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23rd

ANNUAL REPORT

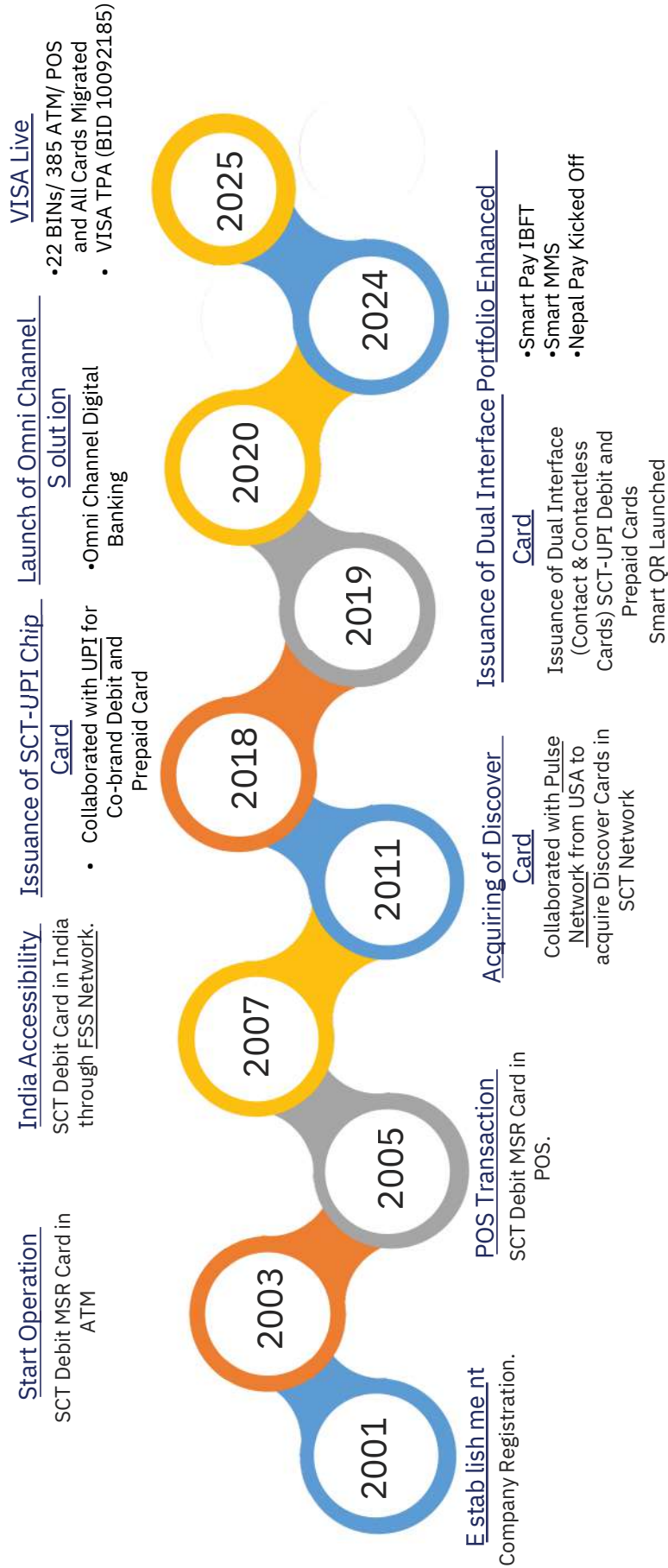
FY 2080/81

नेपाल राष्ट्र बैंकबाट इजाजतपत्र प्राप्त भुक्तानी प्रणाली सञ्चालक



SmartChoice Technologies Limited,
Panipokhari - 3, Kathmandu Nepal

MAJOR MILESTONE



AGM NOTICE

स्मार्टच्वाइस टेक्नोलोजिज लिमिटेड २३ औं वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभाव ज्युहरुहरु,
मिति २०८१ साल पौष १८ गते विहिवार बसेको यस कम्पनीको सञ्चालक समितिको ८८औं बैठकको निर्णयानुसार यस कम्पनीको २३औं वार्षिक साधारणसभा निम्नलिखित मिति, स्थान र समयमा निम्न विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा कम्पनी ऐन, २०६३ को दफा ६७ अनुसार सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ।

साधारण सभा बस्ने :

मिति : २०८१ साल माघ महिना २५ गते शुक्रवार (तदनुसार 7th February, 2025, Friday) ।

स्थान : आरण्य बटिक होटेल, मनकामना रोड, हात्तीसार, काठमाडौं ।

समय : दिनको ३.०० बजे ।

छलफलका विषयहरु :

(क) सामान्य प्रस्तावहरु:

- १) सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले प्रस्तुत गर्नुहुने आ.व. २०८०/०८१ को वार्षिक प्रतिवेदन परित गर्ने ।
- २) लेखापरीक्षकको प्रतिवेदन सहितको आ.व. २०८०/०८१ को वासलात, नाफा नोक्सान हिसाव र नगद प्रवाह विवरण लगायत वित्तीय विवरण स्वीकृत गर्ने ।
- ३) कम्पनी ऐन, २०६३ को दफा १११ बमोजिम आ.व. २०८१/०८२ को लेखापरीक्षण कार्यको लागि लेखापरीक्षक नियुक्ती गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।
- ४) सञ्चालकहरुको निर्वाचन सम्बन्धमा ।

ख) विशेष प्रस्ताव :

- १) यस कम्पनी र अन्य उपयुक्त कम्पनी एक आपसमा गाभ्ने र गाभ्ने (मर्ज गर्न) वा प्राप्त (एक्विजिसन गर्न) उपयुक्त देखिएको अवस्थामा सो सम्बन्धि प्रारम्भिक तथा अन्तिम सम्झौता गर्न आवश्यक पर्ने सम्पूर्ण कार्य गर्नका लागि सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने ।

ग) विविध

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

OUR MEMBERS

Commercial Banks



Development Banks



Finance Companies



Co-operatives Banks



120+ Co-operatives

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FINANCIAL INFORMATION

1. OVERVIEW

A. CORPORATE PROFILE

Company Name:	SmartChoice Technologies Limited (SCT)
Location:	Panipokhari - 3, Kathmandu
Contact Details:	URL: www.sct.com.np Tel: +977-1-4514166, 4514155, 4514211 Toll Free Number: 16600144155 Email: info@sct.com.np
Legal Status:	Public limited company incorporated under section 5 (1) of Companies Act, 2063
Date of Incorporation:	Private Limited Company Registration Date: 29 th Srawan, 2058 (13 th August 2001) Conversion in Public Limited Company: 4 th Ashad 2074 (18 th June 2017)
Authorized Capital:	Rs. 1,000,000,000 (NPR One Arab)
Paid-up Capital:	Rs. 500,000,000 (NPR Fifty Crore)
Registration Details:	Company Registration Number: 169909-73-074 (16295/058/59) PAN/VAT Number: 300343144
License/Certifications:	Payment System Operator (PSO) License Number: 3/2079/80 PCI DSS V 3.2.1 Certification
Statutory Auditor:	PYC & Associates, Chartered Accountants House No, 321 Newplaza Marga Putalisadak, Kathmandu
Internal Auditor:	KB Chitrakar & Co., Chartered Accountants Bhamnimandal, Lalitpur Post Box No. 2043, Kathmandu
PCI DSS Auditor:	Foregenix Ltd. 1 Watts Barn, Badbury, Wiltshire, SN4 0EU United Kingdom

About the Report:

This is SmartChoice Technologies' Annual Report for the fiscal year ended on July 15, 2024. The Financial Statements has been prepared in accordance with the Nepal Financial Reporting Standards (NFRS). Through this report SCT aims to provide its stakeholders a comprehensive review of its operations, performance and its financial resources and long-term strategies.

B. MISSION, VISION, OBJECTIVES, AND CORE VALUES**Vision:**

To establish SCT as the most preferred payment solution provider by providing integrated secure payment solution by single platform.

Mission:

To transform digital payment landscape with diverse range of secured payment services envisioned to drive cashless economy.

Corporate Objectives: To leverage innovative technologies to provide efficient, customer-centric digital solutions while promoting financial inclusion and adhering to regulatory standards.

Core Values: Technological innovation, customer empowerment, financial inclusion, and regulatory compliance to foster a dynamic and responsible financial ecosystem.

International Associations



C. BOARD OF DIRECTORS



Mr. Robin Kumar Nepal
Chairman



Mr. Suman Pokharel
Director



Ms. Rashmi Pant
Director



Mr. Manoj Dumar Shrestha
Director



Mr. Praveen Regmi
Director



Mr. Subhas Gyawali
Director

sct
ready for tomorrow



'अब आफ्नो खाता 'आफ्नै हातमा

डिजिटल नेपालको प्रतिबद्धताका
साथ, हाम्रो SCT - UPI Debit Card



बृहत् पहुँच



सुरक्षित



नगद रहित



भरपर्दो

www.sct.com.np

MANAGEMENT TEAM



Mr. Manoj Ghimire
Chief Executive Officer



Mr. Sarod Tamang
Chief Technology Officer



Mr. Subodh Gautam
Chief Business Officer



Mr. Roshan Bhandari
Finance Head and Company Secretary

D. LIST OF SHAREHOLDERS (As per approved share lagat)

S.no.	Name of Shareholders	No. of Shares	Values in Rs.	% of Holding
1	IME Limited	1,780,069	178,006,900	35.60
2	Prabhu Bank Limited	1,079,040	107,904,000	21.58
3	Global IME Bank Limited	771,608	77,160,800	15.43
4	City Express Money Transfer Pvt. Ltd.	333,312	33,331,200	6.67
5	Himalayan Bank Limited	307,840	30,784,000	6.16
6	Shangri-La Development Bank Limited	266,667	26,666,700	5.33
7	Kamana Sewa Bikas Bank Limited	153,920	15,392,000	3.08
8	Excel Development Bank Limited	150,000	15,000,000	3.00
9	Garima Bikas Bank Limited	100,000	10,000,000	2.00
10	Green Development Bank Limited	50,000	5,000,000	1.00
11	Unnati Bohara	3,029	302,900	0.06
12	Arjun Jung Thapa	2,000	200,000	0.04
13	Prajwal Bohara	1,515	151,500	0.03
14	Shristi Malla Joshi	1,000	100,000	0.02
	Total	5,000,000	500,000,000	100

2. PRODUCT & SERVICES



सम्पूर्ण भुक्तानी सेवा प्रदान गर्ने
एक मात्र भुक्तानी प्रणाली सञ्चालक



सबैलाई समेट्ने
एक मात्र QR
smartQR



बृहत् पहुँच



सुरक्षित



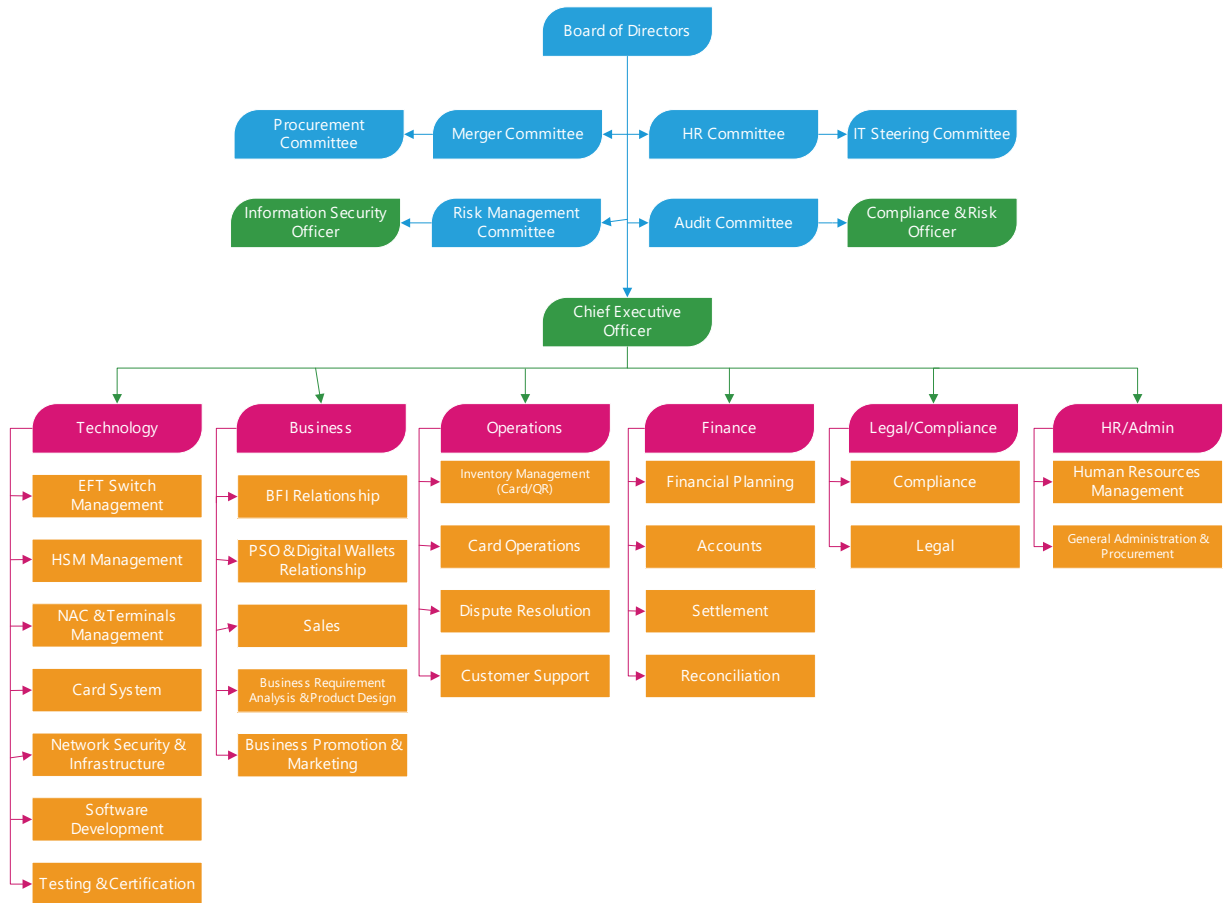
नगद रहित



भरपर्दो

3. CORPORATE GOVERNANCE

Organizational Structure



Guiding Rules and Regulations:

SCT follows rules written in its Memorandum of Association (MOA) and Articles of Association (AOA). It got permission from Nepal Rastra Bank to operate as a Payment System Operator (PSO). Different laws and rules control how SCT works are as follows:

- Companies Act, 2063 (First Amendment, 2074)
- Payment and Settlement Act, 2075
- Electronic Transactions Act, 2063
- Payment and Settlement Bylaw, 2077 (First Amendment, 2080)
- Licensing Policy for Institution/Mechanism for Operating Payment Related Activities, 2073 (First Amendment, 2080)
- Directive and circulars issued by Nepal Rastra Bank on time to time
- Internal Rules and Policies
- Cyber Resilience Guidelines issued by Nepal Rastra Bank

Board of Directors

The Board of Directors is a body of elected or appointed members by the shareholders, who jointly oversee the activities of the company and are responsible for the company's strategy, structure, and performance including the assessment and management of risk related activities. The Board is accountable and responsible for ensuring that adequate systems and controls are in place; strategic decision making and financial performance of company.

As specified in the Articles of Association of the company, SCT's Board comprises of 7 non-executive directors including Chairman, who is elected from among the Directors. The Board is constituted by the institutional representatives from the shareholder groups.

Shareholder composition and the board representation is as shown in the following table:

S.N.	Shareholders	Holding	Number of Board Representation
1	Commercial Banks	43.17%	3
2	Development Banks	14.41%	-
3	Remittance Companies	42.27%	3
4	Individuals	0.15%	-
5	Independent Director	-	1
	Total	100%	7

Following are the members of the current Board of Directors:

Name of Directors	Designation	Institutions Represented
Mr. Robin Kumar Nepal	Chairman	IME Limited
Mr. Suman Pokharel	Director	Global IME Bank Limited
Ms. Rashmi Pant	Director	Prabhu Bank Limited
Mr. Praveen Regmi	Director	IME Limited
Mr. Manoj Dumar Shrestha	Director	Himalayan Bank Limited
Mr. Subhas Gyawali	Director	City Express Money Transfer Pvt. Ltd.
<<To be appointed>>	Independent Director	Independent Director

The responsibility for day to day management of the company is delegated to the management team. The reporting line between the Board and Management team has been clearly defined ensuring effective monitoring of the senior management by the Board. The management team consists of professionals coming from diverse range of professional backgrounds including banking, information technology, chartered accountancy, law and marketing. The management team is led by the Chief Executive Officer, who is duly accountable to the Board. The Board is mainly involved in formulating strategic and annual plans, approving annual budget, formulating internal policies and procedures including risk management framework. All the key policies, procedures and governance aspects are regularly reviewed by the Board.

Changes in the Board of Directors

There have been few changes in the representations in the Board in the FY 2080/81 (2023/24).

