

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Management Committee of Nepal Share Market & Finance Limited (NSMFL).

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Nepal Share Market & Finance Limited, which comprise the statement of financial position as at Ashad 31, 2080, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at Ashad 31, 2080, and (of) its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

**Basis for Qualified Opinion**

**Other Assets:**

NSMFL has other Assets amounting to NPR 484,203,124 which consists of accounts receivables amounting NPR 477,197,932 which is subject to confirmation from the concerned debtors to ensure their existence & value as of date. The account receivable consists of NPR 381,681,654 receivable from Yogendra Prasad Shrestha which is subject to decision from the Supreme Court against which provision has not been made.

**Other Liabilities:**

NSMFL has other liabilities amounting to NPR 467,242,644 which consists of creditors & accruals amounting NPR 159,491,103 which is subject to confirmation from the concerned creditors to ensure their existence & value as of date. Further there are liabilities termed as other which consists of NPR 272,974,659 whose existence & value as of date could not be ascertained.

**Capital WIP:**

NSMFL has Capital WIP amounting NPR 14,971,734 which has been shown under the heading Property & Equipment which has already been sold as on the reporting date. Hence the existence & value as of date could not be ascertained as reported by the management.

**Suspense Entries:**

Some entries were passed in the previous financial year 2077-78 under the heading Suspense Assets & Liabilities to adjust the balances. The management was not able to provide sufficient evidence to justify the suspense assets amounting NPR 711,027.20 relating to Provision for other Assets & suspense liabilities amounting to NPR 49,604.09 relating to Inter Branch Transaction liability.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified during those which had the greatest effect



on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. We summaries below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matters	Auditors Response
1	<p><b><u>Interest Income Recognition</u></b></p> <p>Interest income of NSMFL is recognized on accrual basis subject to the Interest Income Recognition Guidelines 2019 issued by Nepal Rastra Bank. The guidelines requires suspension of interest income recognition on accrual basis for loans &amp; advances which are more than 3 months in arrears and where the net realizable value of security is insufficient cover the payment of principal &amp; accrued interest for loans &amp; advances where contractual payment of principal and/or interest are more than 12 months in arrears, irrespective of the net realizable value of collateral. In absence of the system capability to suspend recognition of income on the basis of overdue status of loans &amp; net realizable value of collateral, manual calculation is required to suspend interest income recognition. This creates improper application of guidelines &amp; determination of net realizable value of the collateral. This may in turn have effect on the recognition of interest income of NSMFL.</p>	<p><b><u>Our Procedure Included:</u></b></p> <ol style="list-style-type: none"> <li>We obtained clear understanding of process of accrual calculations of interest income on loans &amp; advances in the core banking software of NSMFL.</li> <li>For Net Realizable value of collateral on the sample loan files, we relied on the latest available engineer's valuation of the collateral.</li> <li>Test Check of interest income accrued in the core banking software &amp; booked in the financial statements in line with guidelines issued by Nepal Rastra Bank.</li> </ol> <p><b><u>Our Results:</u></b> We considered the interest income recognition to be acceptable.</p>
2	<p><b><u>Information Technology:</u></b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on the automated controls over the Bank's IT systems. There is a risk that gaps in the change management, segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit.</p>	<p><b><u>Our Procedure Included:</u></b></p> <ol style="list-style-type: none"> <li>Our approach on information technology systems were based on the Information Technology Guidelines 2012 issued by Nepal Rastra Bank.</li> <li>We tested the design, operation and effectiveness of control over granting, removal and appropriateness of access rights on the accounting and reporting system of the bank.</li> <li>Obtained and inspected the change management policies and, for a sample of changes in inputs and control functions on the systems, has been reviewed to confirm that changes had been performed in line with approved decisions.</li> <li>Tested a sample of the automated controls that are designed to enforce appropriate segregation of duties.</li> <li>We have tested a sample of outputs</li> </ol>





		<p>particularly interest income and expenses on loans and advances of the system through manual calculations.</p> <p><b>Our Results:</b> We considered the change managements, segregation of duties controls and outputs in relation to financial accounting and reporting systems to be acceptable.</p>
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#### **Other Information such as report submitted in the AGM other than Financial Statement and Auditor Report**

Management is responsible for the other information. The other information comprises the various reports, plan and policies submitted in the AGM and BOD. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard except for the basis of qualification of the auditor's report as mentioned on the basis of opinion para.

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





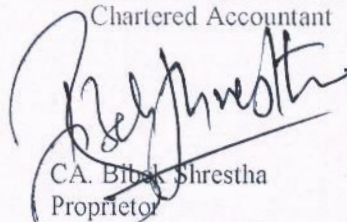
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- (For listed entities) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

As per the requirements of Section 115 of the Companies Act, 2063 (First Amendment 2074), we further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those Books.
- c) The financial statements are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said Balance Sheet, Income Statement and Cash Flow Statement, read together with the notes forming part of the accounts give the information required by the Companies Act 2063 (First Amendment 2074) confirm to their books of accounts of NSMFL:
  - In the case of Balance Sheet, of the state of affairs of the Company as at Ashad 31, 2080; and
  - In the case of Income Statement, of the results of operations of the Company for the year ended on Ashad 31, 2080; and
  - In the case of the Cash Flow Statement, of Cash inflow and outflow of Company for the year ended on that date.
- e) No accounting fraud has been observed during the course of our audit.
- f) NSMFL is yet to transfer unclaimed dividend which is not claimed up to 5 years from the date of approval from the annual general meeting to investor protection fund as per section 182(9) of the Companies Act 2063.

For Bibek Shrestha and Associates  
Chartered Accountant

  
CA. Bibek Shrestha  
Proprietor

Membership No.882

UDIN No: 231205CA00882REZUg



Place: Kathmandu

Date: December 5, 2023





नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL  
(Established under the Nepal Chartered Accountants Act, 1997)

## UDIN Document

Fiscal Year: 2079/80

<b>Date / Time:</b> 2023-12-05 13:44:08	<b>UDIN Number:</b> 231205CA00882REZUg
<b>Member Name:</b> BIBEK SHRESTHA	<b>Date of Signing Document:</b> 2023-12-05
<b>Document Type:</b> Audit	<b>Audit Type:</b> Statutory Audit
<b>Office Type:</b> Listed Public Company	<b>Office Name:</b> NEPAL SHARE MARKETS & FINANCE LTD.
<b>Type of Audit Opinion:</b> Qualified Opinion	<b>Period (AD):</b> 2022-07-17 to 2023-07-16
<b>PAN No:</b> 500058088	

### Financial figures

S.N.	Heading	Amount
1	Total Asset/Liabilities	NRs. 1129596340
2	Gross Revenue/Turnover	NRs. 66450837
3	Gross Expenses	NRs. 35063054
4	Net Profit Or Loss	NRs. 8745000

Status: Active Document

### Document Description:

The UDIN System has been developed by the Institute of Chartered Accountants of Nepal (ICAN) to facilitate its members for verification and certification of the documents and for securing documents and authenticity thereof by Authorities, Regulators and Stakeholders. However, ICAN assumes no responsibility of verification and certification of document(s) carried out by the Members and the concerned member(s) shall alone be responsible therefore.

To verify UDIN, please go to [www.udin.ican.org.np](http://www.udin.ican.org.np)




**Nepal Share Market & Finance Limited**  
**Statement of Financial Position**  
**As at Ashad 31, 2080**

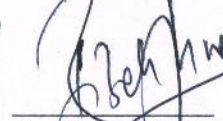
Amount in NRs.

Particulars	Note	As at 31.03.2080	As at 32.03.2079
<b>Assets</b>			
Cash and cash equivalent	4.1	320,749,259	285,231,924
Due from Nepal Rastra Bank	4.2	67,424	67,424
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	-	-
Loans and advances to customers	4.7	38,773,457	38,773,457
Investment securities	4.8	186,757,461	117,470,102
Current tax assets	4.9	7,452,142	3,709,449
Investment in subsidiaries	4.10	70,000,000	70,000,000
Investment in associates	4.11	-	-
Investment property	4.12	-	5,713,802
Property and equipment	4.13	21,593,472	21,973,465
Goodwill and Intangible assets	4.14	-	-
Deferred tax assets	4.15	-	-
Other assets	4.16	484,203,124	488,922,016
<b>Total Assets</b>		<b>1,129,596,340</b>	<b>1,031,861,640</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	244,535,717	242,744,847
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred tax liabilities	4.15	36,320,799	1,403,884
Other liabilities	4.23	471,073,012	467,292,248
Debt securities issued	4.24	-	-
Subordinated Liabilities	4.25	-	-
<b>Total liabilities</b>		<b>751,929,528</b>	<b>711,440,979</b>
<b>Equity</b>			
Share capital	4.26	233,332,834	233,332,834
Share premium		2,477,335	2,477,335
Retained earnings		(2,013,419,870)	(2,034,211,673)
Reserves	4.27	2,155,276,513	2,118,822,165
<b>Total equity attributable to equity holders</b>		<b>377,666,812</b>	<b>320,420,660</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>377,666,812</b>	<b>320,420,660</b>
<b>Total liabilities and equity</b>		<b>1,129,596,340</b>	<b>1,031,861,640</b>
Contingent liabilities and commitment	4.28	-	-
Net assets value per share		161.86	137.32

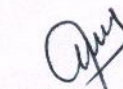
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Prakash Kumar Shrestha  
Coordinator  
Management Committee

  
Govind Prasad Sharma  
Member  
Management Committee

  
Bibek Shrestha, FCA  
Proprietor  
Bibek Shrestha &  
Associates  
Chartered Accountants



