सांग्रिला डेभलपमेन्ट बैंक लि.
Shangri-la Development Bank Ltd.

स्थानीय विकासको आधार

(नेपाल राष्ट्र बैंकबाट "ख" वर्गको इजाजत प्राप्त संस्था)

केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं,
फोन: ०१-४४२१८६१/४४२१८६२

अठारौं वार्षिक साधारण सभा बस्ने सम्बन्धि सूचना

आदरणीय शेयरधनी महानुभावहरु,

यस सांग्रिला डेभलपमेन्ट बैंक लिमिटेडको सञ्चालक समितिको मिति २०७९/११/१५ गते (तदनुसार २७ फेब्रुअरी २०२३) सोमबारका दिन बसेको ३०९ औं बैठकको निर्णय अनुसार यस डेभलपमेन्ट बैंकको अठारौं वार्षिक साधारण सभा देहायका विषयहरूमा छलफल गर्न निम्न मिति, स्थान र समयमा बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ अनुसार सम्पूर्ण शेयरधनी महानुभावहरूको जानकारी एवं उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति : २०७९ साल चैत १७ गते (तदनुसार ३१ मार्च २०२३), शुक्रबार
स्थान : लैनचौर ब्याङ्क्वेट, लैनचौर, काठमाडौं ।
सभा सुरु हुने समय : बिहान १०:०० बजे ।

छलफलको विषयसूची :

क) साधारण प्रस्ताव :

१) अध्यक्षज्यूको मन्तब्य सहित आर्थिक वर्ष २०७८/०७९ को सञ्चालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने बारे ।

२) लेखापरीक्षकको प्रतिवेदन सहितको मिति २०७९ आषाढ मसान्तको वित्तीय अवस्थाको विवरण तथा आर्थिक वर्ष २०७८/०७९ को नाफा नोक्सान हिसाब, अन्य विस्तृत विवरण, नगद प्रवाह विवरण, इक्विटीमा भएको परिवर्तन लगायत सम्पूर्ण वित्तीय विवरणहरू छलफल गरी पारित गर्ने बारे ।

३) आर्थिक वर्ष २०७९/०८० को लागि डेभलपमेन्ट बैंकको लेखापरीक्षण कार्यको लागि लेखापरीक्षण समितिको सिफारिस बमोजिम लेखापरीक्षक नियुक्त गर्ने र निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा ।
(हाल वहालवाला लेखापरीक्षक श्री रन्जिव एण्ड एसोसियट्स, चार्टड एकाउण्टेन्ट्स पुनः नियुक्ति हुन योग्य हुनुहुन्छ।)

४) सञ्चालक समितिले प्रस्ताव गरे बमोजिम डेभलपमेन्ट बैंकको हाल कायम चुक्ता पूँजी ३,०१,०६,६९,६६२/- को ८.५३४ प्रतिशत बोनस शेयर वितरण गर्ने सम्बन्धी विशेष प्रस्ताव पारित हुँदा सो बोनस शेयर तथा कर प्रयोजनका लागि प्रस्तावित नगद लाभांश समेत गरी कुल लाभांशमा लाग्ने कर भुक्तानी प्रयोजनका लागि डेभलपमेन्ट बैंकको चुक्ता पूँजीको ०.४४९ प्रतिशतले हुन आउने रकम रु. १,३५,२२,२१३.४०/- (अक्षेरुपी एक करोड पैंतीस लाख बाईस हजार दुई सय तेह्र र पैसा चालीस मात्र) नगद लाभांश वितरण गर्ने प्रस्ताव पारित गर्ने ।

५) संस्थापक शेयरधनीहरुको तर्फबाट प्रतिनिधित्व गर्नुहुने ३ जना सञ्चालक र सर्वसाधारण शेयरधनीहरुको तर्फबाट प्रतिनिधित्व गर्नुहुने ३ जना सञ्चालकको लागि निर्वाचन गर्ने ।

ख) विशेष प्रस्ताव :

१) सञ्चालक समितिले प्रस्ताव गरे बमोजिम हाल कायम चुक्ता पूँजी रु ३,०१,०६,६९,६६२/- (अक्षेरुपी तीन अर्ब एक करोड छ लाख उनान्सत्तरी हजार छ सय बैसठ्ठी मात्र) को ८.५३४ प्रतिशत अर्थात रकम रु. २५,६९,२२,०५४.७१/- (अक्षेरुपी पच्चीस करोड उनान्सत्तरी लाख बाइस हजार चवन्न र पैसा एकहत्तर मात्र) को बोनस शेयर जारी गर्ने सम्बन्धी प्रस्ताव पारित गर्ने ।

२) डेभलपमेन्ट बैंकको हाल कायम जारी तथा चुक्ता पूँजी रु ३,०१,०६,६९,६६२/- (अक्षेरुपी तीन अर्ब एक करोड छ लाख उनान्सत्तरी हजार छ सय बैसठ्ठी मात्र) रहेकोमा वोनस शेयर वितरण पश्चात जारी तथा चुक्ता पूँजी रु ३,२६,७५,९१,७१६.७१/-(अक्षेरुपी तीन अर्ब छब्बीस करोड पचहत्तर लाख एकान्नब्बे हजार सात सय सोह्र र पैसा एकहत्तर मात्र) पुर्‍याउने प्रस्ताव पारित गर्ने ।

