



नारायणी डेभलपमेन्ट बैंक लि.  
Narayani Development Bank Ltd.  
"नेपाल राष्ट्र बैंकबाट 'अ' वर्गको इजाजतप्राप्त संस्था"

## प्रोक्सी फारम

श्री संचालक समिति  
नारायणी डेभलपमेन्ट लिमिटेड  
रत्ननगर १, चितवन ।

**बिषय :- प्रतिनिधि नियुक्त गरेको बारे ।**

महोदय,

.....जिल्ला.....म.न.पा./उ.म.न.पा./न.पा./गा.पा.वार्ड नं .....बस्ने म/हामी  
.....ले त्यस कम्पनीको (बैंकको) शेयरवालाको हैसियतले २०७८ साल पौष  
२९ गते विहिवार का दिन हुने २० औं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी  
हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि .....जिल्ला.....  
.....म.न.पा./उ.म.न.पा./न.पा./गा.बि.स. वडा नं .....बस्ने त्यस कम्पनीका शेयरवाला श्री  
.....शेयरधनी परिचय नं. .... लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी  
पठाएको/का/छु/छौ ।

प्रोक्सी लिनेले भने

प्रोक्सी लिनेको सही

नाम :

शेयरधनी परिचय नं.

शेयर संख्या : .....

प्रोक्सी दिनेले भने

प्रोक्सी दिनेको सही

नाम :

शेयरधनी परिचय नं.

शेयर संख्या : .....

### प्रवेश - पत्र

शेयरधनीको नाम : .....

शेयरधनी परिचय नं. ....

शेयरधनीको सही : .....

शेयर संख्या : .....

नारायणी डेभलपमेन्ट बैंक लि. को मिति २०७८ साल पौष २९ गते विहिवारका दिन हुने २० औं वार्षिक साधारण सभामा  
उपस्थित हुन जारी गरीएको प्रवेश -पत्र ।

द्रष्टव्य :

शेयरधनी आफैले खाली ठाउँहरू भर्नुहोला ।

.....

(सभा -कक्षमा प्रवेश गर्न यो प्रवेश -पत्र प्रस्तुत गर्नु अनिवार्य छ । )

कम्पनी सचिव

**२० औं वार्षिक प्रतिवेदन**



# नारायणी डेभलपमेन्ट बैंक लिमिटेड

## चितवनको

### २०औं वार्षिक साधारण सभा सम्बन्धी सूचना

यस नारायणी डेभलपमेन्ट बैंक लिमिटेडको संचालक समितिको मिति २०७८/०९/०७ गते को निर्णयानुसार यस कम्पनीको २०औं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल गर्न बोलाउने निर्णय भएको हुनाले शेयरधनीहरूको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ ।

#### साधारण सभाको मिति, समय, स्थान

मिति : २०७८ पौष २९ गते विहीवार ।

स्थान : होटल सेन्ट्रल पार्क, सौराहा, चितवनमा भौतिक र Virtual (Zoom App) मार्फत सभा संचालन गरिनेछ ।

साधारण सभा हुने समय : दिउँसो ११:३० बजे ।

#### छलफलको विषय :-

##### (क) साधारण प्रस्ताव

- (१) संचालक समितिको तर्फबाट अध्यक्षज्युको आर्थिक वर्ष २०७७/०७८ को प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- (२) लेखापरीक्षकको प्रतिवेदन सहित २०७८ साल आसार मसान्तको वित्तीय विवरण, सोही मितिमा पेश भएको आर्थिक वर्ष २०७७/०७८ को नाफा नोक्सान हिसाब विवरण, नगद प्रवाह विवरण, इक्वीटिमा भएको परिवर्तनको विवरण र सो सँग सम्बन्धित अनूसूचीहरू सहितको वित्तीय विवरणहरू पारित गर्ने ।
- (३) लेखापरिक्षण समितिको सिफारीसमा बैंकको आर्थिक वर्ष २०७८/०७९ को लेखापरीक्षण गर्न बाह्य लेखापरिक्षकको नियुक्ति गर्ने तथा निजको पारिश्रमिक निर्धारण गर्ने ।
- (४) संचालक नियुक्ति अनुमोदन गर्ने ।
- (५) संचालक समितिका पदाधिकारीको बैठक भत्ता तथा सुविधा निर्धारण गर्ने सम्बन्धमा ।
- (६) विविध ।

##### (ख) विशेष प्रस्तावहरू :

- (१) कम्पनीको नियमावली शंशोधन गर्ने सम्बन्धमा ।
- (२) यस नारायणी डेभलपमेन्ट बैंक लि.र अन्य बैंक तथा वित्तीय संस्था एक आपसमा गाभ्ने/गाभिने (Merger) तथा प्राप्त/समाहित (Acquisition) हुने, रणनीतिक साभेदार, नयाँ लगानीकर्ता भित्रयाउने प्रयोजनका लागि उपयुक्त बैंक वित्तीय संस्था, साभेदार, लगानीकर्ताको पहिचान गर्ने, सहमति पत्र (Memorandum of Understanding) मा हस्ताक्षर गर्ने सो को आधारमा सैद्धान्तिक स्वीकृतीका लागि नेपाल राष्ट्र बैंकमा निवेदन दिने, सम्पत्ति तथा दायित्व मुल्यांकन (Due Diligence Audit) गर्ने परामर्शदाता, मुल्यांकनकर्ता, लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने तथा उक्त कार्यसँग सम्बन्धित अन्य आवश्यक कार्यहरू गर्नका लागि संचालक समितिलाई अख्तियारी दिने ।

(३) कम्पनीको नियमावलीमा संशोधन गर्ने सम्बन्धमा कम्पनीको आवश्यकता अनुसार तथा नियमनकारी निकायहरुबाट कुनै फेरवदल, सुझाव भएमा सोही अनुसार आवश्यक फेरवदल गर्न संचालक समिति वा संचालक समितिले तोकेको व्यक्तिलाई अख्तियारी दिन स्वीकृत दिने ।

(४) विविध ।

### २०औं वार्षिक साधारण सभा सम्बन्धी अन्य जानकारीहरु

- १) हालको कोभिड १९ को महामारीका कारण नेपाल सरकारले जारी गरेको सुरक्षा मापदण्ड पुर्ण पालना गरी सभा सम्पन्न गर्नुपर्ने विषेश परिस्थितीका कारण विषेशत भर्चुअल माध्यमबाट वा अनुकूल भएमा भौतिक रुपमा उपस्थित भइदिनुहुनको लागी हार्दिक अनुरोध छ । भर्चुअल माध्यमबाट भएको उपस्थितीलाई शेयरधनीले साधारण सभा हुनुभन्दा ४८ घण्टा अगावै कम्पनीको कार्यालयमा उपस्थित भई कम्पनीको हाजिरी कापीमा दस्तखत अभिलेखिकरण गर्न र त्यसपछी भर्चुअल माध्यमबाट उपस्थित हुन सक्नुहुनेछ ।
- २) भर्चुअल माध्यमबाट भएको शेयरधनीहरुको उपस्थिती सभाहलमा उपस्थित भएसरह मान्यता दिइने व्यहोरा समेत जानकारी गराउदछौ ।
- ३) भर्चुअल माध्यमबाट उपस्थित शेयरधनीहरुको हाजिर निजले गरेको Login मार्फत Login भएको देखिने गरी प्रमाणको निमित्त फोटो खिचेर राखिनेछ । साथै सभा संचालन अवधीभरको भिडियो रेकर्डिङ गरिनेछ ।
- ४) Meeting ID/Password को निमित्त बैंकको इमेल info@ndbl.com.np मा समयमै सम्पर्क गरी प्राप्त गर्न सकिने व्यवस्था गरीएको व्यहोरा जानकारी गराउदछौ । Meeting ID/Password उपलब्ध गराउनको लागी शेयरधनीहरुको Verfication गर्नुपर्ने भएको हुनाले साधारण सभा हुनुभन्दा चौविस घण्टा अगावै Meeting ID/Password लिन सम्पुर्ण शेयरधनी महानुभावहरुलाई अनुरोध गर्दछौ र सोही Email Address मा साधारण सभाको प्रतिवेदन समेत पठाइनेछ ।
- ५) २०औं वार्षिक साधारण सभा प्रयोजनका लागि २०७८/०९/२० गते एक दिन कम्पनीको शेयरधनी दर्ता किताब बन्द रहनेछ । मिति २०७८/०९/१९ गते सम्म नेपाल स्टक एक्सचेञ्जमा कारोबार भै प्रचलित कानून बमोजिम बैंकको शेयर रजिष्ट्रार ग्लोबल आइ.एम.इ क्यापिटल लि. मा प्राप्त विवरणको आधारमा कायम शेयरधनीहरु मात्र साधारण सभामा भाग लिन हाजिर गर्न योग्य हुनेछन ।
- ६) भर्चुअल माध्यमबाट साधारण सभामा मन्तव्य राख्न चाहाने शेयरधनी महानुभावले कम्तिमा साधारण सभा हुनुभन्दा दुई दिन अगावै बैंकको इमेल info@ndbl.com.np मा सम्पर्क गरी नाम टिपोट गराउनुहुन अनुरोध छ ।
- ७) वार्षिक साधारण सभामा भाग लिन आफ्नो प्रतिनिधी नियुक्त गर्न चाहाने शेयरधनी महानुभावले प्रचलित कम्पनी कानुनले तोकेको ढाँचामा वा वार्षिक प्रतिवेदन पुस्तिका अनुसारको प्रतिनिधीपत्र (प्रोक्सी) बमोजिमको ढाँचामा प्रतिनिधीपत्र भरी प्रतिनिधी नियुक्त गर्नुपर्नेछ । यसरी नियुक्त प्रतिनिधीले कम्तीमा ४८ घण्टा अगावै बैंकमा दर्ता गरीसक्नुपर्नेछ ।
- ८) अन्य थप जानकारीको लागी यस बैंकको केन्द्रीय कार्यलय रत्ननगर १, टाँडी चितवनमा सम्पर्क गर्नुहोला वा बैंकको सुचना पाटीमा हेर्नु होला ।

आज्ञाले  
कम्पनी सचिव

द्रष्टव्य: मिति २०७८/०९/०८ मा अभियान दैनिकमा प्रकाशित सुचनालाई सञ्चयाई पुनः प्रकाशित

## नारायणी डेभलपमेन्ट बैंक लिमिटेडको

### बिसौ वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्ष ज्यू द्वारा प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,  
नारायणी डेभलपमेन्ट बैंकको २०औं साधारण सभामा शेयरधनी महानुभावहरुलाई हार्दिक स्वागत गर्न पाँउदा अत्यन्त हर्षित भएको छु ।  
आजको सभामा यस बैंकको आर्थिक वर्ष २०७७/७८ को लेखापरीक्षण प्रतिवेदन सहितको वासलात, नाफा नोक्सान हिसाव तथा नगद प्रवाह विवरण र त्यससँग सम्बन्धित अनुसूचीहरु यँहाहरु समक्ष प्रस्तुत गर्न अनुमति चाहन्छु । यस विषय उपर छलफल पश्चात उक्त प्रस्तावहरु सभाबाट पारित हुनेछन् भन्ने विश्वास लिएको छु । साथै चालु आर्थिक वर्षमा बैंकले अवलम्बन गर्ने नीति र भावी योजनाहरु एवं तीनको कार्यान्वयनको लागि यँहाहरुको बहुमूल्य तथा रचनात्मक सुझावहरु प्राप्त हुने अपेक्षा गरेको छु । समस्याग्रस्त अवस्थामा रहेको यस बैंकलाई नेपाल राष्ट्र बैंकले मिति २०७७ श्रावण २९ गतेदेखि समस्याग्रस्तको सूचीबाट हटाई नियमित बैकिंग कारोवारको लागि मार्ग प्रशस्त गरेको ब्यहोरा यँहाहरुलाई विदितै छ । समस्याग्रस्त अवस्थाबाट मुक्त भएपश्चात यस बैंकले विभिन्न किसिमका विषम परिस्थितीका वावजुत आफ्ना ग्राहक वर्गलाई नियमित बैकिङ्ग सेवा प्रदान गर्दै आइरहेको छ र आगामी दिनमा पनि निरन्तरता दिई अझ शशक्त रुपमा अफुलाई प्रस्तुत गरी शेयरधनी, ग्राहक तथा नियमनकारी निकायहरुको मन जित्नेछ भन्ने कुरामा म विश्वस्त रहेको छु ।

#### (१) कारोवारको सिंहांबलोकन

विगतका वर्षमा विश्वब्यापी रुपमा फैलिएको कोभिड १९ का कारण मुलुकको अर्थतन्त्र प्रभावित भई त्यसको प्रत्यक्ष/परोक्ष प्रभाव बैकिङ्ग तथा वित्तीय क्षेत्रको कारोवारमा पर्न गएको कुरा हामी सबैमा विदितै छ । तथापि यस्तो असहज परिस्थितिमा पनि यस बैंकले आफ्नो कारोवारमा निरन्तर सजगता अपनाई संचालन गर्दै आएको हुँदा बैंक निरन्तर सुधारोन्मुख अवस्थामा रहेको कुरा प्रष्ट हुन्छ । यसलाई तलको तालिकाको अध्ययनबाट यँहाहरु सबैलाई स्पष्ट हुने नै छ ।

(क) आर्थिक वर्ष ०७६/०७७ र ०७७/०७८ को बैंकको वित्तीय कारोवारको तुलनात्मक संक्षिप्त विश्लेषण देहाए बमोजिम रहेको छ ।

विवरण	आ.व. २०७६/७७	आ.व. २०७७/७८
कुल निक्षेप	२,५८,४८,७५२.००	९,८४,६९,८२९.००
कर्जा/लगानी	१,१७,२३,६९५.००	९,४४,३४,८१५.००
साधारण जगेडा कोष	१०,८१,७४,२६२.००	१०,८१,७४,२६२.००
संचित नाफा नोक्सान	(२०,७५,०४,१७७.००)	(२१,७९,५५,८८९.००)
कुल आम्दानी	३०,१९,६१०.००	४४,२५,९९६.००
कुल खर्च	७३,३९,९७८.००	२,७७,०४,४५३.००
कर्जा नोक्सानी व्यवस्था	८७,३०,०२४.००	९७,९६,५५५.००

माथी उल्लेखित वित्तीय विवरणको तुलनात्मक रूपमा विश्लेषण गर्दा आ.व. २०७६/७७ मा कुल निक्षेप रु २ करोड ५८ लाख ४८ हजार ७ सय ५२ रुपैयां रहेकोमा समिक्षा वर्षमा रु.७ करोड २६ लाख २० हजार ८ सय ७७ रुपैया थप निक्षेप प्राप्त भई रु ९ करोड ८४ लाख ६९ हजार ८ सय २९ रुपैयामा आएको छ । कर्जा तथा लगानी रकम आ.व. २०७६/७७ मा रु १ करोड १७ लाख २३ हजार ६ सय ९५ रुपैया रहेकोमा समिक्षा वर्षमा रु. ८ करोड २७ लाख ११ हजार १ सय २० रुपैया थप ऋण प्रवाह भई ९ करोड ४४ लाख ३४ हजार ८ सय १५ रुपैयामा आएको छ । कर्जा असुली कार्यलाई थप प्रभावकारी बनाईने छ । अन्य थप तुलनात्मक विवरण माथि प्रस्तुत टेबलमा उल्लेख गरिएको छ । नेपाल राष्ट्र बैंकले मिति २०७७/०४/२१ देखि यस बैंकलाई समस्याग्रस्त वित्तीय संस्थाको सुचीवाट फुकुवा गरि वित्तीय कारोवार संचालन गर्न स्वीकृति प्रदान गरेको हुँदा आगामी दिनहरूमा बैंकले थप प्रभावकारी रूपमा वित्तीय कारोवार संचालन गरि बैंकलाई नयाँ उचाइमा पुऱ्याइने छ ।

#### ख. गैह्र बैंकिङ्ग सम्पत्ती :

आर्थिक वर्ष २०७७/७८ मा गैह्र बैंकिङ्ग सम्पत्ती ५४ लाख ९५ हजार रुपैया रहेको छ ।

#### राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट संस्थाको कारोवारलाई पारेको असर :

मुलुकमा आएको राजनैतिक स्थिरता सँगै आर्थिक परिवर्तन हुने आशा गरिएता पनि अपेक्षित रूपमा देशको आर्थिक अवस्थामा सुधार आइनसकेको अवस्था छ । यद्यपी बिगत वर्षहरूमा भन्दा अपेक्षित रूपमा लगानीको वातावरण बन्दै गएको अवस्था भने रहेको छ । यती हुँदाहुदैपनि अप्रत्यासित रूपमा विश्वभरी फैलिएको कोभिड १९ को महामारीले देशको मात्र नभई पुरै विश्वकै आर्थिक अवस्था संकटान्मुख तर्फ गएको अवस्थामा देशको आर्थिक मेरुदण्डको रूपमा रहेका बैंक तथा वित्तीय संस्थाहरूमा समेत प्रतिकूल प्रभाव परेको ब्यहोरा सबैलाई जगजाहेरै छ । कोभिड १९ को महामारीकै बिचमा कारोवार फुकुवा भएको यस बैंकले मुलुकमा विद्यमान रहेको लकडाउन तथा निशेधाज्ञाका कारणले आफ्नो वित्तीय कारोवार स्वस्फुर्त रूपमा संचालन गर्न पाएको छैन । हाल बजारमा देखिएको तरलता समस्याको कारणले पनी बैंकलाई प्रभावित पारेको अवस्था साथै राष्ट्रिय तथा अन्तराष्ट्रिय क्षेत्रमा आएको बिषम परिस्थितिमा समेत बैंक आफ्नो कारोवारलाई ब्यवस्थित गर्न प्रयासरत रहेको छ ।

#### क. पुँजी संरचना :

नेपाल राष्ट्र बैंकले जारी गरेको पुँजीबृद्धि सम्बन्धी परिपत्र तथा यस बैंकलाई नेपाल राष्ट्र बैंकले समस्याग्रस्त वित्तीय संस्थाको सुची वाट हटाई वित्तीय कारोवार गर्न स्वीकृति प्रदान गर्दा दिइएको निर्देशानुसार समस्याग्रस्त घोषणा भएका वित्तीय संस्थाहरूको हकमा समस्याग्रस्त अवस्थावाट मुक्त भएको (मिति २०७७/०४/२१) वाट दुई वर्ष भित्रमा तोकिएको चुक्ता पुँजी रु ५०,००,००,०००/- (अक्षरेपी रु पचास करोड) पुऱ्याउन हकप्रदशेयर जारी गरि तोकिएको समय भित्र पुँजीबृद्धि गर्ने कार्ययोजना रहेको छ । साथै अन्य सवल बैंक तथा वित्तीय संस्थासँग गाभने/गाभीने कार्यलाई समेत प्राथमिकतामा राखी कार्य भैरहेको छ ।

#### ख. कार्यालयको भौतिक पुर्वाधारमा सुधार :

सम्बन्धित आर्थिक वर्षमा बैंकको केन्द्रिय कार्यालय र मुख्य शाखा कार्यालयलाई थप ब्यवस्थित बनाउनुका साथै भरतपुर अस्पताल कम्पाउण्डमा रहेको शाखा कार्यालयलाई

कोभिड १९ को बढ्दो संक्रमणका कारण सोही वडा भित्र हाकिम चोकमा सारीएको छ, भने अन्य कुनै नयाँ शाखाहरु थपघट भएका छैन ।

**३. शाखा विस्तार :-**

यस आर्थिक वर्षमा कुनै नयाँ शाखाहरु विस्तार गरीएको छैन । चालु आर्थिक वर्षमा संस्था समस्याग्रस्त अवस्थामा हुँदा संस्थाको खर्च कम गर्न टाँडी शाखा र भरतपुर शाखामा गाभिएका शाखाहरु क्रमशः पर्सा शाखा र नारायणगढ शाखा लाई पुनः पुर्ववत अवस्थामा संचालन गर्ने अनुमतीका लागि श्री नेपाल राष्ट्र बैंक सँग अनुरोध गरिएको ब्यहोरा समेत जानकारी गराउन चाहान्छु ।

