGE CAP FUND	25,000,000	23,300,000	25,000,000	26,250,000
25,00,000 nos. of ordinary shares of Rs. 10 each				
NIBL SAMRIDDDHI FUND II	20,000,000	17,340,000	20,000,000	21,620,000
20,00,000 nos. of ordinary shares of Rs. 10 each				

PRABHU SELECT FUND	14,680,900	14,108,345	14,680,900	14,886,433
146809 nos. of ordinary shares of Rs. 10 each				
NIC ASIA SELECT 30 INDEX FUND	40,000,000	35,080,000	40,000,000	39,760,000
40,00,000 nos. of ordinary shares of Rs. 10 each				
CITIZENS MUTUAL FUND 1	2,000,000	1,760,000	2,000,000	2,516,000
2,00,000 nos. of ordinary shares of Rs. 10 each				
API	411,400	1,111,253		
4545 nos. of ordinary shares of Rs. 100 each				
NLIC	-	747	-	-
1 nos. of ordinary shares of Rs. 100 each				
RBB First Mutual fund 1	39,920,870	37,006,646	-	-
39,92,087 nos. of ordinary shares of Rs. 10 each				
Siddhartha Systematic Investment Scheme	53,200	53,200	-	-
5,320 nos. of ordinary shares of Rs. 10 each				
Megha Mutual Fund -1	4,363,400	3,486,357	-	-
4,36,340 nos. of ordinary shares of Rs. 10 each				
Namil balance Fund -3	166,700	157,198	-	-
16,670 nos. of ordinary shares of Rs. 10 each				
NMB Saral Bachat Fund -3	94,900	84,746	-	-
9,490 nos. of ordinary shares of Rs. 10 each				
Total Of Quoted Share	254,929,923	281,751,903	209,919,452	262,037,041
Investment in unquoted equity				
Credit Information Beaureau Ltd.	94,500	1,181,300	94,500	1,181,300
11813 nos. of ordinary shares of Rs. 100 each				
Nepal Clearing House	703,000	1,927,900	703,000	1,396,974
19,279 nos. of ordinary shares of Rs. 100 each				
Total Of Unquoted Share	797,500	3,109,200	797,500	2,578,274
TOTAL	255,727,423	284,861,103	210,716,952	264,615,315

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Current tax assets

NOTE 4.9

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Current tax assets		
Current Year income tax assets	174,527,323	133,271,769
Tax assets of prior periods		
Current tax liabilities		
Current year income tax liabilities	147,989,185	122,643,467
Tax liabilities of prior periods		
TOTAL	26,538,138	10,628,302

Investment in subsidiaries

NOTE 4.10

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Investment in quoted subsidiaries	-	-
Investment in unquoted subsidiaries	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net Carrying Amount	-	-

Investment in associates

NOTE 4.11

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Investment in quoted associates	-	-
Investment in unquoted associates	-	-
Total investment	-	-
Less: Impairment allowances	-	-
Net Carrying Amount	-	-

Investment properties

NOTE 4.12

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Investment properties measured at fair value		
Balance as on Shrawan 1	-	-
Addition/disposal during the year	-	-
Net changes in fair value during the year	-	-
Adjustment/transfer	-	-
Net Amount	-	-
Investment properties measured at cost		
Balance as on Shrawan 1	2,611,789	8,239,662
Addition/disposal during the year	(1,930,519)	(5,627,869)
Adjustment/transfer	-	-
Accumulated depreciation	-	-
Accumulated impairment loss	-	-
Net amount	681,270	2,611,793
TOTAL	681,270	2,611,789

Name of Loanee	ASHAD END 2079	
	Amount	Date Of NBA
Gyanendra Das Shrestha	248,675	14/07/2006
Anita Malakar	432,595	25/01/2015
TOTAL	681,270	

CENTRAL FINANCE LTD.
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For the year ended Ashad End 2079

NOTE 4.13
IN NPR

Property and Equipment

Particulars	Land	Right of Use Asset	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	ASHAD END 2079	ASHAD END 2078
Cost											
As on Shrawan 1, 2077	37,622,000	-	-	14,000,422	4,652,311	28,768,795	9,376,221	20,631,319	248,265	115,299,333	99,522,683
Addition during the Year											
Acquisition	-	-	-	6,602,236	2,991,942	1,367,003	1,592,290	7,104,908	-	19,658,379	16,448,687
Capitalization	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	(634,319)	(832,753)	(4,152,933)	(2,030,760)	(2,085,552)	(196,326)	(9,932,643)	(672,037)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2078	37,622,000	-	-	19,968,339	6,811,500	25,982,865	8,937,751	25,650,675	51,939	125,025,069	115,299,333
Addition during the Year											
Acquisition	-	57,440,702	6,804,262	5,843,850	1,055,732	3,829,900	2,282,002	9,685,172	3,526,843	90,468,462	19,658,379
Capitalization	-	-	46,272,822	-	185,885	-	1,415,262	2,838,091	10,280,644	60,992,704	-
Disposal during the year	-	-	-	-	-	(12,152)	-	(11,568)	-	(23,720)	(9,932,643)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2079	37,622,000	57,440,702	53,077,084	25,812,189	8,053,117	29,800,613	12,635,015	38,162,370	13,859,426	276,462,515	125,025,069
Depreciation and Impairment											
As on Shrawan 1, 2077	-	-	-	8,844,163	3,541,804	15,575,154	5,839,844	13,568,585	230,031	47,599,581	40,038,694
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
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(577,269)	(783,226)	(3,956,952)	(1,879,885)	(1,918,077)	(189,663)	(9,305,072)	(554,637)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As on Ashad end 2078	-	-	-	10,889,975	3,502,494	14,403,561	5,167,899	14,843,468	43,261	48,850,656	47,599,581
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	7,654,341	2,653,854	2,959,557	1,034,538	2,808,090	1,623,605	5,021,001	2,984,616	26,739,601	10,556,148
Disposals	-	-	-	-	-	-	-	(1,446)	-	(1,446)	(9,305,072)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As on Ashad end 2079	-	7,654,341	2,653,854	13,849,532	4,537,032	17,211,651	6,791,504	19,863,023	3,027,877	75,588,811	48,850,656
Capital Work in Progress Net Book Value as on Ashad 2077	-	-	35,225,236	-	-	-	-	-	-	35,225,236	24,636,084
Capital Work in Progress Net Book Value as on Ashad 2078	-	-	60,992,704	-	-	-	-	-	-	60,992,704	35,225,236
Capital Work in Progress Net Book Value as on Ashad 2079	-	-	-	2,088,868	-	-	-	-	-	2,088,868	60,992,704
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	102,924,988	84,120,073
As on Ashad end 2078	37,622,000	-	60,992,704	9,078,364	3,309,006	11,579,304	3,769,852	10,807,207	8,678	137,167,117	102,924,988
As on Ashad end 2079	37,622,000	49,786,361	50,423,230	14,051,525	3,516,085	12,588,961	5,843,511	18,299,347	10,831,549	202,962,572	137,167,117

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

NOTE 4.14
IN NPR

Goodwill and Intangible Assets

Particulars	Software					ASHAD END 2078
	Goodwill	Purchased	Developed	Other	ASHAD END 2079	
Cost						
As on Shrawan 1, 2077	-	3,406,837	-	-	-	3,283,837
Addition during the Year	-	-	-	-	-	123,000
Acquisition	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashad end 2078	-	3,406,837	-	-	-	3,406,837
Addition during the Year	-	-	-	-	-	-
Acquisition	-	2,162,480	-	-	-	2,162,480
Capitalization	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
Balance as on Ashad end 2079	-	5,569,317	-	-	-	3,406,837
Amortization and Impairment	-	-	-	-	-	-
As on Shrawan 1, 2077	-	2,839,955	-	-	-	2,332,957
Amortization charge for the Year	-	141,721	-	-	-	506,998
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashad end 2078	-	2,981,676	-	-	-	2,839,955
Amortization charge for the Year	-	833,190	-	-	-	141,721
Impairment for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As on Ashad end 2079	-	3,814,866	-	-	-	2,981,675
Capital Work in Progress Net Book Value						
As on Ashad end 2077	-	566,882	-	-	-	950,880
As on Ashad end 2078	-	425,161	-	-	-	566,882
As on Ashad end 2079	-	1,754,451	-	-	-	425,162

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

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	-	8,740,104	(8,740,104)
Property & equipment	(13,847,206)	-	(13,847,206)
Employees' defined benefit plan	2,169,414	-	2,169,414
Lease liabilities	16,511,868	-	16,511,868
Provisions	-	-	-
Other temporary differences	-	-	-
Deferred tax on temporary differences	4,834,076	8,740,104	(3,906,028)
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on year end of 2079			(3,906,028)
Deferred tax (asset)/liabilities as on Shrawan 1, 2078			13,173,694
Origination/(Reversal) during the year			(9,267,666)
Deferred tax expense/(income) recognised in profit or loss			(2,529,224)
Deferred tax expense/(income) recognised in other comprehensive income			(6,738,442)
Deferred tax expense/(income) recognised in directly in equity			-

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	-	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	-	-	-
Deferred tax on temporary differences	2,995,815	16,169,509	(13,173,694)
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred tax asset/(liabilities) as on year end of 2078			(13,173,694)
Deferred tax (asset)/liabilities as on Shrawan 1, 2077			(3,638,782)
Origination/(Reversal) during the year			16,812,476
Deferred tax expense/(income) recognised in profit or loss			(1,008,931)
Deferred tax expense/(income) recognised in other comprehensive income			17,821,407
Deferred tax expense/(income) recognised in directly in equity			-

CENTRAL FINANCE LTD.

Closing FY 2077-78

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%	-
Total Deferred Tax Assets/(Liability)					2,213,792.00

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%	-
Total Deferred Tax Assets/(Liability)					(16,169,509.00)

Fixed Assets (including Repairs)					
WDV of Fixed Assets	137,592,278.50				
Less: WDV of Land	98,614,704.00				
WDV of Assets included under Tax	38,977,574.50	41,584,319.36	2,606,744.86	30%	782,023.00
Total Deferred Tax Assets/(Liability)					782,023.00

Net Deferred Tax Assets / (Liabilities)					(13,173,694.00)
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Closing FY 2078-79

Particulars	Book Carrying Amount	Tax Base Amount	Diff Asset/(Liability)	Tax Rate	Def. Tax Asset/(Liability)
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Temporary Difference for:					
Provision for Gratuity	2,257,458.00	-	2,257,458.00	30%	677,237.00
Provision for Leave Encashment	4,973,923.00	-	4,973,923.00	30%	1,492,177.00
Lease Liabilities	55,039,559.00	-	55,039,559.00	30%	16,511,868.00
Provision for Loan Receivable	-	-	-	30%	-
Total Deferred Tax Assets/(Liability)					18,681,282.00

Accrued Interest Income Receivable	-	-	-	30%	-
Investment property (Reversal of Provision for NBA)	-	-	-	30%	-
Investment fair value through PL	-	-	-	30%	-
Investment fair value through OCI	284,861,103.29	255,727,423.30	(29,133,679.99)	30%	(8,740,104.00)
Staff Loan - Housing Loan (Insurance tie up)	-	-	-	30%	-
Staff Loan - Vehicle Loan	-	-	-	30%	-
Staff Loan -Home Loan	-	-	-	30%	-
Deferred Employee Expenditure	-	-	-	30%	-
Total Deferred Tax Assets/(Liability)					(8,740,104.00)

Fixed Assets (including Repairs)					
WDV of Fixed Assets	204,717,023.27				
Less: WDV of Land & Capital WIP	39,710,868.00				
WDV of Assets included under Tax	165,006,155.27	118,848,802.36	(46,157,352.91)	30%	(13,847,206.00)
Total Deferred Tax Assets/(Liability)					(13,847,206.00)

Net Deferred Tax Assets / (Liabilities)					(3,906,028.00)
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CENTRAL FINANCE LTD.

