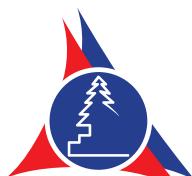


२३ औं

वार्षिक प्रतिवेदन

२०७५ / २०७६



सेन्ट्रल फाईनान्स लिमिटेड

CENTRAL FINANCE LIMITED

Serving Your Financial Needs

सञ्चालक समिति



संजोज मान श्रेष्ठ

अध्यक्ष

संस्थापक समूहबाद



चण्डिका श्रेष्ठ

सञ्चालक

संस्थापक समूहबाद



चैत्य राज शाक्य

सञ्चालक

संस्थापक समूहबाद



डा. किशोर हार्कुतुवाल

सञ्चालक

सर्वसाधारण शेयरधनीको तर्फबाद



रमेश थापा श्रेष्ठ

सञ्चालक

सर्वसाधारण शेयरधनीको तर्फबाद



विद्या भूषण ध्वज जोशी

सञ्चालक

सर्वसाधारण शेयरधनीको तर्फबाद

कानूनी सल्लाहकार

कृष्ण प्रसाद भण्डारी (अधिवक्ता)

हाउस अफ अद्वोनेज

अनामनगर

काठमाडौं

लेखा परीक्षक

सि.ए. केशव प्रसाद न्यौपाने

के.पि. एन. ए०८ एसोसियेट्स

चार्दर्द एकाउट०फ०न्स

काठमाडौं

विषय : प्रतिनिधि नियुक्त गरेको वारे ।

जिल्ला न.पा./गा.वि.स., वडा नं. वस्ते म/हामी
ले त्यस संस्थाको शेयरधनीको हैसियतले मिति २०७६ फाल्गुण १६ का दिन हुने २३ औं वार्षिक
साधारण सभामा म/हामी स्वयम् उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा भाग लिन तथा
मतदान गर्नका लागि जिल्ला न.पा./गा.वि.स., वडा नं.
वस्ते त्यस संस्थाका शेयरधनी श्री लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरी पठाएको
छु / पठाएका छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको :

हस्ताक्षरको नमुना :

निवेदक :

दस्तखत:

नाम:

ठेगाना:

शेयरधनी प्रमाणपत्र नं. :

शेयरधनी प्रमाणपत्र नं. :

हितग्राहि (डिम्याट) खाता नं. :

हितग्राहि (डिम्याट) खाता नं. :

शेयरधनी (क्रम संख्या) नं. :

शेयर संख्या

मिति :

कित्ता नं. देखि सम्म

द्रष्टव्य :

प्रतिनिधि नियुक्त गर्न चाहने शेयरधनीहरूले यसै संस्थाको अर्को शेयरधनीलाई मात्र प्रतिनिधि नियुक्त गर्न सक्नुहुनेछ र सो
सम्बन्धी प्रोक्सी फाराम सभा शुरु हुनुभन्दा ४८ घण्टा अगावै संस्थाको रजिस्टर्ड कार्यालय कुपण्डोल ललितपुरमा दर्ता
गरी सक्नुपर्ने छ ।

सेन्ट्रल फाईनान्स लिमिटेड को

तेईसौ वार्षिक साधारण सभामा उपस्थितिको लागि

प्रवेश पत्र

१) शेयरधनीको नाम :

२) ठेगाना :

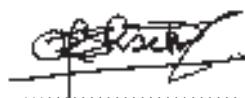
३) शेयरधनी (क्रम संख्या) नं.

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 तेईसौ वार्षिक साधारण सभा सम्बन्धी सूचना

शेयरधनी महानुभावहरु,

यस वित्तीय संस्थाको मिति २०७६ साल माघ १९ गते बसेको सञ्चालक समितिको २८४ औं बैठकको निर्णय अनुसार यस वित्तीय संस्थाको २३ औं वार्षिक साधारण सभा निम्न विषयमा छलफल गर्न निम्न मिति, समय र स्थानमा बस्ने भएकोले शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

मिति, समय र स्थान

मिति : २०७६ साल फागुन १६ गते, शुक्रवार

समय : दिनको ११.०० बजे

स्थान : नेपाल प्रशासनिक प्रशिक्षण प्रतिष्ठान, जावलाखेल, ललितपुर

छलफलका विषयहरू

(क) सामान्य प्रस्ताव

- सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्ने आ.व. २०७५/७६ को वार्षिक प्रतिवेदन पारित गर्ने बारे ।
- लेखा परीक्षकको प्रतिवेदन सहितको २०७६ साल आषाढ मसान्तको वासलात तथा आ.व. २०७५/७६ को नाफा नोक्सान हिसाव र नगद प्रवाह विवरण पारित गर्ने बारे ।
- लेखा परीक्षण समितिको सिफारिस बमोजिम आ.व. २०७६/७७ को लागि लेखा परीक्षण कार्य गर्न लेखा परीक्षकको नियुक्ति र निजको पारिश्रमिक अनुमोदन गर्ने बारे । (वर्तमान लेखा परीक्षक श्री के.पी.एन. एण्ड एसोसियट्स पुनःनियुक्त हुन सक्ने ।)
- सञ्चालक समितिले सिफारिस गरेको चुक्ता पूँजीको ७ प्रतिशतले रु. ५ करोड ७६ लाख ३७ हजार ८ सय ५० नगद लाभांश दिने प्रस्ताव पारित गर्ने बारे ।

(ख) विशेष प्रस्ताव

- सञ्चालकको बैठक भत्ता वृद्धि गर्ने तथा सो बमोजिम नियमावली संशोधन गर्ने । नियमावली संशोधन गर्न नियमन निकायबाट कुनै निर्देशन वा सुभाव दिएमा सोही अनुरूप आवश्यक समायोजन गर्न सञ्चालक समितिलाई अधिकार प्रत्यायोजन गर्ने ।

(ग) विविध

सञ्चालक समितिको आज्ञाले,
कम्पनी सचिव

साधारण सभा सम्बन्धी जानकारी

- साधारण सभा प्रयोजनको लागि २०७६ माघ २८ गते मंगलबार शेयर दाखिला खारेज बन्द गरिएको छ ।
- शेयरधनी महानुभावहरुले उपस्थिति पुस्तिकामा दस्तखत गर्न शेयरधनी उपस्थिति पुस्तिका विहान १०:३० बजेदेखि सभा नसकुञ्जेलसम्म खुल्ला राखिनेछ ।
- अन्य जानकारीको लागि संस्थाको कार्यालयमा सम्पर्क गर्न अनुरोध छ ।

सेन्ट्रल फाईनान्स लिमिटेडको २३औं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट

अध्यक्ष श्री संजोज मान श्रेष्ठज्यूद्वारा प्रस्तुत वार्षिक प्रतिवेदन

श्री शेयरधनी महानुभावहरू,

यस सेन्ट्रल फाईनान्स लिमिटेडको २३औं वार्षिक साधारण सभामा भाग लिन आउनु भएका आदरणीय शेयरधनी महानुभावहरू, विभिन्न संस्थाबाट पाल्नु भएका प्रतिनिधि तथा अतिथिज्यूहरुलाई संस्थाको सञ्चालक समिति र मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत एवं अभिवादन गर्दछु ।

विगत २३ वर्षदेखि नेपालको वित्तीय क्षेत्रमा क्रियासिल यस सेन्ट्रल फाईनान्स लिमिटेड तत्कालीन कम्पनी ऐन २०२१ बमोजिम मिति २०५३ बैशाख ६ गते कम्पनी रजिस्ट्राको कार्यालयमा पब्लिक लिमिटेडको रूपमा दर्ता भई नेपाल राष्ट्र बैंकबाट मिति २०५४ बैशाख २ गते वित्तीय कारोबार गर्ने इजाजतपत्र प्राप्त गरी राष्ट्रिय स्तरको “ग” वर्गको वित्तीय संस्थाको रूपमा आफ्नो वित्तीय कारोबार संचालन गरिरहेको यस संस्था स्थापनाकाल देखि नै निरन्तर नाफामा संचालन हुदै आएको छ ।

यस वित्तीय संस्थाले “बैंक तथा वित्तीय संस्था सम्बन्धी ऐन २०७३” तथा नेपाल राष्ट्र बैंकबाट जारी नीति निर्देशनको पारदर्शिताका साथ पालना गर्दै ग्राहक र निक्षेपकर्ताहरुको हित सर्वोपरि राख्दै स्तरीय वित्तीय सेवा तथा सुविधा प्रदान गर्दै आएको छ ।

आजको यस सभामा आर्थिक वर्ष २०७५/७६ को लेखापरीक्षण प्रतिवेदन, २०७६ असार मसान्तको वासलात तथा २०७५ श्रावण १ गते देखि २०७६ असार मसान्त सम्मको नाफा नोक्सान हिसाब, नगद प्रवाह विवरण एवं तत् सम्बन्धी अनुसूचीहरुमा छलफल हुंदा यहांहरुबाट अमूल्य सुभाव र सहयोग पाउने आशा गरेको छु ।

(क) विगत वर्षको कारोबारको सिंहावलोकन

देशको पूँजीगत बजेट खर्चमा देखापरेको शिथिलताको कारण लक्षित विकास खर्च समेत हुन नसकी अर्थतन्त्रले अपेक्षाकृत गती लिन सकेको छैन । निक्षेप परिचालनको तुलनामा कर्जा प्रवाह बढिरहेको कारण बढ्दो अस्वस्थ प्रतिस्पर्धा, अस्थिर शेयर बजार, नया नीतिहरुको कारण सांघरिदै गएको कर्जा लगानीका क्षेत्र आदिका कारण बैंकिङ व्यवसायमा विभिन्न किसिमका चुनौतिहरु देखिएको छ । यस्तो प्रतिकूल अवस्थाको बावजूद पनि आर्थिक वर्ष २०७५/७६ मा सन्तोषजनक मुनाफा आर्जन गर्न सफल भएको छ ।

समीक्षा आर्थिक वर्ष २०७५/७६ मा यस संस्थाले हासिल गरेको उपलब्धिको संक्षिप्त विवरण निम्नानुसार रहेको छ ।

विवरण	आ.व. २०७५/७६	आ.व. २०७४/७५	वृद्धि/(हास)%
पूँजी कोष पर्याप्तता	२६.०८	२६.८३	(२.८०)
कुल पूँजी सम्पत्ति	४,७३,३६,०३,७७९	४,२४,८७,४६,८६०	११.४१
शेयर पूँजी	८२,३३,९७,८५९	८०,१७,४७,८५९	२.७०
जगेडा तथा कोषहरु	१४,५५,३६,५५८	९,२०,९५,२०४	५८.०३
साधारण जगेडा कोष	११,७६,२६,५३१	१०,०२,२६,९०९	१७.३६
निक्षेप	३,६५,१२,८६,२७६	३,१८,४५,५९,८५२	१४.६६
कर्जा तथा सापटी	३,१९,१७,५६,७२०	२,६६,७७,१४,२७७	१९.६४
कर अधिको नाफा	१२,४७,८९,६३१	१२,२९,००,०३४	१.५३
खुद नाफा	८,६९,९८,९५१	८,५६,८४,२३६	१.५३

समीक्षा आर्थिक वर्ष २०७५/७६ मा गत वर्षको निक्षेप भन्दा १४.६६ प्रतिशतले वृद्धि गरी कुल रु.३ अर्ब ६५ करोड १२ लाख ८६ हजार निक्षेप संकलन गरेको छ । कर्जा लगानी गत आ.व. भन्दा १९.६४ प्रतिशतले वृद्धि भई रु. ३ अर्ब

१९ करोड १७ लाख ५६ हजार पुगेको छ। समीक्षा आर्थिक वर्ष २०७५/७६ मा रु. १ अर्ब ७९ करोड २५ लाख ३२ हजार कर्जा लगानी र १ अर्ब २३ करोड १३ लाख ६ हजार कर्जा असुली भएको छ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर

आर्थिक वर्ष २०७५/७६ मा वार्षिक औषत उपभोक्ता मुद्रास्फीति ४.६ प्रतिशतमा सीमित रहेको छ। अधिल्लो आर्थिक वर्षमा सो मुद्रास्फीति ४.२ प्रतिशत रहेको थियो। अनुकूल मौसमका कारण कृषि उत्पादनमा भएको वृद्धि, न्यून अन्तर्राष्ट्रिय मुद्रास्फीति तथा तरलता व्यवस्थापनमा अपनाइएको सजगताका कारण मुद्रास्फीति सरकारले निर्दिष्ट गरेको सीमाभित्र नै रहेको छ।

समीक्षा वर्षमा विप्रेषण आप्रवाह रु.६ प्रतिशतले वृद्धि भई रु.७५५ अर्ब ६ करोड पुगेको छ। अधिल्लो वर्ष विप्रेषण आप्रवाह ४.६ प्रतिशतले वृद्धि भएको थियो। वैदेशिक रोजगारीमा जाने नेपालीको संख्या आर्थिक वर्ष २०७५/७६ मा १०.१ प्रतिशतले घटेको भए तापनि अधिल्लो वर्षको ८.६ प्रतिशतले वृद्धि भएको विप्रेषण आप्रवाह समीक्षा वर्षमा १६.५ प्रतिशतले वृद्धि भएको छ।

पछिल्लो समय विश्व अर्थतन्त्रको वृद्धिदरमा सुस्तता आएको छ। सन् २०१८ मा ३.६ प्रतिशत रहेको विश्व अर्थतन्त्रको वृद्धिदर सन् २०१९ मा ३.० प्रतिशत र २०२० मा ३.४ प्रतिशत रहने अन्तर्राष्ट्रिय मुद्रा कोषको प्रक्षेपण छ। सन् २०१८ मा २.३ प्रतिशतले वृद्धि भएको विकसित अर्थतन्त्र सन् २०१९ र २०२० मा १.७ प्रतिशतले वृद्धि हुने कोषको प्रक्षेपण छ। यसैगरी, उदीयमान तथा विकासशील अर्थतन्त्र सन् २०१८ मा ४.५ प्रतिशतले वृद्धि भएकोमा सन् २०१९ मा ३.९ प्रतिशतले र सन् २०२० मा ४.६ प्रतिशतले वृद्धि हुने कोषको प्रक्षेपण छ। यस प्रक्षेपणले नेपाली अर्थतन्त्रमा समेत सकारात्मक प्रभाव पर्ने देखिन्छ।

समीक्षा आर्थिक वर्ष २०७५/७६ मा बैंक तथा वित्तीय संस्थाहरुको निक्षेप १८ प्रतिशतले बढेको छ। अधिल्लो वर्ष सोही अवधीमा यस्तो निक्षेप १९.०२ प्रतिशतले बढेको थियो। त्यस्तै सोही अवधीमा बैंक तथा वित्तीय संस्थाहरुको कर्जा लगानी १९.४ प्रतिशतले वृद्धि भएको छ। अधिल्लो वर्ष यस्तो कर्जा तथा लगानी २२.५ प्रतिशतले बढेको थियो। कर्जा प्रवाह २२.५ प्रतिशतले वृद्धि भएको तर निक्षेप संकलन १८ प्रतिशतले मात्र वृद्धि हुनुले तरलताको अवस्था कसिलो रहेको देखाउँछ। २०७५ असारमा ९१ दिने ट्रेजरी बिलको भारित औषत व्याजदर ३.७४ प्रतिशत रहेकोमा २०७६ असारमा ४.९७ प्रतिशत कायम भएको छ।

बैंकिङ्ग क्षेत्रमा हुने अस्वस्थ प्रतिस्पर्धाबाट उत्पन्न हुन सक्ने जोखिम, वित्तीय कारोबार गर्दा हुन सक्ने सञ्चालन जोखिम लगायत विविध चुनौतीहरुको सामना गर्दै संस्थाले आफ्नो कार्य प्रभावकारी रूपमा सञ्चालन गरी ग्राहक सन्तुष्टि, सेवाको गुणस्तर, अवसरहरुको पहिचान र प्रयोग जस्ता पक्षहरुलाई ध्यानमा राखी आन्तरिक तथा वाह्य वातावरणको विश्लेषण गर्दै आफ्ना कृयाकलापहरु सञ्चालन गर्दै अघि बढि रहेको छ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धी र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा:

प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धी

२०७६ साल पौष मसान्तमा संस्थाको निक्षेप रु. ४ अर्ब ९७ लाख ७८ हजार, कर्जा रु. ३ अर्ब ३३ करोड ५७ लाख ३० हजार, लगानी रु. २९ करोड ३४ लाख ७१ हजार र नगद तथा बैंक मौज्दात रु. १ अर्ब ४० करोड ५४ लाख ७१ हजार रहेको छ।

भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा

संस्थाले आफ्नो ग्राहकहरुको माग बमोजिम सेवा, नयाँ निक्षेप र कर्जा योजनाहरु तर्जुमा गरी लागू गर्ने तथा बजारमा आउने परिवर्तन अनुरूप व्याजदरमा समसामयिक परिवर्तन गरिने छ।

कृषि, घरेलु, साना उद्योग तथा विपन्न वर्गमा लगानी बढाउन प्राथमिकता दिई लगानीका योजनाहरु संचालन गरिनेछ।

संस्थाको आन्तरिक नियन्त्रण प्रणाली तथा सुशासनलाई अझ बढी सुदृढ गरिनेछ ।

संस्थाले बैंकिङ्ग क्षेत्रमा भित्रिएका सूचना प्रविधिमा आधारित SMS Banking, Chip Based ATM Card, IPS, Connect IPS जस्ता सेवाहरु सञ्चालनमा ल्याई सकेको र Mobile Banking App जस्ता सेवाहरु छिटै सञ्चालनमा ल्याइने छ ।

संस्थाले Nimble Infosys को HR & Payroll Management System सञ्चालनमा ल्याएको र Loan Processing Software, Assets and Inventory Management System आदि छिटै सञ्चालनमा ल्याइने छ ।

संस्थाले ग्राहकहरुको स्पष्ट पहिचान गर्न KYC Conductor Module लागू गरिसकेको र सम्पत्ति शुद्धीकरणका लागि प्रयोगमा आउने goAML लगायत आवश्यक अन्य सफ्टवेयर ल्याइने र सोही अनुरूप आवश्यक हार्डवेयरहरुको व्यवस्था गर्ने कार्य अगाडि बढाइनेछ ।

विज्ञापन तथा व्यापार प्रवर्द्धन कार्यक्रमद्वारा संस्थाले आफ्नो ब्रान्ड विस्तार गरी व्यापार बढाउदै लिगिने छ ।

कर्मचारीहरुको मनोबल बढाउन, वृत्ति विकास तथा सेवा प्रवाहमा चुस्तता ल्याउन उपयुक्त तालिम, प्रविधियुक्त सीप आदी प्रदान गरी दक्ष बनाइनेछ ।

ललितपुरको कुपण्डोलस्थित संस्थाको जग्गामा कर्पोरेट भवन निर्माण कार्य भइरहेकोले यसै आर्थिक वर्ष सम्ममा सम्पन्न गरी केन्द्रीय कार्यालय सार्ने लक्ष्य लिइएको छ ।

(घ) शाखा विस्तार

यस संस्थाले कुनै पनि शाखाबाट ग्राहकहरुले कारोबार गर्नसक्ने Any Branch Banking Service (ABBS) सुविधा सहित ललितपुरको कुपण्डोलस्थित केन्द्रीय कार्यालय, काठमाण्डौको चावहिल र गोंगवु गणेशस्थान, चितवनको नारायणगढ, रुपन्देहीको बुटवल, भक्तपुरको च्यामासिंह, महोत्तरीको बर्दिबास, नवलपरासीको बर्दघाट, बाराको सिमरा, सिन्धुलीको भिमानमा शाखा खोली कारोबार विस्तार गरिएको छ । जनकपुरको जनकपुरधाम र सर्लाहीको लालवन्दीमा केहि दिन भित्र शाखा र भक्तपुरको सल्लाधारी र सिन्धुलीको डकाहामा एक्सटेन्सन काउण्टर सञ्चालनमा ल्याउने गरी तयारी भइरहेको छ । कार्यक्षेत्र, सञ्जाल विस्तार तथा व्यवसाय बृद्धि गर्नको लागि सम्भाव्यताको अध्ययन गरी थप शाखा विस्तार गर्ने नीति अवलम्बन गरिएको छ ।

(ङ) संस्थागत सामाजिक उत्तरदायित्व

आर्थिक वर्षको खुद मुनाफाको १ प्रतिशत रकम संस्थागत सामाजिक उत्तरदायित्व बहन गर्न खर्च गर्ने सम्बन्धमा नेपाल राष्ट्र बैंकबाट जारी भएको परिपत्र वमोजिम संस्थाले यस वर्ष रु.८ लाख ६९ हजार ९ सय ८२ छुट्याएको छ । उक्त कोषबाट यस संस्थाले विभिन्न किसिमको सामाजिक कार्यहरुमा रकम खर्च गरी संस्थागत सामाजिक उत्तरदायित्व बहन गर्ने नीति लिएको छ ।

