

बढ्ढौं वरुषलक डुरतलवेदन

आ. व. २०१६/०११



SHINE RESUNGA
DEVELOPMENT BANK LTD.

संस्थापक शेयरधनीहरुका तर्फबाट (समूह 'क')



राजेन्द्र प्रसाद श्रेष्ठ
अध्यक्ष



थानेश्वर पौडेल
सञ्चालक



डा. तारा प्रसाद उपाध्याय
सञ्चालक



ई. सुरज उप्रेती
सञ्चालक

सर्वसाधारण शेयरधनीहरुका तर्फबाट (समूह 'ख')



मोहन चापागाई
सञ्चालक



प्रकाश पौडेल
प्रमुख कार्यकारी अधिकृत

आन्तरीक लेखापरीक्षक
सुगेन्द्र एण्ड एशोसियट्स
चार्टर्ड एकाउण्टेण्ट्स

लेखापरीक्षक
एस.आर. पाण्डे एण्ड कम्पनी
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 पुस २९ गते बुधवारका दिन हुने बाह्रौं 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

निवेदक

दस्तखत :

दस्तखत :

नाम :

नाम :

ठेगाना :

ठेगाना :

शेयरधनी नं./हितग्राही खाता नं.:

शेयरधनी नं./हितग्राही खाता नं.:

शेयर संख्या :

शेयर संख्या :

मिति :

मिति :

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

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड

बाह्रौं 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 रूपमा भर्नु हुन अनुरोध छ ।

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

.....
कम्पनी सचिव

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको

बाह्रौ वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको मिति २०७७ पौष ७ गते बसेको सञ्चालक समितिको २२६औं बैठकको निर्णय बमोजिम यस विकास बैंकको बाह्रौ 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 पौष २९ गते, बुधवार (तदनुसार जनवरी १३, २०२१)।
समय : विहान ११ : ०० बजे।
स्थान : बैंकको केन्द्रीय कार्यालय भवन निर्माणस्थल, कालिकानगर, बुटवल, रुपन्देही।

छलफलका विषयहरू :

क. सामान्य प्रस्तावहरू :

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको आ.व. २०७६/०७७ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने।
२. साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडको लेखापरीक्षकको प्रतिवेदन सहित २०७६ साल आश्विन २६ गतेको वित्तीय अवस्थाको विवरण, मिति २०७६ श्रावण १ गते देखि २०७६ आश्विन २६ गते सम्मको नाफा वा नोक्सान विवरण, विस्तृत आयको विवरण, नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसंग सम्बन्धित अनुसूचीहरू सहितको वित्तीय विवरणहरू पारित गर्ने।
३. लेखापरीक्षकको प्रतिवेदन सहित २०७७ साल आषाढ मसान्तको वित्तीय अवस्थाको विवरण, सोही मितिमा समाप्त आ.व. २०७६/०७७ को नाफा वा नोक्सान विवरण, विस्तृत आयको विवरण, नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसंग सम्बन्धित अनुसूचीहरू सहितको वित्तीय विवरणहरू पारित गर्ने।
४. आर्थिक वर्ष २०७७/०७८ को लागि लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने।
५. बैंकको सञ्चालक समितिमा संस्थापक शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने ४ जना र सर्वसाधारण शेयरधनीहरूको तर्फबाट प्रतिनिधित्व गर्ने २ जना सञ्चालकहरूको निर्वाचन गर्ने।

ख. विशेष प्रस्तावहरू :

१. जारी तथा चुक्ता पूंजी बृद्धि गर्ने र सोही बमोजिम प्रबन्ध पत्रमा संशोधन गर्ने।
२. आ.व. २०७६/०७७ सम्मको कुल सञ्चित वितरणयोग्य मुनाफाबाट चुक्ता पूंजीको १३ प्रतिशतले हुने रकम रु. ३९,२१,२४,१६६/५२ (अक्षरेपी उनन्चालीस करोड एककाइस लाख चौबीस हजार एक सय छैसठ्ठी र पैसा बाउन्न मात्र) बराबरको बोनश शेयर वितरण गर्न स्वीकृत गर्ने।
३. साविक पूर्णमा विकास बैंक लिमिटेड र साविक भार्गव विकास बैंक लिमिटेडलाई प्राप्त गर्नुपूर्वको शेयर संरचनामा परिवर्तन गरी संस्थापक समूहको ५१ प्रतिशत र सर्वसाधारण समूहको ४९ प्रतिशत कायम गर्ने। सोही बमोजिम शेयर स्वामित्व संरचना, सञ्चालक समितिमा सञ्चालकको संख्या र शेयर स्वामित्व अनुरूप समूहगत प्रतिनिधत्वमा परिवर्तन गरी प्रबन्धपत्र नियमावलीमा संशोधन गर्ने।
४. बैंकको केन्द्रीय कार्यालयको ठेगाना परिवर्तन गर्ने र सोही बमोजिम प्रबन्धपत्र नियमावलीमा संशोधन गर्ने।
५. 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।
६. 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

1. बाह्रौं वार्षिक साधारण सभा प्रयोजनका लागि मिति २०७७/०९/१६ देखि २०७७/०९/२९ गतेसम्म बैंकको शेयरधनी दर्ता किताव बन्द रहनेछ । मिति २०७७/०९/१५ गतेसम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा कारोबार भई प्रचलित कानून बमोजिम बैंकको शेयर रजिष्ट्रार एनआईबिएल एस क्यापिटल लिमिटेडमा प्राप्त विवरणको आधारमा कायम शेयरधनीहरूले मात्र वार्षिक साधारण सभामा भाग लिन, मतदान गर्न सक्ने छन् ।
2. 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 ।
3. 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 ।
4. सभा हुने दिन सभामा उपस्थितिका लागि हाजिरी पुस्तिका विहान ९:०० बजेदेखि सभा सम्पन्न नहुँदासम्म खुल्ला रहने छ । विश्वव्यापी रूपमा 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 ।
5. 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 ।
6. 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 दिइएको 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 ।
7. शेयरधनीले आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्दा आफु जुन समूहको शेयरधनी हो, सोही समूहको अर्को शेयरधनीलाई मात्र प्रोक्सी दिन पाइनेछ ।
8. इमेल, स्क्यान, फोटो वा अन्य विद्युतीय माध्यमबाट पठाएको प्रतिनिधि पत्र (प्रोक्सी) लाई पनि मान्यता दिइनेछ ।
9. 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 ।
10. नाबालक वा फरक किसिमले सक्षम शेयरधनीहरूको तर्फबाट बैंकको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि (प्रोक्सी) तोक्न सक्नु हुनेछ ।
11. 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 ।
12. 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 रूपमा सभा हुनुभन्दा ७ (सात) दिन अगावै कम्पनी सचिव मार्फत सञ्चालक समितिको अध्यक्षलाई बुझाउन हुन अनुरोध छ, तर त्यस्ता जिज्ञासालाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन ।
13. संचालकको निर्वाचन सम्बन्धमा निर्वाचन अधिकृतले बैंकको केन्द्रीय कार्यालयमा निर्वाचन कार्यक्रम सहितको सुचना प्रकाशित गर्नेछ । सो बमोजिम संचालकको निर्वाचन गरिने व्यहोरा अनुरोध छ ।

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
बाह्रौं वार्षिक साधारण सभाका लागि
सञ्चालक समितिको वार्षिक प्रतिवेदन
आर्थिक वर्ष २०७६/०७७

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको बाह्रौं 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।

मलाई आज अत्यन्त खुशी लागेको छ, एक दशक भन्दा लामो बैकिंग यात्रामा लिइएको राष्ट्रियस्तरमा स्तरोन्नती हुने लक्ष्य यहाँहरू सम्पूर्णको मार्गदर्शन र सहयोगले सफल भई आजको यो ऐतिहासिक बाह्रौं वार्षिक साधारण सभा आफ्नै भवनमा आयोजना गरी स्वागत गर्ने अवसर प्राप्त भएको छ। नेपाल राष्ट्र बैंकद्वारा बैंक तथा वित्तीय संस्थाहरूको पूंजी वृद्धि गरी बैकिङ्ग क्षेत्रलाई थप सुदृढ गर्ने नीति लिए अनुरूप हामीले मर्जर/एक्विजिशन र बोनश शेयरका माध्यमबाट आवश्यक चुक्ता पूंजी पुऱ्याउन सफल भएका छौं। व्यावसाय विस्तार तथा मुनाफामा कोभिड १९ ले प्रत्यक्ष प्रभाव पारेतापनि बैकिङ्ग क्षेत्रको औसत प्रतिफलभन्दा बढी लाभांश प्रस्ताव गर्न सफल भएका छौं। बैंकको स्थापनाकाल देखि नै संस्थागत सुशासन, आन्तरिक नियन्त्रण प्रणाली, आर्थिक अनुशासन, पारदर्शिता र जवाफदेहितालाई सदैव आत्मसात गर्दै बैंकलाई हरेक दृष्टिकोणबाट बैकिंग बजारमा प्रतिस्पर्धा गर्न सक्ने सफल र सुदृढ विकास बैंकको पहिचान बनाउन सफल भएकोमा यहाँहरू लगायत सम्पूर्ण सरोकारवाला पक्षहरू प्रति सञ्चालक समितिको तर्फबाट र मेरो व्यक्तिगत तर्फबाट हार्दिक आभार र कृतज्ञता प्रकट गर्दछु।

यस साधारण सभाबाट नयाँ सञ्चालक समितिको निर्वाचन हुने हुँदा निर्वाचित हुने सम्पूर्ण सञ्चालकज्यूहरूलाई हार्दिक बधाई दिदै सफल कार्यकालको शुभकामना व्यक्त गर्दछु। आठौं वार्षिक साधारण सभाबाट हामीलाई निर्विरोध रुपमा निर्वाचित गर्नु हुने यहाँहरू सम्पूर्ण प्रति हार्दिक कृतज्ञता ज्ञापन गर्दै सञ्चालक समितिको यस कार्यकाललाई अत्यन्त सुखद र उपलब्धिमूलक बनाई मर्जर/एक्विजिशनको अत्यन्त कुशलतापूर्वक व्यवस्थापन गर्न महत्वपूर्ण भूमिका निर्वाह गर्ने सम्पूर्ण सञ्चालकज्यूहरू, प्रमुख कार्यकारी अधिकृत, व्यवस्थापन समूह लगायत सम्पूर्ण कर्मचारी मित्रहरूलाई हार्दिक धन्यवाद दिन चाहन्छु। भवन निर्माण कार्यलाई सहजतापूर्वक सम्पन्न गर्न महत्वपूर्ण भूमिका निर्वाह गर्नुहुने भवन निर्माण समितिका पूर्व संयोजक, संयोजक तथा सदस्य मित्रहरू प्रति हार्दिक आभार प्रकट गर्दछु।

यस अवसरमा यहाँहरू समक्ष बैंकको बाह्रौं वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा हामीलाई अत्यन्त खुसी लागेको छ। नेपाल राष्ट्र बैंक, विकास बैंक सुपरिवेक्षण विभागबाट मिति २०७७/०९/०७ गते वित्तीय विवरण प्रकाशनको सहमति तथा वार्षिक साधारण सभामा लाभांश घोषणा गर्ने स्वीकृति प्राप्त भएकोमा यस विकास बैंकको २०७७ साल आषाढ मसान्तको वित्तीय विवरण, सोही मितिमा समाप्त आ.व. २०७६/०७७ को नाफा वा नोक्सान विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तनको विवरण र सोसंग सम्बन्धित अनुसूची हरु 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	आ.व. २०७५/०७६	आ.व. २०७६/०७७	फरक बृद्धि/(कमी)	परिवर्तन (%)
शेयर पुंजी	१,६२२,६६५	३,०१६,३४०	१,३९३,६७५	८५.८९ %
जगेडा तथा कोषहरू	७६१,९९६	१,२३५,०५७	४७३,०६१	६२.०८ %
कूल सम्पत्ति	२१,४६७,०५३	३५,२६९,४३४	१३,८०२,३८१	६४.३० %
कूल निक्षेप	१८,९१०,०१०	३०,५८९,६९२	११,६७९,६८२	६१.७६ %
कूल कर्जा तथा सापट	१६,२२७,७२१	२५,०२८,१९८	८,८००,४७७	५४.२३ %
सञ्चालन मुनाफा	५९१,९४२	६७२,४५९	८०,५१७	१३.६० %
आयकर व्यवस्था	१७३,४८२	२४५,७१२	७२,२३०	४१.६४ %
खुद मुनाफा	४१८,४६०	४२६,७४७	८,२८७	१.९८ %

२०७७ आषाढ मसान्तमा विकास बैंकको चुक्तापूँजी रु. ३ अर्ब १ करोड ६३ लाख ४० हजार रहेकोमा कुल सञ्चित वितरणयोग्य मुनाफावाट १३ प्रतिशतले हुने रकम रु. ३९ करोड २१ लाख २४ हजार बोनश शेयर वितरणका लागि यस गरीमामय सभामा प्रस्ताव गरिएको छ। उक्त बोनश शेयर वितरण पश्चात बैंकको चुक्ता पूँजी रु. ३ अर्ब ४० करोड ८४ लाख ६४ हजार पुगेछ।

बैंकको कुल सम्पत्तिमा गत वर्ष २८.८६ प्रतिशतले बृद्धि भएकोमा यस वर्ष ६४.३० प्रतिशतले बृद्धि भई रु. ३५ अर्ब २६ करोड ९४ लाख ३४ हजार, कुल निक्षेपमा गत वर्ष ३०.०६ प्रतिशतले बृद्धि भएकोमा यस वर्ष ६१.७६ प्रतिशतले बृद्धि भई रु. ३० अर्ब ५८ करोड ९६ लाख ९२ हजार, कुल कर्जा तथा सापटमा गत वर्ष ३१ प्रतिशतले बृद्धि भएकोमा यस वर्ष ५४.२३ प्रतिशतले बृद्धि भई रु. २५ अर्ब २ करोड ८१ लाख ९८ हजार पुगेको छ। खुद मुनाफामा गत वर्ष २९.५६ प्रतिशतले बृद्धि भएकोमा यस वर्ष १.९८ प्रतिशतले बृद्धि भई रु. ४२ करोड ६७ लाख ४७ हजार पुगेको छ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय 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 २०७७/०७८ को प्रथम त्रयमास (२०७७ आश्विन मसान्त) सम्मको अपरिष्कृत वित्तीय विवरण अनुसार बैंकको कर्जा लगानी रु. २७ अर्ब ११ करोड ५३ लाख रहेको छ भने निक्षेप परिचालन रु. ३२ अर्ब २९ करोड २४ लाख रहेको छ।
- चालु आर्थिक वर्षको पौष मसान्त भित्र निर्माण सम्पन्न गरी यथासम्भव बैंकको केन्द्रीय कार्यालय भवनमा स्थानान्तरण गरिनेछ।
- अबको बैंकिङ्ग डिजिटल बैंकिङ्ग, सहज बैंकिङ्ग, सुरक्षित बैंकिङ्गको मान्यता अन्तर्गत रहि बैंकलाई डिजिटल मैत्री बनाइएको छ भने रिसर्च एण्ड डेभलपमेण्टलाई उच्च प्राथमिकतामा राखिएको छ।
- राष्ट्रियस्तरको विकास बैंकमा परिणत भएसँगै नेपाल भर शाखा सञ्जाल विस्तार गर्ने लक्ष्य अनुरूप आर्थिक वर्ष २०७७/०७८ को पौष मसान्त भित्र ५ वटा शाखा कार्यालयहरू (काठमाण्डौंको नयाँ बानेश्वर, कलंकी, न्युरोड, कास्कीको पोखरा र कपिलवस्तुको गोरुसिंगे) सञ्चालनमा आउनेछ भने पौष पश्चात काठमाण्डौंमा थप दुईवटा

र सुदर पश्चिमको धनगढी र महेन्द्रनगरमा शाखा कार्यालयहरु सञ्चालनमा ल्याइनेछ। हाल सञ्चालनमा रहेका शाखाहरुको उच्चतम प्रयोग गरी सञ्चालन लागत र उत्पादकत्वको अनुपातलाई विशेष ध्यान दिइनेछ।

(घ) कम्पनीको औद्योगिक एवं व्यावसायिक सम्बन्ध

यस संस्थाले आफ्नो कारोबारसंग सम्बन्धित ग्राहकहरु, व्यावसायिक एवं औद्योगिक प्रतिष्ठान, संघ संस्थाहरु तथा विभिन्न नियामक निकायहरूसंग सौहार्दपूर्ण र व्यावसायिक सम्बन्ध कायम राख्दै आएको छ। संस्थाले व्यावसायिक कारोवारको सिलसिलामा ग्राहकहरुलाई सुविधा पुगोस भन्ने उद्देश्यले अन्य बैंक तथा वित्तीय संस्थाहरूसंग सहकार्य गरी एक अर्काको ग्राहकलाई सेवा सुविधा पुऱ्याउने व्यवस्था मिलाइएको छ। बैंक तथा वित्तीय संस्थाहरु बीचको सम्बन्ध तथा व्यावसायिक 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, सर्वसाधारण शेयरधनी (समूह “ख”) को तर्फबाट २ जना र स्वतन्त्र सञ्चालक १ जना गरी ७ जनाको सञ्चालक समिति रहेकोमा सर्वसाधारण शेयरधनीको तर्फबाट प्रतिनिधित्व गर्ने १ जना र स्वतन्त्र सञ्चालक १ जनाको पद हाल रिक्त रहेकोछ।

सर्वसाधारण शेयरधनीको समूहबाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री सुदर्शन गौतम (प्रतिनिधि श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेन्ट प्रा.लि.) ले व्यक्तिगत कारणले सञ्चालक पदबाट दिनु भएको राजिनामा सञ्चालक समितिको मिति २०७७/०७/२६ गते बसेको बैठक नं. २२३ बाट स्वीकृति भएको छ।

श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेन्ट प्रा.लि.को तर्फबाट प्रतिनिधित्व गर्दै सञ्चालक समितिमा रहनु भएका श्री सुदर्शन गौतमले सञ्चालक पदमा रही कार्य गर्दा संस्थाको प्रगति र उन्नतिको लागि पुऱ्याउनु भएको योगदानको लागि हार्दिक धन्यवाद ज्ञापन गर्दछौं।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु

कोभिड १९ ले अर्थतन्त्रमा पार्ने असरबाट बैंकिङ क्षेत्रमा प्रत्यक्ष प्रभाव परेको छ। 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

आर्थिक बर्ष २०७६/०७७ सम्मको कुल सञ्चित वितरणयोग्य मुनाफाबाट वित्तीय विवरण स्वीकृत गर्ने मितिमा कायम रहेको चुक्ता पूँजी रु. ३ अर्ब १ करोड ६३ लाख ३९ हजार ७ सय ४२ र पैसा ४९ को १३ प्रतिशतले हुन आउने रकम रु. ३९ करोड २१ लाख २४ हजार १ सय ६६ र पैसा ५२ बराबरको बोनस शेयर वितरण गर्ने प्रस्ताव गरिएको छ। उक्त प्रस्तावित लाभांशमा Share Premium Resulting From Business Combinations बाट बोनस शेयर प्रस्ताव नगरी यथावत राखिएको समेत जानकारी गराउंदछु।

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 साधारणसभा प्रयोजनका लागि शेयरधनी दर्ताकिताव बन्द हुने मितिसम्म कायम हुने नयाँ शेयरधनीहरुको हकमा लाभांश कर सम्बन्धित शेयरधनीहरुबाट असुलउपर गरी बोनस शेयर वितरण गरिनेछ।

(भ्र) कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ सँग सम्बन्धित सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने आ.व. २०७६/०७७ को अन्य विवरण : यसै प्रतिवेदनको अनुसूची-१ मा प्रस्तुत गरिएको छ ।

(ज) अन्य आवश्यक कुराहरु :

१. पूँजीकोषको पर्याप्तता :

२०७७ आषाढ मसान्त सम्मको वित्तीय विवरण अनुसार चुक्तापूँजी, साधारण जगेडा कोष, प्रस्तावित बोनस शेयर, सञ्चित मुनाफा र अन्य स्वतन्त्र कोषहरु गरी कूल प्राथमिक पूँजी रु. ४ अर्ब ६ करोड ३२ लाख ७३ हजार रहेको छ भने कूल पूँजीकोष रु. ४ अर्ब ३८ करोड ९ लाख ४४ हजार रहेको छ । नेपाल राष्ट्र बैंकद्वारा बैंक वित्तीय संस्थालाई जारी एकीकृत निर्देशनमा भएको व्यवस्था अनुसार “ख” वर्गको वित्तीय संस्थाले जोखिम भारित सम्पत्तिको आधारमा कायम गर्नुपर्ने प्राथमिक (Tire 1) पूँजी र पूरक पूँजी सहितको पूँजीकोष (Total Capital) कम्तिमा क्रमश ६ र १० प्रतिशत हुनुपर्नेमा यस विकास बैंकको (Tire 1) प्राथमिक पूँजी र पूँजीकोष (Total Capital) क्रमश १४.४७ र १५.६९ प्रतिशत रहेको छ ।

२. लेखापरीक्षकको नियुक्ती :

बैंकको लेखापरीक्षण समितिले आर्थिक वर्ष २०७७/०७८ को लेखापरीक्षण गर्न कम्पनी ऐन, २०६३ को दफा १११ बमोजिम एस.आर.पाण्डे एण्ड कम्पनी पुनः लेखापरीक्षण गर्न योग्य रहेकोले लेखापरीक्षण शुल्क रु. ७,३४,५००/- भ्याट सहित भुक्तानी गर्नेगरी नियुक्तिका लागि सिफारिस सहित सञ्चालक समिति समक्ष पेश गरेकोले यस गरीमामय सभामा सोही बमोजिम सिफारिस गरिएको छ ।

लेखापरीक्षक एस.आर.पाण्डे एण्ड कम्पनीले आ.व. २०७६/०७७ को लेखापरीक्षण कार्य समयमा नै सम्पन्न गरेकोमा धन्यवाद ज्ञापन गर्दछौं ।

३. संस्थापक शेयर सर्वसाधारण शेयरमा परिणत गर्ने सम्बन्धमा

प्राप्ति पूर्व साविक पूर्णमा 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 बैंकहरूसंग 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 ।

यस बैंकको एघारौं वार्षिक साधारण सभाको निर्णय बमोजिम हाल बैंकको शेयर स्वामित्व अनुपात संस्थापक शेयर ५४.८५ प्रतिशत र सर्वसाधारण शेयर स्वामित्व ४५.१५ प्रतिशत कायम रहेकोमा नेपाल राष्ट्र बैंक, बैंक तथा वित्तीय संस्था नियमन विभागबाट मिति २०७७/०८/२३ मा संस्थापक शेयर र सर्वसाधारण शेयर अनुपात ५१ : ४९ कायम गर्न स्वीकृति प्राप्त भएकाले सोही बमोजिमको शेयर अनुपात कायम गर्ने प्रस्ताव यस गरीमामय सभामा पेश गरिएको छ ।

४. मानव संसाधन :

२०७७ आषाढ मसान्तमा प्रमुख कार्यकारी अधिकृत सहित कुल ५६४ जना कर्मचारीहरु बैंकमा कार्यरत रहेका छन् । प्रभावकारी आन्तरिक नियन्त्रण प्रणाली अन्तर्गत रही प्रतिस्पर्धी बजारमा प्रतिस्पर्धा गर्न सक्ने क्षमतामा

वृद्धि गर्नका लागि चालु आ.व. मा रु. २५ लाख २८ हजार ४ सय ५४ रुपैया खर्च गरिएको छ । कर्मचारीहरूले कामलाई बोझको रूपमा नलिई संस्थाप्रति अपनत्व जागृत गराउने उद्देश्यले उत्कृष्ट कर्मचारीलाई पुरष्कृत गर्ने, तुलनात्मक रूपमा कमजोर कर्मचारीलाई सक्षम बनाउन आवश्यकता अनुसारको तालिम दिने कार्यलाई नियमित प्रकृयाको रूपमा लिएका छौं ।

५. संस्थागत सामाजिक उत्तरदायित्व (Corporate Social Responsibility) :

बैंकलाई हामीले समाजको अभिन्न अंगको रूपमा लिएका छौं । समाज प्रतिको हाम्रो दायित्व पूर्ण रूपमा पालना गर्दै आएको तथ्य यहांहरूलाई वीदितै छ । समीक्षा अवधीमा विभिन्न सामाजिक कार्यहरूमा रु. ७४ लाख ५७ हजार ८ सय ७७ रुपैया खर्च गरिएको छ । साथै, सामाजिक उत्तरदायित्व कोषमा रु. ४२ लाख ६७ हजार ४ सय ७४ व्यवस्था गरिएको छ जुन रकम आगामी वर्षको वास्तविक खर्चसँग समायोजन गरिनेछ ।

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-समितिहरू 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 निजहरूलाई 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 विवरणहरू :

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 महानुभावहरू, सञ्चालक मित्रहरू, ग्राहकवर्ग, शुभेच्छुकहरू, 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, सञ्चारजगत 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

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 तथा वित्तीय संस्थाहरू तथा यस बैंकसँग प्रत्यक्ष वा अप्रत्यक्ष रूपमा सम्बन्धित अन्य संघ संस्थाहरूसंग व्यावसायीक हितका आधारमा सुमधुर सम्बन्ध रहेको छ ।

२. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

विकास बैंकमा हाल देहाय बमोजिमको सञ्चालक समिति रहेको छ ।

क्र.सं.	सञ्चालकको 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

सर्वसाधारण शेयरधनीको समूहबाट श्री सुदर्शन गौतम (प्रतिनिधी श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.) मिति २०७६/०६/२७ गतेबाट सञ्चालक पदमा रहनु भएकोमा निजले व्यक्तिगत कारण जनाई राजिनामा पेश गर्नु भएकोमा सञ्चालक समितिको मिति २०७७ कार्तिक २६ गते बसेको बैठक नं. २२३ वाट निजको राजिनामा स्वीकृत भएको छ ।

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. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम

आर्थिक बर्ष २०७६/०७७ सम्मको कुल सञ्चित वितरणयोग्य मुनाफाबाट वित्तीय विवरण स्वीकृत गर्ने मितिमा कायम रहेको चुक्ता पूँजी रु. ३ अर्ब १ करोड ६३ लाख ३९ हजार ७ सय ४२ र पैसा ४९ को १३ प्रतिशतले हुन आउने रकम रु. ३९ करोड २१ लाख २४ हजार १ सय ६६ र पैसा ५२ बराबरको बोनस शेयर वितरण गर्ने प्रस्ताव गरिएको छ ।

साथै, आयकर ऐन, २०५८ को दफा ४७ क (५) मा भएको व्यवस्था अनुरूप वित्तीय संस्थाहरू 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 साधारणसभा प्रयोजनका लागि शेयरधनी दर्ताकिताव बन्द हुने मितिसम्म कायम हुने नयाँ शेयरधनीहरूको हकमा लाभांश कर सम्बन्धित शेयरधनीहरूबाट असुल उपर गरी बोनस शेयर वितरण गरिनेछ ।

६. जफत गरिएको शेयरहरूको विवरण :

आर्थिक बर्ष २०७६/०७७ मा कुनैपनि शेयर जफत गरेको छैन ।

७. सहायक कम्पनीहरूसंगको कारोवार :

यस विकास बैंकको कुनै सहायक कम्पनीहरू रहेका छैनन् ।

८. आधारभूत शेरधनीहरूबाट बैकलाई उपलब्ध गराइएको जानकारी :
यस्तो कुनै प्रकारको जानकारी विकास बैकलाई उपलब्ध गराइएको छैन ।

९. आर्थिक बर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेरको स्वामित्वको विवरण र कम्पनीको शेर कारोवारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :
कम्पनीका सञ्चालक तथा पदाधिकारीले लिएको शेर स्वामित्वको विवरण देहाय बमोजिम रहेको छ । शेर कारोवारमा निजहरू संलग्न भएको विवरण कम्पनीलाई प्राप्त भएको छैन ।

क्र.सं.	सञ्चालकको नाम	पद	ग्रहण गरेको शेर संख्या	कूल शेर रकम
१.	श्री राजेन्द्रप्रसाद श्रेष्ठ	अध्यक्ष	२,८१,५७६ कित्ता	२,८१,५७,६००
२.	श्री थानेश्वर पौडेल	सदस्य	६,७१,२९८ कित्ता	६,७१,२९,८००
३.	डा. ताराप्रसाद उपाध्याय	सदस्य	६३,२१९ कित्ता	६३,२१,९००
४.	ई. सुरज उप्रेती	सदस्य	१५६,५९१ कित्ता	१,५६,५९,१००
५.	श्री मोहन चापागाई	सदस्य	१७,१३१ कित्ता	१७,१३,१००

१०. आर्थिक बर्षमा कम्पनी सँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारी व्यहोरा : यस प्रकारको जानकारी बैकलाई प्राप्त भएको छैन ।

११. कम्पनीले आफ्नो शेर आफैले खरिद गरेको भए त्यसरी आफ्नो शेर खरिद गर्नुको कारण, त्यस्तो शेर संख्या र अंकित मूल्य तथा त्यसरी शेर खरीद गरेवापत बैकले भुक्तानी गरेको रकम : हालसम्म कम्पनीले आफ्नो शेर आफैले खरिद गरेको छैन ।

१२. कुल व्यवस्थापन खर्चको विवरण :

आर्थिक बर्ष २०७६/०७७ मा भएको कूल व्यवस्थापन खर्च देहाय बमोजिम रहेको छ ।

कूल कर्मचारी खर्च - रु. ३३,७८,८१,०००/-

कूल सञ्चालन खर्च - रु. २२,२४,३०,१३१/-

कुल व्यवस्थापन खर्च - रु. ५६,०३,११,१३१/-

(खर्च सम्बन्धी विस्तृत विवरण लेखापरीक्षण भएको वार्षिक वित्तीय विवरण यसैसाथ संलग्न)

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. सि.ए. जगतकुमार महतारा - सदस्य सचिव

३. श्री सुदर्शन गौतम - सदस्य

सञ्चालक श्री सुदर्शन गौतम (प्रतिनिधि श्रीगणेश प्रोपर्टिज एण्ड इन्भेष्टमेण्ट प्रा.लि.) ले पेश गर्नु भएको राजिनामा मिति २०७७ कार्तिक २६ गते बसेको सञ्चालक समितिको बैठक नं. २२३ बाट स्वीकृत भएको छ ।

(ख) लेखापरीक्षण समितिका संयोजक र सदस्यलाई प्रति बैठक भत्ता रु. ४,०००/- का दरले प्रदान गरिएको छ भने कुल बैठक भत्ता रु. ५६,०००/- (अक्षरेपी छपन हजार मात्र) प्रदान गरिएको छ । लेखापरीक्षण समितिमा कर्मचारीको तर्फबाट प्रतिनिधित्व गर्नुहुने सदस्य सचिवलाई बैठक भत्ता प्रदान गरिएको छैन ।

(ग) यस समितिले बैकको 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. २०७६/०७७ मा सञ्चालक समिति बैठक भत्ता रु. ५ लाख ६९ हजार, लेखापरीक्षण समितिको बैठक भत्ता रु. ५६ हजार, जोखिम व्यवस्थापन समितिको बैठक भत्ता रु. ४८ हजार, कर्मचारी सेवा सुविधा समितिको बैठक भत्ता रु. २० हजार र सम्पत्ती शूद्धीकरण निवारण समितिको बैठक भत्ता रु. २० हजार गरी कूल बैठक भत्ता रु. ७ लाख ५ हजार साथै, यातायात तथा अन्य खर्च वापत रु. ७ लाख ५० हजार ८ सय ३४ रुपैया गरी जम्मा रु. १४ लाख ५५ हजार ८ सय ३४ रुपैया खर्च गरिएको छ ।
- विकास बैंकको प्रमुख कार्यकारी अधिकृतलाई आ.व. २०७६/०७७ मा तलब, भत्ता, दशैं, बोनस, सञ्चयकोष तथा विदा वापतको तलब गरी जम्मा रु. १,०७,३०,८९९/५९ (एक करोड सात लाख तीस हजार आठ सय एकानब्बे रुपैया र पैसा उनन्साठी मात्र) भुक्तानी गरिएको छ ।
१६. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांश रकम :
बैंकको विभिन्न मितिमा गरी २०७७ आषाढ मसान्तसम्म भुक्तानी दिन बाँकी लाभांश रकम रु. ११,२२,०९२/- रहेको छ ।
१७. कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :
बैंकले आ.व. २०७६/०७७ 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	२०७६/०७७

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 शेयर	१,६५,४४,८८०.९८
२	सर्वसाधारण शेयर	१,३६,९८,५१७.२४
३	अन्य	-
	जम्मा	३,०१,६३,३९७.४२

(ग) सञ्चालक समिति सम्बन्धी विवरण

क्र. सं.	सञ्चालकहरूको नाम, ठेगाना	प्रतिनिधित्व समूह	शेयर संख्या (कित्ता)	नियुक्त भएको मिति	पद तथा गोपनियताको शपथ लिएको मिति	सञ्चालक नियुक्त तरिका
१	श्री राजेन्द्रप्रसाद श्रेष्ठ	संस्थापक	३,२५,४५६	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन
२	श्री थानेश्वर पौडेल	संस्थापक	६,७९,२९८	२०७६/०२/०९	२०७६/०२/०९	मनोनयन
३	डा. ताराप्रसाद उपाध्याय	संस्थापक	६३,२९९	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन
४	ई. सुरज उप्रेती	संस्थापक	१५६,५९९	२०७६/०६/२७	२०७६/०६/२७	प्राप्ति
५	श्री मोहन चापागाई	सर्वसाधारण	१७,९३९	२०७३/०८/२९	२०७३/०८/२९	निर्वाचन

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	२०७६/०४/२०	६	नरहेको	२०७५/०४/०९
२	२०७६/०५/१८	६	नरहेको	२०७५/०४/३९
३	२०७६/०५/२७	६	नरहेको	२०७५/०५/१३
४	२०७६/०६/०५	६	नरहेको	२०७५/०६/०६
५	२०७६/०६/१४	६	नरहेको	२०७५/०६/२८
६	२०७६/०६/१६	६	नरहेको	२०७५/०७/२५
७	२०७६/०६/२७	६	नरहेको	२०७५/०८/२०
८	२०७६/०७/२९	६	नरहेको	२०७५/०९/१२
९	२०७६/०८/०५	६	नरहेको	२०७५/१०/०२
१०	२०७६/०८/१०	६	नरहेको	२०७५/१०/२८
११	२०७६/०९/१९	६	नरहेको	२०७५/११/१९
१२	२०७६/०९/२९	६	नरहेको	२०७५/११/२६
१३	२०७६/१०/२९	६	नरहेको	२०७५/१२/२२
१४	२०७६/११/१६	६	नरहेको	२०७६/०९/१५
१५	२०७६/१२/०९	६	नरहेको	२०७६/०९/३९
१६	२०७६/१२/२८	६	नरहेको	२०७६/०२/१२
१७	२०७७/०१/२९	६	नरहेको	२०७६/०२/२९
१८	२०७७/०२/२२	६	नरहेको	२०७६/०३/०९
१९	२०७७/०३/०४	६	नरहेको	२०७६/०३/१७
२०	२०७७/०३/२९	६	नरहेको	२०७६/०३/२५

- 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 सञ्चालकहरू, छलफल भएको विषय र तत्सम्बन्धमा भएको निर्णयको विवरण (माईन्यूट) को छुट्टै अभिलेख राखे नराखेको	निर्णयको छुट्टै अभिलेख राखे गरिएको ।
सञ्चालक समितिको दुई लगातार बसेको बैठकको अधिकतम अन्तर (दिनमा)	३९ दिन (मिति २०७६/१२/२८ देखि २०७७/०१/२९)
सञ्चालक समितिको बैठक भत्ता निर्धारण सम्बन्धमा बसेको वार्षिक साधारण सभाको मिति	२०७०/०७/१४ (पाँचौं 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. ७,०५,०००/- र अन्य खर्च रु. ७,५०,८३४/- गरी कूल रु. १४,५५,८३४/- खर्च भएको

२. सञ्चालकको आचरण सम्बन्धी तथा अन्य विवरण :

- सञ्चालकको आचरण सम्बन्धित संस्थाको आचार संहिता भए/नभएको : भएको ।
- एकाघर परिवारको एकभन्दा बढी सञ्चालक भए सो सम्बन्धी विवरण : नभएको ।
- सञ्चालकहरूको वार्षिक रूपमा सिकाई तथा पुनरताजगी कार्यक्रम सम्बन्धी विवरण : चालु आर्थिक वर्षमा सञ्चालकहरूको सञ्चालक शिक्षा कार्यक्रममा सहभागिता नरहेको ।