DEFERRED TAX RECONCILIATION

For the year ended Ashad End 2079

Particulars	FY 2078.79	
	Amount	Amount
Accounting Profit(Loss)	79,815,244.23	
Rate of Income Tax	30%	
Income tax at the applicable tax rate	23,944,573.00	
Interest as per Income Tax Act	-	
Tax effect of expenses that are not deductible for tax purpose		
Donation	-	-
Unsupported Expenses	-	-
Others	7,305.00	24,350.00
Tax effect on exempt income		
Dividend Income	(126,453.00)	(421,512.40)
Others		
Additional Tax of Previous Year		
Others		
Total Tax Expenses	23,825,425.00	
Current Tax	26,354,649.00	
Deferred Tax	(2,529,224.00)	
	23,825,425.00	
Difference	-	

**Schedule of Fixed Assets as per the Income Tax Act 2058
Financial Year 2078-79**

Particulars	Rate (1)	WDV as at 1 Shrawan 2078 (2)	Addition (3)	Proceeds from Disposal (4)	Dep. Base for Depreciation (5=2+3-4)	Depreciation (6=6*1)	WDV as at 31st Ashad 2079 (7=5-6)	Un absorbed Additions (8)	Un absorbed Rep. Carried forward (9)	Total DBV For Next Year (10=7+8+9)
Pool A: Building	5.00%	-	53,077,083.00	-	53,077,083.00	2,653,854.00	50,423,229.00	-	-	50,423,229.00
Addition:										
From Shrawan2078 to Poush 2078			53,077,083.00							
From Magh 2078 to Chaitra 2078			-							
From Baishak 2079 to Ashad 2079			-							
Total			53,077,083.00							
Additions to be carried forward										
Pool B: Furniture, Office Equipment, Computers etc.	25.00%	10,471,792.71	4,938,880.00		15,410,672.71	3,852,668.00	11,558,004.71	-	-	11,558,004.71
Addition:										
From Shrawan2078 to Poush 2078			4,938,880.00							
From Magh 2078 to Chaitra 2078			-							
From Baishak 2079 to Ashad 2079			-							
Total			4,938,880.00							
Additions to be carried forward										
Pool C: Vehicles	20.00%	11,068,456.15	3,829,900.00	55,022.00	14,843,334.15	2,968,667.00	11,874,667.15	-	-	11,874,667.15
Addition:										
From Shrawan2078 to Poush 2078			3,829,900.00							
From Magh 2078 to Chaitra 2078			-							
From Baishak 2079 to Ashad 2079			-							
Total			3,829,900.00							
Additions to be carried forward										
Pool D: Plant & Machinery, Other Assets	15.00%	9,587,074.82	25,853,213.00		35,440,287.82	5,316,043.00	30,124,244.82	477,537.00	-	30,601,781.82
Addition:										
From Shrawan2078 to Poush 2078			25,604,695.00							
From Magh 2078 to Chaitra 2078			19,500.00							
From Baishak 2079 to Ashad 2079			706,555.00							
Total			26,330,750.00							
Additions to be carried forward										
Pool E: Leasehold Improvement	20.00%	10,351,223.68	5,843,850.00	-	16,195,073.68	3,239,015.00	12,956,058.68	-	-	12,956,058.68
Addition:										
From Shrawan2078 to Poush 2078			5,843,850.00							
From Magh 2078 to Chaitra 2078			-							
From Baishak 2079 to Ashad 2079			-							
Total			5,843,850.00							
Additions to be carried forward										
Pool E: Computer Software		105,772.00	2,162,480.00	-	2,268,252.00	833,191.00	1,435,061.00	-	-	1,435,061.00
Addition:										
From Shrawan2078 to Poush 2078			2,162,480.00							
From Magh 2078 to Chaitra 2078			-							
From Baishak 2079 to Ashad 2079			-							
Total			2,162,480.00							
Additions to be carried forward										
TOTAL		41,584,319.36	95,705,406.00	55,022.00	137,234,703.36	18,863,438.00	118,371,265.36	477,537.00	-	118,848,802.36

Repairs & Improvement allowable under the Act.

Pool	Dep. Base	7%	Actual Repairs	Repairs Allowable under the Act	Unabsorbed Repairs Carried forward
	(1)	(2=1*7%)	(3)	(4)	(5=3-4)
Pool A	53,077,083.00	3,715,396.00	-	-	-
Pool B	15,410,672.71	1,078,747.00	360,393.00	360,393.00	-
Pool C	14,843,334.15	1,039,033.00	958,298.00	958,298.00	-
Pool D	35,440,287.82	2,480,820.00	393,593.00	393,593.00	-
Pool E	18,463,325.68	1,292,433.00	180,073.00	180,073.00	-
Total	137,234,703.36	9,606,429.00	1,892,357.00	1,892,357.00	-

Account Name	Code	Pool	Amount
REPAIR COMPUTER & EQUIPMENT	9481011000006	Pool B	223,342.00
FURNITURE REPAIR MAINTAINANCE	9481011000007	Pool B	137,051.00
REPAIR OF VEHICLES	9481011000005	Pool C	958,298.00
REPAIR OF MACH & ELECT.EQUIPMENT	9481011000010	Pool D	393,593.00
REPAIR & MAINTAINACE OF LEASEHOLD	9481011000096	Pool E	180,073.00
			1,892,357.00

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Other assets

NOTE 4.16

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Assets held for sale	-	-
Other non banking assets	-	-
Bills receivable	-	-
Accounts receivable	2,432,352	2,576,217
Accrued income	-	-
Prepayments and deposit	1,710,895	8,177,279
Income tax deposit	-	-
Deferred employee expenditure	6,563,372	7,938,482
Other	24,452,692	84,409,179
TOTAL	35,159,310	103,101,157

Due to Bank and Financial Institutions

NOTE 4.17

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Money market deposits	-	-
Interbank borrowing	-	-
Other deposits from BFIs	237,173,864	245,176,981
Settlement and clearing accounts	-	-
Other deposits from BFIs	-	-
TOTAL	237,173,864	245,176,981

Due to Nepal Rastra Bank

NOTE 4.18

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Refinance from Nepal Rastra Bank	-	65,668,685
Standing Liquidity Facility	300,000,000	-
Lender of last report facility from NRB	-	-
Securities sold under repurchase agreements	-	-
Other payable to NRB	230,137	-
TOTAL	300,230,137	65,668,685

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended Ashad End 2079

Derivative financial instruments

NOTE 4.19

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Held for trading		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Others	-	-
Held for risk management		
Interest rate swap	-	-
Currency swap	-	-
Forward exchange contract	-	-
Other	-	-
TOTAL	-	-

Deposits from customers

NOTE 4.20

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Institutions customers:		
Term deposits	1,438,839,973	1,368,155,370
Call deposits	-	-
Current deposits	31,015,049	19,456,632
Other	330,849,167	409,131,346
Individual customers:		
Term deposits	3,122,036,902	1,983,717,700
Saving deposits	1,166,719,839	1,492,885,191
Current deposits	-	-
Other	-	-
TOTAL	6,089,460,930	5,273,346,239

Currency wise analysis of deposit from customers

NOTE 4.20 .1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Nepalese rupee	6,089,460,930	5,273,346,239
Indian rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese yuan	-	-
Other	-	-
TOTAL	6,089,460,930	5,273,346,239

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Borrowing

NOTE 4.21

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Domestic Borrowing		
Nepal Government	-	-
Other Institutions	-	-
Other	-	-
Sub total	-	-
Foreign Borrowing		
Foreign Bank and Financial Institutions	-	-
Multilateral Development Banks	-	-
Other Institutions	-	-
Sub total	-	-
TOTAL	-	-

Provisions

NOTE 4.22

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
TOTAL	-	-

Provisions

NOTE 4.22.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Balance at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
TOTAL	-	-

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Other Liabilities

NOTE 4.23

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Liability for employees defined benefit obligations	2,257,458	3,376,163
Liability for long-service leave	4,973,923	4,003,142
Short-term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	7,111,094	4,619,595
Interest payable on deposit	2,636,663	1,916,386
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	202,845	67,797
Liabilities under Finance Lease	-	-
Employee bonus payable	8,868,367	17,021,835
Other	10,365,939	9,474,716
Liabilities under Lease	55,039,559	-
TOTAL	91,455,848	40,479,634

Defined benefit obligations

NOTE 4.23.1

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

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Present value of unfunded obligations	-	-
Present value of funded obligations	24,715,816	24,620,818
Total present value of obligations	24,715,816	24,620,818
Fair value of plan assets	22,458,358	21,244,655
Present value of net obligations	2,257,458	3,376,163
Recognised liability for defined benefit obligations	24,715,816	24,620,818

Plan assets

NOTE 4.23.2

Plan assets comprise

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	22,458,358	21,244,655
TOTAL	22,458,358	21,244,655

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Movement in the present value of defined benefit obligations

NOTE 4.23.3

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Defined benefit obligations at Shrawan 1	24,620,818	24,184,634
Actuarial losses	(2,677,299)	(1,103,700)
Benefits paid by the plan	(310,264)	(2,774,208)
Current service costs and interest	3,082,561	4,714,092
Defined benefit obligations at Ashad end	24,715,816	25,020,818

Movement in the fair value of plan assets

NOTE 4.23.4

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Fair value of plan assets at Shrawan 1	21,244,655	20,716,685
Contributions paid into the plan	-	1,870,546
Benefits paid during the year	(310,264)	(2,774,208)
Actuarial (losses) gains	(374,090)	(392,205)
Expected return on plan assets	1,898,057	1,823,837
Fair value of plan assets at Ashad end	22,458,358	21,244,655

Amount recognised in profit or loss

NOTE 4.23.5

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Current service costs	880,649	2,662,314
Interest on obligation	2,201,912	2,051,778
Expected return on plan assets	(1,898,057)	(1,823,837)
TOTAL	1,184,504	2,890,255

Amount recognised in other comprehensive income

NOTE 4.23.6

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Actuarial (gain)/loss	(2,303,209)	(1,111,495)
TOTAL	(2,303,209)	(1,111,495)

Actuarial assumptions

NOTE 4.23.7

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Discount rate	9.20%	8.00%
Expected return on plan asset	8.00%	8.00%
Future salary increase	9.00%	7.00%
Withdrawal rate	10.00%	9.00%

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Debt securities issued

NOTE 4.24

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Debt securities issued designated as at fair value through profit or loss		
Debt securities issued at amortised cost		
TOTAL		

Subordinated Liabilities

NOTE 4.25

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Redeemable preference shares		
Irredeemable cumulative preference shares		
Other		
TOTAL		

Share capital

NOTE 4.26

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Ordinary shares	948,875,459	881,035,709
Convertible preference shares (equity component)	-	-
Irredeemable preference shares (equity component)	-	-
Perpetual debt (equity component only)	-	-
TOTAL	948,875,459	881,035,709

Ordinary shares

NOTE 4.26.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Authorized capital		
10,400,000 Ordinary share of Rs. 100 each	1,040,000,000	1,040,000,000
Issued capital		
9,488,754.59 Ordinary share of Rs. 100 each (Previous year 8,810,357.09 ordinary shares of Rs. 100 each)	948,875,459	881,035,709
Subscribed and paid up capital		
9,488,754.59 Ordinary share of Rs. 100 each (Previous year 8,810,357.09 ordinary shares of Rs. 100 each)	948,875,459	881,035,709
TOTAL	948,875,459	881,035,709

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Ordinary share ownership

NOTE 4.26.2

IN NPR

PARTICULARS	ASHAD END 2079		ASHAD END 2078	
	Percent	Amount	Percent	Amount
Domestic ownership	100%	948,875,459	100%	881,035,079
Nepal Government				-
"A" class licensed institutions				-
Other licensed institutions				-
Other Institutions				-
Public	48.76%	462,671,674	48.76%	429,592,704
Other	51.24%	486,203,785	51.24%	451,442,375
Foreign ownership				-
TOTAL	100.00%	948,875,459	100.00%	881,035,079

Reconciliation of number of shares outstanding

PARTICULARS	ASHAD END 2079	ASHAD END 2078
At the beginning of the year	8,810,357	8,233,979
Add: Share capital of Bhaktapur Finance	-	-
Add: ordinary shares issued as bonus shares during the year	678,397	576,379
Add: ordinary shares issued as right shares during the year	-	-
At the end of the year	9,488,755	8,810,357

Share Capital

List of Shareholder holding 0.5% or more Share as on Ashad end 2079

Ordinary share ownership	Percentage	Share Capital
Dhurba Rudra Karmacharya	5.69%	53,957,084
Monika Shrestha	5.51%	52,276,304
Benuka Joshi	3.00%	28,418,815
Rajoj Man Shrestha	2.99%	28,365,953
Ratna Man Shrestha	2.11%	19,982,029
Chandika Shrestha	2.00%	18,946,337
Premier Insurance Company Ltd	1.98%	18,801,600
Shikhar Insurance Company Ltd	1.98%	18,801,600
Sanjoj Man Shrestha	1.56%	14,773,765
Laxmi Bhakta Chawal	1.13%	10,757,640
Dipak Krishna Prajapati	1.08%	10,256,261
Laxmi Prasad Twanabasu	0.85%	8,090,933
Indra Prajapati	0.62%	5,862,265
Chandra Man Pradhan	0.60%	5,684,470
Chaitya Raj Shakya	0.59%	5,593,167
Bijay Gopal Rajbhandari	0.52%	4,925,101
Total		305,493,324

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Reserves

NOTE 4.27

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Statutory general reserve	168,342,036	157,144,072
Exchange equalisation reserve	-	-
Corporate social responsibility reserve	1,543,022	1,657,609
Capital redemption reserve	-	-
Regulatory reserve	23,334,029	19,709,977
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	20,393,576	37,728,854
Dividend equalisation reserve	-	-
Debenture redemption reserve	-	-
Actuarial gain	(4,840,535)	(6,452,782)
Special reserve	-	-
Other reserve	2,497,339	2,013,450
TOTAL	211,269,467	211,801,180

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. 11,197,964 (Previous year Rs.22,246,759) 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 is required to apportion 1% of the net profit for the year to this reserve. During the year, CSR reserve of Rs. 559,898 has been appropriated as per the circular. The expense incurred by the Finance Company for corporate social responsibility as per 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. 3,624,052 has been transferred from to regulatory reserve from retained earning as follows:

IN NPR

PARTICULARS	ASHAD END 2079
Regulatory adjustment :	
a. Interest receivable (-)/previous accrued interest received (+)	(6,452,525)
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 (+)	1,216,227
e. Deferred tax assets recognised (-)/ reversal (+)	-
f. Goodwill recognised (-)/ impairment of goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Actuarial loss recognised (-)/reversal (+)	1,612,246
i. Other (+/-) (Fair value Reserve Negative Balance)	-
TOTAL	(3,624,052)

a. Interest receivable (-)/previous accrued interest received (+)	Amount
Accrued Interest receivable	34,489,602
Interest received till Shrawan 15, 2079 out of Interest Receivable	(4,850,811)
Interest not received but already booked income (As per NFRS)	29,638,791
Notional Bonus Amount (@ 10%)	(2,963,879)
Interest Income after Notional Bonus	26,674,912
Notional Tax Amount (@ 30%)	(8,002,473)
Interest not received transferred to Regulatory Reserve	18,672,439
Less: Transferred in previous year	12,219,914
Amount to be transferred in current year	6,452,525
(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. 20,393,576 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. 1,612,247 from this reserve.

