



लेखामान बोर्ड

Accounting Standards Board

Formed by the Government of Nepal under
the Nepal Chartered Accountants Act, 1997

ANNUAL REPORT

Financial Year 2080/81

(2023/24)

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ABBREVIATIONS

AASB	Australian Accounting Standards Board
ACAN	Association of Chartered Accountants of Nepal
AOSSG	Asian-Oceanian Standard-Setters Group
ASB	Accounting Standards Board
AUDAN	Auditors Association of Nepal
CA	Chartered Accountant
EEG	Emerging Economies Group
FCA	Fellow Chartered Accountant
IASB	International Accounting Standards Board
ICAN	Institute of Chartered Accountants of Nepal
IFASS	International Forum of Accounting Standards Setters
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISSB	International Sustainability Standards Board
KASB	Korean Accounting Standards Board
MCA	Mutual Collaboration Activities
MEs	Micro Entities
MoU	Memorandum of Understanding
NAS	Nepal Accounting Standards
NFRS	Nepal Financial Reporting Standards
NIA	Nepal Insurance Authority
NPSAS	Nepal Public Sector Accounting Standards
NSRS	Nepal Sustainability Reporting Standards
RA	Registered Auditor
SEBON	Securities Board of Nepal
SMEs	Small & Medium-sized Entities

ASB Nepal (7th Term)



Chair, Prakash Jung Thapa, FCA
(From 2078.06.24 to 2081.06.23)

Board Member (Representative, Ministry of Finance)



Mr. Gyanendra Raj Ojha
(From 2078.08.20 to 2081.05.30)

Board Member (Representative, Office of the Auditor General)



CA. Chandra Kanta Bhandari
(From 2077.03.25 to Present)

Board Member (Representative, Financial Comptroller General Office)



Mr. Yogesh Parajuli
(From 2081.01.07 to Present)



Mr. Om Prasad Rijal
(From 2080.10.18 to 2081.01.06)



Mr. Gayatri Raman Khanal
(From 2079.11.05 to 2080.10.17)

Board Member (Company Registrar, Office of the Company Registrar)



Mr. Pradip Raj Adhikari
(From 2081.03.05 to Present)



Mr. Dipak Kumar Pahadi
(From 2080.08.20 to 2081.03.04)



Mr. Mahesh Baral
(From 2079.10.05 to 2080.08.19)

Continued >>

Board Member (Director General, Inland Revenue Department)



Mr. Ram Prasad Acharya
(From 2081.05.04 to Present)



Mr. Shiva Lal Tiwari
(From 2080.12.18 to 2081.05.03)



Mr. Bhupal Baral
(From 2080.10.20 to 2080.12.17)



Mr. Dirgha Raj Mainali
(From 2079.08.13 to 2080.10.19)

Board Member (Chairman, Securities Board of Nepal)



Mr. Mahesh Baral
(From 2081.04.03 to Present)



Dr. Navaraj Adhikari
(From 2081.03.19 to 2081.04.02)



Mr. Ramesh Hamal
(From 2079.08.13 to 2080.10.20)

Board Members (Nominated by the Government of Nepal on the recommendation of ICAN's Council)



Mr. Prabin Dhoj Joshi, FCA
(From 2078.06.24 to 2081.06.23)



Mr. Sanjay K. Sihna, FCA
(From 2078.06.24 to 2081.06.23)



Mr. Manish Raj Upreti, FCA
(From 2078.06.24 to 2081.06.23)



Mr. Badri K. Guragain, FCA
(From 2078.06.24 to 2081.06.23)



Mr. Arun Raut, FCA
(From 2078.06.24 to 2081.06.23)



Mr. Dol Psd. Dahal, RA
(From 2078.06.24 to 2081.06.23)

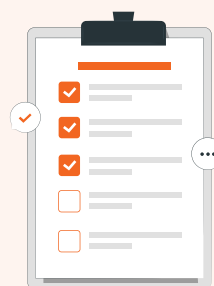
About Us

Introduction

Accounting Standards Board (ASB or the Board) Nepal was formed by the Government of Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) 15ka incorporating the provision for its establishment and operation. The ASB Nepal has been formed with the responsibility to formulate accounting standards for the preparation and presentation of financial statements in Nepal. The ASB Nepal is primarily responsible for setting accounting standards for business enterprises in line with the International Financial Reporting Standards (IFRSs). The Board is also responsible to issue interpretations of NFRSs.



Since 2007, Government of Nepal has also entrusted ASB Nepal with the responsibility to develop accounting standards for public sector in line with the International Public Sector Accounting Standards (IPSASS) and the Board prepared Nepal Public Sector Accounting Standards (NPSAS) 2007, which was implemented from August 15, 2009 (2066/05/30) as per the decision of Government of Nepal. Recently, on the request of the Financial Comptroller of General Office (FCGO), ASB Nepal prepared the Draft of Nepal Public Sector Accounting Standards (NPSAS) for the public sector in line with IPSAS 2017 cash basis. Revised Nepal Public Sector Accounting Standards (NPSAS) has been approved by the Government of Nepal on 2079 Mangsir 20.



Accounting Standards Board, Nepal has so far set and issued following standards & guideline/guidance notes.