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

- 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 डिभेन्चरको 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 ।
- सञ्चालकहरूलाई नियमन निकाय तथा अन्य निकायहरूबाट 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 चापागाईं	संयोजक
२	डा. ताराप्रसाद उपाध्याय	सदस्य
३	सिए. यशोधन पाण्डेय	सदस्य सचिव
४	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 ।

(ड) 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	सिए. जगतकुमार महतारा	सदस्य सचिव

समितिको बैठक संख्या : ६ 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/कैफियतहरु 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 : ५ 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 गर्ने गरिएको । संस्थाका कर्मचारीहरूले सम्पादन गर्नुपर्ने कार्य विवरण, लक्ष्य र प्रगति मूल्याङ्कनका परिसूचकहरु समेत विकास गरी सो बमोजिम निजहरूको कार्यसम्पादन मूल्याङ्कन प्रणालीको पुनरावलोकन गरिएको । जनशक्ति व्यवस्थापन सम्बन्धी कार्यहरु भर्ना, छनौट, नियुक्ति, पदस्थापना, सरुवा, बढुवा, वृत्ति विकास, कार्यसम्पादन मूल्याङ्कन, पुरस्कार तथा सजाय र श्रम सम्बन्धी योजना, नीति तथा मापदण्डहरु तयार गरी सञ्चालक समिति समक्ष पेश गर्ने गरिएको ।

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

क्र.सं.	पदाधिकारीको नाम	पद
१	ई. सुरज उप्रेती	संयोजक
२	सिए. यशोधन पाण्डेय	सदस्य सचिव
३	श्री ध्रुव पौडेल	सदस्य

समितिको बैठक संख्या : ४ 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 पुष्कर राज जोशी	संयोजक
२	श्री सार्जन भट्टराई	सदस्य सचिव
३	श्री भुवनप्रसाद पन्थ	सदस्य

समितिको बैठक संख्या : ३३ वटा

समितिको कार्य सम्बन्धी छोटो विवरण :

कर्मचारी दरबन्दी अनुसार रिक्त पद पहिचान गर्ने, भर्ना योजना विकास गर्ने, उम्मेदवारहरूको समीक्षा गर्ने, अन्तरवार्ता/लिखित परीक्षा सञ्चालन गर्ने, योग्य कर्मचारी छनौट गर्ने, कर्मचारी भर्ना तथा कर्मचारीहरूको कार्यसम्पादन मूल्याङ्कन सम्बन्धी व्यवस्थापन लगायतको कार्यहरू 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 : १० 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 पुष्कर राज जोशी	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 कार्यहरू 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 : ११ 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 सबैभन्दा उपयुक्त आपूर्तिकर्ता वा सेवा प्रदायकको नाम सिफारिश गर्दछ । वस्तु वा सेवाहरूको 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
एघारौं वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका र बैंकको वेबसाईटमा	२०७७/०२/२३ गते कारोबार राष्ट्रिय दैनिक र २०७७/०२/२६ गते अन्नपूर्ण राष्ट्रिय दैनिक
वार्षिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	२०७७/०४/२२ गते
त्रैमासिक प्रतिवेदन प्रकाशन	राष्ट्रिय दैनिक पत्रिका	प्रथम त्रयमास, मिति : २०७६/०७/३० दोश्रो त्रयमास, मिति : २०७६/१०/२३ तेस्रो त्रयमास, मिति : २०७७/०१/३० चौथो त्रयमास, मिति : २०७७/०४/३०
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 २०७७/०३/१२ 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 कुराहरू 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 :

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	१८ वर्ष
३	श्री पुष्करराज जोशी	नायव प्रमुख कार्यकारी अधिकृत	स्नातकोत्तर	१८ 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 ।
व्यवस्थापनस्तरका कर्मचारीहरूको संख्या :	२५ जना ।
कुल कर्मचारी संख्या :	५६४ 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. २५,२८,४५४/-
कुल खर्चमा कर्मचारी खर्चको प्रतिशत :	६०.२५ प्रतिशत ।
कुल कर्मचारी खर्चमा कर्मचारी तालिम खर्च प्रतिशत	०.९६ 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 :	२०७७/०९/०३
त्रैमासिक वित्तीय विवरण प्रकाशन गरेको मिति :	बुँदा नं. ४ (क) मा उल्लेख गरिएको ।
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति :	२०७७/०९/०३
साधारण सभाबाट वित्तीय विवरण स्वीकृत भएको मिति	२०७७/०३/१२
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण :	
(अ) आन्तरिक रुपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य विज्ञ नियुक्त गर्ने गरिएको	बाह्य विज्ञ नियुक्त गर्ने गरिएको ।
(आ) बाह्य विज्ञ नियुक्त गरिएको भए सोको विवरण	श्री खगेन्द्र एण्ड एशोशियट्स, चाटर्ड एकाउन्टेण्ट्स
(इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको (त्रैमासिक, चौमासिक वा अर्धवार्षिक)	त्रैमासिक रुपमा ।

(ख) लेखापरीक्षण समिति सम्बन्धी विवरण

संयोजक तथा सदस्यहरूको नाम, पद तथा योग्यता :	क्र.सं.	नाम	पद	योग्यता
	१	डा. ताराप्रसाद उपाध्याय	संयोजक	विद्यावारिधी
	२	सिए. जगतकुमार महतारा	सदस्य सचिव	चार्टर्ड एकाउन्टेन्ट

बैठक बसेको मिति तथा उपस्थित सदस्य संख्या :	क्र.सं.	बैठक बसेको मिति	उपस्थित सदस्य संख्या
	१	२०७६/०६/१५	३ जना
	२	२०७६/०७/२८	३ जना
	३	२०७६/०९/१६	३ जना
	४	२०७६/१०/२१	३ जना
	५	२०७७/०१/१८	३ जना
	६	२०७७/०२/३०	३ जना
प्रति बैठक भत्ता रु.		संयोजक तथा सदस्यहरूलाई रु. ४,०००/- सदस्य सचिवलाई भत्ता उपलब्ध नगराईएको ।	
समितिले काम कारवाहीको विवरण सञ्चालक समितिमा पेश गरेको मिति :		लेखापरीक्षण समितिको बैठकबाट भएको प्रत्येक निर्णयहरूको 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 यशोधन पाण्डेय

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 रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेडको लेखापरीक्षण गरिएको आ.व. २०७६/०७७ को वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह विवरण तथा सोसँग सम्बन्धित अनुसूचीहरु 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 विश्लेषण**
 - (क) धितोपत्र बजारमा संगठित संस्थाको शेयर कारोवारका सम्बन्धमा व्यवस्थापनको धारणा :
धितोपत्र बजारमा शेयर कारोवारमा हुने उतार चढावमा खुल्ला बजारले तय गरेको मूल्यको आधारमा हुने भएकोले यसलाई बैंक व्यवस्थापनले स्वभाविक रूपमा लिएको छ र सो सम्बन्धमा बैंक व्यवस्थापन एवं सञ्चालकहरुको धारणा तटस्थ रहेको छ ।
 - (ख) समीक्षा अवधि आ.व. २०७६/०७७ मा नेपाल स्टक एक्सचेञ्जबाट भएको विकास बैंकको शेयर कारोवार विवरण देहाय बमोजिम रहेको छ ।

विवरण	प्रथम त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
	अवधि	अवधि	अवधि	अवधि
अधिकतम मूल्य रु.	२५८.००	२५६.००	३३२.००	२३०.००
न्यूनतम मूल्य रु.	२४२.००	२२३.००	२५५.००	२१०.००
अन्तिम मूल्य रु.	२५३.००	२५६.००	२५५.००	२२२.००
कूल कारोवार भएको दिन	६० दिन	५८ दिन	४६ दिन	१३ दिन
कूल कारोवार भएको शेयर संख्या	१४४,८७० कित्ता	५८८,१४२ कित्ता	२,११७,२२० कित्ता	१९४,६६५ कित्ता

६. **समस्या र चुनौती**
बैंक तथा वित्तीय संस्थाको पूंजीमा 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 र सुशासन इकाई 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 व्यवस्था सम्बन्धमा सम्पत्ति शुद्धीकरण (मनी लाउण्डरिङ्ग) निवारण ऐन, नियम तथा अन्य सम्बन्धित कानून बमोजिम जारी भएका सम्पूर्ण निर्देशन, आदेश तथा परिपत्रहरुको यस विकास बैंकले पालना गर्दै आएको छ ।

संक्षिप्त विवरणः

कम्पनीको प्रकार	पब्लिक लिमिटेड कम्पनी
कम्पनी दर्ता नं.	१०८०/०६५/०६६
कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता भएको मिति	२०६५/०५/२६
नेपाल राष्ट्र बैंकबाट कारोवार स्वीकृत प्राप्त मिति	२०६५/११/०९
कारोवार सुरु भएको मिति	२०६५/११/१६
कार्य क्षेत्र	राष्ट्रियस्तर
शाखा सञ्जाल	६९ शाखा १ एक्सटेन्शन काउण्टर
कूल कर्मचारी संख्या	५६४
अधिकृत पूँजी	रु ५ अर्व
जारी पूँजी	रु ३ अर्व १ करोड ६३ लाख
चुक्ता पूँजी	रु ३ अर्व १ करोड ६३ लाख
संस्थापक शेयर प्रतिशत	५४.८५ प्रतिशत
सर्वसाधारण शेयर प्रतिशत	४५.१५ प्रतिशत
प्रस्तावित बोनस शेयर (हाल कायम रहेको चुक्ता पूँजीको १३ प्रतिशत)	रु. ३९ करोड २१ लाख
नेटवर्थ	रु ४ अर्व २५ करोड १४ लाख
प्रति शेयर आम्दानी	रु. १५.३९
कूल निक्षेप	रु. ३० अर्व ५८ करोड ९७ लाख
कूल कर्जा तथा सापट	रु. २५ अर्व २ करोड ८२ लाख
खूद नाफा	रु. ४२ करोड ६७ लाख
बचत कर्ता संख्या	३९३,४७२
ऋणी संख्या	१३,०१२
पूँजीकोष अनुपात प्रतिशत	१५.६१ प्रतिशत
कर्जा र प्राथमिक पूँजी तथा निक्षेप अनुपात (CCD Ratio) प्रतिशत	७०.३८ प्रतिशत
निष्कृत्य कर्जा र कूल कर्जा अनुपात प्रतिशत	१.१० प्रतिशत
आधार दर (Base Rate) प्रतिशत	८.९० प्रतिशत
तरलता अनुपात प्रतिशत	३०.९७ प्रतिशत
२०७७ आश्विन मसान्त	
कूल निक्षेप	रु. ३२ अर्व २९ करोड २४ लाख
कूल कर्जा तथा सापट	रु. २७ अर्व ११ करोड ५३ लाख
बचत कर्ता संख्या	४०४,२४७
ऋणी संख्या	१३,३६९
पूँजीकोष अनुपात प्रतिशत	१४.७६ प्रतिशत
कर्जा र प्राथमिक पूँजी तथा निक्षेप अनुपात (CCD Ratio) प्रतिशत	७४.६८ प्रतिशत
निष्कृत्य कर्जा र कूल कर्जा अनुपात प्रतिशत	२.६८ प्रतिशत
आधार दर (Base Rate) प्रतिशत	८.५० प्रतिशत
तरलता अनुपात प्रतिशत	२८.१० प्रतिशत

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SHINE RESUNGA DEVELOPMENT BANK LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Shine Resunga Development Bank Limited ("the Bank")**, which comprise the Statement of Financial Position as at Ashad 31, 2077, (July 15, 2020), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the bank, as at Ashad 31, 2077, (July 15, 2020), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards with allowed carveouts and comply with Company Act, 2063 and Bank and Financial Institution Act 2073.

Basis for Opinion

We conducted our audit of the financial statements 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 bank in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN), 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 audit opinion on the financial statements.

Emphasis of Matters

We draw attention to the uncertainties resulted due to the outbreak of SARS-CoV-2 virus (COVID-19). The Government of Nepal initiated a nation-wide lockdown from March 24, 2020 which has led to significant decline and volatility in local economic activities. The Nepalese economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses which may also impact the Bank's business. In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summaries below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.



Key audit matter	The risk	The response
<p>Impairment of Loans and Advances to Customers including Interest Income on Loans & Advances recognized for Bad Loans</p> <p>Total loans and advances to Customers: NRs. 24,797 Million as on 15th July 2020 (NRs. 16,076 Million as on 15th July 2019)</p> <p>Total Impairment on Loans to Customer: NRs. 456 Million as on 15th July 2020 (NRs. 192 Million as on 15th July 2019:)</p> <p>Total Impairment Charge: NRs. 155 Million in FY 2019/20 (NRs. 65 Million in FY 2018/19:)</p> <p>Total accrued interest income is NRs. 148 Million in FY 2019/20 (NRs. 21 Million in FY 2018/19) out of total interest income of NRs. 3,228 Million in FY 2019/20 (NRs. 2,175 Million in FY 2018/19)</p>	<p>Subjective Estimate</p> <p>Bank's policy for the allowance for impairment of loans and advances has been described in Notes 3.4.9 and 3.4.10 (Impairment measured at amortized cost). Based on the application of Incurred Loss Model and the impact of COVID-19, the estimation of credit impairment on loans and advances is uncertain as it involves significant management judgement and estimation. Further, the compulsory carve-out to provide for higher of the incurred loss model or Nepal Rastra Bank's Directive also makes the assessment of impairment important.</p> <p>The carrying value of the loans and advances can be materially misstating if judgements made by the management are inappropriate.</p> <p>Further, Interest income of the bank has been recognized on accrual basis as calculated by Core Banking System (CBS) and following the Interest Income Guidelines 2019 issued by Nepal Rastra Bank (NRB). Recognition of interest income on bad loans involves the judgments on calculating the net realizable value of loans and receivables. Therefore, it is considered as key audit matters. Details of procedures and impact has been disclosed in Notes 3.11 (Interest income)</p>	<p>Our audit procedures to verify allowances for impairment of loans and advances included, amongst others, the following:</p> <p>Control design, observation and operation: We tested the operating effectiveness of key controls established by the Bank to identify loss events and for determining the extent of provisioning required against non-performing loans and advances.</p> <p>Test of Controls on impairment: The testing of controls included testing of:</p> <ul style="list-style-type: none"> controls over correct classification of non-performing loans and advances on time-based criteria; control over statistical models used to calculate the incurred loss as prescribed under Incurred Loss Model; controls over monitoring of loans and advances with higher risk of default; controls over accurate computation and recording of provisions; and controls over the governance and approval process related to provisions, including continuous reassessment by the management. <p>Substantive Procedures: We selected a sample of loan accounts and performed the following substantive procedures:</p> <ul style="list-style-type: none"> checked repayments of loan installments and tested classification of non-performing loans based on the number of days overdue. evaluated the management's assessment for classification of customer's loan facilities as performing or non-performing based on review of repayment pattern, inspection of credit documentation and through discussions with the management. Assessment of control over mortgagee value of loans and advances. <p>Independent re-performance: We independently recalculated the Probabilities of Default (PD), Loss Given Default (LGD) and exposure at Default (EAD) for a sample of exposures, and compared the results with management's calculations.</p> <p>Our results: We considered the impairment charge on loans and advances and interest recognition to be acceptable.</p>

<p>Information Technology (IT)</p>	<p>Control Performance</p> <p>The Bank's key financial accounting and reporting processes are highly dependent on the automated controls over the Bank's IT systems. There is a risk that gaps in the change management, segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.</p>	<p>Our procedure included:</p> <p>User access management and control: We tested the design, operation and effectiveness of control over granting, removal and appropriateness of access rights on the accounting and reporting system of the bank.</p> <p>Change management control operation: Obtained and inspected the change management policies and, for a sample of changes in inputs and control functions on the systems, has been reviewed to confirm that changes had been performed in line with approved decisions.</p> <p>Segregation of duties: Tested a sample of the automated controls that are designed to enforce appropriate segregation of duties.</p> <p>Test of outputs: We have tested a sample of outputs particularly interest income and expenses on loans and advances of the system through manual calculations.</p> <p>Findings of IT Audit: We have reviewed the IT Audit findings performed by the independent IT auditor and the actions undertaken by the bank.</p> <p>Our results: We considered the change managements, segregation of duties controls and outputs in relation to financial accounting and reporting systems to be acceptable.</p>
<p>Goodwill calculation on acquisition</p> <p>Net Assets Acquired NRs 1,325 Million</p> <p>Less: Goodwill on acquisition NRs 118 Million</p> <p>Capital Reserve/Share Premium on Acquisition NRs 171 Million</p>	<p>Subjective Estimate</p> <p>The bank has acquired Purnima Bikas Bank Ltd. and Bhargav Bikas Bank Ltd. has started joint operation on 27th Ashwin 2076. Goodwill has been calculated on acquisition method in compliance with NFRS 3 (detail calculation has been explained in Notes 5.9). The calculation of the goodwill may be misstated if it is not supported by calculation of fair value of consideration paid and net asset transferred.</p>	<p>Our procedure included:</p> <p>Methodology assessment: We have checked the valuation of consideration paid (ie shares value of Shine given to shareholders of Bhargav and Purnima) and net asset acquired (as per DDA report with adjustment thereto) to assess the calculation of goodwill on acquisition.</p> <p>Transfer of reserves: Tested whether the regulatory reserves of the acquired bank have been carried on the financial statements of the bank and whether it has been considered in calculation of capital reserve/share premium of the bank.</p> <p>Our result: The calculations, disclosure of goodwill on acquisition is to be acceptable.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance 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 and error.

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

The Board of Directors are responsible for overseeing the 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 controls 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 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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion in the financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The Statement of Financial Position, Off Balance Sheet Transactions, Statement of Profit or Loss (including other Comprehensive Income), Statement of Cash Flow and attached Schedules dealt with by this report are prepared as per procedure and format prescribed by Nepal Rastra Bank and agree with the books of account maintained by the Bank.
- iii. The proper books of accounts as required by the law have been maintained by the Bank.
- iv. During our examination of the books of account of the Bank, we have not come across any cases where any office holder of the Bank has acted contrary to the provisions of law or caused loss or damage to the Bank.
- v. The Bank has been functioning as per the Directives of Nepal Rastra Bank.
- vi. We have not come across any fraudulence in the accounts, based on our sample examination of the books, and
- vii. The returns received from branches of the Bank though the statements are independently not audited were adequate for the purpose of our audit.

For, S. R. Pandey & Co.
Chartered Accountants

Date: 18st December 2020
Place: Kathmandu
UDIN: 201218CA004858Wir0


Arun Raut, FCA
Partner



Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Financial Position

As on Ashad 31, 2077 (15 July 2020)

Figures in NPR

Particulars	Notes	As on Ashad 31, 2077	As on Ashad 31, 2076
Assets			
Cash and cash equivalent	4.1	6,198,322,304	2,828,018,591
Due from Nepal Rastra Bank	4.2	1,855,214,141	890,428,425
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	531,164,224	262,388,597
Loans and advances to customers	4.7	24,340,545,488	15,883,792,388
Investment in securities	4.8	1,638,698,845	1,221,365,446
Current Tax Assets	4.9	17,485,326	558,955
Investment in subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment property	4.12	-	-
Property and equipment	4.13	448,790,950	260,388,985
Goodwill and Intangible Assets	4.14	131,518,853	7,924,816
Deferred tax assets	4.15	-	22,064,824
Other assets	4.16	107,693,929	90,121,705
Total Assets		35,269,434,060	21,467,052,732
Liabilities			
Due to Bank and Financial Institutions	4.17	423,310,160	59,995,050
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial instruments	4.19	-	-
Deposit from customers	4.20	30,209,159,248	18,850,015,766
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	31,653,729	-
Other liabilities	4.23	353,914,013	172,380,301
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		31,018,037,150	19,082,391,117
Equity			
Share Capital	4.26	3,016,339,742.00	1,622,665,260
Share Premium		2,465,454	-
Retained Earning		396,428,536	319,330,408
Reserves	4.27	836,163,178	442,665,947
Total equity attributable to equity holders		4,251,396,910	2,384,661,615
Non-controlling interests		-	-
Total equity		4,251,396,910	2,384,661,615
Total liabilities and equity		35,269,434,060	21,467,052,732
Contingent liabilities and commitment	4.28	1,358,589,482	983,590,400
Net assets value per share		140.95	146.96

As per our attached report of even date

For SR Pandey & Co.
Chartered Accountants
CA. Arun Raut
Partner
Date : Poush 03, 2077
Place : Kathmandu

For and on Behalf of Board

Bhuwan Pd. Panth Chief Finance Officer	Prakash Poudel Chief Executive Officer	
Thaneshor Poudel Director	Dr. Tara Pd. Upadhaya Director	
Mohan Chapagain 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, 2076 and ending on Ashad 31, 2077

Figures in NPR

	Notes	FY 2076-77	FY 2075-76
Interest Income	4.29	3,227,876,481	2,174,959,945
Interest Expense	4.30	(1,965,643,725)	(1,264,696,758)
Net interest income		1,262,232,756	910,263,187
Fees and Commission Income	4.31	130,427,053	130,354,701
Fees and Commission Expense	4.32	9,505,416	3,588,812
Net fee and Commission income		120,921,637	126,765,889
Net interest fee and commission income		1,383,154,393	1,037,029,076
Net Trading Income	4.33	-	-
Other Operating Income	4.34	5,310,393	1,856,629
Total operating income		1,388,464,786	1,038,885,705
Impairment charge/(reversal) for loans and other losses	4.35	159,131,780	65,104,899
Net Operating income		1,229,333,006	973,780,806
Operating expenses			
Personal Expense	4.36	337,187,950	229,612,318
Other Operating Expenses	4.37	174,965,461	116,750,540
Depreciation and amortisation	4.38	47,464,670	35,475,892
Operating Profit		669,714,925	591,942,056
Non operating income	4.39	3,676,467	-
Non operating expense	4.40	(932,904)	-
Profit before income tax		672,458,488	591,942,056
Income tax expense	4.41	245,711,444	173,481,782
Current tax		186,198,011	187,891,644
Deferred tax income		59,513,433	(14,409,862)
Profit for the period		426,747,044	418,460,274
Profit attributable to:			
Equity holders of the bank		426,747,044	418,460,274
Non-controlling interest		-	-
Profit for the period		426,747,044	418,460,274
Earnings per share:			
Basic earnings per share		15.39	25.79
Diluted earnings per Share		15.39	25.79

As per our attached report of even date

For and on Behalf of Board

For SR Pandey & Co.
Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Arun Raut
Partner

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Date : Poush 03, 2077
Place : Kathmandu

Mohan Chapagain
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Other Comprehensive Income

For the Period commencing on Shrawan 1, 2076 and ending on Ashad 31, 2077

Figures in NPR

Notes	FY 2075-76	Restated FY 2074-75
Profit for the period	426,747,044	418,460,274
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	12,782,755	8,592,125
• Gains/(losses) on disposal of equity shares recycled to equity	(1,053,501)	-
• Gains/(losses) on revaluation	-	-
• Actuarial gain/(losses) on defined benefit plans	(17,279,612)	416,476
• Income tax relating to above items	1,665,107	(2,702,580)
Net other comprehensive income that will not be reclassified to profit or loss	(3,885,251)	6,306,021
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	(3,885,251)	6,306,021
Total comprehensive income for the period	422,861,793	424,766,295
Total comprehensive income attributable to:	-	-
Equity holders of the Bank	422,861,793	424,766,295
Non-controlling interest	-	-
Total Comprehensive income for the period	422,861,793	424,766,295

As per our attached report of even date

For and on Behalf of Board

For SR Pandey & Co.
Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Arun Raut
Partner

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Date : Poush 03, 2077
Place : Kathmandu

Mohan Chapagain
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Changes in Equity

For the Period commencing on Shrawan 1, 2076 and ending on Ashad 31, 2077

Figures in NPR

Particulars	Attributable to Equity-Holders of the Bank							Total Equity			
	Share Capital	Share Premium	General Reserve	Regulatory Reserve	Fair Value Reserve	Retained Earning	Share Premium Resulting from Business Combinations		Other Reserve	Total	Non-Controlling Interest
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											
Gains/(losses) from investment in equity instruments measured at fair value											
Gains/(losses) on revaluation											
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			83,692,054								
Adjustment of Investment Adjustment Reserve no longer required						(83,692,054)					
Creation of Training Fund						3,047,194					
Utilization of Training Fund						(3,603,910)					
Creation of CSR Fund						2,589,348					
Utilization of CSR Fund						(4,184,603)					
Transfer to Reserves during the year						3,632,468					
Creation of Derernd Tax Reserve						(6,629,245)					
Creation of Regulatory Reserve for Reduction in Investment						(11,707,282)					
Creation of Regulatory Reserve for Actuarial Loss						966,599					
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	244,049,860										
Cash Dividend Paid											
Share issue expenses directly charged to equity-Tax Impact						(244,049,860)					
Tax effect of share issue expenses						(12,844,729)					
Gain on Disposal of Share Classified into OCI						(947,150)					
Current Tax on Gain on Disposal of Share Classified into OCI						284,145					
Other											
Total Contributions by and Distributions											
Balance at Asar 31, 2076	1,622,665,260	-	392,448,150	36,874,389	6,542,976	319,330,407		6,800,434	2,384,661,616	-	2,384,661,616
Balance at Shrawan 01, 2076	1,622,665,260		392,448,150	36,874,389	6,542,976	319,330,407		6,800,434	2,384,661,616		2,384,661,616
From Acquisition Purnim Bikash Bank Ltd	523,718,864		90,336,732	59,519,234	(13,759,718)	28,583,111		(932,260)	687,465,963		687,465,963
From Acquisition Bhargav Bikash Bank Ltd	476,520,000	2,465,454	40,896,221	33,181,383	(1,796,815)	(5,124,639)		38,696,751	584,838,355		584,838,355

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Cash Flow

As on Ashad 31, 2077 (15 July 2020)

Figures in NPR

	FY 2076-77	FY 2075-76
Cash flows from operating activities		
Interest Received	3,101,695,138	2,159,166,177
Fee and other income received	134,103,520	130,354,702
Dividend Received	4,292,566	1,867,816
Receipts from other operating activities	144,000	-
Interest paid	(1,973,667,318)	(1,259,894,703)
Commission and fee paid	(9,505,416)	(3,588,812)
Cash payments to employee	(346,995,686)	(190,843,668)
Other expense paid	16,020,461	(129,373,961)
Operating cash flows before change in operating assets and liabilities	926,087,265	707,687,551
(Increase)/Decrease in operating assets	(3,229,946,628)	(3,918,079,934)
Due from Nepal Rastra Bank	(642,426,220)	(53,181,126)
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(56,679,325)	(34,631,473)
Loan and advances to customer	(2,317,655,297)	(3,828,709,349)
Other Assets	(213,185,786)	(1,557,986)
Increase/(Decrease) in operating liabilities	4,341,110,312	4,368,068,049
Due to bank and financial institutions	16,241,999	(43,006,130)
Due to Nepal Rastra Bank	-	-
Deposits from customers	4,320,840,952	4,413,099,685
Borrowings	-	-
Other Liabilities	4,027,361	(2,025,506)
Net Cash flow from operating activities before tax paid	2,037,250,949	1,157,675,666
Income taxes paid	(203,400,647)	(192,928,566)
Net Cash flow from operating activities	1,833,850,302	964,747,100
Cash flows from investing activities		
Purchase of investment securities	(346,271,524)	(139,445,091)
Receipts from sale of investment securities	2,695,207	-
Purchase of plant and equipment	(102,707,379)	(79,106,807)
Receipt from sale of property and equipment	-	-
Purchase of intangible assets	(6,258,893)	(2,460,352)
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	3,676,468	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(448,866,121)	(221,012,250)
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	-	-
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	1,384,984,181	730,890,121
Cash and Cash Equivalents at Shrawan 01 (Beginning of the Year)	2,828,018,591	2,097,139,657
Cash and Cash Equivalents transferred from Merger	1,984,445,705	-
Effect of exchange rate fluctuations on cash and cash equivalents held	873,827	(11,187)
Closing Cash and Cash Equivalents	6,198,322,304	2,828,018,591

As per our attached report of even date

For and on Behalf of Board

For SR Pandey & Co.
Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Arun Raut
Partner
Date : Poush 03, 2077
Place : Kathmandu

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Shine Resunga Development Bank Limited

Butwal - 06, Maitripath, Rupandehi, Nepal

Statement of Distributable Profit or Loss

As on Ashad 31, 2077 (15 July 2020)

(As per NRB Regulation)

Figures in NPR

Particulars	FY 2076-77	FY 2075-76
Opening Retained Earnings	319,330,410	257,717,682
Net profit or (loss) as per statement of profit or loss	426,747,044	418,460,274
Appropriations:		
a. General reserve	(85,349,409)	(83,692,054)
b. Foreign exchange fluctuation fund	(218,457)	-
c. Capital redemption reserve		-
d. Corporate social responsibility fund	(4,267,470)	(4,184,603)
e. Employees' training fund	-	(1,014,562)
f. Other	-	-
Investment Adjustment Reserve		-
Dividend Paid	-	(12,844,729)
Bonus Shares Issued	(393,435,618)	(244,049,860)
Share issue expense charged to equity	(1,457,903)	(663,005)
Net Gain on Disposal of Shares	1,886,645	-
Transfer from Reserve during the year (CSR & Traing Fund)	9,986,331	6,679,662
Profit or (loss) before regulatory adjustment	273,221,573	336,408,805
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	60,101,874	(6,629,245)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	24,034,656	966,599
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	2,316,174	-
e. Deferred tax assets recognised (-)/ reversal (+)	26,194,597	(11,707,282)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	(12,095,728)	291,533
i. Negative Fair Value Reserve charged to RE	(803,079)	-
j. Other (+/-) Transferred from Purnima & Bhargav	23,458,469	-
Distributable profit or (loss)	396,428,536	319,330,410

As per our attached report of even date

For and on Behalf of Board

For SR Pandey & Co.
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. Arun Raut
Partner

Date : Poush 03, 2077

Place : Kathmandu

Mohan Chapagain
Director

Shine Resunga Development Bank Limited

Notes forming part of the Financial Statements

For the year ended Ashad 31, 2076

1. Bank

1.1 General

Shine Resunga Development Bank Limited (referred to as “the Bank” hereinafter) is a “B” class National 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 National Level Development Bank. Shine Resunga Development Bank Limited is listed on Nepal Stock Exchange with its stock symbol "SHINE".

1.2 Financial Statements

The Financial Statement of Bank for the year ended 15 July, 2020 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Significant Accounting Policies of the Company.

1.3 Principal Activities and Operations

The principal activities of the Bank are to provide full-fledged wide range of banking services to its customers, provided through wide branch networks ATMs with latest technological banking support services.

2. Basis of Preparation

2.1. Statement of Compliance

The Financial Statements of Bank for the year ended 15th July, 2020 comprising Statement of Financial Position, Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements (including Significant Accounting Policies), have been prepared in accordance with Nepal Financial Reporting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal and in compliance with the requirements of all applicable laws and regulations.

The bank has applied certain carve-outs which are as described in Notes to Accounts.

2.2. Reporting Period and Approval of Financial Statements

a) Reporting Period

The Bank has prepared the financial statements in accordance with NFRS depicting financial performance for FY 2019/20 and financial position of 15th July 2020 and the comparatives of FY 2018/19.

b) Responsibility for Financial Statements

The preparation and presentation of Financial Statements is the responsibility of the Board of Directors as per the governing provisions.

c) Approval of Financial Statements by Directors

The accompanied Financial Statements have been authorized to issue by the Board of Directors vide its 225th resolution dated on 3rdPaush 2077 and recommended for its approval by the Annual General Meeting of the shareholders.

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, 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 recognized 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.

2.5. 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.

2.6. New Standards in issue but not yet effective

There has been amendment to the Standards issued by IASB and applicability of the new Standards has been notified for IFRS. But the amendments and new standards become applicable only when ASB-Nepal pronounces them. The new Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Bank will adopt these standards when they become effective.

(i) NFRS 9- Financial Instruments

NFRS 9 states a logical principle base to classify financial assets and financial liabilities which is driven by cash flow characteristics and the business model in which an assets or liability is held. Further this standard recommends the assessment of impairment based on more timely recognition of expected credit losses and entities are required to account for expected credit losses from the initial recognition of financial instruments and it lowers the threshold for recognition of full life time expected losses by aligning financial accounting treatment with risk management activities.

NFRS 9 full-fledged has become effective from 16th July 2021 and has an effect on impairment of financial assets on expected loss model. NFRS 9, as issued reflects the first phase of work on replacement of NAS 39 and applies to classification and measurement of financial assets and liabilities. The bank is assessing on the impact of the changes.

(ii) Other Standards

NFRS 15- Revenue from contract with customer will replaces NAS 18- Revenue and NAS 11- Constructions Contracts which will be applicable from FY 2020/21. NFRS 16- Lease will replace NAS 17- Lease. Insurance contracts are out of scope and so this Standard is not expected to have a significant impact on the Bank.

NFRS 9, NFRS 15 and NFRS 16 is expected to have some impact on the financial statement of the bank however the impact is yet to be assessed

2.7. Discounting

When the realization of assets and settlement of obligation is for more than one year, the Bank considers the discounting of such assets and liabilities where the impact is material. Various internal and external factors have been considered for determining the discount rate to be applied to the cash flows of company.

Service fees charged by the bank on loans and advances unless immaterial or impracticable to determine reliably

is to be considered for computation of Effective Interest Rate. However, bank has opted the Carve-out (optional) pronounced by Institute of Chartered Accountants of Nepal (ICAN) on 20th September 2018; as per the notice issued by ICAN regarding the extension of a year time for its implementation.

2.8. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial. Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by an Accounting Standard.

2.9. Comparative Information

The Financial Statement of the Bank provides comparative information in respect of previous periods. The accounting policies have been consistently applied by Bank with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRS or expiry of the carve out period. Further, comparative information is reclassified wherever necessary to comply with the current presentation. The comparative information of previous years contains only the result of Shine Resunga Development Bank Limited while the reporting period covers the result of Shine Resunga Development Bank together with Purnima Bikas Bank and Bhargav Bikash Bank after merger.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and deviations if any have been disclosed accordingly.

3.1. Basis of Measurement

The financial statements have been prepared on a historical cost basis, financial assets valued at Fair Value both through Profit or Loss and Other comprehensive income, assets held for sale and discontinued operations 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 judgments 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.

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method as per the requirements of Nepal Financial Reporting Standard - NFRS 03 (Business Combinations). The Bank measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is positive, this will result into goodwill. The computation and recognition of goodwill is in compliance with the clarification issued by Institute of Chartered Accountant of Nepal (ICAN) dated 2077/07/25.

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. Financial instruments

The bank's principal financial assets comprise assets held at fair value through profit and loss, assets measured at amortized cost and at fair value through other comprehensive income. The main purpose of these financial instruments is to generate a return on the investment made by shareholders. The company's principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the company's interest receivables are classified and measured at Amortized cost method. Equity securities / debentures are classified as fair value through profit and loss or Fair Value through OCI. The amount attributable to shareholders is classified as equity and is carried at the redemption amount being net asset value. Payables are measured at amortized cost.

3.4.2. Classification

The Company's investments are classified as fair value through profit or loss, fair value through OCI and at amortized cost. They comprise:

3.4.3. Financial assets at Amortized Cost

Financial assets whose objective is to collect Contractual Cash flow and Contractual Cash flow received in specified day includes interest and principal is classified at amortized Cost. These includes loans and advances, investment in treasury bills and bonds, Fixed Deposit investment, staff loans receivable and trade receivable. There are measured at Amortized cost.

3.4.4. Financial assets and liabilities held at fair value through profit or loss

Financial assets whose objective/ business model is not to collect Contractual Cash flow but to gain from movement is fair value is classified at fair value through profit or loss. These includes investment in equity shares. Gain on movement of fair value is charged to statement of profit or loss.

3.4.5. Financial assets and liabilities held at fair value through OCI

In rare circumstances, Financial assets whose objective or business model is not to collect Contractual Cash flow is classified at fair value through OCI. Investment in equity which are not regularly traded are classified at fair value through OCI. The gain/loss on movement in fair value is charged to OCI. Its tax impact is also charged into OCI. The gain or loss on disposal of investment classified as fair value through OCI is charged to equity after recycling from OCI.

3.4.6. Recognition / de- recognition

The company recognizes financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognizes changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognized when the right to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged or expired.

Realized gains and realized losses on de-recognition are determined and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's cost and disposal amount.

