

एघारौं वार्षिक प्रतिवेदन

आ. व. २०७५/०७६



SHINE RESUNGA
DEVELOPMENT BANK LTD.

संस्थापक शेयरधनीहरुका तर्फबाट (समूह 'क')



राजेन्द्र प्रसाद श्रेष्ठ
अध्यक्ष



शानेश्वर पौडेल
सञ्चालक



डा. तारा प्रसाद उपाध्याय
सञ्चालक



ई. सुरज उप्रेती
सञ्चालक

सर्वसाधारण शेयरधनीहरुका तर्फबाट (समूह 'ख')



मोहन चापागाई
सञ्चालक



सुर्दशन गौतम
सञ्चालक

प्रतिनिधी : श्रीगणेश प्रोपर्टिज एण्ड इन्वेष्टमेण्ट प्रा.लि.



प्रकाश पौडेल
प्रमुख कार्यकारी अधिकृत

आन्तरिक लेखापरीक्षक
सिए. खगेन्द्र भट्टराई
खगेन्द्र एण्ड एशोसियट्स
चार्टर्ड एकाउण्टेण्ट्स

लेखापरीक्षक
एन.बि.एस.एम. एण्ड एशोसियट्स
चार्टर्ड एकाउण्टेण्ट्स

प्रतिनिधि (प्रोक्सी) फारम

श्री सञ्चालक समिति

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड

बुटवल, रुपन्देही ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला महा.न.पा./उप.महा.न.पा./न.पा./गा.पा., वडा नं. ...
वस्ने म/हामी ले त्यस कम्पनीको शेयरधनीको हैसियतले
वि.सं. २०७७ साल आषाढ १२ गते शुक्रवारका दिन हुने एघारौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई
छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका
लागि जिल्ला महा.न.पा./उप.महा.न.पा./न.पा./गा.पा., वडा नं. वस्ने
त्यस कम्पनीका शेयरधनी श्री लाई मेरो/हाम्रो प्रतिनिधि मनोनित
गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको व्यक्तिको

दस्तखत :

नाम :

ठेगाना :

शेयरधनी नं./हितग्राही खाता नं.:

शेयर संख्या :

मिति :

निवेदक

दस्तखत :

नाम :

ठेगाना :

शेयरधनी नं./हितग्राही खाता नं.:

शेयर संख्या :

मिति :

द्रष्टव्य: यो निवेदन वार्षिक साधारण सभा हुनुभन्दा कमिमा ४८ घण्टा अगावै कम्पनीको केन्द्रीय कार्यालयमा पेश गरी सक्नु पर्नेछ ।

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड

एघारौं वार्षिक साधारण सभामा उपस्थिति हुन जारी गरिएको

प्रवेश-पत्र

शेयरधनीको नाम

शेयरधनी नं./हितग्राही खाता नं. : शेयर संख्या

द्रष्टव्य:

१. शेयरधनीले माथि उल्लेखित सम्पूर्ण विवरण अनिवार्य रुपमा भर्नु हुन अनुरोध छ ।

२. सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य छ ।

.....
कम्पनी सचिव

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको

एघारौं वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको मिति २०७७ जेष्ठ २२ गते बसेको सञ्चालक समितिको २१औं बैठकको निर्णय बमोजिम यस विकास बैंकको एघारौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा देहायका विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी एवं उपस्थितीका लागि यो सूचना प्रकाशित गरिएको छ।

सभा हुने मिति, समय र स्थान :

मिति : २०७७ साल आषाढ १२ गते, शुक्रवार (तदनुसार जुन २६, २०२०) ।
समय : विहान ११ : ३० बजे ।
स्थान : एशियन भिलेज रिसोर्ट प्रा.लि., ईट्टाभट्टी, बुटवल, रुपन्देही ।

छलफलका विषयहरू :

क. सामान्य प्रस्तावहरू :

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको आ.व. २०७५/०७६ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
२. शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड, साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडको लेखापरीक्षकको प्रतिवेदन सहित २०७६ साल आषाढ मसान्तको वित्तीय अवस्थाको विवरण, सोही मितिमा समाप्त आ.व. २०७५/०७६ को नाफा वा नोक्सान विवरण, विस्तृत आयको विवरण, नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसंग सम्बन्धित अनुसूचीहरू सहितको वित्तीय विवरणहरू पारित गर्ने ।
३. आर्थिक वर्ष २०७६/०७७ को लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने । साथै, साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडको मिति २०७६ श्रावण १ गतेदेखि २०७६ आश्विन २६ गतेसम्मको लेखापरीक्षण गर्न लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।
४. सञ्चालक नियुक्तिको अनुमोदन गर्ने ।

ख. विशेष प्रस्तावहरू :

१. जारी तथा चुक्ता पूँजी वृद्धि गर्ने र सोही बमोजिम प्रबन्ध पत्रमा संशोधन गर्ने ।
२. साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त पश्चात् कायम आ.व. २०७५/०७६ सम्मको कुल सञ्चित मुनाफाबाट चुक्ता पूँजीको १५ प्रतिशतले हुने रकम रु. ३९,३४,३५,६९८/५९ (अक्षरेपी उनन्वालीस करोड चौतीस लाख पैतीस हजार छ सय अठार र पैसा उनन्साठी मात्र) बराबरको बोनस शेयर वितरण गर्न स्वीकृत गर्ने ।
३. साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त गर्नुपूर्वको शेयर संरचनामा परिवर्तन गरि संस्थापक समूहको ५७.२२ प्रतिशत र सर्वसाधारण समूहको ४२.७८ प्रतिशत कायम गर्ने । सोही बमोजिम शेयर स्वामित्व संरचनामा परिवर्तन गरि प्रबन्धपत्रमा संशोधन गर्ने ।
४. यस शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड र अन्य बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने/गाभिने (Merger) तथा प्राप्ती/समाहित (Acquisition) हुने प्रयोजनका लागि उपयुक्त बैंक तथा वित्तीय संस्थाको पहिचान गर्ने, सहमती पत्र (Memorandum of Understanding) मा हस्ताक्षर गर्ने सोको आधारमा सैद्धान्तिक स्वीकृतिका लागि नेपाल राष्ट्र बैंकमा निवेदन दिने, सम्पत्ति तथा दायित्वको मूल्याङ्कन (Due Diligence Audit) गर्न परामर्शदाता, मूल्याङ्कनकर्ता, लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक तोक्ने तथा उक्त कार्यसंग सम्बन्धित अन्य आवश्यक कार्यहरू गर्नका लागि सञ्चालक समितिलाई अख्तियारी दिने ।
५. प्रबन्धपत्र तथा नियमावली संशोधन गर्ने सम्बन्धमा नियमनकारी निकायबाट फेरबदल गर्न निर्देशन भएमा आवश्यकता अनुसार सोमा थपघट, परिमार्जन, संशोधन तथा सच्याउनका लागि सञ्चालक समिति वा समितिले तोकेको व्यक्तिलाई अख्तियारी प्रदान गर्ने ।

ग. विविध

सञ्चालक समितिको आज्ञाले,
कम्पनी सचिव

वार्षिक साधारण सभा सम्बन्धी जानकारी

१. एघारौँ वार्षिक साधारण सभा प्रयोजनका लागी मिति २०७७/०३/०१ देखि २०७७/०३/१२ गतेसम्म बैंकको शेयरधनी दर्ता किताव बन्द रहनेछ। मिति २०७७/०२/३२ गतेसम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा कारोबार भई प्रचलित कानून बमोजिम बैंकको शेयर रजिष्ट्रार एनआईबिएल एस क्यापिटल लिमिटेडमा प्राप्त विवरणको आधारमा कायम शेयरधनीहरूलेमात्र वार्षिक साधारण सभामा भाग लिन, मतदान गर्न र बोनस शेयर पाउन योग्य हुनेछन्।
२. सभामा उपस्थित हुने शेयरधनीहरूले आफ्नो शेयर प्रमाणपत्र वा आफ्नो हितग्राही खाता नं. (BOID) तथा परिचय स्पष्ट हुने फोटो सहितको कुनै प्रमाण साथमा लिई सभामा भाग लिन आउनु हुन अनुरोध छ।
३. वार्षिक साधारण सभा सम्बन्धी सञ्चालक समितिको प्रतिवेदन समेतका कागजातहरू निरीक्षण गर्न तथा प्रतिलिपि आवश्यक भएमा कार्यालय समय भित्र बैंकको केन्द्रीय कार्यालय, बुटवलमा सम्पर्क राखी वा बैंकको वेबसाईटबाट प्राप्त गर्न सकिने व्यहोरा अनुरोध छ।
४. सभा हुने दिन सभामा उपस्थितिका लागि हाजिरी पुस्तिका विहान ९:०० बजेदेखि सभा सम्पन्न नहुँदासम्म खुल्ला रहने छ। विश्वव्यापी रुपमा फैलिएको कोरोना भाईरस (COVID- 19) को कारण सभामा उपस्थित हुँदा कम्तिमा १ मिटरको सामाजिक दुरी कायम हुनेगरी हाजिरी तथा सभा स्थलमा बस्ने व्यवस्था कायम गरिने हुँदा भाईरस संक्रमणबाट बच्न तथा बचाउनको लागि आवश्यक पर्ने मास्क, पञ्जा लगायतको न्यूनतम सुरक्षाको उपकरणहरू प्रयोग गर्न सम्पूर्ण शेयरधनीहरूलाई अनुरोध छ। सभा स्थलमा उपस्थित हुने सम्पूर्ण शेयरधनीहरूलाई स्यानिटाईजरको व्यवस्था गरी ज्वरो नापिनेछ र तोकिएको तापक्रम भित्र पर्ने शेयरधनीहरूलाई मात्र सभा स्थलमा प्रवेश गर्न दिइनेछ। आफ्नो स्वास्थ्य अवस्था वा अन्य कुनै कारण सभा स्थलमा उपस्थित भई मतदान गर्न असमर्थ शेयरधनीहरूले तोकिए बमोजिम प्रतिनिधि पत्र (प्रोक्सी) उपलब्ध गराई दिनुहुन अनुरोध छ।
५. कुनै शेयरधनीहरूले वार्षिक साधारण सभामा भिडियो कन्फरेन्स मार्फत आफ्नो मन्तव्य राख्न चाहेमा कम्पनी सचिवलाई सभा हुनुभन्दा २ दिन अघि नै आफ्नो नाम टिपाउनु पर्नेछ। भिडियो कन्फरेन्स मार्फत उपस्थित हुने शेयरधनीलाई Meeting ID/Password उपलब्ध गराई सभामा प्रशारण गर्ने व्यवस्था गरिनेछ।
६. वार्षिक साधारण सभामा सहभागी हुनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढाँचाका प्रतिनिधि पत्र (प्रोक्सी फारम) सभा शुरु हुनुभन्दा न्यूनतम ४८ घण्टा अगावै कार्यालय समय भित्र बैंकको केन्द्रीय कार्यालय, बुटवलमा दर्ता गराई सक्नु पर्नेछ।
७. शेयरधनीहरूले एकभन्दा बढी व्यक्तिलाई आफ्नो शेयर विभाजन गरी वा अन्य कुनै किसिमबाट छुट्ट्याई प्रोक्सी दिन पाउनु हुने छैन। यसरी दिइएको प्रोक्सी बदर हुनेछ। तर, पहिला दिएको प्रतिनिधि पत्र (प्रोक्सी फारम) बदर गरी पछि दिइएको प्रतिनिधि पत्रलाई मात्र मान्यता दिन अनुरोध गरी छुट्टै पत्रसाथ प्रतिनिधि पत्र (प्रोक्सी फारम) दर्ता गर्न ल्याएमा भने छुट्टै पत्रसाथ प्राप्त पछिल्लो प्रतिनिधि पत्र (प्रोक्सी फारम) लाई मान्यता दिइनेछ। प्रतिनिधि मुकरर गर्ने शेयरधनी सभामा स्वयं उपस्थित भएमा उक्त मुकरर गरिएको प्रोक्सी स्वतः बदर हुनेछ।
८. शेयरधनीले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफु जुन समूहको शेयरधनी हो, सोही समूहको अर्को शेयरधनीलाई मात्र प्रोक्सी दिन पाइनेछ।
९. इमेल, स्क्यान, फोटो वा अन्य विद्युतीय माध्यमबाट पठाएको प्रतिनिधिपत्र (प्रोक्सी) लाई पनि मान्यता दिइनेछ।
१०. कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले सम्बन्धित समूहको अर्को कुनै शेयरधनीलाई प्रतिनिधि (प्रोक्सी) मुकरर गर्न सकिनेछ। त्यसरी प्रोक्सी मुकरर नगरिएको अवस्थामा पनि मनोनित गरेको प्रतिनिधिले निज बैंकको शेयरधनी नभएपनि शेयरवालाको हैसियतले सभामा भाग लिन सक्नु हुनेछ।
११. नाबालक वा अशक्त/विक्षिप्त शेयरधनीहरूको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि (प्रोक्सी) तोकन सक्नु हुनेछ।
१२. एकभन्दा बढी व्यक्तिहरूको संयुक्त नाममा शेयर दर्ता रहेको अवस्थामा सर्वसम्मतबाट प्रतिनिधि चयन गरिएको एक जनाले मात्र वा लगत किताबमा पहिलो नाम उल्लेख भएको व्यक्तिले सभामा भाग लिन सक्ने छन्।
१३. शेयरधनी महानुभावहरूलाई सूचित गराउन सकियोस् भन्ने दृष्टिकोणले कुनै शेयरधनी महानुभावलाई बैंक सम्बन्धी केही जिज्ञासा भए छलफलका विषय सूची मध्ये विविध शीर्षक अन्तर्गत त्यस्तो जिज्ञासा लिखित रुपमा सभा हुनुभन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई बुझाउन हुन अनुरोध छ, तर त्यस्ता जिज्ञासालाई छलफल र पारित हुने प्रस्तावको रुपमा समावेश गरिने छैन।

पुनश्च : सभामा छलफल गरिने छलफलका विषयहरू, वार्षिक साधारण सभा सम्बन्धी सञ्चालक समितिको प्रतिवेदन, साधारण सभा सम्बन्धी जानकारी, प्रोक्सी फारम र प्रवेश-पत्र शेयरधनीहरूको बैंकमा अभिलेख भएको व्यक्तिगत ठेगाना वा इमेलमा प्रेषित गरिनेछ। कथंकदाचित् उक्त कागजातहरू प्राप्त नभएमा वा वार्षिक साधारण सभा सम्बन्धी कुनै जानकारी आवश्यक भएमा यस विकास बैंकको केन्द्रीय कार्यालय, बुटवलमा सम्पर्क राख्न वा बैंकको वेबसाईट www.srdb.com.np हेर्नु हुन अनुरोध छ।

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको
एघारौँ वार्षिक साधारण सभाका लागि
सञ्चालक समितिको वार्षिक प्रतिवेदन
आर्थिक वर्ष २०७५/०७६

यस शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको एघारौँ वार्षिक साधारण सभामा उपस्थित हुनु भएका सम्पूर्ण आदरणीय शेयरधनी महानुभावहरू, सञ्चालकहरू, बैंकका प्रमुख कार्यकारी अधिकृत तथा कर्मचारीहरू लगायत सभामा उपस्थित महानुभावहरूलाई सञ्चालक समितिको तर्फबाट एवं मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत तथा अभिवादन व्यक्त गर्दछु।

रुपन्देही जिल्लाको बुटवलमा केन्द्रीय कार्यालय रहेको शाइन डेभलपमेण्ट बैंक लिमिटेडमा गुल्मी जिल्लाको तम्घासमा केन्द्रीय कार्यालय रहेको रेसुङ्गा विकास बैंक लिमिटेड मिति २०६९/१२/०४ मा मर्जर भई शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड बनेको थियो। प्यूठान जिल्लामा केन्द्रीय कार्यालय रहेको गौमुखी विकास बैंक लिमिटेडलाई मिति २०७३/०२/२९ मा मर्जर गरेको यस बैंकले २०७६/०६/२७ गते रुपन्देहीको सिद्धार्थनगरमा केन्द्रीय कार्यालय रहेको पूर्णमा विकास बैंक लिमिटेड र बाँके जिल्लाको नेपालगञ्जमा केन्द्रीय कार्यालय रहेको भार्गव विकास बैंक लिमिटेडलाई प्राप्त गरी मिति २०७६/०८/१० गतेबाट राष्ट्रियस्तरको विकास बैंक बन्न सफल भएको छ। ३ (तीन) जिल्ला कार्यक्षेत्र, ६ करोड चुक्ता पूँजी, प्रमुख कार्यकारी अधिकृत सहित ८ जना कर्मचारीबाट शुरु भएको एक दशक भन्दा लामो बैंकिङ यात्रा अत्यन्त सुखद र सफल रहि हरेक दृष्टिकोणबाट सफल र सुदृढ वित्तीय संस्थाको रूपमा पहिचान बनाउन सफल भएकोमा यहाँहरू लगायत सम्पूर्ण सरोकारवाला पक्षहरू प्रति सञ्चालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट हार्दिक आभार र कृतज्ञता प्रकट गर्दछु।

यस अवसरमा यहाँहरू समक्ष यस विकास बैंकको एघारौँ वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा हामीलाई अत्यन्त खुसी लागेको छ। नेपाल राष्ट्र बैंक, विकास बैंक सुपरिवेक्षण विभागबाट २०७६/१२/०७ गते लाभांश घोषणा/वितरण तथा वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमती प्राप्त भएकोमा कोभिड १९ को कारण साधारण सभा ढिला हुन गएको अनुरोध गर्दछु। शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड, साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडको लेखापरीक्षकको प्रतिवेदन सहित २०७६ साल आषाढ मसान्तको वित्तीय अवस्थाको विवरण, सोही मितिमा समाप्त आ.व. २०७५/०७६ को नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसंग सम्बन्धित अनुसूचीहरू सहितको वित्तीय विवरणहरू छलफल गरी परित गर्नको लागि यस गरीमामय सभामा पेश गर्दछु।

बैंकको सफल सञ्चालनमा प्रभावकारीता ल्याउन यहाँहरूबाट प्राप्त सुझाव, सहयोग र मार्ग निर्देशनहरू प्रति आभार प्रकट गर्दै भविष्यमा समेत प्राप्त हुनेछ भन्नेमा हामीहरू विश्वस्त छौं।

(क) विगत वर्षको कारोबारको सिंहावलोकन :

प्रस्तुत आर्थिक वर्षमा यस विकास बैंकले हासिल गरेका मुख्य उपलब्धिहरू देहाय बमोजिम रहेका छन्।

प्रमुख वित्तीय परिसूचकहरू

(रु. हजारमा)

विवरण	आर्थिक वर्ष २०७४/०७५	आर्थिक वर्ष २०७५/०७६	फरक वृद्धि/(कमी)	परिवर्तन (%)
शेयर पुँजी	१,६२२,६६५	१,६२२,६६५	-	
जगेडा तथा कोषहरू	३३१,४५५	७६१,९९६	४३०,५४१	१२९.८९ %
कूल सम्पत्ति	१६,६५८,७३१	२१,४६७,०५२	४,८०८,३२१	२८.८६ %
कूल निक्षेप	१४,५३९,९१७	१८,९१०,०१०	४,३७०,०९३	३०.०६ %
कूल कर्जा तथा सापट	१२,३८७,४२२	१६,२२७,७२१	३,८४०,२९९	३१.०० %
सञ्चालन मूनाफा	५०६,७०६	५९१,९४२	८५,२३६	१६.८२ %
आयकर व्यवस्था	१४२,४८९	१७३,४८२	३०,९९३	२१.७५ %
खुद मूनाफा	३२२,९७८	४१८,४६०	९५,४८२	२९.५६ %

२०७६ आषाढ मसान्तमा यस बैंकको चुक्ता पूंजी रु. १ अर्ब ६२ करोड २६ लाख ६५ हजार रहेकोमा मिति २०७६/०६/२७ गते साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त गरे पछिको चुक्ता पूंजी रु. २ अर्ब ६२ करोड २९ लाख ४ हजार रहेको छ। आ.व. २०७५/०७६ सम्मको कुल सञ्चित मुनाफाबाट १५ प्रतिशतले हुने रकम रु. ३९ करोड ३४ लाख ३५ हजार बोनश शेयर वितरणका लागि यस गरीमामय सभामा प्रस्ताव गरिएको छ। उक्त बोनश शेयर वितरण पश्चात बैंकको चुक्ता पूंजी रु. ३ अर्ब १ करोड ६३ लाख ३९ हजार पुगेको छ।

बैंकको कुल सम्पत्तिमा गत वर्ष ३८.५९ प्रतिशतले बृद्धि भएकोमा यस वर्ष २८.८६ प्रतिशतले बृद्धि भई रु. २१ अर्ब ४६ करोड ७० लाख ५२ हजार, कुल निक्षेपमा गत वर्ष ४१.५९ प्रतिशतले बृद्धि भएकोमा यस वर्ष ३०.०६ प्रतिशतले बृद्धि भई रु. १८ अर्ब ९१ करोड १० हजार, कुल कर्जा तथा सापटमा गत वर्ष ४०.९६ प्रतिशतले बृद्धि भएकोमा यस वर्ष ३१.०० प्रतिशतले बृद्धि भई रु. १६ अर्ब २२ करोड ७७ लाख २१ हजार पुगेको छ। खुद मुनाफामा गत वर्ष ७.८४ प्रतिशतले कमी आएकोमा यस वर्ष २९.५६ प्रतिशतले बृद्धि भई रु. ४१ करोड ८४ लाख ६० हजार पुगेको छ।

(ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारमा परेको असर

विश्व अर्थतन्त्र सुधारोन्मुख रहेको अवस्थामा कोरोना भाइरस (कोभिड-१९) को कारण विश्व अर्थतन्त्र नै प्रभावित बन्न पुगेको छ। जसको प्रत्यक्ष तथा अप्रत्यक्ष रूपमा हाम्रो अर्थतन्त्रमा पार्ने असरले बैंक अछुतो रहने कुरा सम्भव नहुने हुँदा सोको संवेदनशिलतालाई विश्लेषण गर्दै जोखिम न्यूनीकरणको लागि बैंक व्यवस्थापन प्रतिबद्ध रहेको छ।

(ग) चालु आर्थिक वर्षको उपलब्धि र भविष्यका सम्बन्धमा सञ्चालक समितिको धारणा

- चालु आर्थिक वर्ष २०७६/०७७ को तेश्रो त्रयमास (२०७६ चैत्रमसान्त) सम्मको अपरिष्कृत वित्तीय विवरण अनुसार बैंकको कर्जा लगानी रु. २५ अर्ब ४ करोड ५२ लाख रहेको छ भने निक्षेप परिचालन रु. २८ अर्ब १५ करोड ४ लाख रहेको छ। उक्त अवधिसम्म खुद मुनाफा रु. ४३ करोड ६७ लाख रहेको छ भने वितरणयोग्य मुनाफा रु. ७ करोड ८ लाख रहेको छ।
- चालु आर्थिक वर्ष भित्र सम्पन्न हुनेगरी बैंकको केन्द्रीय कार्यालयको भवन निर्माण कार्य अगाडी बढेकोमा लकडाउनको कारण केही ढिलाई हुन गएतापनि यथासम्भव निर्माण कार्य सम्पन्न गरी केन्द्रीय कार्यालय आफ्नै भवनमा स्थानान्तरण गरिनेछ।
- अवको बैंकिङ्ग डिजिटल बैंकिङ्ग, सहज बैंकिङ्ग सुरक्षित बैंकिङ्गको मान्यता अन्तर्गत रहि बैंकलाई डिजिटल मैत्री बनाइने छ।
- आवश्यकताको आधारमा नयां शाखा कार्यालय खोल्नेछ र हाल सञ्चालनमा रहेका शाखा कार्यालयहरुको उच्चतम प्रयोग गरी सञ्चालन लागत र उत्पादकत्वको अनुपातलाई विशेष ध्यान दिइने छ।

(घ) कम्पनीको औद्योगिक एवं व्यावसायीक सम्बन्ध

यस संस्थाले आफ्नो कारोबारसंग सम्बन्धित ग्राहकहरू, व्यवसायीक एवं औद्योगिक प्रतिष्ठान, संघ संस्थाहरू तथा विभिन्न नियामक निकायहरूसंग सौहार्दपूर्ण र व्यावसायीक सम्बन्ध कायम राख्दै आएको छ। संस्थाले व्यावसायीक कारोबारको सिलसिलामा ग्राहकहरूलाई सुविधा पुगोस भन्ने उद्देश्यले विभिन्न बैंक तथा वित्तीय संस्थाहरूसंग सहकार्य गरी एक अर्काको ग्राहकलाई सेवा सुविधा पुर्‍याउने व्यवस्था मिलाइएको छ। बैंक तथा वित्तीय संस्थाहरू बीचको सम्बन्ध तथा व्यावसायीक प्रतिस्पर्धामा स्वच्छता अभिवृद्धि गर्न बैंक सदैव पर्यत्नशील रहेको छ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण

यस बैंकको सञ्चालक समितिमा संस्थापक शेयरधनी (समूह “क”) को तर्फबाट ४ जना र सर्वसाधारण शेयरधनी (समूह “ख”) को तर्फबाट २ जना र स्वतन्त्र सञ्चालक १ जना गरी ७ जनाको सञ्चालक समिति रहेकोमा स्वतन्त्र सञ्चालकको पद रिक्त रहेको छ।

मिति २०७६ आश्विन २७ गते साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त गरेपश्चात साविक पूर्णमा विकास बैंक लिमिटेडको तर्फबाट संस्थापक शेयरधनीको समूहबाट प्रतिनिधित्व गर्दै ई. सुरज

उप्रेती र साविक भार्गव विकास बैंक लिमिटेडको तर्फबाट सर्वसाधारण शेयरधनीको समूहबाट प्रतिनिधित्व गर्दै श्री सुदर्शन गौतम (प्रतिनिधि: श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेन्ट प्रा.लि.) लाई सञ्चालक पदमा मनोनयन गरिएको छ ।

संस्थापक शेयरधनीहरूको समूहबाट प्रतिनिधित्व गर्ने सञ्चालक श्री कृष्णप्रसाद भण्डारीले स्वास्थ्य तथा व्यक्तिगत समस्याको कारण सञ्चालक पदबाट राजिनामा दिएकोले रिक्त रहेको उक्त पदमा सञ्चालक समितिको मिति २०७६/०२/०१ गतेदेखि लागू हुनेगरी संस्थापक शेयरधनीको समूहबाट प्रतिनिधित्व गर्नेगरी संस्थापक श्री थानेश्वर पौडेललाई सञ्चालक पदमा मनोनयन गरिएको छ ।

संस्थापक शेयरधनीहरूको समूहबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने सञ्चालक श्री थानेश्वर पौडेल र ई. सुरज उप्रेती, सर्वसाधारण शेयरधनीहरूको समूहबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने सञ्चालक श्री सुदर्शन गौतम (प्रतिनिधि : श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेन्ट प्रा.लि.) को नियुक्तिको अनुमोदनका लागि यस गरीमामय सभामा पेश गरिएको छ ।

मर्जर/एक्विजिशन प्रकृयालाई सहजता प्रदान गर्दै सञ्चालक पद त्याग गर्नुहुने सञ्चालकद्वय श्री भुवन भण्डारी, श्री गोपालप्रसाद पाण्डे तथा व्यक्तिगत समस्याको कारण राजिनामा दिनु भएका सञ्चालक श्री कृष्णप्रसाद भण्डारीले सञ्चालक पदमा रही कार्य गर्दा संस्थाको प्रगति र उन्नतिको लागि पुऱ्याउनु भएको योगदानको लागि हार्दिक धन्यवाद ज्ञापन गर्दछौं ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरू

कोभिड १९ ले अर्थतन्त्रमा पार्ने असरबाट बैंकिङ्ग क्षेत्रमा प्रत्यक्ष प्रभाव पर्न जाने देखिन्छ । उक्त चुनौतीसंगै श्रृजना हुने अवसरलाई बैंकको हितमा उच्चतम प्रयोग गरिनेछ ।

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

संस्थाको नियमित कारोवारको सिलसिलामा देखिएका सामान्य टिप्पणी बाहेक अन्य कुनै कैफियत उल्लेख नभएको ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम

यस विकास बैंकले साविक पूर्णमा विकास बैंक लिमिटेड र भार्गव विकास बैंक लिमिटेडलाई मिति २०७६/०६/२७ मा प्राप्त गरेको र आर्थिक वर्ष २०७५/०७६ को लेखापरीक्षण भएको वित्तीय विवरण अनुसार शाइन रेसुझा डेभलपमेन्ट बैंक लिमिटेड, साविक पूर्णमा विकास बैंक लिमिटेड र भार्गव विकास बैंक लिमिटेडको वितरणयोग्य मुनाफा (Distributed Profit) देहाय बमोजिम रहेको छ ।

विवरण	रकम (रु.)
वितरणयोग्य मुनाफा : शाइन रेसुझा डेभलपमेन्ट बैंक लिमिटेड	३१९,३३०,४०८
पूर्णमा विकास बैंक लिमिटेड	५२,९४८,७८०
भार्गव विकास बैंक लिमिटेड	४९,१३४,४४४
कुल वितरण योग्य मुनाफा	४२१,४१३,६३२
कुल चुक्ता पूँजी	२,६२२,९०४,१२३.९०
प्रस्तावित बोनस शेयर (१५ प्रतिशत)	३९३,४३५,६१८.५९

आर्थिक वर्ष २०७५/०७६ को वितरणयोग्य मुनाफा रु. ४२ करोड १४ लाख १३ हजार ६ सय ३२ बाट वित्तीय विवरण स्वीकृत गर्ने मितिमा कायम रहेको चुक्ता पूँजी रु. २ अर्ब ६२ करोड २९ लाख ४ हजार १ सय २३ र पैसा ९० को १५ प्रतिशतले हुन आउने रकम रु. ३९ करोड ३४ लाख ३५ हजार ६ सय १८ र पैसा ५९ बराबरको बोनस शेयर वितरण गर्न प्रस्ताव गरिएको छ ।

साथै, आयकर ऐन, २०५८ को दफा ४७ क (५) मा भएको व्यवस्था अनुरूप वित्तीय संस्थाहरु गाभिएको अवस्थामा कायम शेयरधनीलाई गाभिएको मितिले २ (दुई) वर्ष भित्र वितरण गरेको लाभांशमा कर आकर्षित नहुने व्यवस्था रहेकोले लाभांश करको व्यवस्था गरिएको छैन । गाभिए पश्चातको मितिबाट बैंकको साधारण सभा प्रयोजनका लागि शेयरधनी दर्ता किताव बन्द हुने मितिसम्म कायम हुने नयाँ शेयरधनीहरुको हकमा लाभांश कर सम्बन्धित शेयरधनीहरुबाट असुलउपर गरेर मात्र बोनस शेयर वितरण गरिनेछ ।

(भ) कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ सँग सम्बन्धित सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने आ.व. २०७५/०७६ को अन्य विवरण : यसै प्रतिवेदनको अनुसूची-१ मा प्रस्तुत गरिएको छ ।

(ज) अन्य आवश्यक कुराहरु :

१. पूँजीकोषको पर्याप्तता :

२०७६ आषाढ मसान्त सम्मको वित्तीय विवरण अनुसार चुक्तापूँजी, साधारण जगेडा कोष, प्रस्तावित बोनस शेयर, सञ्चित मुनाफा र अन्य स्वतन्त्र कोषहरु गरी प्राथमिक पूँजी रु. २ अर्ब ३३ करोड ४४ लाख ४३ हजार रहेको छ । उक्त रकममा स्थगनकर जगेडा कोष र स्वः प्रयोजनका लागि घरजग्गा खरीदमा गरिएको लगानी न्यून गर्दा प्राथमिक पूँजी रु. २ अर्ब ३१ करोड १७ लाख ६६ हजार हुन्छ । प्राथमिक पूँजीमा पूरक पूँजी रु. १८ करोड ५२ लाख २६ हजार समावेश गर्दा कुल पूँजीकोष रु. २ अर्ब ४९ करोड ६९ लाख ९२ हजार भएको छ । नेपाल राष्ट्र बैंकद्वारा बैंक वित्तीय संस्थालाई जारी एकीकृत निर्देशनमा भएको व्यवस्था अनुसार “ख” वर्गको वित्तीय संस्थाले जोखिम भारित सम्पत्तिको आधारमा कायम गर्नुपर्ने प्राथमिक पूँजी र पूरक पूँजी सहितको पूँजीकोष कम्तिमा क्रमश ५.५ र ११ प्रतिशत हुनु पर्नेमा यस विकास बैंकको प्राथमिक पूँजी र पूँजीकोष क्रमश १२.०९ र १३.०६ प्रतिशत रहेको छ ।

२. लेखापरीक्षकको नियुक्ती :

लेखापरीक्षक एन.वि.एस.एम.एण्ड एशोसियट्सले यस बैंकको लगातार ३ (तीन) आर्थिक वर्ष २०७३/०७४, २०७४/०७५ र २०७५/०७६ मा लेखापरीक्षण कार्य गरेको हुँदा कम्पनी ऐन, २०६३ को दफा १११ बमोजिम यस गरीमामय सभामा आ.व. २०७७/०७८ को लागि लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने प्रस्ताव पेश गरिएको छ ।

साविक पूर्णिमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई मिति २०७६/०६/२७ गते प्राप्त गरेको हुँदा उक्त विकास बैंकहरुको २०७६ श्रावण १ गतेदेखि २०७६ आश्विन २६ गतेसम्मको लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने प्रस्ताव गरिएको छ ।

लेखापरीक्षक एन.वि.एस.एम.एण्ड एशोसियट्सले आ.व. २०७५/०७६ को लेखापरीक्षण कार्य समयमा नै सम्पन्न गरेकोमा धन्यवाद ज्ञापन गर्दछौं ।

३. संस्थापक शेयर सर्वसाधारण शेयरमा परिणत गर्ने सम्बन्धमा

प्राप्ति पूर्व साविक पूर्णिमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडको शेयर स्वामित्व अनुपात संस्थापक शेयर ५१ प्रतिशत र सर्वसाधारण शेयर ४९ प्रतिशत रहेको थियो भने शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेडको शेयर स्वामित्व अनुपात संस्थापक शेयर ६३.२२ र सर्वसाधारण शेयर ३६.७८ रहेको थियो । उक्त विकास बैंकहरुसँग प्राप्ति (एक्विजिशन) सम्बन्धमा भएको सम्झौता (Acquisition Agreement) मा शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेडको संस्थापक शेयर समूहको शेयर स्वामित्व ५१ प्रतिशत कायम गरी १२.२२ प्रतिशत सर्वसाधारण समूहमा परिणत गर्दा प्राप्ति पूर्वको शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेडका संस्थापक शेयरबाट मात्र सर्वसाधारण शेयरमा परिणत हुने सम्झौता गरिएको थियो ।

नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभागबाट मिति २०७६/०३/१७ मा संस्थापक शेयर र सर्वसाधारण शेयर अनुपात ५७.२२ : ४२.७८ कायम गर्न स्वीकृति प्राप्त भएकाले सोही बमोजिमको शेयर अनुपात कायम गर्ने प्रस्ताव यस गरीमामय सभामा पेश गरिएको छ । साथै, नेपाल राष्ट्र बैंकबाट पुनः ५७.२२ प्रतिशत संस्थापक शेयर स्वामित्वलाई ५१ प्रतिशत कायम गर्न स्वीकृति माग गरी आगामी साधारण सभामा सो सम्बन्धी प्रस्ताव पेश गरिनेछ ।

४. **मानव संसाधन :**

२०७६ आषाढ मसान्तमा प्रमुख कार्यकारी अधिकृत सहित कुल ३२३ जना कर्मचारीहरु बैंकमा कार्यरत रहेका छन् । प्रभावकारी आन्तरिक नियन्त्रण प्रणाली अन्तर्गत रही प्रतिस्पर्धी बजारमा प्रतिस्पर्धा गर्न सक्ने क्षमतामा बृद्धि गर्नका लागि चालु आ.व. मा रु. २५ लाख ८९ हजार ३ सय ४८ रुपैया खर्च गरिएको छ । साथै, कर्मचारी दक्षता अभिवृद्धि कोषमा रु ३६ लाख ३ हजार ९ सय १० रुपैया व्यवस्था गरिएको छ । कर्मचारीहरुले कामलाई बोझ र दायित्वको रुपमा नलिई संस्थाप्रति अपनत्व जागृत गराउने उद्देश्यले उत्कृष्ट कर्मचारीलाई पुरष्कृत गर्ने, तुलनात्मक रुपमा कमजोर कर्मचारीलाई सक्षम बनाउन आवश्यकता अनुसारको तालिम दिने कार्यलाई नियमित प्रकृयाको रुपमा लिएका छौं ।

५. **संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility) :**

बैंकलाई हामीले समाजको अभिन्न अंगको रुपमा लिएका छौं । समाज प्रतिको हाम्रो दायित्व पूर्ण रुपमा पालना गर्दै आएको तथ्य यहाँहरुलाई वीदितै छ । समीक्षा अवधीमा विभिन्न सामाजिक कार्यहरुमा रु. ३६ लाख ३२ हजार ४ सय ६८ रुपैया खर्च गरिएको छ । साथै, सामाजिक उत्तरदायित्व कोषमा रु. ४१ लाख ८४ हजार ६ सय ३ रुपैया व्यवस्था गरिएको छ जुन रकम आगामी वर्षको वास्तविक खर्चसँग समायोजन गरिनेछ । चालु आर्थिक वर्षमा प्रदेश नं. ५, कोरोना भाइरस नियन्त्रण तथा उपचार कोषमा रु. २५ लाख ५० हजार जम्मा गरिएको छ ।

६. **आन्तरिक नियन्त्रण प्रणाली तथा संस्थागत सुशासन**

बैंकको आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाई कार्य गर्दै आएका छौं । प्रभावकारी आन्तरिक नियन्त्रण प्रणाली तथा संस्थागत सुशासनका लागि देहाय बमोजिम समिति तथा उप-समितिहरु गठन भई कार्य गर्दै आएको छ । विस्तृत विवरण **संस्थागत सुशासन अनुपालना प्रतिवेदनमा** उल्लेख गरिएको छ ।

७. **सम्बन्धित पक्ष विवरण (Related Parties Disclosure) :**

संस्थाले आफ्नो सञ्चालक समितिको वित्तीय स्वार्थ भएको कुनैपनि पक्षसंग वित्तीय कारोवार गरेको छैन । सञ्चालक तथा कार्यकारी प्रमुखको विवरण र निजहरुलाई उपलब्ध गराइएको सुबिधा यसै प्रतिवेदनको अनुसूची-१ को बुँदा नं. १२ मा उल्लेख गरिएको छ ।

८. **धितोपत्र दर्ता तथा निष्काशन नियमावली, २०६५ को नियम २२ को उप-नियम १ सँग सम्बन्धित थप विवरणहरु :**
उपरोक्त अनुसारको विवरण यसै प्रतिवेदनको अनुसूची-२ मा उल्लेख गरिएको छ ।

९. **धन्यवाद ज्ञापन**

यस बैंकको सञ्चालनमा अमूल्य सहयोग तथा सुभाब दिनु हुने सम्पूर्ण शेयरधनी महानुभावहरु, सञ्चालक मित्रहरु, ग्राहकवर्ग, शुभेच्छुकहरु, नेपाल राष्ट्र बैंक, नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल स्टक एक्सचेञ्ज लिमिटेड, शेयर रजिष्ट्रार कम्पनी, नेपाल क्लियरिङ हाउस लिमिटेड, सिडिएस एण्ड क्लियरिङ लिमिटेड, कानूनी सल्लाहकार, आन्तरीक तथा बाह्य लेखापरीक्षक, सञ्चार जगत लगायत विकास बैंकसँग सम्बन्धित सम्पूर्ण स्टेकहोल्डर्स प्रति हार्दिक आभार तथा कृतज्ञता व्यक्त गर्दछु ।

अन्त्यमा, प्रमुख कार्यकारी अधिकृत लगायत सम्पूर्ण कर्मचारी परिवारप्रति आभार प्रकट गर्दछु ।

धन्यवाद ।

राजेन्द्र प्रसाद श्रेष्ठ

अध्यक्ष

सञ्चालक समिति

अनुसूची - १

सञ्चालक समितिको प्रतिवेदनसंग सम्बन्धित थप विषयहरू :
कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ संग सम्बन्धित थप विवरण

१. बैंकको औद्योगिक तथा व्यावसायीक सम्बन्ध

यस बैंकको कारोवारको सम्बन्धमा नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सिडिएस एण्ड क्लियरिङ लिमिटेड, नेपाल क्लियरिङ हाउस लिमिटेड, अन्य नियमनकारी निकायहरू, विभिन्न बैंक/वित्तीय संस्थाहरू तथा यस बैंकसँग प्रत्यक्ष वा अप्रत्यक्ष रूपमा सम्बन्धित अन्य संघ संस्थाहरूसँग व्यावसायीक हितका आधारमा सुमधुर सम्बन्ध रहेको छ।

२. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

यस विकास बैंकले साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त गरी मिति २०७६/०६/२७ गतेबाट एकीकृत कारोवार गरेको र हालको सञ्चालक समिति देहाय बमोजिम रहेको छ।

क्र.सं.	नाम	पद	समूह
१.	श्री राजेन्द्रप्रसाद श्रेष्ठ	अध्यक्ष	संस्थापक
२.	श्री थानेश्वर पौडेल	सदस्य	संस्थापक
३.	डा. ताराप्रसाद उपाध्याय	सदस्य	संस्थापक
४.	ई. सुरज उप्रेती	सदस्य	संस्थापक
५.	श्री मोहन चापागाई	सदस्य	सर्वसाधारण
६.	श्री सुदर्शन गौतम (प्रतिनिधी : श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.)	सदस्य	सर्वसाधारण

संस्थापक शेयरधनीहरूको समूहबाट प्रतिनिधित्व गर्ने सञ्चालकको रिक्त पदमा मिति २०७६/०१/३१ गते बसेको सञ्चालक समितिको बैठक नं. १९४ को निर्णय नं. ४ बाट मिति २०७६/०२/०१ गतेदेखि लागू हुनेगरी श्री थानेश्वर पौडेललाई सञ्चालकमा मनोनयन गरिएको।

साविक पूर्णमा विकास बैंक लिमिटेडको तर्फबाट प्रतिनिधित्व गर्नेगरी संस्थापक शेयरधनीको समूहबाट ई. सुरज उप्रेती र साविक भार्गव विकास बैंक लिमिटेडको तर्फबाट प्रतिनिधित्व गर्नेगरी सर्वसाधारण शेयरधनीको समूहबाट श्री सुदर्शन गौतम (प्रतिनिधी : श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.) एकीकृत कारोवार भएको मिति २०७६/०६/२७ गतेबाट सञ्चालक पदमा रहनु भएको।

३. कारोवारलाई असर पार्ने मुख्य कुराहरू

कोभिड १९ ले अर्थतन्त्रमा पार्ने असरबाट बैंकिङ क्षेत्रमा प्रत्यक्ष प्रभाव पर्न जाने देखिन्छ। उक्त चुनौतीसंगै श्रृजना हुने अवसरलाई बैंकको हितमा उच्चतम प्रयोग गरिनेछ।

४. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया

संस्थाको नियमित कारोवारको सिलसिलामा देखिएका सामान्य टिप्पणी बाहेक अन्य कुनै कैफियत उल्लेख नभएको।

५. लाभशं बाँडफाँड गर्न सिफारिस गरिएको रकम

यस विकास बैंकले साविक पूर्णमा विकास बैंक लिमिटेड र भार्गव विकास बैंक लिमिटेड प्राप्त (एक्विजिशन) गरी मिति २०७६/०६/२७ गतेदेखि संयुक्त कारोवार सञ्चालन गरेको र आर्थिक वर्ष २०७५/०७६ को लेखापरीक्षण भएको वित्तीय विवरण अनुसार साविकको पूर्णमा विकास बैंक लिमिटेड, भार्गव विकास बैंक लिमिटेड र शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेडको वितरणयोग्य मुनाफा (Distributed Profit) देहाय बमोजिम रहेको छ।

विवरण	रकम (रु.)
वितरणयोग्य मुनाफा : शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेड	३१९,३३०,४०८
पूर्णमा विकास बैंक लिमिटेड	५२,९४८,७८०
भार्गव विकास बैंक लिमिटेड	४९,१३४,४४४
कुल वितरण योग्य मुनाफा	४२१,४१३,६३२
कुल चुक्ता पूंजी	२,६२२,९०४,१२३.९०
प्रस्तावित बोनस शेयर (१५ प्रतिशत)	३९३,४३५,६१८.५९

आ.व. २०७५/०७६ को वितरणयोग्य मुनाफा रु. ४२ करोड १४ लाख १३ हजार ६ सय ३२ बाट वित्तीय विवरण स्वीकृत गर्ने मिति सम्ममा कायम चुक्ता पूंजी रु. २ अर्ब ६२ करोड २९ लाख ४ हजार १ सय २३ र पैसा ९० को १५ प्रतिशतले हुन आउने रकम रु. ३९ करोड ३४ लाख ३५ हजार ६ सय १८ र पैसा ५९ बराबरको बोनस शेयर वितरण गर्न प्रस्ताव गरिएको छ ।

साथै, आयकर ऐन, २०५८ को दफा ४७ क (५) मा भएको व्यवस्था अनुरूप वित्तीय संस्थाहरु गाभिएको अवस्थामा कायम शेयरधनीलाई गाभिएको मितिले २ (दुई) वर्ष भित्र वितरण गरेको लाभांशमा कर आकर्षित नहुने व्यवस्था रहेकोले लाभांश करको व्यवस्था गरिएको छैन । गाभिए पश्चातको मितिबाट बैंकको साधारण सभा प्रयोजनका लागि शेयरधनी दर्ता किताव बन्द हुने मितिसम्म कायम हुने नयाँ शेयरधनीहरुको हकमा लाभांश कर सम्बन्धित शेयरधनीहरुबाट असुलउपर गरेर मात्र बोनस शेयर वितरण गरिनेछ ।

६. जफत गरिएको शेयरहरुको विवरण :

आर्थिक वर्ष २०७५/०७६ मा कुनैपनि शेयर जफत गरेको छैन ।

७. सहायक कम्पनीहरूसंगको कारोवार :

यस विकास बैंकको कुनै सहायक कम्पनीहरु रहेका छैनन् ।

८. आधारभूत शेयरधनीहरुबाट बैंकलाई उपलब्ध गराइएको जानकारी :

यस्तो कुनै प्रकारको जानकारी विकास बैंकलाई उपलब्ध गराइएको छैन ।

९. आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोवारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी :

कम्पनीका सञ्चालक तथा पदाधिकारीले लिएको शेयर स्वामित्वको विवरण देहाय बमेजिम रहेको छ । शेयर कारोवारमा निजहरु संलग्न भएको विवरण कम्पनीलाई प्राप्त भएको छैन ।

क्र. सं.	सञ्चालकको नाम	पद	ग्रहण गरेको शेयर संख्या	कूल शेयर रकम
१.	श्री राजेन्द्रप्रसाद श्रेष्ठ	अध्यक्ष	२,४४,८४८ कित्ता	२,४४,८४,८००
२.	श्री थानेश्वर पौडेल	सदस्य	५,८३,७३७ कित्ता	५,८३,७३,७००
३.	डा. ताराप्रसाद उपाध्याय	सदस्य	५४,९७३ कित्ता	५४,९७,३००
४.	ई. सुरज उप्रेती	सदस्य	१३६,१३२ कित्ता	१,३६,१३२,००
५.	श्री मोहन चापागाई	सदस्य	१४,८९६ कित्ता	१४,८९,६००
६.	श्री सुर्देशन गौतम (प्रतिनिधि: श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.)	सदस्य	५३,५५९ कित्ता	५३,५५,९००

१०. आर्थिक वर्षमा कम्पनी सँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारी व्यहोरा : यस प्रकारको जानकारी बैंकलाई प्राप्त भएको छैन ।
११. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयर संख्या र अंकित मूल्य तथा त्यसरी शेयर खरीद गरेवापत बैंकले भुक्तानी गरेको रकम : हालसम्म कम्पनीले आफ्नो शेयर आफैले खरिद गरेको छैन ।
१२. **कुल व्यवस्थापन खर्चको विवरण :**
 आर्थिक वर्ष २०७५/०७६ मा भएको कूल व्यवस्थापन खर्च देहाय बमोजिम रहेको छ ।
- | | |
|---------------------|---|
| कूल कर्मचारी खर्च | - रु. १६,३८,४०,९७९/- (कर्मचारी बोनस व्यवस्था बाहेक) |
| कूल सञ्चालन खर्च | - रु. १५,५८,१५,२४५/- |
| कुल व्यवस्थापन खर्च | - रु. ३१,९६,५६,२२४/- |
- (खर्च सम्बन्धी विस्तृत विवरण लेखापरीक्षण प्रतिवेदनको अनुसूचीमा उल्लेख भएको)
१३. **लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेका काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :**
- (क) गैरकार्यकारी सञ्चालकको संयोजकत्वमा ३ सदस्यीय देहाय बमोजिम लेखापरीक्षण समिति गठन गरेकोछ ।
१. डा. ताराप्रसाद उपाध्याय - संयोजक
 २. श्री गोपालप्रसाद पाण्डे - सदस्य
 ३. श्री यशोधन पाण्डेय (सिए) - सदस्य सचिव
- (ख) लेखापरीक्षण समितिका संयोजक र सदस्यलाई प्रति बैठक भत्ता रु. ४,०००/- का दरले प्रदान गरिएको छ भने कुल बैठक भत्ता रु. ६४,०००/- (अक्षरेपी चौसठ्ठी हजार मात्र) प्रदान गरिएको छ । लेखापरीक्षण समितिमा कर्मचारीको तर्फबाट प्रतिनिधित्व गर्नुहुने सदस्य सचिवलाई बैठक भत्ता प्रदान गरिएको छैन ।
- (ग) यस समितिले बैंकको वित्तीय स्थिति, आन्तरिक नियन्त्रण प्रणाली र विभिन्न नीति नियमहरूको पालना सम्बन्धमा अनुगमन गर्ने तथा आन्तरिक लेखापरीक्षक र वाह्य लेखापरीक्षकले पेश गरेका प्रतिवेदन उपर छलफल गरी सुधारका लागि आफ्नो राय सल्लाह सञ्चालक समितिको बैठकमा पेश गर्ने गरेको छ ।
१४. **सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, वित्तीय संस्थाका आधारभूत शेयरधनी वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सोको विवरण : सो नभएको ।**
१५. **सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :**
 सञ्चालक समितिको बैठकमा उपस्थित भएवापत अध्यक्षलाई प्रति बैठक भत्ता रु. ५ हजार र अन्य सदस्यलाई प्रति बैठक भत्ता रु. ४ हजार उपलब्ध गराउने गरिएको छ । आ.व. २०७५/०७६ मा सञ्चालक समिति बैठक भत्ता रु. ४ लाख ६७ हजार लेखापरीक्षण समितिको बैठक भत्ता रु. ६४ हजार, जोखिम व्यवस्थापन समितिको बैठक भत्ता रु. ४८ हजार

कर्मचारी सेवा सुविधा समितिको बैठक भत्ता रु. २० हजार, सम्पत्ती शुद्धीकरण निवारण समितिको बैठक भत्ता रु. ४० हजार गरी कूल बैठक भत्ता रु. ६ लाख ३९ हजार साथै, यातायात तथा अन्य खर्च वापत रु. ६ लाख ५ हजार ९ सय ५७ रुपैया गरी जम्मा रु. १२ लाख ४४ हजार ९ सय ५७ रुपैया खर्च गरिएको छ ।

विकास बैंकको प्रमुख कार्यकारी अधिकृतलाई आ.व. २०७५/०७६ मा तलब, भत्ता, दशैं, बोनस, सञ्चयकोष तथा सञ्चित विदाको तलब गरी जम्मा रु. ९५ लाख ८४ हजार ९ सय ३१ रुपैया भुक्तानी गरिएको छ ।

१६. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांश रकम :

बैंकको विभिन्न मितिमा गरी २०७६ आषाढ मसान्तसम्म भुक्तानी दिन बाँकी लाभांश रकम रु. ७,६५,००३.२८ कायम रहेको छ ।

१७. कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :

बैंकले आ.व. २०७५/०७६ मा तात्त्विक असर पार्ने सम्पत्ती खरिद बिक्री गरेको छैन । कारोवारका लागि आवश्यक सम्पत्ती खरिद बिक्री गरेको विवरण अनुसूची ४.१३ र ४.१४ मा उल्लेख गरिएको छ ।

१८. कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोवारको विवरण : नभएको ।

१९. कम्पनी ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुराहरु : नभएको ।

२०. अन्य आवश्यक कुराहरु : नभएको ।

संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन

सूचीकृत संगठित संस्थाको नाम	शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड
ठेगाना, ईमेल र वेबसाईट सहित	बुटवल उप-महानगरपालिका वडा नं. ६, मैत्रीपथ, बुटवल, रुपन्देही Email : info@srdb.com.np Website : www.srdb.com.np
फोन नम्बर	०७१-५५१५००
प्रतिवेदन पेश गरिएको आर्थिक वर्ष	२०७५/०७६

१. सञ्चालक समिति सम्बन्धी विवरण

(क) सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ती मिति :

श्री राजेन्द्रप्रसाद श्रेष्ठ, २०७३/०८/२९

(ख) संस्थाको शेयर संरचना सम्बन्धी विवरण (संस्थापक, सर्वसाधारण तथा अन्य) :

क्र.सं.	शेयर संरचना	शेयर संख्या
१	संस्थापक	१,५३,६०,४१४.०७
२	सर्वसाधारण	१,०८,६८,६२७.१६
३	अन्य	-
	जम्मा	२,६२,२९,०४१.२३

(ग) सञ्चालक समिति सम्बन्धी विवरण

क्र. सं.	सञ्चालकहरूको नाम, ठेगाना	प्रतिनिधित्व समूह	शेयर संख्या (किता)	नियुक्त भएको मिति	पद तथा गोपनियताको शपथ लिएको मिति	सञ्चालक नियुक्त तरिका
१	श्री राजेन्द्रप्रसाद श्रेष्ठ	संस्थापक	२,४४,८४८	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन
२	श्री थानेश्वर पौडेल	संस्थापक	५,८३,७३७	२०७६/०२/०१	२०७६/०२/०१	मनोनयन
३	डा. ताराप्रसाद उपाध्याय	संस्थापक	५४,९७३	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन
४	ई. सुरज उप्रेती	संस्थापक	१३६,१३२	२०७६/०६/२७	२०७६/०६/२७	प्राप्ति
५	श्री मोहन चापागाई	सर्वसाधारण	१४,८९६	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन
६	श्री सुदर्शन गौतम (प्रतिनिधि : श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.)	सर्वसाधारण	५३,५५९	२०७६/०६/२७	२०७६/०६/२७	प्राप्ति

नोट: पछिल्लो पटक सञ्चालकमा नियुक्त भएको बारे नेपाल धितोपत्र बोर्ड लगायत नियमनकारी निकायहरूमा जानकारी गराईएको ।

(घ) सञ्चालक समितिको बैठक

क्र. सं.	यस आ.व. मा बसेको समितिको बैठकको मिति	उपस्थित सञ्चालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालकको संख्या	गत आ.व. मा बसेको बैठकको मिति
१	२०७५/०४/०१	६	नरहेको	२०७४/०४/०९
२	२०७५/०४/३१	६	नरहेको	२०७४/०५/०९
३	२०७५/०५/१३	६	नरहेको	२०७४/०५/२१
४	२०७५/०६/०६	६	नरहेको	२०७४/०६/०२
५	२०७५/०६/२८	६	नरहेको	२०७४/०७/१२
६	२०७५/०७/२५	६	नरहेको	२०७४/०८/२६
७	२०७५/०८/२०	६	नरहेको	२०७४/०९/०६
८	२०७५/०९/१२	६	नरहेको	२०७४/१०/०४
९	२०७५/१०/०२	६	नरहेको	२०७४/१०/२७
१०	२०७५/१०/२८	६	नरहेको	२०७४/११/२०
११	२०७५/११/१९	६	नरहेको	२०७४/१२/२०
१२	२०७५/११/२६	६	नरहेको	२०७४/१२/२९
१३	२०७५/१२/२२	६	नरहेको	२०७५/०१/०५
१४	२०७६/०१/१५	६	नरहेको	२०७५/०१/३१
१५	२०७६/०१/३१	६	नरहेको	२०७५/०२/३०
१६	२०७६/०२/१२	६	नरहेको	२०७५/०३/२०
१७	२०७६/०२/२१	६	नरहेको	
१८	२०७६/०३/०९	६	नरहेको	
१९	२०७६/०३/१७	६	नरहेको	
२०	२०७६/०३/२५	६	नरहेको	

- कुनै सञ्चालक समितिको बैठक आवश्यक गणपूरक संख्या नपुगी स्थगित भएको भए सोको विवरण : नभएको ।

सञ्चालक समितिको बैठक सम्बन्धी अन्य विवरण :

सञ्चालक समितिको बैठकमा सञ्चालक वा बैकल्पिक सञ्चालक उपस्थित भए नभएको (नभएको अवस्थामा बैठकको मिति सहित कारण खुलाउने)	बैकल्पिक सञ्चालक नभएको ।
सञ्चालक समितिको बैठकमा उपस्थित सञ्चालकहरु, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माईन्यूट) को छुट्टै अभिलेख राखे नराखेको	निर्णयको छुट्टै अभिलेख राख्ने गरिएको ।
सञ्चालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा)	३० दिन (मिति २०७५/०४/०९ देखि २०७५/०४/३१)
सञ्चालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	२०७०/०७/१४ (पाँचौँ वार्षिक साधारण सभाबाट)
सञ्चालक समितिको प्रति बैठक भत्ता रु.	अध्यक्ष रु. ५,००० सञ्चालक रु. ४,०००
आ.व. को सञ्चालक समितिको कुल बैठक खर्च रु.	चालु आ.व. मा सञ्चालक समिति र अन्य सञ्चालक स्तरीय समितिको बैठक भत्ता वापत रु. ६,३९,०००/- र अन्य खर्च रु. ६,०५,९५७/- गरी कुल रु. १२,४४,९५७/- खर्च गरिएको

२. सञ्चालकको आचरण सम्बन्धी तथा अन्य विवरण :

- सञ्चालकको आचरण सम्बन्धि संस्थाको आचार संहिता भए/नभएको : भएको ।
- एकाघर परिवारको एकभन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण : नभएको ।
- सञ्चालकहरुको वार्षिक रुपमा सिकाई तथा पुनरताजगी कार्यक्रम सम्बन्धी विवरण : चालु आ.व. मा सञ्चालकहरुलाई नेशनल बैंकिङ्ग इन्स्टिच्युट लिमिटेडले काठमाण्डौमा आयोजना गरेको सञ्चालक शिक्षा कार्यक्रममा सहभागी भएको र उक्त कार्यक्रममा रु. १,५०,५१२/५० खर्च भएको ।

प्रत्येक सञ्चालकले आफु सञ्चालकको पदमा नियुक्त वा मनोनयन भएको पन्ध्र दिनभित्र देहायका कुराको लिखित जानकारी गराएको/नगराएको र नगराएको भए सोको विवरण :

- संस्थासंग निज वा निजको एकाघरको परिवारको कुनै किसिमको करार गरेको वा गर्न लागेको भए सोको विवरण : नरहेको ।
- निज वा निजको एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिवेञ्चरको विवरण : नरहेको ।
- निज अन्य कुनै संगठित संस्थाको आधारभूत शेयरधनी वा सञ्चालक रहेको भए सोको विवरण : नरहेको ।
- निजको एकाघरको परिवारको कुनै सदस्य संस्थामा पदाधिकारी वा कर्मचारीको हैसियतमा काम गरिरहेको भए सोको विवरण : पदाधिकारी वा कर्मचारीको हैसियतमा नरहेको ।
- सञ्चालकले उस्तै प्रकृतिको उद्देश्य भएको सूचीकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सोको विवरण : नभएको ।
- सञ्चालकहरुलाई नियमन निकाय तथा अन्य निकायहरुबाट कुनै कारवाही गरिएको भए सोको विवरण : जानकारी नभएको ।

३. संस्थाको जोखिम व्यवस्थापन तथा आन्तरिक नियन्त्रण प्रणाली सम्बन्धी विवरण :

- (क) जोखिम व्यवस्थापनका लागि कुनै समिति गठन भए/नभएको : गठन भएको ।
- (ख) जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी :

(अ) समितिको संरचना (संयोजक तथा सदस्यहरूको नाम तथा पद) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री मोहन चापागाई	संयोजक
२	डा. ताराप्रसाद उपाध्याय	सदस्य
३	सिए. यशोधन पाण्डेय	सदस्य सचिव
४	श्री नम्रता थापा	सदस्य

(आ) समितिको बैठक संख्या : ६ वटा

(इ) समितिको कार्य सम्बन्धी छोटो विवरण :

विद्यमान जोखिम पहिचान तथा व्यवस्थापन प्रणालीको पर्याप्तता र उपयुक्तताका सम्बन्धमा सञ्चालक समितिलाई जानकारी गराउने र उपयुक्त प्रणालीको विकासका लागि सुझाव दिने उद्देश्यले जोखिम व्यवस्थापन समिति गठन गरिएको छ । समितिले व्यावसायिक गतिविधिमा निहित जोखिम स्तर, जोखिम बहन क्षमता, जोखिम व्यवस्थापनका लागि विकास गरेको रणनीति, नीतिगत व्यवस्था र मार्गदर्शनको पुनरावलोकन तथा पर्याप्तताका सम्बन्धमा सञ्चालक समितिमा सुझाव पेश गर्ने गरेको छ । व्यवस्थापनबाट प्राप्त हुने जोखिम व्यवस्थापन प्रतिवेदनको विश्लेषण गरी सञ्चालक समितिमा आवश्यक सुझाव पेश गर्ने गरिएको छ । त्यस्तै, देशको विद्यमान अर्थतन्त्रको अवस्थाको कारणले संस्थामा पर्नसक्ने असरको सम्बन्धमा सञ्चालक समितिमा राय सुझाव पेश गर्ने गरिएको छ ।

(ग) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको :

आन्तरिक नियन्त्रण पद्धतिलाई व्यवस्थित बनाउन संस्थाले विभिन्न कार्यविधिहरू बनाई लागु गरिएको छ ।

(घ) आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको गठन नभएको भए सोको कारण :

आन्तरिक नियन्त्रण पद्धतिलाई सुदृढ गर्न सञ्चालक तथा व्यवस्थापन स्तरीय विभिन्न समितिहरू गठन गरिएको छ ।

(ङ) आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण :

समितिको संरचना (संयोजक तथा सदस्यहरूको नाम तथा पद)

(१) लेखापरीक्षण समिति (सञ्चालक स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	डा. ताराप्रसाद उपाध्याय	संयोजक
२	श्री गोपाल पाण्डे	सदस्य
३	सिए. यशोधन पाण्डेय	सदस्य सचिव