Other reserve

The movement in other reserve is due to CSR & Staff Training Fund movement.

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 2079

Contingent liabilities and commitments

NOTE 4.28

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Contingent liabilities	4,380,536	5,177,224
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	15,077,949	-
TOTAL	19,458,485	5,177,224

Contingent liabilities

NOTE 4.28.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	4,380,536	5,177,224
Underwriting commitment	-	-
Other commitments	-	-
TOTAL	4,380,536	5,177,224

Undrawn and undisbursed facilities

NOTE 4.28.2

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
TOTAL	-	-

Capital commitments

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

NOTE 4.28.3

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Capital commitments in relation to Property and Equipment		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
Capital commitments in relation to Intangible assets		
Approved and contracted for	-	-
Approved but not contracted for	-	-
Sub total	-	-
TOTAL	-	-

Lease commitments

NOTE 4.28.4

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
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	-	-
Sub total	-	-
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	-	-
Sub total	-	-
GRAND TOTAL	-	-

Litigation

NOTE 4.28.5

The finance company's litigations are generally related to its ordinary course of business pending on various jurisdictions. Additional liability on account of Income Tax of Rs. 15,077,949 demanded on final assessment by the Income Tax Authorities for earlier years are not provided for since the same are under appeal with appropriate authorities.

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Interest Income

NOTE 4.29

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Cash and cash equivalent	6,965,562	8,477,492
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	20,649,498	14,943,599
Loans and advances to customers	625,227,349	493,072,356
Investment securities	70,824,838	51,098,508
Loan and advances to staff	2,187,422	3,337,492
Other	-	-
Total interest income	725,854,669	570,929,446

Interest Expense

NOTE 4.30

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Due to bank and financial institutions	6,543,348	5,309,128
Due to Nepal Rastra Bank	15,302,158	372,815
Deposits from customers	469,715,696	378,111,137
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
Total interest expense	491,561,202	383,793,080

Fees and Commission Income

NOTE 4.31

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Loan administration fees	35,370,348	39,709,032
Service fees	-	-
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	590,409	89,564
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	893,672	687,879
Commission on letter of credit	-	-
Commission on guarantee contracts issued	137,000	170,927
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	1,119,413	2,168,960
Total fees and commission income	38,110,842	42,826,362

Fees and Commission Expense

NOTE 4.32

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	-	-
Total fees and commission expense	-	-

Net Trading Income

NOTE 4.33

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Changes in fair value of trading assets	-	-
Gain/loss on disposal of trading assets	-	-
Interest income on trading assets	-	-
Dividend income on trading assets	-	-
Gain/loss foreign exchange transaction	-	-
Other	-	-
Net trading income	-	-

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Other Operating Income

NOTE 4.34

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	47,260,535
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	3,821,512	6,768,402
Gain/loss on sale of property and equipment	32,748	1,346,524
Gain/loss on sale of investment property	1,620,313	-
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
TOTAL	5,474,573	55,375,461

Impairment charge/(reversal) for Loan and Other Losses

NOTE 4.35

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Impairment charge/(reversal) on loan and advances to B/FIs	907,300	341,000
Impairment charge/(reversal) on loan and advances to customer	43,769,300	10,641,521
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with banks and financial institutions	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
TOTAL	44,676,600	10,982,521

CENTRAL FINANCE LTD.
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Personnel Expense

NOTE 4.36

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Salary	34,976,205	27,566,242
Allowances	21,232,699	16,322,701
Gratuity expense	3,948,595	3,083,958
Provident fund	3,318,464	2,430,994
Uniform	1,191,290	1,309,015
Training & development expense	832,779	585,041
Leave encashment	3,353,906	2,940,059
Medical	3,957,209	3,058,754
Insurance	82,664	193,346
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	1,131,555	497,641
Other expenses related to staff	2,886,782	2,216,276
Sub total	76,912,148	60,204,027
Employees bonus	8,868,360	17,021,835
GRAND TOTAL	85,780,508	77,225,862

Other Operating expense

NOTE 4.37

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Directors' fee	655,000	552,000
Directors' expense	47,292	114,129
Auditors' remuneration	292,670	292,670
Other audit related expense	282,777	235,732
Professional and legal expense	907,160	433,952
Office administration expense	31,797,589	23,547,149
Operating lease expense	6,521,772	8,246,357
Operating expense of investment properties	-	-
Corporate social responsibility expense	674,485	1,022,981
Onerous lease provisions	-	-
Other	-	-
TOTAL	41,178,745	34,444,970

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad End 2079

Office Administrative Expenses

NOTE 4.37.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Water & Electricity	3,196,123	2,014,779
Repair & Maintenance	1,892,357	1,179,193
a) Building	-	-
b) Vehicle	958,298	570,718
c) Computer & Accessories	223,342	127,885
d) Office Equipment & Furniture	530,644	408,859
e) Other	180,073	71,731
Insurance	2,288,578	1,711,871
Postage, telex, telephone, fax	1,765,818	1,548,355
Printing & Stationary	2,856,102	2,288,103
Newspaper, books and journal	181,205	177,805
Advertisement	630,146	305,872
Donation	-	1,000
Security expenses	4,957,319	4,095,496
Deposit & loan guarantee premium	-	-
Travel Allowance and expenses	1,110,738	713,824
Entertainment	579,726	495,039
Annual/Special general meeting Expenses	1,573,217	434,281
Others	10,766,260	8,581,531
Total	31,797,589	23,547,149

Depreciation & Amortization

NOTE 4.38

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Depreciation on property and equipment	19,085,260	10,556,148
Depreciation on investment property	-	-
Amortization of Right of use asset	7,654,341	-
Amortization of intangible assets	833,190	141,721
TOTAL	27,572,791	10,697,869

Non-Operating Income

NOTE 4.39

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Recovery of loan written off	-	-
Other income	1,169,357	1,430,861
TOTAL	1,169,357	1,430,861

Non-Operating Expense

NOTE 4.40

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	24,350	221,313
TOTAL	24,350	221,313

Income Tax expense

NOTE 4.41

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Current tax expense		
Current year	26,354,649	44,998,803
Adjustment for previous years	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(2,529,224)	(1,008,931)
Changes in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Total income tax expense	23,825,425	43,989,872

Reconciliation of Tax Expense and Accounting Profit

NOTE 4.41.1

IN NPR

PARTICULARS	ASHAD END 2079	ASHAD END 2078
Profit before tax	79,815,244	153,196,516
Tax amount at tax rate of 30%	23,944,573	45,958,955
Add: Tax effect of expense that are not deductible for tax purpose	7,305	80,784
Less: Tax effect on exempt income	(126,453)	(2,049,867)
Add/Less: Tax effect on other items	-	-
Total income tax expense	23,825,425	43,989,872
Effective tax rate	29.85%	28.71%

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 institution'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

PARTICULARS	AMOUNT
Paid up Capital (ordinary shares)	948,875,459
Proposed bonus share	-
Share premium	442,546
Irredeemable preferential share	-
General Reserve Fund	168,342,036
Accumulated profit/loss (Retained earnings)	50,650,223
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	4,840,535
Tier 1 Capital	1,163,469,729

b. Tier 2 Capital and a breakdown of its components

Supplementary Capital (Tier 2)	AMOUNT
General loan provision	74,411,393
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	-
Tier 2 Capital	74,411,393

c. Deduction from Capital

Nil	
-----	--

d. Total Qualifying Capital

	AMOUNT
Tier 1 Capital	1,163,469,729
Tier 2 Capital	74,411,393
Total capital fund (Tier 1 and Tier 2)	1,237,881,122
Risk weighted exposures	5,515,863,580

e. Capital Adequacy Ratio

	AMOUNT
Tier 1 Capital to Total risk weighted exposures (After Bank's adjustments of Pillar II)	21.09%
Tier 1 and Tier 2 capital to Total risk weighted exposure Ratio (After bank's adjustments of Pillar II)	22.44%

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 948,875,459.

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.

ASHAD END 2079

RISK WEIGHTED EXPOSURES	Amount in '000
a. Risk weighted exposure for credit risk	4,842,467
b. Risk weighted exposure for operational risk	377,137
c. Risk weighted exposure for market risk	3
Total Risk Weighted Exposures (Before adjustments of Pillar II)	5,219,606
Adjustments under Pillar II	
ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	1,871
Add% of the total deposit due to insufficient Liquid Assets	-
Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	85,602
Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	156,588
Desired level of disclosure requirement has not been achieved. Add 1% of RWE	52,196
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	5,515,864

2. Risk Exposures

Total risk weighted exposure calculation table:							(NPR. in '000)
A. Balance Sheet Exposures							
	a	b	c	d=a-b-c	e	f=d*e	
Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures		
Cash Balance	73,042.72		73,042.72	0%	-		
Balance With Nepal Rastra Bank	307,700.48		307,700.48	0%	-		
Gold			-	0%	-		
Investment in Nepalese Government Securities	1,326,600.00		1,326,600.00	0%	-		
All Claims on Government of Nepal			-	0%	-		
Investment in Nepal Rastra Bank securities			-	0%	-		
All claims on Nepal Rastra Bank			-	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	475,405.49		475,405.49	20%	95,081.10		
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%	-		

Total risk weighted exposure calculation table:							(NPR. in '000)
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	
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)	1,668,443.13		-	1,668,443.13	100%	1,668,443.13	
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)	2,679,330.44		158,772.75	2,520,557.69	75%	1,890,418.27	
Claims fulfilling all criterion of regularity retail except granularity			-	-	100%	-	
Claims secured by residential properties	690,824.08		-	690,824.08	60%	414,494.45	
Claims not fully secured by residential properties			-	-	150%	-	
Claims secured by residential properties (Overdue)	544.07		-	544.07	100%	544.07	
Claims secured by Commercial real estate	216,824.42		-	216,824.42	100%	216,824.42	
Past due claims (except for claims secured by residential properties)	4,642.87		-	4,642.87	150%	6,964.31	
High Risk claims			-	-	150%	-	
Lending Against Securities (Bonds & Shares)	5,034.12		-	5,034.12	100%	5,034.12	
Investments in equity and other capital instruments of institutions listed in stock exchange	281,751.90		-	281,751.90	100%	281,751.90	
Investments in equity and other capital instruments of institutions not listed in the stock exchange	3,109.20		-	3,109.20	150%	4,663.80	
Staff loan secured by residential property	16,254.76		-	16,254.76	50%	8,127.38	
Interest Receivable/claim on government securities	17,619.09		-	17,619.09	0%	-	
Cash in transit and other cash items in the process of collection	444.00		-	444.00	20%	88.80	
Other Assets	219,854.25	681.27	-	219,172.98	100%	219,172.98	
TOTAL (A)	7,987,425.02	681.27	158,772.75	7,827,971.00		4,811,608.72	

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty			-	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	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	4,380.54		-	4,380.54	40%	1,752.21
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
Irrevocable Credit commitments (short term)	164,516.68	-	-	164,516.68	20%	32,903.34
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement"				-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
TOTAL (B)	168,897.22	-	-	168,897.22		34,655.55
Total RWE for credit Risk Before Adjustment (A) + (B)	8,152,525.28	681.27	158,772.75	7,993,071.26		4,842,467.31
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						-
Total RWE for Credit Risk after Bank's adjustments under Pillar II	8,152,525.28	681.27	158,772.75	7,993,071.26		4,842,467.31

c. Risk Weighted Exposure For Operational Risk

(NPR in '000)