३) विशेष प्रस्ताव नं. (१), (२) पारित भए बमोजिम हुने गरी डेभलपमेन्ट बैंकको प्रवन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्ने सम्वन्धि प्रस्ताव पारित गर्ने ।

४) डेभलपमेन्ट बैंकको प्रबन्धपत्र तथा नियमावलीमा भएका संशोधनको स्वीकृति लिने क्रममा नेपाल राष्ट्र बैंक, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड लगायतका नियमनकारी निकायबाट फेरबदल, परिमार्जन, थपघट तथा संशोधन गर्नको लागि निर्देशन प्राप्त भएमा सो कार्य गर्नका लागि सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने सम्बन्धि प्रस्ताव पारित गर्ने ।

५) यस सांग्रिला डेभलपमेन्ट बैंक र अन्य ईजाजतपत्र प्राप्त उपयुक्त बैंक तथा वित्तीय संस्था (हरु) एक आपसमा गाभ्ने/गाभिने (Merger) तथा सांग्रिला डेभलपमेन्ट बैंक लिमिटेडले अन्य बैंक तथा वित्तीय संस्था (हरु) प्राप्ति गर्ने (Acquisition) सम्बन्धमा उपयुक्त बैंक तथा वित्तीय संस्था (हरु) खोजी गर्न, उपयुक्त लागेको बैंक तथा वित्तीय संस्थासँग मर्जर तथा एक्विजिसन सम्बन्धी सहमतिपत्र (Memorandum of Understanding) तयार गरी हस्ताक्षर गर्न, सम्पूर्ण चल अचल सम्पत्ति तथा दायित्व मूल्याङ्कन (Due Diligence Audit) गराउने, तथा गाभ्ने/गाभिने (Merger) वा प्राप्ति गर्ने (Acquisition) सम्बन्धमा नियमनकारी निकायहरुसँग सहमति लिने, गाभ्ने/गाभिने (Merger) वा प्राप्ति गर्ने सम्बन्धी कार्यको लागि प्रबन्धपत्र तथा नियमावलीमा आवश्यक संशोधन गर्नुपर्ने भएमा सो समेत गर्ने लगायतका सम्पूर्ण प्रकृया अवलम्बन गरी एक आपसमा गाभ्ने/गाभिने (Merger) वा प्राप्ति गर्ने (Acquisition) सम्पूर्ण कार्य गर्ने सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने सम्बन्धी प्रस्ताव पारित गर्ने ।

ग) विविध :

अठारौं वार्षिक साधारण सभा सम्बन्धि जानकारी

१. अठारौं वार्षिक साधारण सभा, सो सभामा पेश हुने ८.९८३ प्रतिशत लाभांश प्रयोजनका लागि डेभलपमेन्ट बैंकको शेयर दाखिल खारेज (शेयर दर्ता किताब) मिति २०७९/११/२८ गते देखि मिति २०७९/१२/१७ गते सम्म बन्द रहने छ । शेयर दाखिल खारेज बन्द शुरु हुने मिति भन्दा अघिल्लो दिन अर्थात मिति २०७९/११/२६ गते सम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा कारोवार भई नियमानुसार कायम शेयरधनीहरु साधारण सभामा भाग लिन तथा ८.९८३ प्रतिशत लाभांश प्राप्त गर्नका लागि योग्य हुनेछन् ।

२. शेयरधनी महानुभावहरुले सञ्चालक समितिको प्रतिवेदन र लेखापरीक्षण प्रतिवेदन सहितको आर्थिक वर्ष ०७८/०७९ को वार्षिक प्रतिवेदन यस डेभलपमेन्ट बैंकको केन्द्रीय कार्यालय बालुवाटार, काठमाडौं वा शेयर रजिष्ट्रार एनआइविएल एस क्यापिटल लिमिटेडबाट प्राप्त गर्न सक्नुहुनेछ। उक्त प्रतिवेदन डेभलपमेन्ट बैंकको वेवसाइट www.shangrilabank.com मा हेर्न र डाउनलोड गर्न समेत सकिनेछ ।

३. सभामा उपस्थित हुने सम्पूर्ण शेयरधनीहरुले शेयर प्रमाणपत्र वा डिम्याट खाताको विवरण र आफ्नो परिचय खुल्ने प्रमाण (जस्तै नागरिकता प्रमाणपत्र वा अन्य कुनै परिचयपत्र) अनिवार्य रुपमा साथमा लिई आउनुहुन अनुरोध छ ।