- Nepal Financial Reporting Standards (NFRSs) 2024 [NEW]
- Nepal Financial Reporting Standards (NFRSs) 2018
- Nepal Financial Reporting Standards (NFRSs) 2013
- Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRSs for SMEs) 2017
- Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018
- Nepal Accounting Standards for Not for Profit Organizations (NAS for NPOs) 2018
- Implementation Guidelines of NFRS 2013 on Impacts of COVID-19
- Application Guidance Notes based on NFRS 2013

Objectives of the Board

The objective of the Board is to formulate accounting standards in line with IAS/IFRS issued by IASB. The Board has full discretion in developing and pursuing the technical agenda for setting Accounting Standards in Nepal.



Board Formation by the Government of Nepal

The Government of Nepal formed the Accounting Standards Board, Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants of Nepal Act, 1997 (first amendment 2002) incorporating the provision for its establishment and operation. ASB Nepal consists of following 13 Members comprising a Chairman & Members: under the section 15 ka (2).

Chair : Fellow Chartered Accountant (FCA) [Appointed by the Government of Nepal]

Member : Representative of the Ministry of Finance

Member : Representative of Office of the Auditor General

Member : Representative of Financial Comptroller General Office

Member : Company Registrar of Office of the Company Registrar

Member : Director General of Inland Revenue Department

Member : Chairman of the Securities Board of Nepal

Members : Five Chartered Accountants (CA) & One Registered Auditor (RA)

[Nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal's Council].



Committees

1. Advisory Committee

An advisory committee consisting of the former Chairman of the Board is formed. Its major role is to provide guidance to the Board and provide the right direction to the board for standard developments and other activities.

#	Name	Designation
1	Mr. Prakash Jung Thapa, FCA, Chair	Coordinator
2	Mr. Madan Krishna Sharma, FCA, Past Chairman	Member
3	Mr. Pradeep Kumar Shrestha, FCA, Past Chairman	Member
4	Mr. Narayan Bajaj, FCA, Past Chairman	Member
5	Mr. Narendra Bhattarai, FCA, Past Chairman	Member
6	Mr. Mahesh Khanal, FCA, Past Chairman	Member

2. Nepal Sustainability Reporting Standards (NSRS) Development Committee

The Nepal Sustainability Reporting Standards (NSRS) Development Committee is formed to prepare Nepal Sustainability Reporting Standards (NSRS) for Nepal as per the IFRS Sustainability Disclosure Standards issued by IFRS/International Sustainability Standards Board.

#	Name	Designation
1	Mr. Prakash Jung Thapa, FCA	Coordinator
2	Mr. Manish Raj Upreti, FCA	Member
3	Mr. Keshab Kumar Uprety	Member
4	Mrs. Nirmala Thapa	Member
5	Mr. Prabin Kumar Jha, FCA	Member
6	Mr. Rajan Dev Bhattarai, FCA	Member
7	Mr. Muktinath Shrestha	Member
8	Mr. Pradip Raj Adhikari	Member
9	Mr. Gokarna Dawadi	Member
10	Mr. Raju Raman Paudel	Member
11	Expert	Member

2. Standard Development Amendment and Revision Technical Committee

The Standards Development Amendment and Revision Technical Committee prepares action plans and strategies for developing and revising Nepal Accounting Standards and Nepal Financial Reporting Standards based on International Reporting Standards.

#	Name	Designation
1	Mr. Shashi Satyal, FCA	Coordinator
2	Mr. Chandra Kanta Bhandari, FCA	Member
3	Board Member (Chairman, Securities Board of Nepal)	Member
4	Mr. Manish Raj Upreti, FCA	Member
5	Mr. Badri Kumar Guragain, FCA	Member
6	Mr. Binay Prakash Shrestha, FCA	Member
7	Mr. Bikesh Madhikarmi, FCA	Member

3. NAS/NFRS Interpretation Committee

The NAS/NFRS Interpretation Committee is responsible for preparing the interpretation of the NFRS by studying international standards, guidelines, and interpretations.

#	Name	Designation
1	Mr. Pradeep Kumar Shrestha, FCA	Coordinator
2	Board Member (Director General, Inland Revenue Department)	Member
3	Mr. Prabin D. Joshi, FCA	Member
4	Mr. Arun Raut, FCA	Member
5	Mr. Man Mohan Raj Kafle, FCA	Member
6	Mr. Aman Uprety, FCA	Member
7	Mr. Niradesh Shrestha, FCA	Member

4. Capacity Development Committee

The Capacity Development Committee is formed to develop the capacity of regulatory bodies, stakeholders, financial report preparers, board members, and the Secretariat by conducting awareness programs, trainings, seminars, and conferences.

#	Name	Designation
1	Mr. Arun Raut, FCA	Coordinator
2	Board Member (Representative, Financial Comptroller General Office)	Member
3	Board Member (Company Registrar, Office of the Company Registrar)	Member
4	Mr. Dol Prasad Dahal, FCA	Member
5	Mr. Kiran Kumar Khatri, FCA	Member

5. Audit Committee

The Audit Committee recommends to the Board for the External Auditor appointment. It also submits the report to the Board on the preliminary report received from the auditor and recommends approval of the financial statements.