समितिको बैठक संख्या : ८ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

बैंकको समग्र वित्तीय अवस्था, आन्तरिक नियन्त्रण, लेखापरीक्षण योजना र आन्तरिक लेखापरीक्षण प्रतिवेदनमा औल्याइएका विषयहरूमा आवधिक रूपमा समीक्षा गरी आवश्यक सुधारको लागी व्यवस्थापनलाई निर्देशन दिने गरेको । बाह्य लेखापरीक्षकले पेश गरेको लेखापरीक्षण प्रतिवेदनमा औल्याइएका बुँदा/कैफियतहरू उपर समीक्षा गरी सुधारात्मक कदम चाल्न व्यवस्थापनलाई निर्देशन दिने गरिएको । नेपाल राष्ट्र बैंकबाट निरीक्षण तथा सुपरिवेक्षण गरी प्रतिवेदनमा औल्याइएका कैफियतहरूको कार्यान्वयनको अवस्थाको समीक्षा गर्ने गरिएको तथा समग्रमा सञ्चालक समितिलाई आवश्यक जानकारी तथा सुझाव उपलब्ध गराउने गरिएको ।

(२) कर्मचारी सेवा सुविधा समिति (सञ्चालक स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री थानेश्वर पौडेल	संयोजक
२	श्री प्रकाश पौडेल	सदस्य
३	श्री सार्जन भट्टराई	सदस्य सचिव
४	श्री भुवनप्रसाद पन्थ	सदस्य

समितिको बैठक संख्या : ६ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

कर्मचारीहरूको पारिश्रमिक संरचनाको अध्ययन र विश्लेषण गरी बजारको पारिश्रमिक संरचनामा आएको परिवर्तनले संस्थामा पार्ने प्रभावका सम्बन्धमा सञ्चालक समिति समक्ष प्रतिवेदन पेश गर्ने गरेको । संस्थाको “पारिश्रमिक निर्धारण नीति” बमोजिम सम्पूर्ण कर्मचारीहरूको पारिश्रमिक वृद्धि गर्न सञ्चालक समितिमा सिफारिस गरिएको । संस्थाका कर्मचारीहरूले सम्पादन गर्नुपर्ने कार्य विवरण, लक्ष्य र प्रगति मूल्याङ्कनका परिसूचकहरू समेत विकास गरी सो बमोजिम निजहरूको कार्यसम्पादन मूल्याङ्कन प्रणालीको पुनरावलोकन गरिएको । जनशक्ति व्यवस्थापन सम्बन्धी कार्यहरू भर्ना, छनौट, नियुक्ति, पदस्थापना, सरुवा, बढुवा, वृत्ति विकास, कार्यसम्पादन मूल्याङ्कन, पुरस्कार तथा सजाय र श्रम सम्बन्धी योजना, नीति तथा मापदण्डहरू तयार गरी सञ्चालक समिति समक्ष पेश गर्ने गरिएको ।

(३) सम्पत्ति शुद्धीकरण निवारण सम्बन्धी समिति (सञ्चालक स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री भुवन भण्डारी	संयोजक
२	श्री मोहन चापागाँई	सदस्य
३	सिए. यशोधन पाण्डेय	सदस्य
४	श्री भुवनप्रसाद पन्थ	सदस्य सचिव

समितिको बैठक संख्या : ५ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

सम्पत्ति शुद्धीकरण निवारण सम्बन्धी विद्यमान कानून अनुसार संस्थामा भए गरेका काम कारवाहीहरूको सम्बन्धमा व्यवस्थापनबाट प्राप्त प्रतिवेदन उपर छलफल गरी व्यवस्थापनलाई आवश्यक निर्देशन दिने गरेको तथा तत्सम्बन्धमा सञ्चालक समिति समक्ष प्रतिवेदन पेश गर्ने गरेको ।

(४) पदपूर्ति समिति (व्यवस्थापन स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री सार्जन भट्टराई	संयोजक
२	श्री लोकराज पनेरु	सदस्य
३	श्री रुपा श्रेष्ठ	सदस्य सचिव

समितिको बैठक संख्या : २७ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

कर्मचारी दरबन्दी अनुसार रिक्त पद पहिचान गर्ने, भर्ना योजना विकास गर्ने, उम्मेदवारहरुको समीक्षा गर्ने, अन्तरवार्ता/लिखित परीक्षा सञ्चालन गर्ने, योग्य कर्मचारी छनौट गर्ने, कर्मचारी भर्ना तथा कर्मचारीहरुको कार्यसम्पादन मूल्याङ्कन सम्बन्धी व्यवस्थापन लगायतको कार्यहरु यस समितिले गर्दै आएको छ ।

(५) सम्पत्ति दायित्व व्यवस्थापन समिति (व्यवस्थापन स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री प्रकाश पौडेल	संयोजक
२	श्री लोकराज पनेरु	सदस्य
३	सिए. यशोधन पाण्डेय	सदस्य
४	श्री भुवनप्रसाद पन्थ	सदस्य सचिव

समितिको बैठक संख्या : १२ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

सम्पत्ति तथा दायित्वको उचित व्यवस्थापन, तरलता व्यवस्थापन, व्याजदर मूल्याङ्कन र कर्जा तथा निक्षेप परिवर्तनका अध्ययन तथा आवश्यक व्यवस्थापन गर्ने गरेको छ । त्यस्तै लगानीको समीक्षा, लगानीसँग सम्बन्धित उचित निर्णय, अन्तराल विश्लेषण तथा तरलता योजनाको समीक्षा समेत यस समितिले गर्दै आएको छ ।

(६) खरीद समिति (व्यवस्थापन स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री सार्जन भट्टराई	संयोजक
२	श्री भुवनप्रसाद पन्थ	सदस्य
३	श्री लालमणी पन्थी	सदस्य सचिव

समितिको बैठक संख्या : २ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

सम्पत्तिको गुणस्तर, मूल्य, संस्थाको आर्थिक प्रशासन विनियमावलीमा भएको व्यवस्था बमोजिम संस्थामा खरिद सम्बन्धी आवश्यक कार्यहरु यस समितिले गर्दै आएको छ ।

(७) आर्थिक निर्देशन समिति (व्यवस्थापन स्तरीय) :

क्र.सं.	पदाधिकारीको नाम	पद
१	श्री प्रकाश पौडेल	संयोजक
२	श्री लोकराज पनेरु	सदस्य
३	श्री भुवनप्रसाद पन्थ	सदस्य
४	श्री नम्रता थापा	सदस्य
५	श्री लालमणी पन्थी	सदस्य सचिव

समितिको बैठक संख्या : १४ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

यस समितिले सामान्य सेवा विभागले पहिचान गरेको विभिन्न आपूर्तिकर्ता वा सेवा प्रदायकको वस्तु वा सेवाको गुणस्तर, लागत प्रभावकारीता, दक्षता, जोखिमस्तर तथा विश्वसनीयताको मूल्याङ्कन गरी सवैभन्दा उपयुक्त आपूर्तिकर्ता वा सेवा प्रदायकको नाम सिफारिश गर्दछ । वस्तु वा सेवाहरुको प्रभावकारिता, दक्षता र अर्थ व्यवस्था सम्बन्धी मापदण्ड पुरा गरी खरिद भएको सुनिश्चित गर्नका लागि यस समिति सक्रिय रहेको छ ।

आर्थिक प्रशासन विनियमावली भए/नभएको : भएको ।

४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण :

(क) संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण :

विषय	माध्यम	सार्वजनिक गरेको मिति
दशौं वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका र बैंकको वेबसाईटमा	२०७५/०६/०७ गते बुटवल टुडे र २०७५/०६/०८ गते अन्नपूर्ण पोष्ट
विशेष साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका	२०७६/०३/१० गते
वार्षिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	२०७५/०७/३० गते
त्रैमासिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	प्रथम त्रयमास, मिति : २०७५/०७/१८ दोश्रो त्रयमास, मिति : २०७५/१०/१३ तेश्रो त्रयमास, मिति : २०७६/०१/११ चौथो त्रयमास, मिति : २०७६/०४/३०
धितोपत्रको मूल्यमा प्रभाव पार्ने मूल्य संवेदनशिल सूचना	तुरुन्त पत्राचार	१५ प्रतिशत बोनस शेयर वितरण गर्ने बारे सञ्चालक समितिको निर्णय मिति २०७६/१२/०२ मा जानकारी गराईएको ।
अन्य	नभएको	

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

(ग) पछिल्लो वार्षिक तथा विशेष साधारण सभा सम्पन्न भएको मिति :

- वार्षिक साधारण सभा मिति २०७५/०६/२८ गते
- विशेष साधारण सभा मिति २०७६/०३/२७ गते

५. संस्थागत संरचना र कर्मचारी सम्बन्धी विवरण

- (क) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम, तलब, भत्ता तथा अन्य सुविधा, हाजिर र बिदा, आचार संहिता लगायतका कुराहरु समेटिएको कर्मचारी सेवा विनियमावलीको व्यवस्था भए/नभएको : भएको ।
- (ख) सांगठनिक संरचना संलग्न गर्ने : यसैसाथ संलग्न रहेको ।
- (ग) उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धी विवरण : साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्ति गरेपश्चात

क्र.सं.	कर्मचारीको नाम	पद	शैक्षिक योग्यता	अनुभव
१	श्री प्रकाश पौडेल	प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	२५ वर्ष
२	श्री प्रकाश गुरुङ्ग	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	१२ वर्ष
३	श्री पुष्करराज जोशी	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	१२ वर्ष
४	श्री लोकराज पनेरु	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	१० वर्ष
५	श्री सार्जन भट्टराई	नायव महाप्रबन्धक	स्नातक	१८ वर्ष

(घ) कर्मचारी सम्बन्धी अन्य विवरण :

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरे/नगरेको :	गरेको ।
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रक्रिया :	बैंकको कर्मचारी सेवा विनियमावलीमा भएको व्यवस्था बमोजिमको प्रक्रिया अपनाई विज्ञापन प्रकाशन गरी लिखित, मौखिक वा ट्यालेन्ट हन्ट मार्फत पदपूर्ति गर्ने गरिएको ।
व्यवस्थापन स्तरका कर्मचारीहरूको संख्या :	२४ जना ।
कुल कर्मचारी संख्या :	५७३ जना ।
कर्मचारीहरूको सक्सेसन प्लान भए/नभएको :	कर्मचारीहरूको सक्सेसन प्लान रहेको ।
यस आ.व. मा कर्मचारीहरूलाई दिइएको तालिम संख्या तथा सम्मिलित कर्मचारीको संख्या :	तालिम संख्या : २७ सम्मिलित कर्मचारी संख्या : ५५६
यस आ.व. को कर्मचारी तालिम खर्च रु. :	रु. २५,८९,३४७/८५
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	५९.५७ प्रतिशत ।
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्च प्रतिशत	१.१३ प्रतिशत ।

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण :

(क) लेखा सम्बन्धी विवरण

संस्थाको पछिल्लो आ.व. को वित्तीय विवरण NFRS अनुसार तयार गरे/नगरेको, नगरेको भए सोको कारण :	NFRS बमोजिम तयार गरिएको ।
सञ्चालक समितिबाट पछिल्लो वित्तीय विवरण स्वीकृत भएको मिति :	२०७५/०५/१३

त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	२०७५/०४/१५
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति :	२०७५/०५/१२
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति	२०७५/०६/२८
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण : (अ) आन्तरिक रुपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य विज्ञ नियुक्त गर्ने गरिएको (आ) बाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण (इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	बाह्य विज्ञ नियुक्त गर्ने गरिएको । श्री एनबिएसएम एण्ड एशोशियट्स, चाटर्ड एकाउन्टेण्ट्स त्रैमासिक रुपमा ।

(ख) लेखापरीक्षण समिति सम्बन्धी विवरण

	क्र.सं.	नाम	पद	योग्यता
संयोजक तथा सदस्यहरुको नाम, पद तथा योग्यता :	१	डा. ताराप्रसाद उपाध्याय	संयोजक	विद्यावारिधी
	२	श्री गोपालप्रसाद पाण्डे	सदस्य	स्नातकोत्तर
	३	सिए. यशोधन पाण्डेय	सदस्य सचिव	चाटर्ड एकाउन्टेन्ट

	क्र.सं.	बैठक बसेको मिति	उपस्थित सदस्य संख्या
बैठक बसेको मिति तथा उपस्थित सदस्य संख्या :	१	२०७५/०४/०६	३ जना
	२	२०७५/०५/१२	३ जना
	३	२०७५/०७/०६	३ जना
	४	२०७५/०९/०९	३ जना
	५	२०७५/१०/०२	३ जना
	६	२०७५/११/०२	३ जना
	७	२०७६/०१/०५	३ जना
	८	२०७६/०३/२७	३ जना
प्रति बैठक भत्ता रु.	संयोजक तथा सदस्यहरुलाई रु. ४,०००/- सदस्य सचिवलाई भत्ता उपलब्ध नगराइएको ।		
समितिले काम कारवाहीको विवरण सञ्चालक समितिमा पेश गरेको मिति :	लेखापरीक्षण समितिको बैठकबाट भएको प्रत्येक निर्णयहरुको प्रतिवेदन सञ्चालक समितिको बैठक समक्ष पेश गर्ने गरिएको ।		

७. अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाघरको परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैंक तथा वित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रुपमा रकम लिए/नलिएको	नलिएको ।
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाता को हैसियतमा पाउने सुविधा वा लाभ बाहेक सूचीकृत सङ्गठित संस्थाको वित्तीय स्वार्थ भएको कुनै व्यक्ति, फर्म, कम्पनी, कर्मचारी, सल्लाहकार वा परामर्शदाताले संस्थाको कुनै सम्पत्ति कुनै किसिमले भोगचलन गरे/नगरेको	सम्पत्ति भोगचलन नगरेको ।
नियमकारी निकायले इजाजतपत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/नभएको	पालना भएको ।
नियमकारी निकायले संस्थाको नियमन निरीक्षण वा सुपरीवेक्षण गर्दा संस्थालाई दिइएको निर्देशन पालना भए/नभएको	पालना भएको ।
संस्था वा सञ्चालकहरू विरुद्ध अदालतमा कुनै मुद्दा चलेको भए सोको विवरण	जानकारी नभएको ।

परिपालन अधिकृतको नाम : श्री भुवनप्रसाद पन्थ

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

१. सञ्चालक समितिको प्रतिवेदन

यस समग्र प्रतिवेदन नै सञ्चालक समितिको प्रतिवेदन रहेको छ ।

२. लेखापरीक्षकको प्रतिवेदन

यसै साथ संलग्न गरिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण

शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेड, साविक पूर्णिमा विकास बैंक लिमिटेड र भार्गव विकास बैंक लिमिटेडको लेखापरीक्षण गरिएको आ.व. २०७५/०७६ को वासलात, नाफा नोक्सान हिसाव, नगद प्रवाह विवरण तथा सोसँग सम्बन्धित अनुसूचीहरू यसैसाथ संलग्न गरिएको छ ।

४. कानुनी कारवाही सम्बन्धी विवरण

- (क) समीक्षा अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए : नभएको ।
- (ख) संगठित संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक सञ्चालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए : नभएको ।
- (ग) कुनै संस्थापक वा सञ्चालकको विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए : नभएको ।

५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिको बिश्लेषण

(क) धितोपत्र वजारमा संगठित संस्थाको शेयर कारोवारका सम्बन्धमा व्यवस्थापनको धारणा :

धितोपत्र वजारमा शेयर कारोवारमा हुने उतार चढावमा खुल्ला वजारले तय गरेको मूल्यको आधारमा हुने भएकोले यसलाई बैंक व्यवस्थापनले स्वभाविक रुपमा लिएको छ र सो सम्बन्धमा बैंक व्यवस्थापन एवं सञ्चालकहरूको धारणा तटस्थ रहेको छ ।

(ख) समीक्षा अवधि आ.व. २०७५/०७६ मा नेपाल स्टक एक्सचेञ्जबाट भएको विकास बैंकको शेयर कारोवार विवरण देहाय बमोजिम रहेको छ ।

विवरण	प्रथम त्रैमासिक अवधि	दोश्रो त्रैमासिक अवधि	तेश्रो त्रैमासिक अवधि	चौथो त्रैमासिक अवधि
अधिकतम मूल्य रु.	३०८.००	२५६.००	२५३.००	२६५.००
न्यूनतम मूल्य रु.	२३०.००	२२९.००	२२९.००	२३९.००
अन्तिम मूल्य रु.	२३५.००	२३९.००	२३५.००	२५२.००
कूल कारोवार भएको दिन	६० दिन	५८ दिन	५७ दिन	६४ दिन
कूल कारोवार भएको शेयर संख्या	१८४,८०५ कित्ता	९२,४३७ कित्ता	२९०,२४२ कित्ता	३५४,५२६ कित्ता

६. समस्या र चुनौती

बैंक तथा वित्तीय संस्थाको पूँजीमा भएको वृद्धिको अनुपातमा कारोवारमा समेत वृद्धि गर्नुपर्ने भएकाले बैकिङ्ग क्षेत्र थप प्रतिस्पर्धी भएको छ । स्थानीयस्तरमा श्रृजित हुने व्यावसायिक अवसरहरुको सदुपयोग गर्नका लागि उपलब्ध सम्पूर्ण साधन र श्रोतको उच्चतम प्रयोग गरी ग्राहकको आवश्यकता अनुसारको ग्राहकमैत्री बैकिङ्गमा जोड दिई थप सुदृढ विकास बैंक बनाउने तर्फ बैंक व्यवस्थापन प्रतिबद्ध रहेको छ ।

७. संस्थागत सुशासन

विकास बैंकले संस्थागत सुशासनका सम्बन्धमा नेपाल राष्ट्र बैंकबाट जारी निर्देशनहरुको पूर्णरूपमा पालना गर्नुका साथै बैंकको लेखापरीक्षण समिति मार्फत संस्थागत सुशासन पालना भए नभएको सम्बन्धमा आवश्यक विश्लेषण गर्ने गरिएको साथै नेपाल राष्ट्र बैंकबाट हुने स्थलगत निरीक्षण, आन्तरिक तथा वाह्य लेखापरीक्षकको प्रतिवेदनको आधारमा संस्थागत सुशासनलाई पूर्ण रूपमा सुदृढ बनाउन व्यवस्थापन कटिबद्ध रहेको छ ।

नेपाल राष्ट्र बैंकबाट बैंक तथा वित्तीय संस्थाहरुलाई सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण गर्ने ब्यवस्था सम्बन्धमा सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण ऐन, नियम तथा अन्य सम्बन्धित कानून बमोजिम जारी भएका सम्पूर्ण निर्देशन, आदेश तथा परिपत्रहरुको यस विकास बैंकद्वारा पालना गर्दै आएको छ ।

संक्षिप्त विवरणः

	२०७६ आषाढ मसान्त	२०७६ चैत्र मसान्त
कम्पनीको प्रकार	पब्लिक लिमिटेड कम्पनी	
कम्पनी दर्ता नम्बर	१०८०/०६५/०६६	
कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता भएको मिति	२०६५/०५/२६	
नेपाल राष्ट्र बैंकबाट कारोवार स्वीकृत प्राप्त मिति	२०६५/११/०९	
कारोवार शुरु भएको मिति	२०६५/११/११	
कार्य क्षेत्र	राष्ट्रियस्तर	
शाखा सञ्जाल	४० शाखा १ एक्सटेन्शन काउण्टर	७० शाखा १ एक्सटेन्सन काउण्टर
कूल कर्मचारी संख्या	३२३	५७३
अधिकृत पूँजी	रु. ५ अर्व	रु. ५ अर्व
जारी पूँजी	रु. १ अर्व ६२ करोड २६ लाख	रु. २ अर्व ६२ करोड २९ लाख
चुक्ता पूँजी	रु. १ अर्व ६२ करोड २६ लाख	रु. २ अर्व ६२ करोड २९ लाख
संस्थापक शेयर प्रतिशत	६३.२२ प्रतिशत	५८.५६ प्रतिशत
सर्वसाधारण शेयर प्रतिशत	३६.७८ प्रतिशत	४१.४४ प्रतिशत
प्रस्तावित बोनस शेयर (हाल कायम चुक्ता पूँजीको १५ प्रतिशत)	रु. ३९ करोड ३४ लाख	
नेटवर्थ	रु. २ अर्व ३८ करोड ४६ लाख	रु. ४ अर्व १२ करोड ७४ लाख
प्रति शेयर आमदानी	रु. २५.७९	रु. २२.२० (वार्षिक)
कूल निक्षेप	रु. १८ अर्व ९१ करोड	रु. २८ अर्व १५ करोड ४ लाख
कूल कर्जा तथा सापट	रु. १६ अर्व २२ करोड ७७ लाख	रु. २५ अर्व ४ करोड ५२ लाख
खुद नाफा	रु. ४१ करोड ८५ लाख	रु. ४३ करोड ४७ लाख
बचतकर्ता संख्या	२१६,६३०	३,८८,१३२
ऋणी संख्या	७,०८२	१२,६७०
पूँजीकोष अनुपात प्रतिशत	१३.३२ प्रतिशत	१४.९५ प्रतिशत
कर्जा र प्राथमिक पूँजी तथा निक्षेप अनुपात (CCD Ratio) प्रतिशत	७४.०० प्रतिशत	७५.३३ प्रतिशत
निष्कृत्य कर्जा र कूल कर्जा अनुपात प्रतिशत	०.११ प्रतिशत	१.२३ प्रतिशत
आधार दर (Base Rate) प्रतिशत	९.८७ प्रतिशत	१०.०८ प्रतिशत
तरलता अनुपात प्रतिशत	२५.६६ प्रतिशत	२३.८५ प्रतिशत

Independent Auditor's Report
The Shareholders of Shine Resunga Development Bank Limited

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of **M/s. Shine Resunga Development Bank Limited**, Butwal – 6, Rupandehi, which comprises the Statement of Financial Position as at Ashad 31, 2076 [July 16, 2019] and the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year then ended on that date and a Summary of Significant Accounting Policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

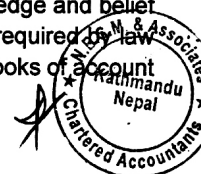
Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of **M/s. Shine Resunga Development Bank Limited** as at Ashad 31, 2076 (July 16, 2019) and of the results of its financial performance and its cash flows for the year then ended on that date in accordance with Nepal Financial Reporting Standards and The Companies Act 2063.

Report on the Other Legal and Regulatory Requirements:

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the organization in so far as it appears from our examination of those books of account.

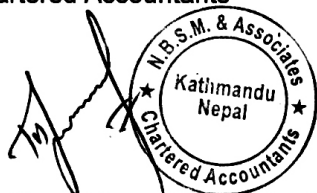
In association with



of the company. In our opinion the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year then ended on that date and a Summary of Significant Accounting Policies and other explanatory notes are in agreement with the books of accounts of the company. To the best of our knowledge and according to the explanation given to us and from the examination of the books of accounts of the company, we have not come across any case where the board of directors or any employee of the company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the company or its property. To the best of our knowledge and based on the examination of accounts and records of the company there are no observed cases of accounting fraud committed to or by the company.

In our opinion, so far as appeared from our examination of the books, the Bank has maintained adequate capital funds and adequate provision for possible impairment of assets in accordance with the directives of Nepal Rastra Bank. To the best of our information and according to explanations given to us and so far appeared from our examination of the books of accounts of the Bank, we have not come across cases where Board of Directors or any employees of the Bank have acted contrary to the provisions of law or committed any misappropriation of relating to the accounts or caused loss or damage to the Bank and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardise the interest and security of the Bank, its depositors and investors.

For N. B. S. M. & Associates
Chartered Accountants



CA. Durga Prasad Gnawali, FCA, DipIFR
Partner

Date: Chaitra 01, 2076 (March 14, 2020)

Place: Kathmandu, Nepal

UDIN: 200315C A00461k+jLr

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Financial Position

As on Ashad 31, 2076 (16 July 2019)

Figures in NPR

Particulars	Notes	As on Ashad 31, 2076	Restated As on Ashad 32, 2075	Restated As on Shrawan 01, 2074
Assets				
Cash and cash equivalent	4.1	2,828,018,592	2,097,139,657	2,438,281,998
Due from Nepal Rastra Bank	4.2	890,428,425	837,247,299	586,200,878
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative financial instruments	4.4	-	-	-
Other trading assets	4.5	-	-	-
Loan and Advances to B/FIs	4.6	262,388,597	227,757,123	85,635,000
Loans and advances to customers	4.7	15,883,792,388	12,109,665,327	8,633,246,970
Investment in securities	4.8	1,221,365,446	1,073,328,230	41,524,469
Current Tax Assets	4.9	558,955	-	-
Investment in subsidiaries	4.10	-	-	-
Investment in Associates	4.11	-	-	-
Investment property	4.12	-	-	-
Property and equipment	4.13	260,388,984	216,758,069	155,982,394
Goodwill and Intangible Assets	4.14	7,924,816	5,464,465	3,792,722
Deferred tax assets	4.15	22,064,824	10,357,542	4,119,972
Other assets	4.16	90,121,704	89,122,673	75,839,703
Total Assets		21,467,052,730	16,666,840,386	12,024,624,107
Liabilities				
Due to Bank and Financial Institutions	4.17	59,995,050	103,001,180	240,921,610
Due to Nepal Rastra Bank	4.18	-	-	-
Derivative Financial instruments	4.19	-	-	-
Deposit from customers	4.20	18,850,015,766	14,436,916,081	10,028,044,418
Borrowings	4.21	-	-	-
Current Tax Liabilities	4.9	-	5,321,067	794,734
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	-	-
Other liabilities	4.23	172,380,299	148,198,999	103,148,123
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
Total liabilities		19,082,391,115	14,693,437,328	10,372,908,884
Equity				
Share Capital	4.26	1,622,665,260	1,378,615,400	1,102,892,300
Share Premium		-	-	-
Retained Earning		319,330,408	257,717,682	281,039,873
Reserves	4.27	442,665,947	337,069,976	267,783,049
Total equity attributable to equity holders		2,384,661,615	1,973,403,058	1,651,715,222
Non-controlling interests				
-	-	-	-	-
Total equity		2,384,661,615	1,973,403,058	1,651,715,222
Total liabilities and equity		21,467,052,730	16,666,840,386	12,024,624,107
Contingent liabilities and commitment	4.28	983,590,400	1,350,290,503	772,910,276
Net assets value per share		146.96	143.14	149.76

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates

Chartered Accountants

CA. Durga Prasad Gnawali, FCA, DipIFR
Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Bhuwan Pd. Panth
Chief Finance Officer

Thaneshor Poudel
Director

Mohan Chapagain
Director

Prakash Poudel
Chief Executive Officer

Dr. Tara Pd. Upadhaya
Director

Sudarsan Gautam
Director

Rajendra Pd. Shrestha
Chairman

Er. Suraj Upreti
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Profit or Loss

For the Period commencing on Shrawan 1, 2075 and ending on Ashad 31, 2076

Figures in NPR

	Notes	FY 2075-76	Restated FY 2074-75
Interest Income	4.29	2,174,959,944	1,605,308,434
Interest Expense	4.30	(1,264,696,758)	(942,325,941)
Net interest income		910,263,186	662,982,493
Fees and Commission Income	4.31	130,354,702	111,660,533
Fees and Commission Expense	4.32	3,588,812	1,394,462
Net fee and Commission income		126,765,890	110,266,071
Net interest fee and commission income		1,037,029,076	773,248,564
Net Trading Income	4.33	-	-
Other Operating Income	4.34	1,856,628	3,913,248
Total operating income		1,038,885,704	777,161,812
Impairment charge/(reversal) for loans and other losses	4.35	65,104,899	25,460,519
Net Operating income		973,780,805	751,701,293
Operating expenses			
Personal Expense	4.36	229,612,318	170,046,578
Other Operating Expenses	4.37	116,750,541	87,597,900
Depreciation and amortisation	4.38	35,475,892	28,474,835
Operating Profit		591,942,054	465,581,980
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
Profit before income tax		591,942,054	465,581,980
Income tax expense	4.41	173,481,782	138,810,782
Current tax		187,891,644	143,157,240
Deferred tax income		(14,409,862)	(4,346,458)
Profit for the period		418,460,271	326,771,199
Profit attributable to:			
Equity holders of the bank		418,460,271	326,771,199
Non-controlling interest		-	-
Profit for the period		418,460,271	326,771,199
Earnings per share:			
Basic earnings per share		25.79	20.14
Diluted earnings per Share		25.79	20.14

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates

Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Prasad Gnawali, FCA, DipIFR
Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Sudarsan Gautam
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Other Comprehensive Income

For the Period commencing on Shrawan 1, 2075 and ending on Ashad 31, 2076

Figures in NPR

Notes	FY 2075-76	Restated FY 2074-75
Profit for the period	418,460,271	326,771,199
Other comprehensive income, net of income tax		
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investment in equity instruments measured at fair value	8,592,125	(4,923,480)
Gains/(losses) on revaluation		
Actuarial gain/(losses) on defined benefit plans	416,476	(1,380,228)
Income tax relating to above items	(2,702,580)	1,891,112
Net other comprehensive income that will not be reclassified to profit or loss	6,306,021	(4,412,596)
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge		
Exchange gains/(losses)(arising from translating financial assets of foreign operation)		
Income tax relating to above items		
Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to Profit or Loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method		
Other comprehensive income for the period, net of Income Tax	6,306,021	(4,412,596)
Total comprehensive income for the period	424,766,292	322,358,603
Total comprehensive income attributable to:		
Equity holders of the Bank	424,766,292	322,358,603
Non-controlling interest	-	-
Total Comprehensive income for the period	424,766,292	322,358,603

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates

Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Durga Prasad Gnawali, FCA, DipIFR

Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Mohan Chapagain
Director

Sudarsan Gautam
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Changes in Equity

For the Period commencing on Shrawan 1, 2075 and ending on Ashad 31, 2076

Figures in NPR

Particulars	Attributable to Equity-Holders of the Bank										Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total		
Balance at Shrawan 01, 2074	1,378,615,400	-	244,160,459	-	-	-	-	11,462,886	13,573,308	1,647,812,053	-	1,647,812,053
Adjustment/Restatement	(275,723,100)	-	-	-	9,863,573	3,974,924	-	269,576,987	(3,789,216)	3,903,169	-	3,903,169
Adjustment/Restated Balance as at Shrawan 01, 2074	1,102,892,300	-	244,160,459	-	9,863,573	3,974,924	-	281,039,873	9,784,092	1,651,715,222	-	1,651,715,222
Comprehensive Income for the year												
Profit for the year								326,771,199		326,771,199		326,771,199
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(3,446,436)	-	-	(966,160)	(4,412,596)		(4,412,596)
Gains/(losses) on revaluation						(3,446,436)		-		(3,446,436)		(3,446,436)
Actuarial gain/(losses) on defined benefit plans								-				
Gains/(losses) on cash flow hedge								-				
Exchange gains/(losses) (arising from translating financial assets of foreign operation)								-				
Total Comprehensive Income for the year												
Transfer to General Reserves during the year			64,595,637			(3,446,436)	-	326,771,199	(966,160)	322,358,603		322,358,603
Adjustment of Investment Adjustment Reserve as per audited								(658,649)	(3,166,110)	(3,824,759)		(3,824,759)
Investment Valuation transferred to OCI nullified								3,824,759		3,824,759		3,824,759
Creation of Training Fund								(1,689,162)	1,689,162			
Utilization of Training Fund								369,842	(369,842)			
Creation of CSR Fund								(3,229,782)	3,229,782			
Utilization of CSR Fund								2,211,526	(2,211,526)			
Creation of Deferred Tax Reserve					6,237,571			(6,237,571)				
Transfer from Reserves during the year					1,629,969			(1,629,969)				
Creation of Regulatory Reserve for Reduction in Investment					1,098,721			(1,098,721)				
Creation of Regulatory Reserve for Actuarial Loss					966,160			(966,160)				
Transactions with Owners, directly recognized in Equity												
Amount transferred from premium to share capital	-	-										
Share Issued												
Share Based Payments												
Dividend to Equity-Holders												
Bonus Shares Issued												
Cash Dividend Paid	275,723,100							(275,723,100)				
Share issue expenses directly charged to equity- tax Impeat												
Tax effect of share issue expenses								(958,239)		(958,239)		(958,239)
Gain on Disposal of Share Classified into OCI								287,472		287,472		287,472
Current Tax on Gain on Disposal of Share Classified into OCI								-				
Other								-				
Total Contributions by and Distributions												
Balance at Asar 32, 2075	1,378,615,400	-	308,756,096	-	19,795,994	528,488	-	257,717,682	7,989,398	1,973,403,058		1,973,403,058
Balance at Shrawan 01, 2075	1,378,615,400	-	308,756,096	-	19,795,994	528,488	-	257,717,682	7,989,398	1,973,403,058		1,973,403,058
Adjustment/Restatement												

Adjustment/Restated Balance as at Shrawan 01, 2075	1,378,615,400	-	308,756,096	-	19,795,994	528,488	-	257,717,682	7,989,398	1,973,403,058	-	1,973,403,058
Comprehensive Income for the year												
Profit for the year								418,460,271		418,460,271	-	418,460,271
Other Comprehensive Income, Net of Tax									291,533	6,306,021		6,306,021
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	6,014,488	-	-	291,533	6,014,488		6,014,488
Gains/(losses) on revaluation												
Actuarial gain/(losses) on defined benefit plans									291,533	291,533		291,533
Gains/(losses) on cash flow hedge												
Exchange gains/(losses) arising from translating financial assets of foreign operation												
Total Comprehensive Income for the year	-	-	-	-	-	6,014,488	-	418,460,271	291,533	424,766,292	-	424,766,292
Transfer to General Reserves during the year			83,692,054					(83,692,054)				
Adjustment of Investment Adjustment Reserve no longer required												
Creation of Training Fund								3,047,194	(3,047,194)			
Utilization of Training Fund								(3,603,910)	3,603,910			
Creation of CSR Fund								2,589,348	(2,589,348)			
Utilization of CSR Fund								(4,184,603)	4,184,603			
Transfer to Reserves during the year								3,632,468	(3,632,468)			
Creation of Dererid Tax Reserve				-	6,629,245	-	-	(6,629,245)	-			
Creation of Regulatory Reserve for Reduction in Investment					11,707,282			(11,707,282)				
Creation of Regulatory Reserve for Actural Loss					(966,599)			966,599				
Transactions with Owners, directly recognized in Equity					(291,533)			291,533				
Amount transferred from premium to share capital	-	-										
Share Issued												
Share Based Payments												
Dividend to Equity-Holders												
Bonus Shares Issued	244,049,860							(244,049,860)				
Cash Dividend Paid												
Share issue expenses directly charged to equity-Tax Impact								(12,844,729)		(12,844,729)		(12,844,729)
Tax effect of share issue expenses								(947,150)		(947,150)		(947,150)
Gain on Disposal of Share Classified into OCI								284,145		284,145		284,145
Current Tax on Gain on Disposal of Share Classified into OCI								-		-		-
Other								-		-		-
Total Contributions by and Distributions												
Balance at Asar 31, 2076	1,622,665,260	-	392,448,150	-	36,874,388	6,542,976	-	319,330,408	6,800,434	2,384,661,616	-	2,384,661,616

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates
Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Durga Prasad Gnawali, FCA, DipIFR
Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Mohan Chapagain
Director

Sudarsan Gautam
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Cash Flow

For the Period commencing on Shrawan 1, 2075 and ending on Ashad 31, 2076

Figures in NPR

	FY 2075-76	Restated FY 2074-75
Cash flows from operating activities		
Interest Received	2,159,166,177	1,599,232,568
Fee and other income received	130,354,702	111,660,533
Dividend Received	1,867,816	3,826,286
Receipts from other operating activities	-	-
Interest paid	(1,259,894,703)	(939,104,449)
Commission and fee paid	(3,588,812)	(1,394,462)
Cash payments to employee	(190,843,668)	(158,911,606)
Other expense paid	(129,373,961)	(55,546,856)
Operating cash flows before change in operating assets and liabilities	707,687,551	559,762,015
(Increase)/Decrease in operating assets	(3,918,079,934)	(3,905,743,138)
Due from Nepal Rastra Bank	(53,181,126)	(251,046,421)
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(34,631,473)	(142,122,123)
Loan and advances to customer	(3,828,709,349)	(3,499,291,624)
Other Assets	(1,557,986)	(13,282,970)
Increase/(Decrease) in operating liabilities	4,368,068,049	4,270,744,752
Due to bank and financial institutions	(43,006,130)	(137,920,430)
Due to Nepal Rastra Bank	-	-
Deposits from customers	4,413,099,685	4,408,871,664
Borrowings	-	-
Other Liabilities	(2,025,506)	(206,482)
Net Cash flow from operating activities before tax paid	1,157,675,666	924,763,629
Income taxes paid	(192,928,566)	(138,343,438)
Net Cash flow from operating activities	964,747,100	786,420,190
Cash flows from investing activities		
Purchase of investment securities	(139,445,091)	(1,036,727,241)
Receipts from sale of investment securities	-	-
Purchase of plant and equipment	(79,106,807)	(89,250,510)
Receipt from sale of property and equipment	-	86,962
Purchase of intangible assets	(2,460,351)	(1,671,743)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(221,012,249)	(1,127,562,532)
Cash flows 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	(0)	-
Dividend paid	(12,844,729)	-
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	(12,844,729)	-
Net increase/(decrease) in cash and cash equivalents	730,890,122	(341,142,341)
Cash and Cash Equivalents at Shrawan 01 (Beginning of the Year)	2,097,139,657	2,438,281,998
Effect of exchange rate fluctuations on cash and cash equivalents held	(11,187)	-
Closing Cash and Cash Equivalents	2,828,018,591	2,097,139,657

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates

Chartered Accountants

CA. Durga Prasad Gnawali, FCA, DipIFR

Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Bhuwan Pd. Panth

Chief Finance Officer

Thaneshor Poudel

Director

Prakash Poudel

Chief Executive Officer

Dr. Tara Pd. Upadhaya

Director

Mohan Chapagain

Director

Rajendra Pd. Shrestha

Chairman

Er. Suraj Upreti

Director

Sudarsan Gautam

Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Distributable Profit or Loss

For the Period commencing on Shrawan 1, 2075 and ending on Ashad 31, 2076

Figures in NPR

Particulars	FY 2075-76	Restated FY 2074-75
Opening Retained Earnings	257,717,682	281,039,873
Net profit or (loss) as per statement of profit or loss	418,460,271	326,771,199
Appropriations:		
a. General reserve	(83,692,054)	(64,595,637)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(4,184,603)	(3,229,782)
e. Employees' training fund	(1,014,562)	(1,689,162)
f. Other		
Investment Adjustment Reserve	-	(658,649)
Dividend Paid	(12,844,729)	-
Bonus Shares Issued	(244,049,860)	(275,723,100)
Share issue expense charged to equity	(663,005)	(670,767)
Transfer from Reserve during the year	6,679,662	6,406,128
Profit or (loss) before regulatory adjustment	336,408,802	267,650,102
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(6,629,245)	(1,629,969)
b. Short loan loss provision in accounts (-)/reversal (+)	-	
c. Short provision for possible losses on investment (-)/reversal (+)	966,599	(1,098,721)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)		
-		
e. Deferred tax assets recognised (-)/ reversal (+)	(11,707,282)	(6,237,571)
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)	291,533	(966,160)
i. Other (+/-)		
Distributable profit or (loss)	319,330,408	257,717,682

As per our attached report of even date

For and on Behalf of Board

For NBSM & Associates

Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Durga Prasad Gnawali, FCA, DipIFR
Partner

Date : Chaitra 01, 2076

Place : Kathmandu

Mohan Chapagain
Director

Sudarsan Gautam
Director

Shine Resunga Development Bank Limited

Notes forming part of the Financial Statements

For the year ended Ashad 31, 2076

1. General Information

Shine Resunga Development Bank Limited (referred to as “the Bank” hereinafter) is a “B” class Regional Level Development bank domiciled in Nepal, registered as a Public Limited Company under Companies Act 2063 & Banking and Financial Institution Act, 2073. The registered address of the Bank is located at Butwal Sub-Metropolitan City Ward No 6 Maitripath, Rupandehi Nepal. Its financial transaction started from Falgun 11, 2065 after the approval from Nepal Rastra Bank as B class Regional Level Development Bank. Shine Resunga Development Bank Limited is listed on Nepal Stock Exchange with its stock symbol "SHINE".

2. Basis of Preparation

The Financial statements of the Bank have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank through Directive No. 4 of NRB Directives, 2075.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board of Nepal on 13th September 2013. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Reporting Period and Approval of financial statement

The Bank follows the Nepalese financial year based on Nepalese calendar. The accompanied statements have been approved by the Board of Directors on its 214th meeting held on 2076/12/01 and have been recommended for adoption by shareholders in the Annual General Meeting.

2.3 Functional and Presentation currency

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the Bank. All financial information presented in NPR has been rounded off to the nearest rupee except where indicated otherwise.

2.4 Use of Estimates, assumption and judgments

The Bank, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Bank is required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. Later on this may be determined that a different choice could have been more appropriate.

NFRS requires the Bank to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

The Bank applies estimates in preparing and presenting the financial statements. The estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognised in the period in which the estimates is revised, and are applied prospectively.

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

2.4.1 Going Concern

The financial statements are prepared on a going concern basis, as the Bank is satisfied that the Bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.5 Changes in Accounting policies

The Bank had adopted NFRS for the first time in current year. There has been no significant change in the accounting policies adopted by the bank except where required due to adoption of Nepal Financial Reporting Standards.

2.6 Reporting Pronouncements

The Bank has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on 13 September, 2013. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Subsequently, ICAN vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of ASB.

2.6.1 NAS 17: Lease

In para 33, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- a) 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
- b) 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 than general inflation, then this condition is not met.

Bank as a lessee

Leases that do not transfer to the Bank substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Bank as a lessor

Leases where the Bank does not transfer substantially all of the risk and benefits of ownership of the

asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in other operating income.

2.6.2 NAS 39: Financial Instruments: Recognition and Measurement

a) Impairment

In para 58, 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 to determine the amount of any impairment loss unless the entity is Bank or financial institutions registered as per Bank and Financial Institutions Act, 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per 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.

b) Impracticability to determine transaction cost of all previous years which is the part of effective interest rate

In para 9, 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 instrument (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).

The carve out has been provided for the FY 2017-18 and 2018-19. Accordingly, the Bank has opted the carve out.

c) Impracticability to determine interest income on amortized cost

In para AG 93, 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 effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

The carve out is optional and has been provided for the FY 2017-18 and 2018-19. Accordingly, the Bank has opted the carve out.

2.6.3 NAS 28: Investment in Associates and Joint Ventures

In Para 33, the most recent available financial statements of the associate or joint venture are used by the entity in applying the equity method.

In Para 35, the entity's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances.

The carve out is optional and has been provided for the FY 2017-18, 2018-19 and 2019-20. Accordingly, the Bank has opted the carve out.

2.7 New Standards in Issue but not yet Effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS. In this connection, ASB has issued Exposure Draft of Nepal Financial Reporting Standards (NFRSs) 2018. NFRSs 2018 is yet to be pronounced by the Institute of Chartered Accountants of Nepal.

NFRSs 2018 introduced following standards which is applicable to the Bank:

- NFRS 15 Revenue from Contracts with Customers: The standard shall supersede existing NAS 18 Revenue and NAS 11 Construction Contract.
- NFRS 16 Leases: It shall supersede NAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains lease, SIC-15 Operating Lease – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

2.8 New Standards and Interpretation not Adopted

The following new standards are not mandatory and have not been early adopted by the Bank even the Bank is currently assessing the impact of these amendments in impairment of risk assets:

1. IFRS 9: Financial Instruments' -Impairment
2. IFRS 15: Revenue from contract with customer
3. IFRS 16: Leases

2.9 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

2.10 Limitation of NFRS implementation

If the information is not available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Significant Accounting Policies

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

3.1 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, assets held for sale and discontinued operations, other financial assets and liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

3.2 Basis of Consolidation

The Bank does not have control over any other entity for consolidation of Financial Statements. Investments in Shares made by the Bank are financial investments and have been described under 4.8 in Notes.

3.3 Cash & Cash Equivalent

The fair value of cash is the carrying amount. Cash and cash equivalent represent the amount of cash in hand, balances with other bank and financial institutions, money at short notice and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their value and used by the Bank in the management of short-term commitment. Cash and cash equivalents are presented in the carrying value in the statement of financial position.

3.4 Financial Assets and Financial Liabilities

3.4.1 Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account at fair value inclusive of transaction costs. The Bank recognises due to customer balances when funds reach the bank.

3.4.2 Classification

The Bank classifies its financial assets into the following measurement categories:

✓ *Financial assets and liabilities held for trading*

The Bank 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. Included in this classification are Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.

✓ *Financial assets and financial liabilities designated at fair value through profit or loss*

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
Or
- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
Or
- The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

✓ ***Loans and receivables to Customers***

After initial measurement, loans and advances to customers are subsequently measured at amortisation over the period of loan. This practice is almost nearer to the effective interest method prescribed by NFRS. The method has been adopted as the cost for computation for interest on effective interest method is huge in terms of benefits to be received from the computation in the short run.

✓ ***Held-to-maturity***

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the intention and ability to hold to maturity.

✓ ***Available-for-sale.***

Available-for-sale assets are those non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements or changes in interest rates, exchange rates, commodity prices or equity prices.

✓ ***Financial liabilities held at amortised cost***

Financial liabilities not classified held at fair value through profit or loss includes borrowings which are classified as amortised cost instruments.

3.4.3 Measurement

✓ ***Initial measurement***

All financial instruments are initially recognised at fair value plus transaction cost except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

✓ ***Subsequent measurement***

Financial assets and liabilities designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the statement of profit or loss. Interest and dividend income or expense is recorded in revenue according to the terms of the contract, or when the right to payment has been established.

Available-for-sale financial assets are subsequently carried at fair value, with gains and losses arising from changes in fair value taken to Other Comprehensive Income. The Bank makes irrevocable election to route fair value changes through Other Comprehensive Income. Gain/Loss on equity instruments classified as fair value through other comprehensive income is charged directly to equity and impact of re-measurement is shown in OCI.

Loans and receivables and held-to-maturity financial assets are subsequently measured at amortised cost. Within this category loans and advances to the customers have been recognised at amortised cost using the method that very closely approximates effective interest rate method. The losses arising from impairment of such investments are recognised in the income statement within credit loss expense. If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale.

Financial liabilities are subsequently measured at amortised cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

3.4.4 De-recognition

De-recognition of Financial Assets

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

De-recognition of Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

3.4.5 Determination of Fair Value

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

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

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

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

3.4.6 Impairment of Loans and Advances

At each reporting date the Bank assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset

or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Bank considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Bank initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where the Bank consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and investment securities measured at amortized cost are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and investment securities measured at amortized cost that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities measured at amortized cost with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Bank uses statistical modelling of 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. 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 As per NAS 39

Financial assets carried at amortized cost (such as amounts due from Banks, loans and advances to customers as well as held-to-maturity investments) is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

Loans and advances to customers with significant value i.e. NPR 25 million individually are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the bank. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances

are determined by management prudently being based on the past experience. For the purpose of collective assessment of impairment Bank has categorized assets in twelve broad products as follows:

- a. Agriculture Loan
- b. Business Loan
- c. Deprive Sector Loan
- d. Education Loan
- e. Hire Purchase Loan
- f. Home Loan
- g. Loan against FDR
- h. Margin Lending
- i. Other Loan
- j. Personal Loan
- k. Real Estate Loan
- l. Service Loan

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 other reserves and funds (impairment reserve) in statement of other comprehensive income and statement of changes in equity. If a write-off is later recovered, the recovery is credited to the Statement of Profit or Loss.

Provision as per NFRS

Particulars	2074	2075	2076
Individual	5,512,023	6,116,357	7,606,095
Collective	961,502	1,143,301	1,353,377
Total NFRS Provision	6,473,525	7,259,658	8,959,473

Provision as per NRB

Particulars	2074	2075	2076
Good	87,144,508	123,648,007	157,183,211
Watch list	2,706,608	724,202	21,500,381
Re-structure			7,500,000
Sub-standards	1,180,829	736,509	2,996,162
Doubtful	1,360,531	304,760	1,487,452
Bad	12,142,773	4,582,291	4,433,462
Total NRB Provision	104,535,250	129,995,769	195,100,668
Gap/(Excess)	(98,061,725)	(122,736,111)	(186,141,195)

As stated in table above, the bank loans and advances is greater considering the NRB directive as compared to NFRS impairment provisioning. Therefore, provisioning as per NRB directive is applied.

3.4.7 Impairment of Financial Investments – Available-for-Sale

The Bank also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost along with the historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

Refer Note 4.8 for details.

3.4.8 Impairment of Non-Financial Assets

The Bank assesses whether there are any indicators of impairment for an asset or a cash generating

unit (CGU) at each Reporting date or more frequently, if events or changes in circumstances necessitate to do so. This requires the estimation of the 'Value in use' of such individual assets or the CGUs. Estimating 'Value in use' requires the Management to make an estimate of the expected future cash flows from the asset or the CGU and also to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Bank to make estimates about expected future cash flows and discount rates and hence, they are subject to uncertainty.

3.5 Trading Assets

Trading assets are those assets that the bank acquires principally for the purpose of selling in the near term or holds as part of a portfolio that is managed together for short-term profit shall be presented under this account head. The other trading asset includes non-derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.

3.6 Derivatives Assets and Derivative Liabilities

Bank doesn't deal with any derivative financial instruments.

3.7 Property and Equipment

All property and equipment are 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated although it is subject to impairment testing. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

➤ Computer and Accessories	3 Years
➤ Furniture and Fixtures	7 Years
➤ Machinery and Equipment	9 Years
➤ Office Equipment	5 Years
➤ Vehicles	6 Years
➤ Leasehold	10 Years
➤ Other Assets	4 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The value of the assets fully depreciated but continued to be in use is considered not material.

The bank has adopted SLM basis for the F/Y 2075/76, unlike prior practice of depreciation under WDV valuation. The life has been estimated as above and depreciation has been charged on the basis of given life. Assets whose useful life has been elapsed, however, still recognised at certain value as fixed assets at start of reporting period has been written off and charged under depreciation for the year. This is the change in estimate; hence, the effect is of prospective nature.

At each reporting date, assets are also assessed 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 immediately to the recoverable amount.

Assets with costs less than NPR 5,000 are charged off on purchase as revenue expenditure.

Gains and losses on disposals are included in the Statement of Profit or Loss.

3.8 Intangible assets

Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Bank and are amortised on the basis of their expected useful lives.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalised where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are mortised over the period of 5 years in Straight Line method (SLM). Costs associated with maintaining software are recognised as an expense as incurred.

At each reporting date, these assets are assessed 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 immediately.

3.9 Investment Property

Land or Land and Building other than those classified as property and equipment and non-current assets held for sale under relevant accounting standard are presented under this account head. The Non-Banking Assets acquired by the company is classified as assets held for sale and presented under investment property.

Further land which is rented and held for capital appreciation motive is classified as investment property. Non-Banking Assets which are not intended to be sold within a period of next one year is also classified as Investment Property. The bank does not have any investment property.

Investment property of the bank is presented under Schedule 4.12.

3.10 Income Tax

3.10.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities of Nepal. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in Nepal. The liabilities recognised for the purpose of current Income tax, including fees, penalties are included under this head.

3.10.2 Deferred Tax Liabilities

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 consolidated financial statements. Deferred income tax is determined using tax rate applicable to the Bank as at the reporting date which is 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 where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the statement of profit or loss together with the deferred gain or loss.

3.11 Deposits, Debt securities issued and subordinate Liabilities

The deposits held by the bank on behalf of its customers are classified as financial liabilities and measured at amortised cost under effective interest method. The bank does not have any debt securities issued and subordinated liabilities.

3.12 Provisions

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflow of resources will be required to settle the obligations and they can be reliably estimated.

3.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

3.13.1 Interest Income

Interest income on available-for-sale assets and financial assets held at amortized cost shall be recognized using the Bank's normal interest rate which is very close to effective interest rate using effective interest rate method.

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that 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, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between

parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The Bank recognizes NPR 10,522,612 as the interest income on loans and advances during F/Y 2075/76 as per Guideline on Recognition of Interest Income, 2019.

3.13.2 Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. Service Fee Income/Expenses are recognized on accrual basis unless it is impracticable to recognize as allowed through carve-out on NFRS.

3.13.3 Dividend Income

Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

3.13.4 Net Trading Income

Net trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

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

Gains and losses arising from changes in the fair value of financial instruments designated at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognised within net interest income.

3.14 Interest Expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVTPL, interest expense is recorded using the EIR unless it is impracticable.

3.15 Employee Benefits

3.15.1 Retirement Benefits

The Bank has schemes of retirement benefits namely Gratuity, Provident Fund.

Retirement benefit obligations

The bank operates a defined contribution plans as provident fund contribution.

Provident Fund

For Provident Fund, the bank pays contributions to the publicly administered provident fund plans (named Employee Provident Fund) on a mandatory basis, and such amounts are charged to operating expenses. The bank has no further payment obligations once the contributions have been paid.

Gratuity

The bank has been providing gratuity as per its employees by-laws which is in the nature of defined benefit plan therefore actuarial valuation has been conducted and provided accordingly.

Explanatory Notes

Gratuity benefit obligations, plan assets, movement in gratuity liability & fair value of assets etc. related with long term employee benefits has been presented under schedule 4.23.1 A.

Accumulated Leave

The Bank provides accumulated leave benefit under its staff byelaw. The Home Leave is accumulated up to 60 days and there is no limit for the accumulation of Sick Leave.

Accumulated leave benefits are treated as long term benefit liability. Accumulated leave obligations are estimated on the basis of actuarial Valuation. Long term benefit liability are not subject to same degree of uncertainty as defined benefit plan. Therefore re-measurement gain/(loss) on accumulated leave is charged to Profit and Loss account as on Ashad end 2076.

The bank has no further payment obligations once the contributions have been paid.

3.15.2 Staff Bonus

Provision for bonus has been made at 10% of net profit before such bonus.

3.16 Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless 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.

3.17 Foreign Currency Translation

Foreign currency transactions are translated into the NPR 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 translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when recognised in other comprehensive income. Non-monetary assets that are measured at fair value are translated using exchange rate at the date that fair value was determined.

3.18 Financial Guarantee and Loan Commitment

In the ordinary course of business, the Bank issues performance guarantees, bid bond guarantees and advance payment guarantee. These guarantees are initially disclosed in the financial statement (within 'contingent liabilities') at guaranteed value. The premium received is recognised in the statement of profit or loss in net fees and commission income on a straight-line basis over the life of the guarantee.

3.19 Share Capital and Reserves

3.19.1 Share Capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Dividends on ordinary shares classified as equity are recognised in equity in the period in which they are declared.

The share issue expenses which can be avoided for the issue was charged in the year of issue directly through equity and disclosed in statement of changes in equity. Tax impact is also disclosed.

3.19.2 Reserves

The reserves include regulatory and free reserves.

✓ **General Reserve**

20% of the net profit is set aside to general reserve until the reserve is twice the paid up share capital as per Banking Financial Institutions Act. The reserve is the accumulation of setting aside profits over the years.

No Dividend (either cash dividend or bonus share) are distributed from the amount from General/ Statutory Reserve.

✓ **Exchange Equalisation Reserve**

25% of the revaluation gain on foreign currency is set aside to exchange equalisation reserve as per Banking Financial Institutions Act.

The Reserve is cushion against adverse movement in foreign currency.

✓ **Assets Revaluation Reserve**

Any Reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets, Investment Property) shall be presented under this heading. The Bank has followed cost model therefore no assets revaluation reserve is created.

✓ **Capital Reserve**

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. The amount from share forfeiture due to non-payment of remaining amount for the unpaid shares, capital grants received in cash or kind, capital reserve arising out of merger and acquisition etc are presented under this heading.

✓ **Special Reserve**

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB are represented as special reserve. The amount allocated to this reserve by debiting retained earning account are presented under this heading.

✓ **Corporate Social Responsibility Fund**

The fund created for the purpose of corporate social responsibility by allocating 1% of Net profit as per NRB Directive is presented under this account head.

✓ **Employee Training Fund**

The fund created for the purpose of employee training by allocating 3% of employee expenses of previous year excluding staff bonus and winding up interest cost on staff loan. The fund is utilized for the training of employees.

✓ **Investment Adjustment Reserve**

It is a reserve created on investment such as investment in subsidiary or unlisted investment in equity for more than two years as per the investment directive of Nepal Rastra Bank.

✓ **Regulatory Reserve**

The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the *Directive of NRB for the purpose of implementation of NFRS* and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The regulatory reserve of the bank includes the reserve net of tax created relating to Accrued Interest Receivable as on Ashad End 2076 not recovered till Shrawan End 2076, Reserve on Deferred Tax Assets, Non-Banking Assets, reduction in fair value of investment in equity below cost price, actuarial loss etc.

✓ **Fair Value Reserve**

The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the *Directive of NRB for the purpose of implementation of NFRS* and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The fair value reserve of the bank includes the reserve net of tax created relating to Market Value of Share investment.

✓ **Actuarial Gain/(Loss) Reserve**

The amount that is allocated from profit or retained earnings of the Bank both positive or negative to this reserve as per the *Directive of NRB for the purpose of implementation of NFRS* and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. This reserve includes actuarial gain/(loss) net of tax on defined benefit plan and long-term employee benefits.

✓ **Other reserve**

Any reserve created with specific or non-specific purpose (except stated in above) are presented under thus by disclosing accounting heads.

3.20 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by *NAS 33 - Earnings Per Share*.

There are no instruments, such as convertibles, that would require dilution of EPS, therefore diluted EPS has not been computed and disclosed.

3.21 Segmental Reporting

The Bank's segmental reporting is in accordance with NFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the bank's management, which is responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

The Bank has determined segments based on the district of operation by the management for decision making purpose. Such segmental information has been provided under Disclosures & Additional Information (Point No. 5.3).

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the bank's total revenue in any of the periods reported.

3.22 Interim Financial Reporting

Interim reports corresponding to the financial statements had been reported in accordance with the regulatory reporting requirements. Those statements have been published quarterly in national level newspaper. The bank has utilized the benefits provided by Carve-out on NFRS for reinstatement of earlier year figures.