४. सभामा भाग लिनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरुले प्रोक्सी फारम भरी सभा सुरु हुने भनी तोकिएको समय भन्दा कम्तिमा ४८ घण्टा अगावै अर्थात मिति २०७९/१२/१५ गते बिहान १० बजे भित्र डेभलमपेन्ट बैंकको केन्द्रीय कार्यालयमा दर्ता गरिसक्नु पर्नेछ । यसरी नियुक्त गरिएको प्रतिनिधि डेभलमपेन्ट बैंकको शेयरधनी हुनुपर्नेछ । त्यसरी प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्को प्रतिनिधि मुकरर गरी सभा शुरु हुने भनी तोकिएको समय भन्दा कम्तिमा ४८ घण्टा अगावै डेभलपमेन्ट बैंकको केन्द्रीय कार्यालयमा कारोवार समय भित्र दर्ता गरेमा वा आफु स्वयं साधारण सभामा उपस्थित हुन आएमा त्यस्तो शेयरधनीले गरिदिएको अघिल्लो प्रोक्सी स्वतः बदर हुनेछ । कुनै शेयरधनीले एक भन्दा बढी शेयरधनीलाई प्रतिनिधि नियुक्त गरेको रहेछ भने निज स्वयंले अन्य बदर गरी ४८ घण्टा अगावै एउटा कायम गरेको अवस्थामा बाहेक त्यस्ता सबै प्रतिनिधि पत्रहरु स्वतः बदर हुनेछ । प्रतिनिधि मुकरर गर्दा आफ्नो सम्पूर्ण शेयरको प्रतिनिधि (आफु जुन समूहको शेयरधनी हो सोही समूहको कुनै एक शेयरधनीलाई मात्र) एउटै व्यक्तिलाई नियुक्त गर्नुपर्छ । कुनै किसिमबाट छुट्याई दिएमा उक्त प्रोक्सी बदर गरिनेछ । यस सम्बन्धमा साधारण सभामा विवाद गर्न पाईने छैन ।

५. संयुक्त रुपमा शेयर ग्रहण गर्ने शेयरधनीहरुको हकमा साझेदारहरुद्वारा नियुक्त साझेदारले वा निजले नियुक्त गरेको प्रतिनिधिले र सो बमोजिम नियुक्त हुन नसकेकोमा शेयरधनीहरुको दर्ता किताबमा नाम क्रमानुसार अघि लेखिएको साझेदारले मात्र सभामा भाग लिन, छलफल गर्न र मतदान गर्न पाउनेछ ।

६. नाबालक वा मानसिक सन्तुलन ठिक नभएका शेयरधनीको तर्फबाट कम्पनीको शेयरधनी दर्ता किताबमा संरक्षकको रुपमा दर्ता भएको संरक्षकले वा संरक्षकले नियुक्त गरेको प्रतिनिधिले सभामा भाग लिन तथा मतदान गर्न पाउनेछन् ।

७. संगठित संस्था वा कम्पनी शेयरधनी भएकोमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले सभामा भाग लिन र मतदान गर्न पाउनेछन् ।

८. विविध शीर्षक अन्तर्गत छलफल गर्न चाहने शेयरधनीले छलफल गर्न चाहेको विषय सभा हुनु भन्दा ७ दिन अगावै डेभलपमेन्ट बैंकको केन्द्रीय कार्यालय बालुवाटार, काठमाडौंमा लिखित रुपमा जानकारी गराउनुपर्नेछ । यसरी लिखित रुपमा पूर्व जानकारी नगराएको विषयमा सभामा छलफल तथा निर्णय गरिने छैन ।

९. शेयरधनी महानुभावहरुको सुविधाको लागि हाजिरी पुस्तिका सभा स्थलमा साधारण सभा हुने दिन विहान ०९:०० बजे देखि नै खुल्ला गरिनेछ । साधारण सभामा भाग लिने प्रत्येक शेयरधनी महानुभावहरुले सभा हुने स्थानमा उपस्थित भई उक्त स्थानमा रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ ।

१०. साधारण सभाको काम कारवाहीहरु कम्पनी ऐन २०६३, बैंक तथा वित्तिय संस्था सम्बन्धी ऐन २०७३ तथा डेभलपमेन्ट बैंकको प्रबन्धपत्र, नियमावली बमोजिम हुनेछन् ।

११. शान्ति सुरक्षाका कारण साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरुलाई यथासक्य झोला/ब्याग नल्याउनुहुन अनुरोध गरिन्छ । सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरुले शेयरधनी महानुभावहरु लगायत सभाकक्षमा प्रवेश गर्ने सबैको झोला/ब्याग र शरीर जाँच गर्न सक्नेछन् ।

१२. साधारण सभा सम्बन्धी थप जानकारी डेभलपमेन्ट बैंकको केन्द्रीय कार्यालय बालुवाटार काठमाडौंबाट कार्यालय समय भित्र प्राप्त गर्न सकिनेछ ।

१३. संस्थापक समूह तथा सर्वसाधारण समूहका शेयरधनीहरुको तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्ने ३/३ जना गरी जम्मा ६ जना सञ्चालकहरुको निर्वाचनका सम्बन्धमा निर्वाचन अधिकृतले तोके बमोजिमको निर्वाचन सम्बन्धी कार्यक्रमको सूचना डेभलपमेन्ट बैंकको केन्द्रीय कार्यालय, बालुवाटार, काठमाण्डौको सूचना पाटीमा मिति २०७९/१२/०५ गते दिउँसो ३:०० बजे टाँस गरिनेछ र सो को विवरण डेभलपमेन्ट बैंकको वेबसाइटमा समेत प्रकाशन गरिनेछ। निर्वाचन सम्बन्धी आवश्यक सम्पूर्ण जानकारी डेभलपमेन्ट बैंकको केन्द्रीय कार्यालय, बालुवाटार, काठमाण्डौमा रहेको निर्वाचन अधिकृतको कार्यालयबाट प्राप्त गर्न सकिनेछ ।