#	Name	Designation
1	Board Member (Representative, Financial Comptroller General Office)	Co-ordinator
2	Mr. Manish Raj Upreti, FCA	Member
3	Mr. Dol Prasad Dahal, RA	Member

6. Study and Research Committee

The Study and Research Committee is formed to study and research the development and evolution of accounting standards and financial reporting standards. It study the status of the implementation of Nepal accounting standards and financial reporting standards, which will help identify the challenges and problems encountered in the implementation of accounting standards and make suitable suggestions to the Board for their revisions and amendments.

#	Name	Designation
1	Mr. Prabin D. Joshi, FCA	Co-ordinator
2	Board Member (Representative, Ministry of Finance)	Member
3	Mr. Sanjay Kumar Sinha, CA	Member
4	Mr. Dol Psd Dahal, RA	Member
5	Mr. Jiban Shakya, FCA	Member
6	Mr. Dipendra Subedi, FCA	Member
7	Dr. Achyut Gyawali	Member (Representative Tribhuvan University)

7. Budget Preparation Committee

The Budget Preparation Committee prepares the draft of the budget and program of the annual budget of the Board to submit to the Government of Nepal, the Ministry of Finance. And prepare the budget and program of the annual budget of the board based on the government grant and others.

#	Name	Designation
1	Board Member (Representative, Financial Comptroller General Office)	Co-ordinator
2	Mr. Manish Raj Upreti, FCA	Member
3	Mr. Badri Kumar Guragain, FCA	Member

8. Strategy Plan Preparation Task Force

The Strategy Plan Preparation Task Force is formed to prepare the strategy and action plan of the Board.

#	Name	Designation
1	Mr. Prakash Jung Thapa, FCA	Co-ordinator
2	Board Member (Representative, Office of the Auditor General)	Member
3	Mr. Arun Raut, FCA	Member

9. Editorial Committee

The Editorial Committee oversees the annual report and E-newsletter for the general public about the activities of the Board.

#	Name	Designation
1	Mr. Prakash Jung Thapa, FCA	Co-ordinator
2	Mr. Sanjay Kumar Sinha, CA	Member
3	Mr. Arun Raut, FCA	Member

10. Policy and Bylaws Preparation Committee

The Policy and Bylaws Preparation Committee is formed to prepare the employee service directive and financial administrative directive of the Board.

#	Name	Designation
1	Mr. Sanjay K. Sinha, CA	Coordinator
2	Board Member (Representative, Ministry of Finance)	Member
3	Mr. Badri Kumar Guragain, FCA	Member

11. FAQ Preparation Task Force

#	Name	Designation
1	Mr. Parakram Sharma, FCA	Coordinator
2	Mr. Bidur Luitel, FCA	Member
3	Mr. Pravin K. Karn, FCA	Member

12. NFRS for SMEs 2017 Revision and Amendment Sub-Committee

This sub-committee is formed to study and review the SMEs standards as national and international practices and submit a report of their revisions and amendments with comments.

#	Name	Designation
1	Mr. Binay Prakash Shrestha, FCA	Coordinator
2	Mr. Roshan Dahal, FCA	Member
3	Mrs. Yechu Ratna Shakya, FCA	Member

13. NAS for MEs 2018 Revision and Amendment Sub-Committee

This sub-committee is formed to study and review the NAS for MEs standards and their implementation challenges and submit a report of their revisions and amendments with comments.

#	Name	Designation
1	Mr. Manish Raj Upreti, FCA	Coordinator
2	Mr. Saugat Parajuli, FCA	Member
3	Mr. Shekhar Sitaula, RA	Member

14. NAS for NPOs 2018 Revision and Amendment Sub-Committee

This sub-committee is formed to study and review the NAS for NPOs standards and their implementation challenges and submit a report of their revisions and amendments with comments.

#	Name	Designation
1	Mr. Bikesh Madhikarmi, FCA	Coordinator
2	Mr. Shankar Thapa, FCA	Member
3	Mrs. Rakshya Shrestha, FCA	Member
4	Mr. Kishan Thapa, FCA	Member

15. Standards Review Task Force

The Standards Review Task Force reviews and make suggestions on the draft of standards prepared by the consultants and staffs.

#	Name	Designation
1	Mr. Manish Raj Upreti, FCA	Coordinator
2	Mr. Bikesh Madhikarmi	Member

Past Chairs



LATE TIRTHA RAJ UPADHYAY, FCA
Chairman

From 2059/11/26 to 2062/11/25



MR. MADAN KRISHNA SHARMA, FCA
Chairman

From 2063/04/08 to 2066/04/07



MR. PRADEEP KUMAR SHRESTHA, FCA
Chairman

From 2066/04/28 to 2069/04/27



MR. NARAYAN BAJAJ, FCA
Chairman

From 2069/06/12 to 2072/06/11



MR. NARENDRA BHATTARAI, FCA
Chairman

From 2072/06/15 to 2075/06/14



MR. MAHESH KHANAL, FCA
Chairman

From 2075/06/16 to 2078/06/15

International Network



The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.