समीक्षा आर्थिक वर्ष २०७५/७६ मा यस शीर्षक अन्तर्गत ललितपुर महानगरपालिका वडा नं. १० कार्यालयको संयोजकत्वमा यस वडाको शान्ति सुरक्षाको लागि महानगरीय प्रहरी प्रभागको जीर्ण ठहरो भत्काई व्यवस्थित भवन बनाउन उक्त कोषबाट रु.१ लाख दिइएको थियो ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु

- नेपाल सरकार र नेपाल राष्ट्र बैंकले बैंकिङ्ग नीतिमा परिवर्तन गर्दा सृजना हुन सक्ने सम्भावित जोखिमहरु ।
- तरलतामा हुने उतार चढावका कारण व्याजदरमा हुने परिवर्तनले उत्पन्न हुन सक्ने सम्भावित जोखिम र त्यसले व्यवसाय बृद्धिमा पर्ने असरहरु ।
- बैंकिङ्ग क्षेत्रमा तीव्रतर प्रतिस्पर्धाका कारण पर्न सक्ने असरहरु ।
- पूँजी बजारको उतार चढावबाट बैंकिङ्ग कारोबारमा पर्न सक्ने असरहरु ।

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

(छ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण

मिति २०७५ साल मंसिर १ गतेको २१औ वार्षिक साधारणसभामा निर्वाचन हुंदा संस्थापक समूहबाट श्री संजोज मान श्रेष्ठ, श्रीमती चण्डका श्रेष्ठ, श्री चैत्यराज शाक्य र सर्वसाधारण समूहबाट डा. किशोर हाकुदुवाल, श्री रमेश थापा श्रेष्ठ र श्री विद्या भुषण ध्वज जोशी निर्वाचित हुनु भएको थियो । यस वाहेक समीक्षा आर्थिक वर्ष २०७५/७६ मा सञ्चालक समितिमा कुनै हेरफेर भएको छैन ।

(ज) लाभांश बांडफांड गर्न सिफारिस गरिएको रकम

समीक्षा आर्थिक वर्ष २०७५/७६ मा संस्थाको खुद मुनाफा NFRS प्रावधान अन्तर्गत गत आ.व. २०७४/७५ को समायोजित संचित नाफा रु. ३ करोड ७१ लाख ९६ हजार ९ सय ७६ तथा यस आ.व. २०७५/७६ को खुद मुनाफा रु.८ करोड ६९ लाख ९८ हजार १ सय ५१ समेत जोड्दा हुन आउने मुनाफा रु. १२ करोड ४१ लाख ९५ हजार १ सय २७ मा साधारण जगेडा कोषको लागि रु. १ करोड ७३ लाख ९९ हजार ६ सय ३०, सामाजिक सुरक्षा कोषमा रु.८ लाख ७९ हजार ९ सय ८२, कर्मचारी तालिम कोषमा रु.५ लाख १७ हजार ३६ र अन्य Regulatory Reserve हरूमा रु. ४ करोड २८ लाख ८२ हजार २ सय २९ सारेपछि बांकी रहन आएको मुनाफा रु.६ करोड २५ लाख २५ हजार २ सय ५० मध्येबाट नगद लाभांशको लागि चुक्ता पूँजीको ७ प्रतिशतले रु.५ करोड ७६ लाख ३७ हजार ८ सय ५० छुट्ट्याई बांकी रहेको रकम रु.४८ लाख ८७ हजार ४ सय वासलातमा सारिएको छ ।

(झ) कृतज्ञता तथा आभार

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

धन्यवाद ।

(संजोज मान श्रेष्ठ)

अध्यक्ष

मिति: २०७६/११/१६

सेन्ट्रल फाईनान्स लि.

आर्थिक वर्ष २०७५/७६

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

क) विगत वर्षको कारोबारको सिंहावलोकन :

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई परेको असर :

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

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

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

(घ) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध :

उच्चम तथा व्यवसायलाई अत्यकालिन वा दीर्घकालिन आर्थिक सेवा पुरयाउने उद्देश्य अनुसुप्त सरलिकृत तथा सौहार्दपूर्ण वित्तीय कारोबार गर्ने गरेको हुंदा संस्थाको ग्राहकवर्ग, वाणिज्य क्षेत्र, विभिन्न निकाय तथा अन्य सबैसंग सुमधुर सम्बन्ध कायम रहेको छ । यस्ता समूहहरूसंगको आफ्नो सम्बन्धलाई व्यवसायिकता तथा पारदर्शिताका साथ अभ्य विस्तार गर्दै लगिनेछ ।

ड) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

च) कारोबारलाई असर पार्ने मुख्य कुराहरु :

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

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

आ.व. २०७५/७६ को लेखा परीक्षकको प्रतिवेदन माथि सञ्चालक समितिको बैठकमा छलफल भई सर्वसमतिबाट पारित भएको छ ।

ज) लाभांश बांडफांड गर्न शिफारिस गरिएको रकम :

वार्षिक प्रतिवेदनमा उल्लेख भई सकेको ।

(झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अंकित मूल्य, त्यस शेयर जफत हुनु भन्दा अगावै सो वापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर वापत रकम फिर्ता गरेको भए सोको विवरण :

संस्थाले समीक्षा आर्थिक वर्ष २०७५/७६मा कुनै शेयर जफत गरेको छैन ।

ज) विगत आर्थिक वर्षमा कम्पनी र यस सहायक कम्पनीको कारोबारको प्रगति र आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन : यस संस्थाको समीक्षा आर्थिक वर्ष २०७५/७६ मा कुनै सहायक कम्पनी रहेको छैन भने काठमाण्डौको चावहिल, चितवनको नारायणगढ, रुपन्देहीको वुटवल, भक्तपुरको च्यामासिंह, महोत्तरीको बर्दिवास, नवलपरासीको बर्दघाट, वाराको सिमरा तथा सिन्धुलीको भिभानमा शाखा कार्यालय स्थापना गरी सञ्चालन गरिएको छ ।

ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :

संस्थाको शाखा कार्यालयहरूले व्यापार प्रबद्धनमा महत्वपूर्ण योगदान पुऱ्याएको छ ।

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

त्यस्तो कुनै जानकारी नगराएको ।

ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :

आर्थिक वर्ष २०७५/७६ मा सञ्चालक तथा पदाधिकारीहरु कोही पनि कम्पनीको शेयर कारोबारमा संलग्न रहेको जानकारी प्राप्त गरेको छैन ।

३) विगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित संभौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराईएको जानकारीको व्यहोरा :
त्यस्तो विवरण उपलब्ध गराईएको छैन।

४) 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।

५) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :
संस्थाले पुमोरी प्लस वैंकिंग सफ्टवेयर प्रयोग गरी सम्पूर्ण हिसाव किताव तथा लेखा कम्प्युटराइज प्रविधिमा राखेको छ र स्वतन्त्र आन्तरिक लेखा परीक्षकको व्यवस्था छ। कम्प्युटराइज्ड प्रविधिमा आन्तरिक नियन्त्रण प्रणाली प्रभावकारी रहेको छ।

६) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :
आर्थिक वर्ष २०७५/७६ मा संस्थाको कुल व्यवस्थापन खर्चमा कर्मचारी खर्च रु. ४ करोड ३१ लाख ३ हजार २ सय ६ र अन्य संचालन खर्च रु. ३ करोड १० लाख ४२ हजार २ सय ५२ रहेको छ।

७) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :
लेखापरीक्षण समितिमा गैर कार्यकारी सञ्चालक श्री रमेश थापा श्रेष्ठ संयोजक, सञ्चालक श्री विद्या भुषण ध्वज जोशी सदस्य, र लेखा प्रमुख रत्न कुमार स्थापित सदस्य रहनु भएको छ। वैठक भत्ता बाहेक लेखा परीक्षण समितिका सदस्यहरूलाई कुनै पारिश्रमिक वा सुविधा प्रदान गरिएको छैन। सो समितिले लेखा परीक्षकले औल्याएका कैफियतहरूलाई आवश्यक सुधार गर्न तथा आन्तरिक नियन्त्रण प्रणालीलाई अभ सुदृढ बनाउन व्यवस्थापनलाई सुझाव दिने काम गरेको छ।

८) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बांकी भए सो कुरा :
त्यस्तो कुनै रकम बांकी रहेको छैन।

९) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :
संस्थाको सञ्चालक समितिका सदस्यहरूलाई समितिको वैठकमा उपस्थित भए बापत भत्ता रु.५ लाख २६ हजार, प्रमुख कार्यकारी अधिकृत लगायत व्यवस्थापकीय पदाधिकारीहरूलाई पारिश्रमिक र भत्ता रु.९५ लाख ९७ हजार ९ सय ७८ भुक्तानी गरिएको छ।

१०) शेयरधनीहरूले बुझिलिन बांकी रहेको लाभांशको रकम :
शेयरधनीहरूले २०७५ साल असार मसान्तमा रु.७३ हजार ६ सय १ लाभांश बुझिलिन बांकी रहेको छ।

११) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :
समीक्षा आ.व. २०७५/७६ मा कार्यालय सामग्री बाहेक अन्य कुनै सम्पत्ति खरिद बिक्री गरिएको छैन।

१२) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :
नरहेको।

१३) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनुपर्णे अन्य कुनै कुराहरु :
नरहेको।

१४) अन्य आवश्यक कुराहरु :
नरहेको।

द.

(संजोज मान श्रेष्ठ)

अध्यक्ष

द.

(डा. किशोर हाकुदुवाल)

सञ्चालक

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

१. संचालक समितिको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
३. लेखापरीक्षण भएको वित्तीय विवरण : सम्बन्धित शीर्षक अन्तर्गत राखिएको ।
४. कानूनी कारबाही 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 संस्थाका शेयर कारोबार तथा प्रगतिका विश्लेषण :
 - (क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयर कारोबार सम्बन्धमा व्यवस्थापनको धारणा
 - नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको व्यवस्थाको अधिनसा रही कारोबार भइरहेको ।
 - (ख) आ.व. २०७५/७६ मा संगठित संस्थाको शेयरको अधिकतम, न्युनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन :

त्रैमासिक	अधिकतम मूल्य	न्युनतम मूल्य	अन्तिम मूल्य	कुल कारोबार दिन	कुल कारोबार संख्या	कुल कारोबार शेयर संख्या
प्रथम त्रैमासिक	१२७	१२५	१२६	५८	५३७	१,६०,७२०
दोश्रो त्रैमासिक	१२९	१०७	११४	५५	२८४	६८,७९४
तेश्रो त्रैमासिक	११६	१०४	१०९	५६	४७४	१,३२,४२७
चौथो त्रैमासिक	११९	११७	११९	६४	७९	२,५६,६३४

६. समस्या तथा चुनौती

- (क) आन्तरिक समस्या तथा चुनौती
 - आयको विविधिकरण ।
- (ख) वाह्य समस्या तथा चुनौती
 - वित्तीय संस्थाको वीच तीव्र प्रतिस्पर्धा ।

(ग) रणनीति

- निक्षेप तथा कर्जाको विविधिकरण ।
- समय सापेक्ष प्रविधिमा आधारित नयां सेवाहरुको विकास ।
- पूँजी कोष वृद्धि ।

७. संस्थागत सुशासन

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

Independent Auditor's Report
To the Shareholders of Central Finance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Finance Limited, which comprise the statement of financial position as at 31 Ashad 2076 (16 July 2019), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Central Finance Limited as at 31 Ashad 2076 (16 July 2019), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

On the basis of our audit and our professional judgement we have not noted reportable Key Audit Matters.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

We further report that;

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



Date: 2076/09/24
Place: Dillibazar, Kathmandu
UDIN: 200110CA00469AzRSO

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

CENTRAL FINANCE LTD.
Statement of Financial Position
As on Ashad end 2076
IN NPR

ASSETS	NOTE	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Cash and cash equivalent	4.1	926,076,689	1,135,957,989	777,980,677
Due from Nepal Rastra Bank	4.2	207,179,720	58,417,051	124,329,192
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative financial instruments	4.4	-	-	-
Other trading assets	4.5	-	-	-
Loans and advances to BFIS	4.6	86,130,000	56,430,000	56,430,000
Loans and advances to customers	4.7	3,105,626,720	2,611,284,277	2,330,033,929
Investment securities	4.8	283,607,526	291,395,928	139,470,678
Current tax assets	4.9	-	-	1,790,470
Investment in subsidiaries	4.10	-	-	-
Investment in associates	4.11	-	-	-
Investment property	4.12	13,739,662	6,309,142	6,309,142
Property Plant and Equipment	4.13	84,120,073	53,375,855	45,929,225
Goodwill and Intangible assets	4.14	950,880	1,267,840	798,791
Deferred tax assets	4.15	9,261,152	1,617,182	-
Other assets	4.16	16,911,357	32,691,596	15,725,417
TOTAL ASSETS		4,733,603,779	4,248,746,860	3,498,797,521
LIABILITIES	NOTE	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Due to Bank and Financial Institutions	4.17	-	-	-
Due to Nepal Rastra Bank	4.18	4,495,815	21,898,136	15,000,000
Derivative financial instruments	4.19	-	-	-
Deposits from customers	4.20	3,651,286,276	3,184,559,852	2,732,653,152
Borrowing	4.21	-	-	-
Current Tax Liabilities	4.9	4,890,850	5,570,146	-
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	-	5,902,616
Other liabilities	4.23	41,028,594	47,326,413	43,045,152
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
TOTAL LIABILITIES		3,701,701,535	3,259,354,547	2,796,600,920
EQUITY				
Share Capital	4.26	823,397,859	735,363,350	520,662,815
Share premium		442,547	714,423	119,700
Retained Earnings		62,525,250	161,219,336	93,501,525
Reserves	4.27	145,536,588	92,095,204	87,912,561
Total Equity Attributable to Equity Holders		1,031,902,244	989,392,313	702,196,601
Non-Controlling Interest		-	-	-
Total Equity		1,031,902,244	989,392,313	702,196,601
Total Liabilities & Equity		4,733,603,779	4,248,746,860	3,498,797,521
Contingent liabilities and commitment	4.28	3,358,224	358,224	960,000
Net assets value per share		125.32	134.54	134.87

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

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

Dipesh Sah Account Officer	Rajoj Man Shrestha Chief Executive Officer	Sanjog Man Shrestha Chairman	Chandika Shrestha Director
Chaitya Raj Shakya Director	Dr. Kishor Hakuduwal Director	Ramesh Thapa Shrestha Director	Bidya Bhusan Dhoj Joshi Director
			Date: 24/09/2076 Place: Lalitpur

CENTRAL FINANCE LTD.

Statement of Profit or Loss

As on Ashad end 2076

IN NPR

PARTICULARS	NOTE	ASHAN END 2076	RESTATED ASHAN END 2076
Interest income	4.29	496,112,121	414,378,619
Interest expense	4.30	313,510,442	267,688,319
Net interest income		182,601,679	146,690,300
Fee and commission income	4.31	35,848,726	30,980,621
Fee and commission expense	4.32	-	-
Net fee and commission income		35,848,726	30,980,621
Net interest, fee and commission income		218,450,405	177,670,921
Net trading income	4.33	-	-
Other operating income	4.34	3,000,741	6,448,861
Total operating income		221,451,146	184,119,782
Impairment charge/(reversal) for loans and other losses	4.35	8,545,146	(12,125,744)
Net operating income		212,906,000	196,245,526
Operating expense			
Personnel expenses	4.36	56,967,832	48,046,679
Other operating expenses	4.37	25,218,887	21,434,930
Depreciation & Amortization	4.38	5,823,365	3,933,258
Operating Profit		124,895,916	122,830,659
Non operating income	4.39	-	75,610
Non operating expense	4.40	114,285	6,235
Profit before income tax		124,781,631	122,900,034
Income tax expense	4.41		
Current Tax expenses		41,900,953	38,828,260
Deferred Tax (Expenses)/Income		(4,117,473)	(1,612,462)
Profit for the period		86,998,151	85,684,236
Profit attributable to:			
Equity holders of the Bank		86,998,151	85,684,236
Non-controlling interest		-	-
Profit for the period		86,998,151	85,684,236
Earnings per share			
Basic earnings per share		10.57	11.65
Diluted earnings per share		10.57	11.65

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

Dipesh Sah Account Officer	Rajoj Man Shrestha Chief Executive Officer	Sanjoj Man Shrestha Chairman	Chandika Shrestha Director	CA. Keshab Prasad Neupane Principal K.P.N & Associates Chartered Accountants
Chaitya Raj Shakya Director	Dr. Kishor Hakuduwal Director	Ramesh Thapa Shrestha Director	Bidya Bhusan Dhoj Joshi Director	

Date: 24/09/2076
Place: Lalitpur

CENTRAL FINANCE LTD.

 Statement of Cash Flows
 As on Ashad end 2076

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
CASH FLOW FROM OPERATING ACTIVITIES		
Interest received	495,263,745	408,437,757
Fees and other income received	35,848,726	30,980,621
Dividend received	-	-
Receipts from other operating activities	-	75,610
Interest paid	(321,177,101)	(262,457,906)
Commission and fees paid	-	-
Cash payment to employees	(57,340,206)	(46,885,265)
Other expenses paid	(25,661,050)	(22,267,108)
Operating cash flows before changes in operating assets and liabilities	126,934,114	107,883,709
(Increase)/ Decrease in operating assets		
Due from Nepal Rastra Bank	(148,762,669)	65,912,141
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial institutions	(30,000,000)	-
Loan and advances to customers	(517,612,604)	(278,640,556)
Other assets	15,407,835	(17,165,314)
(Increase)/ Decrease in operating liabilities		
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	(17,402,321)	6,898,136
Deposits from Customers	466,726,424	451,906,700
Borrowings	-	-
Other Liabilities	(1,860,839)	(3,672,734)
Net Cash flow from operating activities before tax paid	(106,570,060)	333,122,082
Income taxes paid	(42,580,249)	(31,467,644)
Net Cash flow from operating activities	(149,150,309)	301,654,438
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment securities	(374,139)	(169,872,629)
Receipt from the sale of investment securities	-	-
Purchase of property and equipment	(36,307,941)	(11,009,449)
Receipt from the sale of property and equipment	32,500	40,735
Purchase of intangible assets	-	(880,550)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	11,500,100
Interest received	8,815,279	6,639,372
Dividend received	3,025,560	3,965,665
Net cash used in investing activities	(24,808,741)	(159,616,756)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	-	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	21,706,000	216,121,202
Dividends paid	(57,628,250)	(181,572)
Interest paid	-	-
Other receipt/ payment	-	-
Net cash from financing activities	(35,922,250)	215,939,630
Net increase/ (decrease) in cash and cash equivalents	(209,881,300)	357,977,312
Cash and cash equivalents at Shrawan 1, 2075	1,135,957,989	777,980,677
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Cash and cash equivalents at Ashad end, 2076	926,076,689	1,135,957,989

Auditor

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

Dipesh Sah
 Account Officer

Rajoj Man Shrestha
 Chief Executive Officer

Sanjoj Man Shrestha
 Chairman

Chandika Shrestha
 Director

Chaitya Raj Shakya
 Director

Dr. Kishor Hakuduwal
 Director

Ramesh Thapa Shrestha
 Director

Bidya Bhusan Dhoj Joshi
 Director

 Date: 24/09/2076
 Place: Lalitpur

CENTRAL FINANCE LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the year ended Ashad 2076

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Profit for the year	86,998,151	85,684,236
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"	(8,162,541)	(17,947,379)
Gains/(Losses) on revaluation	-	-
Actuarial gain/(loss) on defined benefit plans	(3,592,449)	(1,743,740)
Income tax relating to above terms	3,526,497	5,907,336
Net other comprehensive income that will not be reclassified to profit or loss	(8,228,493)	(13,783,783)
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 equity method		
Other comprehensive income for the year, net of income tax	(8,228,493)	(13,783,783)
Total comprehensive income for the period	78,769,658	71,900,453
Total comprehensive income attributable to:		
Equity holders of the bank	78,769,658	71,900,453
Non-controlling interest	-	-
Total comprehensive income for the period		
Cash and cash equivalents at Ashad end, 2076	78,769,658	71,900,453

