Ganapati Laghubitta Bittiya Sanstha Limited

Condensed Consolidated Statement of Financial Position

As on Chaitra 30, 2082

NRs in '000

Assets	Current Quarter	Corresponding Previous Quarter ending
Cash and Cash equivalent	1,58,828	1,85,985
Due from Nepal Rastra Bank	-	-
Placements with Bank and Financial Institutions	-	-
Derivative Financial Instruments	-	-
Other Trading Assets	-	-
Loans and Advances to BFIs	-	-
Loans and Advances to Customers	23,05,789	22,11,736
Investment Securities	-	-
Current Tax Assets	16,833	10,769
Investment in Subsidiaries	-	-
Investment in Associates	-	-
Investment Property	-	-
Property and Equipment	7,430	7,934
Goodwill and Intangible Assets	1,145	371
Deferred Tax Assets	4,255	3,895
Other Assets	1,34,778	89,464
Total Assets	**26,29,059**	**25,10,154**
Liabilities		
Due to Bank and Financial Institutions	-	-
Due to Nepal Rastra Bank	-	-
Derivative Financial Instruments	-	-
Deposits from Customers	5,14,841	4,71,555
Borrowing	16,77,747	16,60,894
Current Tax Liabilities	26,162	9,990
Provisions	12,740	16,008
Deferred Tax Liabilities	-	-
Other Liabilities	1,40,673	1,01,944
Debt Securities Issued	-	-
Subordinated Liabilities	-	-
Total Liabilities	**23,72,164**	**22,60,391**
Equity		
Share Capital	1,51,555	1,51,555
Share Premium	-	-
Retained Earnings	(5,612)	17,742
Reserves	1,10,953	80,467
Total Equity attributable to equity holders	**2,56,895**	**2,49,764**
Non Controlling Interest		
Total Equity		
Total Liabilities and Equity	**26,29,059**	**25,10,155**

Prepare By

Ravi Chandra Koirala
Senior Officer
Date :- 2083,01.24

Review By

Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By

Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

Ganapati Laghubitta Bittiya Sanstha Limited

Condensed Statement of Profit or Loss

For the Quarter ending Chaitra, 2082

NRs in '000

Particulars	Current Quarter		Corresponding Previous Quarter	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	79,428	2,52,512	81,589	2,41,279
Interest expense	33,404	1,04,537	36,554	1,21,160
Net interest income	**46,024**	**1,47,975**	**45,035**	**1,20,119**
Fees and commission income	592	1,279	465	1,126
Fee and commission expenses	320	693	88	578
Net fee and commission income	**273**	**586**	**376**	**548**
Net interest, fee and commission income	**46,297**	**1,48,561**	**45,412**	**1,20,667**
Net Trading Income	-	-	-	-
Other Operating Income	2,327	6,346	2,028	6,113
Total operating income	**48,623**	**1,54,907**	**47,440**	**1,26,780**
Impairment charge/(reversal) for loan and other losses	(81,822)	(39,478)	(1,106)	(6,444)
Net Operating Income	**1,30,445**	**1,94,385**	**48,546**	**1,33,224**
Operating Expenses	-		-	
Personnel Expense	31,119	83,977	26,164	77,200
Other operating expense	8,046	21,645	6,159	20,958
Depreciation and Amortization	504	1,556	565	1,766
Operating profit	**90,777**	**87,207**	**15,657**	**33,300**
Non operating income	-	-	-	-
Non operating expense	-	-	-	-
Profit before income tax	**90,777**	**87,207**	**15,657**	**33,300**
Income Tax Expense	-			
Current tax	26,162	26,162	4,697	9,990
Deferred tax	-	-	-	-
Profit for the period	**64,614**	**61,045**	**10,960**	**23,310**

Condensed Statement Of Comprehensive Income

Particulars	Current Quarter		Corresponding Previous Quarter	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the Period	**64,614**	**61,045**	**10,960**	**23,310**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**64,614**	**61,045**	**10,960**	**23,310**
Basic Earning Per Share	**56.85**	**53.71**	**7.23**	**15.38**
Diluted Earning Per Share	**56.85**	**53.71**	**7.23**	**15.38**

Ratio As per NRB Directive

Ratios	Current Quarter		Corresponding Previous Quarter	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Capital Fund to RWA		8.14%		8.24%
Non-Performing Loan(NPL) to total Loan		14.29%		4.13%
Total loan Loss Provision to total NPL		35.49%		92.59%
Cost Of Fund		5.65%		8.33%
Credit to Deposit and Borrowing Ratio		105.16%		103.72%
Base Rate		11.91%		14.81%
Interest Rate Spread		7.56%		6.67%

Prepare By

Ravi Chandra Koirala
Senior Officer
Date :- 2083.01.24

Review By

Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By

Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

Ganapati Laghubitta Bittiya Sanstha Limited
CondensedStatement of Changes in Equity
As on Chaitra 30, 2082