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

सांग्रिला डेभलपमेन्ट बैंक लिमिटेडको
आ.व. ०७८/०७९ को संक्षिप्त आर्थिक विवरण
कम्पनी ऐन, २०६३ को दफा ८४ को प्रयोजनार्थ

आदरणीय शेयरधनी महानुभावहरु,

सांग्रिला डेभलपमेन्ट बैंक लिमिटेडको अठारौं वार्षिक साधारण सभाको प्रयोजनार्थ बैंकको २०७९ आषाढ मसान्तको वासलात, आर्थिक वर्ष २०७८।०७९ को नाफा नोक्सान हिसाव लगायत बैंकको कारोवारको सिंहावलोकन निम्नानुसार रहेको व्यहोरा यस संक्षिप्त वार्षिक आर्थिक विवरण मार्फत जानकारी गराउँदछौ ।

१) विगत वर्षको कारोवारको सिंहावलोकन

विगत आ.व. ०७७/०७८ तथा २०७८/०७९ को डेभलपमेन्ट बैंकको प्रमुख वित्तीय झलकहरु वार्षिक रुपमा निम्नानुसार प्रस्तुत गरिएको छ।

शीर्षक	आ.व २०७८/७९	आ.व २०७७/७८	वृद्धि (ह्रास) %
चुक्ता पूँज	३,०१०,६६९,६६२।०१	२,७३६,९७२,४२०।००	१०।००%
सञ्चित मुनाफा, जगेडा तथा कोषहरु	१,१७८,१३४,९६६।९६	९७५,४९८,९४८।७५	२०।७७%
पूँजी कोषको पर्याप्तता	११।५९%	११।७७%	-१।५८%
कुल सम्पत्ति	५९,८२२,४१७,६७७।४९	४७,८३६,८७६,५९९।५१	२५।०६%
कुल निक्षेप	५२,२०५,१४५,१०६।४७	४२,८४९,६४२,७४५।७९	२१।८३%
कुल कर्जा सापटीहरु	४३,४७८,२८४,४३३।९६	३६,१८८,०४३,१७६।४१	२०।१५%
लगानीहरु धितोपत्र तथा शेयर	७,३७०,१३६,१७६।९८	४,४९१,१५०,७८९।३२	६४।१०%
खुद व्याज आम्दान	१,६९१,२४२,४८३।७२	१,२०६,५२०,४५६।८३	४०।१८%
सञ्चालन खर्च	१,००१,८४०,७२४।३०	८५३,९२५,६४०।९४	१७।३२%
खुद मुनाफा	५२७,१७३,६६२।९५	४१०,०८०,४५७।०४	२८।५५%
निष्क्रिय कर्जा अनुपात	१।३९%	१।३९%	०।००%

समीक्षा अवधि आ.व. ०७८/०७९ मा बैंकको कुल कर्जा सापटी २०.१५ प्रतिशतले वृद्धि भई रु ४३,४७८,२८४,४३३.९६ पुगेको छ भने निक्षेप २१.८३ प्रतिशतले वृद्धि भई रु ५२,२०५,१४५,१०६.४७ पुगेको छ। डेभलपमेन्ट बैंकको वासलात आकारमा २५.०६ प्रतिशतले वृद्धि भई रु ५९,८२२,४१७,६७७.४९ पुगेको छ। यस अवधिमा डेभलपमेन्ट बैंकको खुद मुनाफा रु ५२७,१७३,६६२.९५ भएको छ।

२) **लेखापरिक्षकको मन्तब्य**
बैंकको आ.व. ०७८/०७९ को एकीकृत वासलात, एकीकृत नाफा नोक्सान हिसाव तथा सोहि अवधिको एकिकृत नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरुमा लेखापरिक्षकबाट नेपाल राष्ट्र बैंक द्वारा जारी निर्देशन तथा सर्वमान्य लेखाका सिद्धान्त अनुसार यथार्थपरक रहेको राय सहितको प्रतिवेदन संलग्न रहेको छ ।

३) आ.व. २०७८।०७९ को संक्षिप्त वित्तीय विवरण:

४) खुलाउनुपर्ने अन्य विवरणहरु

क) संक्षिप्त वार्षिक आर्थिक विवरण, कम्पनीको वार्षिक आर्थिक विवरण र सञ्चालक समितिको प्रतिवेदनको संक्षिप्त विवरण ।

RANJEEV & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
SHANGRI-LA DEVELOPMENT BANK LIMITED

Opinion

We have audited the financial statements of **Shangri-la Development Bank Ltd.** (*referred to as the "Bank"*), which comprise the Statement of Financial Position as at Ashadh 32, 2079 (*July 16, 2022*), the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Financial Position of the Bank as at Ashadh 32, 2079 (*July 16, 2022*), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards [NFRS].

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing [NSA]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matters	Auditor's Response
a)	**Interest Income:** The interest income of the bank has been recognized on accrual basis and following the Interest income guidelines issued by NRB on 2019. The Guidelines specify the conditions for collateral testing in case the overdue last for 3-12 months and reversal of accrued interest on overdue more than 12 months. Furthermore, the guidelines have specified conditions for collective impairment of the loan as well. In case of improper application of the guidelines and determination of the Fair Value of the collateral, it imposes risk on part of interest income. Thus, we have considered it as the key audit matter.	Our audit approach included clear understanding of the Core Banking Software of the bank i.e., how the interest income is daily accrued regarding the loans and advances. Furthermore, we have relied on the engineers' valuation of the collateral for determination of fair value regarding collateral testing. Also, we have test checked the interest income booking with manual computation and no deviation was observed. Further, we have test checked the collateral's fair value as per the NRB Income recognition guidelines.