Dipesh Sah	Rajoj Man Shrestha	Sanjoj Man Shrestha	Chandika Shrestha	Auditor CA. Keshab Prasad Neupane Principal K.P.N & Associates Chartered Accountants
Account Officer	Chief Executive Officer	Chairman	Director	
Chaitya Raj Shakya	Dr. Kishor Hakuduwal	Ramesh Thapa Shrestha	Bidya Bhusan Dhoj Joshi	
Director	Director	Director	Director	

Date: 24/09/2076
 Place: Lalitpur



CENTRAL FINANCE LTD.
STATEMENT OF CHANGES IN EQUITY
For the year ended Ashad 2076

Particulars	Share Capital	General Reserve	Share Premium	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Investment Adjustment Reserve	Other Reserve	Total
Balance as at Shrawan 1, 2074	587,047,324.00	85,299,578.00	119,700.00	-	-	-	1,171,584.00	1,086,627.00	1,741,077.00	676,465,890.00
Adjustment/ Restatement	(66,384,509.00)	-	-	-	2,413,801.00	-	92,329,940.00	-	(2,628,521.00)	25,730,711.00
Adjusted/ Restated Balance as at Shrawan 1, 2074	520,662,815.00	85,299,578.00	119,700.00	-	2,413,801.00	-	93,301,524.00	1,086,627.00	(887,444.00)	702,196,601.00
Comprehensive income for the year										
Profit for the year							85,684,236.00			85,684,236.00
Other Comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value										(12,563,165.00)
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans										
Total comprehensive income for the year	-	-	-	-	(12,563,165.00)	-	85,684,236.00	-	(1,220,618.00)	(1,220,618.00)
Transfer to reserve during the year										
Transfer from reserve during the year										
Transactions with owners, directly recognised in equity										
Right shares issued	214,700,535.00	-	1,420,667.00	-	-	-	-	-	-	216,121,202.00
Share issue expenses			(825,943.00)							
Bonus shares issued										
Cash dividend paid										(3,493,922.00)
Others										
Total contributions by and distributions	214,700,535.00	-	594,724.00	-	-	-	(3,493,922.00)	-	-	211,801,337.00
Balance as at Ashad end, 2075	735,363,350.00	100,224,901.00	714,424.00	-	(10,149,364.00)	-	161,219,335.00	2,943,152.00	(925,485.00)	989,392,313.00
Balance as at Shrawan 1, 2075	735,363,350.00	100,226,901.00	714,424.00	-	(10,149,364.00)	-	161,219,335.00	2,943,152.00	(925,485.00)	989,392,313.00
Comprehensive income for the year							86,998,151.00			86,998,151.00
Profit for the year										
Other Comprehensive income, net of tax										
Gains/(losses) from investments in equity instruments measured at fair value							(5,713,778.00)			(5,713,778.00)
Gains/(losses) on revaluation										
Actuarial gains/(losses) on defined benefit plans										
Total comprehensive income for the year	-	-	-	-	(5,713,778.00)	-	86,998,151.00	-	(2,514,714.00)	(2,514,714.00)
Transfer to reserve during the year					45,846,381.00	-	(61,689,877.00)	(2,943,152.00)	1,387,018.00	-
Transfer from reserve during the year					-	-	-	20,000.00	(20,000.00)	-
Transactions with owners, directly recognised in equity	21,650,000.00	56,000.00	56,000.00	-	(327,878.00)	-	(66,384,509.00)	(57,637,850.00)	(57,637,850.00)	21,706,000.00
Right shares issued										
Share issue expenses										
Bonus shares issued	66,384,509.00	-	-	-	-	-	(66,384,509.00)	-		
Cash dividend paid										
Others										
Total contributions by and distributions	88,034,509.00	-	(271,878.00)	-	(124,022,359.00)	-	(15,863,142.00)	-	(2,073,181.00)	(36,59,778.00)
Balance as at Ashad end, 2076	823,397,859.00	117,626,531.00	442,546.00	45,846,381.00	(15,863,142.00)	-	62,525,250.00	-	(2,073,181.00)	1,031,902,244.00

Date: 24/09/2076
Place: Lalitpur
Dipesh Sah Account Officer
Rajoj Man Shrestha Chief Executive Officer
Sanjoi Man Shrestha Chairman
Chandrika Shrestha Director
Bidyta Bhutan Dhoj Joshi Director
Chaitya Raj Shakya Director
Dr. Kishor Hakuduwal Director
Ramesh Thapa Shrestha Director
Dr. Keshab Prasad Neupane Principal
K.P.N & Associates
Chartered Accountants

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

CENTRAL FINANCE LTD.
STATEMENT OF DISTRIBUTABLE PROFIT OR LOSS
For the year ended Ashad 2076
(As per NRB Regulation)

IN NPR

PATICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Opening restated retained earning	161,219,335	93,501,524
Less: Dividend distributed	(57,637,850)	
Less: Bonus Share issued	(66,384,509)	
Less: Share issue expenses		
Add: Gain from sale of investment securities measured at fair value through OCI		
Remaining balance of Retained Earnings	37,196,976	93,501,524
Net profit or (loss) as per statement of profit or loss	86,998,151	85,684,236
Appropriations:		
a. General reserve	(17,399,630)	(14,927,323)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(869,982)	(746,366)
e. Employees' training fund	(517,036)	(536,211)
f. Other		
Investment adjustment reserve	2,943,152	(1,856,525)
Transfer from CSR Fund	20,000	100,000
Profit or (loss) before regulatory adjustment	71,174,655	67,717,811
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(1,949,836)	
b. Short loan loss provision in accounts (-)/reversal (+)	-	
c. Short provision for possible losses on investment (-)/reversal (+)	(19,615,553)	
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	(8,655,987)	
e. Deferred tax assets recognised (-)/ reversal (+)	(9,261,152)	
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	
g. Bargain purchase gain recognised (-)/resersal (+)	-	
h. Acturial loss recognised (-)/reversal (+)	(6,363,853)	
i. Other (+/-)		
Distributable profit or (loss)	62,525,250	161,219,335
Workings for Regulatory Reserve		
a. Interest receivable (-)/previous accrued interest received (+)		Amount
Accrued Interest receivable as per Trial Balance		10,245,775
Interest received till Sravan 30, 2076 out of Interest Receivable		(7,150,797)
Interest not received but already booked income (As per NFRS)		3,094,978
Notional Bonus Amount (@ 10%)		(309,498)
Interest Income after Notional Bonus		2,785,480
Notional Tax Amount (@ 30%)		(835,644)
Interest not received transferred to Regulatory Reserve		1,949,836
(As per Circular no. 6, 2076-77, Point no. (Aa))		
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)		Amount
Short loan loss provision on Non Banking Assets		13,739,662
Notional Bonus Amount (@ 10%)		(1,373,966)
Short loan loss provision on NBA after Notional Bonus		12,365,696
Notional Tax Amount (@ 30%)		(3,709,709)
Short loan loss provision on NBA transferred to Regulatory Reserve		8,655,987
(As per Circular no. 6, 2076-77, Point no. (Ee))		
c. Short provision for possible losses on investment (-)/reversal (+)		Amount
Provision for investment to be made as per GAAP		28,022,218
Notional Tax Amount (@ 30%)		(8,406,665)
Difference i.e. short provision for investment		19,615,553
Investment Adjustment Reserve		Amount
To be created for unquoted investment		-
Previous year recognised		2,943,152
This year to be recognised as inflow to retained earnings		2,943,152

Dipesh Sah Account Officer	Rajoj Man Shrestha Chief Executive Officer	Sanjoj Man Shrestha Chairman	Chandika Shrestha Director	Auditor CA. Keshab Prasad Neupane Principal
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Date: 24/09/2076	Chaitya Raj Shakya	Dr. Kishor Hakuduwal	Ramesh Thapa Shrestha	Bidya Bhusan Dhoj Joshi
Place: Lalitpur	Director	Director	Director	Director

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Cash & Cash equivalent

NOTE 4.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Cash in hand	46,258,650	39,023,907	30,767,653
Balances with B/FIs	879,818,039	1,096,934,082	747,213,024
Money at call and short notice	-	-	-
Other	-	-	-
TOTAL	926,076,689	1,135,957,989	777,980,677

Due from Nepal Rastra Bank

NOTE 4.2

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Statutory balances with NRB	207,179,720	58,417,051	124,329,192
Securities purchased under resale agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
TOTAL	207,179,720	58,417,051	124,329,192

Placements with Bank and Financial Institutions

NOTE 4.3

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076

Other Trading Assets

NOTE 4.5

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Loans to microfinance institutions	87,000,000	57,000,000	57,000,000
Other			
Less: Allowances for impairment	(870,000)	(570,000)	(570,000)
TOTAL	86,130,000	56,430,000	56,430,000

Allowances for Impairment

NOTE 4.6.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Balance at Shrawan 1	570,000	570,000	350,000
Impairment loss for the year			-
Charge for the year	300,000	-	220,000
Recoveries/reversal	-	-	-
Amount written off	-	-	-
Balance at Asadh end	870,000	570,000	570,000

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Loans and Advances to customers
NOTE 4.7
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Loans and advances measured at amortized cost	3,161,707,424	2,659,119,835	2,389,995,231
Less: Impairment allowances			
Collective impairment	(38,867,310)	(32,560,982)	(24,699,478)
Individual Impairment	(17,213,394)	(15,274,576)	(35,261,824)
Net amount	3,105,626,720	2,611,284,277	2,330,033,929
Loan and advances measured at FVTPL	-	-	-
TOTAL	3,105,626,720	2,611,284,277	2,330,033,929

Analysis of loan and Advances - By Product
NOTE 4.7.1
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Product			
Term Loans	194,882,748	166,554,101	151,575,427
Overdraft	-	-	-
Trust Receipt/Import loans	-	-	-
Demand and other working capital loans	665,633,682	614,823,610	590,589,374
Personal residential loans	693,640,307	703,145,166	585,363,186
Real estate loans	88,316,655	67,426,105	63,721,240
Margin lending loans	20,321,738	10,421,121	47,248,197
Hire purchase loans	261,652,581	251,378,064	211,900,349
Deprived sector loans	48,907,917	35,171,698	27,537,424
Bills purchased	-	-	-
Staff loans	10,922,319	11,295,274	11,467,991
Other	1,167,183,702	780,692,018	678,062,372
Subtotal	3,151,461,649	2,640,907,157	2,367,465,560
Interest receivable	10,245,775	18,212,678	22,529,671
GRAND TOTAL	3,161,707,424	2,659,119,835	2,389,995,231

Analysis of Loan and Advances - By Currency
NOTE 4.7.2
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Nepalese rupee	3,161,707,424	2,659,119,835	2,389,995,231
Indian rupee	-	-	-
United State dollar	-	-	-
Great Britain pound	-	-	-
Euro	-	-	-
Japanese yen	-	-	-
Chinese Yuan	-	-	-
Other	-	-	-
TOTAL	3,161,707,424	2,659,119,835	2,389,995,231

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Analysis of Loan and Advances - By Collateral

NOTE 4.7.3

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Secured			
Movable/immovable assets	3,102,749,003	2,564,919,121	2,242,655,553
Gold and silver	2,557,500	4,672,447	4,601,952
Guarantee of domestic B/FIs	-		
Government guarantee	-		
Guarantee of international rated bank	-		
Collateral of export document	-		
Collateral of fixed deposit receipt	33,369,945	59,206,316	107,926,064
Collateral of Government securities	-		
Counter guarantee	-		
Personal guarantee	-		
Other collateral	23,030,976	30,321,951	34,811,662
Subtotal	3,161,707,424	2,659,119,835	2,389,995,231
Unsecured	-	-	-
GRAND TOTAL	3,161,707,424	2,659,119,835	2,389,995,231

Analysis of Loan and Advances - By Collateral

NOTE 4.7.4

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Specific allowances for impairment			
Balance at Shrawan 1	15,274,575	35,261,823	22,433,646
Impairment loss for the year:			
Charge for the year		-	-
Recoveries/reversal during the year	1,938,818	(19,987,248)	12,828,177
Write-offs	-	-	-
Exchange rate variance on foreign currency	-	-	-
Other movement	-	-	-
Balance at Ashad end	17,213,393	15,274,575	35,261,823
Collective allowances for impairment			
Balance at Shrawan 1	32,560,981	24,699,477	14,582,535
Impairment loss for the year:			
Charge/(reversal) for the year	6,306,328	7,861,504	10,116,942
Exchange rate variance on foreign currency	-	-	-
Other movement	-	-	-
Balance at Ashad end	38,867,309	32,560,981	24,699,477
Total allowances for impairment	56,080,702	47,835,556	59,961,300

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Investment Securities

NOTE 4.8

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Investment securities measured at amortized cost	156,314,061	157,939,922	81,691,064
Investment in equity measured at FVTOCI	127,293,465	133,456,006	57,779,614
TOTAL	283,607,526	291,395,928	139,470,678

Investment Securities measured at amortized cost

NOTE 4.8.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Debt securities	-	-	-
Government bonds	156,314,061	157,939,922	81,691,064
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposits instruments	-	-	-
Other	-	-	-
Total	156,314,061	157,939,922	81,691,064

Investment in equity measured at fair value through other comprehensive income

NOTE 4.8.2

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Equity instruments			
Quoted equity securities	113,819,865	120,332,406	44,796,614
Unquoted equity securities	13,473,600	13,123,600	12,983,000
TOTAL	127,293,465	133,456,006	57,779,614

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Information relating to investment in equities

NOTE 4.8.3
IN NPR

PARTICULARS	ASHAD END 2076		ASHAD END 2075		ASHAD END 2074	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
INVESTMENT IN EQUITY MEASURED AT FVOCI						
Investment in quoted equity						
Lumbini General Insurance Co. Ltd.						
2 nos. of ordinary shares of Rs. 100 each (2074-75: 2 nos. of ordinary shares of Rs. 100 each)	8,578,432	5,415,978	8,578,432	5,501,366	8,578,432	7,463,560
Butuwal Power Co. Ltd.						
13,242 nos. of ordinary shares of Rs. 100 each (2074-75: 9,990 nos. of ordinary shares of Rs. 100 each)	200	860	200	1,100	-	-
(2073-74: 12,038 nos. of ordinary shares of Rs. 100 each)						
Ridi Hydropower Development Co. Ltd.						
165 nos. of ordinary shares of Rs. 100 each (2074-75: 156 nos. of ordinary shares of Rs. 100 each)	13,000	14,850	13,000	19,188	13,000	31,899
(2073-74: 147 nos. of ordinary shares of Rs. 100 each)						
Nepal Life Insurance Co. Ltd.						
3090 nos. of ordinary shares of Rs. 100 each (2074-75: 3,090 nos. of ordinary shares of Rs. 100 each)	2,480,925	2,784,090	2,480,925	3,244,500	2,480,925	3,743,150
(2073-74: 1,741 nos. of ordinary shares of Rs. 100 each)						
Oriental Hotel Ltd.						
3908 nos. of ordinary shares of Rs. 100 each (2074-75: 3,398 nos. of ordinary shares of Rs. 100 each)	1,493,441	2,372,156	1,493,441	1,770,358	1,493,441	1,929,600
(2073-74: 2,880 nos. of ordinary shares of Rs. 100 each)						
Nepal Doorsanchar Co. Ltd.						
12,040 nos. of ordinary shares of Rs. 100 each (2074-75: 12040 nos. of ordinary shares of Rs. 100 each)	8,041,802	8,343,720	8,041,802	8,680,840	676,629	706,850
(2073-74: 1055 nos. of ordinary shares of Rs. 100 each)						
Sanima Mai Hydropower Ltd.						
58,913 nos. of ordinary shares of Rs. 100 each (2074-75: 53,558 nos. of ordinary shares of Rs. 100 each)	31,885,048	14,433,685	31,885,048	17,567,024	-	-
Chilime Hydropower Company Limited						
13,369 nos. of ordinary shares of Rs. 100 each (2074-75: 11,141 nos. of ordinary shares of Rs. 100 each)	8,746,314	6,965,249	8,746,314	8,801,390	-	-
Himalayan Power Partner Limited Company						
8,600 nos. of ordinary shares of Rs. 100 each (2074-75: 8,600 nos. of ordinary shares of Rs. 100 each)	2,977,167	1,496,400	2,977,167	2,442,400	-	-
Lumbini General Insurance Co. Ltd.						
112,197 nos. of promoter shares of Rs. 100 each (2074-75: 112,197 nos. of promoter shares of Rs. 100 each)	8,693,700	11,219,700	8,693,700	11,219,700	3,721,300	4,972,300
(2073-74: 49,723 nos. of promoter shares of Rs. 100 each)						
Siddhartha Equity Oriented Scheme - Mutual Fund						
589,774 nos. of ordinary shares of Rs. 10 each	5,897,740	6,381,355	5,897,740	7,372,175	5,897,740	5,897,740



सेन्ट्रल फाइनान्स लि.

CENTRAL FINANCE Ltd.

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(2074-75: 589,774 nos. of ordinary shares of Rs. 10 each)	8,561,920	6,370,068	8,561,920	7,705,728	8,561,920	8,561,920
NIBL Pragati Fund - Mutual Fund	6,955,640	6,440,923	6,955,640	7,059,975	6,955,640	8,353,724
856,192 nos. of ordinary shares of Rs. 10 each						
(2074-75: 856,192 nos. of ordinary shares of Rs. 10 each)						
NIBL Sambriddhi Fund -1- Mutual Fund	3,154,800	3,164,264	3,154,800	3,057,001	3,154,800	3,135,871
695,564 nos. of ordinary shares of Rs. 10 each						
(2074-75: 695,564 nos. of ordinary shares of Rs. 10 each)						
NMB Hybrid Fund L - 1 Mutual Fund	9,677,470	9,764,567	9,677,470	9,251,661	-	-
315,480 nos. of ordinary shares of Rs. 10 each						
(2074-75: 315,480 nos. of ordinary shares of Rs. 10 each)						
Sidhhartha Equity Fund	24,000,000	22,560,000	24,000,000	22,944,000	-	-
967,747 nos. of ordinary shares of Rs. 10 each						
(2074-75: 967,747 nos. of ordinary shares of Rs. 10 each)						
Sanima Equity Fund	2,000,000	2,036,000	2,000,000	1,856,000	-	-
2,400,000 nos. of ordinary shares of Rs. 10 each						
(2074-75: 2,400,000 nos. of ordinary shares of Rs. 10 each)						
Citizen Mutual Fund	2,000,000	2,056,000	2,000,000	1,838,000	-	-
200,000 nos. of ordinary shares of Rs. 10 each						
(2074-75: 200,000 nos. of ordinary shares of Rs. 10 each)						
NIC Asia Growth Fund	2,000,000	2,000,000	-	-	-	-
200,000 nos. of ordinary shares of Rs. 10 each						
(2074-75: 200,000 nos. of ordinary shares of Rs. 10 each)						
Chautari Lagubitta Bittiya Sanshtha	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
120,000 nos. of promoter shares of Rs. 100 each						
(2074-75: 120,000 nos. of promoter shares of Rs. 100 each)						
NIBL Sababbhagita Fund	149,157,599	125,819,865	147,157,599	132,332,406	53,533,827	56,796,614
200,000 nos. of ordinary shares of Rs. 10 each						
(2074-75: 120,000 nos. of promoter shares of Rs. 100 each)						
Total Of Quoted Share						
Investment in unquoted equity						
Credit Information Bureau Ltd.	94,500	630,000	94,500	280,000	94,500	280,000
6,300 nos. of ordinary shares of Rs. 100 each						
(2074-75: 2,800 nos. of ordinary shares of Rs. 100 each)						
(2073-74: 2,800 nos. of ordinary shares of Rs. 100 each)						
Nepal Clearing House	703,000	843,600	703,000	843,600	703,000	703,000
8,436 nos. of ordinary shares of Rs. 100 each						
(2074-75: 8,436 nos. of ordinary shares of Rs. 100 each)						
(2073-74: 7,030 nos. of ordinary shares of Rs. 100 each)						
Total Of Unquoted Share	797,500	1,473,600	797,500	1,123,600	797,500	983,000
TOTAL	149,955,099	127,293,465	147,955,099	133,456,006	54,331,327	57,779,614

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Current tax assets

NOTE 4.9

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Current tax assets			
Current Year income tax assets	36,380,798	33,146,088	35,572,094
Tax assets of prior periods	-	-	-
Current tax liabilities			
Current year income tax liabilities	41,271,648	38,716,234	33,781,624
Tax liabilities of prior periods	-	-	-
TOTAL	(4,890,850)	(5,570,146)	1,790,470