Outgone Board Members		Incoming Board Members		Effective Date
Name	Institutions Represented	Name	Institutions Represented	
Mr. Khilendra Paudel	IME Limited	Mr. Bikash Kumar Nahata	IME Limited	From 72 nd BOD Meeting dated 2080.05.04.
Mr. Suman Pokharel	IME Limited	Mr. Bipin Thapa	IME Limited	From 74 th BOD Meeting dated 2080.08.26.
Mr. Ritesh Lamichhane	Global IME Limited	Mr. Suman Pokharel	Global IME Bank Limited	From 74 th BOD Meeting dated 2080.08.26.
Mr. Shanta Raj Batas	Independent Director	Mr. Robin Kumar Nepal	Independent Director	Outgoing member from 76 th BOD Meeting dated 2080.12.08 and Incoming member from 78 th BOD Meeting dated 2081.01.17.
Mr. Mrigendra Pradhan	Himalayan Bank Limited	Mr. Manoj Dumar Shrestha	Himalayan Bank Limited	From 76 th BOD Meeting dated 2080.12.08.
Mr. Bikash Kumar Nahata	IME Limited	Mr. Praveen Regmi	IME Limited	From 77 th BOD Meeting dated 2080.12.25.

Board Meeting

The Board has appointed the Company Secretary, who helps to convene the Board meetings and prepare agenda for discussion in the meeting, minutes the BOD's decision and ensure implementation of decisions made by the Board and/or address the matters raised by the regulatory authorities. The Minutes of the board meeting are retained by the Company Secretary.

During the review period, a total of 8 board meetings were conducted and a summary of the attendance of the Directors in the Board meeting is as shown in the following table.

Name of Director	Total Meeting Allowance	Meeting Attended/Meeting Held
Suman Pokharel	NPR 490,000	8/8
Rashmi Pant		8/8
Subhas Gyawali		7/8
Manoj Dumar Shrestha **		5/8
Praveen Regmi **		3/8
Robin Kumar Nepal **		1/8
Bikash Kumar Nahata *		5/8
Bipin Thapa *		5/8
Mrigendra Pradhan *		3/8
Ritesh Lamichhane *		2/8
Shanta Raj Batas *		2/8

* Outgone Board Members, ** Joined during FY 2080-81.

Audit Committee

Audit Committee is formed pursuant to Section 164 of Companies Act, 2063 and functions as per the provisions of Section 165 of the same Act. It comprises of one Director from the Board as its Member and the Head- Account & Finance acting as its Member Secretary. The Committee reports directly to the Board on the matters concerning financial reporting, internal control, risk management and auditing as per the Terms of Reference (TOR) approved by the Board.

The committee regularly reviews the internal control system, risk management system and compliance, related to financial and operational matters. It also conducts periodic review of financial statements, review of findings reported in the internal audit, statutory audit with appropriate recommendations to the Board for necessary policy changes as a result of the audit/ reviews. The results of quarterly Risk Register, Assessment & Treatment Plan as well as Compliance Self-assessment & Cross-functional Audit reported by the management are also reviewed by the Audit Committee. The Audit Committee periodically updates the Board on the controls and risk related matters.

A total of 3 meetings were held during the review period. The attendance details of the Audit Committee's members in the meeting are as follows

Name of Member	Designation	Meeting Attended/Meeting Held
Ms. Rashmi Pant	Coordinator	3/3
Mr. Shanta Raj Batas *	Member	2/3
Mr. Roshan Bhandari	Member Secretary	3/3

* Outgone Member.

Report on the Major Activities of Audit Committee

The Audit Committee conducted the functions as mandated by Section 165 of the Companies Act, 2063. Accordingly, followings were the major activities conducted by the Audit Committee are as:

- Reviewed financial statement of the FY 2080/81 and recommended to the Board for approval.
- Discussed over matters concerning appointment of Statutory Auditor for the FY 2081/82 and recommended the name to be proposed in the 23rd AGM through the Board.
- Discussed over matters concerning appointment of Internal Auditor for the FY 2080/81 and recommended to the Board of Directors the Internal Auditor. It also reviewed the scope of work, audit plan and schedule of the Internal Auditor.
- Reviewed the findings, recommendations, and management responses of the semi-annually Internal Audit Reports.
- Reviewed the Financial Statements and Budget Variance Report of the company reported by the management on quarterly basis.
- Reviewed the results of Risk Register as well as Compliance Self-assessment reported by the management.

HR Committee

HR Committee of SCT currently comprises of two members from the Board of Directors with an objective to formulate needed human resource polices and plans in order to develop and retain necessary human resource at the company.

All the policies related to employee recruitment, salary and benefits, performance appraisal and other related issues are overseen by the Committee. HR Committee provides necessary recommendations to the Board for changes in human resource policies.

A total of 2 meeting of the HR Committee were held during the review period. The attendance details of the HR committee's members in the meeting are as follows:

Name of Member	Designation	Meeting Attended/Meeting Held
Mr. Suman Pokharel **	Coordinator	-
Mr. Subhas Gyawali **	Member	-
Mr. Bikash Kumar Nahata *	Coordinator	1/2
Mr. Khilendra Paudel *	Coordinator	1/2
Mr. Subhas Gyawali	Member	2/2
Mr. Roshan Bhandari	Member Secretary	2/2

* *Outgone Member*, ** *Incoming Members*.

Report on the Activities of HR Committee

The HR Committee conducted following functions in the FY 2080/81 (2023/24) exercising powers conferred by SCT's Board.

- Reviewed the amendment in SCT Employee Service Rules and SCT Human Resource Plan.
- Reviewed the staffs' salary and benefits and recommended to the Board for necessary approval and considerations.
- Reviewed and recommended necessary restructuring for fulfilling HR requirement.

Risk Management Committee

SCT, engaged in the card payment industry in Nepal, considers prudent risk management practices as the core pillar of sound operation, and a way to uphold the trust of the stakeholders. The primary objective of this committee is to systematically address risks like Operational Risk, Systemic Risk, Liquidity Risk, Business Risk, Credit Risk, Legal Risk, and other risks like Reputation Risk and Strategic Risks are thoroughly identified, measured, and necessary control mechanisms are implemented and reported to the related on a regular basis. The Composition of the Risk Management and Compliance Committee is as follows:

A total of 1 meeting of the Risk Management Committee were held during the review period. The attendance details of the Risk Management committee's members in the meeting are as follows:

Name of Member	Designation	Meeting Attended/Meeting Held
Mr. Manoj Dumar Shrestha **	Coordinator	-
Mr. Praveen Regmi **	Member	-
Mr. Ritesh Lamichhane *	Coordinator	1/1
Mr. Mrigendra Pradhan *	Member	1/1
Mr. Amit Regmi	Member	1/1

* *Outgone Member*, ** *Incoming Member*.

Followings are the major agenda discussed during the meeting of the Committee:

- Formulated the Risk Management and Compliance Policy of SCT at the first meeting of the Committee.
- Discussed the matters escalated by the Meeting of the Operational Risk Management Committee meetings (management level committee).
- Discussed the possibility of the implementation of a RACI (Responsible, Accountable, Controlled, and Informed) chart.

Procurement Committee

Procurement Committee is a specialized committee within an organization that focuses on overseeing and managing the procurement process. This committee is responsible for ensuring that the organization's procurement activities are conducted efficiently, ethically, and in compliance with relevant policies and regulations. Procurement Committee of SCT currently comprises of two members from the Board of Directors and Chief Business Officer as members.

A total of 1 meeting of the Procurement Committee were held during the review period. The attendance details of the Procurement committee's members in the meeting are as follows:

Name of Member	Designation	Meeting Attended/Meeting Held
Ms. Rashmi Pant	Coordinator	1/1
Mr. Praveen Regmi **	Member	0/1
Mr. Bikash Kumar Nahata *	Member	1/1
Mr. Subodh Gautam	Member	1/1

* *Outgone Member*, ** *Incoming Member*.

Meeting Allowance

The members of Board, Audit Committee, HR Committee, and other Board Level Committees are provided with meeting allowance of NPR 10,000 per member per sitting. Tax Deducted at Source (TDS) has been deducted from the above payment and Net proceed has been made available to members. In the review period, the company incurred the total meeting expenses of NPR 620,000. The details of the meeting expenses are disclosed in notes to the accounts.

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 is also uploaded at SCT's website (www.sct.com.np). As per the Nepal Rastra Bank's Payment System Unified Directive (Directive No. 11/080 Clause No. 7), SCT has been publishing its unaudited semi-annual financials on its website for its shareholders and public consumption. 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.

Internal Controls

Internal control system of an organization ensures effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulation. SCT recognizes the significance of internal control system and hence, the devised internal controls are duly implemented and reviewed to obtain reasonable assurance of such controls. SCT has incorporated following elements as a part of its internal control system:

SCT's Board has formulated set of internal policies and procedures, which are implemented by the Management in its day-to-day operations. The policies and procedures are regularly reviewed by the Board. The current prevailing major policies and procedures of SCT are as follows:

S.No.	Policy
1	Financial Rules and Regulations
2	Business Continuity Policy
3	Risk Management Policy
4	Human Resource Policy
5	Disaster Recovery Policy
6	Dispute Management Policy
7	Investment Policy
8	Procurement Policy
9	Anti-Money Laundering (AML) Policy

Internal Audit

The Internal Audit reviews the effectiveness of internal control procedures and compliance with policies and procedures across all system and operational departments. The objective of the internal audit engagement is to review and report the SCT's management in effective discharge of their responsibilities. The Internal Audit was conducted by K.B. Chitrakar & Co., Chartered Accountants for the FY 2080/81 (2023/24).

Semi-annual internal audits were carried out during the review period under the supervision of the Audit Committee. K.B. Chitrakar & Co., Chartered Accountants was paid NPR 180,000 excluding VAT with additional internal audit expenses on actual basis.

Business Continuity Plan

The SCT's Board has approved the Business Continuity Plan and Disaster Recovery Plan (BCP/DRP). To validate their effectiveness, the management conducts regular testing of these plans, and they are meticulously aligned with SCT's IT/IS Policy, ensuring backups, seamless business operations during unforeseen disasters, and comprehensive documentation of these processes.

External Audit

The independent audit function is discharged by the External Auditor. M/s PYC & Associates, Chartered Accountants has been appointed as the external statutory auditor for the review period by the 22nd AGM of the company. The external auditor is responsible for obtaining reasonable assurance that the financial statements are free of material misstatement whether caused by error or fraud. The scope of the external audit includes statutory and tax audit. Total fee of NPR 185,000 excluding VAT with additional external audit expenses on actual basis paid to the external auditor for the fiscal year.

4. HUMAN RESOURCE MANAGEMENT

SCT recognizes the value and effort invested by the employees in attaining the overall organizational objectives. Achieving organizational goal, integration between employee's and employer's interest is vital for any organization. Hence, SCT has tried its best to attract best resources and retain them. HR at SCT is guided by the policies including SCT Code of Conduct, Employee Service Rules, HR Plan and Employee Performance Objectives & Appraisal Procedures, which are formulated by the Board. These are in line with the prevailing Labor Acts and Bylaws. And the responsibilities and job description for each of the positions are defined in the HR Plan and are monitored through regular performance review.

Recruitment Process

SCT believes in recruiting employees on the best-fit basis for any available job/ position based on competencies, skills, qualification, experience and aptitude. SCT follows fair and competitive recruitment process providing an equal opportunity to all the deserving candidates. The HR function is executed by the Admin & HR department.

The recruitment is done through public notice of vacancy announcement and the applicants go through a series of screening steps. Appropriate controls are put in place from initial screening till finalization of the candidates. In order to make new recruits accustomed with the work culture of the company, induction session is organized. The job specification for each position is clearly indicated in its Human Resource plan.

In the FY 2080/81 (2023/24), 2 new employees were recruited and 10 employees have resigned.

Management Team

Name	Designation
Mr. Manoj Ghimire	Chief Executive Officer
Mr. Sarod Tamang	Chief Technology Officer
Mr. Subodh Gautam	Chief Business Officer
Mr. Roshan Bhandari	Finance Head and Company Secretary

Human Resource Indicator

Number of Staffs

Particulars	As on Ashad End, 2081	As on Poush End, 2081
Total number of staffs	31	36
Male Staffs	25	29
Female Staffs	6	7

Employee Mix

Gender	As on Ashad End, 2081		As on Poush End, 2081	
	Count	%	Count	%
Male	25	80.65	29	80.56
Female	6	19.35	7	19.44

The non-core office support related functions are outsourced from local personnel service providers.

Staff Health and Insurance

The Company believes that the health and wellbeing of our employees are vital for their personal and professional growth. In order to cover for unforeseen and contingencies company has subscribed a standard group medical insurance to cover employees and their immediate family's medical expenses up to total of NPR 100,000 per annum and group personal accidental insurance ranges from NPR 700,000 to cover risks of loss due to accident depending on employee level.

5. Director Report & Disclosures

स्मार्टच्वाईस टेक्नोलोजीज लिमिटेड

कम्पनी ऐन २०६३ को दफा १०९ उपदफा ४ अनुसारको अतिरिक्त
विवरण सञ्चालक समितिको आ.व. २०८०/०८१ बार्षिक प्रतिवेदन

(क) विगत बर्षको कारोवारको सिंहावलोकन

➤ सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।

(ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोवारलाई कुनै असर परेको भए सो असर

➤ बैंक तथा वित्तिय संस्था एक आपसमा गाभिंदा संस्थाको व्यवसायिक कारोवारमा कमि हुनु तथा विद्युतिय भुक्तानी प्रदायक अन्तराष्ट्रिय कम्पनी संगको प्रतिस्पर्धाले गर्दा कारोवारमा मुख्य असर पारेका छन ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालु बर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा समितिको धारणा

➤ सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध,

➤ नेपालभित्र रहेका बैंक तथा वित्तिय संस्थाहरुलाई उच्चस्तरिय विद्युतिय भुक्तानी सेवा प्रदान गर्ने लक्ष्यका साथ अघि बढि रहेको यस संस्थाले देशभरि लोकप्रियता तथा व्यावसायिक सम्बन्ध कायम गर्न सफल रहेको छ ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण,

➤ यस कम्पनीको मिति २०८०।०५।०४ गते सम्पन्न ७२ औं सञ्चालक समितिको बैठकबाट आईएमई लिमिटेडबाट प्रतिनिधित्व गर्दै आउनु भएका श्री खिलेन्द्र पौडेलको सट्टामा श्री विकास कुमार नाहाटा लाई बाँकी कार्यकाल को लागि सञ्चालक नियुक्ति गरि पठाईएको कुरा बैठकमा छलफल गरियो तथा सोहि अनुसार श्री विकास कुमार नाहाटा लाई श्री खिलेन्द्र पौडेल को सट्टामा बाँकी कार्यकालको लागि सञ्चालक नियुक्ति गरिएको छ ।

➤ यस कम्पनीको मिति २०८०।०८।२६ गते सम्पन्न ७४ औं सञ्चालक समितिको बैठकबाट आईएमई लिमिटेडबाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री सुमन पोखरेलको सट्टामा श्री बिपिन थापा लाई बाँकी कार्यकाल को लागि सञ्चालक नियुक्ति गरि पठाईएको कुरा बैठकमा छलफल गरियो तथा सोहि अनुसार श्री बिपिन थापा लाई श्री सुमन पोखरेलको सट्टामा बाँकी कार्यकालको लागि सञ्चालक नियुक्ति गरिएको छ ।

➤ यस कम्पनीको मिति २०८०।०८।२६ गते सम्पन्न ७४ औं सञ्चालक समितिको बैठकबाट ग्लोबल आईएमई बैंक लिमिटेडबाट बाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री

- रितेश लामिछानेको सट्टामा श्री सुमन पोखरेल लाई बाँकी कार्यकाल को लागि सञ्चालक नियुक्ति गरि पठाईएको कुरा बैठकमा छलफल गरियो तथा सोहि अनुसार श्री सुमन पोखरेल लाई श्री रितेश लामिछानेको सट्टामा बाँकी कार्यकालको लागि सञ्चालक नियुक्ति गरिएको छ ।
- यस कम्पनीको मिति २०८०।१२।०८ गते सम्पन्न ७६ औं सञ्चालक समितिको बैठक बैठकको निर्णय अनुसार स्वतन्त्र सञ्चालक श्री शान्त राज बतास को राजिनामा स्वीकृत गरिएकोमा मिति २०८१।०१।१७ गते सम्पन्न ७८औं सञ्चालक समितिको बैठकको निर्णय अनुसार श्री रविन कुमार नेपाललाई स्वतन्त्र सञ्चालकमा नियुक्त गरिएको ।
- यस कम्पनीको मिति २०८०।१२।०८ गते सम्पन्न ७६ औं सञ्चालक समितिको बैठकबाट हिमालयन बैंक लिमिटेडबाट बाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री मृगेन्द्र प्रधानको सट्टामा श्री मनोज दुमरु श्रेष्ठलाई बाँकी कार्यकाल को लागि सञ्चालक नियुक्ति गरि पठाईएको कुरा बैठकमा छलफल गरियो तथा सोहि अनुसार श्री मनोज दुमरु श्रेष्ठ लाई श्री मृगेन्द्र प्रधानको सट्टामा बाँकी कार्यकालको लागि सञ्चालक नियुक्ति गरिएको छ ।
- यस कम्पनीको मिति २०८०।१२।२५ गते सम्पन्न ७७ औं सञ्चालक समितिको बैठकबाट आईएमई लिमिटेडबाट बाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री विकास कुमार नाहाटाको सट्टामा श्री प्रवीण रेग्मीलाई बाँकी कार्यकाल को लागि सञ्चालक नियुक्ति गरि पठाईएको कुरा बैठकमा छलफल गरियो तथा सोहि अनुसार श्री प्रवीण रेग्मी लाई श्री विकास कुमार नाहाटाको सट्टामा बाँकी कार्यकालको लागि सञ्चालक नियुक्ति गरिएको छ ।