Particulars	Attributable to Equityholders of Bank																
	Share Capital	Share Premium	General Reserve	Exchange Equalization Fund	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Deferred Tax Reserve	CSR Fund	Training Reserve	Customer Protection Fund	Actuarial Gain & Losses	Total Shareholders' Funds	Non Controlling Interest	Total Shareholders' Funds
Balance as at Ashard 01, 2082	1,51,555	-	26,390	(0)	45,495	-	-	(35,381)		-	238	-	1,330	3,807	1,93,433	-	1,93,433
Reversal of Previous Period Adjustments (Excel)			-		-			(0)	2,551	-	(74)	-	(60)	-	2,417	-	2,417
External Audit Adjustments 2079-80			-		-			-		-	-		-	-	-		-
Balance after opening Adjustment	1,51,555	-	26,390	(0)	45,495	-	-	(35,381)	2,551	-	164	-	1,270	3,807	1,95,850	-	1,95,850
Comprehensive income for the period																	
Net profit for the period								61,045	-						61,045		61,045
Other Comprehensive income																	
Remeasurement of defined benefit liability (asset)																	
Fair Value reserve (Investment in equity instrument)																	
Net change in Fair value																	
Net amount transferred to profit or loss																	
Net gain (loss) on revaluation																	
Total comprehensive income for the year	-	-	-	-	-	-	-	61,045	-	-	-	-	-	-	61,045		61,045
Transfer to reserve during the period																	
others																	
General Reserve Fund		-	12,209	-				(12,209)									
Debenture Redemption Reserve					-										-		-
Exchange Fluctuation Fund							-								-		-
Investment Adjustment Reserve															-		-
Corporate Social Responsibility Fund								(610)			610				-		-
Other Reserve								(916)				-	916				
Regulatory reserve					17,541			(17,541)									
Deferred Tax Reserve																	
Transfer from reserve during the period																	
others																	
Training and Development Reserve																	
Other Reserve																	
Transactions with owners, directly recognised in equity											-		-				
Bonus shares Issued																	
Calls in Advance																	
Dividend Paid																	
Others																	
Non Controlling Interest																	
Balance as at chaitra End 2082	1,51,555	-	38,599	(0)	63,036	-	-	(5,612)	2,551	-	774	-	2,185	3,807	2,56,895	-	2,56,895

Prepare By

Ravi Chandra Koirala
Senior Officer
Date :- 2083.01.24

Review By

Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By

Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

Ganapati Laghubitta Bittiya Sanstha Ltd.
Condensed Statement of Cash Flows
As on Chaitra 30, 2082

NRs in '000

	Current Year Upto This Quarter (YTD)	Previous Year Correspondng Qtr (YTD)
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,31,468	2,41,279
Fees and other income received	1,279	1,126
Dividend received		
Receipts from other operating activities	6,346	6,113
Interest paid	(1,04,537)	(1,21,160)
Commission and fees paid	(693)	(578)
Cash payment to employees	(83,977)	(77,200)
Other expense	(61,123)	(14,514)
Operating cash flows before changes in operating assets and liabilities	**88,764**	**35,066**
(Increase)/Decrease in operating assets		
Due from Nepal Rastra Bank		
Placement with bank and financial institutions		
Other trading assets		
Loan and advances to bank and financial institutions		
Loans and advances to customers	(94,053)	(1,31,344)
Other assets	(51,738)	(7,472)
Increase/(Decrease) in operating liabilities		
Due to bank and financial institutions		
Due to Nepal Rastra Bank		
Deposit from customers	43,286	(3,701)
Borrowings	16,853	2,17,414
Other liabilities	51,633	19,730
Net cash flow from operating activities before tax paid	**54,744**	**1,29,692**
Income taxes paid		
Net cash flow from operating activities	**54,744**	**(48,667)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities		
Receipts from sale of investment securities		
Purchase of property and equipment	(1,826)	(1,558)
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		
Net cash used in investing activities	**(1,826)**	**(1,558)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of debt securities		
Repayment of debt securities		
Receipt from issue of subordinated liabilities		
Repayment of subordinated liabilities		
Receipt from issue of shares		
Dividends paid		
Interest paid		
Reserve use	(80,075)	(3,741)
Other receipt/payment		
Net cash from financing activities	**(80,075)**	**(3,741)**
Net increase (decrease) in cash and cash equivalents	(27,157)	1,24,393
Opening Cash and cash equivalents	1,85,985	61,592
Effect of exchange rate fluctuations on cash and cash equivalents held		
Closing Cash and cash equivalents	**1,58,829**	**1,85,985**

Prepare By

Ravi Chandra Koirala
Senior Officer
Date :- 2083.01.24

Review By

Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By

Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

Ganapati Laghubitta Bittiya Sanstha Limited
Statement of Distributable Profit or Loss
As on Quarter ended Ashoj 31, 2082
(As per NRB Regulation)

NRs in '000

Particulars	Current Year Upto This Quarter (YTD)	Previous Year Correspondng Qtr (YTD)
Net profit or (loss) as per statement of profit or loss	61,045	23,310
Appropriations:	**13,735**	**(5,128)**
a. General Reserve	12,208.99	(4,662)
b. Foreign Exchange Fluctuation fund	-	-
c. Capital redemption reserve		-
d. Corporate social responsibility fund	610.45	(233)
e. Employees training fund		-
f. Client Protection Fund	916	(233)
g. Other		
Profit or (loss) before regulatory adjustment	**47,310**	**18,182**
Regulatory adjustment :		
a. Interest receivable (-)/previous accrued interest received (+)	(17,541)	(8,229)
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 (-)/resersal (+)		
e. Deferred tax assets recognised (-)/ reversal (+)		
f. Goodwill recognised (-)/ impairment of Goodwill (+)		
g. Bargain purchase gain recognised (-)/resersal (+)		
h. Actuarial loss recognised (-)/reversal (+)		
i. Other		
Net Profit for the Quarter ended on Ashad 2082 available for distribution	**29,769**	**9,953**
Opening Retained Earning as on ashard 01, 2082	(35,381)	(1,536)
Adjustment (+/-)		
Distribution:	-	-
Bonus shares issued		
Cash Dividend Paid		
Total Distributable profit or (loss) as on Quarter end Ashad 2082	**(5,612)**	**8,418**
Annualised Distributable Profit/Loss per share	**(4.94)**	**7.41**