Investment in subsidiaries

NOTE 4.10

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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	6,309,142	6,309,142	7,139,144
Addition/disposal during the year	7,430,516	-	(830,002)
Adjustment/transfer	-	-	-
Accumulated depreciation	-	-	-
Accumulated impairment loss	-	-	-
Net amount	13,739,658	6,309,142	6,309,142
TOTAL	13,739,662	6,309,142	6,309,142

Name of Loanee	ASAD END 2076	
	Date Of NBA	Amount
Gyanendra Das Shrestha	14/07/2006	248,675
Anita Malakar	25/01/2015	432,595
Nawaraj Adhikari	22/02/2017	5,627,873
Ritu kumari Acharaya	06/03/2019	7,430,519
Total Recognised as Investment in property		13,739,662

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

NOTE 4.13

Property and Equipment

IN NPR

Particulars	Land	Building	Leasehold Properties	Computer & Access- ories	Vehicles	Furniture & Fixture	Machinery	Equipment & Others	ASHAD END 2076
Cost									
As on Shrawan 1, 2074	37,622,000	-	6,988,089	3,554,355	14,393,817	5,413,349	9,114,422	248,265	77,334,297
Addition during the Year									
Acquisition	-	2,293,551.00	489,644	3,146,900	1,300,092	2,889,545	-	10,119,732	-
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	(46,709)	(134,487)	-	(181,196)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2075	37,622,000	-	9,281,640	4,043,999	17,540,717	6,666,732	11,869,480	248,265	87,272,833
Addition during the Year									
Acquisition	-	2,517,076	354,946	2,932,900	1,787,155	4,969,497	-	12,561,574	-
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	(311,724)	-	-	-	(311,724)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2076	37,622,000	-	11,798,716	4,398,945	20,161,893	8,453,887	16,838,977	248,265	99,522,683
Depreciation and Impairment									
As on Shrawan 1, 2074	-	5,159,765	2,628,394	11,454,359	3,281,595	8,675,914	205,045	31,405,072	
Depreciation charge for the Year	-	833,184	312,426	824,351	474,877	1,066,114	10,805	3,521,757	
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(40,474)	(99,660)	-	(140,134)	
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2075	-	5,992,949	2,940,820	12,278,710	3,715,998	9,642,368	215,850	34,786,695	-
Impairment for the year	-	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	1,138,850	334,108	1,256,118	985,414	1,783,812	8,103	5,506,405	
Disposals	-	-	-	-	(254,406)	-	-	(254,406)	
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2076	-	7,131,799	3,274,928	13,280,422	4,701,412	11,426,180	223,953	40,038,694	-
Capital Work in Progress Net Book	-	889,717	-	-	-	-	-	-	-
Value as on Ashad end 2075									
Capital Work in Progress Net Book	-	23,746,367	-	-	-	-	-	-	-
Value as on Ashad end 2076	37,622,000	-	1,828,324	925,961	2,939,458	2,131,754	438,508	43,220	45,929,225
As on Ashad end 2074	37,622,000	889,717	3,288,691	1,103,179	5,262,007	2,950,734	2,227,112	32,415	53,375,855
As on Ashad end 2075	37,622,000	24,636,084	4,666,917	1,124,017	6,881,471	3,752,475	5,412,797	24,312	84,120,073

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Goodwill and Intangible Assets

NOTE 4.14
IN NPR

Particulars	Software			ASHAD END 2075	
	Goodwill	Purchased	Developed		
Cost					
As on Shrawan 1, 2074	-	2,403,287	-	-	2,403,287
Addition during the Year					
Acquisition	-	880,550	-	-	880,550
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Ashad end 2075	-	3,283,837	-	-	3,283,837
Addition during the Year					
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on Ashad end 2076	-	3,283,837	-	-	3,283,837
Amortization and Impairment					
As on Shrawan 1, 2074	-	1,604,496	-	-	1,604,496
Amortization charge for the Year	-	411,501	-	-	411,501
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Ashad end 2075	-	2,015,997	-	-	2,015,997
Amortization charge for the Year	-	316,960	-	-	316,960
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Ashad end 2076	-	2,332,957	-	-	2,332,957
Capital Work in Progress Net Book Value	-	-	-	-	-
As on Ashad end 2074	-	798,791	-	-	798,791
As on Ashad end 2075	-	1,267,840	-	-	1,267,840
As on Ashad end 2076	-	950,880	-	-	950,880

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

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	-	(6,798,490)	6,798,490
Property & equipment	795,565	-	795,565
Employees' defined benefit plan	1,565,596	-	1,565,596
Lease liabilities	-	-	-
Provisions			-
Other temporary differences	101,501	-	101,501
Deferred tax on temporary differences	2,462,662	(6,798,490)	9,261,152
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 2076			9,261,152
Deferred tax (asset)/liabilities as on Shrawan 1, 2075			1,617,182
Origination/(Reversal) during the year			(7,643,970)
Deferred tax expense/(income) recognised in profit or loss			(4,117,473)
Deferred tax expense/(income) recognised in other comprehensive income			(3,526,497)
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	-	4,398,123	(4,398,123)
Investment properties	-	-	-
Investment securities	-	(4,349,727)	4,349,727
Property & equipment	613,702	-	613,702
Employees' defined benefit plan	1,176,571	-	1,176,571
Lease liabilities			-
Provisions			-
Other temporary differences	2,220,453	2,345,148	(124,695)
Deferred tax on temporary differences	4,010,726	2,393,544	1,617,182
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 2075			1,617,182
Deferred tax (asset)/liabilities as on Shrawan 1, 2074			(5,902,616)
Origination/(Reversal) during the year			7,519,798
Deferred tax expense/(income) recognised in profit or loss			(1,612,462)
Deferred tax expense/(income) recognised in other comprehensive income			5,907,336
Deferred tax expense/(income) recognised in directly in equity			-

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Other assets

NOTE 4.16

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Assets held for sale	-	-	-
Other non banking assets	-	-	-
Bills receivable	-	-	-
Accounts receivable	3,005,896	22,331,563	5,015,043
Accrued income	-	-	-
Prepayments and deposit	2,180,867	2,341,473	2,264,353
Income tax deposit	-	-	-
Deferred employee expenditure	7,444,757	7,817,161	8,016,296
Other	4,279,837	201,399	429,725
TOTAL	16,911,357	32,691,596	15,725,417

Due to Bank and Financial Institutions

NOTE 4.17

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Money market deposits	-	-	-
Interbank borrowing	-	-	-
Other deposits from BFIs	-	-	-
Settlement and clearing accounts	-	-	-
Other deposits from BFIs	-	-	-
TOTAL	-	-	-

Due to Nepal Rastra Bank

NOTE 4.18

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Refinance from Nepal Rastra Bank	4,495,815	21,898,136	15,000,000
Standing Liquidity Facility	-	-	-
Lender of last report facility from NRB	-	-	-
Securities sold under repurchase agreements	-	-	-
Other payable to NRB	-	-	-
TOTAL	4,495,815	21,898,136	15,000,000

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Derivative financial instruments

NOTE 4.19

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Institutions customers:			
Term deposits	598,838,949	393,377,883	153,739,089
Call deposits	-	-	-
Current deposits	-	-	-
Other	743,916,531	676,427,919	623,885,522
Individual customers:			
Term deposits	1,396,050,892	1,328,403,880	1,094,772,681
Call deposits	903,729,412	786,350,170	860,255,860
Current deposits	8,750,492	-	-
Other			
TOTAL	3,651,286,276	3,184,559,852	2,732,653,152

Currency wise analysis of deposit from customers

NOTE 4.20 .1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Nepalese rupee	3,651,286,276	3,184,559,852	2,732,653,152
Indian rupee	-	-	-
United State dollar	-	-	-
Great Britain pound	-	-	-
Euro	-	-	-
Japenese yen	-	-	-
Chinese yuan	-	-	-
Other	-	-	-
TOTAL	3,651,286,276	3,184,559,852	2,732,653,152

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
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Borrowing

NOTE 4.21

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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
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Other Liabilities
NOTE 4.21
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Liability for employees defined benefit obligations	2,462,022	1,718,548	(188,845)
Liability for long-service leave	2,756,630	2,203,356	1,972,688
Short-term employee benefits	-	-	-
Bills payable	-	-	-
Creditors and accruals	2,790,110	5,086,823	1,207,772
Interest payable on deposit	11,496,335	19,162,994	13,932,581
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	73,601	64,001	245,573
Liabilities under Finance Lease	-	-	-
Employee bonus payable	13,864,626	11,941,299	11,174,206
Other	7,585,270	7,149,392	14,701,177
TOTAL	41,028,594	47,326,413	43,045,152

Defined benefit obligations
NOTE 4.23.1

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

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Present value of unfunded obligations	-	-	-
Present value of funded obligations	20,268,241	16,237,728	12,905,702
Total present value of obligations	20,268,241	16,237,728	12,905,702
Fair value of plan assets	17,806,219	14,519,180	13,094,547
Present value of net obligations	2,462,022	1,718,548	(188,845)
Recognised liability for defined benefit obligations	20,268,241	16,237,728	12,905,702

Plan assets
NOTE 4.23.2

Plan assets comprise

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	17,806,219	14,519,180	13,094,547
TOTAL	17,806,219	14,519,180	13,094,547

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Movement in the present value of defined benefit obligations

NOTE 4.23.3

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Defined benefit obligations at Shrawan 1	16,237,728	12,905,702	8,669,638
Actuarial losses	3,300,634	1,468,846	3,237,771
Benefits paid by the plan	(2,064,964)	(357,600)	(454,480)
Current service costs and interest	2,794,843	2,220,780	1,452,773
Defined benefit obligations at Ashad end	20,268,241	16,237,728	12,905,702

Movement in the fair value of plan assets

NOTE 4.23.4

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Defined benefit obligations at Shrawan 1	16,237,728	12,905,702	8,669,638
Actuarial losses	3,300,634	1,468,846	3,237,771
Benefits paid by the plan	(2,064,964)	(357,600)	(454,480)
Current service costs and interest	2,794,843	2,220,780	1,452,773
Defined benefit obligations at Ashad end	20,268,241	16,237,728	12,905,702

Movement in the fair value of plan assets

NOTE 4.23.4

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Fair value of plan assets at Shrawan 1	14,519,180	13,094,547	9,607,467
Contributions paid into the plan	4,314,099	920,181	3,512,230
Benefits paid during the year	(2,064,964)	(357,600)	(454,480)
Actuarial (losses) gains	(291,815)	(274,894)	(517,259)
Expected return on plan assets	1,329,719	1,136,946	946,589
Fair value of plan assets at Ashad end	17,806,219	14,519,180	13,094,547

Amount recognised in profit or loss

NOTE 4.23.5

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Current service costs	1,502,397	1,138,993	735,169
Interest on obligation	1,292,446	1,081,787	717,604
Expected return on plan assets	(1,329,719)	(1,136,946)	(946,589)
TOTAL	1,465,124	1,083,834	506,184

Amount recognised in other comprehensive income

NOTE 4.23.6

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Actuarial (gain)/loss	3,592,449	1,743,740	3,755,030
TOTAL	3,592,449	1,743,740	3,755,030

Actuarial assumptions

NOTE 4.23.7

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Discount rate	9.00%	8.50%	8.50%
Expected return on plan asset	8.50%	8.50%	8.50%
Future salary increase	8.00%	8.00%	8.00%
Withdrawal rate	10.00%	10.00%	10.00%

Debt securities issued

NOTE 4.24

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Redeemable preference shares			
Irredeemable cumulative preference shares			
Other			
TOTAL			

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

Share capital

NOTE 4.26

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Ordinary shares	823,397,859	735,363,350	520,662,815
Convertible preference shares (equity component)	-	-	-
Irredeemable preference shares (equity component)	-	-	-
Perpetual debt (equity component only)	-	-	-
TOTAL	823,397,859	735,363,350	520,662,815

Ordinary shares

NOTE 4.26.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Authorized capital			
10,400,000 Ordinary share of Rs. 100 each	1,040,000,000	1,040,000,000	1,040,000,000
(2074-75: 10,400,000 Ordinary share of Rs. 100 each)			
(2073-74: 10,400,000 Ordinary share of Rs. 100 each)			
Issued capital			
8,233,978.59 Ordinary share of Rs. 100 each	823,397,859	780,994,223	520,662,815
(2074-75: 7,809,942.23 Ordinary share of Rs. 100 each)			
(2073-74: 5,206,628.15 Ordinary share of Rs. 100 each)			
Subscribed and paid up capital			
8,233,978.59 Ordinary share of Rs. 100 each	823,397,859	735,363,350	520,662,815
(2074-75: 7,353,633.5 Ordinary share of Rs. 100 each)			
(2073-74: 5,206,628.15 Ordinary share of Rs. 100 each)			
TOTAL			

Ordinary share ownership

NOTE 4.26.2

IN NPR

PARTICULARS	ASHAD END 2076			
	Percent	Amount	Amount	Amount
Domestic ownership	100.00%	823,397,859	735,363,350	520,662,815
Nepal Government	-	-	-	-
"A" class licensed institutions	-	-	-	-
Other licensed intitutions	-	-	-	-
Other Institutions	-	-	-	-
Public	48.76%	401,488,796	369,097,870	246,049,335
Other	51.24%	421,909,063	366,265,480	274,613,480
Foreign ownership	-	-	-	-
TOTAL	100.00%	823,397,859	735,363,350	520,662,815

Reconciliation of number of shares outstanding

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
At the beginning of the year	7,353,633.50	5,206,628.15	2,467,574.00
Add: Share capital of Bhaktapur Finance			2,183,850.00
Add: ordinary shares issued as bonus shares during the year	663,845.09	-	555,204.15
Add: ordinary shares issued as right shares during the year	216,500.00	2,147,005.35	
At the end of the year	8,233,978.59	7,353,633.50	5,206,628.15
TOTAL	823,397,859	735,363,350	520,662,815

Share Capital

List of Share holder holding 0.5% or more Share as on ASAD END 2076

Ordinary share ownership	Percentage	Share Capital
Dhurba Rudra Karmacharya	5.69%	46,821,798
Monika Shrestha	5.51%	45,332,900
Benuka Joshi	2.99%	24,660,700
Rajoj Man Shrestha	2.99%	24,614,860
Chandika Shrestha	2.00%	16,440,811
Premier Insurance Company Ltd	1.98%	16,315,300
Shikhar Insurance Company Ltd	1.98%	16,315,300
Sanjoj Man Shrestha	1.56%	12,820,038
Laxmi Bhakta Chawal	1.13%	9,334,990
Dipak Krishna Prajapati	1.08%	8,899,952
Laxmi Prasad Twanabasu	0.85%	7,020,994
Indra Prajapati	0.62%	5,086,972
Ratna Man Shrestha	0.62%	5,085,800
Chandra Man Pradhan	0.60%	4,932,700
Chaitya Raj Shakya	0.59%	4,853,443
Bijay Gopal Rajbhandari	0.52%	4,273,780
Total		252,810,338

Reserves

 CENTRAL FINANCE LTD.
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 NOTE 4.27
 IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Statutory general reserve	117,626,531	100,226,901	85,299,578
Exchange equalisation reserve			
Corporate social responsibility reserve	2,277,222	1,427,240	780,874
Capital redemption reserve			
Regulatory reserve	45,846,381		
Investment adjustment reserve	-	2,943,152	1,086,627
Capital reserve			
Assets revaluation reserve			
Fair value reserve	(15,863,142)	(10,149,364)	2,413,801
Dividend equalisation reserve			
Actuarial gain	(6,363,853)	(3,849,139)	(2,628,521)
Special reserve			
Other reserve	2,013,449	1,496,414	960,202
TOTAL	145,536,588	92,095,204	87,912,561

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. 17,399,630/- (Previous year Rs. 14,927,323) to this reserve being 20% of net profit for the year.

Corporate social responsibility reserve

Corporate social responsibility reserve has been created as per the circular issued by Nepal Rastra Bank, which required to apportion 1% of the net profit for the year to this reserve. During the year, CSR reserve of Rs. 869,982/- 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. 45,846,381/- has been transferred to regulatory reserve as follows:

IN NPR

PARTICULARS	ASHAD END 2076
Regulatory adjustment :	
a. Interest receivable (-)/previous accrued interest received (+)	1,949,836
b. Short loan loss provision in accounts (-)/reversal (+)	-
c. Short provision for possible losses on investment (-)/reversal (+)	19,615,553
d. Short loan loss provision on Non-Banking Assets (-)/reversal (+)	8,655,987
e. Deferred tax assets recognised (-)/ reversal (+)	9,261,152
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-
g. Bargain purchase gain recognised (-)/reversal (+)	-
h. Actuarial loss recognised (-)/reversal (+)	6,363,853
i. Other (+/-)	
TOTAL	45,846,381

a. Interest receivable (-)/previous accrued interest received (+)	Amount
Accrued Interest receivable as per Trial Balance	10,245,775
Interest received till Sravan 30, 2076 out of Interest Receivable	(7,150,797)
Interest not received but already booked income (As per NFRS)	3,094,978
Notional Bonus Amount (@ 10%)	(309,498)
Interest Income after Notional Bonus	2,785,480
Notional Tax Amount (@ 30%)	(835,644)
Interest not received transferred to Regulatory Reserve	1,949,836
(As per Circular no. 6, 2066-67, Point no. (Aa))	

Ageing of Gross Interest Receivable	Amount
1-90 days	2,053,580.00
91-180 days	1,540,340.00
181-270 days	2,259,020.00
271-365 days	2,567,101.00
Over 1 year	1,825,734.00
Total Gross interest Receivable	10,245,775.00

Investment adjustment reserve

Investment adjustment reserve is a reserve created as per the directive issued by Nepal Rastra Bank. It is a reserve created as a cushion for adverse price movement in Finance Company's investments portfolio. As per NFRS 9, the Finance Company has opted to measure some of the investment in equity instruments as financial assets measured at fair value through other comprehensive income.

During the year, this reserve has been reduced by Rs. 2,513,328.

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, this reserve has not been changed (Previous year increased by Rs. 990,920).

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 negative balance of Rs. 2,514,714 to this reserve.

Other reserve

As per Clause 6 of directive issued by Nepal Rastra Bank (Directive no. 6/075/), 3% of employee cost of previous year, i.e. 1,083,161 is required to be incurred towards employee training and development in the current financial year. The Finance Company has only incurred Rs. 566,125 during the year and accordingly, the balance amount to be incurred of Rs. 517,036 is added to this reserve.

Circular no. 11/073/74 dated January 25, 2017 (2073/10/12) issued by Nepal Rastra Bank, 1% of Profit after tax, i.e. Rs.849,982/- is required to be transferred towards Corporate Social Responsibility reserve in the current financial year. The Finance Company has transferred Rs.849,982/- during the year and accordingly. Corporate Social Responsibility Reserve of P.Y amount to Rs.1,427,240/- which has increased to Rs.2,277,822/- as on 31.03.2076.

Corporate Social Responsibility	ASHAD END 2076	ASHAD END 2075
Opening	1,427,240	780,874
Add: Transferred During the year	849,982	646,366
Total	2,277,222	1,427,240

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.
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Contingent liabilities and commitments

NOTE 4.28

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Contingent liabilities	3,358,224	358,224	960,000
Undrawn and undisbursed facilities	-	-	-
Capital commitment	-	-	-
Lease Commitment	-	-	-
Litigation	-	-	-
TOTAL	3,358,224	358,224	960,000

Contingent liabilities

NOTE 4.28.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
Acceptance and documentary credit	-	-	-
Bills for collection	-	-	-
Forward exchange contracts	-	-	-
Guarantees	3,358,224	358,224	960,000
Underwriting commitment	-	-	-
Other commitments	-	-	-
TOTAL	3,358,224	358,224	960,000

Undrawn and undisbursed facilities

NOTE 4.28.2

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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

NOTE 4.28.3

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

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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 2076	RESTATED ASHAD END 2075	RESTATED ASHAD END 2074
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. There are no litigations related to Income Tax or VAT.