The Accounting Standards Board of Nepal (ASB Nepal) has entered into a copyright agreement for the development & effective implementation of international standards in Nepal.



The Asian-Oceanian Standard-Setters Group (AOSSG) is a grouping of the 28 Accounting Standard-Setters in the Asian-Oceanian region. The Group has been formed in 2009 to discuss issues and share experiences on the adoption of International Financial Reporting Standards (IFRS) and to contribute to the development of a high-quality set of global accounting standards.

ASB Nepal has been a Member of AOSSG since 2009.



International Forum of Accounting Standard Setters (IFASS) (formerly known as National Standard-setters, NSS) is a grouping of national accounting standard-setters from around the world, plus other organisations that have a close involvement in financial reporting issues.

As a national accounting standard-setters of Nepal, ASB Nepal is also a member of IFASS

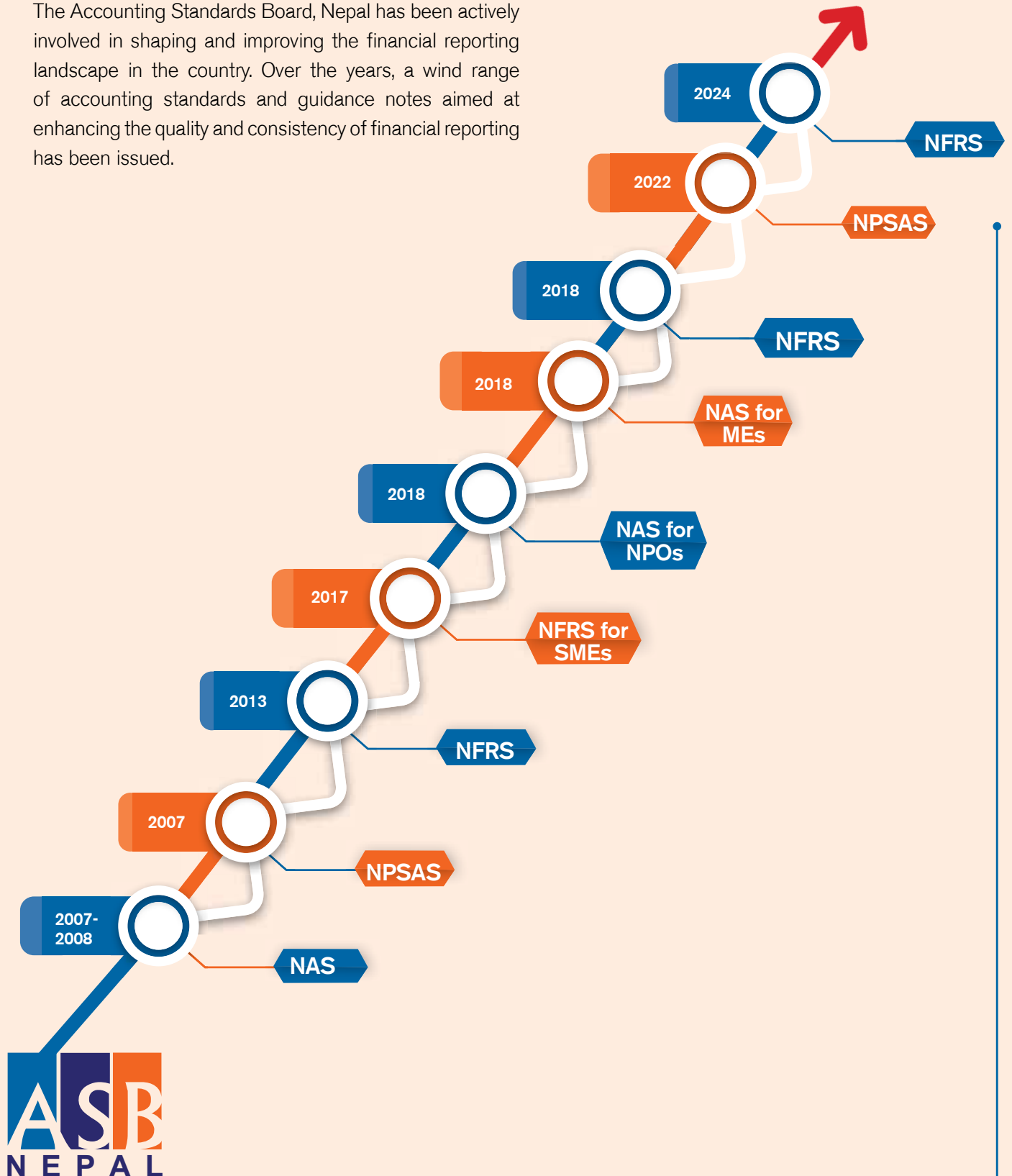
ASB Nepal, as Nepal's national body for setting accounting standards, actively participates in various international gatherings alongside counterparts that set standards in their respective jurisdiction. These engagements include:

- ▶ Annual AOSSG Meeting
- ▶ Semi-annual AOSSG Interim Meetings
- ▶ Biannual meetings of International Forum of Accounting Standard Setters (IFASS)
- ▶ World Standards Setters (WSS) Conference
- ▶ Belt and Road National Accounting Standards Cooperation Forum

Board Activities

Standards Setting Activities of the Board

The Accounting Standards Board, Nepal has been actively involved in shaping and improving the financial reporting landscape in the country. Over the years, a wide range of accounting standards and guidance notes aimed at enhancing the quality and consistency of financial reporting has been issued.