3.4.7. Measurement

a. Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the company measures a financial asset at its fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial

liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the company is the closing price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques.

b. Financial assets measured at amortized cost

Financial assets at this category are measured initially at fair value plus transaction costs and subsequently amortized using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

Receivables may include amounts for dividends, interest and trade receivables. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(6) above.

Receivable are recognized and carried at amortized cost, less a provision for any uncollectable debts. An estimate for doubtful debt is made when collection of an amount is no longer probable.

Recoverability of receivable is reviewed on an ongoing basis at an individual portfolio level, Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

3.4.8. 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 recognized 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.

3.4.9. 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 modeling 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.

3.4.10. 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	2076	2077
Individual	7,606,095	23,386,894
Collective	1,630,021	136,755,944
Total NFRS Provision	9,236,116	160,142,838

Provision as per NRB

Particulars	2076	2077
Good	159,883,168	218,007,181
Watchlist	11,000,599	136,902,878
Re-structure	-	7,402,345
Sub-standards	2,996,162	18,783,513
Doubtful	1,487,452	58,066,111
Bad	4,433,462	22,184,840
Total NRB Provision	179,800,842	461,346,867
Gap/(Excess)	(170,564,726)	(301,204,028)

The bank loans and advances are greater considering the NRB directive as compared to NFRS impairment provisioning. Therefore, provisioning as per NRB directive is applied.

3.4.11. Impairment of Financial Investments – at Fair Value through Profit or loss and Fair value through OCI

The Bank also records impairment charges on equity investments considering the movement on share price computed as per three levels of valuation.

Refer Note 4.8 for details.

3.4.12. 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. The bank assess that the goodwill computed from merger of Purnima and Bhargav is not impaired.

3.4.13. Derivatives Assets and Derivative Liabilities

Bank doesn't deal with any derivative financial instruments.

3.5. 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 recognized 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:

Category	FY 2076/77	FY 2075/76
Computer and Accessories	3 Years	3 Years
Furniture and Fixtures	7 Years	7 Years
Machinery and Equipment	9 Years	9 Years
Office Equipment	5 Years	5 Years
Vehicles	6 Years	6 Years
Leasehold	10 Years	10 Years
Other Assets	4 Years	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 Straight line basis for depreciation. The life has been estimated as above and depreciation has been charged on the basis of given life.

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.

The Bank has not applied the revaluation model to the any class of freehold land and buildings or other assets. Such properties are carried at a previously recognized GAAP Amount. However, the assets transferred from the acquisition of Bharghav Bikas Bank is recognized at Fair Value of the Assets and Liabilities at the date of acquisition as per NFRS 3 on Business Combination due to which the land transferred from the Bhargav Bikas Bank is recognized at Revalued amount which is close to Fair Value. Assets Revaluation Reserve has been computed for the said amount as per direction of Nepal Rastra Bank.

3.6. 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 amortized on the basis of their expected useful lives.

Computer software

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

3.7. 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.

3.8. Income Tax

The Bank is subject to income tax and judgment is required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of the applicable tax laws, at the time of preparation of these Financial Statements.

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Current Tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to Inland Revenue Department in respect of the current year, using the tax rates and tax laws enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of prior years.

Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilized except:

Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in Subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority.

3.9. Deposits, debt securities issued and subordinated liabilities

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

3.10. Provisions, Commitments and Contingencies

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking in to account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows. A provision for onerous contracts is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured as the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Bank recognizes any impairment loss on the assets associated with that contract. The expense relating to any provision is presented in the Statement of Profit or Loss net off any reimbursement.

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

The Bank receives legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits.

3.11. Revenue Recognition

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

Interest Income

Interest income is recognized in profit or loss for all interest-bearing instruments on an accrual basis using the method which is approximately the same with effective interest method as allowed by carve-out on NFRS. The effective



interest rate is the rate that exactly discounts the expected estimated future cash payments and receipts through the expected life of the financial asset or liability. Where financial assets have been impaired, interest income continues to be recognized on the impaired value, based on the original effective interest rate.

Bank has adopted the guideline issued by Nepal Rastra bank issued on July 2019 for the recognition of Interest Income i.e. the criteria for suspension of interest income and cessation of accrued Interest which requires cessation of recognition interest income for loans which are significantly impaired i.e bad. As on Asadh End 2077 the bank has ceased acquisition on interest amounting to Nrs. 64,24,200 related to bad loan which was Nrs. 24,62,436 as on Asadh End 2076.

Fee and Commission Income

Fees earned for the provision of services over a period of time are accrued over the period, which include service fees and commission income. The bank has availed the option provided as per carve-out of NFRS for transaction cost to be included in computing effective interest rate.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

Net Trading Income

Net trading income comprises gains less losses relating to trading assets and liabilities, and includes all realized interest, dividend on financial assets held for trading and foreign exchange differences as well as unrealized changes in fair value of trading assets and liabilities.

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

Trading assets such as equity shares and mutual fund are recognized at fair value through profit or loss. No other financial instruments are designated at fair value through profit or loss. The bank has no income under the heading net income from other financial instrument at fair value through profit or loss.

3.12. Interest expense

For financial liabilities measured at amortized cost, interest expense is recognized using the Effective Interest Rate (EIR) to the extent material and practicable. EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liabilities or a shorter period, where appropriate, to the net carrying amount of the financial liability.

3.13. Employee Benefits

a) 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 is 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 2077.

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

b) Staff Bonus

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

3.14. 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.

3.15. 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 recognized in the profit or loss, except when recognized 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.

3.16. Financial guarantee and loan commitments

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 recognized in the statement of profit or loss in net fees and commission income on a straight-line basis over the life of the guarantee.

3.17. Share Capital and Reserves

a) 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 recognized 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.

b) 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.

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

- **Exchange Equalization Reserve**

25% of the revaluation gain on foreign currency is set aside to exchange equalization 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. Revaluation reserve is created for the property and equipment transferred from Bharghav Bikas Bank at Fair Value.

- **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**

As per the circular of NRB dated on 16/01/2077, no any fund created for the purpose of employee training during this fiscal year.

- **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 2077 not recovered till Ashwin End 2077, Reserve on Deferred Tax Assets, Non-Banking Assets, reduction in fair value of investment in equity below cost price, actuarial loss etc.

Particulars	Interest Receivable	Deferred Tax	NBA	Fair Value Adj	Actuarial Adj	Regulatory Reserve
Balance at Asar 31, 2076 (Opening+4)	13,680,122	22,064,824	-	151,050	978,392	36,874,388
Transferred from Purnima	25,193,958	10,906,855	-	19,889,902	3,528,519	59,519,234
Transferred from Bhrgav	33,579,012	(6,777,082)	2,316,174	3,993,704	69,575	33,181,383
Adjusted Opening	72,453,092	26,194,597	2,316,174	24,034,656	4,576,486	129,575,005
Transfer from RE to Regulatory Reserve						
NBA			(2,316,174)			(2,316,174)
Deferred Tax		(26,194,597)				(26,194,597)
Actuary Reserve					12,095,728	12,095,728
FV Reserve				(24,034,656)		(24,034,656)
Interest Receivable	(60,101,874)					(60,101,874)
Balance at Ashad 31, 2077 (Opening +6)	12,351,218	-	-	-	16,672,214	29,023,432

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.

Particulars	CSR Fund Reserve	Training Fund Reserve	Exchange Fluctuation Reserve	Assets Revaluation Reserve	Actuary Reserve	Other Reserve
Balance at Ashad 31, 2076						
(Opening+4) 5,075,102	2,703,723	-		(978,392)	6,800,433	
Transferred from Purnima	1,655,522	940,738			(3,528,519)	(932,259)
Transferred from Bhargav	740,471	-		38,025,854	(69,575)	38,696,749
Adjusted Opening	7,471,095	3,644,461	-	38,025,854	(4,576,486)	44,564,923
Transfer from Investment Adjustment Reserve						-
Transfer to Employee Training Fund						-
Transfer/Utilization from						
Employee Training Fund		(2,528,454)				(2,528,454)
Transfer to CSR Fund	4,267,474					4,267,474
Transfer/Utilization from CSR Fund	(7,457,877)					(7,457,877)
Exchange Fluctuation Reserve			218,457			218,457
OCI					(12,095,728)	(12,095,728)
Balance at Ashad 31, 2077						
(Opening +6)	4,280,692	1,116,007	218,457	38,025,854	(16,672,214)	26,968,795

- **Share Premium Account**

Share premium account amounting to Nrs. 24,65,454 relating to issue of share of Bhargav at premium is shown separately under share premium account at the face of the Statement of Financial Statement.

- **Share Premium Resulting from Business Combinations**

Share premium account resulting from business combinations amount to Nrs. 17,11,40,388 relating to premium created due to merger of Bhargav and Purnima as explained in 5.8.

3.18. 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. Earning per share is disclosed in Statement of Profit or Loss.

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

3.19. 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.

3.20. 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.

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, 2077	As on Ashad 31, 2076
Cash in Hand	627,531,797	327,372,656
Balances with B/Fis	536,636,113	17,031,905
Money at call and short notice	5,034,154,394	2,483,614,030
Other	-	-
Total	6,198,322,304	2,828,018,591

4.2 Due from Nepal Rastra Bank

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Statutory balances with NRB	1,855,214,141	890,428,425
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	1,855,214,141	890,428,425

4.3 Placements with Bank and Financial Institutions

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
Loan to Microfinance Institutions	536,529,519	265,037,718
Other	-	-
Less: Allowances for Impairment	(5,365,295)	(2,649,121)
Total	531,164,224	262,388,597

4.6.1 Allowances for Impairment

Particulars	FY 2076-77	FY 2075-76
Balance as at Shrawan 1	2,649,121	2,300,000
Impairment loss for the year:		
Charge for the year	2,716,174	349,121
Recoveries/Reversal	-	-
Amount written off	-	-
Balance as at Ashad end	5,365,295	2,649,121

4.7 Loans and advances to customers

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Loans and advances measured at amortized cost	24,796,527,060	16,076,243,935
Less: Impairment allowances		
Individual Impairment	(23,386,894)	(8,917,076)
Portfolio Impairment	(432,594,678)	(183,534,471)
Net amount	24,340,545,488	15,883,792,388
Loan and advances measured at FVTPL	-	-
Total	24,340,545,488	15,883,792,388

4.7.1 Analysis of loan and advances - By product

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Product		
Term Loans	5,473,979,566	3,584,853,010
Overdraft	1,404,789,256	712,010,050
Trust Receipt/Import Loans	-	
Demand and other Working Capital Loans	6,473,460,962	5,089,620,060
Personal Residential Loans	1,921,741,073	1,272,007,310
Real Estate Loans	1,395,380,696	1,227,978,620
Margin Lending Loans	29,486,053	20,200,000
Hire Purchase Loans	1,775,551,885	1,421,852,951
Deprived Sector Loans	1,116,548,673	534,504,870
Bills Purchased		
Staffs Loans	157,256,561	92,013,683
Other	4,900,730,361	2,099,782,752
Sub-total	24,648,925,086	16,054,823,306
Interest Receivable	147,601,974	21,420,631
Grand Total	24,796,527,060	16,076,243,937

4.7.2 Analysis of loan and advances - By Currency

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Nepalese Rupee	24,796,527,060	16,076,243,937
Indian Rupee		
United States Dollar		
Great Britain Pound		
Euro		
Japanese Yen		
Chinese Yuan		
Other		
Grand Total	24,796,527,060	16,076,243,937

4.7.3 Analysis of loan and advances - By Collateral

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Secured		
Moveable/Immoveable Assets	24,475,285,054	15,848,509,597
Gold and Silver	7,215,778	-
Guarantee of Domestic BFIs		-
Government Guarantee	-	-
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	133,812,451	184,646,080
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	3,125,752	1,467,624
Other Collateral	29,486,051	20,200,004
Sub Total	24,648,925,086	16,054,823,305
Unsecured	-	-
Grand Total	24,648,925,086	16,054,823,305

4.7.4 Allowances for Impairment

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Specific allowances for impairment		
Balance at Shrawan 1	8,917,076	5,623,560
Impairment loss for the year:	14,469,818	3,293,516
Charge for the year	14,469,818	3,293,516
Recoveries/reversal during the year		
Write- offs	-	-
Exchange rate variance on foreign currency		
Other movement		
Balance at Ashad end	23,386,894	8,917,076
Collective allowances for impairment		
Balance at Shrawan 1	183,534,471	122,072,209
Impairment loss for the year:	249,060,207	61,462,262
Charge/(reversal) for the year	249,060,207	61,462,262
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashad end	432,594,678	183,534,471
Total allowances for impairment	455,981,572	192,451,547

4.8 Investment in securities

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Investment securities designated at FVTPL	-	-
Investment securities measured at amortized cost	1,466,203,029	1,149,045,263
Investment in equity measured at FVTOCI	172,495,816	72,320,183
Total	1,638,698,845	1,221,365,446

4.8.1 Investment in securities measured at amortized cost

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Debt Securities	-	-
Government Bond	1,466,203,029	1,149,045,263
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposit instruments	-	-
Other	-	-
Less: Specific allowances for impairment	-	-
Total	1,466,203,029	1,149,045,263

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

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Equity Instrument		
Quoted equity securities	153,000,716	62,320,183
Unquoted equity securities	19,495,100	10,000,000
Total	172,495,816	72,320,183

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

S.N.	Particulars	As on Ashad 31, 2077		As on Ashad 31, 2076	
		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
2	Nabil Equity Fund 225,299 Units of Rs. 10 each	2,252,990	2,102,040	2,252,990	2,102,040
3	N.M.B. Hybrid Fund 394,350 Units of Rs. 10 each	3,943,500	3,746,325	3,154,800	3,164,264
4	Varun Hydro Powe Co. Ltd. 20 Shares of Rs. 100 Each	2,000	1,680	1,000	900
6	Nepal Life Insurance Co. Ltd. 4,844 shares of Rs. 1,313 each	3,437,339	6,103,440	2,403,975	3,371,542
7	Siddhartha Mutual Fund (Siddhartha Equity Fund) 20,67,748 Units of Rs. 10 Each	20,677,480	20,677,480	9,677,480	9,764,577
8	Citizens Mutual Fund 5,00,000 Units of Rs. 10 each	5,000,000	5,030,000	5,000,000	5,090,000
9	N.I.C. Asia Mutual Fund 750,000 Units of Rs. 10 each	7,500,000	7,642,500	2,500,000	2,570,000
10	NIBL Sahabhagita Fund 250,000 Units of Rs. 10 each	2,500,000	2,475,000	2,500,000	2,500,000
11	Citizens Mutual Fund 2 250,000 Units of Rs. 10 each	2,500,000	2,500,000	2,500,000	2,500,000
12	Chautari Laghubitta Bittiya Sanstha Limited 53,500 promoter share of Rs. 100 each	5,000,000	5,350,000	5,000,000	11,600,000
13	Nagbeli Bikas Bank 29 shares of Rs. 124.14 each	3,600	13,533	-	-
14	Nepal Telecommunication Company Ltd. 1,385 shares of Rs. 749.77 each	1,038,430	907,175	-	-
15	Ridi Hydropower Company Ltd. 106 shares of Rs. 129 each	12,900	8,904	-	-
16	Soaltee Hotel Limited 776 shares of Rs. 593.53 each	165,000	119,504	-	-
17	Surya Life Insurance Limited 2794 shares of Rs.297.685 each	829,753	1,251,712	-	-
18	Chilime Hydropower Company Limited 1,361 shares of Rs. 1,341.77 each	1,521,567	541,678	-	-
19	Siddhartha Insurance Company Ltd. 8,241 shares of Rs. 1,224.29 each	6,584,248	4,779,780	-	-
20	National Life Insurance Company Ltd. 4,704 shares of Rs. 2,165.96 each	5,505,875	3,114,048	-	-
21	Hydropower Investment and Development Company Ltd. 10,744 shares of Rs. 94.62 each	1,016,600	1,428,952	289,600	512,785
22	Nagdi Group Power Limited 636 shares of Rs. 91 each	57,900	73,140	-	-
23	Shikhar Insurance Company Ltd. 1,292 shares of Rs. 1,338.71 each	1,618,495	1,316,548	-	-
24	Butwal Power Company Ltd. 4,493 shares of Rs. 894.42	3,104,530	1,612,987	-	-
25	Nerude Laghubitta Bikas Bank Ltd. 12 Bonus shares of Rs. 100 each	1,200	9,132	-	-

26	Rural Microfinance Development Centre 117 shares of Rs. 1,034.24 each	107,561	82,017	-	-
27	NLG Insurance Company Ltd. 1,250 shares of Rs. 1,280.80 each	1,601,000	821,250	-	-
28	Sana Kisan Bikas Bank 318 shares of Rs. 800.70 each	160,140	413,718	-	-
29	Asian Life Insurance Company Ltd. 2 bonus share of Rs. 50	100	1,214	-	-
30	United Insurance Company Ltd. 6,008 shares of Rs. 5,64.55 each	3,391,830	2,222,960	-	-
31	Neco Insurance Company Ltd. 18,121 shares of Rs. 471.65each	4,625,454	10,999,447	-	-
32	Premier Insurance Company Ltd. 2,156 shares of Rs.1800 each	3,420,000	1,328,096	-	-
33	Swalamban Bikas Bank Limited 1,250 shares of Rs. 1,108 each	1,385,000	1,541,250	-	-
34	Sanima Equity Fund 600,000 units of Rs. 100 each	6,000,000	5,958,000	-	-
35	NMB 50 Mutual Fund 2,50,000 Units of Rs. 10 each	2,500,000	2,500,000	-	-
36	NMB 50-Bandmukhi 2,00,000 Units of Rs. 10 each	2,000,000	2,000,000	-	-
37	Laxmi Laghubitta Bittiya Sanstha Ltd. 56 shares of Rs.73.21 each	4,100	67,984	-	-
38	Vijay Laghubitta Bittiya Sanstha Ltd. 32 shares of Rs. 71.875 each	2,300	32,640	-	-
39	Civil Laghubitta Bittiya Sanstha Ltd. 17 shares of Rs. 88.23each	1,500	13,039	-	-
40	Api Power Co. Ltd. 30 shares of Rs. 86.66 each	2,600	3,240	-	-
41	Global IME Laghubitta Bittiya Sanstha Ltd. 49 shares of Rs. 60.98 each	2,500	63,749	-	-
42	Mero Micro Finance Ltd. 41 shares of Rs. 100 each	4,100	58,638	-	-
43	Divyashwori Hydro Power Co. Ltd. 11 Shares of Rs. 100 each	1,100	534	-	-
44	Global IME Mutual Fund 474,658 units of Rs. 10 each	4,746,580	4,072,566	-	-
45	Siddhartha Investment Growth Scheme 500,000 units of Rs. 10 each	50,000,000	50,000,000	-	-
46	Swadeshi Laghubitta Sanstha Ltd 16 shares of Rs. 100 each	1,200	14,816	-	-
	Subtotal	154,230,472	153,000,716	52,973,075	62,320,183
	Investment in Unquoted equity				
1	General Insurance Company Limited 100,000 shares of Rs. 100 each	10,000,000	10,000,000	10,000,000	10,000,000
2	Jyoti Life Insurance Co 50,000 promotor shares of Rs. 100 each	5,000,000	5,000,000	-	-
3	Nepal Clearing House Ltd. 4,126 shares of Rs. 100 each	412,600	495,100	-	-
4	Khaptad Laghubitta Bittiya Sanstha Limited 15,000 shares of Rs. 100 each	1,500,000	1,500,000	-	-
5	Banking finance and Insurance Company 25,000 shares of Rs. 100 each	2,500,000	2,500,000	-	-
	Subtotal	19,412,600	19,495,100	10,000,000	10,000,000
	Grand Total	173,643,072	172,495,816	62,973,075	72,320,183

Note: *Refers to Dividend Declared during last three years

4.9 Current tax Assets/Liabilit

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Current tax assets	203,867,083	188,450,599
Current year Income Tax Assets	203,867,083	188,450,599
Tax Assets	-	-
Current tax liabilities	186,381,757	187,891,644
Current year Income Tax Liabilities	186,381,757	187,891,644
Tax Liabilities of Prior Periods	-	-
	186,381,757	187,891,644
Total of income tax assets/(liabilities)	17,485,326	558,955

4.10 Investment In subsidiaries

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
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, 2077		As on Ashad 31, 2076	
	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, 2077		As on Ashad 31, 2076	
	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, 2077		As on Ashad 31, 2076	
.....Ltd				
.....Ltd	-	-	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

	As on Ashad 31, 2077
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 31, 2077

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, 2077		As on Ashad 31, 2076	
	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, 2077		As on Ashad 31, 2076	
	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	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
Total	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	Percentage of ownership	
	As on Ashad 31, 2077	As on Ashad 31, 2076

4.11.4: Equity value of associates

Particulars	Group	
	As on Ashad 31, 2077	As on Ashad 31, 2076
		-
	-	-

4.12 Investment Properties

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Investment Properties measured at Fair Value		
Balance as on Shrwawan 01	-	-
Transferred From Bhargav	3,676,467	
Addition/(Disposal) during the year	(3,676,467)	-
Net Changes in fair value during the year		
Adjustment/Transfer		
Net Amount	-	
Investment Properties measured at Cost		
Balance as on Shrwawan 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 2077
Cost									
As on Shrawan 01.2075	77,052,000	-	40,168,593	20,633,073	33,168,852	18,518,286	35,841,099	29,237,496	254,619,399
Addition during the year	-	-	14,344,791	5,023,419	9,119,000	5,558,309	12,692,059	8,708,329	55,445,907
Acquisition	-	-	14,344,791	5,023,419	9,119,000	5,558,309	12,692,059	8,708,329	55,445,907
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	31,468,005	285,305,961
Addition during the Year	70,430,854	-	33,116,410	17,037,065	21,433,087	15,203,204	12,685,403	16,289,935	186,195,958
Acquisition	70,430,854	-	33,116,410	17,037,065	21,433,087	15,203,204	12,685,403	16,289,935	186,195,958
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	(23,933)	(232,975)	(4,078,314)	(332,810)	(1,162,985)	(748,801)	(2,501,504)
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Ashad end 2077	147,482,854	-	87,605,861	33,007,555	59,642,625	36,207,603	58,044,778	47,009,139	469,000,415
Depreciation and Impairment									
As on Shrawan 01.2075	-	-	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	-	-	13,760,847	8,673,417	14,690,377	8,957,587	17,953,417	12,766,001	76,801,646
Depreciation charge for the year	-	-	9,505,683	7,838,194	8,716,457	3,860,989	5,647,524	7,861,453	43,430,300
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals*	-	-	662,147	690,636	664,021	250,436	(399,604)	213,117	2,080,753
Adjustment	-	-	-	-	-	-	-	-	-
As on Ashad end 2077	-	-	23,928,677	17,202,247	24,070,855	13,069,012	23,201,337	20,840,571	122,312,699
Capital Work in Progress 2076		51,884,670							51,884,670
Capital Work in Progress 2077		102,103,233							102,103,233
Net Book Value									
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	18,702,004	260,388,985
As on Ashad end 2077	147,482,854	102,103,233	63,677,184	15,805,308	35,571,770	23,138,591	34,843,441	26,168,568	448,790,950

Shine Resunga Development Bank Limited

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

4.14 Goodwill and Intangible Assets

Particulars	Software				Total Ashad end 2077
	Goodwill	Purchased	Developed	Other	
Cost					
As on Shrawan 01 2075	-	11,368,742	-	-	11,368,742
Addition during the year	-	4,585,220	-	-	4,585,220
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
				-	
Addition during the Year	-		-	-	-
Acquisition	118,496,289	9,132,120	-	-	127,628,409
Capitalization	-		-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-		-	-	-
Balance as on Ashad end 2077	118,496,289	25,086,082	-	-	143,582,371
Amortisation and Impairment					
As on Shrawan 01. 2075	-	5,904,277	-	-	5,904,277
Amortisation charge for the year	-	2,124,869	-	-	2,124,869
Impairment for the year	-	-	-	-	-
Disposals	-		-	-	-
Adjustment	-		-	-	-
As on Ashad end 2076		8,029,146	-	-	8,029,146
Impairment for the year	-	-	-	-	-
Amortisation charge for the year	-	4,034,372	-	-	4,034,372
Disposals	-	-	-	-	-
Adjustment	-		-	-	-
As on Ashad end 2077	-	12,063,518	-	-	12,063,518
Capital Work in Progress					
Net Book Value					
As on Ashad end 2076	-	7,924,816	-	-	7,924,816
As on Ashad end 2077	118,496,289	13,022,564	-	-	131,518,853

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 31, 2076			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred 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	24,818,478	(2,753,653)	22,064,825
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			22,064,825
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2075			(10,357,542)
Origination/(Reversal) during the year			11,707,283
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			-

As on Shrawan 31, 2077			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred 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	344,177	-	344,177
Investment In Associates	-		-
Property and Equipment	(41,088,776)	-	(41,088,776)
Employees' Defined Benefit Plan	7,328,095	-	7,328,095
Employees' Leave Liability	(2,361,324)	-	(2,361,324)
Lease Liabilities	4,124,099	-	4,124,099
Provisions LLP	-		-
Other Temporary Differences	-		-
Deferred tax on temporary differences	(31,653,729)	-	(31,653,729)
Deferred tax on carry forward of unused tax losses	-		-
Deferred tax due to changes in tax rate	-		-
Net Deferred Tax Asset (Liabilities) as on year end of 2076/77			(31,653,729)
Deferred Tax (Asset)/ Liabilities as on Ashad end, 2076	-		22,064,824
Deferred Tax (Asset)/ Liabilities transferred from Purnima & Bhargav			4,129,773
Origination/(Reversal) during the year			(57,848,326)
Deferred Tax (expense)/income recognized in profit or loss			(59,513,433)
Deferred Tax (expense)/income recognized in Other Comprehensive Income			1,665,107
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Total Other Assets	-	-
Bills Receivable	-	-
Accounts Receivable	46,296,150	41,173,383
Other Adjustment	-	-
Prepayments and Deposits	2,175,542	2,451,752
Advance Income Tax	-	-
Deferred Employee Expenditure	49,170,929	37,697,536
Other	10,051,308	8,799,034
Stationery Stock	8,706,187	7,054,903
Commission Receivable	-	-
Deposit	349,390	253,696
Others	995,731	1,490,435
Grand Total	107,693,929	90,121,705

4.17 Due to Bank and Financial Institutions

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Money Market Deposits		-
Interbank Borrowing	-	-
Other Deposits from BFIs	423,310,160	59,995,050
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
Total	423,310,160	59,995,050

4.18 Due to Nepal Rastra Bank

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
Institutions Customers:	4,232,595,444	1,198,839,057
Term deposits	2,115,056,290	211,969,250
Call deposits	1,655,110,716	732,235,477
Current deposits	454,182,000	214,984,950
Other	8,246,438	39,649,380
Individual Customers:	25,976,563,804	17,651,176,709
Term deposits	11,189,758,530	8,098,261,401
Saving deposits	14,744,028,184	9,543,876,018
Current deposits	-	5,517,810
Other	42,777,090	3,521,480
Total	30,209,159,248	18,850,015,766

4.20.1 Currency wise analysis of deposit form customers

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Nepalese Rupee	30,209,159,248	18,850,015,766
Indian Rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	30,209,159,248	18,850,015,766

4.21 Borrowings

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
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	As on Ashad 31, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
Liabilities for employees defined benefit obligations	24,426,983	21,486,677
Liabilities for leave	(7,871,079)	26,028,685
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	216,876,634	24,105,972
Interest payable on deposits	-	8,023,593
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	1,122,092	765,003
Employee bonus payable	76,770,227	65,771,339
Other Liabilities	42,589,156	26,199,032
Audit Fee Payable	1,877,879	1,167,000
TDS Payable	26,010,773	18,401,028
Micro Finance Central Fund	-	-
Micro Finance Welfare Fund	-	-
Liabilities under Operating Lease	13,746,996	5,954,049
Others	953,508	676,955
	-	-
Total	353,914,013	172,380,301

4.23.1. A Defined Benefit Obligation

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

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Present value of unfunded obligations	62,114,360	21,486,677
Present value of funded obligations	-	-
Total present value of obligations	62,114,360	21,486,677
Fair value of plan assets	37,687,377	-
Present value of net obligations	24,426,983	21,486,677
Recognised liability for defined benefit obligations	24,426,983	21,486,677

4.23.2: Plan Assets

Plan assets comprise

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	37,687,377	-
Total	37,687,377	-

4.23.3: Movement in the present value of defined benefit obligations

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Defined benefit obligations at Shrawan 1	21,486,677	15,592,574
Transferred from Acquisition	13,719,534	
Actuarial losses/Gain	17,238,519	(416,476)
Benefits paid by the plan	(385,725)	(996,505)
Current service costs; Past Service Cost and interest	10,055,355	7,307,084
Defined benefit obligations at Ashad end	62,114,360	21,486,677

4.23.4: Movement in the fair value of plan assets

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Fair value of plan assets at Shrawan 1	-	-
Transferred from Acquisition	3,544,963	
Contributions paid into the plan	33,634,465	996,505
Benefits paid during the year		(996,505)
Actuarial (losses) gains	(41,093)	-
Expected return on plan assets	549,042	-
Fair value of plan assets at Ashad end	37,687,377	-

4.23.5: Amount recognised in profit or loss

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Current service costs	7,528,678	6,099,538
Past service costs	-	-
Past service costs (Vested)		-
Interest on obligation	2,526,677	1,207,546
Expected return on plan assets	(549,042)	-
Total	9,506,313	7,307,084

4.23.6: Amount recognised in other comprehensive income

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Actuarial (gain)/loss	17,279,612	(416,476)
Total	17,279,612	(416,476)

4.23.7: Actuarial assumptions

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Discount rate	9%	8%
Expected return on plan asset	8%	0%
Future salary increase	4%	8%
Withdrawal rate	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, 2077	As on Ashad 31, 2076
Present value of unfunded obligations		26,028,685
Present value of funded obligations	29,899,616	- -
Total present value of obligations	29,899,616	26,028,685
Fair value of plan assets	37,770,695	-
Present value of net obligations	(7,871,079)	26,028,685
Recognised liability for Long Term Obligation	(7,871,079)	26,028,685

4.23.2: Plan Assets

Plan assets comprise

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	37,770,695	-
Total	37,770,695	-

4.23.3: Movement in the present value of Long Term benefit obligations

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Defined benefit obligations at Shrawan 1	26,028,685	18,132,395
Transferred from Acquisition	6,986,827	
Actuarial losses	(9,329,198)	4,425,562
Benefits paid by the plan	(1,550,523)	(1,766,253)
Current service costs; Past Service Cost and interest	7,763,825	5,236,981
Defined benefit obligations at Ashad end	29,899,616	26,028,685

4.23.4: Movement in the fair value of plan assets

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Fair value of plan assets at Shrawan 1	-	-
Transferred from Acquisition	4,549,741	
Contributions paid into the plan	32,599,587	1,766,253
Benefits paid during the year	-	(1,766,253)
Actuarial (losses) gains	22,387	-
Expected return on plan assets	598,980	-
Fair value of plan assets at Ashad end	37,770,695	-

4.23.5: Amount recognised in profit or loss

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Current service costs	5,324,341	3,857,040
Past service costs-(non Vested)	-	-
Past service costs (Vested)	-	-
Actuarial (gain)/loss	(9,351,585)	4,425,562
Interest on obligation	2,439,484	1,379,941
Expected return on plan assets	(598,980)	-
Total	(2,186,740)	9,662,543

4.23.6: Amount recognised in other comprehensive income

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Actuarial (gain)/loss	-	-
Total	-	-

4.23.7: Actuarial assumptions

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Discount rate	8%	8%
Expected return on plan asset	8%	0%
Future salary increase	4%	8%
Withdrawal rate	5%	5%

4.24 Debt securities issued

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)		
Other		
Total	-	-

4.26 Share Capital

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Ordinary Shares	3,016,339,742	1,622,665,260
Convertible Preference Shares (Equity component)	-	-
Irredeemable Preference Shares (Equity component)	-	-
Perpetual debt (Equity component only)	-	-
Total	3,016,339,742	1,622,665,260

4.26.1 Share capital detail

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Authorised capital		
25,000,000 Ordinary Share of Rs. 100 each (FY 2075-76)		2,500,000,000
50,000,000 Ordinary Share of Rs.100 each (FY 2076-77)	5,000,000,000	
Issued Capital		
16,226,652.6 Ordinary Share of Rs. 100 each (FY 2075-76)		1,622,665,260
30,163,397.42 Ordinary Share of Rs. 100 each (FY 2076-77)	3,016,339,742	
Suscribed and paid up capital		
16,226,652.6 Ordinary Share of Rs. 100 each (FY 2075-76)		1,622,665,260
30,163,397.42 Ordinary Share of Rs. 100 each (FY 2076-77)	3,016,339,742	
Total	3,016,339,742	1,622,665,260

4.26.2: Ordinary share ownership

Particulars	As on Ashad 31, 2077		As on Ashad 31, 2076	
	% of holding	Amount	% of holding	Amount
Domestic ownership	100.00%	3,016,339,742	100.00%	1,622,665,260
Nepal Government				
"A" Class licenced institutions				
Other Licenced institutions				
Other institutions & individuals				
Public	41.44%	1,249,893,356	36.78%	596,747,138
Other	58.56%	1,766,446,386	63.22%	1,025,918,122
Foreign Ownership				
Total	100%	3,016,339,742	100.00%	1,622,665,260

List of Shareholder holding more than 0.5% of Shares

Shareholder's Name	No. of Shares	Share Amount Rs.	Percentage
Shareholder's Name	No. Share	Share Amounts Rs.	Percentage
Thaneshor Poudel	671,298.00	67,129,800.00	2.23
Dilip Raj Maskey	294,219.00	29,421,900.00	0.98
Bal Krishna Bhusal	294,218.00	29,421,800.00	0.98
Rajendra Prasad Shrestha	281,576.00	28,157,600.00	0.93
Dhanendra Karki	234,894.00	23,489,400.00	0.78
Krishna Prasad Bhandari	233,492.00	23,349,200.00	0.77
Surakshan Investment Company Pvt. Ltd.	223,126.00	22,312,600.00	0.74
Mirgendra Pd Shrestha	222,871.00	22,287,100.00	0.74
Janak Pradhan	209,843.00	20,984,300.00	0.70
Hari Pd Pradhan	206,602.00	20,660,200.00	0.68
Surendra Pd Shrestha	180,424.00	18,042,400.00	0.60
Sushma Chhetri	180,424.00	18,042,400.00	0.60
Birendra Bhusal	180,424.00	18,042,400.00	0.60
Ghana Shyam Poudel Sharma	180,424.00	18,042,400.00	0.60
Krishna Prasad Pokharel	180,424.00	18,042,400.00	0.60
Ishwori Prasad Paudyal	180,424.00	18,042,400.00	0.60
Ayodhaya Prasad Shrestha	180,424.00	18,042,400.00	0.60
Gom Raj Shrestha	180,424.00	18,042,400.00	0.60
Tara Prasad Bhusal	180,424.00	18,042,400.00	0.60
Nandaram Bhusal	180,422.00	18,042,200.00	0.60
Shree Krishna Pokharel	177,017.00	17,701,700.00	0.59
Tankeshwor Khanal	177,015.00	17,701,500.00	0.59
Dan Bdr Kunwar Chhetri	177,015.00	17,701,500.00	0.59
Maheshwor Pd Shrestha	177,015.00	17,701,500.00	0.59
Yagya Prasad Pokharel	177,015.00	17,701,500.00	0.59
Keshab Raj Maskey	177,014.00	17,701,400.00	0.59
Kedar Man Kakshapati	172,146.00	17,214,600.00	0.57
Madhab Prasad Khanal	166,250.00	16,625,000.00	0.55
Ganesh Chandra Pokhrel	154,894.00	15,489,400.00	0.51
Bheshraj Pandey	151,133.00	15,113,300.00	0.50

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

Financial Year	Cumulative Paid Up Capital	Remarks
69 Ashad	234,000,000	
Issue of Bonus Share	63,972,800	
Merger Resunga Bikas Bank	85,863,600	Meger
70 Ashad	383,836,400	
Issue of Bonus Share	57,575,500	
Issue of Right Share	166,055,600	
71 Ashad	607,467,500	
Issue of Right Share	25,862,600	
Issue of Bonus Share	170,999,200	
72 Ashad	804,329,300	
Merger of Gaumukhi Bikas Bank	64,089,792	Meger
Issue of Bonus Share	234,473,208	
73 Ashad	1,102,892,300	
Issue of Bonus Share	275,723,100	
74 Ashad	1,378,615,400	
Issue of Bonus Share	244,049,860	
76 Ashad	1,622,665,260	
Acquisition of Purnima Bikash Bank Limited & Bhargav Bikash Bank Limited	1,000,238,864	Acquisition
Issue of Bonus Share	393,435,619	
2077 Ashad	3,016,339,743	