Notes:
1.The above financial statements are prepared in accordance with Nepal Financial Reporting Standard (NFRS) and
2.The Detailed interim financial report has been published in our website.
3.Loans and Advances are presented net of impairment charges and includes staff loans
4.Actuarial Valuation has not been done for Employee Benefits
5.Personnel Expenses also include employee's bonus provision.
6.Previous Figures are regrouped/rearranged/restated wherever necessary for consistent presentation and comparison
* Interest Rate On Loan & Advances: 14.10% and Deposits: 7.5% to 8.55%

Prepare By
Ravi Chandra Koirala
Senior Officer
Date :- 2083.01.24

Review By
Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By
Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

Date BS	BUSINESS DATE	CLOSE PRICE	HIGH PRICE	LOW PRICE	TOTAL TRADED QUANTITY	TOTAL TRADED VALUE	TOTAL TRADES
2082/12/30	4/13/2026	1380.00	1380.00	1350.10	248.00	338896.80	13.00
2082/12/27	4/10/2026	1393.00	1398.00	1360.00	203.00	281475.00	12.00
2082/12/26	4/9/2026	1399.00	1400.00	1353.00	180.00	250328.00	10.00
2082/12/25	4/8/2026	1375.90	1375.90	1349.00	441.00	599772.00	13.00
2082/12/24	4/7/2026	1349.00	1360.00	1332.10	1624.00	2176815.20	25.00
2082/12/23	4/6/2026	1332.00	1358.00	1298.50	1021.00	1362008.00	22.00
2082/12/22	4/5/2026	1325.00	1345.00	1314.00	1743.00	2315437.30	47.00
2082/12/19	4/2/2026	1368.20	1401.00	1343.00	1151.00	1586147.60	34.00
2082/12/18	4/1/2026	1370.00	1440.00	1370.00	2075.00	2881551.50	51.00
2082/12/17	3/31/2026	1414.00	1448.00	1392.00	805.00	1128017.40	31.00
2082/12/16	3/30/2026	1420.00	1471.00	1399.00	2611.00	3700762.50	41.00
2082/12/15	3/29/2026	1454.00	1477.00	1401.50	3376.00	4796658.80	52.00
2082/12/12	3/26/2026	1453.00	1474.80	1445.00	1253.00	1821318.70	28.00
2082/12/11	3/25/2026	1474.00	1516.00	1445.00	2588.00	3780965.00	43.00
2082/12/10	3/24/2026	1493.00	1493.00	1475.00	939.00	1391032.60	25.00
2082/12/09	3/23/2026	1506.00	1519.00	1469.10	2142.00	3184561.50	41.00
2082/12/08	3/22/2026	1519.00	1526.00	1465.00	2783.00	4193603.50	56.00
2082/12/05	3/19/2026	1460.00	1472.50	1447.00	2479.00	3616016.00	29.00
2082/12/03	3/17/2026	1446.90	1478.90	1440.10	811.00	1179494.60	19.00
2082/12/02	3/16/2026	1468.00	1468.00	1438.00	1334.00	1937654.00	26.00
2082/12/01	3/15/2026	1450.00	1450.00	1450.00	60.00	87000.00	2.00
2082/11/28	3/12/2026	1455.50	1469.00	1431.00	1229.00	1789086.90	24.00
2082/11/27	3/11/2026	1455.50	1483.00	1440.10	1120.00	1638812.00	23.00
2082/11/26	3/10/2026	1454.00	1527.50	1451.00	4652.00	6892927.00	67.00
2082/11/25	3/9/2026	1536.00	1536.00	1448.40	70.00	103698.00	5.00
2082/11/19	3/3/2026	1420.00	1428.00	1400.50	822.00	1160058.30	23.00
2082/11/17	3/1/2026	1400.00	1445.00	1386.10	1000.00	1403977.90	17.00
2082/11/14	2/26/2026	1412.00	1466.90	1412.00	66.00	94502.80	4.00
2082/11/13	2/25/2026	1440.00	1440.00	1390.00	522.00	735440.10	20.00
2082/11/12	2/24/2026	1433.10	1433.10	1405.00	365.00	518090.00	15.00
2082/11/11	2/23/2026	1433.00	1445.00	1398.00	222.00	313502.00	12.00
2082/11/10	2/22/2026	1455.00	1487.10	1385.10	1002.00	1410924.60	28.00
2082/11/05	2/17/2026	1458.00	1523.00	1408.00	4598.00	6706448.70	50.00
2082/11/04	2/16/2026	1494.00	1494.00	1392.00	1927.00	2706176.40	45.00
2082/10/29	2/12/2026	1410.00	1424.00	1400.00	1790.00	2524819.60	43.00
2082/10/28	2/11/2026	1438.00	1444.00	1420.00	1327.00	1889888.50	40.00
2082/10/27	2/10/2026	1438.00	1463.00	1435.10	1642.00	2368417.80	43.00
2082/10/26	2/9/2026	1462.80	1479.00	1450.00	785.00	1140696.50	24.00
2082/10/25	2/8/2026	1470.00	1499.00	1452.00	1865.00	2725737.10	45.00
2082/10/22	2/5/2026	1478.00	1480.00	1467.00	1510.00	2221858.00	28.00
2082/10/21	2/4/2026	1472.00	1504.00	1465.00	367.00	540677.60	17.00
2082/10/20	2/3/2026	1479.90	1495.00	1467.00	1823.00	2680735.80	32.00
2082/10/19	2/2/2026	1492.00	1492.00	1470.00	1412.00	2086076.50	32.00
2082/10/18	2/1/2026	1478.00	1519.00	1470.10	1170.00	1725026.10	29.00
2082/10/15	1/29/2026	1498.00	1529.00	1470.20	2858.00	4240697.00	55.00
2082/10/14	1/28/2026	1500.00	1514.00	1478.00	5266.00	7860900.30	57.00
2082/10/13	1/27/2026	1508.00	1510.00	1483.00	2440.00	3636557.60	50.00
2082/10/12	1/26/2026	1513.00	1528.90	1490.00	2627.00	3935143.10	45.00
2082/10/11	1/25/2026	1520.00	1565.00	1452.00	1760.00	2662532.40	37.00
2082/10/08	1/22/2026	1510.00	1510.00	1480.00	2144.00	3193593.80	56.00
2082/10/07	1/21/2026	1510.00	1550.80	1495.00	849.00	1285944.40	18.00
2082/10/06	1/20/2026	1524.00	1534.80	1492.10	4390.00	6669900.60	48.00
2082/10/04	1/18/2026	1519.00	1525.00	1493.50	786.00	1187466.00	27.00