The Board goes beyond setting standards. ASB Nepal issues guidance notes, conducts post-implementation reviews, Implementation Guidelines of NFRS 2013 on Impacts of COVID-19 and interacts with stakeholders. Accounting Standards Board is regularly involved in facilitating training and addressing implementation challenges. The Board imparts the training to regulators, participates in international meetings, offers feedback on exposure drafts and hosts global events.



Global Outlook in Financial & Sustainability reporting

The international accounting landscape has witnessed notable developments over the past fiscal year, driven by an increased focus on harmonizing financial reporting standards and addressing emerging global economic challenges. Key developments include:

- **IFRS Updates:** The International Accounting Standards Board (IASB) continued its focus on refining existing International Financial Reporting Standards (IFRS), with updates aimed at improving transparency, reducing complexity, and ensuring consistency across jurisdictions. In particular, IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 and includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. Similarly IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2025 and specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
- **Digital Financial Reporting:** There has been a growing global shift towards digital financial reporting, as organizations and regulatory bodies adapt to technology-driven reporting mechanisms. Internationally, the extensible Business Reporting Language (XBRL) is becoming a standard tool for governments and corporations alike to enhance accuracy and efficiency in financial disclosures. This trend is paving the way for future global initiatives aimed at reducing reporting lags and enhancing data comparability across borders.
- **Implementation of ISSB Standards (S1 and S2):** A major milestone in international sustainability reporting was the International Sustainability Standards Board (ISSB) making its first two standards, S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) effective for annual reporting periods beginning on or after 1 January 2024 . These standards aim to provide a globally consistent and comprehensive baseline for sustainability reporting, ensuring that companies disclose information relevant to investors' decision-making processes.
- **Global Adoption and Implementation of Sustainability Reporting Standards:** Countries and regions across the world, including the European Union, the Africa, and Asia, have begun aligning their sustainability reporting frameworks with the ISSB standards. Several countries have integrated climate-related disclosures into their financial reporting systems, driven by a growing recognition of the financial implications of climate risks and the need for businesses to transition to more sustainable models.
- **Joint Efforts by IASB and ISSB:** The IASB and ISSB have initiated efforts to ensure that their respective financial and sustainability standards are complementary, allowing for integrated reporting frameworks that present a more holistic view of a company's performance. This convergence is crucial as more businesses look to align financial and non-financial reporting to meet stakeholder demands for transparency.

The global accounting and sustainability reporting landscape is undergoing transformative changes, driven by the need for greater transparency, accountability, and stakeholder engagement. As the International Financial Reporting Standards (IFRS) and sustainability standards such as those developed by the ISSB continue to evolve, it is imperative that countries, including Nepal, stay aligned with these international developments.

Board's Report

As the national body formed for setting standards, Accounting Standards Board (ASB or the Board) Nepal has worked diligently to develop, revise, and implement standards that align with global best practices, ensuring clarity, consistency, and transparency in financial reporting across various sectors. During this year, beyond its core role of setting standards, the Board actively engaged in stakeholder consultations, outreach programs, and international collaborations to address implementation challenges and continuously improve the effectiveness of the standards. Through these efforts, ASB Nepal has strengthened its role both domestically and globally, by collaborating with international standards setters and their groups, such as those of the Asian-Oceanian Standard-Setters Group (AOSSG), Australian Accounting Standards Board (AASB) and Korean Accounting Standards Board (KASB). These engagements underscore its commitment to harmonizing national standards with International Financial Reporting Standards (IFRS). The Board's recent initiatives, including the revision of Nepal Financial Reporting Standards (NFRS) 2024, development of sustainability reporting standards, and nationwide outreach programs, demonstrate its strong commitment to advancing high-quality financial reporting standards in Nepal.

Development of Nepal Financial Reporting Standards (NFRS) 2024

The Accounting Standards Board (ASB or Board) revised the Nepal Financial Reporting Standards (NFRS) 2018 to align with IFRS 2024, a process involving multiple stages including drafting, public consultation, inputs from technical committee, standards review taskforce and the approval of the board. The exposure draft for NFRS 2024, open for public comments for 60 days, was disseminated to a broad audience, including financial institutions, regulatory bodies, and academic institutions, to gather feedback and ensure comprehensive implementation. Key changes in NFRS 2024 include updates on definitions, interest rate benchmark reforms, and specific standards such as NFRS 3 and NFRS 17. ASB successfully conducted outreach programs across all seven provinces of Nepal and Kathmandu, reaching over 300 participants. The program was organized jointly with the Institute of Chartered Accountants of Nepal (ICAN).