  
Rabin Bhakta Shyaula  
Senior Officer



Date: December 05, 2023


Place: Kathmandu




**Nepal Share Market & Finance Limited**  
**Statement of Profit or Loss**  
**For the year ended on Ashadh 31, 2080**

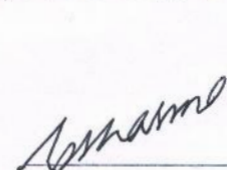
Particulars	Note	Current Year	Previous Year
Interest income	4.29	15,775,887	10,250,410
Interest expense	4.30	1,941,859	1,939,399
<b>Net interest income</b>		<b>13,834,028</b>	<b>8,311,011</b>
Fee and commission income	4.31	-	-
Fee and commission expense	4.32	-	-
<b>Net fee and commission income</b>		<b>-</b>	<b>-</b>
<b>Net interest, fee and commission income</b>		<b>13,834,028</b>	<b>8,311,011</b>
Net trading income	4.33	-	-
Other operating income	4.34	52,616,809	53,415,443
<b>Total operating income</b>		<b>66,450,837</b>	<b>61,726,454</b>
Impairment charge/(reversal) for loans and other losses	4.35	(2,202,583)	(392,352)
<b>Net operating income</b>		<b>68,653,420</b>	<b>62,118,805</b>
<b>Operating expense</b>			
Personnel expenses	4.36	8,248,483	4,237,115
Other operating expenses	4.37	18,595,613	31,106,629
Depreciation & Amortisation	4.38	6,093,794	6,189,847
Prior Period Operating Expenses		2,125,163	1,079,727
<b>Operating Profit</b>		<b>33,590,366</b>	<b>19,505,487</b>
Non operating income	4.39	-	-
Non operating expense	4.40	-	-
<b>Profit before income tax</b>		<b>33,590,366</b>	<b>19,505,487</b>
Income tax expense	4.41		
Current Tax		10,714,659	6,936,879
Deferred Tax Expense		14,130,707	1,858,713
<b>Profit for the period</b>		<b>8,745,000</b>	<b>10,709,895</b>
<b>Profit attributable to:</b>			
Equity holders of the Bank		8,745,000	10,709,895
Non-controlling interest			
Profit for the period		8,745,000	10,709,895
<b>Earnings per share</b>			
Basic earnings per share		3.75	4.59
Diluted earnings per share		3.75	4.59


This is the same report referred in our attached report

  
Prakash Kumar Shrestha  
Coordinator  
Management Committee

  
Rabin Bhakta Shyaula  
Senior Officer



  
Govind Prasad Sharma  
Member  
Management Committee

  
Bibek Shrestha, FCA  
Proprietor  
Bibek Shrestha &  
Associates  
Chartered Accountants



Date: December 05, 2023


Place: Kathmandu

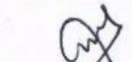


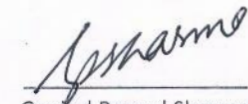
**Nepal Share Market & Finance Limited**  
**Statement of Comprehensive Income**  
**For the year ended on Ashadh 31, 2080**

Particulars	Note	Current Year	Previous Year
<b>Profit for the year</b>		<b>8,745,000</b>	<b>10,709,895</b>
<b>Other comprehensive income, net of income tax</b>			
a) Items that will not be reclassified to profit or loss			
Gain/(loss) from investments in equity instruments measured at fair value	-	69,287,359	(15,751,589)
Gain/(loss) on revaluation			
Actuarial gains/(losses) on defined benefit plans			
Income tax relating to above items	-	(20,786,208)	4,725,477
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	-	<b>48,501,151</b>	<b>(11,026,112)</b>
b) Items that are or may be reclassified to profit or loss			
Gains/(losses) on cash flow hedge			
Exchange gain/(losses) arising from translating financial assets of foreign operation			
Income tax relating to above items			
Net other comprehensive income that are or may be reclassified to profit or loss	-	-	-
c) Share of other comprehensive income of associate accounted as per equity method			
<b>Other comprehensive income for the period, net of income tax</b>	-	<b>48,501,151</b>	<b>(11,026,112)</b>
<b>Total comprehensive income for the period</b>	-	<b>57,246,151</b>	<b>(316,217)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank	-	57,246,151	(316,217)
Non-controlling interest			
<b>Total comprehensive income for the period</b>	-	<b>57,246,151</b>	<b>(316,217)</b>

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 Corordinator  
 Management  
 Committee

  
**Rabin Bhakta Shyaula**  
 Senior Officer

  
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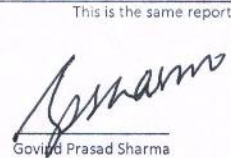


Nepal Share Market & Finance Limited  
Statement of Cash Flow  
For the year ended on Ashadh 31, 2080

Particulars	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	15,775,887	10,250,410
Fees and other income received		
Dividend received		
Receipts from other operating activities	52,498,679	52,818,132
Interest paid	(1,941,859)	(1,939,399)
Commission and fees paid		
Cash payment to employees	(6,635,105)	(3,804,729)
Other expense paid	(18,595,613)	(31,106,629)
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>41,101,909</b>	<b>26,217,705</b>
<b>(Increase)/Decrease in operating assets</b>		
Due from Nepal Rastra Bank		10,544,149
Placement with bank and financial institutions		
Other trading assets		
Loan and advances to bank and financial institutions		
Loans and advances to customers	(2,202,583)	(392,352)
Non Banking Assets		
Other assets	(994,910)	(7,657,935)
<b>Increase/(Decrease) in operating liabilities</b>		
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposit from customers	1,790,870	1,741,487
Borrowings		
Other liabilities	3,780,764	5,982,799
<b>Net cash flow from operating activities before tax paid</b>	<b>43,476,129</b>	<b>36,435,933</b>
Income taxes paid	(8,076,924)	(11,581,938)
<b>Net cash flow from operating activities</b>	<b>35,399,205</b>	<b>24,853,995</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities		(43,127,200)
Receipts from sale of investment securities		
Purchase of property and equipment		
Receipt from the sale of property and equipment		
Purchase of intangible assets		
Receipt from the sale of intangible assets		
Purchase of investment properties		
Receipt from the sale of investment properties		
Interest received		
Dividend received	118,130	597,310
<b>Net cash used in investing activities</b>	<b>118,130</b>	<b>(42,529,890)</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		
Dividends paid		
Interest paid		
Other receipt/payment		
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>35,517,335</b>	<b>(17,675,894)</b>
Cash and cash equivalent as at Shrawan 1	285,231,924	302,907,818
Effect of exchange rate fluctuations on cash and cash equivalents held		
<b>Cash and cash equivalent as at Ashad end</b>	<b>320,749,259</b>	<b>285,231,924</b>


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Management Committee

  
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Associates  
Chartered Accountants



  
Rabin Bhakta Shyaula  
Senior Officer



Date: December 05, 2023

Place: Kathmandu



**Nepal Share Market Finance Limited**  
Statement of Changes in Equity  
For the year ended on Ashadh 31, 2080

Particulars	Attributable to Equity holders of the Finance						Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Regulatory Reserve	Fair Value Reserve	Retained Earning	Other Reserve	Total
Balance at 1st Shrawan 2079	233,332,834	2,477,335	253,141,137	15,863,835	45,095,818	(2,034,211,673)	1,804,721,376	320,420,660
Adjusted/Restated balance at 1st Shrawan 2079	-	-	-	-	-	-	-	-
Comprehensive income for the year	233,332,834	2,477,335	253,141,137	15,863,835	45,095,818	(2,034,211,673)	1,804,721,376	320,420,660
Profit for the year	-	-	-	-	-	8,745,000	-	8,745,000
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 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	-	-	1,749,000	(14,130,707)	-	12,046,803	334,905	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-
Right share issued	-	-	-	-	-	-	-	-
Advance Share Capital Received from Promoter	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-
Total contributions by and distributions	-	-	-	-	-	-	-	-
Balance at Asar end 2080	233,332,834	2,477,335	254,890,137	1,733,127	93,596,969	(2,013,419,870)	1,805,056,280	377,666,812



Prakash Kumar Shrestha  
Coordinator  
Management Committee

*Signature*  
Gyand Prasad Sharma  
Member  
Management Committee

*Signature*  
Rabin Bhakta Shyaula  
Senior Officer



*Signature*  
Birek Shrestha, FCA  
Proprietor  
Birek Shrestha & Associates  
Chartered Accountants



Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Cash and cash equivalent**

4.1

Particulars	As at 31.03.2080	As at 32.03.2079
Cash in hand	4,446.80	129,446.80
Balances with B/Fis	320,744,812.07	285,102,477.54
Money at call and short notice		
Other		
<b>Total</b>	<b>320,749,258.87</b>	<b>285,231,924.34</b>

**Due from Nepal Rastra Bank**

4.2

Particulars	As at 31.03.2080	As at 32.03.2079
Statutory balances with NRB	67,423.58	67,423.58
Securities purchased under resale agreement		
Other deposit and receivable from NRB		
<b>Total</b>	<b>67,423.58</b>	<b>67,423.58</b>

**Placements with Bank and Financial Institutions**

4.3

Particulars	As at 31.03.2080	As at 32.03.2079
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 31.03.2080	As at 32.03.2079
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 31.03.2080	As at 32.03.2079
Treasury bills		
Government bonds		
NRB Bonds		
Domestic Corporate bonds		
Equities		
Other		
<b>Total</b>		
Pledged		
Non-pledged		





Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Loan and advances to B/FIs**

4.6

Particulars	As at 31.03.2080	As at 32.03.2079
Loans to microfinance institutions		
Other		
Less: Allowances for impairment		
<b>Total</b>		

**4.6.1: Allowances for impairment**

Balance at Shrawan 1	As at 31.03.2080	As at 32.03.2079
Impairment loss for the year:		
Charge for the year		
Recoveries/reversal		
Amount written off		
<b>Balance at Asar end</b>		

**Loans and advances to customers**

4.7

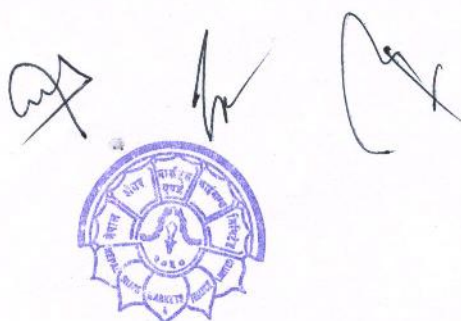
Particulars	As at 31.03.2080	As at 32.03.2079
Loan and advances measured at amortized cost	2,244,978,230	2,247,180,813
Less: Impairment allowances		
Collective impairment	(2,206,204,772)	(2,208,407,355)
Individual impairment		
<b>Net amount</b>	<b>38,773,457</b>	<b>38,773,457</b>
Loan and advances measured at FVTPL		
<b>Total</b>	<b>38,773,457</b>	<b>38,773,457</b>

Loans and advances includes net amount of accrued interest receivable and interest suspense on loan.