**४. बैंकको कारोवारको स्तर तथा क्षमता अभिवृद्धि गर्ने :-**

नेपाल राष्ट्र बैंकले मिति २०७७/०४/२१ मा यस बैंकलाई समस्याग्रस्त वित्तीय संस्थाको सुची वाट हटाई वित्तीय कारोवार गर्न स्वीकृति प्रदान गरेको र कोभिड १९ को महामारीकै बिचमा कारोवार फुकुवा भएको यस बैंकले नेपाल राष्ट्र बैंकले निक्षेपमा लगाएको सिमा तथा मुलुकमा देखिएको तरलताको संकुचन आदीको वावजुत कारोवारको स्तरमा सुधार ल्याइएको छ । आगामी दिनमा आवश्यकता अनुसार योजना तथा कार्यक्रम संचालनमा ल्याइ कारोवारको स्तर तथा क्षमता (शाखा विस्तार) अभिवृद्धि गरिने छ ।

**५. मानव संसाधनको बिकास**

कुनै पनि ब्यावसाय, संघ, संस्थाको सफलताको आधारस्तम्भ भनेको त्यस संस्थामा कार्यरत जनशक्तिकै हो । संस्था जे जस्तो सुकै अवस्थामा रहेको अवस्थामा पनि संस्थालाई उचित गति दिनमा त्यस संस्थाको जनशक्तिको महत्वपूर्ण भुमिका रहेको हुन्छ । कर्मचारीहरुको क्षमता अभिवृद्धिको लागि नेपाल राष्ट्र बैंक तथा अन्य विभिन्न संघ संस्थाहरुले आयोजना गरेका विभिन्न तालिम, गोष्ठी, सेमिनार हरुमा कर्मचारीहरुलाई सहभागी गराउदै आइएको छ । विगतका कुराहरुलाई समेत ध्यानमा राखी भावी दिनमा बैंकमा कार्यरत कर्मचारीहरु साथै पछी नियुक्ती गरिने कर्मचारीहरुलाई थप प्रोत्साहन, क्षमता अभिवृद्धि तथा उचित कार्य/वातावरण उपलब्ध गराउने कार्यक्रम ल्याई बैंकको सेवालार्इ थप गुणस्तरीय बनाउदै जाने तिर बैंक सक्रिय रहेको ब्यहोरा जानकारी गराउदछु ।

**६. औद्योगिक तथा ब्यावसायिक सम्बन्ध :**

यस बैंकले आफ्नो स्थापना काल देखि नै बैंकको प्रगति उन्नति र कारोवार विस्तारको लागि विभिन्न संघ, संस्था, औद्योगिक तथा ब्यावसायिक प्रतिष्ठानहरु, नियमनकारी निकाय नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरीङ लि. लगायतका विभिन्न स्थानीय, सरकारी तथा गैह्र सरकारी संघ संस्था एवं आफुसँग आवद्ध आदरणीय ग्राहक महानुभावहरु तथा बैंकको व्यवस्थापन र कर्मचारीहरु समेत संगको सम्बन्ध सुमधुर एवं सौहार्दपूर्ण रहि आएको छ । आगामी दिनहरुमा पनि यस किसिमको सम्बन्धलाई अझ बिकास र विस्तार गर्दै लैजाने नीति लिइएको छ ।

**७. संचालक समितिमा हेरफेर र सो को विवरण**

बैंकमा हाल निम्न व्यक्तिहरु संस्थापक र सर्व साधारणका तर्फबाट संचालक समितिमा कार्यरत रहनुभएको छ ।

अध्यक्ष श्री राम प्रसाद रोपाखेती	संस्थापक
सदस्य गणेशमान प्रधान	संस्थापक
सदस्य श्री रमेश पौडेल	सर्वसाधारण
सदस्य श्री बलराम पौडेल	स्वतन्त्र संचालक

नेपाल राष्ट्र बैंकको निर्देशक पदबाट अवकाश प्राप्त गर्नुभएका श्री वलराम पौडेललाई मिति २०७८/०१/१३ मा स्वतन्त्र संचालकमा नियुक्त गरीएको छ । मिति २०७८/०७/०७ सम्म बैंकका संस्थापक शेयरधनी श्री रोपा इन्भेष्टमेन्ट वाट प्रतिनिधित्व गरी श्री सुरेन्द्रराज वाग्ले बैंकको संचालक तथा अध्यक्ष पदमा कार्यरत रहनुभएको थियो । मिति २०७८/०७/०७ मा श्री सुरेन्द्रराज वाग्लेले संचालक तथा अध्यक्ष पदबाट राजिनामा दिनुभएको र मिति २०७८/०७/०७ मा बैंक संचालक समितिले श्री सुरेन्द्रराज वाग्लेको अध्यक्ष तथा संचालक पदको राजिनामा स्वीकृत गरेको छ । त्यस्तै मिति २०७८/०७/१५ मा बैंकका संस्थापक शेयरधनी श्री रोपा इन्भेष्टमेन्ट प्रा.लि.वाट प्रतिनिधित्व गरी कानुन क्षेत्रमा लामो अनुभव बटुलनुभएका काठमाण्डौ बबरमहल निवासी श्री गणेशमान प्रधान संचालकमा नियुक्त हुनुभएको छ भने मिति २०७८/०७/१५ मा अध्यक्षको राजिनामा पश्चात रिक्त रहेको अध्यक्ष पदमा रोपा इन्भेष्टमेन्ट प्रा.लि.वाट प्रतिनिधित्व गर्ने श्री राम प्रसाद रोपाखेती अध्यक्ष पदमा मनोनित भई कार्यरत रहनुभएको ब्यहोरा जानकारीको लागी अनुरोध गर्दछु ।

#### ८. कारोवारलाई असर पार्ने मुख्य कुराहरु

बैंकिङ्ग क्षेत्रको अनुत्पादक क्षेत्रमा बढ्दो लगानी सँग सँगै बढ्दो जोखिम, जटिल नियमनकारी व्यवस्था र बढ्दो अस्वस्थ्यकर प्रतिस्पर्धा मुख्य समस्याको रूपमा अगाडी आएका र अन्य निम्न कारणहरुले समेत कारोवारलाई असर पर्ने प्रचुर संभावना रहेको छ ।

- क. नेपाल सरकार वा केन्द्रिय बैंकले नीति निर्देशन परिवर्तन गर्दा सृजना हुन सक्ने सम्भावित जोखिमहरु
- ख. निक्षेप तथा कर्जा लगानी व्याजदरमा हुने परिवर्तनबाट असर पर्ने जोखिमहरु
- ग. केन्द्रिय बैंकको निर्देशन अनुसार व्याजदरमा हुने परिवर्तन तथा थपघटले उत्पन्न हुन सक्ने सम्भावित जोखिमहरु
- घ. यथा समयमा कर्जा असुली नभई उत्पन्न हुने आर्थिक जोखिमहरु
- ङ. अन्तरराष्ट्रिय रुममा देखा परेको आर्थिक मन्दीले नेपाली अर्थ बजारमा पारेको जोखिमहरु
- च. विश्वमा फैलिएको कोभिड १९ को महामारीले सृजना गरेका र नयाँ भेरियन्ट ओमिक्रोम वाट थप सृजना हुने तथा हुन सक्ने प्रभाव र चुनौतीहरु ।

#### ९. लेखापरीक्षण प्रतिवेदनमा उल्लेखित कैफियत उपर संचालक समितिको प्रतिक्रिया :

बैंकका लेखापरीक्षकले आर्थिक वर्ष २०७७/७८ को लेखापरीक्षणको शिलशिलामा औल्याएका टिप्पणी तथा कैफियतका बुँदा उपर संस्थाको संचालक समितिले आफ्नो राय प्रतिक्रिया जनाउँदै सो विषयमा व्यवस्थापनलाई आवश्यक सुधार गर्न निर्देशन जारी गरेको छ ।

#### १०. संस्थागत सामाजिक दायित्व :

यस बैंकले आफ्नो स्थापनाकाल देखी नै यस क्षेत्रको सामाजिक दायित्व निर्वाह स्वरुप विभिन्न स्कुल कलेज सामाजिक सघं सगंठनहरुलाई विभिन्न माध्यमबाट सक्दो सहयोग पुऱ्याउँदै आएको सन्दर्भमा हाल नेपाल राष्ट्र बैंक द्वारा बैंकलाई समस्याग्रस्त घोषणा गरेपश्चात भने सो दायित्व निर्वाह गर्न पाइएको छैन । तथापी विश्वव्यापी रूपमा फैलिएको कोभिड १९ ले मुलुकलाई आक्रान्त पारेको अवस्थामा बैंकले वि.पि. कोइराला मेमोरियल क्यान्सर अस्पताल, यज्ञपुरी र रत्ननगर नगरपालिका चितवनको माधमवाट तत् तत् स्थानमा उपचार गराउन आउने वा कोरोना प्रभावित कमजोर बर्गहरुलाई लक्षित गरी जम्मा रु दुई लाख सहयोग प्रदान गरिएको ब्यहोरा जानकारी गराउन चाहान्छु ।



अन्तमा,

नेपाल राष्ट्र बैंकले भरपुर सहयोग गरी यस बैंकलाई समस्याग्रस्त वित्तीय संस्थाको सुचिवाट फुकुवा गरी वित्तीय कारोवार संचालन गर्न अनुमती प्रदान गरेकोमा मेरो आफ्नो व्यक्तिगत तथा बैंकको तर्फबाट नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज, सिडिएस एण्ड क्लियरीङ लिमिटेड, विभिन्न संघ, संस्था, औद्योगिक तथा व्यावसायिक प्रतिष्ठानहरु, लगायतका विभिन्न स्थानीय, सरकारी तथा गैर सरकारी संघ संस्था एवं आदरणीय ग्राहक महानुभावहरुलाई मुरी मुरी धन्यवाद दिन चाहन्छु । बैंक मार्फत समग्र वित्तीय क्षेत्रको आर्थिक गतिविधिलाई केही हदसम्म टेवा पुऱ्याउने सोचका साथ आवद्ध भई सामान्य अवस्थासम्म ल्याई पुऱ्याउन अनवरत रुपमा जुटिरहनु भएका संचालक साथीहरु, संस्थाका सम्पूर्ण शेयरधनी महानुभावहरु साथै यस संस्थाका निक्षेपकर्ता तथा ग्राहक बर्ग, शुभेच्छुक, सहयोगी तथा संस्थाको व्यवस्थापनमा रही उल्लेखनीय योगदान गर्दै आउनुभएका प्रमुख कार्यकारी अधिकृत तथा उहाँको नेतृत्वमा रहेको व्यवस्थापन समुह एवं सपूर्ण कर्मचारीहरुबाट प्राप्त सहयोग प्रति हार्दिक कृतज्ञता प्रकट गर्न चाहन्छु । आगामी दिनमा यस संस्थाको उत्तरोत्तर प्रगति र संबृद्धिका लागि यहाँहरु सबैको सहयोग तथा सद्भावको अपेक्षा सहित पुनः एक पटक संस्थाको बिसौं वार्षिक साधारण सभाको प्रतिवेदन स्वीकृत गरिदिनुहुनको लागि यहाँहरु समक्ष हार्दिक अनुरोध गर्दछु ।

**धन्यवाद !**

संचालक समितिको तर्फबाट  
राम प्रसाद रोपाखेती  
अध्यक्ष  
मिति: २०७८/०९/२९

## कम्पनी ऐन २०६४ को दफा १०९ को उपदफा ४ अनुसारको अतिरिक्त विवरण :

१. शेर जफत भएको भए सो को विवरण  
सम्बन्धित आ.व. हरुमा त्यस्तो कुनै पनि कार्य भएको छैन ।
२. विगत आर्थिक वर्षमा बैंक र यसको सहायक कम्पनीको कारोबारको प्रगती र सो आर्थिक वर्षको अन्तमा रहेको स्थितीको पुनरावलोकन :  
यस बैंकको कुनै सहायक कम्पनी छैन । बैंकको आर्थिक वर्षमा सम्पन्न गरेको कारोबारहरु, कारोबारमा आएको परिवर्तन संलग्न वासलात, नाफानोक्सान हिसाब, नगद प्रवाह विवरण, लेखा सम्बन्धी टिप्पणीहरुले प्रष्ट पार्दछ ।
३. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :  
यस संस्थाको कुनै सहायक कम्पनी नभएको हुँदा सो सम्बन्धी विवरण उल्लेख गरिएको छैन ।
४. विगत आर्थिक वर्षहरुमा बैंकका शेयरधनीहरुले बैंकलाई उपलब्ध गराएको जानकारी :  
सम्बन्धित आर्थिक वर्षहरुमा आधारभुत शेयरधनीहरुबाट बैंकलाई कुनै पनि किसिमको जानकारी प्राप्त भएको छैन ।
५. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरुमा कुनै सञ्चालक तथा निजको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारी :  
यस सम्बन्धी कुनै जानकारी प्राप्त भएको छैन ।
६. कम्पनीको आफ्नो शेयर आफैले खरिद गरेको भए त्यस सम्बन्धी जानकारी :  
यस संस्थाले आफ्नो शेयर आफैले खरिद गरेको छैन ।
७. आन्तरिक नियन्त्रण प्रणाली बारेको जानकारी :  
बैंकको आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्न आवश्यक भएको हुदा आर्थिक प्रशासन विनियमावली २०७७, कर्मचारी विनियमावली २०७७, कर्जा अपलेखन विनियमावली २०७८, कर्जा नीति २०७८, धितो सुरक्षण मुल्याङ्कन निर्देशिका २०७८, ग्राहक पहिचान पद्धती २०७८, कर्मचारी दक्षता अभिवृद्धि कार्यविधि २०७८, संचालक शिक्षा कार्यक्रम कार्यविधि २०७८, जोखिम व्यवस्थापन नीति २०७८, आन्तरिक लेखापरीक्षण नीति २०७८, कार्य संचालन निर्देशिका २०७७, लिलाम निर्देशिका २०७६, सूचना प्रविधि कार्यविधि २०२०, उत्कृष्ट उम्मेदार छनौट कार्यविधि २०७८, AML Policy २०७७, खराब कर्जा निर्देशिका २०७४, सम्पत्ति तथा दायित्व निर्देशिका २०६६, गैह्र बैंकिङ सकार तथा विक्री निर्देशिका २०६६, लगानी निर्देशिका २०६६, बनाई कार्यान्वयनमा ल्याइएको छ, सो को प्रभावकारी कार्यान्वयन गरि आन्तरिक नियन्त्रण प्रणालीलाई थप प्रभावकारी बनाई लगिने छ । सोहि अनुसार विभिन्न विभागहरु गठन गरी संस्थाको कार्य संचालन गर्ने गरिएको छ । त्यस्ता विभागहरुको नेतृत्व अधिकृत तथा सुपरभाइजर तहका कर्मचारीले गर्ने व्यवस्था गरिएको छ । विभागका तल्ला तहका कर्मचारीहरुले गर्ने कार्यहरु एक तह माथीका सुपरभाइजर वा अधिकृतले परिक्षण गर्ने व्यवस्था मिलाईएको छ ।
८. विगत आर्थिक वर्षको कूल व्यवस्थापन खर्चको विवरण :  
विगत आर्थिक वर्षमा संस्थाको कर्मचारी खर्च तथा कार्यालय सञ्चालन खर्च निम्नानुसार रहेको छ ।

विवरण	२०७६/७७	२०७७/७८
कर्मचारी खर्च	२२,८५,४३९।-	८७,३९,५८३।-
अन्य सञ्चालन खर्च	३८,३९,३९९।-	९,३६,२७,७९३।-

९) लेखापरिक्षण समितिका सदस्यहरूको नामावली निजहरूले प्राप्त गरेको पारिश्रामिक, भत्ता तथा सुविधा, सो समितिले दिएको सुभाव सम्बन्धी जानकारी:

मिति २०७७/०४/२९ गते यस बैंक समस्याग्रस्त अवस्थाबाट फुकुवा भए पश्चात लेखापरीक्षण समिति गठन भएको र हाल लेखापरीक्षण समितिमा निम्न बमोजिमका सदस्यहरू रहनु भएको छ ।

स्वतन्त्र संचालक, वलराम पौडेल संयोजक  
 नायव प्र.का.अ., हृदय राज घिमिरे सदस्य  
 बरिष्ठ अधिकृत, कुशल ढोडारी सदस्य सचिव

साथै बैठकमा उपस्थित भए बापत समितिका संयोजकलाई प्रति बैठक रु.२५००/- (कर सहित) का दरले भत्ता उपलब्ध गराईएको छ । समितिले दिएका सुभावहरूमा आन्तरिक लेखापरीक्षण नीति परिमार्जन गर्ने तथा आन्तरिक लेखापरीक्षकले पेश गरेको आन्तरिक लेखापरीक्षण प्रतिवेदनमा उठेका कैफियतको सम्बन्धमा व्यवस्थापनलाई निर्देशन दिने लगायतका सुभावहरू रहेका छन् ।

क्र.सं.	नाम	पद	रकम
१	वलराम पौडेल	संयोजक	२,५००/-
२	हृदय राज घिमिरे	सदस्य	-
३	कुशल ढोडारी	सदस्य सचिव	-

१०. संचालक, कार्यकारी प्रमुख, संस्थाका आधारभुत शोयरधनि वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कुनै रकम बुझाउन बाँकी भए सो कुरा संस्थाका पुर्व अध्यक्ष श्री दिव्य कुमार श्रेष्ठ बाट प्राप्त हुनुपर्ने भनी लेखा टिप्पणी मा उल्लेख गरीएको रकम ।

११. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, तथा पदाधिकारी हरूलाई भुक्तान गरिएको पारिश्रामिक, भत्ता तथा सुविधाको रकम:

सो सँग सम्बन्धित खर्च को विवरण निम्नानुसार रहेको छ :

क्र.सं.	विवरण	आ. व. २०७६/७७	आ. व. २०७७/७८
१	संचालक समिति (तलव, भत्ता, तथा अन्य सुविधा)	२५,०००।-	५०९,९७२।-
२	कार्यकारी प्रमुख (तलव, भत्ता, तथा अन्य सुविधा)	६,२९,००७।-	९८,९२,८४६।-

१२. शोयरधनिहरूलाई वितरण गर्न बाँकी रहेको लाभांशको विवरण :  
 नगद लाभांश वितरण नभएकाले बाँकी नदेखिएको ।

**Independent auditor's report to the shareholders of Narayani Development Bank Limited**

We have audited the accompanying financial statements of Narayani Development Bank Limited ("Bank"), which comprise the statement of financial position as at 31 Ashadh 2078, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements (together "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 Ashadh 2078, and its financial performance, the statement of the other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended in accordance with Nepal Financial Reporting Standards issued by the Accounting Standard Board – Nepal and guidelines prescribed by the regulator, Nepal Rastra Bank.

**Basis of Opinion**

We conducted our audit in accordance with Nepal law including 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 this auditor's report.

We are independent of Narayani Development Bank Limited in accordance with The Institute of Chartered Accounts of Nepal's (ICAN) Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Key Audit Matter	Response to Key Audit Matter
<p><b>Reasonableness of Loan Loss Provision on Loan and advances.</b></p> <p>The bank's portfolio of loans and advances to customers reflects a net balance of NPR 68,638 thousand at 31 Asadh 2078 after impairment allowances of NPR 9,797 thousand.</p> <p>Impairment is calculated based on an expected loss model, which the Group estimates on both an individual and a collective basis. This calculation entails a considerable level of judgement as this is a significant and complex estimate.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures consisted of challenging management assumption and classification of loan and advances, to check whether the loan loss provision is made according to the directives of Regulator, Nepal Rastra Bank.</p> <p>Conclusion: The assumption and classification of loans and advances and loan loss provision are fairly made as per the directives of Regulator, Nepal Rastra Bank.</p>



R. Raj



**Our findings with respect to going concern**

As included in Note 2.9 to the financial statements, the Bank's financial statements have been prepared using the going concern basis of accounting. The bank was restricted to carry out its main business and capital of the bank was not adequate as per requirements of Nepal Rastra Bank. The bank has complied with the capital adequacy requirement and Nepal Rastra Bank has lifted its restrictions. Therefore, management has assumed that the bank will carry its business and there will be continuity of going concern. In view of this, we concur with management's use of the going concern basis of accounting in the preparation of the Bank's financial statements.