The Board has been developing, amending, and revising standards as per the due process approved by the Board. Accordingly, the Board has issued Nepal Accounting Standards (NAS) 2007/2008, Nepal Financial Reporting Standards (NFRS) 2013 and Nepal Financial Reporting Standards (NFRS) 2018 for listed entities and entities with public accountability. The board has revised the NFRS 2018 with reference from IFRS 2024 required standards. The revision process for the Nepal Financial Reporting Standards (NFRS) 2024 is comprehensive and involves several stages and key participants to ensure accuracy and transparency. Board follows following due process for the development of the standards.



Standard Development Due Process

NFRSs are developed, revised and updated through due process of the board that involves Standards Development and Revision Technical Committee, professionals, financial analysts and other users of financial statements, the business community, regulatory and legal authorities, academics and other interested individuals and organisations of the country. Due process of the board involves the following steps (the steps that are required under the present or current terms of the ASB Nepal):

(a) Issues associated with the Standards should initiate from the Standards Development and Revision Technical Committee (Technical Committee):

Issues related to Standard should be identified, reviewed and discussed in the Technical Committee. Thereafter, these issues should be brought before the Board only with the appropriate suggestions for development of the Standards.

(b) First Discussion in the Board:

- (1) The Standards sent with the suggestion from the Technical Committee shall be included in the Agenda of the Meeting of the Board.
- (2) After the first discussion on those standards, the Members of the Board shall be given one-month time to express their comments to the Board.

(c) Second Discussion in the Board:

The Technical Committee should review and discuss the received comments and submit it again to the Board for the second discussion along with the suggestions.

(d) Publishing an Exposure Draft:

If it is decided to make the proposed Standard public as an Exposure Draft after the second discussion of the Board, such exposure draft shall be made public through the Secretariat of ASB Nepal.

(e) Exposure Draft for Public Comment:

- (1) The Secretariat shall make public the exposure drafts as decided by the Board using the available resources for comments for a period of at least two months
- (2) If necessary, workshops and seminars may be organized with the approval of the Board.

(f) Approval of the Exposure Draft as a Standard:

- (1) The Technical Committee shall submit a proposal to recommend the exposure draft as a Standard/s after addressing the comments and suggestions received as mentioned in section (e).
- (2) The Members of the Board shall be given 15 days to express their comments on the present proposal of standard.
- (3) The Board shall approve the exposure draft, after discussion in case any comments are received within stipulated time as mentioned above, as a final standard and recommend it to the Institute of Chartered Accountants of Nepal (ICAN) to comply with section 11 (da) of the Nepal Chartered Accountants Act, 1997 (first amendment, 2002).

(g) To request the Regulators to implement the Standards:

The Board shall also request the concerned Regulatory Bodies for the facilitation of the implementation of the Accounting Standards.

Collaboration with Regulatory and Professional Bodies

To ensure the successful implementation of standards issued by the Board, multiple initiatives were undertaken in collaboration with various regulatory bodies. These programs aimed to facilitate the proper understanding and application of the standards among stakeholders.

1. Outreach Program & Post Implementation Review

The Board, in collaboration with the Institute of Chartered Accountants of Nepal (ICAN), Association of Chartered Accountants of Nepal (ACAN) and the Auditors Association of Nepal (AUDAN), organized orientation and interaction programs across various regions of Nepal. Following the publication of the NFRS 2024 exposure draft, the board organized an outreach program to raise awareness about the reporting standards in Nepal. The program was conducted in each seven provinces and one at Lalitpur. The program aimed to inform participants about the exposure draft of NFRS 2024 and request their feedback. The Board also conducted post-implementation review of NFRS, NFRS for SMEs, NAS for MEs, and NAS for NPOs through interactions with participants and the collection of their feedback via an online form.



Fig: Mr. Prakash Jung Thapa, FCA Chair of ASB Nepal responding to participants comments in program inside valley.

The program began with welcome address by the representation of the Board, followed by a short presentation. After presentation participants were requested to share their inputs and feedback on the applicable reporting standards in Nepal issued by ASB. The participants shared their experiences, feedback and implementation challenges on:

1. Nepal Financial Reporting Standards 2024
2. Nepal Financial Reporting Standards 2018
3. NFRS for Small and Medium-Sized Entities (NFRS for SMEs) 2017
4. Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018
5. Nepal Accounting Standards for Not-for-Profit Organizations (NAS for NPOs) 2018

Then the Board provided the response to their questions and feedback. The target participants for the program are the preparers represented by the business associations, officers of Inland Revenue Department, Representatives from Universities, Representatives from Nepal Insurance Authority, Professional Members from ICAN, ACAN & AUDAN and other stakeholders. The Board also conducted online survey and feedback for post implementation review of standards in the program outside valley. Programs were conducted on following venue and dates:

Province	Koshi
District	Morang
Venue	Biratnagar
Date	Sunday, 27th Jestha 2081
No. of Participants	41
Participating in Online Survey	27



Province	Sudurpaschim
District	Kailali
Venue	Dhangadhi
Date	Tuesday, 29th Jestha 2081
No. of Participants	42
Participating in Online Survey	31

Province	Karnali
District	Surkhet
Venue	Birendranagar
Date	Thursday, 31st Jestha 2081
No. of Participants	44
Participating in Online Survey	26



Province	Gandaki
District	Kaski
Venue	Pokhara
Date	Sunday, 2nd Ashad 2081
No. of Participants	51
Participating in Online Survey	36