S.N.	Particulars	Fiscal Year	Fiscal Year	Fiscal Year
		2075/076	2076/077	2077/078
1	Net Interest Income	182,601.68	207,759	187,136
2	Commission and Discount Income	35,848.72	32,191	42,826
3	Other Operating Income	3,000.74	7,534	55,375
4	Exchange Fluctuation Income			
5	Addition/Deduction in Interest Suspense during the period			
6	Gross income (a)	221,451	247,484	285,338
7	Alfa (b)	15%	15%	15%
8	Fixed Percentage of Gross Income [c=(a×b)]	33,218	37,123	42,801
9	Capital Requirement for operational risk (d) (average of c)	37,714		
10	Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
11	Equivalent Risk Weight Exposure [f=(d×e)]	377,137		

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 related month	-		
2	Capital Requirement for Operational Risk (5% of net credit and investment)	-		
3	Risk Weight (reciprocal of capital requirement of 11%) in times	9.09		
4	Equivalent Risk Weight Exposure (g)	-		
5	Equivalent Risk Weight Exposure [h=f+g]	377,137		

Amount of NPAs (both Gross and Net)

(In NPR)

Particulars	Current year		Previous Year	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	2,073,655	1,814,448	4,776,000	4,179,000
Substandard loan	58,379,739	43,784,804	31,946,741	23,960,055
Doubtful loan	48,546,847	24,273,423	12,332,744	6,166,372
Loss Loan	27,408,328	-	24,642,888	-
Total	136,408,569	69,872,675	73,698,372	34,305,427

Ratio of Non-Performing Assets as per regulatory classification

Particulars	Percentage CY	Percentage PY
Gross NPA to Gross loans and Advance	2.59%	1.72%
Net NPA to Net Loan and Advance	1.36%	0.82%

Details of Loan Loss Provisions

Loan Category	Amount CY	Amount PY
Pass Loan	63,963,631	53,571,103
Watch list	10,447,762	4,544,535
Rescheduled / Restructured	259,207	597,000
Sub-Standard	14,594,935	7,986,685
Doubtful	24,273,423	6,166,372
Loss	27,408,328	24,642,888
Additional	1,237,896	
TOTAL	142,185,182	97,508,582

Details of Loan Classification

Loan Category	Amount CY	Amount PY
Pass Loan	4,920,279,308	4,120,854,216
Watch list	208,955,240	90,890,695
Rescheduled / Restructured	2,073,656	4,776,000
Sub-Standard	58,379,740	31,946,741
Doubtful	48,546,846	12,332,744
Loss	27,408,328	24,642,888
Additional		
TOTAL	5,265,643,118	4,285,443,283

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 948.87 million and has complied with the requirement.

Classification of financial assets and financial liabilities

NOTE 5.3

Particulars	Notes	As on 16-Jul-2022		As on 15-Jul-2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Assets					
Assets carried at Amortised Cost					
Cash and Cash equivalent	4.1	548,457,237	548,457,237	379,499,350	379,499,350
Due from Nepal Rastra Bank	4.2	312,400,196	312,400,196	272,014,273	272,014,273
Other Trading Assets- Government Bonds	4.5	-	-	-	-
Loans and advances to BFIs	4.6	164,624,035	164,624,035	95,739,000	95,739,000
Loans and advances to customers	4.7	5,011,541,067	5,011,541,067	4,131,833,126	4,131,833,126
Investment securities- Government Bonds	4.8	1,344,485,121	1,344,485,121	1,440,255,729	1,440,255,729
Other Assets- Account Receivable	4.16	2,432,352	2,432,352	2,576,217	2,576,217
Total Assets at Amortized cost		7,383,940,007	7,383,940,007	6,321,917,694	6,321,917,694
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	284,861,104	284,861,104	264,615,315	264,615,315
Total Assets carried at FVTOCI		284,861,104	284,861,104	264,615,315	264,615,315

Liabilities

Liabilities carried at Amortised Cost					
Due to Bank and Financial Institutions	4.17	237,173,864	237,173,864	245,176,981	245,176,981
Due to Nepal Rastra Bank	4.18	300,230,137	300,230,137	65,668,685	65,668,685
Deposits from customers	4.20	6,089,460,930	6,089,460,930	5,273,346,239	5,273,346,239
Other Liabilities- Bills payable	4.23	-	-	-	-
Other Liabilities- Creditors & Accruals	4.23	7,111,094	7,111,094	4,619,595	4,619,595
Other Liabilities- Interest payable on deposits	4.23	2,636,663	2,636,663	1,916,386	1,916,386
Other Liabilities- Interest payable on borrowings	4.23	-	-	-	-
Other Liabilities- Unpaid dividend	4.23	202,845	202,845	67,797	67,797
Total Liabilities carried at Amortised Cost		6,636,815,533	6,636,815,533	5,590,795,683	5,590,795,683

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 2079	ASHAD END 2078
Fair Value through Profit and Loss			
Financial Assets			
Equity Securities	1	-	-
Other - Units of Mutual Funds	1	-	-
Total		-	-
Fair Value through Other Comprehensive Income			
Financial Assets			
Investment securities at OCI			
Quoted equity securities	1	281,751,904	262,037,041
Unquoted equity securities	3	3,109,200	2,578,274
Total		284,861,104	264,615,315

Financial Instruments held at amortised cost			
Financial Assets			
Cash and Cash equivalent	3	-	-
Due from Nepal Rastra Bank	3	312,400,196	272,014,273
Government bonds	3	1,344,485,121	1,440,255,729
Government treasury bills	3	-	-
Loan and advances to BFIs	3	164,624,035	95,739,000
Loans and advances to customers	3	5,011,541,067	4,131,833,126
Accounts receivable	3	-	-
Total		6,833,050,418	5,939,842,127

		7,117,911,523	6,204,457,442
Financial Liabilities			
Due to Bank and Financial Institutions	3	-	-
Due to Nepal Rastra Bank	3	300,230,137	65,668,685.00
Deposits from customers	3	6,089,460,930	5,273,346,239.00
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	-	-
Total		6,389,691,067	5,339,014,924.00

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	-	1,344,485,121	-
Loans and advances to B/FIs	-	-	164,624,035
Loans and advances to customers	-	-	5,011,541,067

Previous 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

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	281,751,904	-	-
Unquoted Equity	-	-	3,109,200
TOTAL	281,751,904	-	3,109,200

Previous year

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

CENTRAL FINANCE LTD.

Segment Analysis

Note 5.4

The finance company has identified segments on the basis of each geographical presence in seven provinces.

For the FY 2078-79

NPR

Particulars	Province 1	Madhesh Pradesh	Bagmati Pradesh	Lumbini Pradesh	TOTAL
a. Revenues from external customers	7,555,807	232,170,731	433,285,139	96,428,406	769,440,084
b. Intersegment revenue/(expenses)	-	-	-	-	-
c. Gross Revenue	7,555,807	232,170,731	433,285,139	96,428,406	769,440,084
d. Interest Revenue	5,769,627	220,252,528	407,567,333	92,265,180	725,854,669
e. Interest Expenses	3,337,281	38,236,261	433,270,720	16,716,940	491,561,202
f. Net interest Revenue	2,432,346	182,016,267	(25,703,387)	75,548,240	234,293,467
g. Other Income	-	191,322	978,035	-	1,169,357
h. Other Expenses	5,550,926	19,092,185	90,738,392	11,602,100	126,983,603
i. Depreciation & Amortization	1,594,196	2,768,924	22,355,494	854,177	27,572,791
j. Segment Profit /(Loss)	(2,926,595)	172,073,361	(157,731,717)	67,255,189	78,670,238
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	-	-	44,676,602	-	44,676,602
n. Segment assets	161,325,114	1,995,501,690	4,978,063,622	798,574,075	7,933,464,501
o. Segment liabilities	165,383,150	1,823,237,007	4,002,287,764	731,318,885	6,722,226,807

For the FY 2077-78

NPR

Particulars	Province 1	Madhesh Pradesh	Bagmati Pradesh	Lumbini Pradesh	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

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

NPR

	FY 2078-79	FY 2077-78
a. Revenue		
Total revenues for reportable segments	769,440,084	609,685,457
Other revenues		
Elimination of intersegment revenues		
Entity's revenues	769,440,084	609,685,457

b. Profit or Loss

NPR

Total profit or loss for reportable segments	78,670,238	118,627,586
Other profit or loss	1,145,007	
Elimination of intersegment profits		
Unallocated amounts		
Loan loss provision		
Bonus expense		
Profit/ (Loss) from Extra-Ordinary Nature		
Income Tax	(23,825,425)	
Other adjustments		
Profit before income tax	55,989,819	

c. Assets

NPR

Total assets for reportable segments	7,933,464,501	5,639,120,331
Other assets		
Unallocated amounts		
Entity's assets	7,933,464,501	5,639,120,331

d. Liabilities

NPR

Total liabilities for reportable segments	6,722,226,807	4,565,582,588
Other liabilities		
Unallocated liabilities		
Entity's liabilities	6,722,226,807	4,565,582,588

5. Information about geographical areas

Revenue from following geographical areas

NPR

a. Domestic	769,440,084	609,685,457
Province 1	7,555,807	-
Province 2	232,170,731	77,745,797
Province 3	433,285,139	456,131,376
Province 4	-	-
Province 5	96,428,406	75,808,284
Province 6	-	-
Province 7	-	-
b. Foreign	-	-
TOTAL	769,440,084	609,685,457

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 2079	ASHAD END 2078
Directors:		
Director's sitting fees	655,000	552,000
Other Expenses	47,292	114,129
Interest paid to directors on deposits	-	-
Key Management Personnel (KMP):		
Remuneration and benefits paid	10,155,504	7,328,307
Interest on account balances	-	-

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. Bidya Bhusan Dhoj Joshi	Mr. Ramesh Thapa Shrestha
	Mr. Krishna Prasad Neupane	Mr. Bidya Bhusan Dhoj Joshi
		Mr. Krishna Prasad 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.

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 32, 2079	July 16, 2022
Comparative reporting date	Ashad 31, 2078	July 15, 2021
Reporting period	Shrawan 01, 2078 to Ashad 32, 2079	July 16, 2021 to July 16, 2022
Comparative reporting period	Shrawan 01, 2077 to Ashad 31, 2078	July 16, 2020 to July 15, 2021

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 on Poush 3, 2079.

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 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 July 31, 2022 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. NFRS 9 (Para 5.4): Effective Interest Rate

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instrument but shall not consider the expected 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 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

b. NFRS 9 (Para 5.5): Impairment and uncollectibility of financial assets measured at amortized cost

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 5 to determine the amount of any impairment loss unless the entity is a bank or financial institution registered as per Bank and Financial Institutions Act 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per the norms prescribed by Nepal Rastra Bank for loan loss provision and amount determined as per paragraph 5 (given below) and shall apply paragraph 5 (given below) 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 amount of impairment loss determined as per paragraph 5.

(Paragraph 5): If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in Profit or loss account.

2.7 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 leasehold constructions 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. 1,216,227 /- 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 2079, an amount of Rs.48,50,411/- was recovered till Shrawan 15, 2079 leaving a balance of Rs.2,96,38,791/- 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

On 13 January 2016 the ASB issued NFRS 16 to replace NAS 17 Leases. An entity shall apply this standard for annual reporting periods beginning on or after July 16, 2021. 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, NFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by NAS 17 and instead, introduces a single lessee accounting model.

At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability.

A Lessee shall measure the right-of-use asset applying a cost model, unless it applies either of the measurement models described in para 34 and 35.

To apply a cost model, a lessee shall measure the right-of-use asset at cost:

- (a) Less any accumulated depreciation and any accumulated impairment losses; and
- (b) Adjusted for any remeasurement of the lease liability specified in paragraph 36(c)

A Lessee shall measure the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and

Remeasuring the carrying amount to reflect any reassessment or lease modifications specified in para 39-46, or to reflect revised in-substance fixed lease payments.

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 NFRS 9 – 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 utilized for distribution of profit. During the year, the finance company has appropriated Rs. 11,197,964/- (Previous year Rs. 2,22,46,759/-) to this reserve being 20% of net profit for the year.

3.16.2 Corporate Social Responsibility reserve & staff training fund

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. 559,898/- 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. Further, the staff training fund has been created as required by NRB Directives amounting to 3% of staff salary costs of previous year and hence Rs. 1,316,668 has been appropriated accordingly.