4.27 Reserves

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Statutory general reserve	609,030,512	392,448,150
Exchange equilisation reserve	218,457	-
Corporate social responsibility reserve	4,280,688	5,075,102
Capital redemption reserve	-	-
Regulatory reserve	29,023,433	36,874,388
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	38,025,854	-
Fair value reserve	-	6,542,976
Dividend equalisation reserve	-	-
Actuarial gain/loss reserve	(16,672,214)	(978,392)
Special reserve	-	-
Share Premium Resulting from Business Combinations	171,140,440	-
Staff Training Fund	1,116,008	2,703,723
Total	836,163,178	442,665,947

4.28 Contingent liabilities and commitments

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Contingent liabilities	97,212,906	108,341,410
Undrawn and undisbursed facilities	1,261,376,576	875,248,990
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	1,358,589,482	983,590,400

4.28.1: Contingent Liabilities

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees	1,450,000	92,804,410
Underwriting commitment		
Other commitments	95,762,906	15,537,000
Total	97,212,906	108,341,410

4.28.2: Undrawn and undisbursed facilities

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Undisbursed amount of loans	11,400,000	43,387,500
Undrawn limits of overdrafts	1,249,976,576	831,861,490
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
Total	1,261,376,576	875,248,990

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, 2077	As on Ashad 31, 2076
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, 2077	As on Ashad 31, 2076
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

Particulars	As on Ashad 31, 2077	As on Ashad 31, 2076
Contingent Tax Liabilities-Income Tax	-	-
Total	-	-

4.29 Interest Income

Particulars	FY 2076-77	FY 2075-76
Cash and cash equivalent	171,072,071	88,105,439
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	60,200,485	24,895,269
Loans and advances to customers	2,905,533,287	1,993,458,718
Investment securities	66,403,080	54,757,616
Loan and advances to staff	24,667,558	13,742,903
Other Interest Income	-	-
Total interest income	3,227,876,481	2,174,959,945

4.30 Interest Expense

Particulars	FY 2076-77	FY 2075-76
Due to bank and financial institutions	28,792,402	25,374,246
Due to Nepal Rastra Bank	-	-
Deposits from customers	1,931,226,659	1,236,735,025
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	5,624,664	2,587,487
Total Interest expense	1,965,643,725	1,264,696,758

4.31 Fees and commission income

Particulars	FY 2076-77	FY 2075-76
Loan administration fees	-	-
Service fees	90,684,944	107,543,534
Consortium fees		
Commitment fees		
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	3,158,536	1,982,450
Renewal fees		
Prepayment and swap fees		
Investment banking fees		
Asset management fees		
Brokerage fees		
Remittance fees	16,331,668	16,710,584
Commission on letter of credit	-	-
Commission on guarantee contracts issued	1,837,784	1,354,948
Commission on share underwriting/issue	-	
Locker rental	528,750	315,000
Other fees and commission income	17,885,371	2,448,185
Total Fees and Commission Income	130,427,053	130,354,701

4.32 Fees and commission Expense

Particulars	FY 2076-77	FY 2075-76
ATM management fees		
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees.		
Remittance fees and commission	-	-
Other fees and commission expense	9,505,416	3,588,812
CIC Fees	-	-
Deposit Premium	-	-
Mobile Banking Expenses	7,774,062	2,477,033
ATM Card management and Disposal Charges	1,731,354	1,111,779
Total Fees and Commission Expense	9,505,416	3,588,812

4.33 Net Trading Income

Particulars	FY 2076-77	FY 2075-76
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 2076-77	FY 2075-76
Foreign exchange revaluation gain	873,827	(11,187)
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	4,292,566	1,867,816
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	144,000	
Share of Income of Associates	-	-
Total	5,310,393	1,856,629

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

Particulars	FY 2076-77	FY 2075-76
Impairment charge/(reversal) on loan and advances to BFIs	3,865,295	349,121
Impairment charge/(reversal) on loan and advances to customers	155,266,485	64,755,778
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	159,131,780	65,104,899

4.36 Personal Expenses

Particulars	FY 2076-77	FY 2075-76
Salary	150,220,781	89,446,144
Allowances	60,050,813	32,166,640
Gratuity Expense	7,852,738	6,099,538
Provident Fund	12,991,528	6,825,805
Uniform	6,355,039	3,528,896
Training & development expense	2,528,454	2,589,348
Leave encashment	(624,215)	11,865,553
Medical	12,268,293	5,673,279
Insurance	674,075	374,620
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense		
Finance expense under NFRS	10,152,834	5,271,156
Other expenses related to staff	-	-
Subtotal	262,470,340	163,840,979
Employees bonus	74,717,610	65,771,339
Grand Total	337,187,950	229,612,318

4.37 Other Operating Expenses

Particulars	FY 2076-77	FY 2075-76
Directors' fee	705,000	639,000
Directors' expense	750,834	605,957
Auditors' remuneration	2,723,000	1,751,500
Other audit related expense	1,194,538	1,053,086
Professional and legal expense	1,841,688	892,149
Office administration expense (4.37 A)	56,600,535	43,349,562
Operating Lease expense (4.37 B)	86,547,714	53,246,460
NFRS Adjustment	-	-
Corporate social responsibility expense	7,163,125	3,632,468
Donations	53,150	98,500
Onerous lease provisions	-	-
Other Expenses	17,385,877	11,481,858
Repair & Maintenance Building	-	-
Repair & Maintenance Vehicle	1,307,181	1,356,933
Repair & Maintenance Others	892,241	867,881
Repair & Maint.. Office Equipment & Furniture	1,968,738	1,423,629
Share Issue Expenses	1,775,583	421,862
Celebration Expenses	2,532,067	
Other Expenses	-	
Technical Fees	8,910,067	7,411,553
Total	174,965,461	116,750,540

4.37 A Office Administration Expenses

Particulars	FY 2076-77	FY 2075-76
Insurance	16,415,442	10,982,370
Postage, Telephone, Internet	5,678,368	4,342,624
Printing & Stationery	13,772,668	10,735,224
Newspaper & Periodicals	195,507	217,785
Advertisements	1,204,357	559,100
Travelling Expenses	1,362,077	470,645
Fuel Expenses	3,957,640	3,996,721
Entertainment	3,324,298	3,452,953
AGM Expenses	576,213	574,281
Annual Fee	1,501,713	241,305
Office Expenses	-	-
Annual Meeting Fee	-	156,781
Branch Opening Expenses	90,569	772,290
Local Tax and Rates	1,540,798	1,030,795
Business Promotion Expenses	915,902	1,660,197
Fund Transfer Expenses	219,150	360,885
Merger Expenses	845,736	696,330
Expense Not Capitalized	3,721,212	2,044,545
Other	1,278,885	1,054,732
Others Expenses	1,278,885	-
Total	56,600,535	43,349,563

4.37 B Operating Lease Expenses

Particulars	FY 2076-77	FY 2075-76
House Rent Expenses	30,689,251	20,592,556
Electricity Expenses	9,224,009	6,452,109
Security Expenses	46,634,454	26,201,796
Total	86,547,714	53,246,461

4.38 Depreciation and Amortisation

Particulars	FY 2076-77	FY 2075-76
Depreciation on property and equipment	43,430,299	33,351,023
Depreciation on investment property	-	-
Amortisation of intangible assets	4,034,371	2,124,869
Total	47,464,670	35,475,892

4.39 Non Operating Income

Particulars	FY 2076-77	FY 2075-76
Recovery of Loan written off	3,676,467	-
Other Income	-	-
Total	3,676,467	-

4.40 Non Operating expense

Particulars	FY 2076-77	FY 2075-76
Loan written off	37,652	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	895,252	-
Total	932,904	-

4.41 Income Tax Expenses

Particulars	FY 2076-77	FY 2075-76
Current Tax Expenses	186,198,011	187,891,644
Current Year	186,198,011	187,891,644
Adjustment for Prior Years	-	-
Deferred tax Expenses	59,513,433	(14,409,862)
Origination and Reversal of Temporary Differences	59,513,433	(14,409,862)
Change in tax Rate	-	-
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	245,711,444	173,481,782

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	FY 2076-77	FY 2075-76
Profit Before Tax	672,458,488	591,942,054
Tax Amount at the Rate of 30%	201,737,546	177,582,616
Add: Tax Effect of the expenses that are not deductible for tax purpose	15,717,404	29,550
Less: Tax Effect on Exempt Income	(294,689)	(560,345)
Add/Less: Tax Effect on other Items	(12,481,499)	10,839,823
Total Income Tax Expenses	204,678,762	187,891,644
Effective Tax Rate	30.44%	31.74%

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 Chapagain- 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:

- 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 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;

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, analyze and takes decision over the Market Risk by analyzing 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 90 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 defense model** defines the roles and responsibilities for compliance and integrity risk in the Development Bank.

The **first line of defense** 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 defense** 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 defense**.

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 channeling 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 2077 is 14.47% and 15.61% on Tire 1 Capital (core capital) and Tire 2 Capital (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.

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	627,531,797			627,531,797
Balances with B/FIs	536,636,113			536,636,113
Money at call and short notice	5,034,154,394			5,034,154,394
Interbank placement	-			-
Balance at NRB	1,855,214,141			1,855,214,141
Derivative financial instrument	-			-
Loans & Advances	25,333,056,579			25,333,056,579
Government bonds	1,466,203,029			1,466,203,029
Government treasury bills	-			-
Equity investments	-	172,495,815		172,495,815
Other assets	48,471,692			48,471,692
Total Financial Assets	34,901,267,745	172,495,815	-	35,073,763,561

Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	30,209,159,248			30,209,159,248
Due to Banks & Financial Institutions	423,310,160			423,310,160
Due to Nepal Rastra Banks	-			-
Debt Securities	-			-
Employee related liabilities	93,326,131			93,326,131
Bills payable	-			-
Creditors and accruals	216,876,634			216,876,634
Interest payable on deposit	-			-
Interest payable on borrowing	-			-
Unpaid Dividend	1,122,092			1,122,092
Liabilities under Operating Lease	13,746,996			13,746,996
Other liabilities	28,842,160			28,842,160
Total Financial Liabilities	30,986,383,421	-	-	30,986,383,421

5.4 Investment in Equity

The investment in equities are classified as fair value through Other Comprehensive Income (OCI). The valuation hierarchy is presented below;

S.N.	Particulars	Level 1	Level 2	Level 3
1	Siddhartha Investment Growth Scheme	50,000,000		
2	Siddhartha Mutual Fund (Siddhartha Equity Fund)	20,677,480		
3	Neco Insurance Company Ltd.	10,999,447		
4	General Insurance Company Limited	10,000,000		
5	N.I.C. Asia Mutual Fund	7,642,500		
6	Nepal Life Insurance Co. Ltd.	6,103,440		

7	Sanima Equity Fund	5,958,000		
8	Chautari Laghubitta Bittiya Sanstha Limited	5,350,000		
9	Citizens Mutual Fund	5,030,000		
10	Jyoti Life Insurance Co	5,000,000		
11	Siddhartha Insurance Company Ltd.	4,779,780		
12	Global IME Mutual Fund	4,072,566		
13	N.M.B. Hybrid Fund	3,746,325		
14	National Life Insurance Company Ltd.	3,114,048		
15	Citizens Mutual Fund 2	2,500,000		
16	NMB 50 Mutual Fund	2,500,000		
17	NIBL Sahabhagita Fund	2,475,000		
18	United Insurance Company Ltd.	2,222,960		
19	Nabil Equity Fund	2,102,040		
20	NMB 50-Bandmukhi	2,000,000		
21	Butwal Power Company Ltd.	1,612,987		
22	Swalamban Bikas Bank Limited	1,541,250		
23	Khaptad Laghubitta Bittiya Sanstha Limited	1,500,000		
24	Hydropower Investment and Development Company Ltd.	1,428,952		
25	Premier Insurance Company Ltd.	1,328,096		
26	Shikhar Insurance Company Ltd.	1,316,548		
27	Surya Life Insurance Limited	1,251,712		
28	Nepal Telecommunication Company Ltd.	907,175		
29	NLG Insurance Company Ltd.	821,250		
30	Chilime Hydropower Company Limited	541,678		
31	Sana Kisan Bikas Bank	413,718		
32	Soaltee Hotel Limited	119,504		
33	Rural Microfinance Development Centre	82,017		
34	Nagdi Group Power Limited	73,140		
35	Laxmi Laghubitta Bittiya Sanstha Ltd.	67,984		
36	Global IME Laghubitta Bittiya Sanstha Ltd.	63,749		
37	Mero Micro Finance Ltd.	58,638		
38	Vijay Laghubitta Bittiya Sanstha Ltd.	32,640		
39	Swadeshi Laghubitta Sanstha Ltd	14,816		
40	Nagbeli Bikas Bank	13,533		
41	Civil Laghubitta Bittiya Sanstha Ltd.	13,039		
42	Nerude Laghubitta Bikas Bank Ltd.	9,132		
43	Ridi Hydropower Company Ltd.	8,904		
44	Api Power Co. Ltd.	3,240		
45	Varun Hydro Powe Co. Ltd.	1,680		
46	Asian Life Insurance Company Ltd.	1,214		
47	Divyashwori Hydro Power Co. Ltd.	534		
48	Banking finance and Insurance Company			2,500,000
49	Nepal Clearing House Ltd.			495,100
	Grand Total	169,500,716	-	2,995,100

Gain on Disposal of Share classified to OCI are directly charged to Equity net of tax amounting to Nrs. 26,94,712 (Gross). Nrs. 10,53,501 is recycled from OCI for gain already recognized in OCI.

5.5 Operating Segment Information

a) 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.

b) **Information about Profit or Loss, Assets & Liabilities**

	Particulars	Rupandehi	Gulmi	Dang	Pyuthan	Others	Total
a	Revenues from external customers	87,171,708	11,044,166	7,376,186	7,976,509	32,841,054	146,409,623
b	Intersegment revenues	930,668,250	321,565,060	24,221,448	48,371,091	116,320,112	1,441,145,961
c	Net Revenue	1,017,839,958	332,609,226	31,597,634	56,347,600	149,161,166	1,587,555,584
d	Interest revenue	2,130,639,763	165,324,297	187,753,855	137,473,488	714,499,910	3,335,691,313
e	Interest expense	1,101,655,646	343,146,298	123,265,312	111,007,219	429,871,073	2,108,945,548
f	Net interest revenue	1,028,984,117	(177,822,001)	64,488,543	26,466,269	284,628,837	1,226,745,765
g	Depreciation and amortisation						
h	Segment profit /(loss)	1,028,984,117	(177,822,001)	64,488,543	26,466,269	284,628,837	1,226,745,765
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	43,941,950	4,249,978	6,478,995	541,507	40,439,323	95,651,753
						
k	Impairment of assets	-	-	-	-	-	-
l	Segment assets	25,073,726,334	1,807,111,875	1,434,055,164	1,462,056,757	5,949,658,951	35,726,609,081
m	Segment liabilities	15,425,798,655	5,879,439,155	1,886,953,396	1,900,436,584	6,513,095,261	31,605,723,051

c) **Measurement of Operating Segment Profit or Loss, Assets and Liabilities**

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

d) **Reconciliations of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities**

(a) Revenue

Total revenues for reportable segment	146,409,624
Other revenues	3,217,204,304
Elimination of intersegment revenues	
Entity's revenues	3,363,613,927

(b) Profit or loss

Total profit or loss for reportable segments	1,226,745,765
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	(799,998,721)
.....	
.....	
Profit after income tax	426,747,044

(c) Assets

Total assets for reportable segments	35,726,609,081
Other assets	
Unallocated amounts	(457,175,021)
Entity's assets	35,269,434,060

(d) Liabilities

Total liabilities for reportable segments	31,605,723,051
Other liabilities	-
Unallocated liabilities	(587,685,901)
Entity's liabilities	31,018,037,150

e) **Information about Product & Services**

Revenue from each type of product & Service	Amounts
Loan & Advance	2,990,401,330
Money at call	171,072,071
Investment Securities	66,403,080
Remittance	16,331,668
Service Fees	90,684,944
Non- Funded Commission	1,837,784

Other Product & Services	26,883,050
Total revenue	3,363,613,927

f) **Information about Geographical Area**

Revenue from following geographical areas:

(a)	Domestic	146,409,623
	Rupandehi	87,171,708
	Gulmi	11,044,166
	Dang	7,376,186
	Pyuthan	7,976,509
	Others	32,841,054
(b)	Foreign	-
	Total	146,409,623

g) **Information about Major Customer**

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

5.6 Share Options and Share based Payment

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

5.7 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 statements as commitments.

Particulars	FY 2076-77	FY 2075-76
Contingent liabilities	97,212,906	108,341,410
Undrawn and undisbursed facilities	1,26,13,76,576	875,248,990
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	1,35,85,89,482	983,590,400

5.8 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 2076-77	FY 2075-76
Directors	Directors
Rajendra Prasad Shrestha	Rajendra Prasad Shrestha
Thaneshor Poudel	Bhuwan Bhandari
Dr. Tara Prasad Updhyaya	Thaneshor Poudel
Er. Suraj Upreti	Dr. Tara Prasad Updhyaya
Mohan Chapagain	Mohan Chapagain
Sudarshan Gautam (Representative : ShreeGanesh Properties& Investment Pvt Ltd)	Gopal Prasad Pandey
Key Managerial Personnel	
Prakash Poudel –CEO	Prakash Poudel –CEO
Prakash Gurung – DCEO	Sarjan Bhattarai- DGM

Puskar Raj Joshi- DCEO	LokrajPaneru – DGM
LokrajPaneru – DCEO	Yashodhan Pandey- Sr. Manager
Sarjan Bhattarai- DGM	Bhuwan Prasad Panth – Manager
	Kiran Prasad Sharma Nepal – Manager
	Lalmani Panthi- Manager
	Gopal Khanal - Assistant Manager
	Namrata Thapa - Assistant Manager
	Rajesh Gautam - Assistant Manager
	Mitramani Pokhrel- Assistant Manager

Transaction during the Year

Particulars	2076-77	2075-76
Directors		
Directors Sitting Fees	887,000	639,000
Interest Paid to directors on deposits	342,748	4,149,225
Other directors' expenses (if any)	1,107,876	605,957
Total	2,337,625	5,394,183
Key Management Personnel		
Remuneration and Benefit Paid	28,861,995	32,991,466
Post-Retirement Benefits	9,978,508	12,085,683
Other Long-term Benefits		
Borrowing during the year	10,775,782	39,791,322
Interest on Borrowing	810,087	3,238,296
Interest on account balances	124,091	143,015
Other transactions benefits if any		
Total	50,550,463	88,249,782

Reporting Date Balance

Particulars	2076-77	2075-76
Directors Deposits	965,692	164,066,563
KMP Deposits	4,587,926	3,287,683
Borrowings (KMP)	10,775,782	43,433,181
Other Receivable payables if any		
Total	16,329,400	210,787,427

5.9

Merger and Acquisition

On FY 2076-77, Bank acquired Purnima Bikash Bank Limited & Bhargav Bikash Bank Limited and started joint operation on 27th Ashwin 2076. Both the merged entity has prepared its Financials as of 27th Ashwin 2077; the assets and liabilities of these banks has been recognized in the books of Shine Resunga Development Bank Limited. Profit for FY 2076/77 that has been transferred to retained earning has been carried by Shine Resunga Development Bank Limited.

Goodwill

According to NFRS 3 Business Combination, Goodwill/ Bargain Purchase to be valued on the basis of Fair Value of Consideration transferred and Net Assets transferred and accordingly, goodwill has been computed as below:

Particulars	Purnima	Bhargav	Total
Consideration Transferred	755,778,693	687,666,012	1,443,444,705
Net Assets Transferred*	715,030,114	609,918,353	1,324,948,468
Goodwill	40,748,578	77,747,659	118,496,237

Consideration transferred has been calculated as:

Particulars	No. of shares	Fair Value Per share of Shine	Fair Value
Purchase Considerations of Purnima	5,237,189	144.31	755,778,693

Purchase Considerations of Bhargav	4,765,200	144.31	687,666,012
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Assets	Purnima FV as on 2076/6/27	Bhargav FV as on 2076/6/27
Cash and cash equivalent	902,819,601	1,081,626,104
Due from Nepal Rastra Bank	170,155,658	152,203,838
Loan and advances to B/FIs	69,300,000	142,796,302
Loans and advances to customers	3,310,681,690	2,861,404,202
Investment securities	41,963,017	31,794,066
Current tax assets	-	8,650,078
Investment property	-	3,676,467
Property and equipment	30,188,919	98,651,848
Goodwill and Intangible assets	913,102	2,244,242
Deferred tax assets	10,906,855	4,630,674
Other assets	20,433,027	26,394,018
Total Assets	4,557,361,870	4,414,071,839
Liabilities		
Due to Bank and Financial Institutions	166,243,110	180,830,000
Deposits from customers	3,555,398,354	3,482,904,176
Current Tax Liabilities	6,569,502	-
Deferred tax Liabilities		11,407,756
Other liabilities	114,120,789	129,011,553
Total liabilities	3,842,331,756	3,804,153,485
Net Assets Acquired	715,030,114	609,918,353

Particulars	Purnima	Bhargav	Total
Share Capital	551,283,015	501,600,000	1,052,883,015
Paid up value of shares transferred	523,718,864	476,520,000	1,000,238,864
Swap ratio Adjustment	27,564,151	25,080,000	52,644,151

Particulars	Purnima	Bhargav	Total
Net Assets	715,030,114	609,918,353	1,324,948,468
Add: Goodwill	40,748,578	77,747,659	118,496,237
Total Assets Including Goodwill (A)	755,778,693	687,666,012	1,443,444,705
Share Capital	523,718,864	476,520,000	1,000,238,864
General Reserve	90,336,732	40,896,221	131,232,953
Regulatory Reserve	59,519,234	33,181,383	92,700,617
Fair value Reserve	(13,759,718)	(1,796,815)	(15,556,533)
Retained Earning	28,583,111	(5,124,639)	23,458,472
Corporate social responsibility reserve	1,655,522	740,471	2,395,993
Actuarial gain	(3,528,519)	(69,575)	(3,598,094)
Employee Training Fund	940,738	-	940,738
Share Premium		2,465,454	2,465,454
Assets Revaluation Reserve		38,025,854	38,025,854
Total Equity (B)	687,465,964	584,838,353	1,272,304,317
Share Premium (A-B)	68,312,729	102,827,659	171,140,387
Assets Revaluation Reserve		38,025,854	
Total Equity (B)	687,465,964	584,838,353	
Share Premium (A-B)	68,312,729	102,827,659	

5.10 Additional Disclosure of Non-Consolidated Entities

Not Applicable.

5.11 Loan Written off

During the FY 2076/77 bank has written off loan and receivable amounting to NRs.37,652.

5.12 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 disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to 31 Ashad 2077 till the signing of this financial statement except reported below;

a. Interest Rebate and Loan Loss provision due to impact of Covid 19 Relief

As per Notice No 18/076/077 issued on 2076/12/16, Nepal Rastra Bank has directed Bank & Financial Institution to provide Rebate of 10% on interest if the loan client has paid its EMI within Chaitra end 2076. So, with reference to such Notice, Shine has provided rebate of Rs. 32,80,667.43 to its 2,120 loan clients who had paid their Installment regularly up to Chaitra End 2076. Similarly, NRB has directed Bank & Financial Institution through notice no 21/076/077 issued on 2077/01/16 to provide Rebate of 2% in rate of interest charged by the bank & financial Institution to the loan client on the interest collected during the period of Fourth quarter of FY 2076/77. Complying with such notice, shine has provided Rebate of Rs. 8,39,55,318.31 to its 10,866 loan clients.

As per Unified Directives 2/2076, 9 (1) NRB has directed Bank & Financial Institution to create loan Loss provision on the basis of Loan loss provision as on Poush End 2076. So as per this Policy if any loan has been kept under good loan in Poush 2076 then such loan will be classified as good loan up to Ashad End 2077. Similarly, if no interest & loan installment could be recovered on such good loan up to Ashad End 2077, then provision of 5% has to be created. Shine has created provision of Rs. 7,09,14,002.72 while the actual provision without this relief would have been Rs. 40,98,02,026.08.

b. Interest Income recognition with reference to Nepal Rastra Bank Guideline, 2019

Bank has adopted the guideline issued by Nepal Rastra bank issued on July 2019 for the recognition of Interest Income- the criteria for suspension of interest income and cessation of Accrued Interest. As on Ashad end 2077, bank has accrued interest receivable of NPR 154,026,173. Bank has suspended NPR 6,424,200 from booking interest income of the borrowers with arrears on contractual payments for more than a year. Out of total accrued interest income recognized during the year, the aforementioned suspended amount has not been transferred to regulatory reserve. The Net Realizable Value (NRV) of collateral is adequate to cover the principal and accrued interest of the borrowers with arrears of more than three months and within 12 months, and therefore, accrued interest is recognized as interest income. The bank has collected interest income amounting to Nrs. 101,878,791 within Ashwin end 2077 which are accrued till Ashad End 2077 but not realized. Regulatory reserve has not been created for interest recovered till Ashwin End 2077 as allowed by Nepal Rastra Bank Directive.

c. Proposed Dividend

Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date.

The Board of Directors of the Bank through its meeting no 225 dated 2077/09/03 has proposed 13.00% of Bonus share on Current Paid-up capital NPR 3,01,63,39,742.49 which equals to NPR 39,21,24,166.52. Considering the provision of Income Tax Act 2058 Sec 47 (ka) 5, the Bank has not provided for Cash Dividend towards dividend tax for shareholders existing on Ashwin 27, 2076. The dividend tax will be shall be collected from the shareholders who

is not in the list of shareholders at the 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	39,64,28,536
Paid-up Capital of the merged entity	3,01,63,39,742.49
Proposed Bonus Share @13 Percent	39,21,24,166.52

5.13 Previous Year Figures if re-grouped and re-arranged are disclosed separately.

As per our attached report of even date

For and on Behalf of Board

For SR Pandey & Co.
Chartered Accountants

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Arun Raut
Partner
Date : Poush 03, 2077
Place : Kathmandu

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Shine Resunga Development Bank Limited

Comparison of Statement of Financial Position

As on 31st Ashad 2077

NPR

Particulars	Notes	As per Unaudited 31 Ashad 2077	As per Audited 31 Ashad 2077	Variance		Reasons for Variance
				In Amount	%	
Assets						
Cash and cash equivalent	4.1	6,186,260,238	6,198,322,304	(12,062,066)	-0.19	Audit Adjustment
Due from Nepal Rastra Bank	4.2	1,855,214,141	1,855,214,141	-	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	531,164,224	531,164,224	-	0.00	
Loans and advances to customers	4.7	24,357,037,994	24,340,545,488	16,492,506	0.07	Audit and NFRS adjustment
Investment in securities	4.8	1,638,795,541	1,638,698,845	96,696	0.01	Revision of fair value of securities
Current Tax Assets	4.9	5,665,193	17,485,326	(11,820,133)	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	410,526,142	448,790,950	(38,264,808)	-9.32	Audit Adjustment
Goodwill and Intangible Assets	4.14	12,416,511	131,518,853	(119,102,342)	-959.23	Valuation of Goodwill
Deferred tax assets	4.15	34,063,098	34,063,098	-	100.00	Audit Adjustment
Other assets	4.16	181,215,448	107,693,929	73,521,519	40.57	Audit Adjustment
Total Assets		35,212,358,530	35,269,434,060	(57,075,530)		
Liabilities						
Due to Bank and Financial Institutions	4.17	423,310,160	423,310,160	-	0.00	
Due to Nepal Rastra Bank	4.18	-	-	-	0.00	
Derivative Financial instruments	4.19	-	-	-	0.00	
Deposit from customers	4.20	30,209,159,248	30,209,159,248	-	0.00	
Borrowings	4.21	-	-	-	0.00	
Current Tax Liabilities	4.9	-	-	-	0.00	
Provisions	4.22	-	-	-	0.00	
Deferred tax liabilities	4.15	388,590,506	31,653,729	(31,653,729)	0.00	
Other liabilities	4.23	-	353,914,013	34,676,493	8.92	Audit Adjustment
Debt securities issued	4.24	-	-	-	0.00	
Subordinated Liabilities	4.25	-	-	-	0.00	
Total liabilities		31,021,059,914	31,018,037,150	3,022,764		
Equity						
Share Capital	4.26	3,016,339,742	3,016,339,742	-	0.00	
Share Premium		2,465,454	2,465,454	-	0.00	
Retained Earning		365,747,478	396,428,536	(30,681,058)	-8.39	Audit adjustment
Reserves	4.27	806,745,942	836,163,178	(29,417,236)	-3.65	Audit adjustment
Total equity attributable to equity holders		4,191,298,616	4,251,396,910	(60,098,294)	-1.43	Audit Adjustment
Non-controlling interests		-	-	-	-	
Total equity		4,191,298,616	4,251,396,910	(60,098,294)	(1.43)	
Total liabilities and equity		35,212,358,530	35,269,434,060	(57,075,530)		
Contingent liabilities and commitment	4.28	1,358,589,482	1,358,589,482	-	-	
Net assets value per share		138.52	140.95	-	-	

Shine Resunga Development Bank Limited

Comparison of Statement of Profit or Loss

For the year ended 31 Ashad 2077

	Notes	As per Unaudited 2076-77	As per Audited 2076-77	Variance		Reasons for Variance
				In Amount	%	
Interest Income	4.29	3,439,756,098	3,227,876,481	211,879,617	6.16	Audit adjustment
Interest Expense	4.30	(2,108,945,547)	(1,965,643,725)	(143,301,822)	6.79	Audit adjustment
Net interest income		1,330,810,551	1,262,232,756	68,577,795	5.15	
Fees and Commission Income	4.31	138,272,373	130,427,053	7,845,320	5.67	Audit adjustment
Fees and Commission Expense	4.32	-	9,505,416	(9,505,416)	100.00	Audit adjustment
Net fee and Commission income		138,272,373	120,921,637	17,350,736	12.55	
Net interest fee and commission income		1,469,082,924	1,383,154,393	85,928,531	5.85	
Net Trading Income	4.33	-	-	-	-	
Other Operating Income	4.34	6,224,230	5,310,393	913,837	14.68	Audit adjustment
Total operating income		1,475,307,154	1,388,464,786	86,842,368	5.89	Audit adjustment
Impairment charge/(reversal) for loans and other losses	4.35	173,732,068	159,131,780	14,600,288	8.40	Audit adjustment
Net Operating income		1,301,575,086	1,229,333,006	72,242,080	5.55	
Operating expenses						
Personal Expense	4.36	368,579,828	337,187,950	31,391,878	8.52	Audit and NFRS adjustment
Other Operating Expenses	4.37	202,883,309	174,965,461	27,917,848	13.76	Audit and NFRS adjustment
Depreciation and amortisation	4.38	52,294,565	47,464,670	4,829,895	9.24	Audit adjustment
Operating Profit		677,817,384	669,714,925	8,102,459	1.20	
Non operating income	4.39	-	-	-	-	
Non operating expense	4.40	(875,349)	-	(875,349)	(100.00)	Audit adjustment
Profit before income tax		676,942,035	669,714,925	7,227,110	1.07	
Income tax expense	4.41	202,425,732	245,711,444	(43,285,712)	(21.38)	
Current tax		202,425,732	186,198,011	16,227,721	8.02	Audit and NFRS adjustment
Deferred tax income		-	59,513,433	(59,513,433)	-	
Profit for the period		474,516,303	424,003,481	50,512,822	10.65	
Profit attributable to:						
Equity holders of the bank		473,324,159	426,747,044	46,577,115	9.84	Audit Adjustment
Non-controlling interest		-	-	-	-	
Profit for the period		473,324,159	426,747,044	46,577,115	9.84	
Earnings per share:						
Basic earnings per share		15.73	15.39			
Diluted earnings per Share						

Shine Resunga Development Bank Limited

Comparative Statement of Other Comprehensive Income

For the year ended 31 Ashad 2077

	Notes	As per Unaudited 2076-77	As per Audited 2076-77	Variance		Reasons for Variance
				In Amount	%	
Profit for the period		474,516,302	426,747,044	47,769,258	10.07	Audit Adjustment
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		(1,703,061)	12,782,755	(14,485,816)	850.58	Revision of fair value of securities
• Gains/(losses) on disposal of equity shares recycled to equity		-	(1,053,501)	1,053,501	100.00	Gain Recycled
• Gains/(losses) on revaluation		-	-	-	-	
• Actuarial gain/(losses) on defined benefit plans		-	(17,279,612)	17,279,612	100.00	Actuarial Valuation made
• Income tax relating to above items		510,918	1,665,107	(1,154,189)	(225.90)	Tax effect of revision of fair value of securities
Net other comprehensive income that will not be reclassified to profit or loss		(1,192,143)	(3,885,251)	2,693,108		
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		(1,192,143)	(3,885,251)	2,693,108	-	
Total comprehensive income for the period		473,324,159	422,861,793	50,462,366	10.07	
Total comprehensive income attributable to:						
Equity holders of the Bank		-	422,861,793	(422,861,793)	100.00	Audit Adjustment
Non-controlling interest		-	-	473,324,159	(89.93)	Audit Adjustment
Total Comprehensive income for the period		-	422,861,793	50,462,366	10.07	

Shine Resunga Development Bank Limited

Major Indicator

Previous Five Years Indicator

	Detail	Index	Financial Year				
			2072-73	2073-74	2074-75	2075-76	2076-77
1	Net Profit/Total Income	%	32.22%	29.07%	19.13%	18.14%	12.72%
2	Earning Per Share (E.P.S)	Rs	31.05	31.78	20.23	25.79	15.39
3	Market Price Per share (M.P.S)	Rs	650	425	271	252.00	222.00
4	PE Ratio	Ratio	20.93	13.37	13.40	9.77	14.42
5	Dividend Per Share	%	27.00%	25.00%	18.63%	15.00%	13.00%
6	Cash Dividend Per share	%	0.00%	0.00%	0%	0%	0%
7	Interest Income/Total Loan & Advance	%	11.58%	12.72%	15.07%	13.47%	12.98%
8	Employee Cost/ Total Operating Cost	%	62.54%	61.48%	65.55%	59.57%	60.25%
9	Interest Expenses on Saving & Fixed Deposit	%	4.11%	4.99%	7.78%	7.87%	7.01%
10	Exchange Fluctuation Income/ Total Income	%	-	-	-	-	-
11	Employee Bonus/ Total Employee Cost	%	66.71%	54.68%	27.63%	28.64%	22.16%
12	Net Profit/Total Loan & Advance	%	3.70%	3.99%	2.63%	2.59%	1.72%
13	Net Profit/Total Assets	%	2.76%	2.92%	1.97%	1.95%	1.21%
14	Total Loans & advance / Total Deposit	%	86.91%	85.58%	86.39%	85.38%	81.19%
15	Total operating Cost/Total Assets	%	1.19%	1.50%	1.53%	1.80%	1.59%
16	Risk Weighted Capital Adequacy Ratio						
	(i) Primary Capital (Tire 1 Capital)	%	14.54%	15.70%	13.19%	12.41%	14.47%
	(ii) Supplementary Capital (Tire 2 Capital)	%	0.91%	0.87%	0.86%	0.91%	1.13%
	(iii) Capital Adequacy Ratio	%	15.45%	16.57%	14.04%	13.32%	15.61%
17	CRR	%	5.30%	5.81%	5.44%	4.63%	4.19%
18	NPA/ Total Loan	%	0.31%	0.22%	0.07%	0.11%	1.10%
19	Base Rate	%	6.63%	10.13%	11.20%	9.87%	8.90%
20	Weighted Average Interest Rate Spread	%	5.93%	6.53%	5.39%	5.48%	4.98%
21	Book Networth	Rs	1,297,919,729	1,647,812,053	1,707,184,625	2,384,661,615	4,251,396,910
22	Total No Of share	No.	8,684,190,92	11,028,923,00	13,786,154,00	16,226,652,60	30,163,397,42
23	Total No Of Employee	No.	217	223	258	323	564
24	Others						

Shine Resunga Development Bank Limited

Form No. 1

Capital Adequacy Table
At the month end of Ashadh, 2077

(Rs. in '000)

