

## PKF Nepal Updates

### New staff welcomed to PKF Nepal

PKF Nepal welcomes Anugya Tamang, Sabik Aryal, Saurabh Bhusan Shrestha, Aliza Paneru, Swastika Khatri, Sarbesh Ghimire, Bipen GC, Swikar khatiwada and Sabin Dhakal to the PKF family.

### Staff leaving PKF Nepal

PKF Nepal extends farewell to PKF family members viz. Rudra Kant Jha and Sushmita Neupane who have decided to move on for career enhancement with other entities. PKF Nepal expresses gratitude for their valuable contribution to the firm.

### Birthdays

PKF Nepal extends birthday wishes to PKF family members viz. Pradeep Kc, Asmita Sitoula, Anjila Shrestha, Mahesh Kafle, Ria Sharma, Abhishek Kumar Karn, Shivam Rauniyar, Swikar Khatiwada and Kailash Raj Pandeya whose birthdays were in February.



Celebration of birthdays at PKF Premises

### Qualified CAs/ACCAs

PKF Nepal cordially extends felicitation to Ms Pratibha Dhungana on qualifying ACCA and Ms Asmita Sitoula on qualifying CA and wishes them further success in the future.



Asmita Sitoula, CA



Pratibha Dhungana, ACCA

## Updates

### Notices issued by NRB

#### Amendment in Unified Directive, 2078 issued to “A”, “B” and “C” class BFIs

##### Directive 2/078

**Clause 1A (2e):** For the purpose of loan disbursed exceeding the Debt to Equity ratio of 80:20, any firm, company, or organization shall include in the equity, only those assets, revalued in full compliance with the accounting standards related to the asset revaluation.

**Clause 8 (4):** Existence of any of the following conditions shall be considered that the borrower's ability to pay the debt has decreased:

- If loan installments or interest are not paid on the scheduled time due to a decrease in income as a result of short-term reasons such as Cost Overrun, Time Overrun and Cash flow Mismatch.
- Even if loan installments or interest are paid in a fixed schedule, if there is a situation where the future installments or interest of the borrower cannot be paid in the fixed schedule due to adverse external conditions or any other reasons.
- If the borrower Company is delisted or in the process of delisting by the Nepal Stock Exchange Ltd.
- If the borrower's actual financial condition or estimated financial condition is not sufficient for the payment of the loan installments or interest.

**Clause 9 (1):** For the loans and bills purchase classified as per this directive, the minimum loan loss provisions on the basis of the outstanding principal amount for pass loan have been increased to 1.3% from 1%.

**Clause 9 (4):** (a) At the time of restructuring and/or rescheduling the performing loans, if the restructuring and/or rescheduling is done in compliance with all the following conditions, a minimum of 12.5% loan loss provision should be maintained:

- Restructuring and/or rescheduling is done for the first time.
- If restructuring and/or rescheduling is done with the provision of equal installments payments.
- If the loan is restructured and/or rescheduled for a maximum grace period of one year.

(b) At the time of restructuring and/or rescheduling the performing loans, if the restructuring and/or rescheduling is done in cases other than mentioned in point no. (a) above, a minimum of 25% loan loss provision should be maintained. While restructuring and/or rescheduling the loans that had been classified as sub-standard, doubtful and bad, the previously maintained loan loss provision shall be maintained. The loan loss provision maintained in the restructured and/or rescheduled loans shall not be adjusted except in cases where the loans have been regular for consecutive 2 years.

**Clause 12 (3):** As per the Bank's directive, the borrower and the parties related to the loan must have been blacklisted in Credit Information Center Ltd.

However, while writing off the loan of the amount up to NPR 2 lakh under the provision of sub-clause (1), provision under sub-clause 2(b), 2(c), and this provision shall not be mandatory.

**Directive 5/078 clause 4(12):** Licensed BFIs shall only accept audit reports with Unique Document Identification Number (UDIN). It should be clearly mentioned in the loan file that the reports submitted from UDIN portal on the website of the Institute of Chartered Accountants of Nepal has been verified to be correct.

For detail notice [click here](#).

## **Amendment and addition in Unified Directive, 2078 issued to “A”, “B” and “C” class BFIs**

**Directive 2/078 clause 44:** Penal Interest shall not be charged if the borrower pays the loan principal/interest liability within 30 days from the due date of payment. This provision shall be applicable only to the principal/interest for which repayment is due by the end of Jestha 2080 B.S. However, if any borrower does not pay the loan principal/interest within this period, this provision shall not be considered a hindrance for charging the penal interest for the entire period exceeding the original due date as per the predetermined conditions.

**Directive 14/078 clause 3(b):** In emergency holidays announced by the government apart from the list of bank holidays issued by NRB, the licensed BFIs shall make required arrangements to open its necessary departments and offices from 10 AM to 1 PM to provide essential banking services including cash transactions, cheque clearing, RTGS, etc.

**Directive 21/078 clause 29:** Removed.

For notice [click here](#).

## **Amendment and addition in Unified Directive, 2078 issued to “D” class BFIs**

**Directive 1/078 clause 13:** If dividends (cash or bonus) is proposed to be distributed in excess of 15% annually, 50% of such proposed dividend exceeding 15 percent shall be deposited in General Reserve Fund.

**Directive 15/078 clause 2:** The minimum interest rate of deposits/savings shall be set at least 50 percent of the maximum interest rate of the loan provided by Microfinance Financial Institutions.

For notice [click here](#).

## **Amendment in Unified Directive, 2078 issued to the licensed Infrastructure Development Bank**

**Directive 16 clause 1c:** The infrastructure development bank shall not open any type of domestic deposit account with any other BFIs licensed by the bank or any institution having deposit related transactions to earn interest.

However, this provision shall not be a restriction for infrastructure development bank to deposit in banks and financial institutions through competition upto 4 years from the date of commencement of operation of infrastructure development bank, every type of resources and resources collected except the deposits, up to 75% of collected resources in the year of collection, up to 50% in the second year and upto 25% in the third year, not exceeding NPR 1 billion in every institution.

For notice [click here](#).

## **Notices issued by IRD**

### **Notice regarding IRD Approved Billing Softwares**

IRD has issued the updated list of IRD approved software up to 15<sup>th</sup> Falgun, 2079 as per Electronic Billing Directive, 2074. For notice [click here](#).

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