The movement in Corporate Social Responsibility Fund is as

Particulars	FY 2078-79	FY 2077-78
Opening Balance	1,657,609	1,568,252
Transfer During the Year	559,898	1,112,338
Expenses during the year	674,485	1,022,981
Closing balance	1,543,022	1,657,609

The movement in Staff Training Fund is as follows

Particulars	FY 2078-79	FY 2077-78
Opening Balance	1,053,247	1,053,247
Transfer During the Year	1,316,668	-
Expenses during the year	832,779	-
Closing balance	1,537,136	1,053,247

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. 3,624,052 /- has been transferred to regulatory reserve from retained earnings.

Regulatory adjustment :	Amount
a. Interest receivable (-)/previous accrued interest received (+)	(6,452,525)
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 (+)	1,216,227
e. Deferred tax assets recognised (-)/ reversal (+)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Actuarial loss recognised (-)/reversal (+)	1,612,246
i. Other (+/-) (Fair value Reserve Negative Balance)	
TOTAL	(3,624,052)

RGA Movement

FY 2078-79

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
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
Transferred to Reserve during the year	6,452,525	-	-	-	-	-	-	-	-	-	6,452,525
Transferred from Reserve during the year	-	-	-	(1,216,227)	-	-	-	(1,612,246)	-	-	(2,828,473)
2078-79	18,672,439	-	-	429,200	(608,146)	-	-	4,840,536	-	-	23,334,029

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. 20,393,576/- 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. 1,612,246/- 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 earnings 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 2079**

Particulars	No of Customer	Amount (NPR)
Accrued Interest received after Ashad end 2078 till 15 Shrawan 2079	315	4,850,811
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	-	14,766,837
Extension of moratorium period of loan provided to industry or project under construction.	-	-
Restructured and reschedule loan with 5% Loan loss provision	2	20,73,655
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 extension provided for repayment of principal and Interest for upto two years per clause 41 of NRB Directives	-	-

Table 2 **FY 2078-2079**

Particulars	No of Customer	Amount (NPR)
Refinance Loan	10	12,586,675
Business Continuity Loan		

Table 3 **FY 2078-2079**

Particulars	No of Customer	Amount (NPR)
Subsidised Loan	6	28,910,290

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 depositors.
- 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)	948,875,459
Share premium	442,546
Irredeemable preferential share	
Statutory general reserve	168,342,036
Retained earnings	50,650,223
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	4,840,535
Tier 1 Capital	1,163,469,729

b. Tier 2 capital and a breakdown of its components

Particulars	Amount (NPR)
General Loan Loss Provision	74,411,393
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	-
Tier 2 Capital	74,411,393

c. Total qualifying capital

Particulars	Amount (NPR)
Tier 1 capital	1,163,469,729
Tier 2 capital	74,411,393
Total capital Fund (Tier 1 and Tier 2)	1,237,881,122
Risk weighted exposures	5,515,863,580

d. Capital adequacy ratio

Particulars	Ratio
Tier 1 capital to total risk weighted exposures	21.09%
Tier 1 and Tier 2 capital to total risk weighted exposure ratio	22.44%

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. 948,875,459/-

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 ('000) (NPR)	Risk weighted Assets
Cash Balance	0%	73,042.72	-
Balance With Nepal Rastra Bank	0%	307,700.48	-
Gold	0%		-
Investment in Nepalese Government Securities	0%	1,326,600.00	-
All Claims on Government of Nepal	0%		-
Investment in Nepal Rastra Bank securities	0%		-

Particulars	Weight (%)	Amount ('000) (NPR)	Risk weighted Assets
All claims on Nepal Rastra Bank	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	20%	475,405.49	95,081.10
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%	1,668,443.13	1,668,443.13
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%	2,520,557.69	1,890,418.27
Claims fulfilling all criterion of regularity retail except granularity	100%		-
Claims secured by residential properties	60%	690,824.08	414,494.45
Claims not fully secured by residential properties	150%		-
Claims secured by residential properties (Overdue)	100%	544.07	544.07
Claims secured by Commercial real estate	100%	216,824.42	216,824.42
Past due claims (except for claims secured by residential properties)	150%	4,642.87	6,964.31
High Risk claims	150%		-
Lending Against Securities (Bonds & Shares)	100%	5,034.12	5,034.12
Investments in equity and other capital instruments of institutions listed in stock exchange	100%	281,751.90	281,751.90
Investments in equity and other capital instruments of institutions not listed in the stock exchange	150%	3,109.20	4,663.80
Staff loan secured by residential property	50%	16,254.76	8,127.38

Particulars	Weight (%)	Amount ('000) (NPR)	Risk weighted Assets
Interest Receivable/claim on government securities	0%	17,619.09	-
Cash in transit and other cash items in the process of collection	20%	444.00	88.80
Other Assets	100%	219,172.98	219,172.98
TOTAL (A)	0%	7,827,971.00	4,811,608.72

Off-balance sheet Items

Particulars	Weight (%)	Amount ('000) (NPR)	Risk weighted
Assets	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%	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	100%	4,380.54	1,752.21
Financial Guarantee	100%	-	-
Acceptances and Endorsements	100%	-	-
Unpaid portion of Partly paid shares and Securities	100%	-	-
Irrevocable Credit commitments (short term)	20%	164,516.68	32,903.34
Irrevocable Credit commitments (long term)	50%	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	20%	-	-
Other Contingent Liabilities	100%	-	-
Unpaid Guarantee Claims	200%	-	-
Total Off-Balance-sheet Items (B)		168,897.22	34,655.55

C Risk Weighted Exposure For Operational Risk

Amount in '000

Particulars	2075/076	2076/077	2077/078
Net Interest Income	182,601.68	207,759	187,136
Commission and Discount Income	35,848.72	32,191	42,826
Other Operating Income	3,000.74	7,534	55,375
Exchange Fluctuation Income			
Addition/Deduction in Interest Suspense during the period			
Gross income (a)	221,451	247,484	285,338
Alfa (b)	15%	15%	15%
Fixed Percentage of Gross Income [c=(a×b)]	33,218	37,123	42,801
Capital Requirement for operational risk (d) (average of c)	37,714		
Risk Weight (reciprocal of capital requirement of 10%) in times (e)	10		
Equivalent Risk Weight Exposure C= [f=(d×e)]	377,137		
Total Risk Weighted Exposure (A) + (B)+ (C)	5,190,500		

RISK WEIGHTED EXPOSURES

Amount in '000

a	Risk Weighted Exposure for Credit Risk	4,842,467
b	Risk Weighted Exposure for Operational Risk	377,137
c	Risk Weighted Exposure for Market Risk	3
	Total Risk Weighted Exposures (Before adjustments of Pillar II)	5,219,606
	Adjustments under Pillar II	
	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	1,871
	Add% of the total deposit due to insufficient Liquid Assets	-
	Add RWE equivalent to reciprocal of capital charge of 3 % of gross income.	85,602
	Overall risk management policies and procedures are not satisfactory. Add 3% of RWE	156,588
	Desired level of disclosure requirement has not been achieved. Add 1% of RWE	52,196
	Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	5,515,864

b. Amount of NPAs (both gross and net)

Amount in NPR

Particulars	ASHAD 2079		ASAHD 2078	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	2,073,655	1,814,448	4,776,000	4,179,000
Sub-standard loan	58,379,739	43,784,804	31,946,741	23,960,055
Doubtful loan	48,546,847	24,273,423	12,332,744	6,166,372
Loss Loan	27,408,328	-	24,642,888	-
Total	136,408,569	69,872,675	73,698,372	34,305,427

Ratio of non-performing assets as per regulatory classification

Particulars	%	%
Gross NPA to gross loans and advance	2.59%	1.72%
Net NPA to Net Loan and Advance	1.36%	0.82%

Details of loan loss provision

Amount in NPR

Particulars	ASHAD 2079	ASAHD 2078
Pass Loan	63,963,631	53,571,103
Watch list	10,447,762	4,544,535
Rescheduled / Restructured	259,207	597,000
Sub-Standard	14,594,935	7,986,685
Doubtful	24,273,423	6,166,372
Loss	27,408,328	24,642,888
Additional	1,237,896	-
Total	142,185,182	97,508,582

Details of loan classification

Particulars	ASHAD 2079	ASAHD 2078
Pass Loan	4,920,279,308	4,120,854,216
Watch list	208,955,240	90,890,695
Rescheduled/ Restructured	2,073,656	4,776,000
Sub-Standard	58,379,740	31,946,741
Doubtful	48,546,846	12,332,744
Loss	27,408,328	24,642,888
Total	5,265,643,118	4,285,443,283

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. 948,875,459 as on Ashad 32, 2079 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.

Amount in '000

Particulars		As on 16 July 2022 Carrying Value	As on 16 July 2022 Fair Value	As on 15 July 2021 Carrying Value	As on 15 July 2021 Fair Value
Financial assets					
Measured at amortized cost					
Cash and cash equivalent	4.1	548,457	548,457	379,499	379,499
Due from Nepal Rastra Bank	4.2	312,400	312,400	272,014	272,014
Other Trading Assets - Government Bonds	4.5	-	-	-	-
Loans and advances to BFIs	4.6	164,624	164,624	95,739	95,739
Loans and advances to customers	4.7	5,011,541	5,011,541	4,131,833	4,131,833
Government bonds	4.8	1,344,485	1,344,485	1,440,256	1,440,256
Account receivable	4.16	2,432	2,432	2,576	2,576
Sub-total		7,383,940	7,383,940	6,321,918	6,321,918
Measured at fair value through profit and loss (FVTPL)					
Investment in equity instruments	4.5	-	-	-	-
Investment in units of mutual fund	4.5	-	-	-	-
Sub-total		-	-	-	-
Measured at fair value through other comprehensive income (FVTOCI)					
Investment in equity instruments	4.8	284,861	284,861	264,615	264,615
Sub-total		284,861	284,861	264,615	264,615

Amount in '000

Particulars		As on 16 July 2022 Carrying Value	As on 16 July 2022 Fair Value	As on 15 July 2021 Carrying Value	As on 15 July 2021 Fair Value
Total financial assets		7,668,801	7,668,801	6,586,533	6,586,533
Financial liabilities					
Measured at amortized cost					
Due to BFIs	4.17	237,174	237,174	245,177	245,177
Due to Nepal Rastra Bank	4.18	300,230	300,230	65,669	65,669
Deposits from customers	4.20	6,089,461	6,089,461	5,273,346	5,273,346
Bills payable	4.23	-	-	-	-
Creditors and accruals	4.23	7,111	7,111	4,620	4,620
Interest payable on deposits	4.23	2,637	2,637	1,916	1,916
Interest payable on borrowings	4.23	-	-	-	-
Unpaid dividend	4.23	203	203	68	68
Total financial liabilities		6,636,816	6,636,816	5,590,796	5,590,796

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 2079	ASHAD END 2078
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	281,751,904	262,037,041
Equity securities – unquoted	3	3,109,200	2,578,274
Sub-total		284,861,104	264,615,315
Measured at amortized cost			
Due from Nepal Rastra Bank	3	312,400,196	272,014,273
Government bonds	3	1,344,485,121	1,440,255,729
Loan and advances to BFIs	3	164,624,035	95,739,000
Loans and advances to customers	3	5,011,541,067	4,131,833,126
Sub-total		6,833,050,418	5,939,842,127
Total financial assets		7,117,911,523	6,204,457,442
Financial liabilities			
Measured at amortised cost			
Due to Nepal Rastra Bank	3	300,230,137	65,668,685
Deposits from customers	3	6,089,460,930	5,273,346,239
Total financial liabilities		6,389,691,067	5,339,014,924

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.

Investment in government bonds are measured at amortized cost which includes accrued interest receivable from government securities.

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 four provinces namely; Province 1, Madhesh Pradesh, Bagmati Pradesh and Lumbini Pradesh.

