

Annual Report

2013/14 (2070/71)



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Vision

To be a leading provider of electronic payment and settlement services.

Mission

Establish and operate national systems for clearing, payments and settlements;

Facilitate the development of secure & trusted new payment methods and technologies in Nepal;

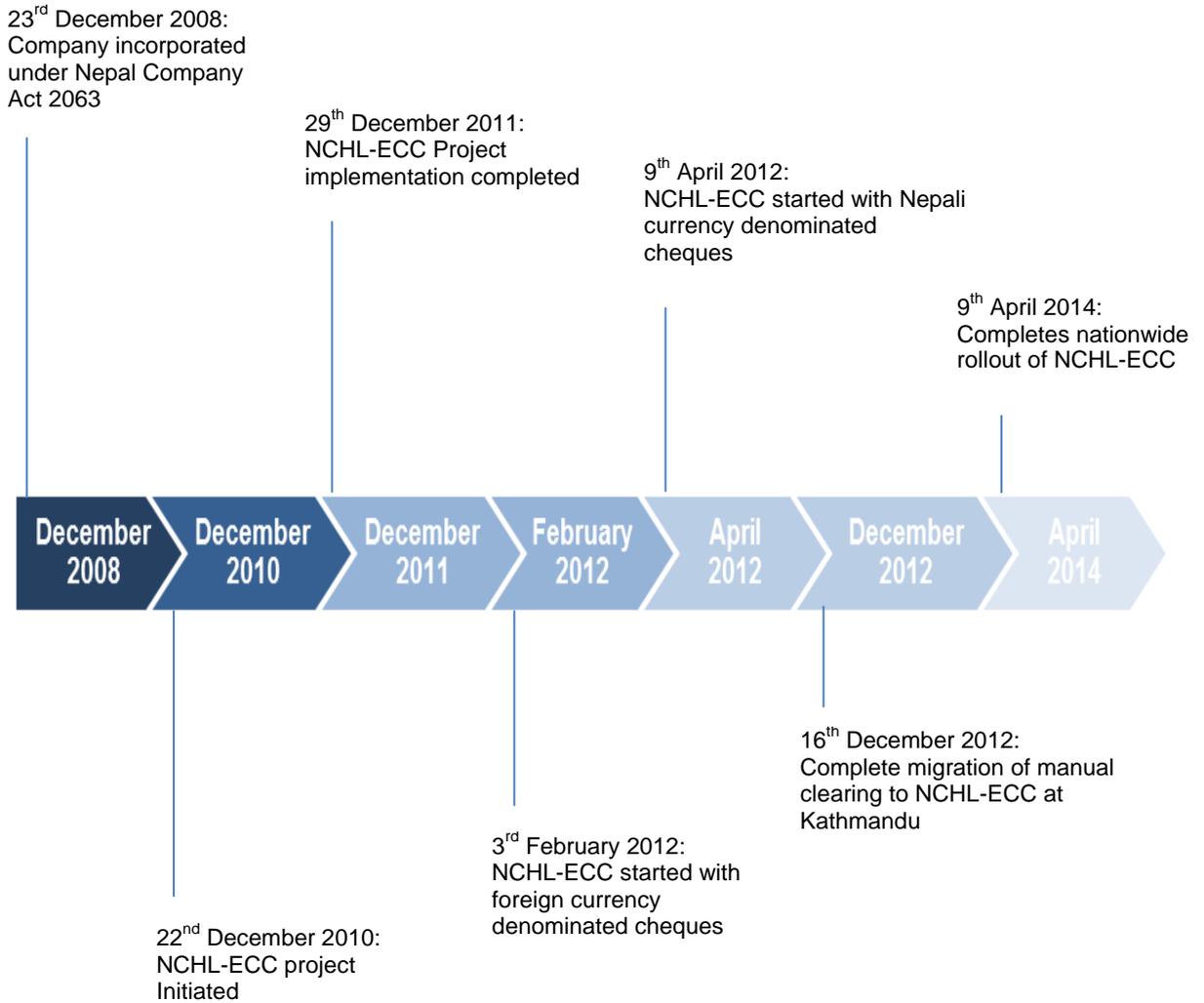
Protect and increase shareholders' values;

Establish itself as an organization of choice for the employees.

Values

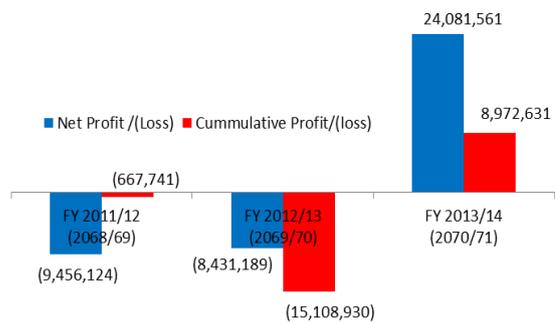
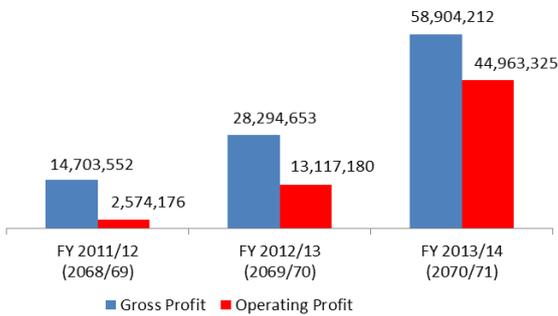
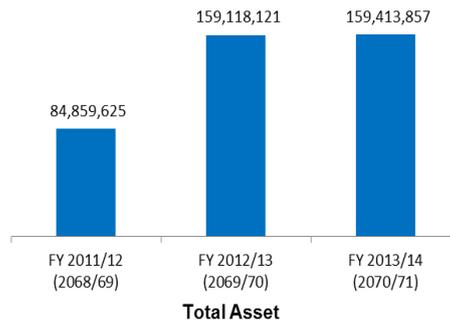
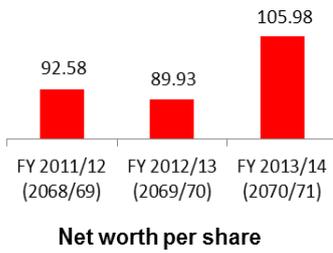
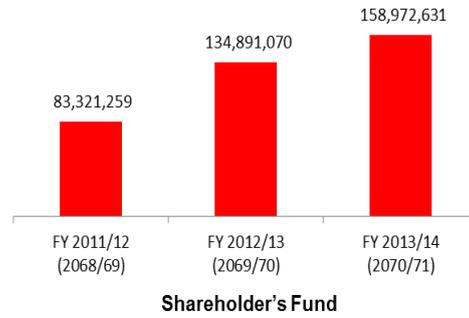
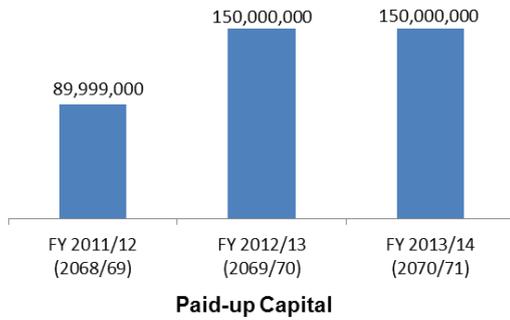
NCHL values the highest standards of ethics, integrity and teamwork. NCHL is committed towards its employees, members, partners and shareholders.

MILESTONES

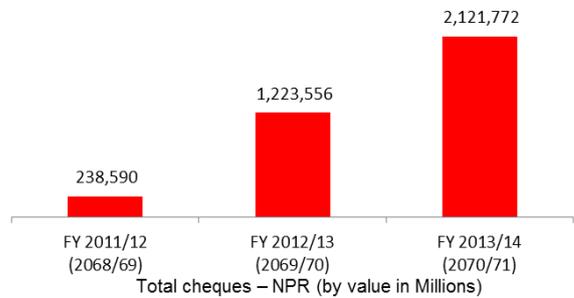
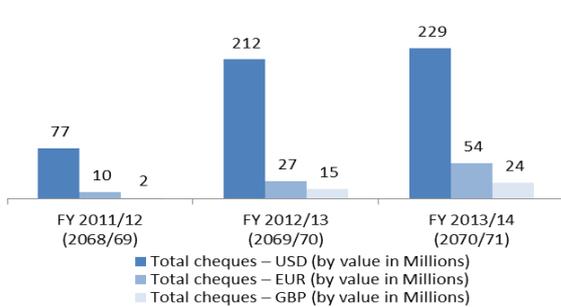
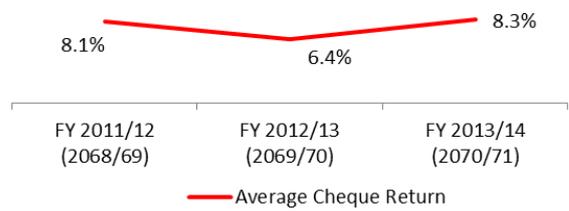
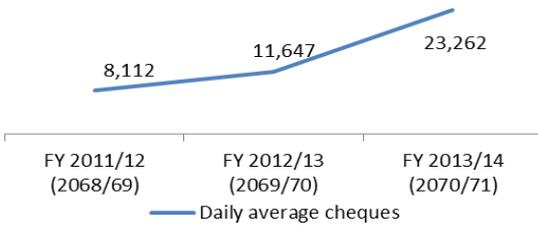
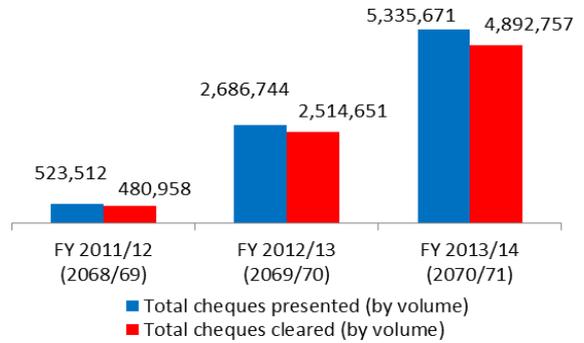
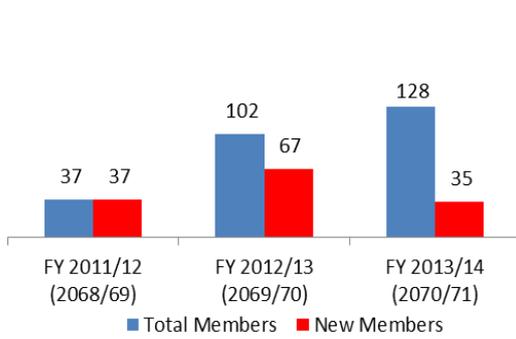


COMPANY HIGHLIGHTS

Financial Highlights

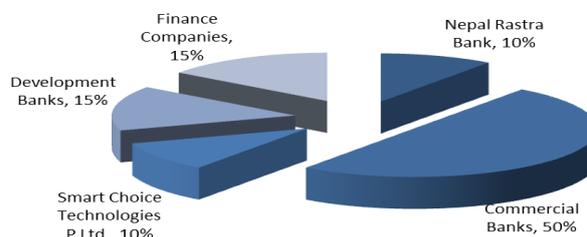


Operational Highlights



COMPANY SHAREHOLDERS

Nepal Clearing House Ltd. (NCHL) currently has 131 equity holders including Nepal Rastra Bank, Commercial Banks, Development Banks, Finance Companies and Smart Choice Technologies P Ltd. The list of the shareholders and their equity investments (in NPR) are as follows.



Group A	No. of Shares	Equity Amount
Nepal Rastra Bank	150,000	15,000,000

Group B	No. of Shares	Equity Amount
Agriculture Development Bank Limited	4,608	460,800
Bank of Asia Nepal Limited **	25,000	2,500,000
Bank of Kathmandu Limited	25,000	2,500,000
Century Commercial Bank Limited	9,210	921,000
Citizens Bank International Limited	25,000	2,500,000
Civil Bank Limited	23,026	2,302,600
Commerz and Trust Bank Nepal Limited **	23,026	2,302,600
Everest Bank Limited	25,000	2,500,000
Global IME Bank Limited	25,000	2,500,000
Grand Bank Nepal Limited	25,000	2,500,000
Himalayan Bank Limited	25,000	2,500,000
Janata Bank Nepal Limited	23,026	2,302,600
Kist Bank Limited	23,026	2,302,600
Kumari Bank Limited	25,000	2,500,000
Laxmi Bank Limited	25,000	2,500,000
Lumbini Bank Limited	25,000	2,500,000
Machhapuchchhre Bank Limited	25,000	2,500,000
Mega Bank Nepal Limited	23,026	2,302,600
Nabil Bank Limited	25,000	2,500,000
Nepal Bangladesh Bank Limited	25,000	2,500,000
Nepal Bank Limited	25,000	2,500,000
Nepal Credit and Commerce Bank Limited	25,000	2,500,000
Nepal Industrial and Commercial Bank Limited	25,000	2,500,000
Nepal Investment Bank Limited	25,000	2,500,000
Nepal SBI Bank Limited	25,000	2,500,000
NMB Bank Limited	23,026	2,302,600
Prime Commercial Bank Limited	25,000	2,500,000
Rastriya Banijya Bank Limited	25,000	2,500,000
Sanima Bank Limited	23,026	2,302,600
Siddhartha Bank Limited	25,000	2,500,000
Standard Chartered Bank Nepal Limited	25,000	2,500,000
Sunrise Bank Limited	25,000	2,500,000

** Merged with other institution

Group C	No. of Shares	Equity Amount
Smart Choice Technologies Pvt. Limited	150,000	15,000,000

Group D	No. of Shares	Equity Amount
Ace Development Bank Limited	25,000	2,500,000
Alpine Development Bank Limited	2,063	206,300
Araniko Development Bank Limited	2,063	206,300
Axis Development Bank Limited **	1,000	100,000
Bageshwari Development Bank Limited	4,124	412,400
Bhargav Bikash Bank Limited	4,126	412,600
Bhrikutee Development Bank Limited	7,189	718,900
Biratlaxmi Development Bank Limited	1,000	100,000
Bishwo Bikas Bank Limited	7,189	718,900
Business Universal Development Bank Limited	9,252	925,200
City Development Bank Limited	7,187	718,700
Civic Development Bank Limited	1,000	100,000
Clean Energy Development Bank Limited	8,250	825,000
Diyalo Bikas Bank Limited	1,000	100,000
Excel Development Bank Limited	1,000	100,000
Gandaki Bikas Bank Limited	1,237	123,700
Garima Bikas Bank Limited	6,187	618,700
H & B Development Bank Limited	8,250	825,000
Infrastructure Development Bank Limited	1,000	100,000
International Development Bank Limited	8,252	825,200
Jyoti Bikas Bank Limited	8,839	883,900
Kailash Bikas Bank Limited	10,378	1,037,800
Kamana Bikas Bank Limited	1,000	100,000
Kankai Bikas Bank Limited	1,000	100,000
Kankrebihar Bikash Bank Limited	1,000	100,000
Kasthamandap Development Bank Limited	9,252	925,200
Mahakali Bikas Bank Limited	1,000	100,000
Malika Bikas Bank Limited	1,000	100,000
Manakamana Development Bank Limited **	25,000	2,500,000
Mission Development Bank Limited	2,063	206,300
Miteri Development Bank Limited	4,713	471,300
Muktinath Bikas Bank Limited	2,000	200,000
NDEP Development Bank Limited	9,252	925,200
Public Development Bank Limited	1,000	100,000
Sewa Bikas Bank Limited	5,126	512,600
Shangri-la Development Bank Limited	5,126	512,600
Siddhartha Development Bank Limited	9,252	925,200
Social Development Bank Limited **	8,252	825,200
Triveni Bikas Bank Limited	5,126	512,600
Vibor Bikas Bank Limited	8,252	825,200

** Merged with other institution

Group E	No. of Shares	Equity Amount
Api Finance Limited **	3,515	351,500
Arun Finance Limited	1,000	100,000
Bhaktapur Finance Co. Limited	3,515	351,500
Central Finance Limited	3,515	351,500
Civil Merchant Bittiye Sanstha Limited **	3,510	351,000
Crystal Finance Limited	1,000	100,000
Everest Finance Limited	1,000	100,000
Fewa Finance Limited	3,515	351,500
General Finance Limited	1,000	100,000
Goodwill Finance Limited	19,252	1,925,200

Guheswori Merchant Banking & Finance Limited	3,515	351,500
Hama Merchant & Finance Limited	1,000	100,000
Himalaya Finance Limited	1,000	100,000
ICFC Finance Limited	3,515	351,500
Imperial Finance Limited **	3,515	351,500
International Leasing and Finance Co. Limited	19,252	1,925,200
Janaki Finance Limited	3,515	351,500
Jebil's Finance Limited	3,515	351,500
Kathmandu Finance Limited	1,000	100,000
Lalitpur Finance Limited	3,515	351,500
Lotus Investment Finance Limited **	3,515	351,500
Lumbini Finance & Leasing Co. Limited	7,313	731,300
Mahalaxmi Finance Limited	7,313	731,300
Multipurpose Finance Co. Limited	1,000	100,000
Narayani National Finance Limited	3,515	351,500
Navadurga Finance Co. Limited **	3,515	351,500
Nepal Awas Finance Limited	3,515	351,500
Nepal Express Finance Limited	3,515	351,500
Nepal Finance Limited	11,314	1,131,400
Nepal Share Markets & Finance Limited	1,000	100,000
NIDC Capital Markets Limited	1,000	100,000
Om Finance Limited	3,515	351,500
Paschimanchal Finance Co. Limited	3,515	351,500
Patan Finance Limited	3,515	351,500
Peoples Finance Limited	1,000	100,000
Pokhara Finance Limited	3,515	351,500
Prabhu Finance Co. Limited	3,515	351,500
Premier Finance Limited	3,515	351,500
Progressive Finance Limited	1,000	100,000
Prudential Finance Co. Limited	3,515	351,500
Reliable Finance Limited **	4,515	451,500
Reliance Finance Limited **	7,313	731,300
Royal Merchant Banking & Finance Limited **	3,515	351,500
Sagarmatha Merchant Banking & Finance Limited	3,515	351,500
Seti Finance Limited	1,000	100,000
Shree Investment & Finance Co. Limited	3,515	351,500
Shubhalaxmi Finance Limited **	3,515	351,500
Siddhartha Finance Limited	3,515	351,500
Srijana Finance Limited	1,000	100,000
Synergy Finance Limited	19,252	1,925,200
Union Finance Limited	3,516	351,600
Unique Finance Limited	3,515	351,500
United Finance Limited	3,515	351,500
Valley Bittiya Sanstha Limited **	1,000	100,000
World Merchant Banking & Finance Limited	1,000	100,000
Yeti Finance Co. Limited **	1,000	100,000
Zenith Finance Limited	3,515	351,500

** Merged with other institution

Total	1,500,000	150,000,000
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BOARD OF DIRECTORS



Mr. Ratna Raj Bajracharya, Chairman
CEO, Global IME Bank Ltd.