As majority of loans are under bad category and Finance was under "problematic" at Ashad end, impairment test on loans as per NAS 39 has not been done. The impairment allowance as per NRB is certainly higher than calculated as per NAS 39.

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

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Performing loan</b>	<b>33,183,290.19</b>	<b>33,183,290.19</b>
Good	33,183,290.19	33,183,290.19
Watchlist		
<b>Non-performing loan</b>	<b>2,211,794,939.57</b>	<b>2,213,997,522.59</b>
Substandard		
Doubtful		
Loss	2,211,794,939.57	2,213,997,522.59
<b>Total</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>
<b>Add: loan to employees and Net AIR</b>		
<b>Total loan</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>
<b>Impairment allowance</b>		
<b>Performing loan</b>	<b>414,791.13</b>	<b>331,832.90</b>
Good	414,791.13	331,832.90
Watchlist		
<b>Non-performing loan</b>	<b>2,205,789,981.27</b>	<b>2,213,997,522.59</b>
Substandard		
Doubtful		
Loss	2,205,789,981.27	2,213,997,522.59
Additional		
<b>Total</b>	<b>2,206,204,772.40</b>	<b>2,214,329,355.49</b>





Nepal Share Market & Finance Limited  
Notes to Financial Statements

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

Product	As at 31.03.2080	As at 32.03.2079
Term loans	124,273,869.87	124,273,869.87
Overdraft		
Trust receipt/Import loans		
Demand and other working capital loans	147,823,583.72	147,823,583.72
Personal residential loans	16,833,114.61	17,984,323.57
Real estate loans	1,765,877,876.58	1,765,877,876.58
Margin lending loans	26,189,848.30	26,189,848.30
Hire purchase loans	121,663,747.13	122,276,267.77
Deprived sector loans	33,183,290.19	33,183,290.19
Bills purchased		
Staff loans		
Other	9,132,899.36	9,571,752.78
<b>Sub total</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>
Net Interest receivable		
<b>Grand total</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>

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

Currency	As at 31.03.2080	As at 32.03.2079
Nepalese Rupee	2,244,978,229.76	2,247,180,812.78
Indian Rupee		
United State dollar		
Great Britain pound		
Euro		
Japanese yen		
Chinese yuan		
Other		
<b>Total</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>

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

Collateral	As at 31.03.2080	As at 32.03.2079
<b>Secured</b>		
Movable/immovable assets	397,294,653.90	399,497,236.92
Gold and silver		
Guarantee of domestic B/FIs		
Non-Government Securities	26,189,848.30	26,189,848.30
Guarantee of international rated bank		
Collateral of export document		
Collateral of fixed deposit receipt	47,311.86	47,311.86
Collateral of Government securities		
Counter guarantee		
Against Guarantee	83,272,244.40	83,272,244.40
Other collateral	1,738,174,171.30	1,738,174,171.30
<b>Subtotal</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>
<b>Unsecured</b>		
<b>Grant Total</b>	<b>2,244,978,229.76</b>	<b>2,247,180,812.78</b>











Nepal Share Market & Finance Limited  
Notes to Financial Statements

**4.7.4: Allowances for impairment**

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Specific allowances for impairment</b>		
Balance at Shrawan 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 Shrawan 1	2,214,329,355.79	2,214,721,707.43
Impairment loss for the year:		
Charge/(reversal) for the year	(2,202,583.02)	(392,351.64)
Exchange rate variance on foreign currency		
Other movement		
<b>Balance at Asar end</b>	<b>2,212,126,772.77</b>	<b>2,214,329,355.79</b>
<b>Total allowances for impairment</b>	<b>2,212,126,772.77</b>	<b>2,214,329,355.79</b>

**Investment securities** 4.8

Particulars	As at 31.03.2080	As at 32.03.2079
Investment securities measured at amortized cost	43,092,000.20	43,092,000.20
Investment in equity measured at FVTOCI	143,665,461.20	74,378,102.00
<b>Total</b>	<b>186,757,461.40</b>	<b>117,470,102.20</b>

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

Particulars	As at 31.03.2080	As at 32.03.2079
Debt securities	43,092,000.00	43,092,000.00
Government bonds	1,000,000.00	1,000,000.00
Government treasury bills		
Nepal Rastra Bank bonds		
Nepal Rastra Bank deposits instruments		
Other		
Less: specific allowances for impairment	(999,999.80)	(999,999.80)
<b>Total</b>	<b>43,092,000.20</b>	<b>43,092,000.20</b>

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

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Equity instruments</b>		
Quoted equity securities	143,465,961.20	74,178,602.00
Unquoted equity securities	199,500.00	199,500.00
<b>Total</b>	<b>143,665,461.20</b>	<b>74,378,102.00</b>









Nepal Share Market & Finance Limited  
Notes to Financial Statements

4.8.3: Information relating to investment in equities

Particulars	As at 31.03.2080		As at 32.03.2079	
	Cost	Fair Value	Cost	Fair Value
<b>Investment in quoted equity</b>				
N.L.G. Insurance Company Ltd.	9,756,005	143,465,961	9,756,005	74,178,602
Himalayan General Insurance Company Limited	-	1,955,640	-	1,015,278
Neco Insurance Company Limited (Promoter Share)	8,400	94,200	8,400	79,560
Neco Insurance Company Limited	8,193,739	71,271,398	8,193,739	15,227,300
Citizen Investment Trust (CIT)	1,444,866	27,536,772	1,444,866	18,648,474
IME General Insurance Limited	-	41,861,471	-	38,766,210
	109,000	746,480	109,000	441,780
<b>Investment in unquoted equity</b>				
Nepal Stock Exchange Ltd.	199,500	199,500	199,500	199,500
Karja Suchana Kendra	5,000	5,000	5,000	5,000
Nepal Clearing House Ltd.	94,500	94,500	94,500	94,500
	100,000	100,000	100,000	100,000
<b>Total</b>	<b>9,955,505</b>	<b>143,665,461</b>	<b>9,955,505</b>	<b>74,378,102</b>

The cost of shares of NLG Insurance Company Limited & Citizen Investment Trust could not be stated due to lack of documents for verification of cost.





**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**Current tax assets**

4.9

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Current tax assets</b>		
Current year income tax assets	18,166,801.12	10,646,328.10
Tax assets of prior periods		
<b>Current tax liabilities</b>		
Current year income tax liabilities	10,714,658.79	6,936,878.69
Tax liabilities of prior periods		
<b>Total</b>	<b>7,452,142</b>	<b>3,709,449</b>

**Investment in subsidiaries**

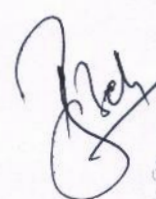
4.10

Particulars	As at 31.03.2080	As at 32.03.2079
Investment in quoted subsidiaries		
Investment in unquoted subsidiaries	70,000,000	70,000,000
<b>Total investment</b>	<b>70,000,000</b>	<b>70,000,000</b>
Less: Impairment allowances		
<b>Net carrying amount</b>	<b>70,000,000</b>	<b>70,000,000</b>

Note: NSMFL has 100% investment in NSM Merchant Banking & Investment Limited amounting to NPR 70,000,000. NSM Merchant Banking & Investment Limited is in process of liquidation & hasn't finalized its annual financial statements since FY 2070-71.










**Nepal Share Market & Finance Limited**  
Notes to Financial Statements

**4.10.1: Investment in quoted subsidiaries**

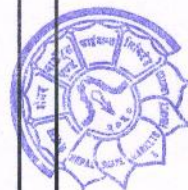
Particulars	As at 31.03.2080		As at 32.03.2079	
	Cost	Fair Value	Cost	Fair Value
<b>Total</b>				

**4.10.2: Investment in unquoted subsidiaries**

Particulars	As at 31.03.2080		As at 32.03.2079	
	Cost	Fair Value	Cost	Fair Value
<b>Total</b>				

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

Particulars	Percentage of ownership held by the Bank		Percentage of ownership held by the Bank	
	As at 31.03.2080	As at 32.03.2079	As at 32.03.2079	As at 31.03.2078
<b>Total</b>				



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

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

Particulars	As at 31.03.2080	As at 32.03.2079
Equity interest held by NCI (%)		
Profit/(loss) allocated during the year		
Accumulated balances of NCI as on Asar end		
Dividend paid to NCI		

Particulars	As at 31.03.2080	As at 32.03.2079
Equity interest held by NCI (%)		
Profit/(loss) allocated during the year		
Accumulated balances of NCI as on Asar end		
Dividend paid to NCI		

Particulars	As at 31.03.2080	As at 32.03.2079
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**

Particulars	As at 31.03.2080	As at 32.03.2079
Investment in quoted associates		-
Investment in unquoted associates		-
<b>Total investment</b>		-
Less: Impairment allowances		-
<b>Net carrying amount</b>		-





Nepal Share Market & Finance Limited  
Notes to Financial Statements

**4.11.1: Investment in quoted associates**

Particulars	As at 31.03.2080		As at 32.03.2079	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
<b>Total</b>	-	-	-	-

**4.11.2: Investment in unquoted associates**

Particulars	As at 31.03.2080		As at 32.03.2079	
	Cost	Fair Value	Cost	Fair Value
	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

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

Particulars	Percentage of ownership held by the Bank	
	As at 31.03.2080	As at 32.03.2079
	-	-
	-	-
<b>Total</b>	-	-

**4.11.4: Equity value of associates**

Particulars	As at 31.03.2080	As at 32.03.2079
	-	-
<b>Total</b>	-	-



**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**Investment properties**

**4.12**

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Investment properties measured at fair value</b>		
Balance as on Shrawan 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 Shrawan 1	119,989,827	119,989,827
Addition/disposal during the year		
Adjustment/transfer		
Accumulated depreciation	119,989,827	114,276,025
Accumulated impairment loss		
<b>Net amount</b>	-	5,713,802
<b>Total</b>	-	5,713,802

**Investment Properties Details**

Particulars	As at 31.03.2080	As at 32.03.2079
Leasehold building	119,989,827	119,989,827
Non Banking Assets		
<b>Total</b>	119,989,827	119,989,827

**Additional information regarding investment property.**

Finance company has entered into a lease arrangement with Guthi Sansthan, Dillibazzar, Kathmandu on 2053/02/17 to construct a building in the land of Guthi Sansthan. As per the leasing arrangement company is required to pay lease rental as specified on the arrangement and at the end of lease period, transfer the building and facilities to Guthi Sansthan. The period of lease is for 27 years including 2 years construction period. Finance company has provided most of the building on lease rental to other parties after construction of building. The cost of building is depreciated over the lease period using straight line method.