2. Information about profit or loss, assets and liabilities

i. For the financial year 2078-79

Amount in NPR

Particulars	Province 1	Madhesh Pradesh	Bagmati Pradesh	Lumbini Pradesh	TOTAL
a. Revenues from external customers	7,555,807	232,170,731	433,285,139	96,428,406	769,440,084
b. Intersegment revenue/(expenses)	-	-	-	-	-
c. Gross Revenue	7,555,807	232,170,731	433,285,139	96,428,406	769,440,084
d. Interest Revenue	5,769,627	220,252,528	407,567,333	92,265,180	725,854,669
e. Interest Expenses	3,337,281	38,236,261	433,270,720	16,716,940	491,561,202
f. Net interest Revenue	2,432,346	182,016,267	(25,703,387)	75,548,240	234,293,467
g. Other Income	-	191,322	978,035	-	1,169,357
h. Other Expenses	5,550,926	19,092,185	90,738,392	11,602,100	126,983,603
i. Depreciation & Amortization	1,594,196	2,768,924	22,355,494	854,177	27,572,791
j. Segment Profit /(Loss)	(2,926,595)	172,073,361	(157,731,717)	67,255,189	78,670,238
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	-	-	44,676,602	-	44,676,602
n. Segment assets	161,325,114	1,995,501,690	4,978,063,622	798,574,075	7,933,464,501
o. Segment liabilities	165,383,150	1,823,237,007	4,002,287,764	731,318,885	6,722,226,807

ii. For the financial year 2077-78

Amount in NPR

Particulars	Province 1	Madhesh Pradesh	Bagmati Pradesh	Lumbini Pradesh	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
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

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	769,440,084	609,685,457
Other revenues	-	-
Elimination of intersegment revenues	-	-
Entity's revenues	769,440,084	609,685,457

ii. Profit or Loss

Amount in NPR

Particulars	Current year	Previous year
Total profit or loss for reportable segments	78,670,238	118,627,586
Other profit or loss	1,145,007	-
Elimination of inter segment profits	-	-
Unallocated amounts	-	-
Profit before tax	79,815,244	118,627,586

iii. Assets

Amount in NPR

Particulars	Current year	Previous year
Total assets for reportable segments	7,933,464,501	6,219,944,082
Other assets		
Unallocated assets		
Entity's assets	7,933,464,501	6,219,944,082

iv. Liabilities

Amount in NPR

Particulars	Current year	Previous year
Total liabilities for reportable segments	6,722,226,807	5,623,647,360
Other liabilities		
Unallocated liabilities		
Entity's liabilities	6,722,226,807	5,623,647,360

4. Information about geographical areas

The financial company has revenue from following geographical areas:

Amount in NPR

Particulars	Current year	Previous year
Domestic		
Province 1	7,555,807	12,995
Madhesh Pradesh	232,170,731	127,687,189
Bagmati Pradesh	433,285,139	458,868,225
Lumbini Pradesh	96,428,406	82,562,860
Foreign	-	-
Total	769,440,084	669,131,269

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 Prasad 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
With directors		
Director's sitting fees	655,000	552,000
Other Expenses	77,156	114,129
Interest paid on deposits		-
With chief executive officer		
Remuneration and benefits paid	7,731,075	7,328,307
Interest paid on deposits	1,620,235	222,496

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 5.11 - Departure from NFRS

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, 31 July 2022 and other alternative treatments as per carve outs published on different dates has been adapted while preparing the financial statements.

Note 5.12 – Additional Disclosure as required by NFRS 16 Leases

As required by Para 53 of NFRS 16 Leases, the disclosures regarding leases are as follows:

Particulars	Amount in NPR
Assets/Liabilities (shown in SOFP)	
Right-of-use Assets (ROU asset)	49,786,361
Lease Liabilities	55,039,559
Other Expense (shown in SPL)	
Depreciation charge for ROU asset	7,654,341
Interest Expense on Lease Liabilities	6,521,772
Others	
Total cash outflow for leases	8,922,915

Note 5.13 – Proposed distributions (Dividend and Bonus Shares)

The board of directors in its meeting dated 03.09.2079 has proposed 5% cash dividend amounting to Rs. 47,443,772.94

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
Institution Name: Central Finance Limited (13039)

FINANCIAL YEARS		2078-79	2077-78	2076-77	2075/76	2074/75
Indicators	Unit	Amount	Amount	Amount	Amount	Amount
Adequacy of Capital Fund on Risk Weighted Assets						
Core Capital	Percent	21.09%	25.03%	25.44%	26.08%	25.95%
Total Capital Fund	Percent	22.44%	26.30%	26.26%	26.90%	26.83%
Risk Weighted Exposure	NPR	5,515,863,580	4,550,966,095	4,099,529,359	3,849,552,209	3,324,268,343
Earnings Per Share (Average share outstanding)	NPR	5.90	12.40	10.49	10.57	9.31
Market Value Per Share	NPR	302	485	120.00	114.00	114
Book Net Worth Per Share	NPR	127.65	136.21	130.43	125.32	113.89
Net Profit Per Staff	NPR	405,723.33	895,136.43	872,261.72	906,230.74	932957.6625
Per Employee Staff Cost	NPR	621,597.88	608,121.48	510,810.41	435,385.92	590285.04
Number of Promoter Equity Shares	Nos.	4,862,037.85	4,514,426.97	4,219,090.63	4,219,090.63	3662654.8
Number of Public Equity Shares	Nos.	4,626,716.74	4,295,930.12	4,014,887.96	4,014,887.96	3690978.7
Number of Permanent Staffs	Nos.	113	99	84.00	56.00	65
Number of Branches	Nos.	16	14	10.00	9.00	7
Number of Extension Counters	Nos.	1	1	-	-	0
Number of ATM Machines	Nos.	6	6	4.00	3.00	0
Price Earnings Ratio	Times	51.19	39.11	11.44	10.79	12.24
Dividend (including bonus) on Share Capital	Percent	0	7.7	7.00	7.00	7.19
Cash Dividend on Share Capital	Percent	0	3.3	3.00	7.00	7.19
Net Profit / Gross Income	Percent	7.27	16.29	14.16	16.26	15.94
Net Profit / Loans and Advances	Percent	1.06	2.58	2.42	2.73	7.19
Return on Total Assets	Percent	0.71	1.6	1.53	1.84	1.77
Return on Equity	Percent	4.62	9.10	8.04	8.43	10.15
Interest Income / Loans and Advances	Percent	12.31	11.93	16	15.54	15.58
Exchange Gain / Total Income	Percent	0.00	0.00	0.00	0.00	0.00
Interest Expenses / Total Deposits and Borrowings	Percent	7.69	7.19	8.02	8.58	8.41
Total Operating Expenses / Total Assets	Percent	1.95	1.79	1.78	1.86	8.07
Staff Expenses / Total Operating Expenses	Percent	49.77	49.20	58.36	58.13	13.84
Staff Bonus / Total Staff Expenses	Percent	11.53	22.04	15.73	18.70	25.29
Total Credit / Deposits	Percent	83.23	81.27	78.87	87.41	84.36
Non-Performing Loans / Total Loans	Percent	2.59	1.72	1.73	1.14	0.87
Base Rate	Percent	11.98	9.01	11.02	13.26	15.75
Weighted Average Interest Rate Spread	Percent	4.92	4.9	4.97	4.82	4.18
CRR	Percent	4.94	4.93	7.15	5.67	8.67

CENTRAL FINANCE LTD.
Condensed Statement of financial position
As on quarter ended Ashad 2079

ASSETS	NOTE	Audited	Unaudited	Variance		Remarks
		ASHAD END 2079	ASHAD END 2079	Amount	%	
Cash and cash equivalent	4.1	548,457,237	548,448,211	9,026	0.00%	Regrouping of clearing items
Due from Nepal Rastra Bank	4.2	312,400,196	307,700,480	4,699,716	1.53%	Regrouping in note 4.2 from 4.18
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	164,624,035	164,624,034	0.35	0.00%	Round off
Loans and advances to customers	4.7	5,011,541,067	5,013,830,565	(2,289,498)	-0.05%	Adjustment of interest suspense & AIR
Investment securities	4.8	1,629,346,225	1,629,112,975	233,250	0.01%	Difference in NAV of mutual Fund
Current tax assets	4.9	26,538,138	25,696,018	842,120	3.28%	Change in profit
Investment in subsidiaries	4.10	-	-	-		
Investment in associates	4.11	-	-	-		
Investment property	4.12	681,270	681,270	-		
Property Plant and Equipment	4.13	202,962,572	153,174,763	49,787,809	32.50%	ROU Assets booked during audit
Goodwill and Intangible assets	4.14	1,754,451	2,002,792	(248,340)	-12.40%	Recalculation of amortization
Deferred tax assets	4.15	-	-	-		
Other assets	4.16	35,159,310	38,946,270	(3,786,960)	-9.72%	Deferred Employee expenditure booked and Regrouping
TOTAL ASSETS		7,933,464,502	7,884,217,379	49,247,123		

LIABILITIES	NOTE		ASHAD END 2079	Difference		Remarks
Due to Bank and Financial Institutions	4.17	237,173,864	237,173,864	-		
Due to Nepal Rastra Bank	4.18	300,230,137	295,530,421	4,699,716	1.59%	Regrouping from note 4.18 to 4.2
Derivative financial instruments	4.19	-	-	-		
Deposits from customers	4.20	6,089,460,930	6,089,460,930	(0)		
Borrowing	4.21	-	-	-		
Current Tax Liabilities	4.9	-	-	-		
Provisions	4.22	-	-	-		
Deferred tax liabilities	4.15	3,906,028	6,145,074	(2,239,046)	-36.44%	Calculation of ROU
Other liabilities	4.23	91,455,848	37,877,169	53,578,679	141.45%	Liabilities under lease booked during audit
Debt securities issued	4.24	-	-	-		
Subordinated Liabilities	4.25	-	-	-		
TOTAL LIABILITIES		6,722,226,807	6,666,187,458	56,039,348		

EQUITY

Share Capital	4.26	948,875,459	948,875,459	-		
Share premium		442,546	442,546	-		
Retained Earnings		50,650,223	55,897,979	(5,247,756)	-9.39%	Change in profit and Reserve balance due additional LLP, ROU calculation
Reserves	4.27	211,269,467	212,813,937	(1,544,470)	-0.73%	Change in profit
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		1,211,237,695	1,218,029,921	(6,792,226)		
NON-CONTROLLING INTEREST						
TOTAL EQUITY		1,211,237,695	1,218,029,921	(6,792,226)		
TOTAL LIABILITIES & EQUITY		7,933,464,502	7,884,217,379	49,247,123		

CENTRAL FINANCE LTD.
Condensed Statement of Profit or Loss
For the quarter ended Ashad 2079

Particulars	NOTE	Audited	Unaudited	Variance		Remarks
		ASHAD END 2079	ASHAD END 2079	Amount	%	
Interest income	4.29	725,854,669	726,807,958	(953,289)	-0.13%	Ommission Interest in call account booked during audit
Interest expense	4.30	491,561,202	491,561,202	-		
Net interest income		234,293,467	235,246,756	(953,289)		
Fee and commission income	4.31	38,110,842	38,108,442	2,400	0.01%	Ommission of income rectified during audit
Fee and commission expense	4.32	-	-	-		
Net fee and commission income		38,110,842	38,108,442	2,400		
Net interest, fee and commission income		272,404,309	273,355,198	(950,889)		
Net trading income	4.33	-	-	-		
Other operating income	4.34	5,474,573	3,854,260	1,620,313	42.04%	Gain on sale of investment property
Total operating income		277,878,882	277,209,458	669,424		
Impairment charge/(reversal) for loans and other losses	4.35	44,676,600	38,748,607	5,927,993	15.30%	Additional of LLP by Onsite inspection and offsite during preliminary review
Net operating income		233,202,282	238,460,850	(5,258,568)		
Operating expense						
Personnel expenses	4.36	85,780,508	84,407,437	1,373,071	1.63%	Finance Expenses under NFRS booked during Audit
Other operating expenses	4.37	41,178,745	43,535,018	(2,356,273)	-5.41%	Recalculation of operating lease expense
Depreciation & Amortization	4.38	27,572,791	19,671,556	7,901,235	40.17%	ROU Calculation
Operating Profit		78,670,238	90,846,839	(12,176,601)		
Non operating income	4.39	1,169,357	1,169,357	-		
Non operating expense	4.40	24,350	24,350	-		
Profit before income tax		79,815,244	91,991,845	(12,176,601)		
Income tax expense	4.41					
Current Tax expenses		26,354,649	27,597,554	(1,242,905)	-4.50%	Change in profit
Deferred Tax Expenses/(Income)		(2,529,224)	-	(2,529,224)		Calculated during audit
Profit for the period		55,989,819	64,394,292	(8,404,473)		

CENTRAL FINANCE LTD.
Statement of Comprehensive Income
For the quarter ended Ashad 2079

Particulars	NOTE	Audited	Unaudited	Variance		Remarks
		ASHAD END 2079	ASHAD END 2079	Amount	%	
Profit for the year		55,989,819	64,394,292	(8,404,473)	-13.05%	Change in Profit
Other comprehensive income, net of income tax						
a) Items that will not be reclassified to profit or loss						
"Gains/(Losses) from investments in equity instruments measured at fair value"		(24,764,683)	(24,764,683)	-		
Gains/(Losses) on revaluation			-			
Actuarial gain/(loss) on defined benefit plans		2,303,209	-	2,303,209		Actuarial gain booked during audit
Income tax relating to above terms		6,738,442	7,429,405	(690,963)	-9.30%	Actuarial gain related tax
Net other comprehensive income that will not be reclassified to profit or loss		(15,723,032)	(17,335,278)	1,612,246		
b) Items that are or may be reclassified to profit or loss						
Gains/(Losses) on cash flow hedge			-			
Exchange gains/(losses) arising from translating financial assets of foreign operation			-			
Income tax relating to above terms			-			
Reclassify to profit or loss			-			
Net other comprehensive income that are or may be reclassified to profit or loss			-			
c) Share of other comprehensive income of associate accounted as per equited method			-			
Other comprehensive income for the year, net of income tax		(15,723,032)	(17,335,278)	1,612,246		
Total comprehensive income for the period		(15,723,032)	(17,335,278)	1,612,246		
Total comprehensive income attributable to:						
Equity holders of the bank		40,266,788	47,059,014	(6,792,227)		
Non-controlling interest			-	-		
Total comprehensive income for the period		40,266,788	47,059,014	(6,792,227)		