Closing Date	2082/12/30
Closing Price	1380
Max Price	1565
Min Price	1298.5
Total no. of Trade	1679
transaction days	53
Total trade Qty.	84273

Prepare By

Ravi Chandra Koirala
Senior Officer
Date :- 2083.01.24

Review By

Rupesh Kumar Jha
Manager
Date :- 2083.01.24

Approved By

Rabindra Kumar Neupane K.C
Senior Manager
Date :- 2083.01.24

INTERIM FINANCIAL STATEMENTS

Statement of Distributable Profit or Loss

For the Quarter Ended Chaitra, 2082

Amount in NPR

Particulars	NPR
Net Profit for the Period end Quarter	61,044,929.64
1. Appropriations	
1.1 Profit required to be appropriated to:	
a. General Reserve	(12,208,985.93)
b. Capital redemption reserve	
c. Foreign exchange fluction fund	
d. Corporate Social Responsiability	(610,449.30)
e. Employee training Fund	
f. Client protection fund	(915,673.94)
g. Other	
1.2 Profit required to be transferred to Regulatory Reserve:	(17,540,837.33)
a. Transfer to Regulatory Reserve	(17,540,837.33)
b. Transfer from Regulatory Reserve	
Net Profit for the period and available for distribution	57,239,201.48

Notes to interim Financial Statements:

1. The above figures are subject to change as per the direction of the Regulatory body i.e. NRB.
2. The interim financial statement have been prepared in accordance with Nepal Financial Reporting Standards as issued by the Accounting Standards Board, Nepal and the carve out issued by ICAN.
3. Loans and Advances to Clients are presented as a net amount of impairment allowances.
4. Loan and Advances to Customers and staff lending are measured at amortized cost.
5. Bonus payable to employees have been taken as 10% of profit before bonus adjustment.
6. Overdue interest and accrued interest has been transferred to Regulatory reserve after adjustment for tax and bonus.
7. Last year amount have been reclassified, restated & corrected wherever necessary for the purpose for comparability with NFRS balances.
8. The interim Financial Statements has been updated in the Microfinance website: www.ganapatimicro.com.np

*** Interest Rate On Loan & Advances: 14.10% and Deposits: 2% to 8.55%**

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को अनुसूचि १४ (नियम २६ को उपनियम (१) सग सम्बन्धित)

आ.व. २०८२/८३ को तेस्रो त्रैमासिक प्रतिवेदन

१. वित्तीय विवरण :

(क) त्रैमासिक अवधिको वासलात, नाफा नोक्सान सम्बन्धी विवरण : यस वित्तीय सस्थाको दोस्रो त्रैमासिक नाफा नोक्सान तथा २०८२ साल चैत्र मसान्त सम्मको वासलात सम्बन्धी विवरण यसै साथ प्रकाशित गरिएको छ ।

(ख) प्रमुख वित्तीय अनुपातहरु :

प्रतिशेयर आम्दानी अनुपात (वार्षिक)	मूल्य आम्दानी अनुपात (P/E Ratio)	प्रति शेयर नेटवर्थ	प्रति शेयर कुल सम्पत्तिको मूल्य	तरलता अनुपात
53.71	25.70	169.51	1734.73	7.24

२. व्यवस्थापकीय विश्लेषण :

(क)मौज्दात, आम्दानी र तरलतामा भएको परिवर्तन सम्बन्धी विवरण : त्रैमासिक अवधिमा यस वित्तीय सस्थाको मौज्दात र तरलतामा वित्तीय सस्थाले अनुमान गरे अनुसारको स्थिरता कायम रहेको छ । हाल देखिएको कर्जा लगानी योग्य रकम अभाव लगायतका कारण जोखिम बढेको तथा कर्जा सापटको ब्याजदरमा भएको बृद्धिले गर्दा आम्दानीमा वित्तीय सस्थाले अनुमान गरे अनुरुप प्रगतीमा कमी भएता पनि समग्र वित्तीय सूचकहरुमा सन्तोष गर्न सकिने अवस्था रहेको छ ।