Nepal Share Market & Finance Limited  
Notes to Financial Statements

Property and Equipment

4.13

Particulars	Land	Building	Leasehold Improvement	Computer & Accessories	Vehicle	Furniture & Fixture	Machinery	Equipment & Others	Others	Total
<b>Cost</b>										
As on Ashadh end 2079	-	-	1,022,449	-	3,127,983	-	767,838	1,846,505	236,956	21,973,465
Addition during the Year										
Acquisition										
Capitalization										
Disposal during the year										
Adjustment/Revaluation										
Impairment for the year										
Depreciation charge for the Year					39,446.70		95,814.69	150,582.15	94,149.52	379,993
Capital Work in Progress										14,971,734
As on Ashadh end 2080	-	-	1,022,449	-	3,088,536	-	672,023	1,695,922	142,807	21,593,472

Note: Depreciation on Property & Equipment has not been charged on the assets that are not in the custody of the management. The Leasehold Improvement assets amounting NPR 1,022,449.10 & Office Equipment amounting NPR 1,293,720.70 which are not recorded in the Fixed Assets register have not been depreciated. Further there has been reduction of assets Computer Hardware amounting NPR 140,725.02, Furniture & Fixture amounting NPR 236,832.95, Computer Software NPR 72,266.55, Flooring & Furnishing NPR 113,621.97, Furniture & Fixture - Wood NPR 143,672.70 which have not been adjusted in the depreciation.



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

4.14

**Goodwill and Intangible Assets**

Particulars	Goodwill	Software		Other	Total Asar end 2079
		Purchased	Developed		
<b>Cost</b>					
Balance as on 2079.04.01	-	-	-	-	-
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Balance as on 2080.03.31	-	-	-	-	-
<b>Amortization and Impairment</b>					
As on 2079.04.01	-	-	-	-	-
Amortization charge for the Year	-	-	-	-	-
Impairment for the year	-	-	-	-	-
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
As on 2080.03.31	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-
Net Book Value					
As on Ashadh end 2079	-	-	-	-	-
As on Ashadh end 2080	-	-	-	-	-








Nepal Share Market & Finance Limited  
Notes to Financial Statements

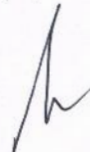
Deferred Tax

4.15

Particulars	As at 31.03.2080		
	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		40,112,987	(40,112,987)
Property & equipment		1,362,445	(1,362,445)
Employees' defined benefit plan	4,854,633		4,854,633
Lease liabilities			-
Provisions	300,000		300,000
Other temporary differences			-
<b>Deferred tax on temporary differences</b>	<b>5,154,633</b>	<b>41,475,432</b>	<b>(36,320,799)</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 2080</b>	<b>5,154,633</b>	<b>41,475,432</b>	<b>(36,320,799)</b>
Deferred tax asset/(liabilities) as on Shrawan 1, 2079			(1,403,884)
<b>Deferred tax expenses/(income) during the year</b>			<b>34,916,915</b>
Deferred tax expense/(income) recognized in profit or loss			14,130,707
Deferred tax expense/(income) recognized in other comprehensive income			20,786,208
Deferred tax expense/(income) recognized in directly in equity			

Note: There has been a change in tax base of Property & equipment in FY 2079-80 as the tax base that had been carried forward had been erroneously reported. The difference in the erroneous tax base & now corrected tax base is decreased by NPR 49,278,910.89 due to which there has been a change in deferred tax expense. The deferred tax expenses have now increased by NPR 14,783,673.27 which has impacted the profitability of the company by the same amount.




**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**Other Assets**

**4.16**

Particulars	As at 31.03.2080	As at 32.03.2079
Assets held for sale		
Other non banking assets		
Bills receivable		
Accounts receivable*	477,197,932	480,462,471
Accrued income	16,817	16,817
Prepayments and deposit	941,696	2,408,527
Income tax deposit		
Deferred employee expenditure		
Other	6,046,679	6,034,200
<b>Total</b>	<b>484,203,124</b>	<b>488,922,016</b>

**Account Receivables**

Particulars	As at 31.03.2080	As at 32.03.2079
Other Debtors	100,628,311	103,892,851
Yogendra Prasad Shrestha	381,681,654	381,681,654
Less : Provision	(5,112,033)	(5,112,033)
<b>Total</b>	<b>477,197,932</b>	<b>480,462,471</b>

**Due to Bank and Financial Institutions**

**4.17**

Particulars	As at 31.03.2080	As at 32.03.2079
Money market deposits		-
Interbank borrowing		-
Settlement and clearing accounts		-
Other deposits from BFIs		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Due to Nepal Rastra Bank**

**4.18**

Particulars	As at 31.03.2080	As at 32.03.2079
Refinance from NRB		-
Standing Liquidity Facility		-
Lender of last resort facility from NRB		-
Securities sold under repurchase agreements		-
Other payable to NRB		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Derivative financial instruments**

**4.19**

Particulars	As at 31.03.2080	As at 32.03.2079
<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>	<b>-</b>	<b>-</b>

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Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Other Assets**

4.16

Particulars	As at 31.03.2080	As at 32.03.2079
Assets held for sale		
Other non banking assets		
Bills receivable		
Accounts receivable*	477,197,932	480,462,471
Accrued income	16,817	16,817
Prepayments and deposit	941,696	2,408,527
Income tax deposit		
Deferred employee expenditure		
Other	6,046,679	6,034,200
<b>Total</b>	<b>484,203,124</b>	<b>488,922,016</b>

**Account Receivables**

Particulars	As at 31.03.2080	As at 32.03.2079
Other Debtors	100,628,311	103,892,851
Yogendra Prasad Shrestha	381,681,654	381,681,654
Less : Provision	(5,112,033)	(5,112,033)
<b>Total</b>	<b>477,197,932</b>	<b>480,462,471</b>

**Due to Bank and Financial Institutions**

4.17

Particulars	As at 31.03.2080	As at 32.03.2079
Money market deposits		-
Interbank borrowing		-
Settlement and clearing accounts		-
Other deposits from BFIs		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Due to Nepal Rastra Bank**

4.18

Particulars	As at 31.03.2080	As at 32.03.2079
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>	<b>-</b>	<b>-</b>

**Derivative financial instruments**

4.19

Particulars	As at 31.03.2080	As at 32.03.2079
<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>	<b>-</b>	<b>-</b>

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Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Deposits from customers**

4.20

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Institutions customers:</b>		-
Term deposits		-
Call deposits		-
Current deposits		-
Other (Provident fund deposit)		-
<b>Individual customers:</b>		-
Term deposits		-
Saving deposits		-
Current deposits		-
Other		-
<b>Total</b>	<b>244,535,717</b>	<b>242,744,847</b>

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

Particulars	As at 31.03.2080	As at 32.03.2079
Nepalese rupee	244,535,717	242,744,847
Indian rupee		-
United State dollar		-
Great Britain pound		-
Euro		-
Japanese yen		-
Chinese yuan		-
Other		-
<b>Total</b>	<b>244,535,717</b>	<b>242,744,847</b>

**Borrowing**

4.21

Particulars	As at 31.03.2080	As at 32.03.2079
<b>Domestic Borrowing</b>		-
Nepal Government		-
Other Institutions		-
Other		-
<b>Sub total</b>	-	-
<b>Foreign Borrowing</b>		-
Foreign Bank and Financial Institutions		-
Multilateral Development Banks		-
Other Institutions		-
<b>Sub total</b>	-	-
<b>Total</b>	-	-

**Provisions**

4.22

Particulars	As at 31.03.2080	As at 32.03.2079
Provisions for redundancy		-
Provision for restructuring		-
Pending legal issues and tax litigation		-
Onerous contracts		-
Other		-
<b>Total</b>	-	-

**4.22.1: Movement in provision**

Particulars	As at 31.03.2080	As at 32.03.2079
Balance at Shrawan 1		-
Provisions made during the year		-
Provisions used during the year		-
Provisions reversed during the year		-





Nepal Share Market & Finance Limited  
Notes to Financial Statements

Unwind of discount		-
Balance at Asar end	-	-

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Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Other liabilities**

4.23

Particulars	As at 31.03.2080	As at 32.03.2079
Liability for employees defined benefit obligation*	16,182,111	14,385,551
Liability for long-service leave**		
Short-term employee benefits	1,038	1,038
Bills payable		
Creditors and accruals	161,374,806	159,491,103
Interest payable on deposit	18,354,470	18,354,470
Interest payable on borrowing		
Liabilities on deferred grant income		
Unpaid Dividend	2,035,822	2,035,822
Liabilities under Finance Lease		
Employee bonus payable		
Other	273,124,764	273,024,263
<b>Total</b>	<b>471,073,012</b>	<b>467,292,248</b>

\*Liability for employees defined benefit obligation represents gratuity liability. Please refer Note 2.4.7 for measurement basis.

\*\*Please refer Note 2.4.7 for measurement basis.

**Other**

Particulars	As at 31.03.2080	As at 32.03.2079
FD overdue	235,477,906	235,477,906
Loan Nominee Account	2,290,002	2,315,002
Guthi Rent Deposit	3,773,394	3,834,048
Insurance Premium Payable	42,918	42,918
Other Tax Payables	4,322	4,322
CIT Payables	-	-
Audit Fee Payables	132,825	132,825
Provision for other Expenses	10,771,908	10,544,120
TDS Payables	605,082	646,714
SCR-Loan	970,414	970,414
SCR- Other Deposit	18,833,909	18,833,909
SCR-Star Mall	172,480	172,480
Suspense IBT	49,604	49,604
Inter Branch Account		-
<b>Total</b>	<b>273,124,764</b>	<b>273,024,263</b>

**4.23.2: Defined benefit obligations**

As actuarial valuation has not been done, the following notes (note 4.23.1 to 4.23.7) are not required to be filled up.