CENTRAL FINANCE LTD.
STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS
For the year ended Ashad end 2079
(As per NRB Regulation)

Particulars	Audited	Unaudited	Variance		Remarks
	ASHAD END 2079	ASHAD END 2079	Amount	%	
Opening Retained Earnings	9,851,722	9,851,722			
Net profit or (loss) as per statement of profit or loss	55,989,819	64,394,292	(8,404,473)	-13.05%	Change in Statement of Profit & Loss
Appropriations:			-		
a. General reserve	(11,197,964)	(12,878,858)	1,680,894	-13.05%	Change in profit
b. Foreign exchange fluctuation fund		-	-		
c. Capital redemption reserve		-	-		
d. Corporate social responsibility fund	(559,898)	(643,943)	84,045	-13.05%	Change in profit
e. Employees' training fund	(1,316,668)	(1,316,668)	-		
f. Other	1,507,264	1,727,732	(220,468)	-12.76%	Reclassified during Audit
Profit or (loss) before regulatory adjustment	44,422,553	51,282,555	(6,860,002)	-13.38%	
Regulatory adjustment :			-		
a) Transferred to Regulatory Reserve	(6,452,525)	(6,452,525)	-		
b) Transferred from Regulatory Reserve	2,828,473	1,216,228	1,612,245	132.56%	Gain on Sale of Profit
Distributable profit or (loss)	50,650,223	55,897,979	(5,247,756)		

CENTRAL FINANCE LTD.
Condensed Statement of Financial Position
As on quarter ended Ashwin 2079

ASSETS	NOTE	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	4.1	477,418,997	548,448,211
Due from Nepal Rastra Bank	4.2	266,420,083	307,700,480
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	171,140,550	164,624,034
Loans and advances to customers	4.7	5,006,329,161	5,013,830,565
Investment securities	4.8	1,648,742,138	1,629,112,975
Current tax assets	4.9	21,728,217	25,696,018
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	681,270	681,270
Property Plant and Equipment	4.13	154,117,824	153,174,763
Goodwill and Intangible assets	4.14	2,002,792	2,002,792
Deferred tax assets	4.15	3,528,507	-
Other assets	4.16	52,377,021	38,946,270
TOTAL ASSETS		7,804,486,561	7,884,217,379

LIABILITIES	NOTE	This Quarter Ending	Immediate Previous Year Ending
Due to Bank and Financial Institutions	4.17	215,468,235	237,173,864
Due to Nepal Rastra Bank	4.18	340,300,284	295,530,421
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	5,997,115,467	6,089,460,930
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	6,145,074
Other liabilities	4.23	46,778,033	37,877,169
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
TOTAL LIABILITIES		6,599,662,019	6,666,187,458

EQUITY			
Share Capital	4.26	948,875,459	948,875,459
Share premium		442,546	442,546
Retained Earnings		25,402,366	55,897,979
Reserves	4.27	230,104,170	212,813,937
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		1,204,824,541	1,218,029,921
NON-CONTROLLING INTEREST			
TOTAL EQUITY		1,204,824,541	1,218,029,921

TOTAL LIABILITIES & EQUITY		7,804,486,561	7,884,217,379
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CENTRAL FINANCE LTD.
Condensed Statement of profit or loss
For the quarter ended Ashwin 2079

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	223,768,541	223,768,541	157,036,919	157,036,919
Interest expense	4.30	161,034,102	161,034,102	102,675,870	102,675,870
Net interest income		62,734,439	62,734,439	54,361,049	54,361,049
Fee and commission income	4.31	3,626,778	3,626,778	10,672,681	10,672,681
Fee and commission expense	4.32	-	-	-	-
Net fee and commission income		3,626,778	3,626,778	10,672,681	10,672,681
Net interest, fee and commission income		66,361,217	66,361,217	65,033,730	65,033,730
Net trading income	4.33	-	-	-	-
Other operating income	4.34	4,599,689	4,599,689	3,452,976	3,452,976
Total operating income		70,960,907	70,960,907	68,486,707	68,486,707
Impairment charge/(reversal) for loans and other losses	4.35	16,924,242	16,924,242	14,172,773	14,172,773
Net operating income		54,036,665	54,036,665	54,313,933	54,313,933
Operating expense					
Personnel expenses	4.36	23,885,666	23,885,666	21,800,326	21,800,326
Other operating expenses	4.37	12,043,493	12,043,493	9,515,100	9,515,100
Depreciation & Amortization	4.38	4,771,079	4,771,079	3,612,540	3,612,540
Operating Profit		13,336,427	13,336,427	19,385,967	19,385,967
Non operating income	4.39	44,017	44,017	136,192	136,192
Non operating expense	4.40	-	-	24,350	24,350
Profit before income tax		13,380,444	13,380,444	19,497,809	19,497,809
Income tax expense	4.41				
Current Tax expenses		4,014,133	4,014,133	5,849,343	5,849,343
Deferred Tax Expenses/(Income)		-	-	-	-
Profit for the period		9,366,311	9,366,311	13,648,466	13,648,466

CENTRAL FINANCE LTD.
STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS
For the year ended Ashwin END 2079
(As per NRB Regulation)

Particulars	Ashwin End 2079
Opening Retained earning	55,897,978
Less: Dividend distributed	
Less: Bonus Share issued	
Less: Share issue expenses	
Add: Gain from sale of investment securities measured at fair value through OCI	
Remaining balance of Retained Earnings	55,897,978
Net profit or (loss) as per statement of profit or loss	9,366,311
Appropriations:	
a. General reserve	(1,873,262)
b. Foreign exchange fluctuation fund	-
c. Capital redemption reserve	-
d. Corporate social responsibility fund	(93,663)
e. Employees' training fund	(140,522)
f. Other	80,055
Investment adjustment reserve	
Transfer from RGA Fund	
CSR	
Profit or (loss) before regulatory adjustment	7,338,918
Regulatory adjustment :	
a. Interest receivable (-)/previous accrued interest received (+)	(34,306,023)
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 (+)	-
e. Deferred tax assets recognised (-)/ reversal (+)	(3,528,507)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Acturial loss recognised (-)/reversal (+)	-
i. Other (+/-)	
Distributable profit or (loss)	25,402,366

CENTRAL FINANCE LTD.
Statement of comprehensive income
For the quarter ended Ashwin 2079

IN NPR

Particulars	NOTE	Current Year		Previous Year Corresponding	
		This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year		9,366,311	9,366,311	13,648,466	13,648,466
Other comprehensive income, net of income tax					
a) Items that will not be reclassified to profit or loss					
Gains/(Losses) from investments in equity instruments measured at fair value		(32,245,272)	(32,245,272)	(17,992,485)	(17,992,485)
Gains/(Losses) on revaluation		-	-		
Actuarial gain/(loss) on defined benefit plans		-	-		
Income tax relating to above terms		9,673,582	9,673,582	5,397,745	5,397,745
Net other comprehensive income that will not be reclassified to profit or loss		(22,571,690)	(22,571,690)	(12,594,740)	(12,594,740)
b) Items that are or may be reclassified to profit or loss					
Gains/(Losses) on cash flow hedge		-	-		
Exchange gains/(losses) arising from translating financial assets of foreign operation		-	-		
Income tax relating to above terms		-	-		
Reclassify to profit or loss		-	-		
Net other comprehensive income that are or may be reclassified to profit or loss		-	-		
c) Share of other comprehensive income of associate accounted as per equited method					
Other comprehensive income for the year, net of income tax		(22,571,690)	(22,571,690)	(12,594,740)	(12,594,740)
Total comprehensive income for the period		(13,205,379)	(13,205,379)	1,053,726	1,053,726
Basic earnings per share					
Diluted earnings per share		3.95	3.95	6.20	6.20
Total comprehensive income attributable to:		(13,205,379)	(13,205,379)	1,053,726	1,053,726
Equity holders of the bank		(13,205,379)	(13,205,379)	1,053,726	1,053,726
Non-controlling interest					
Total comprehensive income for the period		(13,205,379)	(13,205,379)	1,053,726	1,053,726

धितोपत्र दत्ता निष्काशन नियमावली २०७३ को अनुसूची १४

Particulars	Ashwin 2079	Ashwin 2078
Liquidity	33.33%	33.97%
Value of per share on total assets	822.50	804.03
Number of equity shares	9488754.59	8810357.09
Earnings per share (Annualized)	3.95	6.20
Net worth per share	126.97	135.98
Price earnings ratio	77.22	80.53
Closing Price	305	499

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				24.15%
Non-performing loan (NPL) to total loan		2.56%		2.03%
Total loan loss provision to Total NPL		114.32%		116.56%
Cost of Funds		10.30%		7.09%
Credit to Deposit Ratio		84.20%		82.93%
Base Rate		13.10%		9.50%
Interest Rate Spread		4.89%		4.89%

Note: If the Statutory Audit and supervisory authority notify any remarks to change, unaudited financial statement may change accordingly.



नेपाल राष्ट्र बैंक
वित्तीय संस्था सुपरिवेक्षण विभाग

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
फोन नं.: ०१-४४१२३०७
Site: www.nrb.org.np
Email: nrbfis@nrb.org.np
पोष्ट बक्स: ७३

पत्रसंख्या: वि.सं.सु.वि./गैरस्थलगत/सेन्ट्रल/०७९/८०
च.नं. १०९

मिति: २०७९/०९/०७

सेन्ट्रल फाइनेन्स लिमिटेड,
कुपण्डोल, ललितपुर।



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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी संस्थाको आर्थिक वर्ष २०७८/७९ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा अनुरोध छ। साथै, संस्थाले प्रस्ताव गरे अनुसार आर्थिक वर्ष २०७८/७९ को नियमनकारी समायोजन पछिको वितरणयोग्य मुनाफाबाट २०७९ असार मसान्तमा कायम रहेको चुक्ता पुँजी रु.९४,८८,७५,४५८।७२ को ५.०० प्रतिशतले हुन आउने रकम रु.४,७४,४३,७७२।९४ (अक्षरेपी चार करोड चौहत्तर लाख त्रिचालीस हजार सात सय बहत्तर पैसा चौरानब्वे मात्र) नगद लाभांश (लाभांशमा लाग्ने कर प्रयोजनको लागि समेत) अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति प्रदान गरिएको व्यहोरा समेत निर्णयानुसार अनुरोध छ।

- (१) कर्जा प्रवाह पश्चात अनिवार्य रूपमा कर्जा सदुपयोगिताको सुनिश्चितता गर्नुहुन।
- (२) यस बैंकबाट जारी एकीकृत निर्देशन नं १५/०७८ बमोजिम ब्याजदर सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन।
- (३) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन।
- (४) कर्जा प्रवाह र व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सञ्चालन जोखिम, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन।

भवदीय,

(हरिश्चन्द्र ढकाल)
उप-निर्देशक

बोधार्थ :

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



सेन्ट्रल फाईनान्स लिमिटेड
CENTRAL FINANCE LIMITED
Serving Your Financial Needs

Head Office: Kupondole, Lalitpur
Tel: 01-5970005, 5444517
Fax: 977-01-5440842, G.P.O. Box no. 7062 (Ktm)
Email: info@centralfinance.com.np
Web: www.centralfinance.com.np

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

च.नं.: ७४२/२०७९/८०



मिति: २०७९/०९/११

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

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

महाशय,

त्यस विभागको मिति २०७९/०९/०७, पत्रसंख्या वि.सं.सु.वि./गैरस्थलगत/सेन्ट्रल/०७९/८० च.न.१०९ 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. कर्जा प्रवाह पश्चात् कर्जा सदुपयोगिता गरिने छ ।
२. त्यस बैंकबाट जारी गरिएको एकिकृत निर्देशन नम्बर १५/०७८ बमोजिम ब्याज दर सम्बन्धी व्यवस्थाको पूर्ण रूपमा पालना गरिने छ ।
३. त्यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७८ बमोजिम सम्पत्ति शुद्धिकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाहरूको पूर्ण रूपमा पालना गरिने छ ।
४. कर्जा प्रवाह तथा व्यवस्थापन, ग्राहक पहिचान (KYC), संस्थागत सुशासन, अनुपालना, सञ्चालन जोखिम, सूचना प्रविधि लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा त्यस बैंकबाट औल्याएका कैफियतहरू पुनः नदोहोरिने गरी व्यवस्था मिलाईने 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
वित्तीय संस्था सुपरिवेक्षण विभाग, प्रतिवेदन कार्यान्वयन इकाई,
बालुवाटार, काठमाडौं ।