Province	Bagmati
District	Makwanpur
Venue	Hetauda
Date	Monday, 3rd Ashad 2081
No. of Participants	46
Participating in Online Survey	32

Province	Madesh
District	Parsa
Venue	Birgunj
Date	Tuesday, 4th Ashad 2081
No. of Participants	45
Participating in Online Survey	29



Province	Lumbini
District	Rupandehi
Venue	Butwal
Date	Tuesday, 11th Ashad 2081
No. of Participants	40
Participating in Online Survey	28

Province	Bagmati
District	Lalitpur
Venue	Satdobato
Date	Tuesday, 18th Ashad 2081
No. of Participants	69



2. MoU with Securities Board of Nepal

The Accounting Standards Board (ASB Nepal) and the Securities Board of Nepal (SEBON) have entered into a Memorandum of Understanding (MoU) on December 20, 2023, to collaborate on the development and implementation of Sustainability Reporting Standards in Nepal. The ASB Nepal, formed by the Government of Nepal, is responsible for developing reporting standards, including sustainability reporting, while SEBON, as the apex regulator of the securities market, plays a crucial role in enforcing these standards within listed companies. The MoU outlines their objectives, areas of collaboration and anticipated outcomes, emphasizing transparency, accountability and stakeholder trust. It also covers financial and technical support, monitoring, confidentiality, compliance with laws, and dispute resolution. The MoU will remain in force until the completion of the implementation of the Nepal Sustainability Reporting Standards (NSRS) or five years, whichever is later.



3. Facilitation of NFRS 17 for Insurance Companies

Working closely with insurance associations and the Nepal Insurance Authority, the Board facilitated the implementation of NFRS 17 in insurance companies. The deadline for mandatory implementation was extended, with enforcement set for FY 2082/83. Furthermore, on January 09, 2024, a collaborative event was conducted by the Accounting Standards Board, Nepal (ASB Nepal) and the Insurance Authority of Nepal (NIA). Participants included CEOs from both life and non-life insurance companies in Nepal.

Mr. Manish Raj Upreti, FCA a Board Member of ASB Nepal, presented the overall highlights and impact of NFRS 17. Additionally, Mr. Birod Wagle from NIA addressed the major challenges associated with the implementation of NFRS 17. During the event, CEOs shared their perspectives and outlined their strategies for the successful implementation of NFRS 17.



4. Training on NFRS/IFRS 17: Insurance Contracts

ASB Nepal organized IFRS/NFRS 17 Insurance Contracts program with technical support from Korean Accounting Standards Board (KASB) & The Asian-Oceanian Standard-Setters Group (AOSSG) in Kathmandu (April 1-2, 2024). The program was well-received, with 24 CEOs, 74 total participants from Nepali insurance companies and few virtual participants from AOSSG member countries. The event commenced with an opening session featuring keynote addresses from industry leaders, followed



by technical sessions on various aspects of IFRS 17, including transition accounting, discount rate determination, insurance capital standards, life and non-life insurance contracts, and reinsurance contracts. Experts from Korea shared their insights and experiences, providing valuable guidance to Nepali insurance professionals. The recorded sessions of the program are available at the Board's website.



5. Implementation of NFRS 9: Financial Instruments in Banks

In coordination with Nepal Rastra Bank and the Nepal Bankers' Association, the Board successfully initiated the full implementation of NFRS 9 in banks and financial institutions across Nepal, effective from FY 2080/81.

6. Co-ordination with other Regulatory Bodies

To further promote the effective implementation of issued standards, the Board collaborated with the Inland Revenue Department, Securities Board of Nepal, Office of the Auditor General and the Office of the Company Registrar, conducting various orientation and interaction programs. These efforts reflect the Board's commitment to ensuring proper adoption and compliance with financial reporting standards in collaboration with key national bodies.



Development of Nepal Sustainability Reporting Standards (NSRS)

The Accounting Standards Board, Nepal has signed an MoU with the Securities Board of Nepal (SEBON) to develop Nepal Sustainability Reporting Standards (NSRS) and ensure the successful implementation of the standards issued by the board. As sustainability reporting standards are being formulated globally, ASB has also participated in various studies and international programs to develop standards based on the two standards (S1 and S2) issued by the International Sustainability Standards Board (ISSB) of the IFRS Foundation.

Implementation of Nepal Public Sector Accounting Standards (NPSAS) 2021

The Accounting Standards Board, Nepal revised the Nepal Public Sector Accounting Standards (NPSAS) 2007 in line with IPSAS (Cash Basis) and submitted the final draft of NPSAS 2021 to the Financial Comptroller General Office (FCGO) revised NPSAS on 2078.04.26 (B.S.) for necessary approval. The Government of Nepal (Council of Ministers) approved the standards on 2079.08.20 (B.S.), making them effective from that date.

Study, Research, and Publications

The Board, through its secretariat, has conducted studies and research on the issued standards, including Post Implementation Reviews (PIR) of various standards and the preparation of Concept Notes related to them. Additionally, the Board regularly prepares E-newsletters and annual reports. Podcasts and reference materials on NFRS 17 Insurance Contracts has also been made available on the Board's official website.