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

4.1 Cash and cash equivalent

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Cash in Hand	327,372,656	288,373,067	437,904,618
Balances with B/Fis	17,031,905	21,418,462	11,521,566
Money at call and short notice	2,483,614,030	1,787,348,128	1,988,855,814
Other	-	-	-
Total	2,828,018,592	2,097,139,657	2,438,281,998

4.2 Due from Nepal Rastra Bank

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Statutory balances with NRB	890,428,425	837,247,299	586,200,878
Securities purchased under resale agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
Total	890,428,425	837,247,299	586,200,878

4.3 Placements with Bank and Financial Institutions

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Placement with domestic B/FIs	-	-	-
Placement with Foreign B/FIs	-	-	-
Less: Allowances for impairment	-	-	-
Total	-	-	-

4.4 Derivative Financial Instruments

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 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	-	-	-

4.5 Other Trading assets

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Treasury Bills	-	-	-
Government bond	-	-	-
NRB bonds	-	-	-
Domestic Corporate bonds	-	-	-
Equities	-	-	-
Other	-	-	-
Total	-	-	-
Pledged	-	-	-
Non- Pledged	-	-	-

4.6 Loans and advances to B/FIs

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Loan to Microfinance Institutions	265,037,718	230,057,123	86,500,000
Other	-	-	-
Less: Allowances for Impairment	(2,649,121)	(2,300,000)	(865,000)
Total	262,388,597	227,757,123	85,635,000

4.6.1 Allowances for Impairment

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Balance as at Shrawan 1	2,300,000	865,000	150,000
Impairment loss for the year:			
Charge for the year	349,121	1,435,000	715,000
Recoveries/Reversal			
Amount written off			
Balance as at Ashad end	2,649,121	2,300,000	865,000

4.7 Loans and advances to customers

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Loans and advances measured at amortized cost	16,076,243,935	12,237,361,096	8,736,917,220
Less: Impairment allowances			
Individual Impairment	(8,917,076)	(5,623,560)	(14,684,133)
Portfolio Impairment	(183,534,471)	(122,072,209)	(88,986,116)
Net amount	15,883,792,388	12,109,665,327	8,633,246,970
Loan and advances measured at FVTPL	-	-	-
Total	15,883,792,388	12,109,665,327	8,633,246,970

4.7.1 Analysis of loan and advances - By product

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Product			
Term Loans	3,584,853,010	2,258,805,490	1,383,662,870
Overdraft	712,010,050	618,139,870	667,902,670
Trust Receipt/Import Loans		-	-
Demand and other Working Capital Loans	5,089,620,060	4,345,155,520	2,828,294,950
Personal Residential Loans	1,272,007,310	1,057,723,850	691,304,520
Real Estate Loans	1,227,978,620	1,058,877,146	987,507,110
Margin Lending Loans	20,200,000	12,299,130	10,500,000
Hire Purchase Loans	1,421,852,950	1,157,188,270	894,054,320
Deprived Sector Loans	534,504,869.97	302,942,740	307,635,293
Bills Purchased		-	-
Staffs Loans	92,013,683	68,803,766	26,642,452
Other	2,099,782,752	1,346,290,570	930,808,420
Sub-total	16,054,823,305	12,226,226,352	8,728,312,605
Interest Receivable	21,420,631	11,134,744	8,604,615
Grand Total	16,076,243,935	12,237,361,096	8,736,917,220

4.7.2 Analysis of loan and advances - By Currency

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Nepalese Rupee	16,076,243,935	12,237,361,096	8,736,917,220
Indian Rupee			
United States Dollar			
Great Britain Pound			
Euro			
Japanese Yen			
Chinese Yuan			
Other			
Grand Total	16,076,243,935	12,237,361,096	8,736,917,220

4.7.3 Analysis of loan and advances - By Collateral

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Secured			
Moveable/Immoveable Assets	15,848,509,597	12,083,381,146	8,563,797,222
Gold and Silver	-	-	-
Guarantee of Domestic BFIs	-	18,647,140	42,213,453
Government Guarantee	-	-	-
Guarantee of International Rated Bank	-	-	-
Collateral of Export Document	-	-	-
Collateral of Fixed Deposit Receipt	184,646,080	111,898,940	111,801,930
Collateral of Government Securities	-	-	-
Counter Guarantee	-	-	-
Personal Guarantee	1,467,624	-	-
Other Collateral	20,200,004	12,299,130	10,500,000
Sub Total	16,054,823,305	12,226,226,356	8,728,312,605
Unsecured	-	-	-
Grand Total	16,054,823,305	12,226,226,356	8,728,312,605

4.7.4 Allowances for Impairment

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Specific allowances for impairment			
Balance at Shrawan 1	5,623,560	14,684,133	15,984,549
Impairment loss for the year:	3,293,516	(9,060,573)	(1,300,416)
Charge for the year	3,293,516		
Recoveries/reversal during the year		(9,060,573)	(1,300,416)
Write- offs	-		-
Exchange rate variance on foreign currency			
Other movement			
Balance at Ashad end	8,917,076	5,623,560	14,684,133
Collective allowances for impairment			
Balance at Shrawan 1	122,072,209	88,986,116	73,629,487
Impairment loss for the year:	61,462,262	33,086,092	15,356,629
Charge/(reversal) for the year	61,462,262	33,086,092	15,356,629
Exchange rate variance on foreign currency	-	-	-
Other movement	-		-
Balance at Ashad end	183,534,471	122,072,209	88,986,116
Total allowances for impairment	192,451,547	127,695,769	103,670,250

4.8 Investment in securities

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Investment securities designated at FVTPL	-	-	-
Investment securities measured at amortized cost	1,149,045,263	1,014,600,172	10,050,411
Investment in equity measured at FVTOCI	72,320,183	58,728,058	31,474,058
Total	1,221,365,446	1,073,328,230	41,524,469

4.8.1 Investment in securities measured at amortized cost

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Debt Securities	-		
Government Bond	1,149,045,263	1,014,600,172	10,050,411
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposit instruments	-	-	-
Other			
Less: Specific allowances for impairment	-	-	-
Total	1,149,045,263	1,014,600,172	10,050,411

4.8.2 Investment in equity measured at fair value through other Other comprehensive income

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Equity Instrument			
Quoted equity securities	62,320,183	43,728,058	31,474,058
Unquoted equity securities	10,000,000	15,000,000	-
Total	72,320,183	58,728,058	31,474,058

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

4.8.3 Information relating to investment in equities

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity						
1. Siddhartha Equity Oriented Scheme						
1,769,323 Units of Rs. 10 each	17,693,230	19,144,075	17,693,230	18,666,358	17,693,230	20,984,171
2. Nabil Equity Fund						
225,299 Units of Rs. 10 each	2,252,990	2,102,040	2,252,990	2,221,448	2,252,990	2,252,990
3. N.M.B. Hybrid Fund*						
315,480 Units of Rs. 10 each	3,154,800	3,164,264	3,154,800	3,057,001	3,154,800	3,135,871
4. Varun Hydro Powe Co. Ltd.*						
10 Shares of Rs. 100 Each	1,000	900	1,000	1,500	1,000	2,530
5. Jalvidyut Lagani and Vikash Co. Limited*						
3,185 shares of Rs. 100 each	289,600	512,785	289,600	448,880	289,600	570,512
6. Nepal Life Insurance Co. Ltd.*						
2,994 shares of Rs. 1,425 each	2,403,975	3,371,542	2,403,975	3,143,700	2,403,975	4,527,984
7. Siddhartha Mutual Fund (Siddhartha Equity Fund)*						
967,748 Units of Rs. 10 Each	9,677,480	9,764,577	9,677,480	9,251,671	-	-
8. Citizens Mutual Fund						
500,000 Units of Rs. 10 each	5,000,000	5,090,000	5,000,000	4,640,000	-	-
9. N.I.C. Asia Mutual Fund*						
250,000 Units of Rs. 10 each	2,500,000	2,570,000	2,500,000	2,297,500	-	-
10. NIBL Sahabhagita Fund						
250,000 Units of Rs. 10 each	2,500,000	2,500,000	-	-	-	-
11. Citizens Mutual Fund 2						
250,000 Units of Rs. 10 each	2,500,000	2,500,000				
12. Chautari Laghubitta Bittiya Sanstha Limited						
50,000 promoter share of Rs. 100 each	5,000,000	11,600,000				
Subtotal	52,973,075	62,320,183	42,973,075	43,728,058	25,795,595	31,474,058
Investment in Unquoted equity						
1. Chautari Laghubitta Bittiya Sanstha Limited						
50,000 promoter share of Rs. 100 each	-	-	5,000,000	5,000,000	-	-
2. General Insurance Company Limited						
100,000 shares of Rs. 100 each	10,000,000	10,000,000	10,000,000	10,000,000	-	-
Subtotal	10,000,000	10,000,000	15,000,000	15,000,000	-	-
Grand Total	62,973,075	72,320,183	57,973,075	58,728,058	25,795,595	31,474,058

4.9 Current tax Assets/Liabilit

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Current tax assets	188,450,599	137,836,173	150,455,015
Current year Income Tax Assets	188,450,599	137,836,173	150,455,015
Tax Assets of Prior Periods			
Current tax liabilities	187,891,644	143,157,240	151,249,749
Current year Income Tax Liabilities	187,891,644	142,776,774	151,249,749
Tax Liabilities of Prior Periods	-	380,466	-
	187,891,644	143,157,240	151,249,749
Total of income tax assets/(liabilities)	558,955	(5,321,067)	(794,734)

4.10 Investment In subsidiaries

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Investment in Quoted Subsidiaries	-	-	-
Investment in Unquoted Subsidiaries	-	-	-
Total Investment	-	-	-
Less: Impairment Allowances			
Net Carrying Amount	-	-	-

4.10.1 Investment In quoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.2 Investment In unquoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.3 Information relating to subsidiaries of the bank

Particulars	Percentage of ownership					
	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
.....Ltd						
.....Ltd	-	-	-	-	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

	Group As on Ashad 31, 2076
Equity Interest held by NCI (%)	
Profit (Loss) allocated during the year	
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	
	As on Ashad 32, 2075
Equity Interest held by NCI (%)	
Profit (Loss) allocated during the year	
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	

4.11 Investment In associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in Quoted associates	-	-	-	-	-	-
Investment in Unquoted associates	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-
Less: Impairment Allowances				-		-
Net Carrying Amount	-	-	-	-	-	-

4.11.1 Investment In quoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.11.2 Investment In unquoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value

4.11.4: Equity value of associates

Particulars	Group	
	As on Ashad 31, 2076	As on Ashad 32, 2075
		-
	-	-

4.12 Investment Properties

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Investment Properties measured at Fair Value			
Balance as on Shrawan 01	-	-	-
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 01	-	-	
Addition/(Disposal) during the year			
Adjustment/Transfer			
Accumulated depreciation			
Accumulated impairment loss			
Net Amount	-	-	-
Total	-	-	-

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Notes forming part of the Financial Statements

4.13 Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashad end 2076
Cost									
As on Shrawan 2074	77,052,000	-	34,426,038	16,249,420	17,124,329	14,347,354	28,495,467	21,513,608	209,208,216
Addition during the year	-	-	12,791,891	4,417,052	16,349,923	4,836,151	8,885,878	9,721,340	57,002,234
Acquisition	-	-	12,791,891	4,417,052	16,349,923	4,836,151	8,885,878	9,721,340	57,002,234
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(7,049,335)	(33,399)	(305,400)	(665,218)	(1,540,246)	(1,997,452)	(11,591,050)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2075	77,052,000	-	40,168,593	20,633,073	33,168,852	18,518,286	35,841,099	29,237,496	254,619,400
Addition during the Year	-	-	14,344,791	5,023,419	9,119,000	5,558,309	12,692,059	8,708,329	55,445,906
Acquisition	-	-	14,344,791	5,023,419	9,119,000	5,558,309	12,692,059	8,708,329	55,445,906
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	(9,453,027)	(4,078,314)	(2,739,386)	(2,010,798)	(6,477,820)	(24,759,345)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2076	77,052,000	-	54,513,384	16,203,465	38,209,538	21,337,209	46,522,360	31,468,004	285,305,961
Depreciation and Impairment									
As on Shrawan 01. 2074	-	-	7,551,661	9,227,542	8,303,918	6,985,064	11,171,739	9,985,898	53,225,822
Depreciation charge for the year	-	-	1,641,106	2,495,473	4,943,379	2,641,134	3,657,747	4,893,837	20,272,676
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	(2,140,017)	(20,512)	(254,598)	(492,329)	(862,808)	(1,518,264)	(5,288,528)
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2075	-	-	7,052,749	11,702,503	12,992,699	9,133,868	13,966,678	13,361,471	68,209,969
Depreciation charge for the year	-	-	6,708,098	6,423,941	5,775,992	2,563,105	5,997,537	5,882,350	33,351,023
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals*	-	-	-	(9,453,027)	(4,078,314)	(2,739,386)	(2,010,798)	(6,477,820)	(24,759,345)
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2076	-	-	13,760,848	8,673,417	14,690,377	8,957,587	17,953,417	12,766,001	76,801,646
Capital Work in Progress 2074									
Capital Work in Progress 2075		30,348,638	-	-	-	-	-	-	-
Capital Work in Progress 2076		51,884,670	-	-	-	-	-	-	-
Net Book Value									
As on Ashad end 2074	77,052,000	-	26,874,377	7,021,878	8,820,411	7,362,290	17,323,728	11,527,710	155,982,394
As on Ashad end 2075	77,052,000	30,348,638	33,115,844	8,930,570	20,176,153	9,384,418	21,874,421	15,876,025	216,758,069
As on Ashad end 2076	77,052,000	51,884,670	40,752,537	7,530,048	23,519,161	12,379,622	28,568,943	18,702,003	260,388,984

*During the F.Y 2073-74 and F.Y 74-75, bank has followed written Down Value Method to calculate the depreciation of assets. However during the F.Y 2075-76, Straight Line Method has been followed due to which fixed assets having WDV Rs. 2,391,494/- Have been written off. As per para 61 of NAS 16, change in useful life of assets has been accounted as change in accounting estimate and treated prospectively as per NAS 8.

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

4.14 Goodwill and Intangible Assets

Software					
Particulars	Goodwill	Purchased	Developed	Other	Total Ashad end
Cost					
As on Shrawan 01 2074	-	7,691,123	-	-	7,691,123
Addition during the year	-	3,677,619	-	-	3,677,619
Acquisition	-	3,677,619	-	-	3,677,619
Capitalization	-		-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2075	-	11,368,742	-	-	11,368,742
				-	
Addition during the Year	-		-	-	-
Acquisition	-	4,585,220	-	-	4,585,220
Capitalization	-		-	-	-
Disposal during the year	-		-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2076		15,953,962	-	-	15,953,962
Amortisation and Impairment					
As on Shrawan 01. 2074	-	3,898,401	-	-	3,898,401
Amortisation charge for the year	-	2,005,876	-	-	2,005,876
Impairment for the year	-	-	-	-	-
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2075		5,904,277	-	-	5,904,277
Impairment for the year	-	2,124,869	-	-	2,124,869
Amortisation charge for the year	-		-	-	-
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2076	-	8,029,147	-	-	8,029,147
Capital Work in Progress					
Net Book Value					
As on Ashad end 2074	-	3,792,722	-	-	3,792,722
As on Ashad end 2075	-	5,464,465	-	-	5,464,465
As on Ashad end 2076	-	7,924,816	-	-	7,924,816

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

4.15 Deferred Taxes Assets/(Liabilities)

As on Shrawan 01, 2074			
Net Deferred			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(2,581,384)	(2,581,384)
Investment Properties	-	-	-
Investment Securities	-	(1,709,218)	(1,709,218)
Investment In Associates	-	-	-
Property and Equipment	-	1,234,062	1,234,062
Employees' Defined Benefit Plan	3,032,597	-	3,032,597
Employees' Leave Liability	3,638,649	-	3,638,649
Lease Liabilities	505,266	-	505,266
Provisions LLP	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	7,176,511	(3,056,540)	4,119,972
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 2073/74			4,119,972
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2073			5,567,164
Origination/(Reversal) during the year			(1,447,192)
Deferred Tax (expense)/income recognized in profit or loss			(1,577,378)
Deferred Tax (expense)/income recognized in Other Comprehensive Income			130,185
Deferred Tax (expense)/income recognized directly in equity			

As on Ashad 32, 2075			
Net Deferred			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(3,357,560)	(3,357,560)
Investment Properties	-	-	-
Investment Securities	(226,495)	-	(226,495)
Investment In Associates	-	-	-
Property and Equipment	2,919,696		2,919,696
Employees' Defined Benefit Plan	4,677,772	-	4,677,772
Employees' Leave Liability	5,439,719	-	5,439,719
Lease Liabilities	904,410	-	904,410
Provisions LLP	-	-	-
Other Temporary Differences		-	-
Deferred tax on temporary differences	13,715,102	(3,357,560)	10,357,542
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 2074/75			10,357,542
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2074			(4,119,972)
Origination/(Reversal) during the year			6,237,571
Deferred Tax (expense)/income recognized in profit or loss			4,346,458
Deferred Tax (expense)/income recognized in Other Comprehensive Income			1,891,112
Deferred Tax (expense)/income recognized directly in equity			

As on Ashad 31, 2076			
Net Deferred			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
	-	-	-
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	50,479	50,479
Investment Properties	-	-	-
Investment Securities	-	(2,804,132)	(2,804,132)
Investment In Associates	-	-	-
Property and Equipment	8,777,654		8,777,654
Employees' Defined Benefit Plan	6,446,003		6,446,003
Employees' Leave Liability	7,808,606	-	7,808,606
Lease Liabilities	1,786,215	-	1,786,215
Provisions LLP	-	-	-
Other Temporary Differences			-
Deferred tax on temporary differences	24,818,477	(2,753,653)	22,064,824
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 2075/76			22,064,824
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			(10,357,542)
Origination/(Reversal) during the year			11,707,282
Deferred Tax (expense)/income recognized in profit or loss			14,409,862
Deferred Tax (expense)/income recognized in Other Comprehensive Income			(2,702,580)
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Assets held for Sale	-	-	-
Other Non-Banking Assets	-	-	-
Bills Receivable	-	-	-
Accounts Receivable	41,173,383	48,433,712	58,784,825
Accrued Income	-	-	-
Prepayments and Deposits	2,451,752	8,989,609	7,091,985
Income Tax Deposit	-	-	-
Deferred Employee Expenditure	37,697,536	26,997,386	5,671,861
Other	8,799,034	4,701,966	4,291,031
Stationery Stock	7,054,903	2,959,347	2,868,960
Deposit	253,696	135,700	115,000
Others	1,490,435	1,606,919	1,307,071
Grand Total	90,121,704	89,122,673	75,839,703

4.17 Due to Bank and Financial Institutions

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Money Market Deposits		-	-
Interbank Borrowing	-	-	-
Other Deposits from BFIs	59,995,050	103,001,180	240,921,610
Settlement and Clearing Accounts	-	-	-
Other Deposits from BFIs	-		
Total	59,995,050	103,001,180	240,921,610

4.18 Due to Nepal Rastra Bank

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Refinance from NRB	-	-	-
Standing Liquidity Facility	-	-	-
Lender of Last Resort facility from NRB	-	-	-
Securities sold under repurchase agreements	-	-	-
Other Payable to NRB	-	-	-
Total	-	-	-

4.19 Derivative Financial instruments

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Held for Trading			
Interest Rate Swap	-	-	-
Currency Swap	-	-	-
Forward Exchange Contracts			
Others			
Held for Risk Management			
Interest Rate Swap			
Currency Swap			
Forward Exchange Contracts.			
Others	-	-	-
Total	-	-	-

4.20 Deposits from customers

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Institutions Customers:	1,198,839,057	1,456,547,720	843,565,480
Term deposits	211,969,250	482,564,956	140,423,100
Call deposits	732,235,477	672,357,301	668,829,450
Current deposits	214,984,950	301,625,463	34,312,930
Other	39,649,380	-	-
Individual Customers:	17,651,176,709	12,980,368,362	9,184,478,938
Term deposits	8,098,261,401	4,828,280,420	2,526,169,960
Saving deposits	9,543,876,018	8,133,820,572	6,590,604,338
Current deposits	5,517,810	16,325,120	65,914,440
Other	3,521,480	1,942,250	1,790,200
Total	18,850,015,766	14,436,916,081	10,028,044,418

4.20.1 Currency wise analysis of deposit form customers

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Nepalese Rupee	18,850,015,766	14,436,916,081	10,028,044,418
Indian Rupee	-	-	-
United State dollar	-	-	-
Great Britain pound	-	-	-
Euro	-	-	-
Japanese yen	-	-	-
Chinese Yuan	-	-	-
Other	-	-	-
Total	18,850,015,766	14,436,916,081	10,028,044,418

4.21 Borrowings

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Domestic Borrowing			a
Nepal Government			
Other Institutions	-	-	-
Other			
Sub total	-	-	-
Foreign Borrowing			
Foreign Bank and Financial Institutions			
Multilateral Development Banks			
Other institutions			
Sub total	-	-	-
Total	-	-	-

4.22 Provisions

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Provisions for redundancy	-	-	-
Provision for restructuring	-	-	-
Pending legal issues and tax litigation	-	-	-
Onerous contracts	-	-	-
Other	-	-	-
Total	-	-	-

4.22.1 Movement in Provisions

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Balance at Sawan 1	-	-	-
Provisions made during the year			
Provisions used during the year			
Provisions reversed during the year			
Unwind of discount			
Balance at Ashad end	-	-	-

4.23 Other Liabilities

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Liabilities for employees defined benefit obligations	21,486,677	15,592,574	10,108,655
Liabilities for leave	26,028,685	18,132,395	12,128,830
Short term employee benefits	-	-	-
Bills payable	-	-	-
Creditors and accruals	24,105,972	41,818,973	14,668,986
Interest payable on deposits	8,023,593	3,221,538	46
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	765,003	2,790,510	2,996,992
Employee bonus payable	65,771,339	46,064,238	49,905,363
Other Liabilities	26,199,028	20,578,772	13,339,250
Audit Fee Payable	1,167,000	892,000	947,750
TDS Payable	18,401,028	16,413,484	10,474,066
Liabilities under Operating Lease	5,954,049	3,014,701	1,684,219
Others	676,952	258,587	233,214
Total	172,380,299	148,199,000	103,148,121

4.23.1. A Defined Benefit Obligation

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

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Present value of unfunded obligations	21,486,677	15,592,574	10,108,655
Present value of funded obligations	-	-	-
Total present value of obligations	21,486,677	15,592,574	10,108,655
Fair value of plan assets	-	-	-
Present value of net obligations	21,486,677	15,592,574	10,108,655
Recognised liability for defined benefit obligations	21,486,677	15,592,574	10,108,655

4.23.2: Plan Assets

Plan assets comprise

Particulars	As on Ashad 31, 2076	As on Shrwan 32, 2075	As on Shrwan 01, 2074
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	-	-	-
Total	-	-	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As on Ashad 31, 2076	As on Shrwan 32, 2075	As on Shrwan 01, 2074
Defined benefit obligations at Shrawan 1	15,592,574	10,108,655	7,395,849
Actuarial losses	(416,476)	1,380,228	433,951
Benefits paid by the plan	(996,505)	(628,998)	(159,278)
Current service costs; Past Service Cost and interest	7,307,084	4,732,689	2,438,133
Defined benefit obligations at Ashad end	21,486,677	15,592,574	10,108,655

4.23.4: Movement in the fair value of plan assets

Particulars	As on Ashad 31, 2076	As on Shrwan 32, 2075	As on Shrwan 01, 2074
Fair value of plan assets at Shrawan 1	-	-	-
Contributions paid into the plan	996,505	628,998	159,278
Benefits paid during the year	(996,505)	(628,998)	(159,278)
Actuarial (losses) gains	-	-	-
Expected return on plan assets	-	-	-
Fair value of plan assets at Ashad end	-	-	-

4.23.5: Amount recognised in profit or loss

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Current service costs	6,099,538	3,949,157	1,852,836
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Interest on obligation	1,207,546	783,532	585,297
Expected return on plan assets	-	-	-
Total	7,307,084	4,732,689	2,438,133

4.23.6: Amount recognised in other comprehensive income

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Acturial (gain)/loss	(416,476)	1,380,228	433,951
Total	(416,476)	1,380,228	433,951

4.23.7: Actuarial assumptions

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Discount rate	8%	8%	8%
Expected return on plan asset			
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.23.1. B Long Term Benefit Obligation

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

Particulars	As on Ashad 31, 2076	As on Shrawan 32, 2075	As on Shrawan 01, 2074
Present value of unfunded obligations	26,028,685	18,132,395	12,128,830
Present value of funded obligations	-	-	-
Total present value of obligations	26,028,685	18,132,395	12,128,830
Fair value of plan assets	-	-	-
Present value of net obligations	26,028,685	18,132,395	12,128,830
Recognised liability for defined benefit obligations	26,028,685	18,132,395	12,128,830

4.23.2: Plan Assets

Plan assets comprise

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	-	-	-
Total	-	-	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Defined benefit obligations at Shrawan 1	18,132,395	12,128,830	10,551,874
Actuarial losses	4,425,562	2,221,625	(1,915,688)
Benefits paid by the plan	(1,766,253)	(1,020,485)	(252,070)
Current service costs; Past Service Cost and interest	5,236,981	4,802,425	3,744,714
Defined benefit obligations at Ashad end	26,028,685	18,132,395	12,128,830

4.23.4: Movement in the fair value of plan assets

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Fair value of plan assets at Shrawan 1	-	-	-
Contributions paid into the plan	1,766,253	1,020,485	252,070
Benefits paid during the year	(1,766,253)	(1,020,485)	(252,070)
Actuarial (losses) gains	-	-	-
Expected return on plan assets	-	-	-
Fair value of plan assets at Ashad end	-	-	-

4.23.5: Amount recognised in profit or loss

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Current service costs	3,857,040	3,872,938	2,910,647
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Actuarial (gain)/loss	4,425,562	2,221,625	(1,915,688)
Interest on obligation	1,379,941	929,487	834,067
Expected return on plan assets	-	-	-
Total	9,662,543	7,024,050	1,829,026

4.23.6: Amount recognised in other comprehensive income

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Actuarial (gain)/loss	-	-	-
Total	-	-	-

4.23.7: Actuarial assumptions

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Discount rate	8%	8%	8%
Expected return on plan asset			
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.24 Debt securities issued

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Debt securities issued designated as at fair value through profit or loss	-	-	-
Debt securities issued at amortised cost	-	-	-
Total	-	-	-

4.25 Subordinate Liabilities

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrwan 01, 2074
Redeemable preference shares	-	-	-
Irredeemable cumulative preference shares (liabilities component)			
Other			
Total	-	-	-

4.26 Share Capital

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Ordinary Shares	1,622,665,260	1,378,615,400	1,102,892,300
Convertible Preference Shares (Equity component)	-	-	-
Irredeemable Preference Shares (Equity component)	-	-	-
Perpetual debt (Equity component only)	-	-	-
Total	1,622,665,260	1,378,615,400	1,102,892,300

4.26.1 Share capital detail

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Authorised capital			
25,000,000 Ordinary Share of Rs. 100 each	2,500,000,000	2,500,000,000	1,200,000,000
Issued Capital			
11,028,923 Ordinary Share of Rs. 100 each (FY 2073-74)			1,102,892,300
13,786,154 Ordinary Share of Rs. 100 each (FY 2074-75)		1,378,615,400	
16,226,652.6 Ordinary Share of Rs. 100 each (FY 2075-76)	1,622,665,260		
Suscribed and paid up capital			
11,028,923 Ordinary Share of Rs. 100 each (FY 2073-74)			1,102,892,300
13,786,154 Ordinary Share of Rs. 100 each (FY 2074-75)		1,378,615,400	
16,226,652.6 Ordinary Share of Rs. 100 each (FY 2075-76)	1,622,665,260		
Total	1,622,665,260	1,378,615,400	1,102,892,300

4.26.2: Ordinary share ownership

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 1, 2074	
	% of holding	Amount	% of holding	Amount	% of holding	Amount
Domestic ownership	100.00%	1,622,665,260	100.00%	1,378,615,400	100.00%	1,102,892,300
Nepal Government						
"A" Class licenced institutions						
Other Licenced institutions						
Other institutions & individuals						
Public	36.78%	596,747,138	36.78%	506,995,999	36.78%	405,596,798
Other	63.22%	1,025,918,122	63.22%	871,619,401	63.22%	697,295,502
Foreign Ownership						
Total	100%	1,622,665,260	100.00%	1,378,615,400	100.00%	1,102,892,300

List of Shareholder holding more than 0.5% of Shares

Shareholder's Name	No. of Shares	Share Amount Rs.	Percentage
Thaneshwor Poudel	583,737.00	58,373,700.00	3.60
Bhuwan Bhandari	153,926.00	15,392,600.00	0.95
Shree Krishna Pokharel	153,927.00	15,392,700.00	0.95
Dilip Raj Maskey	255,842.00	25,584,200.00	1.58
Keshav Raj Maskey	153,925.00	15,392,500.00	0.95
Laxmi Bhandari (Pathak)	87,957.00	8,795,700.00	0.54
Ganesh Chandra Pokhrel	134,690.00	13,469,000.00	0.83
Ghanashyam Adhikari	87,959.00	8,795,900.00	0.54
Ghanashyam Pandey	87,956.00	8,795,600.00	0.54
Churamani Kharel	87,957.00	8,795,700.00	0.54
Jyoti Bhandari	87,957.00	8,795,700.00	0.54
Tankeshwor Khanal	153,926.00	15,392,600.00	0.95
Thakur Prasad Poudel	153,927.00	15,392,700.00	0.95
Dhundi Raj Bhandari	87,957.00	8,795,700.00	0.54
Tej Bahadur Shrestha	87,957.00	8,795,700.00	0.54
Tulsi Ram Pandey	87,957.00	8,795,700.00	0.54
Dan Bahadur Kunwar Chhetri	153,926.00	15,392,600.00	0.95
Dwarika Prasad Shrestha	87,957.00	8,795,700.00	0.54
Durga Datta Bhandari	120,941.00	12,094,100.00	0.75
Dharma Datta Gyawali	87,956.00	8,795,600.00	0.54
Dhanendra Karki	283,330.00	28,333,000.00	1.75
Narayan Hari Ghimire	87,957.00	8,795,700.00	0.54
Padam Prasad Shrestha	87,957.00	8,795,700.00	0.54
Bal Krishna Aryal	87,957.00	8,795,700.00	0.54
Bal Krishna Bhusal	255,842.00	25,584,200.00	1.58
Bhesh Raj Pandey	113,419.00	11,341,900.00	0.70
Bhubaneshor Prasad Bhandari	87,957.00	8,795,700.00	0.54
Bhupal Dhawaj K.C.	87,957.00	8,795,700.00	0.54
Mim Lal Shrestha	87,957.00	8,795,700.00	0.54
Mina Kumari Bhandari	87,957.00	8,795,700.00	0.54

Shareholder's Name	No. of Shares	Share Amount Rs.	Percentage
Mahesh Man Singh	102,619.00	10,261,900.00	0.63
Maheshwor Prasad Shrestha	153,926.00	15,392,600.00	0.95
Yagya Prasad Pokhrel	153,926.00	15,392,600.00	0.95
Yogesh Ghimire	87,957.00	8,795,700.00	0.54
Raj Kumar Pradhan	95,287.00	9,528,700.00	0.59
Rajendra Prasad Shrestha	244,848.00	24,484,800.00	1.51
Ramesh Bhandari	95,286.00	9,528,600.00	0.59
Ram Bahadur Shrestha	87,956.00	8,795,600.00	0.54
Madhav Prasad Khanal	153,925.00	15,392,500.00	0.95
Lekhnath Kharel	87,957.00	8,795,700.00	0.54
Laxmi Kandel	87,957.00	8,795,700.00	0.54
Lal Prasad Bhattarai	120,942.00	12,094,200.00	0.75
Sapta Raj Chuke	153,926.00	15,392,600.00	0.95
Shovakhar Aryal	87,957.00	8,795,700.00	0.54
Shesh Raj Kumar Sharma (Bhattarai)	87,957.00	8,795,700.00	0.54
Shankar Bhattarai	87,957.00	8,795,700.00	0.54
Hari Prasad Pradhan	179,653.00	17,965,300.00	1.11
Hari Prasad Gaire	87,957.00	8,795,700.00	0.54
Archana Singha Sijapati	119,843.00	11,984,300.00	0.74
Ayodhya Prasad Shrestha	156,890.00	15,689,000.00	0.97
Ishwori Prasad Poudel	156,890.00	15,689,000.00	0.97
Krishna Prasad Pokhrel	156,890.00	15,689,000.00	0.97
Krishna Prasad Bhandari	203,036.00	20,303,600.00	1.25
Gom Raj Shrestha	156,890.00	15,689,000.00	0.97
Ghanshyam Poudel Sharma	156,890.00	15,689,000.00	0.97
Janak Pradhan	182,471.00	18,247,100.00	1.12
Tara Prasad Bhusal	156,890.00	15,689,000.00	0.97
Nanda Ram Bhusal	156,889.00	15,688,900.00	0.97
Shusma Chhetri	156,890.00	15,689,000.00	0.97
Birendra Bhusal	156,890.00	15,689,000.00	0.97
Mrigendra Prasad Shrestha	193,800.00	19,380,000.00	1.19
Surendra Prasad Shrestha	156,890.00	15,689,000.00	0.97
Meghraj Kakshapati	149,689.00	14,968,900.00	0.92
Kedarman Kakshapati	149,691.00	14,969,100.00	0.92
Rabinsan Kakshapati	119,753.00	11,975,300.00	0.74

Paid up share capital of the Bank has moved over the years as follows:

Financial Year	Cumulative Paid Up Capital	Remarks
2069 Ashad End	234,000,000	
Issue of Bonus Share	63,972,800	
Merger Resunga Bikas Bank	85,863,600	Meger
2070 Ashad End	383,836,400	
Issue of Bonus Share	57,575,500	
Issue of Right Share	166,055,600	
2071 Ashad End	607,467,500	
Issue of Right Share	25,862,600	
Issue of Bonus Share	170,999,200	
2072 Ashad End	804,329,300	
Merger of Gaumukhi Bikas Bank	64,089,792	Meger
Issue of Bonus Share	234,473,208	
2073 Ashad End	1,102,892,300	
Issue of Bonus Share	275,723,100	
2074 Ashad End	1,378,615,400	
Issue of Bonus Share	244,049,860	
2075 Ashad End	1,622,665,260	

4.27 Reserves

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Statutory general reserve	392,448,150	308,756,096	244,160,459
Exchange equilisation reserve	-	-	-
Corporate social responsibility reserve	5,075,102	4,522,968	3,504,712
Capital redemption reserve	-	-	-
Regulatory reserve	36,874,388	19,795,994	9,863,573
Investment adjustment reserve	-	3,047,194	6,213,304
Capital reserve	-	-	-
Assets revaluation reserve	-	-	-
Fair value reserve	6,542,976	528,488	3,974,924
Dividend equalisation reserve	-	-	-
Actuarial gain	(978,392)	(1,269,925)	(303,766)
Special reserve	-	-	-
Staff Training Fund	2,703,723	1,689,162	369,842
Total	442,665,947	337,069,976	267,783,049

4.28 Contingent liabilities and commitments

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Contingent liabilities	108,341,410	699,009,752	402,180,138
Undrawn and undisbursed facilities	875,248,990	651,280,752	370,730,138
Capital commitment	-	-	-
Lease Commitment	-	-	-
Litigation	-	-	-
Total	983,590,400	1,350,290,503	772,910,276

4.28.1: Contingent Liabilities

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Acceptance and documentary credit			
Bills for collection			
Forward exchange contracts			
Guarantees	92,804,410	47,729,000	31,450,000
Underwriting commitment			
Other commitments	15,537,000	651,280,752	370,730,138
Total	108,341,410	699,009,752	402,180,138

4.28.2: Undrawn and undisbursed facilities

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Undisbursed amount of loans	43,387,500		
Undrawn limits of overdrafts	831,861,490	651,280,752	370,730,138
Undrawn limits of credit cards			
Undrawn limits of letter of credit			
Undrawn limits of guarantee			
Total	875,248,990	651,280,752	370,730,138

4.28.3: Capital commitments

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

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 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	-	-	-

4.28.4: Lease commitments

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 1, 2074
Operating lease commitments			
"Future minimum lease payments under non cancellable operating lease, where the bank 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 bank is lessee			
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-
Sub total	-	-	-
Grand total	-	-	-

4.28.5: Litigation

The Company does not have any pending litigation that would impact it's financial position

4.29 Interest Income

Particulars	FY 2075-76	FY 2074-75
Cash and cash equivalent	88,105,439	74,995,240
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	24,895,269	13,692,398
Loans and advances to customers	1,993,458,718	1,467,664,330
Investment securities	54,757,616	41,408,523
Loan and advances to staff	13,742,903	7,547,943
Other Interest Income		
Total interest income	2,174,959,944	1,605,308,434

4.30 Interest Expense

Particulars	FY 2075-76	FY 2074-75
Due to bank and financial institutions	25,374,246	11,395,242
Due to Nepal Rastra Bank	-	-
Deposits from customers	1,236,735,025	929,217,680
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	2,587,487	1,713,019
Total Interest expense	1,264,696,758	942,325,941

4.31 Fees and commission income

Particulars	FY 2075-76	FY 2074-75
Loan administration fees	-	-
Service fees	107,543,534	91,921,381
Consortium fees		
Commitment fees		
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	1,982,450	-
Renewal fees		
Prepayment and swap fees		
Investment banking fees		
Asset management fees		
Brokerage fees		
Remittance fees	16,710,584	16,910,733
Commission on letter of credit	-	-
Commission on guarantee contracts issued	1,354,948	836,290
Commission on share underwriting/issue		
Locker rental	315,000	121,250
Other fees and commission income	2,448,185	1,870,879
Total Fees and Commission Income	130,354,702	111,660,533

4.32 Fees and commission Expense

Particulars	FY 2075-76	FY 2074-75
ATM management fees		
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees.		
Remittance fees and commission	-	-
Other fees and commission expense	3,588,812	1,394,462
CIC Fees	-	-
Deposit Premium	-	-
Mobile Banking Expenses	2,477,033	1,394,462
ATM Card management and Disposal Charges	1,111,779	-
Total Fees and Commission Expense	3,588,812	1,394,462

4.33 Net Trading Income

Particulars	FY 2075-76	FY 2074-75
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	-	-

4.34 Other Operating Income

Particulars	FY 2075-76	FY 2074-75
Foreign exchange revaluation gain	(11,187)	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties		
Dividend on equity instruments	1,867,816	3,826,286
Gain/loss on sale of property and equipment	-	86,962
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Other Operating Income		
Share of Income of Associates	-	-
Total	1,856,628	3,913,248

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

Particulars	FY 2075-76	FY 2074-75
Impairment charge/(reversal) on loan and advances to BFIs	349,121	1,435,000
Impairment charge/(reversal) on loan and advances to customers	64,755,778	24,025,519
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with BFIs		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment properties	-	-
Impairment charge/(reversal) on Other Assets	-	-
Total	65,104,899	25,460,519

4.36 Personal Expenses

Particulars	FY 2075-76	FY 2074-75
Salary	89,446,144	68,024,548
Allowances	32,166,640	25,446,118
Gratuity Expense	6,099,538	3,949,157
Provident Fund	6,825,805	5,398,734
Uniform	3,528,896	2,804,975
Training & development expense	2,589,348	1,418,738
Leave encashment	11,865,553	8,239,699
Medical	5,673,279	4,682,766
Insurance	374,620	165,590
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	5,271,156	3,488,614
Other expenses related to staff	-	363,402
Subtotal	163,840,979	123,982,340
Employees bonus	65,771,339	46,064,238
Grand Total	229,612,318	170,046,578

4.37 Other Operating Expenses

Particulars	FY 2075-76	FY 2074-75
Directors' fee	639,000	564,000
Directors' expense	605,957	306,022
Auditors' remuneration	1,751,500	1,751,500
Other audit related expense	1,053,086	1,227,635
Professional and legal expense	892,149	169,590
Office administration expense (4.37 A)	43,349,562	32,752,951
Operating Lease expense (4.37 B)	53,246,460	37,584,349
Operating expense of investment properties	-	-
Corporate social responsibility expense	3,632,468	2,211,526
Donations	98,500	93,100
Onerous lease provisions	-	-
Other Expenses	11,481,858	10,937,226
Repair & Maintenance Building	-	-
Repair & Maintenance Vehicle	1,356,933	1,293,808
Repair & Maintenance Others	867,881	261,167
Repair & Maint.. Office Equipment & Furniture	1,423,629	3,598,324
Share Issue Expenses	421,862	387,653
Technical Fees	7,411,553	5,396,274
Total	116,750,541	87,597,900

4.37 A Office Administration Expenses

Particulars	FY 2075-76	FY 2074-75
Insurance	10,982,370	9,664,354
Postage, Telephone,	4,342,624	2,918,498
Printing & Stationery	10,735,224	8,204,907
Newspaper & Periodicals	217,785	188,380
Advertisements	559,100	704,377
Travelling Expenses	470,645	527,995
Fuel Expenses	3,996,721	3,121,448
Entertainment	3,452,953	2,546,281
AGM Expenses	574,281	468,156
Annual Fee	241,305	380,600
Office Expenses	-	-
Annual Meeting Fee	156,781	196,895
Branch Opening Expenses	772,290	647,223
Local Tax and Rates	1,030,795	368,325
Business Promotion Expenses	1,660,197	1,789,121
Fund Transfer Expenses	360,885	371,690
Merger Expenses	696,330	-
Expense Not Capitalized	2,044,545	-
Other	1,054,732	654,701
Total	43,349,562	32,752,951

4.37 B Operating Lease Expenses

Particulars	FY 2075-76	FY 2074-75
House Rent Expenses	20,592,556	15,966,777
Electricity Expenses	6,452,109	4,753,191
Security Expenses	26,201,796	16,864,381
Total	53,246,460	37,584,349

4.38 Depreciation and Amortisation

Particulars	FY 2075-76	FY 2074-75
Depreciation on property and equipment*	33,351,023	26,468,959
Depreciation on investment property	-	-
Amortisation of intangible assets	2,124,869	2,005,876
Total	35,475,892	28,474,835

*Out of total depreciation expense of NRs. 33,351,023, NRs. 3,704,966 is write-off of assets (NRs. 253,787 written-off due to being damaged and NRs. 3,451,179 written-off due to useful life being elapsed after adoption of NFRS.)

4.39 Non Operating Income

Particulars	FY 2075-76	FY 2074-75
Recovery of Loan written off	-	-
Other Income	-	-
Total	-	-

4.40 Non Operating expense

Particulars	FY 2075-76	FY 2074-75
Loan written off	-	-
Redundancy provision		
Expense of restructuring		
Other expense.		
Total	-	-

4.41 Income Tax Expenses

Particulars	FY 2075-76	FY 2074-75
Current Tax Expenses	187,891,644	143,157,240
Current Year	187,891,644	142,776,774
Adjustment for Prior Years	-	380,466
Deferred tax Expenses	(14,409,862)	(4,346,458)
Origination and Reversal of Temporary Differences	(14,409,862)	(4,346,458)
Change in tax Rate		
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	173,481,782	138,810,782

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	FY 2075-76	FY 2074-75
Profit Before Tax	591,942,054	465,581,980
Tax Amount at the Rate of 30%	177,582,616	139,674,594
Add: Tax Effect of the expenses that are not deductible for tax purpose	29,550	5,444,473
Less: Tax Effect on Exempt Income	(560,345)	(1,147,886)
Add/Less: Tax Effect on other Items	10,839,823	(813,942)
Total Income Tax Expenses	187,891,644	143,157,240
Effective Tax Rate	31.74%	30.75%

5. Disclosures & Additional Information

5.1 Risk Management

In compliance with Nepal Rastra Bank Directive on 6 "Corporate Governance", the Board of bank has established a Risk Management Committee with clear terms of reference. As at the date of this report, the Bank's Risk Management Committee comprised of the following:

S.N.	Members of Risk Management Committee	Designation
1	Mohan Chapaingain- Non- Executive Director	Chairperson
2	Dr. Tara Prasad Updhayaya - Audit Committee Head	Member
3	Yashodhan Pandey - Chief Risk Officer	Member secretary
4	NamrataThapa- Chief Operating Officer	Member

The Committee meets at least four times annually. The committee oversees and reviews the fundamental prudential risks including operational, credit, market, reputational, capital and liquidity risk etc.

The responsibilities of Risk Management Committee are as follows:

- Formulate policies and guidelines for identification, measurement, monitoring and control all major risk categories.
- Ensuring the bank has clear, comprehensive and well documented policies and procedure.
- Defining the bank's overall risk tolerance in relation to credit risk.
- Ensuring that bank's significant risks exposure is maintained at prudent levels and consistent with the available capital.

Apart from Board Level Risk Management Committee the other committees and groups as mentioned below supports for Overall Risk Management.

i) Risk Governance

Risk management committee of the bank has formed to review the credit risk, market risk and liquidity risk of the bank. Apart from this the bank has formed the Assets Liability Management Committee to monitor Liquidity risk as well as market risk, AML CFT committee in order to monitor the operational risk. The committee and subcommittee has effectively discharged their duties & responsibility.

Risk Management Department conducts periodical financial surveillance and monitoring. In addition to this, the risk management committee analyse the Stress testing of the bank as required by Nepal Rastra Bank and its impact and corrective action to mitigate the risk.

Through its risk management framework, the Bank seeks to efficiently manage credit, market and liquidity risks which arise directly through the Bank's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking. As part of this framework, the Bank uses a set of principles that describe its risk management culture. The bank has developed Risk Management Policy, Guideline & Framework 2017 to manage Credit risk, Market risk and liquidity risk.

The major risk areas and mitigation mechanism is as given below;

1) Credit Risk

Credit risk is the potential for loss due to failure of counterparty to meet its obligations to pay the Bank in accordance with agreed terms.

The bank has Credit Policy Guidelines (CPG) that, inter alia, consist of areas of lending, eligibility of borrower, loan application format and requirement, necessary documents for processing loans, risk assessment areas, loan approval authority and other general credit principles. The CPG has been formulated by keeping in mind the prudential norms given by NRB.

A standardized loan application forms has been in use for facilitating collection and analysis of all the relevant data for evaluating credit worthiness and proper evaluation of the credit risk of the prospective borrower. The factors considered in evaluating loan applications normally included prospects of the business, management of the firm/company, financial analysis- income statement, balance sheet, cash flow statement, key financial indicators, key risk and mitigates. Further, inspection and supervision are also conducted before approval of the loan for pre-analysis and after the disbursement of loan as well for monitoring the utilization of loan.

2) Operational Risk

Operational risk is the prospect of loss of resulting from inadequate or failed procedures, systems or policies, employee errors, system failures, fraud or other criminal activity, any event that disrupts business processes.

Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. For the control of operational risk of institution, it has Financial Administration Policy, Employee Bylaws, operational manual, AML/CFT policy, Suspicious Transaction identification Procedure, Politically exposed person policy, which guides the day to day operation.

Each risk control owner is responsible for identifying risks that are material and for maintaining an effective control environment across the organization. Risk control owners have responsibility for the control of operational risk arising from the management of the following activities: External Rules & Regulations, Liability, Legal Enforceability, Damage or Loss of Physical Assets, Safety & Security, Internal Fraud or Dishonesty, External Fraud, Information Security, Processing Failure, and Model. Operational risks can arise from all business lines and from all activities carried out by the Bank. Operational Risk management approach seeks to ensure management of operational risk by maintaining a complete process universe defined for all business segments, products and functions processes.

3) Market Risk

Risks arising out of adverse movements in interest rates and equity prices are covered under Market Risk Management. Market Risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. Institution exposure to market risk arises principally from customer driven transactions.

In line with Risk Management Guidelines prescribed by NRB, the Bank focuses on risk management in addition to that Interest rate risk is assessed at a regular interval to strengthen market risk management. The market risk is managed within the risk tolerances and market risk limits set by ALCO. ALCO regularly meets, analyse and takes decision over the Market Risk by analysing the internal as well as external factor.

4) Liquidity Risk

Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost. The Liquidity Risk is managed by ALCO. The ALCO has developed the Unified Treasury circular for overall liquidity management of bank.

5) Reputational Risk

Reputational risk is a risk of loss resulting from damages to reputation of institution, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value. Reputational risk is managed by the management committee which are responsible for protecting the institution's reputation locally and has the responsibility to ensure that the Bank does not undertake any activities that may cause material damage to the reputation of institution.

6) Employee Benefit Risk

Employee benefit risk is the potential risk of loss due to having to meet shortfall in the Bank's defined benefits gratuity and leave encashment schemes. The gross obligation for gratuity is calculated considering the salary at the time of retirement of the individual staff and number of years' service with the Bank. The home leave can be accumulated for maximum period of 60 days for total period served by individual staff. The gross obligation for leave encashment is calculated considering the last drawn salary multiplied by no of eligible days for leave encashment.

7) Internal Control

The Board is committed to managing risks and in controlling its business and financial activities in a manner which enables it to maximize profitable business opportunities, avoid or reduce risks which can cause loss or reputational damage, ensure compliance with applicable laws and regulations and enhance resilience to external events. To achieve this, the Board has adopted policies and procedures of risk identification, risk evaluation, risk mitigation and control/monitoring.

The effectiveness of the Company's internal control system is reviewed regularly by the Board, its Committees, Management and Internal Audit. The Audit Committee has reviewed the effectiveness of the Bank's system of internal control during the year and provided feedback to the Board as appropriate. The bank has outsourced the Internal Audit function to maintain independency on the internal control system of institution. The Internal Audit monitors compliance with policies/standards and the effectiveness of internal control structures across the Company through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports are quarterly forwarded to the Audit Committee. The findings of all audits are reported to the Chief Executive Officer and Business Heads for initiating immediate corrective measures.

8) Any Other Risk

Compliance Risk

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation due to failure to comply with laws, rules and standards.

SRDB is committed to follow best practices and market standards in the areas of accountability,

transparency and business ethics. The Development Bank aims at a zero tolerance of misconduct and corruption.

In the day-to-day operations the ***three lines of defence model*** defines the roles and responsibilities for compliance and integrity risk in the Development Bank.

The ***first line of defence*** lies with the respective Development Bank departments and units, which are responsible for ensuring that compliance risks are identified, understood and reported to the decision making bodies of the Development Bank and to Compliance Officer.

The ***second line of defence*** lies with Compliance Officer, which assesses and monitors the compliance and integrity risks and coordinates its control activities with the Risk Management Unit.

Internal Audit is the ***third line of defence***.

The Compliance function assists the Development Bank in identifying, assessing, monitoring and reporting on compliance risks in matters relating to the institution, its operations and the personal conduct of staff members. The Chief Compliance Officer reports to the CEO.

Strategic Risk

Strategic risk is the risk in achieving Development Bank's strategic objectives, both from internal and external events and scenarios which prevent from achieving strategic objectives.

Strategic Risk can be further defined as:

- Exposure to loss resulting from a strategy that runs out to be inappropriate.
- Risk associated with future plans and strategies, including plans for entering new services, expanding existing services through enhancements and merger, enhancing infrastructures etc.

Current and prospective impact of strategic decisions made by management arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry change etc.

Periodic (yearly) review of the strategy is being done by Management Committee and reported to BOD regarding: status of the strategic objective's achievement as decided, execution status whether the right talent and infrastructures support the achievement of the objective or about unintended consequences of the strategy, if any for their timely corrections/updates if found to be necessary.

Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. Interest rate risk is usually assessed from two common perspectives. Earnings perspective, which focuses on the impact of variation in interest rate on accruals or reported earnings, and economic value perspective, which reflects the impact of fluctuation in the interest rates on economic value of a financial institution.

The Development Bank measures and manages interest rate risk by estimating the sensitivity of the economic value of its balance sheet to an interest rate shock. The sensitivity is measured by means of interest rates on the present value of interest-bearing assets and liabilities.

AML/CFT Risk

AML/CFT risk is related with providing financial services to money launders and terrorists for channelling of money derived from crime or aimed at funding terrorism. The strictness of the provisions made in laws and directives reflect the seriousness of this issue; non-compliance of which may cause significant reputational risk as well as may result in adverse consequences. Development Bank have been closely monitoring the AML/CFT policies, procedures, guidelines and practices of Banks & Financial Institutions (BFIs).

A separate AML/CFT Unit is established under direct supervision and control of Compliance Officer which looks after the effective implementation and compliance of AML/CFT related prevailing Acts, Rules and Directives.

5.2 Capital Management

i. Qualitative disclosures

The bank has maintained the capital adequacy as per Capital adequacy framework, 2007 (Updated July 2008) as required by Nepal Rastra Bank. The main objective of this framework is to develop a safe and sound financial system by way of sufficient amount of qualitative capital and risk management practices. The total equity of the bank comprises of paid up capital, statutory reserves and other reserves. The bank does not have any other complex or hybrid capital instruments. Capital adequacy ratio as on Ashad end 2076 is 12.09% and 13.06% on core capital and capital fund respectively.

Assessment of capital adequacy of bank is done on regular basis taking into considerations the exposure of bank. Also, the analysis of possible impact on capital adequacy is being done on regular basis taking into consideration the future impacts on assumptive basis. Capital adequacy of bank and impact in capital due to future change in nature and size of business is discussed in Risk Management Committee and is summarized in board. Regular monitoring of nature of business is being done so that unexpected negative impact could not take place in capital adequacy of bank. Reporting to regulatory body is being done as prescribed by compliance department.

The internal capital adequacy assessment process (ICAAP) is a comprehensive process which requires board and senior management oversight, monitoring, reporting and internal control reviews at regular intervals to ensure the alignment of regulatory capital requirement with the true risk profile of the bank and thus ensure long-term safety and soundness of the bank. The key components of an effective ICAAP are discussed below.

a Board and senior management oversight

Board and senior management oversight bank management is responsible for relates to adequate capital levels. It is also responsible for ensuring that the formality and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position.

The board of directors of the bank are responsible for setting the bank's tolerance for risks. The board also ensures that management establishes a mechanism for assessing various risks; develops a system to relate these risks to the bank's capital level and sets up a method for monitoring compliance with internal policies. It is equally important that the board installs strong internal controls and thereby an effective control environment through adoption of written policies and procedures and ensures that the policies and procedures are effectively communicated throughout the bank.

b Sound Capital Assessment

Another crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment the bank should, at minimum, have the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;

- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control, reviews and audit to ensure the integrity of the overall management process.

c Comprehensive assessment of risk

All material risks faced by the bank should be addressed in the capital assessment process. Nepal Rastra Bank recognizes that not all risks can be measured precisely. However, bank should develop a process to estimate risks with reasonable certainties. In order to make a comprehensive assessment of risks, the process should, at minimum, address the following forms of risk.

1. Credit Risk
2. Credit Concentration Risk
3. Operational Risk
4. Market Risk
5. Liquidity Risk

d Monitoring and reporting

The bank has established an adequate system for monitoring and reporting risk exposures and assessing how the bank's changing risk profile affects the need for capital. The bank's senior management or board of directors, on a regular basis, receive reports on the bank's risk profile and capital needs. These reports allow senior management to:

- Evaluate the level and trend of material risks and their effect on capital levels;
- Evaluate the sensitivity and reasonableness of key assumptions used in the capital assessment measurement system;
- Determine that the bank holds sufficient capital against the various risks and is in compliance with established capital adequacy goals; and
- Assess its future capital requirements based on the bank's reported risk profile and make necessary adjustments to the bank's strategic plan accordingly.

e Internal Control Review

The bank's internal control structure is essential to a sound capital assessment process. Effective control of the capital assessment process includes an independent review and, where appropriate, the involvement of internal or external audits. The bank's board of directors has a responsibility to ensure that management establishes a system for assessing the various risks, develops a system to relate risk to the bank's capital level, and establishes a method for monitoring compliance with internal policies. The board should regularly verify whether its system of internal controls is adequate to ensure well-ordered and prudent conduct of business. The bank should conduct periodic reviews of its risk management process to ensure its integrity, accuracy, and reasonableness. Key areas that should be reviewed include:

- Appropriateness of the bank's capital assessment process given the nature, scope and complexity of its activities;
 - Identification of large exposures and risk concentrations;
 - Accuracy and completeness of data inputs into the bank's assessment process;
 - Reasonableness and validity of scenarios used in the assessment process; and
 - Stress testing and analysis of assumptions and inputs.

A. Core Capital			
S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	1,622,665,260	1,378,615,400
2	Proposed bonus share	-	244,049,860
3	Share premium	-	-
4	Irredeemable preferential share	-	-
5	General Reserve Fund	392,448,150	308,756,096
6	Accumulated profit/loss (Retained earnings)	319,330,408	7,373,249
7	Profit & loss a/c as per balance-sheet		-
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	-	3,485,450
Deductions:		(22,676,824)	(14,052,068)
	a Goodwill	-	-
	b Deferred tax assets	22,064,824	13,440,068
	c Investment on shares and securities in excess of limits		
	d Investment to the company having financial interests		
	e Fictitious Asset	-	-
	f Investment on land and building for self use not complying the Directives of NRB	612,000	612,000
	g Investment on land development and housing construction in excess of limits		
	h Underwriting share not sold within the stipulated time		
	I Credit and other facilities banned by the prevailing laws		
Total Core Capital (A)		2,311,766,994	1,928,227,987
B. Supplementary capital			
S.N.	Description	Period	
		Current Year	Previous Years
1	Provisions of loan loss made for pass loan	178,683,592	124,372,209
2	Additional loan loss provision	-	-
3	Hybrid capital instruments		-
4	Unsecured Subordinated Term Debt		-
5	Exchange Equalization Fund	-	-
6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-	-
7	Investment adjustment Fund	6,542,976	1,174,561
Total Supplementary Capital (B)		185,226,568	125,546,770
C.	Total Capital Fund (A+B)	2,496,993,561	2,053,774,758
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	2,103,420,593	1,608,587,127
2	Minimum Core Capital Required (5.5 % of RWA)	1,051,710,296	804,293,563
3	Capital Fund maintained (in %)	13.06%	14.04%
4	Core Capital maintained (in %)	12.09%	13.19%
5	Capital Fund surplus/(Deficit)	2.06%	3.04%
6	Core Capital surplus/ (Deficit)	6.59%	7.69%

5.3 Classification of Financial Assets & Financial Liabilities

Financial Assets	Amortized Cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Cash in hand	327,372,656			327,372,656
Balances with B/FIs	17,031,905			17,031,905

Money at call and short notice	2,483,614,030			2,483,614,030
Interbank placement	-			-
Balance at NRB	890,428,425			890,428,425
Derivative financial instrument				-
Loans & Advances	16,341,281,653			16,341,281,653
Government bonds	1,149,045,263			1,149,045,263
Government treasury bills	-			-
Equity investments		72,320,183		72,320,183
Other assets	43,625,135			43,625,135
Total Financial Assets	21,252,399,067	72,320,183	-	21,324,719,250

Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	18,850,015,766			18,850,015,766
Due to Banks & Financial Institutions	59,995,050			59,995,050
Due to Nepal Rastra Banks	-			-
Debt Securities	-			-
Employee related liabilities	91,800,024			91,800,024
Bills payable	-			-
Creditors and accruals	24,105,972			24,105,972
Interest payable on deposit	8,023,593			8,023,593
Interest payable on borrowing	-			-
Unpaid Dividend	765,003			765,003
Liabilities under Operating Lease	5,954,049			5,954,049
Other liabilities	20,244,979			20,244,979
Total Financial Liabilities	19,060,904,438	-	-	19,060,904,438

5.4 Operating Segment Information

5.4.1 General Information

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

5.4.2 Information about Profit or Loss, Assets & Liabilities

	Particulars	Rupandehi	Gulmi	Others	Total
a	Revenues from external customer	1,453,080,659	184,729,364	496,747,613	2,134,557,636
b	Intersegment revenues	3,952,516,038	(3,361,350,741)	(591,165,297)	-
c	Net Revenue	5,405,596,697	(3,176,621,377)	(94,417,684)	2,134,557,636
d	Interest revenue	1,372,480,290	169,880,494	463,508,382	2,005,869,165
e	Interest expense	686,988,822	292,716,831	282,390,140	1,262,095,794
f	Net interest revenue	685,491,468	(122,836,337)	181,118,242	743,773,372
g	Depreciation and amortisation			-	-
h	Segment profit /(loss)	685,491,468	(122,836,337)	181,118,242	743,773,372
i	Entity's interest in the profit or loss of associates accounted for using equity method	-	-	-	-
j	Other material non-cash items:	-	-	-	-
	Provision for Loan Loss	142,452,344	16,542,447	36,105,876	195,100,668
	-	-	-	-
k	Impairment of assets	-	-	-	-
l	Segment assets	14,938,347,136	1,250,912,649	3,932,217,955	20,121,477,739
m	Segment liabilities	10,006,080,031	4,558,157,667	4,445,371,895	19,009,609,592

5.4.3 Measurement of Operating Segment Profit or Loss, Assets and Liabilities

The Bank has determined segments based on the geographical region i.e. District wise.

5.4.4 Reconciliations of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

(a) Revenue

Total revenues for reportable segment	2,134,557,636
Other revenues	172,613,638
Elimination of intersegment revenues	-
Entity's revenues	2,307,171,274

(b) Profit or loss

Total profit or loss for reportable segments	743,773,372
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	(325,313,101)
.....	
.....	
Profit before income tax	418,460,271

(c) Assets

Total assets for reportable segments	20,121,477,739
Other assets	
Unallocated amounts	1,345,574,991
Entity's assets	21,467,052,730

(d) Liabilities

Total liabilities for reportable segments	19,009,609,592
Other liabilities	-
Unallocated liabilities	72,781,523
Entity's liabilities	19,082,391,115

5.4.5 Information about Product & Services

Revenue from each type of product & Service	Amounts
Loan & Advance	2,032,096,890
Money at call	88,105,439
Investment Securities	54,757,616
Remittance	16,715,459
Service Fees	97,368,570
Non- Funded Commission	1,354,948
Other Product & Services	16,772,352
Total revenue	2,307,171,274

5.4.6 Information about Geographical Area

Revenue from following geographical areas:

(a)	Domestic	2,134,557,636
	Rupandehi	1,453,080,659
	Gulmi	184,729,364
	Others	496,747,613
(b)	Foreign	-
	Total	2,134,557,636

5.4.7 Information about Major Customer

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

5.5 Share Options and Share based Payment

The Bank does not have any share options and share based payments.

5.6 Contingent Liabilities and Commitment

Contingent Liabilities

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities

Commitments

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

Particulars	FY 2075-76	FY 2075-74
Contingent liabilities	108,341,410	699,009,752
Undrawn and undisbursed facilities	875,248,990	651,280,752
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	983,590,400	1,350,290,503

5.7 Related Party Disclosures

The Bank identifies the following as the related parties under the requirements of NAS 24.

- Directors
- Key Management Personnel of the Bank
- Relatives of Directors and Key Managerial Personnel

FY 2075-76	FY 2074-75	FY 2073-74
Directors		
Rajendra Prasad Shrestha	Rajendra Prasad Shrestha	Rajendra Prasad Shrestha
Bhuwan Bhandari	Bhuwan Bhandari	Bhuwan Bhandari
Thaneshor Poudel	Krishna Prasad Bhandari	Krishna Prasad Bhandari
Dr. Tara Prasad Updhyaya	Dr. Tara Prasad Updhyaya	Dr. Tara Pd Updhyaya
Mohan Chapagain	Mohan Chapagain	Meghraj Kachapati
Gopal Prasad Pandey	Gopal Prasad Pandey	Mohan Chapagain
		Dilhi Raj Bhusal
		Gopal Prasad Pandey
Key Managerial Personnel		
Prakash Poudel-CEO	Prakash Poudel -CEO	Prakash Poudel –CEO
Sarjan Bhattarai- DGM	Sarjan Bhattarai- DGM	Sarjan Bhattarai- DGM
Lokraj Paneru– DGM	Lokraj Paneru– DGM	Lokraj Paneru – DGM
Yashodhan Pandey- Sr. Manager	Yashodhan Pandey- Sr. Manager	Humnath Gyawali, Manager
Bhuwan Prasad Panth - Manager	Bhuwan Prasad Panth– Manager	Yashodhan Pandey Manager
Kiran Prasad Sharma Nepal – Manager	Kiran Prasad Sharma Nepal – Manager	Bhuwan Prasad Panth - Assistant Manager
Lalmani Panthi- Manager	LalmaniPanthi- Manager	Kiran Prasad Sharma Nepal - Assistant Manager
Gopal Khanal - Asst Manager	Dipak Pokhrel - Deputy Manager	Lalmani Panthi-Asst Manager
NamrataThapa - Asst Manager	Gopal Khanal - Asst Manager	Dipak Pokhrel-Asst Manager
Rajesh Gautam - Asst Manager	NamrataThapa - Asst Manager	
Mitramani Pokhrel- Asst Manager		

Transaction during the Year

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Directors			
Directors Sitting Fees	639,000	564,000	621,000
Interest Paid to directors on deposits	4,149,225	2,124,743	3,391,387
Other directors' expenses (if any)	605,957	306,022	468,556
Total	5,394,183	2,994,765	4,480,943
Key Management Personnel			
Remuneration and Benefit Paid	32,991,466	27,971,108	19,914,955
Post-Retirement Benefits	12,085,683	6,865,031	4,628,232
Other Long-term Benefits			
Borrowing during the year	39,791,322	95,801,152	32,314,313
Interest on Borrowing	3,238,296	4,180,823	2,657,193
Interest on account balances	143,015	177,959	29,223
Other transactions benefits if any			
Total	88,249,782	134,996,073	59,543,917

Reporting Date Balance

Particulars	FY 2075-76	FY 2074-75	FY 2073-74
Directors Deposits	164,066,563	31,793,983	61,416,104
KMP Deposits	3,287,683	1,739,538	1,851,778
Borrowings	43,433,181	41,454,853	7,910,547
Other Receivable payables if any			
Total	210,787,427	74,988,374	71,178,429

5.8 Merger and Acquisition

The Bank has been acquired Purnima Bikash Bank Limited & Bhargav Bikash Bank Limited and conducted Joint operation from 27th Ashwin 2076.

5.9 Additional Disclosure of Non-Consolidated Entities

Not Applicable.

5.10 Events After Reporting Date

Bank monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are discloses in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to 31 Ashad 2076 till the signing of this financial statement."