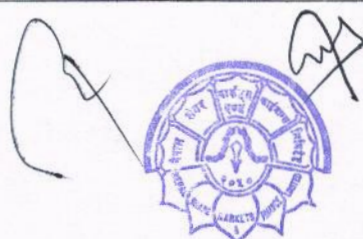
The amounts recognized in the statement of financial position are as follows:

Particulars	As at 31.03.2080	As at 32.03.2079
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		-

**4.23.3: Plan assets**

Plan assets comprise

Particulars	As at 31.03.2080	As at 32.03.2079
Equity securities		-
Government bonds		-
Bank deposit		-
Other		-
<b>Total</b>		-



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

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

Particulars	As at 31.03.2080	As at 32.03.2079
Defined benefit obligations at Sawan 1		-
Actuarial losses		-
Benefits paid by the plan		-
Current service costs and interest		-
Defined benefit obligations at Asar end		-

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

Particulars	As at 31.03.2080	As at 32.03.2079
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		-

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

Particulars	As at 31.03.2080	As at 32.03.2079
Current service costs		-
Interest on obligation		-
Expected return on plan assets		-
<b>Total</b>	-	-

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

Particulars	As at 31.03.2080	As at 32.03.2079
Actuarial (gain)/loss		-
<b>Total</b>	-	-

**4.23.8: Actuarial assumptions**

Particulars	As at 31.03.2080	As at 32.03.2079
Discount rate		-
Expected return on plan asset		-
Future salary increase		-
Withdrawal rate		-

**Debt securities issued**

4.24

Particulars	As at 31.03.2080	As at 32.03.2079
Debt securities issued designated as at fair value through profit or loss		-
Debt securities issued at amortized cost		-
<b>Total</b>	-	-

**Subordinated Liabilities**

4.25

Particulars	As at 31.03.2080	As at 32.03.2079
Redeemable preference shares		-
Irredeemable cumulative preference shares		-
Other		-
<b>Total</b>	-	-

**Share capital**

4.26

Particulars	As at 31.03.2080	As at 32.03.2079
Ordinary shares	233,332,834	233,332,834
Advance Towards Share Capital		
Convertible preference shares (equity component)		
Irredeemable preference shares (equity component)		

Nepal Share Market & Finance Limited  
Notes to Financial Statements

Perpetual debt (equity component only)		
Total	233,332,834.00	233,332,834.00





**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**4.26.1: Ordinary shares**

Particulars	As at 31.03.2080	As at 32.03.2079
Authorized Capital	4,000,000,000	4,000,000,000
4,000,000 Ordinary share of Rs. 100 each		
Issued capital	233,332,834	233,332,834
2,333,328 Ordinary share of Rs. 100 each		
Subscribed and paid up capital	233,332,834	233,332,834
2,333,328 Ordinary share of Rs. 100 each	233,332,834	233,332,834
<b>Total</b>	<b>233,332,834</b>	<b>233,332,834</b>

Reconciliation of no. of equity shares	As at 31.03.2080	As at 32.03.2079
Opening	2,333,328	2,333,328
Add: issued during the year		
Closing	<b>2,333,328</b>	<b>2,333,328</b>

**4.26.2: Ordinary share ownership**

Particulars	As at 31.03.2080		As at 32.03.2079		As at 31.03.2078
	Percent	Amount	Percent	Amount	Percent
<b>Domestic ownership</b>					
Nepal Government					
"A" class licensed institutions					
Other licensed institutions					
Other Institutions	21.96	51,250,600	21.96	51,250,600	21.96
Public	18.04	42,082,834	18.04	42,082,834	18.04
Other	60.00	139,999,400	60.00	139,999,400	60.00
<b>Total</b>	<b>100.00</b>	<b>233,332,834</b>	<b>100.00</b>	<b>233,332,834</b>	<b>100.00</b>

The shareholders holding 0.5% or more of total paid up capital as at 31.03.2080 are as follows:

Name of shareholder	% of holding
Star Saving & Credit Cooperative Ltd	8.71
Saurav Shrestha	8.27
Rita Joshi	8.27
Utsav Shrestha	8.24
Gaurav Shrestha	8.23
Star Holdings Ltd	5.71
Karya Binayak Investment Pvt Ltd	4.96
Gita Shrestha	4.53
SMCC Café Pvt Ltd	4.11
Machhapuchhre Investment Company Pvt Ltd	3.82
Arjun Kumar Shrestha	3.35
Prakash Bahadur Shrestha	2.52
Shesh Krishna Shrestha	2.50
Irej Pradhan	2.50
Shova Shrestha Pradhan	1.75
Sindhu Ratna Tuladhar	1.69
Yogendra Pd Shrestha	1.57
Star Investment Co. Pvt Ltd	1.01
Naresh Bahadur Malla	0.83
Kedar Narayan Manandhar	0.53
Ramesh Manandhar	0.52
<b>Total</b>	<b>83.62</b>





**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**Reserves**

Particulars	As at 31.03.2080	As at 32.03.2079	As at 31.03.2078
Statutory general reserve	254,890,137	253,141,137	250,999,157
Exchange equalization reserve			-
Corporate social responsibility reserve	3,046,087	2,958,637	2,772,449
Capital redemption reserve			-
Regulatory reserve	1,733,127	15,863,835	17,722,548
Capital reserve			-
Assets revaluation reserve			-
Fair value reserve	93,596,969	45,095,818	56,121,930
Dividend equalization reserve			-
Actuarial gain			-
Special reserve			-
Deferred tax reserve			-
Investment adjustment reserve			-
Other reserve			-
Capital reduction reserve	1,800,955,332	1,800,955,332	1,800,955,332
Capital Adjustment Reserve	57,683	57,683	57,683
Staff training fund	997,178	749,724	622,610
<b>Total</b>	<b>2,155,276,513</b>	<b>2,118,822,165</b>	<b>2,129,251,710</b>

**4.27.1: Movement of specific reserves for the year 2079-80 is as follows:**

Particulars	Corporate Social Responsibility	Staff Training Reserve
Opening	2,958,637	749,724
Addition for the year	87,450	247,455
Utilization during the year	(0)	-
Closing	3,046,087	997,178

**4.27.2: The composition and movement of regulatory reserve is as follows:**

Particulars	As at 31.03.2080	As at 32.03.2079	As at 31.03.2078
Deferred tax assets	1,733,127.12	15,863,834.55	15,625,426.34
<b>Total</b>	<b>1,733,127.12</b>	<b>15,863,834.55</b>	<b>15,625,426.34</b>

Amount equal to deferred tax assets (except for deferred tax on fair valuation of equity investments, which is netted with fair value reserve, itself non distributable reserve), has been transferred from retained earning to regulatory reserve.

**Contingent liabilities and commitments**

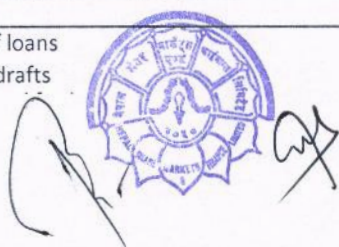
Particulars	As at 31.03.2080	As at 32.03.2079
Contingent liabilities	-	-
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.28.1: Contingent liabilities**

Particulars	As at 31.03.2080	As at 32.03.2079
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	-	-
Underwriting commitment	-	-
Other commitments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.28.2: Undrawn and undisbursed facilities**

Particulars	As at 31.03.2080	As at 32.03.2079
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-







Nepal Share Market & Finance Limited  
Notes to Financial Statements

Reserves

4.27

Particulars	As at 31.03.2080	As at 32.03.2079	As at 31.03.2078
Statutory general reserve	254,890,137	253,141,137	250,999,157
Exchange equalization reserve			-
Corporate social responsibility reserve	3,046,087	2,958,637	2,772,449
Capital redemption reserve			-
Regulatory reserve	1,733,127	15,863,835	17,722,548
Capital reserve			-
Assets revaluation reserve			-
Fair value reserve	93,596,969	45,095,818	56,121,930
Dividend equalization reserve			-
Actuarial gain			-
Special reserve			-
Deferred tax reserve			-
Investment adjustment reserve			-
Other reserve			-
Capital reduction reserve	1,800,955,332	1,800,955,332	1,800,955,332
Capital Adjustment Reserve	57,683	57,683	57,683
Staff training fund	997,178	749,724	622,610
<b>Total</b>	<b>2,155,276,513</b>	<b>2,118,822,165</b>	<b>2,129,251,710</b>

4.27.1: Movement of specific reserves for the year 2079-80 is as follows:

Particulars	Corporate Social Responsibility	Staff Training Reserve
Opening	2,958,637	749,724
Addition for the year	87,450	247,455
Utilization during the year	(0)	-
<b>Closing</b>	<b>3,046,087</b>	<b>997,178</b>

4.27.2: The composition and movement of regulatory reserve is as follows:

Particulars	As at 31.03.2080	As at 32.03.2079	As at 31.03.2078
Deferred tax assets	1,733,127.12	15,863,834.55	15,625,426.34
<b>Total</b>	<b>1,733,127.12</b>	<b>15,863,834.55</b>	<b>15,625,426.34</b>

Amount equal to deferred tax assets (except for deferred tax on fair valuation of equity investments, which is netted with fair value reserve, itself non distributable reserve), has been transferred from retained earning to regulatory reserve.

Contingent liabilities and commitments

Particulars	As at 31.03.2080	As at 32.03.2079
Contingent liabilities	-	-
Undrawn and undisbursed facilities	-	-
Capital commitment	-	-
Lease Commitment	-	-
Litigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

4.28.1: Contingent liabilities

Particulars	As at 31.03.2080	As at 32.03.2079
Acceptance and documentary credit	-	-
Bills for collection	-	-
Forward exchange contracts	-	-
Guarantees	-	-
Underwriting commitment	-	-
Other commitments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

4.28.2: Undrawn and undisbursed facilities

Particulars	As at 31.03.2080	As at 32.03.2079
Undisbursed amount of loans	-	-
Undrawn limits of overdrafts	-	-



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

Undrawn limits of credit cards	-	-
Undrawn limits of letter of credit	-	-
Undrawn limits of guarantee	-	-
<b>Total</b>	-	-

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**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**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 31.03.2080	As at 32.03.2079
<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**

Finance company does not have non-cancellable lease, hence the following disclosures are not required.

Particulars	As at 31.03.2080	As at 32.03.2079
<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**

There is no legal claim with financial impact to the Company.