(ख) आगामी अवधिको कार्य योजना सम्बन्धी विश्लेषणत्मक विवरण : राष्ट्रिय स्तरको यस वित्तीय सस्थाले स्वभाविक बृद्धि (Natural Growth) लाइ आफ्नो प्रमुख लक्ष्यको रुपमा अगाडि सारेको छ । फलस्वरुप हालसम्म ४३ वटा शाखा कार्यालय मार्फत ग्राहक सदस्यहरुलाई आधुनिक तथा गुणस्तरिय वित्तीय सेवा प्रदान गर्दै आएको छ । साथै वित्तीय बजारमा लगानी योग्य कर्जा अभावका कारण उत्पन्न भएको विषम स्थिति एव अन्य चुनौतिहरुको सामना गर्दै नकारात्मक प्रभावलाइ न्यूनिकरण गर्दै जान हरसम्भव प्रयासहरु गर्दै लागिने छ ।

(ग) विगतको अनुभवबाट संगठित संस्थाको मौज्दात, नाफा वा नगद प्रवाहमा उल्लेख्य असर पार्न सक्ने घटना, अवस्था आदि भएमा सो सम्बन्धी विवरण : विगतको अनुभवबाट यस वित्तीय सस्थाले विकास गरेका सेवामूखी सुविधा तथा ग्राहक सदस्यहरुले वित्तीय सस्था प्रति देखाएको उत्साहले हाल सम्म यस वित्तीय सस्थालाइ आफ्नो सेवा विस्तार गर्न सफलता प्राप्त भएको छ । जसको कारण यस वित्तीय सस्थाको आम्दानी सन्तोषजनक रहेको छ । हाल देखिएको कर्जा लगानी योग्य रकमको अभाव, ब्याजदरमा बृद्धि लगायतका परिस्थिति तथा त्यसले निम्त्याएको अवस्थाले लघुवित्त क्षेत्रमा उल्लेख्य असर गर्ने र अन्य चुनौतीहरु जस्तै अस्वस्थ प्रतिस्पर्धा, दोहोरोपन, कर्जा सापटको व्याजदरमा भएको बृद्धि, ग्राहक सदस्यहरुको लघुवित्त प्रति बढ्दै गएको नकारात्मक धारणा आदि कारणले समेत वित्तीय संस्थालाई प्रभाव पार्न सक्ने भएता पनि वित्तीय संस्थाले विकास गरेको आन्तरिक नियन्त्रण प्रणाली, वित्तीय संस्था सग रहेको मौज्दात तथा कुशल व्यवस्थापनको कारण सम्पूर्ण परिसुचकहरुमा ठुलो नकारात्मक असर नपर्ने देखिन्छ । यसको साथै भविस्यमा पनि यस्तो नकारात्मक असर पर्न सक्ने घटना वा अवस्था आउन नदिन आवश्यक नीति नियम, कार्यविधिहरुको तर्जुमा गरी अगाडी बढ्ने नीति यस वित्तीय संस्थाले लिएको छ ।

३. कानूनी कारवाही सम्बन्धी विवरण :

(क) त्रैमासिक अवधिमा यस वित्तीय संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको छैन ।

(ख) यस वित्तीय संस्थाको संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको कुनै जानकारी प्राप्त भएको छैन ।

(ग) कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको कुनै जानकारी प्राप्त भएको छैन ।

४. संगठित संस्थाको शेयर कारोवार सम्बन्धी विश्लेषण :

(क) सेयर कारोवार धितोपत्र बजारबाट निर्देशित हुने हुदा व्यवसायको बृद्धि सगै कारोवार मूल्य सकारात्मकता तर्फ उन्मुख हुनु स्वभाविक हो । विभिन्न कारणहरुको असर स्वरुप मूल्यमा उतार चढाव आएता पनि हालसम्मको कारोवार सन्तोषजनक रहेको छ ।

(ख) नेपाल स्टक एक्सचेन्जको वेभसाइटअनुसार दोस्रो त्रैमास अवधिमा यस संस्थाको सेयरको कारोवार निम्न अनुसारले भएको देखिन्छ ।

अधिकतम मूल्य	न्यूनतम मूल्य	अन्तिम मूल्य	कारोवार दिन	कारोवार संख्या
1565	1298.5	1380	53	1679

५. समस्या तथा चुनौती : लगानी योग्य कर्जाको अभाव, कर्जा सापटको ब्याजदरमा भएको बृद्धि, सदस्य दोहोरोपना, अस्वस्थ प्रतिस्पर्धा, दक्ष कर्मचारीको अभाव, बढ्दो संस्था छोड्ने प्रवृती, ग्राहकहरुको लघुवित्त प्रतिको नकारात्मक धारण प्रविधिमैत्री पूर्वाधारको अभाव तथा ब्याजदरमा फेरबदल लगायतका जोखिमहरु चुनौतिका रुपमा देखिएका छन् ।