5.11 Disclosure of effect of transition from previous GAAP to NFRSs

5.11.1. Reconciliation of equity

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Total equity under Previous GAAP		1,647,812,053	1,954,120,748	2,354,515,202
Adjustments under NFRSs:				
Impairment on loan and advances		-	-	-
Fair value & employees benefit accounting of staff loan		-	-	
Lease accounting	1	(1,684,219)	(3,014,700)	(5,954,049)
Measurement of investment securities measured at fair value		-	-	7,625,527
Measurement of investment securities measured at fair value in associates	2	-	-	-
Dividend Income from Associates				-
Revaluation of property & equipment		-		
Recognition of investment property		-		
Amortisation of debt securities issued		-		
Deferred tax	3	(4,114,526)	(3,082,526)	7,794,637
Defined benefit obligation of employees	4	1,097,300	1,342,940	(1,034,180)
Goodwill/Bargain purchase gain		-		
Interest income	5	8,604,615	11,191,867	21,714,479
Other				
Proposed Dividend	6		12,844,729	-
Total Adjustment to equity		3,903,169	19,282,311	30,146,414
Total Equity under NFRSs		1,651,715,222	1,973,403,058	2,384,661,616

5.11.2. Reconciliation of profit or loss

Particulars	Explanatory Note	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Previous GAAP		322,978,184	400,394,455
Adjustments under NFRSs:			
Interest income	5	6,075,866	15,793,767
Impairment of loan and advances		-	-
Employees benefit amortisation under staff loan	7	(3,488,614)	(5,271,156)
Defined benefit obligation of employee	4	1,625,868	(2,793,596)
Operating lease expense	1	(1,330,482)	(2,939,347)
Provision for Investment	8	1,098,721	(966,599)
Income from Investment in Associates	2	-	-
Gain on Sales of Share Investment Classified to OCI	9	-	-
Current Tax on Gain on Sales of Share Investment Classified to OCI	10	-	-
Amortisation expense of debt securities		-	-
Other operating income		-	-
Share issue expenses directly charged to equity	11	958,239	947,150
Share issue expenses directly charged to equity-Tax Impact	12	(287,472)	(284,145)
Interest expense		-	-
Depreciation & Amortisation		-	-
Others		-	-
Deferred Tax	3	(859,112)	13,579,743
Total Adjustment to profit or loss		3,793,014	18,065,817
Profit or loss under NFRSs		326,771,199	418,460,271
Other Comprehensive Income		(4,412,596)	6,306,021
Total Comprehensive income under NFRSs		322,358,603	424,766,292

Note

- 1) Rent Expenses booked over the rent period on equal amount on SLM Basis
- 3) Deferred Tax effect of all adjustment
- 4) Gratuity Expenses booked as per actuarial valuation
- 5) Accrued Interest Receivable booked on accrual basis which is approximate to Effective Interest Rate
- 6) Liability Created for Proposed Dividend Reversed
- 7) Interest on Staff loan charged to finance income and staff cost
- 8) Investment Provision made in P/L of local gaap reversed and charged to oci for investment classified as Fair value through OCI
- 9) Gain on Sell of share classified to OCI charged directly to equity
- 10) Tax effect of Gain on Sell of share classified to OCI charged directly to equity
- 11) Avoidable Share issue expenses directly charged to equity
- 12) Tax effect of Avoidable Share issue expenses directly charged to equity

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Notes forming part of the Financial Statements

5.11.3. Effect of NFRSs adoption for the statement of financial position

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)				As at 32.03.2075 (End of last period presented under previous GAAP)				As at 31.03.2076		
		Previous GAAP	Effect of Transition to NFRS	Opening NFRS SFP		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	
Cash and Cash Equivalents		2,438,281,998	-	2,438,281,998		2,097,139,657	-	2,097,139,657	2,828,018,592	-	2,828,018,592	
Due from Nepal Rastra Bank		586,200,878	-	586,200,878		837,247,299	-	837,247,299	890,428,425	-	890,428,425	
Placement with Bank and Financial Institutions		-	-	-		-	-	-	-	-	-	
Derivative Financial Instruments		-	-	-		-	-	-	-	-	-	
Other Trading Assets		-	-	-		-	-	-	-	-	-	
Loans and Advances to BFIs		85,635,000	-	85,635,000		227,757,123	-	227,757,123	262,388,597	-	262,388,597	
Loans and Advances to Customers	1	8,597,999,904	35,247,067	8,633,246,970		12,029,669,694	79,995,633	12,109,665,327	15,770,232,489	113,559,899	15,883,792,388	
Investment Securities	2	41,474,058	50,411	41,524,469		1,058,078,058	15,250,172	1,073,328,230	1,198,419,655	22,945,791	1,221,365,446	
Current Tax Assets		-	-	-		-	-	-	-	558,955	558,955	
Investment in Subsidiaries		-	-	-		-	-	-	-	-	-	
Investment in Associates		-	-	-		-	-	-	-	-	-	
Investment Property		-	-	-		-	-	-	-	-	-	
Property and Equipment		155,982,392	2	155,982,394		216,758,069	(0)	216,758,069	260,388,984	-	260,388,984	
Goodwill and Intangible Assets		3,792,722	0	3,792,722		5,464,465	0	5,464,465	7,924,816	-	7,924,816	
Deferred Tax Assets	3	8,234,498	(4,114,526)	4,119,972		13,440,068	(3,082,526)	10,357,542	14,270,187	7,794,637	22,064,824	
Other Assets	4	102,532,566	(26,692,863)	75,839,703		173,176,611	(84,053,938)	89,122,673	197,846,344	(107,724,640)	90,121,704	
Total Assets		12,020,134,016	4,490,090	12,024,624,106		16,658,731,044	8,109,341	16,666,840,386	21,429,918,088	37,134,642	21,467,052,730	

Liabilities	Explanatory Note	As at 01.04.2074 (Date of Transition)				As at 31.03.2076			
		Previous GAAP	Effect of Transition to NFRS	Opening NFRS SFP	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	Previous GAAP	Effect of Transition to NFRS
Due to Bank and Financial Institutions		240,921,610	-	240,921,610	103,001,180	-	103,001,180	59,995,050	-
Due to Nepal Rastra Bank		-	-	-	-	-	-	-	-
Derivative Financial Instruments		-	-	-	-	-	-	-	-
Deposits from Customers		10,028,044,418	-	10,028,044,418	14,436,916,081	-	14,436,916,081	18,850,015,766	-
Borrowings		-	-	-	-	-	-	-	-
Current Tax Liabilities		794,734	0	794,734	5,321,067	(0)	5,321,067	-	-
Provisions		-	-	-	-	-	-	-	-
Deferred Tax Liabilities		-	-	-	-	-	-	-	-
Other Liabilities	5	102,561,202	586,921	103,148,123	159,371,968	(11,172,969)	148,198,999	165,392,070	6,988,229
Debt Securities Issued		-	-	-	-	-	-	-	-
Subordinated Liabilities		-	-	-	-	-	-	-	-
Total Liabilities		10,372,321,963	586,921	10,372,908,884	14,704,610,296	(11,172,969)	14,693,437,328	19,075,402,886	6,988,229
Equity									
Share Capital	6	1,378,615,400	(275,723,100)	1,102,892,300	1,622,665,260	(244,049,860)	1,378,615,400	1,622,665,260	-
Share Premium		-	-	-	-	-	-	-	-
Retained Earnings	7	11,462,886	269,576,987	281,039,873	9,954,618	247,763,064	257,717,682	410,349,073	(91,018,665)
Reserves	8	257,733,767	10,049,282	267,783,049	321,500,870	15,569,106	337,069,976	321,500,870	121,165,078
Total Equity Attributable to Equity Holders		1,647,812,053	3,903,169	1,651,715,222	1,954,120,748	19,282,310	1,973,403,058	2,354,515,202	30,146,413
Non Controlling Interest		-	-	-	-	-	-	-	-
Total Equity		1,647,812,053	3,903,169	1,651,715,222	1,954,120,748	19,282,310	1,973,403,058	2,354,515,202	30,146,413
Total Liabilities and Equity		12,020,134,016	4,490,090	12,024,624,107	16,658,731,044	8,109,342	16,666,840,386	21,429,918,089	37,134,641

Note

- 1) Accrued interest on loans booked on accrual basis and present value of staff loan reclassified to loans and advances to customers.
- 2) Investment securities recognized at FV and accrued interest on bond reclassified as investment securities.
- 3) Deferred Tax effect of all adjustment
- 4) Effect of reclassification of staff loan, expenses not written off and accrued interest on loans and advances.
- 5) Rent Expenses booked over the rent period on equal amount on SLM Basis and gratuity liability booked as per actuarial valuation.
- 6) Effect of reversal of proposed bonus share and proposed dividend.
- 7) Effect on profit due to adjustments of NFRS.
- 8) Effect of proposed bonus share from share premium

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

5.11.4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Note	As at 31.03.2075 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Interest Income	1	1,599,232,568	6,075,866	1,605,308,434
Interest Expense	2	(940,612,922)	(1,713,019)	(942,325,941)
Net Interest Income		658,619,646	(4,362,847)	662,982,493
Fee and Commission Income		111,660,533	-	111,660,533
Fee and Commission Expense		1,394,462	-	1,394,462
Net Fee and Commission Income		110,266,071	-	110,266,071
Net Interest, Fee and Commission Income		768,885,717	(4,362,847)	773,248,564
Net Trading Income		-	-	-
Other Operating Income		3,913,248	-	3,913,248
Total Operating Income		772,798,965	(4,362,847)	777,161,812
Impairment Charge/ (Reversal) for Loans and Other Losses	3	26,559,240	(1,098,721)	25,460,519
Net Operating Income		746,239,725	(5,461,568)	751,701,293
Operating Expense				
Personnel Expenses	4	169,896,852	149,727	170,046,578
Other Operating Expenses	5	87,225,656	372,244	87,597,900
Depreciation & Amortisation		28,474,835	-	28,474,835
Operating Profit		460,642,382	(4,939,598)	465,581,980
Non Operating Income		-	-	-
Non Operating Expense		-	-	-
Profit Before Income Tax		460,642,382	(4,939,598)	465,581,980
Income Tax Expense				
Current Tax	6	142,869,768	287,472	143,157,240
Deferred Tax	7	(5,205,570)	859,112	(4,346,458)
Profit for the Period		322,978,184	(3,793,014)	326,771,199
	-		-	
Other Comprehensive Income, Net of Income Tax				
a) Items that will not be reclassified to profit or loss				
• Gains/(losses) from investment in equity instruments measured at fair value		-	(4,923,480)	(4,923,480)
• Gains/(losses) on revaluation		-	-	-
• Actuarial gain/(losses) on defined benefit plans	8	-	(1,380,228)	(1,380,228)
• Income tax relating to above items	9	-	1,891,112	1,891,112
Net other comprehensive income that will not be reclassified to profit or loss		-	(4,412,596)	(4,412,596)
b) Items that are or may be reclassified to profit or loss				
• Gains/(losses) on cash flow hedge		-	-	-
• Exchange gains/(losses) arising from translating financial assets of foreign operation		-	-	-
• Income tax relating to above items		-	-	-
• Reclassify to profit or loss		-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-
c) Share of other comprehensive income of associate accounted as per equity method				
Other Comprehensive Income for the Period, Net of Income Tax		-	(4,412,596)	(4,412,596)
Total Comprehensive Income for the Period		322,978,184	(8,205,610)	322,358,603

Notes

- 1) Interest Receivable on loan has been booked on accrual basis and interest difference in staff loan has also been charged.
- 2) Interest expense on calculation of Gratuity expense
- 3) Reversal of Loan loss provision
- 4) Bonus has been charged as staff expense and finance cost of staff loan has also been charged.
- 5) Rent expense has been charged on SLM basis
- 6) Income tax related to share issue expense and gain on sale of investment reclassified through equity.
- 7) Deferred Tax effect of all adjustment
- 12) Actuarial Gain/ loss recognized in OCI of Gratuity Liability
- 9) Deferred Tax Adjustment on item of OCI

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal
Notes forming part of the Financial Statements

5.11.5. Effect of NFRSs adoption for statement of cash flows

Particulars	Explanatory Note	As at 32.03.2075		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Net cash flows from operating activities	1	1,193,983,100	(407,562,910)	786,420,190
Net cash flows from investing activities	2	(1,082,571,335)	(44,991,197)	(1,127,562,532)
Net cash flows from financing activities		-	-	-
Net increase/(decrease) in cash and cash equivalent		111,411,765	(452,554,107)	(341,142,341)
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-	-
Cash and cash equivalent at the beginning of the period	3	1,035,627,062	1,402,654,936	2,438,281,998
Cash and cash equivalent at the end of the period		1,147,038,828	950,100,829	2,097,139,657

Notes:

- 1) Money at call treated as cash and cash equivalents in NFRS, Investment securities classified as investment activity in NFRS
- 2) Investment securities classified as investment activity in NFRS
- 3) Money at Call treated as Cash and Cash Equivalents

5.11 Proposed Dividend

The Bank has acquired Purnima Bikash Bank Limited & Bhargav Bikash Bank Limited after the closure of current Financial Year. The merged entity conducted Joint operation from Ashwin 27, 2076. Accordingly, the Board of Directors of the Bank through its meeting no 214 dated 2076/12/01 has proposed 15.00% of Bonus share on Current Paid-up capital of the merged entity amounting NPR 2,622,904,124.90 which equals to NPR 393,435,618.59. Considering the provision of Income Tax Act 2058 Sec 47 (ka) 5, the Bank has not provided Cash Dividend towards dividend tax for shareholders existing on Ashwin 27, 2076. The dividend tax amount shall be collected from the shareholders if the shareholding has been changed between date of joint operation and date of book closure. The following Bonus Share is proposed for the existing entity as a whole for approval in the upcoming AGM.

Particulars	Amounts Rs.
Distributable Profit Shine Resunga Development Bank Ltd	319,330,408
Distributable Profit Purnima Bikash Bank Ltd	52,948,780
Distributable Profit Bhargav Bikash Bank Ltd	49,134,444
Total Distributable Profit of the merged entity	421,413,632
Paid-up Capital of the merged entity	2,622,904,123.90
Proposed Bonus Share @15 Percent	393,435,618.59

5.12 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33: Earnings per Share.

Particulars	FY 2075-76	FY 2074-75
Earning attributable to equity shareholders (NPR)	418,460,271.08	326,771,198.55
Weighted average number of shares for the period	16,226,652.60	16,226,652.60
Basic Earning Per Share (NPR)	25.79	20.14

5.13 Loan Written off

During the FY 2075/76 bank has no written off loan and receivable.

5.14 Reserves

5.15.1 General Reserve

The movement in general reserve during the year is as follows;

Opening Balance	308,756,096
Transfer as per BAFIA	83,692,054
Closing Balance	392,448,150

General Reserve maintained pertains to the regulatory requirement of the Bank and Financial Institutions Act, 2073. There is a regulatory requirement to set aside 20% of the net Profit to the general reserve until the reserve is twice the paid-up capital and thereafter minimum 10% of the net Profit.

20% of the current year's net profit amounting to NPR 83,692,054 has been transferred to General Reserve.

5.15.2 Investment Adjustment Reserve

Investment adjustment reserve has not been created in FY 2075/76 as the bank has considered all the investment in quoted equity is trading assets. The details of the investment in quoted and unquoted equity are as follows:

Particulars	Amounts
Investment in quoted equity	
1 Siddhartha Equity Oriented Scheme 1,769,323 Units of Rs. 10 each	19,144,075
2 Nabil Equity Fund 225,299 Units of Rs. 10 each	2,102,040
3 N.M.B. Hybrid Fund* 315,480 Units of Rs. 10 each	3,164,264
4 Varun Hydro Powe Co. Ltd.* 10 Shares of Rs. 100 Each	900
5 JalvidyutLagani and Vikash Co. Limited* 3,185 shares of Rs. 100 each	512,785
6 Nepal Life Insurance Co. Ltd.* 2,994 shares of Rs. 1,425 each	3,371,542
7 Siddhartha Mutual Fund (Siddhartha Equity Fund)* 967,748 Units of Rs. 10 Each	9,764,577
8 Citizens Mutual Fund 500,000 Units of Rs. 10 each	5,090,000
9 N.I.C. Asia Mutual Fund* 250,000 Units of Rs. 10 each	2,570,000
10 NIBL Sahabhagita Fund 250,000 Units of Rs. 10 each	2,500,000
11 Citizens Mutual Fund 2 250,000 Units of Rs. 10 each	2,500,000
12 Chautari Laghubitta BittiyaSanstha Limited 50,000 promoter share of Rs. 100 each	11,600,000
Subtotal	62,320,183
Investment in Unquoted equity	
1 Chautari Laghubitta BittiyaSanstha Limited 50,000 promoter share of Rs. 100 each	-
2 General Insurance Company Limited 100,000 shares of Rs. 100 each	10,000,000
Subtotal	10,000,000
Grand Total	72,320,183

5.15.3 Regulatory Reserve

Regulatory reserves include any amount derived as result of NFRS conversion and adoption with effect in retained earnings and deferred tax reserves. As required by NRB Directive 4, the Bank has created Regulatory Reserve and movement of reserve during the year is as follows:

Particulars	Amounts
Opening Balance	19,795,994
Transfer from RE to Regulatory Reserve against NBA	-
Transfer from RE to Regulatory Reserve against Deferred Tax	11,707,282
Transfer from RE to Regulatory Reserve against Actuary Reserve	(291,533)
Transfer from RE to Regulatory Reserve against FV Reserve	(966,599)
Transfer from RE to Regulatory Reserve against Interest Receivable	6,629,245
Closing Balance	3,6874,388

5.15.4 Corporate Social Responsibility

Particulars	Amounts
Opening Balance	4,522,968
Transfer to CSR Fund	4,184,603
Transfer/Utilization from CSR Fund	(3,632,469)
Closing Balance	5,075,102

As per the NRB Directive 6.16 on the Corporate Social Responsibility, the Bank has allocated 1% of the net profit after tax of current fiscal year for CSR activities. The amount allocated for corporate social responsibility reserve is NPR 4,184,603 for current year.

5.15 Disclosure related to Training Expenses

As per NRB Directive 6(6), Bank should spend 3% of total personnel expense of previous year on training and personal development of employees. Accordingly, the Bank has spent NPR 2,589,348 during the FY 2075/76 on development of human resources.

5.16 Previous Year Figures are re-grouped and re-arranged wherever necessary as follows:

Previous year figures are regrouped and rearranged wherever necessary for better presentation.

Shine Resunga Development Bank Limited

Comparison of Statement of Financial Position

As on 31st Ashad 2076

NPR

Particulars	Notes	As per Unaudited 31 Ashad 2076	As per Audited 31 Ashad 2076	Variance		Reasons for Variance
				In Amount	%	
Assets						
Cash and cash equivalent	4.1	2,827,722,292	2,828,018,592	(296,300)	-0.01	Audit Adjustment
Due from Nepal Rastra Bank	4.2	890,428,425	890,428,425	0	0.00	
Placement with Bank and Financial Institutions	4.3	-	-	-	0.00	
Derivative financial instruments	4.4	-	-	-	0.00	
Other trading assets	4.5	-	-	-	0.00	
Loan and Advances to B/FIs	4.6	258,888,379	262,388,597	(3,500,218)	-1.35	Audit Adjustment
Loans and advances to customers	4.7	15,925,297,161	15,883,792,388	41,504,773	0.26	Audit and NFRS
adjustment						
Investment in securities	4.8	1,220,644,969	1,221,365,446	(720,477)	-0.06	Revision of fair value of
securities						
Current Tax Assets	4.9	-	558,955	(558,955)	0.00	
Investment in subsidiaries	4.10	-	-	-	0.00	
Investment in Associates	4.11	-	-	-	0.00	
Investment property	4.12	-	-	-	0.00	
Property and equipment	4.13	260,031,545	260,388,984	(357,439)	-0.14	Audit Adjustment
Goodwill and Intangible Assets	4.14	7,924,816	7,924,816	0	0.00	
Deferred tax assets	4.15	4,831,280	22,064,824	(17,233,544)	-356.71	Audit Adjustment
Other assets	4.16	67,573,038	90,121,704	(22,548,666)	-33.37	Audit Adjustment
Total Assets		21,463,341,905	21,467,052,730	(3,710,825)	(3,710,825)	
Liabilities						
Due to Bank and Financial Institutions	4.17	59,995,050	59,995,050	-	0.00	
Due to Nepal Rastra Bank	4.18	-	-	-	0.00	
Derivative Financial Instruments	4.19	-	-	-	0.00	
Deposit from customers	4.20	18,850,015,766	18,850,015,766	(0)	0.00	
Borrowings	4.21	-	-	-	0.00	
Current Tax Liabilities	4.9	3,795,519	-	3,795,519	100.00	Audit Adjustment
Provisions	4.22	-	-	-	0.00	
Deferred tax liabilities	4.15	-	-	-	0.00	
Other liabilities	4.23	175,398,108	172,380,299	3,017,809	1.72	Audit Adjustment
Debt securities issued	4.24	-	-	-	0.00	
Subordinated Liabilities	4.25	-	-	-	0.00	
Total liabilities		19,089,204,442	19,082,391,115	6,813,327	6,813,327	
Equity						
Share Capital	4.26	1,622,665,260	1,622,665,260	(0)	0.00	
Share Premium		-	-	-	0.00	
Retained Earning		331,456,521	319,330,408	12,126,114	3.66	Audit and NFRS adjustment
Reserves	4.27	420,015,682	442,665,947	(22,650,265)	-5.39	Audit and NFRS adjustment
Total equity attributable to equity holders		2,374,137,463	2,384,661,615	(10,524,152)	-0.44	
Non-controlling interests		-	-	-	-	
Total equity		2,374,137,463	2,384,661,615	(10,524,152)	(0)	
Total liabilities and equity		21,463,341,905	21,467,052,730	(3,710,825)	6,813,327	
Contingent liabilities and commitment	4.28	831,861,490	983,590,400	(151,728,910)	(151,728,910)	Revision of Contingent
Liabilities						
Net assets value per share		146.31	146.96			

Shine Resunga Development Bank Limited

Comparison of Statement of Profit or Loss

For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Interest Income	4.29	2,171,085.887	2,174,959,944	(3,874,057)	(0.18)	Audit adjustment
Interest Expense	4.30	(1,263,303,340)	(1,264,696,758)	1,393,418	(0.11)	Audit adjustment
Net interest income		907,782,547	910,263,186	(2,480,639)	(0.27)	
Fees and Commission Income	4.31	129,996,401	130,354,702	(358,301)	(0.28)	Audit adjustment
Fees and Commission Expense	4.32	3,622,878	3,588,812	34,066	0.94	Audit adjustment
Net fee and Commission income		126,373,523	126,765,890	(392,367)	(0.31)	
Net interest fee and commission income		1,034,156,070	1,037,029,076	(2,873,006)	(0.28)	
Net Trading Income	4.33	-	-	-	-	
Other Operating Income	4.34	1,856,628	1,856,628	(0)	(0.00)	
Total operating income		1,036,012,698	1,038,885,704	(2,873,006)	(0.28)	
Impairment charge/(reversal) for loans and other losses	4.35	49,805,073	65,104,899	(15,299,826)	(30.72)	Additional Provision
Net Operating income		986,207,625	973,780,805	12,426,820	1.26	
Operating expenses						
Personal Expense	4.36	227,567,257	229,612,318	(2,045,061)	(0.90)	Audit and NFRS adjustment
Other Operating Expenses	4.37	116,719,644	116,750,541	(30,897)	(0.03)	Audit and NFRS adjustment
Depreciation and amortisation	4.38	35,607,516	35,475,892	131,624	0.37	Audit adjustment
Operating Profit		606,313,208	591,942,054	14,371,154	2.37	
Non operating income	4.39	-	-	-	-	
Non operating expense	4.40	-	-	-	-	
Profit before income tax		606,313,208	591,942,054	14,371,154	2.37	
Income tax expense	4.41	195,810,873	173,481,782	22,329,091	11.40	
Current tax		191,887,384	187,891,644	3,995,740	2.08	Audit and NFRS adjustment
Deferred tax income		3,923,489	(14,409,862)	18,333,351	467.27	Audit and NFRS adjustment
Profit for the period		410,502,335	418,460,271	(7,957,936)	(1.94)	
Profit attributable to:						
Equity holders of the bank		410,502,336	418,460,271	(7,957,935)	(1.94)	
Non-controlling interest		-	-	-	-	
Profit for the period		410,502,336	418,460,271	(7,957,935)	(1.94)	
Earnings per share:						
Basic earnings per share		25.30	25.79			
Diluted earnings per Share						

Shine Resunga Development Bank Limited

Comparative Statement of Other Comprehensive Income

For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Profit for the period		410,502,336	418,460,271	(7,957,935)	(1.94)	
Other comprehensive income, net of income tax			-			
a) Items that will not be reclassified to profit or loss			-			
• Gains/(losses) from investment in equity instruments measured at fair value		7,871,648	8,592,125	(720,477)	(9.15)	Revision of fair value of securities
• Gains/(losses) on revaluation		-	-	-	-	
• Actuarial gain/(losses) on defined benefit plans		416,476	416,476	-	-	
• Income tax relating to above items		(2,486,437)	(2,702,580)	216,143	(8.69)	Tax effect of revision of fair value of securities
Net other comprehensive income that will not be reclassified to profit or loss		5,801,687	6,306,021	(504,334)	(17.85)	
b) Items that are or may be reclassified to profit or loss			-	-		
• Gains/(losses) on cash flow hedge			-	-		
• Exchange gains/(losses)(arising from translating financial assets of foreign operation)			-	-		
• Income tax relating to above items			-	-		
• Reclassify to profit or loss			-	-		
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-	
c) Share of other comprehensive income of associate accounted as per equity method			-	-		
			-	-		
Other comprehensive income for the period, net of Income Tax		5,801,687	6,306,021	(504,334)	(17.85)	
Total comprehensive income for the period		416,304,023	424,766,292	(8,462,269)	(19.78)	
Total comprehensive income attributable to:						
Equity holders of the Bank		416,304,023	424,766,292	(8,462,269)	(2.03)	
Non-controlling interest		-	-	0	(17.75)	
Total Comprehensive income for the period		416,304,023	424,766,292	(8,462,269)	(19.78)	

Shine Resunga Development Bank Limited

Major Indicator

Previous Five Years Indicator

	Detail	Index	Financial Year			
			2071-72	2072-73	2073-74	2074-75
1	Net Profit/Total Income	%	25.74%	32.22%	29.07%	19.13%
2	Earning Per Share (E.P.S)	Rs	28.77	31.05	31.78	20.23
3	Market Price Per share (M.P.S)	Rs	360	650	425	271.00
4	PE Ratio	Ratio	12.51	20.93	13.37	13.40
5	Dividend Per Share	%	28.42%	27.00%	25%	19%
6	Cash Dividend Per share	%	1.42%	0.00%	0%	0%
7	Interest Income/Total Loan & Advance	%	12.80%	11.58%	12.72%	15.07%
8	Employee Cost/ Total Operating Cost	%	62.28%	62.54%	61.48%	65.55%
9	Interest Expenses on Saving & Fixed Deposit	%	5.19%	4.11%	4.99%	7.78%
10	Exchange Fluctuation Income/ Total Income	%	-	-	-	-
11	Employee Bonus/ Total Employee Cost	%	51.65%	66.71%	54.68%	27.63%
12	Net Profit/Total Loan & Advance	%	3.46%	3.70%	3.99%	2.63%
13	Net Profit/Total Assets	%	2.52%	2.76%	2.92%	1.97%
14	Total Loans & advance / Total Deposit	%	84.24%	86.91%	85.58%	86.39%
15	Total operating Cost/Total Assets	%	1.34%	1.19%	1.50%	1.53%
16	Risk Weighted Capital Adequacy Ratio					
	(i) Primary Capital	%	14.82%	14.54%	15.70%	13.19%
	(ii) Supplementary Capital	%	0.87%	0.91%	0.87%	0.86%
	(iii) Capital Adequacy Ratio	%	15.69%	15.45%	16.57%	14.04%
17	CRR	%	5.28%	5.30%	5.81%	5.44%
18	NPA/ Total Loan	%	0.93%	0.31%	0.22%	0.07%
19	Base Rate	%	8.14%	6.63%	10.13%	11.20%
20	Weighted Average Interest Rate Spread	%	5.95%	5.93%	6.53%	5.39%
21	Book Networth	Rs	925,649,513.79	1,297,919,729.49	1,647,812,052.96	1,707,184,625.18
22	Total No Of share	No.	6,333,301.00	8,684,190.92	11,028,923.00	13,786,154.00
23	Total No Of Employee	No.	138	217	223	258
24	Others					
						323

Shine Resunga Development Bank Limited

Statement of Capital Fund

2076 Ashad end

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	1,622,665,260	1,378,615,400
2	Proposed bonus share	-	244,049,860
3	Share premium	-	-
4	Irredeemable preferential share	-	-
5	General Reserve Fund	392,448,150	308,756,096
6	Accumulated profit/loss (Retained earnings)	319,330,408	7,373,249
7	Profit & loss a/c as per balance-sheet		-
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	-	3,485,450
Deductions:		(22,676,824)	(14,052,068)
	a Goodwill	-	-
	b Deferred tax assets	22,064,824	13,440,068
	c Investment on shares and securities in excess of limits		
	d Investment to the company having financial interests		
	e Fictitious Asset	-	-
	f Investment on land and building for self use not complying the Directives of NRB	612,000	612,000
	g Investment on land development and housing construction in excess of limits		
	h Underwriting share not sold within the stipulated time		
	i Credit and other facilities banned by the prevailing laws		
Total Core Capital (A)		2,311,766,994	1,928,227,987
B. Supplementary capital			
S.N.	Description	Current Year	Previous Year
1	Provisions of loan loss made for pass loan	178,683,592	124,372,209
2	Additional loan loss provision	-	-
3	Hybrid capital instruments		-
4	Unsecured Subordinated Term Debt		-
5	Exchange Equalization Fund	-	-
6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-	-
7	Investment adjustment Fund	6,542,976	1,174,561
Total Supplementary Capital (B)		185,226,568	125,546,770
C. Total Capital Fund (A+B)		2,496,993,561	2,053,774,758
D. Minimum capital Fund to be maintained based on Risk Weighted Assets:			
1	Minimum Capital Fund Required (11.0 % of RWA)	2,103,420,593	1,608,587,127
2	Minimum Core Capital Required (5.5 % of RWA)	1,051,710,296	804,293,563
3	Capital Fund maintained (in %)	13.06%	14.04%
4	Core Capital maintained (in %)	12.09%	13.19%
5	Capital Fund surplus/(Defisit)	2.06%	3.04%
6	Core Capital surplus/ (Defisit)	6.59%	7.69%

Shine Resunga Development Bank Limited

Statement of Risk Weighted Assets (RWA)

2076 Ashad

A. On-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Cash Balance	-	327,372,656	-	288,373,067	-
2	Gold (Tradable)	-	-	-	-	-
3	NRB Balance	-	890,428,425	-	837,247,299	-
4	Investment to Govt. Bond	-	1,133,725,000	-	999,350,000	-
5	Investment to NRB Bond	-	-	-	-	-
6	Loan against Own FD	-	184,646,078	-	111,898,936	-
7	Loan against Govt. Securities	-	-	-	-	-
8	Accrued interests on Govt. bond	-	-	-	-	-
9	Investment to Youth Self-employment Fund	-	-	-	-	-
10	Balance on domestic banks and financial institutions	20	17,031,905	3,406,381	21,418,462	4,283,692
11	Loan against other banks' and financial institutions' FD	20	-	-	-	-
12	Foreign bank balance	20	-	-	-	-
13	Money at call	20	2,483,614,030	496,722,806	1,787,348,128	357,469,626
14	Loan against internationally rated bank guarantee	20	-	-	-	-
15	Investment to internationally rated Banks	20	-	-	-	-
16	Inter-bank lending	20	-	-	-	-
17	Investment on shares/debentures/bonds	100	87,640,446	87,640,446	58,728,058	58,728,058
18	Other investments	100	-	-	-	-
19	Loans & advances, bills purchase/discount	100	16,156,635,575	16,156,635,575	12,275,523,650	12,275,523,650
20	Fixed assets	100	268,313,800	268,313,800	222,222,534	222,222,534
21	Net interest receivables (Total IR - 8 - Interest suspense)	100	-	-	15,250,172	15,250,172
22	Gross Non-Banking Asset	100	-	-	-	-
23	Other assets (Except advance tax payment)	100	90,121,704	90,121,704	171,366,509	171,366,509
24	Real estate/residential housing loans exceeding the limits	150	-	-	-	-
	Total On-Balance-sheet Items (A)		21,639,529,620	17,102,840,712	16,788,726,814	13,104,844,240

B. Off-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Bills collection	-	-	-	-	-
2	Forward foreign exchange contract	10	-	-	-	-
3	L/C with maturity less than six months (Outstanding value)	20	-	-	-	-
4	Guarantee against International rated bank's counter guarantee	20	-	-	-	-
5	L/C with maturity more than six months (Outstanding value)	50	-	-	-	-
6	Bid bond, performance bond and underwriting	50	92,804,410	46,402,205	39,542,000	19,771,000
7	Loan sale with repurchase agreement	50	-	-	-	-
8	Advance payment guarantee	100	15,537,000	15,537,000	8,187,000	8,187,000
9	Financial and other guarantee	100	-	-	-	-
10	Irrevocable loan commitment	100	875,248,990	875,248,990	651,280,752	651,280,752
11	Possible liabilities for income tax	100	-	-	-	-
12	All types of possible liabilities including acceptance	100	-	-	-	-
13	Rediscounted bills	100	-	-	-	-
14	Unpaid portion of partly paid share investment	100	-	-	-	-
15	Unpaid guarantee claims	200	-	-	-	-
16	Claimed possible liabilities but not accepted	200	-	-	-	-
17	Amount to be maintained for operational risk (5% of Total Assets)	100	1,081,976,481	1,081,976,481	839,436,341	839,436,341
	Total Off-Balance-sheet Items (B)		2,065,566,881	2,019,164,676	1,538,446,092	1,518,675,092
	Total Risk Weighted Assets (A) + (B)			19,122,005,388		14,623,519,333

N.A.R.S. Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF Purnima Bikash Bank Limited

Opinion

We have audited the accompanying financial statements of Purnima Bikash Bank Limited, which comprises statement of financial position as at Ashad 31, 2076 (July 16, 2019), 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 a summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at Ashad 31, 2076, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with ICAN's Handbook of the 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.

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

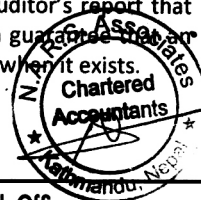
Management is responsible for the preparation and fair presentation for the financial statements in accordance with Nepal Financial Reporting Standards (NFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material 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 Group'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.

UDIN Number: 200315CA008164SgEV



Head Office:

3rd Floor, Pashupati Vision Plaza, Pinglasthan-8,
Gaushala, Kathmandu
Tel: +977-1-4464127

Branch Office:

Birendra Campus Road, Bharatpur-10,
Chitwan
Tel: +977-56-534080

Branch Office:

Shivapath, Siddharthanagar-8
(Near Kanchhi Bazar), Bhairahawa
Tel: +977-71-525584

E-mail: info@nars.com.np | Web: www.nars.com.np

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:

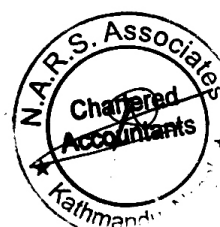
- Identify and assess the risks of material misstatements of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

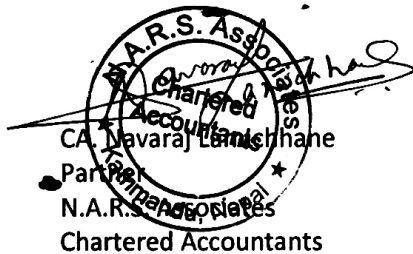
Report on Other Legal and Regulatory Requirements

On the basis of our examination we would like to further report that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
- II. The accounts and records of the Bank have been maintained as required by law.
- III. Financial statements are in agreement with the books of account maintained by the Bank.
- IV. The capital fund, risk bearing fund and the provision for possible impairment of assets of Bank are adequate as per the Directives issued by Nepal Rastra Bank.
- V. In our opinion and to the best of our information and according to the explanations given to us the Board of Directors, the representative or any employee of the Bank has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Bank deliberately or acted in manner that would jeopardize the interest and security of the Bank.
- VI. The operations of the Bank are within its jurisdiction.



- VII. The Bank has not acted in a manner to jeopardize the interest and security of the depositors and investors.
- VIII. The Bank has a centralized core accounting system and details received from branches of the Bank though the statements are independently not audited, were adequate for the purpose of our audit, and
- IX. We have not come across any fraudulence in the accounts so far as it appeared from our examination of the books of account.



Date: Chaitra 1, 2076

Place: Kathmandu

Purnima Bikas Bank Limited

Statement of Financial Position
As on 31st Ashad 2076 (16 July 2019)

NPR

Particulars	Notes	31 Ashad 2076	Restated 32 Ashad 2075	Restated 1st Shrawan 2074
Assets				
Cash and cash equivalent	4.1	1,137,024,136	919,978,091	835,231,603
Due from Nepal Rastra Bank	4.2	147,654,394	196,285,950	105,275,639
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative financial instruments	4.4	-	-	-
Other trading assets	4.5	-	-	-
Loan and Advances to B/FIs	4.6	59,400,000	49,512,542	39,600,099
Loans and advances to customers	4.7	3,176,339,032	2,358,035,505	1,978,130,513
Investment in securities	4.8	46,062,627	48,191,013	25,781,161
Current Tax Assets	4.9	-	1,961,372	71,246
Investment in subsidiaries	4.10	-	-	-
Investment in Associates	4.11	-	-	-
Investment property	4.12	-	-	-
Property and equipment	4.13	27,592,119	21,485,930	15,903,884
Goodwill and Intangible Assets	4.14	1,006,528	830,850	739,807
Deferred tax assets	4.15	8,120,438	6,193,502	1,639,132
Other assets	4.16	7,973,932	4,781,273	5,377,604
Total Assets		4,611,173,205	3,607,256,029	3,007,750,689
Liabilities				
Due to Bank and Financial Institutions	4.17	373,447,849	61,380,653	107,172,817
Due to Nepal Rastra Bank	4.18	-	-	-
Derivative Financial instruments	4.19	-	-	-
Deposit from customers	4.20	3,451,215,464	2,814,060,219	2,295,297,197
Borrowings	4.21	-	-	-
Current Tax Liabilities	4.9	850,763	-	-
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	-	-
Other liabilities	4.23	77,411,877	69,210,547	59,888,176
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
Total liabilities		3,902,925,954	2,944,651,419	2,462,358,190
Equity				
Share Capital	4.26	551,283,015	525,031,415	395,973,232
Share Premium		-	4,779,682	11,291,076
Retained Earning		52,948,780	48,088,781	75,169,095
Reserves	4.27	104,015,457	84,704,732	62,959,096
Total equity attributable to equity holders		708,247,252	662,604,610	545,392,498
Non-controlling interests		-	-	-
Total equity		708,247,252	662,604,610	545,392,498
Total liabilities and equity		4,611,173,205	3,607,256,029	3,007,750,688
Contingent liabilities and commitment	4.28	292,874,549	186,115,585	159,725,616
Net assets value per share		128.47	126.20	137.73

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Navaraj Lamichane
Chartered Accountants
N.A.R.S. Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Purnima Bikas Bank Limited

Statement of Financial Position
For the year ended 31 Ashad 2076

			Restated
	Notes	2075-76 NPR	2074-75 NPR
Interest Income	4.29	469,194,232	364,381,747
Interest Expense	4.30	(275,914,518)	(197,994,790)
Net interest income		193,279,714	166,386,957
Fees and Commission Income	4.31	35,231,134	27,084,033
Fees and Commission Expense	4.32	2,947,222	1,409,506
Net fee and Commission income		32,283,912	25,674,527
Net interest fee and commission income		225,563,626	192,061,484
Net Trading Income	4.33	-	-
Other Operating Income	4.34	259,207	2,279,322
Total operating income		225,822,833	194,340,806
Impairment charge/(reversal) for loans and other losses	4.35	12,556,168	5,166,529
Net Operating income		213,266,664	189,174,277
Operating expenses			
Personal Expense	4.36	57,205,387	42,959,789
Other Operating Expenses	4.37	30,451,957	25,531,613
Depreciation and amortisation	4.38	8,721,143	5,349,595
Operating Profit		116,888,178	115,333,280
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
Profit before income tax		116,888,178	115,333,280
Income tax expense	4.41	35,285,407	33,397,118
Current tax		36,220,456	33,892,945
Deferred tax income		(935,048)	(495,827)
Profit for the period		81,602,770	81,936,161
Profit attributable to:			
Equity holders of the bank		81,602,770	81,936,161
Non-controlling interest		-	-
Profit for the period		81,602,770	81,936,161
Earnings per share:			
Basic earnings per share		14.80	15.61
Diluted earnings per Share		14.80	15.61

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Navaraj Lamichane
Chartered Accountants
N.A.R.S. Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Purnima Bikas Bank Limited

Statement of Other Comprehensive Income

For the year ended 31 Ashad 2076

	Restated	
Notes	2075-76 NPR	2074-75 NPR
Profit for the period	81,602,770	81,936,161
Other comprehensive income, net of income tax		
a) Items that will not be reclassified to profit or loss		
• Gains/(losses) from investment in equity instruments measured at fair value	(2,511,865)	(13,627,601)
• Gains/(losses) on revaluation		
• Actuarial gain/(losses) on defined benefit plans	(794,427)	99,124
• Income tax relating to above items	991,888	4,058,543
Net other comprehensive income that will not be reclassified to profit or loss	(2,314,404)	(9,469,934)
b) Items that are or may be reclassified to profit or loss		
• Gains/(losses) on cash flow hedge		
• Exchange gains/(losses)(arising from translating financial assets of foreign operation)		
• Income tax relating to above items		
• Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method		
Other comprehensive income for the period, net of Income Tax	(2,314,404)	(9,469,934)
Total comprehensive income for the period	79,288,366	72,466,227
Total comprehensive income attributable to:	-	-
Equity holders of the Bank	79,288,366	72,466,227
Non-controlling interest	-	-
Total Comprehensive income for the period	79,288,366	72,466,227

As per our attached report of even date

Bhuvan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Navaraj Lamichane
Chartered Accountants
N.A.R.S. Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Purnima Bikas Bank Limited

Statement of Cash Flows
As on 31st Ashad 2076 (16 July 2019)

Restated

	2075-76 NPR	2074-75 NPR
Cash flows from operating activities		
Interest Received	468,542,719	363,512,608
Fee and other income received	35,231,134	27,084,033
Dividend Received	259,207	2,511,074
Receipts from other operating activities	-	-
Interest paid	(275,256,058)	(183,311,967)
Commission and fee paid	(2,947,222)	(1,409,506)
Cash payments to employee	(53,576,400)	(48,329,088)
Other expense paid	(27,155,015)	(26,521,687)
Operating cash flows before change in operating assets and liabilities	145,098,365	133,535,466
(Increase)/Decrease in operating assets	(795,195,887)	(484,822,819)
Due from Nepal Rastra Bank	48,631,556	(91,010,311)
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(9,887,458)	(9,912,443)
Loan and advances to customer	(830,747,327)	(384,496,396)
Other Assets	(3,192,658)	596,331
Increase/(Decrease) in operating liabilities	949,296,595	472,968,688
Due to bank and financial institutions	312,067,196	(45,792,164)
Due to Nepal Rastra Bank	-	-
Deposits from customers	637,155,245	518,763,022
Borrowings	-	-
Other Liabilities	74,154	(2,170)
Net Cash flow from operating activities before tax paid	299,199,073	121,681,335
Income taxes paid	(33,322,069)	(35,743,651)
Net Cash flow from operating activities	265,877,003	85,937,684
Cash flows from investing activities		
Purchase of investment securities	(383,479)	(36,037,453)
Receipts from sale of investment securities	-	981,689
Purchase of plant and equipment	(14,827,331)	(10,931,641)
Receipt from sale of property and equipment	-	49,388
Purchase of intangible assets	(175,678)	(91,043)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(15,386,488)	(46,029,060)
Cash flows 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	0	49,287,865
Dividend paid	(33,444,472)	(4,450,000)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	(33,444,472)	44,837,865
Net increase/(decrease) in cash and cash equivalents	217,046,043	84,746,489
Cash and Cash Equivalents at Shrawan 01, 2074	919,978,091	835,231,603
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Closing Cash and Cash Equivalents	1,137,024,136	919,978,092

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Navaraj Lamichane
Chartered Accountants
N.A.R.S. Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Purnima Bikas Bank Limited

Statement of Changes in Equity

For the year ended 31 Ashad 2076

Particulars	Attributable to Equity-Holders of the Bank											Non-Controlling Interest	Total Equity
	Share Capital	Calls in Advance	Share Premium	General Reserve	Exchange	Regulatory Equalisation Reserve	Fair Value Reserve	Revaluation Reserve	Retained Reserve	Other Reserve Earning	Total		
Balance at Shrawan 01, 2074	436,935,132	43,588,100	-	56,890,991	-	2,729,264	-	-	302,219	1,913,295	542,359,002	-	542,359,002
Adjustment/Restatement	(84,550,000)	-	11,291,076	-	-	816,122	593,682	-	74,866,876	15,741	3,033,497	-	3,033,497
Adjustment/Restated Balance as at Shrawan 01, 2074	352,385,132	43,588,100	11,291,076	56,890,991	-	3,545,386	593,682	-	75,169,095	1,929,036	545,392,498	-	545,392,498
Comprehensive Income for the year													
Profit for the year									81,936,161		81,936,161		81,936,161
Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	(9,539,321)	-	-	69,387	(9,469,934)		(9,469,934)
Gains/(losses) from investment in equity instruments measured at fair value							(9,539,321)				(9,539,321)		(9,539,321)
Gains/(losses) on revaluation									-		-		-
Actuarial gain/(losses) on defined benefit plans									-		-		-
Gains/(losses) on cash flow hedge									-	69,387	69,387		69,387
Exchange gains/(losses) arising from translating financial assets of foreign operation)									-		-		-
Total Comprehensive Income for the year	-	-	-	-	-	-	(9,539,321)	-	81,936,161	69,387	72,466,227		72,466,227
Transfer to Reserves during the year				14,540,939					(14,540,939)	-	-		-
Adjustment of Investment Adjustment Reserve									(196,197)	196,197	-		-
Creation of Training Fund									(242,399)	242,399	-		-
Utilization of Training Fund									298,596	(298,596)	-		-
Creation of CSR Fund									(727,047)	727,047	-		-
Utilization of CSR Fund									357,950	(357,950)	-		-
Creation of Deferred Tax Reserve						4,554,370			(4,554,370)				
Creation of Regulatory Reserve for Reduction in Investment value						11,248,837			(11,248,837)				
Transfer from Reserves during the year						362,328			(362,328)	-	-		-
Transactions with Owners, directly recognized in Equity									-	-	-		-
Amount transferred from premium to share capital	11,291,076		(11,291,076)										
Share Issued	88,096,283	(43,588,100)	4,779,682								49,287,865		49,287,865
Share Based Payments											-		-
Dividend to Equity-Holders											-		-
Bonus Shares Issued	73,258,924								(73,258,924)				
Cash Dividend Paid									(4,450,000)		(4,450,000)		(4,450,000)
Share issue expenses directly charged to equity-Tax Impeat									(1,394,230)		(1,394,230)		(1,394,230)
Gain on Sales of Share Investment Classified to OCI									418,269		418,269		418,269
Gain on Disposal of Share Classified into OCI									1,262,829		1,262,829		1,262,829
Current Tax on Gain on Disposal of Share Classified into OCI									(378,849)		(378,849)		(378,849)
Other													
Total Contributions by and Distributions													
Balance at Asar 32, 2075	525,031,415	-	4,779,682	71,431,930	-	19,710,921	(8,945,639)	-	48,088,781	2,507,520	662,604,610		662,604,610

Attributable to Equity-Holders of the Bank													
Particulars	Share Capital	Calls in Advance	Share Premium	General Reserve	Exchange	Regulatory Equalisation Reserve	Fair Value Reserve	Revaluation Reserve	Retained Reserve	Other Reserve Earning	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2075	525,031,415	-	4,779,682	71,431,930	-	19,710,921	(8,945,639)	-	48,088,781	2,507,520	662,604,610	-	662,604,610
Adjustment/Restatement											-	-	-
Adjustment/Restated Balance as at Shrawan 01, 2075	525,031,415		4,779,682	71,431,930	-	19,710,921	(8,945,639)	-	48,088,781	2,507,520	662,604,610	-	662,604,610
Comprehensive Income for the year													
Profit for the year									81,602,770		81,602,770		81,602,770
Other Comprehensive Income, Net of Tax													
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	(1,758,306)	-	-	(556,099)	(2,314,404)		(2,314,404)
Gains/(losses) on revaluation							(1,758,306)				(1,758,306)		(1,758,306)
Actuarial gain/(losses) on defined benefit plans													
Gains/(losses) on cash flow hedge										(556,099)	(556,099)		(556,099)
Exchange gains/(losses)(arising from translating financial assets of foreign operation)													
Total Comprehensive Income for the year													
Transfer to Reserves during the year			-	-	-	-	(1,758,306)	-	81,602,770	(556,099)	79,288,366		79,288,366
Creation of Regulatory Reserve for Reduction in Investment value			-	16,320,554		70,792		-	(16,391,346)		-		-
Creation of Deferred Tax Reserve						2,628,782			(2,628,782)		-		-
Creation of Training Fund						1,926,936			(1,926,936)				
Utilization of Training Fund									(969,262)	969,262			
Creation of CSR Fund									224,478	(224,478)			
Utilization of CSR Fund									(816,028)	816,028			
Adjustment for investment adjustment reserve									538,638	(538,638)			
Transfer to Regulatory Reserve						470,971			815,080	(815,080)			
Transfer from Reserves during the year						-			(470,971)		-		-
Transactions with Owners, directly recognized in Equity													
Amount transferred from premium to share capital	4,779,682		(4,779,682)								-		-
Share Issued	-												
Share Based Payments													
Dividend to Equity-Holders									-				
Bonus Shares Issued	21,471,918								(21,471,918)				
Cash Dividend Paid									(33,444,472)		(33,444,472)		(33,444,472)
Share issue expenses directly charged to equity									(287,503)		(287,503)		(287,503)
Tax effect of share issue expenses directly charged to equity									86,251		86,251		86,251
Gain on Disposal of Share Classified into OCI													
Current Tax on Gain on Disposal of Share Classified into OCI									-		-		-
Other													
Total Contributions by and Distributions													
Balance at Asar 31, 2076	551,283,015	-	-	87,752,484	-	24,808,402	(10,703,944)	-	52,948,780	2,158,515	708,247,252	-	708,247,252

Purnima Bikas Bank Limited

Statement of Distributable Profit or Loss

As on 31st Ashad 2076 (16 July 2019)

(As per NRB Regulation)

Particulars	Restated	
	31 Ashadh 2076	32 Ashadh 2075
Opening Retained Earnings	48,088,781	75,169,095
Net profit or (loss) as per statement of profit or loss	81,602,770	81,936,161
Appropriations:		
a. General reserve	(16,320,554)	(14,540,939)
b. Foreign exchange fluctuation fund	-	
c. Capital redemption reserve		
d. Corporate social responsibility fund	(816,028)	(727,047)
e. Employees' training fund	(744,784)	(242,399)
f. Other	-	
Investment Adjustment Reserve		(196,197)
Dividend Paid	(33,444,472)	(4,450,000)
Bonus Shares Issued	(21,471,918)	(73,258,924)
Share issue expense charged to equity	(201,252)	883,980
Transfer from Reserve during the year	1,353,717	(319,415)
Profit or (loss) before regulatory adjustment	58,046,261	64,254,316
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(70,792)	(362,328)
b. Short loan loss provision in accounts (-)/reversal (+)	-	
c. Short provision for possible losses on investment (-)/reversal (+)	(2,628,782)	(11,248,837)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)		
e. Deferred tax assets recognised (-)/ reversal (+)	(1,926,936)	(4,554,370)
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/resersal (+)		
h. Acturial loss recognised (-)/reversal (+)	(470,971)	-
i. Other (+/-)		
Distributable profit or (loss)	52,948,780	48,088,781

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Navaraj Lamichane
Chartered Accountants
N.A.R.S. Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Purnima Bikas Bank Limited

Notes to the Financial Statements
For the year ended 31st Ashad, 2076

1. General Information

Purnima Bikas Bank Limited (referred to as “the Bank” hereinafter) is a “B” class Regional level Development bank domiciled in Nepal, registered as a Public Limited Company under Companies Act 2063 & Banking and Financial Institution Act, 2073. The bank commenced its operation from Jestha 7, 2065. The registered address of the Bank is located at Siddharthanagar, Bhairahawa, Rupandehi, Nepal.

2. Basis of Preparation

The Financial statements of the Bank have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank through Directive No. 4 of NRB Directives, 2075.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board of Nepal on 13th September 2013.

NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Reporting Period and Approval of financial statement

The approval of financial statements including the notes to the Financial statements have been adopted by the Board of Directors on its 214th meeting held on 2076/12/01 and the Board acknowledges the responsibility of preparation of financial statements of the Bank. The approved financial statements have been recommended for approval by the shareholders in the annual general meeting of the Bank.

2.3 Functional and Presentation currency

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the Bank. All financial information presented in NPR has been rounded off to the nearest rupee except where indicated otherwise.

2.4 Use of Estimates, assumption and judgments

The Bank, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Bank is required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. Later on this may be determined that a different choice could have been more appropriate.

NFRS requires the Bank to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

The Bank applies estimates in preparing and presenting the financial statements. The estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognised in the period in which the estimates is revised, and are applied prospectively.

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

2.4.0.1 Going Concern

The financial statements are prepared on a going concern basis, as the Bank is satisfied that the Bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.5 Changes in Accounting policies

The Bank had adopted NFRS for the first time in current year. There has been no significant change in the accounting policies adopted by the bank except where required due to adoption of Nepal Financial Reporting Standards.

2.6 New standards in issue but not yet effective

The standards and interpretations that are issued, but not yet effective, upto the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

✓ IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments having expected credit loss model has been issued and effective from 1st January 2018 internationally but is not yet pronounced by The Institute of Chartered Accountants of Nepal (ICAN). For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied.

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

A significant impact on classification and measurement including impairment of financial instruments will arise as a result of application of IFRS 9.

2.7 New Standards and Interpretation not adopted

Although IFRS 9 is applicable internationally from 1st of January 2018, it has not been applied as it is yet to be adopted by ICAN.

Further the Institute of Chartered Accountants of Nepal (ICAN) has provided carve out on various standards with different time frame; some of which are compulsory and others optional for banks and financial institutions. The list of carve-out and its compliance status while preparation of financial statement of the bank is as given below:

NFRS 10 : Consolidated Financial Statements-Preparation of consolidated financial statement using uniform accounting policies is necessary unless it is impracticable to do so- Optional-up to FY 2019-20-This carve out has no implication to the Bank as it does not have any subsidiaries.

NAS 28 : Investments in Associates and Joint Ventures

Accounting for Investment in Associates as per equity method using uniform accounting policies Optional-up to FY 2019-20-Not applicable

NAS 34 : Interim Financial Reporting

Impracticable to restate the corresponding previous interim period information-Optional-up to FY 2018-19-The Bank has utilized this carve out.

NAS 39: Financial Instruments: Recognition and Measurement- Incurred Loss Model to measure the Impairment Loss on Loan and Advances or impairment provision as per Nepal Rastra Bank (NRB) directive whichever is higher- compulsory-up to FY 2019-20. The Bank loans and advances are greater as per NRB Directive as compared to NFRS. Therefore, loans and advances are impaired as per NRB Directive.

NAS 39: Financial Instruments: Recognition and Measurement-Impracticability to determine transaction cost of all previous years which is the part of effective interest rate-Optional-up to FY 2018-19-The Bank has utilized this carve out.

NAS 39 : Financial Instruments: Recognition and Measurement- Impracticability to determine interest income on amortized cost Optional-up to FY 2019-20-The Bank has utilized this carve out.

2.8 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

2.9 Limitation of NFRS implementation

If the information is not available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Significant Accounting Policies

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

3.1 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, assets held for sale and discontinued operations, other financial assets and liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

3.2 Basis of Consolidation

The Bank does not have control over any other entity for consolidation of Financial Statements. Investments in Shares made by the Bank are financial investments and have been described under 4.8 in Notes.

3.3 Cash & Cash Equivalent

The fair value of cash is the carrying amount. Cash and cash equivalent represent the amount of cash in hand, balances with other bank and financial institutions, money at short notice and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their value and used by the Bank in the management of short-term commitment. Cash and cash equivalents are presented in the carrying value in the statement of financial position.

3.4 Financial Assets and Financial Liabilities

3.4.1 Recognition

Financial assets and liabilities, with exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account at fair value inclusive of transaction costs. The Bank recognises due to customer balances when funds reach the bank.

3.4.2 Classification

The Bank classifies its financial assets into the following measurement categories:

✓ **Financial assets and liabilities held for trading**

The Bank 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. Included in this classification are Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.

✓ **Financial assets and financial liabilities designated at fair value through profit or loss**

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
Or
- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
Or
- The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

✓ **Loans and receivables to Customers**

After initial measurement, loans and advances to customers are subsequently measured at amortisation over the period of loan. This practice is almost nearer to the effective interest method prescribed by NFRS. The method has been adopted as the cost for computation for interest on effective interest method is huge in terms of benefits to be received from the computation in the short run.

✓ **Held-to-maturity**

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the intention and ability to hold to maturity.

✓ **Available-for-sale.**

Available-for-sale assets are those non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements or changes in interest rates, exchange rates, commodity prices or equity prices.

✓ **Financial liabilities held at amortised cost**

Financial liabilities not classified held at fair value through profit or loss includes borrowings which are classified as amortised cost instruments.

3.4.3 Measurement

✓ **Initial measurement**

All financial instruments are initially recognised at fair value plus transaction cost except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

✓ **Subsequent measurement**

Financial assets and liabilities designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the statement of profit or loss. Interest and dividend income or expense is recorded in revenue according to the terms of the contract, or when the right to payment has been established.

Available-for-sale financial assets are subsequently carried at fair value, with gains and losses arising from changes in fair value taken to Other Comprehensive income. The Bank makes irrevocable election to route fair value changes through Other Comprehensive Income. Gain/Loss on equity instruments classified as fair value through other comprehensive income is charged directly to equity and impact of re-measurement is shown in OCI.

Loans and receivables and held-to-maturity financial assets are subsequently measured at amortised cost. Within this category loans and advances to the customers have been recognised at amortised cost using the method that very closely approximates effective interest rate method. The losses arising from impairment of such investments are recognised in the income statement within credit loss expense. If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale.

Financial liabilities are subsequently measured at amortised cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

3.4.4 De-recognition

De-recognition of Financial Assets

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

De-recognition of Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in Statement of Profit or Loss.

3.4.5 Determination of Fair Value

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

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

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

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

3.4.6 Impairment of Loans and Advances

At each reporting date the Bank assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Bank considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Bank initiates legal recourse of recovery in respect of a credit obligation of the counterpart.
- Where the Bank consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and investment securities measured at amortized cost are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and investment securities measured at amortized cost that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities measured at amortized cost with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Bank uses statistical modelling of 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. 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

As per NAS 39

Financial assets carried at amortized cost (such as amounts due from Banks, loans and advances to customers as well as held-to-maturity investments) is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

Loans and advances to customers with significant value i.e. NPR 5 million individually are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the bank. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances

are determined by management prudently being based on the past experience. For the purpose of collective assessment of impairment Bank has categorized assets in fourteen broad products as follows:

- a. Agriculture Loan
- b. Business Loan
- c. Deprive Sector Loan
- d. Education Loan
- e. Foreign Employment Loan
- f. Hire Purchase Loan
- g. Home Loan
- h. Loan against FDR
- i. Margin Lending
- j. OD Loan
- k. Other Loan
- l. Personal Loan
- m. Real Estate Loan
- n. Service Loan

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 other reserves and funds (impairment reserve) in statement of other comprehensive income and statement of changes in equity. If a write-off is later recovered, the recovery is credited to the Statement of Profit or Loss.

Provision as per NFRS

Particulars	2074	2075	2076
Individual	321,060	766,070	1,118,651
Collective	44,637	35,407	45,991
Total NFRS Provision	365,698	801,477	1,164,642

Provision as per NRB

Particulars	2074	2075	2076
Good	20,302,299	24,093,342	32,117,503
Watch-list	179,220	840,915	2,512,289
Sub-standards	47,714	679,249	313,237
Doubtful	43,492	125,747	1,352,390
Bad	0	0	2,000,000
Total NRB Provision	20,572,724	25,739,253	38,295,421
Gap/(Excess)	(20,207,026)	(24,937,775)	(37,130,779)

As stated in 2.7 the bank loans and advances is greater considering the NRB directive as compared to NFRS impairment provisioning. Therefore, provisioning as per NRB directive is applied.

3.4.7 Impairment of Financial Investments - Available-for-Sale

The Bank also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost along with the historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

Refer Note 4.8 for details

3.4.8 Impairment of Non-Financial Assets

The Bank assesses whether there are any indicators of impairment for an asset or a cash generating unit (CGU) at each Reporting date or more frequently, if events or changes in circumstances necessitate to do so. This requires the estimation of the 'Value in use' of such individual assets or the CGUs. Estimating 'Value

in use requires the Management to make an estimate of the expected future cash flows from the asset or the CGU and also to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Bank to make estimates about expected future cash flows and discount rates and hence, they are subject to uncertainty.

3.5 Trading Assets

Trading assets are those assets that the bank acquires principally for the purpose of selling in the near term or holds as part of a portfolio that is managed together for short-term profit shall be presented under this account head. The other trading asset includes non-derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.

3.6 Derivatives Assets and Derivative Liabilities

Bank doesn't deal with any derivative financial instruments.

3.7 Property and Equipment

All property and equipment are 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated although it is subject to impairment testing. Depreciation on other assets is calculated using the written down value method as per rate prescribed by Income Tax Act 2058 using following rates:

➤ Computer and Accessories	3 Years
➤ Furniture and Fixtures	7 Years
➤ Machinery and Equipment	9 Years
➤ Office Equipment	5 Years
➤ Vehicles	6 Years
➤ Leasehold	10 Years
➤ Other Assets	4 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The value of the assets fully depreciated but continued to be in use is considered not material.

The bank has adopted SLM basis for the F/Y 2075/76, unlike prior practice of depreciation under WDV valuation. The life has been estimated as above and depreciation has been charged on the basis of given life. Assets whose useful life has been elapsed, however, still recognised at certain value as fixed assets at start of reporting period has been written off and charged under depreciation for the year. This is the change in estimate; hence, the effect is of prospective nature.

At each reporting date, assets are also assessed 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 immediately to the recoverable amount.

Assets with costs less than NPR 5,000 are charged off on purchase as revenue expenditure. Gains and losses on disposals are included in the Statement of Profit or Loss.

3.8 Intangible assets

Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Bank and are amortised on the basis of their expected useful lives.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalised where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortised over the period of 5 years in Straight Line method (SLM). Costs associated with maintaining software are recognised as an expense as incurred.

At each reporting date, these assets are assessed 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 immediately.

3.9 Investment Property

Land or Land and Building other than those classified as property and equipment and non-current assets held for sale under relevant accounting standard are presented under this account head. The Non-Banking Assets acquired by the company is classified as assets held for sale and presented under investment property.

Further land which is rented and held for capital appreciation motive is classified as investment property. Non-Banking Assets which are not intended to be sold within a period of next one year is also classified as Investment Property. The bank does not have any investment property.

Investment property of the bank is presented under Schedule 4.12.

3.10 Income Tax

3.10.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities of Nepal. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in Nepal. The liabilities recognised for the purpose of current Income tax, including fees, penalties are included under this head.

3.10.2 Deferred Tax Liabilities

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 consolidated financial statements. Deferred income tax is determined using tax rate applicable to the Bank as at the reporting date which is 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 where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the statement of profit or loss together with the deferred gain or loss.

3.11 Deposits, Debt securities issued and subordinate Liabilities

The deposits held by the bank on behalf of its customers are classified as financial liabilities and measured at amortised cost under effective interest method. The bank does not have any debt securities issued and subordinated liabilities.

3.12 Provisions

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflow of resources will be required to settle the obligations and they can be reliably estimated.

3.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

3.13.1 Interest Income

Interest income on available-for-sale assets and financial assets held at amortized cost shall be recognized using the Bank's normal interest rate which is very close to effective interest rate using effective interest rate method.

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that 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, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The Bank recognizes NPR 112,368 thousand as the interest income on loans and advances during F/Y 2075/76 as per Guideline on Recognition of Interest Income, 2019.

3.13.2 Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. Service Fee Income/Expenses are recognized on accrual basis unless it is impracticable to recognize as allowed through carve-out on NFRS.

3.13.3 Dividend Income

Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

3.13.4 Net Trading Income

Net trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

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

Gains and losses arising from changes in the fair value of financial instruments designated at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognised within net interest income.

3.14 Interest Expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVTPL, interest expense is recorded using the EIR unless it is impracticable.

3.15 Employee Benefits

3.15.1 Retirement Benefits

The Bank has schemes of retirement benefits namely Gratuity, Provident Fund and Medical Allowance.

Retirement benefit obligations

The bank operates a defined contribution plans as provident fund contribution.

Provident Fund

For Provident Fund, the bank pays contributions to the publicly administered provident fund plans (named Employee Provident Fund) on a mandatory basis, and such amounts are charged to operating expenses. The bank has no further payment obligations once the contributions have been paid.