Mr. Shiba Raj Shrestha, Director
Executive Director, Nepal Rastra Bank



Mr. Rajan Singh Bhandari, Director
CEO, Citizens Bank International Ltd.



Mr. Jyoti Prakash Pandey, Director
CEO, Nepal Investment Bank Ltd.



Mr. Rabindra B Malla, Director
Chairman, Smart Choice Technologies P. Ltd.



Mr. Krishnaraj Lamichhane, Director
CEO, Kailash Bikas Bank Ltd.



Mr. Saroj Kaji Tuladhar, Director
CEO, Goodwill Finance Ltd.



Mr. Neelesh Man Singh Pradhan
Chief Executive Officer
& Company Secretary

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is with great pleasure to welcome you all in the 3rd Annual General Meeting of Nepal Clearing House Ltd. (NCHL) and to present the Annual Report and the Audited Accounts of NCHL for the year ended 32nd Ashad 2071.

While the first few years at NCHL has seen remarkable achievements with the establishment of electronic cheque clearing system (NCHL-ECC), as the first national payment system in Nepal, the fiscal year 2070/71 has been a challenging yet rewarding period as we transform our NCHL into a sustainable institution. With stability, good governance and prudent management, we are committed towards creating NCHL as a valuable institution with the vision of being a leading provider of electronic payment and settlement services in Nepal.

The major focus during the review period has been the completion of nationwide rollout of NCHL-ECC System and to increase our membership base. We have successfully rolled out NCHL-ECC with complete replacement of manual cheque clearing and added 35 Banks and Financial Institutions (BFIs) as new members during the FY 2070/71. Given the benefits of same day settlement and acceptability of cheques throughout the country, many of the regional BFIs have also joined NCHL, which were not even the member of manual clearing. This is encouraging as we intend to induct even smaller regional BFIs in the next fiscal year.

We believe that possibility of cheque presentment from all the branches of our existing members will not only increase service delivery to their customers by realizing same

day settlement, it will also help increase acceptability of the cheques in the general public. Hence our focus now has shifted from increasing membership base to increasing outward clearing branches. We anticipate that easy availability of NCHL-ECC service from all the branches of our members will considerably increase cheque transaction and will help in bringing transparency in financial transactions by means of using non-cash based instrument. We will encourage our member BFIs to introduce outward clearing from all their branches.

Among the notable achievements during the period, it gives me immense pleasure in informing that NCHL has successfully transformed itself into a financially stable institution. We have been successful in turning around the company by booking positive profit after tax (PAT) for the first time after coming into full operation and at the same time, we now remain debt free company. NCHL has booked net profit of NPR 24,081,561.39 for the FY 2070/71 with accumulated profit of NPR 8,972,631.27, as against net loss of NPR 8,431,189.06 and cumulative loss of NPR 15,108,930.12 respectively in the previous year.

Given the size of the transaction value and the number of BFIs associated with NCHL, risk management has always been our prime focus as it may create larger cascading effect in the entire banking industry. We have been able to mitigate risks possessed by and to NCHL in larger extent but efforts will still be made to enhance NCHL's risk management system going forward.

In order to maintain the sustainability of NCHL in a longer term, we have to expand and introduce multiple payment & settlement services rather

than depending on cheque clearing only. And we believe it is the right time for us to venture into similar other products & services. We are now in a process of enhancing existing NCHL-ECC system to introduce interbank payment system (NCHL-IPS). NCHL-IPS is a system for clearing low-value large volume financial transactions whereby participating banks & financial institutions can safely and efficiently transfer funds, on behalf of their customers as well as for their own trading purposes, from any participating bank to any other participating bank. To this effect, preliminary feasibility and planning has already been completed at NCHL and are waiting for principle approval from Nepal Rastra Bank to initiate the implementation of the project. Establishment of NCHL-IPS is also in line with the National Payment System Development Strategy, recently published by NRB and we believe it will be yet another milestone project in the banking & financial industry of Nepal.

Lastly, I, on behalf of the Board of Directors and myself, wish to express sincere gratitude to Nepal Rastra Bank, other regulatory bodies, all our shareholders as well as other BFIs for their continuous support and cooperation. I would also like to appreciate the commitment and dedication shown by our management and the entire NCHL team that helped bring this company up to this level. I look forward to the continuous guidance from the members of the Board of Directors, dedication and hard work from our employees, valuable advice and support from our shareholders and as well as other stakeholders.

I once again welcome you in the 3rd Annual General Meeting of our company.

Ratna Raj Bajracharya
Chairman

CEO's MESSAGE

The fiscal year 2013/14 (2070/71) has been a turning point for NCHL as we achieved our first objective of operating nationwide electronic cheque clearing system (NCHL-ECC) and becoming a financially stable company since we came into full operation from 3rd February 2012. We have completely replaced manual cheque clearing with complete rollout of NCHL-ECC across Nepal. We will now focus towards growth and operational excellence so as to transform NCHL into a valuable institution.

Operationally, it has been a challenging yet rewarding year as we increased our membership base by adding 35 new members, most of which are regional BFIs. In a larger context it has benefited all the participating BFIs as it is now possible to present and process cheques of over 128 member BFIs, irrespective of the geographical location of such BFIs. While we continue to convince even smaller regional BFIs to join NCHL, as it will add value to them by means of their cheque acceptability across the country, we will focus in encouraging existing member BFIs to extend NCHL-ECC service from all their branches. Although it is currently possible to process cheques issued from over 2,240 branches of the member BFIs, there are around 959 branches which are currently providing outward clearing facility to their customer. Unless we are able to extend this facility from all the branches, real benefit of same day settlement cannot be realized and at the same time, cost of technology per branch for our members cannot be reduced. Hence our target for the coming fiscal year would be to facilitate our member banks to extend outward clearing from all their branches.

Financially, the operating profit has increased by 242.78% to NPR 44,963,324.62 as against NPR 13,117,179.87 in the previous year. The

operating expense has increased to NPR 22,265,413.43 as against NPR 7,865,033.84 in the previous year. The increase is largely due to the expense on annual maintenance charge of ECC software, payment to which was started from the fiscal year 2070/71 as per the Service Level Agreement with the software vendor. The administrative cost increased by mere 6.59% only. The net profit for the current year stood at NPR 24,081,561.39 as against net loss of NPR 8,431,189.06 in the previous year. The cumulative profit as of the end of current year stands at NPR 8,972,631.27 as against loss of NPR 15,108,930.12 in the previous year. The shareholders fund has increased to NPR 158,972,631.27 with book value per share at NPR 105.98.

As we have seen major growth in the cheque transaction with daily average cheque of 23,262 as against 11,647 in the previous year, we remain vigilant in monitoring the infrastructure capacity. We plan to upgrade critical components of the infrastructure in the current fiscal year as we prepare ourselves for even higher transaction volume. In order to achieve operational excellence, we have not only focused on stability of NCHL-ECC infrastructure but have given due attention towards support to our member BFIs in all related areas. In order to further improve our operational efficiency and to reduce associated risks of using electronic cheque clearing, we will continue to enhance our NCHL Helpdesk function to provide necessary support to our members.

In order to maintain the sustainability and steer NCHL towards the path of growth, the next fiscal year will be ever challenging as we intend to implement yet another milestone project, interbank payment system (NCHL-IPS). We plan to enhance and upgrade the existing

infrastructure to introduce NCHL-IPS as we remain equally concerned about the cost of such technology based payment product/ service. NCHL-IPS will facilitate to do direct debit & direct credit transactions between the participating member BFIs.

At the end, I would like to thank and acknowledge Nepal Rastra Bank, the Board, shareholders, member Banks/FIs for their

continuous suggestions and guidance. I also extend my appreciation to our NCHL colleagues who have supported me in steering this company. And I am confident that similar support will be extended by all the stakeholders in future also.

Neelesh Man Singh Pradhan
Chief Executive Officer

DIRECTOR'S REPORT

Dear Shareholders,

It is with great pleasure on the behalf of the Board of Directors of Nepal Clearing House Ltd. (NCHL) to welcome you and the invited guests in our third annual general meeting. We present you the company's performance, achievements, challenges, business review along with the audited reports of the financials for the fiscal year ending 2013/14 (2070/71).

Snapshot of last year's performance:

NCHL was established with an initial objective of operating electronic cheque clearing as the first national payment system and later to implement multiple payment & settlement systems in Nepal. We have successfully rolled out NCHL-ECC system across the nation and we have now completely replaced manual cheque clearing in Nepal, which was earlier being performed manually by Nepal Rastra Bank. By the end of the fiscal year under review, we have added 35 new banks & financial institutions (BFIs) as our participating members with net membership base standing at 128 as against 102 in the last year. We have also seen reduction of 9 members due to their merger during the period. Summary of the financial position of our company for the fiscal year 2013/14 is presented in the following table.

Particulars	FY 2013/14 (2070/71)	FY 2012/13 (2069/70)	FY 2011/12 (2068/69)	FY 2010/11 (2067/68)
Paid up capital	150,000,000.00	150,000,000.00	89,999,000.00	89,999,000.00
Reserve & Surplus	8,972,631.27	(15,108,930.12)	(6,677,741.06)	2,778,382.72
Investment	55,000,000.00	-	-	-
Operating Income	97,207,095.26	88,122,020.33	66,650,713.00	-
Other Income	2,976,382.98	693,891.21	1,051,171.58	8,621,352.80
Total Operating Expenses & Administration Cost	(55,220,153.62)	(75,698,731.67)	(65,127,708.99)	(4,805,074.93)
Operating Profit	44,963,324.62	13,117,179.87	2,574,175.59	3,616,277.87
Interest Expense	(305,532.91)	(5,227,085.77)	(3,016,666.42)	-
Depreciation	(16,930,782.48)	(16,709,521.76)	(8,277,159.45)	(168,411.74)
Differed Tax Surplus/(Deficit)	708,902.23	388,238.60	(736,473.50)	(754,553.14)
Profit /(Loss) for the year	24,081,561.39	(8,431,189.06)	(9,456,123.78)	2,893,312.99

Profit/ Loss:

During the year under review the company has made net profit of NPR 24,081,561.39 as against net loss of NPR 8,431,189.06 in the last fiscal year. Cumulative profit till the end of the fiscal year stands at NPR 8,972,631.27.

Capital and Reserves:

No additional equity capital was raised during the fiscal year 2013/14 and the paid-up capital of the company stands at NPR 150,000,000. The net profit made during the fiscal year has been transferred to the balance sheet as Reserve & Surplus.

NCHL-ECC Service:

NCHL-ECC is the first national payment system offered by NCHL to its members BFIs and hence has given due importance to stabilize it both operationally and financially during the year under review. NCHL-ECC service came into full operation on 27th Chaitra 2068 from Kathmandu offering clearing of cheques denominated in NPR, USD, EUR and GBP. And the nationwide rollout was completed on 26th Chaitra 2070 at Janakpur. We have successfully migrated from the manual clearing to NCHL-ECC in Kathmandu, Birgunj, Biratnagar, Bhairawa, Nepalgunj, Pokhara, Dhangadi and Janakpur, where NRB was performing manual clearing. Realizing the actual benefit of national clearing system, many of our members are already offering NCHL-ECC service to their customers from 959 branches at various regions all over the nation. There are 2,240 branches listed under NCHL-ECC, which means cheques issued from these many branches can be processed through NCHL-ECC. Our existing members can extend the service to their customers from any of their branches across the country, independent of the geographical location. We are now in the process of enrolling the regional BFIs as our members and encouraging existing members to extend outward clearing service from all their branches.

Human Resource:

We value the commitment and effort shown by our staffs, who are the real assets of our company. By the end of the year under review we have total headcount of 12, supporting over 3,000 business users of 128 member BFIs. This is a support of 250 average business users per staff. In order to improve their technical and non-technical skills and capacity building, formal and on the job trainings have been arranged. We have largely implemented learning by sharing concept by means of conducting regular internal knowledge sharing sessions in various areas and functions. Employee screening, terms, benefits are governed by the company's Employee Service Rules.

Effect of national and international situation on business:

Banks and in some cases non-bank players have started providing various electronic payment services and hence alternative electronic payment solutions introduced could be a major challenge for NCHL. NCHL needs to innovate with the ever changing technology based payment solutions and introduce to its member Banks/FIs. The acute electricity problem, appreciation of US Dollars against NPR, merger of banking & financial institutions, absence of qualified & experienced human resources are some of the major challenges and hurdles that we had to face in the year gone by. With the recent trend of merger of banks and financial institutions, it has created difficulty in obtaining membership commitment from the BFIs and has even reduced the existing members thereby impacting membership & renewal revenue streams. These challenges will continue to remain in the next fiscal year also. Despite of such challenges, our company gathered considerable support from the BFIs. We added 35 new members with total membership base of 128 (after adjusting 9 members due to merger) against 102 at the end of the last fiscal year. Target for the fiscal year 2013/14 was to achieve additional 35 members.

Future plan of the Company for the coming fiscal year:

Some of the major activities of NCHL that are planned for the FY 2014/15 include:

- Extend membership to regional BFIs with target of additional 15 members. We expect reduction of 15-18 members due to merger.
- Promote and encourage member BFIs to introduce outward clearing from majority of their branches.
- Introduce 2nd and 3rd Express Clearing Sessions.
- Upgrade/ Enhance NCHL-ECC System and infrastructure to handle higher cheque volume.
- Assist member BFIs for introducing standard MICR cheques.
- Strengthen risk management and implement ISO 27001 based information security management system (ISMS).
- Organize continuous training for the participating member Banks/FIs and for the NCHL staff.
- Start implementation of interbank payment system (NCHL-IPS).

Industrial and business relationship:

NCHL has always maintained cordial relationships with Nepal Rastra Bank, Banks & Financial Institutions and various other business groups. And because of the continuous support and confidence shown by all the parties, NCHL has been able to bring the institution up to the current level. NCHL has also maintained a balanced relationship with the national and international vendors and service providers. NCHL will continue to gain the trust and confidence from different sectors and will work in future to fulfilling their expectations.

Change in Board of Directors:

Mr. Hari Prasad Kaphle nominated by Nepal Rastra Bank was replaced by Mr. Shiba Raj Shrestha as a Board of Directors effective from 19th January 2014 (5th Magh 2070). Mr. Krishnaraj Lamichhane representative Kailash Bikash Bank Ltd. and Mr. Saroj Kaji Tuladhar representative Goodwill Finance Ltd were elected by the 2nd Annual General Meeting held on 2nd October 2013 (16/06/2070) as the board representatives from the Group D and E of shareholders respectively. They were earlier nominated as per the recommendations from their associations representing their groups up to the AGM date. NCHL would like to thank and acknowledge the contributions made by Mr. Hari Prasad Kaphle during his tenure as Director of NCHL.

Major factors affecting business:

Following are some of the major factors that may adversely affect NCHL's business.

1. Current trend of merger of various Banks and Financial Institutions (BFIs) ultimately reducing the potential and existing members may reduce the annual income of the company. However it is also expected that transaction volume may increase due to the merger of BFIs.
2. Not able to increase cheque transaction volume. Company has planned in the current fiscal year to conduct various programs targeted towards banks & financial institutions and general public to increase awareness about the cheques.
3. Possibility of change of rules and policies from the regulatory bodies. However we believe policies to promote non-cash transactions like cheque will be given importance.
4. Increase in overall risk to member Banks/FIs due to non-implementation of MICR cheques by all members.

5. Increase in the exchange rate of US\$ against NPR. Company has taken a short term policy of entering into forward contract for US\$ payments to international vendor based on the market information to minimize foreign exchange risk.
6. Limited availability of the skilled resources. Company has arranged for various internal and external trainings for its staffs and has regularly reviewed its employee benefits.

Remarks from Auditors report:

Auditor has expressed their satisfaction on the financial transactions of the company. Complete audit report is attached in the later section of the report.

Dividend:

There is no provision of dividend for the fiscal year 2013/14.

Share seized:

No share has been seized.

Company and its subsidiary company's transaction and review of situations at the end of the fiscal year:

The reviews of the company have been mentioned in the report in various sections. Also there is no subsidiary of NCHL.

Major transactions that the Company and its subsidiary company have performed and any important changes that occurred in business of the company:

NCHL does not have subsidiary and the details of transactions of the company have been mentioned in the presented balance sheet, profit & loss statement, cash flow statement and auditor's report.

Information provided to the company on share transactions by the shareholders:

There was no report on share transactions by the shareholders.

Information regarding personal interest of any of the directors or their relatives regarding the agreement related to the company:

Not Applicable.

Mention if the company has purchased its own share:

Not Applicable.

Information disclosure as per Section 141 regarding purchase or sale of assets:

Not Applicable.