६. संस्थागत सुशासन : यस वित्तीय संस्थाले विद्यमान ऐन कानून तथा नीति नियम र नियमनकारी निकायहरुबाट प्राप्त निर्देशनहरु पूर्णरुपमा पालना गर्दै व्यवसाय सञ्चालन गर्दै आएको छ । साथै वित्तीय संस्थाका शेयरधनीहरु प्रति वित्तीय संस्थाको सञ्चालक समिति पूर्ण रुपमा जवाफदेही र उत्तरदायी रहेको छ । नेपाल राष्ट्र बैंकको नीति निर्देशन अनुसार संस्था सञ्चालनमा रही आन्तरिक प्रणालीलाइ व्यवस्थित गर्न त्रैमासिक रुपमा आन्तरिक लेखापरीक्षण गराई लेखापरीक्षकले दिएको सुझाव कार्यान्वयन गर्दै आएको छ । कर्जा जोखिम कोष, लगानीमा सम्भावित हानी नोक्सानी व्यवस्था, सदस्यहरुलाई [illegible] ग्राहक संरक्षण कोष जस्ता कोषहरुको व्यवस्था गरेको छ । यस वित्तीय संस्थाको सञ्चालक समितिले आन्तरिक नियन्त्रण प्रणाली प्रभावकारी बनाउन विभिन्न उपसमितिहरु गठन गरी काम सञ्चालन गर्दै आएको छ । आन्तरिक लेखापरीक्षक, बाह्य लेखापरीक्षक तथा नेपाल राष्ट्र बैंकबाट समय समयमा हुने निरिक्षणबाट प्राप्त सुझावहरुको पूर्ण पालना गर्दै संस्थागत सुशासनलाइ सुदृढ बनाउन सञ्चालक समिति कटिबद्ध रहेअनुसार कारोवारलाइ व्यवस्थित गर्न आन्तरिक नीति, नियम तथा निर्देशनहरु तर्जुमा गरी लागु गरिएको छ ।

७. सत्य, तथ्यता सम्बन्धमा अध्यक्ष/कार्यकारी प्रमुखको उद्घोषण :

आजका मितिसम्म यस प्रतिवेदनमा उल्लेखित जानकारी तथा विवरणहरुको शुद्धता सम्बन्धमा म व्यक्तिगत रुपमा उत्तरदायित्व लिन्छु । साथै म यो उद्घोष गर्दछु की मैले जाने बुझे सम्म यस प्रतिवेदनमा उल्लेखित विवरणहरु सत्य,तथ्य र पूर्ण छन् । लगानीकर्ताहरुलाई सुसुचित निर्णय लिन आवश्यक कुनै विवरण वा सूचना तथा जानकारी लुकाइएको छैन ।

Notes to the Interim Financial Statements
For the Period Ended Chaitra 2082

1. Basis of Preparation

The interim financial statements of the Laghubitta have been prepared in accordance with Nepal Financial Reporting Standards (NFRS): NAS 34 Interim Financial Reporting as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The preparation and presentation of the Interim Financial Statements comply with the requirements of format issued by Nepal Rastra Bank via Unified Directives to Microfinance FIs, 2081.

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

2. Statement of Compliance

The Interim financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs) to the extent applicable with allowed carve-outs as issued by the Accounting Standards Board (ASB) Nepal.

3. Use of Estimates, Assumptions and Judgements

The Laghubitta, under NFRS, is required to apply accounting policies to suit its circumstances and operating environment most appropriately. Further, the Laghubitta is required to make judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate. The NFRS requires the Laghubitta to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Laghubitta applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

4. Changes in Accounting Policies

The Laghubitta prepared the interim financial statements as per Nepal Financial Reporting Standard (NFRS) by recognizing all assets and liabilities whose recognition was required by NFRS, not recognizing the items of assets or liabilities which were not permitted by NFRS and applying NFRS in measurement of recognized assets and liabilities. The accounting policies adopted while preparing these interim financial statements are consistent with those applied in the Laghubitta's annual financial statements for the year ended Ashad 31, 2081.

5. Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim financial statements are consistent with those adopted and disclosed in the Laghubitta's annual financial statements for the financial year ended Chaitra 30 , 2082.

5.1 Basis of Measurement

The interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Investment property is measured at fair value.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Defined benefit schemes, surpluses and deficits are measured at fair value. Impairment of asset is measured at fair value and related disposal cost.

5.2 Cash and Cash Equivalent

Cash and cash equivalents include cash in hand, balances with Bank and Financial Institutions, money at call and highly liquid financial assets with original maturities of three months or less from the acquisition dates that are subject to an insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

5.3 Financial assets and financial liabilities

A. Recognition

The Laghubitta initially recognizes a financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. The Laghubitta initially recognize loans and advances, deposits and debt securities/ subordinated liabilities issued on the date that they are originated which is the date that the Laghubitta becomes party to the contractual provisions of the instruments. Investments in equity instruments, bonds, debenture, Government securities, NRB bond or deposit auction, reverse repos, outright purchase are recognized on trade date at which the Laghubitta commits to purchase/ acquire the financial assets. Regular way purchase and sale of financial assets are recognized on settlement date.

B. Classification

I. Financial Assets

The Laghubitta classifies the financial assets subsequently measured at amortized cost or fair value based on the Laghubitta's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The two classes of financial assets are as follows:

1. Financial assets measured at amortized cost

The Laghubitta classifies a financial asset measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Financial asset measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

a) Financial assets at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss

b) Financial assets at fair value through other comprehensive income

Investment in an equity instrument that is not held for trading and at the initial recognition, the Laghubitta makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

I. Financial Liabilities

The Laghubitta classifies its financial liabilities as follows:

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.

b) Financial Liabilities measured at amortized cost

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using an effective interest rate method.

C. Measurement

i. Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in the Statement of Profit or Loss.

ii. Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

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

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

5.3.1 De-recognition

The Laghubitta derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the contractual rights to receive the cash flows from the asset. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, or expires.