हालको सञ्चालक समितिको विवरण निम्नानुसार रहेको छ ।

सि.न.	सञ्चालकहरुको नाम, थर	पद	सञ्चालक नियुक्ति मिति
१	श्री रविन कुमार नेपाल	अध्यक्ष	२०८१।०१।१७
२	श्री सुमन पोखरेल	सञ्चालक	२०८०।०८।२६
३	श्री रश्मी पन्त	सञ्चालक	२०८०।०३।०४
४	श्री मनोज दुमरु श्रेष्ठ	सञ्चालक	२०८०।१२।०८
५	श्री प्रवीण रेग्मी	सञ्चालक	२०८०।१२।२५
६	श्री सुभाष ज्ञवाली	सञ्चालक	२०७९।१२।०५

माथि उल्लेखित सञ्चालक समितिका सदस्यको नियुक्तिको अनुमोदनको लागि यस साधारण सभामा प्रस्ताव पेश गरिएको छ ।

- (च) कारोबारलाई असर पार्ने मुख्य कुराहरु
- सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया,
- कैफियत भएको अवस्थामा कैफियत उपर सुधारको निमित्त सञ्चालक समितिले आवश्यक कार्य तथा व्यवस्थापनलाई आवश्यक निर्देशन दिदै आएको छ । सुधारको निमित्त यस संस्था कटिबद्ध रहेको छ ।
- (ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम,
- नभएको ।
- (झ) शेयर जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्रि गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण,
- नभएको ।
- (ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन,
- नभएको ।
- (ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन,
- नभएको ।
- (ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी,
- नभएको ।
- (ड) विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी,
- नभएको ।
- (ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा,

➤ नभएको ।

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम,

➤ नभएको ।

(त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण,

➤ सञ्चालक समितिको प्रतिवेदनमा संलग्न गरिएको ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण,

कर्मचारी खर्च रु.	३८,१९९,५५९।
प्रशासनिक खर्च रु.	७,५७०,४५३।
कुल खर्च रु.	४५,७७०,०१२।

(द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण,

➤ लेखापरीक्षण समितिका सदस्यहरूको नामावली :

श्री रश्मी पन्त	- संयोजक
श्री रोशन भण्डारी	- सदस्य सचिव

➤ लेखापरीक्षण समितिका सदस्यहरूले प्राप्त गरेको बैठक भत्ता

नम	जम्मा बैठक भत्ता
श्री रश्मी पन्त	३०,०००।
श्री शान्ता राज बतास (मिति २०८०।१२।०८ सम्म)	२०,०००।
जम्मा	५०,०००।

(ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा,

➤ पुर्व प्रबन्ध सञ्चालक श्री रविन्द्र बहादुर मल्लवाट यस कम्पनीले प्राप्त गर्न बाँकी रकम:
रु. ३,४६,५९,२८८।४०

- (न) सञ्चालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम,

सञ्चालक / कार्यकारी प्रमुख	पारिश्रमिक/बैठक भत्ता (रु.)	कैफियत
रविन कुमार नेपाल	१०,०००	बैठक भत्ता
सुमन पोखरेल	८०,०००	बैठक भत्ता
रश्मी पन्त	१२०,०००	बैठक भत्ता
मनोज दुमरु श्रेष्ठ	५०,०००	बैठक भत्ता
प्रवीण रेग्मी	३०,०००	बैठक भत्ता
सुभाष ज्ञवाली	९०,०००	बैठक भत्ता
मृगेन्द्र प्रधान	४०,०००	बैठक भत्ता
खिलेन्द्र पौडेल	१०,०००	बैठक भत्ता
रितेश लामिछाने	३०,०००	बैठक भत्ता
शान्ता राज बतास	४०,०००	बैठक भत्ता
विकास कुमार नाहाटा	७०,०००	बैठक भत्ता
विपिन थापा	५०,०००	बैठक भत्ता
नारायण प्रकाश भुजु	६,४०३,८७६	पारिश्रमिक तथा अन्य

- (प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम,
➤ नभएको ।
- (फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्रि गरेको कुराको विवरण,
➤ वित्तिय विवरणमा समावेश गरिएको ।
- (ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण,
➤ नभएको ।
- (भ) यस ऐन तथा प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा,
➤ नभएको ।
- (म) अन्य आवश्यक कुराहरु ।
➤ नभएको ।

मिति : २०८१ पुष १८ गते

.....
रविन कुमर नेपाल
अध्यक्ष

.....
सुमन पोखरेल
सञ्चालक

.....
रश्मी पन्त
सञ्चालक

.....
मनोज दुमरु श्रेष्ठ
सञ्चालक

.....
प्रवीण रेग्मी
सञ्चालक

.....
सुभाष ज्ञवाली
सञ्चालक

सञ्चालक समितिको प्रतिवेदन : आर्थिक वर्ष २०८०/८१

आदरणीय शेयरधनी महानुभावहरु,

स्मार्टच्वाईस टेक्नोलोजीज लिमिटेडको २३औं वार्षिक साधारण सभामा उपस्थित हुनु भएका सम्पूर्ण शेयरधनी महानुभावहरु तथा आमन्त्रित अतिथिहरुलाई सञ्चालक समितिको तर्फबाट म हार्दिक स्वागत गर्दछु । अहिले सम्म कम्पनीसँगको सहयात्रामा निरन्तर रुपले साथ दिई यहाँहरुले संस्थालाई प्रदान गर्नु भएको सद्भाव, सहयोग र मार्गदर्शनका लागी हार्दिक आभार एवं कृतज्ञता व्यक्त गर्दछौं । साथै, आगामी दिनहरुमा समेत यहाँहरुको निरन्तर रुपमा साथ प्राप्त हुनेछ भन्ने विश्वास लिएका छौं । यहाँहरुको साथ एवं सहयोगले नै स्मार्टच्वाईस टेक्नोलोजीज लिमिटेडले भुक्तानी र फस्यौटको क्षेत्रमा विगत दुई दशकदेखि कार्ड सेवामा मात्र सक्रिय रहि आएकोमा विगत केहि वर्ष देखि समग्र भुक्तानी प्रणालीमा विद्युतीय कारोबारको नया भुक्तानीका उपकरणहरु QR, Mobile Banking तथा IBFT (Inter Bank Fund Transfer) जस्ता सेवाहरु विस्तार गर्दै आईरहेको सर्वविदितै छ । हाल भुक्तानी प्रणाली सञ्चालकहरु मध्ये यस प्रकार भुक्तानी प्रणालीमा विद्युतीय कारोबारको सम्पूर्ण सेवा प्रदान गर्ने संस्थाका रुपमा अलग्गै पहिचान सहित स्थापित हुन सफल भएको छ ।

नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्थाले जारी गरेको नेपाल वित्तीय प्रतिवेदन मानहरु (Nepal Financial Reporting Standards, NFRSs) ले तोकेको ढाँचा बमोजिम संस्थाले वित्तीय विवरणहरु तयार पारेको छ जसका कारण आर्थिक वर्ष २०८०/८१ को वित्तीय विवरणका तथ्याङ्क तथा शिर्षकहरु नेपाल वित्तीय प्रतिवेदन मानहरु अनुरूप गणना, वर्गिकरण, लेखाङ्कन तथा प्रस्तुती गरिएको छ । नेपाल वित्तीय प्रतिवेदन मानहरुको स्वरूप अन्तर्राष्ट्रिय वित्तीय प्रतिवेदन मानहरु (International Financial Reporting Standards, IFRSs) कै अनुरूप भएकोले कम्पनीको वित्तीय विवरणहरु अन्तर्राष्ट्रिय स्तरमा पनि एकरूपता हुनुका साथै तुलनीय एवं विश्वसनीय हुने हुँदा भविष्यमा अन्तर्राष्ट्रिय रुपमा व्यवसाय विस्तार गर्न तथा अन्तर्राष्ट्रिय संघ संस्था लगायत अन्तर्राष्ट्रिय वित्तीय संस्थाहरूसँग सहकार्य गर्न समेत सहज हुने विश्वास लिएका छौं । अब म कम्पनीको २०८१ आषाढ मसान्तको वासलात तथा सोही मितिमा समाप्त आर्थिक वर्ष २०८०/८१ को नाफा नोक्सान हिसाब, नगद प्रवाह विवरण तथा अन्य वित्तीय विवरणहरु यस सभाको स्वीकृतिको लागि पेश गर्ने अनुमति चाहन्छु ।

१) समष्टिगत विगत वर्षको आर्थिक अवस्थाको सिंहवलोकन

विवरण	आ.ब. २०८०।८१ रु.हजारमा (०००)	आ.ब. २०७९।८० रु.हजारमा (०००)	आ.ब. २०७८।७९ रु.हजारमा (०००)
चुक्ता पुँजी	५००,०००	५००,०००	५००,०००
जगेडा तथा कोषहरु	(१५१,८२९)	(१३२,५९२)	(६३,७६२)
चालु दायित्व	६०,९३४	४५,६२९	३९,७५७
डेफर्ड कर दायित्व (Deferred Tax Liability)	२,९४७	२९,३७१	२४,४३९
लिज दायित्व (Lease Liability)	२२,३२६	२३,५९४	०
अचल सम्पति	२२६,६१६	१५७,२४६	१४६,४१५
उपयोग को अधिकार सम्पति (Right of use Assets)	२१,८७८	२४,१२२	०
निर्माणाधीन सम्पति (Capital WIP)	२४,२२१	१०४,८३६	८४,८९९
अन्य सम्पति	१,५८९	७,७८८	१,२८७
चल सम्पति	१६०,०७५	१७२,०१२	२६७,८३४
सञ्चालन आम्दानी	७६,१२२	६५,७७४	६९,९४१
सञ्चालन खर्च	३६,०७५	३३,९४९	३५,५६६
अन्य आम्दानी	२०९	१०८	६०९
कर्मचारी तलब भत्ता	३८,२००	३७,९१९	३५,४६२
मार्केटिङ खर्च	१७,४१३	४१,३०१	१३,०६०
अन्य प्रशासनिक खर्च	७,५७०	६,३८६	११,१६९
हास कट्टि	२६,२०१	२१,८१३	१७,१६२
अन्य खर्च	४७०	१,९७०	१,५२४
सञ्चालन मुनाफा	(४९,५९८)	(७७,४५६)	(४३,३९३)
ब्याज आम्दानी	६,२५९	१५,४२५	१८,९२८
ब्याज खर्च (लिज दायित्वमा)	२,३९२	८०४	०
आयकर खर्च (आर्थिक वर्ष)	०	०	०
आयकर खर्च (अघिल्लो वर्ष)	०	९०	०
Deferred Tax Expenses (Reversal)/Impairment on Assets**	(२६,४२४)	४,९३२	३,८३३
	६९	९३	५,५९०
खुद नाफा/नोक्सान	(१९,२३७)	(६७,७६४)	(२२,७०८)

***संस्थाले आ.ब. २०७६।७७ देखि** Nepal Financial Reporting Standard (NFRS) लागु गरेको र सोही अनुसार वित्तीय विवरण प्रस्तुत गरिएको । आ.ब. २०७५/७६ मा Nepal Accounting Standard लागु गरेता पनि हाल NFRS अनुसार वित्तीय विवरण प्रस्तुत गरिएको । साथै सो अधिका **आ.ब.**का वित्तीय विवरण Nepal Accounting Standard अनुसार तयार भएका र सोही अनुसार प्रस्तुत गरिएको छ ।

**** Impairment on Assets:** कम्पनीको वित्तीय विवरणमा Receivable शिर्षकमा विगत लामो अवधिदेखि रहेका रकमको लागि जोखिमको व्यवस्था गरिएको छ । यद्यपी यी रकमको असुल उपरका लागी व्यवस्थापन निरन्तर रुपमा क्रियाशील रहेको छ । गत आ.व. २०८०/८१ मा कुमारी बैंक लिमिटेड (साविकको रारा विकास बैंक लिमिटेड) बाट रु ६९,०६०।०० बक्यौता रकम उठाउन सफल भएका छौ ।

२) गत बर्ष देखि यस आर्थिक बर्षको ६ महिना सम्मको उपलब्धी :

कुनै पनि माध्यम वाट हुने विद्युतीय कारोवारको लागी भुक्तानी सञ्जालको पूर्वाधार तथा भुक्तानीका उपकरणहरु महत्वपूर्ण रहने हुँदा विगत बर्षमा हामीले ATM को संजाल थप गरेकोमा गत बर्ष ग्लोबल आईएमई बैंक लिमिटेडको सहकार्यमा VISA Scheme लाई SCT network मा migrate गर्न सफल भएका छौ । उक्त Migration पश्चात ग्लोबल आईएमई बैंक लिमिटेडको भन्डै १२ लाख Debit Card, ३० हजार Credit Card, १० हजार Prepaid Card, ३८०+ ATM Terminals, र १,५००+ POS Terminals हरू SCT Network मा migrate भएका छन् ।

हाल यस संस्था द्वारा जारी गरीने कार्ड नेपालको भण्डै ९० प्रतिशत ATM/POS हरूमा कारोवार गर्न सक्ने व्यवस्था गरिसकेको छ । राष्ट्रिय वाणिज्य बैंक जस्तो ठूलो बैंक लाई हाम्रो नेटवर्कमा ल्याई छोटो समयमै एक लाख पचास हजार भन्दा बढि कार्ड जारी गर्न सफल भयौं भने राष्ट्रिय वाणिज्य बैंकको सबै ATM हरूमा यस संस्था द्वारा जारी गरिएका कार्डहरुको कारोवार र पिन परिवर्तन गर्न सक्ने व्यवस्था मिलाईएको छ । साथै संस्थाले Union Pay संगको सहकार्यमा SCT UPI Debit Card को मात्र कारोवार गरिरहेको मा हाल MasterCard/Discover/Dinners Club/Rupay लगायतका Scheme संग पनि सहकार्य गरी हाम्रो सञ्जाल मार्फत कारोवार गर्न सक्ने व्यवस्था मिलाइसकेको छ । साथै भविष्यमा चिनिया मुद्रा CNY तथा Australian Dollor मा समेत कार्ड जारी गर्ने प्रक्रियामा रहेको जानकारी गराउन चाहन्छु । यस पश्चात बैंक तथा वित्तीय संस्थाहरुलाई सबै ब्राण्डका कार्डहरुको सेवा प्रदान गर्न यस संस्था सक्षम हुने छ, जसले गर्दा सदस्य बैंकको एटिएम हाम्रो सञ्जालमा ल्याउन सहज हुनेछ ।

QR सेवाको विस्तारका क्रममा Smart QR सेवा नयाँ Solution Provider (CityTech Group Pvt. Ltd.) मा Migrate गरि उत्कृष्ट सेवा प्रदान गर्दै आएकोमा हाल रहेको Merchant Payment का अतिरिक्त QR मार्फत Peer To Peer Fund Transfer (P2P Fund Transfer) को सेवा समेत सुचारु गरिएको जानकारी गराउन चाहन्छु । QR भुक्तानी सेवामा NepalPay QR संग अन्तरआवद्धता कायम पश्चात प्रत्यक्ष रुपमा हाम्रो सञ्जालमा नरहेका बैंक तथा वित्तीय संस्थाहरुलाई पनि कारोबार गर्न सक्ने वातावरणको सिर्जना गरी हाम्रो सञ्जालको दायरा फराकिलो बनाउन सफल भएको छ ।

हाल बढ्दो विद्युतीय भुक्तानीलाई मध्यनजर गर्दै अन्य भुक्तानी सेवा प्रदान गर्दै आइरहेको रेमिट्यान्स जस्ता कम्पनीहरुलाई लक्षित गर्दै OnePoint Financial Services Pvt. Ltd. को technical partnership मा Inter-Bank Fund transfer (IBFT) सेवा सुचारु गरि हाललाई Business to Customer (B2C) मार्फत कारोबार भईरहेको जानकारी गराउन चाहन्छौ । साथै आगामी दिनमा SmartPay लाई Customer to Customer (C2C) तथा Wallet Transfer, Account Link, Cooperatives Transfer लगायतका सेवा थप गर्दै लैजाने जानकारी गराउन चाहन्छौ ।