नोट तथा टिपोट



सेन्ट्रल फाईनान्स लिमिटेड

CENTRAL FINANCE LIMITED

Serving Your Financial Needs

केन्द्रीय कार्यालय तथा कुपण्डोल शाखा
कुपण्डोल, ललितपुर, फोन नं.: ०१-५९७०००५

चावहिल शाखा
चावहिल, काठमाण्डौ
फोन नं.: ०१-४५६०६२४, ४५६०६०३

नारायणगढ शाखा
शहीदचोक, नारायणगढ, चितवन
फोन नं.: ०५६-५९८९४१, ५९८९४

बुटवल शाखा
मिलनचोक, बुटवल, रुपन्देही
फोन नं.: ०७१-५५३३५१, ५५३३५२

भक्तपुर शाखा
च्याम्हासिंह, भक्तपुर
फोन नं.: ०१-६६१८४७१, ६६१८४७२, ६६१९६७१

बर्दिबास शाखा
बर्दिबास, महोत्तरी
फोन नं.: ०४४-५५०७३४, ५५०६२३

बर्दघाट शाखा
बर्दघाट, नवलपरासी
फोन नं.: ०७८-५८०८१०, ५८०८११

सिमरा शाखा
सिमरा, बारा
फोन नं.: ०५३-५२००१५, ५२००१६, ५२००६५

भिमान शाखा
भिमान, सिन्धुली
फोन नं.: ०४७-४१००४२, ४१००४४

गोगबु शाखा
गणेश स्थान, टोखा, काठमाडौं
फोन नं.: ०१-४९८२१३०, ४९८२८४०

सल्लाघारी एक्सटेन्सन काउन्टर
सल्लाघारी, भक्तपुर
फोन नं.: ०१-६६१९६७२

लालबन्दी शाखा
लालबन्दी, सर्लाही
फोन नं.: ०४६-५०१७६३, ५०१७६४

डकाहा शाखा
डकाहा, सिन्धुली
फोन नं.: ९८१७८३३७१३, ९८१७८३३७५६

जनकपुर शाखा
राम चोक, जनकपुरधाम, धनुषा
फोन नं.: ०४१-५९०४३६, ५९०४३७

ईटहरी शाखा
ईटहरी, सुनसरी
फोन नं.: ०२५-५९०९९६, ५९०९९७

बिर्तामोड शाखा
भद्रपुर रोड, बिर्तामोड, झापा
फोन नं.: ०२३-५९०९५८, ५९०९५९

भैरहवा शाखा
मिलन चोक, भैरहवा, रुपन्देही
फोन नं.: ०७१-५९०९९१, ५९०९९२

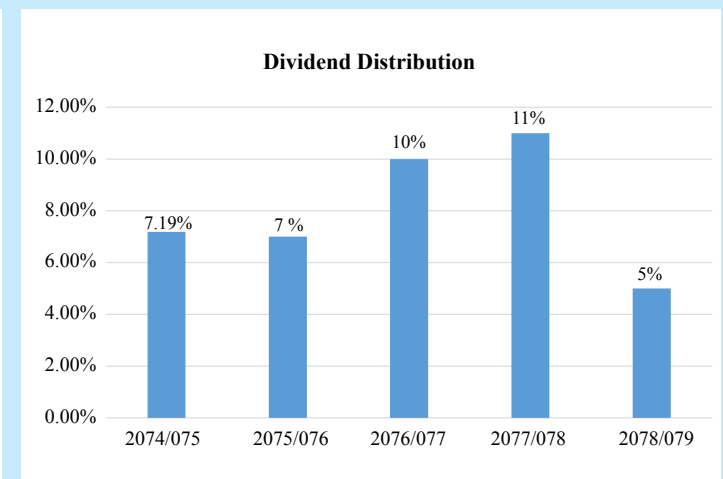
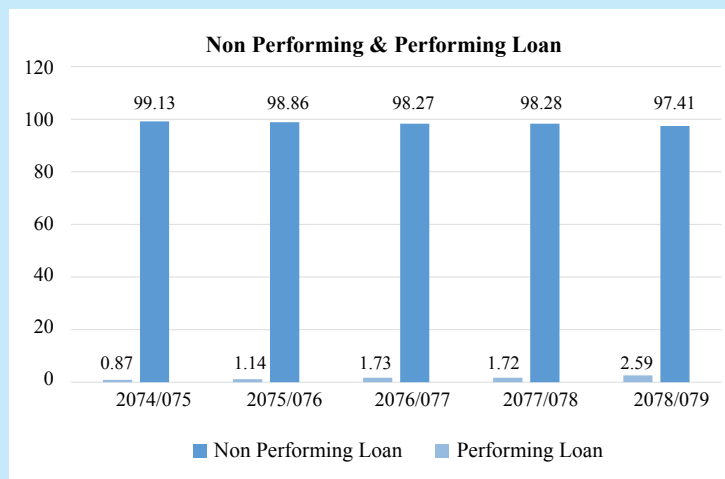
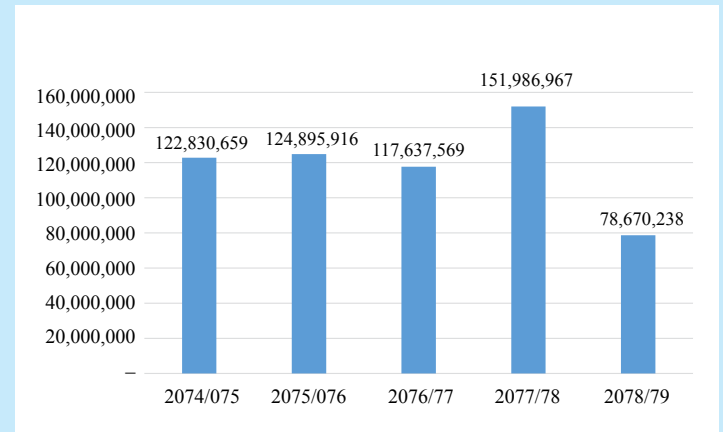
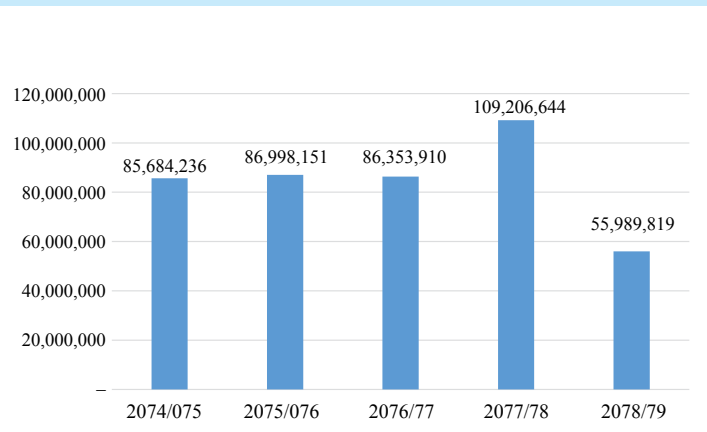
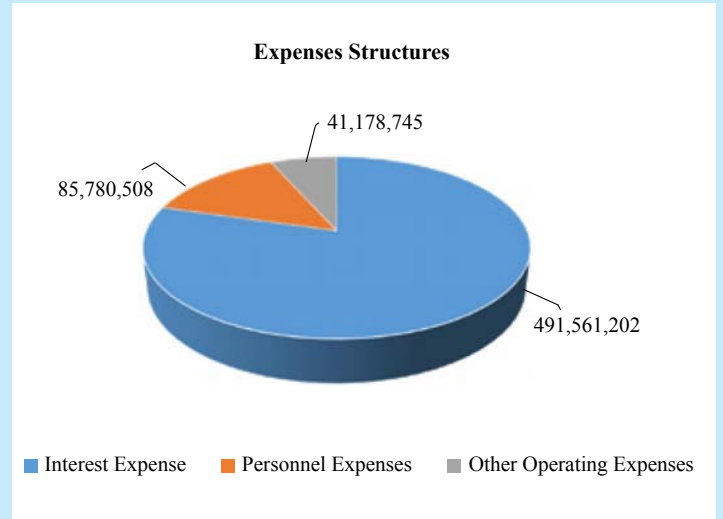
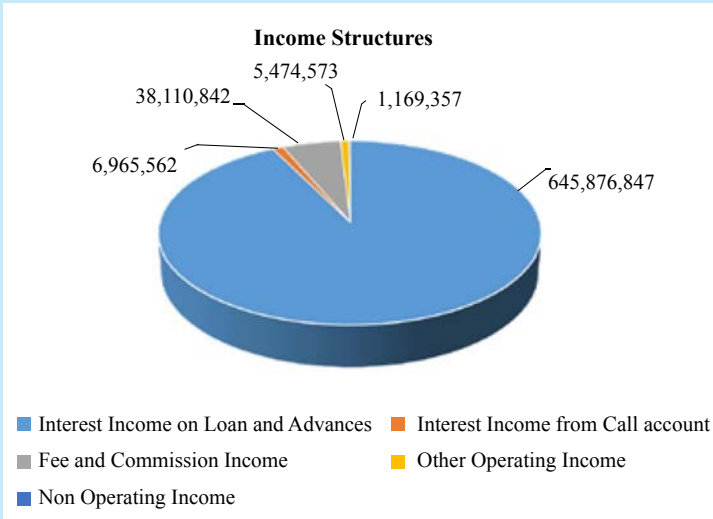
वीरगञ्ज शाखा
लिङ्ग रोड, वीरगञ्ज, पर्सा
फोन नं.: ०५१-५९१८१४, ५९१८१५

नयाँ खुल्ने शाखाहरू

विराटनगर शाखा
जलजला रोड, विराटनगर, मोरङ
फोन नं.: ०२१-५९०८१६, ५९०८१७

चन्द्रपुर शाखा
चन्द्रनिगाहपुर, रौतहट
फोन नं.: ०५५-५९०००५, ५९०००६

Financial Highlights



२५ औं वार्षिक साधारण सभाको भलक



शाखा बैठक २०७९



संस्थाको २५ औं वार्षिकोत्सवमा आयोजित सम्मान तथा बधाई कार्यक्रम २०७९



सेन्ट्रल फाईनान्स लिमिटेडको २५ औं वार्षिकोत्सवको भलक



संस्थाको नयाँ खुलेका शाखाहरू बिर्तामोड शाखा



भैरहवा शाखा



विरगञ्ज शाखा



स्थानान्तरित भक्तपुर शाखा



संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत शाखाहरबाट भएका सामाजिक कार्यहरु केन्द्रीय कार्यालय



भक्तपुर शाखा



भिमान शाखा



डकाहा शाखा



बिर्तामोड 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
सञ्चालन 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
बूटवल शाखा



कान्धी मैथा प्रजापति
भक्तपुर शाखा



जितेन्द्र कुमार महतो
बर्दिबास शाखा



भिमकान्त अधिकारी
बर्दघाट शाखा



सन्तोष कार्की
सिमरा शाखा



सागर प्रधान
भिमान शाखा



गीर्णजंग थापा
गोगदु शाखा



उमेश भट्टराई
लालबन्दी शाखा



दिपेश पाण्डे
उकाहा शाखा



दिलीप कुमार यादव
जनकपुर शाखा



भेषराज देवकोटा
इटहरी शाखा



प्रकाश फुएल
वित्तमोड शाखा



अरुण अधिकारी
भैरहवा शाखा



कृष्ण कुमार भ्ना
विरगञ्ज शाखा

सल्लाघारी
एक्सटेन्सन काउन्टर
भक्तपुर

संस्थाले प्रदान गर्ने सेवाहरू:



निक्षेप योजना (Deposit Scheme)

क) बचत खाता (Saving 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)
- विशेष बचत (Special Saving)
- सेन्ट्रल स्मार्ट बचत (Central Smart Saving)
- सामाजिक कल्याणकारी बचत (Social Welfare Saving)
- लगानीकर्ता बचत (Investor Saving)

ख) क्रमिक निक्षेप योजना (Recurring Deposit Scheme)

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

ग) मुद्दती निक्षेप (Fixed Deposit)

३ महिनादेखि माथिका 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) धितो कर्जा (Mortgage Loan)
 - ज) मुद्दती रसिद धितोमा कर्जा (Loan Against FDR)
 - झ) बण्ड/डिबेन्चर कर्जा (Loan Against Bonds/Debentures)

गैह 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 ।

रेमिटेन्स सेवा (Remittance Service)

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



सेवाहरू

- निःशुल्क ABBS सुविधा
- C-ASBA सुविधा
- Mobile Banking
- IPS सुविधा
- QR Merchant सुविधा
- Corporate Pay सुविधा
- RTGS सुविधा
- Debit Card सुविधा
- SMS Alert
- Remittance
- connect IPS सुविधा
- QR Teller सुविधा
- Nepal Pay 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 ।