**Nepal Share Market & Finance Limited**  
Notes to Financial Statements

Interest income 4.29		
Particulars	Current Year	Previous Year
From BFI	15,013,217	9,792,761
Due from Nepal Rastra Bank	-	-
Placement with bank and financial institutions	-	-
Loan and advances to bank and financial institutions	-	-
Loans and advances to customers	762,670	457,648
Investment securities	-	-
Loan and advances to staff	-	-
Other	-	-
<b>Total interest income</b>	<b>15,775,887</b>	<b>10,250,410</b>

Interest expense 4.30		
Particulars	Current Year	Previous Year
Due to bank and financial institutions	-	-
Due to Nepal Rastra Bank	-	-
Deposits from customers	1,941,859	1,939,399
Borrowing	-	-
Debt securities issued	-	-
Subordinated liabilities	-	-
Other	-	-
<b>Total interest expense</b>	<b>1,941,859</b>	<b>1,939,399</b>

Fees and Commission Income 4.31		
Particulars	Current Year	Previous Year
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>

Fees and commission expense 4.32		
Particulars	Current Year	Previous Year
ATM management fees	-	-
VISA/Master card fees	-	-
Guarantee commission	-	-
Brokerage	-	-
DD/TT/Swift fees	-	-
Remittance fees and commission	-	-
Other fees and commission expense	-	-
<b>Total fees and Commission Expense</b>	<b>-</b>	<b>-</b>

Net trading income 4.33		
Particulars	Current Year	Previous Year
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>	<b>-</b>	<b>-</b>



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

Other operating income		4.34
Particulars	Current Year	Previous Year
Foreign exchange revaluation gain	-	-
Gain/loss on sale of investment securities	-	-
Fair value gain/loss on investment properties	-	-
Dividend on equity instruments	118,130	597,310
Gain/loss on sale of property and equipment	-	-
Gain/loss on sale of investment property	-	-
Operating lease income	52,498,585	51,614,318
Gain/loss on sale of gold and silver	-	-
Locker rent	-	-
Other	93.09	1,200,014
<b>Total</b>	<b>52,616,809</b>	<b>53,415,443</b>

Operating lease income is from investment property. For additional information please refer to note 4.12

Impairment charge/(reversal) for loan and other losses		4.35
Particulars	Current Year	Previous Year
Impairment charge/(reversal) on loan and advances to B/FIs	-	-
Impairment charge/(reversal) on loan and advances to customer	2,202,583	392,352
Impairment charge/(reversal) on financial investment	-	-
Impairment Charge/(reversal) on Other Assets	-	-
Impairment Charge/(reversal) on Non Banking Assets	-	-
Impairment charge/(reversal) on property and equipment	-	-
Impairment charge/(reversal) on goodwill and intangible assets	-	-
Impairment charge/(reversal) on investment properties	-	-
<b>Total</b>	<b>2,202,583</b>	<b>392,352</b>

Personnel Expense		4.36
Particulars	Current Year	Previous Year
Salary	3,707,834	1,890,960
Allowances	2,087,966	1,150,780
Gratuity expense	1,613,378	432,386
Provident fund	191,144	156,834
Uniform	111,000	110,000
Training & development expense	-	-
Leave encashment	355,562	247,867
Medical	-	-
Insurance	-	-
Provision for Employee Leave	-	-
Cash-settled share-based payments	-	-
Pension expense	-	-
Finance expense under NFRS	-	-
Other expenses related to staff	181,600	248,288
<b>Subtotal</b>	<b>8,248,483</b>	<b>4,237,115</b>
Employees bonus	-	-
<b>Grand total</b>	<b>8,248,483</b>	<b>4,237,115</b>

Other operating expense		4.37
Particulars	Current Year	Previous Year
Directors' fee	749,600	1,246,600
Directors' expense	66,000	132,000
Auditors' remuneration	169,500	169,500
Other audit related expense	282,500	389,500
Professional and legal expense	46,176	1,159,242
Office administration expense*	17,256,837	27,984,787
Operating lease expense(Rent rebate expenses)	-	-
Operating expense of investment properties	-	-
Corporate social responsibility expense	-	-
Write off of Leasehold Assets	-	-
Onerous lease provisions	-	-
Registration Expenses	25,000	25,000
Other	-	-
<b>Total</b>	<b>18,595,613</b>	<b>31,106,629</b>




Nepal Share Market & Finance Limited  
Notes to Financial Statements

**Other Administration Expenses\***

Particulars	Current Year	Previous Year
House Rent Expenses	5,342,000	5,160,000
Water & electricity Expenses	4,790,766	4,583,842
Postage & Telephone Expenses	16,500	32,215
Printing & Stationery Expenses	41,317	34,607
Newspapers & Magazines	9,550	9,700
Repair & Maintenance expenses		
Leasehold Developments	39,260	231,775
Vehicles	161,083	151,115
Others	439,757	403,445
Insurance Expenses	189,437	196,929
Travelling Expenses	336,050	109,580
Advertisement Expenses	97,181	16,272
Guest & Staff Refreshment Expenses	292,244	439,532
Security Guard Expenses	2,194,686	2,194,686
Commission & Discount		
Other Fees	1,146,618	14,965
Bank Charges	3,139	2,768
Fines And Penalties	237,518	2,711,316
Miscellaneous Expenses	608,803	10,657,957
Fuel Expenses	658,356	372,513
Cleaning Expenses	652,572	661,572
<b>Total</b>	<b>17,256,837</b>	<b>27,984,787</b>

**Depreciation & Amortisation**

**4.38**

Particulars	Current Year	Previous Year
Depreciation on property and equipment	379,993	476,045
Depreciation on investment property	5,713,801	5,713,801
Amortisation of intangible assets		
<b>Total</b>	<b>6,093,794</b>	<b>6,189,847</b>

**Non operating income**

**4.39**

Particulars	Current Year	Previous Year
Recovery of loan written off		-
Other income		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Non operating expense**

**4.40**

Particulars	Current Year	Previous Year
Loan written off		-
Redundancy provision		-
Expense of restructuring		-
Other expense		-
<b>Total</b>	<b>-</b>	<b>-</b>

**Income tax expense**

**4.41**

Particulars	Current Year	Previous Year
<b>Current tax expense</b>		-
Current year		
Adjustments for prior years		
<b>Deferred tax expense (Income)</b>		-
Origination and reversal of temporary differences		
Changes in tax rate		
Recognition of previously unrecognised tax losses		
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

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

Current Year	Current Year	Previous Year
Profit before tax	33,590,366	19,505,487
Tax amount at tax rate of 30%	10,077,110	5,851,646
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	(10,077,110)	(5,851,646)
Total income tax expense	10,077,110	5,851,646
Effective tax rate	0.30	0.30






Nepal Share Market & Finance Limited  
Notes to Financial Statements

Statement of Distributable Profit or Loss

4.42

Particulars	Current Year	Previous Year
Opening Retained Earning as at Shrawan 1st, 2079	(2,034,211,673)	(2,044,325,001)
<b>Net profit or (loss) as per statement of profit or loss</b>	<b>8,745,000</b>	<b>10,709,895</b>
Appropriations:		
a. General reserve	(1,749,000)	(2,141,979)
b. Foreign exchange fluctuation fund		
c. Capital redemption reserve		
d. Corporate social responsibility fund	(87,450.00)	(186,188)
e. Employees' training fund	(247,454.50)	(127,113)
f. Other	14,130,707.42	1,858,713
<b>Profit or (loss) before regulatory adjustment</b>	<b>(2,013,419,870)</b>	<b>(2,034,211,673)</b>
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)		
b. Short loan loss provision in accounts (-)/reversal (+)		
c. Short provision for possible losses on investment (-)/reversal (+)		
d. Short loan loss provision on Non Banking Assets (-)/reversal (+)		
e. Deferred tax assets recognised (-)/ reversal (+)		
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/reversal (+)		
h. Actuarial loss recognised (-)/reversal (+)		
i. Other (+/-)		
<b>Distributable profit or (loss)</b>	<b>(2,013,419,870)</b>	<b>(2,034,211,673)</b>



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5 Disclosure and Additional Information

5.1 Risk Management

The Finance's business activities expose to a variety of risks, namely primarily to fluctuations in foreign currency exchange rates, 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 Finance. The Finance's Board and senior management has overall responsibility for the establishment and oversight of the Finance's risk management. The Finance's risk management policies are established to identify and analyze the risks faced by the Finance, 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 Finance. This directly impacts the financial performance of Finance. Motive of credit risk management is to gain a complete understanding of a Finance'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. Credit Administration Department, Risk Management Department function to supervise risk on overall level.

Each prospective borrower is thoroughly analyzed on his/her past, current status and future endeavors in order to ensure that borrower has capacity of repayment, before a credit is approved. Sufficient adequate collateral is obtained for all approved credit. Depending on the risk assigned to borrower, subsequent monitoring is being done. For similar group of borrowers, credit portfolio is prepared based on sector of loan.

The tools being used by Finance 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 Finance due to market factors. Market factors mainly comprise of interest rate, foreign exchange and collateral price. This risk is not entirely manageable as it encompasses factors that are not wholly within the control of Finance and arises on transaction with customers. In general, management of this type of risk is by diversification.

Finance 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. Our nation has seen frequent and high changes in interest rate on deposit in the recent years with interest rate skyrocketing on few months time. Managing this risk is itself a huge challenge because fund diversion from one Finance to another Finance is of high probability.

**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. Finance does not have any transaction in foreign currency.

**Equity Price Risk:** Finance has secured its loan by way of obtaining lien over the collateral of borrower. The finance has not disbursed any loans during the fiscal year 2078.79 as it was not allowed to conduct any banking transactions under Prompt Corrective Action (PCA) taken by Nepal Rastra Bank.

c) Liquidity Risk

Liquidity risk is the risk that either Finance 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 now maintained after release of the status of Problematic Financial Institution as per regulatory requirement and periodic status of liquidity profile are prepared to analyze liquidity status. Assets Liability Management Committee is yet to be formed at Finance to monitor the liquidity profile. we will soon form a committee and supervise the liquidity risk accordingly.

d) Operational Risk

Operational risk is potential for loss resulting from inadequate or failed internal processes, people and systems or external events. Risk Management Department is in place to monitor and mitigate operational risk. Standard operating procedures are prepared and implemented in order to define the process, people and system involved in each operational matters with existence of four eyes on each transaction (maker and chequer function). Finance has not formed the Audit Committee and soon prepare a team for internal audit.