Internal control mechanism of the company and details of the same:

NCHL has formulated and implemented major policies and procedures for the company. A comprehensive Risk Management Framework was devised and few of the policies/ procedures were reviewed in the fiscal year 2013/14. Other control policies and procedures will be developed as per the requirement. And a separate board level Audit Committee, formed as per the prevailing Company Act, oversees to ensure adequate controls are in place for the financial and operational activities of the company. The management ensures the implementation of the approved policies and procedures. As a pro-active measure, the management has implemented Compliance Self-Assessment process conducted by the function heads at the mid of the fiscal year to assure and review that all policies and procedures are complied with. Two half yearly internal audits have also been conducted in the FY 2013/14 which was outsourced to BRS Neupane & Co. under the supervision of the Audit Committee.

Total management expenses in the fiscal year 2013/14:

The details of the management expenses are as follows:

	2013/14 (2070/71)	2012/13 (2069/70)	2011/12 (2068/69)
Employee Expenses	9,311,575.39	8,784,240.21	7,905,252.52
Office Operation Expenses	7,605,694.63	7,087,124.29	5,275,295.74
Total Administration Expenses	16,917,170.02	15,871,364.50	13,180,548.26

Members of the Audit Committee, their remunerations & benefits and details of their activities performed along with recommendations:

Members of the Audit Committee are:

1. Mr. Shiba Raj Shrestha – Chairman of the Committee
2. Mr. Rabindra B Malla – Member of the Committee
3. Mr. Saroj Kaji Tuladhar – Member of the Committee
4. Mr. Nabina Dhungana – Member Secretary of the Committee

** Mr. Hari Prasad Kaphle was replaced by Mr. Shiba Raj Shrestha after the departure of Mr. Kaphle*

There was no provision for remunerations to any of the members of the Audit Committee. As a meeting allowance for each Audit Committee meetings, NPR 2,500 for each member was provided per sitting except for the Member Secretary who is not provided with the meeting allowance. Total of NPR 30,000.00 was disbursed as meeting allowance to the Audit Committee members. Applicable tax was deducted prior to the payment in all such payments. Five audit committee meetings were held in the fiscal year.

Details of remunerations, allowances and other benefits paid to Directors, Managing Director, Chief Executive:

1. There was no provision for remunerations to any of the Directors. As a meeting allowance for each board meeting, NPR 2,500 for each Director was provided per sitting. The Board had 9 meetings during the period under review and total of NPR 42,500.00 was disbursed as board meeting allowance to the Directors. Applicable tax was deducted prior to the payment in all such payments.

Board Member	Total Meeting Allowance
Mr. Ratna Raj Bajracharya *	-
Mr. Hari Prasad Kaphle	12,500
Mr. Shiba Raj Shrestha	10,000
Mr. Rajan Singh Bhandari *	-
Mr. Jyoti Prakash Pandey *	-
Mr. Rabindra B Malla	20,000
Mr. Krishnaraj Lamichhane *	-
Mr. Saroj Kaji Tuladhar *	-

* These directors have foregone sitting fee till the company starts making profit.

2. The Chief Executive Officer during the year under review was paid salary of NPR.1,935,000.00 and NPR. 1,836,000.00 as allowance & benefits including provident fund contribution. A car facility with fuel expense of up to 100 liters per month on actual and mobile expense of up to NPR 2,000 per month on actual were also provided.

Dividend payable:

NCHL has not yet paid any dividend.

Any transactions with associated companies:

Not Applicable.

Other necessary information:

- a. Finance Ordinance 2070/71 published by the Government of Nepal has enlisted NCHL service under VAT exemption and similarly the Finance Ordinance 2071/72 has clarified TDS rate applicable on payments made to VAT exempt companies is 1.5%. Due to the non-clarity of TDS rate in the prevailing Income Tax for payments to VAT exempt companies, majority of the member BFIs have been deducting TDS at 15% rate. This has resulted into Advance Tax booking of NPR 32,443,085.10 by the end of the review year. This will not only provide clarity on deducting TDS on payment to NCHL by the member BFIs but will also largely ease the cash flow of our company. NCHL has further requested the Inland Revenue Department for the refund of the differential advance tax already deposited by members on behalf of NCHL.

Finally, on the behalf of the Board of Directors I would like to thank Nepal Rastra Bank, Banks & Financial Institutions, other regulatory bodies and other stakeholders for placing their trust and confidence in our company. Sincere thanks to the management team and other staffs whose commitment and hard work has brought the company up to this stage. We look forward toward continued support and suggestions from all the stakeholders as NCHL marches ahead.

Thank you.

On behalf of Board of Directors.

Ratna Raj Bajracharya
Chairman

PRODUCTS & SERVICES

NCHL has been in the forefront of adopting technology based services for making the payment, settlement and clearing systems in the country efficient, modern and robust. Its first national payment & clearing system in the area of electronic cheque clearing (NCHL-ECC), is already in operation. After replacing manual cheque clearing at Janakpur region with electronic cheque clearing from 26th Chaitra 2070 (9th April 2014), NCHL has completed nationwide rollout of NCHL-ECC by successfully replacing manual cheque clearing all across the country during the FY 2013/14.

NCHL-ECC service is an image-based nationwide MICR cheque processing & settlement solution where an original paper cheque is converted into an image for electronic processing and is transferred through a secured medium between participating member BFIs. The physical movement of the cheques are truncated or stopped at the level of the presenting bank resulting in a faster and easier processing of the cheque transactions.

NPR Electronic Cheque Clearing

This is an electronic cheque clearing service for NPR denominated cheques. Participating members need to have settlement account in Nepali currency at Nepal Rastra Bank to avail this service. It is available for both standard (MICR based) and non-standard (non-MICR based) cheques.

FCY Electronic Cheque Clearing

This is an electronic cheque clearing services for USD, GBP and EUR currency denominated cheques. Participating members need to have settlement account in the respective foreign currency at Nepal Rastra Bank to avail this

service. It is available for both standard (MICR based) and non-standard (non-MICR based) cheques.

Express Cheque Clearing

Express NCHL-ECC service is a special arrangement of short duration for cheque presentment, response and settlement allowing the BFIs and their customers to present and realize their cheques faster. Currently one express cheque clearing session is available for all four currencies NPR, USD, GBP and EUR. However, NCHL will soon extend this service by introducing 2nd and 3rd express sessions to facilitate member BFIs and their customers.

Cut-off times for cheques clearing are as follows:

	<i>Standard Cheques</i>	<i>Non-Standard Cheques</i>	<i>Express Clearing</i>
Presentment cut-off time	14:00	12:00	10:00 to 11:00
Paying bank response cut-off time	15:00	15:00	11:30
Settlement of the session	15:30	15:30	12:00

Standard Cheques are those complying with the Cheque Standard & Specification as specified by NRB, which carries security features and a MICR code line at the bottom of the cheque that makes it machine readable. NRB has made it mandatory to issue standard cheques by all member BFIs starting from 1st Kartik 2071. Non-standard cheques are old format cheques.

National Cheque Archive

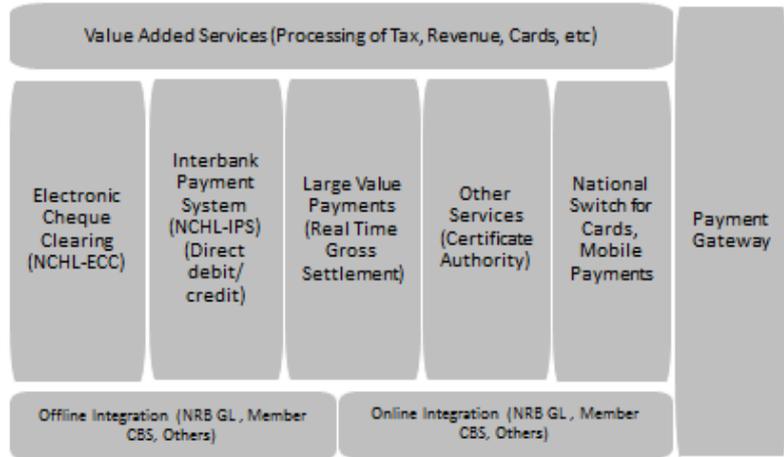
National Cheque Archive is an additional service provided to the member Banks/FIs to have an access to the historical cheques and transaction details. All the cheque transactions older than three months are moved from the NCHL-ECC System to National Cheque Archive system to store the cheques for up to 7 years and will be made available to the member BFIs on request.

Future Strategic Products/ Services

NCHL was established to implement and operate various national payment & settlement systems and ultimately establish a national payment gateway that can facilitate electronic transactions in Nepal. In medium to long term, NCHL will be working towards providing various products/ services in line with the Nepal National Payment System Strategy as envisioned by NRB.

NCHL has already initiated to implement an interbank payment system (NCHL-IPS) which after coming into operation will be yet another milestone in the banking sector of Nepal after NCHL-

ECC. NCHL-IPS is a system for clearing low-value large volume financial transactions that provides a mechanism for the participating banks & financial institutions to safely and efficiently transfer funds on behalf of their customers as well as for their own trading purposes. It facilitates nationwide fund transfer between the accounts held at different banks.



CORPORATE GOVERNANCE

NCHL-ECC system being one of the systemically important national payment systems, assures that NCHL adopts robust governance practice across the company. NCHL is committed towards highest level of transparency, compliance, integrity, professionalism and ethics in all aspects of business operations. NCHL believes that good corporate governance ensures clear alignment of interests of the stakeholders, ensures accountabilities, transparency, controls and inspires the right behavior leading towards better performance of the company.

The Board of Directors of NCHL are committed to ensure the integrity of governance, effective overseeing and providing leadership and control by directing and supervising the business affairs at the strategic and governance level to adhere to the applicable regulations and to maintain highest standards of business best practices to deliver long-term value for the stakeholders. NCHL's governance is guided by the Company Act, its Memorandum of Article and Article of Association, Negotiable Instrument Act, Electronic Transaction Act, Nepal ECC Rules and regulations promulgated by Nepal Rastra Bank from time to time.

The Board

The Board of NCHL is collectively responsible for the transparency and protection of all the stakeholders of the company. As the leading and apex decision making body for the company board is accountable for strategic decision; ensuring proper control mechanisms and for financial performance of the company. Roles and Responsibilities and procedure for appointment of board member are clearly specified in Memorandum and Article of Association of the company.

Currently the board comprises of 7 non-executive Directors including the Chairman, who is elected from amongst the Directors. Composition of the Directors includes one

representative from Nepal Rastra Bank, 3 from commercial banks, 1 from development banks, 1 from finance companies and 1 from Smart Choice Technologies Pvt. Ltd. However, day to day management is delegated to a team of professionals coming from diverge range of business, banking, technology and professional experience.

The board is usually involved in devising strategic and annual plans, management policies and other policy matters which include formulating internal policies, procedures including risk management framework. All the key policy and procedures are regularly reviewed by the Board. The reporting line between the Board and Management has been clearly defined ensuring effective monitoring of the senior management by the Board.

Board Meetings

The Board has appointed the Chief Executive Officer of the company as the Company Secretary who is responsible for calling the members for Board meetings in writing along with the relevant documents of the agendas to be discussed in the meeting well in advance. Board sometimes invites external independent experts to provide expert opinion and clarifications in some of the meetings. The minutes of the board meetings are preserved by the company secretary. The Board had 9 meetings during the review year

Audit Committee

A board level Audit Committee comprising of two of the Board of Directors as its members and a member secretary from the management has been formed, as governed by the Company Act 2063. The Audit Committee meeting is held on regular basis to review the effectiveness of the systems and internal controls, compliance and risk management related to financial and operations matters of the company. The Audit Committee had 5 meetings during the review period. The Audit Committee periodically

updates the Board on all control and risk related matters.

Other Committees

Apart from the formal and permanent Audit Committee, the oversight function of the Board is also supported through other special purpose based Committees. A Special Committee was formed on 2nd August 2013 under the Chairmanship of Mr. Rajan Singh Bhandari and Mr. Krishna Raj Lamichhane as a member to review NCHL Employee Service Rules. The recommendations were duly considered and amendments made in the Employee Service Rule. Similarly, NCHL-IPS Project Committee was formed on 30th April 2014 to evaluate and prepare a detailed roadmap of NCHL-IPS project. The Committee was Chaired by Mr. Shiba Raj Shrestha with Mr. Saroj Kaji Tuladhar and Mr. Neelesh Man Singh Pradhan as its members.

Internal Controls and Audit

Internal controls of the company comprise of a well-established organizational structure and comprehensive rules, policies and procedures required for managing risk and controlling its operations and financials. The effectiveness of internal controls is regularly reviewed by the Board. Major policies and procedures of NCHL include Financial Rules & Regulation, Employee Service Rules, Employee Performance Objectives & Appraisal Procedure, Travel & Advance Policies, NCHL Code of Conduct, IT Security Policies, Disaster Recovery Plan, Standard Operating Procedures, Discount & Waiver Policies and Risk Management Framework.

Quarterly business performance, financial reporting and variance with the approved budget are reviewed by the Board for regular monitoring and control. The Internal Audit reviews the effectiveness of internal control procedures and compliance with policies and procedures across all system and operational departments. In order to ensure compliance to all policies and procedures, NCHL has adopted a practice of Compliance Self-Assessment, whereby

compliance assessment of policies and procedures are carried out by individual function heads.

The Internal Audit was outsourced to BRS Neupane & Co. for the FY 2013/14. Half yearly internal audits were carried out during the review period under the supervision of the Audit Committee. BRS Neupane & Co. was paid NPR 50,000 including VAT for the internal audit assignments for the fiscal year 2013/14.

The statutory auditor for the review period was J. B Rajbhandari & DiBins. The details of the audited financials for the fiscal year 2013/14 (2070/71) are incorporated in the Financial Information section of this report. Total fees paid to the external auditor for the fiscal year 2013/14 was NPR 80,795 including taxes.

Accountability

The Board aims at creating comprehensive assessment of the performance and prospects of the company. Business objectives and budget are reviewed and approved by the board on annual basis. The Management initiates its annual work plan and each employee is assigned with individual performance objective to achieve the objectives set for the company. This creates accountability of each employee towards the company and also aligns individual objectives with that of the company for the particular year.

Shareholders Communication

Annual General Meeting is a forum for shareholders to exchange their opinions and views. All necessary information as per the prevailing company act is incorporated in the annual report. It covers all the necessary financials and disclosures required to provide detailed information to the shareholders. Mentioned information are also uploaded at NCHL's website (www.nchl.com.np). Any other information that requires to be communicated to the shareholders are shared and communicated on regular basis through various mediums and in various platforms.

FINANCIAL REVIEW

NCHL's financial status has noticeably improved during the period under review, whereby the company has booked net profit for the first time after it came into full operations. The company made a net profit of NPR 24,081,561.39 during the FY 2013/14 against the net loss of NPR 8,431,189.06 in the last year. The operating profit has increased to NPR 44,963,324.62 during the review period as against NPR 13,117,179.87 during the last year, which is a growth of 242.78 %. As of the year end, the cumulative profit stands at NPR 8,972,631.27 as against cumulative loss of NPR 15,108,930.12 in the last year.

The operating expense has increased to NPR 22,265,413.43 as against NPR 7,865,033.84 in the previous year. The increase is largely due to the expense on annual maintenance charge of

ECC software, payment to which was started from the fiscal year 2013/14 (1st March 2014) only, as per the Service Level Agreement with the software vendor. Annual maintenance charge of ECC software is US\$ 200,000 for the participant BFI's component and US\$ 50,000 for NCHL's component, payable on half yearly basis. As a prudent measure to manage the unrealizable software inventory, which may not be sold-off in total based on the number of outstanding BFIs that are yet to join NCHL, the software inventory has been adjusted accordingly to the extent of NPR 9,333,553.50 in FY 2013/14.

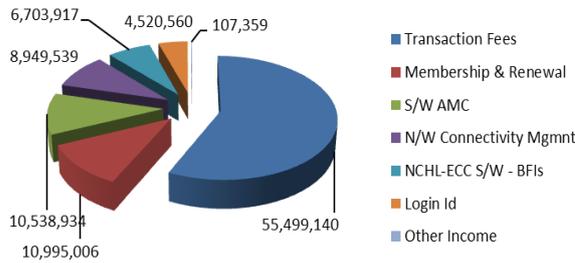
The shareholders fund has increased to NPR 158,972,631.27 with book value per share at NPR 105.98. Paid-up capital of NCHL remains at NPR 150,000,000.

Key financial indicators of the company are as follows.

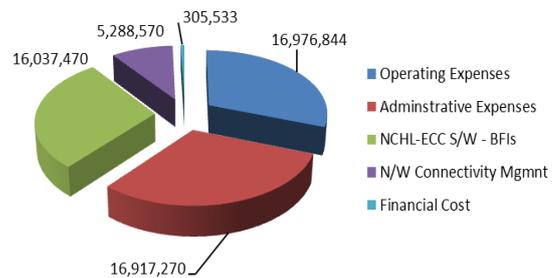
Indicators	2070/71	2069/70	2068/69
Net Profit /Total Operating Income	24.8%	-9.6%	-14.2%
Gross Profit/ Total Operating Income	60.6%	32.1%	22.1%
Txn Fees Income/ Total Operating Income	57.1%	30.5%	8.0%
ECC S/W Income/ Total Operating Income	6.9%	48.5%	76.7%
Total Number of shares (Face value 100)	1,500,000	1,500,000	899,990
Book Net worth per share	105.98	89.9	92.6



Income Breakup - 2070/71



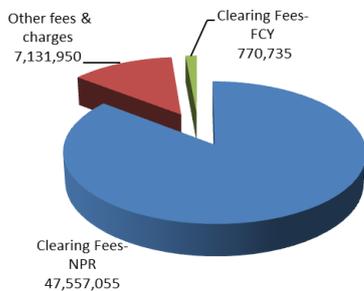
Expense Breakup - 2070/71



NCHL signed membership agreement with 35 additional BFIs and has recovered the cost of ECC Software from the newly added BFIs of value NPR 6,703,916.67. It has booked membership (including renewal) fee and login id fees income of NPR.15,515,565.66; Transaction fees income (including NCHL-ECC Archive fee) of NPR 55,499,140.00; and software AMC fee of NPR 10,538,933.74 during the period. Increase in operating income was mainly due to the increase in transaction fees income which increased by over 106% as compared to the previous year.