गत वर्षको मुख्य उपलब्धीहरुको सारांश बुदाँगत रुपमा निम्नअनुसार रहको छ ।

१. Smart QR सेवा नयाँ Solution Provider (CityTech Group Pvt. Ltd.) मा Migrate गरि उत्कृष्ट सेवा प्रदान गर्दै आएकोमा हाल रहेको Merchant Payment का अतिरिक्त QR मार्फत Peer To Peer Fund Transfer (P2P Fund Transfer) को सेवा समेत सुचारु गरिएको ।

२. ग्लोबल आईएमई बैंक लिमिटेड को Principal Membership अन्तर्गत यस संस्था TPP (Third Party Processor) को रुपमा रही VISA सेवा को शुभारम्भ गरिएको र उक्त सेवा पश्चात ग्लोबल आईएमई बैंकको सम्पूर्ण Card, ATM तथा POS Terminals SCT मार्फत सञ्चालन भईरहेको ।

३. शत प्रतिशत सरकारी लगानी भएको राष्ट्रिय बाणिज्य बैंक लाई SCT-UPI Debit कार्ड जारी गर्नका लागि आवद्ध गर्न सफल भएको साथै हालसम्म उक्त बैंक ले १५०,००० भन्दा बढी कार्ड जारी गरिसकेको बैंकको २५० वटा भन्दा बढि ATM हरु मार्फत अरु संस्था द्वारा जारी गरिएको SCT-UPI को नगद भिक्न तथा पिन परिवर्तन गर्न मिल्ने ब्यवस्थाले हाम्रो ATM संजाल थप विस्तारित भएको गराउन चाहन्छु ।

४. बजारको माग अनुसार हाल Payment System Operator (PSO) को रूपमा Card, QR, र Mobile Banking सेवाहरु मात्र प्रदान गर्दै आईरहेकोमा यस संस्थाले अन्तर बैंक भुक्तानी (Inter Bank Fund Transfer - IBFT) सेवा भुक्तानी सम्बन्धि कारोबार गर्ने संघ संस्था हरुलाई प्रदान गर्न सुरु गरेको जानकारी गराउन चाहन्छु ।

५. लामो समय देखि बक्यौता रहेका आसामीहरु बाट गत आ.व. २०८०/८१ मा कुमारी बैंक लिमिटेड (साविकको रारा विकास बैंक लिमिटेड) बाट रु ६९,०६०।०० बक्यौता रकम उठाउन सफल भएका छौं ।

६. हिमालय बैंक सँगको सहकार्यमा SCT Network मा आवद्ध Member बैंक तथा वित्तिय संस्थाको ATM Terminals मार्फत MasterCard को कारोबार गर्न मिल्ने व्यवस्था गरिएको छ । साथै Discover/Diners/Rupay को कार्ड मार्फत ATM कारोबार गर्न मिल्ने व्यवस्था गरिएको छ ।

७. Card तथा QR को क्षेत्रमा Brand Visibility बढाउने, कारोबार तथा User Engagement वृद्धिको लागि देश का ठुला ठुला retail store हरुमा Campaign सञ्चालन गरी करिब ३५ लाख भन्दा बढी ग्राहक आवद्ध गराई सकेको र करिब २ लाख व्यवसायीलाई Smart QR आवद्धता गराई सकेका छौं ।

८. लामो समय देखिको प्रयास स्वरुप SCT UPI Card हरुलाई E-com Site मा Acquiring सुचारु गरेका छौं ।

९. Cross Border भुक्तानीमा UPI र AliPay+ बाट P2M भुक्तानीमा Acquiring सेवा सुचारु गरिरहेको ।

३) आगामी नीति, कार्यक्रम तथा योजनाहरु:

हाल विद्युतिय कारोवारमा जनमानसमा बढ्दै गएको विश्वास र प्रयोगलाई मध्यनजर गर्दा हाल कार्डबाट कारोवार घट्दै गइरहेको र मोबाइल बाट QR मार्फत भुक्तानी गर्ने प्रचलन बढ्दै गइरहेको प्रष्ट देखिन्छ भने अर्को तिर Online E-commerce मार्फत विद्युतिय कारोवार बढ्दै गएको देखिन्छ । यस अवस्थामा SCT ले आफुसँग भएको सेवाहरुलाई बजारमा भएको प्रतिस्पर्धीहरुको सेवा भन्दा भिन्नता कायम गर्दै थप सेवाहरु दिदै जाने नीति तथा योजनाहरु तर्जुमा गरेको छ ।

हाल संस्थाले Union Pay संगको सहकार्यमा SCT UPI Debit Card का साथै बजारमा Visa कार्डको प्रयोग र मागलाई मध्यनजर गर्दै ग्लोबल आइएमई बैंक संगको सहकार्यमा Visa कार्डको Issuing र Acquiring सेवा विस्तार गरेकोमा आगामी दिन पनि अन्य Scheme जस्तै Mastercard संग प्रत्यक्ष सहकार्य गरि Issuing र Acquiring को सेवा प्रदान गर्ने योजना रहेको छ । नेपाल राष्ट्र बैंक को नियम अनुसार नेपालको आफ्नै Card Scheme सञ्चालन गर्न लागेको नेपाल क्लियरिङ हाउस संग सहकार्य गरि NepalPay Card को BIN खरिद को प्रक्रिया अगाडी बढिसकेको छ । उक्त सहकार्य अनुरूप यस संस्थाले नेपाल क्लियरिङ हाउस संग BIN लिई हाल रहेका सदस्यलाई उक्त BIN प्रदान गरि सेवा सुचारु गराउने, अन्य बैंक तथा वित्तीय संस्थाको लागि Third Party Processor (TPP) को रुपमा कार्य गर्ने र यस संस्थाको हालको Card Printing Machine मा थप स्तरोन्नति गरि Perso Bureau को रुपमा कार्य गर्ने योजना रहेको छ ।

हाल संस्थाले प्रदान गर्दै आईरहेको QR सेवामा समय अनुकूल थप नयां सुविधाहरु प्रदान गर्दै बजारमा अभ्र बढि सशक्तिकरणका साथ प्रतिस्पर्धीहरु माभ्र भिन्न रुपमा प्रस्तुत हुन र जोखिमलाई न्यूनिकरण गर्दै लैजानका लागी हाल प्रयोगमा रहेको प्रणालीलाई परिमार्जित गर्दै लैजाने नीति अनुरूप योजना बनाइने छ । साथै Merchant हरुलाई पनि यस सञ्जालमा आवद्ध हुन आकर्षित गर्न तथा बढि भन्दा बढि कारोवार गर्न प्रेरित गर्नका लागि Merchant Management System (MMS) र Merchant Lending को ब्यवस्था गरिने छ ।

आगामी वर्षमा तर्जुमा गरिएका कार्यक्रमहरु बुँदागत रुपमा निम्नअनुसार प्रस्तुत गरिएको छ ।

१. कम्पनीले सुरुवात गरेको नविनतम प्रोडक्ट VISA मा नयाँ सदस्य थप गरि बजारको माग अनुसारका सम्पूर्ण सेवा प्रदान गर्ने ।
२. NepalPay Card Scheme अन्तर्गत Single BIN नेपाल क्लियरिङ हाउस लिमिटेड संग खरिद गरि उक्त BIN लाई हाल रहेका members लाई प्रदान गर्ने । सदस्य बैंक तथा वित्तीय संस्था बाहेक अन्य बैंक तथा वित्तीय संस्थाको लागि Third Party Processor (TPP) को रुपमा काम गर्ने साथै हाल रहेको Card Personalization Solution लाई enhancement गरि Card Perso Bureau को रुपमा काम गर्ने ।

३. यस संस्थाले हाल डेबिट कार्डको सुविधा मात्र दिदै आएको मा आगामी दिनमा क्रेडिट कार्ड, प्रिपेड कार्ड तथा बिदेशी मुद्रा Chinese Yuan तथा Australian Dollor मा कार्ड जारी गर्ने ।
४. mVisa तथा Visa Direct जस्ता सेवाको विस्तार गर्दै लैजाने ।
५. ATM मार्फत हुने नगद कारोबार सहजीकरणका निमित्त QR तथा OTP को प्रयोग गरी कार्ड बिना नै रकम भिक्न सकिने सुविधा "Cardless Withdrawal" को सुरुवात गर्ने ।
६. डेबिट तथा क्रेडिट कार्ड मार्फत सरल किस्ताबन्दी योजनामा समान खरिद गर्न मिल्ने (EMI) सेवाको सुरुवात गर्ने ।
७. प्लास्टिक कार्ड लाई Virtual कार्डको स्वरुपमा Mobile Banking मार्फत कारोबार गर्न सक्ने ब्यवस्था मिलाउने तथा physical कार्ड लाई tokenization को मार्फत कारोबार गर्न मिल्ने सुविधा को सुरुवात गर्दै लैजाने ।
८. प्रयोगमा आएका सम्पूर्ण भुक्तानी उपकरण हरुलाई मिल्ने गरी एकिकृत Customer Loyalty Management को System सञ्चालन गर्ने ।
९. बढ्दै गएको बिद्युतिय कारोवारलाई मध्यनजर गर्दै ग्राहकहरुको कारोवारलाई अध्ययन गर्ने क्षमता बृद्धि गर्न Reporting Platfomको निमार्ण गरी बैंक तथा वित्तीय संस्थाहरुलाई सुबिधा प्रदान गर्ने ।
१०. भुक्तानीका सबै उपकरण र त्यसमा निहित जोखिमहरुको पहिचान तथा निराकरणका लागि विशेष ब्यवस्था गर्ने ।
११. SCT ले सुरु गरेको SmartPay (IBFT) मा बैंक तथा वित्तीय संस्थाहरुमा प्रत्यक्ष Connectivity बनाउदै लैजाने तथा रेमिट्यान्स कम्पनी, बिमा कम्पनी, शेयर ब्रोकर कम्पनी जस्ता संस्थाहरुको अन्तर बैंक भुक्तानी यस संस्था मार्फत गराउनका लागि आवद्ध गराउदै लैजाने ।

४) कारोबारलाई असर पार्ने मुख्य कुराहरु :

भुक्तानी प्रणालीमा प्रयोग हुने उपकरणहरुका लागि सरकारी तथा अन्तर्राष्ट्रिय Scheme Provider हरुको र अन्य प्रतिस्पर्धीहरुको कुनै पनि प्रकारको नीति नियममा हुने परिवर्तनले बजारमा असर पार्न सक्ने हुदां समग्र रूपमा भुक्तानी प्रणालीमा राष्ट्रिय तथा अन्तर्राष्ट्रिय क्षेत्रको घटनाक्रमले प्रभाव पार्न सक्दछन् । SCT ले प्रदान गर्ने सेवाहरु मुख्यतया राष्ट्रिय तथा अन्तर्राष्ट्रिय क्षेत्रको नीति नियमानुसार सञ्चालन गर्नु पर्ने बाध्यताका कारण कुनै पनि तहको नियामक निकायहरुको नीति, नियम तथा निर्देशनहरुको परिवर्तनले प्रत्यक्ष तथा अप्रत्यक्ष रूपमा असर पार्न सक्नेछन् ।

साथै, प्रविधिमा आइरहने विकास तथा परिवर्तनका लागि आवश्यक पुँजी, दक्ष प्राविधिक जनशक्तिको आवश्यकता, अन्तर्राष्ट्रिय ब्राण्डका भुक्तानी प्रदायकहरु सँगको प्रतिस्पर्धा, सुरक्षा प्रणालीलाई पनि थप मजबूत बनाउन आवश्यक पूर्वाधार विकासका लागि पुँजीको व्यापक प्रयोग गर्नुपर्ने अवस्था, सूचना तथा प्रविधिको विकाससंगै वित्तीय कारोबारहरुमा पनि अपराधिक गतिविधीहरु बढ्दै गईरहेका कुराहरु ले कारोबार लाई असर पार्न सक्नेछन् ।

कम्पनीको कारोबारमा असर पुर्याउन सक्ने मुख्य कारक तत्वहरु निम्नअनुसार छन् ।

- बैंक तथा वित्तीय संस्थाहरु (BFIs) मर्जर प्रक्रिया साथै नेपाल राष्ट्र बैंक (NRB) पुँजी आधार वृद्धि गर्ने नीतिगत व्यवस्था बमोजिम भुक्तानी सेवा प्रदायक (PSPs) र भुक्तानी प्रणाली सञ्चालक (PSOs) हरुको मर्जर वा यस्ता लाइसेन्स प्राप्त संस्थाहरुको संख्या घट्ने सम्भावना रहेको छ । यसले सम्भावित तथा विद्यमान सदस्यहरुको संख्या घटाउन सक्छ, जसले यस संस्थाको (SCT) को वार्षिक सदस्यता शुल्क-आधारित आमदानीमा प्रत्यक्ष प्रभाव पार्नेछ ।
- प्रविधिको परिवर्तन साथै हालको System लाई Enhancement गर्दा आउने लागत ।
- नेपाल राष्ट्र बैंकको नीतिगत व्यवस्था बमोजिम कारोबार मा आधारित शुल्क (Transactional Fees) घट्नु साथै Issuing, Acquiring, Settlement Bank Fee र Scheme Network को हिस्सा (Sharing Portion) यथावत रहनुले यस संस्था को आमदानीमा असर पुगेको देखिन्छ ।
- प्रतिस्पर्धात्मक बजारका बाबजुत सेवा विस्तारमा आउन सक्ने चुनौती तथा लागत ।
- लाइसेन्स प्राप्त भुक्तानी प्रणाली सञ्चालक (PSOs) र भुक्तानी सेवा प्रदायक (PSPs) हरुले नेपालमा डिजिटल भुक्तानी प्रणालीको विकास र विस्तारमा प्रवर्धन तथा सहयोग पुऱ्याएको भए तापनि, यस्ता संस्थाहरुको संख्याका कारण प्रतिस्पर्धा बढेको छ र धेरै प्रणाली तथा सेवाहरुमा दोहोरोपन देखिएको छ ।
- प्रविधिमा आधारित आन्तरिक जोखिमहरुले SCT को सञ्चालनमा प्रतिकूल असर पुऱ्याउन सक्ने सम्भावना छ, जसले व्यवसायमा प्रभाव पार्न सक्छ । तर, SCT ले यस्ता जोखिमहरुलाई अनुगमन र नियन्त्रण गर्न व्यापक जोखिम व्यवस्थापन रूपरेखा

कार्यान्वयन गरेको छ। साथै, SCT ले आफ्नो सञ्चालन र सुरक्षासम्बन्धी पूर्वाधारहरू उन्नत बनाउन लगानी जारी राखेछ।

- बजारमा रहेका अन्य Competitors हरूले QR भुक्तानी सेवा निशुल्क प्रदान गर्नु।
- कम्पनीले खरिद गरेको EFT Switch सेवा विदेशी विक्रेता बाट लिइएको हुँदा अमेरिकी डलर (USD) र नेपाली रूपैयाँ (NPR) को विनिमय दरमा हुने उतार-चढावले कम्पनीको लगानीमा ठूलो प्रभाव परेको छ।
- सीपयुक्त जनशक्तिको सीमित उपलब्धता, SCT को सञ्चालनमा असर गर्ने प्रमुख कारकहरू मध्ये एक हो, जसमा आवश्यक जनशक्ति प्राप्त गर्न ढिलाइ हुनु पनि आंशिक कारण हो। अधिल्लो आर्थिक वर्षको तुलनामा जनशक्ति परिवर्तन दर (Employee Turnover Rate) बढेको छ, जसलाई उचित रूपमा व्यवस्थापन नगरेमा यो समस्या अझै गम्भीर बन्न सक्ने सम्भावना छ।
- रेमिट्यान्स कम्पनी तथा डिजिटल वॉलेट हरूले आफ्ना ग्राहक हरूलाई गर्ने रकम स्थानान्तरण को लागि सोभै रूपमा बैंक तथा बित्तीय संस्था संग सम्भौता गरि Connectivity निर्माण गर्नु।