Ranjeev & Associates, Chartered Accountants, Sanepa, Lalitpur, Nepal, E ranjeev.shrestha@gmail.com, T +977 9851072400

S. No.	Key Audit Matters	Auditor's Response
b)	**Investment in Loans & Advances:** Investment in loans and advances comprises of loans and advances provided to the borrowers via various products of the Bank. The valuation of aforesaid securities has been done in compliance with NFRS 9, Carve-Out issued by the Accounting Standards Board Nepal and Directive No. 2 & 3 of NRB Unified Directive 2078. The investments are recognized at Amortized Cost in the financial statements less impairment losses.	Our audit approach regarding assessment of investment in loans and advances was done on risk-based sampling basis. We verified outstanding impairment status of loans & advances with reference to the NRB directives, NFRS and Carve-Out issued for current year which stated that impairment shall be done at higher for impairment provision as per NRB directives or NFRS. We verified provisioning of the loans and advances based on ageing on the test check basis as on 16.07.2022 and the provisions are adequately made.
c)	**Investment Valuation, identification and impairment:** Investment of the bank comprises of investment in government bonds, T-bills, development bonds and investment in quoted and unquoted securities. The valuation of aforesaid securities has been done incompliance with NFRS 9 and Directive No. 8 of NRB Unified Directive 2078. The investment in government bonds & T-Bills has been done on amortized cost and rest have been valued through FVTOCI. Given the varieties of treatments recommended for valuation of investment based on nature of cash flow, the business model adopted, complexity of calculation and significance of amount involved in such investments, same has been considered as Key Audit Matter.	Our audit approach regarding investment of bank is based on NRB Directives & NFRS issued by the Accounting Standards Board of Nepal. For the investment valuation that are done at amortized cost, we checked the effective interest rate and amortization schedule on test basis. For investment valued through OCI i.e., for quoted investment, we relied on last transaction price (LTP) in NEPSE as on 16.07.2022 for fair value indication and for the unquoted investment the fair value has been taken at the rate which determines its nearest fair value significance. Further, the income and bonus have been cross verified from DEMAT Statement of the bank wherever applicable.
d)	**Information Technology:** Since most of the information of the bank is digitally stored and transaction are carried out digitally/electronically in today's scenario, we have considered information technology status of the bank as our Key Audit Matter.	Our audit approach regarding information technology of the bank was based upon the Information Technology Guidelines, 2012 issued by NRB. We verified interest income and expense booking regarding loan and deposits on the test basis with the CBS of the bank. We relied on the IT audit conducted by the bank. We verified provisioning of the loans and advances based on ageing on the test check basis as on 16.07.2022.

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management Report, Director's Report and Chairman's Statement but does not include the consolidated financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 NAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement whether caused due to fraud or error, and to issue 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

We have determined to communicate following matters in accordance with the requirements of NRB Directives, Companies Act, 2063 (updated 2074), BAFIA, 2073 and other regulatory requirements: -

- We have obtained all the information and the explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- Based on our audit, proper books of accounts as required by law have been kept by the Bank.
- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained by the Bank.
- Returns received from the branch offices of the Bank were adequate for the purpose of our audit though the statements are independently not audited.
- The capital fund, risk bearing fund and the provisions for possible impairment of assets of the bank are adequate considering the Directives issued by Nepal Rastra Bank.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Bank, we have not come across any case where the Board of Directors or any office bearer of the Bank have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Bank and violated Directives issued by Nepal Rastra Bank or acted in a manner, as would jeopardize the interest and security of the Bank, its shareholders and its depositors.
- The business of the Bank has been conducted satisfactorily and operated within its jurisdiction and has been functioning as per NRB Directives.

FCA. Ranjeev Shrestha
Proprietor
Ranjeev & Associates
Chartered Accountants

UDIN: 230210CA00494Kofhg

Place: Kathmandu
Date: February 10, 2023

Statement of Financial Position
As on 32 Ashad 2079 (16 July 2022)