The Company made an additional capital expenditure of NPR 1,341,992.32 for the fixed assets during the fiscal year against NPR 979,681.16 in the last fiscal year. The accumulated depreciation on the fixed assets increased to NPR 42,051,567.21 from NPR 25,158,859.61 in the last fiscal year. The Prepaid, Loan, Advances & Deposits increased to NPR 37,898,155.24 as compared to NPR 20,646,332.45 the last fiscal year, which is mainly on account of advance tax deducted on revenue and interest income. The administrative expenses increased to NPR. 16,917,270.02 from NPR 15,871,364.50 during the last year out of which the staff expenses increased from NPR 8,784,240.21 last fiscal year to NPR. 9,311,575.39 during the year under review.

Transaction Fees Income - 2070/71



In the absence of major capital expenditure, effective receivable management, the operation of NCHL led to year end cash surplus which has been parked in interest bearing call deposits and intermittently invested in fixed deposits. By the end of the fiscal year, total of NPR 55,000,000 has been invested in fixed deposit for the period ranging from 6 months to 12 months, while NPR 25,310,884.37 remains at call deposits at various commercial banks.

OPERATIONAL REVIEW

Operational review is a key management tool that NCHL has adopted to evaluate its processes and systems against benchmark practices to enhance efficiency and effectiveness of the company. The primary goal of the Operational review is to assess the effectiveness of internal operating processes and procedures which are designed to support the member BFIs. NCHL regularly evaluates the compliance with the organization's policies and procedures and with statutory requirements. Compliance self-assessment is carried out for all policies and procedures by the individual function heads. Operational reviews are conducted at various levels including Board, Audit Committee and Management.

Besides the operational reviews mentioned above major operational activities and achievements of NCHL during the review period after completion of its 2nd year of operation are as listed below:

NCHL-ECC Nationwide Rollout

After replacing manual cheque clearing at Janakpur region with NCHL-ECC on 26th Chaitra 2070 (9th April 2014), NCHL completed nationwide rollout of NCHL-ECC by successfully replacing manual cheque clearing all across the country including Kathmandu, Birgunj, Biratnagar, Nepalgunj, Pokhara, Bhairawa and Dhangadi. NCHL added 35 additional BFIs as its members with total membership base standing at 128 at the end of the fiscal year.

There are 2,240 listed branches of the members, which means cheques issues from these branches can be processed through NCHL-ECC while over 959 branches are currently providing outward clearing service from across the country. NCHL has been facilitating the existing members to extend NCHL-ECC service, in particular outward clearing, from all their branches. NCHL will focus in the coming fiscal year to encourage and facilitate its

members to increase outward clearing branches so that NCHL-ECC service can be extended in all the regions of the country.

NCHL-Helpdesk

With the primary objective of NCHL-Helpdesk is to support member BFIs, NCHL has continued to provide a dedicated support team as the first level of support to the users of member BFIs. It is adequately staffed with technical / non-technical resources backed by second level of support from senior resources from the Operations Department. Arrangements are made such that member BFIs can raise their support queries through multiple channels including phone, e-mail, on-line helpdesk system and chat tool. NCHL-Helpdesk function will be continuously enhanced to standardize the support process.

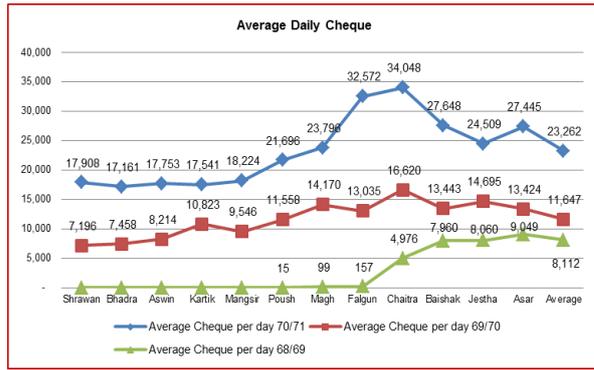
NCHL-ECC System

NCHL-ECC System being the core system, NCHL has given utmost importance to its maintenance and up keeping. The system has been available to all users 24x7 and there were no major incident of service breakdowns noticed during the review period. As we expect considerable increase in cheque volume in near future, key components of the NCHL-ECC System infrastructure are planned for upgrades and enhancements.

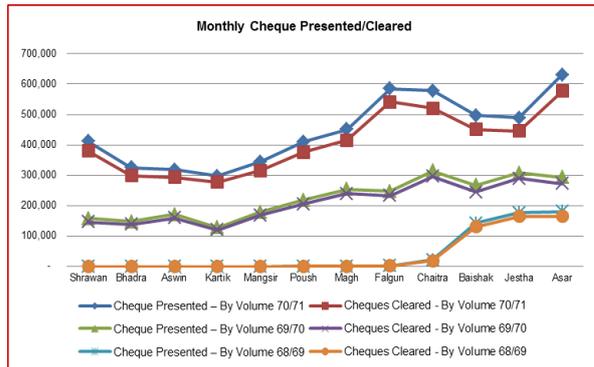
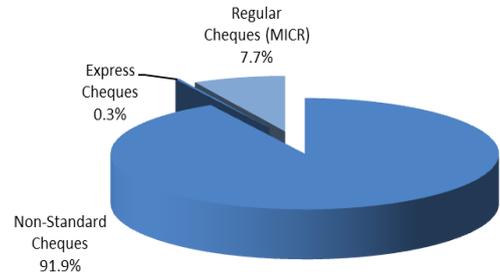
An average cheque transaction volume during the review period increased by more than 100% with average cheques volume per day of 23,262 compared to 11,647 during the last fiscal year. NCHL-ECC System handled a peak load of 75,000 cheques in a day.

During the review period, a total of 5,335,671 cheques were presented through NCHL-ECC System out of which 4,892,757 cheques were cleared/ accepted.

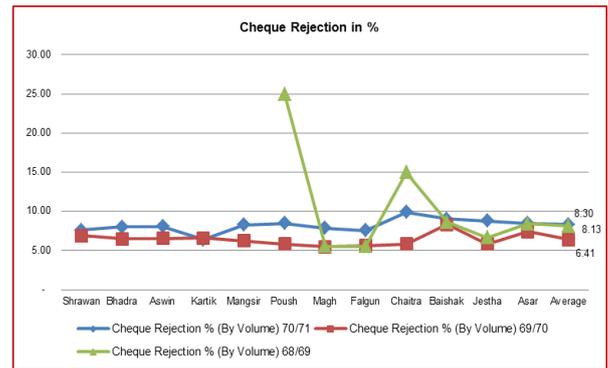
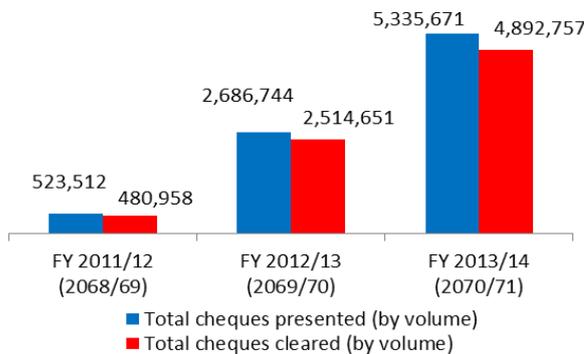
Annual Report FY 2070/71 (2013/14)



91.9% of the total cheques processed were through non-standard session, 7.7% were through regular session (MICR cheques) and only 0.3% were processed through Express sessions.



An average cheque return percentage with respect to the total cheques presented was 8.30% compared to 6.41% in the last fiscal year.

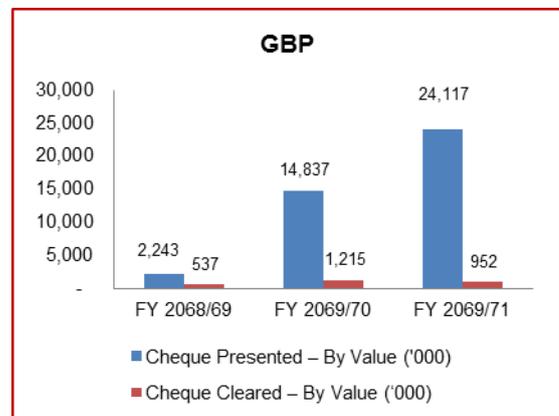
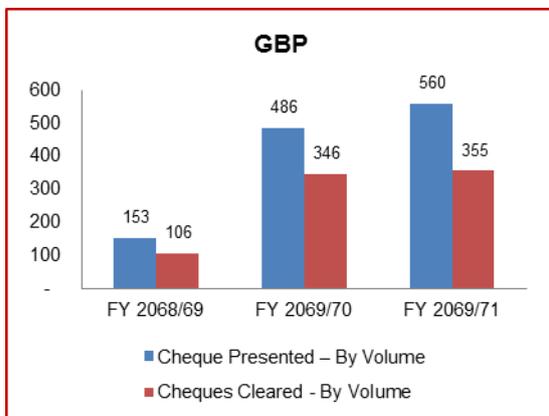
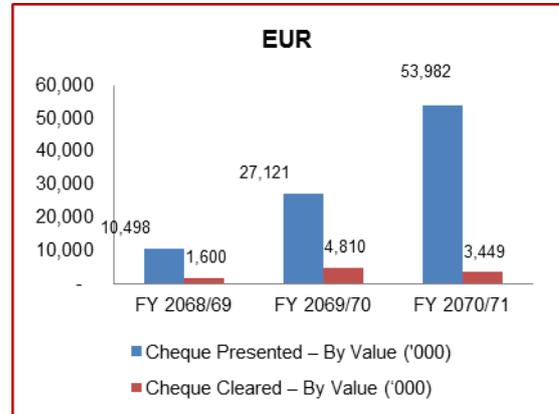
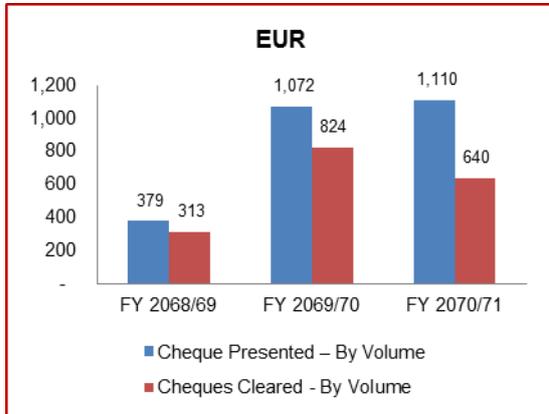
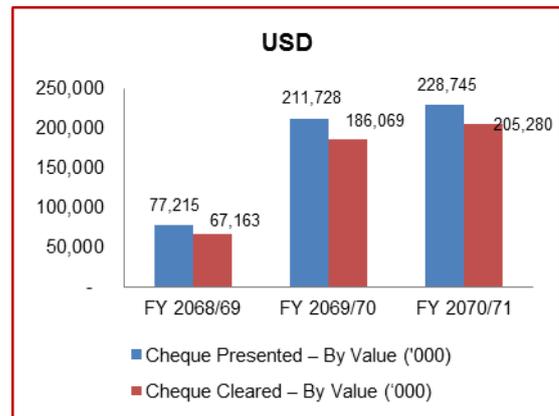
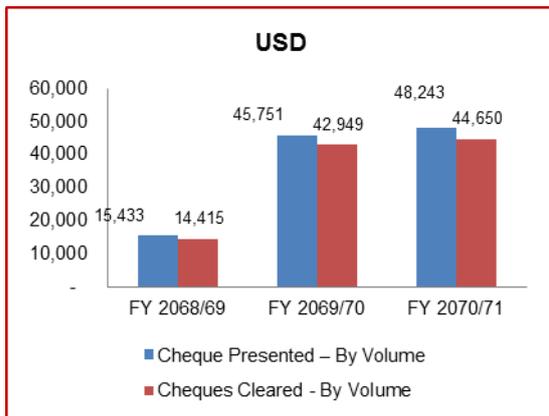
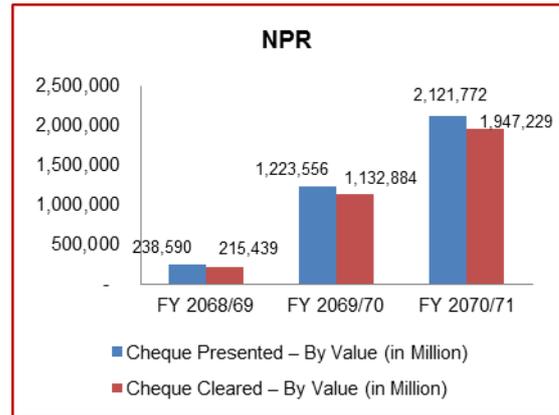
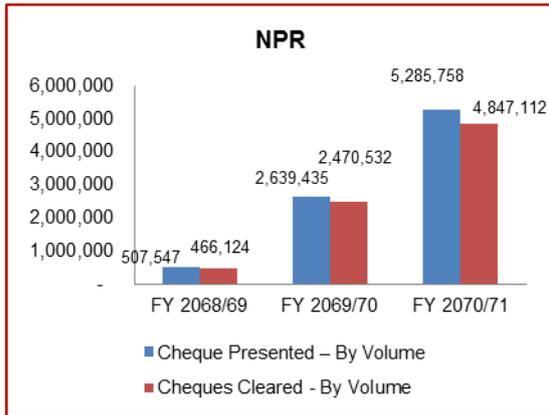


By the end of the fiscal year, there were 3,000 business users within NCHL-ECC System.

A snapshot of the transactions through NCHL-ECC System during the fiscal year 2013/14 is depicted as follows.

	NPR	USD	EUR	GBP	Total
Cheque Presented – By Volume	5,285,758	48,243	1,110	560	5,335,671
Cheques Cleared - By Volume	4,847,112	44,650	640	355	4,892,757
Cheque Presented – By Value ('000)	2,121,771,987	228,745	53,982	24,117	2,122,078,831
Cheque Cleared – By Value ('000)	1,947,228,549	205,280	3,449	952	1,947,438,230
Cheque Rejection % (By Volume)	8.30%	7.45%	42.34%	36.61%	8.30%
Average Cheque per day *	22,982	271	6	3	23,262
Number of Clearing Days					277

* Friday session not considered for computing daily average.



Cheques presented vs cleared (By Volume)

Cheques presented vs cleared (By Value)

MICR based Standard Cheques

Assisting our members for migrating to MICR based standard cheques is one of the key success factor of NCHL, as risks associated with electronic cheques clearing can be largely reduced by introducing such cheques and also increase operational efficiency. To this effect, NCHL has always remained equally concerned as to facilitate the member institutions with simplified but effective process with minimum additional cost burden. Cheque standards and specifications were amended by NRB with efforts made at the behest of NCHL and all stake holders. NRB now has made it compulsory for BFIs to issue the standard MICR based cheques with effect from 1st of Kartik 2071.

NCHL has continuously assisted member BFIs in introducing the standard MICR based cheques during the review period. By the end of the fiscal year around 20 members have issued fully compliant cheques while over 60 members have already issued security features enabled cheques except MICR code line. Out of the total 5,335,671 cheques presented in the NCHL-ECC during the review period, 411,061 cheques were presented through Regular Standard Sessions (MICR Cheques).

Member Trainings, Orientations and Public Awareness

NCHL has continuously provided training and orientation programs to its members and prospective BFIs at Kathmandu and at various regions also. While trainings were focused towards the operation of NCHL-ECC System,

orientation programs were more about sharing feedbacks on various facets of clearing processes. With an objective to create awareness amongst the BFIs and general public about the electronic cheque clearing and to increase acceptability of the cheques, NCHL had intermittently published public awareness information in national level newspapers. NCHL will strive to continue these trainings and awareness programs in the next fiscal year also.

Mergers of BFIs

Although NCHL has added 35 new members during the review period, 9 members have been reduced due to their merger with other member BFIs during the same period. With this a total of 12 of the members of NCHL has already been reduced since inception with membership base of 128 at the end of the fiscal year. With the ongoing trend of mergers of various BFIs, that may continue in the coming fiscal year also, it will impact directly on NCHL's revenue particularly in membership renewal and software AMC fees. However, NCHL expects that it will not impact the transaction volume, which may in turn increase as new entity after the merger will normally become a larger institution with extended reach.

NCHL-CRM & Billing System

NCHL-CRM & Billing System is a complete inhouse system developed by the NCHL team to streamline its internal processes for recording all necessary informations of the members and their billings.

NCHL Members

Following are the list of active members of NCHL as at end of the fiscal year.

Nepal Rastra Bank

Commercial Banks

Agriculture Development Bank Ltd.
Bank of Kathmandu Ltd.
Century Commercial Bank Ltd.
Citizens Bank International Ltd.
Civil Bank Ltd.
Everest Bank Ltd.
Global IME Bank Ltd.
Grand Bank Nepal Ltd.
Himalayan Bank Ltd.

Mega Bank Nepal Ltd.
Nabil Bank Ltd.
Nepal Bangladesh Bank Ltd.
Nepal Bank Ltd.
Nepal Credit and Commerce Bank Ltd.
Nepal Investment Bank Ltd.
Nepal SBI Bank Ltd.
NIC Asia Bank Ltd.
NMB Bank Ltd.

Janata Bank Nepal Ltd.
Kist Bank Ltd.
Kumari Bank Ltd.
Laxmi Bank Ltd.
Lumbini Bank Ltd.
Machhapuchhre Bank Ltd.