**Responsibilities 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 the mandatory format prescribed by the Nepal Rastra Bank in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the audit of 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 financial statement users taken on the basis of these financial statements.

As part of an audit conducted in accordance with NSAs, we exercise professional judgement and maintain professional scepticism 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in the mandatory format for Banks and Financial Institutions financial statements in accordance with the Nepal Financial Reporting Standards.

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

**Report on matters required under Nepal Company Act, 2063 and Bank and Financial Institutions Act, 2073**

Pursuant to the legal requirement under section 115(3) of Nepal Company Act, 2063 and section 66(3) of Bank and Financial Act, 2073 with respect to our responsibilities to report, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;



R. Rajkarnikar

**R. Rajkarnikar & Co**  
**Chartered Accountants**

2. In our opinion, the financial statements referred in this report have been prepared in accordance with Nepal Companies Act, 2063 and are in agreement with the books of account maintained by the company;
3. In our opinion, proper books of account as required by prevailing law have been kept by the company so far as appears from our examination of such books;
4. To the best of our information and according to explanations given to us and from our examination of the books of account of the company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employee of the company have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the company.

Dated: Poush 2, 2078



For R. Rajkarnikar & Co  
Chartered Accountants

CA Rajesh Rajkarnikar  
Proprietor

UDIN: 211218CA00067RUAZN

**Narayani Development Bank Limited**  
**Statement of Financial Position**  
**As at 31 Ashad 2078**

Particulars	Note	As at 31.03.2078	As at 31.03.2077
<b>Assets</b>			
Cash and cash equivalent	4.1	74,089,010	104,101,252
Due from Nepal Rastra Bank	4.2	19,036,854	4,459,545
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	15,792,000	-
Loans and advances to customers	4.7	68,638,260	2,993,671
Investment securities	4.8	4,494,278	270,657
Current tax assets	4.9	9,790,725	9,632,058
Investment in subsidiaries	4.10	-	-
Investment in associates	4.11	-	-
Investment property	4.12	5,513,510	7,982,759
Property and equipment	4.13	14,425,704	751,663
Goodwill and Intangible assets	4.14	-	-
Deferred tax assets	4.15	165,728	-
Other assets	4.16	4,765,652	4,062,436
<b>Total Assets</b>		<b>216,711,721</b>	<b>134,254,041</b>
<b>Liabilities</b>			
Due to Bank and Financial Institutions	4.17	-	-
Due to Nepal Rastra Bank	4.18	-	-
Derivative financial instruments	4.19	-	-
Deposits from customers	4.20	98,469,829	25,848,752
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	40,750,137
Deferred tax liabilities	4.15	-	1,947,684
Other liabilities	4.23	35,996,620	25,133,745
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>134,466,449</b>	<b>93,680,318</b>
<b>Equity</b>			
Share capital	4.26	131,233,800	65,616,900
Share premium		2,956,688	-
Retained earnings		(217,155,881)	(207,504,177)
Reserves	4.27	165,210,666	182,461,001
<b>Total equity attributable to equity holders</b>		<b>82,245,273</b>	<b>40,573,723</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>82,245,273</b>	<b>40,573,723</b>
<b>Total liabilities and equity</b>		<b>216,711,721</b>	<b>134,254,041</b>
Contingent liabilities and commitment	4.28	-	-
Net assets value per share		62.67	73.01

SD  
Ashish Subedi  
Account & Compliance

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Pashupati Poudel  
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Ram Prasad Ropakheti  
Chairman

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R. Rajkarnikar & Co.  
Kathmandu

SD  
Ganeshman Pradhan  
Director

SD  
Ramesh Paudel  
Director

SD  
Balram Paudel  
Independent Director

Date: 2078.09.02

**Narayani Development Bank Limited**  
**Statement of Profit or Loss**  
**As at 31 Ashad 2078**

Particulars	Note	As at 31.03.2078	As at 31.03.2077
Interest income	4.29	2,267,657	2,378,255
Interest expense	4.30	3,207,620	495,348
<b>Net interest income</b>		<b>(939,963)</b>	<b>1,882,907</b>
Fee and commission income	4.31	-	-
Fee and commission expense	4.32	13,542	-
<b>Net fee and commission income</b>		<b>(13,542)</b>	<b>-</b>
<b>Net interest, fee and commission income</b>		<b>(953,504)</b>	<b>1,882,907</b>
Net trading income	4.33	-	-
Other operating income	4.34	2,144,717	641,355
<b>Total operating income</b>		<b>1,191,213</b>	<b>2,524,262</b>
Impairment charge/(reversal) for loans and other losses	4.35	(9,194,346)	(1,737,292)
<b>Net operating income</b>		<b>10,385,558</b>	<b>4,261,554</b>
<u>Operating expense</u>			
Personnel expenses	4.36	8,731,583	2,285,439
Other operating expenses	4.37	13,627,713	3,831,391
Depreciation & Amortization	4.38	2,137,537	727,801
<b>Operating Profit</b>		<b>(14,111,274)</b>	<b>(2,583,076)</b>
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
<b>Profit before income tax</b>		<b>(14,111,274)</b>	<b>(2,583,076)</b>
Income tax expense	4.41		
Current Tax		-	-
Deferred Tax		(2,170,841.11)	(1,445,912)
<b>Profit for the period</b>		<b>(11,940,433)</b>	<b>(1,137,164)</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		(11,940,433)	(1,137,164)
Non-controlling interest			
Profit for the period		(11,940,433)	(1,137,164)
<b>Earnings per share</b>			
Basic earnings per share		(9.10)	(2.05)
Diluted earnings per share		(9.10)	(2.05)

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R. Rajkarnikar & Co.  
Kathmandu

SD  
Ganeshman Pradhan  
Director

SD  
Ramesh Paudel  
Director

SD  
Balram Paudel  
Independent Director

Date: 2078.09.02



**Narayani Development Bank Limited**  
Statement of change in Equity  
As at 31. Ashad 2078

Particulars	Attributable to Equity holders of the Bank										Non-Controlling Interest	Total Equity	
	Share Capital	Proposed Bonus Share	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve			Total
Balance at 1. Sawan 2077	55,574,800	10,045,100		108,174,262		7,964,249	151,030		(207,504,177)	66,081,950	40,484,213	-	40,484,213
Adjustment/Restatement		(10,045,100)								(15,002,891)			
Adjusted/Restated Balance at 1. Sawan 2078													
Comprehensive income for the year													
Profit for the year													
Other comprehensive income, net of tax													
Remeasurements of defined benefit liability (assets)													
Fair value reserve (Investment in equity instrument):													
Net change in fair value													
Net amount transferred to retained earning													
Gain on sale of share transferred to retained earning													
Net gain (loss) on revaluation													
Cash flow hedges:													
Effective portion of changes in fair value													
Net Amount reclassified to profit or loss													
Total comprehensive income for the year													
Transfer of equity on merger and acquisition													
Transfer to reserve during the year													
Transfer from reserve during the year													
Provision for NPA transferred to regulatory reserve													
Transfer to Corporate Social responsibility reserve													
Transfer to Staff Training Fund													
Addition in calls in advance													
Transactions with owners, directly recognized in equity													
Right share issued	75,662,000		2,956,688										
Dividends to equity holders													
Bonus shares issued													
Cash dividend paid													
Total contributions by and distributions													
<b>Balance at Ashad end 2078</b>	<b>131,233,800</b>	<b>-</b>	<b>2,956,688</b>	<b>108,174,262</b>	<b>-</b>	<b>5,675,520</b>	<b>281,825</b>	<b>-</b>	<b>(217,155,881)</b>	<b>51,079,059</b>	<b>82,245,272</b>	<b>-</b>	<b>82,245,272</b>

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Independent Director

Date: 2078.09.02

**Narayani Development Bank Limited**  
**Statement of Comprehensive Income**  
**As at 31 Ashad 2078**

Particulars	Note	As at 31.03.2078	As at 31.03.2077
<b>Profit for the year</b>		<b>(11,940,433)</b>	<b>(1,137,164)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>a) Items that will not be reclassified to profit or loss</b>			
Gain/(loss) from investments in equity instruments measured at fair value		186,849.77	(3,038,277)
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items		(56,054.93)	(31,967)
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>130,795</b>	<b>(3,070,244)</b>
<b>b) Items that are or may be reclassified to profit or loss</b>			
Gains/(losses) on cash flow hedge			
Exchange gain/(losses) arising from translating financial assets of foreign operation			
Income tax relating to above items			
<b>Net other comprehensive income that are or may be reclassified to profit or loss</b>			
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>			
<b>Other comprehensive income for the period, net of income tax</b>		<b>130,795</b>	<b>(3,070,244)</b>
<b>Total comprehensive income for the period</b>		<b>(11,809,638)</b>	<b>(4,207,408)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		(11,809,638)	(4,207,408)
Non-controlling interest			
Total comprehensive income for the period		(11,809,638)	(4,207,408)

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Balram Paudel  
Independent Director

Date: 2078.09.02

**Narayani Development Bank Limited**  
**Statement of Cash Flow**  
**For the year ended on 31 Asar 2078**

Particulars	Note	As at 31.03.2078	As at 31.03.2077
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		2,267,657	2,378,255
Fees and other income received			
Dividend received			
Receipts from other operating activities		2,223,116	6,495,375
Interest paid		(3,207,620)	(495,348)
Commission and fees paid		(13,542)	
Cash payment to employees		(8,731,583)	(2,285,439)
Other expense paid		(13,627,713)	(3,831,391)
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>(21,089,684)</b>	<b>2,261,452</b>
<u>Increase/Decrease in operating assets</u>			
Due from Nepal Rastra Bank			
Placement with bank and financial institutions			
Other trading assets			(30,900)
Loan and advances to bank and financial institutions		(16,000,000)	
Loans and advances to customers		(66,711,121)	2,343,293
Other assets		(31,134,475)	1,481,815
<u>Increase/(Decrease) in operating liabilities</u>			
Due to bank and financial institutions			
Due to Nepal Rastra Bank			
Deposit from customers		72,621,077	80,666
Borrowings			
Other liabilities		10,862,875	(7,943,187)
<b>Net cash flow from operating activities before tax paid</b>		<b>(55,451,329)</b>	<b>(1,806,860)</b>
Income taxes paid		(158,667)	
<b>Net cash flow from operating activities</b>		<b>(55,609,996)</b>	<b>(1,806,860)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investment securities		(1,162,421)	
Receipts from sale of investment securities		1,125,650	
Purchase or Sale of debenture/bond		-	
Purchase of property and equipment		(15,973,643)	
Receipt from the sale of property and equipment		162,065	
Purchase of intangible assets			
Receipt from the sale of intangible assets			
Purchase/sale of investment properties		2,500,000	
Receipt from the sale of investment properties			
Interest received			
Dividend received		42,225	
<b>Net cash used in investing activities</b>		<b>(13,306,124)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt from issue of debt securities			
Repayment of debt securities			
Receipt from issue of subordinated liabilities			
Repayment of subordinated liabilities			
Receipt from issue of shares		68,573,588	
Dividends paid			
Interest paid			
Other receipt/payment		(15,092,400)	53,268,800
<b>Net cash from financing activities</b>		<b>53,481,188</b>	<b>53,268,800</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(15,434,932)</b>	<b>51,461,940</b>
Cash and Cash Equivalent From Acquisition			
<b>Opening balance of cash and cash equivalents</b>		<b>108,560,797</b>	<b>57,098,857</b>
Effect of exchange rate fluctuations on cash and cash equivalents held			
<b>Closing Cash and Cash Equivalent</b>		<b>93,125,864</b>	<b>108,560,797</b>

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Date: 2078.09.02

**Narayani Development Bank Limited**  
**Notes to Financial Statements**  
**For the year ended on 31 Asar 2078**

**1 Reporting entity**

Narayani Development Bank Limited (hereinafter referred to as "Bank") is district level class "B" licensed financial institution licensed by Nepal Rastra Bank. It was initially registered as Narayani Audyogik Bikash Bank Ltd. and was renamed to Narayani Development Bank Ltd. The Bank was declared problematic financial institution on 2070/12/27. After categorization as problematic institution the bank took number of initiatives of revival including recovering of loans and advances and improving capital adequacy ratio. As a result the bank was removed from the list of problematic financial institutions and NRB has withdrawn the restrictions imposed as problematic institution vide letter no Bi.Bai.Su.Bi/Ni.Yo/077/78 dated 2077/04/21. The Bank is operating as district level development bank with the registered and corporate office located at Ratna Nagar, Chitwan, Bagmati Pradesh, Nepal.

The Bank was incorporated under Companies Act 2053 as public limited company. The Bank is listed with Nepal Stock Exchange.

The Bank has resumed to accept deposits and lend loans and advances from 2077/04/21.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

The financial statements are prepared in line with Nepal Financial Reporting Standards (to the extent of carve out as stated in note 2.1.1) as issued by Accounting Standards Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

Nepal Rastra Bank issued circular for reporting format of financial institutions in line with NFRS on November 30, 2017 along with treatment of certain items in the specified reserves. The financial statements are prepared in line with the stated circular, accordingly, are in compliance with regulatory requirement of Nepal Rastra Bank. The financial statements also comply the requirements of Companies Act 2063, Bank and Financial Institution Act, 2073 and policy, procedures and directives of Securities Board of Nepal.

**2.1.1 Use of Carve-out**

ICAN has pronounced carve out on specific areas for alternative treatment of the items of financial statements required as per NFRS. Based on such, Bank has used following carve out for preparation and presentation of financial statements in line with NFRS.

**a) Operating Lease**

As per para 33 of NAS 17 Lease, lease expenses under operating lease is charged over the lease term on straight line unless another systematic basis is more representative of the time pattern of the user's benefit. The carve-out has allowed to treat expenses under operating lease as the expenses are incurred in case payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This carve out has been used and lease expenses relating to operating lease are accounted as incurred.

**b) Impairment Loss on Loan and Advances**

As per para 63 of NAS 39 Financial Instruments: Recognition and Measurement, impairment loss is calculated on incurred loss model. The carve out has allowed to use higher amount of loss calculated as per para 63 or as per NRB Directives 2/075. Bank has used this carve out and presented the impairment loss calculated as per NRB Directives.

Loans to employees are outstanding since a long time and the employees have left the institution. Hence, the management has considered all of the loans to employees impaired and an impairment provision at 100% is made. In view of 100% impairment provision staff unwinding is not done.

**Loan classification and impairment allowance as per NRB Directive 2 is as follows:**

Particulars	As at 31.03.2078		As at 31.03.2077	
	Loans and Advances	Loan Loss Provision	Loans and Advances	Loan Loss Provision
<b>Performing loan</b>	<b>85,239,928</b>	<b>1,338,480</b>	<b>2,721,890</b>	<b>27,219</b>
Good	79,013,953	1,027,181	2,721,890.00	27,219
Watchlist	6,225,975	311,299	-	-
<b>Non-performing loan</b>	<b>9,194,887</b>	<b>8,666,075</b>	<b>8,702,805</b>	<b>8,702,805</b>
Substandard	705,083	176,271	-	-
Doubtful	-	-	-	-
Loss	8,489,805	8,489,805	8,702,805	8,702,805
<b>Total</b>	<b>94,434,815</b>	<b>10,004,555</b>	<b>10,178,741.70</b>	<b>8,730,024</b>

### **c) Effective Interest Rate**

As per the definition of effective interest rate (EIR) as per para 9 of NAS 39, all the initial points paid or received is required to be considered for calculation of EIR and the same EIR is used to calculate interest on loans and advances. As per the carve out, if calculation of EIR is impracticable or immaterial, then such could be ignored. Bank has used the carve out and has not considered initial points paid or received on loans to be part of EIR, rather such amount has been accounted as income on accrual basis. T

### **d) Interest income on amortized loan after impairment recognition**

As per para AG63 of NAS 39, 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. The carve out provides that interest income can be calculated on gross carrying amount of loan. Bank has used the stated carve out in preparing the financial statements.

## **2.2 Reporting Period and Approval of Financial Statements**

### **2.2.1 Reporting Period**

The reporting period for this financial statements is F.Y. 2077-78, starting from 1 Shrawan 2077 and ending on 31 Ashad 2078. Financial information of following period/dates are provided on the financial statements.

1. Comparative NFRS financial statements (financial statements as on and for the period ended on 31 Ashad 2078)
2. NFRS financial statements for current period (financial statements as on and for the period ended on 31 Ashad 2078)

### **2.2.2 Approval of Financial Statements**

The approval of financial statements including the notes to the financial statements have been adopted by the Board of Directors in its meeting held on----- 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**

The financial statements are presented in Nepalese Rupee, which is also the functional currency of Bank. Figures are rounded off to nearest Rupee, accordingly, minor rounding off error may exist.

## **2.4 Use of Estimates, Assumptions and Judgments**

The NFRS requires the Bank to make estimates and assumptions that may affect the profit or loss, financial position and other details provided in annual report. These assumptions are based on information available and judgment of management of the bank. Actual result may be different than estimated and sometimes the effect may be material.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

Estimates and underlying assumptions are reviewed periodically by bank. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

The accounting estimates and effect of such estimates are disclosed in the relevant notes.

## **2.5 Changes in Accounting Policies**

The financial statements are prepared as per NFRS. There are no changes in accounting policy.

## **2.6 New Standards in Issue but not Yet Effective**

The financial statements are prepared in line with NFRS issued on 2013. NFRS has not been revised thereafter and accordingly, accounting standards issued by International Accounting Standard Boards and revision thereof have not been considered. A new financial reporting standard (NFRS 2018) has been pronounced by the ICAN on 11th Asadh 2077. The NFRS 2018 contains some new standards with amendment to the existing standards.

NFRS 2018 introduces the new standards as mentioned hereunder which has not been made applicable by ICAN up to the reporting date.

NFRS 9

NFRS 14

NFRS 15

NFRS 16

NFRS 17

## 2.7 New Standards and Interpretation not Adapted

NFRS 9 replaces NAS 39. However, impairment loss on loan and advances has been calculated on incurred loss model of NAS 39 rather than expected credit loss model on NFRS 9, which is consistent on following the carve out provided by ICAN.

## 2.8 Discounting

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

## 2.9 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.

## 2.10 Standalone Financial Statements

The presented financial statements is the standalone financial statement of Bank. Bank does not have subsidiary, accordingly, preparation of consolidated financial statement is not required.

## 3 Significant Accounting Policies

The significant accounting policies adopted by Bank while preparing financial statements are as follows:

Note No.	Accounting Policy	Information Note No.
3.1	Basis of Measurement	
3.2	Basis of Consolidation	
3.3	Cash and Cash Equivalent	<u>4.1</u>
3.4	Financial Assets and Financial Liabilities	
3.5	Trading Assets	
3.6	Derivative Assets and Liabilities	
3.7	Property and Equipment	<u>4.13</u>
3.8	Goodwill Intangible assets	
3.9	Investment Property	<u>4.12</u>
3.1	Income tax	<u>4.9</u>
3.11	Deposits, debt securities issued and subordinated	
3.12	Provisions	<u>4.22</u>
3.13	Revenue Recognition	
3.14	Interest expense	<u>4.30</u>
3.15	Employees Benefits	<u>4.23</u>
3.16	Leases	
3.17	Foreign Currency translation	
3.18	Financial guarantee and loan commitment	
3.19	Share capital and reserves	<u>4.26, 4.27</u>
3.2	Earning per share including diluted	
3.21	Segment reporting	<u>5.4</u>

### 3.1 Basis of Measurement

Financial statements are prepared on historical cost convention except for the following material items:

Particulars	Measurement Basis
Investment in shares and mutual fund schemes	Fair value
Non-banking assets	Cost
Long term employee benefits	Accrued amount as of reporting date.
Loans to employees	Amortized cost

### 3.2 Basis of consolidation

Bank does not have subsidiary companies, accordingly, consolidation of financial statements is not a requirement.