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 Finance and Finance has to rely heavily on IT. In order to minimize the risk related to IT, Finance has in place Business Continuity Plan.

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. Nevertheless, the Risk Management Department/Compliance Department remains vigilant towards each risk.

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 Finance 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:





Nepal Share Market & Finance Limited  
Notes to Financial Statements

5 Disclosure and Additional Information

As at 31 Ashad 2080

Particulars	Classification	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalent	AC			320,749,259
Due from Nepal Rastra Bank	AC			67,424
Loans and advances to customers	AC			38,773,457
Investment securities				
Quoted shares	FVOCI	-		143,465,961
Unquoted shares	FVOCI			199,500
Other Investment	AC			
Other Financial Assets	AC			43,092,000
<b>Total Financial Assets</b>		-	-	546,347,601
<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	AC			
Deposits from customers	AC			244,535,717
Other Liabilities	AC			471,073,012
<b>Total Financial Liabilities</b>		-	-	715,608,729



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Nepal Share Market & Finance Limited  
Notes to Financial Statements

5 Disclosure and Additional Information

**As at 32 Ashad 2079**

Particulars	Classification	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalent	AC			285,231,924
Due from Nepal Rastra Bank	AC			67,424
Loans and advances to customers	AC			38,773,457
Investment securities				
Quoted shares	FVOCI	-		74,178,602
Unquoted shares	FVOCI			199,500
Other Investment	AC			
Other Financial Assets	AC			43,092,000
<b>Total Financial Assets</b>		-	-	<b>441,542,907</b>
<b>Financial Liabilities</b>				
Due to Bank and Financial Institutions	AC			
Deposits from customers	AC			242,744,847
Other Liabilities	AC			467,292,248
<b>Total Financial Liabilities</b>		-	-	<b>710,037,096</b>










**Nepal Share Market & Finance Limited**  
**Notes to Financial Statements**

**5.4 Operating Segment Information**

**5.4.1 General Information**

Finance's management has identified its operating segments based on the management of its branches and offices. Since the finance has not any operating branch as on the date of financial statement, no segment reporting has been done for the purpose of preparation of this financial statement.

**5.4.2 Segment result and segment position for the year ended on Ashad 2080**

Particulars	Segment 1	Segment 2	Unallocated	Amount in '000
Revenue from external customers				Total
Intersegment revenues				
<b>Net revenue</b>				
Interest income				
Interest expenses				
<b>Net interest revenue</b>				
Depreciation and amortization				
<b>Segment profit/(loss)</b>				
Entity's interest in the profit or loss of associate accounted for using equity method				
Other material non-cash items:				
Loans:				
Consumer				
Corporate				
Deposit				
Consumer				
Corporate				
Impairment of Assets				
Segment Assets				
Segment Liabilities				





### 5.3.2 Capital Structure and Capital Adequacy

Capital Structure and Capital Adequacy of Finance is as follows

1.1 RISK WEIGHTED EXPOSURES	Current Period	Previous Period
Risk Weighted Exposure for Credit Risk	776,463,869.04	776,463,869.04
Risk Weighted Exposure for Operational Risk	630,435,270.97	627,751,099.00
Risk Weighted Exposure for Market Risk	-	-
<b>Total Risk Weighted Exposures (Before adjustments of Pillar II)</b>	<b>1,406,899,140.00</b>	<b>1,404,214,968.04</b>
<b>Adjustments under Pillar II</b>		
	-	-
	-	-
	-	-
	-	-
<b>Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)</b>	<b>1,406,899,140.00</b>	<b>1,404,214,968.04</b>

1.2 CAPITAL	Current Period	Previous Period
<b>(A) Core Capital (Tier 1)</b>	<b>282,394,398.31</b>	<b>259,518,690.85</b>
Paid up Equity Share Capital	233,332,834.00	233,332,834.00
Irredeemable Non-cumulative preference shares		
Share Premium	2,477,335.00	2,477,335.00
Proposed Bonus Equity Shares		
Statutory General Reserves	254,890,136.52	253,141,136.51
Retained Earnings	(2,013,419,870.33)	(2,034,211,673.27)
Un-audited current year cumulative profit/(loss)		
Capital Redemption Reserve		
Capital Adjustment Reserve	57,683.00	57,683.00
Dividend Equalization Reserves		
Other Free Reserve	1,805,056,280.12	1,804,721,375.61
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		
<b>Adjustments under Pillar II</b>		
SRP 6.4: Less: Shortfall in Provision		
SRP 6.4: Less: Loans & Facilities extended to related parties and restricted lending		

<b>(B) Supplementary Capital (Tier 2)</b>	<b>331,832.90</b>	<b>331,832.90</b>
Cumulative and/or Redeemable Preference Share		
Subordinated Term Debt		
Hybrid Capital Instruments		
General Loan Loss Provision	331,832.90	331,832.90
Exchange Equalization Reserve		
Investment Adjustment Reserve		
Asset Revaluation Reserve		
Other Reserves		
<b>Total Capital Fund (Tier I and Tier II)</b>	<b>282,726,231.21</b>	<b>259,850,523.75</b>

1.3 CAPITAL ADEQUACY RATIOS	Current Period	Previous Period
Tier 1 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	20.07%	18.48%
Tier 1 and Tier 2 Capital to Total Risk Weighted Exposures (After Bank's adjustments of Pillar II)	20.10%	18.51%



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A. Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value	Risk Weight	Risk Weighted Exposures
	a	b	c	d=a-b-c	e	f=a*e
Cash Balance	4,446.80			4,446.80	0%	-
Balance With Nepal Rastra Bank	67,423.58			67,423.58	0%	-
Gold					0%	-
Investment in Nepalese Government Securities	1,000,000.00	999,999.80		-	0%	-
All Claims on Government of Nepal					0%	-
Investment in Nepal Rastra Bank securities					0%	-
All claims on Nepal Rastra Bank					0%	-
Claims on Foreign Government and Central Bank (ECA 0-1)					0%	-
Claims on Foreign Government and Central Bank (ECA -2)			-	-	20%	-
Claims on Foreign Government and Central Bank (ECA -3)			-	-	50%	-
Claims on Foreign Government and Central Bank (ECA-4-6)			-	-	100%	-
Claims on Foreign Government and Central Bank (ECA-7)			-	-	150%	-
Claims On BIS, IMF, ECB, EC and MDB's recognized by the framework					0%	-
Claims on Other Multilateral Development Banks			-	-	100%	-
Claims on Domestic Public Sector Entities			-	-	100%	-
Claims on Public Sector Entity (ECA 0-1)			-	-	20%	-
Claims on Public Sector Entity (ECA 2)			-	-	50%	-
Claims on Public Sector Entity (ECA 3-6)			-	-	100%	-
Claims on Public Sector Entity (ECA 7)			-	-	150%	-
Claims on domestic banks that meet capital adequacy requirements	320,744,812.07		-	320,744,812.07	20%	64,148,962.41
Claims on domestic banks that do not meet capital adequacy requirements			-	-	100%	-
Claims on foreign bank (ECA Rating 0-1)			-	-	20%	-
Claims on foreign bank (ECA Rating 2)			-	-	50%	-
Claims on foreign bank (ECA Rating 3-6)			-	-	100%	-
Claims on foreign bank (ECA Rating 7)			-	-	150%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Claims on Domestic Corporates			-	-	100%	-
Claims on Foreign Corporates (ECA 0-1)			-	-	20%	-
Claims on Foreign Corporates (ECA 2)			-	-	50%	-
Claims on Foreign Corporates (ECA 3-6)			-	-	100%	-
Claims on Foreign Corporates (ECA 7)			-	-	150%	-
Regulatory Retail Portfolio (not Overdue)			-	-	75%	-
Claims fulfilling all criterion of regularly retail except granularity			-	-	100%	-
Claims secured by residential properties	33,183,290.19	414,791.13	-	32,768,499.06	60%	19,661,099.44
Claims not fully secured by residential properties	2,211,794,939.57	2,211,794,939.57	-	-	150%	-
Claims secured by residential properties (Overdue)			-	-	100%	-
Claims secured by Commercial real estate			-	-	100%	-
Past due claims (except for claims secured by residential properties)			-	-	150%	-
High Risk claims			-	-	150%	-
Lending Against Securities (Bonds & Shares)			-	-	100%	-
Investments in equity and other capital instruments of institutions listed in stock exchange	186,557,961.40		-	186,557,961.40	100%	186,557,961.40
Investments in equity and other capital instruments of institutions not listed in the stock exchange	199,500.00		-	199,500.00	150%	299,250.00
Staff loan secured by residential property			-	-	50%	-
Interest Receivable/claim on government securities			-	-	0%	-
Cash in transit and other cash items in the process of collection			-	-	20%	-
Other Assets (as per attachment)	505,796,595.78		-	505,796,595.78	100%	505,796,595.78
<b>TOTAL (A)</b>	<b>3,259,348,969.39</b>	<b>2,213,209,730.50</b>	<b>-</b>	<b>1,046,139,238.70</b>		<b>776,463,869.04</b>

B. Off Balance Sheet Exposures	Book Value	Specific Provision	Eligible CRM	Net Value		Risk Weighted Exposures
Revocable Commitments				-	0%	-
Bills Under Collection				-	0%	-
Forward Exchange Contract Liabilities			-	-	10%	-
LC Commitments With Original Maturity Up to 6 months domestic counterparty			-	-	20%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
LC Commitments With Original Maturity Over 6 months domestic counterparty			-	-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
B & B Bond, Performance Bond and Counter guarantee domestic counterparty			-	-	50%	-
Foreign counterparty (ECA Rating 0-1)			-	-	20%	-
Foreign counterparty (ECA Rating 2)			-	-	50%	-
Foreign counterparty (ECA Rating 3-6)			-	-	100%	-
Foreign counterparty (ECA Rating 7)			-	-	150%	-
Underwriting commitments			-	-	50%	-
Lending of Bank's Securities or Posting of Securities as collateral			-	-	100%	-
Repurchase Agreements, Assets sale with recourse			-	-	100%	-
Advance Payment Guarantee			-	-	100%	-
Financial Guarantee			-	-	100%	-
Acceptances and Endorsements			-	-	100%	-
Unpaid portion of Partly paid shares and Securities			-	-	100%	-
Irrevocable Credit commitments (short term)			-	-	20%	-
Irrevocable Credit commitments (long term)			-	-	50%	-
Claims on foreign bank incorporated in SAARC region operating with a buffer of 1% above their respective regulatory capital requirement			-	-	20%	-
Other Contingent Liabilities			-	-	100%	-
Unpaid Guarantee Claims			-	-	200%	-
<b>TOTAL (B)</b>						
<b>Total RWE for credit Risk Before Adjustment (A) +(B)</b>	<b>3,259,348,969.39</b>	<b>2,213,209,730.50</b>	<b>-</b>	<b>1,046,139,238.70</b>		<b>776,463,869.04</b>
<b>Adjustments under Pillar II</b>						
SRP 6.4a(3) - Add 10% of the loans & facilities in excess of Single Obligor Limits to RWE						
SRP 6.4a(4) - Add 1% of the contract (sale) value in case of the sale of credit with recourse to RWE						
<b>Total RWE for Credit Risk after Bank's adjustments under Pillar II</b>	<b>3,259,348,969.39</b>	<b>2,213,209,730.50</b>	<b>-</b>	<b>1,046,139,238.70</b>		<b>776,463,869.04</b>