५) आन्तरिक नियन्त्रण प्रणाली

आन्तरिक नियन्त्रण प्रणाली विस्तृत मापदण्ड सहितका नीति, तथा कार्यविधिहरूका साथै प्रभावकारी ढंगले स्थापित संरचनात्मक ढाँचा तथा सो बमोजिमको कार्यक्षेत्र एवम् अधिकार प्रत्यायोजनले संस्थाको आन्तरिक नियन्त्रण प्रणाली चुस्त तथा प्रभावकारी बनाउनुका साथै सञ्चालनमा निहित जोखिमहरूलाई समेत न्यूनिकरण गरेको हुन्छ। यसका साथै कम्पनीमा पर्याप्त आन्तरिक नियन्त्रण कायम राख्न सञ्चालक समिति, लेखापरीक्षण समिति, खरिद समिति, जोखिम व्यवस्थापन समिति, IT Steering Committee र व्यवस्थापनले आन्तरिक नियन्त्रण प्रणालीको प्रभावकारिता पुनरावलोकन गर्ने गरेका छन्। कम्पनीको व्यवस्थापनबाट स्वतन्त्र आन्तरिक तथा बाह्य लेखापरीक्षकले पनि आफ्ना परीक्षण कार्यहरूबाट कम्पनीको नियन्त्रण प्रणाली मापन गरेर कम्पनीकालाई उपयुक्त राय तथा सुझावहरू उपलब्ध गराउँदै आएका छन्। अन्य विभिन्न क्रियाशील संगठनात्मक ढाँचाहरूले समेत आन्तरिक नियन्त्रण प्रणालीलाई थप सुदृढ बनाउन आफ्ना गतिविधिहरूको माध्यमबाट सहयोग पुर्याउँदै आएका छन्।

६) संस्थाबाट हाल उपलब्ध गराइएका सेवाहरु

कम्पनीबाट हाल देहाय बमोजिमका सेवाहरु उपलब्ध गराईएको छ ।

- EFT Switch
- Card Service
 - Card Management Ststem
 - Card Procurement and Personalization
 - ATM/POS Management
- Smart QR Service
- Smart Banking (Aggregator/Facilitator) Service
- Smart Pay (Interbank Fund Transfer) Service

७) हालको सञ्चालक समितिको विवरण

सि.नं.	सञ्चालकहरुको नाम, थर	पद
१	श्री रविन कुमार नेपाल	अध्यक्ष
२	श्री सुमन पोखरेल	सञ्चालक
३	श्री रश्मी पन्त	सञ्चालक
४	श्री मनोज दुमरु श्रेष्ठ	सञ्चालक
५	श्री प्रवीण रेग्मी	सञ्चालक
६	श्री सुभाष ज्ञवाली	सञ्चालक

८) प्रमुख कार्यकारी अधिकृत र व्यवस्थापन समुह

सि. नं.	नाम	पद
१	श्री मनोज घिमिरे	प्रमुख कार्यकारी अधिकृत
२	श्री सरोद तामाङ्ग	चिफ टेक्नोलोजी अफिसर
३	श्री सुबोध गौतम	चिफ बिजनेस अफिसर
४	श्री रोशन भण्डारी	कम्पनी सचिव

6. Nepal Rastra Bank's Approval



नेपाल राष्ट्र बैंक भुक्तानी प्रणाली विभाग

पत्रसंख्या : भु.प्र.वि./ ओ.सा.२/SCT/०८१/८२
चलानी नं.: २६१

श्री स्मार्टच्वाईस टेक्नोलोजिज लिमिटेड
वालुवाटार, काठमाडौं ।

फोन नं.: ००९७७ १ ५७९६४२/४३/४४/४५/४६/४७/४८/४९/५०

केन्द्रीय कार्यालय

बालुवाटार, काठमाडौं

एक्स्टेन्स न: १३४४

E-mail : psdept @nrb.org.np

Web : www.nrb.org.np

पोष्ट बक्स: ७३



मिति : २०८१/०९/१४

विषय: वार्षिक वित्तीय विवरण प्रकाशन गर्न स्वीकृति प्रदान गरिएको सम्बन्धमा ।

वाह्य लेखापरिक्षक श्री पी.वाई.सी. एण्ड एसोसियेटस् (चार्टर्ड एकाउन्टेन्टस) बाट सम्पन्न गराई तयार गरिएको त्यस संस्थाको आर्थिक वर्ष २०८०/८१ को वित्तीय विवरण प्रकाशन/सार्वजनिक गर्ने अनुमतिका लागि अनुरोध भई आएको सम्बन्धमा भुक्तानी तथा फर्स्यौट ऐन, २०७५ को दफा २५ को उपदफा ३ बमोजिम देहाय बमोजिमका निर्देशनहरु पालना गर्नेगरी प्रकाशन/सार्वजनिक गर्न स्वीकृति प्रदान गरिएको ब्यहोरा निर्णयानुसार अनुरोध गर्दछु ।

निर्देशनहरु:

- भुक्तानी प्रणाली सम्बन्धी एकीकृत निर्देशन अ.प्रा. निर्देशन नं. ३/०८० को बुँदा नं. ४(१) बमोजिम अनुमतिपत्रप्राप्त संस्था (बैंक तथा वित्तीय संस्था बाहेक) ले सेवा सञ्चालन गरेको १ वर्ष पुरा भएपछि भुक्तानी प्रणालीको परीक्षण (System Audit) गराई यस बैंकमा सोको प्रतिवेदन पेश गर्नुपर्ने तथा साविक System प्रतिस्थापन वा System Upgrade नभएको अवस्थामा प्रत्येक २ आर्थिक वर्षमा System Audit गराई आर्थिक वर्ष समाप्त भएको ६ महिनाभित्र यस बैंकमा प्रतिवेदन पेश गर्नुपर्नेमा सो अनुसार गरेको नपाइएकाले यस निर्देशनको पालना गर्नुहुन ।
- भुक्तानी प्रणाली सम्बन्धी एकीकृत निर्देशन अ.प्रा. निर्देशन नं. ६/०८० को बुँदा नं. १(६) अनुसार संस्थाको वाह्य लेखापरीक्षण गर्दा र लेखापरीक्षण गरिएको वित्तीय विवरण र लेखापरीक्षकद्वारा Management letter पेश गर्दा सोमा यस बैंकबाट दिइएका निर्देशन पालनाको अवस्था, संस्थागत सुशासनसम्बन्धी नीतिगत व्यवस्थाहरु, प्रमुख जोखिम पहिचान तथा सोको न्यूनीकरण गर्न गरिएका व्यवस्थाहरु तथा System Audit मा देखिएका कैफियतहरुको वस्तुस्थितिको समीक्षा गरी पेश गर्नुहुन ।
- भुक्तानी प्रणाली सम्बन्धी एकीकृत निर्देशन अ.प्रा. निर्देशन नं. ११/०८० को बुँदा नं. ७ अनुसार संस्थाले संस्थाले प्रत्येक ६/६ महिनामा वित्तीय विवरण यस बैंकमा पेश गर्नुपर्ने छ तर पब्लिक कम्पनीको हकमा संस्थाको वेबसाइटमा लगायत अन्य उपयुक्त माध्यमबाट प्रकाशन/सार्वजनिक नगरेको कारण सो व्यवस्थाको पालना गर्नुहुन ।
- भुक्तानी प्रणाली सम्बन्धी एकीकृत निर्देशन अ.प्रा. निर्देशन नं. १३/०८० को बुँदा नं. ४(१) अनुसार विद्युतीय भुक्तानी सेवा प्रयोग गर्दा आउन सक्ने कठिनाईकासम्बन्धमा सेवाग्राहीको गुनासो सुनुवाई



नेपाल राष्ट्र बैंक

भुक्तानी प्रणाली विभाग



केन्द्रीय कार्यालय
बालुवाटार, काठमाडौं

फोन नं. ०१७७ १ ५७९६४२/४३/४४/४५/४६/४७/४८/४९/५०

एक्स्टेन्स नं: १३४४

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पोष्ट बक्स: ७३

गर्न संस्थाले कम्तीमा १६ घण्टा (विहान ६ बजेदेखि बेलुका १० बजे सम्म) छुट्टै डेस्क सञ्चालन हुने व्यवस्था मिलाई गुनासो सुन्ने अधिकारी समेत तोक्नुपर्ने र संस्थाले उक्त अधिकारीको नाम, पद, सम्पर्क मोबाइल नं. र इमेल ठेगाना वेबसाइटको अग्रभागमा राख्नुपर्नेमा सो नराखेकोको कारण सो व्यवस्थाको पालना गर्नुहुन ।

५. त्यस संस्थाको मिति २०८०/०४/२८ देखि २०८०/०४/३० गते सम्म सम्पन्न भएको स्थलगत निरीक्षण प्रतिवेदनका आधारमा यस विभागको मिति २०८०/०७/१४ को पत्रबाट दिइएका निर्देशनहरूमध्ये कार्यान्वयन हुन बाँकी ६ निर्देशनहरूको कार्यान्वयन गर्नुहुन ।
६. बाह्य लेखापरीक्षकले औल्याएका कैफियतहरू सुधार गर्नुहुन ।
७. उपरोक्तानुसारका निर्देशनहरू शेरधनीहरूको जानकारीका लागि वार्षिक प्रतिवेदनको छुट्टै पानामा समावेस गर्नुहुन ।

(डा. दीपक अधिकारी)
उप-निर्देशक

7. Independent Auditor's Report

Regd. with The Institute of Chartered Accountants of Nepal : 56



Independent Auditor's Report To the Shareholders of SmartChoice Technologies Limited

Report on the Audit of Financial Statements:

Opinion

We have audited the accompanying standalone financial statements of **M/s SmartChoice Technologies Limited (referred as "Company")** which comprise the Statement of Financial Position as on Ashadh 31st, 2081 (15th July, 2024), Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements present fairly, in all material respects, the financial position of the company as on Ashadh 31st, 2081 (15th July, 2024), and its financial performance, and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit on the Financial Statements section of our report. We are independent of the company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion on the standalone financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our Report.



Key Audit Matters	How our audit addressed Key Audit Matter
<p>Legal and Regulatory Matters</p> <p>We focused on this area as the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>Audit procedures include:</p> <ul style="list-style-type: none"> • Understanding, evaluating the design and testing the operational effectiveness of the key controls over the legal provision and contingency processes. • Enquired with those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. Enquire with the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. • Assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. • Evaluated the adequacy of financial statement disclosure in respect of contingencies
<p>Property, Plant & Equipment</p> <p>Property, Plant and equipment is evaluated for recoverability based on expected future cash flows if there are indicators of potential impairment. Auditing management's assessment of potential impairment of property, plant and equipment was of highly judgmental due to the significant estimation required in determining the estimated hold period expected future cash flows, discount rate and/or capitalization rates for the properties subject to a recoverability test and/or a fair value measurement. In particular, the expected future cash flows are based on assumptions, including the projections of revenues and expenses based on estimated growth rates that are forward looking, could be affected by future economic and market conditions, and sensitive to discount rate and/or capitalization rate changes.</p>	<ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's review process over impairment testing of property and equipment, including controls over management's review of the significant assumptions described above. • Our testing of the Company's impairment assessment included, among other procedures, evaluating the significant assumptions and testing the completeness and accuracy of the underlying data used by Company to develop the expected future cash flows, if applicable, for their properties. • We compared the significant assumptions used by management to current industry and economic trends, changes to the company's strategy and other relevant factors. • We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate changes in the expected undiscounted future cash flows and fair value



	<p>of the properties that would result from changes in the assumptions.</p> <ul style="list-style-type: none"> • We held discussions with management about the current status of potential transactions and about management's judgments to understand the probability of future events that could affect the hold period and other cash flow assumptions for the properties.
<p>Information Technology General Control</p> <p>IT controls with respect to recording of transactions, generating various reports in compliance with relevant Act/ laws/and guidelines is an important part of the process. Such reporting is highly dependent on the effective working of the information systems used.</p> <p>We have considered this a key audit matter as any control lapses, validation failures, incorrect input data, and wrong extraction of Reporting the reports generated by the data may result in wrong reporting of data to the management, shareholders, and regulators</p>	<ul style="list-style-type: none"> • An understanding of the coding system added by the company for various categories of customers. • Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the company; • Reviewing the Report Generated by the system on a sample basis. We also verified the income booking under revenue streams on test basis with the system; • We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT systems and related data; • Where automated procedures were supported by systems with identified deficiencies, we extended our procedures to identify and test alternative controls; and • Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting.

Emphasis of Matters

As stated in significant accounting policies and notes to the account (Note 3.14), actuarial valuation of employee-related liabilities including gratuity has not been carried out. Our opinion is not modified with respect to this matter.

Other Information

The *Company* management and directors are responsible for the preparation of the other information. The other information comprises the information included in the Management report and other progress reports but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Financial Statements

The management and board of directors are responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the entity and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies ; making judgment and estimate that are reasonable and prudent; and the design; implementation and maintenance of adequate internal financial control, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement , whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSA's will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably expect to influence the economic decisions of users taken on the basis of these financial statements. Further responsibilities of the auditor have been mentioned in **Appendix-1**.

Report on Other Legal and Regulatory Requirement

- We have obtained information and explanations asked for, which, to the best knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, the Statement of Financial Position as on Ashadh 31, 2081, and Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including Significant Accounting Policies applied by the Company have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the book of accounts maintained by the Company including relevant records relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and record of the Company.
- To the best of our information and according to explanation given to us and so far, appeared from our examination of the books of account of the Company, we have not come across cases where Board of



A member firm of



Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to the company or acted in a manner to jeopardize the interest and security of the company.

- The operation of Company is within its jurisdiction.



Yuddha Raj Oli, FCA
Partner
PYC & Associates
Chartered Accountants

Date: 2081/08/12 (2024/11/27)
UDIN No: 241205CA00185DLNf3

Appendix- 1

As a part of audit in accordance of NSAs, we exercised professional judgment and maintain professional skepticism throughout the audit of SmartChoice Technologies Limited for FY 2080/81 (2023/2024) We also:

- Identified and assessed the risk of material misstatement of the financial statement whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Concluded an appropriateness of management use of going concern basis of accounting and, based in audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the company's ability to continue as going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluated the appropriateness of accounting policies used as the reasonableness of accounting estimates and related disclosures made by management.
- Evaluated the overall presentation, structure, and content of financial statement including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We remain solely responsible for our audit opinion.
- We communicated with those charges with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matter that may reasonably be though to bear on our independence, and where applicable, related standards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



8. Financial Information

NOTES TO THE FINANCIAL STATEMENTS AS OF ASHADH END 2081 (15TH JULY 2024)

1. General Information of the Company

SmartChoice Technologies Limited (hereinafter referred to as “SCT” or “Company”) is a public limited company domiciled in Nepal, incorporated under the provision of the Company Act, 2063. The company was incorporated on 2058.04.29 as Private Limited Company and later on 2074.03.01 the company was converted into Public Limited Company. The registered address of the company is at Panipokhari, Kathmandu, Nepal. Subsequently, SCT was registered in Inland Revenue Department on 2058.07.06 having its Permanent Account Number is 300343144.

SCT obtained payment System Operator (PSO) License from Nepal Rastra Bank (NRB) on 2074.09.17 to provide Network for electronic cards and Payment Switch in Nepal.

The Board of Directors of the company acknowledges the responsibility of preparation of financial statements of the company.

1.1. Board of directors

The composition of Board of Directors as on 31st Ashadh, 2081 is as follow:

Name	Position
Robin Kumar Nepal	Chairperson
Suman Pokharel	Director
Rashmi Pant	Director
Manoj Dumaru Shrestha	Director
Praveen Regmi	Director
Subhas Gyawali	Director

1.2. Major shareholding pattern

Name of the Shareholders	As on the Ashadh End, 2081	
	%	No. of Shares
IME Limited	35.60	1,780,069
Prabhu Bank Ltd.	21.58	1,079,040
Global IME Bank Ltd.	15.43	771,608
City Express Money Transfer Pvt. Ltd.	6.67	333,312
Himalayan Bank Ltd.	6.16	307,840
Shangri-La Development Bank Ltd.	5.33	266,667
Kamana Sewa Bikas Bank Ltd.	3.08	153,920
Excel Development Bank Ltd.	3.00	150,000
Garima Bikas Bank Ltd.	2.00	100,000
Green Development Bank Ltd.	1.00	50,000
Unnati Bohara	0.06	3,029

Name of the Shareholders	As on the Ashadh End, 2081	
	%	No. of Shares
Prajwal Bohara	0.03	1,515
Arjun Jung Thapa	0.04	2,000
Shristi Joshi Malla	0.02	1,000
Total	100	5,000,000

1.3. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) – Nepal and Issued by Institute of Chartered Accountant of Nepal (ICAN).

1.4. Financial Statements and its Approval

The reporting period of SCT covers a twelve-month period from 1st Shrawan 2080 (17th July 2023) to 31st Ashadh 2081 (15th July 2024). The comparative figures in Statement of Financial Position, Income Statement, Statement of Other Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity are presented for the year ended 31st Ashadh 2080 (16th July 2023).

Accompanied financial statements are prepared under the responsibility of the management and adopted by the Board of Directors on its meeting held on 27th November 2024 with necessary recommendation for approval by the shareholders in the upcoming Annual General Meeting.

1.5. Principal Activities and Operations

SCT operating as Payment System Operator (PSO), provides solution of issuance of cards, acquiring transactions through different delivery channels, connectivity to different payment networks in the country as well as outside of Nepal along with all the related settlement, operational and security aspects on the same. SCT also ensures that its facility is complied with the highest security standard as required by the Payment Card Industry Data Security Standard (PCIDSS) for card data processing company and maintains a complete redundant system to ensure the highest level of up time.