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
For the year ended Ashad 2076

NOTE 4.29
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Cash and cash equivalent	48,168,905	43,054,998
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	12,846,037	7,762,457
Loans and advances to customers	424,641,067	355,492,585
Investment securities	8,815,279	6,639,372
Loan and advances to staff	1,640,833	1,429,207
Other	-	-
Total interest income	496,112,121	414,378,619

Interest Expense **NOTE 4.30**
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	313,510,442	267,688,319
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
Total interest expense	313,510,442	267,688,319

Fees and Commission Income
NOTE 4.31
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Loan administration fees	32,766,027	27,543,302
Service fees	-	-
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	148	726
Prepayment and swap fees	-	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	384,458	340,388
Commission on letter of credit	-	-
Commission on guarantee contracts issued	42,927	19,497
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	2,655,166	3,076,708
Total fees and commission income	35,848,726	30,980,621

Fees and Commission Expense
NOTE 4.32
IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
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 2076	RESTATED ASHAD END 2075
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.
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Other Operating Income

NOTE 4.34

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Foreign exchange revaluation gain		-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	3,025,560	3,965,665
Gain/loss on sale of property and equipment	(24,819)	(327)
Gain/loss on sale of investment property	-	2,483,523
Operating lease income	-	-
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	-	-
TOTAL	3,000,741	6,448,861

Impairment charge/(reversal) for Loan and Other Losses

NOTE 4.35

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Impairment charge/(reversal) on loan and advances to B/FIs	300,000	-
Impairment charge/(reversal) on loan and advances to customer	8,245,146	(12,125,744)
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	8,545,146	(12,125,744)

CENTRAL FINANCE LTD.
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Personnel Expense

NOTE 4.36

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Salary	19,753,657	16,819,571
Allowances	11,376,529	9,982,875
Gratuity expense	1,465,124	1,083,834
Provident fund	1,741,269	1,472,363
Uniform	782,009	652,780
Training & development expense	566,125	348,242
Leave encashment	2,647,825	1,949,527
Medical	2,179,145	1,900,763
Insurance	-	3,734
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	823,080	429,556
Other expenses related to staff	1,768,443	1,462,135
Sub total	43,103,206	36,105,380
Employees bonus	13,864,626	11,941,299
GRAND TOTAL	56,967,832	48,046,679

Other Operating expense

NOTE 4.37

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Directors' fee	526,000	543,250
Directors' expense	86,587	79,193
Auditors' remuneration	390,800	255,000
Other audit related expense	313,792	329,284
Professional and legal expense	963,050	446,800
Office administration expense	18,632,133	16,019,723
Operating lease expense	4,286,525	3,661,680
Operating expense of investment properties	-	-
Corporate social responsibility expense	20,000	100,000
Onerous lease provisions	-	-
Other	-	-
TOTAL	25,218,887	21,434,930

CENTRAL FINANCE LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS
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Office Administrative Expenses

NOTE 4.37.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Water & Electricity	1,540,769	1,165,691
Repair & Maintenance	1,224,914	1,441,824
a)Building	-	-
b)Vehicle	737,871	891,927
c)Computer & Accessories	164,991	138,137
d)Office Equipment & Furniture	322,051	411,761
e)Other	-	-
Insurance	1,219,435	1,276,107
Postage,telex,telephone,fax	1,927,813	1,775,532
Printing & Stationary	2,106,257	1,319,020
News paper,books and journal	174,156	176,330
Advertisement	537,954	487,757
Donation	1,205	11,700
Security expenses	2,762,160	2,072,284
Deposite & loan guarantee premium	-	-
Travel Allowance and expenses	737,717	887,832
Entertainment	-	-
Annual/Specil general meeting Expenses	658,927	72,661
Others	5,740,825	5,332,986
Total	18,632,133	16,019,723

Depreciation & Amortization

NOTE 4.38

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Depreciation on property and equipment	5,506,405	3,521,757
Depreciation on investment property	-	-
Amortization of intangible assets	316,960	411,501
TOTAL	5,823,365	3,933,258

Non Operating Income

NOTE 4.39

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Recovery of loan written off	-	-
Other income	-	75,610
TOTAL	-	75,610

Non Operating Expense

NOTE 4.40

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense	114,285	6,235
TOTAL	114,285	6,235

Income Tax expense

NOTE 4.41

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Current tax expense		
Current year	41,271,648	38,716,234
Adjustment for previous years	629,305	112,026
Deferred tax expense		
Origination and reversal of temporary differences	(4,117,473)	(1,612,462)
Changes in tax rate		
Recognition of previously unrecognised tax losses		
Total income tax expense	37,783,480	37,215,798

Reconciliation of Tax Expense and Accounting Profit

NOTE 4.41.1

IN NPR

PARTICULARS	ASHAD END 2076	RESTATED ASHAD END 2075
Profit before tax	124,781,631	122,900,034
Tax amount at tax rate of 30%	37,434,489	36,870,010.00
Add: Tax effect of expense that are not deductible for tax purpose	360	(244,274)
Less: Tax effect on exempt income	(452,034)	(371,764)
Add/Less: Tax effect on other items	800,666	961,825
Total income tax expense	37,783,481	37,215,797
Effective tax rate	30%	30%

CENTRAL FINANCE LTD.

Capital Management

NOTE 5.2

Qualitative Disclosures

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

Quantitative Disclosures

1. Capital Structure and Capital Adequacy

a. Tier 1 capital and a breakdown of its components

	AMOUNT
Paid up Capital (ordinary shares)	823,397,859
Proposed bonus share	-
Share premium	442,547
Irredeemable preferential share	-
General Reserve Fund	117,626,531
Accumulated profit/loss (Retained earnings)	62,525,250
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	-
Tier 1 Capital	1,003,992,187

b. Tier 2 Capital and a breakdown of its components

Supplementary Capital (Tier 2)	AMOUNT
Provisions of loan loss made for pass loan	31,631,287
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	31,631,287

c. Deduction from Capital

Nil	
-----	--

d. Total Qualifying Capital

	AMOUNT
Tier 1 Capital	1,003,992,187
Tier 2 Capital	31,631,287
Total Capital Fund (Tier 1 and Tier 2)	1,035,623,474
Risk Weighted Exposures	3,849,552,209

e. Capital Adequacy Ratio

	AMOUNT
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	26.08%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposure Ratio (After Bank's adjustments of Pillar II)	26.90%

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 823,397,859.

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.

2. Risk exposures

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

On-Balance-sheet Items

Description	Weight (%)	Amount	RWA
Cash balance	0%	46,258,650	-
Gold (tradable)	0%	-	-
Balance with Nepal Rastra Bank	0%	207,179,720	-
Investment in Government Bond	0%	156,314,062	-
Investment in NRB Bond	0%	-	-
Loan against own fixed deposit receipts	0%	33,369,945	-
Loan against government securities	0%	-	-
Accrued interests on government bond	0%	1,314,061	-
Investment to youth self-employment fund	0%	814,000	-
Balance with domestic BFIs	20%	879,818,039	175,963,608
Loan against fixed deposit receipts of other BFIs	20%	-	-
Balance with foreign banks	20%	-	-
Money at call	20%	-	-
Loan against internationally rated bank guarantee	20%	-	-
Investment in internationally rated Banks	20%	-	-
Inter-bank lending	20%	-	-
Investment on shares/debentures/bonds	100%	127,293,465	127,293,465
Other investments	100%	-	-
Loans and advances, bills purchase and discount	100%	3,180,696,945	3,180,696,945
Property, plant and equipment including intangibles	100%	85,070,953	85,070,953
Net interest receivables (total interest receivables less accrued interest on government bonds)	100%	10,245,775	10,245,775
Investment properties (non-banking asset)	100%	13,739,662	13,739,662
Other assets (other than advance income tax)	100%	16,911,357	16,911,357
Real estate/residential loans exceeding the limits	150%	-	-
Total balance sheet Items (A)		4,759,026,633	3,609,921,765

Off-Balance-sheet Items

Description	Weight (%)	Amount	RWA
Bills collection	0%	-	-
Forward foreign exchange contract	10%	-	-
L/C with maturity less than six months	20%	-	-
Guarantee against International rated bank's counter guarantee	20%	-	-
L/C with maturity more than six months	50%	-	-
Bid bond, performance bond and underwriting	50%	3,358,224	1,679,112
Loan sale with repurchase agreement	50%	-	-
Advance payment guarantee	100%	-	-
Financial and other guarantee	100%	-	-
Irrevocable loan commitment	100%	-	-
Possible liabilities for income tax	100%	-	-
All types of possible liabilities including acceptance	100%	-	-

Rediscounted bills	100%	-	-
Unpaid portion of partly paid share investment	100%	-	-
Unpaid guarantee claims	200%	-	-
Claim not acknowledged as debts	200%	-	-
Amount to be maintained for operational risk	100%	127,293,465	127,293,465
(5% of Total Assets)	100%	237951331.65	270,680,824
Total off balancesheet Items (B)		241,309,556	272,359,936
Total Risk weighted assets (A) + (B)		5,000,336,189	3,882,281,701

Amount of NPAs (both Gross and Net)
NPR

Particulars	Current year		Previous Year	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	-	-	-	-
Substandard loan	1,940,000	1,455,000	3,846,272	2,913,194
Doubtful loan	21,601,000	10,800,500	1,103,398	551,699
Loss Loan	12,653,913	-	18,593,754	-
Total	36,194,913	12,255,500	23,543,424	3,464,893

Ratio of Non Performing Assets as per regulatory classification

Particulars	Percentage CY	Percentage PY
Gross NPA to Gross loans and Advance	1.14%	0.89%
Net NPA to Net Loan and Advance	0.39%	0.13%

Details of Loan Loss Provisions

Loan Category	Amount CY	Amount PY
Pass Loan	31,625,872	26,208,024
Watchlist	1,385,419	2,119,004
Rescheduled / Restructured	-	-
Sub-Standard	485,000	933,078
Doubtful	10,800,500	551,699
Loss	12,653,913	18,593,754
Additional	-	-
TOTAL	56,950,704	48,405,559

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 823.39 million and has complied with the requirement.

CENTRAL FINANCE LTD.

Classification of financial assets and financial liabilities

NOTE 5.3

Particulars	Notes	As on 16-Jul-2019		As on 16-Jul-18		As on 15-Jul-17	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets							
Assets carried at Amortised Cost							
Cash and Cash equivalent	4.1	926,076,689	926,076,689	1,135,957,989	1,135,957,989	777,980,677	777,980,677
Due from Nepal Rastra Bank	4.2	207,179,720	207,179,720	58,417,051	58,417,051	124,329,192	124,329,192
Other Trading Assets- Government Bonds	4.5	-	-	-	-	-	-
Loans and advances to BFIs	4.6	86,130,000	86,130,000	56,430,000	56,430,000	56,430,000	56,430,000
Loans and advances to customers	4.7	3,105,626,720	3,105,626,720	2,611,284,277	2,611,284,277	2,330,033,929	2,330,033,929
Investment securities- Government Bonds	4.8	156,314,061	156,314,061	157,939,922	157,939,922	81,691,064	81,691,064
Other Assets- Account Receivable	4.16	3,005,896	3,005,896	22,331,563	22,331,563	5,015,043	5,015,043
Total Assets at Amortized cost		4,484,333,086	4,484,333,086	4,042,360,802	4,042,360,802	3,375,479,905	3,375,479,905
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	127,293,465	127,293,465	133,456,006	133,456,006	57,779,614	57,779,614
Total Assets carried at FVTOCI		127,293,465	127,293,465	133,456,006	133,456,006	57,779,614	57,779,614

Liabilities

Liabilities carried at Amortised Cost

Due to Bank and Financial Institutions	4.17	-	-	-	-	-	-
Due to Nepal Rastra Bank	4.18	4,495,815	4,495,815	21,898,136	21,898,136	15,000,000	15,000,000
Deposits from customers	4.20	3,651,286,276	3,651,286,276	3,184,559,852	3,184,559,852	2,732,653,152	2,732,653,152
Other Liabilities- Bills payable	4.23	-	-	-	-	-	-
Other Liabilities- Creditors & Accruals	4.23	2,790,110	2,790,110	5,086,823	5,086,823	1,207,772	1,207,772
Other Liabilities- Interest payable on deposits	4.23	11,496,335	11,496,335	19,162,994	19,162,994	13,932,581	13,932,581
Other Liabilities- Interest payable on borrowings	4.23	-	-	-	-	-	-
Other Liabilities- Unpaid dividend	4.23	73,601	73,601	64,001	64,001	245,573	245,573
Total Liabilities carried at Amortised Cost	3,670,142,137	3,670,142,137	3,230,771,806	3,230,771,806	2,763,039,078	2,763,039,078	



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 2076	ASHAD END 2075	ASHAD END 2074
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	113,819,865	120,332,406	44,796,614
Unquoted equity securities	3	13,473,600	13,123,600	12,983,000
Total		127,293,465	133,456,006	57,779,614

Financial Instruments held at amortised cost				
Financial Assets				
Cash and Cash equivalent	3	-	-	-
Due from Nepal Rastra Bank	3	207,179,720	58,417,051	124,329,192
Government bonds	3	156,314,061	157,939,922	81,691,064
Government treasury bills	3	-	-	-
Loan and advances to BFIs	3	86,130,000	56,430,000	56,430,000
Loans and advances to customers	3	3,105,626,720	2,611,284,277	2,330,033,929
Accounts receivable	3	-	-	-
Total		3,555,250,501	2,884,071,250	2,592,484,185

		3,682,543,966	3,017,527,256	2,650,263,799
Financial Liabilities				
Due to Bank and Financial Institutions	3	-	-	-
Due to Nepal Rastra Bank	3	4,495,815	21,898,136	15,000,000
Deposits from customers	3	3,651,286,276	3,184,559,852	2,732,653,152
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		3,655,782,091	3,206,457,988	2,747,653,152

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	-	156,314,061	-
Loans and advances to B/FIs	-	-	86,130,000
Loans and advances to customers	-	-	3,105,626,720

Previous year

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Treasury bills	-	-	-
Government bonds	-	157,939,922	-
Loans and advances to B/FIs	-	-	56,430,000
Loans and advances to customers	-	-	2,611,284,277

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	113,819,865	-	-
Unquoted Equity	-	-	13,473,600
TOTAL	113,819,865	-	13,473,600

Previous year

Particulars	Carrying amount		
	Level 1	Level 2	Level 3
Investment securities			
Quoted Equity	120,332,406	-	-
Unquoted Equity	-	-	13,123,600
TOTAL	120,332,406	-	13,123,600

CENTRAL FINANCE LTD.

Segment Analysis

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

Note 5.4

For the FY 2075-76

NPR

Particulars	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers	53,665,345	416,687,637	64,608,606	534,961,588
b. Intersegment revenue/(expenses)	-	-	-	-
c. Gross Revenue	53,665,345	416,687,637	64,608,606	534,961,588
d. Interest Revenue	48,551,286	388,178,393	59,382,442	496,112,121
e. Interest Expenses	2,118,641	303,945,791	7,446,010	313,510,442
f. Net interest Revenue	46,432,645	84,232,602	51,936,432	182,601,679
g. Other Income	-	-	-	-
h. Other Expenses	20,643,785	53,812,504	7,844,715	82,301,004
i. Depreciation & Amortization	1,527,026	3,394,316	902,023	5,823,365
j. Segment Profit /(Loss)	29,390,658	47,089,400	48,415,858	124,895,916
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	-	8,545,146	-	8,545,146
n. Segment assets	704,176,797	3,490,656,575	538,520,487	4,733,353,859
o. Segment liabilities	418,858,550	2,859,111,492	423,235,679	3,701,205,721

For the FY 2074-75

NPR

Particulars	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers	14,753,025	388,376,858	48,678,218	451,808,101
b. Intersegment revenue/ (expenses)	-	-	-	-
c. Gross Revenue	14,753,025	388,376,858	48,678,218	451,808,101
d. Interest Revenue	12,091,196	357,394,954	44,892,469	414,378,619
e. Interest Expenses	616,155	261,331,939	5,740,225	267,688,319
f. Net interest Revenue	11,475,041	96,063,015	39,152,244	146,690,300
g. Other Income	-	75,610	-	75,610
h. Other Expenses	2,764,356	60,490,830	6,232,658	69,487,844
i. Depreciation & Amortization	794,128	2,052,517	1,086,613	3,933,258
j. Segment Profit /(Loss)	10,578,386	76,633,551	35,618,722	122,830,659
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	-	(12,125,744)	-	(12,125,744)
n. Segment assets	205,586,730	3,608,181,056	434,979,072	4,248,746,858
o. Segment liabilities	198,437,331	2,686,040,428	374,876,785	3,259,354,544

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

	FY 2075-76	FY 2074-75
a. Revenue		
Total revenues for reportable segments	534,961,588	451,808,101
Other revenues		
Elimination of intersegment revenues		
Entity's revenues	534,961,588	451,808,101

b. Profit or Loss
NPR

	124,895,916	122,830,659
Total profit or loss for reportable segments	124,895,916	122,830,659
Other profit or loss	(114,285)	69,375
Elimination of intersegment profits		
Unallocated amounts		
Profit before income tax	124,781,631	122,900,034

c. Assets
NPR

	4,733,353,859	4,248,746,858
Total assets for reportable segments	4,733,353,859	4,248,746,858
Other assets		
Unallocated amounts		
Entity's assets	4,733,353,859	4,248,746,858

d. Liabilities
NPR

	3,701,205,721	3,259,354,544
Total liabilities for reportable segments	3,701,205,721	3,259,354,544
Other liabilities		
Unallocated liabilities		
Entity's liabilities	3,701,205,721	3,259,354,544

5. Information about geographical areas
Revenue from following geographical areas
NPR

a. Domestic	534,961,588	451,808,101
Province 1	-	-
Province 2	53,665,345	14,753,025
Province 3	416,687,637	388,376,858
Province 4	-	-
Province 5	64,608,606	48,678,218
Province 6	-	-
Province 7	-	-
b. Foreign	-	-
TOTAL	534,961,588	451,808,101

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 2076	ASHAD END 2075
Directors:		
Director's sitting fees	526,000	543,250
Other Expenses	86,587	79,193
Interest paid to directors on deposits	1,647,273	1,053,292
Key Management Personnel (KMP):		
Remuneration and benefits paid	6,230,570	6,035,869
Interest on account balances	137,356	54,604

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 Shrestha	Dr. Kishor Hakuduwal
	Dr. Kishor Hakuduwal	Mr. Bishwo Ram kawa
	Mr. Ramesh Thapa Shrestha	Mr. Bishnu Prasad Kishi
	Mr. Bidya Bhusan Dhoj Joshi	Mr. Dashraath Risal

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.