Prime Commercial Bank Ltd.
Rastriya Banijya Bank Ltd.
Sanima Bank Ltd.
Siddhartha Bank Ltd.
Standard Chartered Bank Nepal Ltd.
Sunrise Bank Ltd.

Development Banks

ACE Development Bank Ltd.
Alpine Development Bank Ltd.
Apex Development Bank Ltd.
Araniko Development Bank Ltd.
Bageshwari Development Bank Ltd.
Bhargav Development Bank Ltd.
Bhrikutee Development Bank Ltd.
BiratLaxmi Development Bank Ltd.
Bishwa Bikash Bank Ltd.
Bright Developmnt Bank Ltd.
Business Universal Development Bank Ltd.
City Development Bank
Clean Energy Development Bank Ltd.
Corporate Development Bank Ltd.
Country Development Bank Ltd.
Excel Development Bank
Gandaki Bikash Bank Ltd.
Garima Bikas Bank Ltd.
H & B Development Bank Ltd.
Infrastructure Development Bank Ltd.
Innovative Development Bank Ltd.
International Development Bank Ltd.
Jyoti Bikas Bank Ltd.
Kailash Bikas Bank Ltd.
Kamana Bikas Bank Ltd.
Karnali Bikash Bank Ltd.
Kasthamandap Development Bank Ltd.
Malika Bikash Bank Ltd.
Manaslu Development Bank Ltd.

Metro Development Bank Ltd.
Mission Development Bank Ltd.
Muktinath Bikas Bank Ltd.
NDEP Development Bank Ltd.
NIDC Development Bank Ltd.
Paschimanchal Development Bank Ltd.
Pathibhara Bikas Bank Ltd.
Prabhu Bikas Bank Ltd.
Professional Diyalo Bikas Bank Ltd.
Public Development Bank Ltd.
Purnima Bikash Bank Ltd.
Raptibheri Bikas Bank Ltd.
Reliable Development Bank Ltd.
Rising Development Bank Ltd.
Sahayogi Vikas Bank Ltd.
Sajha Bikas Bank Ltd.
Saptakoshi Development Bank Ltd.
Sewa Bikash Bank Ltd.
Shangri-la Development Bank Ltd.
Shine Resunga Development Bank Ltd.
Siddhartha Development Bank Ltd.
Sindhu Bikas Bank Ltd.
Subhechha Bikas Bank Ltd.
Supreme Development Bank Ltd.
Tinau Bikas Bank Ltd.
Tourism Development Bank Ltd.
Triveni Bikas Bank Ltd.
Vibor Bikas Bank Ltd.
Yeti Development Bank Ltd.

Finance Companies

Bhaktapur Finance Ltd.
Central Finance Ltd.
Everest Finance Co. Ltd.
Fewa Finance Co. Ltd.
Goodwill Finance Ltd.
Guheshwori Merchant Banking Finance Ltd.
ICFC Finance Ltd.
International Leasing and Finance Co. Ltd.
Jebils Finance Ltd.
Kaski Finance Ltd.
Kathmandu Finance Ltd.
Lalitpur Finance Co. Ltd.
Lumbini Finance and Leasing Co. Ltd.
Maha Laxmi Finance Ltd.
Manjushree Financial Institution Ltd.
Narayani National Finance Ltd.
Nepal Aawas Finance Co. Ltd.
Nepal Express Finance Ltd.
Nepal Finance Ltd.

Nepal Housing and Merchant Finance Ltd.
NIDC Capital Market
Om Finance Ltd.
Paschimanchal Finance Co. Ltd.
Patan Finance Ltd.
Pokhara Finance Ltd.
Premier Finance Co. Ltd.
Progressive Finance Co. Ltd.
Prudential Finance Institution Ltd.
Reliance Lotus Finance Ltd.
Sagarmatha Merchant Banking and Finance Ltd.
Shree Investment and Finance Co. Ltd.
Siddhartha Finance Ltd.
Srijana Finance Ltd.
Synergy Finance Ltd.
Union Finance Ltd.
Unique Finance Ltd.
United Finance Co. Ltd.
Zenith Finance Ltd.

NCHL CORE TEAM

1. **Neelesh Man Singh Pradhan,**

Chief Executive Officer

Mr. Pradhan has experience of over 13 years in the field of banking and financial technology with an expertise in financial systems & technologies design, operation and management. He was earlier working with TAIB Bank, Bahrain in the capacity of Assistant Vice President prior to which he was associated with Tata Consultancy Services Ltd. in India and Netherlands. He has also worked at Kathmandu University. He holds Engineering degree from Kathmandu University, Nepal and MBA from Indian Institute of Technology, India. He is also a Certified Information System Auditor (CISA) and a Project Management Professional (PMP).

2. **Munni Rajbhandari,**

Operations Manager

Mrs. Rajbhandari has experience of over 10 years in the field of banking operations and management. She was earlier working with Citizens Bank International Limited in the capacity of Executive Operating Officer heading various departments under operations which includes Treasury, SME loan, Branch Operations, Trade, Credit Back office, Remittances, Clearing, Card and Branchless banking prior to joining NCHL. She has also worked with NIC Bank Ltd. (NIC Asia Bank Ltd. now) as Officer-Finance. She holds MBA degree with specialization in Finance from The Department of Management Science (PUMBA), University of Pune, India.

3. **Bishnu Gautam,**

System Manager

Mr. Gautam has experience of over 9 years in the field of banking systems operation and software development. He was earlier working with Nepal Bank Ltd. as Assistant Manager prior to joining NCHL. He holds Bachelor of Computer Application degree from Pokhara University and MSc-IT from Sikkim Manipal University. He is also an Oracle Certified Professional and ITIL certified.

4. **Dilli Man Shakya,**

Technology & Infrastructure Manager

Mr. Shakya has experience of over 11 years in the field of IT infrastructure operations. He was earlier working with Social Development Bank as Head of IT prior to joining NCHL. He was also associated with Rastriya Banijya Bank as Data Center In-charge and with Serving Minds P. Ltd. as Manager Technology. He holds Bachelor of Commerce and MBA degrees from Tribhuvan University and MSc-IT from Sikkim Manipal University respectively. He is also a Microsoft Certified Technology Specialist and ITIL certified.

5. **Rupak Gyawali,**

Network Engineer/ Helpdesk In-charge

Mr. Gyawali has experience of over 6 years in the field of networking. He was earlier working with Worldlink Communication Ltd. as Support Engineer prior to joining NCHL. He holds Bachelor of Engineering degree from Tribhuvan University. He is also a Cisco trained professional.

6. **Nabina Dhungana,**

Finance & Admin Officer

Ms. Dhungana is a qualified Chartered Accountant from Institute of Chartered Accountants of India (ICAI). She was associated with BR Neupane and Associates, Nepal and was involved in System, Statutory and internal audits of various companies. During her articleship, she was associated with Rajesh Shubra and Associates, India. She also holds a BBS degree from Tribhuvan University, Nepal.

7. Other Team Members are:

Shovit Sharma, System Analyst

Subash Thapa, System Analyst

Bishnu Dhital, System Analyst

Raju Maharjan, Fin/Admin Assistant

Raju Shrestha, Office Assistant

RISK MANAGEMENT

NCHL, being a systemically critical financial market infrastructure, identifies scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a range of options for recovery. While safe and efficient clearing house contributes to maintaining and promoting financial stability and economic growth, it also has a number of risks it bears from and poses to its members, their customers and other entities as a result of interdependencies. Due to the complexity of the infrastructure and processes that it operates with, NCHL has formulated and implemented a clear and comprehensive Risk Management Framework for identifying and managing various risks. NCHL Risk Management framework is based on the Principles for financial market infrastructures (recommended by Committee on Payment & Settlement Systems - CPSS) and ISO27001 standards. The risks identified and assessed as per the provisions laid down in the framework are compiled by the management and reviewed periodically by the Audit Committee assuring that necessary internal controls are in place.

Operational Risk

Operational Risk is the potential loss or service delay arising from inadequate or failure of information systems, internal processes, people or from external events. NCHL has systematically identified and managed operational risk. NCHL being a technology based financial service provider, its operational risk management has given due consideration to the information security and to follow international best practices.

NCHL has setup a fully functional Disaster Recovery Site (DRS) at Thimi, Bhaktapur which remains as primary DR site which is equipped with redundancy, load balancing and high availability of critical systems to mitigate the risk of main site failure. Secondary backup site is also setup at Bhairawa, which is in a different

seismic zone than that of Kathmandu, for maintaining cold backups of the critical system information and data. Periodic Disaster Recovery mock drills are conducted to test the readiness of DR site. Continuity of Business (COB) site has also been setup at NCHL premise to provide business continuity to access NCHL-ECC System by the members in case they have a failure at their bank/branch. As a contingency planning for the regional banks/FIs, an alternate arrangement, Virtual COB, to access the NCHL-ECC System through internet, has also been arranged.

The effectiveness of our clearing systems and the associated processes and technology are testimony to the well qualified and trained staff, who we believe are our valued assets. In order to minimize the operational risk associated with our people, we have ensured that right skills are developed and continuously improved.

Various event based risks that may damage the physical assets/property of the company are extensively reviewed to cover from insurance policies. Any incident having or potential impacts to the operations are recorded and casual analysis done to ensure preventive controls are identified & put in place. A well-defined Incident Management Process is in place for this matter. Apart from the physical risk, various other operational risks have been analyzed and are mitigated by means of service contracts with the vendors. In order to maintain the financial accounts of the company, we are using Tally accounting software.

Business Risk

Business Risk is any potential impairment of the NCHL's financial position (as a business concern) due to declining revenues or an increase in its expenses. Such impairment may be as a result of adverse reputational effects, poor execution of business strategy, ineffective response to competition, losses in other business lines, etc. NCHL has continuously

made projections by evaluating the past trends and future prospects of the company. Given the current trend of merger of banks & financial institutions, NCHL is facing risk of reduced membership base. Although it may not impact reduction in cheque transaction volume, NCHL is trying its best effort to induct even smaller regional Banks/FIs also. Further, NCHL have been continuously exploring other ventures in line with its objectives to off-set high dependency in NCHL-ECC only. Interbank payment system is one of such consideration that NCHL intends to realize in the coming fiscal year.

NCHL assesses various volatility related to financial market risks, including foreign exchange rate and interest rate that affects the business of NCHL. A significant proportion of the software and maintenance services are sourced from the international vendor and the payment is made in US Dollars. In order to avoid the upside risk due to the fluctuations of the Rupee against the Dollar, NCHL has followed a strategy to enter into US dollar forward contract with a local bank depending on the market outlook. We expect major upside risk due to excessive US\$ appreciation against NPR.

NCHL has kept abreast with the technological developments in the clearing, payments & settlements area in order to provide the necessary infrastructure and made enhancements and upgradation when required.

Liquidity Risk

Liquidity Risk is the potential that NCHL does not have sufficient liquid resources to meet its financial obligation in a short term. Member banks are also potentially exposed to liquidity risk on the settlement date of NCHL-ECC System and such risks have a potential to create systemic problems.

NCHL has arranged for regular monitoring and analysis of its cash flow and forecasts by the management and periodically by the Board. Adequate management and reporting frameworks are in place at NCHL in this regards.

Company financials are also analyzed and monitored in a regular basis. NCHL's liquid assets are held only at BFIs which are licensed by NRB, currently held only with Class A banks.

In order to manage the potential liquidity risk of NCHL-ECC System that may arise from the member BFIs, necessary arrangement has been made with NRB, who also acts as the settlement bank for NCHL-ECC, to consider settlement accounts of the members as the one used by them for maintaining their statutory balance.

Credit Risk

Credit Risk is the potential loss due to failure of a counterparty, whether a participant or other entity is unable to meet partially or fully its financial obligations when due, or at any time in the future. Majority of the counterparty for NCHL being BFIs, defaults on counterparty for NCHL is very unlikely. But credit risks associated with NCHL-ECC participants or other entity in the form of unsettled transactions and failure of settlement require necessary management. In order to mitigate credit risk arising from the participants in NCHL-ECC, they are provided with necessary timely information to identify their required fund for the day's settlement. Additionally necessary arrangement has been made with NRB to consider settlement accounts of the members as the one used by them for maintaining their statutory balance.

Legal and Compliance Risk

Legal/ Compliance risk arises from the failure to comply with statutory or regulatory obligations. It may also arise if the application of relevant laws and regulations including rights & obligations of parties involved are uncertain. NCHL and its operations are guided by the Nepal Company Act 2063, Negotiable Instrument Act, Electronic Transaction Act, ECC Operating Rules and directives laid down by Nepal Rastra Bank. NCHL has fully complied with all the relevant laws and regulations.

While the operation of NCHL-ECC is fully guided by ECC Rule Book, Operating Rules and Cheque Standard & Specifications published by NRB, NCHL has entered into standard individual membership agreement with all the participating BFIs. All critical supports are managed through service contracts entered with the vendors covering clear and comprehensive information including service level, minimizing any possible litigation and compliance issues.

Systemic Risk

Systematic risk is the risk arising due to interdependencies and possibility of transmitting disruptions beyond NCHL and one or more

participants. This may be due to an inability to perform as expected resulting into inability/disruption of other participants to meet their obligations when due. These adverse effects, for example, could arise from unwinding or reversing of transactions; delaying of settlement. In such cases the participants could suddenly face significant and unexpected credit and liquidity exposures that might be extremely difficult to manage at the time leading to further cascading effect. NCHL-ECC is exposed to such risk and hence has been working very closely with the settlement bank, Nepal Rastra Bank, and with the participating members thereby reducing the overall impact of such risk.

AUDIT REPORT & FINANCIAL INFORMATION

J . B . Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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Auditor's Report to the Shareholders of Nepal Clearing House Limited

We have examined the attached Balance Sheet of Nepal Clearing House Limited as at 32nd Ashad 2071 (Corresponding to 16th July 2014), Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the period ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of accounts as required by law have been maintained by the Company, in so far as appears from our examination of those accounts, Balance Sheet, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts.

In our opinion, the financial statements read with Notes to Account give true and fair view of the financial position of the company as of 32 Ashad 2071 (16 July 2014), results of its operations, its cash flows and changes in equity for the year ended on that date in accordance with Nepal Accounting Standards, Companies Act 2063 and other applicable prevailing Laws of the land.

Kathmandu, Nepal
Date: 21st Bhadra 2071 (6th September 2014)



A handwritten signature in black ink, appearing to read "Jitendra B. Rajbhandary", with a horizontal line underneath it.

CA. Jitendra B. Rajbhandary
Senior Partner

NEPAL CLEARING HOUSE LTD.

Balance Sheet

As at 32 Ashad 2071 (16 July 2014)

Amount in Rs.

Particulars	Schedule	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Shareholder's Fund:			
Share Capital	1	150,000,000.00	150,000,000.00
Reserve & Surplus	2	8,972,631.27	(15,108,930.12)
Total Shareholder's Fund		158,972,631.27	134,891,069.88
Medium & Long Term Loans	3	-	23,076,923.07
Deferred Tax Liability		441,225.37	1,150,127.60
Total		159,413,856.64	159,118,120.55
Fixed Assets	4 & 4.1		
Gross Block		86,329,742.32	85,048,321.00
Less : Accumulated Depreciation		42,051,567.21	25,158,859.61
Net Block		44,278,175.11	59,889,461.39
Investment	5	55,000,000.00	-
Current Assets		86,269,635.87	116,604,305.41
a) Inventories	6	15,770,554.26	31,808,024.43
b) Trade & Other Receivables	7	7,290,042.00	4,780,855.00
c) Cash & Bank Balances	8	25,310,884.37	59,369,093.53
d) Prepaid, Loans, Advances & Deposits	9	37,898,155.24	20,646,332.45
e) Deferred Tax Assets		-	-
Less: Current Liabilities & Provisions		26,133,954.34	17,375,646.25
a) Current Liabilities		20,790,984.65	16,665,112.09
i) Current Liabilities and Payables	10	20,790,984.65	16,665,112.09
ii) Short Term Loan (Secured Overdraft)		-	-
b) Provisions	11	5,342,969.69	710,534.16
Net Current Assets		60,135,681.53	99,228,659.16
Expenditures to the extent not written off	12	-	-
Total		159,413,856.64	159,118,120.55

Contingent Liability 13 -
Notes to Accounts 17
Schedule 1 to 13 and 17 form integral part of this statement

As per our report of even date

Neelesh Man Singh Pradhan
Chief Executive Officer

Ratna Raj Bajracharya
Chairman

CA. Jitendra B. Rajbhandary
Senior Partner

For J. B. Rajbhandary & DiBins
Chartered Accountants

Shiba Raj Shrestha
Director

Rajan Singh Bhandari
Director

Jyoti Prakash Pandey
Director

Rabindra B. Malla
Director

Krishnaraj Lamichhane
Director

Saroj Kaji Tuladhar
Director

NEPAL CLEARING HOUSE LTD.**Profit & Loss Account****For the period 01 Shrawan 2070 to 32 Ashad 2071****(Corresponding to 16 July 2013 to 16 July 2014)**

Amount in Rs.