Principal activities of SCT are to provide electronic payment processing services to its member banks & financial institutions for delivering their Card and Digital Payment needs.

2. Basis of preparation

The company while complying with the reporting standards, makes critical accounting judgement as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgements made are described herein.

The company while complying with the reporting standards, makes critical accounting judgment as having potentially material impact on the financial statements. The significant accounting

policies that relate to the financial statements along with the judgments made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the company to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

2.1. Reporting pronouncements

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) – Nepal and Issued by Institute of Chartered Accountant of Nepal (ICAN). The company has, for the preparation of financial statements, adopted the NFRS which is currently effective (based on NFRS of 2018). The first-time adoption of NFRS was from FY 2076-77.

2.2. Accounting conventions

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

Board of Directors (BOD) are satisfied that the company has resources to continue in business for the foreseeable future.

The Financial Statements have been prepared on going concern basis, as the management is satisfied that SCT has, at the time of authorization of financial statement, have adequate resources to continue its operation for the foreseeable future and the management is not aware of any material uncertainties that may cast significant doubt upon SCT's ability to continue as a going concern.

2.3. Basis of Measurement

Financial Statements of SCT have been prepared on historical cost convention, as modified by fair value measurement of financial assets and liabilities wherever the standard requires or provides options for such measurements.

Fair Value Measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of assets and liability, the company takes in to account the characteristics of assets or liability if market participants would take those characteristics in to account when pricing the assets or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis except for lease transactions that are within the scope of NFRS 16.

2.4. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of item is presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately unless they are immaterial. Financial Assets and Financial Liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset such recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in Statement of Profit or Loss unless required or permitted by the Financial Reporting Standards.

2.5. Presentation of Financial Statements

Assets and liabilities are presented in the order of liquidity in the Statement of Financial Position. Income and expenses are classified 'by nature' in the Statement of Profit or Loss. Cash Flow from Operating Activities are derived using indirect method in the Statement of Cash Flows.

2.6. Functional and Presentation Currency

The financial statements are prepared in Nepalese Rupees, which is the company's functional currency.

Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Non-Monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings. During the Year SCT does not have any foreign currency borrowings but having liability denominated at foreign currency.

2.7. Current and Non-Current distinction

Assets

Apart from the property, plant and equipment, intangible assets and deferred taxes assets all the assets are taken as current assets unless specific additional disclosure is made in the notes for current and non-current distinction.

Liabilities

Apart from the deferred taxes liabilities all the liabilities are taken as current liabilities unless specific additional disclosure is made in the notes for current and non-current distinction.

2.8. Accounting policies and accounting estimates

Preparation of financial statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses of the reporting period.

Management has applied estimations in preparation and presentation of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised, if the revision affects only that period; they are recognized in the period of revision and the future periods if the revision affects both current and future periods.

Specific accounting estimates have been included in the relevant section of notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.9. Reporting periods

The company follows the Nepalese financial year based on the Nepalese calendar as reporting period.

2.10. Discounting

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

2.11. Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the respective notes.

2.12. Limitation of NFRS implementation

If the information is not available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Significant Accounting Policies

3.1. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3.2. Revenue Recognition

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of a Company when those inflows result in increase in equity, other than increases relating to contribution from equity participants. Revenue has been recognized on accrual basis complying with matching concept.

3.3. Expense Recognition

Expense is the gross outflow of economic benefits during the period arising in the course of the ordinary activities of a Company when those outflows result in decrease in equity, other than those relating to payments to equity participants. Expense has been recognized on accrual basis complying with matching concept.

3.4. Property, Plant and Equipment

Recognition and Measurement

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the asset can be reliably measured. The cost includes expenditures that are directly attributable to the acquisition of the assets. Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the entity. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred.

On revaluation of an asset, any increase in the carrying amount is recognized in 'Other comprehensive income' and accumulated in equity, under revaluation reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of previous write down. Any decrease in the carrying amount is recognized as an expense in the Statement of Profit or Loss or debited to the Other Comprehensive income to the extent of any credit balance existing in the capital reserve in respect of that asset.

The decrease recognized in other comprehensive income reduces the amount accumulated in equity under capital reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset. Property, plant and equipment are tangible items that are held for serving revenue generation purposes and are expected to be used during more than one period.

Company's PPE Includes Computer and accessories, Batteries, Network Equipment's, Inverter and, Generator, Air Conditioner, Vehicles, Furniture and Fixture, Plant and Machinery, Leasehold Development and Intangible Assets which are initially recognized as cost and Subsequent expenditure are capitalized on same heading which meets recognition criteria of PPE.

3.4.1. Depreciation

Depreciation on assets has been calculated using Straight Line Method on the basis of effective useful life of the asset decided by the management. Accordingly, fixed assets are depreciated from the day the assets are ready to be used as intended by the Management applying the following rates:

Assets	Life	Depreciation Method
Computer and accessories	4 years	Straight-Line Method
Batteries	5 Years	Straight-Line Method
Network Equipment's	10 Years	Straight-Line Method
Inverter and Generator	10 Years	Straight-Line Method
Air Conditioner	8 Years	Straight-Line Method
Vehicles	5 years	Straight-Line Method
Furniture and Fixture	8 years	Straight-Line Method
Plant and Machinery	15 years	Straight-Line Method
Leasehold Development	10 years	Straight-Line Method

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

The company has changed its method of depreciation from Written Down Value (WDV) to Straight Line Method (SLM) from FY 2076/77.

3.4.2. De-recognition

Company has derecognized the carrying amount of an item of Property, Plant and Equipment by Disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment has been included in statement of profit or loss when the item is derecognized.

Name of Assets	WDV	Sales Amount	Profit and Loss
Generator	0	170,000	170,000

3.5. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose. Inhouse developed software's which meets the criteria of intangible assets are recognized as intangible assets.

Recognition and Measurement

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Company having Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level and are not impaired. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The intangible asset with finite useful lives is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Certain computer software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year. The costs incurred in the development and enhancement of Switch and have been recognized as intangible assets, as they are expected to yield future economic benefits. During the Fiscal Year 2080/81, substantial efforts and investments were directed towards the enhancement and development of Software in CRMS and IBFT with a special emphasis on the development of Card Management Features and Inter Bank Fund Transfer Features. As a result, Installations cost incurred during the year amounting NPR 1,000,000 for IBFT Switch WIP and Upgradation fee of amounting NPR 230,000 incurred for CRMS Software. The company has identified the CRMS and IBFT as an intangible asset, and it maintains control and legal ownership of the Software.

Intangible Assets Name	Amount Capitalized
WIP- Human Resource Cost {IBFT Switch (Smart Pay)}	1,000,000
WIP- Human Resource Cost {CRMS (Version Upgraded)}	230,000
Total	1,230,000

3.5.1. Amortization

Company has amortized Intangible assets over their estimated useful economic life on Straight Line Method. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Company estimated useful lives for the current and comparative periods for Intangible are from 5-15 Years based on nature of assets and Amortizations methods, Useful Lives and Residual Values are reviewed at each reporting period.

Reclassifications has been made in Intangible Assets

Previously Classified Assets Group	Reclassified Assets Group	Cost (NPR)	Accumulated Depreciation (NPR)	WDV (NPR)
Office Equipment and Computers	Intangibles	29,889,340	14,756,298	15,133,042
Plant and machinery	Intangibles	197,685	176,130	21,555
Total		30,087,025	14,932,428	15,154,597

3.5.2. De-recognition

Company derecognized an intangible asset on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.6. Lease Accounting

SCT determines whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. As per NFRS-16, SCT does not have any arrangement related to Finance Lease and SCT is on the role of Lessee under Operating Lease. Assets taken on a lease are recognized as right-of-use (ROU) Assets and a lease liability at the commencement date.

From FY 2079/80, SCT has transitioned from NAS-17 to NFRS-16 for accounting of leases. All previously classified operating leases are now recognized as right-of-use assets with corresponding lease liabilities.

SCT applies depreciation requirements of NAS 16, Property, Plant and Equipment, in depreciating the rightof-use asset and the lease term mentioned in the contract is taken as useful life for calculating the depreciation. ROU assets are depreciated using straight-line method from the commencement date to end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date discounted using the SCT's incremental borrowing rate. Subsequently, lease liability

is remeasured increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

SCT transitioned into NFRS 16 in accordance with the modified retrospective approach, therefore previous year comparative figures are not restated. Additionally, the definition of a lease under NAS 17 and its related interpretation has been retained.

Following assumptions are considered for the purpose of Nepal Financial Reporting Standards (NFRS) – 16: Lease.

Particulars	Rate	Assumption
Discount rate	10% P.A.	The company has no any borrowing. So, interest rate on fixed deposits is taken as discount rate.
Lease Tenure	11 Years	Agreement period of lease.

Lease Details

Lease Category	Lease Rental Expenses (NPR)	Lease End Date (In B.S.)	Increment Rate	Cancellation Notice Period
Rent – Panipokhari Office	3,512,520	2089.11.30	10% in every 2 years.	3 Months

3.7. Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when SCT becomes a party to the contract embodying the related financial instruments.

All financial assets and financial liabilities are initially measured at transaction cost, and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income statement) are added to or deducted from the fair value measured on initial recognition of a financial asset or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through income statement are immediately recognized in the income statement.

Financial assets

Financial assets include Fixed Deposit and Security Deposits. These are measured at Amortized cost whose objective is to collect Contractual Cash flow and Contractual Cash flow received in specified day includes interest and principal is classified at amortized Cost.

Financial assets and liabilities held at fair value through profit or loss

Financial assets whose objective/ business model is not to collect Contractual Cash flow but to gain from movement is fair value is classified at fair value through profit or loss. These includes investment in equity shares. Gain on movement of fair value is charged to statement of profit or loss.

3.7.1. Recognition / De- recognition

The company recognizes financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognizes changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognized when the right to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged or expired.

Realized gains and realized losses on de-recognition are determined and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's cost and disposal amount.

3.7.2. Measurement

a. Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the company measures a financial asset at its fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the company is the closing price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques.

b. Financial assets measured at Amortized cost

Financial assets at this category are measured initially at fair value plus transaction costs and subsequently amortized using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

Receivables may include amounts for dividends, interest and trade receivables. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(6) above.

Receivable are recognized and carried at amortized cost, less a provision for any uncollectable debts. An estimate for doubtful debt is made when collection of an amount is no longer probable.

Recoverability of receivable is reviewed on an ongoing basis at an individual portfolio level, Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

As at Ashad 31st, 2081

Financial Assets	Assets at fair value		Assets at amortised costs	TOTAL
	FVPL	FVTOCI		
Cash and Cash Equivalents	-	-	29,868,472	29,868,472
Financial Assets	-	-	51,588,933	51,588,933
Trade and Other Receivable	-	-	57,327,126	57,327,126
Total	-	-	138,784,531	138,784,531

Financial Liabilities	Liabilities at fair value		Liabilities at amortised costs	TOTAL
	FVPL	FVTOCI		
Employee Benefit Liabilities	-	-	1,765,458	1,765,458
Trade and Other Payables	-	-	57,900,386	57,900,386
Total	-	-	59,665,844	59,665,844

As at Ashad 31st, 2080

Financial Assets	Assets at fair value		Assets at amortised costs	TOTAL
	FVPL	FVTOCI		
Cash and Cash Equivalents	-	-	33,736,480	33,736,480
Financial Assets	-	-	79,319,203	79,319,203
Trade and Other Receivable	-	-	45,402,836	45,402,836
Total	-	-	158,458,519	158,458,519

Financial Liabilities	Liabilities at fair value		Liabilities at amortised costs	TOTAL
	FVPL	FVTOCI		
Employee Benefit Liabilities	-	-	1,381,656	1,381,656
Trade and Other Payables	-	-	43,127,061	43,127,061
Total	-	-	44,508,716	44,508,716

3.7.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Company Cash and Cash Equivalents includes cash at bank.

The carrying amount of cash and cash equivalents are representative of their fair values as at the respective reporting date.

Since, In Cash and Cash Equivalent includes Fixed Deposits more than 3 months are reclassified in Non-Current Financial Assets.

3.9. Trade and other receivables

Company's Trade Receivables that fall under the classification of financial instruments are carried at amortized costs and those other assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment.

The trade and other receivable are non-interest bearing.

The carrying amount of trade and other receivable approximate their fair values at the respective reporting dates.

The receivables that are to be settled within a year is classified as current assets and other are classified as non-current assets.

3.10. Prepaid expenses & advances

Company's Prepaid Expenses & Advances that fall under the classification of Financial Instruments are carried at amortized costs and those other assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment

The fair value of prepayments approximates their carrying value in the statement of financial position.

The prepayment that are to be settled within a year is classified as current assets and other are classified as non-current assets.

3.11. Share capital

Company has classified equity shares as Equity since there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Share Capital represents the nominal (par) value of ordinary equity shares that have been issued.

Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. According, all equity shares rank equally with regards to dividends and shares in the company's residual assets. The equity shares are entitled to receive dividend was declared from time to time.

3.12. Distributions

The distributions if any to shareholders are recognized in statement of change in equity. In FY 2080-81, the Board has not proposed any dividend.

3.13. Long term loan

The Long-term loans are carried at amortized cost using Effective Interest Rate. The Installments payable within 12 months from the date of the reporting period is classified as short-term loan under current liability. Company has no long-term Liability for Current Year.

3.14. Short-term loan

All kinds of Overdraft, Demand loan, working capital loan, trust receipt loan, cash credit, packing credit, Bills Discounted, force loan, the installments of long-term loan and other types of loan payable within 12 months from reporting date are categorized as short-term loan. Company has no Short-term Loan in this Current Period.

3.15. Trade and other payables

Non-financial liabilities are recorded and reported at cost based on legal and constructive obligation to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The trade and other payables are non-interest bearing.

The payables that are to be settled within a year is classified as current liabilities.

3.15.1. Accrual Staff Expenses

Accrual Expenses liabilities of NPR 345,726 relating to employees yet to be paid.

3.16. Provisions and contingencies

3.16.1. Provisions

A provision is a liability of uncertain timing or amount.

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of as past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made the amount of the obligation.

The amount Company recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its' carrying amount is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.16.2. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company: or the present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation: or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent asset is a probable asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

The company has a practice of holding third party blank ATM cards (Debit) on behalf of customers/clients at the company premises. Though, these cards were sold in the past years, it is still under the control of company for the purpose of printing of the cards as per the instruction of the customers. These cards are considered as contingencies for the company. The details of the ATM cards are as follows:

Particulars	Quantity (Pcs)
SCT UPI Co-branded Dual Interface Debit Cards (Blank Cards)	184,145

3.17. Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred taxes. Income tax is recognized as per "NAS 12 Income Taxes".

3.17.1. Current tax

Current Tax is measured as the amount expected to be paid to the Tax Authorities in accordance with the provision of Income Tax Act, 2058. The Company offsets, on a year-on-year basis, the current tax Assets and Liabilities, where it has a legally enforceable right and where it intends to settle such Assets and liabilities on a net basis. It is measured using tax rates enacted, or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset if certain criteria are met.

If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The tax liability of the company was amended by the Inland Revenue Department (IRD) for the fiscal year up to 2075/76. Since then, the company has been filing its Income Tax Returns through self-assessment for the periods following the amendment, up to the current fiscal year.

3.17.2. Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits and carried forward unused tax losses (if any), to the extent that it is probable that future taxable profits will be available against which they can be claimed. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they will be reversed, using tax rates enacted, or substantively enacted, at the reporting date.

Deferred tax income or expense relating to items recognized directly in equity or items not classified in the Statement of Profit or Loss is recognized in the Statement of Comprehensive Income.

3.18. Assets held for sale and discontinued operations

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available-for-sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

Company has not any assets which are recognized as assets held for sale and discontinued operations.

3.19. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

3.20. Operating Expenses

All the operating expenses that are directly related to generating revenue are classified as operating expenses.

3.21. Income from financial instruments at fair value

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Gains and losses arising from changes in the fair value through Other Comprehensive Income is charged to OCI. Once such selection is done the changes in fair value is also charged through Other Comprehensive Income unless the assets is derecognized. The gain or loss on disposal of financial instrument measure at fair value through OCI is recognized directly in equity.

Dividends on equity instruments are recognized in the statement of profit or loss within other income when the Company's right to receive payment is established.

Realized gain is the difference between the cost price and realized price on the sale of the shares after deducting the selling expenses.

Unrealized gain is the difference between the cost price and the closing market price available at the end of the reporting period or the latest trading price if the closing price as on the year end is not available.

Company has no interest-bearing financial instruments so, there is no income from financial instruments in current period.

3.22. Other income

All the incomes that are not qualified to be classified as revenue under IFRS 15 is treated as other income.

3.23. Administrative expenses

All the general administrative expenses are recognized when the benefit is received by the company and are not qualified to be classified as operating expenses.