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Disclosure effect of transition from previous GAAP to NFRS

NOTE 5.11

1. Reconciliation of Equity

	Explanatory Note	As at 01.04.2074 Date of Transition	As at 31.03.2075 End of last period presented under previous GAAP
Total Equity under previous GAAP		676,465,890.00	913,079,777.00
Adjustment under NFRSs:			
Impairment of loan and advances			
Fair value and employees benefit accounting of staff loan			
Lease accounting			
Measurement of investment securities at fair value	Previously, the investments were measured at cost price. Now, they are measured at fair value and charged to OCI.	3,547,601.00	5,138,083.00
Revaluation of property & equipment			
Recognition of investment property	Previously the provision for Non banking assets were made as per NRB directives no. 4 now as it is categorized as non current asset held for sale.	6,309,142.00	6,309,142.00
Amortization of debt securities issued			
Deferred tax	Due to NFRS Adjustment	(6,918,159.00)	(5,391,540.00)
Defined benefit obligation of employees	Accounting as per Actuary Valuation	(657,334.00)	(3,224,951.00)
Goodwill/ Bargain purchase gain			
Interest Income	Due to Accounting on Accrual Basis	19,955,538.00	15,843,952.00
Other			
Government bond at amortized cost			
Invesment in associates			
Loans & advances at amortized cost			
Bonus share issued			
Cash Dividend	Accounting as announcement of dividend	3,493,923.00	57,637,850.00
Total Adjustment to Equity		25,730,711.00	76,312,536.00
Total Equity under NFRSs		702,196,601.00	989,392,313.00

2. Reconciliation of Profit or Loss

	Explanatory Note	For the year ended 31.03.2075 End of last period presented under previous GAAP
Profit/(Loss) for the year Previous GAAP		74,636,613.00
Adjustments under NFRSs:		
Interest income	Due to accounting on Accrual Basis and additional interest income recognised on staff loan at effective interest rate	(4,111,587.00)
Impairment of loans and advances		
Employees benefit amortization under staff loan		(429,556.00)
Defined benefit obligation of employee	Accounting as per Actuary Valuation	(394,321.00)
Operating lease expense		
Amortization expense of debt securities		
Other operating income		
Interest expense		
Depreciation & Amortization		
Other		
Deferred income tax	Due to NFRS Adjustments	(4,380,717.00)
Provision for NBA	Reversal of Provision for NBA expenses as now NBA is categorised as Investment Property.	-
Provision for Investments	Investment recognised through FVTPL so the investment provision written back.	19,537,861.00
Trading assets -Investment	Fair value changes in Trading assets i.e. investment recognised through FVTPL	-
Loss on sale of Fixed Assets	Change in loss on sale of Fixed Assets due to change in depreciation method to SLM	
Share issue expenses	Adjustment through Equity	825,943.00
Loans & Advances at amortized cost		
Government bond at amortized cost	Due to accounting on EIR Basis.	
Investment in associates	Due to accounting as per Equity method	
Total Adjustments to profit or loss		11,047,623.00
Profit or loss under NFRSs		85,684,236.00
Other Comprehensive Income		(13,783,782.82)
Total Comprehensive income under NFRSs.		71,900,453.18



Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)			As at 31.03.2075 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRS	Opening NFRS	Previous GAAP	Effect of Transition to NFRS	Opening NFRS
Assets							
Cash and Cash equivalent		777,980,677.00	-	777,980,677.00	1,135,957,989.00	-	1,135,957,989.00
Due from Nepal Rastra Bank		124,329,192.00	-	124,329,192.00	58,417,051.00	-	58,417,051.00
Placement with Bank and Financial Institutions		-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-
Other trading assets		-	-	-	-	-	-
Loans and advances to B/FIs		-	56,430,000.00	56,430,000.00	-	56,430,000.00	56,430,000.00
Loans and advances to customers	a	2,374,524,687.00	(44,490,758.00)	2,330,033,929.00	2,660,117,042.00	(48,832,765.00)	2,611,284,277.00
Investment securities	b	134,888,590.00	4,582,088.00	139,470,678.00	285,223,365.00	6,172,563.00	291,395,928.00
Current tax assets		1,790,471.00	(1.00)	1,790,470.00	-	-	-
Investment in subsidiaries		-	-	-	-	-	-
Investment in associates	c	-	6,309,142.00	6,309,142.00	-	6,309,142.00	6,309,142.00
Investment property		46,728,016.00	(798,791.00)	45,929,225.00	54,643,693.00	(1,267,838.00)	53,375,855.00
Property and Equipment		-	-	798,791.00	-	-	1,267,840.00
Goodwill and Intangible assets		-	-	-	-	-	-
Deferred tax assets		-	-	-	-	-	1,617,182.00
Other assets	e	7,709,121.00	8,016,296.00	15,725,417.00	24,874,435.00	7,817,161.00	32,691,596.00
Total Assets		3,467,950,754.00	30,047,976.00	3,498,797,521.00	4,219,233,575.00	26,628,263.00	4,248,746,860.00
Liabilities							
Due to Bank and Financial Institutions				-			-
Due to Nepal Rastra Bank		15,000,000.00	-	15,000,000.00	21,898,136.00	-	21,898,136.00
Derivative financial instruments		-	-	-	-	-	-
Deposits from customers		2,732,653,152.00	-	2,732,653,152.00	3,184,559,852.00	-	3,184,559,852.00
Borrowing		-	-	-	-	-	-
Current Tax Liabilities		-	-	-	5,570,146.00	-	5,570,146.00
Provisions		-	-	-	-	-	-
Deferred tax liabilities	f	(923,519.00)	6,826,135.00	5,902,616.00	(6,916,698.00)	6,916,698.00	-
Other liabilities	g	44,755,232.00	(1,710,080.00)	43,045,152.00	101,042,362.00	(53,715,949.00)	47,326,413.00
Debt securities issued		-	-	-	-	-	-
Subordinated Liabilities		-	-	-	-	-	-
Total Liabilities		2,791,484,865.00	5,116,055.00	2,796,600,920.00	3,306,153,798.00	(46,799,251.00)	3,259,354,547.00

Equity						
Share Capital	h	587,047,324.00	(66,384,509.00)	520,662,815.00	801,747,859.00	(66,384,509.00)
Share premium		119,700.00	-	119,700.00	1,540,367.00	(825,944.00)
Retained Earnings	i	1,171,584.00	92,329,941.00	93,501,525.00	3,697,844.00	157,521,492.00
Reserves	j	88,127,281.00	(214,720.00)	87,912,561.00	106,093,707.00	(13,998,503.00)
Total equity attributable to equity holders		676,465,889.00	25,730,712.00	702,196,601.00	913,079,777.00	76,312,536.00
Non-controlling interest						-
Total Equity		676,465,889.00	25,730,712.00	702,196,601.00	913,079,777.00	76,312,536.00
Total Liabilities & Equity		3,467,950,754.00	30,846,767.00	3,498,797,521.00	4,219,233,575.00	29,513,285.00
						4,248,746,860.00

Explanatory Notes to Effect of NFRS adoption for the statement of financial position

- a Under previous GAAP, interest income on loans and advances was recognised on cash basis as per Directive 4 of NRB.
Under NFRS, interest income is recognised on accrual basis using EIR method and interest on staff loan has been amortized at fair value.
- b Previously, the investments were measured at cost price. Now, they are measured at fair value and charged to OCI
- c Previously, depreciation were charged on written down value. Now they are charged based on straight line method and the value of land has been stated at fair value.
- d Change in accounting of interest suspense to interest income on Accrual basis.
- e Due to NFRS Adjustments.
- f Effect of Employment expenses as per Actuary valuation and appropriation of dividend as per announcement.
- g Accounting of Bonus share as per announcement.
- h Due to NFRS Adjustments.
- i Due to NFRS Adjustments.

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4. Effect of NFRS adoption for the statement of profit or loss and other comprehensive income

Particulars	For the year ended 32.03.2075 (the latest period presented under previous GAAP)			
	Explanatory Note	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRSs
Interest income	Due to accounting on accrual basis of interest income, Income on Government bond as per EIR, notional cost of employee.	418,490,200	(4,111,581)	414,378,619
Interest expense		267,688,319	-	267,688,319
Net interest income		150,801,881	(4,111,581)	146,690,300
Fee and commission income		30,980,621	-	30,980,621
Fee and commission expense		-	-	-
Net fee and commission income		30,980,621	-	30,980,621
Net interest, fee and commission income		181,782,502	(4,111,581)	177,670,921
Net trading income	Changes in fair value of investment in equity instruments and units of mutual fund	3,965,665	(3,965,665)	-
Other operating income	Changes in fair value of investment in equity instruments and units of mutual fund and provision for investment in shares now not required.	(17,054,657)	23,503,518	6,448,861
Total operating income		168,693,510	15,426,272	184,119,782
Impairment charge/(reversal) loans and other losses	Previously the provision for non banking assets were made as per NRB directives no. 4, now it is categorised as non current asset held for sale hence the provision made was reversed.	(12,125,744)	-	(12,125,744)
Net operating income		180,819,254	15,426,272	196,245,526
Operating expense		-	-	-
Personnel expenses	Due to actuarial valuation of employee benefit and notional cost of employee.	47,222,803	823,876	48,046,679
Other operating expenses		21,434,930	-	21,434,930
Depreciation and amortization		3,933,258	-	3,933,258
Operating Profit		108,228,263	14,602,396	122,830,659
Non operating income		75,610	-	75,610
Non operating expense	Due to adjustment of share issue expenses through equity.	832,179	(825,944)	6,235
Profit before income tax		107,471,694	15,428,340	122,900,034
Income tax expense		38,828,260	-	38,828,260
Current Tax		(5,993,179)	4,380,717	(1,612,462)
Deferred Tax		74,636,613	11,047,623	85,684,236
Profit for the year		-	(13,783,783)	(13,783,783)
Other comprehensive income				
Total comprehensive income		74,636,613	(2,736,160)	71,900,453

5. Effect of NFRS adoption for the statement of cash flows

Particulars	For the year ended 32.03.2075 (the latest period presented under previous GAAP)			
	Explanatory Note	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRSs
Net cash flow from operating activities	Due to reclassification of Items in Statements of financial position	(178,322,955)	479,977,393	301,654,438
Net cash flow from investing activities	Due to reclassification of Items in Statements of financial position	(160,544,721)	927,965	(159,616,756)
Net cash flow from financing activities		215,939,630	-	215,939,630
Net increase/(decrease) in cash and cash equivalent		(122,928,046)	480,905,358	357,977,312
Cash and cash equivalent at the beginning of the period		231,059,571	546,921,106	777,980,677
Cash and cash equivalent at the end of the period		108,131,525	1,027,826,464	1,135,957,989

Departure from NFRS

NOTE 5.12

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 5.13

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 5.14

Previous year figure have been reclassified and regrouped wherever necessary to make the same comparable with the current year's 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 CFL.

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:

- a. Investment in equity instruments and units of mutual fund are measured at fair value.
- b. 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

Up to the year ended Ashad 32, 2075 (July 16, 2018), the finance company prepared its financial statements in accordance with applicable accounting standards and generally accepted accounting principles (GAAPs) of Nepal. These are the finance company’s first NFRS financial statements prepared as per the principles laid down in NFRS-1 “First Time Adoption of Nepal Financial Reporting Standards”. The date of transition to NFRS is Sravan 1, 2074 (July 17, 2017). Reconciliations and descriptions of the effect of the transition from Nepal Accounting Standards (previous GAAP) to NFRS on the finance company’s equity and its net income are given in notes to the financial statements.

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. This is the first year of adoption of NFRS by the finance company and accordingly NFRS compliant financial statements has been prepared as per the requirements of NFRS 1 “First time adoption of Nepal Financial Reporting Standards”. The corresponding dates for the English calendar are as follows:

Relevant financial statements date/ period	Nepalese calendar date period	English calendar
Reporting date	Ashad 31, 2076	July 16, 2019
Comparative reporting date	Ashad 32, 2075	July 16, 2018
Reporting period	Shrawan 01, 2075 to Ashad 31, 2076	July 17, 2018 to July 16, 2019
Comparative reporting period	Shrawan 01, 2074 to Ashad 32, 2075	July 17, 2017 to July 16, 2018
Date of transition to NFRS	Shrawan 01, 2074	July 17, 2017

Approval of financial statements

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held Poush 24, 2076.

2.3 Functional and presentation Currency

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

2.4 Use of Estimates, assumptions and judgements

The preparation of the financial statements in accordance with NFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from these estimates. Estimates, judgements and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized prospectively.

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

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

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

2.5 New standards in issue but not yet effective

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

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

2.6 New standards and interpretations not adapted

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

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

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

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

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

a. IFRS 15 Revenue from Contracts with Customers

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

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

b. IFRS 16 Leases

On 13 January 2016 the IASB issued IFRS 16 to replace IAS 17 Leases. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and instead, introduces a single lessee accounting model.

2.7 Provisions of carve-out adapted by the finance company

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

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

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

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

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

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

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

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

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

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

2.8 Discounting

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

3. Significant accounting policies

3.1 Cash and cash equivalent

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

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

3.2 Financial assets and financial liabilities

a. Recognition

The finance company initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of an instrument. The finance company initially recognizes loans and advances, deposits and debt securities/subordinated liabilities issued on the date that they are originated which is the date that the institution becomes party to the contractual provisions of the instruments. Investments in equity instruments, units of mutual funds, bonds, debenture, government securities and NRB bond are recognized on trade date at which the finance company commits to purchase/acquire the financial assets. Regular purchase and sale of financial assets are recognized on trade date.

b. Classification

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

Financial assets

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

Financial liabilities

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

c. 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.

d. 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 though statement of profit or loss are classified as subsequently measured at amortized cost using effective interest method.

e. 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.

f. 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.

g. 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.

h. 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.

j. Impairment of investment in equity instrument classified as fair value though 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 property, plant and equipment 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.

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 transaction costs and fees 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.

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. Gratuity is funded and deposited with Citizens Investment Trust, towards meeting the gratuity obligation.

c. Other long-term employee benefit obligations

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

3.13 Leases

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

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

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

3.14 Foreign currency translation

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

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

3.15 Financial guarantee and loan commitment

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

3.16 Share capital and reserve

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

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

3.17 Earnings per share including diluted

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

3.18 Segment reporting

An operating segment is a component of the finance company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relating to transactions with any of the finance company's other

components, whose operating results are reviewed by the management to make decision about resource allocation to each segment and assess its performance.

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

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

Note 5 – Disclosure and additional information

Note 5.1 – Risk Management

Board Level Risk Committee

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

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

Risk Governance

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

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

Credit Risk

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

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

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

Operational Risk

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

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

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

Market Risk

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

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

Liquidity Risk

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

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

Internal Control

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

Note 5.2 – Capital Management

1. Qualitative disclosures

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

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

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

2. Quantitative disclosures

i. Capital structure and capital adequacy

a. Tier 1 capital and a breakdown of its components

Particulars	Amount (NPR)
Paid up Capital (ordinary shares)	823,397,859
Share premium	442,547
Irredeemable preferential share	-
Statutory general reserve	117,626,531
Retained earnings	62,525,250
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	-
Tier 1 Capital	1,003,992,187

b. Tier 2 capital and a breakdown of its components

Particulars	Amount (NPR)
Provisions of loan loss made for pass loan	31,631,287
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	31,631,287

c. Total qualifying capital

Particulars	Amount (NPR)
Tier 1 capital	1,003,992,187
Tier 2 capital	31,631,287
Total capital Fund (Tier 1 and Tier 2)	1,035,623,474
Risk weighted exposures	3,882,281,701

d Capital adequacy ratio

Particulars	Ratio
Tier 1 capital to total risk weighted exposures	26.08%
Tier 1 and Tier 2 capital to total risk weighted exposure ratio	26.90%

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. 823,397,859.

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.

i. Risk exposures

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

Balance sheet items

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Cash balance	0%	46,258,650	-
Gold (tradable)	0%	-	-
Balance with Nepal Rastra Bank	0%	207,179,720	-
Investment in Government Bond	0%	156,314,062	-
Investment in NRB Bond	0%	-	-

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Loan against own fixed deposit receipts	0%	33,369,945	-
Loan against government securities	0%	-	-
Accrued interests on government bond	0%	1,314,061	-
Investment to youth self-employment fund	0%	814,000	-
Balance with domestic BFIs	20%	879,818,039	175,963,608
Loan against fixed deposit receipts of other BFIs	20%	-	-
Balance with foreign banks	20%	-	-
Money at call	20%	-	-
Loan against internationally rated bank guarantee	20%	-	-
Investment in internationally rated Banks	20%	-	-
Inter-bank lending	20%	-	-
Investment on shares/debentures/bonds	100%	127,293,465	127,293,465
Other investments	100%	-	-
Loans and advances, bills purchase and discount	100%	3,180,696,945	3,180,696,945
Property, plant and equipment including intangibles	100%	85,070,953	85,070,953
Net interest receivables (total interest receivables less accrued interest on government bonds)	100%	10,245,775	10,245,775
Investment properties (non-banking asset)	100%	13,739,662	13,739,662
Other assets (other than advance income tax)	100%	16,911,357	16,911,357
Real estate/residential loans exceeding the limits	150%	-	-
Total balance sheet Items (A)		4,759,026,633	3,609,921,765

Off-balance sheet Items

Particulars	Weight (%)	Amount (NPR)	Risk weighted Assets
Bills collection	0%	-	-
Forward foreign exchange contract	10%	-	-
L/C with maturity less than six months	20%	-	-
Guarantee against International rated bank's counter guarantee	20%	-	-
L/C with maturity more than six months	50%	-	-
Bid bond, performance bond and underwriting	50%	3,358,224	1,679,112
Loan sale with repurchase agreement	50%	-	-
Advance payment guarantee	100%	-	-
Financial and other guarantee	100%	-	-
Irrevocable loan commitment	100%	-	-
Possible liabilities for income tax	100%	-	-
All types of possible liabilities including acceptance	100%	-	-
Rediscounted bills	100%	-	-
Unpaid portion of partly paid share investment	100%	-	-
Unpaid guarantee claims	200%	-	-
Claim not acknowledged as debts	200%	-	-
Amount to be maintained for operational risk (5% of Total Assets)	100%	237951331.65	270,680,824
Total off balance sheet Items (B)		241,309,556	272,359,936
Total Risk weighted assets (A) + (B)		5,000,336,189	3,882,281,701

b. Amount of NPAs (both gross and net)

Amount in NPR

Particulars	ASHAD 2076		ASAHD 2075	
	Gross NPA	Net NPA	Gross NPA	Net NPA
Restructure/Rescheduled loan	-	-	-	-
Sub-standard loan	1,940,000	1,455,000	3,846,272	2,913,194
Doubtful loan	21,601,000	10,800,500	1,103,398	551,699
Loss Loan	12,653,913	-	18,593,754	-
Total	36,194,913	12,255,500	23,543,424	3,464,893

Ratio of non-performing assets as per regulatory classification

Particulars	%	%
Gross NPA to gross loans and advance	1.14%	0.89%
Net NPA to Net Loan and Advance	0.39%	0.13%

Details of loan loss provision

Amount in NPR

Particulars	ASHAD END 2076	ASHAD END 2075
Pass Loan	31,625,872	26,208,024
Watchlist	1,385,419	2,119,004
Rescheduled / Restructured	-	-
Sub-Standard	485,000	933,078
Doubtful	10,800,500	551,699
Loss	12,653,913	18,593,754
Additional	-	-
Total	56,950,704	48,405,559

3. Compliance with external requirement

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

Note 5.3 – Classification of financial assets and financial liabilities

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

Amount in NPR '000

Particulars	Note	ASHAD END 2076		ASAHD END 2075		ASAHD END 2074	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets							
Measured at amortised cost							
Cash and cash equivalent	4.1	926,077	926,077	1,135,958	1,135,958	777,981	777,981
Due from Nepal Rastra Bank	4.2	207,180	207,180	58,417	58,417	124,329	124,329
Other Trading Assets - Government Bonds	4.5	-	-	-	-	-	-
Loans and advances to BFIs	4.6	86,130	86,130	56,430	56,430	56,430	56,430
Loans and advances to customers	4.7	3,105,627	3,105,627	2,611,284	2,611,284	2,330,034	2,330,034
Government bonds	4.8	156,314	156,314	157,940	157,940	81,691	81,691
Account receivable	4.16	3,006	3,006	22,332	22,332	5,015	5,015
Sub-total		4,484,334	4,484,334	4,042,361	4,042,361	3,375,480	3,375,480

Particulars	Note	ASHAD END 2076		ASAHD END 2075		ASAHD END 2074	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
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	127,293	127,293	133,456	133,456	57,780	57,780
Sub-total		127,293	127,293	133,456	133,456	57,780	57,780
Total financial assets		4,611,627	4,611,627	4,175,817	4,175,817	3,433,260	3,433,260
Financial liabilities							
Measured at amortised cost							
Due to BFIs	4.17	-	-	-	-	-	-
Due to Nepal Rastra Bank	4.18	4,496	4,496	21,898	21,898	15,000	15,000
Deposits from customers	4.20	3,651,286	3,651,286	3,184,560	3,184,560	2,732,653	2,732,653
Bills payable	4.23	-	-	-	-	-	-
Creditors and accruals	4.23	2,790	2,790	5,087	5,087	1,208	1,208
Interest payable on deposits	4.23	11,496	11,496	19,163	19,163	13,933	13,933
Interest payable on borrowings	4.23	-	-	-	-	-	-
Unpaid dividend	4.23	74	74	64	64	246	246
Total financial liabilities		3,670,142	3,670,142	3,230,772	3,230,772	2,763,040	2,763,040

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 2076	ASHAD END 2075	ASHAD END 2074
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	113,819,865	120,332,406	-
Equity securities – unquoted	3	13,473,600	13,123,600	12,983,000
Sub-total		127,293,465	133,456,006	57,779,614
Measured at amortised cost				
Due from Nepal Rastra Bank	3	207,179,720	58,417,051	124,329,192
Government bonds	3	156,314,061	157,939,922	81,691,064
Loan and advances to BFIs	3	86,130,000	56,430,000	56,430,000
Loans and advances to customers	3	3,105,626,720	2,611,284,277	2,330,033,929
Sub-total		3,555,250,501	2,884,071,250	2,592,484,185
Total financial assets		3,682,543,966	3,017,527,256	2,650,263,799

Particulars	Fair value hierarchy (level)	ASHAD END 2076	ASHAD END 2075	ASHAD END 2074
Financial liabilities				
Measured at amortised cost				
Due to Nepal Rastra Bank	3	4,495,815	21,898,136	15,000,000
Deposits from customers	3	3,651,286,276	3,184,559,852	2,732,653,152
Total financial liabilities		3,655,782,091	3,206,457,988	2,747,653,152

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

Note 5.4 – Operating segment information

1. General information

The finance company has identified segments on the basis of each geographical presence in seven provinces. The finance company has presence in three provinces namely; Province 3, Province 4 and Province 5.