Particulars	Schedule	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Operating Income			
Revenue/ Sales	14	90,503,178.59	45,357,687.00
ECC Software Sales to BFIs		6,703,916.67	42,764,333.33
Operating Expenses			
Cost of Sales	15	22,265,413.43	7,865,033.84
ECC Software Cost		16,037,470.17	51,962,333.33
Gross Profit		58,904,211.66	28,294,653.16
Other Commercial Income		2,976,382.98	693,891.21
i) Interest Income		2,869,023.56	692,849.06
ii) Other Income		107,359.42	1,042.15
Administrative Expenses	16	16,917,270.02	15,871,364.50
Profit from Operation		44,963,324.62	13,117,179.87
Financial Expenditure		305,532.91	5,227,085.77
Depreciation		16,930,782.48	16,709,521.76
Staff Bonus		2,520,637.20	-
Profit/ (Loss) before Tax		25,206,372.03	(8,819,427.66)
Provision for Tax		1,833,712.87	-
Deferred Tax Surplus (Deficit)		708,902.23	388,238.60
Net Profit/ (Loss) after Tax		24,081,561.39	(8,431,189.06)
Profit/ (Loss) Up to Last year		(15,108,930.12)	(6,677,741.06)
Profit/ (Loss) Balance		8,972,631.27	(15,108,930.12)
Appropriation:			
a. Ordinary Reserve Fund		-	-
b. Proposed Dividend		-	-
		-	-
Balance of profit/(loss) transferred to Balance Sheet		8,972,631.27	(15,108,930.12)

Notes to Accounts

17

Schedule 14 to 17 form integral part of this statement

As per our report of even date

Neelesh Man Singh Pradhan
Chief Executive Officer

Ratna Raj Bajracharya
Chairman

CA. Jitendra B. Rajbhandary
Senior Partner
For J. B. Rajbhandary & DiBins
Chartered Accountants

Shiba Raj Shrestha
Director

Rajan Singh Bhandari
Director

Jyoti Prakash Pandey
Director

Rabindra B. Malla
Director

Krishnaraj Lamichhane
Director

Saroj Kaji Tuladhar
Director

NEPAL CLEARING HOUSE LTD.
Cash Flow Statement
For the period 01 Shrawan 2070 to 32 Ashad 2071
(Corresponding to 16 July 2013 to 16 July 2014)

Particulars	As on 32 Ashad 2071 (16 July 2014)	As on 31 Ashad 2070 (15 July 2013)
Net Profit/(Loss)	25,206,372.03	(8,819,427.66)
Preliminary & Pre-operating (Expenses)/Surplus	-	-
Add/(Less) : Adjustment		
Depreciation	16,930,782.48	16,709,521.76
Gratuity Provision	184,044.39	127,541.66
Leave Provision	94,041.07	169,009.16
Provision for Bonus	2,520,637.20	-
Financial Expenses	305,532.91	5,227,085.77
Income Tax Paid	-	-
Cash Flow from Operation Before Working Capital	45,241,410.08	13,413,730.69
Increase(Decrease) in Current Liabilities	(18,951,050.51)	(75,636,825.18)
Decrease (Increase) in Current Assets	(3,723,539.62)	44,536,630.94
Cash Flow From Operating Activities	22,566,819.95	(17,686,463.55)
Purchase of Fixed Assets	(1,341,992.32)	(979,681.16)
Investment- Capital WIP	-	-
Investment	(55,000,000.00)	-
Sale or Disposal of Fixed Assets	22,496.12	-
Cash Flow From Investing Activities	(56,319,496.20)	(979,681.16)
Interest on loan	(305,532.91)	(5,227,085.77)
Increase(Decrease) in Loans	-	23,076,923.07
Share Capital	-	60,001,000.00
Sale of Fixed Assets	-	-
Cash Flow From Financing Activities	(305,532.91)	77,850,837.30
Net Increase(Decrease) in Cash & Bank Balances	(34,058,209.16)	59,184,692.59
Cash & Bank Balances at the Beginning of the Year	59,369,093.53	184,400.94
Cash & Bank Balance at the end of the Year	25,310,884.37	59,369,093.53

Neelesh Man Singh Pradhan
Chief Executive Officer

Ratna Raj Bajracharya
Chairman

CA. Jitendra B. Rajbhandary
Senior Partner
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Director

Krishnaraj Lamichhane
Director

Saroj Kaji Tuladhar
Director

NEPAL CLEARING HOUSE LTD.
Statement of Changes in Equity
For the Financial Year ended as at 32 Ashad 2071 (16 July 2014)

Particulars	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Accumulated Profit	Total
Balance at 16 July 2013	150,000,000.00	-	-	-	(15,108,930.12)	134,891,069.88
Changes in Accounting Policy	-	-	-	-	-	-
Restated balance	150,000,000.00	-	-	-	(15,108,930.12)	134,891,069.88
Surplus on Revaluation of properties	-	-	-	-	-	-
Deficit on Revaluation of Investment	-	-	-	-	-	-
Current Translation Difference	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-
Net Profit for period	-	-	-	-	24,081,561.39	24,081,561.39
Dividend	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-
Balance as at 16 July 2014	150,000,000.00	-	-	-	8,972,631.27	158,972,631.27

NEPAL CLEARING HOUSE LTD.

Kathmandu, Nepal.

Schedule Attached To and Forming Part of Financial Statements

As at 32 Ashad 2071

Share Capital

Schedule - 1

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Authorized Capital		
2,500,000 Ordinary Shares of Rs 100/each	250,000,000.00	250,000,000.00
Issued Capital		
1,500,000 Ordinary Shares of Rs 100/each	150,000,000.00	150,000,000.00
Subscribed Capital		
1,500,000 Ordinary Shares of Rs. 100/- each	150,000,000.00	150,000,000.00
Paid up Capital		
1,500,000 Ordinary Shares of Rs. 100/- each	150,000,000.00	150,000,000.00
Less: Calls in Arrears	-	-
Deposit for Share	-	-
Total	150,000,000.00	150,000,000.00

Reserve & Surplus

Schedule - 2

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Capital Reserve	-	-
Adjustment for deferred tax liability	-	-
Profit (Loss) Account	8,972,631.27	(15,108,930.12)
Total	8,972,631.27	(15,108,930.12)

Medium & Long Term Loans

Schedule - 3

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
i) Secured Loan	-	23,076,923.07
ii) Un Secured Loan	-	-
Total	-	23,076,923.07

NEPAL CLEARING HOUSE LTD.
Kathmandu, Nepal.
Schedule Attached To and Forming Part of Financial Statements
As at 32 Ashad 2071

Fixed Assets and Depreciation**Schedule - 4**

Particulars	Office Equipment	Vehicle	Others	Software	Total
Cost Price	-				
Opening Balance	45,456,722.73	3,045,600.00	30,337.00	36,515,661.27	85,048,321.00
Addition during the year	1,337,567.32	-	4,425.00	-	1,341,992.32
Deletion during the year	(58,521.00)	-	(2,050.00)	-	(60,571.00)
TOTAL	46,735,769.05	3,045,600.00	32,712.00	36,515,661.27	86,329,742.32
Depreciation					
Opening Balance	16,804,083.23	945,407.50	9,141.53	7,400,227.35	25,158,859.61
For the year	9,165,761.87	456,840.00	5,048.36	7,303,132.25	16,930,782.48
Deletion during the year	(37,178.00)	-	(896.88)	-	(38,074.88)
Total Depreciation	25,932,667.10	1,402,247.50	13,293.01	14,703,359.60	42,051,567.21
WDV as on 32/03/2071 (16/07/2014)	20,803,101.95	1,643,352.50	19,418.99	21,812,301.67	44,278,175.11

NEPAL CLEARING HOUSE LIMITED
Kathmandu, Nepal.
Detail of Fixed Assets & it's Depreciation
As at 32 Ashad 2071

Particulars	Cost Value					Month	Dep. Rate	WDV up to 2069/70	WDV Disposed on 2070/71	Depreciation for 2070/71	WDV for 2070/71
	Purchase Date	Up to 2069/70	Current Year 2070/71	Deletion	Balance						
Group A											
Building & Structure											
TOTAL		-	-	-	-	-	-	-	-	-	-
Group B											
Computer & Accessories											
Computer	67/02	90,400.00	-	-	90,400.00	12	20%	34,653.33		18,080.00	16,573.33
Printer	67/02	22,600.00	-	22,600.00	22,600.00	12	20%	8,663.34	4,143.34	4,520.00	-
Lenovo Desktop Computer	68/01	104,000.00	-	-	104,000.00	12	20%	58,933.33		20,800.00	38,133.33
Lenovo Desktop Computer	68/02	255,000.00	-	-	255,000.00	12	20%	148,750.00		51,000.00	97,750.00
Lenovo Desktop Computer	68/04	204,000.00	-	-	204,000.00	12	20%	125,800.00		40,800.00	85,000.00
Lenovo Desktop Computer	69/02	61,020.00	-	-	61,020.00	12	20%	47,799.00		12,204.00	35,595.00
USB Hard disk 500 GB	67/12	12,511.00	-	-	12,511.00	12	20%	6,881.05		2,502.20	4,378.85
3 units of 1 TB USB hdd	69/07	37,290.00	-	-	37,290.00	12	20%	32,318.00		7,458.00	24,860.00
1 TB Transcend HDD USB 3.0	69/09	19,840.00	-	-	19,840.00	12	20%	17,856.00		3,968.00	13,888.00
HDD - 600GB SAS	69/12	56,500.00	-	-	56,500.00	12	20%	53,675.00		11,300.00	42,375.00
1 TB External Hard Disk	68/05	9,300.00	-	-	9,300.00	12	20%	5,890.00		1,860.00	4,030.00
Laptop HP Pavilion	67/12	63,600.00	-	-	63,600.00	12	20%	34,980.00		12,720.00	22,260.00
2 units Lenovo Laptop	69/10	131,000.00	-	-	131,000.00	12	20%	120,083.33		26,200.00	93,883.33
Ben Q Note Book	68/04	34,500.00	-	-	34,500.00	12	20%	21,275.00		6,900.00	14,375.00
Canon Multimedia Printer	67/12	22,455.50	-	-	22,455.50	12	20%	12,350.52		4,491.10	7,859.42
Brother Multifunctional Printer	68/03	65,700.00	-	-	65,700.00	12	20%	39,420.00		13,140.00	26,280.00
Epson TM-S100 MICR Scanner	68/03	136,000.00	-	-	136,000.00	12	20%	81,600.00		27,200.00	54,400.00
Panini MICR Scanner	68/05	141,577.70	-	-	141,577.70	12	20%	89,665.88		28,315.54	61,350.34
Brother Multifunctional Printer-Drum	68/03	6,780.00	-	-	6,780.00	12	20%	4,068.00		1,356.00	2,712.00
IBM X3250 M3 Server 8GB RAM	68/03	296,000.00	-	-	296,000.00	12	20%	177,600.00		59,200.00	118,400.00
IBM X3250 M3 Server 4GB RAM	68/03	133,500.00	-	-	133,500.00	12	20%	80,100.00		26,700.00	53,400.00
DATA Base Server -740	68/04	3,443,900.52	-	-	3,443,900.52	12	20%	2,123,738.66		688,780.10	1,434,958.56
Application server -740	68/04	4,358,692.50	-	-	4,358,692.50	12	20%	2,687,860.37		871,738.50	1,816,121.87
Test Server -740	68/04	1,452,897.50	-	-	1,452,897.50	12	20%	895,953.46		290,579.50	605,373.96

IBM- 300GB SAS SFF DHH	68/08	135,600.00	-	-	135,600.00	12	20%	92,660.00		27,120.00	65,540.00
National Archive Infra Mgmt. Server	68/04	1,728,999.44	-	-	1,728,999.44	12	20%	1,066,216.32		345,799.89	720,416.43
External Storage Server	68/04	6,412,124.72	-	-	6,412,124.72	12	20%	3,954,143.58		1,282,424.94	2,671,718.64
Server	68/04	819,000.00	-	-	819,000.00	12	20%	505,050.00		163,800.00	341,250.00
Security Server	68/04	819,000.00	-	-	819,000.00	12	20%	505,050.00		163,800.00	341,250.00
SAN Switch	68/04	4,412,500.42	-	-	4,412,500.42	12	20%	2,721,041.93		882,500.08	1,838,541.85
OME Rack	68/04	1,138,588.00	-	-	1,138,588.00	12	20%	702,129.27		227,717.60	474,411.67
Tape Library	68/04	1,237,270.90	-	-	1,237,270.90	12	20%	762,983.72		247,454.18	515,529.54
Fortinet Firewall 60C	68/03	64,000.00	-	-	64,000.00	12	20%	38,400.00		12,800.00	25,600.00
Planet 24 Port GB Smart Switch	68/03	17,000.00	-	-	17,000.00	12	20%	10,200.00		3,400.00	6,800.00
Fortinate Fortigate 620B	68/06	3,254,400.00	-	-	3,254,400.00	12	20%	2,115,360.00		650,880.00	1,464,480.00
Fortinate Fortigate 50B	68/12	53,110.00	-	-	53,110.00	12	20%	39,832.50		10,622.00	29,210.50
Cisco Catalyst Ws-C2960 Switch	68/06	491,550.00	-	-	491,550.00	12	20%	319,507.50		98,310.00	221,197.50
Cisco Catalyst Ws-C2960S	68/08	160,000.00	-	-	160,000.00	12	20%	109,333.33		32,000.00	77,333.33
Cisco Catalyst Stack Plex	68/06	178,540.00	-	-	178,540.00	12	20%	116,051.00		35,708.00	80,343.00
Cisco Catalyst Stack Plex	68/08	158,200.00	-	-	158,200.00	12	20%	108,103.33		31,640.00	76,463.33
TEW- 634GRU 300 Mbps	67/11	7,910.00	-	-	7,910.00	12	20%	4,218.67		1,582.00	2,636.67
3KVA UPS with Battery	68/01	94,999.00	-	-	94,999.00	12	20%	53,832.77		18,999.80	34,832.97
Power Ware 9155 30 KVA UPS	68/05	1,993,320.00	-	-	1,993,320.00	12	20%	1,262,436.00		398,664.00	863,772.00
Power Ware 9155 15 KVA UPS	68/05	542,626.00	-	-	542,626.00	12	20%	343,663.13		108,525.20	235,137.93
Battery with Connector	68/05	1,370,644.80	-	-	1,370,644.80	12	20%	868,075.04		274,128.96	593,946.08
Battery Cabinet	68/05	116,277.00	-	-	116,277.00	12	20%	73,642.10		23,255.40	50,386.70
Panasonic Air Condition	68/03	158,200.00	-	-	158,200.00	12	20%	94,920.00		31,640.00	63,280.00
Mitsubishi & Acson Air Condition	68/01	231,069.00	-	-	231,069.00	12	20%	134,790.25		46,213.80	88,576.45
Panasonic Fax Machine	68/02	9,944.00	-	-	9,944.00	12	20%	5,800.66		1,988.80	3,811.86
Projector NEC NP115	67/11	42,000.00	-	-	42,000.00	12	20%	22,400.00		8,400.00	14,000.00
CPU 2 Core activation	70/11	-	237,300.00	-	237,300.00	4	20%	-		15,820.00	221,480.00
QNAP NAS Device	70/12	-	644,100.00	-	644,100.00	3	20%	-		32,205.00	611,895.00
IBM 3650 M4 Server	70/12	-	377,420.00	-	377,420.00	3	20%	-		18,871.00	358,549.00
Electrical Cable - 4 Core - AL - AR	69/12	48,185.91	-	-	48,185.91	12	20%	45,776.61		9,637.18	36,139.43
Electrical Cable - 4 Core - Copper	70/03	4,915.50	-	-	4,915.50	12	20%	4,915.50		983.10	3,932.40
Electrical Infrastructure Set up	70/02	293,206.75	-	-	293,206.75	12	20%	288,319.97		58,641.35	229,678.62
Cheque Writer	70/01	6,102.00	-	-	6,102.00	12	20%	5,898.60		1,220.40	4,678.20
UTL Telephone Set	67/12	4,880.00	-	-	4,880.00	12	20%	2,684.00		976.00	1,708.00
UTL Telephone Set	70/05		3,530.00	-	3,530.00	10	20%			588.33	2,941.67
National Stand Fan	68/02	5,600.00	-	2,800.00	5,600.00	12	20%	3,266.67	1,073.00	1,120.00	1,073.67
Stand Fan	69/02	2,900.00	-	-	2,900.00	12	20%	2,271.67		580.00	1,691.67
Media KIT	68/03	8,800.00	-	-	8,800.00	12	20%	5,280.00		1,760.00	3,520.00
Paper Shredder	68/04	7,006.00	-	-	7,006.00	12	20%	4,320.37		1,401.20	2,919.17
24 port Patch Panel	68/05	7,000.00	-	-	7,000.00	12	20%	4,433.33		1,400.00	3,033.33