3.24. Net finance cost

All the interest expenses against the loans and advances and the unwinding of discount on financial liabilities are calculated using effective interest rate method.

Interest income comprising of finance income includes interest received from bank.

Interest income is recognized in profit or loss for all financial instruments measured at amortized cost using the effective interest method.

Net finance cost represents the net off between the interest incomes and interest expenses.

3.25. Impairment

An asset (Tangible and Intangible) is impaired when it's carrying value exceeds its recoverable amount as per "NAS 36 Impairment of Assets". At the end of each reporting period, SCT reviews the carrying value of all assets recognized and assesses whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, SCT makes an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its

recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognized in the statement of profit and loss.

3.26. Employee benefits

3.26.1. Defined contribution plan

A defined contribution plan is a post-employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees. Employees are eligible for Employees' Provident Fund Contributions and Gratuity in accordance with the respective statutes and regulations.

Contributions to defined contribution plans are recognized as an expense in the statement of profit or loss as incurred.

The Company has not conducted an actuarial valuation for its employee benefit obligations, including defined benefit plans, in the current financial year. The management has assessed that the costs of obtaining an actuarial valuation outweigh the benefits, given the size and nature of the employee benefit obligations. The Company continues to recognize employee benefit expenses on an estimated basis in accordance with relevant accounting standards.

Employees' provident fund

The company has booked the liability of 10% of the basic salary of each employee as per the provisions of Labour Act, 2074 to be contributed to Employees' Provident Fund managed by government of Nepal.

Gratuity

The new Labour Act 2074 is applicable from Bhadra 19, 2074 which requires payment of minimum Gratuity of at least 8.33% of basic salary to all staff (equal to one-month salary per year). These benefits are treated as defined contribution plan and provided accordingly.

The company has booked the liability against gratuity of 8.33% of the basic salary of each employee as per the provisions of Labour Act, 2074.

3.26.2. Staff bonus

Staff bonus is provided as per the prevalent practices at Ten percent of accounting profit before staff bonus. The company is in loss so staff bonus has not been set aside.

3.27. Risk management

The company's activities are exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on ensuring compliance with the company's investment policy. It also seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance.

The Company uses different methods to measure and mitigate different types of risk to which it is exposed.

3.27.1. Technological Risk

The company is exposed to the technological risk. This risk generates from chances of technology being obsolete. The company has tried to mitigate this risk by making regular investment in new technology and product.

3.27.2. Market risk

Cash flow and fair value interest rate risk

The company is exposed to interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Company to fair value interest rate risk. The company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The company has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the company invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model.

3.27.3. Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the company is exposed arises from the company's investments in debt securities. However, there is no investment in debt securities.

The company's management monitor the status of the receivables in a periodical basis as per necessity. The Company can maximize the returns derived for the level of risk to which the Company is exposed.

3.27.4. Liquidity risk

Liquidity risk is the risk that the company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The company's principal source of liquidity are cash and cash equivalent and the cash flow that are generated from operations. The company believe that its working capital is sufficient to meet its requirements.

The company has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period.

The Management monitors the company's liquidity position on a regular basis.

3.27.5. Currency Risk

SCT maintains its business projections by analyzing past trend and future prospect of the market. Accordingly, it has developed long term strategy and plans for sustainability of its business. It also assesses interest rate volatility of the transaction specific foreign exchange risk.

3.28. Valuation hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. The Company recognizes transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Company adopts the Level 1 and Level 3 fair value hierarchy for the accounting.

3.28.1. Fair value of financial instruments held at amortized costs

The following table shows the carrying amounts and incorporates the Company's estimate of fair value of those financial assets and liabilities not presented on the Company's statement of financial position at fair value but presented at amortized cost.

Fair value of financial assets held at amortized cost

31st Ashadh 2081	Level 1	Level 2	Level 3
Cash and Cash Equivalents	29,868,472	-	-
Financial Assets (Security Deposits and Fixed Deposits)	51,588,933	-	-
Trade and Other Receivable	-	-	57,327,126
Total	81,457,405	-	57,327,126

31st Ashadh 2080	Level 1	Level 2	Level 3
Cash and Cash Equivalents	33,736,480	-	-
Financial Assets (Security Deposits and Fixed Deposits)	79,319,203	-	-
Trade and Other Receivable	-	-	45,402,836
Total	113,055,682	-	45,402,836

Fair value of financial liabilities held at amortized cost

31st Ashadh 2081	Level 1	Level 2	Level 3
Employee Benefit Liabilities	-	-	1,765,458
Trade and Other Payables	-	-	57,900,386
Total	-	-	59,665,844

31st Ashadh 2080	Level 1	Level 2	Level 3
Employee Benefit Liabilities	-	-	1,381,656
Trade and Other Payables	-	-	43,127,061
Total	-	-	44,508,716

3.28.2. Fair value Level 3 disclosures

The following sets out the basis of establishing fair values of amortized cost financial instruments. These are not generally traded and there is a significant level of management judgment involved in calculating the fair values.

Prepaid expenses & advances

These assets are generally with the residual maturity of less than one year. The impact of discounted cash flows of those assets with maturity period of more than one year is insignificant. Therefore, the fair value of other assets generally approximates the carrying amount.

Trade and other receivables

These assets are generally with the residual maturity of less than one year. The impact of discounted cash flows of those assets with maturity period of more than one year is insignificant. Therefore, the fair value of other assets generally approximates the carrying amount.

3.29. Cash flow statement

The Statement of Cash Flows, as per Nepal Accounting Standard (NAS 7), is a financial statement that provides a summary of an organization's cash inflows and outflows during a specific reporting period. Statement of Cash flows is prepared segregating the cash flows from operating, investing and financing activities. SCT has presented Cash flow from operating activities using indirect method.

Operating Activities: These are cash flows directly related to an entity's core business operations, including receipts and payments from activities such as sales and purchases of goods and services. It encompasses activities that are not classified as investing or financing activities.

Investing Activities: This category includes cash flows from the acquisition and disposal of long-term assets, such as property, equipment, and investments. It highlights the changes in an organization's investment portfolio and capital expenditures.

Financing Activities: Cash flows in this category result from transactions with the entity's owners and creditors. Examples include obtaining loans, issuing shares, and paying dividends. It reflects changes in the entity's capital structure.

3.30. Previous Year Figures

Figures in the financial statements are regrouped/re-arranged as necessary for better presentation of financial statements.

Reclassification in Statement of Financial Position as on 31st Ashad, 2081 (for previous period) as follows:

Particulars	Previously Reported Amount (Rs.) {A}	Regrouped Amount (Rs.) {B}	Diff. (Rs.) {B-A}	Reasons for reclassification
Non-Current Assets				
Property, plant and equipment's	79,448,887	64,294,290	(15,154,597)	Reclassification of assets group.
Intangible Assets	77,796,917	92,951,514	15,154,597	

Particulars	Previously Reported Amount (Rs.) {A}	Regrouped Amount (Rs.) {B}	Diff. (Rs.) {B-A}	Reasons for reclassification
Other Financial Assets	1,287,735	7,787,735	6,500,000	Fixed Deposits placed in BFIs having maturity more than 1 year has been transferred to other financial assets.

Particulars	Previously Reported Amount (Rs.) {A}	Regrouped Amount (Rs.) {B}	Difference (Rs.) {B-A}	Reasons for reclassification
<u>Current Assets</u>				
Cash and Cash Equivalents	110,236,480	33,736,480	(76,500,000)	Fixed Deposits placed in BFIs having maturity more than 3 months from the acquisition date has been separated under financial assets.
Other Financial Assets	1,531,468	71,531,468	70,000,000	Fixed Deposits placed in BFIs having maturity more than 3 months from the acquisition date has been transferred to other financial assets.

SMARTCHOICE TECHNOLOGIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT ASHADH 31, 2081 (JULY 15, 2024)

Particulars	Note	Amount in Rs.	
		As at Ashadh 31, 2081 (July 15, 2024)	As at Ashadh 31, 2080 (July 16, 2023)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4.1	57,230,952	64,294,290
Intangible assets	4.2	169,384,644	92,951,514
Right of Use Assets	4.3	21,877,989	24,121,886
WIP Projects	4.4	24,220,502	104,835,765
Financial Assets	4.5	1,588,933	7,787,735
Total non-current assets		274,303,021	293,991,191
CURRENT ASSETS			
Trade and other receivables	4.6	57,327,126	45,402,836
Current tax assets	4.7	22,879,692	21,341,206
Financial Assets	4.5	50,000,000	71,531,468
Cash and cash equivalents	4.8	29,868,472	33,736,480
Total current assets		160,075,290	172,011,989
TOTAL ASSETS		434,378,311	466,003,180
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4.9	500,000,000	500,000,000
Reserves and surplus	4.10	(151,828,733)	(132,591,516)
Total equity		348,171,267	367,408,484
NON-CURRENT LIABILITIES			
Deferred Tax Liability		2,947,081	29,371,191
Other Financial Liabilities	4.11	22,326,336	23,594,118
Total non-current liabilities		25,273,418	52,965,309
CURRENT LIABILITIES			
Other Financial Liabilities	4.11	1,267,781	1,120,671
Employee benefit liability	4.12	1,765,458	1,381,656
Trade and other payables	4.13	57,900,386	43,127,061
Current tax liabilities	4.7	-	-
Total current liabilities		60,933,625	45,629,388
TOTAL EQUITY AND LIABILITIES		434,378,311	466,003,180
Net-worth per share		69.63	73.48

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DIRECTOR

ROBIN KUMAR NEPAL
CHAIRMAN

DATE: 27 NOVEMBER 2024
PLACE: KATHMANDU

SMARTCHOICE TECHNOLOGIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED ASHADH 31, 2081 (JULY 15, 2024)

Particulars	Note	Amount in Rs.	
		For the year ended Ashadh 31, 2081 (July 15, 2024)	For the year ended Ashadh 31, 2080 (July 16, 2023)
Income			
Revenue From Operations	4.14	76,122,279	65,774,271
Other income	4.15	278,025	200,536
Total Income		76,400,304	65,974,807
Expenses			
Operating Expenses	4.16	36,075,150	33,948,845
Employee Benefit Expenses	4.17	38,199,559	37,918,939
Marketing Expenses	4.18	17,412,856	41,301,313
Administration Expenses	4.19	7,570,453	6,385,510
Foreign exchange(Gain)/ Loss		459,876	810,296
Depreciation and Amortization Expenses	4.20	26,201,087	21,813,296
Impairment on Assets	4.21	9,824	1,159,559
Total Expenses		125,928,804	143,337,757
Net Operating Profit/(Loss)		(49,528,500)	(77,362,950)
Non Operating Income/Expenses			
Finance Cost	4.22	2,391,849	803,919
Finance Income	4.23	6,259,022	15,425,403
Profit/(loss) before tax		(45,661,327)	(62,741,466)
Income tax expenses			
Current tax	4.24	-	89,808
Deferred tax expenses (income)	4.25	(26,424,110)	4,932,380
Profit/(loss) for the year		(19,237,217)	(67,763,653)
Gains /(losses) on re-measuring available for sale financial assets		-	-
Gain/(loss) on Actuarial valuation of defined benefit liability		-	-
Total other comprehensive income		-	-
Deferred tax income /(expense) (relating to components of other comprehensive income)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(19,237,217)	(67,763,653)
Earning Per Share			
Basic earning per share		(3.85)	(13.55)
Diluted earning per share		(3.85)	(13.55)

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SMARTCHOICE TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED ASHADH 31, 2081 (JULY 15, 2024)

Particulars	Amount in Rs.	
	For the year ended Ashadh 31, 2081 (July 15, 2024)	For the year ended Ashadh 31, 2080 (July 16, 2023)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(45,661,327)	(62,741,466)
Adjustments for :		
Depreciation and Amortization	26,201,087	21,813,296
Net unrealized foreign exchange loss (gain)	461,603	771,446
Impairment on Assets	9,824	1,159,559
Interest Expenses on lease liability	2,391,849	803,919
Gain on sale of non-current assets	(170,000)	(35,398)
Reversal of Impairment Provision	(69,060)	(92,660)
Operating profit before working capital changes	(16,836,025)	(38,321,304)
Adjustments for :		
(Increase)/Decrease in current assets	15,875,039	13,607,928
Increase/(Decrease) in current liabilities	14,695,525	3,394,752
Cash generated from operation	13,734,539	(21,318,624)
Income tax paid for Current Year	(1,538,486)	(3,192,851)
Net cash from operating activities	12,196,053	(24,511,475)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(733,435)	(24,227,367)
Purchase of intangible assets	-	(4,989,478)
Increase in Capital WIP	(11,988,107)	(19,936,736)
Proceeds from disposal of property, plant and equipment	170,000	35,398
Net cash generated from / (used in) investing activities	(12,551,543)	(49,118,182)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital	-	-
Lease Payment - Finance Cost	(2,391,849)	(186,570)
Lease Payment - Liability	(1,120,671)	(4,442,033)
Net cash generated from / (used in) financing activities	(3,512,520)	(4,628,603)
Net increase / (decrease) in cash and cash equivalents	(3,868,008)	(78,258,263)
	33,736,480	111,994,743
Cash and cash equivalents at the end of the year	29,868,472	33,736,480

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SMARTCHOICE TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ASHADH 31, 2081 (JULY 15, 2024)

Particulars	Equity and reserves			Amount in Rs.
	Share capital	Retained earnings	Advance for share capital	Total
Balance as at July 16, 2022 (Ashadh 32, 2079)	500,000,000	(63,762,131)	-	436,237,869
Lease Adjustment as per NFRS 16	-	(1,065,732)	-	(1,065,732)
Profit/(loss) for the year	-	(67,763,653)	-	(67,763,653)
Balance as at July 16, 2023 (Ashadh 31, 2080)	500,000,000	(132,591,516)	-	367,408,484
Profit/(loss) for the period	-	(19,237,217)	-	(19,237,217)
Balance as at July 15, 2024 (Ashadh 31, 2081)	500,000,000	(151,828,733)	-	348,171,267

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SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT

Amount in Rs.

Particulars	Leasehold Improvements	Office Equipment and Computers	Furniture and Fixtures	Vehicles	Plant and Machinery	Total
Cost						
At 16 July 2023	5,661,949	81,300,504	3,894,727	5,748,371	138,714,162	235,319,714
Opening Balance adjustment	-	(29,889,213)	-	-	(197,812)	(30,087,025)
Restated Balance as at 16 July 2023	5,661,949	51,411,291	3,894,727	5,748,371	138,516,350	205,232,688
Additions	-	190,435	-	-	543,000	733,435
Adjustment/written off	-	(12,109)	-	-	-	(12,109)
Disposals	-	-	-	-	-	-
At 15 July 2024	5,661,949	51,589,617	3,894,727	5,748,371	139,059,350	205,954,015
Accumulated Depreciation						
At 16 July 2023	8,997	63,014,762	3,454,723	2,752,704	86,639,641	155,870,826
Opening Balance adjustment	-	(14,756,298)	-	-	(176,130)	(14,932,428)
Restated Balance as at 16 July 2023	8,997	48,258,464	3,454,723	2,752,704	86,463,511	140,938,398
Additions	566,350	1,173,591	148,993	973,658	4,924,358	7,786,950
Adjustment/written off	-	(2,285)	-	-	-	(2,285)
Disposals	-	-	-	-	-	-
At 15 July 2024	575,347	49,429,770	3,603,716	3,726,362	91,387,869	148,723,063
Net Book Value						
At 16 July 2023	5,652,953	3,152,827	440,004	2,995,667	52,052,840	64,294,290
At 15 July 2024	5,086,602	2,159,848	291,011	2,022,009	47,671,481	57,230,952

NOTE 4.2: INTANGIBLE ASSETS

Particulars	Intangible Assets	Total
Cost		
At 16 July 2023	135,298,943	135,298,943
Opening Balance Adjustment	30,087,025	30,087,025
Restated Balance as at 16 July 2023	165,385,968	165,385,968
Additions	92,603,370	92,603,370
Adjustment/written off	-	-
Disposals	-	-
At 15 July 2024	257,989,339	257,989,339
Accumulated Amortization		
At 16 July 2023	57,502,025	57,502,025
Opening Balance Adjustment	14,932,428	14,932,428
Restated Balance as at 16 July 2023	72,434,454	72,434,454
Additions	16,170,240	16,170,240
Adjustment/written off	-	-
Disposals	-	-
At 15 July 2024	88,604,694	88,604,694
Net Book Value		
At 16 July 2023	92,951,514	92,951,514
At 15 July 2024	169,384,644	169,384,644

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4.3: RIGHT OF USE (ROU) ASSETS

Amount in Rs.