Gratuity

The new Labour Act 2074 is applicable from Bhadra 19, 2074 which requires payment of minimum Gratuity of at least 8.33% of basic salary to all staff (equal to one month salary per year). The bank has not yet decided for the revision of its Employees Byelaws as per New Labour Act. Further the byelaws also need to be approved from the regulator. As the act is already in force, the bank has provided 8.33% of basic salary as gratuity for all staff for gratuity benefit (both nature of staff and period of service) under existing byelaws. As these benefits are mixed in nature they are treated as defined benefit plan and provided accordingly as per actuarial valuation.

Explanatory Notes

Gratuity benefit obligations, plan assets, movement in gratuity liability & fair value of assets etc. related with long term employee benefits has been presented under schedule 4.23.1 A.

3.15.2 Accumulated Leave

The Bank provides accumulated leave benefit under its staff byelaw. The Home Leave is accumulated up to 60 days and there is no limit for the accumulation of Sick Leave.

Accumulated leave benefits are treated as short term employment benefit as allowed by Para 15 of NAS 19. Therefore, the additional expenses on accumulated leave are charged to Profit and Loss account as on Ashad end 2076. The bank has no further payment obligations once the contributions have been paid.

3.15.3 Staff Bonus

Provision for bonus has been made at 10% of net profit before such bonus.

3.16 Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless 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.

3.17 Foreign Currency Translation

Foreign currency transactions are translated into the NPR 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 translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when recognised in other comprehensive income. Non-monetary assets that are measured at fair value are translated using exchange rate at the date that fair value was determined.

3.18 Financial Guarantee and Loan Commitment

In the ordinary course of business, the Bank issues performance guarantees, bid bond guarantees and advance payment guarantee. These guarantees are initially disclosed in the financial statement (within 'contingent liabilities') at guaranteed value. The premium received is recognised in the statement of profit or loss in net fees and commission income on a straight-line basis over the life of the guarantee.

3.19 Share Capital and Reserves

3.19.1 Share Capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Dividends on ordinary shares classified as equity are recognised in equity in the period in which they are declared.

The share issue expenses which can be avoided for the issue was charged in the year of issue directly through equity and disclosed in statement of changes in equity. Tax impact is also disclosed.

3.19.2 Reserves

The reserves include regulatory and free reserves.

✓ General Reserve

There is a regulatory requirement to set aside 20% of the net profit to the general reserve until the reserve is twice the paid of share capital. The reserve is the accumulation of setting aside profits over the years.

No Dividend (either cash dividend or bonus share) are distributed from the amount in General/ Statutory Reserve.

✓ Assets Revaluation Reserve

Any Reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets, Investment Property) shall be presented under this heading. Revaluation reserves often serve as a cushion against unexpected losses but may not be fully available to absorb unexpected losses due to the subsequent deterioration in market value and tax consequences of revaluation. The Bank has followed cost model therefore no assets revaluation reserve is created.

✓ Capital Reserve

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. The amount from share forfeiture due to non-payment of remaining amount for the unpaid shares, capital grants received in cash or kind, capital reserve arising out of merger and acquisition etc are presented under this heading.

✓ Special Reserve

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB are represented as special reserve. The amount allocated to this reserve by debiting retained earning account are presented under this heading.

✓ Corporate Social Responsibility Fund

The fund created for the purpose of corporate social responsibility by allocating 1% of Net profit as per NRB Directive is presented under this account head.

✓ Investment Adjustment Reserve

It is a regulatory reserve created as a cushion for adverse price movements in Bank's investments as directed by the Directives of Nepal Rastra Bank. Banks are required to create Investment Adjustment Reserve equal to 2% of Value of investment.

- ✓ **Regulatory Reserve**
The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the *Directive of NRB for the purpose of implementation of NFRS* and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The amount allocated to this reserve shall include interest income recognized but not received in cash, difference of loan loss provision as per NRB directive and impairment on loan and advance as per NFRS (in case lower impairment is recognized under NFRS), amount equals to deferred tax assets, actual loss recognized in other comprehensive income, amount of goodwill recognized under NFRS etc.
- ✓ **Actuarial Gain/(Loss) Reserve**
Actuarial Gain/ loss Reserve has been created to record the Actuarial gain or loss occurring due to change in actuarial assumption under NAS 19. The gain or loss has been disclosed under this reserve after presentation through Other Comprehensive Income.
- ✓ **Fair Value Reserve**
Assets that are not classified as Fair Value through Profit and Loss, Held to maturity and Loans and Receivables are categorised as Available for Sale financial instruments. The Bank has under regulatory provisions a requirement to appropriate the upward movements in fair value under AFS reserve. The accounting of gain or loss in the fair value movement of AFS Financial Assets is done through other comprehensive income under NAS 39.
- ✓ **Deferred Tax Reserve**
The accumulated amount in deferred tax reserve has been transferred to Retained Earnings for the year.
- ✓ **Other reserve**
Any reserve created with specific or non-specific purpose (except stated in above) are presented under this by disclosing accounting heads.

3.20 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33 - *Earnings Per Share*.

There are no instruments, such as convertibles, that would require dilution of EPS, therefore diluted EPS has not been computed and disclosed.

3.21 Segmental Reporting

The Bank's segmental reporting is in accordance with NFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the bank's management, which is responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

The Bank has determined segments based on the district of operation by the management for decision making purpose. Such segmental information has been provided under Disclosures & Additional Information (Point No. 5.3).

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the bank's total revenue in any of the periods reported.

3.22 Interim Financial Reporting

Interim reports corresponding to the financial statements had been reported in accordance with the regulatory reporting requirements. Those statements have been published quarterly in national level newspaper. The bank has utilized the benefits provided by Carve-out on NFRS for reinstatement of earlier year figures.

Purnima Bikas Bank Limited
Notes forming part of the Financial Statements

4.1 Cash and cash equivalent

Particulars	2075-76	2074-75	2073-74
Cash in Hand	56,677,970	47,345,861	39,516,872
Balances with B/Fis	1,080,346,166	872,632,230	795,714,731
Money at call and short notice	-	-	-
Other	-	-	-
Total	1,137,024,136	919,978,091	835,231,603

4.2 Due from Nepal Rastra Bank

Particulars	2075-76	2074-75	2073-74
Statutory balances with NRB	147,654,394	196,285,950	105,275,639
Securities purchased under resale agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
Total	147,654,394	196,285,950	105,275,639

4.3 Placements with Bank and Financial Institutions

Particulars	2075-76	2074-75	2073-74
Placement with domestic B/FIs	-	-	-
Placement with Foreign B/FIs	-	-	-
Less: Allowances for impairment	-	-	-
Total	-	-	-

4.4 Derivative Financial Instruments

Particulars	2075-76	2074-75	2073-74
Held for trading			
Interest rate swap			
Forward exchange contract			
Others			
Held for risk management			
Interest rate swap			
Forward exchange contract			
Others			
Total	-	-	-

4.5 Other Trading assets

Particulars	2075-76	2074-75	2073-74
Treasury Bills	-	-	
Government bond	-	-	-
NRB bonds	-	-	-
Domestic Corporate bonds	-	-	-
Equities	-	-	-
Other	-	-	-
Total	-	-	-
Pledged	-	-	-
Non- Pledged	-	-	-

4.6 Loans and advances to B/FIs

Particulars	2075-76	2074-75	2073-74
Loan to Microfinance Institutions	60,000,000	50,012,542	40,000,099
Other	-	-	-
Less: Allowances for Impairment	(600,000)	(500,000)	(400,000)
Total	59,400,000	49,512,542	39,600,099

4.6.1 Allowances for Impairment

Particulars	2075-76	2074-75	2073-74
Balance as at Shrawan 1	500,000	500,000	100,000
Impairment loss for the year:			
Charge for the year	100,000	-	400,000
Recoveries/Reversal			
Amount written off			
Balance as at Ashad end	600,000	500,000	500,000

4.7 Loans and advances to customers

Particulars	2075-76	2074-75	2073-74
Loans and advances measured at amortized	3,214,034,453	2,383,274,757	1,998,303,237
Less: Impairment allowances			
Individual Impairment	(3,665,627)	(804,996)	(91,206)
Portfolio Impairment	(34,029,794)	(24,434,257)	(20,081,518)
Net amount	3,176,339,032	2,358,035,505	1,978,130,513
Loan and advances measured at FVTPL	-	-	-
Total	3,176,339,032	2,358,035,505	1,978,130,513

4.7.1 Analysis of loan and advances - By product

Particulars	2075-76	2074-75	2073-74
Product			
Term Loans	644,189,182	-	-
Overdraft	275,166,418	268,552,714	322,841,648
Trust Receipt/Import Loans	-	-	-
Demand and other Working Capital Loans	810,165,120	647,290,650	511,618,112
Personal Residential Loans	397,780,880	231,113,914	130,802,340
Real Estate Loans	101,398,280	140,095,245	143,884,919
Margin Lending Loans	250,000	250,000	250,000
Hire Purchase Loans	408,286,035	246,187,346	184,099,968
Deprived Sector Loans	95,020,898	88,483,651	78,619,419
Bills Purchased	-	-	-
Staffs Loans	5,297,090	3,495,153	4,115,184
Other	475,696,996	757,147,449	621,975,684
Sub-total	3,213,250,900	2,382,616,123	1,998,207,275
Interest Receivable	783,552	658,634	95,963
Grand Total	3,214,034,452	2,383,274,757	1,998,303,238

4.7.2 Analysis of loan and advances - By Currency

Particulars	2075-76	2074-75	2073-74
Nepalese Rupee	3,214,034,452	2,383,274,757	1,998,303,238
Indian Rupee			
United States Dollar			
Great Britain Pound			
Euro			
Japanese Yen			
Chinese Yuan			
Other			
Grand Total	3,214,034,452	2,383,274,757	1,998,303,238

4.7.3 Analysis of loan and advances - By Collateral

Particulars	2075-76	2074-75	2073-74
Secured			
Moveable/Immoveable Assets	3,158,364,300	2,343,977,122	1,955,363,976
Gold and Silver	30,487,000	19,048,000	12,091,700
Guarantee of Domestic BFIs	-	-	-
Government Guarantee	-	-	-
Guarantee of International Rated Bank	-	-	-
Collateral of Export Document	-	-	-
Collateral of Fixed Deposit Receipt	24,399,600	19,591,000	30,501,600
Collateral of Government Securities	-	-	-
Counter Guarantee	-	-	-
Personal Guarantee	-	-	-
Other Collateral	-	-	250,000
Sub Total	3,213,250,900	2,382,616,122	1,998,207,276
Unsecured	-	-	-
Grand Total	3,213,250,900	2,382,616,122	1,998,207,276

4.7.4 Allowances for Impairment

Particulars	2075-76	2074-75	2073-74
Specific allowances for impairment			
Balance at Shrawan 1	804,996	91,206	1,156,250
Impairment loss for the year:	2,860,632	713,790	(1,065,044)
Charge for the year	2,860,632	713,790	
Recoveries/reversal during the year	-	-	(1,065,044)
Write- offs	-		-
Exchange rate variance on foreign currency			
Other movement			
Balance at Ashad end	3,665,627	804,996	91,206
Collective allowances for impairment			
Balance at Shrawan 1	24,434,257	20,081,518	17,046,488
Impairment loss for the year:	9,595,537	4,352,739	3,035,030
Charge/(reversal) for the year	9,595,537	4,352,739	3,035,030
Exchange rate variance on foreign currency	-	-	-
Other movement	-		-
Balance at Ashad end	34,029,794	24,434,257	20,081,518
Total allowances for impairment	37,695,421	25,239,253	20,172,724

4.8 Investment in securities

Particulars	2075-76	2074-75	2073-74
Investment securities designated at FVTPL	-	-	-
Investment securities measured at amortized cost	20,220,986	20,216,507	-
Investment in equity measured at FVTOCI	25,841,641	27,974,506	25,781,161
Total	46,062,627	48,191,013	25,781,161

4.8.1 Investment in securities measured at amortized cost

Particulars	2075-76	2074-75	2073-74
Debt Securities	-	-	-
Government Bond	20,220,986	20,216,507	-
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposit instruments	-	-	-
Other	-	-	-
Less: Specific allowances for impairment	-	-	-
Total	20,220,986	20,216,507	-

4.8.2 Investment in equity measured at fair value through other Other comprehensive income

Particulars	2075-76	2074-75	2073-74
Equity Instrument	-	-	-
Quoted equity securities	25,841,641	27,974,506	25,781,161
Unquoted equity securities	-	-	-
Total	25,841,641	27,974,506	25,781,161

4.8.3 Information relating to investment in equities

Particulars	2075-76		2074-75		2073-74	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in quoted equity						
1 Nagbeli Bikas Bank 27 shares of Rs. 133.33 each	3,600	15,876	2,200	16,640	2,200	69,300
2 Nepal Telecommunication Company Ltd. 1,385 shares of Rs. 749.77 each	1,038,430	959,805	1,038,430	998,585	2,398,430	2,284,875
3 Ridi Hydropower Company Ltd. 100 shares of Rs. 129 each	12,900	9,540	12,900	12,300	12,900	27,993
4 Hotel Soaltee Limited 300 shares of Rs. 550 each	165,000	73,200	165,000	72,900	165,000	108,300
5 Surya Life Insurance Limited 635 shares of Rs. 338.66 each	215,050	258,552	200,550	216,600	200,550	334,910
6 Chilime Hydropower Company Limited 1,134 shares of Rs. 1,341.77 each	1,521,567	590,814	1,521,567	733,120	1,521,567	708,624
7 Siddhartha Insurance Company Ltd. 9,411 shares of Rs. 700 each	6,584,248	3,708,250	6,372,948	4,165,530	1,540,400	1,612,500
8 National Life Insurance Company Ltd. 4,589 shares of Rs. 1,200 each	5,505,875	2,684,565	5,354,175	2,018,274	6,438,975	6,913,800
9 Hydropower Investment and Development Company Ltd. 3,185 shares of Rs. 91 each	289,600	512,785	289,600	448,880	289,600	518,384
10 Myagdi Group Power Limited 636 shares of Rs. 91 each	57,900	73,776	57,900	103,668	57,900	152,277

Particulars	2075-76		2074-75		2073-74	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
11 Shikhar Insurance Company Ltd. 1,292 shares of Rs. 1,253 each	1,618,495	996,132	1,618,495	1,272,620	559,585	568,713
12 Nepal Life Insurance Company Ltd. 1,101 shares of Rs. 939 each	1,033,364	793,781	1,033,364	925,050	3,109,796	3,093,120
13 Butwal Power Company Ltd. 4085 ,shares of Rs. 760	3,104,530	1,670,765	3,104,530	1,697,298	3,104,530	2,302,680
14 Nerude Laghubitta Bikas Bank Ltd. 12 Bonus shares of Rs. 0 each	-	5,640	-	7,007	3,822,890	3,867,850
15 Nabil Mutual Fund 160,116 units of Rs. 10 each	-	-	-	-	1,601,160	3,154,285
16 Rural Microfinance Development Centre 104 shares of Rs. 1,034.24 each	107,561	68,744	107,561	61,382	107,561	63,550
17 NLG Insurance Company Ltd. 1,250 shares of Rs. 1,280.80 each	1,601,000	952,500	1,601,000	1,162,500	-	-
18 Sana Kisan Bikas Bank 250 shares of Rs. 640.56 each	160,140	237,000	160,140	232,000	-	-
19 Asian Life Insurance Company Ltd. 2 bonus share of Rs. 50	100	766	-	683	-	-
20 United Insurance Company Ltd. 1,767 shares of Rs. 1,679.29 each	2,967,310	1,501,950	2,967,310	1,687,485	-	-
21 Neco Insurance Company Ltd. 3,198 shares of Rs. 1,044.82 each	3,341,320	1,583,010	3,341,320	1,784,484	-	-
22 Premier Insurance Company Ltd. 3,856 shares of Rs. 887 each	3,420,000	1,056,440	3,420,000	2,425,500	-	-
23 Siddhartha Equity Fund 600,000 units of Rs. 10 each	6,000,000	6,054,000	6,000,000	5,736,000	-	-
24 Swalamban Bikas Bank Limited 1,250 shares of Rs. 1,108 each	1,385,000	1,093,750	1,385,000	1,240,000	-	-
25 Sanima Equity Fund 100,000 units of Rs. 100 each	1,000,000	940,000	1,000,000	956,000	-	-
Subtotal	41,132,990	25,841,641	40,753,990	27,974,506	24,933,044	25,781,161
Investment in Unquoted equity						
Subtotal	-	-	-	-	-	-
Grand Total	41,132,990	25,841,641	40,753,990	27,974,506	24,933,044	25,781,161

4.9 Current tax Assets/Liability

Particulars	2075-76	2074-75	2073-74
Current tax assets	35,369,692	35,854,317	42,395,563
Current year Income Tax Assets	35,369,692	35,854,317	42,395,563
Tax Assets of Prior Periods			
Current tax liabilities	36,220,456	33,892,945	42,324,317
Current year Income Tax Liabilities	36,007,351	33,892,945	42,293,181
Tax Liabilities of Prior Periods	213,105	-	31,137
	36,220,456	33,892,945	42,324,317
Total of income tax assets/(liabilities)	(850,763)	1,961,372	71,246

4.10 Investment In subsidiaries

Particulars	2075-76	2074-75	2073-74
Investment in Quoted Subsidiaries	-	-	-
Investment in Unquoted Subsidiaries	-	-	-
Total Investment	-	-	-
Less: Impairment Allowances			
Net Carrying Amount	-	-	-

4.10.1 Investment In quoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.2 Investment In unquoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.3 Information relating to subsidiaries of the bank

Particulars	Percentage of ownership					
	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
.....Ltd						
.....Ltd	-	-	-	-	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

Equity Interest held by NCI (%)	Group As on Ashad 31, 2076
Profit (Loss) allocated during the year
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	
	As on Ashad 32, 2075

Equity Interest held by NCI (%)	
Profit (Loss) allocated during the year	
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	

4.11 Investment In associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in Quoted associates	-	-	-	-	-	-
Investment in Unquoted associates	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-
Less: Impairment Allowances				-		-
Net Carrying Amount	-	-	-	-	-	-

4.11.1 Investment In quoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.11.2 Investment In unquoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
-		-	-	-		
Total	-	-	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value

4.11.4: Equity value of associates

Particulars	Group	
	As on Ashad 31, 2076	As on Ashad 32, 2075
		-
	-	-

4.12 Investment Properties

Particulars	As on Ashad 31, 2076	As on Ashad 32, 2075	As on Shrawan 01, 2074
Investment Properties measured at Fair Value			
Balance as on Shrawan 01	-	-	-
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 01	-	-	
Addition/(Disposal) during the year			
Adjustment/Transfer			
Accumulated depreciation			
Accumulated impairment loss			
Net Amount	-	-	-
Total	-	-	-

Purnima Bikas Bank Limited

Notes forming part of the Financial Statements

4.13 Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashad end 2076
Cost									
As on Shrawan 2074	-	-	2,789,668	3,660,148	7,727,075	4,128,245	7,369,781	9,069,716	34,744,632
Addition during the year	-	-	1,568,265	1,866,013	1,281,765	2,112,214	539,361	3,378,693	10,746,311
Acquisition	-	-	1,568,265	1,866,013	1,281,765	2,112,214	539,361	3,378,693	10,746,311
Capitalization	-	-	-	-	(553,900)	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	(553,900)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2075	-	-	4,357,933	5,526,161	8,454,940	6,240,459	7,909,142	12,448,408	44,937,043
Addition during the Year	-	-	3,779,274	966,500	2,381,300	1,910,327	1,394,350	4,009,122	14,440,873
Acquisition	-	-	3,779,274	966,500	2,381,300	1,910,327	1,394,350	4,009,122	14,440,873
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	(3,677,300)	(2,173,407)	(1,951,910)	(732,172)	(4,897,769)	(13,432,558)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2076	-	-	8,137,208	2,815,360	8,662,832	6,198,877	8,571,320	11,559,761	45,945,357
Depreciation and Impairment									
As on Shrawan 01, 2074	-	-	807,784	2,344,804	3,967,015	2,644,682	3,266,123	5,810,341	18,840,747
Depreciation charge for the year	-	-	623,747	795,339	959,059	707,248	654,824	1,332,326	5,072,543
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(462,178)	-	-	-	(462,178)
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2075	-	-	1,431,531	3,140,143	4,463,896	3,351,929	3,920,947	7,142,667	23,451,112
Depreciation charge for the year	-	-	495,924	1,688,782	1,738,655	792,122	1,334,283	2,200,695	8,250,461
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(3,677,300)	(2,089,183)	(1,951,910)	(732,172)	(4,897,769)	(13,348,334)
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2076	-	-	1,927,455	1,151,625	4,113,367	2,192,141	4,523,058	4,445,593	18,353,239
Capital Work in Progress 2074									
Capital Work in Progress 2075									
Capital Work in Progress 2076									
Net Book Value									
As on Ashad end 2074	-	-	1,981,885	1,315,344	3,760,060	1,483,563	4,103,658	3,259,375	15,903,884
As on Ashad end 2075	-	-	2,926,402	2,386,018	3,991,044	2,888,530	3,988,195	5,305,742	21,485,930
As on Ashad end 2076	-	-	6,209,753	1,663,736	4,549,465	4,006,735	4,048,262	7,114,168	27,592,119

Purnima Bikas Bank Limited
Notes forming part of the Financial Statements

4.14 Goodwill and Intangible Assets

Software					
Particulars	Goodwill	Purchased	Developed	Other	Total Ashad end
Cost					
As on Shrawan 01 2074	-	3,874,197	-	-	3,874,197
Addition during the year	-	368,095	-	-	368,095
Acquisition	-	368,095	-	-	368,095
Capitalization	-		-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2075	-	4,242,292	-	-	4,242,292
				-	
Addition during the Year	-		-	-	-
Acquisition	-	646,360	-	-	646,360
Capitalization	-		-	-	-
Disposal during the year	-		-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2076		4,888,652	-	-	4,888,652
Amortisation and Impairment					
As on Shrawan 01. 2074	-	3,134,389	-	-	3,134,389
Amortisation charge for the year	-	277,052	-	-	277,052
Impairment for the year	-	-	-	-	-
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2075		3,411,441	-	-	3,411,441
Impairment for the year	-	-	-	-	-
Amortisation charge for the year	-	470,682	-	-	470,682
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2076	-	3,882,123	-	-	3,882,123
Capital Work in Progress					
Net Book Value					
As on Ashad end 2074	-	739,807	-	-	739,807
As on Ashad end 2075	-	830,850	-	-	830,850
As on Ashad end 2076	-	1,006,528	-	-	1,006,528

Purnima Bikash Bank Limited
Notes forming part of the Financial Statements

4.15 Deferred Taxes Assets/(Liabilities)

2073-74			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(28,819)	(28,819)
Investment Properties	-	-	-
Investment Securities	-	(254,435)	(254,435)
Investment In Associates	-	-	-
Property and Equipment	-	1,644,849	1,644,849
Employees' Defined Benefit Plan	181,268	-	181,268
Employees' Leave Liability	(772,869)	-	(772,869)
Lease Liabilities	869,138	-	869,138
Provisions LLP	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	277,537	1,361,595	1,639,132
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 2073/74			1,639,132
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2073			2,729,264
Origination/(Reversal) during the year			(1,090,132)
Deferred Tax (expense)/income recognized in profit or loss			(1,083,386)
Deferred Tax (expense)/income recognized in Other Comprehensive Income			(6,746)
Deferred Tax (expense)/income recognized directly in equity			-

2074-75			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(201,356)	(201,356)
Investment Properties	-	-	-
Investment Securities	3,833,845	-	3,833,845
Investment In Associates	-	-	-
Property and Equipment	1,680,482		1,680,482
Employees' Defined Benefit Plan	(31,204)	-	(31,204)
Employees' Leave Liability	(94,586)	-	(94,586)
Lease Liabilities	1,006,321	-	1,006,321
Provisions LLP	-	-	-
Other Temporary Differences		-	-
Deferred tax on temporary differences	6394857.684	-201355.773	6193501.911
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 2074/75			6,193,502
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2074			(1,639,132)
Origination/(Reversal) during the year			4,554,370
Deferred Tax (expense)/income recognized in profit or loss			495,827
Deferred Tax (expense)/income recognized in Other Comprehensive Income			4,058,543
Deferred Tax (expense)/income recognized directly in equity			-

2075-76			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items	-	-	-
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	-	-
Investment Properties	-	-	-
Investment Securities	-	4,587,405	4,587,405
Investment In Associates	-	-	-
Property and Equipment	2,357,821		2,357,821
Employees' Defined Benefit Plan	98,903		98,903
Employees' Leave Liability	(57,072)		- (57,072)
Lease Liabilities	1,133,382	-	1,133,382
Provisions LLP	-	-	-
Other Temporary Differences			-
Deferred tax on temporary differences	3,533,033	4,587,405	8,120,438
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 2075/76			8,120,438
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			(6,193,502)
Origination/(Reversal) during the year			1,926,936
Deferred Tax (expense)/income recognized in profit or loss			935,048
Deferred Tax (expense)/income recognized in Other Comprehensive Income			991,888
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	31-03-2076	32-03-2075	31-04-2074
Assets held for Sale	-	-	-
Other Non-Banking Assets	-	-	-
Bills Receivable	-	-	-
Accounts Receivable	4,562,195	1,754,723	2,228,493
Accrued Income	-	-	-
Prepayments and Deposits	443,102	664,751	616,773
Income Tax Deposit	-	-	-
Deferred Employee Expenditure	1,604,181	1,456,943	1,755,340
Other	1,364,454	904,856	776,999
Stationery Stock	1,228,112	870,976	628,674
Commission Receivable	-	-	-
Deposit	-	-	-
Others	136,342	33,880	148,324
Grand Total	7,973,932	4,781,273	5,377,604

4.17 Due to Bank and Financial Institutions

Particulars	2075-76	2074-75	2073-74
Money Market Deposits		-	-
Interbank Borrowing	-	-	-
Other Deposits from BFIs	373,447,849	61,380,653	107,172,817
Settlement and Clearing Accounts	-	-	-
Other Deposits from BFIs	-		
Total	373,447,849	61,380,653	107,172,817

4.18 Due to Nepal Rastra Bank

Particulars	2075-76	2074-75	2073-74
Refinance from NRB	-	-	-
Standing Liquidity Facility	-	-	-
Lender of Last Resort facility from NRB	-	-	-
Securities sold under repurchase agreements	-	-	-
Other Payable to NRB	-	-	-
Total	-	-	-

4.19 Derivative Financial instruments

Particulars	2075-76	2074-75	2073-74
Held for Trading			
Interest Rate Swap	-	-	-
Currency Swap	-	-	-
Forward Exchange Contracts			
Others			
Held for Risk Management			
Interest Rate Swap			
Currency Swap			
Forward Exchange Contracts.			
Others	-	-	-
Total	-	-	-

4.20 Deposits from customers

Particulars	2075-76	2074-75	2073-74
Institutions Customers:	343,127,554	418,386,191	223,947,846
Term deposits	208,002,520	175,591,019	135,667,325
Call deposits	37,198,023	172,976,712	45,340,476
Current deposits	95,977,011	68,868,460	42,140,046
Other	1,950,000	950,000	800,000
Individual Customers:	3,108,087,910	2,395,674,027	2,071,349,351
Term deposits	1,166,605,775	750,571,642	570,216,416
Saving deposits	1,856,133,940	1,576,047,447	1,441,365,045
Current deposits	85,306,003	69,054,938	59,758,890
Other	42,192	-	9,000
Total	3,451,215,464	2,814,060,219	2,295,297,197

4.20.1 Currency wise analysis of deposit form customers

Particulars	2075-76	2074-75	2073-74
Nepalese Rupee	3,451,215,464	2,814,060,219	2,295,297,197
Indian Rupee	-	-	-
United State dollar	-	-	-
Great Britain pound	-	-	-
Euro	-	-	-
Japenese yen	-	-	-
Chinese Yuan	-	-	-
Other	-	-	-
Total	3,451,215,464	2,814,060,219	2,295,297,197

4.21 Borrowings

Particulars	2075-76	2074-75	2073-74
Domestic Borrowing			
Nepal Government			
Other Institutions	-	-	-
Other			
Sub total	-	-	-
Foreign Borrowing			
Foreign Bank and Financial Institutions			
Multilateral Development Banks			
Other institutions			
Sub total	-	-	-
Total	-	-	-

4.22 Provisions

Particulars	2075-76	2074-75	2073-74
Provisions for redundancy	-	-	-
Provision for restructuring	-	-	-
Pending legal issues and tax litigation	-	-	-
Onerous contracts	-	-	-
Other	-	-	-
Total	-	-	-

4.22.1 Movement in Provisions

Particulars	2075-76	2074-75	2073-74
Balance at Sawan 1	-	-	-
Provisions made during the year			
Provisions used during the year			
Provisions reversed during the year			
Unwind of discount			
Balance at Ashad end	-	-	-

4.23 Other Liabilities

Particulars	2075-76	2074-75	2073-74
Liabilities for employees defined benefit obligations	329,677	(104,014)	1,359,127
Liabilities for leave	(190,240)	(315,286)	139,948
Short term employee benefits	-	99,418	-
Bills payable	-	-	-
Creditors and accruals	10,314,618	7,504,950	9,130,821
Interest payable on deposits	45,233,741	44,575,281	29,892,457
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	116,995	42,841	45,011
Liabilities under Operating Lease	3,777,939	3,354,402	2,897,126
Employee bonus payable	12,987,575	10,357,052	14,201,409
Other Liabilities	4,841,571	3,695,903	2,222,277
Audit Fee Payable	375,000	-	-
TDS Payable	4,283,991	3,541,584	2,067,958
Micro Finance Central Fund	-	-	-
Micro Finance Welfare Fund	-	-	-
Others	182,580	154,319	154,319
Total	77,411,875	69,210,547	59,888,176

4.23.1. A Defined Benefit Obligation

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

Particulars	2075-76	2074-75	2073-74
Present value of unfunded obligations	4,069,896	2,688,537	2,165,529
Present value of funded obligations	-	-	-
Total present value of obligations	4,069,896	2,688,537	2,165,529
Fair value of plan assets	3,740,219	2,792,551	806,402
Present value of net obligations	329,677	(104,014)	1,359,127
Recognised liability for defined benefit obligations	329,677	(104,014)	1,359,127

4.23.2 A : Plan Assets

Plan assets comprise

Particulars	2075-76	2074-75	2073-74
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	3,740,219	2,792,551	806,402
Total	3,740,219	2,792,551	806,402

4.23.3 A : Movement in the present value of defined benefit obligations

Particulars	2075-76	2074-75	2073-74
Defined benefit obligations at Shrawan 1	2,688,537	2,165,529	1,653,664
Actuarial losses	810,779	(105,217)	(31,377)
Benefits paid by the plan	(227,357)	(47,619)	-
Current service costs; Past Service Cost and interest	797,937	675,844	543,242
Defined benefit obligations at Ashad end	4,069,896	2,688,537	2,165,529

4.23.4 A : Movement in the fair value of plan assets

Particulars	2075-76	2074-75	2073-74
Fair value of plan assets at Shrawan 1	2,792,551	806,402	754,900
Contributions paid into the plan	908,042	1,901,205	-
Benefits paid during the year	(227,357)	(47,619)	-
Benefits paid during the year Directly	-	-	-
Actuarial (losses) gains	16,352	(6,093)	(8,890)
Expected return on plan assets	250,631	138,656	60,392
Fair value of plan assets at Ashad end	3,740,219	2,792,551	806,402

4.23.5 A : Amount recognised in profit or loss

Particulars	2075/76	2074/75	2073/74
Current service costs	591,948	504,506	410,949
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Interest on obligation	205,989	171,338	132,293
Expected return on plan assets	(250,631)	(138,656)	(60,392)
Total	547,306	537,188	482,850

4.23.6 A : Amount recognised in other comprehensive income

Particulars	2075/76	2074/75	2073/74
Acturial (gain)/loss	794,427	(99,124)	(22,487)
Total	794,427	(99,124)	(22,487)

4.23.7 A : Actuarial assumptions

Particulars	2075/76	2074/75	2073/74
Discount rate	8%	8%	8%
Expected return on plan asset	8%	8%	8%
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.23.1. B Long Term Benefit Obligation

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

Particulars	2075/76	2074/75	2073/74
Present value of unfunded obligations	4,595,729	3,391,652	3,041,434
Present value of funded obligations	-	-	-
Total present value of obligations	4,595,729	3,391,652	3,041,434
Fair value of plan assets	4,785,969	3,706,938	2,901,486
Present value of net obligations	(190,240)	(315,286)	139,948
Recognised liability for defined benefit obligations	(190,240)	(315,286)	139,948

4.23.2 B : Plan Assets

Plan assets comprise

Particulars	2075/76	2074/75	2073/74
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	4,785,969	3,706,938	2,901,486
Total	4,785,969	3,706,938	2,901,486

4.23.3 B : Movement in the present value of long term benefit obligation

Particulars	2075/76	2074/75	2073/74
Defined benefit obligations at Shrawan 1	3,391,652	3,041,434	2,624,886
Actuarial losses	577,337	(483,518)	(542,341)
Benefits paid by the plan	(352,560)	(56,416)	-
Current service costs; Past Service Cost and interest	979,300	890,152	958,889
Defined benefit obligations at Ashad end	4,595,729	3,391,652	3,041,434

4.23.4 B : Movement in the fair value of plan assets

Particulars	2075/76	2074/75	2073/74
Fair value of plan assets at Shrawan 1	3,706,938	2,901,486	2,719,179
Contributions paid into the plan	1,080,921	610,656	-
Benefits paid during the year	(352,560)	(56,416)	-
Actuarial (losses) gains	24,981	(3,076)	(35,227)
Expected return on plan assets	325,689	254,288	217,534
Fair value of plan assets at Ashad end	4,785,969	3,706,938	2,901,486

4.23.5 B : Amount recognised in profit or loss

Particulars	2075/76	2074/75	2073/74
Current service costs	722,070	649,094	748,898
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Actuarial (gain)/loss	577,337	(483,518)	(542,341)
Interest on obligation	257,230	241,058	209,991
Expected return on plan assets	(325,689)	(254,288)	-
Total	1,230,948	152,346	416,548

4.23.6 B : Amount recognised in other comprehensive income

Particulars	2075/76	2074/75	2073/74
Acturial (gain)/loss	-	-	-
Total	-	-	-

4.23.7 B : Actuarial assumptions

Particulars	2075/76	2074/75	2073/74
Discount rate	8%	8%	8%
Expected return on plan asset	8%	8%	-
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.24 Debt securities issued

Particulars	2075/76	2074/75	2073/74
Debt securities issued designated as at fair value through profit or loss	-	-	-
Debt securities issued at amortised cost	-	-	-
Total	-	-	-

4.25 Subordinate Liabilities

Particulars	2075/76	2074/75	2073/74
Redeemable preference shares	-	-	-
Irredeemable cumulative preference shares (liabilities component)			
Other			
Total	-	-	-

4.26 Share Capital

Particulars	2075-76	2074-75	2073-74
Ordinary Shares	551,283,015	525,031,415	352,385,132
Convertible Preference Shares (Equity component)	-	-	-
Irredeemable Preference Shares (Equity component)	-	-	-
Perpetual debt (Equity component only)	-	-	-
Calls in Advance	-	-	43,588,100.00
Total	551,283,015	525,031,415	395,973,232

4.26.1 Share capital detail

Particulars	2075-76	2074-75	2073-74
Authorised capital			
5,000,000 Ordinary Share of Rs. 100 each (FY 2073-74)			500,000,000
12,000,000 Ordinary Share of Rs. 100 each (FY 2074-75)		1,200,000,000	
12,000,000 Ordinary Share of Rs. 100 each (FY 2075-76)	1,200,000,000		
Issued Capital			
3,523,851.32 Ordinary Share of Rs. 100 each (FY 2073-74)			352,385,132
5,250,314.15 Ordinary Share of Rs. 100 each (FY 2074-75)		525,031,415	
5,512,830.15 Ordinary Share of Rs. 100 each (FY 2075-76)	551,283,015		
Suscribed and paid up capital			
3,523,851.32 Ordinary Share of Rs. 100 each (FY 2073-74)			352,385,132
5,250,314.15 Ordinary Share of Rs. 100 each (FY 2074-75)		525,031,415	
5,512,830.15 Ordinary Share of Rs. 100 each (FY 2075-76)	551,283,015		
Total	551,283,015	525,031,415	352,385,132

4.26.2 Ordinary Share Ownership

Particulars	2075-76		2074-75		2073-74	
	% of holding	Amount	% of holding	Amount	% of holding	Amount
Domestic ownership	100.00%	551,283,015	100.00%	525,031,415	100.00%	352,385,132
Nepal Government						
"A" Class licenced institutions						
Other Licenced institutions						
Other institutions & individuals						
Public	49.00%	270,128,677	49.00%	257,265,393	49.00%	172,668,715
Other	51.00%	281,154,337	51.00%	267,766,021	51.00%	179,716,418
Foreign Ownership						
Total	100%	551,283,015	100.00%	525,031,415	100.00%	352,385,132

List of Shareholders holding more than 0.5% shares

Name of Shareholders	Paid-up Amount	Percentage
Krishna Prasad Sharma	21,665,693	3.93%
Bishnu Prasad Sharma	13,192,267	2.39%
Mina Kumari Shrestha	16,538,585	3.00%
Narayan Prasad Agrawal	10,563,520	1.92%
Suraj Upreti	14,333,334	2.60%
Yam Prasad Parajuli	9,141,230	1.66%
Tika Bahadur Hirachan	8,434,657	1.53%
Mamata Gautam	9,329,211	1.69%
Top Bahadur Rayamajhi	7,610,211	1.38%
Punnya Prasad Dhakal	8,086,572	1.47%
Dolraj Sharma	9,066,653	1.64%
Raju Narayan Shrestha	7,043,872	1.28%
Nandalal Sharma	6,024,703	1.09%

Gyaneshwor Sapkota	6,023,819	1.09%
Kiran Narayan Shrestha	6,958,886	1.26%
Yadunath Poudel	5,548,266	1.01%
Bhawalaxmi Shrestha	8,006,168	1.45%
Hariom Gurung	6,350,115	1.15%
Kharilal Bagale	5,398,388	0.98%
Jhalak Bahadur Rayamajhi	5,221,454	0.95%
Krishna Prasad Lamsal	5,221,454	0.95%
Narmada Bashyal	5,221,454	0.95%
Paramhansalal Shrivastav	5,221,454	0.95%
Pratima Aryal	5,221,454	0.95%
Tejral Rajbhandari	5,221,454	0.95%
Ramprasad Karmacharya	5,962,299	1.08%
Krishna Pukar Munankarmi	4,945,390	0.90%
Urmila Shrestha	4,675,755	0.85%
Sanjaya Jaisawal	5,962,299	1.08%
Brijesh Kumar Agrawal	4,468,781	0.81%
Rajendra Prasad Shrestha	4,016,559	0.73%
Ishwari Prasad Ghimire	3,973,293	0.72%
Istiyag Ahamad	4,980,000	0.90%
Bijaya Govinda Shrestha	3,559,793	0.65%
Abhidutta Sharma	3,375,563	0.61%
Ramdayal Bohara	3,341,488	0.61%
Kalpana K.C	3,593,381	0.65%
Mohan Bahadur Katwal	3,329,053	0.60%
Keshav Raj Nepal	2,998,030	0.54%
Kamalman Simgaida	2,811,539	0.51%
Loknath Nepal	4,081,675	0.74%
Khum Bahadur Bhandari	2,866,830	0.52%
Harihar Prasad Nepal	2,756,605	0.50%
Bal Krishna Chauguthi	4,945,390	0.90%
Anish Sapkota	3,089,945	0.56%

4.27 Reserves

Particulars	2075-76	2074-75	2073-74
Statutory general reserve	87,752,484	71,431,930	56,890,991
Exchange equilisation reserve	-	-	-
Corporate social responsibility reserve	1,642,304	1,364,914	995,817
Capital redemption reserve			
Regulatory reserve	24,808,402	19,710,921	3,545,386
Investment adjustment reserve	-	815,080	618,883
Capital reserve			
Assets revaluation reserve	-	-	-
Fair value reserve	(10,703,944)	(8,945,639)	593,682
Dividend equalisation reserve			
Actuarial gain	(470,971)	85,128	15,741
Special reserve			
Employee Training Fund	987,183	242,398.66	298,595.64
Deferred Tax Reserve	-	-	-
Other reserve	-	-	-
Total	104,015,457	84,704,732	62,959,096

4.28 Contingent liabilities and commitments

Particulars	2075-76	2074-75	2073-74
Contingent liabilities	28,250,000	26,350,000	34,063,800
Undrawn and undisbursed facilities	264,624,549	159,765,585	125,661,816
Capital commitment	-	-	-
Lease Commitment	-	-	-
Litigation-	-	-	-
Total	292,874,549	186,115,585	159,725,616

4.28.1: Contingent Liabilities

Particulars	2075-76	2074-75	2073-74
Acceptance and documentary credit			
Bills for collection			
Forward exchange contracts			
Guarantees	28,250,000	26,350,000	34,063,800
Underwriting commitment			
Other commitments			
Total	28,250,000	26,350,000	34,063,800

4.28.2: Undrawn and undisbursed facilities

Particulars	2075-76	2074-75	2073-74
Undisbursed amount of loans			
Undrawn limits of overdrafts	264,624,549	159,765,585	125,661,816
Undrawn limits of credit cards			
Undrawn limits of letter of credit			
Undrawn limits of guarantee			
Total	264,624,549	159,765,585	125,661,816

4.28.3: Capital commitments

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

Particulars	2075-76	2074-75	2073-74
Capital commitments in relation to Property and Equipment			
Approved and contracted for			-
Approved but not contracted for	-	-	
Sub total	-	-	-
Capital commitments in relation to Intangible assets	-	-	-
Approved and contracted for	-	-	-
Approved but not contracted for	-	-	-
Sub total	-	-	-
Total	-	-	-

4.28.4: Lease commitments

Particulars	2075-76	2074-75	2073-74
Operating lease commitments			
"Future minimum lease payments under non cancellable operating lease, where the bank 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 bank is lessee			
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-
Sub total	-	-	-
Grand total	-	-	-

4.28.5: Litigation**Contingent Tax Liabilities-Income Tax**

Particulars	2075-76	2074-75	2073-74
-	-	-	-

4.29 Interest Income

Particulars	2075-76	2074-75
Cash and cash equivalent	54,808,452	45,658,348
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	2,624,933	2,637,913
Loans and advances to customers	409,666,947	315,512,253
Investment securities	1,094,478	-
Loan and advances to staff	999,423	573,233
Other Interest Income		
Total interest income	469,194,232	364,381,747

4.30 Interest Expense

Particulars	2075-76	2074-75
Due to bank and financial institutions	12,361,166	3,256,329
Due to Nepal Rastra Bank	-	-
Deposits from customers	263,666,453	194,719,009
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	(113,101)	19,452
Total Interest expense	275,914,518	197,994,790

4.31 Fees and commission income

Particulars	2075-76	2074-75
Loan administration fees	-	-
Service fees	31,001,827	23,677,387
Consortium fees		
Commitment fees		
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	2,279,135	1,797,185
Renewal fees		
Prepayment and swap fees		
Investment banking fees		
Asset management fees		
Brokerage fees		
Remittance fees	1,388,078	1,308,984
Commission on letter of credit	-	-
Commission on guarantee contracts issued	44,375	23,125
Commission on share underwriting/issue		
Locker rental	26,000	-
Other fees and commission income	491,719	277,352
Total Fees and Commission Income	35,231,134	27,084,033

4.32 Fees and commission Expense

Particulars	2075-76	2074-75
ATM management fees	-	-
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees.		
Remittance fees and commission	-	-
Other fees and commission expense	2,947,222	1,409,506
CIC Fees	1,579,800	789,200
Deposit Premium	-	-
Mobile Banking Expenses	1,367,422	452,973
Other	-	167,333
Total Fees and Commission Expense	2,947,222	1,409,506

4.33 Net Trading Income

Particulars	2075-76	2074-75
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	-	-

4.34 Other Operating Income

Particulars	2075-76	2074-75
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	(281,140)
Fair value gain/loss on investment properties		
Dividend on equity instruments	259,207	2,511,074
Gain/loss on sale of property and equipment	-	49,388
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Other Operating Income		
Share of Income of Associates	-	-
Total	259,207	2,279,322

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

Particulars	2075-76	2074-75
Impairment charge/(reversal) on loan and advances to BFIs	100,000	-
Impairment charge/(reversal) on loan and advances to customers	12,456,168	5,166,529
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with BFIs		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets		
Impairment charge/(reversal) on investment properties	-	-
Impairment charge/(reversal) on Other Assets	-	-
Total	12,556,168	5,166,529

4.36 Personal Expenses

Particulars	2075-76	2074-75
Salary	20,480,412	15,659,791
Allowances	15,652,813	11,718,560
Gratuity Expense	733,894	585,567
Provident Fund	1,602,283	1,246,005
Uniform	375,500	467,600
Training & development expense	224,478	825,132
Leave encashment	2,033,173	973,934
Medical	833,132	654,510
Insurance	-	14,324
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	539,145	294,015
Other expenses related to staff	1,742,984	163,300
Subtotal	44,217,812	32,602,737
Employees bonus	12,987,575	10,357,052
Grand Total	57,205,387	42,959,789

4.37 Other Operating Expenses

Particulars	2075-76	2074-75
Directors' fee	378,000	334,500
Directors' expense	138,293	134,500
Auditors' remuneration	450,000	450,000
Other audit related expense	200,897	149,381
Professional and legal expense	50,000	50,000
Office administration expense (4.37 A)	13,846,313	12,096,710
Operating Lease expense (4.37 B)	13,880,347	10,179,273
Operating expense of investment properties	-	-
Corporate social responsibility expense	68,500	233,613
Onerous lease provisions	-	-
Other Expenses	1,439,608	1,903,637
Repair & Maintenance Building	8,000	-
Repair & Maintenance Vehicle	477,866	269,942
Repair & Maintenance Others	556,684	1,426,683
Repair & Maint.. Office Equipment & Furniture	167,435	175,160
Share Issue Expenses	-	-
Technical Fees	229,623	31,851
Total	30,451,957	25,531,613

4.37 A Office Administration Expenses

Particulars	2075-76	2074-75
Insurance	2,387,066	2,217,263
Postage, Telephone,	2,026,241	1,656,440
Printing & Stationery	1,432,958	1,046,368
Newspaper & Periodicals	103,889	87,850
Advertisements	871,501	802,595
Travelling Expenses	667,779	1,018,548
Fuel Expenses	1,110,641	782,907
Entertainment	446,434	453,558
AGM Expenses	271,082	123,495
Annual Fee	406,080	346,870
Office Expenses	960,242	819,386
Merger Expenses	444,720	-
Branch Opening Expenses	7,773	149,467
Registration & Renewal Fee	1,177,731	1,556,431
Corporate Social Responsibility Expenses	538,638	357,950
Other	993,538	677,581
Total	13,846,313	12,096,710

4.37 B Operating Lease Expenses

Particulars	2075-76	2074-75
House Rent Expenses	5,682,199	4,483,426
Electricity Expenses	1,802,117	1,392,468
Security Expenses	6,396,031	4,303,379
Total	13,880,347	10,179,273

4.38 Depreciation and Amortisation

Particulars	2075-76	2074-75
Depreciation on property and equipment	7,754,537	5,072,543
Depreciation on investment property	-	-
Amortisation of intangible assets	966,606	277,052
Total	8,721,143	5,349,595

4.39 Non Operating Income

Particulars	2075-76	2074-75
Recovery of Loan written off	-	-
Other Income	-	-
Total	-	-

4.40 Non Operating expense

Particulars	2075-76	2074-75
Loan written off	-	-
Redundancy provision		
Expense of restructuring		
Other expense.		
Total	-	-

4.41 Income Tax Expenses

Particulars	2075-76	2074-75
Current Tax Expenses	36,220,456	33,892,945
Current Year	36,007,351	33,892,945
Adjustment for Prior Years	213,105	-
Deferred tax Expenses	(935,048)	(495,827)
Origination and Reversal of Temporary Differences	(935,048)	(495,827)
Change in tax Rate		
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	35,285,407	33,397,118

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	2075-76	2074-75
Profit Before Tax	116,888,178	115,333,280
Tax Amount at the Rate of 30%	35,066,453	34,599,984
Add: Tax Effect of the expenses that are not deductible for tax purpose	20,550	3,307,239
Less: Tax Effect on Exempt Income	(77,762)	(524,870)
Add/Less: Tax Effect on other Items	1,211,214	(3,489,407.91)
Total Income Tax Expenses	36,220,456	33,892,945
Effective Tax Rate	30.99%	29.39%

Purnima Bikas Bank Limited

Notes to the Financial Statements
For the year ended 31st Ashad, 2076

5. Disclosures & Additional Information

5.1 Risk Management

In compliance with Nepal Rastra Bank Directive on 6 "Corporate Governance", the Board of bank has established a Risk Management Committee with clear terms of reference. As at the date of this report, the Bank's Risk Management Committee comprised of the following:

S.N.	Members of Risk Management Committee	Designation
1	Rajendra Prasad Shrestha	Co ordinator
2	Harihar Prasad Nepal	Member
3	Badri Kedar Shrestha	Member
4	Bishnu Bahadur Thapa	Member

The Committee meets at least four times annually. The committee oversees and reviews the fundamental prudential risks including operational, credit, market, reputational, capital and liquidity risk etc.

The responsibilities of Risk Management Committee are as follows:

- a Formulate policies and guidelines for identification, measurement, monitoring and control all major risk categories
- b Ensuring the bank has clear, comprehensive and well documented policies and procedure.
- c Defining the bank's overall risk tolerance in relation to credit risk.
- d Ensuring that bank's significant risks exposure is maintained at prudent levels and consistent with the available capital.

Apart from Board Level Risk Management Committee the other committees and groups as mentioned below supports for Overall Risk Management.

i) Risk Governance

Risk management committee of the bank has formed to review the credit risk, market risk and liquidity risk of the bank. Apart from this the bank has formed the Assets Liability Management Committee to monitor Liquidity risk as well as market risk, AML CFT committee in order to monitor the operational risk. The committee and subcommittee has effectively discharged their duties & responsibility.

Risk Management Department conducts periodical financial surveillance and monitoring. In addition to this, the risk management committee analyse the Stress testing of the bank as required by Nepal Rastra Bank and its impact and corrective action to mitigate the risk.

Through its risk management framework, the Bank seeks to efficiently manage credit, market and liquidity risks which arise directly through the Bank's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking. As part of this framework, the Bank uses a set of principles that describe its risk management culture. The bank has developed Risk Management Policy, Guideline & Framework 2017 to manage Credit risk, Market risk and liquidity risk.

The major risk areas and mitigation mechanism is as given below;

1) Credit Risk

Credit risk is the potential for loss due to failure of counterparty to meet its obligations to pay the Bank in accordance with agreed terms.

The bank has Credit Policy Guidelines (CPG) that, inter alia, consist of areas of lending, eligibility of borrower, loan application format and requirement, necessary documents for processing loans, risk assessment areas, loan approval authority and other general credit principles. The CPG has been formulated by keeping in mind the prudential norms given by NRB.

A standardized loan application forms has been in use for facilitating collection and analysis of all the relevant data for evaluating credit worthiness and proper evaluation of the credit risk of the prospective borrower. The factors considered in evaluating loan applications normally included prospects of the business, management of the firm/company, financial analysis- income statement, balance sheet, cash flow statement, key financial indicators, key risk and mitigates. Further, inspection and supervision are also conducted before approval of the loan for pre-analysis and after the disbursement of loan as well for monitoring the utilization of loan.

2) Operational Risk

Operational risk is the prospect of loss of resulting from inadequate or failed procedures, systems or policies, employee errors, system failures, fraud or other criminal activity, any event that disrupts business processes.

Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. For the control of operational risk of institution, it has Financial Administration Policy, Employee Bylaws, operational manual, AML/CFT policy, Suspicious Transaction identification Procedure, Politically exposed person policy, which guides the day to day operation.

Each risk control owner is responsible for identifying risks that are material and for maintaining an effective control environment across the organization. Risk control owners have responsibility for the control of operational risk arising from the management of the following activities: External Rules & Regulations, Liability, Legal Enforceability, Damage or Loss of Physical Assets, Safety & Security, Internal Fraud or Dishonesty, External Fraud, Information Security, Processing Failure, and Model. Operational risks can arise from all business lines and from all activities carried out by the Bank. Operational Risk management approach seeks to ensure management of operational risk by maintaining a complete process universe defined for all business segments, products and functions processes.

3) Market Risk

Risks arising out of adverse movements in interest rates and equity prices are covered under Market Risk Management. Market Risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. Institution exposure to market risk arises principally from customer driven transactions.

In line with Risk Management Guidelines prescribed by NRB, the Bank focuses on risk management in addition to that Interest rate risk is assessed at a regular interval to strengthen market risk management. The market risk is managed within the risk tolerances and market risk limits set by ALCO. ALCO regularly meets, analyse and takes decision over the Market Risk by analysing the internal as well as external factor.

4) Liquidity Risk

Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost. The Liquidity Risk is managed by ALCO. The ALCO has developed the Unified Treasury circular for overall liquidity management of bank.

5) Reputational Risk

Reputational risk is a risk of loss resulting from damages to reputation of institution, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value.

Reputational risk is managed by the management committee which are responsible for protecting the institution's reputation locally and has the responsibility to ensure that the Bank does not undertake any activities that may cause material damage to the reputation of institution.

6) Employee Benefit Risk

Employee benefit risk is the potential risk of loss due to having to meet shortfall in the Bank's defined benefits gratuity and leave encashment schemes.

The gross obligation for gratuity is calculated considering the salary at the time of retirement of the individual staff and number of years' service with the Bank. The home leave can be accumulated for maximum period of 60 days for total period served by individual staff. The gross obligation for leave encashment is calculated considering the last drawn salary multiplied by no of eligible days for leave encashment.

7) Internal Control

The Board is committed to managing risks and in controlling its business and financial activities in a manner which enables it to maximize profitable business opportunities, avoid or reduce risks which can cause loss or reputational damage, ensure compliance with applicable laws and regulations and enhance resilience to external events. To achieve this, the Board has adopted policies and procedures of risk identification, risk evaluation, risk mitigation and control/monitoring.

The effectiveness of the Company's internal control system is reviewed regularly by the Board, its Committees, Management and Internal Audit. The Audit Committee has reviewed the effectiveness of the Bank's system of internal control during the year and provided feedback to the Board as appropriate. The bank has outsourced the Internal Audit function to maintain independency on the internal control system of institution. The Internal Audit monitors compliance with policies/standards and the effectiveness of internal control structures across the Company through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports are quarterly forwarded to the Audit Committee. The findings of all audits are reported to the Chief Executive Officer and Business Heads for initiating immediate corrective measures.

**8) Any Other Risk
Compliance Risk**

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation due to failure to comply with laws, rules and standards.

PURBL is committed to follow best practices and market standards in the areas of accountability, transparency and business ethics. The Development Bank aims at a zero tolerance of misconduct and corruption.

In the day-to-day operations the *three lines of defence model* defines the roles and responsibilities for compliance and integrity risk in the Development Bank.

The *first line of defence* lies with the respective Development Bank departments and units, which are responsible for ensuring that compliance risks are identified, understood and reported to the decision making bodies of the Development Bank and to Compliance Officer.

The *second line of defence* lies with Compliance Officer, which assesses and monitors the compliance and integrity risks and coordinates its control activities with the Risk Management Unit.

Internal Audit is the *third line of defence*.

The Compliance function assists the Development Bank in identifying, assessing, monitoring and reporting on compliance risks in matters relating to the institution, its operations and the personal conduct of staff members. The Chief Compliance Officer reports to the CEO.

Strategic Risk

Strategic risk is the risk in achieving Development Bank's strategic objectives, both from internal and external events and scenarios which prevent from achieving strategic objectives.

Strategic Risk can be further defined as:

- Exposure to loss resulting from a strategy that runs out to be inappropriate.
- Risk associated with future plans and strategies, including plans for entering new services, expanding existing services through enhancements and merger, enhancing infrastructures etc.

Current and prospective impact of strategic decisions made by management arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry change etc.

Periodic (yearly) review of the strategy is being done by Management Committee and reported to BOD regarding: status of the strategic objective's achievement as decided, execution status whether the right talent and infrastructures support the achievement of the objective or about unintended consequences of the strategy, if any for their timely corrections/updates if found to be necessary.

Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. Interest rate risk is usually assessed from two common perspectives. Earnings perspective, which focuses on the impact of variation in interest rate on accruals or reported earnings, and economic value perspective, which reflects the impact of fluctuation in the interest rates on economic value of a financial institution.

The Development Bank measures and manages interest rate risk by estimating the sensitivity of the economic value of its balance sheet to an interest rate shock. The sensitivity is measured by means of interest rates on the present value of interest-bearing assets and liabilities.

AML/CFT Risk

AML/CFT risk is related with providing financial services to money launders and terrorists for channelling of money derived from crime or aimed at funding terrorism.

The strictness of the provisions made in laws and directives reflect the seriousness of this issue; non-compliance of which may cause significant reputational risk as well as may result in adverse consequences. Development Bank have been closely monitoring the AML/CFT policies, procedures, guidelines and practices of Banks & Financial Institutions (BFIs).

A separate AML/CFT Unit is established under direct supervision and control of Compliance Officer which looks after the effective implementation and compliance of AML/CFT related prevailing Acts, Rules and Directives.

5.2 Capital Management

i. Qualitative disclosures

The bank has maintained the capital adequacy as per Capital adequacy framework, 2007 (Updated July 2008) as required by Nepal Rastra Bank. The main objective of this framework is to develop a safe and sound financial system by way of sufficient amount of qualitative capital and risk management practices. The total equity of the bank comprises of paid up capital, statutory reserves and other reserves. The bank does not have any other complex or hybrid capital instruments. Capital adequacy ratio as on Ashad end 2076 is 17.13% and 18.35% on core capital and capital fund respectively.

Assessment of capital adequacy of bank is done on regular basis taking into considerations the exposure of bank. Also, the analysis of possible impact on capital adequacy is being done on regular basis taking into consideration the future impacts on assumptive basis. Capital adequacy of bank and impact in capital

due to future change in nature and size of business is discussed in Risk Management Committee and is summarized in board. Regular monitoring of nature of business is being done so that unexpected negative impact could not take place in capital adequacy of bank. Reporting to regulatory body is being done as prescribed by compliance department.

The internal capital adequacy assessment process (ICAAP) is a comprehensive process which requires board and senior management oversight, monitoring, reporting and internal control reviews at regular intervals to ensure the alignment of regulatory capital requirement with the true risk profile of the bank and thus ensure long-term safety and soundness of the bank. The key components of an effective ICAAP are discussed below.

Board and senior management oversight

Board and senior management oversight bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the formality and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position.

The board of directors of the bank are responsible for setting the bank's tolerance for risks. The board also ensures that management establishes a mechanism for assessing various risks; develops a system to relate these risks to the bank's capital level and sets up a method for monitoring compliance with internal policies. It is equally important that the board instills strong internal controls and thereby an effective control environment through adoption of written policies and procedures and ensures that the policies and procedures are effectively communicated throughout the bank.

a. Sound Capital Assessment

Another crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment the bank should, at minimum, have the following:

- Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- A process that relates capital to the level of risk;
- A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- A process of internal control, reviews and audit to ensure the integrity of the overall management process.

b. Comprehensive assessment of risk

All material risks faced by the bank should be addressed in the capital assessment process. Nepal Rastra Bank recognizes that not all risks can be measured precisely. However, bank should develop a process to estimate risks with reasonable certainties. In order to make a comprehensive assessment of risks, the process should, at minimum, address the following forms of risk.

1. Credit Risk
2. Credit Concentration Risk
3. Operational Risk
4. Market Risk
5. Liquidity Risk

c. Monitoring and reporting

The bank has established an adequate system for monitoring and reporting risk exposures and assessing how the bank's changing risk profile affects the need for capital. The bank's senior management or board of directors, on a regular basis, receive reports on the bank's risk profile and capital needs. These reports allow senior management to:

- Evaluate the level and trend of material risks and their effect on capital levels;

- Evaluate the sensitivity and reasonableness of key assumptions used in the capital assessment measurement system;
- Determine that the bank holds sufficient capital against the various risks and is in compliance with established capital adequacy goals; and
- Assess its future capital requirements based on the bank's reported risk profile and make necessary adjustments to the bank's strategic plan accordingly.

d. Internal Control Review

The bank's internal control structure is essential to a sound capital assessment process. Effective control of the capital assessment process includes an independent review and, where appropriate, the involvement of internal or external audits. The bank's board of directors has a responsibility to ensure that management establishes a system for assessing the various risks, develops a system to relate risk to the bank's capital level, and establishes a method for monitoring compliance with internal policies. The board should regularly verify whether its system of internal controls is adequate to ensure well-ordered and prudent conduct of business. The bank should conduct periodic reviews of its risk management process to ensure its integrity, accuracy, and reasonableness. Key areas that should be reviewed include:

- Appropriateness of the bank's capital assessment process given the nature, scope and complexity of its activities;
- Identification of large exposures and risk concentrations;
- Accuracy and completeness of data inputs into the bank's assessment process;
- Reasonableness and validity of scenarios used in the assessment process; and
- Stress testing and analysis of assumptions and inputs.