1.1 RISK WEIGHTED EXPOSURES		F/Y 2076/077	F/Y 2075/076
a	Risk Weighted Exposure for Credit Risk	25,396,150.12	18,040,028.91
b	Risk Weighted Exposure for Operational Risk	2,628,709.87	1,081,976.48
c	Risk Weighted Exposure for Market Risk	49,065.00	-
Total Risk Weighted Exposures (Before adjustments of Pillar II)		28,073,924.99	19,122,005.39
Adjustments under Pillar II			
SRP 6.4a (5)	ALM policies & practices are not satisfactory, add 1% of net interest income to RWE	-	-
SRP 6.4a (6)	Add% of the total deposit due to insufficient Liquid Assets	-	-
SRP 6.4a (7)	Add RWE equivalent to reciprocal of capital charge of 2-5% of gross income	-	-
SRP 6.4a (9)	If overall risk management policies and procedures are not satisfactory. Add% of RWE	-	-
SRP 6.4a (10)	If desired level of disclosure requirement has not been achieved, Add% of RWE	-	-
Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		28,073,924.99	26,748,157.90
1.2 CAPITAL		Current Period	Previous Period
(A) Core Capital (Tier 1)		4,063,273.83	2,311,767.00
a	Paid up Equity Share Capital	3,016,339.74	1,622,665.26
b	Irredeemable Non-cumulative preference shares		
c	Share Premium	173,605.89	-
d	Proposed Bonus Equity Shares	-	-
e	Statutory General Reserves	609,030.51	392,448.15
f	Retained Earnings	396,428.54	319,330.41
g	Un-audited current year cumulative profit/(loss)		-
h	Capital Redemption Reserve	-	-
i	Capital Adjustment Reserve	-	-
j	Dividend Equalization Reserves	-	-
k	Other Free Reserve	-	-
l	Less: Goodwill	(118,496.29)	
m	Less: Deferred Tax Assets	-	(22,064.82)
n	Less: Fictitious Assets	(13,022.56)	
o	Less: Investment in equity in licensed Financial Institutions		
p	Less: Investment in equity of institutions with financial interests		
q	Less: Investment in equity of institutions in excess of limits		
r	Less: Investments arising out of underwriting commitments		
s	Less: Reciprocal crossholdings		
t	Less: Purchase of land & building in excess of limit and unutilized	(612.00)	(612.00)
u	Less: Other Deductions		
Adjustments under Pillar II			
SRP 6.4a(1)	Less: Shortfall in Provision	-	-
SRP 6.4a(2)	Less: Loans & Facilities extended to related parties and restricted lending	-	-
(B) Supplementary Capital (Tier 2)		317,670.34	185,226.56
a	Cumulative and/or Redeemable Preference Share		
b	Subordinated Term Debt		
c	Hybrid Capital Instruments		
d	General loan loss provision	317,451.88	178,683.59
e	Exchange Equalization Reserve	218.46	
f	Investment Adjustment Reserve		
g	Asset Revaluation Reserve	-	6,542.97
h	Other Reserves		
Total Capital Fund (Tier I and Tier II)		4,380,944.17	2,496,993.56
1.3 CAPITAL ADEQUACY RATIOS		Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)		14.47%	12.09%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures(After Bank's adjustments of Pillar II)		15.61%	13.06%

Shine Resunga Development Bank Limited

Risk Weighted Exposure for Credit Risk

At the month end of Ashadh, 2077

(Rs. in '000)

A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weighted	Risk Weight Exposures
	a	b	c	d=a-b-c	e	f=d*e
Cash Balance	627,531.80			627,531.80	0%	-
Balance With Nepal Rastra Bank	1,855,214.14			1,855,214.14	0%	-
Gold				-	0%	-
Investment in Nepalese Government Securities				-	0%	-
All Claims on Government of Nepal	1,444,725.00			1,444,725.00	0%	-
Investment in Nepal Rastra Bank securities				-	0%	-
All claims on Nepal Rastra Bank				-	0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)				-	0%	-
Claims on Foreign Government and Central Bank (ECA -2)				-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)				-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)				-	100%	-
Claims on Foreign Government and Central Bank (ECA -7)				-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework				-	0%	-
Claims on Other Multilateral Development Banks				-	100%	-
Claims on Domestic Public Sector Entities				-	100%	-
Claims on Public Sector Entity (ECA 0-1)				-	20%	-
Claims on Public Sector Entity (ECA 2)				-	50%	-
Claims on Public Sector Entity (ECA 3-6)				-	100%	-
Claims on Public Sector Entity (ECA 7)				-	150%	-
Claims on domestic banks that meet capital adequacy requirements	6,107,320.02			6,107,320.02	20%	1,221,464.00
Claims on domestic banks that do not meet capital adequacy requirements				-	100%	-
Claims on foreign bank (ECA Rating 0-1)				-	20%	-
Claims on foreign bank (ECA Rating 2)				-	50%	-
Claims on foreign bank (ECA Rating 3-6)				-	100%	-
Claims on foreign bank (ECA Rating 7)				-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement				-	20%	-
Claims on Domestic Corporates	15,873,192.09			15,873,192.09	100%	15,873,192.09
Claims on Foreign Corporates (ECA 0-1)				-	20%	-
Claims on Foreign Corporates (ECA 2)				-	50%	-
Claims on Foreign Corporates (ECA 3-6)				-	100%	-
Claims on Foreign Corporates (ECA 7)				-	150%	-
Regulatory Retail Portfolio (Not Overdue)	5,090,204.45		133,812.45	4,956,392.00	75%	3,717,294.00
Claims fulfilling all criterion of regularity retail except granularity				-	100%	-
Claims secured by residential properties	2,216,841.55			2,216,841.55	60%	1,330,104.93
Claims not fully secured by residential properties				-	150%	-
Claims secured by residential properties (Overdue)	153,679.86			153,679.86	100%	153,679.86
Claims secured by Commercial real estate	1,066,966.19			1,066,966.19	100%	1,066,966.19
Past due claims (except for claims secured by residential properties)	61,298.33			61,298.33	150%	91,947.50
High Risk claims				-	150%	-
Lending Against Securities (Bonds & Shares)	29,486.05			29,486.05	100%	29,486.05
Investments in equity and other capital instruments listed in stock exchange	154,230.47			154,230.47	100%	154,230.47
Investments in equity and other capital instruments of institutions not listed in the stock exchange	19,412.60			19,412.60	150%	29,118.90
Staff loan secured by residential property	206,427.49			206,427.49	50%	103,213.75
Interest Receivable/claim on government securities	21,478.03			21,478.03	0%	-
Cash in transit and other cash items in the process of collection				-	20%	-
Other Assets (as per attachment)	1,326,417.26	291.65		1,326,125.61	100%	1,326,125.61
TOTAL (A)	36,254,425.33	291.65	133,812.45	36,120,321.23		25,096,823.35

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weighted	Risk Weight Exposures
	a	b	c	d=a-b-c	e	f=d*e
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities				-	10%	-
LC Commitments With Original Maturity Upto 6 months domestic counterparty				-	20%	-
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty				-	50%	-
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	95,762.91			95,762.91	50%	47,881.46
Foreign counterparty (ECA Rating 0-1)				-	20%	-
Foreign counterparty (ECA Rating 2)				-	50%	-
Foreign counterparty (ECA Rating 3-6)				-	100%	-
Foreign counterparty (ECA Rating 7)				-	150%	-
Underwriting commitments				-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral				-	100%	-
Repurchase Agreements, Assets sale with recourse				-	100%	-
Advance Payment Guarantee	1,450.00			1,450.00	100%	1,450.00
Financial Guarantee				-	100%	-
Acceptances and Endorsements				-	100%	-
Unpaid portion of Partly paid shares and Securities				-	100%	-
Irrevocable Credit commitments (short term)	1,249,976.58			1,249,976.58	20%	249,995.32
Irrevocable Credit commitments (long term)				-	50%	-
" Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement"				-	20%	-
Other Contingent Liabilities				-	100%	-
Unpaid Guarantee Claims				-	200%	-
TOTAL (B)	1,347,189.49	-	-	1,347,189.49		299,326.78
Total RWE for credit Risk Before Adjustment (A) +(B)	37,601,614.82	291.65	133,812.45	37,467,510.72		25,396,150.13
Adjustments under Pillar II						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						
SRP 6.4a(4) - Add 1 % of the contract (sale) value in case of the sale of credit with recourse to RWE						
Total RWE for Credit Risk after Bank's adjustments under Pillar II	37,601,614.82	291.65	133,812.45	37,467,510.72		25,396,150.13

Shine Resunga Development Bank Limited

Form No. 3

Eligible Credit Risk Mitigants

At the month end of Ashadh, 2077

(Rs. in '000)

Credit exposures	Deposits with Bank	Deposits with other banks/FT	Gold	Govt. & NRB Securities	G'tee of Govt. of Nepal	Sec/G'tee of Other Sovereigns	G'tee of domestic banks	G'tee of MDBs	Sec/G'tee of Foreign Banks	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Balance Sheet Exposures										
Claims on Foreign government and Central Bank (ECA -2)										-
Claims on Foreign government and Central Bank (ECA -3)										-
Claims on Foreign government and Central Bank (ECA-4-6)										-
Claims on Foreign government and Central Bank (ECA -7)										-
Claims on Other Multilateral Development Banks										-
Claims on Domestic Public Sector Entities										-
Claims on Public Sector Entity (ECA 0-1)										-
Claims on Public Sector Entity (ECA 2)										-
Claims on Public Sector Entity (ECA 3-6)										-
Claims on Public Sector Entity (ECA 7)										-
Claims on domestic banks that meet capital adequacy requirements										-
Claims on domestic banks that do not meet capital adequacy requirements										-
Claims on foreign bank (ECA Rating 0-1)										-
Claims on foreign bank (ECA Rating 2)										-
Claims on foreign bank (ECA Rating 3-6)										-
Claims on foreign bank (ECA Rating 7)										-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement										-
Claims on Domestic Corporates										-
Claims on Foreign Corporates (ECA 0-1)										-
Claims on Foreign Corporates (ECA 2)										-
Claims on Foreign Corporates (ECA 3-6)										-
Claims on Foreign Corporates (ECA 7)										-
Regulatory Retail Portfolio (Not Overdue)										133,812.45
Claims fulfilling all criterion of regularity retail except granularity										-
Claims secured by residential properties										-
Claims not fully secured by residential properties										-
Claims secured by residential properties (Overdue)										-
Claims secured by Commercial Real Estate										-
Past due claims (except for claims secured by residential properties)										-
High Risk claims										-
Lending Against Securities (Bonds & Shares)										-
Investments in equity and other capital instruments of institutions listed in stock exchange										-
Investments in equity and other capital instruments of institutions not listed in the stock exchange										-
Other Assets (as per attachment)										-
Total	133,812.45	-	-	-	-	-	-	-	-	133,812.45

Shine Resunga Development Bank Limited

Exhibit of claims with Eligible Credit Risk Mitigants

At the month end of Ashadh, 2077

Form No. 4

(Rs. in '000)

S.N.	Counterparty	Category	Facility	Outstanding	Eligible CRM		
					Nature	Gross Amount	Haircut
1							
2							
3							
4							

Other Assets

At the month end of Ashadh, 2077

Form No. 5

(Rs. in '000)

S.No.	Assets	Gross Amount	Specific Provision	Net Balance
1	Cash and Cash Items in Transit	627,531.80		627,531.80
2	Miscellaneous Expenditure not written off			-
1	Fixed Assets	580,309.80		580,309.80
2	Interest Receivable on Other Investment			-
3	Interest Receivable on Loan			-
4	Non Banking Assets			-
5	Reconciliation Account			-
6	Draft Paid Without Notice			-
7	Sundry Debtors	46,296.15	291.65	46,004.50
8	Advance payment and Deposits	2,175.54		2,175.54
9	Staff Loan and Advance			-
10	Stationery	8,706.19		8,706.19
11	Other	61,397.78		61,397.78
	TOTAL	1,326,417.26	291.65	1,326,125.61

Risk Weighted Exposure for Operational Risk

At the month end of Ashadh, 2077

Form No. 6

(Rs. in '000)

S.N.	Particulars	Fiscal Year		
		2073/074	2074/075	2075/076
1	Net Interest Income	1,661,815.34	2,277,352.96	1,274,380.16
2	Commission and Discount Income	47,797.16	24,768.43	188,990.62
3	Other Operating Income	108,554.71	139,169.27	2,115.82
4	Exchange Fluctuation Income			
5	Addition/Deduction in Interest Suspense during the period	12,995.30	16,774.37	29,025.94
6	Gross income (a)	1,831,162.51	2,458,065.03	1,494,512.54
7	Alfa (b)	15%	15%	15%
8	Fixed Percentage of Gross Income [c=(a×b)]	274,674.38	368,709.75	224,176.88
9	Capital Requirement for operational risk (d) (average of c)	289,187.00		
10	Risk Weight (reciprocal of capital requirement of 11%) in times (e)	9.09		
11	Equivalent Risk Weight Exposure [f=(d×e)]	2,628,709.87		

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

1	Total Credit and Investment (net of Specific Provision) of related month	-
2	Capital Requirement for Operational Risk (5% of net credit and investment)	-
3	Risk Weight (reciprocal of capital requirement of 11%) in times	9.09
4	Equivalent Risk Weight Exposure (g)	-
5	Equivalent Risk Weight Exposure [h=f+g]	2,628,709.87

Shine Resunga Development Bank Limited

Form No. 7

Risk Weighted Exposure for Market Risk
At the month end of Ashadh, 2077

Rs. (In full figure)

S.No.	Currency	Open Position (FCY)	Exchange Rate	Open Position (NPR)	Relevant Open Position
1	INR			-	-
2	USD	89,239.23	120.97	10,795,270	10,795,270
3	GBP			-	-
4	EUR			-	-
5	THB			-	-
6	CHF			-	-
7	AUD			-	-
8	CAD			-	-
9	SGD			-	-
10	JPY			-	-
11	HKD			-	-
12	DKK			-	-
13	SEK			-	-
14	SAR			-	-
15	QAR			-	-
16	AED			-	-
17	MYR			-	-
18	KRW			-	-
19	CNY			-	-
20	KWD			-	-
21	BHD			-	-
22				-	-
23				-	-
(a) Total Open Position				10,795,270	10,795,270
(b) Fixed Percentage					5%
(c) Capital Charge for Market Risk (=axb)					539,764
(d) Risk Weight (reciprocal of capital requirement of 11%) in times					9.09%
(e) Equivalent Risk Weight Exposure (=cxd)					49,065



Shine Resunga Development Bank Limited

Form No. 8

Net Liquid Assets to Total Deposit Ratio

At the month end of Ashadh, 2077

(Rs. in '000)

	Particulars	Amount
A	Total Deposit & Borrowing	30,632,469.41
	1. Total Deposits (as per NRB Ni. Fa. 9.1)	30,632,469.41
	2. Total Borrowings (as per NRB Ni. Fa. 9.1)	
B	Liquid Assets	7,643,047.30
	1. Cash(as per NRB Ni. Fa. 9.1)	627,531.80
	2. Bank Balance (as per NRB Ni. Fa. 9.1)	536,636.11
	3. Money at call and short notice (as per NRB Ni. Fa. 9.1)	5,034,154.39
	4. Investments in government securities (as per NRB Ni. Fa. 9.1)	1,444,725.00
	5. Placements upto 90 days	
C	Borrowings payable upto 90 days	
D	Net Liquid Assets (B-C)	7,643,047.30
E	Net Liquid Assets to Total deposit (D/A1)	24.95%
F	Shortfall in Ratio	No Shortfall
G	Percentage of deposit to be added to RWE	0.00%
H	Amount to be added to risk weighted exposures	-
Note (if any):		

Shine Resunga Development Bank Limited

Questionnaires for Supervisory Adjustment in RWA & Capital

At the month end of Ashadh, 2077

(Rs. in '000)

SRP Number	Questionnaires	Answers
SRP 6.4a(1)	Is there shortfall in provision?	No
SRP 6.4a(2)	Is there any Loans & Facilities extended to director, employee (except staff bylaw), shareholders >1% & related parties?	No
SRP 6.4a(3)	Is there any loans & facilities in excess of Single Obligor Limits?	No
SRP 6.4a(4)	Is there any sale of credit with recourse facility?	No
SRP 6.4a(5)	Is supervisor satisfied with ALM Policies and practices employed by the bank?	Yes
SRP 6.4a(7)	Is supervisor satisfied with the soundness of operational risk management practice adopted by the bank?	Yes
SRP 6.4a(9)	Is supervisor satisfied with overall risk management policies and procedures of the bank?	Yes
SRP 6.4a(10)	Has the bank achieved desired level of disclosure requirement?	Yes

INDEPENDENT AUDITOR'S REPORT
The Shareholders of Purnima Bikas Bank Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s Purnima Bikas Bank Limited, (hereinafter the bank), which comprises the statement of financial position as at Ashoj 26, 2076 [October 13, 2019] and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity & statement of cash flows for the period then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the bank as at Ashoj 26, 2076 (October 13, 2019) and its financial performance and its cash flows for the period then ended on that date in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSA's). 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 Bank in accordance with the Institute of Chartered Accountant of Nepal's code for professional accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal under Companies Act 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Our Audit Approach and Response
<p>1. Interest Recognition</p> <p>Interest Income of the bank has to be recognised on accrual basis and in line with Interest Income Recognition Guidelines 2019 issue by NRB. However, in case of bad loans and advances (overdue for more than 12 months), this guidelines requires cessation of interest recognition on accrual basis. This requires careful observation and calculation for interest recognition, hence we have considered it as key audit matter.</p>	<p>Our audit approach regarding verification of process of interest recognition included:</p> <ol style="list-style-type: none"> Obtaining clear understanding of the process of accrual of interest income on loan and advances in the core banking software of the bank. Test check of interest recognition with manual computation.
<p>2. Investment Valuation, Identification and Impairment</p> <p>Investment of bank comprises of investment in government bonds, T-bills, development bonds, investment in quoted, non-quoted equity instruments and units of mutual funds. The valuation of aforesaid securities has been done in compliance with NFRS 9 and directive no 8 of NRB Unified Directive 2076. The investment in the government bonds, NRB bonds, T-bills has been done at amortised cost. Similarly, investment made in quoted equity instruments has been valued at Fair Value through Other Comprehensive Income and investments made in unquoted shares has been valued at cost.</p> <p>In view of significance of amount of investment and complexity involved in valuation and treatment of such investments, we have considered it as key audit matters in our audit.</p>	<p>Our audit approach regarding verification of process of valuation of investment, impairment, its accounting included:</p> <ol style="list-style-type: none"> Review of the investments made by bank and its valuation and treatment in line with NFRS issued by Accounting Standard Board of Nepal and NRB Directive 4 read with 8. For the investments valued at amortised cost, we checked the effective interest rate (EIR) and amortization schedule on test basis. For the investment made on quoted equity instruments, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 26.06.2076. For the unquoted investments, nominal cost (Rs.100) has been taken as fair value. Further income and bonus has been tested through demat statement provided by bank wherever applicable.



Key Audit Matters	Our Audit Approach and Response
<p>3. Impairment of Loan and Advances</p> <p>As per NRB Directive 4 read with carve out issued by ASB, bank shall measure impairment loss on loans and advances at the higher of :</p> <ol style="list-style-type: none"> Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision; and Amount determined as per para 63 of NAS 39 adopting Incurred Loss Model <p>As per the norms prescribed by NRB provision, provision on loan and advances shall be created based on overdue status as well as utilization status of the facility, security status, borrower's whereabouts etc.</p> <p>As per NAS 39 read with NFRS 9, impairment of loan and advances should be made on collective as well as individual basis. For individually significant loan and advances, individual impairment is measured as the difference between the assets carrying amount and present value of estimated future cash flows.</p> <p>For homogeneous groups of loans and advances that are not individually significant, collective impairment is done. Under collective impairment, loss is determined after taking into account the historical loss experience in portfolios of similar credit risk and management judgement based on experience as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is likely to be greater or less than that suggested by historical experiences.</p> <p>In view of complexity in loan loss provision based on NRB directive and NAS 39, we have considered it as key audit matter for our audit.</p>	<p>Our audit approach regarding verification of impairment of loan and advances included:</p> <ol style="list-style-type: none"> Review of the overdue status of loans and advances by obtaining data from the system and verified manually. Sample credit files were reviewed among other things from the perspective of utilization of loans and advances for the intended purpose by way of scrutiny of financial statements, account movement, account turnover etc. Collateral Valuation of the security along with expected future cash flow has been reviewed in sample basis for individually significant loans and advances. In case of homogenous loans, we assessed the probability of default and loss for given default calculated based on the historical loss experiences.

Other Matters

Bank has undergone merger/acquisition with Shine Resunga Development Bank Limited on 26 Ashoj 2076 and started joint operation from 27 Ashoj 2076 as Shine Resunga Development Bank Limited.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

Those charged with governance are responsible for overseeing the 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 misstatements, 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 NSA's 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 NSA's, 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 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 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 bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

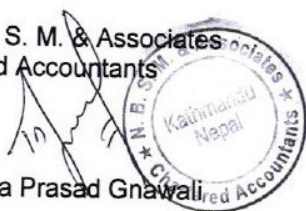
Report on Other Legal and Regulatory Requirements

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 of the bank. 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 period then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the requirements of Companies Act, 2063 and are in agreement with the books of accounts maintained by the bank. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of accounts of the bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the bank.

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 issued by Nepal Rastra Bank.

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 bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the bank or its property and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardize the interest and security of the bank, its depositors and its investors.

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



CA. Durga Prasad Gnawali
Partner

Date: 2077.09.03

Place: Kathmandu, Nepal

UDIN: 201220CA004619dCbj

Purnima Bikas Bank Limited

Statement of Financial Position
As on 26th Asoj 2076 (13 October 2019)

Particulars	Notes	As at 26 Ashoj 2076	As at 31 Ashad 2076
Assets			
Cash and cash equivalent	4.1	902,819,601	1,137,024,136
Due from Nepal Rastra Bank	4.2	170,155,658	147,654,394
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	69,300,000	59,400,000
Loans and advances to customers	4.7	3,310,681,690	3,176,339,032
Investment in securities	4.8	41,963,017	46,062,627
Current Tax Assets	4.9	-	-
Investment in subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment property	4.12	-	-
Property and equipment	4.13	30,188,919	27,592,119
Goodwill and Intangible Assets	4.14	913,102	1,006,528
Deferred tax assets	4.15	10,906,855	8,120,438
Other assets	4.16	20,433,027	7,973,932
Total Assets		4,557,361,870	4,611,173,205
Liabilities			
Due to Bank and Financial Institutions	4.17	166,243,110	373,447,849
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial instruments	4.19	-	-
Deposit from customers	4.20	3,555,398,354	3,451,215,464
Borrowings	4.21	-	-
Current Tax Liabilities	4.9	6,569,502	850,763
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	-
Other liabilities	4.23	114,120,789	77,411,877
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		3,842,331,756	3,902,925,954
Equity			
Share Capital	4.26	551,283,015	551,283,015
Share Premium		-	-
Retained Earning		28,583,111	52,948,780
Reserves	4.27	135,163,989	104,015,457
Total equity attributable to equity holders		715,030,114	708,247,252
Non-controlling interests			-
Total equity		715,030,114	708,247,252
Total liabilities and equity		4,557,361,870	4,611,173,205
Contingent liabilities and commitment	4.28	82,496,528	292,874,549
Net assets value per share		129.70	128.47

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Purnima Bikas Bank Limited

Statement of Profit or Loss

For the Period commencing on Shrawan 1, 2076 and ending on 26 Ashoj 2076

Particulars	Notes	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Interest Income	4.29	118,535,143	469,194,232
Interest Expense	4.30	73,615,665	275,914,518
Net interest income		44,919,478	193,279,714
Fees and Commission Income	4.31	6,231,172	35,231,134
Fees and Commission Expense	4.32	258,790	2,947,222
Net fee and Commission income		5,972,383	32,283,912
Net interest fee and commission income		50,891,861	225,563,626
Net Trading Income	4.33	-	-
Other Operating Income	4.34	560,985	259,207
Total operating income		51,452,846	225,822,833
Impairment charge/(reversal) for loans and other losses	4.35	7,832,930	12,556,168
Net Operating income		43,619,916	213,266,664
Operating expenses			
Personal Expense	4.36	15,496,937	57,205,387
Other Operating Expenses	4.37	7,747,068	30,451,957
Depreciation and amortisation	4.38	1,902,357	8,721,143
Operating Profit		18,473,553	116,888,178
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
Profit before income tax		18,473,553	116,888,178
Income tax expense	4.41	5,552,317	35,285,407
Current tax		5,718,739	36,220,456
Deferred tax income		(166,423)	(935,048)
Profit for the period		12,921,237	81,602,770
Profit attributable to:			
Equity holders of the bank		12,921,237	81,602,770
Non-controlling interest		-	-
Profit for the period		12,921,237	81,602,770
Earnings per share:			
Basic earnings per share		9.61	14.80
Diluted earnings per Share		9.61	14.80

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Purnima Bikas Bank Limited

Statement of Other Comprehensive Income

For the Period commencing on Shrawan 1, 2076 and ending on 26 Ashoj 2076

Notes	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Profit for the period	12,921,237	81,602,770
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	(4,365,391)	(2,511,865)
• Gains/(losses) on revaluation		
• Actuarial gain/(losses) on defined benefit plans	(4,367,925)	(794,427)
• Income tax relating to above items	2,619,995	991,888
Net other comprehensive income that will not be reclassified to profit or loss	(6,113,321)	(2,314,404)
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	(6,113,321)	(2,314,404)
Total comprehensive income for the period	6,807,915	79,288,366
Total comprehensive income attributable to:		-
Equity holders of the Bank	6,807,915	79,288,366
Non-controlling interest		-
Total Comprehensive income for the period	6,807,915	79,288,366

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Purnima Bikas Bank Limited

Statement of Cash Flows
As on 26th Asoj 2076 (13 October 2019)

	For the period ended Asoj 26, 2076	For the period ended Ashad 31, 2076
Cash flows from operating activities		
Interest Received	118,269,362	468,542,719
Fee and other income received	6,231,172	35,231,134
Dividend Received	560,985	259,207
Receipts from other operating activities	-	-
Interest paid	(73,615,665)	(275,256,058)
Commission and fee paid	(258,790)	(2,947,222)
Cash payments to employee	(15,496,937)	(53,576,400)
Other expense paid	(12,140,046)	(27,155,015)
Operating cash flows before change in operating assets and liabilities	23,550,081	145,098,365
(Increase)/Decrease in operating assets	(187,035,948)	(795,195,887)
Due from Nepal Rastra Bank	(22,501,264)	48,631,556
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(10,000,000)	(9,887,458)
Loan and advances to customer	(142,075,588)	(830,747,327)
Other Assets	(12,459,095)	(3,192,658)
Increase/(Decrease) in operating liabilities	(66,312,937)	949,296,595
Due to bank and financial institutions	(207,204,739)	312,067,196
Due to Nepal Rastra Bank	-	-
Deposits from customers	104,182,891	637,155,245
Borrowings	-	-
Other Liabilities	36,708,911	74,154
Net Cash flow from operating activities before tax paid	(229,798,804)	299,199,073
Income taxes paid	-	(33,322,069)
Net Cash flow from operating activities	(229,798,804)	265,877,003
Cash flows from investing activities		
Purchase of investment securities	-	(383,479)
Receipts from sale of investment securities	-	-
Purchase of plant and equipment	(4,405,731)	(14,827,331)
Receipt from sale of property and equipment	-	-
Purchase of intangible assets	-	(175,678)
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	(4,405,731)	(15,386,488)
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	-	-
Dividend paid	-	(33,444,472)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	-	(33,444,472)
Net increase/(decrease) in cash and cash equivalents	(234,204,535)	217,046,043
Cash and Cash Equivalents at Shrawan 01, 2076	1,137,024,136	919,978,091
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Closing Cash and Cash Equivalents	902,819,601	1,137,024,136

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

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Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Purnima Bikas Bank Limited

Statement of Changes in Equity

For the Period commencing on Shrawan 1, 2076 and ending on 26 Ashoj 2076

Particulars	Attributable to Equity-Holders of the Bank										Total Equity		
	Share Capital	Calls in Advance	Share Premium	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Earning	Retained Earning	Other Reserve		Total	Non-Controlling Interest
Balance at Shrawan 01, 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
Comprehensive Income for the year													
Profit for the year									12,921,237		12,921,237		12,921,237
Other Comprehensive Income, Net of Tax													
Gains/(losses) from investment in equity instruments measured at fair value													
Gains/(losses) on revaluation													
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									12,921,237	(3,057,548)	6,807,915		6,807,915
Transfer to Reserves during the year				2,584,247					(2,584,247)				
Creation of Regulatory Reserve for Reduction in Investment value						4,166,548			(4,166,548)				
Creation of Deferred Tax Reserve						2,786,417			(2,786,417)				
Creation of Training Fund													
Utilization of Training Fund													
Creation of CSR Fund													
Utilization of CSR Fund													
Adjustment for investment adjustment reserve									46,445	(46,445)			
Transfer to Regulatory Reserve									(129,212)	129,212			
Transfer from Reserves during the year									115,994	(115,994)			
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													
Share issue expenses directly charged to equity													
Gain on Disposal of Share Classified into OCI									(25,053)		(25,053)		(25,053)
Current Tax on Gain on Disposal of Share Classified into OCI													
Other													
Total Contributions by and Distributions													
Balance at Asoj 26, 2077	551,283,015	-	-	90,336,732	-	59,519,234	(13,759,718)	-	28,583,111	(932,259)	715,030,114	-	715,030,114

Purnima Bikas Bank Limited

Statement of Distributable Profit or Loss

As on 26th Asoj 2076 (13 October 2019)

(As per NRB Regulation)

Particulars	For the period ended Asoj 26, 2076	For the period ended Ashad 31, 2076
Opening Retained Earnings	52,948,780	48,088,781
Net profit or (loss) as per statement of profit or loss	12,921,237	81,602,770
Appropriations:		
a. General reserve	(2,584,247)	(16,320,554)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(129,212)	(816,028)
e. Employees' training fund	-	(744,784)
f. Other		-
Investment Adjustment Reserve	-	-
Dividend Paid	-	(33,444,472)
Bonus Shares Issued	-	(21,471,918)
Share issue expense charged to equity	(25,053)	(201,252)
Transfer from Reserve during the year	162,439	411,775
Profit or (loss) before regulatory adjustment	63,293,943	57,104,319
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(24,700,319)	(70,792)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)	(4,166,548)	(2,628,782)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	-	-
e. Deferred tax assets recognised (-)/ reversal (+)	(2,786,417)	(1,926,936)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/reversal (+)	-	-
h. Actuarial loss recognised (-)/reversal (+)	(3,057,548)	470,971
i. Other (+/-)	-	-
Distributable profit or (loss)	28,583,111	52,948,780

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Purnima Bikas Bank Limited

Notes to the Financial Statements
For the period ended 26th Ashwin, 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.

The bank has been acquired by Shine Resunga Development Bank and commenced joint operation from 27th Ashwin 2076 as Shine Resunga Development Bank Limited.

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, 2076.

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 for the period ended 26th Ashwin 2076.

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 Financial Statement of the bank have been prepared for the period ending 26th Ashwin 2076 as the bank has been acquired by Shine Resunga Development Bank Ltd and commenced joint Operation from 27th Ashwin 2076.

The approval of financial statements including the notes to the Financial statements have been adopted by the Board of Directors on its 225th meeting held on 2077.09.03 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.

2.4.1.1 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

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.

NFRSs 2018 introduced the following standard which is applicable to the bank:

- NFRS 15 Revenue from Contract with customers: The standards shall supersede existing NAS 181 Revenue and NAS 11 Construction Contracts.
- 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 lease.

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.This carve out has no implication to the Bank as it does not have any associates and joint ventures.

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. ICAN has extended the carve out for F.Y 19/20 (F.Y 2076/77) vide notice dated 2077.07.25. 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.

2.7 Discounting

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

2.8 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.

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 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 are 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.

As stated in 2.7, the bank's 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 based on management estimate to allocate the cost to their residual value 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.

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 39,206,855.76 as the interest income on loans and advances during F/Y 2076/77 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 2019 was applicable from Bhadra 19, 2019 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 long 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 Ashwin 26, 2019. 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.

Bank has recognized its operating lease on straight line basis over the lease term.

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 PerShare.

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.