Amount in NPR

Particulars	As at 16 July 2022	As at 15 July 2021
Assets		
Cash and cash equivalent	6,151,424,466.95	5,091,909,606.61
Due from Nepal Rastra Bank	1,450,383,702.61	1,489,812,245.44
Placement with Bank and Financial Institutions	-	5,547,187.75
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	2,907,339,925.24	3,143,294,716.84
Loans and advances to customers	40,570,944,508.72	33,044,748,459.57
Investment securities	7,370,136,176.98	4,491,150,789.32
Current tax assets	33,492,765.16	9,723,151.17
Investment in susidiaries	-	-
Investment in associates	-	-
Investment property	157,077,355.01	-
Property and equipment	768,852,595.19	386,266,949.33
Goodwill and Intangible assets	5,127,981.55	3,923,284.99
Deferred tax assets	54,454,558.45	33,340,536.49
Other assets	353,183,641.63	137,159,671.99
Total Assets	**59,822,417,677.49**	**47,836,876,599.51**
Liabilities		
Due to Bank and Financial Instituions	3,429,749,960.53	1,052,292,705.14
Due to Nepal Rastra Bank	1,744,042,277.00	750,463,771.02
Derivative financial instruments	-	-
Deposits from customers	48,775,395,145.94	41,797,350,040.65
Borrowing		
Current Tax Liabilities	-	
Provisions	-	-
Deferred tax liabilities	-	-
Other liabilities	938,140,086.75	524,298,713.95
Debt securities issued	746,285,578.30	-
Subordinated Liabilities	-	-
Total Liabilities	**55,633,613,048.52**	**44,124,405,230.75**
Equity		
Share capital	3,010,669,662.01	2,736,972,420.00
Share premium		
Retained earnings	270,444,268.11	315,918,741.87
Reserves	907,690,698.84	659,580,206.88
Total equity attributable to equity holders	**4,188,804,628.97**	**3,712,471,368.75**
Non-controlling interest	-	-
Total Equity	**4,188,804,628.97**	**3,712,471,368.75**
Total Liabilities and Equity	**59,822,417,677.49**	**47,836,876,599.51**
Contingent liabilities and commitment	1,535,328,771.84	2,029,950,105.33
Net assets value per share	139.13	135.64

Statement of Profit or Loss
For the year ended 32 Ashad 2079 (16 July 2022)

Amount in NPR

Particulars	Current Year	Previous Year
Interest income	5,544,897,226.29	3,515,206,323.30
Interest expense	3,853,654,742.57	2,308,685,866.47
Net interest income	**1,691,242,483.72**	**1,206,520,456.83**
Fee and commission income	206,529,193.16	230,376,880.24
Fee and commission expense	14,539,960.31	6,905,954.87
Net fee and commission income	**191,989,232.85**	**223,470,925.37**
Net interest, fee and commission income	**1,883,231,716.57**	**1,429,991,382.20**
Net trading income	-	-
Other operating income	19,807,798.43	249,414,446.47
Total operating income	**1,903,039,515.00**	**1,679,405,828.67**
Impairment charge/(reversal) for loans and other losses	159,952,997.75	236,067,814.32
Net operating income	**1,743,086,517.25**	**1,443,338,014.35**
Operating expense		
Personnel expenses	588,651,012.32	490,234,378.03
Other operating expenses	277,513,728.13	282,761,861.08
Depreciation & Amortisation	135,675,983.85	80,929,401.83
Operating Profit	**741,245,792.95**	**589,412,373.41**
Non operating income	1,601,256.95	129,070.01
Non operating expense	(2,300,985.52)	(939,573.74)
Profit before income tax	**740,546,064.37**	**588,601,869.68**
Income tax expense	213,372,401.42	178,521,412.65
Current Tax	218,871,301.35	185,403,693.20
Deferred Tax Income / Expenses	(5,498,899.92)	(6,882,280.55)
Profit for the year	**527,173,662.95**	**410,080,457.04**
Profit attributable to:		
Equity holders of the Bank	527,173,662.95	410,080,457.04
Non-controlling interest	-	-
Profit for the year	**527,173,662.95**	**410,080,457.04**
Earnings per share		
Basic earnings per share	17.51	14.98
Diluted earnings per share	17.51	14.98

Statement of Cash Flows
As on 32 Ashad 2079 (16 July 2022)

Amount in NPR

	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	5,460,779,416.68	3,565,514,946.97
Fees and other income received	(36,264,972.28)	100,888,513.35
Dividend received		
Receipts from other operating activities	-	-
Interest paid	(3,802,043,725.52)	(2,308,361,754.03)
Commission and fees paid	(14,539,960.31)	(6,905,954.87)
Cash payment to employees	(565,487,181.83)	(436,376,033.19)
Other expense paid	59,566,272.78	(153,368,580.00)
Operating cash flows before changes in operating assets and liabilities	**1,102,009,849.52**	**761,391,138.23**
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank	39,428,542.83	(63,214,540.95)
Placement with bank and financial institutions	5,547,187.75	62,824.70
Other trading assets	-	-
Loan and advances to bank and financial institutions	182,523,459.24	(2,244,194,888.74)
Loans and advances to customers	(7,548,613,748.05)	(10,363,841,855.04)
Other assets	(216,023,969.64)	(20,154,824.72)
	(7,537,138,527.87)	**(12,691,343,284.75)**
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions	2,377,457,255.39	(68,437,888.62)
Due to Nepal Rastra Bank	993,578,505.98	749,135,926.19
Deposit from customers	6,978,045,105.29	13,664,653,191.74
Borrowings	-	-
Other liabilities		-
	10,349,080,866.66	**14,345,351,229.31**
Net cash flow from operating activities before tax paid	**3,913,952,188.31**	**2,415,399,082.79**
Income taxes paid	(242,640,915.33)	(165,310,427.08)
Net cash flow from operating activities	**3,671,311,272.98**	**2,250,088,655.71**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(2,931,035,794.43)	(1,554,991,434.73)
Receipts from sale of investment securities	13,922,037.26	239,698,677.56
Purchase of property and equipment	(517,199,425.17)	(53,186,248.82)
Receipt from the sale of property and equipment	2,001,259.00	462,604.64
Purchase of intangible assets	(2,959,458.70)	(452,000.00)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	(157,077,355.01)	-
Receipt from the sale of investment properties	-	-
Interest received	245,750,161.83	129,540,041.94
Dividend received	2,921,702.27	9,876,252.37
Net cash used in investing activities	**(3,343,676,872.94)**	**(1,229,052,107.04)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities	746,285,578.30	-
Repayment of debt securities	-	-
Receipt from issue of subordinated liabilities	-	-
Repayment of subordinated liabilities	-	-
Receipt from issue of shares	-	-
Dividends paid	(14,405,118.00)	(6,859,580.00)
Interest paid	-	-
Other receipt/payment	-	-
Net cash from financing activities	**731,880,460.30**	**(6,859,580.00)**
Net increase (decrease) in cash and cash equivalents	**1,059,514,860.34**	**1,014,176,968.67**
Cash and cash equivalents at Shrawan, 01, 2078	5,091,909,606.61	4,077,732,637.94
Effect of exchange rate fluctuations on cash and cash equivalents held		-
Cash and cash equivalents at 32 Ashad 2079	**6,151,424,466.95**	**5,091,909,606.61**