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	551,283,014.59	525,031,414.59
2	Proposed bonus share	-	26,251,600.00
3	Share premium	-	-
4	Irredeemable preferential share	-	-
5	General Reserve Fund	87,752,484.30	71,431,930.00
6	Accumulated profit/loss (Retained earnings)	52,948,779.77	3,040,490.00
7	Profit & loss a/c as per balance-sheet	-	-
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	2,729,264.21	2,729,264.21
Deductions:		(8,120,437.93)	(5,608,853.50)
	a Goodwill	-	-
	b Deferred tax assets	8,120,437.93	5,608,853.50
	c Investment on shares and securities in excess of limits	-	-
	d Investment to the company having financial interests	-	-
	e Fictitious Asset	-	-
	f Investment on land and building for self use not complying the Directives of NRB	-	-
	g Investment on land development and housing construction in excess of limits	-	-
	h Underwriting share not sold within the stipulated time	-	-
	I Credit and other facilities banned by the prevailing laws	-	-
Total Core Capital (A)		686,593,104.94	622,875,845.30
B. Supplementary capital			
S.N.	Description	Period	
		Current Year	Previous Years
1	Provisions of loan loss made for pass loan	34,629,793.84	24,934,360.00
2	Additional loan loss provision	-	-
3	Hybrid capital instruments	-	-
4	Unsecured Subordinated Term Debt	-	-
5	Exchange Equalization Fund	-	-

6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-	-
7	Others	14,104,457.97	
8	Investment adjustment Fund		815,079.80
Total Supplementary Capital (B)		48,734,251.82	25,749,439.80
		-	-
C.	Total Capital Fund (A+B)	735,327,356.76	648,625,285.10
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	440,821,976.94	333,203,484.82
2	Minimum Core Capital Required (5.5 % of RWA)	220,410,988.47	166,601,742.41
3	Capital Fund maintained (in %)	18.35%	21.41%
4	Core Capital maintained (in %)	17.13%	20.56%
5	Capital Fund surplus/(Deficit)	7.35%	10.41%
6	Core Capital surplus/ (Deficit)	11.63%	15.06%

5.3 Classification of Financial assets & financial liabilities

Financial Assets	Amortized Cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Cash in hand	56,677,970			56,677,970
Balances with B/FIs	1,080,346,166			1,080,346,166
Money at call and short notice	-			-
Interbank placement	-			-
Balance at NRB	147,654,394			147,654,394
Derivative financial instrument				-
Loans & Advances	3,274,034,453			3,274,034,453
Government bonds	20,220,986			20,220,986
Government treasury bills	-			-
Equity investments		25,841,641		25,841,641
Other assets	5,005,297			5,005,297
Total Financial Assets	4,583,939,265	25,841,641	-	4,609,780,906
Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	3,451,215,464			3,451,215,464
Due to Banks & Financial Institutions	373,447,849			373,447,849
Due to Nepal Rastra Banks	-			-
Debt Securities	-			-
Employee related liabilities	12,797,335			12,797,335
Bills payable	-			-
Creditors and accruals	10,314,618			10,314,618
Interest payable on deposit	45,233,741			45,233,741
Interest payable on borrowing	-			-
Unpaid Dividend	116,995			116,995
Liabilities under Operating Lease	3,777,939			3,777,939
Other liabilities	4,841,571			4,841,571
Total Financial Liabilities	3,901,745,512	-	-	3,901,745,512

5.4 Operating Segment Information

5.4.1 General Information

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are regularly reviewed by the entity's chief operating

decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.4.2 Information about Profit or Loss, Assets & Liabilities

	Particulars	Rupandehi	Nawalparasi	Chitwan	Total
a	Revenues from external customers	414,792,156	65,602,360	22,430,695	502,825,211
b	Intersegment revenues	11,548,472	(2,998,536)	(8,549,936)	-
c	Net Revenue	426,340,629	62,603,824	13,880,758	502,825,211
d	Interest revenue	384,262,853	61,238,646	21,479,460	466,980,958
e	Interest expense	231,424,644	33,619,516	10,983,459	276,027,619
f	Net interest revenue	152,838,209	27,619,129	10,496,001	190,953,339
g	Depreciation and amortization				-
h	Segment profit /(loss)	152,838,209	27,619,129	10,496,001	190,953,339
i	Entities interest in the profit or loss of associates accounted for using equity method	-	-	-	-
j	Other material non-cash items:				-
	Provision for Loan Loss	30,382,932	4,635,328	1,337,438	36,355,699
k	Impairment of assets	-	-	-	-
l	Segment assets	3,885,085,385	517,519,609	227,955,389	4,630,560,383
m	Segment liabilities	3,333,261,811	490,268,317	71,750,554	3,895,280,682

5.4.3 Measurement of Operating Segment Profit or Loss, Assets and Liabilities

The Bank has determined segments based on the geographical region i.e. District wise.

5.4.4 Reconciliations of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

(a) Revenue

Total revenues for reportable segment	502,825,211
Other revenues	1,859,363
Elimination of intersegment revenues	-
Entity's revenues	504,684,573

(b) Profit or loss

Total profit or loss for reportable segments	190,953,339
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	(109,350,569)
Profit before income tax	81,602,770

(c) Assets

Total assets for reportable segments	4,630,560,383
Other assets	
Unallocated amounts	(19,387,178)
Entity's assets	4,611,173,205

(d) Liabilities

Total liabilities for reportable segments	3,895,280,682
Other liabilities	-
Unallocated liabilities	7,645,272
Entity's liabilities	3,902,925,954

5.4.4.i Information about Product & Services

Revenue from each type of product & Service	Amounts
Loan & Advance	413,836,302

Money at call	54,808,452
Investment Securities	549,478
Remittance	1,388,078
Service Fees	26,086,854
Other Product & Services	8,015,409
Total revenue	504,684,573

5.4.5 Information about Geographical Area

Revenue from following geographical areas

(a)	Domestic	502,825,211
	Rupandehi	414,792,156
	Nawalparasi	65,602,360
	Chitwan	22,430,695
(b)	Foreign	-
	Total	502,825,211

5.4.6 Information about Major Customer

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

5.5. Share Options and Share based Payment

The Bank does not have any share options and share based payments.

5.6 Contingent Liabilities and Commitment

Contingent Liabilities

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities

Commitments

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

Particulars	2075-76	2074-75
Contingent liabilities	28,250,000	26,350,000
Undrawn and undisbursed facilities	264,624,549	159,765,585
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	292,874,549	186,115,585

5.7 Related Party Disclosures

The Bank identifies the following as the related parties under the requirement of NAS 24

Directors

a) Key Management Personnel of the Bank

b) Relatives of Directors and Key Managerial Personnel

FY 2075-76	FY 2074-75	FY 2073-74
Directors		
Suraj Upreti	Suraj Upreti	Suraj Upreti
Madan Kadel	Madan Kadel	Madan Kadel
Lalit Bahadur Chand	Lalit Bahadur Chand	Lalit Bahadur Chand
Harihar Prasad Nepal	Harihar Prasad Nepal	Harihar Prasad Nepal

Rajendra Prasad Shrestha	Rajendra Prasad Shrestha	Rajendra Prasad Shrestha
	Nidhan Chandra Shrestha	Nidan Chandra Shrestha
Key Managerial Personnel		
Prakash Gurung : CEO	Prakash Gurung : CEO	Prakash Gurung : CEO
Badri Kedar Shrestha : SR Manager	Narayan Adhikari : Manager	Narayan Adhikari : Manager
Bhagirath Neupane : HR Manager	Shailesh Srivastav : IT Head	Shailesh Srivastav : IT Head
Shailesh Kumar Srivastav : IT Head		

Transaction during the Year

Particulars	2075-76	2074-75
Directors		
Directors Sitting Fees	378,000	334,500
Interest Paid to directors on deposits	28,104	6,925
Other directors' expenses (if any)	138,293	134,500
Total	544,397	475,925
Key Management Personnel		
Remuneration and Benefit Paid	7,291,798	5,163,120
Post-Retirement Benefits		661,096
Other Long-term Benefits	1,255,304	924,947
Borrowing during the year	3,678,985	
Interest on Borrowing	163,311	
Interest on account balances	22,436	41,622
Other transactions benefits if any		
Total	12,411,834	6,790,785

Reporting Date Balance

Particulars	2075-76	2074-75
Directors Deposits	219,045.95	1,195,847.75
KMP Deposits	204,795.42	317,107.33
Borrowings	3,678,985.18	
Other Receivable payables if any		
Total	4,102,826.55	1,512,955.08

5.8 Merger and Acquisition

The Bank has been acquired by Shine Resunga Development Bank Ltd. and conducted Joint operation from 27th Ashwin 2076.

5.9 Additional Disclosure of Non-Consolidated Entities

Not Applicable.

5.10 Events After Reporting Date

"Bank monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are discloses in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to 31 Ashad 2076 till the signing of this financial statement."

5.11 Disclosure of effect to transition from Previous GAAP to NFRSs

Purnima Bikash Bank Limited
Notes forming parts of the Financial Statements

5.11 Disclosure of effect of transition from previous GAAP to NFRSs

5.11.1. Reconciliation of equity

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Total equity under Previous GAAP		542,359,002	630,907,089	708,437,484
Adjustments under NFRSs:				
Impairment on loan and advances		-	-	-
Fair value & employees benefit accounting of staff loan		-	-	
Lease accounting	1	(2,897,126)	(3,354,402)	(3,777,939)
Measurement of investment securities measured at fair value		2,693,852	315,088	432,005
Measurement of investment securities measured at fair value in associates	2	-	-	-
Dividend Income from Associates				-
Revaluation of property & equipment		-		
Recognition of investment property		-		
Amortisation of debt securities issued		-		
Deferred tax	3	(982,022)	584,648	2,511,584
Defined benefit obligation of employees	4	(327,269)	36,529	(139,437)
Goodwill/Bargain purchase gain		-		
Interest income	5	96,062	671,186	783,554
Other				
Proposed Dividend	6	4,450,000	33,444,472	-
Total Adjustment to equity		3,033,497	31,697,522	(190,232)
Total Equity under NFRSs		545,392,498	662,604,610	708,247,252

5.11.2. Reconciliation of profit or loss

Particulars	Explanatory Note	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Previous GAAP		72,704,694	77,530,395
Adjustments under NFRSs:			
Interest income	5	869,139	651,513
Impairment of loan and advances		-	-
Employees benefit amortisation under staff loan	7	(294,015)	(539,145)
Defined benefit obligation of employee	4	264,675	618,460
Operating lease expense	1	(457,276)	(423,536)
Provision for Investment	8	11,248,837	2,628,782
Income from Investment in Associates	2	-	-
Gain on Sales of Share Investment Classified to OCI	9	(1,262,829)	-
Current Tax on Gain on Sales of Share Investment Classified to OCI	10	378,849	-
Dividend from Associates		-	-
Amortisation expense of debt securities		-	-
Other operating income		-	-
Share issue expenses directly charged to equity	11	1,394,230	287,503
Share issue expenses directly charged to equity-Tax Impcat	12	(418,269)	(86,251)
Interest expense		-	-
Depreciation & Amortisation		-	-
Others		-	-
Deferred Tax	3	(2,491,873)	935,048
Total Adjustment to profit or loss		9,231,468	4,072,375
Profit or loss under NFRSs		81,936,161	81,602,770
Other Comprehensive Income		(9,469,934)	(2,314,404)
Total Comprehensive income under NFRSs		72,466,227	79,288,366

Note

- 1) Rent Expenses booked over the rent period on equal amount on SLM Basis
- 2) Valuation made for associate company
- 3) Deferred Tax effect of all adjustment
- 4) Gratuity Expenses booked as per actuarial valuation
- 5) Accrued Interest Receivable booked on accrual basis which in approximate to Effective Interest Rate
- 6) Liability Created for Proposed Dividend Reversed
- 7) Interest on Staff loan charged to finance income and staff cost
- 8) Investment Provision made in P/L of local gaap reversed and charged to oci for investment classified as Fair value through OCI
- 9) Gain on Sell of share classified to OCI charged directly to equity
- 10) Tax effect of Gain on Sell of share classified to OCI charged directly to equity
- 11) Avoidable Share issue expenses directly charged to equity
- 12) Tax effect of Avoidable Share issue expenses directly charged to equity

Purnima Bikash Bank Limited

Notes forming parts of the Financial Statements

5.11.4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Note	As at 31.03.2075 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Interest Income	1	363,512,608	869,139	364,381,747
Interest Expense	2	(197,975,338)	(19,452)	(197,994,790)
Net Interest Income		165,537,270	(849,687)	166,386,957
Fee and Commission Income		27,084,033	-	27,084,033
Fee and Commission Expense		31,851	1,377,655	1,409,506
Net Fee and Commission Income		27,052,182	1,377,655	25,674,527
Net Interest, Fee and Commission Income		192,589,452	527,968	192,061,484
Net Trading Income		-	-	-
Other Operating Income	3	3,542,151	(1,262,829)	2,279,322
Total Operating Income		196,131,602	1,790,797	194,340,806
Impairment Charge/ (Reversal) for Loans and Other Losses	4	16,415,366	(11,248,837)	5,166,529
Net Operating Income		179,716,237	(9,458,040)	189,174,277
Operating Expense				
Personnel Expenses	5	42,949,900	9,889	42,959,789
Other Operating Expenses	6	28,123,274	(2,591,661)	25,531,613
Depreciation & Amortisation	7	5,072,543	277,052	5,349,595
Operating Profit		103,570,519	(11,762,761)	115,333,280
Non Operating Income		-	-	-
Non Operating Expense		-	-	-
Profit Before Income Tax		103,570,519	(11,762,761)	115,333,280
Income Tax Expense				
Current Tax	8	33,853,525	39,420	33,892,945
Deferred Tax	9	(2,987,699)	2,491,873	(495,827)
Profit for the Period		72,704,694	(9,231,468)	81,936,161
Other Comprehensive Income, Net of Income Tax				
a) Items that will not be reclassified to profit or loss				
• Gains/(losses) from investment in equity instruments measured at fair value	10	-	(13,627,601)	(13,627,601)
• Gains/(losses) on revaluation		-	-	-
• Actuarial gain/(losses) on defined benefit plans	11	-	99,124	99,124
• Income tax relating to above items	12	-	4,058,543	4,058,543
Net other comprehensive income that will not be reclassified to profit or loss		-	(9,469,934)	(9,469,934)
b) Items that are or may be reclassified to profit or loss				
• Gains/(losses) on cash flow hedge		-	-	-
• Exchange gains/(losses)/(arising from translating financial assets of foreign operation)		-	-	-
• Income tax relating to above items		-	-	-
• Reclassify to profit or loss		-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-
c) Share of other comprehensive income of associate accounted as per equity method				
Other Comprehensive Income for the Period, Net of Income Tax		-	(9,469,934)	(9,469,934)
Total Comprehensive Income for the Period		72,704,694	(18,701,402)	72,466,227

Notes

- 1) Interest Receivable on loan has been booked on accrual basis and interest difference in staff loan has also been charged.
- 2) Interest expense on calculation of Gratuity expense
- 3) Profit on sale of investment has been reclassified
- 4) Reversal of Loan loss provision
- 5) Bonus has been charged as staff expense and finance cost of staff loan has also been charged.
- 6) Rent expense has been charged on SLM basis
- 7) Reclassification of written off expense as depreciation and amortization
- 8) Income tax related to share issue expense and gain on sale of investment reclassified through equity.
- 9) Deferred Tax effect of all adjustment
- 10) Changes in Fair value and cost of investment classified to OCI
- 11) Actuarial Gain/ loss recognized in OCI of Gratuity Liability
- 12) Deferred Tax Adjustment on item of OCI

Purnima Bikash Bank Limited
Notes forming parts of the Financial Statements

5.11.5. Effect of NFRSs adoption for statement of cash flows

Particulars	Explanatory Note	As at 32.03.2075		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Net cash flows from operating activities	1	170,893,213	(84,955,529)	85,937,684
Net cash flows from investing activities	2	(44,424,278)	(1,604,782)	(46,029,060)
Net cash flows from financing activities		49,287,865	(4,450,000)	44,837,865
Net increase/(decrease) in cash and cash equivalent		175,756,800	(91,010,311)	84,746,489
Effect of exchange rate fluctuations on cash and cash equivalents held		-	-	-
Cash and cash equivalent at the beginning of the period	3	940,507,241	(105,275,638)	835,231,603
Cash and cash equivalent at the end of the period		1,116,264,041	(196,285,949)	919,978,092

Notes:

- 1) Money at call treated as cash and cash equivalents in NFRS, Investment securities classified as investment activity in NFRS
- 2) Investment securities classified as investment activity in NFRS
- 3) Money at Call treated as Cash and Cash Equivalents

Purnima Bikas Bank Limited

Notes to the Financial Statements
For the year ended 31st Ashad, 2076

5.12 Proposed Dividend

The Bank has not proposed any bonus share and dividend due to acquisition of the bank. The bank has been acquired by Shine Resunga Development Bank Ltd and started its joint operation from 27th Ashwin 2076.

5.13 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33: Earnings per Share.

Particulars	2075-76	2074-75
Earning attributable to equity shareholders (NPR)	81,602,770.35	81,936,161.43
Weighted average number of shares for the period	5,512,830.15	5,250,314.15
Basic Earnings Per Share (NPR)	14.80	15.61

5.14 Loan Written Off

During the FY 2075/76 bank has no written off loan and receivable.

5.15 Reserves

5.15.1 General Reserve

The movement in general reserve during the year is as follows;

Opening Balance	71,431,930
Transfer as per BAFIA	16,320,554
Closing Balance	87,752,484

General Reserve maintained pertains to the regulatory requirement of the Bank and Financial Institutions Act, 2073. There is a regulatory requirement to set aside 20% of the net Profit to the general reserve until the reserve is twice the paid-up capital and thereafter minimum 10% of the net Profit 20% of the current year's net profit amounting to NPR 16,320,554 has been transferred to General Reserve.

5.15.2 Investment Adjustment Reserve

Investment adjustment reserve has not been created in FY 2075/076 as the bank has considered all the investment in quoted equity is trading assets. The details of the investment in quoted and unquoted equity are as follows:

	Particulars	Fair Value
	Investment in quoted equity	
1	NagbeliBikas Bank 27 shares of Rs. 133.33 each	15,876
2	Nepal Telecommunication Company Ltd. 1,385 shares of Rs. 749.77 each	959,805
3	Ridi Hydropower Company Ltd. 100 shares of Rs. 129 each	9,540
4	Hotel Soaltee Limited 300 shares of Rs. 550 each	73,200
5	Surya Life Insurance Limited 635 shares of Rs. 338.66 each	258,552
6	Chilime Hydropower Company Limited 1,134 shares of Rs. 1,341.77 each	590,814
7	Siddhartha Insurance Company Ltd. 9,411 shares of Rs. 700 each	3,708,250
8	National Life Insurance Company Ltd. 4,589 shares of Rs. 1,200 each	2,684,565

9	Hydropower Investment and Development Company Ltd. 3,185 shares of Rs. 91 each	512,785
10	Myagdi Group Power Limited 636 shares of Rs. 91 each	73,776
11	Shikhar Insurance Company Ltd. 1,292 shares of Rs. 1,253 each	996,132
12	Nepal Life Insurance Company Ltd. 1,101 shares of Rs. 939 each	793,781
13	Butwal Power Company Ltd. 4085 ,shares of Rs. 760	1,670,765
14	NerudeLaghubittaBikas Bank Ltd. 12 Bonus shares of Rs. 0 each	5,640
15	Nabil Mutual Fund 160,116 units of Rs. 10 each	-
16	Rural Microfinance Development Centre 104 shares of Rs. 1,034.24 each	68,744
17	NLG Insurance Company Ltd. 1,250 shares of Rs. 1,280.80 each	952,500
18	Sana KisanBikas Bank 250 shares of Rs. 640.56 each	237,000
19	Asian Life Insurance Company Ltd. 2 bonus share of Rs. 50	766
20	United Insurance Company Ltd. 1,767 shares of Rs. 1,679.29 each	1,501,950
21	Neco Insurance Company Ltd. 3,198 shares of Rs. 1,044.82 each	1,583,010
22	Premier Insurance Company Ltd. 3,856 shares of Rs. 887 each	1,056,440
23	Siddhartha Equity Fund 600,000 units of Rs. 10 each	6,054,000
24	SwalambanBikas Bank Limited 1,250 shares of Rs. 1,108 each	1,093,750
25	Sanima Equity Fund 100,000 units of Rs. 100 each	940,000
	Subtotal	25,841,641
	Investment in Unquoted equity	
	Subtotal	-
	Grand Total	25,841,641

5.15.3 Regulatory Reserve

Regulatory reserves include any amount derived as result of NFRS conversion & adoption with effect in retained earnings and deferred tax reserves. As required by NRB Directive 4, the Bank has created Regulatory Reserve and movement of reserve during the year is as follows:

Particulars	Amounts
Opening Balance	19,710,921
Transfer from RE to Regulatory Reserve against NBA	-
Transfer from RE to Regulatory Reserve against Deferred Tax	1,926,936
Transfer from RE to Regulatory Reserve against Actuary Reserve	470,971
Transfer from RE to Regulatory Reserve against FV Reserve	2,628,782
Transfer from RE to Regulatory Reserve against Interest Receivable	70,792
Closing Balance	24,808,402

5.15.4 Corporate Social Responsibility

Particulars	Amounts
Opening Balance	1,364,914
Transfer to CSR Fund	816,028
Transfer/Utilization from CSR Fund	(538,638)
Closing Balance	1,642,304

As per the NRB Directive 6.16 on the Corporate Social Responsibility, the Bank has allocated 1% of the net profit after tax of current fiscal year for CSR activities. The amount allocated for corporate social responsibility reserve is NPR. 816,028 for current year.

5.16 Disclosure related to Training Expenses

As per NRB Directive 6(6), Bank should spend 3% of total personnel expense of previous year on training and personal development of employees. Accordingly, the Bank has spent NPR 224,478 during the FY 2075/76 on development of human resources.

5.17 Previous Year Figures are re-grouped and re-arranged wherever necessary as follows:

Previous year figures are regrouped and rearranged wherever necessary for better presentation.

Purnima Bikas Bank Limited

Comparison of Statement of Financial Position

As on 31st Ashad 2076

Particulars	Notes	As per Unaudited 31 Ashad 2076	As per Audited 31 Ashad 2076	Variance		Reasons for Variance
				In Amount	%	
Assets						
Cash and cash equivalent	4.1	1,136,383,401	1,137,024,136	(640,735)	-0.06	Audit adjustment
Due from Nepal Rastra Bank	4.2	147,654,392	147,654,394	(2)	0	
Placement with Bank and Financial Institutions	4.3	-	-	-	0	
Derivative financial instruments	4.4	-	-	-	0	
Other trading assets	4.5	-	-	-	0	
Loan and Advances to B/FIs	4.6	60,000,000	59,400,000	600,000	1.00	Provision of Loan to MFI's updated
Loans and advances to customers	4.7	3,178,662,837	3,176,339,032	2,323,805	0.07	Audit adjustment
Investment in securities	4.8	47,487,824	46,062,627	1,425,197	3.00	Audit adjustment
Current Tax Assets	4.9	-	-	-	0	
Investment in subsidiaries	4.10	-	-	-	0	
Investment in Associates	4.11	-	-	-	0	
Investment property	4.12	-	-	-	0	
Property and equipment	4.13	32,830,398	27,592,119	5,238,280	15.96	Audit and NFRS adjustment
Goodwill and Intangible Assets	4.14	1,347,334	1,006,528	340,806	25.29	Audit and NFRS adjustment
Deferred tax assets	4.15	6,326,848	8,120,438	(1,793,590)	-28.35	Audit and NFRS adjustment
Other assets	4.16	3,548,818	7,973,932	(4,425,114)	-124.69	Audit and NFRS adjustment
Total Assets		4,614,241,853	4,611,173,205	3,068,647	3,068,647	
Liabilities						
Due to Bank and Financial Institutions	4.17	231,314,612	373,447,849	(142,133,237)	-61.45	Short term borrowing classified as Due to BFI's
Due to Nepal Rastra Bank	4.18	-	-	-	0	
Derivative Financial Instruments	4.19	-	-	-	0	
Deposit from customers	4.20	3,593,306,509	3,451,215,464	142,091,045	3.95	Short term borrowing classified as Due to BFI's and audit adjustment
Borrowings	4.21	-	-	-	0	
Current Tax Liabilities	4.9	836,036	850,763	(14,727)	-1.76	Audit and NFRS adjustment
Provisions	4.22	-	-	-	0	
Deferred tax liabilities	4.15	-	-	-	0	
Other liabilities	4.23	77,261,057	77,411,877	(150,821)	-0.20	Audit and NFRS adjustment
Debt securities issued	4.24	-	-	-	0	
Subordinated Liabilities	4.25	-	-	-	0	
Total liabilities		3,902,718,214	3,902,925,954	(207,740)	(207,740)	
Equity						
Share Capital	4.26	551,283,015	551,283,015	-	0	
Share Premium		-	-	-	0	
Retained Earning		67,161,145	52,948,780	14,212,365	21.16	Audit and NFRS adjustment
Reserves	4.27	93,079,479	104,015,457	(10,935,978)	21	Audit and NFRS adjustment
Total equity attributable to equity holders		711,523,639	708,247,252	3,276,387	0.46	
Non-controlling interests						
Total equity		711,523,639	708,247,252	3,276,387	0	
Total liabilities and equity		4,614,241,852	4,611,173,205	3,068,647	(207,740)	
Contingent liabilities and commitment	4.28	28,250,000	292,874,549	292,874,549	1,037	Revision of contingent liabilities
Net assets value per share		129.07	128.47			

Purnima Bikas Bank Limited

Comparison of Statement of Profit or Loss

For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Interest Income	4.29	467,134,744	469,194,232	(2,059,488)	(0)	Audit and NFRS adjustment
Interest Expense	4.30	(275,982,977)	(275,914,518)	(68,459)	0	
Net interest income		191,151,767	193,279,714	(2,127,947)	(1)	
Fees and Commission Income	4.31	34,241,364	35,231,134	(989,770)	(3)	Audit adjustment
Fees and Commission Expense	4.32	2,798,222	2,947,222	(149,000)	(5)	Audit adjustment
Net fee and Commission income		31,443,142	32,283,912	(840,770)	(3)	
Net interest fee and commission income		222,594,908	225,563,626	(2,968,717)	(1)	
Net Trading Income	4.33	-	-	-	-	
Other Operating Income	4.34	1,632,699	259,207	1,373,492	84	Audit adjustment
Total operating income		224,227,607	225,822,833	(1,595,225)	(1)	
Impairment charge/(reversal) for loans and other losses	4.35	10,549,005	12,556,168	(2,007,164)	(19)	Audit adjustment
Net Operating income		213,678,602	213,266,664	411,938	0	
Operating expenses						
Personal Expense	4.36	56,004,570	57,205,387	(1,200,817)	(2)	Audit and NFRS adjustment
Other Operating Expenses	4.37	30,112,486	30,451,957	(339,471)	(1)	Audit adjustment
Depreciation and amortisation	4.38	7,303,318	8,721,143	(1,417,825)	(19)	Audit and NFRS adjustment
Operating Profit		120,258,228	116,888,178	3,370,050	3	
Non operating income	4.39	-	-	-	-	
Non operating expense	4.40	-	-	-	-	
Profit before income tax		120,258,228	116,888,178	3,370,050	3	
Income tax expense	4.41	36,339,453	35,285,407	1,054,046	3	
Current tax		36,123,350	36,220,456	(97,106)	(0)	Audit and NFRS adjustment
Deferred tax income		216,104	(935,048)	1,151,152	533	Audit and NFRS adjustment
Profit for the period		83,918,774	81,602,770	2,316,004	3	
Profit attributable to:						
Equity holders of the bank		83,918,774	81,602,770	2,316,004	3	
Non-controlling interest		-	-	-	-	
Profit for the period		83,918,774	81,602,770	2,316,004	3	
Earnings per share:						
Basic earnings per share		15.22	14.80			
Diluted earnings per Share						

Purnima Bikas Bank Limited
Comparative Statement of Other Comprehensive Income
For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Profit for the period		83,918,774	81,602,770	2,316,004	3	
Other comprehensive income, net of income tax			-			
a) Items that will not be reclassified to profit or loss			-			
• Gains/(losses) from investment in equity instruments measured at fair value		(865,682)	(2,511,865)	1,646,183	(190.16)	Revision of fair value of securities
• Gains/(losses) on revaluation			-	-	-	
• Actuarial gain/(losses) on defined benefit plans		(315,135)	(794,427)	479,292	(152)	
• Income tax relating to above items		354,245	991,888	(637,643)	(180)	Tax effect of revision of fair value of securities
Net other comprehensive income that will not be reclassified to profit or loss		(826,572)	(2,314,404)	1,487,833	(522)	
b) Items that are or may be reclassified to profit or loss			-	-		
• Gains/(losses) on cash flow hedge			-	-		
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)			-	-		
• Income tax relating to above items			-	-		
• Reclassify to profit or loss			-	-		
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-	
c) Share of other comprehensive income of associate accounted as per equity method			-	-		
			-	-		
Other comprehensive income for the period, net of Income Tax		(826,572)	(2,314,404)	1,487,833	(522)	
Total comprehensive income for the period		83,092,202	79,288,366	3,803,837	(519)	
			-			
Total comprehensive income attributable to:			-			
Equity holders of the Bank		83,092,202	79,288,366	3,803,837	5	
Non-controlling interest		-	-	-	(524)	
Total Comprehensive income for the period		83,092,202	79,288,366	3,803,837	(519)	

Purnima Bikash Bank Limited

Major Indicator
Previous Five Years Indicator

	Detail	Index	Financial Year				
			2071-72	2072-73	2073-74	2074-75	2075-76
1	Net Profit/Total Income	%	21.81	26.13	29.50	23.05	16.17
2	Earning Per Share (E.P.S)	Rs	28.13	32.84	28.26	13.85	14.80
3	Market Price Per share (M.P.S)	Rs	315.00	394.00	312.00	171.00	188.00
4	PE Ratio	Ratio	11.20	12.00	11.04	12.35	12.70
5	Dividend Per Share	%	24.50	26.00	25.26	11.37	
6	Cash Dividend Per share	%	1.23	1.30	1.26	6.37	
7	Interest Income/Total Loan & Advance	%	16.46	14.66	16.79	16.32	14.50%
8	Employee Cost/ Total Operating Cost	%	11.56	13.05	14.11	11.62	57.59%
9	Interest Expenses on Saving & Fixed Deposit	%	5.93	4.88	5.22	7.50	8.36%
10	Exchange Fluctuation Income/ Total Income	%					-
11	Employee Bonus/ Total Employee Cost	%	41.30	48.22	55.41	31.78	22.70%
12	Net Profit/Total Loan & Advance	%	3.97	4.35	5.33	3.26	2.52%
13	Net Profit/Total Assets	%	2.24	2.49	3.31	2.01	1.77%
14	Total Loans & advance / Total Deposit	%	74.77	73.41	84.67	84.48	84.60%
15	Total operating Cost/Total Assets	%	6.73	5.63	6.03	7.76	2.15%
16	Risk Weighted Capital Adequacy Ratio						
	(i) Primary Capital	%	13.65	13.09	21.41	20.56	17.13%
	(ii) Supplementary Capital	%	0.82	0.78	0.84	0.85	1.22%
	(iii) Capital Adequacy Ratio	%	14.47	13.87	22.25	21.41	18.35%
17	CRR	%	11.03	11.03	5.10	5.04	4.30%
18	NPA/ Total Loan	%	0.17	0.08	0.01	0.18	0.18%
19	Base Rate	%	7.48	10.39	10.78	10.82	11.20%
20	Weighted Average Interest Rate Spread	%	7.87	8.71	5.43	5.32	5.74%
21	Book Networth	Rs	225,656.65	288,552.44	537,824.55	737,707.30	708,247,251.79
22	Total No Of share	No.	1,636,250.00	2,017,087.00	3,523,851.32	5,512,830.15	5,512,830.15
23	Total No Of Employee	No.	56	58	61	81	95
24	Others						

Purnima Bikash Bank Limited

Statement of Capital Fund
2076 Ashad end

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	551,283,014.59	525,031,414.59
2	Proposed bonus share	-	26,251,600.00
3	Share premium	-	-
4	Irredeemable preferential share	-	-
5	General Reserve Fund	87,752,484.30	71,431,930.00
6	Accumulated profit/loss (Retained earnings)	52,948,779.77	3,040,490.00
7	Profit & loss a/c as per balance-sheet		-
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	2,729,264.21	2,729,264.21
	Deductions:	(8,120,437.93)	(5,608,853.50)
	a Goodwill	-	-
	b Deferred tax assets	8,120,437.93	5,608,853.50
	c Investment on shares and securities in excess of limits		
	d Investment to the company having financial interests		
	e Fictitious Asset	-	-
	f Investment on land and building for self use not complying the Directives of NRB		
	g Investment on land development and housing construction in excess of limits		
	h Underwriting share not sold within the stipulated time		
	i Credit and other facilities banned by the prevailing laws		
	Total Core Capital (A)	686,593,104.94	622,875,845.30

B. Supplementary capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Provisions of loan loss made for pass loan	34,629,793.84	24,934,360.00
2	Additional loan loss provision	-	-
3	Hybrid capital instruments		-
4	Unsecured Subordinated Term Debt		-
5	Exchange Equalization Fund	-	-
6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)		-
7	Others	14,104,457.97	
8	Investment adjustment Fund		815,079.80
	Total Supplementary Capital (B)	48,734,251.82	25,749,439.80
C.	Total Capital Fund (A+B)	735,327,356.76	648,625,285.10
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	440,821,976.94	333,203,484.82
2	Minimum Core Capital Required (5.5 % of RWA)	220,410,988.47	166,601,742.41
3	Capital Fund maintained (in %)	18.35%	21.41%
4	Core Capital maintained (in %)	17.13%	20.56%
5	Capital Fund surplus/(Defisit)	7.35%	10.41%
6	Core Capital surplus/ (Defisit)	11.63%	15.06%

Purnima Bikas Bank Limited.

Statement of Risk Weighted Assets (RWA)

2076 Ashad

A. On-Balance-sheet Items

S.N.	Description	Notes Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Cash Balance	-	56,677,970.00	-	47,345,861.00	-
2	Gold (Tradable)	-	-	-	-	-
3	NRB Balance	-	147,654,393.76	-	196,285,949.72	-
4	Investment to Govt. Bond	-	20,000,000.00	-	-	-
5	Investment to NRB Bond	-	-	-	-	-
6	Loan against Own FD	-	24,399,600.00	-	19,841,000.00	-
7	Loan against Govt. Securities	-	-	-	-	-
8	Accrued interests on Govt. bond	-	-	-	-	-
9	Investment to Youth Self-employment Fund	-	-	-	-	-
10	Balance on domestic banks and financial institutions	20	1,080,346,165.92	216,069,233.18	872,632,230.37	174,526,446.07
11	Loan against other banks' and financial institutions' FD	20	-	-	-	-
12	Foreign bank balance	20	-	-	-	-
13	Money at call	20	-	-	-	-
14	Loan against internationally rated bank guarantee	20	-	-	-	-
15	Investment to internationally rated Banks	20	-	-	-	-
16	Inter-bank lending	20	-	-	-	-
17	Investment on shares/debentures/bonds	100	26,062,627.00	26,062,627.00	-	-
18	Other investments	100	-	-	47,659,418.00	47,659,418.00
19	Loans & advances, bills purchase/discount	100	3,211,339,431.60	3,211,339,431.60	2,409,279,960.56	2,409,279,960.56
20	Fixed assets	100	28,598,646.95	28,598,646.95	22,316,780.67	22,316,780.67
21	Net interest receivables (Total IR - 8 - Interest suppsense)	100	-	-	-	-
22	Gross Non-Banking Asset	100	-	-	-	-
23	Other assets (Except advance tax payment)	100	16,094,369.68	16,094,369.68	20,601,275.47	20,601,275.47
24	Real estate/residential housing loans exceeding the limits	150	-	-	-	-
	Total On-Balance-sheet Items (A)		4,611,173,204.92	3,498,164,308.42	3,635,962,475.80	2,674,383,880.78

B. Off-Balance-sheet Items

S.N.	Description	Notes Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Bills collection	-	-	-	-	-
2	Forward foreign exchange contract	10	-	-	-	-
3	L/C with maturity less than six months (Outstanding value)	20	-	-	-	-
4	Guarantee against International rated bank's counter guarantee	20	-	-	-	-
5	L/C with maturity more than six months (Outstanding value)	50	-	-	-	-
6	Bid bond, performance bond and underwriting	50	28,250,000.00	14,125,000.00	26,350,000.00	13,175,000.00
7	Loan sale with repurchase agreement	50	-	-	-	-
8	Advance payment guarantee	100	-	-	-	-
9	Financial and other guarantee	100	-	-	-	-
10	Irrevocable loan commitment	100	264,624,548.97	264,624,548.97	159,765,584.74	159,765,584.74
11	Possible liabilities for income tax	100	-	-	-	-
12	All types of possible liabilities including acceptance	100	-	-	-	-
13	Rediscounted bills	100	-	-	-	-
14	Unpaid portion of partly paid share investment	100	-	-	-	-
15	Unpaid guarantee claims	200	-	-	-	-
16	Claimed possible liabilities but not accepted	200	-	-	-	-
17	Amount to be maintained for operational risk (5% of Total Assets)	100	230,558,660.25	230,558,660.25	181,798,123.79	181,798,123.79
	Total Off-Balance-sheet Items (B)		523,433,209.22	509,308,209.22	367,913,708.53	354,738,708.53
	Total Risk Weighted Assets (A) + (B)			4,007,472,517.64		3,029,122,589.31

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BHARGAV DEVELOPMENT BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the development bank as at Ashad 31, 2076, 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 development bank and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the 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.

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report and Report of Board of Directors, but not included in the financial statements and our auditor's report thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (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 Development Bank'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 Development Bank or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Development Bank'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 judgment and maintain professional skepticism throughout the audit. We also:

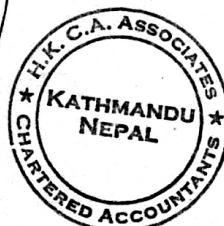
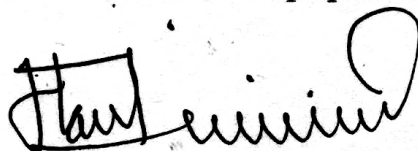
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

Report on Other Legal and Regulatory Requirements

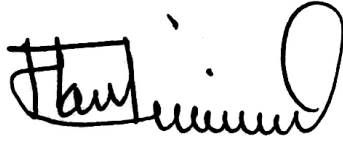
On the basis of our examination, we further report that:

- 1) We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) The financial statements which include statement of financial position as at Ashad 31, 2076, the statement of profit or loss, statement of other comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, a summary of significant accounting policies and notes to the financial statements are prepared as per the procedure and format



prescribed by Nepal Rastra Bank and in agreement with the books of accounts maintained by the Development Bank and proper books of account as required by the law have been kept.

- 3) The capital fund, risk bearing fund and the provision for possible impairment of assets of the Development Bank are adequate as per the Directives issued by Nepal Rastra Bank.
- 4) The returns received from the branch offices of the Development Bank, though all the statements are independently not audited, were adequate for the purpose of the audit.
- 5) We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Development Bank has acted contrary to the provisions of law or caused loss or damage to the Development Bank or committed any misappropriation of its funds.
- 6) To the best of our information and according to the explanations given to us, in the course of our audit, we observed that the loans have been written off as specified; the business of the Development Bank was conducted satisfactorily, and the Development Bank's transactions were found to be within the scope of its authority.



CA. Hari Kumar Silwal
For H.K.C.A Associates.
Chartered Accountants
UDIN No.: 200315CA00113GJaxH



Date: 2076.12.01
Kathmandu

Bhargav Bikas Bank Limited

Statement of Financial Position

As on 31st Ashad 2076 (16 July 2019)

NPR

Particulars	Notes	31 Ashad 2076	Restated 32 Ashad 2075	Restated 1st Shrawan 2074
Assets				
Cash and cash equivalent	4.1	1,016,475,726	980,597,663	651,824,990
Due from Nepal Rastra Bank	4.2	206,737,809	140,984,791	114,287,155
Placement with Bank and Financial Institutions	4.3	-	-	-
Derivative financial instruments	4.4	-	-	-
Other trading assets	4.5	-	-	-
Loan and Advances to B/FIs	4.6	138,614,247	49,500,000	9,900,000
Loans and advances to customers	4.7	2,867,308,077	2,345,074,667	1,446,241,441
Investment in securities	4.8	36,950,107	34,680,011	16,685,389
Current Tax Assets	4.9	8,458,269	3,797,760	2,629,233
Investment in subsidiaries	4.10	-	-	-
Investment in Associates	4.11	-	-	-
Investment property	4.12	3,676,467	-	-
Property and equipment	4.13	59,540,081	84,721,140	51,327,174
Goodwill and Intangible Assets	4.14	2,434,934	2,444,389	2,003,515
Deferred tax assets	4.15	3,366,918	-	-
Other assets	4.16	15,741,261	14,362,952	8,587,467
Total Assets		4,359,303,894	3,656,163,374	2,303,486,364
Liabilities				
Due to Bank and Financial Institutions	4.17	460,374,971	460,374,971	-
Due to Nepal Rastra Bank	4.18	-	-	-
Derivative Financial instruments	4.19	-	-	-
Deposit from customers	4.20	3,257,143,014	2,653,174,872	1,962,067,114
Borrowings	4.21	-	-	-
Current Tax Liabilities	4.9	-	-	-
Provisions	4.22	-	-	-
Deferred tax liabilities	4.15	-	199,555	2,838,912
Other liabilities	4.23	34,690,518	36,271,883	20,868,533
Debt securities issued	4.24	-	-	-
Subordinated Liabilities	4.25	-	-	-
Total liabilities		3,752,208,503	3,150,021,281	1,985,774,560
Equity				
Share Capital	4.26	501,600,000	434,829,400	264,000,000
Share Premium		2,465,454	2,465,454	9,792,971
Retained Earning		49,134,444	33,685,415	19,726,790
Reserves	4.27	53,895,492	35,161,824	24,192,043
Total equity attributable to equity holders		607,095,391	506,142,093	317,711,804
Non-controlling interests		-	-	-
Total equity		607,095,391	506,142,093	317,711,804
Total liabilities and equity		4,359,303,894	3,656,163,374	2,303,486,364
Contingent liabilities and commitment	4.28	251,694,091	197,407,644	85,267,880
Net assets value per share		121.03	116.40	120.35

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Hari Kumar Silwal
Chartered Accountants
H.K.C.A Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Bhargav Bikas Bank Limited

Statement of Profit or Loss
For the year ended 31 Ashad 2076

	Notes	2075-76 NPR	Restated 2074-75 NPR
Interest Income	4.29	439,282,097	315,942,083
Interest Expense	4.30	(268,521,173)	(206,807,731)
Net interest income		170,760,924	109,134,353
Fees and Commission Income	4.31	30,264,374	30,392,967
Fees and Commission Expense	4.32	323,559	394,619
Net fee and Commission income		29,940,815	29,998,348
Net interest fee and commission income		200,701,739	139,132,701
Net Trading Income	4.33	-	-
Other Operating Income	4.34	-	-
Total operating income		200,701,739	139,132,701
Impairment charge/(reversal) for loans and other losses	4.35	6,447,369	10,172,399
Net Operating income		194,254,370	128,960,301
Operating expenses			
Personal Expense	4.36	60,357,839	39,984,820
Other Operating Expenses	4.37	37,507,834	24,577,477
Depreciation and amortisation	4.38	10,534,449	6,603,865
Operating Profit		85,854,249	57,794,139
Non operating income	4.39	9,903,410	(10,880)
Non operating expense	4.40	(1,239,140)	(3,725,572)
Profit before income tax		94,518,518	54,057,688
Income tax expense	4.41	28,457,677	14,323,865
Current tax		31,445,872	17,943,157
Deferred tax income		(2,988,195)	(3,619,292)
Profit for the period		66,060,841	39,733,822
Profit attributable to:			
Equity holders of the bank		66,060,841	39,733,822
Non-controlling interest		-	-
Profit for the period		66,060,841	39,733,822
Earnings per share:			
Basic earnings per share		13.17	7.92
Diluted earnings per Share		13.17	7.92

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Hari Kumar Silwal
Chartered Accountants
H.K.C.A Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Bhargav Bikas Bank Limited

Statement of Other Comprehensive Income

For the year ended 31 Ashad 2076

Notes	2075-76 NPR	Restated 2074-75 NPR
Profit for the period	66,060,841	39,733,822
Other comprehensive income, net of income tax		
a) Items that will not be reclassified to profit or loss		
• Gains/(losses) from investment in equity instruments measured at fair value	(729,507)	2,616,421
• Gains/(losses) on revaluation		
• Actuarial gain/(losses) on defined benefit plans	(1,198,085)	650,027
• Income tax relating to above items	578,278	(979,934)
Net other comprehensive income that will not be reclassified to profit or loss	(1,349,315)	2,286,514
b) Items that are or may be reclassified to profit or loss		
• Gains/(losses) on cash flow hedge		
• Exchange gains/(losses)(arising from translating financial assets of foreign operation)		
• Income tax relating to above items		
• Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equity method		
Other comprehensive income for the period, net of Income Tax	(1,349,315)	2,286,514
Total comprehensive income for the period	64,711,526	42,020,336
Total comprehensive income attributable to:	-	-
Equity holders of the Bank	64,711,526	42,020,336
Non-controlling interest	-	-
Total Comprehensive income for the period	64,711,526	42,020,336

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Hari Kumar Silwal
Chartered Accountants
H.K.C.A Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Bhargav Bikas Bank Limited

Statement of Cash Flows
As on 31st Ashad 2076 (16 July 2019)

	2075-76 NPR	Restated 2074-75 NPR
Cash flows from operating activities		
Interest Received	437,329,477	314,607,785
Fee and other income received	40,167,784	30,382,087
Dividend Received	-	-
Receipts from other operating activities	-	-
Interest paid	(273,220,820)	(203,005,831)
Commission and fee paid	(323,559)	(394,619)
Cash payments to employee	(53,312,112)	(34,470,033)
Other expense paid	(40,812,257)	(18,254,476)
Operating cash flows before change in operating assets and liabilities	109,828,513	88,864,913
(Increase)/Decrease in operating assets	(685,868,378)	(983,657,885)
Due from Nepal Rastra Bank	(65,753,018)	(26,697,636)
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(89,114,247)	(39,600,000)
Loan and advances to customer	(529,622,805)	(911,584,763)
Other Assets	(1,378,308)	(5,775,485)
Increase/(Decrease) in operating liabilities	602,578,669	1,151,482,729
Due to bank and financial institutions	-	460,374,971
Due to Nepal Rastra Bank	-	-
Deposits from customers	603,968,142	691,107,758
Borrowings	-	-
Other Liabilities	(1,389,474)	-
Net Cash flow from operating activities before tax paid	26,538,804	256,689,758
Income taxes paid	(35,920,882)	(18,995,033)
Net Cash flow from operating activities	(9,382,078)	237,694,725
Cash flows from investing activities		
Purchase of investment securities	(2,999,603)	(15,378,201)
Receipts from sale of investment securities	-	-
Purchase of plant and equipment	14,646,609	(39,997,831)
Receipt from sale of property and equipment	-	-
Purchase of intangible assets	9,456	(440,874)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	(3,676,467)	-
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	7,979,995	(55,816,906)
Cash flows 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	66,770,600	146,894,854
Dividend paid	(29,490,454)	-
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	37,280,146	146,894,854
Net increase/(decrease) in cash and cash equivalents	35,878,063	328,772,673
Cash and Cash Equivalents at Shrawan 01, 2074	980,597,663	651,824,990
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Closing Cash and Cash Equivalents	1,016,475,726	980,597,663

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Hari Kumar Silwal
Chartered Accountants
H.K.C.A Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Bhargav Bikas Bank Limited

Statement of Changes in Equity

For the year ended 31 Ashad 2076

Particulars	Attributable to Equity-Holders of the Bank											
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2074	290,400,000	-	20,461,781	-		-	-	6,515,385	983,093	318,360,258	-	318,360,258
Adjustment/Restatement	(26,400,000)	9,792,971	-	-	1,099,117	1,905,229	-	13,211,406	(257,176)	(648,454)		(648,454)
Adjustment/Restated Balance as at Shrawan 01, 2074	264,000,000	9,792,971	20,461,781	-	1,099,117	1,905,229	-	19,726,790	725,917	317,711,804		317,711,804
Comprehensive Income for the year												
Profit for the year								39,733,822		39,733,822		39,733,822
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	1,831,495	-	-	455,019	2,286,514		2,286,514
Gains/(losses) on revaluation						1,831,495		-		1,831,495		1,831,495
Actuarial gain/(losses) on defined benefit plans								-	455,019	455,019		455,019
Gains/(losses) on cash flow hedge								-		-		-
Exchange gains/(losses) arising from translating financial assets of foreign operation)								-		-		-
Total Comprehensive Income for the year	-	-	-	-	-	1,831,495	-	39,733,822	455,019	42,020,336		42,020,336
Transfer to Reserves during the year			7,222,272					(7,222,272)		-		-
Utilization of Employee Training Fund									-			
Creation of Employee Training Fund								(90,422)	90,422			
Utilization of CSR Fund								-	(212,713)	(212,713)		(212,713)
Creation of CSR Fund								(361,114)	361,114			
Adjustment of Deferred tax Reserve								-	-			
Creation of Regulatory Reserve for Reduction in Investment					954,938			(954,938)				
Adjustment on Regulatory Reserve for Actuarial Loss on Gratuity					(455,019)			455,019				
Transfer To Regulatory Reserve for AIR					722,253			(722,253)				
Transfer To Regulatory Reserve for NBA					-			-				
Transfer To Regulatory Reserve for Investment in shares							-	-		-		
Transactions with Owners, directly recognized in Equity								-				
Amount transferred from premium to share capital	9,792,971	(9,792,971)								-		
Share Issued	144,429,400	2,465,454								146,894,854		146,894,854
Share Issue Expenses Charged to Equity								(388,841)		(388,841)		(388,841)
Share Issue Expenses Charge to Equity- Tax Impact								116,652		116,652		116,652
Share Based Payments										-		-
Dividend to Equity-Holders										-		-
Bonus Shares Issued	16,607,029							(16,607,029)		-		
Cash Dividend Paid								-		-		-
Gain on Disposal of Share Classified into OCI								-		-		-
Current Tax on Gain on Disposal of Share Classified into OCI								-		-		-
Other												
Total Contributions by and Distributions												
Balance at Asar 32, 2075	434,829,400	2,465,454	27,684,053	-	2,321,289	3,736,724	-	33,685,415	1,419,758	506,142,093		506,142,093

Particulars	Attributable to Equity-Holders of the Bank											
	Share Capital	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total	Non-Controlling Interest	Total Equity
Balance at Shrawan 01, 2075	434,829,400	2,465,454	27,684,053	-	2,321,289	3,736,724	-	33,685,415	1,419,758	506,142,093	-	506,142,093
Adjustment/Restatement										-		-
Adjustment/Restated Balance as at Shrawan 01, 2075	434,829,400	2,465,454	27,684,053	-	2,321,289	3,736,724	-	33,685,415	1,419,758	506,142,093	-	506,142,093
Comprehensive Income for the year												
Profit for the year								66,060,841		66,060,841		66,060,841
Other Comprehensive Income, Net of Tax												
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(510,655)	-	-	-	(510,655)		(510,655)
Gains/(losses) on revaluation						(510,655)						
Actuarial gain/(losses) on defined benefit plans												
Gains/(losses) on cash flow hedge												
Exchange gains/(losses)(arising from translating financial assets of foreign operation)												
Total Comprehensive Income for the year	-	-	-	-	-	(510,655)	-	66,060,841	-	65,550,186		65,550,186
Adjustment of Investment Adjustment Reserve												
Utilization of Employee Training Fund								1,294,283	(1,294,283)			
Creation of Employee Training Fund								(1,035,370)	1,035,370			
Utilization of CSR Fund								353,890	(353,890)			
Creation of CSR Fund								(660,608)	660,608			
Transfer to Reserves during the year								(13,212,168)	(838,660)	(838,660)		(838,660)
Transfer To Regulatory Reserve for AIR			13,212,168		187,182			(187,182)				
Transfer To Regulatory Reserve for NBA					2,316,174			(2,316,174)				
Creation of Deferred Tax Reserve					3,366,918			(3,366,918)				
Creation of Regulatory Reserve for Reduction in Investment					114,076			(114,076)				
Adjustment on Regulatory Reserve for Actuarial Loss on Gratuity					838,660			(838,660)				
Transfer from Reserves during the year					-	-				-		-
Transactions with Owners, directly recognized in Equity										-		-
Amount transferred from premium to share capital	-	-								-		-
Share Issued	66,770,600									66,770,600		66,770,600
Share Issue Expenses Charged to Equity								(618,326)		(618,326)		(618,326)
Share Issue Expenses Charge to Equity-Tax Impact								185,498		185,498		185,498
Share Based Payments												
Dividend to Equity-Holders										-		-
Bonus Shares Issued										-		-
Cash Dividend Paid	-									-		-
Gain on Disposal of Share Classified into OCI								(30,096,000)		(30,096,000)		(30,096,000)
Current Tax on Gain on Disposal of Share Classified into OCI										-		-
Other										-		-
Total Contributions by and Distributions												
Balance at Asar 31, 2076	501,600,000	2,465,454	40,896,221	-	9,144,298	3,226,069	-	49,134,444	628,904	607,095,391	-	607,095,391

Bhargav Bikas Bank Limited

Statement of Distributable Profit or Loss

As on 31st Ashad 2076 (16 July 2019)

(As per NRB Regulation)

Particulars	31 Ashadh 2076	Restated 32 Ashadh 2075
Opening Retained Earnings	33,685,415	19,726,790.31
Net profit or (loss) as per statement of profit or loss	66,060,841	39,733,822
Appropriations:		
a. General reserve	(13,212,168)	(7,222,272)
b. Foreign exchange fluctuation fund		-
c. Capital redemption reserve		
d. Corporate social responsibility fund	(660,608)	(361,114)
e. Employees' training fund		(90,422)
f. Other		-
Investment Adjustment Reserve		-
Dividend Paid	(30,096,000)	-
Bonus Shares Issued	-	(16,607,029)
Share issue expense charged to equity	(432,828)	(272,189)
Transfer from Reserve during the year	1,648,173	(499,919)
Profit or (loss) before regulatory adjustment	55,957,454	34,407,668
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(187,182)	(722,253)
b. Short loan loss provision in accounts (-)/reversal (+)		-
c. Short provision for possible losses on investment (-)/reversal (+)	(114,076)	-
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	(2,316,174)	-
e. Deferred tax assets recognised (-)/ reversal (+)	(3,366,918)	-
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/resersal (+)		
h. Acturial loss recognised (-)/reversal (+)	(838,660)	
i. Other (+/-)		
Lease Payment		-
Dividend Income from Associates		-
Income Attributable from Associates		-
Share Issue Expenses Charged to Equity		-
Share Issue Expenses Charge to Equity-Tax Impact		-
Gain on Disposal of Share Classified into OCI		-
Current Tax on Gain on Disposal of Share Classified into OCI		-
Distributable profit or (loss)	49,134,444	33,685,415

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

CA. Hari Kumar Silwal
Chartered Accountants
H.K.C.A Associates

Mohan Chapagain
Director

Sudarsan Gautam
Director

Date : Chaitra 01, 2076
Kathmandu

Bhargav Bikash Bank Limited

Notes to the Financial Statements
For the year ended 31st Ashadh, 2076

1. General Information

Bhargav Bikash Bank Limited (referred to as “the Bank” hereinafter) is a regional level development bank domiciled in Nepal, registered as a Public Limited Company under Companies Act, 2063 & Banking and Financial Institution Act, 2073. The bank has been formed after obtaining approval from Company Registrar Office vide letter dated 2063.09.09 and by Nepal Rastra Bank vide letter dated 2064.05.04.

The registered address of the Bank is Nepalgunj Sub-Metropolitan-18, Karkando, Nepalgunj, Banke, Nepal.

The Bank has obtained "Class B" license from Nepal Rastra Bank having NRB code 12042000 and carrying out banking activities in Banke, Dang and Bardiya districts of Nepal.

The Bank is listed on Nepal Stock Exchange and its stock symbol is “BHBL”

2. Basis of Preparation

The Financial statements of the Bank have been prepared on accrual basis of accounting in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and in the format issued by Nepal Rastra Bank through Directive No. 4 of NRB Directives, 2075.

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1 Statement of Compliance

The Bank has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board 13th September 2013. The Bank has prepared financial statement for the fiscal year 2075/76 in accordance with NFRS.

NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Reporting Period and Approval of Financial Statements

The approval of financial statements including the notes to the Financial statements have been adopted by the Board of Directors in its 214th meeting held on 2076/12/01 and the Board acknowledges the responsibility of preparation of financial statements of the Bank. The approved financial statements have been recommended for approval by the shareholders in the annual general meeting of the Bank.

2.3 Functional and Presentation Currency

Financial statements are denominated in Nepalese Rupees (NPR), which is the functional and presentation currency of the Bank. All financial information presented in NPR has been rounded off to the nearest rupee except where indicated otherwise.

2.4 Use of Estimates, Assumptions and Judgments

The Bank, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further, the Bank is required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. Later on this may be determined that a different choice could have been more appropriate.

NFRS requires the Bank to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

The Bank applies estimates in preparing and presenting the financial statements. The estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognised in the period in which the estimates is revised, and are applied prospectively.

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

2.4.1 Going Concern

The financial statements are prepared on a going concern basis, as the Bank is satisfied that the Bank has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.5 Changes in Accounting policies

The Bank had adopted NFRS for the first time in current year. There has been no significant change in the accounting policies adopted by the bank except where required due to adoption of Nepal Financial Reporting Standards.

2.6 Reporting Pronouncements

The Bank has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on 13 September, 2013. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Subsequently, ICAN vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with Alternative Treatment and effective period shall be provided to the Banks and Financial Institutions regulated by NRB on the specific recommendation of ASB.

2.6.1 NAS 17: Lease

In para 33, lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either:

- a) 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
- b) 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 than general inflation, then this condition is not met.

Bank as a lessee

Leases that do not transfer to the Bank substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Bank as a lessor

Leases where the Bank does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease in other operating income.

2.6.2 NAS 39: Financial Instruments: Recognition and Measurement

a) Impairment

In para 58, 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 to determine the amount of any impairment loss unless the entity is Bank or financial institutions registered as per Bank and Financial Institutions Act, 2073. Such entities shall measure impairment loss on loan and advances as the higher of amount derived as per 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.

b) Impracticability to determine transaction cost of all previous years which is the part of effective interest rate

In para 9, 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 instrument (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).

The carve out has been provided for the FY 2017-18 and 2018-19. Accordingly, the Bank has opted the carve out.

c) Impracticability to determine interest income on amortized cost

In para AG 93, 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 effective interest rate to the gross carrying amount of a financial asset unless the financial asset is written off either partially or fully.

The carve out is optional and has been provided for the FY 2017-18 and 2018-19. Accordingly, the Bank has opted the carve out.

2.6.3 NAS 28: Investment in Associates and Joint Ventures

In Para 33, the most recent available financial statements of the associate or joint venture are used by the entity in applying the equity method.

In Para 35, the entity's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances.

The carve out is optional and has been provided for the FY 2017-18, 2018-19 and 2019-20. Accordingly, the Bank has opted the carve out.

2.7 New Standards in Issue but not yet Effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

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

Financial Reporting Standards (NFRSs) 2018. NFRSs 2018 is yet to be pronounced by the Institute of Chartered Accountants of Nepal.

NFRSs 2018 introduced following standards which is applicable to the Bank:

- NFRS 15 Revenue from Contracts with Customers: The standard shall supersede existing NAS 18 Revenue and NAS 11 Construction Contract.
- NFRS 16 Leases: It shall supersede NAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains lease, SIC-15 Operating Lease-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

2.8 New Standards and Interpretation not Adopted

The following new standards are not mandatory and have not been early adopted by the Bank even the Bank is currently assessing the impact of these amendments in impairment of risk assets:

1. IFRS 9: Financial Instruments'-Impairment
2. IFRS 15: Revenue from contract with customer
3. IFRS 16: Leases

2.9 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

2.10 Limitation of NFRS implementation

Wherever the information is not adequately available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Significant Accounting Policies

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

3.1 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, assets held for sale and discontinued operations, other financial assets and liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

3.2 Basis of Consolidation

The Bank does not have control over any other entity for consolidation of Financial Statements.

3.3 Cash & Cash Equivalent

Cash and cash equivalents include cash in hand, balances with B/FIs, money at call and short notice and highly liquid financial assets with original maturities of three months or less from the acquisition dates that are subject to an insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are presented in the carrying value in the statement of financial position.

3.4 Financial Assets and Financial Liabilities

3.4.1 Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date i.e. the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account at fair value inclusive of transaction costs. The Bank recognises due to customer balances when funds reach the bank.

3.4.2 Classification

The Bank classifies its financial assets into the following measurement categories:

- Financial assets and liabilities held for trading
The Bank 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. Included in this classification are Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.
- Financial assets and financial liabilities designated at fair value through profit or loss
Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVTPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:
 - The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
Or
 - The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy
Or
 - The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.
- Loans and receivables to Customers
After initial measurement, loans and advances to customers are subsequently measured at amortisation over the period of loan. This practice is almost nearer to the effective interest method prescribed by NFRS. The method has been adopted as the cost for computation for interest on effective interest method is huge in terms of benefits to be received from the computation in the short run.
- Held-to-maturity
Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the intention and ability to hold to maturity.
- Available-for-sale.
Available-for-sale assets are those non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements or changes in interest rates, exchange rates, commodity prices or equity prices.
- Financial liabilities held at amortised cost
Financial liabilities not classified held at fair value through profit or loss includes borrowings which are classified as amortised cost instruments.

3.4.3 Measurement

➤ Initial measurement

All financial instruments are initially recognised at fair value plus transaction cost except in case of financial assets and financial liabilities recorded at fair value through profit or loss.

➤ Subsequent measurement

Financial assets and liabilities designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the statement of profit or loss. Interest and dividend income or expense is recorded in revenue according to the terms of the contract, or when the right to payment has been established.

Available-for-sale financial assets are subsequently carried at fair value, with gains and losses arising from changes in fair value taken to Other Comprehensive Income. The Bank makes irrevocable election to route fair value changes through Other Comprehensive Income. Gain/Loss on equity instruments classified as fair value through other comprehensive income is charged directly to equity and impact of re-measurement is shown in OCI.

Loans and receivables and held-to-maturity financial assets are subsequently measured at amortised cost. Within this category loans and advances to the customers have been recognised at amortised cost using the method that very closely approximates effective interest rate method. The losses arising from impairment of such investments are recognised in the income statement within credit loss expense. If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale.

Financial liabilities are subsequently measured at amortised cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

3.4.4 De-recognition

De-recognition of Financial Assets

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

De-recognition of Financial Liabilities

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and consideration paid is recognized in Statement of Profit or Loss.

3.4.5 Determination of Fair Value

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

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

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

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

3.4.6 Impairment of Loans and Advances

At each reporting date the Bank assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Bank considers the following factors in assessing objective evidence of impairment:

- Whether the counterparty is in default of principal or interest payments.
- When a counterparty files for bankruptcy and this would avoid or delay discharge of its obligation.
- Where the Bank initiates legal recourse of recovery in respect of a credit obligation of the counterparty.
- Where the Bank consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments.
- Where there is observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and investment securities measured at amortized cost are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and investment securities measured at amortized cost that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities measured at amortized cost with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Bank uses statistical modelling of 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. 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 As per NAS 39

Financial assets carried at amortized cost (such as amounts due from Banks, loans and advances to customers as well as held-to-maturity investments) is impaired, and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The amount of the loss is measured as the difference between the asset's carrying amount and the deemed recoverable value of loan.

Loans and advances to customers with significant value i.e. NPR 25 million individually are assessed for individual impairment test. The recoverable value of loan is estimated on the basis of realizable value of collateral and the conduct of the borrower/past experience of the bank. Assets that are individually assessed and for which no impairment exists are grouped with financial assets with similar credit risk characteristics and collectively assessed for impairment. The credit risk statistics for each group of the loan and advances are determined by management prudently being based on past experience. For purpose of collective assessment of impairment Bank has categorized assets in twelve broad products as follows:

- a. Agriculture Loan
- b. Bhargav EZ Loan
- c. Business Loan
- d. Deprive Sector Loan
- e. Education Loan
- f. General Loan
- g. Hire Purchase Loan
- h. Housing Loan
- i. Industrial Loan
- j. Loan against FDR
- k. Loan against Share
- l. Overdraft
- m. Personal Loan
- n. Seasonal Loan
- o. Service Business
- p. Working Capital Loan

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 other reserves and funds (impairment reserve) in statement of other comprehensive income and statement of changes in equity. If a write-off is later recovered, the recovery is credited to the 'Statement of Profit or Loss.