### 3.3 Cash and cash equivalent

Cash and cash equivalent comprises of cash, demand deposit and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In general, short term investments with original maturity of up to three months are considered as cash equivalent. Cash and cash equivalent are presented at amortized cost on the financial statements.

### 3.4 Financial assets and financial liabilities

Financial assets is any assets that is cash, equity instrument of another entity or any contractual right to receive cash or financial assets of another entity.

Financial liability is any liability with contractual obligation to deliver cash or other financial assets to another entity.

#### 3.4.1 Recognition

The Bank initially recognizes financial assets or financial liability on the date of which the Bank becomes party to the contractual arrangement.

#### 3.4.2 Classification and Measurement

**Financial Assets:** The classification and measurement of financial assets depend on how these are managed i.e. the

- i) At Amortized Cost
- ii) At Fair Value through Profit or Loss (FVPL)
- iii) At Fair Value through Other Comprehensive Income (FVOCI)

**i) At amortized cost:** Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Bank has intent and ability to hold till maturity. They are initially measured at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

**ii) At fair value through profit or loss:** Financial assets are classified at fair value through profit or loss if the Bank manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to profit or loss.

**iii) At fair value through other comprehensive income:** Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are measured at fair value. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein are recognized in other comprehensive income and presented in the fair value reserve in equity. Bank has opted to classify the investment made in shares as financial assets at FVOCI on initial recognition.

**Financial Liabilities:** Bank classifies its financial liabilities, other than financial guarantee and loan commitments, as measured at amortized cost or fair value through profit or loss. Financial liability is measured initially at fair value, or an item not at fair value through profit or loss, at transactions costs that are directly attributable to its acquisition or issue.

#### 3.4.3 De-recognition

##### Financial Assets

Financial assets are partially or fully de-recognized in any of the following condition:

- termination of contractual rights to cash flow
- upon transfer of contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Bank neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.

On derecognition of a financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit or loss.

##### Financial Liabilities

Upon settlement or termination of any liability related to financial liability, financial liability is de-recognized. The difference between carrying amount and settlement amount is accounted through statement of profit or loss.

#### 3.4.4 Determination of fair value

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. Fair value is initially considered based on quoted rate where the assets or liabilities are principally transaction, in the absence of which the most advantageous market is the active market.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. The market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

#### **Fair Value Hierarchy**

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.

Level 1: Fair value is determined based on quoted price of financial instruments in active market.

Level 2: Fair value is determined based on quoted price of similar financial instruments within consideration to significant observable inputs.

Level 3: Fair value is determined used using other method as the inputs for valuation are unobservable inputs for the asset or liability. Bank has used its own data (accounting value) and considered if there exists factors that would otherwise result in changes to the book value of assets or liabilities for this level of valuation.

#### **3.4.5 Impairment**

At each reporting date, the Bank assesses whether there is objective evidence that financial assets are impaired. The financial assets or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer
- default or delinquency by a borrower
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- indication that a borrower or issuer will enter bankruptcy
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or

In addition, for an investment in an equity security, a significant or prolonged decline in its net worth below its book value is objective evidence of impairment.

The Bank considers evidences of impairment for loans and advances and investment securities at both specific asset and at collective level. All individually significant loans and advances and investment securities 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 that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities with similar risk characteristics.

In assessing the collective impairment, the Bank uses the statistical modeling of historic trends of the probability of default, the time of recoveries and the amount of loss incurred and makes an adjustment if the current economic and credit conditions are such that the actual losses are likely to be greater or lesser than is suggested by historic trends. Default rates, loss rates and expected timing of future recoveries are regularly benchmarked against the actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortized cost are calculated as difference between the carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate.

Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or investment securities. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss (through OCI for such investments measured at fair value through OCI on which there exists fair value reserve).

The Bank writes off a loan or an investment security, either partially or in full and any related allowance for impairment losses, when the Bank determines that there is no realistic prospect of recovery.



### 3.4.6 Amortized cost measurement

The 'amortized cost' of a financial asset and financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between initial amount recognized and the maturity amount minus any reduction for impairment.

### 3.4.7 Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

### 3.5 Trading assets

Trading assets are those assets that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

### 3.6 Derivatives assets and derivative liabilities

Derivative assets and liabilities are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The changes in value of instruments are accounted through profit or loss.

### 3.7 Property and Equipment

Non-financial tangible assets that are held for service providing to customers and for administrative use of the Bank are classified as Property and Equipment.

#### Recognition

Property and Equipment are recognized in books whenever it is probable that future economic benefits associated with such assets will flow to the entity and the amount of assets can be reliably measured.

#### Measurement

At initial recognition, items of property and equipment are measured at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Bank. Ongoing repair and maintenance are expensed off as incurred.

Subsequent to the initial measurement, there is option to measure the assets either on cost or on revaluation. Bank has measured all items at cost on subsequent measurement. On transition to NFRS, the Bank has elected to continue with the carrying value of all of its property and equipment measured as per the previous NAS.

#### Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

#### Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

#### Salvage Value

The Bank has assessed the salvage value of all property, plant and equipment considering the expected realizable value on the end of life of such assets.

### Depreciation

Depreciation is charged upon the assets is available for use and does not cease until the assets is disposed off, classified as held for sale or ceases to generate economic benefits.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property and equipment so as to write-off their carrying value over the expected useful economic lives.

Items of property and equipment are depreciated on Straight Line Method over their useful life.

Management of the Bank has assessed useful life and salvage value of property and equipment, as follows:

Items	Estimated useful life	Salvage Value
Building		
Leasehold Properties	Lease period	0
Computer & Accessories		
Vehicle	5	14%
Furniture & Fixture	4	3%
Machinery	5	5%
Equipment & Others		

### 3.8 Goodwill and Intangible assets

#### Goodwill

Goodwill arises on the acquisition financial institutions when the aggregate of the fair value of the consideration transferred exceed the amount of the identifiable assets and liabilities acquired. If the amount of the identifiable assets and liabilities acquired is greater, the difference is recognized immediately in the Statement of profit or loss.

Goodwill is allocated to cash generating units (CGU) at the lowest level at which goodwill is monitored for internal management process. Impairment testing is performed annually, and whenever there is an indication that CGU may be impaired. If the present value of expected cash inflows is less than carrying amount, impairment loss is recognized and accounted through Statement of Profit or Loss. Goodwill is stated at cost less accumulated impairment losses.

#### Acquired Intangible Assets

Intangible assets are recognized whenever the cost of assets can be reliably measured, by the past experience it is demonstrated Bank has control over such assets for the specified period and it is probable that future economic benefits could be derived from such assets.

#### Computer Software

Computer software are capitalized on the basis of the purchase cost of software or license and costs incurred to bring it to use. Cost of internally developed software includes directly attributable costs.

Intangible assets are amortized over the period of its estimated use, or incase of licenses, over the period of contractual right of use. Whenever there is no specific life or license period, such software are amortized over the period of five years.

At each reporting date, impairment test of intangible assets is done in order to oversee whether the carrying amount exceeds recoverable amount. Impairment loss is charged to Statement of Profit or Loss.

### 3.9 Investment Property

Investment property is land and building held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

Land or building or both acquired by the Bank as part of Non-Banking Assets are carried at the lower of fair value or the total receivable amount of loan, which is the cost of assets to bank.

### 3.10 Income tax

Income tax expenses include current tax, deferred tax and any adjustments recognized in the period for current tax of prior periods.

### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit. This is calculated as per the provisions of Income Tax Act with the effective tax rate for current period. Taxable profit differs from the profit reported in the statement of profit or loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible. Income tax rate applicable for Bank is 30% .

### Deferred Tax

Deferred tax is calculated using balance sheet approach on temporary differences between tax base of assets and liabilities and carrying amount in the financial statements. Deferred tax is calculated using known future tax rate on each reporting date.

Deferred tax is recognized when it is probable that future taxable profit will be available to adjust the impact of temporary differences. Changes in deferred tax over period is recognized as deferred tax income/expenses in Statement of Profit or Loss.

### Income tax on items of OCI

Income tax arising on the items of other comprehensive income is charged to statement of OCI itself.

### 3.11 Deposits, debt securities issued and subordinated liabilities

Deposit are financial liabilities and are generally repayable on demand except fixed period deposit accepted by Bank from its customers.

The bank borrows money by issuing debt securities and subordinated debt. The borrowing is acknowledged or evidenced by issue of a negotiable instrument. The negotiable instrument can be certificate of deposit, commercial paper or debt note. Subordinated debt is issued to meet the capital requirements at bank level and to supply the capital to various operations. This debt generally consists of negotiable instruments and is usually listed on exchanges providing an active secondary market for the debt.

### 3.12 Provisions

Provision is a liability with uncertain timing and event. Provision is recognized if as a result of a past event, the group 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. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The institution has deposit in Crystal Finance Limited amounting to Rs. 30,515,874. The institution is declared crisis ridden financial institution by the NRB. In view of this provision is made for the balance in the Crystal Finance.

Particulars	Amount
Receivable from Crystal Finance	30,515,874
Provision for Bank Balance(Crystal Finance)	30,515,874

**Contingent Liabilities:** Contingent liabilities are i) possible obligations arising from past events whose existence will be confirmed on happening or not happening or uncertain future events not wholly within the control of Bank, or ii) a present obligation arising from past events but are not recognized because outflow of resources to settle may not be required or such amount can not be reliably estimated.

Contingent liabilities are separately disclosed in financial statements.

### 3.13 Revenue Recognition

Revenue is recognized in line with NAS 18 Revenue when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

### 3.13.1 Interest income

Interest Income from Loans and advances to customer is recognized by following Effective interest method and provision has been created for the differential interest income between two bases(cash and accrual) of accounting to Regulatory Reserve. AIR from loss loan is excluded from interest income. AIR amounting to RS 14,792.07 is booked as interest income and regulatory reserve has been created for the same as well.

Bank, in general, generates interest income from loan to customers and on investment in debt securities.

### 3.13.2 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided or significant act performed. the fees and commission income and expense that are integral to the effective interest rate on the financial assets and financial liability are included in the measurement of the effective interest rate. Bank has opted to use carve-out as mentioned in Note 2.1.1 (c) on this matter and accounted all realized fee and commission income upfront.

Commission on guarantees issued that are for more than one year are immediately accounted as income. If the period of guarantee is more than one year, then proportionate amount of fee is accounted as income.

### 3.13.3 Dividend income

Dividend income is recognized when the right to receive dividend is established i.e. dividend is approved by general meeting of companies.

Dividend income if related to period earlier than the date of acquisition of shares and it amount related to pre and post acquisition could be segregated, then the pre-acquisition period dividend is adjusted to cost of investment.

### 3.13.4 Net trading income

Income derived from buying/selling of assets and liabilities classified as for trading purpose are accounted as net trading income. Gain and loss on trading assets and liabilities are recognized on mark to market basis and not on realization basis.

### 3.13.5 Other Operating Income

Income other than interest, fees & commission and trading income are accounted as other operating income. This primarily comprises of changes in foreign exchange rate, dividend income, gain on disposal of non-financial assets etc.

### 3.14 Interest expense

Interest on deposit accepted from customer and borrowings of the bank are accounted on accrual basis.

### 3.15 Employees Benefits

Employee expenses includes the amount paid to employees of bank in respect of their service. Payment in respect of services are for the current service and long term benefits. Long term benefits are in the form of defined contribution plan and defined benefit plan. Expenses under defined contribution plan are accounted as they incur and on defined benefit plan as per accrual on reporting date.

**Short term employee benefits include** salary, allowance, encashment of unused leave, provident fund, annual bonus based on profit of the Bank, subsidized loans etc. These are provided as the services are rendered by the employees and measured on undiscounted amount of payment made.

Long term employee benefits include accumulated leave not encashed during service period. These are generally paid on retirement or termination of service of the employee.

Employee benefits are provided as per Employee Service Regulation of the Bank.

### 3.16 Leases

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to 1 Shrawan 2074 the Bank has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Bank has not entered into finance lease.

Payment made under operating leases are recognized in profit or loss as per contractual rates with periodic adjustment on inflation rate upto fiscal year 74-75 Also, this method is more representative to the nature of expenses than the Straight line method.

Thereafter payment made under operating lease is equalised over remaining lease term.

### 3.17 Foreign Currency Transaction

Transaction in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate of exchange prevailing on that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payment during the year and the amortized cost in the foreign currency translated at the rate of exchange at the reporting date.

Non monetary assets and liabilities that measured at fair value in a foreign currency are translated into the functional currency at the rate of exchange prevailing at the date on which the fair value is determined. Non monetary items that are measured based on historical cost in the foreign currency are translated using the rate of exchange on the date of transactions. The resulting exchange gain or loss differences are generally recognized in Profit or Loss.

### 3.18 Financial guarantee and loan commitment

Financial guarantees are contract that require the Fund to make specified payments to reimburse the holder for a loss that incurs because a specified debtors fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments<sup>1</sup> are firm commitments to provide credit under pre-specified terms and conditions.

Liabilities arising from financial guarantees or commitments to provide a loan at a below -market interest rate are initially measured at fair value and the initial fair value is amortized over the life of the guarantee or the commitment. The liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable. Financial guarantees and commitments to provide a loan at a below market interest rate included within other liabilities.

### 3.19 Share Capital and Reserves

#### 3.19.1 Share Capital

Equity share capital is financial instruments issued by the company only to the extent that they do not meet the definition of financial liabilities.

All the issued shares are paid up and are listed with Nepal Stock Exchange for the purpose of trading by shareholders. All shares have right to vote on the basis of no. of shares hold. Bank does not have shares of other kind other than ordinary shares.

#### Proposed Bonus Share

The proposed bonus shares have not been issued to the shareholders as it may violate the restriction of maximum shareholding limitation of 15%. The shares will be issued after the shareholding is brought within the above limit.

#### 3.19.2 Reserves

Bank has created various types of reserves as part of regulatory requirement.

##### a) General Reserve

General reserve is the statutory reserve. In this reserve, the amount transformed from appropriation of net profit according to the Banks and Financial Institutions Act, 2073 shall be included. No type of dividend (cash or bonus share) shall be distributed from the amount in general/statutory reserve. Approval of NRB shall be required in order to use the amount in this reserve.

**b) Exchange Equalization Reserve**

Exchange equalization reserve is a statutory reserve. A bank which has earned foreign exchange revaluation gain on foreign currency other than India currency has to allocate 25 percent of such revaluation gain to this reserve as per provision of the Bank and Financial Institution Act. Any amount allocated to exchange equalization reserve as per the provision of the Bank and Financial Institutions Act, shall be presented under this heading.

**c) Corporate Social Responsibility (CSR) Reserve**

In line with clause 16 of Directive 16/075, Bank is required to allocate 1% of its net profit for the year for CSR and is required to create CSR Reserve. The amount appropriated to this reserve is expensed off as prescribed in the same Directive in the next fiscal year.

**d) Regulatory Reserve**

This is specific reserve created in line with NRB Directive 4. All the adjustments made in NFRS that are different from earlier NRB Directives are included in this fund. This fund is not available for distribution of dividend. The provision for NBA as required by GAAP but not required by NFRS is included in regulatory reserve. Wright back of Provision for NBA at the time of sale of NBA, amounting RS 24,69,249 is done during FY 77/78. AIR (good loan) Rs 14,792 being transferred to regulatory reserve as it is booked as interest income for the year. Deffered Tax Assets for the Fiscal year 77/78 of Rs 165,728 is transferred to Regulatory Reserve.

**Regulatory Reserve Comprises of Following**

Particulars	Amount
Interest Income On NFRS	14,792
Deferred Tax Assets	165,728
Others	5,495,000
<b>Total</b>	<b>5,675,520</b>

**e) 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. should be presented under this heading.

**f) Fair Value Reserve**

The fair value reserve comprises the cumulative net change in the fair value of financial assets that are measured at fair value and the changes in fair value is recognized in other comprehensive income, until the assets are derecognized. The cumulative amount of changes in fair value of those financial assets shall be presented under this account head.

**g) Actuarial Gain Reserve**

This reserve is for presenting the OCI component of defined benefit obligations. This is not an actual reserve.

**h) Special Reserve**

In line with circular no. 12/072/073, the interest capitalized on loan that have been restructured or rescheduled because of the borrower facing difficulty resulting from earthquake in 2072 is kept in this reserve. The reserve is required to be maintained till the loan is settled.

**i) 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 values and tax consequences of revaluation.

**j) Capital Redemption Reserve**

This head shall include the statutory reserve created for making payment towards Redeemable Non-Convertible Preference Shares.

**k) Dividend Equalization Reserve**

For the purpose of maintaining uniformity in dividend payment, certain amount of profit during the year of profit making may be transferred shall be presented under this account head. Dividend may be distributed by debiting this account with the approval of the Board of Directors and endorsed by the General meeting.

**l) 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.

**m) Capital Adjustment/ Equilization Fund**

Calls in advance towards subscription to sharecapital and amount set aside for increasing the capital of the institution to fulfill minimum capital requirement are presented under this head.

**3.19.3 Share Premium**

The amount of money collected on issue of shares in excess of its face value shall be presented under this heading. The outstanding amount in this account shall not be considered eligible for distribution of cash dividend.

**3.19.4 Retained Earning**

The accumulated profits which has not been distributed to shareholders and has been ploughed back in the licensed institutions' operations and is free for distribution to the shareholders is be presented under this heading. There is no unrealised gain on sale of investment during Ashadh end 2078.

**3.20 Earning per share including diluted**

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.

**3.21 Segment reporting**

Segment has been segregated based on the management function of bank and accordingly, the seven states of Nepal are considered as the segments. Income and expenses directly related to such segments are reported. Assets and liabilities specific to those are presented as segment assets and liabilities. Income tax is not segregated.

**3.22 Events after Reporting Date**

These are the events occurring between the reporting date and up to the date of approval of financial statements which are either adjustable or unadjustable.

Adjustable events are adjusted in the presented financial statements. There are no events that require additional disclosure in the financial statements.

**3.23 Account Receivables**

The following account receivables on which 100% provision has been made is shown net of provision in the financial statements.

<b>Particulars</b>	<b>Amount</b>
Receivable from Crystal Worldwide Money Transfer	6,012,551.37
Interest Receivable from Crystal Worldwide Money Transfer	2,134,306.00
Receivable from Crystal Finance	30,515,874
Receivable from Dibya Kumar Shrestha	70,091,171.72
<b>Total</b>	<b>108,753,903.40</b>

### 3.24 Non-performing assets

The Total non performing loan and advances is Rs 9,195,000 and loan loss provision related to the non performing loans and advances is Rs 8,666,000 which is 94.25% of NPA(Rounded upto nearest thousand) and total loan loss provision to NPA is 115.45%. NPL is 9.7%.