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24 port Switch	68/05	17,000.00	-	-	17,000.00	12	20%	10,766.67		3,400.00	7,366.67
Power Distribution Unit	68/04	15,000.02	-	-	15,000.02	12	20%	9,250.02		3,000.00	6,250.02
Jacson Cummins Generator.	68/04	1,129,999.78	-	-	1,129,999.78	12	20%	696,833.19		225,999.96	470,833.23
Data Center Temp Monitoring	68/11	72,461.25	-	-	72,461.25	12	20%	54,345.94		14,492.25	39,853.69
2kg Co2 Type Fire Extinguisher	68/12	13,447.00	-	-	13,447.00	12	20%	10,085.25		2,689.40	7,395.85
5kg ABC Type Fire Extinguisher	68/12	7,846.72	-	-	7,846.72	12	20%	5,885.04		1,569.34	4,315.70
AC Volt Meter	69/02	15,820.00	-	15,820.00	15,820.00	12	20%	12,656.00	9,492.00	3,164.00	-
Dark Core Fiber- W-Link	68/08	1,130,000.00	-	-	1,130,000.00	12	20%	772,166.67		226,000.00	546,166.67
Dark Core Fiber- Subisu	68/12	1,250,000.00	-	-	1,250,000.00	12	20%	937,500.00		250,000.00	687,500.00
Earthing DR Site	68/04	50,827.00	-	-	50,827.00	12	20%	32,190.43		10,165.40	22,025.03
Earthing Data center	68/04	69,495.00	-	-	69,495.00	12	20%	45,171.75		13,899.00	31,272.75
Neutral Line -Vertex	69/03	34,691.00	-	-	34,691.00	12	20%	27,752.80		6,938.20	20,814.60
Furniture & Fixture											
Furniture & Fixture	68/01	1,466,289.00		5,801.00	1,466,289.00	12	20%	830,897.10	2,417.00	293,257.80	535,222.30
Furniture & Fixture -Chairs	70/01		24,862.26		24,862.26	2	20%	-		828.74	24,033.52
Digital Key Box	71/02		15,255.00	-	15,255.00	1	20%	-		254.25	15,000.75
VIP 32" Steel Locker	68/02	32,451.79		-	32,451.79	12	20%	18,930.21		6,490.36	12,439.85
Desk with Drawer	68/06	152,550.00	-	-	152,550.00	12	20%	99,157.50		30,510.00	68,647.50
Over Heads	68/06	47,460.00	-	-	47,460.00	12	20%	30,849.00		9,492.00	21,357.00
Partition and lease hold	68/06	362,490.00	-	-	362,490.00	12	20%	235,618.50		72,498.00	163,120.50
Data Center	68/05	2,382,860.01	-	-	2,382,860.01	12	20%	1,509,144.67		476,572.00	1,032,572.67
Jumbo Electronics (Vacuum)	68/01	11,500.00	-	11,500.00	11,500.00	12	20%	6,516.67	4,216.67	2,300.00	-
Toshiba - Vacuum Cleaner	70/05		10,403.91		10,403.91	10	20%			1,733.99	8,669.92
CG - Refrigerator	70/05		15,973.68		15,973.68	10	20%			2,662.28	13,311.40
CG - Microwave Oven	70/05		8,722.47		8,722.47	10	20%			1,453.75	7,268.72
TOTAL		45,456,722.73	1,337,567.32	58,521.00	46,794,290.05			28,652,639.50	21,343.00	9,165,761.87	20,803,101.95
Group C											
Vehicle and Automobile											
Ford Fiesta Car	68/01	2,884,100.00	-	-	2,884,100.00	12	15%	1,946,767.50		432,615.00	1,514,152.50
Bajaj Discover	69/11	161,500.00	-	-	161,500.00	12	15%	153,425.00		24,225.00	129,200.00
TOTAL		3,045,600.00	-	-	3,045,600.00			2,100,192.50	-	456,840.00	1,643,352.50

Group D											
Other Assets											
Smoke Detector	68/01	2,642.00	-	-	2,642.00	12	15%	1,783.35		396.30	1,387.05
Glass Art	68/03	25,645.00	-	-	25,645.00	12	15%	17,951.50		3,846.75	14,104.75
Tools	68/04	1,250.00	-	1,250.00	1,250.00	12	15%	890.62	703.12	187.50	-
Tools	68/04	800.00	-	800.00	800.00	12	15%	570.00	450.00	120.00	-
Water Heater (Other Assets)	70/06		4,425.00		4,425.00	9	15%			497.81	3,927.19
TOTAL		30,337.00	4,425.00	2,050.00	34,762.00			21,195.47	1,153.12	5,048.36	19,418.99
Group E											
Software											
Tally Accounting Software ERP 9	68/01	29,380.00	-	-	29,380.00	12	20%	16,648.67		5,876.00	10,772.67
MS Windows 2008 R2 Premium CAL	68/03	138,000.00	-	-	138,000.00	12	20%	82,800.00		27,600.00	55,200.00
Office 2010 Standard Edition	68/03	250,000.00	-	-	250,000.00	12	20%	150,000.00		50,000.00	100,000.00
Office 2013 Standard Edition	70/01	144,075.00	-	-	144,075.00	12	20%	139,272.50		28,815.00	110,457.50
PRTG Network Monitoring	70/01	62,150.00	-	-	62,150.00	12	20%	60,078.33		12,430.00	47,648.33
MS Forefront End Point Protection	68/03	9,500.00	-	-	9,500.00	12	20%	5,700.00		1,900.00	3,800.00
Forefront for Exchange	68/03	13,000.00	-	-	13,000.00	12	20%	7,800.00		2,600.00	5,200.00
Forefront End Point	69/07	14,916.00	-	-	14,916.00	12	20%	12,927.20		2,983.20	9,944.00
NCHL-ECC Software	69/03	30,814,355.90	-	-	30,814,355.90	12	20%	24,651,484.72		6,162,871.18	18,488,613.54
Oracle Software	69/03	4,667,384.37	-	-	4,667,384.37	12	20%	3,733,907.50		933,476.87	2,800,430.63
Windows Server 2008 Ent. Edt -5CAL	68/08	372,900.00	-	-	372,900.00	12	20%	254,815.00		74,580.00	180,235.00
TOTAL		36,515,661.27	-	-	36,515,661.27			29,115,433.92	-	7,303,132.25	21,812,301.67
GRAND TOTAL		85,048,321.00	1,341,992.32	60,571.00	86,329,742.32			59,889,461.39	22,496.12	16,930,782.48	44,278,175.11

NEPAL CLEARING HOUSE LTD.

Kathmandu, Nepal.

Schedule Attached To and Forming Part of Financial Statements

As at Ashad 32, 2071

Investment		Schedule - 5	
Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)	
FD @ 6.5% p.a - Grand Bank Nepal Ltd.	20,000,000.00	-	
FD @ 5.5% p.a- Laxmi Bank Ltd.	20,000,000.00	-	
FD @ 6.25% p.a - Grand Bank Nepal Ltd.	5,000,000.00	-	
FD @ 6% p.a- Siddhartha Bank Ltd.	5,000,000.00	-	
FD @ 6% p.a- Janata Bank Ltd.	5,000,000.00	-	
Total	55,000,000.00	-	

Inventories (NCHL-ECC Software - Banks/FIs)		Schedule - 6	
Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)	
Opening Balance	31,808,024.43	83,770,357.76	
Less: ECC Software cost (value consumed) (net realizable value being lower than cost)	16,037,470.17	51,962,333.33	
Total	15,770,554.26	31,808,024.43	

Trade & Other Receivables		Schedule - 7	
Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)	
Member Banks	7,852,220.00	4,780,855.00	
Less: Provision for doubtful debt	(743,000.00)		
Interest Receivable	180,822.00		
Total	7,290,042.00	4,780,855.00	

Cash and Bank Balance		Schedule - 8	
Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)	
Cash Balance	-	7,536.05	
Bank Balance :			
Grand Bank Nepal Ltd.	809,232.77	248,528.58	
Janata Bank Nepal Ltd.	2,666,262.97	58,797,649.50	
Laxmi Bank Ltd.	10,826,991.15	120,806.78	
Laxmi Bank Ltd. (Current)	5,000.00	5,000.00	
Nepal Rastra Bank	5,000.00	5,000.00	
Siddhartha Bank Ltd.	10,998,397.48	184,572.62	
Total	25,310,884.37	59,369,093.53	

NEPAL CLEARING HOUSE LTD.**Kathmandu, Nepal.****Schedule Attached To and Forming Part of Financial Statements****As at Ashad 32, 2071****Prepaid, Loan, Advances & Deposits****Schedule - 9**

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Others Receivable	-	-
Tax Deposit (Advance Tax)	32,443,085.10	19,333,676.15
Prepaid Expenses	4,702,621.26	580,216.30
Advance for Fuel	300,000.00	300,000.00
Advance for House Rent	-	-
Security deposit	170,190.00	170,190.00
Performance Bond Guarantee - Deposit	-	250,000.00
Advance -Expenses	8.88	-
Deposits	13,500.00	12,250.00
CIT Deposit	268,750.00	-
Total	37,898,155.24	20,646,332.45

Current Liabilities & Accounts Payable**Schedule - 10**

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Sundry Creditors	27,038.97	1,178,203.44
Accounts Payable	-	-
Provident Fund Payable	-	82,330.00
Staffs Payable	-	-
CIT Payable	-	20,500.00
TDS Payable	128,675.33	127,500.68
VAT Payable	-	-
Expense Payable	679,770.94	96,159.97
Advance Income	19,955,499.41	15,160,418.00
Total	20,790,984.65	16,665,112.09

Provisions**Schedule - 11**

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Provision for Gratuity	461,502.72	277,458.33
Provision for Leave	527,116.90	433,075.83
Provision for Staff Bonus	2,520,637.20	-
Provision for Tax	1,833,712.87	-
Total	5,342,969.69	710,534.16

Expenditures to the extent not written off**Schedule - 12**

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Expenditure to the extent not written off	-	-
Total	-	-

NEPAL CLEARING HOUSE LTD.

Kathmandu, Nepal.

Schedule Attached To and Forming Part of Financial Statements

As at Ashad 32, 2071

Contingent Liabilities

Schedule - 13

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
a. Claim against company	-	-
b. Capital commitment	-	-
c. Unpaid uncall share amount	-	-
Total	-	-

Operating Income

Schedule - 14

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Cheque Clearing Fees- NPR	47,557,055.00	23,242,285.00
Cheque Clearing Fees- EUR	17,090.00	16,395.00
Cheque Clearing Fees- GBP	8,575.00	7,380.00
Cheque Clearing Fees- USD	745,070.00	735,735.00
Cheque Clearing Fine & Penalties	7,131,950.00	2,898,975.00
NCHL Login ID Fee	4,520,559.72	2,450,375.00
NCHL-Membership Fee	2,618,750.00	5,825,000.00
NCHL-Membership Fee - Renewal	8,376,255.94	1,126,041.67
NCHL Software AMC Renewal	10,538,933.74	1,737,166.66
NCHL - ECC Archive Fee	39,400.00	2,800.00
Network Connectivity & Management-Income	8,949,539.19	7,315,533.67
Total	90,503,178.59	45,357,687.00

Operating Expenses

Schedule - 15

Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Cost of Good Sold :		
AMC for ECC Software - NCHL	2,411,798.05	-
AMC for ECC Software - Bank/Fin	9,647,192.21	-
Network Connectivity	5,288,569.50	4,003,364.00
AMC Expenses- Dark Core	178,480.00	161,360.00
AMC for Internal S/W & H/W	39,759.56	28,122.26
AMC for Power (Generator, UPS & Battery)	282,600.00	195,000.00
AMC & Renewal Network / Firewall	1,386,510.00	1,328,738.75
AMC Expenses-Hardware(IBM)	1,288,530.22	1,260,288.46
AMC Expenses-Oracle	586,258.37	511,621.73
Support Contract (Data Center)	33,900.00	28,250.00
Renewal for Fore Front Antivirus	48,420.50	29,380.00
Rollout / Implementation	879,490.00	294,356.50
Data Hosting - Remote DR	178,650.02	-
Member Training / Orientation Expenses	15,255.00	24,552.14
Total	22,265,413.43	7,865,033.84

NEPAL CLEARING HOUSE LTD.

Kathmandu, Nepal.

Schedule Attached To and Forming Part of Financial Statements

As at Ashad 32, 2071

Administrative Expenses	Schedule - 16	
Particulars	As on 32 Ashad, 2071 (16 July, 2014)	As on 31 Ashad, 2070 (15 July, 2013)
Advertisement & Public Notice	93,091.20	30,172.83
Audit Fee	80,795.00	62,150.00
Audit Expenses	4,080.00	-
AGM Expenses	272,349.30	414,564.61
Bank Commission	16,455.05	345,555.51
Books and Subscription Expenses	10,552.42	6,839.86
Business Promotion Expenses	63,550.00	31,075.00
Common Area & Parking Exp	317,122.35	264,494.00
Consultancy Fee	332,250.00	128,200.00
Courier Expenses	42,263.93	23,253.50
Dashain Allowance	410,802.50	334,850.00
Electricity Expenses	891,399.00	770,239.00
Fine and Penalties	1,455.79	-
Fuel Expenses	31,378.00	25,588.25
Fuel Expenses-CEO	115,913.25	129,967.00
Fuel Expenses -Generator	1,054,844.00	1,154,410.55
House Rent	858,253.97	817,384.75
Rental DR Site	435,000.00	435,000.00
Insurance Expenses	248,513.35	270,995.59
Internal Audit Fees & Expenses	56,885.00	56,044.00
Internet Expense	-	137,859.00
Legal Fee	151,675.00	459,000.00
Local Conveyance	8,375.00	20,380.00
Meeting Allowance	87,500.00	117,500.00
Meeting Expenses	12,050.00	-
Miscellaneous Expenses	-	2,000.00
Mobile Expenses-CEO	13,939.23	8,736.10
Office Expenses	220,422.50	195,449.00
Other Expenses	111,585.21	174,214.34
Printing & Stationery	94,265.81	75,323.82
Provident Fund Contribution	476,781.08	435,161.50
Renewal & Registration	23,735.00	24,800.00
Repair & Maintenance	230,111.06	140,483.07
Salary & Allowance Expenses	7,721,349.13	7,556,427.89
Security Expenses	300,000.00	262,162.00
Telephone Expenses	92,274.84	117,196.51
Training Expenses - Staffs	209,430.49	245,310.00
Travelling Expenses	97,087.00	137,386.00
Web Site Development/hosting Expenses.	3,390.00	3,390.00
HR activity	75,000.00	-
Public Awareness Program	183,205.76	-
Doubtful debt provision	743,000.00	-
Loss on disposal of Fixed assets	22,496.12	-
Leave Fare Allowance	161,250.00	161,250.00
Leave Provision	211,566.07	169,009.16
Gratuity Provision	329,826.61	127,541.66
Total	16,917,270.02	15,871,364.50

NEPAL CLEARING HOUSE LTD. (NCHL)
Schedule Attached To and Forming Part of Financial Statements
Financial Year: 2070/071 (2013/14)

Significant Accounting Policies and Notes to Accounts

1. Background Information

1.1 NCHL is a limited liability company registered with Company Registrar Office on 8th Poush 2065 (corresponding to 23rd December 2008). It has obtained the letter of commencement of business from Company Registrar Office effective from 31st Jestha 2068. NCHL has obtained approval from Nepal Rastra Bank for operation of NCHL-ECC system for foreign currency cheques clearance effective from 7th Poush 2068 and obtained circular for conducting the cheque clearance in Nepalese currency effective from 20th Chaitra 2068. NCHL has obtained approval from Nepal Rastra Bank to fully rollout NCHL-ECC in Kathmandu from 1st Poush 2069, in Birgunj from 15th Chaitra 2069, in Biratnagar since 21st Aswin 2070 and in Nepalgunj since 24th Mangsir 2070, in Bhairawah since 13th Magh 2070, in Pokhara since 12th Falgun 2070, in Dhangadi since 10th Chaitra 2070 in Janakpur since 26th Chaitra 2070.

The principle objective of the company is to facilitate Electronic Cheque Clearance (ECC) for its member banks. Till Ashad end 2071, NCHL has entered agreement with 128 Banks/members (Nepal Rastra Bank, 30 Commercial Banks and 58 Development Banks & 39 Finance Companies each).

These financial statements have been prepared under the responsibility of the management and approved by Board of Directors on 20th Bhadra 2071 (Corresponding to 5th September 2014).

2. Significant Accounting Policies

2.1 Financial statement is prepared under accrual basis of accounting and in line with Nepal Accounting Standards (except otherwise stated herein after).

2.1.1. Income Recognition

Fee charged for clearance charges, network connectivity and management charges, ECC software charges, login ID fee and membership fee is accounted for under accrual basis.

2.1.2. Recognition of assets and Depreciation

a. Recognition of fixed assets

Fixed assets have been recognized in historical cost convention basis at the cost of construction/ acquisition inclusive of incidental expenses related to construction/acquisition. Assets value of Rs. 2,000 or less have been expensed off in the same year of purchase during current financial year, and the limit was increased to Rs. 5,000 with prospective effect.

b. Depreciation method and rates

Depreciation on fixed assets is charged on Straight Line Method (SLM) at rates approved by Board specifying the pool heads under Office equipment, Vehicles, and

Other assets; and the depreciation rate applied is 20%, 15%, and 15% respectively. Depreciation for procurement of assets during current fiscal year has been applied on month basis from next month of procurement of fixed assets till fiscal year end.

Acquisition of software has been categorized under separate pool called "Software" and depreciation rate has been applied on the basis of estimated life of 5 years on Straight Line Basis as per decision of Board.

2.1.3. Inventories

Inventories are valued at cost (being FIFO value) or net realizable value whichever is lower (except otherwise stated herein after).

2.1.4. Employee Liabilities

a. Gratuity

Provision for gratuity is considered as per Employee's Service Rules (August 2013).

b. Leave

Provision for accumulated leave is considered as per Employee's Service Rules (August 2013).

c. Bonus

Provision for bonus is considered as per Bonus Act, 2030.

2.1.5. Income tax

- a. Income tax provision is considered in line with provisions of Income Tax Act, 2058.
- b. Deferred tax liability/assets is considered at the tax rate applicable to Company as per Income Tax Act, 2058 based on the temporary differences between carrying amount and tax base in line with Nepal Accounting Standards -9 (NAS-9)

3. Notes to accounts

3.1. Inventories

ECC software purchased for member banks has been accounted for under the head of inventory. Opening stock of inventory amounts to Rs. 31,808,024.43. Sales at cost to member banks & financial institutions during the current fiscal year amounts to Rs. 6,703,916.67.

Management has reviewed the net realizable value of inventories. Considering the present market conditions, the net realizable value of the inventories is expected to be lower than its carrying amount. The net realizable value is less by Rs. 9,333,553.5 against the cost of the inventory due to the merger of potential BFIs and reduction of pricing, which has been written off.

Inventory of other recurring inventory has not been maintained since the value of such purchases was minor which has been expensed off as and when purchased.

3.2. Income tax liability

The company has provided for income tax provision after considering the carry forward losses as per section 20 of Income Tax Act, 2058 and considering inadmissible expenses as per Income Tax Act, 2058.

Deferred tax liabilities has been reduced by Rs. 708,902.23 (opening deferred tax liability amounting to Rs. 1,150,127.60) considering the provision of Nepal Accounting Standards (NAS-9) on the temporary timing differences between carrying amount and tax base of assets & liabilities. Outstanding deferred tax liabilities as of the end of Ashad 2071 remains at Rs. 441,225.37.