Loan Loss Provision as per NFRS

Particulars	2074	2075	2076
Individual	2,395,048	2,784,175	3,513,106
Collective	9,676	42,279	62,018
Total NFRS Provision	6,473,525	7,259,658	8,959,473

Loan Loss Provision as per NRB Directive

Particulars	2074	2075	2076
Good	14,348,107	23,467,608	29,416,531
Watch list	678,887	2,212,369	2,340,177
Restructured	-	-	56,938
Sub-standards	2,225,000	930,388	3,339,752
Doubtful	2,013,370	515,293	821,159
Bad	89,424	2,401,530	-
Total NRB Provision	19,354,788	29,527,188	35,974,556
Gap/(Excess)	(16,950,064)	(26,700,733)	(32,399,433)

As per the Carve out notice issued by ICAN, the Bank has measured impairment loss on loan and advances as the higher of amount derived as per requirement of Nepal Rastra Bank on loan loss provision and amount determined as per paragraph 63 of NAS 39. The impairment figure of NPR 8,959 thousand is derived from the impairment test which is less than the regulatory provision of NPR 35,974 thousand. Hence, the bank has considered the higher amount i.e. NPR 35,974 thousand.

3.4.7 Impairment of Financial Investments – Available-for-Sale

The Bank also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost along with the historical share price movements, duration and extent up to which the fair value of an investment is less than its cost. Refer Note 4.8 for details.

3.4.8 Impairment of Non-Financial Assets

The Bank assesses whether there are any indicators of impairment for an asset or a cash generating unit (CGU) at each Reporting date or more frequently, if events or changes in circumstances necessitate to do so. This requires the estimation of the 'Value in use' of such individual assets or the CGUs. Estimating 'Value in use' requires the Management to make an estimate of the expected future cash flows from the asset or the CGU and also to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Bank to make estimates about expected future cash flows and discount rates and hence, they are subject to uncertainty.

3.5 Trading Assets

Trading assets are those assets that the bank acquires principally for the purpose of selling in the near term or holds as part of a portfolio that is managed together for short-term profit shall be presented under this account head.

The other trading asset includes non-derivative financial assets. It includes Government bonds, NRB Bonds, Domestic Corporate bonds, Treasury bills, Equities etc. held primarily for the trading purpose.

3.6 Derivatives Assets and Derivative Liabilities

The Bank doesn't deal with any derivative financial instruments.

3.7 Property and Equipment

All property and equipment are 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated although it is subject to impairment testing. Depreciation on other assets is calculated using the straight- line method to allocate their cost to their residual values over their estimated useful lives, as follows :

S.No.	Asset	Estimated Useful Life
1	Computer and Accessories	3 Years
2	Furniture and Fixtures	7 Years
3	Machinery and Equipment	9 Years
4	Office Equipment	5 Years
5	Vehicles	6 Years
6	Leasehold	10 Years
7	Other Assets	4 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The value of the assets fully depreciated but continued to be in use is considered not material.

The bank has adopted SLM basis for the F/Y 2075/76, unlike prior practice of depreciation under WDV valuation. The life has been estimated as above and depreciation has been charged on the basis of given life. Assets whose useful life has been elapsed, however, still recognised at certain value as fixed assets at start of reporting period has been written off and charged under depreciation for the year. This is the change in estimate, hence, the effect is of prospective nature.

At each reporting date, assets are also assessed 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 immediately to the recoverable amount.

Assets with costs less than NPR 5,000 are charged off on purchase as revenue expenditure.

Gains and losses on disposals are included in the Statement of Profit or Loss.

3.8 Intangible assets

Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Bank and are amortised on the basis of their expected useful lives.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalised where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortised over the period of 5 years in Straight Line method (SLM). Costs associated with maintaining software are recognised as an expense as incurred.

At each reporting date, these assets are assessed 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 immediately.

3.9 Investment Property

Land or Land and Building other than those classified as property and equipment and non-current assets held for sale under relevant accounting standard are presented under this account head. The Non-Banking Assets acquired by the company is classified as assets held for sale and presented under investment property.

Further land which is rented and held for capital appreciation motive is classified as investment property. Non-Banking Assets which are not intended to be sold within a period of next one year is also classified as Investment Property. The bank does not have any investment property.

Investment property of the bank is presented under Schedule 4.12.

Non-Current Assets Held for Sale

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when:

- i. their carrying amounts will be recovered principally through sale;
- ii. they are available-for-sale in their present condition; and
- iii. their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

3.10 Income Tax

3.10.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities of Nepal. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in Nepal. The liabilities recognised for the purpose of current Income tax, including fees, penalties are included under this head.

3.10.2 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 consolidated financial statements. Deferred income tax is determined using tax rate applicable to the Bank as at the reporting date which is 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 where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the statement of profit or loss together with the deferred gain or loss.

3.11 Deposits, Debt securities issued and subordinate Liabilities

The deposits held by the bank on behalf of its customers are classified as financial liabilities and measured at amortised cost under effective interest method. The bank does not have any debt securities issued and subordinated liabilities.

3.12 Provisions

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflow of resources will be required to settle the obligations and they can be reliably estimated.

3.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

3.13.1 Interest Income

Interest income on available-for-sale assets and financial assets held at amortized cost shall be recognized using the Bank's normal interest rate which is very close to effective interest rate using effective interest rate method.

For income from loans and advances to customers, initial charges are not amortized over the life of the loan and advances as the income so recognized closely approximates the income that would have been derived under effective interest rate method. The difference is not considered material. The Bank considers that the cost of exact calculation of effective interest rate method exceeds the benefit that would be derived from such compliance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that 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, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. As per the Carve-out Notice issued by ICAN, the calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

The Bank recognizes NPR 403,411 thousand as the interest income on loans and advances as per Guideline on Recognition of Interest Income, 2019.

3.13.2 Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided or significant act performed. Service Fee Income/Expenses are recognized on accrual basis unless it is impracticable to recognize as allowed through carve-out on NFRS.

3.13.3 Dividend Income

Dividend income is recognised when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

3.13.4 Net Trading Income

Net trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

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

Gains and losses arising from changes in the fair value of financial instruments designated at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Contractual interest income and expense on financial instruments held at fair value through profit or loss is recognised within net interest income.

3.13.6 Interest Expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVTPL, interest expense is recorded using the EIR unless it is impracticable.

3.14 Employee Benefits

3.14.1 Retirement Benefits

The Bank has schemes of retirement benefits namely Gratuity and Provident Fund.

Retirement benefit obligations

The bank operates a defined contribution plans as provident fund contribution.

Provident Fund

For Provident Fund, the bank pays contributions to the publicly administered provident fund plans (named Employee Provident Fund) on a mandatory basis, and such amounts are charged to operating expenses. The bank has no further payment obligations once the contributions have been paid.

Gratuity

The bank has been providing gratuity as per its employee bye laws which is in the nature of defined benefit plan therefore actuarial valuation has been conducted and provided accordingly.

The gratuity provision has been provided with compliance of New Labor Act, 2074. These benefits are treated as defined contribution plan and provided accordingly.

Explanatory Notes

Gratuity benefit obligations, plan assets, movement in gratuity liability & fair value of assets etc. related with long term employee benefits has been presented under schedule 4.23.

Accumulated Leave

The Bank provides accumulated leave benefit under its staff byelaw. The Home Leave is accumulated up to 60 days and there is no limit for the accumulation of Sick Leave.

Accumulated leave benefits are treated as long term benefit liability. Accumulated leave obligations are estimated on the basis of actuarial Valuation. Long term benefit liabilities are not subject to same degree of uncertainty as defined benefit plan. Therefore re-measurement gain/loss on accumulated leave is charged to Profit and Loss account as on Ashadh end 2076.

The bank has no further payment obligations once the contributions have been paid.

3.14.2 Staff Bonus

Provision for bonus has been made at 10% of net profit before such bonus.

3.15 Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless 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.

3.16 Foreign Currency Translation

Foreign currency transactions are translated into the NPR 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 translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when recognised in other comprehensive income. Non-monetary assets that are measured at fair value are translated using exchange rate at the date that fair value was determined.

3.17 Financial Guarantee and Loan Commitment

In the ordinary course of business, the Bank issues performance guarantees, bid bond guarantees and advance payment guarantee. These guarantees are initially disclosed in the financial statement (within 'contingent liabilities') at guaranteed value. The premium received is recognised in the statement of profit or loss in net fees and commission income on a straight-line basis over the life of the guarantee.

3.18 Share Capital and Reserves

3.18.1 Share Capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Dividends on ordinary shares classified as equity are recognised in equity in the period in which they are declared.

The share issue expenses which can be avoided for the issue was charged in the year of issue directly through equity and disclosed in statement of changes in equity. Tax impact is also disclosed.

Reserves

The reserves include regulatory and free reserves.

➤ General Reserve

20% of the net profit is set aside to general reserve until the reserve is twice the paid of share capital as per Banking Financial Institutions Act. The reserve is the accumulation of setting aside profits over the years.

Exchange Equalisation Reserve

25% of the revaluation gain on foreign currency is set aside to exchange equalisation reserve as per Banking Financial Institutions Act.

The Reserve is cushion against adverse movement in foreign currency.

➤ **Assets Revaluation Reserve**

Any Reserve created from revaluation of assets (such as Property & Equipment, Intangible Assets, Investment Property) shall be presented under this heading. The Bank has followed cost model therefore no assets revaluation reserve is created.

➤ **Capital Reserve**

The capital reserve represents the amount of those reserves which are in nature of capital and which shall not be available for distribution of cash dividend. The amount from share forfeiture due to non-payment of remaining amount for the unpaid shares, capital grants received in cash or kind, capital reserve arising out of merger and acquisition etc are presented under this heading.

➤ **Special Reserve**

Any special reserve that is created as per the specific requirement of NRB directive or special instruction of NRB are represented as special reserve. The amount allocated to this reserve by debiting retained earning account are presented under this heading.

➤ **Corporate Social Responsibility Fund**

The fund created for the purpose of corporate social responsibility by allocating 1% of Net profit as per NRB Directive is presented under this account head.

➤ **Employee Training Fund**

The fund created for the purpose of employee training by allocating 3% of employee expenses of previous year excluding staff bonus and winding up interest cost on staff loan. The fund is utilized for the training of employees.

➤ **Investment Adjustment Reserve**

It is a reserve created on investment such as investment in subsidiary or unlisted investment in equity for more than two years as per the investment directive of Nepal Rastra Bank.

➤ **Regulatory Reserve**

The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the Directive of NRB for the purpose of implementation of NFRS and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The regulatory reserve of the bank includes the reserve net of tax created relating to Accrued Interest Receivable as on Ashad End 2076 not recovered till Shrawan End 2076, Reserve on Deferred Tax Assets, Non-Banking Assets, reduction in fair value of investment in equity below cost price, actuarial loss etc.

- **Fair Value Reserve**
The amount that is allocated from profit or retained earnings of the Bank to this reserve as per the Directive of NRB for the purpose of implementation of NFRS and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. The fair value reserve of the bank includes the reserve net of tax created relating to Market Value of Share investment.
- **Actuarial Gain/(Loss) Reserve**
The amount that is allocated from profit or retained earnings of the Bank both positive or negative to this reserve as per the Directive of NRB for the purpose of implementation of NFRS and which shall not be regarded as free for distribution of dividend (cash as well as bonus shares) shall be presented under this account head. This reserve includes actuarial gain/(loss) net of tax on defined benefit plan and long-term employee benefits.
- **Other reserve**
Any reserve created with specific or non-specific purpose (except stated in above) are presented under thus by disclosing accounting heads.

3.19 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33 - Earnings Per Share.

There are no instruments, such as convertibles, that would require dilution of EPS, therefore diluted EPS has not been computed and disclosed.

3.20 Segmental Reporting

The Bank's segmental reporting is in accordance with NFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the bank's management, which is responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

The Bank has determined segments based on the district of operation by the management for decision making purpose. Such segmental information has been provided under Disclosures & Additional Information (Point No. 5.4).

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the bank's total revenue in any of the periods reported.

3.21 Interim Financial Reporting

Interim reports corresponding to the financial statements had been reported in accordance with the regulatory reporting requirements. Those statements have been published quarterly in national level newspaper. The bank has utilized the benefits provided by Carve-out on NFRS for reinstatement of earlier year figures.

Bhargav Bikash Bank Limited

Notes forming part of the Financial Statements

4.1 Cash and cash equivalent

Particulars	2075-76	2074-75	2073-74
Cash in Hand	72,081,802	67,690,699	50,413,038
Balances with B/Fis	450,274	15,664,549	601,411,953
Money at call and short notice	943,943,649	897,242,414	-
Other	-	-	-
Total	1,016,475,726	980,597,663	651,824,990

4.2 Due from Nepal Rastra Bank

Particulars	2075-76	2074-75	2073-74
Statutory balances with NRB	206,737,809	140,984,791	114,287,155
Securities purchased under resale agreement	-	-	-
Other deposit and receivable from NRB	-	-	-
Total	206,737,809	140,984,791	114,287,155

4.3 Placements with Bank and Financial Institutions

Particulars	2075-76	2074-75	2073-74
Placement with domestic B/FIs	-	-	-
Placement with Foreign B/FIs	-	-	-
Less: Allowances for impairment	-	-	-
Total	-	-	-

4.4 Derivative Financial Instruments

Particulars	2075-76	2074-75	2073-74
Held for trading			
Interest rate swap			
Forward exchange contract			
Others			
Held for risk management			
Interest rate swap			
Forward exchange contract			
Others			
Total	-	-	-

4.5 Other Trading assets

Particulars	2075-76	2074-75	2073-74
Treasury Bills	-	-	
Government bond	-	-	-
NRB bonds	-	-	-
Domestic Corporate bonds	-	-	-
Equities	-	-	-
Other	-	-	-
Total	-	-	-
Pledged	-	-	-
Non- Pledged	-	-	-

4.6 Loans and advances to B/FIs

Particulars	2075-76	2074-75	2073-74
Loan to Microfinance Institutions	140,014,247	50,000,000	10,000,000
Other	-	-	-
Less: Allowances for Impairment	(1,400,000)	(500,000)	(100,000)
Total	138,614,247	49,500,000	9,900,000

4.6.1 Allowances for Impairment

Particulars	2075-76	2074-75	2073-74
Balance as at Shrawan 1	500,000	100,000	-
Impairment loss for the year:			
Charge for the year	900,000	400,000	100,000
Recoveries/Reversal			
Amount written off			
Balance as at Ashad end	1,400,000	500,000	100,000

4.7 Loans and advances to customers

Particulars	2075-76	2074-75	2073-74
Loans and advances measured at amortized	2,901,882,633	2,374,101,854	1,465,496,229
Less: Impairment allowances			
Individual Impairment	(4,160,911)	(3,847,211)	(4,327,794)
Portfolio Impairment	(30,413,646)	(25,179,977)	(14,926,994)
Net amount	2,867,308,077	2,345,074,667	1,446,241,441
Loan and advances measured at FVTPL	-	-	-
Total	2,867,308,077	2,345,074,667	1,446,241,441

4.7.1 Analysis of loan and advances - By product

Particulars	2075-76	2074-75	2073-74
Product			
Term Loans	940,515,312	826,957,050	529,209,746
Overdraft	1,146,620,954	798,920,685	424,210,060
Trust Receipt/Import Loans	-		-
Demand and other Working Capital Loans	-		-
Personal Residential Loans	353,100,838	315,276,788	215,331,278
Real Estate Loans	-		-
Margin Lending Loans	-		-
Hire Purchase Loans	176,265,943	180,048,071	127,114,783
Deprived Sector Loans	138,873,566	140,164,175	75,353,321
Bills Purchased		-	-
Staffs Loans	34,363,326	22,617,090	11,915,112
Other	108,536,899	86,795,068	80,185,437
Sub-total	2,898,276,839	2,370,778,928	1,463,319,736
Interest Receivable	3,605,794	3,322,926	2,176,493
Grand Total	2,901,882,633	2,374,101,854	1,465,496,229

4.7.2 Analysis of loan and advances - By Currency

Particulars	2075-76	2074-75	2073-74
Nepalese Rupee	2,901,882,633	2,374,101,854	1,465,496,229
Indian Rupee			
United States Dollar			
Great Britain Pound			
Euro			
Japanese Yen			
Chinese Yuan			
Other			
Grand Total	2,901,882,633	2,374,101,854	1,465,496,229

4.7.3 Analysis of loan and advances - By Collateral

Particulars	2075-76	2074-75	2073-74
Secured			
Moveable/Immoveable Assets	2,838,771,534	2,329,348,072	1,422,128,877
Gold and Silver	-	-	-
Guarantee of Domestic BFIs	-	-	-
Government Guarantee	-	-	-
Guarantee of International Rated Bank	-	-	-
Collateral of Export Document	-	-	-
Collateral of Fixed Deposit Receipt	47,425,305	28,787,579	23,745,200
Collateral of Government Securities	-	-	-
Counter Guarantee	-	-	-
Personal Guarantee	-	-	-
Other Collateral	12,080,000	12,643,276	17,445,660
Sub Total	2,898,276,839	2,370,778,928	1,463,319,737
Unsecured	-	-	-
Grand Total	2,898,276,839	2,370,778,928	1,463,319,737

4.7.4 Allowances for Impairment

Particulars	2075-76	2074-75	2073-74
Specific allowances for impairment			
Balance at Shrawan 1	3,847,211	4,327,794	844,346
Impairment loss for the year:	313,700	(480,583)	3,483,448
Charge for the year	313,700		3,483,448
Recoveries/reversal during the year		(480,583)	-
Write- offs	-		-
Exchange rate variance on foreign currency			
Other movement			
Balance at Ashad end	4,160,911	3,847,211	4,327,794
Collective allowances for impairment			
Balance at Shrawan 1	25,179,977	14,926,994	11,644,890
Impairment loss for the year:	5,233,669	10,252,982	3,282,105
Charge/(reversal) for the year	5,233,669	10,252,982	3,282,105
Exchange rate variance on foreign currency	-	-	-
Other movement	-		-
Balance at Ashad end	30,413,646	25,179,977	14,926,994
Total allowances for impairment	34,574,556	29,027,188	19,254,788

4.8 Investment in securities

Particulars	2075-76	2074-75	2073-74
Investment securities designated at FVTPL	-	-	-
Investment securities measured at amortized cost	1,000,000	1,000,000	1,000,000
Investment in equity measured at FVTOCI	35,950,107	33,680,011	15,685,389
Total	36,950,107	34,680,011	16,685,389

4.8.1 Investment in securities measured at amortized cost

Particulars	2075-76	2074-75	2073-74
Debt Securities	-	-	-
Government Bond	1,000,000	1,000,000	1,000,000
Government treasury bills	-	-	-
Nepal Rastra Bank bonds	-	-	-
Nepal Rastra Bank deposit instruments	-	-	-
Other	-	-	-
Less: Specific allowances for impairment	-	-	-
Total	1,000,000	1,000,000	1,000,000

4.8.2 Investment in equity measured at fair value through other Other comprehensive income

Particulars	2075-76	2074-75	2073-74
Equity Instrument	-	-	-
Quoted equity securities	30,537,507	28,014,855	10,253,915
Unquoted equity securities	5,412,600	5,665,156	5,431,475
Total	35,950,107	33,680,011	15,685,389

4.8.3 Information relating to investment in equities

Particulars	2075-76		2074-75		2073-74	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment Shares both quoted and unquoted						
1. Barun Hydro Power Co. Ltd. 10 shares of Rs. 100 each	1,000	1,500	1,000	1,500	1,000	2,850
2. Laxmi Laghubitta Bittiya Sanstha Ltd. 41 shares of Rs. 100 each	4,100	45,018	4,100	45,018	4,100	46,740
3. Vijay Laghubitta Bittiya Sanstha Ltd. 23 shares of Rs. 100 each	2,300	17,595	2,300	17,595	2,300	19,435
4. Civil Laghubitta Bittiya Sanstha Ltd. 15 shares of Rs. 100 each	1,500	11,055	1,500	11,055	1,500	10,155
5. Neco Insurance Ltd. 11,326 shares of Rs. 113.38 each	1,284,134	6,319,908	1,284,134	6,319,908	906,534	2,583,993
6. Api Power Co. Ltd. 26 shares of Rs. 100 each	2,600	7,384	2,600	7,384	2,600	10,530
7. Global IME Laghubitta Bittiya Sanstha Ltd. 16 shares of Rs. 100 each	1,600	19,968	1,600	19,968	-	-
8. Reliable Micro Finance Company Ltd. 10 shares of Rs. 100 each	-	-	-	-	1,000	12,700
9. Jalbidyut Lagani Co. Ltd. 4,374 shares of Rs. 100 each	437,400	677,970	437,400	677,970	437,400	979,776
10. Mero Micro Finance Ltd. 41 shares of Rs. 100 each	4,100	87,480	4,100	87,480	4,100	19,598
11. Divyashwori Hydro Power Co. Ltd. 11 Shares of Rs. 100 each	1,100	1,188	1,100	1,188	1,100	1,100
12. NMB Sulav Invesment Fund - I 65,250 units of Rs. 10 each	652,500	706,658	652,500	859,995	652,500	792,788
13. Global IME Mutual Fund 474,700 units of Rs. 10 each	4,747,000	3,977,986	4,747,000	4,139,384	4,747,000	4,984,350
14. NMB Hybrid Fund - I 78,870 units of Rs. 10 each	788,700	854,162	788,700	741,378	788,700	788,700
15. NIC Asia Equity Fund 500,000 units of Rs. 10 each	5,000,000	5,090,000	5,000,000	5,175,000		
16. Siddhartha Equity Fund 500,000 units of Rs. 10 each	5,000,000	5,000,000	5,000,000	4,700,000		
17. Sanima Equity Fund 500,000 units of Rs. 10 each	5,000,000	4,700,000	5,000,000	5,190,000		
18. Swadeshi Laghubitta Sanstha Ltd 12 shares of Rs. 100 each	1,200	20,040	1,200	20,040	1,200	1,200
19. Banking finance and Insurance Company 25000 shares of Rs. 100 each	2,500,000	2,500,000	-	-		
20. Suryalife Insurance 4996 shares of Rs. 100 each	499,603	499,603	-	-		
Subtotal	25,928,837	30,537,515	22,929,234	28,014,863	7,551,034	10,253,915
Investment in Unquoted equity						
1. Jyoti Life Insurance Co 50,000 promotor shares of Rs. 100 each	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
2. Nepal Clearing House Ltd. 4,126 shares of Rs. 100 each	412,600	412,600	412,600	665,156	412,600	431,475
Subtotal	5,412,600	5,412,600	5,412,600	5,665,156	5,412,600	5,431,475
Grand Total	31,341,437	35,950,115	28,341,834	33,680,019	12,963,634	15,685,389

4.9 Current tax Assets/Liability

Particulars	2075-76	2074-75	2073-74
Current tax assets	39,904,140	21,740,918	15,167,145
Current year Income Tax Assets	39,904,140	21,740,918	15,167,145
Tax Assets of Prior Periods			
Current tax liabilities	31,445,872	17,943,157	12,537,912
Current year Income Tax Liabilities	31,445,872	17,943,157	12,537,912
Tax Liabilities of Prior Periods	-	-	-
	31,445,872	17,943,157	12,537,912
Total of income tax assets/(liabilities)	8,458,269	3,797,760	2,629,233

4.10 Investment In subsidiaries

Particulars	2075-76	2074-75	2073-74
Investment in Quoted Subsidiaries	-	-	-
Investment in Unquoted Subsidiaries	-	-	-
Total Investment	-	-	-
Less: Impairment Allowances			
Net Carrying Amount	-	-	-

4.10.1 Investment In quoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.2 Investment In unquoted subsidiaries

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.10.3 Information relating to subsidiaries of the bank

Particulars	Percentage of ownership		
	2075-76	2074-75	2073-74
.....Ltd			
.....Ltd			

4.10.4: Non Controlling Interest of the Subsidiaries

	Group As on Ashad 31, 2076
Equity Interest held by NCI (%)	
Profit (Loss) allocated during the year	
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	
	As on Ashad 32, 2075
Equity Interest held by NCI (%)	
Profit (Loss) allocated during the year	
Accumulated Balances of NCI as on Ashad End	
Dividend Paid to NCI	

4.11 Investment In associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Investment in Quoted associates	-	-	-	-	-	-
Investment in Unquoted associates	-	-	-	-	-	-
Total Investment	-	-	-	-	-	-
Less: Impairment Allowances				-		-
Net Carrying Amount	-	-	-	-	-	-

4.11.1 Investment In quoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
.....Ltd						
.....shares of Rs.... Each	-	-	-	-	-	-
Total	-	-	-	-	-	-

4.11.2 Investment In unquoted associates

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
-		-	-	-		
Total	-	-	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	As on Ashad 31, 2076		As on Ashad 32, 2075		As on Shrawan 01, 2074	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value

4.11.4: Equity value of associates

Particulars	Group	
	As on Ashad 31, 2076	As on Ashad 32, 2075
		-
	-	-

4.12 Investment Properties

Particulars	2075-76	2074-75	2073-74
Investment Properties measured at Fair Value			
Balance as on Shrawan 01	-	-	-
Addition/(Disposal) during the year	3,676,467	-	
Net Changes in fair value during the year	3,676,467	-	-
Adjustment/Transfer	-	-	-
Net Amount	3,676,467	-	-
Investment Properties measured at Cost			
Balance as on Shrawan 01	-	-	
Addition/(Disposal) during the year			
Adjustment/Transfer			
Accumulated depreciation			
Accumulated impairment loss			
Net Amount	-	-	-
Total	3,676,467	-	-

Bhargav Bikas Bank Limited

Notes forming part of the Financial Statements

4.13 Property and Equipment

Particulars	Land	Building	Leashold Properties	Computer & Accessories	Vehicles	Furniture & Fixtures	Machinery	Equipment & others	Total Ashad end 2076	Total Ashad end 2075
Cost										
As on Shrawan 2074	21,850,000	-	16,232,945	8,535,075	6,675,337	8,116,457	3,708,198	6,298,261		71,416,274
Addition during the year	32,405,000	-	909,431	4,105,099	1,279,400	1,422,430	1,302,050	904,439	-	42,327,850
Acquisition	32,405,000	-	909,431	4,105,099	1,279,400	1,422,430	1,302,050	904,439		42,327,850
Capitalization	-	-	-	-	-	-	-	-		-
Disposal during the year	-	-	-	-	-	-	-	-		-
Adjustment/Revaluation	-	-	-	-	-	-	-	-		-
Balance as on Ashad end 2075	54,255,000	-	17,142,377	12,640,173	7,954,737	9,538,887	5,010,249	7,202,701		113,744,124
Addition during the Year	-	-	1,919,582	1,536,843	1,004,500	815,721	699,487	455,052	6,431,185	
Acquisition	-	-	1,919,582	1,536,843	1,004,500	815,721	699,487	455,052	6,431,185	
Capitalization	-	-	-	-	-	-	-	-		-
Disposal during the year	-	-	-	-	-	-	-	-		-
Adjustment/Revaluation	-	-	-	-	-	-	-	-		-
Balance as on Ashad end 2076	54,255,000	-	19,061,958	14,177,017	8,959,237	10,354,608	5,709,736	7,657,753	120,175,309	113,744,124
Depreciation and Impairment										
As on Shrawan 01.2074	-	-	3,408,490	4,697,581	2,608,950	3,866,671	2,040,938	3,466,471		20,089,100
Depreciation change for the year	-	-	-	1,675,385	1,018,596	1,380,778	727,897	1,236,312		6,038,968
Impairment for the year	-	-	2,676,276	-	-	-	-	-		2,676,276
Disposals	-	-	-	-	75,160	-	143,480	-		218,640
Adjustment	-	-	-	-	-	-	-	-		-
As on Ashad end 2075	-	-	6,084,766	6,372,966	3,702,705	5,247,449	2,912,316	4,702,783		29,022,984
Depreciation change for the year	-	-	-	4,233,336	1,421,709	1,056,404	700,093	838,435	8,249,977	
Impairment for the year	-	-	1,512,267	-	-	-	-	-	1,512,267	
Disposals	21,850,000	-	-	-	-	-	-	-	21,850,000	
Adjustment	-	-	-	-	-	-	-	-		-
As on Ashad end 2076	21,850,000	-	7,597,032	10,606,301	5,124,415	6,303,853	3,612,409	5,541,218	60,635,227	29,022,984
Capital Work in Progress 2074										
Capital Work in Progress 2075			-							
Capital Work in Progress 2076			-							
Net Book Value										
As on Ashad end 2074	21,850,000	-	12,824,456	3,837,494	4,066,387	4,249,787	1,667,260	2,831,790	51,327,174	
As on Ashad end 2075	54,255,000	-	11,057,611	6,267,208	4,252,032	4,291,438	2,097,933	2,499,918	84,721,140	84,721,140
As on Ashad end 2076	32,405,000	-	11,464,926	3,570,716	3,834,822	4,050,755	2,097,527	2,116,535	59,540,081	59,540,081

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

4.14 Goodwill and Intangible Assets

Particulars	Software				
	Goodwill	Purchased	Developed	Other	Total Ashad end
Cost					
As on Shrawan 01 2074	-	8,071,661	-	-	8,071,661
Addition during the year	-	1,490,170	-	-	1,490,170
Acquisition	-	1,490,170	-	-	1,490,170
Capitalization	-		-	-	-
Disposal during the year	-		-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2075	-	9,561,831	-	-	9,561,831
				-	
Addition during the Year	-	762,750	-	-	762,750
Acquisition	-	762,750	-	-	762,750
Capitalization	-		-	-	-
Disposal during the year	-		-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2076		10,324,581	-	-	10,324,581
Amortisation and Impairment					
As on Shrawan 01. 2074	-	6,068,146	-	-	6,068,146
Amortisation charge for the year	-		-	-	-
Impairment for the year	-	1,049,296	-	-	1,049,296
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2075		7,117,441	-	-	7,117,441
Impairment for the year	-	772,206	-	-	772,206
Amortisation charge for the year	-		-	-	-
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2076	-	7,889,647	-	-	7,889,647
Capital Work in Progress					
Net Book Value					
As on Ashad end 2074	-	2,003,515	-	-	2,003,515
As on Ashad end 2075	-	2,444,389	-	-	2,444,389
As on Ashad end 2076	-	2,434,934	-	-	2,434,934

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

4.15 Deferred Taxes Assets/(Liabilities)

2073-74			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(652,948)	(652,948)
Investment Properties	-	-	-
Investment Securities	-	(816,527)	(816,527)
Investment In Associates	-	-	-
Property and Equipment	-	(2,834,623)	(2,834,623)
Employees' Defined Benefit Plan	639,568	-	639,568
Employees' Leave Liability	615,840	-	615,840
Lease Liabilities	209,778	-	209,778
Provisions LLP	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	1,465,185	(4,304,098)	(2,838,912)
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 2073/74			(2,838,912)
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2073			522,036
Origination/(Reversal) during the year			(3,360,948)
Deferred Tax (expense)/income recognized in profit or loss			(3,244,345)
Deferred Tax (expense)/income recognized in Other Comprehensive Income			(116,603)
Deferred Tax (expense)/income recognized directly in equity			-

2074-75			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	(996,878)	(996,878)
Investment Properties	-	-	-
Investment Securities	(1,601,453)	-	(1,601,453)
Investment In Associates	-	-	-
Property and Equipment	778,103		778,103
Employees' Defined Benefit Plan	693,392	-	693,392
Employees' Leave Liability	561,207	-	561,207
Lease Liabilities	366,074	-	366,074
Provisions LLP	-	-	-
Other Temporary Differences		-	-
Deferred tax on temporary differences	797,323	(996,878)	(199,555)
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 2074/75			(199,555)
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2074			2,838,912
Origination/(Reversal) during the year			2,639,358
Deferred Tax (expense)/income recognized in profit or loss			3,619,292
Deferred Tax (expense)/income recognized in Other Comprehensive Income			(979,934)
Deferred Tax (expense)/income recognized directly in equity			-

2075-76			
Net Deferred Tax			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Tax Assets/(Liabilities)
Deferred tax on temporary differences on following items	-	-	-
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	-	-
Investment Properties	-	-	-
Investment Securities	-	(566,915)	(566,915)
Investment In Associates	-	-	-
Property and Equipment	822,510		822,510
Employees' Defined Benefit Plan	1,399,845		1,399,845
Employees' Leave Liability	1,160,471	-	1,160,471
Lease Liabilities	551,007	-	551,007
Provisions LLP	-	-	-
Other Temporary Differences			
Deferred tax on temporary differences	3,933,833	(566,915)	3,366,918
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 2075/76			3,366,918
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			199,555
Origination/(Reversal) during the year			3,566,472
Deferred Tax (expense)/income recognized in profit or loss			2,988,195
Deferred Tax (expense)/income recognized in Other Comprehensive Income			578,278
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	31-03-2076	32-03-2075	01-04-2074
Assets held for Sale	-	-	-
Other Non-Banking Assets	-	-	-
Bills Receivable	-	-	-
Accounts Receivable	2,042,271	2,360,549	484,012
Accrued Income	-	-	-
Prepayments and Deposits	1,132,172	371,290	430,724
Income Tax Deposit	-	-	-
Deferred Employee Expenditure	11,620,859	9,112,850	7,121,440
Other	945,959	2,518,263	551,291
Stationery Stock	945,959	1,650,096	525,019
Commission Receivable	-	-	-
Deposit	-	868,167	26,272
Expenses not Written off	(0)	0	-
Others	-	-	-
Grand Total	15,741,261	14,362,952	8,587,467

4.17 Due to Bank and Financial Institutions

Particulars	2075-76	2074-75	2073-74
Money Market Deposits		-	-
Interbank Borrowing	-	-	-
Other Deposits from BFIs	460,374,971	460,374,971	-
Settlement and Clearing Accounts	-	-	-
Other Deposits from BFIs	-		
Total	460,374,971	460,374,971	-

4.18 Due to Nepal Rastra Bank

Particulars	2075-76	2074-75	2073-74
Refinance from NRB	-	-	-
Standing Liquidity Facility	-	-	-
Lender of Last Resort facility from NRB	-	-	-
Securities sold under repurchase agreements	-	-	-
Other Payable to NRB	-	-	-
Total	-	-	-

4.19 Derivative Financial instruments

Particulars	2075-76	2074-75	2073-74
Held for Trading			
Interest Rate Swap	-	-	-
Currency Swap	-	-	-
Forward Exchange Contracts			
Others			
Held for Risk Management			
Interest Rate Swap			
Currency Swap			
Forward Exchange Contracts.			
Others	-	-	-
Total	-	-	-

4.20 Deposits from customers

Particulars	2075-76	2074-75	2073-74
Institutions Customers:	845,103,844	774,107,979	618,580,689
Term deposits	457,898,337	473,443,116	219,575,111
Call deposits	228,252,648	145,489,375	341,044,599
Current deposits	138,269,370	128,865,388	32,458,066
Other	20,683,489	26,310,100	25,502,913
Individual Customers:	2,412,039,170	1,879,066,893	1,343,486,425
Term deposits	962,359,106	684,873,270	600,921,844
Saving deposits	1,449,680,064	1,194,193,623	742,564,581
Current deposits			
Other			
Total	3,257,143,014	2,653,174,872	1,962,067,114

4.20.1 Currency wise analysis of deposit form customers

Particulars	2075-76	2074-75	2073-74
Particulars	2075-76	2074-75	2073-74
Nepalese Rupee	3,257,143,014	2,653,174,872	1,962,067,114
Indian Rupee	-	-	-
United State dollar	-	-	-
Great Britain pound	-	-	-
Euro	-	-	-
Japanese yen	-	-	-
Chinese Yuan	-	-	-
Other	-	-	-
Total	3,257,143,014	2,653,174,872	1,962,067,114

4.21 Borrowings

Particulars	2075-76	2074-75	2073-74
Domestic Borrowing			
Nepal Government			
Other Institutions	-	-	-
Other			
Sub total	-	-	-
Foreign Borrowing			
Foreign Bank and Financial Institutions			
Multilateral Development Banks			
Other institutions			
Sub total	-	-	-
Total	-	-	-

4.22 Provisions

Particulars	2075-76	2074-75	2073-74
Provisions for redundancy	-	-	-
Provision for restructuring	-	-	-
Pending legal issues and tax litigation	-	-	-
Onerous contracts	-	-	-
Other	-	-	-
Total	-	-	-

4.22.1 Movement in Provisions

Particulars	2075-76	2074-75	2073-74
Balance at Sawan 1	-	-	-
Provisions made during the year			
Provisions used during the year			
Provisions reversed during the year			
Unwind of discount			
Balance at Ashad end	-	-	-

4.23 Other Liabilities

Particulars	2075-76	2074-75	2073-74
Liabilities for employees defined benefit obligations	4,666,152	2,311,308	2,131,893
Liabilities for leave	3,868,237	1,870,689	2,052,799
Short term employee benefits	-	-	-
Bills payable	-	45,146	-
Creditors and accruals	12,803,541	14,198,441	8,289,159
Interest payable on deposits	-	4,699,648	897,748
Interest payable on borrowing	-	-	-
Liabilities on deferred grant income	-	-	-
Unpaid Dividend	605,546	1,389,474	1,389,474
Liabilities under Operating Lease	1,836,689	1,220,248	699,259
Employee bonus payable	10,502,058	9,464,228	4,134,610
Other Liabilities	408,296	1,072,703	1,273,592
Audit Fee Payable	-	-	-
TDS Payable	408,296	860,852	1,273,592
Micro Finance Central Fund	-	-	-
Micro Finance Welfare Fund	-	-	-
Others	-	211,851	-
Total	34,690,518	36,271,883	20,868,533

4.23.1. A Defined Benefit Obligation

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

Particulars	2075-76	2074-75	2073-74
Present value of unfunded obligations	4,666,152	2,311,308	2,131,893
Present value of funded obligations	-	-	-
Total present value of obligations	4,666,152	2,311,308	2,131,893
Fair value of plan assets	-	-	-
Present value of net obligations	4,666,152	2,311,308	2,131,893
Recognised liability for defined benefit obligations	4,666,152	2,311,308	2,131,893

4.23.2 A : Plan Assets

Plan assets comprise

Particulars	2075-76	2074-75	2073-74
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	-	-	-
Total	-	-	-

4.23.3 A : Movement in the present value of defined benefit obligations

Particulars	2075-76	2074-75	2073-74
Defined benefit obligations at Shrawan 1	2,311,308	2,131,893	1,968,163
Actuarial losses	1,198,085	(650,027)	(388,677)
Benefits paid by the plan	-	-	-
Benefit directly paid by bank	(52,518)	(207,210)	(293,425)
Current service costs; Past Service Cost and interest	1,209,277	1,036,652	845,832
Defined benefit obligations at Ashad end	4,666,152	2,311,308	2,131,893

4.23.4 A : Movement in the fair value of plan assets

Particulars	2075-76	2074-75	2073-74
Fair value of plan assets at Shrawan 1	-	-	-
Contributions paid into the plan	-	-	-
Benefits paid during the year	-	-	-
Actuarial (losses) gains	-	-	-
Expected return on plan assets	-	-	-
Fair value of plan assets at Ashad end	-	-	-

4.23.5 A : Amount recognised in profit or loss

Particulars	2075/76	2074/75	2073/74
Current service costs	1,026,473	874,389	700,116
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Interest on obligation	182,804	162,263	145,716
Expected return on plan assets	-	-	-
Total	1,209,277	1,036,652	845,832

4.23.6 A : Amount recognised in other comprehensive income

Particulars	2075/76	2074/75	2073/74
Acturial (gain)/loss	1,198,085	(650,027)	(388,677)
Total	1,198,085	(650,027)	(388,677)

4.23.7 A : Actuarial assumptions

Particulars	2075/76	2074/75	2073/74
Discount rate	8%	8%	8%
Expected return on plan asset			
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.23.1. B Long Term Benefit Obligation

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

Particulars	2075-76	2074-75	2073-74
Present value of unfunded obligations	3,868,237	1,870,689	2,052,799
Present value of funded obligations	-	-	-
Total present value of obligations	3,868,237	1,870,689	2,052,799
Fair value of plan assets	-	-	-
Present value of net obligations	3,868,237	1,870,689	2,052,799
Recognised liability for defined benefit obligations	3,868,237	1,870,689	2,052,799

4.23.2 B : Plan Assets

Plan assets comprise

Particulars	2075/76	2074/75	2073/74
Equity securities	-	-	-
Government bonds	-	-	-
Bank deposit	-	-	-
Other	-	-	-
Total	-	-	-

4.23.3 B : Movement in the present value of Long term benefit Liability

Particulars	2075-76	2074-75	2073-74
Defined benefit obligations at Shrawan 1	1,870,689	2,052,799	1,651,951
Actuarial losses	1,392,303	(474,523)	28,746
Benefits paid by the plan	(106,618)	(468,777)	(209,255)
Current service costs; Past Service Cost and interest	711,863	761,190	581,357
Defined benefit obligations at Ashad end	3,868,237	1,870,689	2,052,799

4.23.4 B : Movement in the fair value of plan assets

Particulars	2075-76	2074-75	2073-74
Fair value of plan assets at Shrawan 1	-	-	-
Contributions paid into the plan	-	-	-
Benefits paid during the year	-	-	-
Actuarial (losses) gains	-	-	-
Expected return on plan assets	-	-	-
Fair value of plan assets at Ashad end	-	-	-

4.23.5 B : Amount recognised in profit or loss

Particulars	2075/76	2074/75	2073/74
Current service costs	566,473	615,717	457,571
Past service costs-(non Vested)	-	-	-
Past service costs (Vested)	-	-	-
Actuarial (gain)/loss	1,392,303	(474,523)	28,746
Interest on obligation	145,390	145,473	123,786
Expected return on plan assets	-	-	-
Total	2,104,166	286,667	610,103

4.23.6 B : Amount recognised in other comprehensive income

Particulars	2075/76	2074/75	2073/74
Acturial (gain)/loss	-	-	-
Total	-	-	-

4.23.7 B : Actuarial assumptions

Particulars	2075/76	2074/75	2073/74
Discount rate	7%	8%	8%
Expected return on plan asset	-	-	-
Future salary increase	8%	8%	8%
Withdrawal rate	5%	5%	5%

4.24 Debt securities issued

Particulars	2075-76	2074-75	2073-74
Debt securities issued designated as at fair value through profit or loss	-	-	-
Debt securities issued at amortised cost	-	-	-
Total	-	-	-

4.25 Subordinate Liabilities

Particulars	2075-76	2074-75	2073-74
Redeemable preference shares	-	-	-
Irredeemable cumulative preference shares (liabilities component)			
Other			
Total	-	-	-

4.26 Share Capital

Particulars	2075-76	2074-75	2073-74
Ordinary Shares	501,600,000	434,829,400	264,000,000
Convertible Preference Shares (Equity component)	-	-	-
Irredeemable Preference Shares (Equity component)	-	-	-
Perpetual debt (Equity component only)	-	-	-
Total	501,600,000	434,829,400	264,000,000

4.26.1 Share capital detail

Particulars	2075-76	2074-75	2073-74
Authorised capital			
6,000,000 Ordinary Share of Rs. 100 each	600,000,000	600,000,000	600,000,000
Issued Capital			
4,752,000 Ordinary Share of Rs. 100 each (FY 2073-74)			475,200,000
5,016,000 Ordinary Share of Rs. 100 each(FY 2074-75)		501,600,000	
5,016,000 Ordinary Share of Rs. 100 each(FY 2075-76)	501,600,000		
Suscribed and paid up capital			
2,640,000 Ordinary Share of Rs. 100 each (FY 2073-74)			264,000,000
4,084,294 Ordinary Share of Rs. 100 each(FY 2074-75)		408,429,400	
5,016,000 Ordinary Share of Rs. 100 each(FY 2075-76)	501,600,000		
Total	501,600,000	408,429,400	264,000,000

4.26.2 Ordinary Share Ownership

Particulars	2075-76		2074-75		2073-74	
	of holding	Amount	% of holding	Amount	% of holding	Amount
Domestic ownership	100%	501,600,000	100%	434,829,400	100%	264,000,000
Nepal Government						
"A" Class licenced institutions						
Other Licenced institutions						
Other institutions & individuals						
Public	44.5%	223,212,000	40%	173,931,760	40%	105,600,000
Other	55.5%	278,388,000	60%	260,897,640	60%	158,400,000
Foreign Ownership						
Total	100%	501,600,000	100%	434,829,400	100%	264,000,000

List of Shareholders holding more than 0.5% shares

Name of Shareholders	Paid-up Amount	%	Type
Prudential Capital	131,823	2.63	Promotors
Suresh Kumar Dharewal	85,272	1.70	Promotors
Khem Raj Sapkota	85,266	1.70	Promotors
Kumar Paudel	67,288	1.34	Promotors
Kamala Joshi	59,022	1.18	Promotors
Kiran Malla	58,706	1.17	Promotors
Pitambar Joshi	57,924	1.15	Promotors
Hemraj Bhandari	56,583	1.13	Promotors
Raj Kumar Sharma	47,373	0.94	Promotors
Amazon	44,861	0.89	Promotors
Ranjita Chand	44,861	0.89	Promotors
Tika ram Lamichhane	43,252	0.86	Promotors
Shobhakhar Budhathoki	43,062	0.86	Promotors

Purna Bahadur Chand	43,061	0.86	Promoters
Amar Vahadur Bist	42,636	0.85	Promoters
Vishal Group Ltd.	42,636	0.85	Promoters
Chandra Singh Saud	40,892	0.82	Promoters
Keshav Datt Pant	39,943	0.80	Promoters
Asian Distributers P.L	38,742	0.77	Promoters
Dhundiraj Kandel	36,923	0.74	Promoters
Bhojraj Pandey	36,248	0.72	Promoters
Dinesh Bokati	36,240	0.72	Promoters
Mahesh Kumar Agrawal	36,240	0.72	Promoters
Deepak Ghale	32,658	0.65	Promoters
Bodh Prasad Tripathi	32,300	0.64	Promoters
Lok Raj Paudel	30,991	0.62	Promoters
Janak Bahadur Bhandari	29,647	0.59	Promoters
United Distributors Nepal P. Ltd	233,654	4.66	Public
Prudential Capital Management Company Pvt. Ltd	85,088	1.70	Public
Dipak Rimal	77,405	1.54	Public
Shree Ganesh Properties And Investments	56,378	1.12	Public
Kabita Lamichhane	49,361	0.98	Public
Jagannath Chalise	33,461	0.67	Public
Diwakar Kucheria	28,749	0.57	Public

Paid up share capital of the Bank has moved over the years as follows:

Financial Year	Cumulative Paid Up Capital	Remarks
Ashad 2072	120,000,000	
Issue of Bonus Share	24,000,000	
Ashad 2073	144,000,000	
Issue of Right Share @ 100 %	120,000,000	
Issue of Bonus Share	26,400,000	
Ashad 2074	290,400,000	
Issue of Right Share @ 80%	118,029,400	
Issue of Bonus Share	26,400,000	
Ashad 2075	434,829,400	
Issue of Right Share	66,770,600	
Ashad 2076	501,600,000	

4.27 Reserves

Particulars	2075-76	2074-75	2073-74
Statutory general reserve	40,896,221	27,684,053	20,461,781
Exchange equilisation reserve	-	-	-
Corporate social responsibility reserve	740,471	433,753	285,352
Capital redemption reserve			
Regulatory reserve	9,144,298	2,321,289	1,099,117
Investment adjustment reserve	-	-	-
Capital reserve			
Assets revaluation reserve	-	-	-
Fair value reserve	3,226,069	3,736,724	1,905,229
Dividend equalisation reserve			
Actuarial gain/(Loss) Reserve	(111,567)	727,093	272,074
Special reserve			
Staff Training Fund	-	258,913	168,491
Other Reserve			
Total	53,895,492	35,161,824	24,192,043

4.28 Contingent liabilities and commitments

Particulars	2075-76	2074-75	2073-74
Contingent liabilities	126,060,046	100,595,431	42,283,940
Undrawn and undisbursed facilities	125,634,046	96,812,213	42,983,940
Capital commitment	-	-	-
Lease Commitment	-	-	-
Litigation	-	-	-
Total	251,694,091	197,407,644	85,267,880

4.28.1: Contingent Liabilities

Particulars	2075-76	2074-75	2073-74
Acceptance and documentary credit			
Bills for collection			
Forward exchange contracts			
Guarantees	426,000	3,930,000	1,200,000
Underwriting commitment			
Other commitments	125,634,046	96,665,431	41,083,940
Total	126,060,046	100,595,431	42,283,940

4.28.2: Undrawn and undischursed facilities

Particulars	2075-76	2074-75	2073-74
Undisbursed amount of loans			
Undrawn limits of overdrafts	125,634,046	96,812,213	42,983,940
Undrawn limits of credit cards			
Undrawn limits of letter of credit			
Undrawn limits of guarantee			
Total	125,634,046	96,812,213	42,983,940

4.28.3: Capital commitments

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

Particulars	2075-76	2074-75	2073-74
Capital commitments in relation to Property and Equipment			
Approved and contracted for			
Approved but not contracted for	-	-	
Sub total	-	-	-
Capital commitments in relation to Intangible assets	-	-	-
Approved and contracted for	-	-	-
Approved but not contracted for	-	-	-
Sub total	-	-	-
Total	-	-	-

4.28.4: Lease commitments

Particulars	2075-76	2074-75	2073-74
Operating lease commitments			
"Future minimum lease payments under non cancellable operating lease, where the bank 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 bank is lessee			
Not later than 1 year	-	-	-
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-
Sub total	-	-	-
Grand total	-	-	-

4.28.5: Litigation

Contingent Tax Liabilities-Income Tax

Particulars	2075-76	2074-75	2073-74
-	-	-	-

4.29 Interest Income

Particulars	2075-76	2074-75
Cash and cash equivalent	34,135,174	33,120,261
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	6,864,659	3,510,685
Loans and advances to customers	396,546,760	279,043,145
Investment securities	80,000	80,128
Loan and advances to staff	1,655,505	187,865
Other Interest Income		
Total interest income	439,282,097	315,942,083

4.30 Interest Expense

Particulars	2075-76	2074-75
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	268,192,979	206,499,995
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	328,194	307,736
Total Interest expense	268,521,173	206,807,731

4.31 Fees and commission income

Particulars	2075-76	2074-75
Loan administration fees	-	-
Service fees	27,143,208	26,773,670
Consortium fees		
Commitment fees		
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	-	-
Renewal fees		
Prepayment and swap fees		
Investment banking fees		
Asset management fees		
Brokerage fees		
Remittance fees	2,743,312	2,602,325
Commission on letter of credit	-	-
Commission on guarantee contracts issued	-	-
Commission on share underwriting/issue		
Locker rental	-	-
Other fees and commission income	377,855	1,016,972
Total Fees and Commission Income	30,264,374	30,392,967

4.32 Fees and commission Expense

Particulars	2075-76	2074-75
ATM management fees	-	-
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees.		
Remittance fees and commission		
Other fees and commission expense	323,559	394,619
CIC Fees	323,559	394,619
Deposit Premium	-	-
Other Charges		
Total Fees and Commission Expense	323,559	394,619

4.33 Net Trading Income

Particulars	2075-76	2074-75
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 transation	-	-
Other	-	-
Net Trading Income	-	-

4.34 Other Operating Income

Particulars	2075-76	2074-75
Foreign exchange revauation gain	-	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties		
Dividend on equity instruments	-	-
Gain/loss on sale of property and equipment	-	-
Gain/loss on sale of investment property		
Operating lease income		
Gain/loss on sale of gold and silver		
Other Operating Income		
Total	-	-

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

Particulars	2075-76	2074-75
Impairment charge/(reversal) on loan and advances to BFIs	900,000	400,000
Impairment charge/(reversal) on loan and advances to customers	5,547,369	9,772,399
Impairment charge/(reversal) on financial Investment	-	-
Impairment charge/(reversal) on placement with BFIs		
Impairment charge/(reversal) on property and equipment		
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
Impairment charge/(reversal) on Other Assets	-	-
Total	6,447,369	10,172,399

4.36 Personal Expenses

Particulars	2075-76	2074-75
Salary	22,624,169	16,977,153
Allowances	15,541,203	11,829,105
Gratuity Expense	1,026,473	874,389
Provident Fund	1,740,576	1,222,954
Uniform	1,161,700	-
Training & development expense	1,346,910	700,730
Leave encashment	2,902,146	1,561,486
Medical	1,384,246	887,529
Insurance	422,853	368,992
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	1,655,505	187,865
Other expenses related to staff	50,000	45,000
Subtotal	49,855,781	34,655,203
Employees bonus	10,502,058	5,329,618
Grand Total	60,357,839	39,984,820

4.37 Other Operating Expenses

Particulars	2075-76	2074-75
Directors' fee	522,812	222,500
Directors' expense	1,029,130	472,615
Auditors' remuneration	548,050	339,000
Other audit related expense	704,044	222,015
Professional and legal expense	219,300	66,000
Office administration expense (4.37 A)	17,452,295	9,920,719
Operating Lease expense (4.37 B)	14,547,564	12,371,270
Operating expense of investment properties	-	-
Corporate social responsibility expense	353,890	17,000
Donation Expenses	16,555	-
Onerous lease provisions	-	-
Other Expenses	2,114,194	946,359
Repair & Maintenance Leasehold	159,330	45,210
Repair & Maintenance Vehicle	517,233	375,031
Repair & Maintenance Others	453,310	491,606
Repair & Maint.. Office Equipment & Furniture	-	-
Share Issue Expenses	-	-
Technical Fees	984,321	34,511
Total	37,507,834	24,577,477

4.37 A Office Administration Expenses

Particulars	2075-76	2074-75
Insurance	2,176,822	1,345,865
Postage, Telephone,	758,977	2,186,902
Printing & Stationery	3,160,594	1,129,244
Newspaper & Periodicals	81,157	69,201
Advertisements	171,430	175,908
Travelling Expenses	516,990	353,260
Fuel Expenses	1,031,204	1,087,337
Entertainment	586,717	386,615
AGM Expenses	1,337,017	-
Annual Membership Fee	2,185,676	1,148,749
Office Expenses	529,761	442,566
Other Committee Meeting Allowance	34,500	10,500
Business Promotion	272,866	147,664
Internship	696,350	423,950
Branch Expansion	123,741	193,708
Aniversary Expenses	677,813	274,432
Merger Expenses	395,722	-
Internet Expenses	1,877,081	-
Miscellaneous Expenses	837,877	544,817
Total	17,452,295	9,920,719

4.37 B Operating Lease Expenses

Particulars	2075-76	2074-75
House Rent Expenses	5,602,543	5,322,858
Electricity Expenses	1,795,652	1,571,020
Security Expenses	7,149,369	5,477,393
Total	14,547,564	12,371,270

4.38 Depreciation and Amortisation

Particulars	2075-76	2074-75
Depreciation on property and equipment	10,534,449	6,038,968
Depreciation on investment property	-	-
Amortisation of intangible assets	-	564,897
Total	10,534,449	6,603,865

4.39 Non Operating Income

Particulars	2075-76	2074-75
Recovery of Loan written off	-	-
Other Income	9,903,410	(10,880)
Total	9,903,410	(10,880)

4.40 Non Operating expense

Particulars	2075-76	2074-75
Loan written off	1,239,140	3,725,572
Redundancy provision		
Expense of restructuring		
Other expense.		
Total	1,239,140	3,725,572

4.41 Income Tax Expenses

Particulars	2075-76	2074-75
Current Tax Expenses	31,445,872	17,943,157
Current Year	31,445,872	17,943,157
Adjustment for Prior Years	-	-
Deferred tax Expenses	(2,988,195)	(3,619,292)
Origination and Reversal of Temporary Differences	(2,988,195)	(3,619,292)
Change in tax Rate		
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	28,457,677	14,323,865

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	2075-76	2074-75
Profit Before Tax	94,518,518	54,057,688
Tax Amount at the Rate of 30%	28,355,555	16,217,306
Add: Tax Effect of the expenses that are not deductible for tax purpose	189,899	5,486,066
Less: Tax Effect on Exempt Income	(2,971,023)	(3,648,414)
Add/Less: Tax Effect on other Items	5,885,160	(228,453)
Total Income Tax Expenses	31,459,591	17,826,505
Effective Tax Rate	33.28%	32.98%

Bhargav Bikash Bank Limited

Notes to the Financial Statements
For the year ended 31st Ashadh, 2076

5. Disclosures and Additional Information

5.1 Risk Management

In compliance with Nepal Rastra Bank Directive on 6 "Corporate Governance", the Board of bank has established a Risk Management Committee with clear terms of reference. As at the date of this report, the Bank's Risk Management Committee comprised of the following:

S.No.	Members of Risk Management Committee	Designation
1.	- Non- Executive Director	Chairperson
2.	- Audit Committee Head	Member
3.	- Chief Risk Officer	Member Secretary
4.	- Chief Operating Officer	Member

The Committee meets at least four times annually. The committee oversees and reviews the fundamental prudential risks including operational, credit, market, reputational, capital and liquidity risk etc.

The responsibilities of Risk Management Committee are as follows:

- Formulate policies and guidelines for identification, measurement, monitoring and control all major risk categories.
- Ensuring the bank has clear, comprehensive and well documented policies and procedure.
- Defining the bank's overall risk tolerance in relation to credit risk.
- Ensuring that bank's significant risks exposure is maintained at prudent levels and consistent with the available capital.

Apart from Board Level Risk Management Committee the other committees and groups as mentioned below supports for Overall Risk Management.

i) Risk Governance

Risk management committee of the bank has formed to review the credit risk, market risk and liquidity risk of the bank. Apart from this the bank has formed the Assets Liability Management Committee to monitor Liquidity risk as well as market risk, AML CFT committee in order to monitor the operational risk. The committee and subcommittee have effectively discharged their duties & responsibility.

Risk Management Department conducts periodical financial surveillance and monitoring. In addition to this, the risk management committee analyse the Stress testing of the bank as required by Nepal Rastra Bank and its impact and corrective action to mitigate the risk.

Through its risk management framework, the Bank seeks to efficiently manage credit, market and liquidity risks which arise directly through the Bank's commercial activities as well as operational, regulatory and reputational risks which arise as a normal consequence of any business undertaking. As part of this framework, the Bank uses a set of principles that describe its risk management culture. The bank has developed Risk Management Policy, Guideline & Framework 2017 to manage Credit risk, Market risk and liquidity risk.

The major risk areas and mitigation mechanism is as given below;

a) Credit Risk

Credit risk is the potential for loss due to failure of counterparty to meet its obligations to pay the Bank in accordance with agreed terms.

The bank has Credit Policy Guidelines (CPG) that, inter alia, consist of areas of lending, eligibility of borrower, loan application format and requirement, necessary documents for processing loans, risk assessment areas, loan approval authority and other general credit principles. The CPG has been formulated by keeping in mind the prudential norms given by NRB.

A standardized loan application forms has been in use for facilitating collection and analysis of all the relevant data for evaluating credit worthiness and proper evaluation of the credit risk of the prospective borrower. The factors considered in evaluating loan applications normally included prospects of business, management of firm/company, financial analysis-income statement, balance sheet, cash flow statement, key financial indicators, key risk and mitigates. Further, inspection and supervision are also conducted before approval of the loan for pre-analysis and after the disbursement of loan as well for monitoring the utilization of loan.

b) Operational Risk

Operational risk is the prospect of loss of resulting from inadequate or failed procedures, systems or policies, employee errors, system failures, fraud or other criminal activity, any event that disrupts business processes.

Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring. For the control of operational risk of institution, it has Financial Administration Policy, Employee Bylaws, operational manual, AML/CFT policy, Suspicious Transaction identification Procedure, Politically exposed person policy, which guides the day to day operation.

Each risk control owner is responsible for identifying risks that are material and for maintaining an effective control environment across the organization. Risk control owners have responsibility for the control of operational risk arising from the management of the following activities: External Rules & Regulations, Liability, Legal Enforceability, Damage or Loss of Physical Assets, Safety & Security, Internal Fraud or Dishonesty, External Fraud, Information Security, Processing Failure, and Model. Operational risks can arise from all business lines and from all activities carried out by the Bank. Operational Risk management approach seeks to ensure management of operational risk by maintaining a complete process universe defined for all business segments, products and functions processes.

c) Market Risk

Risks arising out of adverse movements in interest rates and equity prices are covered under Market Risk Management. Market Risk is the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. Institution exposure to market risk arises principally from customer driven transactions.

In line with Risk Management Guidelines prescribed by NRB, the Bank focuses on risk management in addition to that Interest rate risk is assessed at a regular interval to strengthen market risk management. The market risk is managed within the risk tolerances and market risk limits set by ALCO. ALCO regularly meets, analyse and takes decision over the Market Risk by analysing the internal as well as external factor.

d) Liquidity Risk

Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost. The Liquidity Risk is managed by ALCO. The ALCO has developed the Unified Treasury circular for overall liquidity management of bank.

e) Reputational Risk

Reputational risk is a risk of loss resulting from damages to reputation of institution, in lost revenue; increased operating, capital or regulatory costs; or destruction of shareholder value.

Reputational risk is managed by the management committee which are responsible for protecting the institution's reputation locally and has the responsibility to ensure that the Bank does not undertake any activities that may cause material damage to the reputation of institution.

f) Employee Benefit Risk

Employee benefit risk is the potential risk of loss due to having to meet shortfall in the Bank's defined benefits gratuity and leave encashment schemes.

The gross obligation for gratuity is calculated considering the salary at the time of retirement of the

individual staff and number of years' service with the Bank. The home leave can be accumulated for maximum period of 60 days for total period served by individual staff. The gross obligation for leave encashment is calculated considering the last drawn salary multiplied by no of eligible days for leave encashment.

g) Internal Control

The Board is committed to managing risks and in controlling its business and financial activities in a manner which enables it to maximize profitable business opportunities, avoid or reduce risks which can cause loss or reputational damage, ensure compliance with applicable laws and regulations and enhance resilience to external events. To achieve this, the Board has adopted policies and procedures of risk identification, risk evaluation, risk mitigation and control/monitoring.

The effectiveness of the Company's internal control system is reviewed regularly by the Board, its Committees, Management and Internal Audit. The Audit Committee has reviewed the effectiveness of the Bank's system of internal control during the year and provided feedback to the Board as appropriate. The bank has outsourced the Internal Audit function to maintain independency on the internal control system of institution. The Internal Audit monitors compliance with policies/standards and the effectiveness of internal control structures across the Company through its program of business/unit audits. The Internal Audit function is focused on the areas of greatest risk as determined by a risk-based assessment methodology. Internal Audit reports are quarterly forwarded to the Audit Committee. The findings of all audits are reported to the Chief Executive Officer and Business Heads for initiating immediate corrective measures.

**h) Any Other Risk
Compliance Risk**

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation due to failure to comply with laws, rules and standards.

Bhargav is committed to follow best practices and market standards in the areas of accountability, transparency and business ethics. The Development Bank aims at a zero tolerance of misconduct and corruption.

In the day-to-day operations the three lines of defence model defines the roles and responsibilities for compliance and integrity risk in the Development Bank.

The first line of defence lies with the respective Development Bank departments and units, which are responsible for ensuring that compliance risks are identified, understood and reported to the decision making bodies of the Development Bank and to Compliance Officer.

The second line of defence lies with Compliance Officer, which assesses and monitors the compliance and integrity risks and coordinates its control activities with the Risk Management Unit.

Internal Audit is the third line of defence.

The Compliance function assists the Development Bank in identifying, assessing, monitoring and reporting on compliance risks in matters relating to the institution, its operations and the personal conduct of staff members. The Chief Compliance Officer reports to the CEO.