## Narayani Development Bank Limited

Classification of Loans, Advances & Bills Purchase and Provisioning

At the year ended Ashadh, 2078

Particulars	Loans & Advances										Bills Purchased/Discounted			Total								
	Domestic					Foreign					Domestic	Foreign	Total									
	Deprived Sector		Other			Foreign			Total													
	Insured	Uninsured	2	3	4	5=1+2+3+4	6	7		8=6+7	9=5+8											
<b>1 Performing Loan and Advances</b>																						
1.1 Pass Loan	4,863	16,000	16,000	64,377	-	85,240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,240	
1.1.1 Pass Loan (other than Restructured/Rescheduled Covid Related)	4,463	16,000	16,000	58,551	-	79,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,014	
1.1.2 Pass Loan (Restructured/Rescheduled Covid Related)	4,463	16,000	16,000	58,551		79,014															79,014	
1.2 Watch List	400			5,826		6,226																6,226
<b>2 Non-Performing Loan and Advances</b>	774	-	-	8,421	-	9,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,195
2.1 Restructured / Rescheduled																						
2.2 Sub-standard																						
2.3 Doubtful																						
2.4 Loss	774			7,716		8,490																8,490
<b>3 Total Loan and Advances (1+2)</b>	5,637	16,000	16,000	72,798	-	94,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	94,435
<b>4 Total Loan Loss Provision</b>	852	208	208	8,945	-	10,005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,005
4.1 Pass	58	208	208	762		1,028																1,028
4.2 Watch List	20			291		311																311
4.3 Restructured / Rescheduled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3.1 Restructured / Rescheduled Covid Related																						
4.3.2 Restructured / Rescheduled Covid Related																						
4.3.2 Restructured / Rescheduled Others																						
4.4 Sub-standard				176		176																176
4.5 Doubtful																						
4.6 Loss	774			7,716		8,490																8,490
4.7 Additional																						
4.8 SOL exceed																						
4.9 PG & Third party collateral																						
<b>Net Loan (3-4)</b>	4,785	15,792	15,792	63,853	-	84,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,430

Pass Loan Consists of loan to Microfinances amounting to RS 16,000,000



**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Cash and cash equivalent** 4.1

Particulars	As at 31.03.2078	As at 31.03.2077
Cash in hand	12,706,552.18	723,111
Balances with B/FIs	61,382,457.71	103,378,141
Money at call and short notice		
Other		
<b>Total</b>	<b>74,089,010</b>	<b>104,101,252</b>

**Due from Nepal Rastra Bank** 4.2

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory balances with NRB	19,036,854.43	4,459,545
Securities purchased under resale agreement		
Other deposit and receivable from NRB		
<b>Total</b>	<b>19,036,854</b>	<b>4,459,545</b>

**Placements with Bank and Financial Institutions** 4.3

Particulars	As at 31.03.2078	As at 31.03.2077
Placement with domestic B/FIs		
Placement with foreign B/FIs		
Less: Allowances for impairment	-	-
<b>Total</b>	-	-

**Derivative financial instruments** 4.4

Particulars	As at 31.03.2078	As at 31.03.2077
Held for trading		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
Held for risk management		
Interest rate swap		
Currency swap		
Forward exchange contract		
Other		
<b>Total</b>	-	-

**Other trading assets** 4.5

Particulars	As at 31.03.2078	As at 31.03.2077
Treasury bills		
Government bonds		
NRB Bonds		
Domestic Corporate bonds		
Equities		
Other		
<b>Total</b>	-	-
Pledged		
Non-pledged		

**Loan and advances to B/FIs** 4.6

Particulars	As at 31.03.2078	As at 31.03.2077
Loans to microfinance institutions	16,000,000.00	
Other		
Less: Allowances for impairment	(208,000.00)	
<b>Total</b>	<b>15,792,000.00</b>	-

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.6.1: Allowances for impairment**

<b>Balance at Sawan 1</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Impairment loss for the year:		
Opening		
Charge for the year		
Recoveries/reversal		
Amount written off		
<b>Balance at Asar end</b>	-	-

**Loans and advances to customers**

**4.7**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Loan and advances measured at amortized cost	78,434,815	11,723,695
Less: Impairment allowances		
Collective impairment	1,130,480	8,730,024
Individual impairment	8,666,075.35	
<b>Net amount</b>	<b>68,638,260</b>	<b>2,993,671</b>
Loan and advances measured at FVTPL		
<b>Total</b>	<b>68,638,260</b>	<b>2,993,671</b>

**Disclosure:** The Individual impairment consists of Loan Loss Provision of Staff loan(Bad) Rs 1,032,953.

The above amount of impairment allowance is as per Directive issued by Nepal Rastra Bank.

Provided below is the impairment calculated as per NFRS:

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Individual impairment	8,666,075.35	
Collective impairment	1,130,480	8,730,024
<b>Total</b>	<b>9,796,555</b>	<b>8,730,024</b>

**Loan classification and impairment allowance as per NRB Directive 2 is as follows:**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
<b>Performing loan</b>	<b>68,582,158</b>	<b>2,721,890</b>
Good	62,356,182.93	2,721,890
Watchlist	6,225,974.84	
<b>Non-performing loan</b>	<b>8,161,934</b>	<b>7,456,852</b>
Substandard	705082.59	
Doubtful		
Loss	7,456,851.70	7,456,852
<b>Total</b>	<b>76,744,092</b>	<b>10,178,742</b>
<b>Add: loan to employees and Net AIR</b>	<b>1,690,723.33</b>	<b>1,544,953</b>
<b>Total loan</b>	<b>78,434,815</b>	<b>11,723,695</b>
<b>Impairment allowance</b>		
<b>Performing loan</b>	<b>1,130,480</b>	<b>27,219</b>
Good	819,181.39	27,219
Watchlist	311,298.74	
<b>Non-performing loan</b>	<b>8,666,075</b>	<b>8,702,805</b>
Substandard	176270.6475	
Doubtful		
Loss	8,489,804.70	8,702,805
Additional		
<b>Total</b>	<b>9,796,555</b>	<b>8,730,024</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.7.1: Analysis of loan and advances - By Product**

Product	As at 31.03.2078	As at 31.03.2077
Term loans		
Overdraft	31,929,361.05	72,000
Trust receipt/Import loans		
Demand and other working capital loans		
Personal residential loans	7,907,050.97	
Real estate loans		
Margin lending loans		
Hire purchase loans	13,552,403.00	3,939,056
Deprived sector loans	650,545.66	250,546
Bills purchased		
Staff loans	1,690,723.33	
Service Loan	25,000.00	25,000
Industrial Loan		
Agriculture Loan	4,986,308.03	523,499
Commercial Loan	12,309,990.34	
Loan Against FDR		
Loan Against Share		
Investment on Sworojgar	2721890.00	2,721,890
Other	2,646,750.94	2,646,751
<b>Sub total</b>	<b>78,420,023</b>	<b>10,178,742</b>
Interest receivable	14,792.07	
<b>Grand total</b>	<b>78,434,815</b>	<b>10,178,742</b>

**4.7.2: Analysis of loan and advances - By Currency**

Currency	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	78,434,815	10,178,742
Indian rupee		
United State dollar		
Great Britain pound		
Euro		
Japanese yen		
Chinese yuan		
Other		
<b>Total</b>	<b>78,434,815</b>	<b>10,178,742</b>

**4.7.3: Analysis of loan and advances - By Collateral**

Collateral	As at 31.03.2078	As at 31.03.2077
<b>Secured</b>		
Movable/immovable assets	75,712,925.39	7,456,852
Gold and silver		
Guarantee of domestic B/FIs		
Government guarantee	2721890.00	2,721,890
Guarantee of international rated bank		
Collateral of export document		
Collateral of fixed deposit receipt		
Collateral of Government securities		
Counter guarantee		
Personal guarantee		
Other collateral		
<b>Subtotal</b>	<b>78,434,815</b>	<b>10,178,742</b>
<b>Unsecured</b>		
<b>Grant Total</b>	<b>78,434,815</b>	<b>10,178,742</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.7.4: Allowances for impairment**

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Specific allowances for impairment</b>		
Balance at Sawan 1	-	-
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal during the year		
Write-offs		
Exchange rate variance on foreign currency		
Other movement		
<b>Balance at Asar end</b>	-	-
<b>Collective allowances for impairment</b>		
Balance at Sawan 1	8,730,024	10,874,317
Impairment loss for the year:		
Transfer On Merger and Acquisition		
Charge/(reversal) for the year	1,066,531	(1,845,293)
Exchange rate variance on foreign currency		
Other movement		(299,000)
<b>Balance at end</b>	<b>9,796,555</b>	<b>8,730,024</b>
<b>Total allowances for impairment</b>	<b>9,796,555</b>	<b>8,730,024</b>

**Investment securities**

**4.8**

Particulars	As at 31.03.2078	As at 31.03.2077
Investment securities measured at amortized cost	4,000,000	
Investment in equity measured at FVTOCI	494,278	270,657
<b>Total</b>	<b>4,494,278</b>	<b>270,657</b>

**4.8.1: Investment securities measured at amortized cost**

Particulars	As at 31.03.2078	As at 31.03.2077
Debt securities		
Government bonds	4,000,000.00	
Government treasury bills		
Nepal Rastra Bank bonds		
Nepal Rastra Bank deposits instruments		
Other		
Less: specific allowances for impairment		
<b>Total</b>	<b>4,000,000</b>	-

Government bond consist of Development Bond issued by NRB

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

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Equity instruments</b>		
Quoted equity securities	494,278	270,657
Unquoted equity securities		
<b>Total</b>	<b>494,278</b>	<b>270,657</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.8.3: Information relating to investment in equities**

Particulars	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>				
Prudential Insurance Company Limited - Ordinary Share	91,671	494,278	54,900	270,657
Lumbini General Insurance Company Limited - Ordinary Share	54,900	444,690	54,900	270,657
Investment on share Butwal Power Company Ltd.	36,771	49,588	-	
<b>Total</b>	<b>91,671</b>	<b>494,278</b>	<b>54,900</b>	<b>270,657</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Current tax assets**

4.9

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Current tax assets</b>	<b>9,790,725</b>	<b>9,632,058</b>
Current year income tax assets	9,790,725	9,632,058
Tax assets of prior periods		
<b>Current tax liabilities</b>	<b>-</b>	<b>-</b>
Current year income tax liabilities		
Tax liabilities of prior periods		
<b>Total</b>	<b>9,790,725</b>	<b>9,632,058</b>

**Investment in subsidiaries**

4.10

Particulars	As at 31.03.2078	As at 31.03.2077
Investment in quoted subsidiaries		
Investment in unquoted subsidiaries		
<b>Total investment</b>	<b>-</b>	<b>-</b>
Less: Impairment allowances		
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>

Narayani Development Bank Limited  
Notes to Financial Statements

**4.10.1: Investment in quoted subsidiaries**

	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
.....				
<b>Total</b>	-	-	-	-

**4.10.2: Investment in unquoted subsidiaries**

	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
.....Ltd.				
.....shares of Rs. ....each				
.....Ltd.				
.....shares of Rs. ....each				
.....				
<b>Total</b>	-	-	-	-

**4.10.3: Information relating to subsidiaries of the Bank**

	Percentage of ownership held by the Bank	
	As at 31.03.2078	As at 31.03.2077
.....Ltd.		
.....Ltd.		
.....Ltd.		
.....Ltd.		
<b>Total</b>	-	-

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.10.4: Non controlling interest of the subsidiaries**

	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
	<b>... Ltd.</b>	<b>... Ltd.</b>
Equity interest held by NCI (%)		
Profit/(loss) allocated during the year		
Accumulated balances of NCI as on Asar end		
Dividend paid to NCI		
	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
	<b>... Ltd.</b>	<b>... Ltd.</b>
Equity interest held by NCI (%)		
Profit/(loss) allocated during the year		
Accumulated balances of NCI as on Asar end		
Dividend paid to NCI		
	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
	<b>... Ltd.</b>	<b>... Ltd.</b>
Equity interest held by NCI (%)		
Profit/(loss) allocated during the year		
Accumulated balances of NCI as on Asar end		
Dividend paid to NCI		

**Investment in associates**

**4.11**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Investment in quoted associates		
Investment in unquoted associates		
<b>Total investment</b>	-	-
Less: Impairment allowances		
<b>Net carrying amount</b>	-	-



**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.11.1: Investment in quoted associates**

	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
<b>Total</b>	-	-	-	-

**4.11.2: Investment in unquoted associates**

	As at 31.03.2078		As at 31.03.2077	
	Cost	Fair Value	Cost	Fair Value
<b>Total</b>	-	-	-	-

**4.11.3: Information relating to associates of the Bank**

	Percentage of ownership held by the Bank	
	As at 31.03.2078	As at 31.03.2077
<b>Total</b>	-	-

**4.11.4: Equity value of associates**

	As at 31.03.2078	As at 31.03.2077

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Investment properties**

4.12

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Investment properties measured at fair value</b>		
Balance as on Sawan 1, .....		
Addition/disposal during the year		
Net changes in fair value during the year		
Adjustment/transfer		
<b>Net amount</b>	-	-
<b>Investment properties measured at cost</b>		
Balance as on Sawan 1	7,982,759	7,982,759
Addition during the year		
Disposal during the year	(2,469,249)	
Adjustment/transfer		
Accumulated depreciation		
Accumulated impairment loss		
<b>Net amount</b>	<b>5,513,510</b>	<b>7,982,759</b>
<b>Total</b>	<b>5,513,510</b>	<b>7,982,759</b>

**Note 4.12.1: Investment property comprise the following**

Own Land	18,510	18,510
Non-Banking Assets	5,495,000	7,964,249
<b>Total</b>	<b>5,513,510</b>	<b>7,982,759</b>

**Note 4.12.2: Details of Non Banking Assets:**

Borrower's or Party's Name & Address	Acquisition date of Non-banking assets	As at 31.03.2078	As at 31.03.2077
1.Saibaba Kastha furniture Udhyog pvt ltd. (Gun Bahadur Thapa)	7/23/2074	5,495,000	5,513,510
2.Dhurba Thapa	7/23/2074	-	2,469,249
<b>Total</b>		<b>5,495,000</b>	<b>7,982,759</b>

Note: Fair Value of NBA is RS 7,280,000 (distress value Rs 5,830,000)

Narayani Development Bank Limited  
Notes to Financial Statements

4.13

Property and Equipment

Particulars	Land	Building	Leasehold Properties	Computer & Accessories	Vehicle	Furniture & Fixture	Machinery	Equipments & Others	Software	Total
<b>Cost</b>										
<b>As on Sawan 1, 2077</b>	-	<b>251,085</b>	-	<b>357,289</b>	<b>247,942</b>	<b>176,099</b>	<b>177,143</b>	<b>4,472</b>	-	<b>1,214,031</b>
Addition during the Year			394,597	2,786,941	6,693,514	754,789		139,414	5,241,892	16,011,147
Acquisition										
Acquired on business combination										
Capitalization										
Disposal during the year				(6,658)	(155,406)					(162,064)
Adjustment/Revaluation										
<b>Balance as on Asar end 2078</b>	-	<b>251,085</b>	<b>394,597</b>	<b>3,137,572</b>	<b>6,786,050</b>	<b>930,888</b>	<b>177,143</b>	<b>143,887</b>	<b>5,241,892</b>	<b>17,063,115</b>
Impairment for the year										
Depreciation charge for the Year		(12,554)	(3,243)	(938,418)	(977,904)	(143,598)	(26,571)	(10,934)	(524,189)	(2,137,537)
Accu. Depreciation on assets acquired on business combination										
Disposals										
Adjustment										(499,874)
<b>As on Asar 31, 2078</b>	-	<b>238,531</b>	<b>391,354</b>	<b>2,199,154</b>	<b>5,808,146</b>	<b>787,291</b>	<b>150,572</b>	<b>132,953</b>	<b>4,717,703</b>	<b>14,425,704</b>

Narayani Development Bank Limited  
Notes to Financial Statements

Goodwill and Intangible Assets

4.14

Particulars	Goodwill	Software		Other	Total
		Purchased	Developed		
<b>Cost</b>					
<b>As on Sawan 1, 2074</b>					
Addition during the Year					
Acquisition					
Acquired on business combination					
Capitalization					
Disposal during the year					
Adjustment/Revaluation					
<b>Balance as on Asar end 2075</b>	-	-	-	-	-
Addition during the Year					
Acquisition					
Acquired on business combination					
Capitalization					
Disposal during the year					
Adjustment/Revaluation					
<b>Balance as on Asar end 2076</b>	-	-	-	-	-
<b>Balance as on Asar end 2075</b>					
Addition during the Year					
Acquisition					
Acquired on business combination					
Capitalization					
Disposal during the year					
Adjustment/Revaluation					
<b>Balance as on Asar end 2077</b>					
<b>Amortization and Impairment</b>					
<b>As on Sawan 1, 2074</b>					
Amortization charge for the Year					
Impairment for the year					
Disposals					
Adjustment					
<b>As on Asar end 2075</b>	-	-	-	-	-
Amortization charge for the Year					
Impairment for the year					
Acquired on business combination					
Disposals					
Adjustment					
<b>As on Asar end 2076</b>	-	-	-	-	-
Amortization charge for the Year					
Impairment for the year					
Acquired on business combination					
Disposals					
Adjustment					
<b>As on Asar end 2077</b>					
<b>Capital Work in Progress</b>					
<b>Net Book Value</b>					
<b>As on Asar end 2074</b>	-	-	-	-	-
<b>As on Asar end 2075</b>	-	-	-	-	-
<b>As on Asar end 2076</b>	-	-	-	-	-
<b>As on Asar end 2077</b>	-	-	-	-	-

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Deferred Tax**

4.15

Particulars	Adjustment		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
<b>Deferred tax on temporary differences on following items</b>			
Loan and Advance to B/FIs			
Loans and advances to customers			
Investment properties		-	-
Investment securities		120,782	(120,782)
Property & equipment	286,510		286,510
Employees' defined benefit plan			
Lease liabilities			
Provisions			
Other temporary differences			
<b>Deferred tax on temporary differences</b>	<b>286,510</b>	<b>120,782</b>	<b>165,728</b>
Deferred tax on carry forward of unused tax losses			
Deferred tax due to changes in tax rate			
<b>Net Deferred tax asset/(liabilities) as on year end of .....</b>	<b>286,510</b>	<b>120,782</b>	<b>165,728</b>
Deferred tax (asset)/liabilities as on Sawan 1, .....			(1,947,684)
Deferred tax (assets)/liability transferred on acquisition			
<b>Origination/(Reversal) during the year</b>			
Deferred tax (expense)/income recognized in profit or loss			2,170,841
Deferred tax (expense)/income recognized in other comprehensive income			(56,055)
Deferred tax (expense)/income recognized in directly in equity			

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Other Assets**

4.16

Particulars	As at 31.03.2078	As at 31.03.2077
Assets held for sale		
Other non banking assets		
Bills receivable		
Accounts receivable	1,908,705	4,010,142
Accrued income		
Prepayments and deposit		
Income tax deposit		
Deferred employee expenditure		
Prepaid Expenses	309,125	
Other	2,547,822	52,294
<b>Total</b>	<b>4,765,652</b>	<b>4,062,436</b>

**Disclosure:** Provisions are made for Account Receivables as Follows:

	Amount
<b>Receivable from Dibya Kumar Shrestha</b>	<b>70,091,173</b>
<b>Provision for Sundry Debtors (Dibya kumar shrestha)</b>	<b>70,091,173</b>
	Amount
<b>Receivable from Crystal Worldwide Money Transfer</b>	<b>6,012,551</b>
<b>Provision For Advance</b>	<b>6,012,551</b>
	Amount
<b>Receivable from Crystal Finance</b>	<b>30,515,874</b>
<b>Provision for Bank Balance(Crystal Finance)</b>	<b>30,515,874</b>
<b>Net</b>	<b>(0)</b>

<b>Net Of Account receivables</b>	
	Amount
Account Receivables	104,684,759
Total Provision less Provision For advance	(102,776,054)
<b>Total</b>	<b>1,908,705</b>
<b>Net of Other Assets (other)</b>	
Other	8,560,373
Provision For Advance	(6,012,551)
<b>Net of Other Assets (other)</b>	<b>2,547,822</b>
<b>Total Provision made</b>	

Provision for Advance is deducted from Other Assets(other) and remaining provision amount of Rs 102,776,054 is deducted from Account receivables.