Statement of Comprehensive Income
For the year ended 32 Ashad 2079 (16 July 2022)

Amount in NPR

	Current Year	Previous Year
Profit for the year	527,173,662.95	410,080,457.04
Other comprehensive income		
a) Items that will not be reclassified to profit or loss		
Gains/(losses) from investments in equity instruments measured at fair value	(52,050,406.77)	6,581,589.74
Gain/(loss) on revalution	-	-
Actuarial gain/(loss) on defined benefit plans		-
Income tax relating to above items	15,615,122.03	(1,974,476.92)
Net other comprehsive income that will not be reclassified to profit or loss	**(36,435,284.74)**	**4,607,112.82**
b) Items that are or may be reclassified to profit or loss		
Gains/(losses) on cash flow hedge	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-
Income tax relating to above items	-	-
Reclassification of Profit/Loss	-	-
Net other comprehsive income that are or may be reclassified to profit or loss	-	-
c) Share of other comprehensive income of associate accounted as per equited method	-	-
Other comprehensive income for the period, net of income tax	**(36,435,284.74)**	**4,607,112.82**
Total comprehensive income for the year	**490,738,378.21**	**414,687,569.85**
Total comprehensive income attributable to:	-	-
Equity holders of the Bank	490,738,378.21	414,687,569.85
Non-controlling interest	-	-
Total comprehensive income for the year	**490,738,378.21**	**414,687,569.85**

Statement of Distributable Profit or Loss
As on 32 Ashad 2079 (16 July 2022) (As per NRB Regulation)

Amount in NPR

	Current Year	Previous Year
Retained Earning of previous year available for distribution	**315,918,741.87**	**153,493,255.94**
Dividend Distributed for FY 2077/78	(288,102,360.01)	(137,191,600.00)
Net profit or (loss) as per statement of profit or loss	**527,173,662.95**	**410,080,457.04**
Adjustment:		
Appropriations:		
a. General reserve	(105,434,732.59)	(82,016,091.41)
b. Foreign exchange fluctuation fund	(338,684.86)	-
c. Capital redemption reserve	-	-
d. Corporate social responsibility fund	(1,022,370.98)	1,499,436.80
e. Employees' training fund	(1,897,672.41)	-
f. Fair Value Reserve	(3,586,079.18)	-
g. Investment Adjustment Reserve	-	4,999,999.97
h. Others		-
Profit or (loss) before regulatory adjustment	**442,710,504.79**	**350,865,458.34**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(19,344,275.51)	(34,646,024.66)
b. Short loan loss provision in accounts (-)/reversal (+)	-	-
c. Short provision for possible losses on investment (-)/reversal (+)		4,607,112.82
d. Short loan loss provision on Non Banking Assets (-)/resersal (+)	(98,958,733.66)	-
e. Deferred tax assets recognised (-)/ reversal (+)	(21,114,021.95)	(4,907,804.63)
f. Goodwill recognised (-)/ impairment of Goodwill (+)	-	-
g. Bargain purchase gain recognised (-)/resersal (+)	-	-
h. Acturial loss recognised (-)/reversal (+)	-	-
i. Other (+/-)	-	-
Unrealised Gain/(Loss) on Investment Securities	(32,849,205.56)	-
Distributable profit or (loss)	**270,444,268.11**	**315,918,741.87**

Statement of Changes in Equity For the year ended 32 Ashad 2079 (16 July 2022)