Purnima Bikas Bank Limited
Notes forming part of the Financial Statements

4.1 Cash and cash equivalent

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Cash in Hand	58,011,812	56,677,970
Balances with B/Fis	-	1,080,346,166
Money at call and short notice	844,807,789	-
Other	-	-
Total	902,819,601	1,137,024,136

4.2 Due from Nepal Rastra Bank

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Statutory balances with NRB	170,155,658	147,654,394
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	170,155,658	147,654,394

4.3 Placements with Bank and Financial Institutions

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Placement with domestic B/FIs	-	-
Placement with Foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

4.4 Derivative Financial Instruments

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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	As at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076	As at 31 Ashad 2076
Loan to Microfinance Institutions	70,000,000	60,000,000
Other	-	-
Less: Allowances for Impairment	(700,000)	(600,000)
Total	69,300,000	59,400,000

4.6.1 Allowances for Impairment

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Balance as at Shrawan 1	600,000	500,000
Impairment loss for the year:		
Charge for the year	100,000	100,000
Recoveries/Reversal	-	-
Amount written off	-	-
Balance as at Ashad end	700,000	600,000

4.7 Loans and advances to customers

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Loans and advances measured at amortized	3,356,110,041	3,214,034,453
Less: Impairment allowances		
Individual Impairment	(5,107,479)	(3,665,627)
Portfolio Impairment	(40,320,872)	(34,029,794)
Net amount	3,310,681,690	3,176,339,032
Loan and advances measured at FVTPL		-
Total	3,310,681,690	3,176,339,032

4.7.1 Analysis of loan and advances - By product

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Product		
Term Loans	859,911,053	644,189,182
Overdraft	247,038,472	275,166,418
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	1,127,545,491	810,165,120
Personal Residential Loans	414,990,014	397,780,880
Real Estate Loans	117,627,316	101,398,280
Margin Lending Loans	250,000	250,000
Hire Purchase Loans	403,939,360	408,286,035
Deprived Sector Loans	92,589,359	95,020,898
Bills Purchased	-	-
Staffs Loans	5,367,009	5,297,090
Other	46,848,000	475,696,996
Sub-total	3,316,106,076	3,213,250,900
Interest Receivable	40,003,965	783,552
Grand Total	3,356,110,041	3,214,034,452

4.7.2 Analysis of loan and advances - By Currency

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Nepalese Rupee	3,356,110,041	3,214,034,452
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	3,356,110,041	3,214,034,452

4.7.3 Analysis of loan and advances - By Collateral

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Secured		
Moveable/Immoveable Assets	3,269,258,076	3,158,364,300
Gold and Silver	29,216,000	30,487,000
Guarantee of Domestic BFIs	-	-
Government Guarantee	-	-
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	17,632,000	24,399,600
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	-	-
Other Collateral	-	-
Sub Total	3,316,106,076	3,213,250,900
Unsecured	-	-
Grand Total	3,316,106,076	3,213,250,900

4.7.4 Allowances for Impairment

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Specific allowances for impairment		
Balance at Shrawan 1	3,665,627	804,996
Impairment loss for the year:	1,441,852	2,860,632
Charge for the year	2,794,243	2,860,632
Recoveries/reversal during the year	(1,352,390)	-
Write- offs	-	-
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashad end	5,107,479	3,665,627
Collective allowances for impairment		
Balance at Shrawan 1	34,029,794	24,434,257
Impairment loss for the year:	6,291,078	9,595,537
Charge/(reversal) for the year	6,291,078	9,595,537
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Balance at Ashad end	40,320,872	34,029,794
Total allowances for impairment	45,428,351	37,695,421

4.8 Investment in securities

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Investment securities designated at FVTPL	-	-
Investment securities measured at amortized cost	20,486,767	20,220,986
Investment in equity measured at FVTOCI	21,476,250	25,841,641
Total	41,963,017	46,062,627

4.8.1 Investment in securities measured at amortized cost

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Debt Securities	-	-
Government Bond	20,486,767	20,220,986
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposit instruments	-	-
Other	-	-
Less: Specific allowances for impairment	-	-
Total	20,486,767	20,220,986

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

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Equity Instrument		
Quoted equity securities	21,476,250	25,841,641
Unquoted equity securities	-	-
Total	21,476,250	25,841,641

4.8.3 Information relating to investment in equities

Particulars		As on Ashoj 2076		As on 31 Ashad 2076	
		Cost	Fair Value	Cost	Fair Value
	Investment in quoted equity				
1	Nagbeli Bikas Bank	3,600	17,052	3,600	15,876
2	Nepal Telecommunication Company Ltd.	1,038,430	882,245	1,038,430	959,805
3	Ridi Hydropower Company Ltd.	12,900	8,480	12,900	9,540
4	Hotel Soaltee Limited	165,000	59,214	165,000	73,200
5	Surya Life Insurance Limited	215,050	170,180	215,050	258,552
6	Chilime Hydropower Company Limited	1,521,567	478,548	1,521,567	590,814
7	Siddhartha Insurance Company Ltd.	6,584,248	3,162,200	6,584,248	3,708,250
8	National Life Insurance Company Ltd.	5,505,875	2,161,419	5,505,875	2,684,565
9	Hydropower Investment and Development Company Ltd.	289,600	426,790	289,600	512,785
10	Myagdi Group Power Limited	57,900	64,236	57,900	73,776
11	Shikhar Insurance Company Ltd.	1,618,495	923,780	1,618,495	996,132
12	Nepal Life Insurance Company Ltd.	1,033,364	847,770	1,033,364	793,781
13	Butwal Power Company Ltd.	3,104,530	1,478,770	3,104,530	1,670,765
14	Nerude Laghubitta Bikas Bank Ltd.	-	6,108	-	5,640
15	Nabil Mutual Fund	-	-	-	-
16	Rural Microfinance Development Centre	107,561	62,400	107,561	68,744
17	NLG Insurance Company Ltd.	1,601,000	703,750	1,601,000	952,500
18	Sana Kisan Bikas Bank	160,140	230,000	160,140	237,000
19	Asian Life Insurance Company Ltd.	100	316	100	766
20	United Insurance Company Ltd.	2,967,310	459,420	2,967,310	1,501,950
21	Neco Insurance Company Ltd.	3,341,320	1,135,290	3,341,320	1,583,010
22	Premier Insurance Company Ltd.	3,420,000	802,032	3,420,000	1,056,440
23	Siddhartha Equity Fund	6,000,000	5,400,000	6,000,000	6,054,000
24	Swalamban Bikas Bank Limited	1,385,000	1,151,250	1,385,000	1,093,750
25	Sanima Equity Fund	1,000,000	845,000	1,000,000	940,000
	Subtotal	41,132,990	21,476,250	41,132,990	25,841,641
	Investment in Unquoted equity	-	-	-	-
	Subtotal	-	-	-	-
	Grand Total	41,132,990	21,476,250	41,132,990	25,841,641

4.9 Current tax Assets/Liability

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Current tax assets	-	35,369,692
Current year Income Tax Assets	-	35,369,692
Tax Assets of Prior Periods	-	-
Current tax liabilities	6,569,502	36,220,456
Current year Income Tax Liabilities	5,718,739.14	36,007,351
Tax Liabilities of Prior Periods	850,763	213,105
	6,569,502	36,220,456
Total of income tax assets/(liabilities)	(6,569,502)	(850,763)

4.10 Investment In subsidiaries

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076		As on Ashad 31, 2076	
	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 at 26 Ashoj 2076		As on Ashad 31, 2076	
	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 at 26 Ashoj 2076		As on Ashad 31, 2076	
.....Ltd				
.....Ltd	-	-	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

	As at Ashoj 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 at Ashoj 2076

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 Ashoj 2076		As on 31 Ashad 2076	
	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 Ashoj 2076		As on 31 Ashad 2076	
	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 Ashoj 2076		As on 31 Ashad 2076	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
Total	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	Percentage of ownership	
	As on Ashoj 2076	As on 31 Ashad 2076

4.11.4: Equity value of associates

Particulars	Group	
	As on Ashoj 2076	As on 31 Ashad 2076
		-
	-	-

4.12 Investment Properties

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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
Cost									
As on Shrawan 01, 2076	-	-	8,137,208	2,815,360	8,662,832	6,198,877	8,571,320	11,559,761	45,945,357
Addition during the year									
Acquisition	-	-	3,714,984	-	-	676,348	-	14,400	4,405,731
Capitalization	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-
Balance as on Asoj 26 2077	-	-	11,852,191	2,815,360	8,662,832	6,875,224	8,571,320	11,574,161	50,351,089
Depreciation and Impairment									
As on Shrawan 01, 2076	-	-	1,927,455	1,151,625	4,113,367	2,192,141	4,523,058	4,445,593	18,353,239
Depreciation charge for the year	-	-	264,253	262,756	335,416	200,592	242,164	503,749	1,808,931
Impairment for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Balance as on Asoj 26 2077	-	-	2,191,708	1,414,381	4,448,784	2,392,733	4,765,222	4,949,342	20,162,170
Capital Work In Progress									
Net Book Value									
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
As on Asoj 26, 2076	-	-	9,660,483	1,400,980	4,214,048	4,482,491	3,806,098	6,624,819	30,188,919

Purnima Bikas Bank Limited
Notes forming part of the Financial Statements

4.14 Goodwill and Intangible Assets

Particulars	Software				Total
	Goodwill	Purchased	Developed	Other	
Cost					
As on Shrawan 01, 2076	-	4,888,652	-	-	4,888,652
Addition during the Year					
Acquisition					-
Capitalization					-
Disposal during the year					-
Adjustment/Revaluation					-
As on Asoj 26, 2076	-	4,888,652	-	-	4,888,652
Amortisation and Impairment					
As on Shrawan 01, 2076	-	3,882,123	-	-	3,882,123
Impairment for the year	-	93,426	-	-	93,426
Amortisation charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Asoj 26, 2076	-	3,975,549	-	-	3,975,549
Capital Work in Progress	-	-	-	-	-
Net Book Value					
As on Ashad end 2076	-	1,006,528	-	-	1,006,528
As on Asoj 26 2076	-	913,102	-	-	913,102

Purnima Bikash Bank Limited
Notes forming part of the Financial Statements

4.15 Deferred Taxes Assets/(Liabilities)

As on 31 Ashad 2076			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred 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	8,120,438	-	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			14,313,940
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			-

As on 26 Ashoj 2076			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred 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	5,897,022	-	5,897,022
Investment In Associates	-	-	-
Property and Equipment	2,306,684		2,306,684
Goodwill and Intangible Assets	153,187		153,187
Employees' Defined Benefit Plan	1,508,522		1,508,522
Employees' Leave Liability	(118,506)	-	(118,506)
Lease Liabilities	1,159,946	-	1,159,946
Provisions LLP	-	-	-
Other Temporary Differences	-	-	-
Deferred tax on temporary differences	10,906,855	-	10,906,855
Deferred tax due to changes in tax rate	-	-	-
Net Deferred Tax Asset (Liabilities) as on Asoj 26, 2076			10,906,855
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2076			8,120,438
Origination/(Reversal) during the year			19,027,293
Deferred Tax (expense)/income recognized in profit or loss			166,423
Deferred Tax (expense)/income recognized in Other Comprehensive Income			2,619,995
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	3,832,739	4,562,195
Accrued Income	13,718,930	-
Prepayments and Deposits	468,209	443,102
Income Tax Deposit	-	-
Deferred Employee Expenditure	1,344,612	1,604,181
Other	1,068,538	1,364,454
Stationery Stock	1,030,158	1,228,112
Commission Receivable	-	-
Deposit	-	-
Others	38,380	136,342
Grand Total	20,433,027	7,973,932

4.17 Due to Bank and Financial Institutions

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	166,243,110	373,447,849
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
Total	166,243,110	373,447,849

4.18 Due to Nepal Rastra Bank

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076	As at 31 Ashad 2076
Institutions Customers:	1,140,823,201	343,127,554
Term deposits	906,526,895	208,002,520
Call deposits	142,924,271	37,198,023
Current deposits	89,022,035	95,977,011
Other	2,350,000	1,950,000
Individual Customers:	2,414,575,153	3,108,087,910
Term deposits	523,661,900	1,166,605,775
Saving deposits	1,853,454,163	1,856,133,940
Current deposits	37,459,090	85,306,003
Other	-	42,192
Total	3,555,398,354	3,451,215,464

4.20.1 Currency wise analysis of deposit form customers

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Nepalese Rupee	3,555,398,354	3,451,215,464
Indian Rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japanese yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	3,555,398,354	3,451,215,464

4.21 Borrowings

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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	As at 26 Ashoj 2076	As at 31 Ashad 2076
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1 Movement in Provisions

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Balance at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance at Asoj 26, 2076	-	-

4.23 Other Liabilities

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Liabilities for employees defined benefit obligations	5,028,407	329,677
Liabilities for leave	(395,020)	(190,240)
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	6,830,771	10,314,618
Interest payable on deposits	87,896,032	45,233,741
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	116,995	116,995
Liabilities under Operating Lease	3,866,486	3,777,939
Employee bonus payable	9,889,451	12,987,575
Other Liabilities	887,666	4,841,571
Audit Fee Payable	195,125	375,000
TDS Payable	522,142	4,283,991
Micro Finance Central Fund	-	-
Micro Finance Welfare Fund	-	-
Others	170,399	182,580
Total	114,120,789	77,411,875

4.23.1. A Defined Benefit Obligation

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

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Present value of unfunded obligations	8,573,370	4,069,896
Present value of funded obligations	-	-
Total present value of obligations	8,573,370	4,069,896
Fair value of plan assets	3,544,963	3,740,219
Present value of net obligations	5,028,407	329,677
Recognised liability for defined benefit obligations	5,028,407	329,677

4.23.2 A : Plan Assets

Plan assets comprise

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	3,544,963	3,740,219
Total	3,544,963	3,740,219

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

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Defined benefit obligations at Shrawan 1	4,069,896	2,688,537
Actuarial losses	4,295,073	810,779
Benefits paid by the plan	(195,256)	(227,357)
Current service costs; Past Service Cost and interest	403,657	797,937
Defined benefit obligations at Ashad end	8,573,370	4,069,896

4.23.4 A : Movement in the fair value of plan assets

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Fair value of plan assets at Shrawan 1	3,740,219	2,792,551
Contributions paid into the plan	-	908,042
Benefits paid during the year	(195,256)	(227,357)
Benefits paid during the year Directly	-	-
Actuarial (losses) gains	(72,852)	16,352
Expected return on plan assets	72,852	250,631
Fair value of plan assets at Ashad end	3,544,963	3,740,219

4.23.5 A : Amount recognised in profit or loss

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Current service costs	324,212	591,948
Past service costs-(non Vested)	-	-
Past service costs (Vested)	-	-
Interest on obligation	79,445	205,989
Expected return on plan assets	(72,852)	(250,631)
Total	330,805	547,306

4.23.6 A : Amount recognised in other comprehensive income

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Actuarial (gain)/loss	4,367,925	794,427
Total	4,367,925	794,427

4.23.7 A : Actuarial assumptions

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Discount rate	6.50%	8%
Expected return on plan asset	8%	8%
Future salary increase	4%	8%
Withdrawal rate	5%	5%

4.23.1. B Long Term Benefit Obligation

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

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Present value of unfunded obligations	4,154,721	4,595,729
Present value of funded obligations	-	-
Total present value of obligations	4,154,721	4,595,729
Fair value of plan assets	4,549,741	4,785,969
Present value of net obligations	(395,020)	(190,240)
Recognised liability for defined benefit obligations	(395,020)	(190,240)

4.23.2 B : Plan Assets

Plan assets comprise

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	4,549,741	4,785,969
Total	4,549,741	4,785,969

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

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Defined benefit obligations at Shrawan 1	4,595,729	3,391,652
Actuarial losses	(513,439)	577,337
Benefits paid by the plan	(236,228)	(352,560)
Current service costs; Past Service Cost and interest	308,659	979,300
Defined benefit obligations at Ashoj 26, 2076	4,154,721	4,595,729

4.23.4 B : Movement in the fair value of plan assets

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Fair value of plan assets at Shrawan 1	4,785,969	3,706,938
Contributions paid into the plan	-	1,080,921
Benefits paid during the year	(236,228)	(352,560)
Actuarial (losses) gains	(93,357)	24,981
Expected return on plan assets	93,357	325,689
Fair value of plan assets at Ashad end	4,549,741	4,785,969

4.23.5 B : Amount recognised in profit or loss

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Current service costs	219,107	722,070
Past service costs-(non Vested)	-	-
Past service costs (Vested)	-	-
Actuarial (gain)/loss	(420,082)	577,337
Interest on obligation	89,552	257,230
Expected return on plan assets	(93,357)	(325,689)
Total	(204,780)	1,230,948

4.23.6 B : Amount recognised in other comprehensive income

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Actuarial (gain)/loss	-	-
Total	-	-

4.23.7 B : Actuarial assumptions

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Discount rate	6.50%	8%
Expected return on plan asset	8%	8%
Future salary increase	4%	8%
Withdrawal rate	5%	5%

4.24 Debt securities issued

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076	As at 31 Ashad 2076
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

4.26 Share Capital

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Ordinary Shares	551,283,015	551,283,015
Convertible Preference Shares (Equity component)	-	-
Irredeemable Preference Shares (Equity component)	-	-
Perpetual debt (Equity component only)	-	-
Calls in Advance	-	-
Total	551,283,015	551,283,015

4.26.1 Share capital detail

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Authorised capital		
12,000,000 Ordinary Share of Rs. 100 each	1,200,000,000	1,200,000,000
Issued Capital		
5,512,830.15 Ordinary Share of Rs. 100 each	551,283,015	551,283,015
Suscribed and paid up capital		
5,512,830.15 Ordinary Share of Rs. 100 each	551,283,015	551,283,015
Total	551,283,015	551,283,015

4.26.2 Ordinary Share Ownership

Particulars	As at 26 Ashoj 2076		As at 31 Ashad 2076	
	% of holding	Amount	% of holding	Amount
Domestic ownership	100%	551,283,015	100.00%	551,283,015
Nepal Government				
"A" Class licenced institutions				
Other Licenced institutions				
Other institutions & individuals				
Public	49%	270,128,677	49.00%	270,128,677
Other	51%	281,154,337	51.00%	281,154,337
Foreign Ownership				
Total	100%	551,283,015	100%	551,283,015

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%
Tejlal 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%

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

Financial Year	Cumulative Paid Up Capital	Remarks
70 Ashad	110,000,000	
Issue of Bonus Share	26,125,000	
71 Ashad	136,125,000	
Issue of Right Share	38,083,719	
Issue of Bonus Share	27,500,000	
72 Ashad	201,708,719	
Issue of Right Share	49,822,054	
73 Ashad	251,530,772	
Issue of Right Share	84,550,000	
Issue of Bonus Share	144,442,459	
74 Ashad	480,523,232	
Issue of Right Share	26,251,600	
Issue of Bonus Share	44,508,183	
75 Ashad	551,283,015	
76 Ashad	551,283,015	
Ashoj 26, 2076	551,283,015	

4.27 Reserves

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Statutory general reserve	90,336,732	87,752,484
Exchange equalisation reserve	-	-
Corporate social responsibility reserve	1,655,522	1,642,304
Capital redemption reserve	-	-
Regulatory reserve	59,519,234	24,808,402
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	(13,759,718)	(10,703,944)
Dividend equalisation reserve	-	-
Actuarial gain	(3,528,519)	(470,971)
Special reserve	-	-
Employee Training Fund	940,738	987,183
Deferred Tax Reserve	-	-
Other reserve	-	-
Total	135,163,989	104,015,457

4.28 Contingent liabilities and commitments

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Contingent liabilities	28,250,000	28,250,000
Undrawn and undisbursed facilities	54,246,528	264,624,549
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	82,496,528	292,874,549

4.28.1: Contingent Liabilities

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	28,250,000	28,250,000
Underwriting commitment	-	-
Other commitments	-	-
Total	28,250,000	28,250,000

4.28.2: Undrawn and undisbursed facilities

Particulars	As at 26 Ashoj 2076	As at 31 Ashad 2076
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	54,246,528	264,624,549
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	54,246,528	264,624,549

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 at 26 Ashoj 2076	As at 31 Ashad 2076
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 at 26 Ashoj 2076	As at 31 Ashad 2076
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

4.29 Interest Income

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Cash and cash equivalent	13,718,930	54,808,452
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	1,947,360	2,624,933
Loans and advances to customers	102,222,591	409,666,947
Investment securities	265,781	1,094,478
Loan and advances to staff	380,481	999,423
Other Interest Income	-	-
Total interest income	118,535,143	469,194,232

4.30 Interest Expense

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Due to bank and financial institutions	-	12,361,166
Due to Nepal Rastra Bank	-	-
Deposits from customers	73,612,877	263,666,453
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	2,788	(113,101)
Total Interest expense	73,615,665	275,914,518

4.31 Fees and commission income

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Loan administration fees	-	-
Service fees	4,682,362	31,001,827
Consortium fees	-	-
Commitment fees	-	-
DD/TT/Swift fees	-	-
Credit card/ATM issuance and renewal fees	71,400	2,279,135
Renewal fees	338,300	-
Prepayment and swap fees	30,900	-
Investment banking fees	-	-
Asset management fees	-	-
Brokerage fees	-	-
Remittance fees	114,222	1,388,078
Commission on letter of credit	-	-
Commission on guarantee contracts issued	-	44,375
Commission on share underwriting/issue	-	-
Locker rental	12,000	26,000
Other fees and commission income	981,989	491,719
Total Fees and Commission Income	6,231,172	35,231,134

4.32 Fees and commission Expense

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	-	-
Remittance fees and commission	-	-
Other fees and commission expense	258,790	2,947,222
CIC Fees	130,150	1,579,800
Deposit Premium	-	-
Mobile Banking Expenses	113,009	1,367,422
Other	15,631	-
Total Fees and Commission Expense	258,790	2,947,222

4.33 Net Trading Income

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
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	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	560,985.00	259,207
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	-	-
Share of Income of Associates	-	-
Total	560,985.00	259,207

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

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Impairment charge/(reversal) on loan and advances to BFIs	100,000	100,000
Impairment charge/(reversal) on loan and advances to customers	7,732,930	12,456,168
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	7,832,930	12,556,168

4.36 Personal Expenses

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Salary	5,271,617	20,480,412
Allowances	4,347,145	15,652,813
Gratuity Expense	324,212	733,894
Provident Fund	429,266	1,602,283
Uniform	25,000	375,500
Training & development expense	46,445	224,478
Leave encashment	(200,975)	2,033,173
Medical	-	833,132
Insurance	-	-
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	259,570	539,145
Other expenses related to staff	2,942,041	1,742,984
Subtotal	13,444,320	44,217,812
Employees bonus	2,052,617	12,987,575
Grand Total	15,496,937	57,205,387

4.37 Other Operating Expenses

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Directors' fee	69,500	378,000
Directors' expense	46,320	138,293
Auditors' remuneration	197,750	450,000
Other audit related expense	165,996	200,897
Professional and legal expense	8,333	50,000
Office administration expense (4.37 A)	3,231,333	13,846,313
Operating Lease expense (4.37 B)	3,754,382	13,880,347
Operating expense of investment properties	-	-
Corporate social responsibility expense	-	68,500
Onerous lease provisions	-	-
Other Expenses	273,454	1,439,608
Repair & Maintenance Building	22,475	8,000
Repair & Maintenance Vehicle	132,444	477,866
Repair & Maintenance Others	54,780	556,684
Repair & Maint.. Office Equipment & Furniture	63,755	167,435
Share Issue Expenses	-	-
Technical Fees	-	229,623
Total	7,747,068	30,451,957

4.37 A Office Administration Expenses

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Insurance	485,948	2,387,066
Postage, Telephone,	360,576	2,026,241
Printing & Stationery	1,140,437	1,432,958
Newspaper & Periodicals	46,580	103,889
Advertisements	58,682	871,501
Travelling Expenses	61,104	667,779
Fuel Expenses	247,837	1,110,641
Entertainment	-	446,434
AGM Expenses	-	271,082
Annual Fee	52,206	406,080
Office Expenses	365,538.18	960,242
Merger Expenses	-	444,720
Branch Opening Expenses	-	7,773
Registration & Renewal Fee	69,610.00	1,177,731
Corporate Social Responsibility Expenses	115,994	538,638
Other	226,821	993,538
Total	3,231,333	13,846,313

4.37 B Operating Lease Expenses

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
House Rent Expenses	1,442,798	5,682,199
Electricity Expenses	500,839	1,802,117
Security Expenses	1,810,745	6,396,031
Total	3,754,382	13,880,347

4.38 Depreciation and Amortisation

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Depreciation on property and equipment	1,808,931	7,754,537
Depreciation on investment property	-	-
Amortisation of intangible assets	93,426	966,606
Total	1,902,357	8,721,143

4.39 Non Operating Income

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Recovery of Loan written off	-	-
Other Income	-	-
Total	-	-

4.40 Non Operating expense

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Loan written off	-	-
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	-

4.41 Income Tax Expenses

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Current Tax Expenses	5,718,739	36,220,456
Current Year	5,718,739	36,007,351
Adjustment for Prior Years	-	213,105
Deferred tax Expenses	(166,423)	(935,048)
Origination and Reversal of Temporary Differences	(166,423)	(935,048)
Change in tax Rate	-	-
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	5,552,317	35,285,407

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	For the period ended Ashoj 26, 2076	For the period ended Ashad 31, 2076
Profit Before Tax	18,473,553	116,888,178
Tax Amount at the Rate of 30%	5,542,066	35,066,453
Add: Tax Effect of the expenses that are not deductible for tax purpose	706,772	20,550
Less: Tax Effect on Exempt Income	-	(77,762)
Add/Less: Tax Effect on other Items	(530,099)	1,211,214
Total Income Tax Expenses	5,718,739	36,220,456
Effective Tax Rate	30.96%	30.99%

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:

- 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.

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 Ashoj 26,2076 is 16.88% and 17.93% 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 instils 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	551,283,014.59
2	Proposed bonus share	-	-
3	Share premium	-	-

4	Irredeemable preferential share	-	-
5	General Reserve Fund	90,336,731.63	87,752,484.30
6	Accumulated profit/loss (Retained earnings)	28,583,111.11	52,948,779.77
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	(932,259.40)	2,729,264.21
Deductions:		(10,906,855.32)	(8,120,437.93)
	a Goodwill	-	-
	b Deferred tax assets	10,906,855.32	8,120,437.93
	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)		658,363,743	686,593,105
B.	Supplementary capital		
S.N.	Description	Period	
		Current Year	Previous Years
1	Provisions of loan loss made for pass loan	41,020,870.26	34,629,793.84
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	-	-
Total Supplementary Capital (B)		41,020,870.26	34,629,793.84
C. Total Capital Fund (A+B)		699,384,613	721,222,899
D. Minimum capital Fund to be maintained based on Risk Weighted Assets:			
1	Minimum Capital Fund Required (11.0 % of RWA)	429,055,395	440,821,976.94
2	Minimum Core Capital Required (5.5 % of RWA)	214,527,698	220,410,988.47
3	Capital Fund maintained (in %)	17.93%	18.00%
4	Core Capital maintained (in %)	16.88%	17.13%
5	Capital Fund surplus/(Deficit)	6.93%	7.00%
6	Core Capital surplus/ (Deficit)	11.38%	11.63%

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	58,011,812			58,011,812
Balances with B/FIs	-			-
Money at call and short notice	844,807,789			844,807,789
Interbank placement	-			-
Balance at NRB	170,155,658			170,155,658
Derivative financial instrument				-
Loans & Advances	3,426,110,041			3,426,110,041
Government bonds	20,486,767			20,486,767
Government treasury bills	-			-
Equity investments		21,476,250		21,476,250
Other assets	5,331,106			5,331,106
Total Financial Assets	4,524,903,173	21,476,250	-	4,546,379,423

Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	3,555,398,354			3,555,398,354
Due to Banks & Financial Institutions	166,243,110			166,243,110
Due to Nepal Rastra Banks	-			-
Debt Securities	-			-
Employee related liabilities	14,522,838			14,522,838
Bills payable	-			-
Creditors and accruals	6,830,771			6,830,771
Interest payable on deposit	87,896,032			87,896,032
Interest payable on borrowing	-			-
Unpaid Dividend	116,995			116,995
Liabilities under Operating Lease	3,866,486			3,866,486
Other liabilities	887,666			887,666
Total Financial Liabilities	3,835,762,253	-	-	3,835,762,253

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	Nawalparsai	Chitwan	Total
a	Revenues from external customers	4,578,959.61	1,543,087.49	118,427.92	6,240,475.02
b	Intersegment revenues				-
c	Net Revenue	4,578,959.61	1,543,087.49	118,427.92	6,240,475.02
d	Interest revenue	51,911,646.13	10,465,879.25	2,692,925.76	65,070,451.14
e	Interest expense	63,354,304.25	9,320,262.35	929,192.46	73,603,759.06
f	Net interest revenue	(11,442,658.12)	1,145,616.90	1,763,733.30	(8,533,307.92)
g	Depreciation and amortization				-
h	Segment profit /(loss)	(11,442,658.12)	1,145,616.90	1,763,733.30	(8,533,307.92)
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				-
k	Impairment of assets	-	-	-	-
l	Segment assets	3,101,909,033.04	595,880,542.18	244,712,452.42	3,942,502,027.64
m	Segment liabilities	3,233,051,718.00	563,380,720.81	43,220,905.16	3,839,653,343.97

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	6,240,475
Other revenues	119,086,825
Elimination of intersegment revenues	-
Entity's revenues	125,327,300

(b) Profit or loss

Total profit or loss for reportable segments	(8,533,308)
Other profit or loss	
Elimination of intersegment profits	
Unallocated amounts:	21,454,545
Profit before income tax	12,921,237

(c) Assets

Total assets for reportable segments	3,942,502,028
Other assets	
Unallocated amounts	(614,859,843)
Entity's assets	4,557,361,870

(d) Liabilities

Total liabilities for reportable segments	3,839,653,344
Other liabilities	-
Unallocated liabilities	2,678,412
Entity's liabilities	3,842,331,756

5.4.4 Information about Product & Services

Revenue from each type of product & Service	Amounts
Loan & Advance	104,550,432
Money at call	13,718,930
Investment Securities	265,781
Remittance	114,222
Service Fees	4,682,362
Other Product & Services	1,995,573
Total revenue	125,327,300

5.4.5 Information about Geographical Area

Revenue from following geographical areas

(a) Domestic	6,240,475
Rupandehi	4,578,960
Nawalparasi	1,543,087
Chitwan	118,428
(b) Foreign	-
Total	6,240,475

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 statements as commitments.

Particulars	2076-77	2075-76
Contingent liabilities	28,250,000	28,250,000
Undrawn and undisbursed facilities	54,246,528	264,624,549
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	82,496,528	292,874,549

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

For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors	Directors
Suraj Upreti	Suraj Upreti
Madan Kadel	Madan Kadel
Lalit Bahadur Chand	Lalit Bahadur Chand
Harihar Prasad Nepal	Harihar Prasad Nepal
Rajendra Prasad Shrestha	Rajendra Prasad Shrestha
Key Managerial Personnel	Key Managerial Personnel
Prakash Gurung : CEO	Prakash Gurung : CEO
Badri Kedar Shrestha : SR Manager	Badri Kedar Shrestha : SR Manager
Bhagirath Neupane : HR Manager	Bhagirath Neupane : HR Manager
Shailesh Kumar Srivastav : IT Manager	Shailesh Kumar Srivastav : IT Manager

Transaction during the Year

Particulars	For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors		
Directors Sitting Fees	69,500	378,000
Interest Paid to directors on deposits	-	28,104
Other directors' expenses (if any)	46,320	138,293
Total	115,820	544,397
Key Management Personnel		
Remuneration and Benefit Paid	2,174,890	7,291,798
Post-Retirement Benefits		
Other Long-term Benefits	318,826	1,255,304
Borrowing during the year	3,624,814	3,678,985
Interest on Borrowing	41,111	163,311
Interest on account balances	12,945	22,436
Other transactions benefits if any		
Total	6,167,585	12,411,834

Reporting Date Balance

Particulars	For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors Deposits	1,068,915	219,046
KMP Deposits	305,429	204,795
Borrowings	3,624,814	3,678,985
Other Receivable payables if any		
Total	4,999,158	4,102,827

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.

The Bank has been acquired by Shine Resunga Development Bank Ltd and has commenced Joint operation from 27th Ashwin 2076. Special General Meeting of both the banks dated 27th Ashad 2076 approved acquisition of Purnima Bikas Bank Ltd by Shine Resunga Development bank Ltd at the swap ratio of 0.95 shares of Shine Resunga Development Bank Ltd for each share of Purnima Bikas Bank Ltd.

5.11 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.

5.12 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	2076-77	2075-76
Earning attributable to equity shareholders (NPR)	12,921,237	81,602,770
Weighted average number of shares for the period	5,512,830	5,512,830
Basic Earnings Per Share (NPR)	9.61	14.80

5.13 Loan Written Off

The bank has not written off any loan and receivable during the period ended 26th Ashwin 2076.

5.14 Reserves

5.14.1 General Reserve

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

Opening Balance	87,752,484
Transfer as per BAFIA	2,584,247
Closing Balance	90,336,732

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 2,584,247 has been transferred to General Reserve.

5.14.2 Investment Adjustment Reserve

Investment adjustment reserve has not been created for the period ending Ashwin 26, 2076 as the bank has considered all the investment in quoted equity as trading assets.

5.14.3 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	24,808,402
Transfer from RE to Regulatory Reserve against NBA	-
Transfer from RE to Regulatory Reserve against Deferred Tax	2,786,417
Transfer from RE to Regulatory Reserve against Actuary Reserve	3,057,548
Transfer from RE to Regulatory Reserve against FV Reserve	4,166,548
Transfer from RE to Regulatory Reserve against Interest Receivable	24,700,319
Closing Balance	59,519,234

5.14.4 Corporate Social Responsibility

Particulars	Amounts
Opening Balance	1,642,304
Transfer to CSR Fund	129,212
Transfer/Utilization from CSR Fund	(115,994)
Closing Balance	1,655,522

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. 129,212 for current period.

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 46,445 for the period ended on 26th Ashwin 2076 on development of human resources. However, the same is not required to be apportioned for FY 2076/77 via point no 4 of NRB circular no 14/076/77. Hence, additional Employee Training and Development Fund has not been created during the period ended on 26th Ashwin 2076.

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.

Purnima Bikash Bank Limited

Statement of Capital Fund

Asoj 26, 2076

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	551,283,015	551,283,015
2	Proposed bonus share	-	-
3	Share premium	-	-
4	Irredeemable preferential share	-	-
5	General Reserve Fund	90,336,732	87,752,484
6	Accumulated profit/loss (Retained earnings)	28,583,111	52,948,780
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	(932,259)	2,729,264
Deductions:		(10,906,855)	(8,120,438)
	a Goodwill	-	-
	b Deferred tax assets	10,906,855	8,120,438
	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)		658,363,743	686,593,105

B. Supplementary capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Provisions of loan loss made for pass loan	41,020,870	34,629,794
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	-	-
Total Supplementary Capital (B)		41,020,870	34,629,794
C.	Total Capital Fund (A+B)	699,384,613	721,222,899
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	429,055,395	440,821,977
2	Minimum Core Capital Required (5.5 % of RWA)	214,527,698	220,410,988
3	Capital Fund maintained (in %)	17.93%	18.00%
4	Core Capital maintained (in %)	16.88%	17.13%
5	Capital Fund surplus/(Defisit)	6.93%	7.00%
6	Core Capital surplus/ (Defisit)	11.38%	11.63%

Purnima Bikas Bank Limited.

Statement of Risk Weighted Assets (RWA)

Asoj 26, 2076

A. On-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Cash Balance	-	58,011,812	-	56,677,970	-
2	Gold (Tradable)	-	-	-	-	-
3	NRB Balance	-	170,155,658	-	147,654,394	-
4	Investment to Govt. Bond	-	20,000,000	-	20,000,000	-
5	Investment to NRB Bond	-	-	-	-	-
6	Loan against Own FD	-	17,632,000	-	24,399,600	-
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	-	-	1,080,346,166	216,069,233
11	Loan against other banks' and financial institutions' FD	20	-	-	-	-
12	Foreign bank balance	20	-	-	-	-
13	Money at call	20	844,807,789	168,961,558	-	-
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	21,963,017	21,963,017	26,062,627	26,062,627
18	Other investments	100	-	-	-	-
19	Loans & advances, bills purchase/discount	100	3,362,349,690	3,362,349,690	3,211,339,432	3,211,339,432
20	Fixed assets	100	31,102,021	31,102,021	28,598,647	28,598,647
21	Net interest receivables (Total IR - 8 - Interest suspense)	100	-	-	-	-
22	Gross Non-Banking Asset	100	-	-	-	-
23	Other assets (Except advance tax payment)	100	20,433,027	20,433,027	16,094,370	16,094,370
24	Real estate/residential housing loans exceeding the limits	150	-	-	-	-
	Total On-Balance-sheet Items (A)		4,546,455,015	3,604,809,313	4,611,173,205	3,498,164,308

B. Off-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
	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	14,125,000	28,250,000	14,125,000
7	Loan sale with repurchase agreement	50	-	-	-	-
8	Advance payment guarantee	100	-	-	-	-
9	Financial and other guarantee	100	-	-	-	-
10	Irrevocable loan commitment	100	54,246,528	54,246,528	264,624,549	264,624,549
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	227,322,751	227,322,751	230,558,660	230,558,660
	Total Off-Balance-sheet Items (B)		309,819,279	295,694,279	523,433,209	509,308,209
	Total Risk Weighted Assets (A) + (B)			3,900,503,592		4,007,472,518

Purnima Bikash Bank Limited

Major Indicator
Previous Five Years Indicator

	Detail	Index	Financial Year				
			2072-73	2073-74	2074-75	2075-76	2076-77
1	Net Profit/Total Income	%	26.13	29.50	23.05	16.17	10.31
2	Earning Per Share (E.P.S)	Rs	32.84	28.26	13.85	14.80	9.61
3	Market Price Per share (M.P.S)	Rs	394	312	171	188	188
4	PE Ratio	Ratio	12.00	11.04	12.35	12.70	19.56
5	Dividend Per Share	%	26.00	25.26	11.37	-	-
6	Cash Dividend Per share	%	1.30	1.26	6.37	-	-
7	Interest Income/Total Loan & Advance	%	14.66	16.79	16.32	14.50	14.55
8	Employee Cost/ Total Operating Cost	%	13.05	14.11	11.62	57.59	14.50
9	Interest Expenses on Saving & Fixed Deposit	%	4.88	5.22	7.50	8.36	8.42
10	Exchange Fluctuation Income/ Total Income	%					
11	Employee Bonus/ Total Employee Cost	%	48.22	55.41	31.78	22.70	13.25
12	Net Profit/Total Loan & Advance	%	4.35	5.33	3.26	2.52	0.38
13	Net Profit/Total Assets	%	2.49	3.31	2.01	1.77	0.28
14	Total Loans & advance / Total Deposit	%	73.41	84.67	84.48	84.60	95.07
15	Total operating Cost/Total Assets	%	5.63	6.03	7.76	2.15	2.34
16	Risk Weighted Capital Adequacy Ratio						
	(i) Primary Capital	%	13.09	21.41	20.56	17.60	16.88
	(ii) Supplementary Capital	%	0.78	0.84	0.85	0.89	1.05
	(iii) Capital Adequacy Ratio	%	13.87	22.25	21.41	18.00	17.93
17	CRR	%	11.03	5.10	5.04	4.30	4.46
18	NPA/ Total Loan	%	0.08	0.01	0.18	0.18	0.43
19	Base Rate	%	10.39	10.78	10.82	11.20	11.3
20	Weighted Average Interest Rate Spread	%	8.71	5.43	5.32	5.74	5.75
21	Book Networth	Rs	288,552	537,825	737,707	708,247,252	712433855
22	Total No Of share	No.	2,017,087	3,523,851	5,512,830	5,512,830	5,512,830
23	Total No Of Employee	No.	58	61	81	95	95
24	Others						

INDEPENDENT AUDITOR'S REPORT
The Shareholders of Bhargav Bikas Bank Limited
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s Bhargav Bikas Bank Limited, (hereinafter the bank), which comprises the statement of financial position as at Ashoj 26, 2076 [October 13, 2019] and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity & statement of cash flows for the period then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the bank as at Ashoj 26, 2076 (October 13, 2019) and its financial performance and its cash flows for the period then ended on that date in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSA's). 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 Bank in accordance with the Institute of Chartered Accountant of Nepal's code for professional accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal under Companies Act 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Our Audit Approach and Response
<p>1. Interest Recognition</p> <p>Interest Income of the bank has to be recognised on accrual basis and in line with Interest Income Recognition Guidelines 2019 issue by NRB. However, in case of bad loans and advances (overdue for more than 12 months), this guidelines requires cessation of interest recognition on accrual basis. This requires careful observation and calculation for interest recognition, hence we have considered it as key audit matter.</p>	<p>Our audit approach regarding verification of process of interest recognition included:</p> <ol style="list-style-type: none"> Obtaining clear understanding of the process of accrual of interest income on loan and advances in the core banking software of the bank. Test check of interest recognition with manual computation.
<p>2. Investment Valuation, Identification and Impairment</p> <p>Investment of bank comprises of investment in government bonds, T-bills, development bonds, investment in quoted, non-quoted equity instruments and units of mutual funds. The valuation of aforesaid securities has been done in compliance with NFRS 9 and directive no 8 of NRB Unified Directive 2076. The investment in the government bonds, NRB bonds, T-bills has been done at amortised cost. Similarly, investment made in quoted equity instruments has been valued at Fair Value through Other Comprehensive Income and investments made in unquoted shares has been valued at cost.</p> <p>In view of significance of amount of investment and complexity involved in valuation and treatment of such investments, we have considered it as key audit matters in our audit.</p>	<p>Our audit approach regarding verification of process of valuation of investment, impairment, its accounting included:</p> <ol style="list-style-type: none"> Review of the investments made by bank and its valuation and treatment in line with NFRS issued by Accounting Standard Board of Nepal and NRB Directive 4 read with 8. For the investments valued at amortised cost, we checked the effective interest rate (EIR) and amortization schedule on test basis. For the investment made on quoted equity instruments, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 26.06.2076. For the unquoted investments, nominal cost (Rs.100) has been taken as fair value. Further income and bonus has been tested through demat statement provided by bank wherever applicable.