Particulars	Amount
PROVISION FOR RECEIVABLE OTHERS	2,134,306
PROVISION FOR SUNDRY DEBTORS	70,125,873
PROVISION FOR ADVANCE	6,012,551
PROVISION FOR BANK BALANCE(Crystal Finance)	30,515,874
<b>Total</b>	<b>108,788,605</b>

**Due to Bank and Financial Institutions**

4.17

Particulars	As at 31.03.2078	As at 31.03.2077
Money market deposits		
Interbank borrowing		
Other deposits from BFIs		
Settlement and clearing accounts		
Other deposits from BFIs		
<b>Total</b>	<b>-</b>	<b>-</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Due to Nepal Rastra Bank**

**4.18**

Particulars	As at 31.03.2078	As at 31.03.2077
Refinance from NRB		
Standing Liquidity Facility		
Lender of last report facility from NRB		
Securities sold under repurchase agreements		
Other payable to NRB		
<b>Total</b>	-	-

**Derivative financial instruments**

**4.19**

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Held for trading</b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
<b>Held for risk management</b>		
Interest rate swap		
Currency swap		
Forward exchange contract		
Others		
<b>Total</b>	-	-

**Deposits from customers**

**4.20**

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Institutions customers:</b>		
Term deposits	20,000,000	
Call deposits		
Current deposits	11,904,785	7,156,472
Other		
<b>Individual customers:</b>		
Term deposits	6,715,711	5,211
Saving deposits	59,720,993	18,558,729
Current deposits		
Other	128,341	128,341
<b>Total</b>	<b>98,469,829</b>	<b>25,848,752</b>

**4.20.1: Currency wise analysis of deposit from customers**

Particulars	As at 31.03.2078	As at 31.03.2077
Nepalese rupee	98,469,829	25,848,752
Indian rupee		
United State dollar		
Great Britain pound		
Euro		
Japanese yen		
Chinese yuan		
Other		
<b>Total</b>	<b>98,469,829</b>	<b>25,848,752</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Borrowing** 4.21

Particulars	As at 31.03.2078	As at 31.03.2077
Domestic Borrowing		
Nepal Government		
Other Institutions		
Other		
<b>Sub total</b>	-	-
Foreign Borrowing		
Foreign Bank and Financial Institutions		
Multilateral Development Banks		
Other Institutions		
<b>Sub total</b>	-	-
<b>Total</b>	-	-

**Provisions** 4.22

Particulars	As at 31.03.2078	As at 31.03.2077
Provisions for redundancy		
Provision for restructuring		
Pending legal issues and tax litigation		
Onerous contracts		
Other	-	40,750,137
<b>Total</b>	-	<b>40,750,137</b>

**4.22.1: Movement in provision**

Particulars	As at 31.03.2078	As at 31.03.2077
Balance at Sawan 1	40,750,137	40,343,135
Provisions made during the year	(30,431,259)	407,002
Provisions used during the year		
Provisions reversed during the year	(10,318,877)	
Unwind of discount		
<b>Balance at Asar end</b>	-	<b>40,750,137</b>

**Other liabilities** 4.23

Particulars	As at 31.03.2078	As at 31.03.2077
Liability for employees defined benefit obligation	2,469,242	1,455,137
Liability for long-service leave	910,218	
Short-term employee benefits		
Bills payable		
Creditors and accruals	32,303,826	23,500,190
Interest payable on deposit	84,444	75,896
Interest payable on borrowing		
Liabilities on deferred grant income		
Unpaid Dividend		
Liabilities under Finance Lease		
Employee bonus payable		
Other	228,891	102,521
<b>Total</b>	<b>35,996,620</b>	<b>25,133,745</b>

**4.23.1: Defined benefit obligations**

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

Particulars	As at 31.03.2078	As at 31.03.2077
Present value of unfunded obligations		
Present value of funded obligations		
Total present value of obligations		
Fair value of plan assets		
Present value of net obligations		
Recognized liability for defined benefit obligations		



**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.23.2: Plan assets**

Plan assets comprise

Particulars	As at 31.03.2078	As at 31.03.2077
Equity securities		
Government bonds		
Bank deposit		
Other		
<b>Total</b>	-	-

Actual return on plan assets

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

Particulars	As at 31.03.2078	As at 31.03.2077
Defined benefit obligations at Sawan 1		
Actuarial losses		
Benefits paid by the plan		
Current service costs and interest		
Defined benefit obligations at Asar end		

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

Particulars	As at 31.03.2078	As at 31.03.2077
Fair value of plan assets at Sawan 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 Asar end		

**4.23.5: Amount recognized in profit or loss**

Particulars	As at 31.03.2078	As at 31.03.2077
Current service costs		
Interest on obligation		
Expected return on plan assets		
<b>Total</b>	-	-

**4.23.6: Amount recognized in other comprehensive income**

Particulars	As at 31.03.2078	As at 31.03.2077
Actuarial (gain)/loss		
<b>Total</b>	-	-

**4.23.7: Actuarial assumptions**

Particulars	As at 31.03.2078	As at 31.03.2077
Discount rate		
Expected return on plan asset		
Future salary increase		
Withdrawal rate		

**Debt securities issued**

4.24

Particulars	As at 31.03.2078	As at 31.03.2077
Debt securities issued designated as at fair value through profit or loss		
Debt securities issued at amortized cost		
<b>Total</b>	-	-

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Subordinated Liabilities**

4.25

Particulars	As at 31.03.2078	As at 31.03.2077
Redeemable preference shares		
Irredeemable cumulative preference shares		
Other		
<b>Total</b>	-	-

**Share capital**

4.26

Particulars	As at 31.03.2078	As at 31.03.2077
Ordinary shares	121,188,700	55,571,800
Convertible preference shares (equity component)		
Irredeemable preference shares (equity component)		
Perpetual debt (equity component only)		
Proposed Bonus Share	10,045,100	10,045,100
<b>Total</b>	<b>131,233,800</b>	<b>65,616,900</b>

**4.26.1: Ordinary shares**

Particulars	As at 31.03.2078	As at 31.03.2077
Authorized Capital		
5,300,000 Ordinary share of Rs. 100 each	530,000,000	400,000,000
Issued capital		
13,12,338 Ordinary share of Rs. 100 each	131,233,800	87,500,000
Subscribed and paid up capital		
13,12,338 Ordinary share of Rs. 100 each	131,233,800	55,571,800
<b>Total</b>	<b>131,233,800</b>	<b>55,571,800</b>

Regulatory capital for the related years are:

Reconciliation of no. of equity shares	As at 31.03.2078	As at 31.03.2077
Opening	555,718	555,718
Add: issued during the year	756,620	-
Closing	<b>1,312,338</b>	<b>555,718</b>

The shareholders holding 0.5% or more of total paid up capital as at 31.03.2078 are as follows:

Name of Shareholders	Percentage
Ropa Investment Pvt. Ltd.	9.89%
Anju Devi Shrestha	7.19%
Ramkishan Gotame	7.19%
Alpana Shrestha	4.25%
Arjun Kumar Pokhrel	4.00%
Uttam Prasad dwa	4.00%
Hema Kumari Lohani	3.81%
Lawa Prasad Mally	3.75%
Lav Prasad Malli	3.75%
Ambi Ratna Shakya	3.72%
Rabin Dahal	3.61%
Jamuna Krishna Tamrakar	2.50%
Tirtha Ram Shrestha	1.94%
Dhirendra Mainali	1.88%
Reliable Future Investment Pvt. Ltd.	1.54%
Gopal Karmacharya	1.50%

Ganesh Regmee	1.33%
Anusha Chuke	1.25%
Sunil Shrestha	1.25%
Rajesh Kumar Karmacharya	1.25%
Hari Bahadur Hamal	1.00%
Bijay Bahadur Bajracharya	1.00%
Sajjan Raj Rajbhandari	0.88%
Dibya Kumar Shrestha	0.59%
Ayusha Shrestha	0.54%
Ganga Maharjan	0.51%

#### 4.26.2: Ordinary share ownership

Particulars	As at 31.03.2078		As at 31.03.2077	
	Amount	Percent	Amount	Percent
<b>Domestic ownership</b>				
Nepal Government				
"A" class licensed institutions				
Other licensed institutions				
Other Institutions				
Public	393,796	30%	16,227,300	29%
Other	918,542	70%	39,344,500	71%
<b>Foreign ownership</b>				
<b>Total</b>	<b>1,312,338</b>	<b>100%</b>	<b>55,571,800</b>	<b>100%</b>

#### Reserves

4.27

Particulars	As at 31.03.2078	As at 31.03.2077
Statutory general reserve	108,174,262	108,174,262
Exchange equalization reserve		
Corporate social responsibility reserve	9,399	9,399
Capital adjustment reserve	50,860,590	65,952,990
Regulatory reserve	5,675,520	7,964,249
Investment adjustment reserve		
Capital reserve		
Assets revaluation reserve		
Fair value reserve	281,825	151,030
Dividend equalization reserve		
Actuarial gain		
Special reserve		
Staff Training Fund	209,070	209,070
<b>Total</b>	<b>165,210,666</b>	<b>182,461,001</b>

#### Regulatory Reserve Comprises of Following

Particulars	Amount
Interest Income On NFRS	14,792
Loss on investment	
Loss On NBA	
Deferred Tax Assets	165,728
Bargain gain	
Actuarial Valuation	
Others	5,495,000
<b>Total</b>	<b>5,675,520</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Movement in the Regulatory reserve from FY2075/76 to FY 2077/78 as per the AGM procedure of NRB.**

Regulatory Reserve	Amount
As on Ashadh End 075/76	7,964,249
As on Ashadh End 076/77	7,964,249
Land sale of NBA	(2,469,249)
Deferred Tax Assets	165,728
INTEREST INCOME IN NFRS	14,792
As on Ashadh End 077/78	5,675,520

**Details of capital adjustment reserve and other reserves.**

Capital adjustment reserve	Amount
CALL IN ADVANCE	44,298,900
CAPITAL ADJUSTMENT RESERVE FUND	6,561,690
<b>Total</b>	<b>50,860,590</b>

Other Reserves	Amount
EMPLOYEE TRAINING FUND	209,070
<b>Total</b>	<b>209,070</b>

Discloser: Capital adjustment reserve fund was created from accumulated profit of 067/68.

Profit Appropriation FY 2067/68	Amount
Net Profit	24,159,261.00
Appropriation	
Staff Bonus	2,196,296.00
Provision for Tax	6,726,811.00
Balance	15,236,154.00
Previous year(FY 2066/67) balance	5,766,831.00
<b>Net Total</b>	<b>21,002,985.00</b>
<b>Appropriation</b>	
Capital Adj Reserve Fund	6,561,690.00
General Reserve Fund	3,047,231.00
<b>Balance</b>	<b>11,394,064.00</b>
Write back Reserve	137,922.00
<b>Retained Earning Carried Forward to FY 2068/69</b>	<b>11,531,986.00</b>

**Contingent liabilities and commitments**

**4.28**

Particulars	As at 31.03.2078	As at 31.03.2077
Contingent liabilities		
Undrawn and undisbursed facilities		
Capital commitment		
Lease Commitment		
Litigation		
<b>Total</b>	-	-

**4.28.1: Contingent liabilities**

Particulars	As at 31.03.2078	As at 31.03.2077
Acceptance and documentary credit		
Bills for collection		
Forward exchange contracts		
Guarantees		
Underwriting commitment		
Other commitments		
<b>Total</b>	-	-

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**4.28.2: Undrawn and undisbursed facilities**

Particulars	As at 31.03.2078	As at 31.03.2077
Undisbursed amount of loans		
Undrawn limits of overdrafts		
Undrawn limits of credit cards		
Undrawn limits of letter of credit		
Undrawn limits of guarantee		
<b>Total</b>	-	-

**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 31.03.2078	As at 31.03.2077
<b>Capital commitments in relation to Property and Equipment</b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>	-	-
<b>Capital commitments in relation to Intangible assets</b>		
Approved and contracted for		
Approved but not contracted for		
<b>Sub total</b>	-	-
<b>Total</b>	-	-

**4.28.4: Lease commitments**

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Operating lease commitments</b>		
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		
<b>Sub total</b>	-	-
<b>Finance lease commitments</b>		
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		
<b>Sub total</b>	-	-
<b>Grand total</b>	-	-

**4.28.5: Litigation**

Explanatory paragraphs

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Interest income**

**4.29**

Particulars	As at 31.03.2078	As at 31.03.2077
Cash and cash equivalent		
Due from Nepal Rastra Bank		
Placement with bank and financial institutions	876,144	
Loan and advances to bank and financial institutions		
Loans and advances to customers	1,241,468	2,378,255
Investment securities		
Loan and advances to staff	150,045	
Other		
<b>Total interest income</b>	<b>2,267,657</b>	<b>2,378,255</b>

Disclosure: Interest Income from Loans and advances to customer is recognized by following Effective interest method and provision has been created for the differential interest income between two bases(cash and accrual) of accounting to Regulatory Reserve. AIR from loss loan is excluded from interest income. AIR amounting to RS 14,792.07 is booked as interest income and regulatory reserve has been created for the same as well.

**Interest expense**

**4.30**

Particulars	As at 31.03.2078	As at 31.03.2077
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposits from customers	3,207,620	495,348
Borrowing		
Debt securities issued		
Subordinated liabilities		
Other		
<b>Total interest expense</b>	<b>3,207,620</b>	<b>495,348</b>

**Fees and Commission Income**

**4.31**

Particulars	As at 31.03.2078	As at 31.03.2077
Loan administration fees		
Service fees		
Consortium fees		
Commitment fees		
DD/TT/Swift fees		
Credit card/ATM issuance and renewal fees		
Prepayment and swap fees		
Investment banking fees		
Asset management fees		
Brokerage fees		
Remittance fees		
Commission on letter of credit		
Commission on guarantee contracts issued		
Commission on share underwriting/issue		
Locker rental		
Other fees and commission income		
<b>Total fees and Commission Income</b>	<b>-</b>	<b>-</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Fees and commission expense** **4.32**

Particulars	As at 31.03.2078	As at 31.03.2077
ATM management fees		
VISA/Master card fees		
Guarantee commission		
Brokerage		
DD/TT/Swift fees		
Remittance fees and commission		
Other fees and commission expense	13,542	
<b>Total fees and Commission Expense</b>	<b>13,542</b>	-

**Net trading income** **4.33**

Particulars	As at 31.03.2078	As at 31.03.2077
Changes in fair value of trading assets		
Gain/loss on disposal of trading assets		
Interest income on trading assets		
Dividend income on trading assets		
Gain/loss foreign exchange transaction		
Other		
<b>Net trading income</b>	-	-

**Other operating income** **4.34**

Particulars	As at 31.03.2078	As at 31.03.2077
Foreign exchange revaluation gain		
Gain/loss on sale of investment securities		639,285
Fair value gain/loss on investment properties		
Dividend on equity instruments	548,055	
Gain/loss on sale of property and equipment	687,882	
Gain/loss on sale of investment property	30,751	
Operating lease income		
Gain/loss on sale of gold and silver		
Locker rent		
Other	878,029	2,070
<b>Total</b>	<b>2,144,717</b>	<b>641,355</b>

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

Particulars	As at 31.03.2078	As at 31.03.2077
Impairment charge/(reversal) on loan and advances to B/FIs	208,000	
Impairment charge/(reversal) on loan and advances to customer	1,066,532	(2,144,293)
Impairment charge/(reversal) on financial Investment		
Impairment charge/(reversal) on placement with banks and financial institutions	(10,318,878)	
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	(150,000)	407,002
<b>Total</b>	<b>(9,194,346)</b>	<b>(1,737,292)</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

<b>Personnel Expense</b>	<b>4.36</b>	
<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Salary	4,505,640	1,392,943
Allowances	2,457,005	144,232
Gratuity expense		
Provident fund	162,852	88,161
Uniform	231,300	
Training & development expense		
Leave encashment		
Medical		128,934
Insurance	3,620	
Employees incentive		
Cash-settled share-based payments		
Contribution To Employee Pension Fund	852,336	74,268
Finance expense under NFRS		
Other expenses related to staff	518,830	456,901
<b>Subtotal</b>	<b>8,731,583</b>	<b>2,285,439</b>
Employees bonus		
<b>Grand total</b>	<b>8,731,583</b>	<b>2,285,439</b>

<b>Other operating expense</b>	<b>4.37</b>	
<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Directors' fee	336,953	25,000
Directors' expense	164,218	
Auditors' remuneration	243,540	70,000
Other audit related expense	31,875	104,890
Professional and legal expense	209,060	548,264
Office administration expense	10,147,035	
Operating lease expense	1,871,053	1,085,852
Operating expense of investment properties		
Corporate social responsibility expense	200,000	
Onerous lease provisions		
Technical support Expenses	423,978	
<b>Total</b>	<b>13,627,713</b>	<b>1,834,006</b>



**Narayani Development Bank Limited**  
**Notes to Financial Statements**

<b>Office administration expenses include the following:</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Water and electricity	234,337	59,278
<b>Repair and maintenance</b>		
Building	469,091	
Vehicles	55,637	98,065
Computer and accessories		
Office equipment and furniture	749,219	27,840
Others	186,623	
Insurance	58,588	77,572
Postage, telex, telephone , fax	413,474	174,239
Printing and stationery	340,528	34,773
Newspaper, books and journal	11,180	15,060
Advertisement	725,497	
Donation		
COVID Expenses	11,780	
Security	1,161,183	939,600
Deposit and loan guarantee premium	45,790	29,558
Travel allowance and expense	178,490	45,360
Entertainment	10,265	
Annual/special general meeting	722,900	
Fuel Expenses	358,952	
Other	599,025	496,041
REGISTRATION FEES AND CHARGES	3,607,221	
NCHL and CIC Expenses	210,463	
<b>Total</b>	<b>10,147,035</b>	<b>1,997,386</b>

**Depreciation & Amortization**

**4.38**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Depreciation on property and equipment	2,137,537	727,801
Depreciation on investment property		
Amortization of intangible assets		-
<b>Total</b>	<b>2,137,537</b>	<b>727,801</b>

**Non operating income**

**4.39**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Recovery of loan written off		
Bargain gain on acquisition		
Loan write off		
<b>Total</b>	<b>-</b>	<b>-</b>

**Non operating expense**

**4.40**

<b>Particulars</b>	<b>As at 31.03.2078</b>	<b>As at 31.03.2077</b>
Loan written off		
Redundancy provision		
Expense of restructuring		
Other expense		
<b>Total</b>	<b>-</b>	<b>-</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Income tax expense**

**4.41**

Particulars	As at 31.03.2078	As at 31.03.2077
<b>Current tax expense</b>	-	-
Current year		
Adjustments for prior years		
<b>Deferred tax expense</b>	-	-
Origination and reversal of temporary differences	-	-
Changes in tax rate		
Recognition of previously unrecognized tax losses		
<b>Total income tax expense</b>	-	-

**4.41.1: Reconciliation of tax expense and accounting profit**

Current Year	As at 31.03.2078	As at 31.03.2077
Profit before tax	(14,111,274)	(2,583,076)
Tax amount at tax rate of 30%	-	-
Add: Tax effect of expenses that are not deductible for tax purpose		
Less: Tax effect on exempt income		
Add/less: Tax effect on other items		
Total income tax expense	-	-
Effective tax rate		

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**Statement of Distributable Profit or Loss**

**4.42**

Particulars	As at 31.03.2078	As at 31.03.2077
Opening Retained Earning (As at 31.03.2077)	(207,504,177)	<b>(209,422,337)</b>
Dividend To Shareholders		
Retained Earnings taken on acquisition		
Gain from investment on sale of shares transferred from OCI to retained earning	-	3,144,834
<b>Adjusted Retained Earning available for distribution before current year profit</b>	<b>(207,504,177)</b>	<b>(206,277,503)</b>
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>(11,940,433)</b>	<b>(1,137,164)</b>
Appropriations:		
a. General reserve		-
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund		-
e. Employees' training fund		89,510
f. Other		
<b>Profit or (loss) before regulatory adjustment</b>	<b>(219,444,610)</b>	<b>(207,504,177)</b>
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(14,792)	
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)		
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)	2,469,249	
e. Deferred tax assets recognized (-)/ reversal (+)	(165,728)	
f. Goodwill recognized (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognized (-)/reversal (+)		
h. Actuarial loss recognized (-)/reversal (+)		
i. Other (+/-)		
<b>Distributable profit or (loss)</b>	<b>(217,155,881)</b>	<b>(207,504,177)</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5 Disclosure and Additional Information**

**5.1 Risk Management**

The Bank's business activities expose to a variety of risks, namely primarily to liquidity risk, operational risk and credit risk, which may adversely impact the fair value of its financial instruments and in overall, impact the financial performance and position of Bank. The Bank's Board and senior management has overall responsibility for the establishment and oversight of the Bank's risk management. The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits (tolerance limit) and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**a) Credit Risk**

Credit risk refers to the probability of loss due to a borrower's failure to make payments on the loan provided by the Bank. This directly impacts the financial performance of Bank. Motive of credit risk management is to gain a complete understanding of a bank's overall credit risk by viewing risk at the individual, customer and portfolio levels so that mitigating measures could be applied at desired levels.