<i>Particulars</i>	<i>Right of Use Asset - Baluwatar Office</i>	<i>Right of Use Asset - Panipokhari Office</i>	<i>Right of Use Asset - Total</i>
Cost			
At 16 July 2023	3,376,301	24,682,860	28,059,161
Additions	-	-	-
Adjustment/written off	-	-	-
Disposals	(3,376,301)	-	(3,376,301)
At 15 July 2024	-	24,682,860	24,682,860
Accumulated Amortization			
At 16 July 2023	3,376,301	560,974	3,937,275
Additions	-	2,243,896	2,243,896
Adjustment/written off	-	-	-
Disposals	(3,376,301)	-	(3,376,301)
At 15 July 2024	-	2,804,870	2,804,870
Net Book Value			
At 16 July 2023	-	24,121,886	24,121,886
At 15 July 2024	-	21,877,989	21,877,989

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>Particulars</i>	<i>Amount in Rs.</i>	
	<i>As at Ashadh 31, 2081 (July 15, 2024)</i>	<i>As at Ashadh 31, 2080 (July 16, 2023)</i>
NOTE 4.4: WIP PROJECTS		
Capital WIP	24,220,502	104,835,765
Total	24,220,502	104,835,765
NOTE 4.5: FINANCIAL ASSETS		
NON-CURRENT		
Security Deposits	1,288,933	1,287,735
Fixed Deposits	300,000	6,500,000
CURRENT		
LC/TT Margin	-	1,531,468
Fixed Deposits	50,000,000	70,000,000
Total	51,588,933	79,319,203
NOTE 4.6: TRADE AND OTHER RECEIVABLES		
Staff Advances	23,693	37,366
Sundry debtors and receivables	500,010	550,010
Work Advance	34,344,298	34,344,298
Bills receivables	17,263,150	15,654,495
Expenses in Advance	1,279,734	-
VAT Receivables	15,369,888	19,812,160
Prepaid Expenses	5,318,956	5,278,134
Other Advance	69,604	813,750
Custom Margin	3,966,000	5,566,000
Other Receivables	15,448,214	322,103
Less: Provision for Impairment Loss (Receivables)	(36,256,421)	(36,975,481)
Total	57,327,126	45,402,836
NOTE 4.7: CURRENT TAX ASSETS		
Advance Tax Deposits	22,879,692	21,341,206
Less: Current Tax Liabilities	-	-
Total	22,879,692	21,341,206

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>Particulars</i>	<i>Amount in Rs.</i>	
	<i>As at Ashadh 31, 2081 (July 15, 2024)</i>	<i>As at Ashadh 31, 2080 (July 16, 2023)</i>
NOTE 4.8: CASH & CASH EQUIVALENTS		
Cash balance	31,350	21,350
Balances with banks	29,837,122	33,715,130
Total	29,868,472	33,736,480
NOTE 4.9: SHARE CAPITAL		
Authorized		
10,000,000 Ordinary Share of Rs. 100 each (Previously 50,00,000 Ordinary Share of Rs. 100 each)	1,000,000,000	500,000,000
Issued		
65,00,000 Ordinary Share of Rs. 100 each (Previously 50,00,000 Ordinary Share of Rs. 100 each)	650,000,000	500,000,000
Subscribed		
50,00,000 Ordinary Share of Rs. 100 each	500,000,000	500,000,000
Paid - Up		
50,00,000 Ordinary Share of Rs. 100 each	500,000,000	500,000,000
Total	500,000,000	500,000,000
NOTE 4.9.1: RECONCILIATION OF NUMBER OF SHARES		
Ordinary Shares as at the beginning of the year	5,000,000	5,000,000
Add: Issuance of shares	-	-
Ordinary Shares as at the end of the year	5,000,000	5,000,000

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

<i>Particulars</i>	<i>As at Ashadh 31, 2081 (July 15, 2024)</i>	<i>As at Ashadh 31, 2080 (July 16, 2023)</i>
NOTE 4.10: RESERVES AND SURPLUS		
Retained earnings		
Opening Balance	(132,591,516)	(63,762,131)
Lease Adjustment as per NFRS 16	-	(1,065,732)
Profit (Loss) for the year	(19,237,217)	(67,763,653)
Total	(151,828,733)	(132,591,516)
NOTE 4.11: OTHER FINANCIAL LIABILITIES		
Lease Liability as on 31 Ashad, 2080	24,714,789	24,682,860
Add: Finance Cost	2,391,849	617,350
Less: Rental Payments	(3,512,520)	(585,420)
Lease Liability as on 31 Ashad, 2081	23,594,117	24,714,789
Segregation of Liabilities into:		
Non Current		
Lease Liability	22,326,336	23,594,118
Current		
Lease Liability	1,267,781	1,120,671
Total	23,594,117	24,714,789
NOTE 4.12: EMPLOYEE BENEFIT LIABILITY		
Provident fund payable	445,483	537,153
Gratuity payable	147,294	215,035
Salary payable	24,854	24,854
Leave payable	1,147,827	604,613
Total	1,765,458	1,381,656
NOTE 4.13: TRADE AND OTHER PAYABLE		
Sundry Creditors	41,518,797	34,640,726
TDS payable	925,503	1,270,625
Audit fee payable	371,225	270,875
Expenses payable	2,991,159	898,720
Royalty payable	997,330	1,013,694
Prepaid revenue	2,221,627	2,149,005
Advance from customers	28	1,514,432
Other payable	8,528,990	496,380
Accrual staff expenses	345,726	345,726
Rent payable	-	526,878
Total	57,900,386	43,127,061

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>Particulars</i>	<i>Amount in Rs.</i>	
	<i>For the year ended Ashadh 31, 2081 (July 15, 2024)</i>	<i>For the year ended Ashadh 31, 2080 (July 16, 2023)</i>
NOTE 4.14: REVENUE FROM OPERATIONS		
Sale/Revenue	19,342,822	32,697,129
Annual Subscription Fee	4,996,971	5,408,337
One Time Joining Fee	50,000	625,000
Card Renewal Fee	7,272,257	4,908,585
Connectivity Fee	2,217,646	2,297,040
AMC Hardware	35,407	40,000
Atm Switching Fee	2,104,000	2,497,629
Bin Registration Fee	-	30,000
Incentive Income	27,251,102	13,371,670
Transaction Fee (Other Network)	1,375,019	112,345
Income from Smart-Banking	11,477,056	3,786,536
Total	76,122,279	65,774,271
NOTE 4.15: OTHER INCOME		
Reversal of impairment provision	69,060	92,660
Gain on sale of non-current assets	170,000	35,398
Other income	38,965	72,477
Total	278,025	200,536
NOTE 4.16: OPERATING EXPENSES		
Purchase ATM cards	8,567,500	16,911,276
Annual Subscription Charge	7,850,010	4,619,620
PCI-DSS Audit Fee	587,091	-
Lease Line Cable & Fiber Networking Charge	168,000	168,000
Connectivity Fee	974,333	922,743
SMS Cost	164,655	356,440
Dispute Resolution Fees	71,438	74,393
Service Fee-UPI Connectivity	1,597,174	1,634,755
Penetration Testing	265,487	265,487
Location Charge	1,169,378	870,000
Royalty Fee	4,404,592	4,718,243
Smart-banking commission	10,255,492	3,407,888
Total	36,075,150	33,948,845

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>Particulars</i>	<i>Amount in Rs.</i>	
	<i>For the year ended Ashadh 31, 2081 (July 15, 2024)</i>	<i>For the year ended Ashadh 31, 2080 (July 16, 2023)</i>
NOTE 4.17: EMPLOYEE BENEFIT EXPENSES		
Staff Salary And Allowance Expenses	32,604,020	39,750,719
Gratuity Expenses	1,856,347	5,122,882
Provident Fund Contribution	2,228,508	2,642,821
Mesh Expenses	143,800	191,400
Leave Encashment Expenses	1,162,693	603,613
Staff Welfare	204,190	486,696
Less: Capitalization - Product Development	-	(10,879,193)
Total	38,199,559	37,918,939
NOTE 4.18: MARKETING EXPENSES		
Advertisement	16,307	95,326
Incentive Expenses	2,330,412	782,394
Product Promotion and Marketing Expenses - Free Card	9,612,644	9,354,915
Product Promotion and Marketing Expenses - Campaign Cost	5,453,493	31,068,678
Total	17,412,856	41,301,313
NOTE 4.19: ADMINISTRATION EXPENSES		
AGM Expenses	-	39,250
Due Diligence Audit Fee	-	262,500
Statutory Audit Fee	185,000	185,000
Internal Audit Fee	180,000	180,000
Audit Expense	49,762	40,129
Bank Commission & Charges	290,638	313,047
Cleaning Supply	82,667	100,998
Microsoft 365 license cost	-	51,543
Communication Expenses	112,184	135,336
Consultancy Fee	-	92,500
Electric Expenses	12,400	11,850
Electricity Fee	1,320,192	1,312,874
Fuel & Lubricants	480,739	539,476
Insurance Premium	747,779	660,324
Meeting Allowance	620,000	670,000
Training Expenses	477,108	-
Miscellaneous Expenses	27,685	11,717
Office Expenses	71,817	-
Bid Bond Purchase Expenses	-	10,000
Meeting Expenses	4,260	-
Fine and Penalty	500	-
Postage & Courier	56,994	62,592
Printing & Stationery	446,983	236,185
Guest Refreshment	135,895	34,754
Rate & Tax Expenses	40,350	54,710
Registration & Renewal Expenses	58,240	183,890
Repairs & Maintenance	323,609	205,488
Travelling and Conveyance Expenses	546,600	158,973
Security Guards	797,330	700,259
Outsourcing Cost	464,000	-
Water Expenses	37,720	65,195

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<i>Particulars</i>	<i>Amount in Rs.</i>	
	<i>For the year ended Ashadh 31, 2081 (July 15, 2024)</i>	<i>For the year ended Ashadh 31, 2080 (July 16, 2023)</i>
Membership and Subscription Fees	-	46,535
Seasonal Daily Wages	-	20,385
Total	7,570,453	6,385,510
NOTE 4.20: DEPRECIATION AND AMOTIZATION EXPENSES		
Depreciation on Tangible Assets	7,786,950	9,610,282
Amortization on In-Tangible Assets	16,170,240	8,265,738
Depreciation on Right of Use (ROU) Assets	2,243,896	3,937,275
Total	26,201,087	21,813,296
NOTE 4.21: IMPAIRMENT EXPENSES		
On Leasehold Assets (Non-Current)	9,824	509,559
On Current Assets	-	650,000
Total	9,824	1,159,559
NOTE 4.22: FINANCE COST		
Finane Cost on Lease liability - Panipokhari Office	2,391,849	617,350
Finane Cost on Lease liability - Baluwatar Office	-	186,570
Total	2,391,849	803,919
NOTE 4.23: FINANCE INCOME		
Interest income	6,259,022	15,425,403
Total	6,259,022	15,425,403
NOTE 4.24: TAX EXPENSES		
A. AMOUNT RECOGNISED IN PROFIT OR LOSS		
Current tax		
Income tax for the year	-	-
Income tax related to previous years	-	89,808
Total current tax	-	89,808

SMARTCHOICE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4.25: CALCULATION OF DEFERRED TAX (ASSETS)/LIABILITY

Particulars	Carrying Amount (Rs.)	Restatement (Rs.)	Restated Carrying Amount (Rs.)	Tax Base (Rs.)	Temporary Diff (Rs.)
Deferred Tax					
As on 2080.04.01					
Property, Plant & Equipments	184,284,653	(15,154,597)	169,130,056	85,661,313	83,468,743
Intangible Assets	77,796,917	15,154,597	92,951,514	58,342,590	34,608,924
Right of Use Assets	24,121,886	-	24,121,886	-	24,121,886
Lease Liabilities	(24,714,789)	-	(24,714,789)	-	(24,714,789)
Total	261,488,667	-	261,488,667	144,003,903	117,484,764
Deferred Tax Asset/Liability as on 2080.04.01 (Tax Rate 25%)					29,371,191
s Deferred Tax					
As on 2081.03.31					
Property, Plant & Equipments	57,230,952	-	57,230,952	72,233,278	(15,002,326)
Intangible Assets	169,384,644	-	169,384,644	140,877,865	28,506,779
Right of Use Assets	21,877,989	-	21,877,989	-	21,877,989
Lease Liabilities	(23,594,117)	-	(23,594,117)	-	(23,594,117)
Total	224,899,469	-	224,899,469	213,111,143	11,788,326
Deferred Tax Asset/Liability as on 2081.03.31 (Tax Rate 25%)					2,947,081
Deferred Tax Expenses/(Income) FY 2080-81					(26,424,110)
Deferred Tax Expenses/(Income)-PL					(26,424,110)

4.26 Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is charged.

The Company identifies following as the related parties under the requirements of NAS 24.

- i) Shareholders having shareholding of 1% or more during the year.
- ii) Companies represented by the Directors.
- iii) Directors of the Company and their close family members if any
- iv) Key Managerial Personnel and their close family members if any

The details of transactions with related party are given in table below;

➤ With Board Members and Shareholders

S.N.	Directors	Relationship	Amount	Nature
1	Mr. Robin Kumar Nepal	Chairperson	10,000	Meeting Allowance
2	Mr. Suman Pokharel	Director	80,000	Meeting Allowance
3	Mr. Subash Gyawali	Director	90,000	Meeting Allowance
4	Ms. Rashmi Pant	Director	120,000	Meeting Allowance
5	Mr. Manoj Dumaru Shrestha	Director	50,000	Meeting Allowance
6	Mr. Praveen Regmi	Director	30,000	Meeting Allowance
7	Mr. Khilendra Poudel	Director till 2080.05.05	10,000	Meeting Allowance
8	Mr. Ritesh Lamichhane	Director till 2080.08.26	30,000	Meeting Allowance
9	Mr. Shanta Raj Batas	Independent Director till 2081.01.17	40,000	Meeting Allowance
10	Mr. Mrigendra Pradhan	Director till 2080.12.08	40,000	Meeting Allowance
11	Mr. Bikash Kumar Nahata	Director till 2080.12.25	70,000	Meeting Allowance
12	Mr. Bipin Thapa	Director till 2081.04.13	50,000	Meeting Allowance
13	Prabhu Bank Limited	Shareholder and Member Bank	1,056,363	Sale of Goods and Services.
14	Himalayan Bank Limited	Shareholder and Member Bank	226,000	Sale of Goods and Services.
15	Green Development Bank Limited	Shareholder and Member Bank	399,607	Sale of Goods and Services.
16	Global IME Bank Limited	Shareholder and Member Bank	14,901,373	Sale of Goods and Services.
17	Kamana Sewa Bikas Bank Limited	Shareholder and Member Bank	113,000	Sale of Goods and Services.
18	Prabhu Bank Limited	Shareholder and Member Bank	30,510	Interest Income on deposits.
19	Kamana Sewa Bikas Bank Limited	Shareholder and Member Bank	2,631,133	Interest Income on deposits.
20	Shangri-La Development Bank Limited	Shareholder and Member Bank	1,588,400	Interest Income on deposits.

21	Global IME Bank Limited	Shareholder and Member Bank	1,363,791	Interest Income on deposits.
22	Swift Technology Pvt. Ltd.	Group Companies	11,588,705	Smart Banking commission sharing
	Total		34,518,882	

➤ **With Key Management Personnel**

S.N.	Name	Designation	Amount	Remarks
1	Mr. Narayan Prakash Bhuju	Chief Executive Officer	6,403,876	Other Benefits: Vehicle facility with fuel.

There have been no payment or transactions with the close family member of the directors and key managerial personnel.

4.27 Events after reporting period

The company monitors and assess events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that has occurred subsequent to 31st Ashad 2081 till the signing of this financial statement other than changes in Chief Executive Officer as follows:

At 31 st Ashad, 2081		Financial Statements approval dated 12 th Magsir, 2081	
Robin Kumar Nepal	Chairperson	Robin Kumar Nepal	Chairperson
Suman Pokharel	Director	Suman Pokharel	Director
Rashmi Pant	Director	Rashmi Pant	Director
Manoj Dumar Shrestha	Director	Manoj Dumar Shrestha	Director
Praveen Regmi	Director	Praveen Regmi	Director
Subhas Gyawali	Director	Subhas Gyawali	Director
Narayan Prakash Bhuju	Chief Executive Officer	Manoj Ghimire	Chief Executive Officer

4.28 Impairment

During the year, there has been a reversal of impairment amounting to NRs. 69,060/- against impairment done on FY 2076/77 for receivables. Reconciliation of impairment provision is as follows:

Particulars	Amount (Rs.)
Opening Balance of Provision for Impairment Loss – Receivables	36,975,481
<u>Adjustments</u>	
a. Amount (reversal of impairment provision) recovered and adjustment from provisioned amount	(69,060)
b. Impairment provision of Receivables written off	(650,000)
Closing Balance of Provision for Impairment Loss - Receivables	36,256,421

Date: 27th November, 2024

Place: Kathmandu



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भारतका NPCI मा आवद्ध बैंकहरू
बाट पैसा निकाल्न सकिने



Online Shopping तथा
E-Commerce मा
भुक्तानी गर्न मिल्ने



बहुत् पहुँच



सुरक्षित



नगद रहित



भरपर्दो