Key Audit Matters	Our Audit Approach and Response
<p>3. Impairment of Loan and Advances</p> <p>As per NRB Directive 4 read with carve out issued by ASB, bank shall measure impairment loss on loans and advances at the higher of :</p> <ol style="list-style-type: none"> Amount derived as per norms prescribed by Nepal Rastra Bank for loan loss provision; and Amount determined as per para 63 of NAS 39 adopting Incurred Loss Model <p>As per the norms prescribed by NRB provision, provision on loan and advances shall be created based on overdue status as well as utilization status of the facility, security status, borrower's whereabouts etc.</p> <p>As per NAS 39 read with NFRS 9, impairment of loan and advances should be made on collective as well as individual basis. For individually significant loan and advances, individual impairment is measured as the difference between the assets carrying amount and present value of estimated future cash flows.</p> <p>For homogeneous groups of loans and advances that are not individually significant, collective impairment is done. Under collective impairment, loss is determined after taking into account the historical loss experience in portfolios of similar credit risk and management judgement based on experience as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is likely to be greater or less than that suggested by historical experiences.</p> <p>In view of complexity in loan loss provision based on NRB directive and NAS 39, we have considered it as key audit matter for our audit.</p>	<p>Our audit approach regarding verification of impairment of loan and advances included:</p> <ol style="list-style-type: none"> Review of the overdue status of loans and advances by obtaining data from the system and verified manually. Sample credit files were reviewed among other things from the perspective of utilization of loans and advances for the intended purpose by way of scrutiny of financial statements, account movement, account turnover etc. Collateral Valuation of the security along with expected future cash flow has been reviewed in sample basis for individually significant loans and advances. In case of homogenous loans, we assessed the probability of default and loss for given default calculated based on the historical loss experiences.

Other Matters

Bank has undergone merger/acquisition with Shine Resunga Development Bank Limited on 26 Ashoj 2076 and started joint operation from 27 Ashoj 2076 as Shine Resunga Development Bank Limited.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

Those charged with governance are responsible for overseeing the 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 misstatements, 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 NSA's 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 NSA's, 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 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 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 bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on 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 of the bank. 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 period then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the requirements of Companies Act, 2063 and are in agreement with the books of accounts maintained by the bank. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of accounts of the bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the bank.

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 issued by Nepal Rastra Bank.

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 bank, we have not come across any case where the board of directors or any employee of the bank have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the bank or its property and violated any directives of Nepal Rastra Bank or acted in a manner to jeopardize the interest and security of the bank, its depositors and its investors.

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

CA. Durga Prasad Gnawali
Partner
Date: 2077.09.03
Place: Kathmandu, Nepal
UDIN: 201220CA00461r P79t

Bhargav Bikas Bank Limited

Statement of Financial Position

As on 26th Asoj 2076 (13 Oct 2019)

Particulars	Notes	As at 26 Asoj 2076	As at 31 Ashad 2076
Assets			
Cash and cash equivalent	4.10	1,081,626,104	1,016,475,726
Due from Nepal Rastra Bank	4.20	152,203,838	206,737,809
Placement with Bank and Financial Institutions	4.30	-	-
Derivative financial instruments	4.40	-	-
Other trading assets	4.50	-	-
Loan and Advances to B/FIs	4.60	142,796,302	138,614,247
Loans and advances to customers	4.70	2,861,404,202	2,867,308,077
Investment in securities	4.80	31,794,066	36,950,107
Current Tax Assets	4.90	8,650,078	8,458,269
Investment in subsidiaries	4.10	-	-
Investment in Associates	4.11	-	-
Investment property	4.12	3,676,467	3,676,467
Property and equipment	4.13	60,625,994	59,540,081
Goodwill and Intangible Assets	4.14	2,244,242	2,434,934
Deferred tax assets	4.15	4,630,674	3,366,918
Other assets	4.16	26,394,018	15,741,261
Total Assets		4,376,045,985	4,359,303,894
Liabilities			
Due to Bank and Financial Institutions	4.17	180,830,000	460,374,971
Due to Nepal Rastra Bank	4.18	-	-
Derivative Financial instruments	4.19	-	-
Deposit from customers	4.20	3,482,904,176	3,257,143,014
Borrowings	4.21	-	-
Current Tax Liabilities	4.90	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	-	-
Other liabilities	4.23	129,011,553	34,690,518
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
Total liabilities		3,792,745,729	3,752,208,503
Equity			
Share Capital	4.26	501,600,000	501,600,000
Share Premium		2,465,454	2,465,454
Retained Earning		(5,124,639)	49,134,444
Reserves	4.27	84,359,441	53,895,492
Total equity attributable to equity holders		583,300,256	607,095,391
Non-controlling interests		-	-
Total equity		583,300,256	607,095,391
Total liabilities and equity		4,376,045,985	4,359,303,894
Contingent liabilities and commitment	4.28	195,182,994	126,060,046
Net assets value per share		116	121

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Bhargav Bikas Bank Limited

Statement of Profit or Loss
For the year ended 31 Ashad 2076

	Notes	For the Period Ended 26 Asoj 2076	For the Period Ended 31 Asadh 2076
Interest Income	4.29	100,874,422	439,282,097
Interest Expense	4.30	75,414,825	268,521,173
Net interest income		25,459,598	170,760,924
Fees and Commission Income	4.31	4,272,932	30,264,374
Fees and Commission Expense	4.32	185,118	323,559
Net fee and Commission income		4,087,814	29,940,815
Net interest fee and commission income		29,547,412	200,701,739
Net Trading Income	4.33	-	-
Other Operating Income	4.34	2,153,689	-
Total operating income		31,701,101	200,701,739
Impairment charge/(reversal) for loans and other losses	4.35	25,011,511	6,447,369
Net Operating income		6,689,590	194,254,370
Operating expenses			
Personal Expense	4.36	13,773,779	60,357,839
Other Operating Expenses	4.37	8,693,984	37,507,834
Depreciation and amortisation	4.38	2,068,773	10,534,449
Operating Profit		(17,846,946)	85,854,249
Non operating income	4.39	-	9,903,410
Non operating expense	4.40	-	(1,239,140)
Profit before income tax		(17,846,946)	94,518,518
Income tax expense	4.41	967,297	28,457,677
Current tax		96,385	31,445,872
Deferred tax income		870,912	(2,988,195)
Profit for the period		(18,814,243)	66,060,841
Profit attributable to:			
Equity holders of the bank		(18,814,243)	66,060,841
Non-controlling interest		-	-
Profit for the period		(18,814,243)	66,060,841
Earnings per share:			
Basic earnings per share		(15.38)	13.17
Diluted earnings per Share		(15.38)	13.17

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Bhargav Bikas Bank Limited

Statement of Other Comprehensive Income

For the Period ended 26 Asoj 2076

	Notes	For the Period Ended 26 Asoj 2076	For the Period Ended 31 Asadh 2076
Profit for the period		(18,814,243)	66,060,841
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		(7,175,548)	(729,507)
• Gains/(losses) on revaluation		-	-
• Actuarial gain/(losses) on defined benefit plans		59,988	(1,198,085)
• Income tax relating to above items		2,134,668	578,278
Net other comprehensive income that will not be reclassified to profit or loss		(4,980,892)	(1,349,315)
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		(4,980,892)	(1,349,315)
Total comprehensive income for the period		(23,795,135)	64,711,526
Total comprehensive income attributable to:			
Equity holders of the Bank		(23,795,135)	64,711,526
Non-controlling interest		-	-
Total Comprehensive income for the period		(23,795,135)	64,711,526

As per our attached report of even date

Bhuwan Pd. Panth
Chief Finance Officer

Prakash Poudel
Chief Executive Officer

Rajendra Pd. Shrestha
Chairman

CA. Durga Pd. Gnawali
Chartered Accountants
N.B.S.M. & Associates

Thaneshor Poudel
Director

Dr. Tara Pd. Upadhaya
Director

Er. Suraj Upreti
Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Bhargav Bikas Bank Limited

Statement of Cash Flows
As on 26th Asoj 2076 (13 Oct 2019)

	For the Period Ended 26 Asoj 2076	For the Period Ended 31 Asadh 2076
Cash flows from operating activities		
Interest Received	100,854,916	437,329,477
Fee and other income received	4,272,932	40,167,784
Dividend Received	-	-
Receipts from other operating activities	-	-
Interest paid	(75,414,825)	(273,220,820)
Commission and fee paid	(185,118)	(323,559)
Cash payments to employee	(13,773,779)	(53,312,112)
Other expense paid	(8,633,996)	(40,812,257)
Operating cash flows before change in operating assets and liabilities	7,120,130	109,828,513
(Increase)/Decrease in operating assets	20,591,523	(685,868,378)
Due from Nepal Rastra Bank	54,533,971	(65,753,018)
Placement with bank and financial institutions	-	-
Other Trading assets	-	-
Loan and advances to bank and financial institutions	(4,182,055)	(89,114,247)
Loan and advances to customer	(19,107,636)	(529,622,805)
Other Assets	(10,652,757)	(1,378,308)
Increase/(Decrease) in operating liabilities	41,640,915	602,578,669
Due to bank and financial institutions	(279,544,971)	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	225,761,161	603,968,142
Borrowings	-	-
Other Liabilities	95,424,725	(1,389,474)
Net Cash flow from operating activities before tax paid	69,352,567	26,538,804
Income taxes paid	288,195	(35,920,882)
Net Cash flow from operating activities	69,064,373	(9,382,078)
Cash flows from investing activities		
Purchase of investment securities	(2,000,000)	(2,999,603)
Receipts from sale of investment securities	-	-
Purchase of plant and equipment	(2,963,995)	14,646,609
Receipt from sale of property and equipment	-	-
Purchase of intangible assets	-	9,456
Receipt from sale of intangible assets	-	-
Purchase of investment properties	-	(3,676,467)
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	1,050,000	-
Net cash used in investing activities	(3,913,995)	7,979,995
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
Dividend paid	-	(29,490,454)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	-	37,280,146
Net increase/(decrease) in cash and cash equivalents	65,150,378	35,878,063
Cash and Cash Equivalents at Shrawan 01, 2076	1,016,475,726	980,597,663
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
Closing Cash and Cash Equivalents	1,081,626,104	1,016,475,726

As per our attached report of even date

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Mohan Chapagain
Director

Date : 3 Paush, 2077
Place: Kathmandu

Bhargav Bikas Bank Limited

Statement of Changes in Equity
For the Period ended 26 Asoj 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, 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
Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	(18,814,243)	-	(18,814,243)	-	(18,814,243)
Other Comprehensive Income, Net of Tax	-	-	-	-	-	(5,022,884)	-	-	41,992	(4,980,892)	-	(4,980,892)
Gains/(losses) from investment in equity instruments measured at fair value	-	-	-	-	-	(5,022,884)	-	-	-	(5,022,884)	-	(5,022,884)
Gains/(losses) on revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	41,992	41,992	-	41,992
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(5,022,884)	-	(18,814,243)	41,992	(23,795,135)	-	(23,795,135)
Adjustment of Investment Adjustment Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Utilization of Employee Training Fund	-	-	-	-	-	-	-	-	-	-	-	-
Creation of Employee Training Fund	-	-	-	-	-	-	-	-	-	-	-	-
Utilization of CSR Fund	-	-	-	-	-	-	-	-	-	-	-	-
Creation of CSR Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer To Regulatory Reserve for AIR	-	-	-	-	31,298,386	-	-	(31,298,386)	-	-	-	-
Transfer To Regulatory Reserve for NBA	-	-	-	-	-	-	-	-	-	-	-	-
Creation of Deferred Tax Reserve	-	-	-	-	1,263,756	-	-	(1,263,756)	-	-	-	-
Creation of Regulatory Reserve for Reduction in Investment	-	-	-	-	2,924,690	-	-	(2,924,690)	-	-	-	-
Adjustment on Regulatory Reserve for Actuarial Loss on Gratuity	-	-	-	-	(41,992)	-	-	41,992	-	-	-	-
Transfer from Reserves during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Owners, directly recognized in Equity	-	-	-	-	-	-	-	-	-	-	-	-
Amount transferred from premium to share capital	-	-	-	-	-	-	-	-	-	-	-	-
Share Issued	-	-	-	-	-	-	-	-	-	-	-	-
Share Issue Expenses Charged to Equity	-	-	-	-	-	-	-	-	-	-	-	-
Share Issue Expenses Charge to Equity-Tax Impact	-	-	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-	-	-
Dividend to Equity-Holders	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Issued	-	-	-	-	-	-	-	-	-	-	-	-
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 Asoj 26, 2076	501,600,000	2,465,454	40,896,221	-	44,589,139	(1,796,815)	-	(5,124,639)	670,896	583,300,256	-	583,300,256

Bhargav Bikas Bank Limited

Statement of Distributable Profit or Loss

As on 26th Asoj 2076 (13 Oct 2019)

(As per NRB Regulation)

For the Period Ended Particulars	For the Period Ended 26 Asoj 2076	31 Asadh 2076
Opening Retained Earnings	49,134,444	33,685,415
Net profit or (loss) as per statement of profit or loss	(18,814,243)	66,060,841
Appropriations:		
a. General reserve	-	(13,212,168)
b. Foreign exchange fluctuation fund	-	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	-	(660,608)
e. Employees' training fund	-	-
f. Other		
Dividend Paid	-	(30,096,000)
Share issue expense charged to equity	-	(432,828)
Transfer from Reserve during the year	-	612,803
Profit or (loss) before regulatory adjustment	30,320,201	55,957,454
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(31,298,386)	(187,182)
b. Short loan loss provision in accounts (-)/reversal (+)		-
c. Short provision for possible losses on investment (-)/reversal (+)	(2,924,690)	(114,076)
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	-	(2,316,174)
e. Deferred tax assets recognised (-)/ reversal (+)	(1,263,756)	(3,366,918)
f. Goodwill recognised (-)/ impairment of Goodwill (+)		-
g. Bargain purchase gain recognised (-)/reversal (+)		-
h. Actuarial loss recognised (-)/reversal (+)	41,992	(838,660)
i. Other (+/-)		
Distributable profit or (loss)	(5,124,639)	49,134,444

As per our attached report of even date

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Director

Mohan Chapagain
Director

Date : 3 Paus, 2077
Place: Kathmandu

Bhargav Bikash Bank Limited

Notes to the Financial Statements
For the Period ended 26th Ashwin, 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 has been acquired by Shine Resunga Development Bank Ltd and commenced joint operation from 27th Ashwin 2076 as Shine Resunga Development Bank Ltd.

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, 2076.

The financial statements comprise the Statement of Financial Position as at 26th Ashwin 2076, 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 for the period ended 26th Ashwin 2076.

2.1. Statement of Compliance

The Bank has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board dated 13th September 2013. The Bank has prepared financial statement for the period ended 26th Ashwin 2076 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 Financial Statement of the bank have been prepared for the period ending 26th Ashwin 2076 as the bank has been acquired by Shine Resunga Development Bank Ltd and commenced joint Operation from 27th Ashwin 2076.

The approval of financial statements including the notes to the Financial statements have been adopted by the Board of Directors in its 225th meeting held on 2077.09.03 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

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 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. The carve out has been extended for FY 2019-20 as per vide its notice dated 2077/07/25. 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, 2018-19 and 2019-20. Accordingly, the Bank has opted the carve out.

2.6.2 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. This carve-out has no implication to the bank as it does not have any associates and joint venture.

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. NRFS 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.

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 Adapted

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 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 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.

As stated in 2.6, the bank's 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

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.

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 49,679,977.98 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 Labour 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 Ashwin 26 ,2076.

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

3.14.2 Staff Bonus

Provision for bonus has not been made since the bank does not have profit before staff bonus and tax.

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. The bank has recognized its lease payment under an operating lease as an expense on a straight-line basis over the lease term.

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.

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

➤ **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, 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.

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

4.1 Cash and cash equivalent

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Cash in Hand	86,464,455	72,081,802
Balances with B/Fis	-	450,274
Money at call and short notice	995,161,649	943,943,649
Other	-	-
Total	1,081,626,104	1,016,475,726

4.2 Due from Nepal Rastra Bank

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Statutory balances with NRB	152,203,838	206,737,809
Securities purchased under resale agreement	-	-
Other deposit and receivable from NRB	-	-
Total	152,203,838	206,737,809

4.3 Placements with Bank and Financial Institutions

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Placement with domestic B/FIs	-	-
Placement with Foreign B/FIs	-	-
Less: Allowances for impairment	-	-
Total	-	-

4.4 Derivative Financial Instruments

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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	As at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Asoj 2076	As at 31 Asadh 2076
Loan to Microfinance Institutions	144,196,302	140,014,247
Other	-	-
Less: Allowances for Impairment	(1,400,000)	(1,400,000)
Total	142,796,302	138,614,247

4.6.1 Allowances for Impairment

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Balance as at Shrawan 1	1,400,000	500,000
Impairment loss for the year:		
Charge for the year	-	900,000
Recoveries/Reversal	-	-
Amount written off	-	-
Closing Balance	1,400,000	1,400,000

4.7 Loans and advances to customers

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Loans and advances measured at amortized	2,920,990,269	2,901,882,633
Less: Impairment allowances		
Individual Impairment	(12,546,828)	(4,160,911)
Portfolio Impairment	(47,039,239)	(30,413,646)
Net amount	2,861,404,202	2,867,308,077
Loan and advances measured at FVTPL	-	-
Total	2,861,404,202	2,867,308,077

4.7.1 Analysis of loan and advances - By product

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Product		
Term Loans	280,434,988	940,515,312
Overdraft	1,134,279,365	1,146,620,954
Trust Receipt/Import Loans	-	-
Demand and other Working Capital Loans	-	-
Personal Residential Loans	378,793,935	353,100,838
Real Estate Loans	-	-
Margin Lending Loans	12,080,000	-
Hire Purchase Loans	171,969,724	176,265,943
Deprived Sector Loans	39,823,944	138,873,566
Bills Purchased	-	-
Staffs Loans	34,071,981	34,363,326
Other	820,391,393	108,536,899
Sub-total	2,871,845,330	2,898,276,839
Interest Receivable	49,144,939	3,605,794
Grand Total	2,920,990,269	2,901,882,633

4.7.2 Analysis of loan and advances - By Currency

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Nepalese Rupee	2,871,845,330	2,898,276,839
Indian Rupee	-	-
United States Dollar	-	-
Great Britain Pound	-	-
Euro	-	-
Japanese Yen	-	-
Chinese Yuan	-	-
Other	-	-
Grand Total	2,871,845,330	2,898,276,839

4.7.3 Analysis of loan and advances - By Collateral

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Secured		
Moveable/Immoveable Assets	2,827,299,256	2,838,771,534
Gold and Silver	-	-
Guarantee of Domestic BFIs	-	-
Government Guarantee	-	-
Guarantee of International Rated Bank	-	-
Collateral of Export Document	-	-
Collateral of Fixed Deposit Receipt	32,466,074	47,425,305
Collateral of Government Securities	-	-
Counter Guarantee	-	-
Personal Guarantee	-	-
Other Collateral	12,080,000	12,080,000
Sub Total	2,871,845,330	2,898,276,839
Unsecured	-	-
Grand Total	2,871,845,330	2,898,276,839

4.7.4 Allowances for Impairment

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Specific allowances for impairment		
Balance at Shrawan 1	4,160,911	3,847,211
Impairment loss for the year:	8,385,918	313,700
Charge for the year	8,385,918	313,700
Recoveries/reversal during the year	-	-
Write- offs	-	-
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Closing Balance	12,546,828	4,160,911
Collective allowances for impairment		
Balance at Shrawan 1	30,413,646	25,179,977
Impairment loss for the year:	16,625,593	5,233,669
Charge/(reversal) for the year	16,625,593	5,233,669
Exchange rate variance on foreign currency	-	-
Other movement	-	-
Closing Balance	47,039,239	30,413,646
Total allowances for impairment	59,586,067	34,574,556

4.8 Investment in securities

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Investment securities designated at FVTPL	-	-
Investment securities measured at amortized cost	1,019,507	1,000,000
Investment in equity measured at FVTOCI	30,774,559	35,950,107
Total	31,794,066	36,950,107

4.8.1 Investment in securities measured at amortized cost

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Debt Securities	-	-
Government Bond	1,019,507	1,000,000
Government treasury bills	-	-
Nepal Rastra Bank bonds	-	-
Nepal Rastra Bank deposit instruments	-	-
Other	-	-
Less: Specific allowances for impairment	-	-
Total	1,019,507	1,000,000

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

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Equity Instrument		
Quoted equity securities	25,361,959	30,537,507
Unquoted equity securities	5,412,600	5,412,600
Total	30,774,559	35,950,107

4.8.3 Information relating to investment in equities

Particulars	As on 26 Asoj 2076		As on 31 Ashad 2076	
	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	890	1,000	1,500
2 Laxmi Laghubitta Bittiya Sanstha Ltd. 41 shares of Rs. 100 each	4,100	27,634	4,100	45,018
3 Vijay Laghubitta Bittiya Sanstha Ltd. 23 shares of Rs. 100 each	2,300	12,765	2,300	17,595
4 Civil Laghubitta Bittiya Sanstha Ltd. 15 shares of Rs. 100 each	1,500	6,990	1,500	11,055
5 Neco Insurance Ltd. 11,326 shares of Rs. 113.38 each	1,284,134	2,483,640	1,284,134	6,319,908
6 Api Power Co. Ltd. 26 shares of Rs. 100 each	2,600	2,912	2,600	7,384
7 Global IME Laghubitta Bittiya Sanstha Ltd. 16 shares of Rs. 100 each	1,600	17,750	1,600	19,968
8 Reliable Micro Finance Company Ltd. 10 shares of Rs. 100 each	-	-	-	-
9 Jalbidyut Lagani Co. Ltd. 4,374 shares of Rs. 100 each	437,400	581,742	437,400	677,970
10 Mero Micro Finance Ltd. 41 shares of Rs. 100 each	4,100	23,001	4,100	87,480
11 Divyashwori Hydro Power Co. Ltd. 11 Shares of Rs. 100 each	1,100	605	1,100	1,188
12 NMB Sulav Invesment Fund - I 65,250 units of Rs. 10 each	652,500	654,458	652,500	706,658
13 Global IME Mutual Fund 474,700 units of Rs. 10 each	4,747,000	3,147,261	4,747,000	3,977,986
14 NMB Hybrid Fund - I 78,870 units of Rs. 10 each	788,700	659,353	788,700	854,162
15 NIC Asia Equity Fund 500,000 units of Rs. 10 each	5,000,000	4,085,000	5,000,000	5,090,000
16 Siddhartha Equity Fund 500,000 units of Rs. 10 each	5,000,000	4,500,000	5,000,000	5,000,000
17 Sanima Equity Fund 500,000 units of Rs. 10 each	5,000,000	4,225,000	5,000,000	4,700,000
18 Swadeshi Laghubitta Sanstha Ltd 12 shares of Rs. 100 each	1,200	7,368	1,200	20,040
19 Banking finance and Insurance Company 25000 shares of Rs. 100 each	2,500,000	2,500,000	2,500,000	2,500,000
20 Suryalife Insurance 4996 shares of Rs. 100 each	499,603	425,590	499,603	499,603
21 NMB 50 - Bandamukhi 200,000 units of Rs. 10 each	2,000,000	2,000,000	-	-
Subtotal	27,928,837	25,361,959	25,928,837	30,537,515
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
2 Nepal Clearing House Ltd. 4,126 shares of Rs. 100 each	412,600	412,600	412,600	412,600
Subtotal	5,412,600	5,412,600	5,412,600	5,412,600
Grand Total	33,341,437	30,774,559	31,341,437	35,950,115

4.9 Current tax Assets/Liability

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Current tax assets	8,746,463	39,904,140
Current year Income Tax Assets	288,195	39,904,140
Tax Assets of Prior Periods	8,458,269	-
Current tax liabilities	96,385	31,445,872
Current year Income Tax Liabilities	96,385	31,445,872
Tax Liabilities of Prior Periods	-	-
Total of income tax assets/(liabilities)	8,650,078	8,458,269

4.10 Investment In subsidiaries

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Ashoj 2076		As on 31 Ashad 2076	
	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 at 26 Ashoj 2076		As on 31 Ashad 2076	
	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 at 26 Ashoj 2076		As on 31 Ashad 2076	
.....Ltd				
.....Ltd	-	-	-	-

4.10.4: Non Controlling Interest of the Subsidiaries

	As at Ashoj 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 at Ashoj 2076

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 at 26 Ashoj 2076		As on 31 Ashad 2076	
	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 at 26 Ashoj 2076		As on 31 Ashad 2076	
	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 Ashoj 2076		As on 31 Ashad 2076	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
Total	-	-	-	-

4.11.3 Information relating to associates of the bank

Particulars	Percentage of ownership			
	As at 26 Ashoj 2076		As on 31 Ashad 2076	
	-	-	-	-
Total	-	-	-	-

4.11.4: Equity value of associates

Particulars	Group	
	As on 26 Ashoj2076	As on 31 Ashad 2076
		-
	-	-

4.12 Investment Properties

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Investment Properties measured at Fair Value		
Balance as on Shrawan 01	3,676,467	-
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	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	3,676,467

Bhargav 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
Cost									
As on Shrawan 01, 2076	32,405,000	-	19,061,958	14,177,017	8,959,237	10,354,608	5,709,736	7,657,753	98,325,309
Addition during the year									2,963,995
Acquisition	-	-	2,858,208	11,890	-	28,000	-	65,897	2,963,995
Capitalization	-	-	-	-	-	-	-	-	
Disposal during the year	-	-	-	-	-	-	-	-	
Adjustment/Revaluation	-	-	-	-	-	-	-	-	
As on Asoj 26, 2076	32,405,000	-	21,920,166	14,188,907	8,959,237	10,382,608	5,709,736	7,723,650	101,289,303
Depreciation and Impairment									
As on Shrawan 01, 2076	-	-	7,597,032	10,606,301	5,124,415	6,303,853	3,612,409	5,541,218	38,785,227
Depreciation charge for the year	-	-	412,138	618,310	328,603	233,179	93,601	192,251	1,878,082
Impairment for the year									
Disposals	-	-	-	-	-	-	-	-	
Adjustment	-	-	-	-	-	-	-	-	
As on Asoj 26, 2076	-	-	8,009,170	11,224,611	5,453,018	6,537,032	3,706,010	5,733,469	40,663,309
Capital Work in Progress 2076									
	-	-	-	-	-	-	-	-	-
Net Book Value									
As on Ashad end 2076	32,405,000	-	11,464,926	3,570,716	3,834,822	4,050,755	2,097,327	2,116,535	59,540,081
As on Asoj 26, 2076	32,405,000	-	13,910,996	2,964,296	3,506,219	3,845,576	2,003,726	1,990,181	60,625,994

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

4.14 Goodwill and Intangible Assets

Particulars	Software				
	Goodwill	Purchased	Developed	Other	Total
Cost					
As on Shrawan 01, 2076	-	10,324,581	-	-	10,324,581
Addition during the year					
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
As on Asoj 26, 2076	-	10,324,581	-	-	10,324,581
Amortisation and Impairment					
As on Shrawan 01, 2076	-	7,889,647	-	-	7,889,647
Amortisation charge for the year	-	190,692	-	-	190,692
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on Asoj 26, 2076	-	8,080,339	-	-	8,080,339
Capital Work in Progress	-	-	-	-	-
Net Book Value					
As on Ashad end 2076	-	2,434,934	-	-	2,434,934
As on Asoj 26, 2076	-	2,244,242	-	-	2,244,242

Bhargav Bikash Bank Limited
Notes forming part of the Financial Statements

4.15 Deferred Taxes Assets/(Liabilities)

As at 31 Asadh 2076			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred 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			-

As at 26 Asoj 2076			
Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets /(Liabilities)
Deferred tax on temporary differences on following items			
Loans and Advances to BFIs	-	-	-
Loans and Advances to Customers	-	-	-
Investment Properties	-	55,147	(55,147)
Investment Securities	770,064	-	770,064
Investment In Associates	-	-	-
Property and Equipment	926,270	-	926,270
Employees' Defined Benefit Plan	1,543,849	-	1,543,849
Employees' Leave Liability	849,632	-	849,632
Lease Liabilities	596,006	-	596,006
Provisions LLP	-	-	-
Other Temporary Differences			-
Deferred tax on temporary differences	4,685,821	55,147	4,630,674
Deferred tax on carry forward of unused tax losses	-	-	-
Deferred tax due to changes in tax rate	-	-	-
Net Deferred Tax Asset (Liabilities) as on Asoj 26, 2076			4,630,674
Deferred Tax (Asset)/ Liabilities as on Shrawan 01, 2076			(3,366,918)
Origination/(Reversal) during the year			1,263,756
Deferred Tax (expense)/income recognized in profit or loss			(870,912)
Deferred Tax (expense)/income recognized in Other Comprehensive Income			2,134,668
Deferred Tax (expense)/income recognized directly in equity			-

4.16 Other Assets

Particulars	As at 26 Asoj 2076	As at 31 Ashad 2076
Assets held for Sale	-	-
Other Non-Banking Assets	-	-
Bills Receivable	-	-
Accounts Receivable	461,794	2,042,271
Accrued Income	11,593,296	-
Prepayments and Deposits	1,851,098	1,132,172
Income Tax Deposit	-	-
Deferred Employee Expenditure	11,455,558	11,620,859
Other	1,032,272	945,960
Stationery Stock	1,032,272	945,959
Expenses not Written off	-	0
Grand Total	26,394,018	15,741,261

4.17 Due to Bank and Financial Institutions

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Money Market Deposits	-	-
Interbank Borrowing	-	-
Other Deposits from BFIs	180,830,000	460,374,971
Settlement and Clearing Accounts	-	-
Other Deposits from BFIs	-	-
Total	180,830,000	460,374,971

4.18 Due to Nepal Rastra Bank

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Asoj 2076	As at 31 Asadh 2076
Institutions Customers:	980,132,333	845,103,844
Term deposits	520,982,773	457,898,337
Call deposits	411,709,031	228,252,648
Current deposits	47,440,529	138,269,370
Other	-	20,683,489
Individual Customers:	2,502,771,843	2,412,039,170
Term deposits	1,049,218,148	962,359,106
Saving deposits	1,425,771,358	1,449,680,064
Current deposits	27,782,336	-
Other	-	-
Total	3,482,904,176	3,257,143,014

4.20.1 Currency wise analysis of deposit form customers

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Nepalese Rupee	3,482,904,176	3,257,143,014
Indian Rupee	-	-
United State dollar	-	-
Great Britain pound	-	-
Euro	-	-
Japenese yen	-	-
Chinese Yuan	-	-
Other	-	-
Total	3,482,904,176	3,257,143,014

4.21 Borrowings

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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	As at 26 Asoj 2076	As at 31 Asadh 2076
Provisions for redundancy	-	-
Provision for restructuring	-	-
Pending legal issues and tax litigation	-	-
Onerous contracts	-	-
Other	-	-
Total	-	-

4.22.1 Movement in Provisions

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Balance at Shrawan 1	-	-
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Unwind of discount	-	-
Balance at Asoj 26, 2076	-	-

4.23 Other Liabilities

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Liabilities for employees defined benefit obligations	5,146,164	4,666,152
Liabilities for leave	2,832,106	3,868,237
Short term employee benefits	-	-
Bills payable	-	-
Creditors and accruals	43,600,720	12,803,541
Interest payable on deposits	68,575,743	-
Interest payable on borrowing	-	-
Liabilities on deferred grant income	-	-
Unpaid Dividend	240,093	605,546
Liabilities under Operating Lease	1,986,688	1,836,689
Employee bonus payable	5,708,325	10,502,058
Other Liabilities	921,714	408,296
Audit Fee Payable	195,125	-
TDS Payable	726,589	408,296
Total	129,011,553	34,690,518

4.23.1. A Defined Benefit Obligation

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

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Present value of unfunded obligations	5,146,164	4,666,152
Present value of funded obligations	-	-
Total present value of obligations	5,146,164	4,666,152
Fair value of plan assets	-	-
Present value of net obligations	5,146,164	4,666,152
Recognised liability for defined benefit obligations	5,146,164	4,666,152

4.23.2 A : Plan Assets

Plan assets comprise

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	-	-
Total	-	-

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

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Defined benefit obligations at Shrawan 1	4,666,152	2,311,308
Actuarial losses	(59,988)	1,198,085
Benefits paid by the plan	-	-
Benefit directly paid by bank	-	(52,518)
Current service costs; Past Service Cost and interest	540,000	1,209,277
Closing Defined benefit obligations	5,146,164	4,666,152

4.23.4 A : Movement in the fair value of plan assets

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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	-	-
Closing Fair value of plan assets	-	-

4.23.5 A : Amount recognised in profit or loss

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Current service costs	458,342	1,026,473
Past service costs-(non Vested)	-	-
Past service costs (Vested)	-	-
Interest on obligation	81,658	182,804
Expected return on plan assets	-	-
Total	540,000	1,209,277

4.23.6 A : Amount recognised in other comprehensive income

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Actuarial (gain)/loss	(59,988)	1,198,085
Total	(59,988)	1,198,085

4.23.7 A : Actuarial assumptions

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Discount rate	6.50%	8%
Expected return on plan asset	-	-
Future salary increase	4%	8%
Withdrawal rate	5%	5%

4.23.1. B Long Term Benefit Obligation

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

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Present value of unfunded obligations	2,832,106	3,868,237
Present value of funded obligations	-	-
Total present value of obligations	2,832,106	3,868,237
Fair value of plan assets	-	-
Present value of net obligations	2,832,106	3,868,237
Recognised liability for defined benefit obligations	2,832,106	3,868,237

4.23.2 B : Plan Assets

Plan assets comprise

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Equity securities	-	-
Government bonds	-	-
Bank deposit	-	-
Other	-	-
Total	-	-

4.23.3 B : Movement in the present value of Long term benefit Liability

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Defined benefit obligations at Shrawan 1	3,868,237	1,870,689
Actuarial losses	(1,404,882)	1,392,303
Benefits paid by the plan	(15,591)	(106,618)
Current service costs; Past Service Cost and interest	384,342	711,863
Defined benefit obligations at Asoj 26, 2076	2,832,106	3,868,237

4.23.4 B : Movement in the fair value of plan assets

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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 Asoj 26, 2076	-	-

4.23.5 B : Amount recognised in profit or loss

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Current service costs	316,784	566,473
Past service costs-(non Vested)	-	-
Past service costs (Vested)	-	-
Actuarial (gain)/loss	(1,404,882)	1,392,303
Interest on obligation	67,558	145,390
Expected return on plan assets	-	-
Total	(1,020,540)	2,104,166

4.23.6 B : Amount recognised in other comprehensive income

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Acturial (gain)/loss	-	-
Total	-	-

4.23.7 B : Actuarial assumptions

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Discount rate	6.50%	7%
Expected return on plan asset		
Future salary increase	4%	8%
Withdrawal rate	5%	5%

4.24 Debt securities issued

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Asoj 2076	As at 31 Asadh 2076
Redeemable preference shares	-	-
Irredeemable cumulative preference shares (liabilities component)	-	-
Other	-	-
Total	-	-

4.26 Share Capital

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Ordinary Shares	501,600,000	501,600,000
Convertible Preference Shares (Equity component)	-	-
Irredeemable Preference Shares (Equity component)	-	-
Perpetual debt (Equity component only)	-	-
Total	501,600,000	501,600,000