Amount in NPR

	Share Capital	General Reserve	Exchange Equalisation Reserve	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total
Balance at Shrawan 1, 2077	**2,606,640,400.00**	**423,107,160.96**	**260,404.83**	**115,759,031.42**	**(5,275,278.54)**	-	**153,493,255.94**	**12,051,354.37**	**3,306,036,328.98**
Adjustment/Restatement	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at Shrawan 1, 2077	**2,606,640,400.00**	**423,107,160.96**	**260,404.83**	**115,759,031.42**	**(5,275,278.54)**	-	**153,493,255.94**	**12,051,354.37**	**3,306,036,328.98**
Comprehensive income for the year									-
Profit for the year as per Report (NFRS)	-	-	-	-	-	-	410,080,457.04	-	410,080,457.04
Other comprehensive income, net of tax									-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	4,607,112.82	-	-	-	4,607,112.82
Gain/(loss) on revaluation	-	-	-	-	-	-	-	-	-
Atuarial gain/loss on defined benefit plans	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	**4,607,112.82**	-	**410,080,457.04**	-	**414,687,569.85**
Transfer to General Reserve	-	82,016,091.41					(82,016,091.41)		-
Transfer From General Reserve	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	-	-	-	-	-	-	-	-
Investment Adjustment Reserve	-	-	-	-	-	-	4,999,999.97	(4,999,999.97)	-
Institution CSR Fund	-	-	-	-	-	-	1,499,436.80	(1,499,436.80)	-
Utilization of Institution CSR Fund	-	-	-	-	-	-	-	-	-
Staff Training Fund	-	-	-	-	-	-	-	-	-
Utilization of Staff Training Fund	-	-	-	-	-	-		(1,392,950.08)	(1,392,950.08)
Transfer To/from Regulatory reserve during the year									-
Deferred Tax Reserve	-	-	-	4,907,804.63	-	-	(4,907,804.63)	-	-
Interest Receivable	-	-	-	34,646,024.66	-	-	(34,646,024.66)	-	-
Fair Value Reserve	-	-	-	(4,607,112.82)	-	-	4,607,112.82	-	-
Transactions with owners, directly recognised in equity									-
Share Issued	-	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-	-
Tax On Share Issue Expenses	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Bonus shares issued	130,332,020.00	-	-	-	-	-	(130,332,020.00)	-	-
Cash dividend paid	-	-	-	-	-	-	(6,859,580.00)	-	(6,859,580.00)
Other	-	-	-	-	-	-	-	-	-
Total contributions by and distributions	-	-	-	-	-	-	-	-	-
Balance at 31 Ashad, 2078	**2,736,972,420.00**	**505,123,252.37**	**260,404.83**	**150,705,747.89**	**(668,165.72)**	-	**315,918,741.87**	**4,158,967.52**	**3,712,471,368.75**
									-
Balance at Shrawan 1, 2078	**2,736,972,420.00**	**505,123,252.37**	260,404.83	150,705,747.89	(668,165.72)	-	315,918,741.87	4,158,967.52	3,712,471,368.75
Adjustment/Restatement	-	-	-					-	-
Adjusted/Restated balance at Shrawan 1, 2078	**2,736,972,420.00**	**505,123,252.37**	**260,404.83**	**150,705,747.89**	**(668,165.72)**	-	**315,918,741.87**	**4,158,967.52**	**3,712,471,368.75**
Comprehensive income for the year									-
Profit for the year as per Report (NFRS)	-	-	-	-	-	-	527,173,662.95	-	527,173,662.95
Other comprehensive income, net of tax									-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-	(36,435,284.74)	-	-	-	(36,435,284.74)
Gain/(loss) on revaluation	-	-	-	-	-	-	-	-	-
Atuarial gain/loss on defined benefit plans	-	-	-	-	-	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-	-	-	-	-	-
Exchange gains/(losses) (arising from translating financial assets of foreign operation)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	**(36,435,284.74)**	-	**527,173,662.95**	-	**490,738,378.21**
Transfer to General Reserve	-	105,434,732.59					(105,434,732.59)		-
Transfer From General Reserve	-	-	-	-	-	-	-	-	-
Exchange Fluctuation Fund	-	-	338,684.86	-	-	-	(338,684.86)	-	-
Investment Adjustment Reserve	-	-	-	-	-	-		-	-
Institution CSR Fund	-	-	-	-	-	-	(1,022,370.98)	1,022,370.98	-
Utilization of Institution CSR Fund	-	-	-	-	-	-	-		-
Staff Training Fund	-	-	-	-	-	-	(1,897,672.41)	1,897,672.41	-
Utilization of Staff Training Fund	-	-	-	-	-	-			-
Fair Value Reserve					3,586,079.18		(3,586,079.18)		-
Transfer To/from Regulatory reserve during the year									
Deferred Tax Reserve	-	-	-	21,114,021.95	-	-	(21,114,021.95)	-	-
Interest Receivable	-	-	-	19,344,275.51	-	-	(19,344,275.51)	-	-
Fair Value Reserve	-	-	-	32,849,205.56	-	-	(32,849,205.56)	-	-
Non Banking Assets				98,958,733.66			(98,958,733.66)		-
Fair Value Reserve				-			-		-
Transactions with owners, directly recognised in equity									-
Share Issued	-	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-	-
Tax On Share Issue Expenses	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-		-	-
Bonus shares issued	273,697,242.01	-	-	-	-	-	(273,697,242.01)	-	-
Cash dividend paid	-	-	-	-	-	-	(14,405,118.00)	-	(14,405,118.00)
Other	-	-	-	-	-	-		-	-
Total contributions by and distributions	-	-	-	-	-	-	-	-	-
Balance at 32 Ashad, 2079	**3,010,669,662.01**	**610,557,984.96**	**599,089.69**	**322,971,984.57**	**(33,517,371.28)**	-	**270,444,268.11**	**7,079,010.91**	**4,188,804,628.97**