3.3. Vat Exemption

NCHL's service has been enlisted under VAT exemption list.

3.4. Provision for Gratuity & Leave

Provision for Gratuity amounting to Rs. 461,502.72 (net addition this year Rs. 329,826.61) and Provision for Leave amounting to Rs. 527,116.90 (net addition this year Rs. 211,566.07) has been made. Gratuity of eligible employees (completing 3 years of service period) amounting to Rs. 268,750.00 have been deposited at CIT as a gratuity fund as per the requirements of the prevailing Labor Rule.

3.5. Forward Contract & USD Payments

Forward exchange contract has been entered with Siddhartha Bank Ltd. for the payment to ProgressSoft Corporation against AMC of ECC Software of NCHL and participating member banks and financial institution for USD 125,000 with maturity on 1st September 2014. Accounting of forward contract has not been made in books of account including computation of gain/loss at end of financial year.

USD 125,000 was paid to ProgressSoft Corporation against half yearly AMC of ECC Software of NCHL and Participating member banks & financial institutions (BFIs), which was due on 1st March 2014. TDS and VAT applicable on the payment was also paid as per the agreement with the party, corresponding to which Rs. 2,411,798.05 and Rs. 9,647,192.21 has been booked as expense for the year against AMC for NCHL and BFIs respectively. And Rs. 4,019,663.42 has been booked as pre-paid expense.

3.6. Related party disclosure

Following are the related parties transactions.

3.6.1. With shareholders having more than 5% equity:

The company has been operating current account with Nepal Rastra Bank which was opened for the purpose of settlement of fees and charges. Current Account balance as of the end of Ashad 2071 remains at Rs. 5,000.

3.6.2. Related to the banks represented on the Board:

No transaction has been entered except for fee and charges related to the normal business.

3.6.3. Related to Employees:

There are no transactions with the employees except allowed as per the Employee Service Rules of the company.

3.7. Term Loan

The company has availed term loan of Rs. 30 million from Janata Bank Nepal Ltd. against securities of company assets repayable within three years in the FY 2069/70 for the purpose of temporary funding of ECC software for participating members. The outstanding term loan as of Ashad 2070 was Rs. 23,076,923.07 and the entire term loan has been settled during current financial year.

3.8. Subsequent events

There has not been any occurrence after the reporting date considered as adjusting event requiring provisioning.

3.9. Advance income includes following fees and renewal charges for upcoming fiscal year 2071/072:

Login ID Fees	3,949,440.28
Network Conn. & Mgmt.	4,667,878.81
Software AMC Renewal	6,428,316.26
Membership Fee Renewal	4,909,864.06
Total	19,955,499.41

These will be subsequently transferred to income during FY 2071/072.

3.10. Provision for Receivables

Outstanding receivable balance of World Merchant Banking and Finance Ltd. amounting Rs. 743,000.00 pertaining to NCHL-ECC System Membership agreement has been provisioned as doubtful debt during financial year 2070/71, which remained outstanding since 17th December 2012 and as per the decision of the Board.

4. Previous year's figures are regrouped or rearranged wherever necessary.

तेश्रो बार्षिक साधारण सभा सम्बन्धि सुचना

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको सञ्चालक समितिको मिति २०७१/०५/२० मा बसेको ७३औं बैठकको निर्णय बमोजिम यस कम्पनीको तेश्रो बार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा निम्न बिषयहरूमा छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७(२) अनुसार सबै शेयरधनी महानुभावहरूको जानकारीको लागि यो सुचना प्रकाशित गरिएको छ ।

सभा हुने मिति, स्थान र समय :-

मिति : २०७१ साल असोज महिना १२ गते आईतबार (28th September 2014)

स्थान : अन्नपूर्ण होटल, दरबारमार्ग, काठमाडौं ।

समय : बिहान ११:३०

छलफल गर्ने बिषयहरू :-

क. साधारण प्रस्ताव:

१. संचालक समितिको आ. व. २०७०/०७१ को प्रतिवेदन पारित गर्ने ।
२. लेखा परिक्षण प्रतिवेदन सहितको २०७१ आषाढ मसान्त तकको वासलात तथा सोहि मितिमा समाप्त आ.व. २०७०/०७१ को नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण स्वीकृत गर्ने ।
३. आ.व. २०७१/०७२ को लागि लेखा परिक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने । (वर्तमान लेखा परिक्षकले तीन आ. व. लेखापरीक्षण गरि सक्नु भएकोले पुनः नियुक्ती गर्न नमिल्ने)

ख. विशेष प्रस्ताव:

१. कम्पनीको शेयरधनीहरू मध्ये समूह "ख", "घ" र "ङ" लाई क्रमश "ख-१", "ख-२" र "ख-३" उप-समूह नामाङ्कन गरी उक्त "ख" समूहको जम्मा शेयर स्वामित्व अस्सी प्रतिशत उल्लेख गर्न प्रबन्धपत्रमा आवश्यक संशोधन गरी स्वीकृत गर्ने वारे ।
२. संचालक समितिको वर्षमा कम्तिमा बस्नु पर्ने बैठक संख्या सम्बन्धी नियमावलीमा आवश्यक संशोधन गरी स्वीकृत गर्ने वारे ।
३. प्रस्तावित संशोधनमा नियमनकारी निकायहरूबाट कुनै फेरवदल वा सुझाव आएमा आवश्यक फेरवदल गर्न कम्पनीको सञ्चालक समिति वा सञ्चालक समितिले तोकेको कुनै पदाधिकारीलाई अख्तियारी दिने वारे ।

ग. विविध ।

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

साधारण सभा सम्बन्धी अन्य जानकारी

- (१) शेयरधनीज्यूहरूको ठेगानामा हुलाक/कुरियरबाट पठाइने वार्षिक साधारण सभाको प्रतिवेदन यस कम्पनीको वेबसाइट www.nchl.com.np मा पनि हेर्न सकिनेछ । कुनै कारणले प्रतिवेदन प्राप्त नगर्नु हुने शेयरधनीज्यूहरूले यस कम्पनीको रजिष्टर्ड कार्यालयमा शेयरधनी प्रमाणपत्र प्रस्तुत गरी सो प्राप्त गर्न सक्नु हुनेछ ।
- (२) लेखापरिक्षकको प्रतिवेदन सहित कम्पनीको वार्षिक आर्थिक विवरण, सञ्चालक समितिको प्रतिवेदन, कम्पनी ऐन, २०६३ को दफा ७८ बमोजिमको प्रतिवेदन समेतका कागजातहरू कम्पनी रजिष्टर्ड कार्यालय, कमलादी काठमाण्डौंमा कार्यालय समय भित्र निरीक्षण गर्न तथा त्यसको प्रतिलिपी माग गरेमा प्रतिलिपी दिने व्यवस्था मिलाईएको छ ।
- (३) सभामा उपस्थित हुने शेयरधनी कम्पनीको प्रतिनिधित्व गर्ने आधिकारिक पत्र साथमा लिई आउनुहुन अनुरोध छ । कथम कदाचित् सो सम्भव नभए शेयरधनी प्रमाणपत्र साथमा लिई आउनुहुन अनुरोध छ, अन्यथा सभाकक्ष भित्र प्रवेश गर्न पाइने छैन ।
- (४) सभामा भाग लिन प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीज्यूहरूले सभा सुरु हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रीय कार्यालयमा प्रोक्सी फारम दर्ता गरिसक्नु पर्नेछ । सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै मुकर्रर गर्ने भएमा सोको लिखित सूचना सोही अवधिभित्र कम्पनीको केन्द्रीय कार्यालयमा दर्ता गरिसक्नुपर्नेछ ।
- (५) शेयरधनीज्यूहरूको सुविधाको लागि हाजिरी पुस्तिका सभास्थलमा सभा हुने दिन विहान ११:०० बजेदेखि सभा चालु रहेसम्म खुल्ला रहनेछ ।
- (६) अन्य कुनै जानकारीका लागि कम्पनीको रजिष्टर्ड कार्यालय, कमलादी, काठमाण्डौंमा सम्पर्क गर्नु हुन अनुरोध छ ।

नेपाल क्लियरिङ हाउस लिमिटेडको

(कम्पनीको दर्ता नं.: १९९९/०६५/०६६)

प्रबन्धपत्रको प्रस्तावित संशोधनको तीन महले विवरण

(विशेष प्रस्ताव नं. १ संग सम्बन्धित)

दफा/ उपदफा	साविकको व्यवस्था	संशोधित व्यवस्था	संशोधनको कारण
प्रबन्धपत्रको दफा ६ को उपदफा (ड)	<p>**कम्पनी संस्थापना हुँदा प्रबन्धपत्र तथा नियमावलीमा संस्थापकको हैसीयतले हस्ताक्षर गरी शेयर लिन कबुल गरेका शेयरधनीहरूलाई संस्थापक शेयरधनी भनेर बुझिनेछ । कम्पनीका शेयरधनीहरूलाई निम्न समूहमा वर्गीकरण गरिएकोछ र शेयर स्वामित्व निम्न बमोजिम हुनेछ ।</p> <p>समूह "क" - नेपाल राष्ट्र बैंक - १०% (दश प्रतिशत)</p> <p>समूह "ख" - बाणिज्य बैंकहरू - ५०% (पचास प्रतिशत)</p> <p>समूह "ग" - स्मार्ट च्वाईस टेक्नोलोजिज प्रा. लि. - १०% (दश प्रतिशत)</p> <p>समूह "घ" - विकास बैंकहरू - १५% (पन्ध्र प्रतिशत)</p> <p>समूह "ङ" - वित्तीय कम्पनी - १५% (पन्ध्र प्रतिशत)</p> <p>** मिति २०६९/८/१४ को प्रथम वार्षिक साधारण सभाबाट स्वीकृत संशोधन सहित</p>	<p>कम्पनी संस्थापना हुँदा प्रबन्धपत्र तथा नियमावलीमा संस्थापकको हैसीयतले हस्ताक्षर गरी शेयर लिन कबुल गरेका शेयरधनीहरूलाई संस्थापक शेयरधनी भनेर बुझिनेछ । कम्पनीका शेयरधनीहरूलाई निम्न समूह/उप-समूह मा वर्गीकरण गरिएकोछ र शेयर स्वामित्व निम्न बमोजिम हुनेछ ।</p> <p>समूह "क" - नेपाल राष्ट्र बैंक - १०% (दश प्रतिशत)</p> <p>समूह "ख-१" - बाणिज्य बैंकहरू</p> <p>समूह "ख-२" - विकास बैंकहरू</p> <p>समूह "ख-३" - वित्तीय कम्पनीहरू</p> <p>समूह "ग" - स्मार्ट च्वाईस टेक्नोलोजिज प्रा. लि. - १०% (दश प्रतिशत)</p> <p>} ८०% (अस्सी प्रतिशत)</p>	<p>वाणिज्य बैंक, विकास बैंक, वित्तीय कम्पनीहरू गाभने/गाभिने क्रम पश्चात शेयर स्वामित्व परिवर्तन हुने हुँदा सोको सहजिकरणको लागि संशोधन गर्न आवश्यक भएकोले ।</p>

नेपाल क्लियरिङ हाउस लिमिटेडको

(कम्पनीको दर्ता नं.: १९९१/०६५/०६६)

नियमावलीको प्रस्तावित संशोधनको तीन महले विवरण

(विशेष प्रस्ताव नं. १ संग सम्बन्धित)

दफा/ उपदफा	साविकको व्यवस्था	संशोधित व्यवस्था	संशोधनको कारण
नियमावलीको दफा २७ को उपदफा (२)	<p>** यस कम्पनीमा ८ जनाको संचालक समिति हुनेछ, । शेयरधनीहरूलाई ५(पाँच) समूहमा वर्गिकरण गरिएको छ । उक्त समूहहरूबाट संचालकहरू निम्न बमोजिम नियुक्ती/प्रतिनिधित्व/मनोनयन वा निर्वाचित हुनेछन् :-</p> <p>समूह "क" - नेपाल राष्ट्र बैंकबाट - १ जना समूह "ख" - बाणिज्य बैंकहरूबाट - ३ जना समूह "ग" - स्मार्ट च्वाईस टेक्नोलोजिज प्रा.लि.बाट - १ जना समूह "घ" - विकास बैंकहरूबाट - १ जना समूह "ङ" - वित्तीय संस्थानहरूबाट - १ जना व्यवसायिक स्वतन्त्र संचालक - १ जना</p> <p>** मिति २०६९/८/१४ को प्रथम वार्षिक साधारण सभाबाट स्वीकृत संशोधन सहित</p>	<p>यस कम्पनीमा ८ जनाको संचालक समिति हुनेछ, । शेयरधनीहरूलाई निम्न समूह/उपसमूहमा वर्गिकरण गरिएको छ । उक्त समूह/उपसमूहहरूबाट संचालकहरू निम्न बमोजिम नियुक्ती/प्रतिनिधित्व/मनोनयन वा निर्वाचित हुनेछन् :-</p> <p>समूह "क" - नेपाल राष्ट्र बैंकबाट - १ जना समूह "ख-१" - बाणिज्य बैंकहरूबाट - ३ जना समूह "ख-२" - विकास बैंकहरूबाट - १ जना समूह "ख-३" - वित्तीय संस्थानहरूबाट - १ जना समूह "ग" - स्मार्ट च्वाईस टेक्नोलोजिज प्रा.लि.बाट - १ जना व्यवसायिक स्वतन्त्र संचालक - १ जना</p>	<p>वाणिज्य बैंक, विकास बैंक, वित्तीय कम्पनीहरू गाभ्ने/गाभिने क्रम पश्चात शेयर स्वामित्व परिवर्तन हुने हुँदा सोको सहजिकरणको लागि संशोधन गर्न आवश्यक भएकोले ।</p>

नेपाल क्लियरिङ हाउस लिमिटेडको

(कम्पनीको दर्ता नं.: ११११/०६५/०६६)

नियमावलीको प्रस्तावित संशोधनको तीन महले विवरण

(विशेष प्रस्ताव नं. २ संग सम्बन्धित)

दफा/ उपदफा	साविकको व्यवस्था	संशोधित व्यवस्था	संशोधनको कारण
नियमावलीको दफा ३८ को उपदफा (१)	समितिको बैठक सम्बन्धि कार्यविधि : (१) समितिको बैठक दुई वटा बैठकबीचको फरक दुई महिनाभन्दा बढी नहुने गरी वर्षमा कम्तिमा बाह्र पटक बैठक बस्नु पर्ने छ। नियम ३७ मा लेखिएको पदाधिकारीले समितिको बैठक बोलाउने छ। त्यसरी बैठक नबोलाएमा कूल संचालक संख्याको कम्तिको एक तिहाई संचालकहरूले लिखित अनुरोध गरेमा अध्यक्षले जुनसुकै बखत समितिको बैठक बोलाउनु पर्ने छ। यसरी माग गर्दा पनि अध्यक्षले बैठक नबोलाएमा सो कुरा खुलाई कम्तिमा पच्चिस प्रतिशत संचालकले बैठकमा छलफल हुने विषय र बैठक बस्ने समय तथा स्थान उल्लेख गरी समितिको बैठक बोलाउन सक्नेछन। यसरी बैठक बोलाउँदा अन्य संचालकहरूलाई उप नियम (२) अनुसार बैठकको सूचना दिनु पर्नेछ।	समितिको बैठक सम्बन्धि कार्यविधि : (१) समितिको बैठक दुई वटा बैठकबीचको फरक तीन महिनाभन्दा बढी नहुने गरी वर्षमा कम्तिमा छ पटक बैठक बस्नु पर्ने छ। नियम ३७ मा लेखिएको पदाधिकारीले समितिको बैठक बोलाउने छ। त्यसरी बैठक नबोलाएमा कूल संचालक संख्याको कम्तिको एक तिहाई संचालकहरूले लिखित अनुरोध गरेमा अध्यक्षले जुनसुकै बखत समितिको बैठक बोलाउनु पर्ने छ। यसरी माग गर्दा पनि अध्यक्षले बैठक नबोलाएमा सो कुरा खुलाई कम्तिमा पच्चिस प्रतिशत संचालकले बैठकमा छलफल हुने विषय र बैठक बस्ने समय तथा स्थान उल्लेख गरी समितिको बैठक बोलाउन सक्नेछन। यसरी बैठक बोलाउँदा अन्य संचालकहरूलाई उप नियम (२) अनुसार बैठकको सूचना दिनु पर्नेछ।	कम्पनी ऐन अनुसार व्यवस्था गर्न।

श्री सञ्चालक समिति,
नेपाल क्लियरिङ हाउस लिमिटेड
कमलादी कम्प्लेक्स तेस्रो तल्ला
कमलादी, काठमाण्डौ ।

विषय : प्रतिनिधि नियुक्ति गरेको बारे ।

महाशय,

.....जिल्ला.....न.पा./गा.वि.स. वडा नं.....बस्ने म/हामी
..... ले त्यस कम्पनीको शेयरधनीको हैसियतले २०७१ साल असोज महिना १२ गते
आईतबारका दिन हुने तेश्रो वार्षिक साधारणसभामा स्वयंम उपस्थित भइ छलफल तथा निर्णयमा सहभागी
हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि
न.पा./गा.वि.स. वडा न.बस्ने त्यस कम्पनीका शेयरधनी श्रीशेयर
प्रमाणपत्र नं. लाई मेरो /हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु /छौं ।

निवेदक :-

दस्तखत:-

नाम:-

ठेगाना:-

शेयरधनी परिचय नं:-

शेयर प्रमाणपत्र नं:-

कि.नं.देखिसम्म

मिति:-

द्रष्टव्य: यो निवेदन साधारणसभा हुनुभन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालयमा पेश गरिसक्नु पर्नेछ ।

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