4.26.1 Share capital detail

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Authorised capital		
6,000,000 Ordinary Share of Rs. 100 each	600,000,000	600,000,000
Issued Capital		
5,016,000 Ordinary Share of Rs. 100 each	501,600,000	501,600,000
Suscribed and paid up capital		
5,016,000 Ordinary Share of Rs. 100 each	501,600,000	501,600,000
Total	501,600,000	501,600,000

4.26.2 Ordinary Share Ownership

Particulars	As at 26 Ashoj 2076		As at 31 Ashad 2076	
	% of holding	Amount	% of holding	Amount
Domestic ownership	100%	501,600,000	100%	501,600,000
Nepal Government	-	-	-	-
"A" Class licenced institutions	-	-	-	-
Other Licenced institutions	-	-	-	-
Other institutions & individuals	-	-	-	-
Public	44.5%	223,212,000	44.5%	223,212,000
Other	55.5%	278,388,000	55.5%	278,388,000
Foreign Ownership				
Total	100.0%	501,600,000	100%	501,600,000

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
Shobhakar Budhathoki	43,062	0.86	Promotors
Purna Bahadur Chand	43,061	0.86	Promotors
Amar Vahadur Bist	42,636	0.85	Promotors

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	
Ashoj 26, 2076	501,600,000	

4.27 Reserves

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Statutory general reserve	40,896,221	40,896,221
Exchange equilisation reserve	-	-
Corporate social responsibility reserve	740,471	740,471
Capital redemption reserve	-	-
Regulatory reserve	44,589,139	9,144,298
Investment adjustment reserve	-	-
Capital reserve	-	-
Assets revaluation reserve	-	-
Fair value reserve	(1,796,815)	3,226,069
Dividend equalisation reserve	-	-
Actuarial gain/(Loss) Reserve	(69,575)	(111,567)
Special reserve	-	-
Staff Training Fund	-	-
Other Reserve	-	-
Total	84,359,441	53,895,492

4.28 Contingent liabilities and commitments

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Contingent liabilities	426,000	426,000
Undrawn and undisbursed facilities	194,756,994	125,634,046
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	195,182,994	126,060,046

4.28.1: Contingent Liabilities

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	426,000	426,000
Underwriting commitment	-	-
Other commitments	-	-
Total	426,000	426,000

4.28.2: Undrawn and undisbursed facilities

Particulars	As at 26 Asoj 2076	As at 31 Asadh 2076
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	194,756,994	125,634,046
Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
Total	194,756,994	125,634,046

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 at 26 Asoj 2076	As at 31 Asadh 2076
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 at 26 Asoj 2076	As at 31 Asadh 2076
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

4.29 Interest Income

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Cash and cash equivalent	11,593,296	34,135,174
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	4,196,302	6,864,659
Loans and advances to customers	83,900,031	396,546,760
Investment securities	19,507	80,000
Loan and advances to staff	1,165,286	1,655,505
Other Interest Income	-	-
Total interest income	100,874,422	439,282,097

4.30 Interest Expense

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	75,265,609	268,192,979
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other Charges	149,216	328,194
Total Interest expense	75,414,825	268,521,173

4.31 Fees and commission income

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Loan administration fees	-	-
Service fees	3,075,744	27,143,208
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	816,024	2,743,312
Commission on letter of credit	-	-
Commission on guarantee contracts issued	12,800	-
Commission on share underwriting/issue	-	-
Locker rental	-	-
Other fees and commission income	368,364	377,855
Total Fees and Commission Income	4,272,932	30,264,374

4.32 Fees and commission Expense

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees.	-	-
Remittance fees and commission	-	-
Other fees and commission expense	185,118	323,559
CIC Fees	185,118	323,559
Deposit Premium	-	-
Other Charges	-	-
Total Fees and Commission Expense	185,118	323,559

4.33 Net Trading Income

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
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	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Foreign exchange revauation gain	-	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	1,050,000	-
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	1,103,689	-
Total	2,153,689	-

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

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Impairment charge/(reversal) on loan and advances to BFIs	1,400,000	900,000
Impairment charge/(reversal) on loan and advances to customers	23,611,511	5,547,369
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	25,011,511	6,447,369

4.36 Personal Expenses

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Salary	9,076,316	22,624,169
Allowances	3,436,284	15,541,203
Gratuity Expense	518,036	1,026,473
Provident Fund	495,568	1,740,576
Uniform	-	1,161,700
Training & development expense	51,220	1,346,910
Leave encashment	-	2,902,146
Medical	-	1,384,246
Insurance	-	422,853
Employees incentive	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	196,355	1,655,505
Other expenses related to staff	-	50,000
Subtotal	13,773,779	49,855,781
Employees bonus	-	10,502,058
Grand Total	13,773,779	60,357,839

4.37 Other Operating Expenses

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Directors' fee	128,500	522,812
Directors' expense	310,722	1,029,130
Auditors' remuneration	197,750	548,050
Other audit related expense	619,554	704,044
Professional and legal expense	80,000	219,300
Office administration expense (4.37 A)	3,084,177	17,452,295
Operating Lease expense (4.37 B)	3,736,675	14,547,564
Operating expense of investment properties	-	-
Corporate social responsibility expense	178,758	353,890
Donation Expenses	1,005	16,555
Onerous lease provisions	-	-
Other Expenses	356,843	2,114,194
Repair & Maintenance Leasehold	-	159,330
Repair & Maintenance Vehicle	89,052	517,233
Repair & Maintenance Others	79,379	453,310
Repair & Maint.. Office Equipment & Furniture	89,763	-
Share Issue Expenses	-	-
Technical Fees	98,649	984,321
Total	8,693,984	37,507,834

4.37 A Office Administration Expenses

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Insurance	590,460	2,176,822
Postage, Telephone,	176,067	758,977
Printing & Stationery	352,278	3,160,594
Newspaper & Periodicals	11,550	81,157
Advertisements	15,000	171,430
Travelling Expenses	110,305	516,990
Fuel Expenses	252,668	1,031,204
Entertainment	70,789	586,717
AGM Expenses	24,500	1,337,017
Annual Membership Fee	164,698	2,185,676
Office Expenses	76,483	529,761
Other Committee Meeting Allowance	-	34,500
Business Promotion	32,045	272,866
Internship	160,750	696,350
Branch Expansion	-	123,741
Aniversary Expenses	576,369	677,813
Merger Expenses	-	395,722
Internet Expenses	330,350	1,877,081
Closing Expenses	37,904	-
Small Value Asset Written off	23,286	-
Miscellaneous Expenses	78,675	837,877
Total	3,084,177	17,452,295

4.37 B Operating Lease Expenses

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
House Rent Expenses	1,442,322	5,602,543
Water and Electricity Expenses	607,320	1,795,652
Security Expenses	1,687,034	7,149,369
Total	3,736,675	14,547,564

4.38 Depreciation and Amortisation

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Depreciation on property and equipment	1,878,082	10,534,449
Depreciation on investment property	-	-
Amortisation of intangible assets	190,692	-
Total	2,068,773	10,534,449

4.39 Non Operating Income

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Recovery of Loan written off	-	-
Other Income	-	9,903,410
Total	-	9,903,410

4.40 Non Operating expense

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Loan written off	-	1,239,140
Redundancy provision	-	-
Expense of restructuring	-	-
Other expense.	-	-
Total	-	1,239,140

4.41 Income Tax Expenses

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Current Tax Expenses	96,385	31,445,872
Current Year	96,385	31,445,872
Adjustment for Prior Years	-	-
Deferred tax Expenses	870,912	(2,988,195)
Origination and Reversal of Temporary Differences	870,912	(2,988,195)
Change in tax Rate	-	-
Recognition of Previously unrecognized Tax Losses	-	-
Total Income tax expense	967,297	28,457,677

4.41.1: Reconciliation of Tax Expenses and Accounting Profit

Particulars	For the period ended 26 Ashoj, 2076	For the period ended 31 Ashad 2076
Profit Before Tax	(17,846,946)	94,518,518
Tax Amount at the Rate of 30%	-	28,355,555
Add: Tax Effect of the expenses that are not deductible for tax purpose	-	189,899
Less: Tax Effect on Exempt Income	-	(2,971,023)
Add/Less: Tax Effect on other Items	96,385	5,885,160
Total Income Tax Expenses	96,385	31,459,591
Effective Tax Rate	-0.54%	33.28%

Bhargav Bikash Bank Limited

Notes to the Financial Statements
For the Period ended 26th Ashwin, 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 26th Ashwin 2076 is 14.50% and 15.81% 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:

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

- 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	501,600,000
2	Proposed bonus share	-	-
3	Share premium	2,465,454	2,465,454
4	Irredeemable preferential share	-	-
5	General Reserve Fund	40,896,221	40,896,221
6	Accumulated profit/loss (Retained earnings)	(5,124,639)	49,134,444
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:		(2,244,242)	(2,434,934)
	a Goodwill	-	-
	b Deferred tax assets	2,244,242	2,434,934
	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)		537,592,794	591,661,186
B.	Supplementary capital		
S.N.	Description	Period	
		Current Year	Previous Years
1	Provisions of loan loss made for pass loan	48,439,239	35,974,556
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	-	-
Total Supplementary Capital (B)		48,439,239	35,974,556
C.	Total Capital Fund (A+B)	586,032,033	627,635,743
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	407,837,078	396,873,360
2	Minimum Core Capital Required (5.5 % of RWA)	203,918,539	198,436,680
3	Capital Fund maintained (in %)	15.81%	17.40%
4	Core Capital maintained (in %)	14.50%	16.40%
5	Capital Fund surplus/(Deficit)	4.81%	6.40%
6	Core Capital surplus/ (Deficit)	9.00%	10.90%

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	86,464,455	-	-	86,464,455
Balances with B/FIs	-	-	-	-
Money at call and short notice	995,161,649	-	-	995,161,649
Interbank placement	-	-	-	-
Balance at NRB	152,203,838	-	-	152,203,838
Derivative financial instrument	-	-	-	-
Loans & Advances	3,065,186,571	-	-	3,065,186,571
Government bonds	1,019,507	-	-	1,019,507
Government treasury bills	-	-	-	-
Equity investments	-	30,774,559	-	30,774,559
Other assets	2,312,892	-	-	2,312,892
Total Financial Assets	4,302,348,912	30,774,559	-	4,333,123,470
Financial Liabilities	Amortized Cost	Fair value through profit or loss (FVTPL)		Total
		Held for trading	Designated at FVTPL	
Deposits from customers	3,482,904,176	-	-	3,482,904,176
Due to Banks & Financial Institutions	180,830,000	-	-	180,830,000
Due to Nepal Rastra Banks	-	-	-	-
Debt Securities	-	-	-	-
Employee related liabilities	13,686,595	-	-	13,686,595
Bills payable	-	-	-	-

Creditors and accruals	43,600,720	-	-	43,600,720
Interest payable on deposit	68,575,743	-	-	68,575,743
Interest payable on borrowing	-	-	-	-
Unpaid Dividend	240,093	-	-	240,093
Liabilities under Operating Lease	1,986,688	-	-	1,986,688
Other liabilities	921,714	-	-	921,714
Total Financial Liabilities	3,792,745,729	-	-	3,792,745,729

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	3,032,693	833,019	1,636,043	5,501,756
b	Intersegment revenues	-	-	-	-
c	Net Revenue	3,032,693	833,019	1,636,043	5,501,756
d	Interest revenue	10,994,124	11,518,233	16,495,534	39,007,891
e	Interest expense	31,187,256	13,691,600	30,309,182	75,188,038
f	Net interest revenue	(20,193,132)	(2,173,367)	(13,813,648)	(36,180,147)
g	Depreciation and amortization				
h	Segment profit /(loss)	(20,193,132)	(2,173,367)	(13,813,648)	(36,180,147)
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	-	-	-	-
k	Impairment of assets	-	-	-	-
l	Segment assets	1,742,086,641	1,219,519,283	1,492,455,488	4,454,061,413
m	Segment liabilities	1,361,166,731	850,590,650	1,606,090,551	3,817,847,932

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	5,501,756
Other revenues	101,799,287
Elimination of intersegment revenues	-
Entity's revenues	107,301,043

(b) Profit or loss

Total profit or loss for reportable segments	(36,180,147)
Other profit or loss	-
Elimination of intersegment profits	-
Unallocated amounts:	17,365,904
Profit before income tax	(18,814,243)

(c) Assets

Total assets for reportable segments	4,454,061,413
Other assets	-
Unallocated amounts	(78,015,428)
Entity's assets	4,376,045,985

(d) Liabilities

Total liabilities for reportable segments	3,817,847,932
Other liabilities	-
Unallocated liabilities	(25,102,203)
Entity's liabilities	3,792,745,729

5.4.5 Information about Products and Services

Revenue from each type of product & Service	Amounts
Loan & Advance	89,261,619
Money at call	11,593,296
Investment Securities	1,069,507
Remittance	816,024
Service Fees	3,075,744
Non- Funded Commission	12,800
Other Product & Services	1,472,053
Total revenue	107,301,043

5.4.6 Information about Geographical Areas

Revenue from following geographical areas:

(a)	Domestic	5,501,756
	Banke	3,032,693
	Bardia	833,019
	Dang	1,636,043
(b)	Foreign	-
	Total	5,501,756

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 statements as commitments.

Particulars	2075-76	2074-75
Contingent liabilities	426,000	426,000
Undrawn and undisbursed facilities	194,756,994	125,634,046
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
Total	195,182,994	126,060,046

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

For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors	
Mr. Damber Bahadur Thapa	Mr. Damber Bahadur Thapa
Mrs. Kanti Sijapati Bhandari	Mrs. Kanti Sijapati Bhandari
Mr. Amar Bahadur Bist	Mr. Amar Bahadur Bist
Mr. Krishna Prasad Baskota	Mr. Krishna Prasad Baskota
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. Dev Raj Dhungana	Mr. Dev Raj Dhungana
Mr. Tej Bahadur Rawal	Mr. Tej Bahadur Rawal
Mr. Komal Bista	Mr. Komal Bista

Transaction during the Year

Particulars	For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors		
Directors Sitting Fees	128,500	522,812
Interest Paid to directors on deposits	-	35,084
Other directors' expenses (if any)	310,722	1,029,130
Total	439,222	1,587,026
Key Management Personnel		
Remuneration and Benefit Paid	1,497,620	4,952,406
Post-Retirement Benefits	110,023	440,090
Other Long-term Benefits	34,320	137,280
Borrowing during the year	7,648,959	8,072,602
Interest on Borrowing	113,431	693,701
Interest on account balances	34,029	
Other transactions benefits if any	-	
Total	9,438,381	14,296,079

Reporting Date Balances

Particulars	For the period ended Ashwin 26, 2076	For the period ended Ashad 31, 2076
Directors Deposits	842,827	935,321
KMP Deposits	4,971	123,012
Borrowings	7,648,959	8,072,602
Other Receivable payables if any		
Total	8,496,757	9,130,935

5.8 Merger and Acquisition

The Bank has been acquired by Shine Resunga Development Bank Ltd. and commenced 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.

The Bank has been acquired by Shine Resunga Development Bank Ltd and has commenced Joint operation from 27th Ashwin 2076. Special General Meeting of both the bank dated 27th Ashad 2076 approved acquisition of Bhargav Bikas Bank Ltd by Shine Resunga Development Bank Ltd at the swap ratio of 0.95 shares of Shine Resunga Development Bank Ltd for each share of Bhargav Bikas Bank Ltd.

5.11 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.

5.12 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	2076-77	2075-76
Earning attributable to equity shareholders (NPR)	(18,814,243)	66,060,840.77
Weighted average number of shares for the period	5,016,000.00	5,016,000.00
Basic Earning per share (NPR)	(15.38)	13.17

5.13 Loan Written Off

During the Period ended 26th Ashwin 2076, bank has not written off loan and receivable.

5.14 Reserves

5.14.1 General Reserve

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

Opening Balance	40,896,221
Transfer as per BAFIA	-
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.

Due to net loss for period ending on 26th Ashwin 2076, the bank has not set aside 20% of the current year's net profit to General Reserve.

5.14.2 Investment Adjustment Reserve

Investment adjustment reserve has not been created in FY 2076/77 as the bank has considered all the investment in quoted equity is trading assets.

5.14.3 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	9,144,298
Transfer from RE to Regulatory Reserve against NBA	-
Transfer from RE to Regulatory Reserve against Deferred Tax	1,263,756
Transfer from RE to Regulatory Reserve against Actuary Reserve	(41,992)
Transfer from RE to Regulatory Reserve against FV Reserve	2,924,690
Transfer from RE to Regulatory Reserve against Interest Receivable	31,298,386
Closing Balance	44,589,139

5.14.4 Corporate Social Responsibility

Particulars	Amount
Opening Balance	740,471
Transfer to Reserve	-
Expensed during the year	-
Closing Balance	740,471

As per the NRB Directive 6.16 on the Corporate Social Responsibility, the Bank has to allocate 1% of the net profit after tax for CSR activities. However, the bank has not set aside any amount to CSR activities due to net loss of the bank for the period ending on 26th Ashwin 2076.

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. However, the same is not required to be apportioned for FY 2076/77 via point no 4 of NRB circular no 14/076/77. Hence, additional Employee Training and Development Fund have not been created during the period ended on 26th Ashwin 2076.

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.

Bhargav Bikash Bank Limited

Major Indicator

Previous Five Years Indicator

	Detail	Index	Financial Year				
			2072-73	2073-74	2074-75	2075-76	2076-77
1	Net Profit/Total Income	%	33.46	27.08	26.07	14.07	(17.53)
2	Earning Per Share (E.P.S)	Rs	21.44	10.81	8.84	13.17	(15.38)
3	Market Price Per share (M.P.S)	Rs	555.00	292.00	134.00	199.00	199.00
4	PE Ratio	Ratio	25.88	27.02	15.16	15.11	(12.94)
5	Dividend Per Share	%	20.00	6.29	6.00	-	-
6	Cash Dividend Per share	%	1.05	-	6.00	-	-
7	Interest Income/Total Loan & Advance	%	12.74	14.08	13.12	14.61	14.36
8	Employee Cost/ Total Operating Cost	%	13.34	15.56	12.40	55.51	11.01
9	Interest Expenses on Saving & Fixed Deposit	%	5.52	5.93	6.63	8.81	8.44
10	Exchange Fluctuation Income/ Total Income	%	-	-	-	-	-
11	Employee Bonus/ Total Employee Cost	%	22.97	15.68	15.61	17.40	-
12	Net Profit/Total Loan & Advance	%	2.24	1.95	1.51	2.20	(0.63)
13	Net Profit/Total Assets	%	1.50	1.24	0.99	1.52	(0.43)
14	Total Loans & advance / Total Deposit	%	74.53	74.48	77.02	80.86	86.26
15	Total operating Cost/Total Assets	%	7.03	7.37	7.54	2.49	2.86
16	Risk Weighted Capital Adequacy Ratio						
	(i) Primary Capital	%	11.35	17.72	15.46	16.40	14.50
	(ii) Supplementary Capital	%	82.00	85.00	78.00	1.00	1.31
	(iii) Capital Adequacy Ratio	%	12.18	18.57	16.24	17.40	15.81
17	CRR	%	5.31	5.22	5.05	5.58	5.34
18	NPA/ Total Loan	%	0.12	0.89	0.30	0.51	1.39
19	Base Rate	%		12.34	12.59	12.12	11.78
20	Weighted Average Interest Rate Spread	%	6.65	6.70	6.57	5.82	5.91
21	Book Network	Rs	161,424,000	318,357,600	471,041,627	607,389,659	582,559,785
22	Total No Of share	No.	1,200,000	2,640,000	4,084,294	5,016,000	5,016,000
23	Total No Of Employee	No.	56	95	115	130	130
24	Others						

Bhargav Bikash Bank Limited

Statement of Capital Fund

26 Asoj 2076

A. Core Capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Paid up Capital (ordinary shares)	501,600,000	501,600,000
2	Proposed bonus share	-	-
3	Share premium	2,465,454	2,465,454
4	Irredeemable preferential share	-	-
5	General Reserve Fund	40,896,221	40,896,221
6	Accumulated profit/loss (Retained earnings)	(5,124,639)	49,134,444
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:		(2,244,242)	(2,434,934)
	a Goodwill	-	-
	b Deferred tax assets	2,244,242	2,434,934
	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)		537,592,794	591,661,186

B. Supplementary capital

S.N.	Description	Period	
		Current Year	Previous Year
1	Provisions of loan loss made for pass loan	48,439,239	35,974,556
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	-	-
Total Supplementary Capital (B)		48,439,239	35,974,556
C.	Total Capital Fund (A+B)	586,032,033	627,635,743
D.	Minimum capital Fund to be maintained based on Risk Weighted Assets:		
1	Minimum Capital Fund Required (11.0 % of RWA)	407,837,078	396,873,360
2	Minimum Core Capital Required (5.5 % of RWA)	203,918,539	198,436,680
3	Capital Fund maintained (in %)	15.81%	17.40%
4	Core Capital maintained (in %)	14.50%	16.40%
5	Capital Fund surplus/(Defisit)	4.81%	6.40%
6	Core Capital surplus/ (Defisit)	9.00%	10.90%

Bhargav Bikash Bank Limited

Statement of Risk Weighted Assets (RWA)

26 Asoj 2076

A. On-Balance-sheet Items

S.N.	Description	Weight (%)	Current Year		Previous Year	
			Amount	RWA	Amount	RWA
1	Cash Balance	-	86,464,455	-	72,081,802	-
2	Gold (Tradable)	-	-	-	-	-
3	NRB Balance	-	152,203,838	-	206,737,809	-
4	Investment to Govt. Bond	-	1,000,000	-	1,000,000	-
5	Investment to NRB Bond	-	-	-	-	-
6	Loan against Own FD	-	32,466,074	-	47,425,305	-
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	-	-	450,274	90,055
11	Loan against other banks' and financial institutions' FD	20	-	-	-	-
12	Foreign bank balance	20	-	-	-	-
13	Money at call	20	995,161,649	199,032,330	943,943,649	188,788,730
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	30,794,066	30,794,066	35,950,107	35,950,107
18	Other investments	100	-	-	-	-
19	Loans & advances, bills purchase/discount	100	2,971,734,430	2,971,734,430	2,958,497,018	2,958,497,018
20	Fixed assets	100	62,870,236	62,870,236	61,975,015	61,975,015
21	Net interest receivables (Total IR - 8 - Interest suspense)	100	-	-	-	-
22	Gross Non-Banking Asset	100	3,676,467	3,676,467	3,676,467	3,676,467
23	Other assets (Except advance tax payment)	100	26,394,018	26,394,018	15,741,261	15,741,261
24	Real estate/residential housing loans exceeding the limits	150	-	-	-	-
	Total On-Balance-sheet Items (A)		4,362,765,233	3,294,501,547	4,347,478,708	3,264,718,653

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	426,000.00	213,000
7	Loan sale with repurchase agreement	50	-	-	-	-
8	Advance payment guarantee	100	-	-	-	-
9	Financial and other guarantee	100	-	-	-	-
10	Irrevocable loan commitment	100	194,756,994	194,756,994	125,634,046	125,634,046
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	218,138,262	218,138,262	217,373,935.38	217,373,935
	Total Off-Balance-sheet Items (B)		413,321,256	413,108,256	343,433,980.90	343,220,981
	Total Risk Weighted Assets (A) + (B)			3,707,609,803		3,607,939,634

शाइन रेसुङ्गा डेभलपमेण्ट बैंक लिमिटेड

प्रवन्ध-पत्रमा गरिएको प्रस्तावित संशोधन तथा थप (तीन महले)

हालको ब्यवस्था	प्रस्तावित ब्यवस्था	संशोधन गर्नुको औचित्य
<p>दफा २ : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना</p> <p>१. विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय ५ नं. प्रदेशको रुपन्देही जिल्ला बुटवल उप-महानगरपालिका वडा नं. ६ मा रहनेछ ।</p>	<p>दफा २ : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय रहने ठेगाना</p> <p>१. विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय लुम्बिनी प्रदेशको रुपन्देही जिल्ला बुटवल उप-महानगरपालिका वडा नं. ११, कालिकानगरमा रहनेछ ।</p>	<p>बैंकको आफ्नै भवन निर्माण भएकोले ।</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 त्रिसष्टी लाख उनन्चालिस हजार सात सय बयालिस रुपैया र पैसा उनन्पचास मात्र) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरले ३,०१,६३,३९,७/४२ (तीन करोड एक लाख त्रिसष्टी हजार तीन सय सन्तानब्बे दशमलव बयालिस) 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 त्रिसष्टी लाख उनान्चालिस हजार सात सय बयालिस रुपैया र पैसा उनान्पचास मात्र) हुनेछ ।</p>	<p>दफा ६ : विकास बैंकको पूँजी संरचना</p> <p>(ख) विकास बैंकको जारी पूँजी रु. ३,४०,८४,६३,९०९/०९ (अक्षरेपी तीन अर्ब चालिस करोड चौरासी लाख त्रिसष्टी हजार नौ सय नौ रुपैया र पैसा ९ मात्र) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरले ३,४०,८४,६३,९/०९ (तीन करोड चालिस लाख चौरासी हजार छ सय उनन्चालिस दशमलव सुन्ना नौ) थान साधारण शेयरमा विभाजन गरिएको छ ।</p> <p>(ग) विकास बैंकको चुक्ता पूँजी रु. ३,४०,८४,६३,९०९/०९ (अक्षरेपी तीन अर्ब चालिस करोड चौरासी लाख त्रिसष्टी हजार नौ सय नौ रुपैया र पैसा ९ मात्र) हुनेछ ।</p>	<p>बोनश शेयर वितरण पश्चात जारी तथा चुक्ता पूँजी वृद्धि हुने भएकोले ।</p>
<p>ड(१) संस्थापक शेयर समूहको शेयर स्वामित्व ५४.८५ प्रतिशत हुनेछ ।</p>	<p>ड(१) संस्थापक शेयर समूहको शेयर स्वामित्व ५९ प्रतिशत हुनेछ ।</p>	<p>शेयर संरचना परिवर्तन गरिएकोले ।</p>
<p>ड(२) सर्वसाधारण शेयर समूहको शेयर स्वामित्व ४५.१५ प्रतिशत हुनेछ ।</p>	<p>ड(२) सर्वसाधारण शेयर समूहको शेयर स्वामित्व ४९ प्रतिशत हुनेछ ।</p>	

नियमावलीमा गरिएको प्रस्तावित संशोधन तथा थप (तीन महले)

हालको ब्यवस्था	प्रस्तावित ब्यवस्था	संशोधन गर्नुको औचित्य
<p>नियम २ : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय</p> <p>१. विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय ५ नं. प्रदेशको रुपन्देही जिल्ला बुटवल उप-महानगरपालिका वडा नं. ६ मा रहनेछ ।</p>	<p>नियम २ : विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय</p> <p>१. विकास बैंकको रजिष्टर्ड (केन्द्रीय) कार्यालय लुम्बिनी प्रदेशको रुपन्देही जिल्ला बुटवल उप-महानगरपालिका वडा नं. ११, कालिकानगरमा रहनेछ ।</p>	<p>बैंकको आफ्नै भवन निर्माण भएकोले ।</p>
<p>नियम २७(७) : यस विकास बैंकमा सात जनाको सञ्चालक समिति हुनेछ, जसमा संस्थापक समूहबाट मनोनित/निर्वाचित चार जना, सर्वसाधारण शेयरधनीहरुबाट निर्वाचित दुई जना र एक जना स्वतन्त्र सञ्चालक हुनेछ ।</p>	<p>नियम २७(७) : यस विकास बैंकमा छ जनाको सञ्चालक समिति हुनेछ, जसमा संस्थापक समूहबाट मनोनित/निर्वाचित तीन जना, सर्वसाधारण शेयरधनीहरुबाट निर्वाचित दुई जना र एक जना स्वतन्त्र सञ्चालक हुनेछ ।</p>	<p>शेयर संरचना परिवर्तन भए बमोजिम परिवर्तन गर्न आवश्यक भएकोले ।</p>



नेपाल राष्ट्र बैंक
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च.नं. १३८

मिति: २०७७/०९/०७

शाइन रेसुझा डेभलपमेण्ट बैंक लिमिटेड
बुटवल, रुपन्देही ।

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

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७६/७७ को लेखापरीक्षण भएको वित्तीय विवरण तथा अन्य प्रतिवेदनहरूका आधारमा गैरस्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरूका सम्बन्धमा देहाय बमोजिमका निर्देशनहरू शेयरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित एवं कार्यान्वयन गर्ने गरी संस्थाले प्रस्ताव गरे अनुसार आ.व. २०७६/७७ सम्मको सञ्चित मुनाफाबाट रु.३९,२९,२४,९६६।५२ (अक्षरेपि उनान्चालिस करोड एकाइस लाख चौबीस हजार एक सय छैसठ्ठी पैसा बाउन्न मात्र) बराबरको बोनस शेयर अन्य प्रचलित कानूनी व्यवस्थाको समेत पालना हुने गरी वार्षिक साधारण सभाबाट स्वीकृत भएको अवस्थामा मात्र वितरण गर्न स्वीकृत र आ.व. २०७६/७७ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- (क) आर्थिक वर्ष २०७६/७७ को वित्तीय विवरणमा देखिएको Share Premium Resulting from Business Combinations यस बैंकको स्वीकृत बिना लाभांश वितरण नगर्नुहुन ।
- (ख) बैंक तथा वित्तीय संस्था सम्बन्धी ऐनमा भएको व्यवस्था बमोजिम सञ्चालक समितिलाई पूर्णता प्रदान गर्नुहुन ।
- (ग) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७७ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरूपमा पालना गर्नुहुन ।
- (घ) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याइएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(राकेश प्रजापति)

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. २०७६/०७७ को वार्षिक वित्तीय विवरण प्रकाशन गर्न स्वीकृति प्रदान गर्दा प्राप्त भएका निर्देशनहरूको सम्बन्धमा बैंकको सञ्चालक समितिको मिति २०७७/०९/०७ गते बसेको बैठक नं. २२६ ले गरेको निर्णय :

नेपाल राष्ट्र बैंक, विकास बैंक सुपरिवेक्षण विभागको मिति २०७७/०९/०७ को पत्रसंख्या: वि.बैं.सु.वि./गैरस्थलगत/शाइन/०७७/७८, चलानी नं. १३८ बाट आर्थिक वर्ष २०७६/०७७ 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) आर्थिक वर्ष २०७६/०७७ को वित्तीय विवरणमा देखिएको Share Premium Resulting from Business Combinations यस बैंकको स्वीकृति बिना वितरण नगर्नु हुन ।
~~✗~~ निर्देशन बमोजिम Share Premium Resulting from Business Combinations तहाँको स्वीकृति बिना वितरण नगर्ने निर्णय गरियो ।
- (ख) बैंक तथा वित्तीय संस्था सम्बन्धी ऐनमा भएको व्यवस्था बमोजिम सञ्चालक समितिलाई पूर्णता प्रदान गर्नुहुन ।
~~✗~~ निर्देशन बमोजिम सञ्चालक समितिलाई पूर्णता दिइनेछ ।
- (ग) यस बैंकबाट जारी एकीकृत निर्देशन नं. १९/०७७ बमोजिम सम्पत्ति शुद्धीकरण तथा आर्तकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्ण रूपमा पालना गर्नुहुन ।
~~✗~~ निर्देशनको पूर्ण रूपमा पालना गरिएको र भविष्यमा समेत पूर्ण रूपमा पालना गरिने निर्णय गरियो ।
- (ख) आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याइएका कैफियतहरू पुनः नदोहोरिने व्यवस्था गर्नुहुन ।
~~✗~~ आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा नेपाल राष्ट्र बैंकबाट औल्याइएका कैफियतहरू पुनः नदोहोरिने गरी सुधार गर्न व्यवस्थापनलाई निर्देशन दिने निर्णय गरियो ।

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| ● योगिकुटी शाखा | ०७१-४१९२५७ | ● चुत्रावेशी शाखा | ०७७-४२०७८९ | ● चन्द्रौटा शाखा | ०७६-५४०५१६ |
| ● मंगलापुर शाखा | ०७१-५६२७२० | ● खनदह शाखा | ०७१-६२०२१२ | ● तानसेन शाखा | ०७५-५२१५८९ |
| ● रुद्रपुर शाखा | ०७१-६२०४८० | ● भूमही शाखा | ०७८-४१५१५० | ● जुम्रे शाखा | ९८५७०७८६४१ |
| ● सिद्धार्थनगर शाखा | ०७१-५२२०२५ | ● परासी शाखा | ०७८-५२१०६३ | ● नारायणगढ शाखा | ०५६-५२४००७ |
| ● ज्योतिनगर शाखा | ०७१-४१६२२१ | ● सुनवल शाखा | ०७८-५७०५२२ | ● नारायणपुर शाखा | ०८२-५३०१५१ |
| ● मणीग्राम शाखा | ०७१-५६१८६९ | ● जिमिरेभार शाखा | ०७८-४१११८१ | ● तुलसीपुर शाखा | ०८२-५२२७८० |
| ● मुर्गिया शाखा | ०७१-४४०३९६ | ● बडेरा शाखा | ०७८-४२०००२ | ● दाङ शाखा | ०८२-५६३७४० |
| ● बनकट्टी शाखा | ०७१-५६०३८८ | ● बिजुवार शाखा | ०८६-४६०३२४ | ● हापुरे शाखा | ०८२-४०३०५२ |
| ● बेलवास शाखा | ०७१-४४५१४७ | ● भिंगु शाखा | ०८६-४०००४७ | ● लालमटिया शाखा | ०८२-५८०१०१ |
| ● देवदह शाखा | ०७१-५७७३७ | ● खलङ्गा शाखा | ०८६-४२०२८४ | ● लमही शाखा | ०८२-५४०८२० |
| ● फर्साटिकर शाखा | ०७१-४००२१५ | ● बहाने शाखा | ९९-४८६०१२८ | ● राजपुर शाखा | ९८५८०७८०६८ |
| ● शंकरनगर शाखा | ०७१-४१४७०७ | ● बरौला शाखा | ९७४८५७१०७ | ● नेपालगन्ज शाखा | ०८१-४१५०२७ |
| ● कोटिहवा शाखा | ०७१-५१४१८७ | ● बागदुला शाखा | ०८६-४१०१५९ | ● कोहलपुर शाखा | ०८१-५४१७१८ |
| ● भैरहवा शाखा | ०७१-५२०८५६ | ● तमघास शाखा | ०७९-५२०९९५ | ● अगैया शाखा | ९८५८०७८०७० |
| ● भलवारी शाखा | ०७१-५६२८८० | ● वामिटक्सार शाखा | ०७९-४१२०६६ | ● बाँसगढी शाखा | ०८४-४००१०१ |
| ● झाङ्गभरटोल शाखा | ०७१-४१४२४१ | ● शान्तिपुर शाखा | ०७९-४२००१० | ● मगरगढी शाखा | ०८४-४०४०६८ |
| ● अमरपथ शाखा | ०७१-५४२८५६ | ● खैरेनी शाखा | ०७९-४११०७९ | ● भुरीगाउँ शाखा | ०८४-४०३११८ |
| ● सुर्यपुरा शाखा | ९८५७०४७१४७ | ● बलेटक्सार शाखा | ०७९-४१००६६ | ● पाताभार शाखा | ०८४-४४२०२४ |
| ● धकधई शाखा | ०७१-४११०५६ | ● मजुवा शाखा | ०७९-४२१०१२ | ● गुलरिया शाखा | ०८४-४२०३८६ |
| ● पर्सा शाखा | ०७१-४०४०९३ | ● सिमलटारी शाखा | ९८५७०५७९१४ | ● मैनापोखर शाखा | ०८४-४०१०८१ |
| ● छपिया शाखा | ०७१-४१३१४३ | ● खज्याङ्ग शाखा | ९८५७०७०२२७ | ● कतनिया शाखा | ९८५८०७८०७१ |
| ● सालभन्डी शाखा | ०७१-४६५०८५ | ● बुर्तिवाङ्ग शाखा | ०६८-४१००११ | ● उदिनदुङ्गा एक्सटेन्सन
काउण्टर | ०७९-५२०९४८ |
| ● सन्धिखर्क शाखा | ०७७-४२०७२७ | ● जितपुर शाखा | ०७६-५५०३१२ | | |

शिघ्र सञ्चालनमा

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| ● नयाँ बानेश्वर शाखा, काठमाण्डौ | ● न्यूरोड शाखा, काठमाण्डौ | ● कलङ्की शाखा, काठमाण्डौ |
| ● न्यूरोड शाखा, पोखरा | | |