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**Nepal Share Markets and Finance Ltd.**  
Risk Weighted Exposure for Operational Risk  
At the end of Ashadh, 2080

S.N.	Particulars	Fiscal Year		
		2077-78	2078-79	2079-80
1	Net Interest Income	2,793,189.35	8,111,011.02	13,834,027.58
2	Commission and Discount Income			
3	Other Operating Income	46,705,497.13	53,415,442.67	52,616,809.38
4	Exchange Fluctuation Income			
5	Addition/Deduction in Interest Suspense during the period			
6	Gross income (a)	400,457,555.00	404,232,510.00	404,591,554.00
7	Alfa (b)	449,956,241.48	465,558,963.69	471,042,390.96
8	Fixed Percentage of Gross Income [c=(a×b)]	15%	15%	15%
9	Capital Requirement for operational risk (d) (average of c)	67,493,436.22	69,893,844.55	70,656,358.64
10	Risk Weight (reciprocal of capital requirement of 11%) in times (e)	69,347,879.81	9.09	
11	<b>Equivalent Risk Weight Exposure [f=(d×e)]</b>	<b>630,435,270.97</b>		
SRP 6.4a (8) Adjustments under Pillar II (If Gross Income for the last three years is negative)				
1	Total Credit and Investment (net of Specific Provision) of related month			
2	Capital Requirement for Operational Risk (5% of net credit and investment)			
3	Risk Weight (reciprocal of capital requirement of 11%) in times	9.09		
4	Equivalent Risk Weight Exposure (g)			
5	Equivalent Risk Weight Exposure [h=f+g]	<b>630,435,270.97</b>		

**Note:** The addition/deduction in Interest suspense during the period for the FY 2079-80 amounts to NPR 404,591,554.00 which is from Non performing assets which has been provisioned for 100% as per NRB Directive no 2. The non inclusion of the said amount leads to severe reduction in Risk weighted Exposure for Operational Risk for the current fiscal year & also affects the capital adequacy ratio.



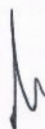


# Nepal Share Markets and Finance Ltd.

## Other Assets

At the end of Ashadh, 2080

S.N.	Assets	Gross Amount	Specific Provision	Net Balance
1	Cash and Cash Items in Transit			-
2	Miscellaneous Expenditure not written off			-
1	Fixed Assets	21,593,471.60		21,593,471.60
2	Interest Receivable on Other Investment			-
3	Interest Receivable on Loan			-
4	Non Banking Assets		-	-
5	Reconciliation Account			-
6	Draft Paid Without Notice			-
7	Sundry Debtors			-
8	Advance payment and Deposits			-
9	Staff Loan and Advance			-
10	Stationery			-
11	Other	484,203,124.18		484,203,124.18
	<b>TOTAL</b>	<b>505,796,595.78</b>	<b>-</b>	<b>505,796,595.78</b>



Nepal Share Market & Finance 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**

Total revenue for reportable segments	Amounts
Other revenue	
Elimination of intersegment revenues	
Entity's revenue	-

**b) Profit or loss**

Total profit or loss for reportable segments	Amounts
Other profit or loss	
Elimination of intersegment profit	
Unallocated amounts:	
Staff bonus	-
Income tax	-
NFRS adjustments	-
Profit before income tax	

**c) Assets**

Total assets for reportable segments	Amounts
Other assets	
Unallocated assets	-
Entity's assets	-

**d) Liabilities**

Total liabilities for reportable segments	Amounts
Other liabilities	
Unallocated liabilities	
Entity's liabilities	-

**5.4.5 Information about product and services**

Particulars	Amount
Consumer banking	
Corporate banking	
Treasury	
Others	



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**5.4.6 Information about geographical areas**

Revenue from geographical areas are as follows:

**Domestic:**

Province 3

Province 5

**Foreign:**

Total

**Amounts**

**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.

Quantitative information on contingent liabilities and capital commitments are presented in Note 4.28.

**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 Management Committee of the Bank and acting Chief Executive Officer.

**a) Management Committee**

The management of the finance was handled by Management Company represented by the representative of Nepal Rastra Bank for FY 2079-80. The details of management committee till 2079/09/24 are as follows :

	<b>Name</b>	<b>Position</b>
1	Mr. Ramesh Acharya	Coordinator
2	Mr. Deepak Pokharel	Member
3	Mr. Ram Sharan Pokharel	Member

From 2079/09/25, new management members were appointed by NRB. The detail is mentioned below:

	<b>Name</b>	<b>Designation</b>
	Prakash Kumar Shrestha	Coordinator
	Govinda Prasad Sharma	Member

**Allowance and facilities provided to management committee members**

The Coordinator of the Management Committee are provided meeting allowance of Nrs 5,000 per Meeting and monthly telephone allowance of Nrs 5,000. Other members of the management committee meeting allowance of Nrs 4,000 and monthly telephone allowance of Nrs 3,000.

After the appointment of full time management members, no allowance has been provided as meeting allowance.

There has not been any commercial transaction of the Finance with its members of Management Committee.

However the current management committee members are entitled to a monthly remuneration. Mr. Prakash Kumar Shrestha, co-ordinator of the committee draws a monthly remuneration of NPR 126,300 with one month dashain allowance. The total remuneration awarded to Mr. Prakash Kumar Shrestha for FY 2079-80 is NPR 783,060. Mr. Govind Prasad Sharma, member of the committee draws a monthly remuneration of NPR 103,600 with one month dashain allowance. The total remuneration awarded to Mr. Govind Prasad Sharma for FY 2079-80 is NPR 642,320.



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b) **Chief Executive Officer**

The finance Company has no Chief executive officer. However Mr. Rabin Bhakta Shyaula has been delegated all the responsibilities of chief executive officer from Baisakh 01, 2074 as per Management committee minute no 176 dated Chaitra 22, 2073. He has been awarded Special Allowance of NPR 7,500.00 in consideration of being delegated the responsibilities of chief executive officer from Poush 01, 2078 as per minute no 354 dated Mangshir 14, 2078 which was previously NPR 2,800.00. The total remuneration awarded to Mr. Rabin Bhakta Shyaula for FY 2079-80 is NPR 784,921.32




5.8 **Merger and acquisition**

During the current fiscal year, there has not been any completed merger or acquisition.

5.9 **Events after reporting date**

**Proposed dividend**

The finance is not in a position to declare dividend this year.







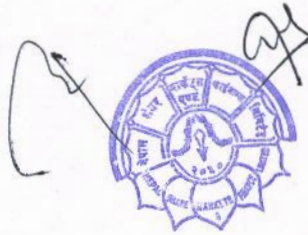


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**5.11 Major Financial Indicators of Last Five Years**

S.N.	Particulars	Indicator	2079-80	2078-79	2077-78	2076-77	2075-76
1	Net profit/total income	%	55.43	104.48	362.91	148.86	781.17
2	Earning per share						
	Basic earning per share	Rs.	3.75	4.59	7.98	9.25	42.97
	Diluted earning per share	Rs.	3.75	4.59	7.98	9.25	42.97
3	Market price per share	Rs.	-	-	-	-	-
4	Price/earning ratio	Times	-	-	-	-	-
5	Dividend or bonus per share	Rs.	-	-	-	-	-
6	Cash dividend	Rs.	-	-	-	-	-
7	Interest income/loan and advances	%	0.01	0.00	0.23	0.65	0.50
8	Employee expenses/total operating expenses	%	30.73	11.99	11.75	12.01	14.50
9	Interest expenses/total deposit and borrowing	%	0.79	0.80	0.97	0.99	0.99
10	Exchange income/total income	%	-	-	-	-	-
11	Staff bonus/total employee expenses	%	-	-	-	-	-
12	Net profit/loans and advances	%	0.39	0.48	0.84	0.97	4.52
13	Net profit/total assets	%	0.77	1.04	1.81	2.24	10.83
14	Total loans and advances/total deposit	%	918.06	925.74	918.96	928.74	935.85
15	Total operating expenses/total assets	%	2.38	3.43	2.40	2.57	2.82
16	Capital adequacy ratio						
	a) Common Equity Tier 1 Capital	%	20.07%	18.48%	18.75%	17.04%	15.97
	b) Supplementary Capital	%	0.02%	0.02%	0.03%	0.02%	0.02
	c) Total Capital Fund	%	20.10%	18.51%	18.78%	17.06%	15.99
17	Cash reserve ratio (CRR)	%			4.40	4.46	4.49
18	NPAs/total loan and advances	%	100.00	100.00	100.00	100.00	100.00
19	Base rate	%	-	-	-	-	-
20	Weighted average interest rate spread	%	0.70	0.46	3.90	3.90	3.90
21	Book net worth per share	Rs.	161.86	137.32	137.46	113.09	101.91
22	Total shares	No.	2,333,328	2,333,328	2,333,328	2,333,328	2,333,328
23	Total employees	No.	15.00	14.00	14.00	14.00	14.00
24	Others:						
	Per employee business (Rs. in lakh)		1,496.65	1,605.13	1,605.41	1,607.37	1,608.50
	Employee expenses/total income *	%	52.29	41.34	56.37	20.45	29.51

\* Interest and other operational income has been considered as income while calculating this ratio



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