Strategic Risk

Strategic risk is the risk in achieving Development Bank's strategic objectives, both from internal and external events and scenarios which prevent from achieving strategic objectives.

Strategic Risk can be further defined as:

- Exposure to loss resulting from a strategy that runs out to be inappropriate.
 - Risk associated with future plans and strategies, including plans for entering new services, expanding existing services through enhancements & merger, enhancing infrastructures etc.
- Current and prospective impact of strategic decisions made by management arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to industry change etc.

Periodic (yearly) review of the strategy is being done by Management Committee and reported to BOD regarding: status of the strategic objective's achievement as decided, execution status whether the right talent and infrastructures support the achievement of the objective or about unintended consequences of the strategy, if any for their timely corrections/updates if found to be necessary.

Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. Interest rate risk is usually assessed from two common perspectives. Earnings perspective, which focuses on the impact of variation in interest rate on accruals or reported earnings, and economic value perspective, which reflects the impact of fluctuation in the interest rates on economic value of a financial institution.

The Development Bank measures and manages interest rate risk by estimating the sensitivity of the economic value of its balance sheet to an interest rate shock. The sensitivity is measured by means of interest rates on the present value of interest-bearing assets and liabilities.

AML/CFT Risk

AML/CFT risk is related with providing financial services to money launders and terrorists for channelling of money derived from crime or aimed at funding terrorism.

The strictness of the provisions made in laws and directives reflect the seriousness of this issue; non-compliance of which may cause significant reputational risk as well as may result in adverse consequences. Development Bank have been closely monitoring the AML/CFT policies, procedures, guidelines and practices of Banks & Financial Institutions (BFIs).

A separate AML/CFT Unit is established under direct supervision and control of Compliance Officer which looks after the effective implementation and compliance of AML/CFT related prevailing Acts, Rules and Directives.

5.2 Capital Management

5.2.1 Qualitative Disclosures

The bank has maintained the capital adequacy as per Capital adequacy framework, 2007 (Updated July 2008) as required by Nepal Rastra Bank. The Capital adequacy ratio as on Ashadh end 2076 is 15.18% and 16.19% on core capital and capital fund respectively.

The Board shall be primarily responsible for ensuring the current and future capital needs of the Bank in relation to strategic objectives. The management shall review and understand the nature and level of various risks that the Bank is confronting in the course of different business activities and how this risk relates to capital levels and accordingly implement sound risk management framework specifying control measures to tackle each risk factor.

Assessment of capital adequacy of bank is done on regular basis taking into considerations the exposure of bank. Also, the analysis of possible impact on capital adequacy is being done on regular basis taking into consideration the future impacts on assumptive basis. Capital adequacy of bank and impact in capital due to future change in nature and size of business is discussed in Risk Management Committee and is summarized in board. Regular monitoring of nature of business is being done so that unexpected negative impact could not take place in capital adequacy of bank. Reporting to regulatory body is being done as prescribed by compliance department.

The internal capital adequacy assessment process (ICAAP) is a comprehensive process which requires board and senior management oversight, monitoring, reporting and internal control reviews at regular intervals to ensure the alignment of regulatory capital requirement with the true risk profile of the bank

and thus ensure long-term safety and soundness of the bank. The key components of an effective ICAAP are discussed below.

a. Board and senior management oversight

Board and senior management oversight bank management is responsible for understanding the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels. It is also responsible for ensuring that the formality and sophistication of the risk management processes is commensurate with the complexity of its operations. A sound risk management process, thus, is the foundation for an effective assessment of the adequacy of a bank's capital position.

The board of directors of the bank are responsible for setting the bank's tolerance for risks. The board also ensures that management establishes a mechanism for assessing various risks; develops a system to relate these risks to the bank's capital level and sets up a method for monitoring compliance with internal policies. It is equally important that the board installs strong internal controls and thereby an effective control environment through adoption of written policies and procedures and ensures that the policies and procedures are effectively communicated throughout the bank.

b. Sound Capital Assessment

Another crucial component of an effective ICAAP is the assessment of capital. In order to be able to make a sound capital assessment the bank should, at minimum, have the following:

- o Policies and procedures designed to ensure that the bank identifies, measures, and reports all material risks;
- o A process that related capital to the level of risk
- o A process that states capital adequacy goals with respect to risk, taking account of the bank's strategic focus and business plan; and
- o A process of internal control, reviews and audit to ensure the integrity of the overall management process.

c. Comprehensive assessment of risk

All material risks faced by the bank should be addressed in the capital assessment process. Nepal Rastra Bank recognizes that not all risks can be measured precisely. However, bank should develop a process to estimate risks with reasonable certainties. In order to make a comprehensive assessment of risks, the process should, at minimum, address the following forms of risk.

1. Credit Risk
2. Credit Concentration Risk
3. Operational Risk
4. Market Risk
5. Liquidity Risk

d. Monitoring and reporting

The bank has established an adequate system for monitoring and reporting risk exposures and assessing how the bank's changing risk profile affects the need for capital. The bank's senior management or board of directors, on a regular basis, receive reports on the bank's risk profile and capital needs. These reports allow senior management to:

- o Evaluate the level and trend of material risks and their effect on capital levels;
- o Evaluate the sensitivity and reasonableness of key assumptions used in the capital assessment measurement system;
- o Determine that the bank holds sufficient capital against the various risks and is in compliance with established capital adequacy goals; and
- o Assess its future capital requirements based on the bank's reported risk profile and make necessary adjustments to the bank's strategic plan accordingly.

e. Internal Control Review

The bank's internal control structure is essential to a sound capital assessment process. Effective control of the capital assessment process includes an independent review and, where appropriate, the involvement

of internal or external audits. The bank's board of directors has a responsibility to ensure that management establishes a system for assessing the various risks, develops a system to relate risk to the bank's capital level, and establishes a method for monitoring compliance with internal policies. The board should regularly verify whether its system of internal controls is adequate to ensure well-ordered and prudent conduct of business. The bank should conduct periodic reviews of its risk management process to ensure its integrity, accuracy, and reasonableness. Key areas that should be reviewed include:

- o Appropriateness of the bank's capital assessment process given the nature, scope and complexity of its activities;
- o Identification of large exposures and risk concentrations;
- o Accuracy and completeness of data inputs into the bank's assessment process;
- o Reasonableness and validity of scenarios used in the assessment process; and
- o Stress testing and analysis of assumptions and inputs.

5.2.2 Quantitative Disclosures

A. Core Capital			
S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	501,600,000	408,429,400
2	Proposed bonus share	-	26,400,000
3	Share premium	-	2,465,454
4	Irredeemable preferential share	-	-
5	General Reserve Fund	40,896,221	27,684,053
6	Accumulated profit/loss (Retained earnings)	49,134,444	4,360,664
7	Profit & loss a/c as per balance-sheet	-	-
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	-	-
Deductions:		(2,434,934)	(2,280,991)
	a Goodwill	-	-
	b Deferred tax assets	2,434,934	890,704
	c Investment on shares and securities in excess of limits	-	-
	d Investment to the company having financial interests	-	-
	e Fictitious Asset	-	1,390,287
	f Investment on land and building for self use not complying the Directives of NRB	-	-
	g Investment on land development and housing construction in excess of limits	-	-
	h Underwriting share not sold within the stipulated time	-	-
	i Credit and other facilities banned by the prevailing laws	-	-
Total Core Capital (A)		589,195,732	467,058,581
B. Supplementary capital			
S.N.	Description	Period	
		Current Year	Previous Years
1	Provisions of loan loss made for pass loan	35,974,556	23,467,608
2	Additional loan loss provision	-	-
3	Hybrid capital instruments	-	-
4	Unsecured Subordinated Term Debt	-	-
5	Exchange Equalization Fund	-	-
6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-	-
7	Investment adjustment Fund	3,226,069	134,821
Total Supplementary Capital (B)		39,200,625	23,602,429
C.	Total Capital Fund (A+B)	628,396,357	490,661,010
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		

1	Minimum Capital Fund Required (11.0 % of RWA)	427,071,463	332,349,156
2	Minimum Core Capital Required (5.5 % of RWA)	213,535,732	166,174,578
3	Capital Fund maintained (in %)	16.19%	16.24%
4	Core Capital maintained (in %)	15.18%	15.46%
5	Capital Fund surplus/(Deficit)	5.19%	5.24%
6	Core Capital surplus/ (Deficit)	9.68%	9.96%

5.3 Classification of Financial Assets & Financial Liabilities

Financial Assets	Amortized Cost	Fair value through other comprehensive income	Fair value through profit or loss	Total
Cash in hand	72,081,802			72,081,802
Balances with B/FIs	450,274			450,274
Money at call and short notice	943,943,649			943,943,649
Interbank placement	-			-
Balance at NRB	206,737,809			206,737,809
Derivative financial instrument				-
Loans & Advances	3,041,896,880			3,041,896,880
Government bonds	1,000,000			1,000,000
Government treasury bills	-			-
Equity investments		35,950,107		35,950,107
Other assets	3,174,443			3,174,443
Total Financial Assets	4,269,284,857	35,950,107	-	4,305,234,964
Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	3,257,143,014			3,257,143,014
Due to Banks & Financial Institutions	460,374,971			460,374,971
Due to Nepal Rastra Banks	-			-
Debt Securities	-			-
Employee related liabilities	14,370,295			14,370,295
Bills payable	-			-
Creditors and accruals	12,803,541			12,803,541
Interest payable on deposit	-			-
Interest payable on borrowing	-			-
Unpaid Dividend	605,546			605,546
Liabilities under Operating Lease	1,836,689			1,836,689
Other liabilities	408,296			408,296
Total Financial Liabilities	3,747,542,352	-	-	3,747,542,352

5.4 Operating Segment Information

5.4.1 General Information

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

5.4.2 Information about Profit or Loss, Assets and Liabilities

Particulars		Banke	Bardiya	Dang	Total
a	Revenues from external customers	186,282,600.88	130,570,133.47	206,758,297.67	523,611,032.02
b	Intersegment revenues	34,183,922.24	-	12,996,249.49	47,180,171.73
c	Net Revenue	152,098,678.64	130,570,133.47	193,762,048.18	476,430,860.29
d	Interest revenue	113,398,832.31	115,835,421.05	172,755,080.21	401,989,333.57
e	Interest expense	115,889,826.09	69,630,683.72	129,180,366.35	314,700,876.16
f	Net interest revenue	(2,490,993.78)	46,204,737.33	43,574,713.86	87,288,457.41
g	Depreciation and amortization				
h	Segment profit /(loss)	70,392,774.79	60,939,449.75	77,577,931.32	208,910,155.86
i	Entity's interest in the profit or loss of associates accounted for using equity method				-
j	Other material non-cash items:				-
	Investment and Loan loss provisions	2,065,762.12	1,087,669.66	466,609.26	3,620,041.04
				-
k	Impairment of assets				-
l	Segment assets	1,620,887,800.83	1,164,882,649.68	1,511,223,867.71	4,296,994,318.22
m	Segment liabilities	1,340,651,174.87	750,537,748.90	1,646,557,700.81	3,737,746,624.58

5.4.3 Measurement of Operating Segment Profit or Loss, Assets and Liabilities

The Bank has determined segments based on the geographical region i.e. District wise.

5.4.4 Reconciliations of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities

(a) Revenue

Total revenues for reportable segment	476,430,860
Other revenues	40,295,782
Elimination of intersegment revenues	(47,180,172)
Entity's revenues	469,546,471

(b) Profit or loss

Total profit or loss for reportable segments	208,910,156
Other profit or loss	(95,669,143)
Elimination of intersegment profits	(47,180,172)
Unallocated amounts:	
Profit before income tax	66,060,841

(c) Assets

Total assets for reportable segments	4,296,994,318
Other assets	
Unallocated amounts	62,309,576
Entity's assets	4,359,303,894

(d) Liabilities

Total liabilities for reportable segments	3,737,746,625
Other liabilities	
Unallocated liabilities	14,461,879
Entity's liabilities	3,752,208,503

5.4.5 Information about Products and Services

Revenue from each type of product & Service	Amounts
Loan & Advance	405,208,864
Money at call	33,993,233

Investment Securities	80,000
Remittance	2,586,527
Service Fees	23,740,558
Non- Funded Commission	54,847
Other Product & Services	3,882,442
Total revenue	469,546,471

5.4.6 Information about Geographical Areas

Revenue from following geographical areas:

(a)	Domestic	523,611,032
	Banke	186,282,601
	Bardia	130,570,133
	Dang	206,758,298
(b)	Foreign	-
	Total	523,611,032

5.4.7 Information about Major Customers

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

5.5 Share Options and Share based Payment

The Bank does not have any share options and share based payments.

5.6 Contingent Liabilities and Commitment

Contingent Liabilities

Where the Bank undertakes to make a payment on behalf of its customers for guarantees issued for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statements as contingent liabilities

Commitments

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

Particulars	2075-76	2074-75
Contingent liabilities	126,060,046	100,595,431
Undrawn and undisbursed facilities	125,634,046	96,812,213
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	251,694,091	197,407,644

5.7 Related Party Disclosures

The Bank identifies the following as the related parties under the requirements of NAS 24.

- Directors
- Key Management Personnel of the Bank
- Relatives of Directors and Key Managerial Personnel

FY 2075-76	FY 2074-75	FY 2073-74
Directors		
Mr. Damber Bahadur Thapa	Mr. Damber Bahadur Thapa	Mr. Damber Bahadur Thapa
Mrs. Kanti Sijapati Bhandari	Mrs. Kanti Sijapati Bhandari	Mrs. Kanti Sijapati Bhandari
Mr. Amar Bahadur Bist	Mr. Amar Bahadur Bist	Mr. Amar Bahadur Bist
Mr. Krishna Prasad Baskota	Mr. Krishna Prasad Baskota	Mr. Krishna Prasad Baskota
Mr. Jagganath Gotame	Mr. Jagganath Gotame	Mr. Jagganath Gotame

Mr. Jagdish Chandra Bhatt	Mr. Jagdish Chandra Bhatt	
Key Managerial Personnel		
Mr. Puskar Raj Joshi	Mr. Puskar Raj Joshi	Mr. Puskar Raj Joshi
Mr. Dev Raj Dhungana	Mr. Dev Raj Dhungana	Mr. Dev Raj Dhungana
Mr. Tej Bahadur Rawal	Mr. Tej Bahadur Rawal	Mr. Tej Bahadur Rawal
Mr. Komal Bista		

Transaction During the Year

Particulars	2075-76	2074-75	2073-74
Directors			
Directors Sitting Fees	522,812	222,500	233,000
Interest Paid to directors on deposits	35,084	16,767	8,541
Other directors' expenses (if any)	1,029,130	472,615	282,072
Total	1,587,026	711,882	523,613
Key Management Personnel			
Remuneration and Benefit Paid	4,952,406	3,596,326	2,847,617
Post-Retirement Benefits	440,090	110,270	503,548
Other Long-term Benefits	137,280	61,136	203,540
Borrowing during the year	8,072,602	8,364,503	-
Interest on Borrowing	693,701	81,631	-
Interest on account balances			
Other transactions benefits if any			
Total	14,296,079	12,213,866	3,554,705

Reporting Date Balances

Particulars	2075-76	2074-75	2073-74
Directors Deposits	935,321.15	299,694.89	194,400.02
KMP Deposits	123,011.78	144,872.61	3,391.76
Borrowings	8,072,601.76	8,364,502.83	-
Other Receivable payables if any			
Total	9,130,934.69	8,809,070.33	197,791.78

5.7 Merger and Acquisition

The Bank has been acquired by Shine Resunga Development Bank Ltd. and conducted Joint operation from 27th Ashwin 2076.

5.8 Additional Disclosure of Non-Consolidated Entities

Not Applicable.

5.9 Events After Reporting Date

"Bank monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are discloses in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to 31 Ashad 2076 till the signing of this financial statement."

5.10 Disclosure of effect of Transition from previous GAAP to NFRSs

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

5.11 Disclosure of effect of transition from previous GAAP to NFRSs

5.11.1. Reconciliation of equity

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Total equity under Previous GAAP		318,360,258	471,057,762	597,929,888
Adjustments under NFRSs:				
Impairment on loan and advances		-	-	-
Fair value & employees benefit accounting of staff loan		-	-	
Lease accounting	1	(699,259)	(1,220,248)	(1,836,689)
Measurement of investment securities measured at fair value		2,721,756	6,293,115	5,563,607
Measurement of investment securities measured at fair value in associates	2	-	-	-
Dividend Income from Associates				-
Revaluation of property & equipment		-		
Recognition of investment property		-	-	3,676,467
Amortisation of debt securities issued		-		
Deferred tax	3	(3,087,925)	(1,090,259)	2,476,214
Defined benefit obligation of employees	4	(934,129)	(926,918)	(2,943,851)
Goodwill/Bargain purchase gain		-		
Interest income	5	2,176,493	3,322,926	3,620,041
Other				
Non Written off Share Issue Expenses Charged		(825,390)	(1,390,287)	(1,390,287)
Proposed Dividend	6	-	30,096,000	-
Total Adjustment to equity		(648,454)	35,084,330	9,165,502
Total Equity under NFRSs		317,711,804	506,142,092	607,095,390

5.11.2. Reconciliation of profit or loss

Particulars	Explanatory Note	As at 32.03.2075 (End of last period presented under previous GAAP)	As at 31.03.2076
Previous GAAP		36,111,363	60,101,526
Adjustments under NFRSs:			
Interest income	5	1,334,299	1,952,619
Impairment of loan and advances		-	-
Employees benefit amortisation under staff loan	7	(187,865)	(1,655,505)
Defined benefit obligation of employee	4	(642,815)	(818,849)
Operating lease expense	1	(520,989)	(616,441)
Provision for Investment	8	954,938	-
Income from Investment in Associates	2	-	-
NBA Provision	9	-	3,676,467
Gain on Sales of Share Investment Classified to OCI	10	-	-
Current Tax on Gain on Sales of Share Investment Classified to OCI		-	-
Dividend from Associates		-	-
Amortisation expense of debt securities		-	-
Other operating income		-	-
Interest expense		-	-
Depreciation & Amortisation		-	-
Non Written off Share Issue Expenses Charged	13	(564,897)	-
Share Issue Expenses Charged Directly to Equity	11	388,841	618,326
Share Issue Expenses Charged Directly to Equity-Tax Impact	12	(116,652)	(185,498)
Others		-	-
Deferred Tax	3	2,977,600	2,988,195
Total Adjustment to profit or loss		3,622,459	5,959,314
Profit or loss under NFRSs		39,733,822	66,060,841
Other Comprehensive Income		2,286,514	(1,349,315)
Total Comprehensive income under NFRSs		42,020,336	64,711,526

Notes

- 1) Rent Expenses booked over the rent period on equal amount on SLM Basis
- 2) Valuation made for associate company
- 3) Deferred Tax effect of all adjustment
- 4) Gratuity Expenses booked as per actuarial valuation
- 5) Accrued Interest Receivable booked on accrual basis which in approximate to Effective Interest Rate
- 6) Liability Created for Proposed Dividend Reversed
- 7) Interest on Staff loan charged to finance income and staff cost
- 8) Investment Provision made in P/L of local gaap reversed and charged to oci for investment classified as Fair value through OCI
- 9) Gain on Sell of share classified to OCI charged directly to equity
- 10) Tax effect of Gain on Sell of share classified to OCI charged directly to equity
- 11) Avoidable Share issue expenses directly charged to equity
- 12) Tax effect of Avoidable Share issue expenses directly charged to equity
- 13) Effect of not written of Share issue expenses.

Bhargav Bikash Bank Limited

Notes forming part of the Financial Statements

5.11.3. Effect of NFRSs adoption for the statement of financial position

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)				As at 32.03.2075 (End of last period presented under previous GAAP)				As at 31.03.2076		
		Previous GAAP	Effect of Transition to NFRS	Opening NFRS SFP	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	Effect of Transition to NFRS	Amount as per NFRS
Cash and Cash Equivalents		651,824,990	-	651,824,990	980,597,663	-	980,597,663	1,016,475,726	-	1,016,475,726	-	1,016,475,726
Due from Nepal Rastra Bank		114,287,155	-	114,287,155	140,984,791	-	140,984,791	206,737,809	-	206,737,809	-	206,737,809
Placement with Bank and Financial Institutions		-	-	-	-	-	-	-	-	-	-	-
Derivative Financial Instruments		-	-	-	-	-	-	-	-	-	-	-
Other Trading Assets		-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to BFIs		9,900,000	-	9,900,000	49,500,000	-	49,500,000	138,614,247	-	138,614,247	-	138,614,247
Loans and Advances to Customers	1	1,432,149,837	14,091,604	1,446,241,441	2,319,134,650	25,940,017	2,345,074,667	2,829,324,709	37,983,367	2,867,308,077	-	2,867,308,077
Investment Securities	2	13,963,634	2,721,755	16,685,389	28,386,896	6,293,115	34,680,011	31,386,502	5,563,604	36,950,107	-	36,950,107
Current Tax Assets		2,629,233	-	2,629,233	3,797,760	-	3,797,760	2,629,233	5,829,036	8,458,269	-	8,458,269
Investment in Subsidiaries		-	-	-	-	-	-	-	-	-	-	-
Investment in Associates		-	-	-	-	-	-	-	-	-	-	-
Investment Property	3	-	-	-	-	-	-	-	3,676,467	3,676,467	-	3,676,467
Property and Equipment	4	51,327,174	(0)	51,327,174	84,721,140	0	84,721,140	59,540,081	-	59,540,081	-	59,540,081
Goodwill and Intangible Assets	5	2,003,515	0	2,003,515	2,444,389	(0)	2,444,389	2,434,934	-	2,434,934	-	2,434,934
Deferred Tax Assets	6	249,012	(249,012)	-	890,704	(890,704)	-	890,704	2,476,214	3,366,918	-	3,366,918
Other Assets	7	21,327,968	(12,740,501)	8,587,467	38,370,330	(24,007,377)	14,362,952	57,323,910	(41,582,649)	15,741,261	-	15,741,261
Total Assets		2,299,662,518	3,823,846.01	2,303,486,364	3,648,828,323	7,335,051	3,656,163,373	4,345,357,854	13,946,039	4,359,303,893	-	4,359,303,893

Particulars	Explanatory Note	As at 01.04.2074 (Date of Transition)			As at 32.03.2075 (End of last period presented under previous GAAP)			As at 31.03.2076		
		Previous GAAP	Effect of Transition to NFRS	Opening NFRS SFP	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS	Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Due to Bank and Financial Institutions		-	-	-	460,374,971	-	460,374,971	460,374,971	-	460,374,971
Due to Nepal Rastra Bank		-	-	-	-	-	-	-	-	-
Derivative Financial Instruments		-	-	-	-	-	-	-	-	-
Deposits from Customers	8	1,962,067,114	(0)	1,962,067,114	2,653,174,872	(0)	2,653,174,872	3,257,143,014	-	3,257,143,014
Borrowings		-	-	-	-	-	-	-	-	-
Current Tax Liabilities		-	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities		-	2,838,912	2,838,912	-	199,555	199,555	-	-	-
Other Liabilities	9	19,235,146	1,633,387	20,868,533	64,220,718	(27,948,835)	36,271,883	34,909,980	(219,463)	34,690,518
Debt Securities Issued		-	-	-	-	-	-	-	-	-
Subordinated Liabilities		-	-	-	-	-	-	-	-	-
Total Liabilities		1,981,302,260	4,472,300	1,985,774,560	3,177,770,561	(27,749,280)	3,150,021,281	3,752,427,966	(219,463)	3,752,208,503
Equity										
Share Capital	10	290,400,000	(26,400,000)	264,000,000	434,829,400	-	434,829,400	501,600,000	-	501,600,000
Share Premium	11	-	9,792,971	9,792,971	2,465,454	-	2,465,454	2,465,454	-	2,465,454
Retained Earnings	12	6,515,385	13,211,406	19,726,790	4,360,664	29,324,750	33,685,415	64,462,191	(15,327,746)	49,134,444
Reserves	13	21,444,873	2,747,170	24,192,043	29,402,243	5,759,581	35,161,824	29,402,243	24,493,249	53,895,492
Total Equity Attributable to Equity Holders		318,360,258	(648,454)	317,711,804	471,057,762	35,084,331	506,142,093	597,929,888	9,165,502	607,095,391
Non Controlling Interest				-	-					
Total Equity		318,360,258	(648,454)	317,711,804	471,057,762	35,084,331	506,142,093	597,929,888	9,165,502	607,095,391
Total Liabilities and Equity		2,299,662,518	3,823,846	2,303,486,364	3,648,828,323	7,335,051	3,656,163,374	4,350,357,854	8,946,040	4,359,303,894

Notes

- 1) Accrued interest on loans booked on accrual basis and present value of staff loan reclassified to loans and advances to customers.
- 2) Investment securities recognized at FV and accrued interest on bond reclassified as investment securities.
- 3) Investment Property reclassified and measured at fair value.
- 4) Fixed Asset reclassified as Investment property.
- 5) Reclassification of expenses not written off to goodwill and intangible assets.
- 6) Deferred Tax effect of all adjustment
- 7) Effect of reclassification of staff loan, expenses not written off and accrued interest on loans and advances.
- 8) Reclassification of matured Fixed Deposit
- 9) Rent Expenses booked over the rent period on equal amount on SLM Basis and gratuity liability booked as per actuarial valuation.
- 10) Effect of reversal of proposed bonus share and proposed dividend.
- 11) Effect of reversal of proposed bonus share from share premium.
- 12) Effect on profit due to adjustments of NFRS.
- 13) Effect of proposed bonus share from share premium

5.11.4. Effect of NFRSs adoption for statement of profit or loss and other comprehensive income

Particulars	Explanatory Note	As at 31.03.2075 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Interest Income	1	314,607,785	1,334,299	315,942,083
Interest Expense	2	(206,499,995)	(307,736)	(206,807,731)
Net Interest Income		108,107,790	(1,026,563)	109,134,353
Fee and Commission Income		30,392,967	-	30,392,967
Fee and Commission Expense		34,511	360,107	394,619
Net Fee and Commission Income		30,358,455	360,107	29,998,348
Net Interest, Fee and Commission Income		138,466,245	(666,455)	139,132,701
Net Trading Income		-	-	-
Other Operating Income	3	(10,880)	10,880	-
Total Operating Income		138,455,365	(677,335)	139,132,701
Impairment Charge/ (Reversal) for Loans and Other Losses	4	11,127,337	(954,938)	10,172,399
Net Operating Income		127,328,028	(1,632,273)	128,960,301
Operating Expense				
Personnel Expenses	5	39,461,876	522,944	39,984,820
Other Operating Expenses	6	24,805,436	(227,959)	24,577,477
Depreciation & Amortisation	7	6,038,968	564,897	6,603,865
Operating Profit		57,021,748	(772,391)	57,794,139
Non Operating Income		-	(10,880)	(10,880)
Non Operating Expense		3,725,572	-	3,725,572
Profit Before Income Tax		53,296,176	(761,511)	54,057,688
Income Tax Expense				
Current Tax	8	17,826,505	116,652	17,943,157
Deferred Tax	9	(641,692)	(2,977,600)	(3,619,292)
Profit for the Period		36,111,363	(3,622,459)	39,733,822
Other Comprehensive Income, Net of Income Tax				
a) Items that will not be reclassified to profit or loss				
• Gains/(losses) from investment in equity instruments measured at fair value	10	-	2,616,421	2,616,421
• Gains/(losses) on revaluation		-	-	-
• Actuarial gain/(losses) on defined benefit plans	11	-	650,027	650,027
• Income tax relating to above items	12	-	(979,934)	(979,934)
Net other comprehensive income that will not be reclassified to profit or loss		-	2,286,514	2,286,514
b) Items that are or may be reclassified to profit or loss				
• Gains/(losses) on cash flow hedge		-	-	-
• Exchange gains/(losses) (arising from translating financial assets of foreign operation)		-	-	-
• Income tax relating to above items		-	-	-
• Reclassify to profit or loss		-	-	-
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-
c) Share of other comprehensive income of associate accounted as per equity method				
Other Comprehensive Income for the Period, Net of Income Tax		-	2,286,514	2,286,514
Total Comprehensive Income for the Period		36,111,363	(1,335,946)	42,020,336

Notes

- 1) Interest Receivable on loan has been booked on accrual basis and interest difference in staff loan has also been charged.
- 2) Interest expense on calculation of Gratuity expense
- 3) Profit on sale of investment has been reclassified
- 4) Reversal of Loan loss provision
- 5) Bonus has been charged as staff expense and finance cost of staff loan has also been charged.
- 6) Rent expense has been charged on SLM basis
- 7) Reclassification of written off expense as depreciation and ammortization
- 8) Income tax related to share issue expense and gain on sale of investment reclassified through equity.
- 9) Deferred Tax effect of all adjustment
- 10) Changes in Fair value and cost of investment classified to OCI
- 11) Actuarial Gain/ loss recognized in OCI of Gratuity Liability
- 12) Deferred Tax Adjustment on item of OCI

5.11.5. Effect of NFRSs adoption for statement of cash flows

Particulars	Explanatory Note	As at 32.03.2075		
		Previous GAAP	Effect of Transition to NFRS	Amount as per NFRS
Net cash flows from operating activities	1	267,776,628	(30,081,902)	237,694,725
Net cash flows from investing activities	2	(58,988,469)	3,171,563	(55,816,906)
Net cash flows from financing activities	3	146,682,141	212,713	146,894,854
Net increase/(decrease) in cash and cash equivalent		355,470,300	(26,697,627)	328,772,673
Effect of exchange rate fluctuations on cash and cash equivalents held			-	-
Cash and cash equivalent at the beginning of the period	4	355,470,309	296,354,681	651,824,990
Cash and cash equivalent at the end of the period		766,112,145	214,485,519	980,597,663

* Explanatory note is required for each line item presented in adjustment on which transition effect has been arisen

Notes:

- 1) Money at call treated as cash and cash equivalents in NFRS, Investment securities classified as investment activity in NFRS
- 2) Investment securities classified as investment activity in NFRS
- 3) Money at Call treated as Cash and Cash Equivalents

5.12 Proposed Dividend

The Bank has not proposed any bonus share and dividend due to acquisition of the bank. The bank has been acquired by Shine Resunga Development Bank Ltd and started its joint operation from 27th Ashwin 2076.

5.13 Earnings per share

The Bank measures earning per share on the basis of the earning attributable to the equity shareholders for the period. The number of shares is taken as the weighted average number of shares for the relevant period as required by NAS 33: Earnings per Share.

Particulars	2075-76	2074-75
Earning attributable to equity shareholders (NPR)	66,060,840.77	39,733,822.33
Weighted average number of shares for the period	5,016,000.00	5,016,000.00
Basic Earning per share (NPR)	13.17	7.92

5.14 Loan Written Off

During the FY 2075/76 bank has written off loan and receivable of borrower Shubham Itta Udhyog of Kohalpur Branch amounting to NPR 1,239 thousand.

5.15 Reserves

5.15.1 General Reserve

The movement in general reserve during the year is as follows;

Opening Balance	27,684,053
Transfer as per BAFIA	13,212,168
Closing Balance	40,896,221

General Reserve maintained pertains to the regulatory requirement of the Bank and Financial Institutions Act, 2073. There is a regulatory requirement to set aside 20% of the net profit to the general reserve until the reserve is twice the paid-up capital and thereafter minimum 10% of the net profit.

20% of the current year's net profit amounting to NPR 13,212,168 has been transferred to General Reserve.

5.15.2 Investment Adjustment Reserve

Investment adjustment reserve has not been created in FY 2075/76 as the bank has considered all the investment in quoted equity is trading assets. The details of the investment in quoted and unquoted equity are as follows:

Particulars	Fair Value
Investment Shares (Quoted Equity)	
Barun Hydro Power Co. Ltd. 10 shares of Rs. 100 each	1,500
Laxmi Laghubitta Bittiya Sanstha Ltd. 41 shares of Rs. 100 each	45,018

Vijay Laghubitta Bittiya Sanstha Ltd. 23 shares of Rs. 100 each	17,595
Civil Laghubitta Bittiya Sanstha Ltd. 15 shares of Rs. 100 each	11,055
Neco Insurance Ltd. 11,326 shares of Rs. 113.38 each	6,319,908
Api Power Co. Ltd. 26 shares of Rs. 100 each	7,384
Global IME Laghubitta Bittiya Sanstha Ltd. 16 shares of Rs. 100 each	19,968
Reliable Micro Finance Company Ltd. 10 shares of Rs. 100 each	-
Jalbidyut Lagani Co. Ltd. 4,374 shares of Rs. 100 each	677,970
Mero Micro Finance Ltd. 41 shares of Rs. 100 each	87,480
Divyashwori Hydro Power Co. Ltd. 11 Shares of Rs. 100 each	1,188
NMB Sulav Invesmtent Fund – I 65,250 units of Rs. 10 each	706,658
Global IME Mutual Fund 474,700 units of Rs. 10 each	3,977,986
NMB Hybrid Fund – I 78,870 units of Rs. 10 each	854,162
NIC Asia Equity Fund 500,000 units of Rs. 10 each	5,090,000
Siddhartha Equity Fund 500,000 units of Rs. 10 each	5,000,000
Sanima Equity Fund 500,000 units of Rs. 10 each	4,700,000
Swadeshi Laghubitta Sanstha Ltd 12 shares of Rs. 100 each	20,040
Banking finance and Insurance Company 25000 shares of Rs. 100 each	2,500,000
Suryalife Insurance 4996 shares of Rs. 100 each	499,603
Subtotal	30,537,515
Investment in Unquoted equity	
Jyoti Life Insurance Co 50,000 promotor shares of Rs. 100 each	5,000,000
Nepal Clearing House Ltd. 4,126 shares of Rs. 100 each	412,600
Subtotal	5,412,600
Grand Total	35,950,115

5.15.3 Regulatory Reserve

Regulatory reserves include any amount derived as result of NFRS conversion and adoption with effect in retained earnings and deferred tax reserves. As required by NRB Directive 4, the Bank has created Regulatory Reserve and movement of reserve during the year is as follows:

Particulars	Amounts
Opening Balance	2,321,289
Transfer from RE to Regulatory Reserve against NBA	2,316,174
Transfer from RE to Regulatory Reserve against Deferred Tax	3,366,918
Transfer from RE to Regulatory Reserve against Actuary Reserve	838,660
Transfer from RE to Regulatory Reserve against FV Reserve	114,075
Transfer from RE to Regulatory Reserve against Interest Receivable	187,182
Closing Balance	9,144,298

5.15.4 Corporate Social Responsibility

Particulars	Amount
Opening Balance	433,753
Transfer to Reserve	660,608
Expensed during the year	(353,890)
Closing Balance	740,471

As per the NRB Directive 6.16 on the Corporate Social Responsibility, the Bank has allocated 1% of the net profit after tax of current fiscal year for CSR activities. The amount allocated for corporate social responsibility reserve is NPR 660,606 for current year.

5.16 Disclosure related to Training Expenses

As per NRB Directive 6(6), Bank should spend 3% of total personnel expense of previous year on training and personal development of employees. Accordingly, the Bank has spent NPR 1,346,910 during the FY 2075/76 on development of human resources.

5.17 Previous Year Figures are re-grouped and re-arranged wherever necessary as follows:

Previous year figures are regrouped and rearranged wherever necessary for better presentation.

Bhargav Bikas Bank Limited

Comparison of Statement of Financial Position

As on 31st Ashad 2076

Particulars	Notes	As per Unaudited 31 Ashad 2076	As per Audited 31 Ashad 2076	Variance		Reasons for Variance
				In Amount	%	
Assets						
Cash and cash equivalent	4.1	1,041,333,785	1,016,475,726	24,858,059	2.39	NFRS adjustment
Due from Nepal Rastra Bank	4.2	206,737,809	206,737,809	0	0.00	
Placement with Bank and Financial Institutions	4.3	-	-	-	0.00	
Derivative financial instruments	4.4	-	-	-	0.00	
Other trading assets	4.5	-	-	-	0.00	
Loan and Advances to B/FIs	4.6	-	138,614,247	(138,614,247)	0.00	Reclassification of Loans and Advances to MFI's
Loans and advances to customers	4.7	3,014,452,557	2,867,308,077	147,144,480	4.88	Reclassification of Loans and Advances, increase in LLP and derecognition of AIR of bad loan
Investment in securities	4.8	36,927,458	36,950,107	(22,649)	-0.06	Revision of fair value of securities
Current Tax Assets	4.9	11,298,332	8,458,269	2,840,063	25.14	Tax calculation as per NFRS profit
Investment in subsidiaries	4.10	-	-	-	0.00	
Investment in Associates	4.11	-	-	-	0.00	
Investment property	4.12	-	3,676,467	(3,676,467)	0.00	
Property and equipment	4.13	61,849,470	59,540,081	2,309,389	3.73	
Goodwill and Intangible Assets	4.14	2,631,524	2,434,934	196,590	7.47	
Deferred tax assets	4.15	-	3,366,918	(3,366,918)	0.00	
Other assets	4.16	11,374,030	15,741,261	(4,367,231)	-38.40	
Total Assets		4,386,604,965	4,359,303,893	27,301,072	27,301,072	
Liabilities						
Due to Bank and Financial Institutions	4.17	460,374,971	460,374,971	(0)	0.00	
Due to Nepal Rastra Bank	4.18	-	-	-	0.00	
Derivative Financial Instruments	4.19	-	-	-	0.00	
Deposit from customers	4.20	3,277,143,014	3,257,143,014	20,000,000	0.61	
Borrowings	4.21	-	-	-	0.00	
Current Tax Liabilities	4.9	-	-	-	0.00	
Provisions	4.22	-	-	-	0.00	
Deferred tax liabilities	4.15	1,397,945	-	1,397,945	100.00	Audit and NFRS adjustment
Other liabilities	4.23	33,276,180	34,690,518	(1,414,338)	-4.25	Audit and NFRS adjustment
Debt securities issued	4.24	-	-	-	0.00	
Subordinated Liabilities	4.25	-	-	-	0.00	
Total liabilities		3,772,192,110	3,752,208,503	19,983,607	19,983,607	
Equity						
Share Capital	4.26	501,600,000	501,600,000	-	0.00	
Share Premium		2,465,454	2,465,454	(0)	0.00	
Retained Earning		55,011,891	49,134,444	5,877,447	10.68	Audit and NFRS adjustment
Reserves	4.27	55,335,509	53,895,492	1,440,017	2.60	Audit and NFRS adjustment
Total equity attributable to equity holders		614,412,855	607,095,391	7,317,464	1.19	
Non-controlling interests				-	-	
Total equity		614,412,855	607,095,391	7,317,464	-	
Total liabilities and equity		4,386,604,965	4,359,303,894	27,301,071	19,983,607	
Contingent liabilities and commitment	4.28	-	251,694,091	251,694,091	251,694,091	Disclosure of contingent liabilities
Net assets value per share		121.38	121.03			

Bhargav Bikas Bank Limited

Comparison of Statement of Profit or Loss

For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Interest Income	4.29	437,893,398	439,282,097	(1,388,699)	(0)	AIR of bad loan derecognised with retrospective effect
Interest Expense	4.30	(268,192,979)	(268,521,173)	328,194	(0)	
Net interest income		169,700,419	170,760,924	(1,060,505)	(1)	
Fees and Commission Income	4.31	30,681,724	30,264,374	417,350	1	
Fees and Commission Expense	4.32	323,559	323,559	(0)	(0)	
Net fee and Commission income		30,358,165	29,940,815	417,350	1	
Net interest fee and commission income		200,058,584	200,701,739	(643,155)	(0)	
Net Trading Income	4.33	-	-	-	-	
Other Operating Income	4.34	9,903,410	-	9,903,410	100	
Total operating income		209,961,994	200,701,739	9,260,255	4	
Impairment charge/(reversal) for loans and other losses	4.35	6,447,369	6,447,369	0	0	
Net Operating income		203,514,625	194,254,370	9,260,255	5	
Operating expenses					-	
Personal Expense	4.36	58,432,755	60,357,839	(1,925,084)	(3)	Revision of staff bonus due to audit and NFRS adjustment
Other Operating Expenses	4.37	37,092,744	37,507,834	(415,090)	(1)	Audit adjustment
Depreciation and amortisation	4.38	9,267,612	10,534,449	(1,266,837)	(14)	
Operating Profit		98,721,514	85,854,249	12,867,265	13	
Non operating income	4.39	-	9,903,410	(9,903,410)	-	
Non operating expense	4.40	-	(1,239,140)	1,239,140	-	
Profit before income tax		98,721,514	94,518,518	4,202,996	4	
Income tax expense	4.41	28,856,062	28,457,677	398,385	1	
Current tax		28,399,404	31,445,872	(3,046,468)	(11)	Calculation of income tax as per NFRS profit
Deferred tax income		456,658	(2,988,195)	3,444,853	754	Audit and NFRS adjustment
Profit for the period		69,865,452	66,060,841	3,804,611	5	
Profit attributable to:						
Equity holders of the bank		69,865,452	66,060,841	3,804,611	5	
Non-controlling interest		-	-	-	-	
Profit for the period		69,865,452	66,060,841	3,804,611	5	
Earnings per share:						
Basic earnings per share		13.93	13.17			
Diluted earnings per Share						

Bhargav Bikas Bank Limited
Comparative Statement of Other Comprehensive Income
For the year ended 31 Ashad 2076

	Notes	As per Unaudited 2075-76	As per Audited 2075-76	Variance		Reasons for Variance
				In Amount	%	
Profit for the period		69,865,452	66,060,841	3,804,611	5	
Other comprehensive income, net of income tax			-			
a) Items that will not be reclassified to profit or loss			-			
• Gains/(losses) from investment in equity instruments measured at fair value		(526,511)	(729,507)	202,996	(38.56)	Revision of fair value of securities
• Gains/(losses) on revaluation			-	-	-	
• Actuarial gain/(losses) on defined benefit plans		-	(1,198,085)	1,198,085	-	
• Income tax relating to above items		-	578,278	(578,278)	100	Tax effect of revision of fair value of securities
Net other comprehensive income that will not be reclassified to profit or loss		(526,511)	(1,349,315)	822,804	61	
b) Items that are or may be reclassified to profit or loss			-	-		
• Gains/(losses) on cash flow hedge			-	-		
• Exchange gains/(losses)(arising from translating financial assets of foreign operation)			-	-		
• Income tax relating to above items			-	-		
• Reclassify to profit or loss			-	-		
Net other comprehensive income that are or may be reclassified to profit or loss		-	-	-	-	
c) Share of other comprehensive income of associate accounted as per equity method			-	-		
			-	-		
Other comprehensive income for the period, net of Income Tax		(526,511)	(1,349,315)	822,804	61	
Total comprehensive income for the period		69,338,941	64,711,526	4,627,415	67	
			-			
Total comprehensive income attributable to:		-	-			
Equity holders of the Bank		69,338,941	64,711,526	4,627,415	7	
Non-controlling interest		-	-	-	-	
Total Comprehensive income for the period		69,338,941	64,711,526	4,627,415	7	

Bhargav Bikash Bank Limited

Major Indicator
Previous Five Years Indicator

	Detail	Index	Financial Year				
			2071-72	2072-73	2073-74	2074-75	2075-76
1	Net Profit/Total Income	%	47.10%	33.46%	27.08%	26.07%	14.07%
2	Earning Per Share (E.P.S)	Rs	25.84	21.44	10.81	8.84	13.17
3	Market Price Per share (M.P.S)	Rs	306	555	292	134.00	199.00
4	PE Ratio	Ratio	11.84	25.88	27.02	15.16	15.11
5	Dividend Per Share	%	20.00%	20.00%	6%	6%	0%
6	Cash Dividend Per share	%	1.05%	1.05%	0%	6%	0%
7	Interest Income/Total Loan & Advance	%	13.06%	12.74%	14.08%	13.12%	14.61%
8	Employee Cost/ Total Operating Cost	%	16.55%	13.34%	15.56%	12.40%	55.51%
9	Interest Expenses on Saving & Fixed Deposit	%	5.20%	5.52%	5.93%	6.63%	8.81%
10	Exchange Fluctuation Income/ Total Income	%	-	-	-	-	-
11	Employee Bonus/ Total Employee Cost	%	26.74%	22.97%	15.68%	15.61%	17.40%
12	Net Profit/Total Loan & Advance	%	3.43%	2.24%	1.95%	1.51%	2.20%
13	Net Profit/Total Assets	%	2.19%	1.50%	1.24%	0.99%	1.52%
14	Total Loans & advance / Total Deposit	%	72.89%	74.53%	74.48%	77.02%	80.86%
15	Total operating Cost/Total Assets	%	7.09%	7.03%	7.37%	7.54%	2.49%
16	Risk Weighted Capital Adequacy Ratio						
	(i) Primary Capital	%	14.69%	11.35%	17.72%	15.46%	15.18%
	(ii) Supplementary Capital	%	0.81%	0.82%	0.85%	0.78%	1.01%
	(iii) Capital Adequacy Ratio	%	15.50%	12.18%	18.57%	16.24%	16.41%
17	CRR	%	5.31%	5.31%	5.22%	5.05%	5.58%
18	NPA/ Total Loan	%	0.09%	0.12%	0.89%	0.30%	0.51%
19	Base Rate	%			12.34%	12.59%	12.12%
20	Weighted Average Interest Rate Spread	%	6.40%	6.65%	6.70%	6.57%	5.82%
21	Book Network	Rs	136,950,000.00	161,424,000.00	318,357,600.00	471,041,627.02	607,389,658.65
22	Total No Of share	No.	1,000,000.00	1,200,000.00	2,640,000.00	4,084,294.00	5,016,000.00
23	Total No Of Employee	No.	47	56	95	115	130
24	Others						

Bhargav Bikash Bank Limited

Statement of Capital Fund
2076 Ashad end

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	501,600,000	408,429,400.00
2	Proposed bonus share	-	26,400,000.00
3	Share premium	-	2,465,454.10
4	Irredeemable preferential share	-	-
5	General Reserve Fund	40,896,221	27,684,053.10
6	Accumulated profit/loss (Retained earnings)	49,134,444	4,360,664.39
7	Profit & loss a/c as per balance-sheet		
8	Capital Redemption Reserve Fund	-	-
9	Capital Adjustment Fund	-	-
10	Calls in advance	-	-
11	Other Free Reserves	-	-
Deductions:		(2,434,934)	(2,280,990.52)
	a Goodwill	-	-
	b Deferred tax assets	2,434,934	890,704.00
	c Investment on shares and securities in excess of limits		
	d Investment to the company having financial interests		
	e Fictitious Asset	-	1,390,286.52
	f Investment on land and building for self use not complying the Directives of NRB	-	-
	g Investment on land development and housing construction in excess of limits		
	h Underwriting share not sold within the stipulated time		
	i Credit and other facilities banned by the prevailing laws		
Total Core Capital (A)		589,195,732	467,058,581.07

B. Supplementary capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Provisions of loan loss made for pass loan	35,974,556	23,467,607.98
2	Additional loan loss provision	-	-
3	Hybrid capital instruments		-
4	Unsecured Subordinated Term Debt		-
5	Exchange Equalization Fund	-	-
6	Assets revaluation Fund (max. 2% of Supplementary capital is added automatically)	-	-
7	Investment adjustment Fund	3,226,069	134,820.68
Total Supplementary Capital (B)		39,200,625	23,602,428.66
C.	Total Capital Fund (A+B)	628,396,357	490,661,009.73
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	427,071,463	332,349,156.43
2	Minimum Core Capital Required (5.5 % of RWA)	213,535,732	166,174,578.21
3	Capital Fund maintained (in %)	16.19%	16.24%
4	Core Capital maintained (in %)	15.18%	15.46%
5	Capital Fund surplus/(Defisit)	5.19%	5.24%
6	Core Capital surplus/ (Defisit)	9.68%	9.96%

Bhargav Bikash Bank Limited
Statement of Risk Weighted Assets (RWA)
2076 Ashad

A. On-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Cash Balance	-	72,081,802	-	67,690,699.45	-
2	Gold (Tradable)	-	-	-	-	-
3	NRB Balance	-	206,737,809	-	140,984,790.82	-
4	Investment to Govt. Bond	-	1,000,000	-	-	-
5	Investment to NRB Bond	-	-	-	-	-
6	Loan against Own FD	-	47,425,305	-	28,787,579.35	-
7	Loan against Govt. Securities	-	-	-	-	-
8	Accrued interests on Govt. bond	-	-	-	-	-
9	Investment to Youth Self-employment Fund	-	-	-	-	-
10	Balance on domestic banks and financial institutions	20	460,374,971	92,074,994	15,664,549.06	3,132,910
11	Loan against other banks' and financial institutions' FD	20	-	-	-	-
12	Foreign bank balance	20	-	-	-	-
13	Money at call	20	943,943,649	188,788,730	897,242,414.48	179,448,483
14	Loan against internationally rated bank guarantee	20	-	-	-	-
15	Investment to internationally rated Banks	20	-	-	-	-
16	Inter-bank lending	20	-	-	-	-
17	Investment on shares/debentures/bonds	100	35,950,107	35,950,107	29,341,834.19	29,341,834
18	Other investments	100	-	-	-	-
19	Loans & advances, bills purchase/discount	100	2,994,471,575	2,994,471,575	2,369,374,258.07	2,369,374,258
20	Fixed assets	100	61,975,015	61,975,015	116,904,438.80	116,904,439
21	Net interest receivables (Total IR - 8 - Interest suspense)	100	-	-	-	-
22	Gross Non-Banking Asset	100	-	-	-	-
23	Other assets (Except advance tax payment)	100	15,741,261	15,741,261	39,261,033.05	39,261,033
24	Real estate/residential housing loans exceeding the limits	150	-	-	-	-
Total On-Balance-sheet Items (A)			4,839,701,494	3,389,001,681	3,705,251,597.27	2,737,462,957

B. Off-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Bills collection	-	-	-	-	-
2	Forward foreign exchange contract	10	-	-	-	-
3	L/C with maturity less than six months (Outstanding value)	20	-	-	-	-
4	Guarantee against International rated bank's counter guarantee	20	-	-	-	-
5	L/C with maturity more than six months (Outstanding value)	50	-	-	-	-
6	Bid bond, performance bond and underwriting	50	426,000	213,000	3,930,000.00	1,965,000
7	Loan sale with repurchase agreement	50	-	-	-	-
8	Advance payment guarantee	100	125,634,046	125,634,046	-	-
9	Financial and other guarantee	100	-	-	-	-
10	Irrevocable loan commitment	100	125,634,046	125,634,046	96,665,430.83	96,665,431
11	Possible liabilities for income tax	100	-	-	-	-
12	All types of possible liabilities including acceptance	100	-	-	-	-
13	Rediscounted bills	100	-	-	-	-
14	Unpaid portion of partly paid share investment	100	-	-	-	-
15	Unpaid guarantee claims	200	-	-	-	-
16	Claimed possible liabilities but not accepted	200	-	-	-	-
17	Amount to be maintained for operational risk (5% of Total Assets)	100	241,985,075	241,985,075	185,262,579.86	185,262,580
Total Off-Balance-sheet Items (B)			493,679,166	493,466,166	285,858,010.69	283,893,011
Total Risk Weighted Assets (A) + (B)				3,882,467,847		3,021,355,968

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड
प्रबन्ध-पत्रमा गरिएको संशोधन तथा थप (तीन महले)

हालको व्यवस्था	प्रस्तावित व्यवस्था	संशोधन गर्नुको औचित्य
<p>दफा ६ : विकास बैंकको पूँजी संरचना</p> <p>(ख) विकास बैंकको जारी पूँजी रु. २,६२,२९,०४,१२३/९० (अक्षरेपी दुई अर्ब बैसठ्ठी करोड उनन्तीस लाख चार हजार एक सय तेइस रुपैया र पैसा नब्बे मात्र) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरले २,६२,२९,०४१/२४ (दुई करोड बैसठ्ठी लाख उनन्तीस हजार एकचालीस दशमलव चौबीस) थान साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>(ग) विकास बैंकको चुक्ता पूँजी रु. २,६२,२९,०४,१२३/९० (अक्षरेपी दुई अर्ब बैसठ्ठी करोड उनन्तीस लाख चार हजार एक सय तेइस रुपैया र पैसा नब्बे मात्र) हुनेछ ।</p> <p>ड (१) संस्थापक शेयर समूहको शेयर स्वामित्व ५८.५६ प्रतिशत हुनेछ ।</p> <p>ड (२) सर्वसाधारण शेयर समूहको शेयर स्वामित्व ४१.४४ प्रतिशत हुनेछ ।</p>	<p>दफा ६ : विकास बैंकको पूँजी संरचना</p> <p>(ख) विकास बैंकको जारी पूँजी रु. ३,०१,६३,३९,७४२/४९ (अक्षरेपी तीन अर्ब एक करोड त्रिसठ्ठी लाख उनन्चालीस हजार सात सय बयालीस रुपैया र पैसा उनन्पचास मात्र) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरले ३,०१,६३,३९७/४२ (तीन करोड एक लाख त्रिसठ्ठी हजार तीन सय सन्तानब्बे दशमलव बयालीस) थान साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>(ग) विकास बैंकको चुक्ता पूँजी रु. ३,०१,६३,३९,७४२/४९ (अक्षरेपी तीन अर्ब एक करोड त्रिसठ्ठी लाख उनन्चालीस हजार सात सय बयालीस रुपैया र पैसा उनन्पचास मात्र) हुनेछ ।</p> <p>ड (१) संस्थापक शेयर समूहको शेयर स्वामित्व ५४.८५ प्रतिशत हुनेछ ।</p> <p>ड (२) सर्वसाधारण शेयर समूहको शेयर स्वामित्व ४५.१५ प्रतिशत हुनेछ ।</p>	<p>बोनश शेयर वितरण पश्चात जारी तथा चुक्ता पूँजी बृद्धि हुने भएकोले ।</p> <p>शेयर संरचना परिवर्तन गरिएकोले ।</p>



नेपाल राष्ट्र बैंक

विकास बैंक सुपरिवेक्षण विभाग

पत्रसंख्या: वि.वै.सु.वि./गैरस्थलगत/शाइन/०७६/७७
च.नं. २४९

शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेड
बुटवल, रुपन्देही ।



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं
हाल पुल्चोक, ललितपुर ।
फोन नं.: ०१-५०९०९६३
Site: www.nrb.org.np
Email: nrdbdsd@nrb.org.np
पोष्ट बक्स: ७३

मिति: २०७६/१२/०७

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

महाशय,

त्यस संस्थाले पेश गरेको शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेड, साविक भार्गव विकास बैंक लिमिटेड र साविक पूर्णमा विकास बैंक लिमिटेडको आर्थिक वर्ष २०७५/७६ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण, सोसँग सम्बन्धित अनुसूचीहरु, लेखापरीक्षकको प्रतिवेदन, लङ्गफर्म अडिट रिपोर्ट समेतका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरुका सम्बन्धमा देहाय बमोजिमका निर्देशनहरु शेयरधनीहरुको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित एवं कार्यान्वयन गर्ने गरी साविक भार्गव विकास बैंक लिमिटेड र साविक पूर्णमा विकास बैंक लिमिटेडलाई प्राप्त पश्चात् कायम आ.व. २०७५/७६ सम्मको कुल संचित मुनाफाबाट त्यस संस्थाले प्रस्ताव गरेको रु.३९,३४,३५,६९८।५९ (अक्षरेपी रु.उनान्चालीस करोड चौतीस लाख पैतीस हजार छ सय अठार पैसा उनान्साष्टी मात्र) बराबरको बोनस शेयर अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृति र आ.व. २०७५/७६ को वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- (क) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७६ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- (ख) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका थप अन्य कैफियतहरु पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(पुष्पा अधिकारी)
उप निर्देशक

बोधार्थ:

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

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड

नेपाल राष्ट्र बैंकले आ.व. २०७५/०७६ को वार्षिक वित्तीय विवरण स्वीकृति प्रदान गर्दा प्राप्त निर्देशनहरूका सम्बन्धमा बैंकको सञ्चालक समितिको मिति २०७७/०२/२२ गते बसेको बैठक नं. २१७ ले गरेको निर्णय :

नेपाल राष्ट्र बैंक, विकास बैंक सुपरिवेक्षण विभागको मिति २०७६/१२/०७ को पत्रसंख्या: वि.बैं.सु.वि./गैरस्थलगत/ शाइन/०७६/७७, चलानी नं. २४१ वाट आर्थिक वर्ष २०७५/०७६ को लाभांश घोषणा/वितरण तथा वार्षिक वित्तीय विवरण प्रकाशन गर्न स्वीकृति प्रदान गर्दा प्राप्त निर्देशनहरू कार्यान्वयन गर्न र कैफियतहरू सुधारका लागि देहाय बमोजिको निर्णय गरियो ।

- (क) यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७६ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्ण रुपमा पालना गर्नुहुन ।
~~ख~~ निर्देशनको पूर्णरुपमा पालना गर्ने निर्णय गरियो ।
- (ख) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका थप अन्य कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।
~~ख~~ आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा नेपाल राष्ट्र बैंकबाट औल्याएका थप अन्य कैफियतहरू पुनः नदोहोरिने गरी सुधार गर्न व्यवस्थापनलाई निर्देशन दिने निर्णय गरियो ।

[illegible]

[illegible]

व्यवस्थापन समूह तथा बिभागीय प्रमुखहरू

प्रकाश पौडेल

प्रमुख कार्यकारी अधिकृत

प्रकाश गुरुङ्ग

नायब प्रमुख कार्यकारी अधिकृत

पुष्करराज जोशी

नायब प्रमुख कार्यकारी अधिकृत

लोकराज पनेरु

नायब प्रमुख कार्यकारी अधिकृत

सार्जन भट्टराई

नायब महाप्रबन्धक

सिए. यशोधन पाण्डेय

प्रमुख जोखिम अधिकृत

भुवन प्रसाद पन्थ

प्रमुख वित्त अधिकृत

किरण प्रसाद शर्मा नेपाल

मुख्य शाखा प्रबन्धक/
कर्पोरेट कर्जा

लालमणि पन्थी

प्रमुख बिजनेस सपोर्ट अधिकृत

बद्री केदार श्रेष्ठ

SME विभाग

गोपाल खनाल

कानून तथा कर्जा असुली

नम्रता थापा

प्रमुख सञ्चालन अधिकृत

देवराज ढुङ्गाना

AML/CFT विभाग

शैलेश कुमार श्रीवास्तव

प्रमुख प्रविधि अधिकृत

राजेश गौतम

कर्जा जोखिम

मित्रमणी पोखरेल

सञ्चालन

देवी प्रसाद पौडेल

सूचना प्रविधि

सिए. जगत कुमार महतारा

आन्तरीक लेखापरीक्षण

लेखनाथ पौडेल

प्रमुख अर्घाखाँची इकाई

मेघराज पोखरेल

प्रमुख प्यूठान इकाई

दिपक पाण्डेय

कर्जा प्रशासन

तेजबहादुर रावल

प्रमुख नेपालगन्ज इकाई

राजिव वली

प्रमुख दाङ्ग इकाई

मोहन गाहा

ISO

रमेश बन्जाडे

कार्ड



SHINE RESUNGA DEVELOPMENT BANK LTD.

रजिस्टर्ड कार्यालय :

बुटवल उप-महानगरपालिका-०६, रुपन्देही, फोन : ०७१-५५१५००, ५५१४९८, ईमेल: info@srd.db.com.np URL: www.srd.db.com.np

शाखा कार्यालयहरू :

● बुटवल शाखा	०७१-५४१२८६, ५४०६१२	● अमराई शाखा	९८०२६७०७७२	● चन्द्रौटा शाखा	०७६-५४०५१६
● योगिकुटी शाखा	०७१-४१९२५७	● चुत्रावेशी शाखा	०७७-४२०७८९	● तानसेन शाखा	०७५-५२१५८९
● मंगलापुर शाखा	०७१-५६२७२०	● खनदह शाखा	०७१-६२०२१२	● डुम्रे शाखा	९८५७०७८६४१
● रुद्रपुर शाखा	०७१-६२०४८०	● भुमही शाखा	०७८-४१५१५०	● नारायणगढ शाखा	०५६-५२४००७
● सिद्धार्थनगर शाखा	०७१-५२२०२५	● परासी शाखा	०७८-५२१०६३	● नारायणपुर शाखा	०८२-५३०१५१
● ज्योतिनगर शाखा	०७१-४१६२२१	● सुनवल शाखा	०७८-५७०५२२	● तुलसीपुर शाखा	०८२-५२२७८०
● मणीग्राम शाखा	०७१-५६१८६९	● जिमिरेभार शाखा	०७८-४१११८१	● दाङ शाखा	०८२-५६३७४०
● मुर्गिया शाखा	०७१-४४०३९६	● बडेरा शाखा	०७८-४२०००२	● हापुरे शाखा	०८२-४०३०५२
● बनकट्टी शाखा	०७१-५६०३८८	● बिजुवार शाखा	०८६-४६०३२४	● लालमटिया शाखा	०८२-५८०१०१
● बेलवास शाखा	०७१-४४५१४७	● भिंगु शाखा	०८६-४०००४७	● लमही शाखा	०८२-५४०८२०
● देवदह शाखा	०७१-५७७३३७	● खलङ्गा शाखा	०८६-४२०२८४	● राजपुर शाखा	९८५८०७८०६८
● फर्साटिकर शाखा	०७१-४००२१५	● बहाने शाखा	९९-४८६०१२८	● नेपालगन्ज शाखा	०८१-४१५०२७
● शंकरनगर शाखा	०७१-४१४७०७	● बरौला शाखा	०८२-६९१०७३	● कोहलपुर शाखा	०८१-५४१७१८
● कोटिहवा शाखा	०७१-५१४१८७	● बागदुला शाखा	०८६-४१०१५९	● अगैया शाखा	९८५८०७८०७०
● भैरहवा शाखा	०७१-५२०८५६	● तमघास शाखा	०७९-५२०९९५	● बाँसगढी शाखा	०८४-४००१०१
● भलवारी शाखा	०७१-५६२८८०	● वामिटेक्सार शाखा	०७९-४१२०६६	● मगरगढी शाखा	०८४-४०४०६८
● डाइभरटोल शाखा	०७१-४१४२४१	● शान्तिपुर शाखा	०७९-४२००१०	● भुरीगाउँ शाखा	०८४-४०३११८
● अमरपथ शाखा	०७१-५४२८५६	● खैरेनी शाखा	०७९-४११०७९	● पाताभार शाखा	०८४-४४२०२४
● सुर्यपुरा शाखा	९८५७०४७१४७	● बलेटक्सार शाखा	०७९-४१००६६	● गुलरिया शाखा	०८४-४२०३८६
● धकधई शाखा	०७१-४११०५६	● मजुवा शाखा	०७९-४२१०१२	● मैनापोखर शाखा	०८४-४०१०८१
● पर्सा शाखा	०७१-४०४०९३	● सिमलटारी शाखा	९८५७०५७९१४	● कतर्निया शाखा	९८५८०७८०७१
● छपिया शाखा	०७१-४१३१४३	● खज्याङ शाखा	९८५७०७०२२७		
● सालभन्डी शाखा	०७१-४६५०८५	● बुर्तिवाङ शाखा	०६८-४१००११	● उदिनढुङ्गा एक्सटेन्सन काउण्टर	०७९-५२०९४८
● सन्धिखर्क शाखा	०७७-४२०७२७	● जितपुर शाखा	०७६-५५०३१०		