5.3.2 Determination of Fair Value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Microfinance follows three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets.
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable or valuations of quoted for similar instrument in active markets or quoted prices for identical or similar instrument in inactive markets; and
Level 3: Significant inputs to the fair value measurement are unobservable. Investment in Unquoted Equity Instrument are carried at cost as the market price of such shares could not be ascertained with certainty at the reporting date.

5.4 Impairment

At each reporting date, the Laghubitta assesses whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Laghubitta on terms that the Laghubitta would not otherwise consider, indications that a borrower or issuer will enter Bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the Laghubitta. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In case of financial difficulty of the borrower, the Laghubitta considers restructuring loans rather than take possession of collateral. This may involve extending the payment arrangements and agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan’s original EIR.

a) Impairment of financial assets measured at amortized cost

The Laghubitta considers evidence of impairment for loans and advances and investment securities measured at amortized cost at both specific asset and collective level. The Laghubitta first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant and that are not individually significant are assessed collectively.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows.

The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognized in profit or loss.

All individually significant loans and advances and investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and investment securities with similar risk characteristics.

Impairment of loans and advances portfolios is based on the judgments in experience of portfolio behavior. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets measured at amortized cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

In case of impairment of financial assets, being loans and advances, the impairment has not been considered as per NFRS. The assets are impaired on the basis of directives no 2 issued by NRB.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realized or has been transferred to the Laghubitta. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is recognized in the 'Non-Operating Income.'

b) Impairment of investment in equity instrument classified as fair value through other comprehensive income

Objective evidence of impairment of investment in an equity instrument is a significant or prolonged decline in its fair value below its cost. Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and the current fair value, less any impairment loss recognized previously in profit or loss.

5.5 Property and Equipment

a) Recognition and Measurement

Property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b) Capital Work in Progress

These are expenses of a capital nature directly incurred in the construction of buildings and system development, awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

c) Depreciation

Property and equipment are depreciated from the date they are available for use on property on written down value method over estimated useful lives. Whereas, Amortization of intangible assets are done Depreciation is recognized in profit or loss. Leased assets under the finance lease are depreciation over the shorter of the lease term and their useful life. Land is not depreciated. Charging of depreciation is ceased from the earlier date from which the asset is classified as held for sale or is derecognized. The rate of depreciation of significant items of property and equipment for current year and comparative periods are as follows:

Class of Assets	Rate of Depreciation
Computer & Accessories	25%
Vehicles	20%
Furniture & Fixtures	25%
Equipment & Others	25%
Intangible Assets	As per Period of Use

The capitalized value of software purchase and installation costs are amortized over a maximum 5-year period or within the ownership period. Assets costing less than NPR 5,000 are fully depreciated in the year of purchase. For assets purchased/ sold during the year, depreciation is provided up to the date of use on a pro-rata basis. Depreciation method, useful lives and residual value are reviewed at each reporting data and adjusted, if any.

d) De-recognition

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property and equipment is included in the Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized. Any gain or losses on de-recognition of an item of property and equipment is recognized in profit or loss.

5.5 Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred taxes. The Laghubitta applies NAS 12 – "Income Taxes" for the accounting of Income Tax. Income tax expense is recognized in profit or loss, except to the extent it relates to items recognized directly in equity or directly in other comprehensive income. Tax expenses relating to items recognized directly in other comprehensive income is recognized in the Statement of Other Comprehensive Income.

Current Tax

Current tax comprises the amount of income taxes payable (or recoverable) in respect of the taxable profit (or tax loss) for the reporting period, and any amount adjusted to the tax payable (or receivable) in respect of previous years. It is measured using tax rates enacted, or substantively enacted, at the reporting date. The Financial Institution has determined tax provision for the reported period based on its accounting profit for that period and incorporating the effects of adjustments for taxation purpose as required under the Income Tax Act, 2058 and amendments thereto, using a corporate tax rate of 30%.

Deferred Tax

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

(a) deductible temporary differences.

(b) the carry forward of unused tax losses; and

(c) the carry forward of unused tax credits.

Deferred tax is recognized at the reporting date in respect of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax has not been calculated for the interim period ending Ashad 32, 2082.

5.5 Provision

The Laghubitta recognizes a provision if, as a result of past event, the Laghubitta has a present constructive or legal obligation that can be reliably measured, and it is probable than an outflow of economic benefit will be required to settle the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision for an onerous contract is recognized when the expected benefits to be derived by the Laghubitta from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Contingent liabilities are the liabilities for which it is uncertain as to whether it will become an obligation as it depends on the occurrence of an uncertain future event. These amounts are off-balance sheet items and are disclosed when there is a possible obligation that may but probably will not require an outflow of resources. A provision for onerous contracts is recognized when the expected benefits to be derived by the Laghubitta from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Laghubitta does not have such contingent liabilities and onerous contracts during this fiscal year.

5.5 Revenue Recognition

Revenue comprises of interest income, fees and commission, disposal income, etc. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Laghubitta and the revenue can be reliably measured. Revenue is not recognized during the period in which its recoverability of income is not probable. The bases of incomes recognition are as below:

Interest income

Interest income is recognized under an accrual basis in the profit or loss for all interest-bearing financial assets. Effective Interest Rate is the rate that exactly discounts estimated future cash receipts or cash payments through the expected life of a financial asset to the net carrying amount of the financial asset.