Credit policy, product papers are the primary documented matters that are directly linked to credit risk management. The policies and procedures to be followed are in documented form defining roles and responsibilities of the personnel involved that provides a degree to autonomy on the evaluation and analysis of individual borrower.

The tools being used by bank to assess overall credit risk is the ratio of non-performing loan to total loan on each loan sector.

**b) Market Risk**

Market risk is the risk of happening of potential loss on assets of the Bank due to market factors. Market factors mainly comprise of interest rate, and collateral price. This risk is not entirely manageable as it encompasses factors that are not wholly within the control of Bank and arises on transaction with customers. In general, management of this type of risk is by diversification.

Bank has the objective of effective risk management by way of risk identification, measurement, monitoring, management and analysis.

**Interest Rate Risk:** Interest rate risk is the risk of increased volatility due to changes in interest rate.

**Foreign Exchange Risk:** Foreign exchange risk is the risk of changes in exchange rates of convertible foreign currencies. This risk mainly arises from changes in exchange rate of US Dollars. Bank does not have transaction in foreign currency and accordingly, there is no foreign exchange risk.

**Equity Price Risk:** Bank has secured its loan by way of obtaining lien over the collateral of borrower. The value of loan disbursed is directly pegged with the value of collateral. Decrease in price of collateral may result in cases of non-recovery of the due amount if borrower defaults in making payment. Collateral value may decline due to environmental factors, government decision, etc. Bank properly analyses the collateral before considering it as security and conducts independent valuation of collateral. Revaluation is done on periodic basis based on the developments after previous valuation and necessary mitigative measures are taken if the value is found to have been declined. Bank has not disbursed any loans by way of obtaining lien over equity shares. Hence, there is no risk of equity price fluctuation.

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5 Disclosure and Additional Information**

**c) Liquidity Risk**

Liquidity risk is the risk that either bank does not have financial resource to meet its obligations when due or could access to those resources at excessively high cost. Liquidity risk is managed by complying with the Directives and circulars issued by regulatory authority on time to time basis. CRR and SLR are maintained as per regulatory requirement and periodic status of liquidity profile are prepared to analyze liquidity status. Assets Liability Management Committee is formed at Bank to monitor the liquidity profile. Cash, highly liquid securities and investments form an integral part of managing liquidity risk.

S.N.	Particulars	1-90 Days	91-180 Days	181-270 Days	271-365 Days	Over 1 Year	Total Amount
<b>Assets</b>							
1	Cash Balance	12,706,552.18					12,706,552.18
2	Balance with Banks & FIs	80,419,312.14					80,419,312.14
3	Investment in Foreign Banks						-
4	Call Money						-
5	Government Securities						-
6	Nepal Rastra Bank Bonds						-
7	Inter Bank & FI Lending						-
8	Loans & Advances	78,434,815.39					78,434,815.39
9	Interest Receivable						-
10	Reverse Repo						-
11	Receivables from other Institutions under Commitment						-
12	Payment to be made for facilities under s.no 20,21 & 22						-
13	Others	29,199,143.70					29,199,143.70
	<b>Total Assets (A)</b>	<b>200,759,823.41</b>					<b>200,759,823.41</b>
<b>Liabilities</b>							
14	Current Deposits	12,033,125.26					12,033,125.26
15	Saving Deposits	59,720,993.25					59,720,993.25
16	Fixed Deposits	6,715,710.57					6,715,710.57
17	Debentures						-
18	Borrowings:						-
	(a) Call/Short Notice						-
	(b) Inter-bank/Financial Institutions						-
	(c) Refinance						-
	(d) Others						-
19	Other Liabilities and Provisions						-
	(a) Sundry Creditors	32,303,825.71					32,303,825.71
	(b) Bills Payable						-
	(c) Interest Payable	84,443.91					84,443.91
	(d) Provisions	-					-
	(e) Others	2,698,132.29					2,698,132.29
20	Payable to other institutions under Commitment						-
21	Unutilized Approved Facilities						-
22	Letter of Credit/Guarantee (Net of Margin)						-
23	Repo						-
24	Payment to be made for facilities under S.No 11						-
25	Others						-
	<b>Total Liabilities (B)</b>	<b>113,556,230.99</b>					<b>113,556,230.99</b>
	<b>Net Financial Assets (A-B)</b>	<b>87,203,592.42</b>					
	<b>Cumulative Net Financial Assets</b>	<b>87,203,592.42</b>	<b>87,203,592.42</b>	<b>87,203,592.42</b>	<b>87,203,592.42</b>	<b>87,203,592.42</b>	

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5 Disclosure and Additional Information**

**d) Operational Risk**

Operational risk is potential for loss resulting from inadequate or failed internal processes, people and systems or external events. Standard operating procedures are prepared and implemented in order to define the process, people and system involved in each operational matters. Bank carries out internal audit from independent professionals on periodic basis in order to review the effectiveness of control system that has been designed to mitigate the operational risk which is monitored by the Audit Committee.

**e) Information Technology Risk**

Information technology risk refers to the risk arising from use of information technology. It includes hardware and software failure, human error on using IT, spam, virus, malicious attacks and also includes natural disaster. IT is integral part of operation of Bank and bank has to rely heavily on IT. In order to minimize the risk related to IT, Bank uses antivirus softwares.

**f) Other Risk**

The ever-changing environment gives rise to various new risks. Some of this include reputational risk, human resource risk, compliance risk etc. The risks are being evaluated and managed on daily/periodic basis by way of implementing mitigating measures.

**5.2 Fair Value of Financial Assets and Liabilities and their Classification**

The method of determination of fair value of financial assets and financial liabilities of the Bank at three levels (level one, level two and level three) has been disclosed in Note 3.4.4. Classification of financial assets and financial liabilities is done as mentioned in Note 3.4.2.

Fair value measurement is done for investment in shares. Fair value hierarchy of financial assets and liabilities at each reporting dates for the financial instruments presented in statement of financial position is as follows:

**As at 31 Ashad 2078**

Particulars	Classification	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalent				74,089,010
Due from Nepal Rastra Bank	AC			19,036,854
Loans and advances to BFI	AC			15,792,000
Loans and advances to customers	AC			68,638,260
Investment securities				
Quoted shares	FVOCI	283,284		494,278
Unquoted shares	FVOCI			-
Other Investment	AC			5,513,510
<b>Total Financial Assets</b>		<b>283,284</b>	<b>-</b>	<b>183,563,912</b>
<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	AC			-
Due to Nepal Rastra Bank	AC			-
Deposits from customers	AC			98,469,829
Borrowing	AC			-
Other Liabilities	AC			35,996,620
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>134,466,449</b>

**As at 31 Ashad 2077**

Particulars	Classification	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalent				104,101,252
Due from Nepal Rastra Bank	AC			4,459,545
Loans and BFI	AC			-
Loans and advances to customers	AC			2,993,671
Investment securities				
Quoted shares	FVOCI	270,657		
Unquoted shares	FVOCI			-
Other Investment	AC			8,867,637
<b>Total Financial Assets</b>		<b>270,657</b>	<b>-</b>	<b>120,422,105</b>
<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	AC			-
Due to Nepal Rastra Bank	AC			-
Deposits from customers	AC			25,848,752
Other Liabilities	AC			25,133,745
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>50,982,497</b>

Note: AC = Amortized Cost, FVOCI = Fair Value Through OCI

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5 Disclosure and Additional Information**

**5.3 Capital Management**

**5.3.1 Principle and Objective**

The principle of capital management of the Bank is to maintain strong capital base, meet the regulatory requirements and ensure reasonable return on capital to its shareholders. The Bank is in the process to issue additional share capital to meet the capital requirements.

Bank has not issued preference capital or any other form of hybrid instruments that may be converted into capital.

**5.3.2 Capital Structure and Capital Adequacy**

Capital Fund of Bank as per CAF 2007 is as follows (amount in '000):

Particulars	31.03.2078	31.03.2077
<b>1.1 Risk Weighted Exposure (RWE)</b>		
RWE for Credit Risk	122,534,755	78,066,946
RWE for Operational Risk	8,954,261	14,778,923
RWE for Market Risk		-
<b>Total RWE before adjustment under Pillar II</b>	<b>131,489,015</b>	<b>92,845,869</b>
<u>Adjustments under Pillar II</u>		
<b>Total RWE</b>	<b>131,489,015</b>	<b>92,845,869</b>
<b>1.2 Capital</b>		
<b>A. Core Capital (Tier I)</b>	<b>76,069,459</b>	<b>31,102,811</b>
Paid up Equity Share Capital	121,188,700	55,571,800
Irredeemable Non-cumulative preference shares		-
Share Premium	2,956,688	-
Proposed Bonus Equity Shares	10,045,100	10,045,100
Call in Advance	44,298,900	59,391,300
Statutory General Reserves	108,174,262	108,174,262
Retained Earnings	(217,155,881)	(207,504,177)
Un-audited current year cumulative profit/(loss)		(1,137,164)
Capital Redemption Reserve		-
Capital Adjustment Reserve	6,561,690	6,561,690
Dividend Equalization Reserves		-
Other Free Reserve		-
Less: Goodwill		-
Less: Deferred Tax Assets		
Less: Fictitious Assets		
Less: Investment in equity in licensed Financial Institutions		-
Less: Investment in equity of institutions with financial interests		-
Less: Investment in equity of institutions in excess of limits		-
Less: Investments arising out of underwriting commitments		-
Less: Reciprocal crossholdings		-
Less: Purchase of land & building in excess of limit and unutilized		
Less: Other Deductions		
<u>Adjustments under Pillar II</u>		
<b>B. Supplementary Capital (Tier II)</b>	<b>819,181</b>	<b>27,219</b>
Cumulative and/or Redeemable Preference Share		-
Subordinated Term Debt		-
Hybrid Capital Instruments		-
General Loan Loss Provision	819,181	27,219
Exchange Equalization Reserve		-
Investment Adjustment Reserve		
Assets Revaluation Reserve		-
Other Reserves		-
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>76,889</b>	<b>31,130</b>
<b>1.3 Capital Adequacy Ratio</b>		
<b>Tier I Capital to Total RWE</b>	57.85%	33.50%
<b>Total Capital Fund to Total RWE</b>	58.48%	33.53%

Notes to Financial Statements

5.3.3 Risk Exposure

Table of Risk Exposure at the reporting dates (amount in '000) is as follows:

a) Credit Risk

A. Balance Sheet Exposures	As on Ashad 31 2078						Previous Year		Previous Year	
	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures	Net Value	Risk Weighted Exposures	Net Value	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=d*e	d=a-b-c	f=d*e		
Cash Balance	12,706,552	-	-	12,706,552	0%	0	723	0	1,291	-
Balance With Nepal Rastra Bank	19,036,854	-	-	19,036,854	0%	0	4,460	0	4,460	-
Gold	-	-	-	-	0%	0	0	0	-	-
Investment in Nepalese Government Securities	-	-	-	-	0%	0	0	0	-	-
All Claims on Government of Nepal	2,721,890	-	-	2,721,890	0%	0	0	0	-	-
Investment in Nepal Rastra Bank securities	-	-	-	-	0%	0	0	0	-	-
All claims on Nepal Rastra Bank	-	-	-	-	0%	0	0	0	-	-
Claims on Foreign Government and Central Bank (ECA 0-1)	-	-	-	-	0%	0	0	0	-	-
Claims on Foreign Government and Central Bank (ECA -2)	-	-	-	-	20%	0	0	0	-	-
Claims on Foreign Government and Central Bank (ECA -3)	-	-	-	-	50%	0	0	0	-	-
Claims on Foreign Government and Central Bank (ECA-4-6)	-	-	-	-	100%	0	0	0	-	-
Claims on Foreign Government and Central Bank (ECA-7)	-	-	-	-	150%	0	0	0	-	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework	-	-	-	-	0%	0	0	0	-	-
Claims on Other Multilateral Development Banks	-	-	-	-	100%	0	0	0	-	-
Claims on Public Sector Entity (ECA 0-1)	-	-	-	-	20%	0	0	0	-	-
Claims on Public Sector Entity (ECA 2)	-	-	-	-	50%	0	0	0	-	-
Claims on Public Sector Entity (ECA 3-6)	-	-	-	-	100%	0	0	0	-	-
Claims on Public Sector Entity (ECA 7)	-	-	-	-	150%	0	0	0	-	-
Claims on domestic banks that meet capital adequacy requirements	61,382,458	-	-	61,382,458	20%	12,276	62,628	12,526	11,005	2,201
Claims on domestic banks that do not meet capital adequacy requirements	-	-	-	-	100%	0	40,750	40,750	40,343	40,343
Claims on foreign bank (ECA Rating 0-1)	-	-	-	-	20%	0	0	0	-	-
Claims on foreign bank (ECA Rating 2)	-	-	-	-	50%	0	0	0	-	-
Claims on foreign bank (ECA Rating 3-6)	-	-	-	-	100%	0	0	0	-	-
Claims on foreign bank (ECA Rating 7)	-	-	-	-	150%	0	0	0	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	0	0	0	-	-
Claims on Domestic Corporates	36,092,803	-	-	36,092,803	100%	36,093	0	0	-	-
Claims on Foreign Corporates (ECA 0-1)	-	-	-	-	20%	0	0	0	-	-
Claims on Foreign Corporates (ECA 2)	-	-	-	-	50%	0	0	0	-	-
Claims on Foreign Corporates (ECA 3-6)	-	-	-	-	100%	0	0	0	-	-
Claims on Foreign Corporates (ECA 7)	-	-	-	-	150%	0	0	0	-	-
Regulatory Retail Portfolio (Not Overdue)	-	-	-	-	75%	0	0	0	-	-
Claims fulfilling all criterion of regularity retail except granularity	-	-	-	-	100%	0	0	0	-	-
Claims secured by residential properties	7,907,051	-	-	7,907,051	60%	4,744	0	0	-	-
Claims not fully secured by residential properties	-	-	-	-	150%	0	0	0	-	-
Claims secured by residential properties (Overdue)	-	-	-	-	100%	0	0	0	-	-
Claims secured by Commercial real estate	-	-	-	-	100%	0	0	0	-	-
Past due claims (except for claims secured by residential properties)	7,442,884	7,442,884	-	-	150%	0	0	0	-	-
High Risk claims	-	-	-	-	150%	0	0	0	-	-
Investments in equity and other capital instruments of institutions listed in stock exchange	494,278	-	-	494,278	100%	494	271	271	5,987	5,987
Investments in equity and other capital instruments of institutions not listed in the stock exchange	-	-	-	-	150%	0	0	0	-	-
Staff loan secured by residential property	-	-	-	-	60%	0	0	0	-	-
Interest Receivable/claim on government securities	-	-	-	-	0%	0	0	0	-	-
Cash in transit and other cash items in the process of collection	-	-	-	-	20%	0	0	0	-	-
Other Assets (as per attachment)	68,926,952	-	-	68,926,952	100%	68,927	24,521	24,521	29,440	29,440
<b>TOTAL (A)</b>	<b>216,711,721</b>	<b>7,442,884</b>	<b>-</b>	<b>209,268,838</b>	<b>100%</b>	<b>122,535</b>	<b>133,352</b>	<b>78,067</b>	<b>92,526</b>	<b>77,971</b>
<b>B. Off Balance Sheet Exposures</b>										
Revocable Commitments	-	-	-	-	0%	0	0	0	-	-
Bills Under Collection	-	-	-	-	0%	0	0	0	-	-
Forward Exchange Contract Liabilities	-	-	-	-	10%	0	0	0	-	-
LC Commitments With Original Maturity Up to 6 months domestic counterparty	-	-	-	-	20%	0	0	0	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	0	0	0	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	0	0	0	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	0	0	0	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	0	0	0	-	-
LC Commitments With Original Maturity Over 6 months domestic counterparty	-	-	-	-	50%	0	0	0	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	0	0	0	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	0	0	0	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	0	0	0	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	0	0	0	-	-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty	-	-	-	-	50%	0	0	0	-	-
Foreign counterparty (ECA Rating 0-1)	-	-	-	-	20%	0	0	0	-	-
Foreign counterparty (ECA Rating 2)	-	-	-	-	50%	0	0	0	-	-
Foreign counterparty (ECA Rating 3-6)	-	-	-	-	100%	0	0	0	-	-
Foreign counterparty (ECA Rating 7)	-	-	-	-	150%	0	0	0	-	-
Underwriting commitments	-	-	-	-	50%	0	0	0	-	-
Lending of Bank's Securities or Posting of Securities as collateral	-	-	-	-	100%	0	0	0	-	-
Repurchase Agreements, Assets sale with recourse	-	-	-	-	100%	0	0	0	-	-
Advance Payment Guarantee	-	-	-	-	100%	0	0	0	-	-
Financial Guarantee	-	-	-	-	100%	0	0	0	-	-
Acceptances and Endorsements	-	-	-	-	100%	0	0	0	-	-
Unpaid portion of Partly paid shares and Securities	-	-	-	-	100%	0	0	0	-	-
Irrevocable Credit commitments (short term)	-	-	-	-	20%	0	0	0	-	-
Irrevocable Credit commitments (long term)	-	-	-	-	50%	0	0	0	-	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement	-	-	-	-	20%	0	0	0	-	-
Other Contingent Liabilities	-	-	-	-	100%	0	0	0	-	-
Unpaid Guarantee Claims	-	-	-	-	200%	0	0	0	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>216,711,721</b>	<b>7,442,884</b>	<b>-</b>	<b>209,268,838</b>	<b>-</b>	<b>122,535</b>	<b>133,352</b>	<b>78,067</b>	<b>92,526</b>	<b>77,971</b>
Adjustments under Pillar II										
<b>Total RWE for Credit Risk</b>	<b>216,711,721</b>	<b>7,442,884</b>	<b>-</b>	<b>209,268,838</b>	<b>-</b>	<b>122,535</b>	<b>133,352</b>	<b>78,067</b>	<b>92,526</b>	<b>77,971</b>



Notes to Financial Statements

5.3.3 Risk Exposure

Eligible Credit Risk Mitigants

Credit exposures	Deposits with Bank	Deposits with other banks/FI	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)	
<b>Balance Sheet Exposures</b>										
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 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)										-
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										-
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)										-
<b>Total</b>										-
<b>Off Balance Sheet Exposures</b>										
Forward Exchange Contract Liabilities										-
LC Commitments With Original Maturity Up to 6 months domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
LC Commitments With Original Maturity Over 6 months domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Bid Bond, Performance Bond and Counter guarantee domestic counterparty										-
Foreign counterparty (ECA Rating 0-1)										-
Foreign counterparty (ECA Rating 2)										-
Foreign counterparty (ECA Rating 3-6)										-
Foreign counterparty (ECA Rating 7)										-
Underwriting commitments										-
Lending of Bank's Securities or Posting of Securities as collateral										-
Repurchase Agreements, Assets sale with recourse										-
Advance Payment Guarantee										-
Financial Guarantee										-
Acceptances and Endorsements										-
Unpaid portion of Partly paid shares and Securities										-
Irrevocable Credit commitments (short term)										-
Irrevocable Credit commitments (long term)										-
Other Contingent Liabilities										-
Unpaid Guarantee Claims										-
<b>Total</b>										-
<b>Grand Total</b>										-

b) Operational Risk

Particulars	Fiscal Year		
	2074-75	2075-76	2076-77
Net Interest Income	10,879.03	1,657.85	1,882.91
Commission and Discount Income			
Other Operating Income	11.70	1,415.68	641.36
Exchange Fluctuation Income	-		
Addition/Deduction in Interest Suspense during the period			1,420.00
<b>Gross income (a)</b>	<b>10,890.73</b>	<b>3,073.53</b>	<b>3,944.26</b>
<b>Alfa (b)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Fixed Percentage of Gross Income [c=(a×b)]</b>	<b>1,633.61</b>	<b>461.03</b>	<b>591.64</b>
<b>Capital Requirement for operational risk (d) (average of c)</b>	<b>895.43</b>		
<b>Risk Weight (reciprocal of capital requirement of 10%) in times (e)</b>	<b>10</b>		
<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>	<b>8,954.26</b>		
Pillar II Adjustments			
<b>If Gross Income for the last three years is negative (6.4 a 8)</b>			
Total Credit and Investment (net of Specific Provision) of related month			-
Capital Requirement for Operational Risk (5% of net credit and investment)			-
<b>Risk Weight (reciprocal of capital requirement of 10%) in times</b>	<b>10</b>		
<b>Equivalent Risk Weight Exposure (g)</b>			
<b>Equivalent Risk Weight Exposure [h=f+g]</b>			<b>8,954.26</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5.4 Operating Segment Information**

**5.4.1 General Information**

Bank's management has identified its operating segments based on the management of its branches and offices. In line with this, 7 different segments are identified based on 7 Provinces of Nepal on geographical separation basis. The operation, risk, transactions, etc. are more inclined on similar manner on a particular state. All the related income and expenses of such segments are presented in the segment information. Equity, staff bonus, NFRS adjustments and income tax are not segregated and are included in central account. Intra-segment transactions are eliminated. As per NFRS 8, an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Bank's management has identified its operating segments based on the management of its branch and offices situated on different geographical location. In line with this, all its branches are located in same province i.e province 3, hence the bank has single operating segment.