2. Information about profit or loss, assets and liabilities

i. For the financial year 2075-76

Amount in NPR

	Province 2	Province 3	Province 5	TOTAL
a. Revenues from external customers	53,665,345	416,687,637	64,608,606	534,961,588
b. Intersegment revenue/(expenses) expenses)	-	-	-	-
c. Gross Revenue	53,665,345	416,687,637	64,608,606	534,961,588
d. Interest Revenue	48,551,286	388,178,393	59,382,442	496,112,121
e. Interest Expenses	2,118,641	303,945,791	7,446,010	313,510,442
f. Net interest Revenue	46,432,645	84,232,602	51,936,432	182,601,679
g. Other Income	-	-	-	-
h. Other Expenses	20,643,785	53,812,504	7,844,715	82,301,004
i. Depreciation & Amortization	1,527,026	3,394,316	902,023	5,823,365
j. Segment Profit /(Loss)	29,390,658	47,089,400	48,415,858	124,895,916
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	-	8,545,146	-	8,545,146
n. Segment assets	704,176,797	3,490,656,575	538,520,487	4,733,353,859
o. Segment liabilities	418,858,550	2,859,111,492	423,235,679	3,701,205,721

ii. For the financial year 2074-75

Amount in NPR

Particulars	Province 2	Province 3	Province 5	Total
a. Revenues from external customers	14,753,025	388,376,858	48,678,218	451,808,101
b. Intersegment revenue/ (expenses)	-	-	-	-
c. Gross Revenue	14,753,025	388,376,858	48,678,218	451,808,101
d. Interest Revenue	12,091,196	357,394,954	44,892,469	414,378,619
e. Interest Expenses	616,155	261,331,939	5,740,225	267,688,319
f. Net interest Revenue	11,475,041	96,063,015	39,152,244	146,690,300

Particulars	Province 2	Province 3	Province 5	Total
g. Other Income	-	75,610	-	75,610
h. Other Expenses	2,764,356	60,490,830	6,232,658	69,487,844
i. Depreciation & Amortization	794,128	2,052,517	1,086,613	3,933,258
j. Segment Profit /(Loss)	10,578,386	76,633,551	35,618,722	122,830,659
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	-	(12,125,744)	-	(12,125,744)
n. Segment assets	205,586,730	3,608,181,056	434,979,072	4,248,746,858
o. Segment liabilities	198,437,331	2,686,040,428	374,876,785	3,259,354,544

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	534,961,588	451,808,101
Other revenues	-	-
Elimination of intersegment revenues	-	-
Entity's revenues	534,961,588	451,808,101

ii. Profit or Loss

Amount in NPR

Particulars	Current year	Previous year
Total profit or loss for reportable segments	124,895,916	122,830,659
Other profit or loss	(114,285)	69,375
Elimination of inter segment profits	-	-
Unallocated amounts		
Profit before tax	124,781,631	122,900,034

iii. Assets

Amount in NPR

Particulars	Current year	Previous year
Total assets for reportable segments	4,733,353,859	4,248,746,858
Other assets	-	-
Unallocated assets	-	-
Entity's assets	4,733,353,859	4,248,746,858

iv. Liabilities

Amount in NPR

Particulars	Current year	Previous year
Total liabilities for reportable segments	3,701,205,721	3,259,354,544
Other liabilities	-	-
Unallocated liabilities	-	-
Entity's liabilities	3,701,205,721	3,259,354,544

4. Information about geographical areas

The financial company has revenue from following geographical areas:

Particulars	Current year	Amount in NPR Previous year
Domestic		
Province 2	53,665,345	14,753,025
Province 3	416,687,637	388,376,858
Province 5	64,608,606	48,678,218
Foreign	-	
Total	534,961,588	451,808,101

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 Shrestha	Director	Director
Dr. Kishor Hakuduwal	Director	Director
Mr. Ramesh Thapa Shrestha	Director	Director
Mr. Bidya Bhusan Dhoj Joshi	Director	Director
Mr. Rajoj Man Shrestha	Chief Executive Office	Chief Executive Office

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	526,000	543,250
Other Expenses	86,587	79,193
Interest paid on deposits	1,647,273	1,053,292
With chief executive officer		
Remuneration and benefits paid	6,230,570	6,035,869
Interest paid on deposits	137,356	54,604
Balance of deposits		
Payable to directors	10,975,131	30,722,752
Payable to chief executive officer	2,267,815	390,932

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 in the financial statement.

Note 5.11 – Disclosure of effect of transition from previous GAAP to NFRSs

NFRS 1 (First-time Adoption of Nepal Financial Reporting Standards) provides a suitable starting point for accounting in accordance with NFRS and is required to be mandatorily followed by first-time adopters. The finance company has prepared the opening statement of financial position as per NFRS as at Sravan 1, 2074 (the transition date) by:

- i. recognising all assets and liabilities whose recognition is required by NFRS,
- ii. not recognising items of assets or liabilities which are not permitted by NFRS,
- iii. reclassifying items from previous generally accepted accounting principles (GAAP) to NFRS as required under NFRS,
- iv. applying NFRS in measurement of recognised assets and liabilities and
- v. exemptions used in applying the transitional provisions of NFRS 4 – Insurance Contracts.

Note 5.12 – Proposed Distributions (Dividend and Bonus Shares)

The board of directors in its meeting dated 24th Poush 2076 has proposed Rs. 7 per share as cash dividend including applicable taxes totaling to Rs. 57,637,850/-.

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.

Central Finance Limited
Statement of Principal Indicators institution wise

FINANCIAL YEARS		2075/76	2074/75	2073/74	2072/73	2071/72
Indicators	Unit	Amount	Amount	Amount	Amount	Amount
Adequacy of Capital Fund on Risk Weighted Assets						
Core Capital	NPR	1,003,992,187.00	862,675,000.00	636,054,000.00	328,522,000.00	294,324,000.00
Total Capital Fund	NPR	1,035,623,474.00	891,825,000.00	660,427,000.00	342,641,000.00	307,813,000.00
Risk Weighted Exposure	NPR	3,849,552,209.00	3,324,268,343.00	2,769,016,659.00	1,726,617,921.00	1,587,009,048.00
Earning Per Share (Average share outstanding)	NPR	12.46	9.31	15.00	31.58	22.60
Market Value Per Share	NPR	114.00	114.00	191.00	245.00	186.00
Book Net Worth Per Share	NPR	125.32	113.89	129.92	150.79	160.15
Net Profit Per Staff	NPR	906,230.74	932,957.66	1,259,473.84	1,665,238.86	1,047,537.23
Per Employee Staff Cost	NPR	593,414.92	590,285.04	655,741.40	708,849.20	612,390.48
Number of Promotor Equity Shares	Nos.	4,219,090.63	3,662,654.80	2,746,134.80	1,332,489.96	1,001,082.00
Number of Public Equity Shares	Nos.	4,014,887.96	3,690,978.70	2,460,493.35	1,135,084.04	852,692.00
Number of Permanent Staffs	Nos.	56.00	65.00	56.00	42.00	38.00
Number of Branches	Nos.	9	7	5	4	4
Number of Extension Counters	Nos.	0.00	0.00	0.00	0.00	0.00
Number of ATM Machines	Nos.	3.00	0.00	0.00	0.00	0.00
Price Earning Ratio	Times	9.15	12.24	12.73	7.76	8.23
Dividend (including bonus) on Share Capital	Percent	15.06	7.19	13.42	23.68	34.74
Cash Dividend on Share Capital	Percent	7.00	7.19	0.67	1.18	1.74
Net Profit / Gross Income	Percent	16.26	15.94	23.10	27.50	17.23
Net Profit / Loans and Advances	Percent	2.73	7.19	0.67	1.18	1.74
Return on Total Assets	Percent	1.84	1.77	2.25	2.31	2.02
Return on Equity	Percent	10.57	10.15	15.00	29.69	22.60
Interest Income / Loans and Advances	Percent	15.54	15.58	11.79	8.64	14.43
Exchange Gain / Total Income	Percent	0.00	0.00	0.00	0.00	0.00
Interest Expenses / Total Deposits and Borrowings	Percent	8.58	8.41	5.90	6.39	8.09
Total Operating Expenses / Total Assets	Percent	8.66	8.07	6.33	5.10	8.67
Staff Expenses / Total Operating Expenses	Percent	13.89	13.84	15.52	18.35	13.59
Staff Bonus / Total Staff Expenses	Percent	24.34	25.29	27.48	35.01	24.77
Total Credit / Deposits	Percent	87.41	84.36	88.30	122.01	76.45
Non-Performing Loans / Total Loans	Percent	1.14	0.87	1.89	2.47	4.11
Base Rate	Percent	13.26	15.75	NA	NA	NA
Weighted Average Interest Rate Spread	Percent	4.82	4.18	5.10	5.68	5.88
CRR	Percent	5.67	8.67	8.09	6.94	4.05

CENTRAL FINANCE LTD.
Condensed Statement of financial position
As on quarter ended Ashad 2076

IN NPR

ASSETS	NOTE	As per Unaudited Financial	As per Audited Financial	Variance		Reason for variance
				In Amount	in %	
Cash and cash equivalent	4.1	926,076,689	926,076,689	-	-	
Due from Nepal Rastra Bank	4.2	207,179,720	207,179,720	-	-	
Placement with Bank and Financial Institutions	4.3	-	-	-	-	
Derivative financial instruments	4.4	-	-	-	-	
Other trading assets	4.5	124,000,162	-	(124,000,162)		Note 1
Loans and advances to BFIS	4.6	86,130,000	86,130,000	-	-	
Loans and advances to customers	4.7	3,105,626,720	3,105,626,720	-	-	
Investment securities	4.8	157,943,300	283,607,526	125,664,226	0.44	Note 1
Current tax assets	4.9	-	-	-	-	
Investment in subsidiaries	4.10	-	-	-	-	
Investment in associates	4.11	-	-	-	-	
Investment property	4.12	13,739,662	13,739,662	-	-	
Property Plant and Equipment	4.13	85,070,951	84,120,073	(950,878)	(0.01)	Note 2
Goodwill and Intangible assets	4.14	-	950,880	950,880	1.00	Note 2
Deferred tax assets	4.15	9,361,237	9,261,152	(100,085)	(0.01)	Note 3
Other assets	4.16	18,225,418	16,911,357	(1,314,061)	(0.08)	Note 4
TOTAL ASSETS		4,733,353,859	4,733,603,779			
LIABILITIES						
Due to Bank and Financial Institutions	4.17	-	-	-	-	
Due to Nepal Rastra Bank	4.18	4,495,815	4,495,815	-	-	
Derivative financial instruments	4.19	-	-	-	-	
Deposits from customers	4.20	3,651,286,276	3,651,286,276	-	-	
Borrowing	4.21	-	-	-	-	
Current Tax Liabilities	4.9	4,732,839	4,890,850	158,011	0.03	Note 5
Provisions	4.22	-	-	-	-	
Deferred tax liabilities	4.15	-	-	-	-	
Other liabilities	4.23	39,865,066	41,028,594	1,163,528	0.03	Note 6
Debt securities issued	4.24	-	-	-	-	
Subordinated Liabilities	4.25	-	-	-	-	
TOTAL LIABILITIES		3,700,379,996	3,701,701,535			
EQUITY						
Share Capital	4.26	823,397,859	823,397,859	-	-	
Share premium		442,547	442,547	-	-	
Retained Earnings		57,410,697	62,525,250	5,114,553	0.08	Note 7
Reserves	4.27	151,722,760	145,536,588	(6,186,172)	(0.04)	Note 8
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		1,032,973,863	1,031,902,244			
NON-CONTROLLING INTEREST		-	-	-	-	
TOTAL EQUITY		1,032,973,863	1,031,902,244			
TOTAL LIABILITIES & EQUITY		4,733,353,859	4,733,603,779			

Condensed Statement of profit or loss
For the year quarter ended Ashad 2076

ASSETS	NOTE	As per Unaudited Financial	As per Audited	Variance		Reason for variance
				In Amount	in %	
Interest income		496,112,121	496,112,121	-	-	
Interest expense		313,510,442	313,510,442	-	-	
Net interest income		182,601,679	182,601,679	-	-	
Fee and commission income		35,848,723	35,848,726	3	-	Note 9
Fee and commission expense		-	-	-	-	
Net fee and commission income		35,848,723	35,848,726			
Net interest, fee and commission income		218,450,402	218,450,405			
Net trading income		(5,878,883)	-	5,878,883		Note 1
Other operating income		284,549	3,000,741	2,716,192	1	Note 10
Total operating income		212,856,068	221,451,146	8,595,078		
Impairment charge/(reversal) for loans and other losses		8,545,146	8,545,146	-	-	
Net operating income		204,310,922	212,906,000			
Operating expense				-		
Personnel expenses		56,142,104	56,967,832	825,728	0.01	Note 11
Other operating expenses		24,881,087	25,218,887	337,800	0.01	Note 12
Depreciation & Amortization		5,823,366	5,823,365	(1)	(0.00)	Round off
Operating Profit		117,464,365	124,895,916	7,431,551		
Non operating income		-	-	-		
Non operating expense		114,285	114,285	-	-	
Profit before income tax		117,350,080	124,781,631	7,431,551		
Income tax expense						
Current Tax expenses		41,660,407	41,900,953	240,546	0	Note 13
Deferred Tax Expenses/(Income)		(6,666,320)	(4,117,473)	2,548,847	(1)	Note 14
Profit for the period		82,355,993	86,998,151	4,642,158		

Notes

1. Other Tranding Assets transferred to Investment Securities & the increase/decrease in Fair Value is transferred to Statement of Other Comprehensive Income per NRB
2. Software is classified as Goodwill & Intangible Assets seperately from Property, plant & Equipment
3. Reclassification of Investment FV
4. Sundry Debtor reduced
5. Decrement in current tax asset due to NFRS
6. Employee Bonus increased due to increase in profit & Acturial valuation charge considered in FY 2075-76
7. Retained Earning is increased due to benefit given by circular 6 2076/77 & classification of all investment through Other comprehensive income
8. Decrement in Regulatory Reserve as per circular 6 2076/77
9. Reversal of Provision of investment was less by 3 the same is considered
10. Dividend on equity netted off with FV increase/decrease of Other Trading Asset transferred to Other operating income
11. Increase in Employee Bonus Amount due to increase in profit
12. Audit Fee VAT Amount, Consultant fee omitted previously is considered during audit
13. Previous year tax adjustment during audit
14. Deferred Tax Expenses reversal

CENTRAL FINANCE LTD.
 Statement of Financial Position
 As on Ashad end 2076

IN NPR

ASSETS	NOTE	This Quarter Ending	Immediate Previous Year Ending	Restated Ashad End 2074
Cash and cash equivalent	4.1	926,076,689	1,135,957,989	777,980,677
Due from Nepal Rastra Bank	4.2	207,179,720	58,417,051	124,329,192
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative financial instruments	4.4	-	-	-
Other trading assets	4.5	124,000,162	128,452,628	42,915,378
Loans and advances to BFIs	4.6	86,130,000	56,430,000	56,430,000
Loans and advances to customers	4.7	3,105,626,720	2,611,284,277	2,330,033,929
Investment securities	4.8	157,943,300	162,943,300	96,555,300
Current tax assets	4.9	-	-	1,678,445
Investment in subsidiaries	4.10	-	-	-
Investment in associates	4.11	-	-	-
Investment property	4.12	13,739,662	6,309,142	6,309,142
Property Plant and Equipment	4.13	85,070,951	54,643,693	46,728,016
Goodwill and Intangible assets	4.14	-	-	-
Deferred tax assets	4.15	9,361,237	1,617,182	-
Other assets	4.16	18,225,418	32,691,596	15,837,443
TOTAL ASSETS		4,733,353,859	4,248,746,858	3,498,797,522

LIABILITIES	NOTE	This Quarter Ending	Immediate Previous Year Ending	Restated Ashad End 2074
Due to Bank and Financial Institutions	4.17	-	-	-
Due to Nepal Rastra Bank	4.18	4,495,815	21,898,136	15,000,000
Derivative financial instruments	4.19	-	-	-
Deposits from customers	4.20	3,651,286,276	3,184,559,852	2,732,653,152
Borrowing	4.21	-	-	-
Current Tax Liabilities	4.9	4,732,839	5,570,146	-
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	-	5,902,616
Other liabilities	4.23	39,865,066	47,326,412	43,045,152
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
TOTAL LIABILITIES		3,700,379,996	3,259,354,546	2,796,600,920

EQUITY	NOTE	This Quarter Ending	Immediate Previous Year Ending	Restated Ashad End 2074
Share Capital	4.26	823,397,859	735,363,350	520,662,815
Share premium		442,547	714,423	119,700
Retained Earnings		57,410,697	149,073,501	94,909,777
Reserves	4.27	151,722,760	104,241,038	86,504,310
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		1,032,973,863	989,392,312	702,196,602
NON-CONTROLLING INTEREST		-	-	-
TOTAL EQUITY		1,032,973,863	989,392,312	702,196,602
TOTAL LIABILITIES & EQUITY		4,733,353,859	4,248,746,858	3,498,797,522

CENTRAL FINANCE LTD.
Condensed Statement of profit or loss
For the year quarter ended Ashad 2076

IN NPR

Particulars	NOTE	Current Year	"Previous Year Corresponding "
		"Upto This Quarter (YTD)"	" Upto This Quarter (YTD) "
Interest income	4.29	496,112,121	414,378,619
Interest expense	4.30	313,510,442	267,688,319
Net interest income		182,601,679	146,690,300
Fee and commission income	4.31	35,848,723	30,980,621
Fee and commission expense	4.32	-	-
Net fee and commission income		35,848,723	30,980,621
Net interest, fee and commission income		218,450,402	177,670,921
Net trading income	4.33	(5,878,883)	(15,613,104)
Other operating income	4.34	284,549	2,698,986
Total operating income		212,856,068	164,756,803
Impairment charge/(reversal) for loans and other losses	4.35	8,545,146	(12,125,744)
Net operating income		204,310,922	176,882,547
Operating expense			
Personnel expenses	4.36	56,142,104	48,046,679
Other operating expenses	4.37	24,881,087	21,434,930
Depreciation & Amortization	4.38	5,823,366	3,933,260
Operating Profit		117,464,365	103,467,678
Non operating income	4.39	-	75,610
Non operating expense	4.40	114,285	6,235
Profit before income tax		117,350,080	103,537,053
Income tax expense	4.41		
Current Tax expenses		41,660,407	38,828,260
Deferred Tax Expenses/(Income)		(6,666,320)	(7,421,356)
Profit for the period		82,355,993	72,130,149

CENTRAL FINANCE LTD.
Condensed Statement of Comprehensive Income
For the year quarter ended Ashad 2076

IN NPR

Particulars	NOTE	Current Year	"Previous Year Corresponding"
		"Upto This Quarter (YTD)"	" Upto This Quarter (YTD) "
Profit for the period		82,355,993	72,130,149
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		-	1,415,600
"Gains/(Losses) on revaluation Actuarial gain/(loss) on defined benefit plans"		(3,592,449)	(1,743,740)
Income tax relating to above terms		1,077,735	(98,442)
Net other comprehensive income that will not be reclassified to profit or loss		(2,514,714)	(426,582)
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 equity method		-	-
Other comprehensive income for the year, net of income tax		(2,514,714)	(426,582)
Total comprehensive income for the period		79,841,279	71,703,567
Total comprehensive income attributable to:			
Equity holders of the bank		79,841,279	71,703,567
Non-controlling interest		-	-
Total		79,841,279	71,703,567
Earning per share			
Basic earnings per share		10.00	9.81
Annualized basic earnings per share		10.00	9.81
Diluted earnings per share		10.00	9.81

CENTRAL FINANCE LTD.