Fee and commission income
Fees and commission income that are integral to the effective interest rate on a financial asset are included in the measurement of effective interest rate. Other fees and commission income including management fee, service charges, commission on remittance transactions and other commission income are recognized as the related services are performed.

Dividend income
Dividend on investment in resident company is recognized when the right to receive payment is established.

Net Income from other financial instrument at fair value through Profit or Loss
Net income from other financial instruments at fair value through profit or loss relates to non-trading derivatives held for risk management purposes that do not form part of qualifying hedge relationships, financial assets and financial liabilities designated as at fair value through profit or loss and non-trading assets mandatorily measured at FVTPL. The line item includes fair value changes, interest and dividends.

5.6. Interest Expenses
Interest expense on all financial liabilities including deposits and Borrowings is recognized in profit or loss using an effective interest rate method. Interest expense on all trading liabilities is incidental to the Laghubitta's trading operations and are presented together with all other changes in fair value of trading assets and liabilities in net trading income.

5.7. Employee Benefits
Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. The Laghubitta's remuneration package includes both short term and long-term benefits and comprises of Salary, Allowances, Incentives, Overtime allowances, leave encashments, provident fund, gratuity and annual statutory bonus. The Laghubitta applies NAS 19- "Employee Benefits" in accounting of all employee benefits and recognizes the followings in its financial statements:

- a liability when an employee has provided services in exchange for employee benefits to be paid in the future; and
- an expense when the Laghubitta consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

5.8. Leases
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Lease payments under an operating lease to be recognized as an expense when accrued as the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Due to insignificant & immaterial impact of increase in the rent per annum, house rental agreements are not treated as per above mentioned NFRS and are calculated on straight line basis.

5.9. Share Capital & Reserves
5.9.1. Share Capital

The Laghubitta classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Laghubitta after deducting all its liabilities. Common shares are classified as equity of the Laghubitta and distributions thereon are presented in a statement of changes in equity.

5.9.2. Statutory General Reserves

This is a statutory reserve and is a compliance requirement of NRB, 20% of the net profit as stated in Bank and financial Institution Act, 2073 and 50% of additional amount of Cash Dividend and Bonus Shares if declared and distributed more than 20% as provisioned in Circular GHA/1/078/79 of NRB Dated 2078/04/11 is set aside to the general reserve.

5.9.3. Corporate Social Responsibility Fund

This is a reserve in which a 1% of net profit is set aside in the fund as per the NRB Directives for the purpose of corporate social responsibility.

5.9.4. Employee Training Fund

The fund is created for the purpose of employee training. As per the directives to microfinance by NRB, the microfinance needs to spend at least 3% of last fiscal year's total personnel expenses for the development and training of the employees. Further if the microfinance couldn't spend up to the limit of 3%, the shortfall amount shall be transferred to the Employee Training Fund and shall be used for employee training in subsequent years.

5.9.5. Investment Adjustment Fund

It is a reserve created on investment in equity instruments if the equity doesn't get listed in Security Market within 2 years as per the directives issued by NRB.

5.9.6. Investments Securities

Investment in securities is not made by the Laghubitta.

5.9.7. Regulatory Reserve

The amount that is allocated from profit or retained earnings of the microfinance to this reserve as per the directives of NRB for the purpose of implementation of NFRS and which shall not be regarded as free for distribution of dividend shall be presented under this reserve. The regulatory reserve of the microfinance includes re-measurement adjustments such as interest income recognized against interest receivables, difference in loan loss provision as per NRB directive and impairment on loan and advance as per NFRS, amount equals to deferred tax assets, actual loss recognized in other comprehensive income, amount of goodwill recognized under NFRS, etc.

5.9.8. Actuarial Gain/Loss Reserve

The amount that is allocated from profit or retained earnings of the Laghubitta both positive or negative to this reserve as per the directives of NRB for the purpose of implementation of NFRS and which shall not be regarded as free reserve for distribution of dividend are recorded in this reserve. The reserve includes actuarial gain/(loss) net of tax on defined benefit plan.

5.9.9. Client protection fund

Client protection fund is created at 1.5% of net profit as per NRB Directives.

5.9.10. Retained Earning

The accumulated profits which have not been distributed to shareholders and has been ploughed back in the Laghubitta's operations and is free for distribution of dividend to the shareholders are presented under this retained earnings.

5.11. Earnings per Share

The Laghubitta presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Laghubitta by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The Laghubitta does not hold any dilutive potential ordinary shares, and hence the Basic EPS itself is the Diluted EPS.

6. Segmental Information

Report segmenting data into validating segments could not be presented as the system is unable to differentiate the segments except each and every branch.

7. Related Party Disclosure

In the Ordinary course of its business operations the Laghubitta has conducted commercial transactions with parties who are defined as related parties in NAS 24 "Related Party Disclosure". All those transactions were conducted on an arm's length price basis.

Compensation of Board of Directors

Particulars	Amount
Meeting Fees	71580.97
Other Meeting Fees	
Total	

Compensation of Chief Executive Officer

Particulars	Amount
Short Term Employee Benefits	1969945.9
Bonus	
Post Employee Benefits	
Other Long-Term Benefits	-
Total	**-**

8. Dividend

None.

9. Issue, Purchase, and Repayment of debt and equity Securities

None.

10. Events after interim Period

There are no material events after the reporting date affecting the financial status of the Laghubitta.

11. Effect of changes in the composition of the entity during the interim period including merger & acquisition

No such events occurred.