*In general, the products that derive revenue is classified in the following manner.*

- i) Consumer banking: Revenue generated by serving individual consumer is categorized under this product. This includes loans and deposit from individual customer.
- ii) Corporate banking: Revenue generated from customer other than consumer is categorized under this product. This includes loan and deposit.
- iii) Treasury: Revenue generated by way of making investment in government securities, corporate bonds, mutual fund units, shares etc. are grouped under this product.
- iv) Others: Other revenue are included in this product and includes operational service fees, locker, guarantee commission, etc.

The Bank was declared a crisis ridden financial institution and is under reformative process. At present the Bank is restricted to accept deposits and lend loans and advances and is focussing on recovery of loans and payment of deposits. Thus, the major source of revenue is recovery of loans and advance which has been classified under consumer banking.

**5.4.2 Segment result and segment position for the year ended on Ashad 2077**

Particulars	Province 1	Province 2	Province 3	Gandaki	Province 5	Province 6	Province 7	Total
Revenue from external customers								-
Intersegment revenues								-
<b>Net revenue</b>	-	-	-	-	-	-	-	-
Interest income			2,267,657.14					2,267,657.14
Interest expenses			3,207,619.93					3,207,619.93
<b>Net interest revenue</b>	-	-	<b>(939,962.79)</b>	-	-	-	-	<b>(939,962.79)</b>
Depreciation and amortization			2,137,536.70					2,137,536.70
<b>Segment profit/(loss)</b>			<b>(3,077,499.49)</b>					<b>(3,077,499.49)</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5.4.3 Measurement of operating segment profit or loss, assets and liabilities**

- i) **Basis of accounting for any transactions between reportable segments:**  
All revenue generated including intra-segment revenue and expenses incurred in particular segment are presented under segment revenue and expenses. Intra-segment revenue/cost is netted off at Head Office.
- ii) **Nature of any differences between the measurements of the reportable segment's profits or losses and the entity's**  
There does not exist such difference.
- iii) **Nature of any differences between the measurements of the reportable segment's assets and the entity's assets.**  
There does not exist such difference.
- iv) **Nature of any changes from prior periods in the measurement methods used to determine reported segment profit**  
Previously, segment reporting was not done. In current scenario, segment reporting based on geographical segment is presented.
- v) **Nature and effect of any asymmetrical allocations to reportable segments**  
There is no such allocation.

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

a) **Revenue**

<b>Total revenue for reportable segments</b>	<b>2,267,657</b>
Other revenue	-
Elimination of intersegment revenues	-
<b>Entity's revenue</b>	<b>2,267,657</b>

b) **Profit or loss**

<b>Total profit or loss for reportable segments</b>	<b>(3,077,499)</b>
Other profit or loss	
Elimination of intersegment profit	
Unallocated amounts:	
Staff bonus	-
Income tax	-
NFRS adjustments	
<b>Profit After income tax</b>	<b>(3,077,499)</b>

c) **Assets**

<b>Total assets for reportable segments</b>	
Other assets	
Unallocated assets	
<b>Entity's assets</b>	

d) **Liabilities**

<b>Total liabilities for reportable segments</b>	
Other liabilities	
Unallocated liabilities	
<b>Entity's liabilities</b>	

**5.4.5 Information about product and services**

Particulars	Amount
Consumer banking	
Corporate banking	
Treasury	
Others	

**5.4.6 Information about geographical areas**

Revenue from geographical areas are as follows:

<b>Domestic:</b>	
Province 1	-
Province 2	-
Province 3	(939,963)
Gandaki	-
Province 5	-
Province 6	-
Province 7	-
<b>Foreign:</b>	-
<b>Total</b>	<b>(939,963)</b>

**Narayani Development Bank Limited**  
**Notes to Financial Statements**

**5.4.6 Information about major customers**

None of the customer have contribution of 10% of more revenue on total revenue of Bank.

**5.5 Share options and share based payment**

Not applicable

**5.6 Contingent liabilities and capital commitment**

Contingent liabilities are:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

- present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Capital commitment are projected capital expenditure a company commits to spend on long-term assets over a period of time.

**5.7 Related parties disclosure**

Related parties of the Bank include key management personnel of the Bank.

**5.7.1 Key management personnel**

Key management personnel include Board of Director of the Bank and Chief Executive Officer.

**a) Board of Directors**

Board of Directors of the Bank comprise the following:

<b>Name</b>	<b>Position</b>
Ram Prasad Ropakheti	Chairman
Ganesh Man Pradhan	Director
Ramesh Paudel	Director
Balram Paudel	Independent Director

Pashupati Poudel serves as the secretary of Board.

**Allowance and facilities provided to board members**

Total amount paid as meeting allowance during the year to board members was Rs. 336,953.33.

For official travel, members of board are provided travel and daily allowance as per the rules of Bank.

Apart from the stated allowance and facilities, other allowance and facilities are not provided to board members.

There has not been any commercial transaction of the Bank with its board members.

**b) Chief Executive Officer**

Pashupati Poudel serves as Chief Executive Officer of the Bank. He is provided salary and allowance and benefits as per contract entered on his appointment. The salary and allowances provided to Mr. Poudel during the year amounts to Rs. 18,12,846.

Bank has not entered into any commercial transaction with its CEO.

**5.8 Merger and acquisition**

No such merger and acquisition has taken place.

**5.9 Events after reporting date**

**Proposed dividend**

The bank has not declared any dividend.

5.10 As per AGM procedure of NRB(guidelines) No.16

Table No. 1

Particulars	As of Asadh end 2078	
	No. of Customers	Amount
Accrued Interest Received after Asadh end 2078 till 15 Bhadra 2078	NA	
Additional 0.3% Loan Loss Provision created on Pass Loan Portfolio	NA	
Extension of moratorium period of loan provided to Industry or Project under Construction	NA	
Restructure/Rescheduled Loan with 5% Loan Loss Provision	NA	
Enhancement of Working Capital Loan by 20% to COVID affected borrowers	NA	
Enhancement of Term Loan by 10% to COVID affected borrowers	NA	
Expiry Date of Additional 20% working capital loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	
Expiry Date of Additional 10% Term loan (COVID Loan) extended for upto 1 year with 5% provisioning	NA	
Time Extension provided for repayment of Principal and Interest for upto two years as per clause 41 of NRB Directives 2	NA	

Table No. 2

Particulars		
	No. of Customers	Amount
Refinance Loan	NA	
Business Continuity Loan	NA	

Table No. 3

Particulars	During FY 2077/78	
	No. of Customers	Amount
Subsidized Loan	NA	

**Movement in the Regulatory reserve from FY2075/76 to FY 2077/78 as per the AGM procedure of NRB.**

F.Y	Interest Receivable	Short loan loss provision	short provision for possible losses on investment	Short Provision on NBA	Deferred Tax Assets	Goodwill	Gain on Bargain Purchase	Actuarial Loss Recognized	Fair Value Loss Realised In OCI	Others	Total
2075/76	-	-	-	-	-	-	-	-	-	-	-
Transfer From Regulatory Reserve to RE											
Transfer To Regulatory Reserve From RE				7,964,249.00							7,964,249.00
2076/77	-	-	-	-	-	-	-	-	-	-	-
Transfer From Regulatory Reserve to RE											
Transfer To Regulatory Reserve From RE											
2077/78	-	-	-	-	-	-	-	-	-	-	-
Transfer From Regulatory Reserve to RE				(2,469,249.00)							(2,469,249.00)
Transfer To Regulatory Reserve From RE	14,792.00				165,728.00						180,520.00
Total	14,792.00	-	-	5,495,000.00	165,728.00	-	-	-	-	-	5,675,520.00

Disclosure: Wright back of Provision for NBA at the time of sale of NBA, amounting RS 24,69,249 during FY 77/78. AIR (good loan) Rs 14,792 being transferred to regulatory reserve as it is booked as interest income for the year. Deferred Tax Assets for the Fiscal year 77/78 of Rs 165,728 transferred to Regulatory Reserve

**नारायणी डेभलपमेन्ट बैंक लि.  
को नियमावलीमा संशोधन प्रस्ताव**

साविक व्यवस्था	हाल गर्नु पर्ने संशोधन र नियम	संशोधन गर्नु पर्ने कारण र औचित्य																																												
<p><b>नियम १६. संचालकको पारिश्रमिक र भत्ता सम्बन्धी व्यवस्था :</b></p> <p>(ख) संचालक समितिको बैठकमा उपस्थित भए वापत समितिको अध्यक्षता गर्ने संचालकले रु ३०००/- र अन्य संचालकले रु २५००/- बैठक भत्ता पाउने छ ।</p> <p>(ग) विकास बैंकको कामको सिलसिलामा संचालकलाई प्रदान तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>सि.नं.</th> <th>विवरण</th> <th>अध्यक्ष</th> <th>संचालक</th> </tr> </thead> <tbody> <tr> <td>१</td> <td>दैनिक भत्ता (क) होटल खर्च ने.र. (ख) खाना खर्च ने.र.</td> <td>विल अनुसार वा अधिकतम ३०००/-सम्म २,०००/-</td> <td>विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन</td> </tr> <tr> <td>२</td> <td>बैठक भत्ता</td> <td>२५००/-प्रति बैठक</td> <td>७०००/-प्रति बैठक</td> </tr> <tr> <td>३</td> <td>पत्रपत्रिका, मोबाईल, खर्च</td> <td>१००० /- प्रति महिना</td> <td>१५००० /- वार्षिक</td> </tr> </tbody> </table>	सि.नं.	विवरण	अध्यक्ष	संचालक	१	दैनिक भत्ता (क) होटल खर्च ने.र. (ख) खाना खर्च ने.र.	विल अनुसार वा अधिकतम ३०००/-सम्म २,०००/-	विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन	२	बैठक भत्ता	२५००/-प्रति बैठक	७०००/-प्रति बैठक	३	पत्रपत्रिका, मोबाईल, खर्च	१००० /- प्रति महिना	१५००० /- वार्षिक	<p><b>नियम १६. संचालकको पारिश्रमिक र भत्ता सम्बन्धी व्यवस्था :</b></p> <p>(ख) संचालक समितिको बैठकमा उपस्थित भए वापत समितिको अध्यक्षता गर्ने संचालकले रु ७,५००/- र अन्य संचालकले रु ७०००/- बैठक भत्ता पाउने छ ।</p> <p>(ग) विकास बैंकको कामको सिलसिलामा संचालकलाई प्रदान गरिने दैनिक तथा भ्रमण भत्ता देहाय बमोजिम हुनेछ :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>सि.नं.</th> <th>विवरण</th> <th>अध्यक्ष</th> <th>संचालक</th> </tr> </thead> <tbody> <tr> <td>१</td> <td>(क) होटल खर्च ने.र. (ख) दैनिक भ्रमण भत्ता</td> <td>विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन</td> <td>विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन</td> </tr> <tr> <td>२</td> <td>बैठक भत्ता</td> <td>७५००/-प्रति बैठक</td> <td>७०००/-प्रति बैठक</td> </tr> <tr> <td>३</td> <td>इन्टरनेट खर्च</td> <td>१५००० /- वार्षिक</td> <td></td> </tr> <tr> <td>४.</td> <td>मोबाइल खर्च</td> <td>१००० /- प्रति महिना</td> <td></td> </tr> <tr> <td>५.</td> <td>पत्रपत्रिका खर्च</td> <td>४०००/- वार्षिक</td> <td></td> </tr> <tr> <td>६</td> <td>भ्रमण खर्च</td> <td>टिकट बमोजिम (विमान स्थल आते जाते दुबै तर्फ) जम्मा रु २०००/- उपलब्ध गराइने छ।</td> <td></td> </tr> </tbody> </table>	सि.नं.	विवरण	अध्यक्ष	संचालक	१	(क) होटल खर्च ने.र. (ख) दैनिक भ्रमण भत्ता	विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन	विल अनुसार वा अधिकतम ५०००/-सम्म ३,०००/- प्रतिदिन	२	बैठक भत्ता	७५००/-प्रति बैठक	७०००/-प्रति बैठक	३	इन्टरनेट खर्च	१५००० /- वार्षिक		४.	मोबाइल खर्च	१००० /- प्रति महिना		५.	पत्रपत्रिका खर्च	४०००/- वार्षिक		६	भ्रमण खर्च	टिकट बमोजिम (विमान स्थल आते जाते दुबै तर्फ) जम्मा रु २०००/- उपलब्ध गराइने छ।		<p>समय सापेक्ष संचालकहरुको भत्ता तथा सुविधा परिमार्जन गर्नुपर्ने भाएकोले ।</p>
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नेपाल राष्ट्र बैंक  
विकास बैंक सुपरिवेक्षण विभाग

केन्द्रीय कार्यालय  
बालुवाटार, काठमाडौं  
फोन नं.: ०१-४४१९८०४

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पोस्ट बक्स: ७३



पत्रसंख्या: वि.बै.सु.वि./गैरस्थलगत/नारायणी/०७८/७९  
च.नं. १३९

मिति: २०७८/०९/०७

नारायणी डेभलपमेण्ट बैंक लिमिटेड,  
रत्ननगर, चितवन ।

**विषय: वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा ।**

महाशय,

त्यस संस्थाले पेश गरेको आर्थिक वर्ष २०७७/७८ को लेखापरीक्षण भएको वित्तीय अवस्थाको विवरण, नाफा वा नोक्सानको विवरण, विस्तृत आयको विवरण (Statement of Comprehensive Income), नगद प्रवाह विवरण, इन्विटीमा भएको परिवर्तनको विवरण, सोसँग सम्बन्धित अनुसूचीहरु, लेखापरीक्षकको प्रतिवेदन, लङ्गफर्म अडिट रिपोर्ट समेतको आधारमा गैर स्थलगत सुपरिवेक्षण गर्दा देखिएका कैफियतहरुका सम्बन्धमा देहाय बमोजिमका निर्देशनहरु शोयरधनीहरुको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा प्रकाशित गर्ने गरी आ.व. २०७७/७८ को लेखापरीक्षण भएको वार्षिक वित्तीय विवरण प्रकाशन गर्न सहमति प्रदान गरिएको व्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

- (१) बैंक तथा वित्तीय संस्था सम्बन्धी ऐन, २०७३ तथा कम्पनी ऐन, २०६३ मा भएको व्यवस्था बमोजिम सञ्चालक समितिलाई पूर्णता दिनुहुन ।
- (२) यस बैंकबाट जारी एकीकृत निर्देशन नं ६/०७८ को बुँदा नं. ७ बमोजिमका उप-समितिहरु गठन गर्नुहुन ।
- (३) संस्थागत सुशासन, आन्तरिक नियन्त्रण प्रणाली र जोखिम व्यवस्थापन सम्बन्धमा एकीकृत निर्देशन, २०७८ बमोजिमका व्यवस्थाहरु प्रभावकारी रुपमा कार्यान्वयन गर्नुहुन ।
- (४) कर्जा प्रवाह पश्चात अनिवार्य रुपमा कर्जा सदुपयोगिताको सुनिश्चितता गरी प्रवाहित कर्जाको नियमित रुपमा अनुगमन गर्ने कार्यलाई प्रभावकारी रुपमा कार्यान्वयन गर्नुहुन ।
- (५) यस बैंकबाट जारी एकीकृत निर्देशन नं १९/०७८ बमोजिम सम्पत्ति शुद्धीकरण तथा आतंकवादी कार्यमा वित्तीय लगानी निवारण सम्बन्धी व्यवस्थाको पूर्णरुपमा पालना गर्नुहुन ।
- (६) यस बैंकबाट समस्याग्रस्त संस्थाको सूचीबाट हटाउदा तोकिएका एकल ग्राहक कर्जा सीमा लगायतका सर्तहरु र तत्पश्चात् दिइएका निर्देशनहरु मध्ये कार्यान्वयन हुन बाँकी निर्देशनहरुको पालना गर्नुहुन ।
- (७) ग्राहक पहिचान (KYC), अनुपालना तथा कर्जा व्यवस्थापन लगायतका विषयमा आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा यस बैंकबाट औल्याएका कैफियतहरुको सुधार गर्न समय सीमा सहितको कार्ययोजना बनाइ प्रभावकारी रुपले कार्यान्वयन गर्ने तथा पुनः नदोहोरिने व्यवस्था गर्नुहुन ।

भवदीय,

(बद्री नेपाल)

उप-निर्देशक



# नारायणी डेभलपमेन्ट बैंक लि. Narayani Development Bank Ltd.

“नेपाल राष्ट्र बैंकबाट ‘ख’ वर्गको इजाजतप्राप्त संस्था”

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Fax: +977-56561670  
www.ndbl.com.np, Info@ndbl.com.np

नेपाल राष्ट्र बैंकको मिति २०७८/०९/०७ को वार्षिक वित्तीय विवरण प्रकाशन सम्बन्धमा दिइएका निर्देशनहरू प्रति संचालक समितिको प्रतिक्रिया ।

१. तँहाको निर्देशानुसार गरिने ब्यहोरा अनुरोध छ ।
२. यस बैंकबाट जारी एकिकृत निर्देशन नं. ६/०७८ को उप बुंदा ७ को (अ) (आ) (ई) अन्तरगतका उप समिति गठन भएको र (इ) अन्तरगतको समिति निर्देशन नं. १ को निर्देशानुसार समितिलाई पुर्णता दिएपश्चात गठन भइ जाने ब्यहोरा ब्यहोरा अनुरोध छ ।
३. निर्देशानुसार संस्थागत शुशासन, आन्तरीक नियन्त्रण प्रणाली र जोखिम ब्यवस्थापन सम्बन्धमा एकिकृत निर्देशन, २०७८ बमोजिमका प्रावधानहरू प्रभावकारी रूपमा कार्यन्वयन गर्दै लिएको र नियमित गरिने ब्यहोरा अनुरोध छ ।
४. निर्देशानुसार कर्जा सदुपयोगिता सुनिश्चितता गरी प्रवाहित कर्जाको अनुगमन गर्ने कार्यलाई नियमित गरिने ब्यहोरा अनुरोध छ ।
५. निर्देशानुसार गरिने ब्यहोरा अनुरोध छ ।
६. निर्देशानुसार गरिने ब्यहोरा अनुरोध छ ।
७. आन्तरीक, बाह्य लेखापरिक्षक र तँहाबाट औल्याइएका कैफियतहरूमा सुधार गर्दै लिएको र निर्देशानुसार प्रभावकारी रूपमा कार्यन्वयन गरिने ब्यहोरा अनुरोध छ ।