Ratios as per NRB Directive

Particulars	Current year	Previous year
	"Upto this quarter (YTD)"	"Upto this quarter (YTD)"
Capital fund to RWA	26.07%	29.10%
Non-performing loan (NPL) to total loan	1.11%	0.94%
Total loan loss provision to Total NPL	159.73%	197.86%
Cost of Funds	9.76%	10.61%
CCD Ratio	69.28%	64.67%
Base Rate	13.26%	13.09%
Interest Rate Spread	4.82%	4.18%



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

केन्द्रीय बालान्तर्य
 बालुपाटार, काठमाडौं
 फोन : ४४९९६०४६०३ / ४४९९२५०
 फैक्स : ४४९९६१५६
 ईमेल : fsidreportsfc@nrb.org.np
 Web : www.nrb.org.np
 फोटो लाइस : ३३

पत्रसंख्या:- वि.क्र.सु.वि./अफसाइट/एजिएम/१५/२०७५-७७
सेन्ट्रल फाइनान्स लिमिटेड
कुपणडोल, ललितपुर।

मिति २०७५/१०/१३

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

महाशय,

तहावाट पेश गरिएका वित्तीय विवरण तथा अन्य कागजातका आधारमा आ.व. २०७५/७६ को वार्षिक हिसाब वार्षिक साधारण सभामा स्वीकृतिको लागि पेश गरी सार्वजनिक गर्ने र प्रस्तावित नगद लाभांश रु.५,७६,३७,८५०।- प्रचलित कानूनी व्यवस्थाको पालना गरी वार्षिक साधारण सभावाट स्वीकृत भए पश्चात मात्रै वितरण गर्ने देहायको निर्देशन सहित सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु।

१. यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखापरीक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गर्न तथा त्यस्ता कैफियतहरु पुनः दोहोरिन निर्देशन व्यवस्था गर्नुहुन।
२. नियमित रूपमा System Audit गर्ने व्यवस्था मिलाउनु हुन।
३. सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ) निवारण ऐन, २०६४ (दोस्रो संशोधन, २०७०), सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ) निवारण नियमावली, २०७३ तथा नेपाल राष्ट्र बैंकबाट जारी भएको एकीकृत निर्देशन तथा परिपत्रका व्यवस्थाहरुको पूर्ण पालना गर्ने संचालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण गराइन्छ।
४. कम्पनी ऐन, २०६३ को दफा १८(२९) बमोजिम साधारणसभावाट स्वीकृत भई ५ वर्षसम्म पनि दावी नपरेको भुक्तानी दिन बाबी लाभाशालाई लगानीकर्ता संरक्षण कोषमा दाखिला गर्नुहुन।

उपर्युक्त निर्देशनहरुलाई त्यस संस्थाको वार्षिक प्रतिवेदनको छुटै पानामा प्रकाशित गर्नु हुन अनुरोध गर्दछु।

भवदीय,

Chilnath Dahal
 (चिलनाथ दाहल)
 सहायक निर्देशक

बोधार्थ :

१. नेपाल राष्ट्र बैंक
२. वैक तथा वित्तीय संस्था नियमन विभाग।
३. वित्त कम्पनी सुपरिवेक्षण विभाग, प्रतिवेदन कार्यालयन इकाई, सेन्ट्रल फाइनान्स लिमिटेड।


सेन्ट्रल फाईनान्स लिमिटेड
CENTRAL FINANCE LIMITED
Serving Your Financial Needs

Head Office: Kupondole, Lalitpur
Tel.: 5544517, 5552128, 5522289, 5536420
Fax: 977-01-5540842, P.O. Box No. 7062 (Ktm.)
E-mail: central@ntc.net.np
Web: www.centralfinance.com.np

(नेपाल राष्ट्र बैंकबाट 'ग' वर्गको इजाजत पत्र प्राप्त संस्था)
च.नं: ६२५/२०७६/७७



मिति: २०७६/१०/१९

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

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

महाशय,

त्यस विभागको मिति २०७६/१०/१३, पत्रसंख्या वि.क.सु.वि./अफसाइट/एजिएम/१५/२०७६-७७ को पत्र प्राप्त भई व्यहोरा अवगत भयो। उक्त पत्रमा उल्लेखित निर्देशनको सम्बन्धमा यस संस्थाको सञ्चालक समितिमा छलफल भई संस्थाको प्रतिकृया निम्न बमोजिम भएको व्यहोरा अनुरोध छ।

१. त्यस बैंकले दिएका निर्देशन पालना गर्न तथा लेखा परिक्षण प्रतिवेदनमा उल्लेख गरिएका कैफियतहरु सुधार गरी त्यस्ता कैफियतहरु पुनः दोहोरिन नदिने व्यवस्था मिलाइएको व्यहोरा अनुरोध छ।
२. निर्देशन बमोजिम System Audit गरिने छ।
३. सम्पत्ति शुद्धीकरण तथा त्यस बैंकको एकिकृत निर्देशन एवं परिपत्रका व्यवस्थाहरुको पालना गरिदै आएकोमा त्यसको पुर्ण पालना गर्न सञ्चालक समिति र प्रमुख कार्यकारी अधिकृतको ध्यानाकर्षण भएको छ।
४. निर्देशन बमोजिम गरिने छ।

भवदीय,

(रोशन मान श्रेष्ठ)
प्रमुख कार्यकारी अधिकृत

बोधार्थ :

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

सेन्ट्रल फाईनान्स लिमिटेडको
२३औं वार्षिक साधारण सभामा पेश गरेको
नियमावलीमा संशोधन सम्बन्धी तीन महले

क्र.सं.	नियम	साविकको व्यवस्था	संशोधन	संशोधन गर्नुपर्ने कारण
१	३१(१)(ख)	समितिको प्रत्येक बैठकमा उपस्थित भए बापत अध्यक्षले पाउने बैठक भत्ता रु.५,०००।०० र सञ्चालकले पाउने बैठक भत्ता रु.४,०००।०० हुनेछ । साधारण सभाले आवश्यक ठानेमा समय समयमा थपघट गर्न सक्नेछ ।	समितिको प्रत्येक बैठकमा उपस्थित भए बापत अध्यक्षले पाउने बैठक भत्ता रु.१०,०००।०० र सञ्चालकले पाउने बैठक भत्ता रु.८,०००।०० हुनेछ । साधारण सभाले आवश्यक ठानेमा समय समयमा थपघट गर्न सक्नेछ ।	२०६५/०९/२८ गते को संस्थाको १२ औं वार्षिक साधारण सभाको निर्णय बमोजिम कायम सञ्चालक समितिको बैठक भत्ता समय सापेक्ष गर्न ।

गोट तथा टियोट



सेन्ट्रल फाईनान्स लि. CENTRAL FINANCE Ltd.

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फोन नं. : ५५४४५१७ (हन्टिङ लाईन), फ्याक्स नं. : ५७७-०९-५५४०८४२

E-mail: central@ntc.net.np, Website: www.centralfinance.com.np

चावहिल शाखा

चावहिल, काठमाण्डौ

फोन नं. : ०१-४४६०६२४, ४४६०८०३

फ्याक्स नं. : ०१-४४८४६६३

नारायणगढ शाखा

शहीदचोक, नारायणगढ

फोन नं. : ०५६-५७०९४५, ५७१९४९

फ्याक्स नं. : ०५६-५७१८५३

बुटवल शाखा

मिलनचोक, बुटवल

फोन नं. : ०७१-५५०३५१

फ्याक्स नं. : ०७१-५५०३५२

भक्तपुर शाखा

च्याम्हासिंह, भक्तपुर

फोन नं. : ०१-६६१८७१, ६६१८४७२, ६६१९६७२

फ्याक्स नं. : ०१-६६१९६७१

बर्दिबास शाखा

बर्दिबास, महोत्तरी

फोन नं. : ०४४-५५०७३४

फ्याक्स नं. : ०४४-५५०६२३

बर्दघाट शाखा

बर्दघाट, नवलपरासी

फोन नं. : ०७८-५८०८१०, ५८०८११

फ्याक्स नं. : ०७८-५८०८१२

सिमरा शाखा

सिमरा, बारा

फोन नं. : ०५३-५२००९५, ५२००९६

फ्याक्स नं. : ०५३-५२००६५

भिमान शाखा

भिमान, सिन्धुली

फोन नं. : ०४७-४१००४२

फ्याक्स नं. : ०४७-४१००४४

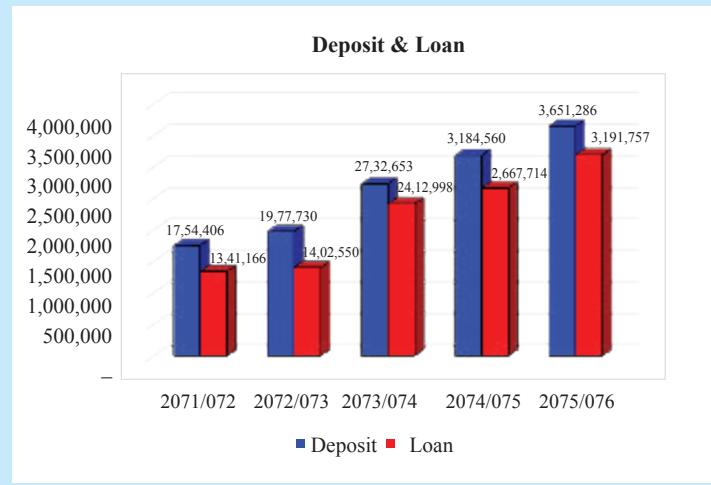
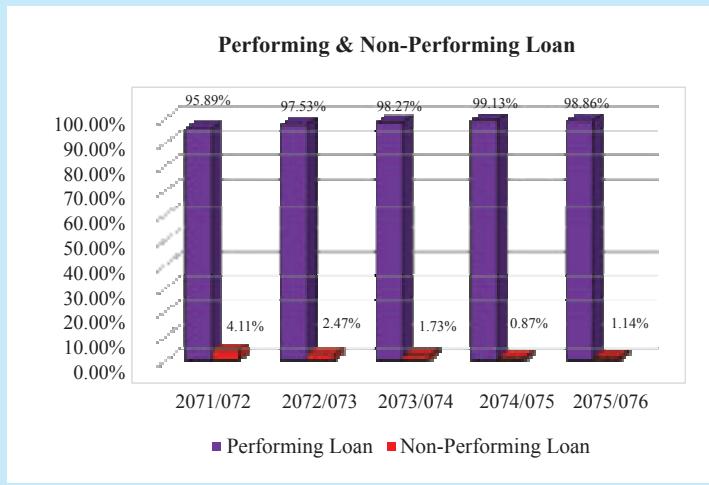
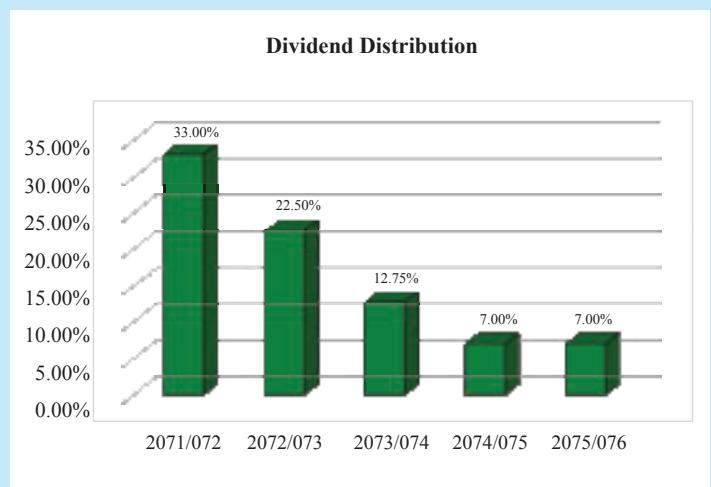
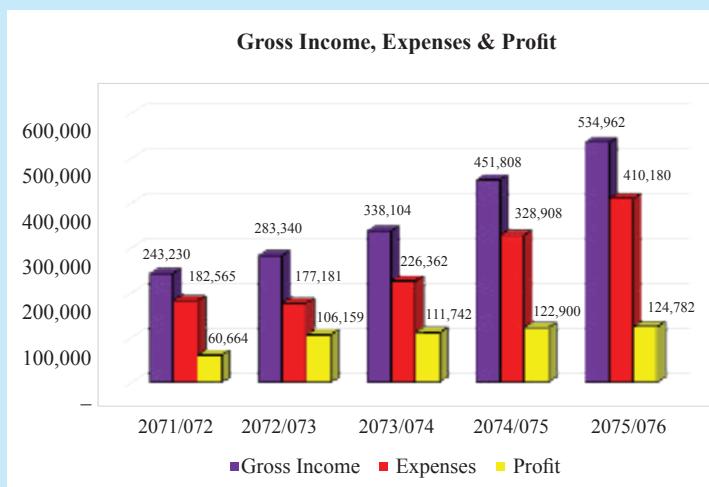
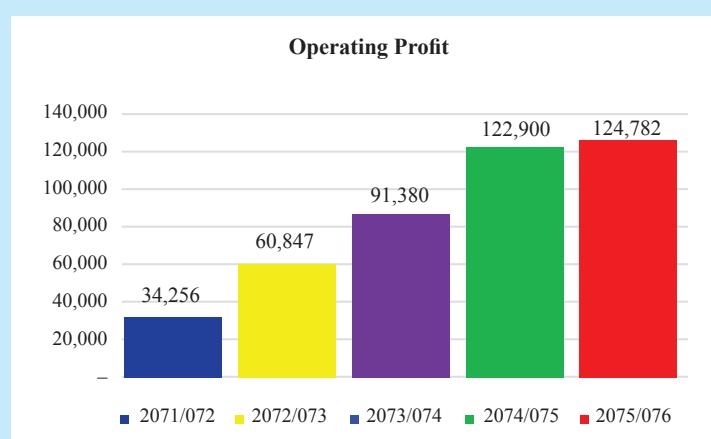
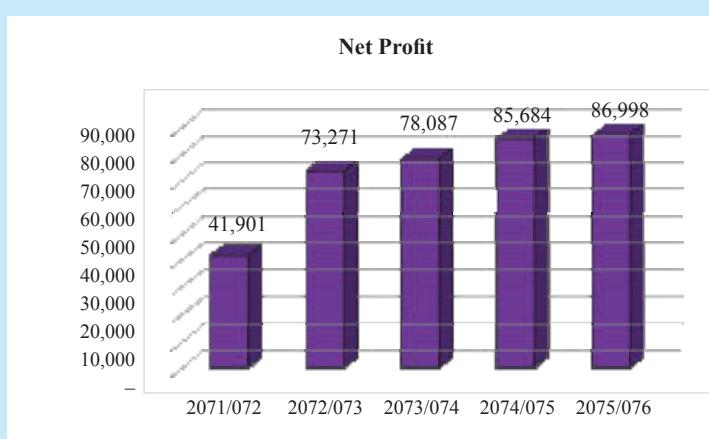
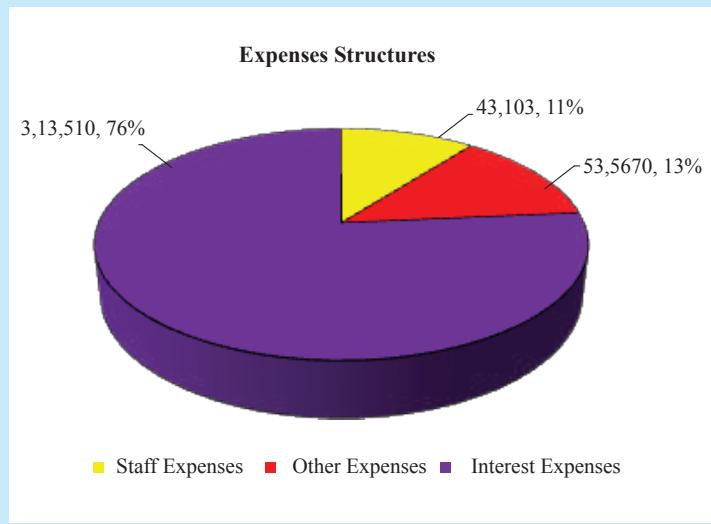
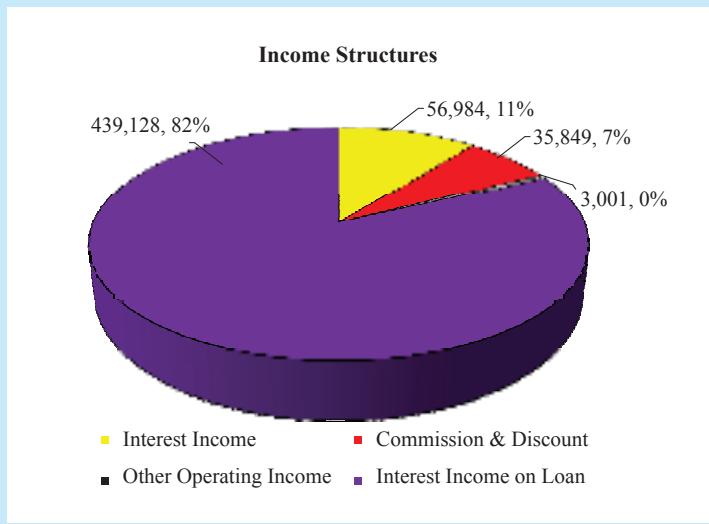
गोग्यु गणेश स्थान शाखा

टोखा, काठमाडौं

फोन नं. : ०१-४३८२९३०, ४३८२८४०

फ्याक्स नं. : ०१-४३८७२४०

Financial Highlights



भिमान शाखा उद्घाटन कार्यक्रम



गोंगबु गणेशस्थान शाखा उद्घाटन कार्यक्रम



२२ औं साधारण सभाको केहि भलकहरु



उच्च व्यवस्थापन तह



रजेश मान श्रेष्ठ

प्रमुख कार्यकारी अधिकृत/कम्पनी सचिव



अशोक कुमार पौडेल

सहायक महाप्रबन्धक

व्यवस्थापन तह तथा विभागीय प्रमुखहरू



प्रविणा जोशी

संचालन विभाग



जेनिस तामाकार जोशी

कर्जा विभाग



रल कुमार स्थापित

लेखा विभाग



दीपेश भट्टराई

कर्जा जोखिम विभाग



श्रेजना मायेमा

मानव संशाधन तथा प्रशासन विभाग



अजय राज जोशी

सूचना प्रविधि विभाग

शाखा प्रमुखहरू



गोविन्द प्रसाद प्रसार्ड
गोंगबु गणेशस्थान शाखा



मधु सुदन पौड्याल
तारायणगढ शाखा



सुनिता श्रेष्ठ
चावहिल शाखा



काल्पनी मैया प्रजापति
भक्तपुर शाखा



गीर्जिङ थापा
बर्दिवास शाखा



तुल्सी प्रसाद पौडेल
बर्दिवाट शाखा



नारायण प्रसाद श्रेष्ठ
बुटवल शाखा



केशव कुमार भटा
सिमरा शाखा



जितेन्द्र महतो
भिमान शाखा

संस्थाले प्रदान गर्ने सेवाहरूः

निक्षेप योजना (Deposit Scheme)

क) बचत खाता (Saving Account)

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

ख) विशेष बचत खाता (Special Saving)

बढ्दो मौजदातमा सोही अनुसारको आकर्षक ब्याज प्राप्त गर्ने गरी खोलिने राता

ग) क्रमिक निक्षेप योजना (Recurring Deposit Scheme)

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

घ) मुद्रती निक्षेप (Fixed Deposit)

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

कर्जी 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) हायरपर्चेज कर्जा (Hire Purchase Loan)
- ७) विपन्न वर्ज कर्जा (Deprived Sector Loan)
- ८) अधिविकर्ष कर्जा (Overdraft Loan)
- ९) अन्य प्रोडक्ट (Other Product)
 - क) शैक्षिक कर्जा (Educational Loan)
 - ख) साना तथा मध्यम उद्यमी कर्जा (Small & Medium Industrial Loan)
 - ग) कृषि कर्जा (Agricultural Loan)
 - घ) व्यक्तिगत कर्जा (Personal Loan)
 - ङ) सुनचाँदी कर्जा (Gold & Silver Loan)
 - च) भूकर्म पीडित पुनर्निर्माण कर्जा (Earthquake Relief Loan)
 - छ) पर्यटन क्षेत्र कर्जा (Tourism Sector Loan)
 - ज) मुद्रती रसिद धितोमा कर्जा (Loan Against FDR)
 - झ) सञ्चय कोषको धितोमा कर्जा (Loan Against PFD)
 - ञ) बण्ड/डिवेन्चर कर्जा (Loan Against Bonds/Debentures)

गैरि कोषमा आधारित सुविधाहरू

(Non-Fund Based Facilities)

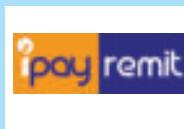
- वितीय जमानतपत्र (Financial Guarantee)
- प्रत्याभूति (Underwriting)
- बिड बण्ड (Bid Bond)
- परफरमेन्स बण्ड (Performance Bond)
- अग्रिम भुक्तानी बैंक जमानी (Advance Payment Guarantee)

अन्य सेवा (Other Facilities)

- सरकारी बचत/ऋणपत्रको साँचा तथा ब्याज भुक्तानी ।
- सरकारी ऋणपत्रको दोस्रो बजार मार्फत कारोबार ।

रेमिटेन्स सेवा (Remittance Service)

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



सेवाहरू

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

विशेषताहरूः

- सुरक्षित, विश्वसनीय र छिटो छरितो कारोबार
- निक्षेपमा प्रत्येक तीन महिना तथा एकमुष्ट वार्षिक भुक्तानी गरिने
- रिघ तथा सजिलो कर्जा प्रक्रिया
- धितोको उचित मूल्यांकन
- कर्जामा घट्दो साँचा (Diminishing Balance) ना ब्याज लाग्ने ।