Strengthening the Secretariat

In the current fiscal year, the Board took a significant step towards enhancing its capacity by hiring two expert consultants on a retainership basis. These consultants have been engaged to support the Board in the development of new standards, conduct in-depth research, and assist with other critical functions related financial and sustainability reporting. This strategic move is aimed at enhancing the Secretariat's efficiency and ensuring timely progress in the Board's initiatives, particularly in the areas of standard-setting and addressing emerging financial reporting challenges.

Strengthening International Presence and Relationships

The Board has actively worked to strengthen its relationships with key international accounting bodies, including the International Accounting Standards Board (IASB), International Sustainability Standards Board (ISSB), Asian-Oceania Standards Setters Group (AOSSG), Korean Accounting Standards Board (KASB), and the Australian Accounting Standards Board (AASB). Through various collaborative initiatives, the Board has enhanced Nepal's participation and visibility on the global stage, reinforcing its commitment to international financial reporting standards.

1. Participation in World Standard-Setters Conference & IFASS Meeting 2023

The Board Members Mr. Manish Raj Upreti, FCA and Mr. Arun Raut, FCA participated in World Standard-setters Conference & IFASS meeting in September 2023. Mr. Andreas Barckow, International Accounting Standards Board (IASB) Chair, kicked off the two-day conference that marked half a century of comparability and transparency in the global standard-setting partnership. Emmanuel Faber, Chair of the International Sustainability Board (ISSB), spoke about the use of the IFRS Sustainability Disclosure Standards issued in June 2023, and the support that will be available to jurisdictions before the effective date of the Standards in 2024.



2. Mutual Collaboration Agreement with Australian Accounting Standards Board (AASB)

The Accounting Standards Board (ASB), Nepal & Accounting Standards Board of Australia (AASB) has signed a mutual collaboration agreement on November 2023. The agreement was signed by Mr Prakash Jung Thapa, FCA, Chair of ASB Nepal, and Dr. Keith Kendall, Chair of AASB. The agreement establishes a framework for technical collaboration in the development & implementation of financial and sustainability reporting standards.



The agreement, effective for three years, focuses on promoting high-quality reporting standards, building investor confidence, fostering the accounting profession and exploring collaborative ventures. Both Boards aim to work together on standard development, adoption, interpretation, outreach, capacity building, harmonization and international consistency.

3. Presentation in 15th AOSSG Annual Meeting

The Asian-Oceanian Standard-Setters Group (AOSSG) held its 15th Annual Meeting on the 21st and 22nd November 2023 in Brisbane, Australia. The meeting was hosted by the Accounting Standards Board of Australia (AASB) and attended by 18 Standard-Setters member as well as representatives of the IFRS Foundation. In the meeting, Prakash Jung Thapa, FCA, Chair of the Accounting Standards Board (ASB), Nepal, presented an update on standards development and implementation in Nepal. He emphasized alignment of



IFRS and enforcement through legislation in Nepal and shared the active development of NFRS and NPSAS since 2007. Notably, NFRS for SMEs and tailored NAS for Micro Entities and NPOs become mandatory in the current fiscal year. Mr. Thapa also highlighted the growing global focus on sustainability reporting, outlining the ASB Nepal's efforts to develop standards by forming high level committee. The presentation concluded with an overview of ASB Nepal's initiative and future directions for accounting & sustainability reporting in Nepal.

4. Representation in National Standards Setters Sustainability Forum

The 2023 National Standard Setters Sustainability Forum was hosted by the Accounting Standards Board of Australia (AASB) on November 23, 2023 in Brisbane. The forum featured panelists Mr. Yasunobu Kawanishi (Chair, ASBJ - Japan), Mr. Han Yi (Chair, KAI - Korea), and Mr. Prakash Jung Thapa (Chair, ASB - Nepal) in a Dialogue session on Asian-Oceanian perspectives on sustainability reporting. The session, moderated by Keith Kendall (Chair, AASB), delved into key issues confronting national standard-setters in the Asia-Oceania region. The discussion considered jurisdictional-specific challenges arising from sustainability reporting including labor and workforce considerations.



5. Participation in IFASS April 2024 Meeting

The board actively participated in meeting of the International Forum of Accounting Standard Setters (IFASS) held in Seoul on 17-19 April 2024. The meeting addressed key accounting challenges, including the treatment of intangibles, crypto assets, environmental credits, and the complexities of financial instruments. Participants also discussed sustainability reporting, exploring climate disclosures, transition plans, and the connection between financial and non-financial information.



6. Board's Visit to AASB

The Accounting Standards Board, Nepal (ASB Nepal) participated in a capacity-building workshop hosted by the Australian Accounting Standards Board (AASB) from April 26 to 30, 2024 in Melbourne Australia. The workshop focused on standard-setting methodologies, conducting Post-Implementation Reviews (PIRs), and initiating new research projects. Chief Executive Officer of ASB Nepal, Mr. Sushil Poudel, CA attended the entire workshop to enhance the Board's expertise in standards development and research. The ASB Nepal Chair Mr. Prakash Jung Thapa, FCA joined the workshop on its first day.



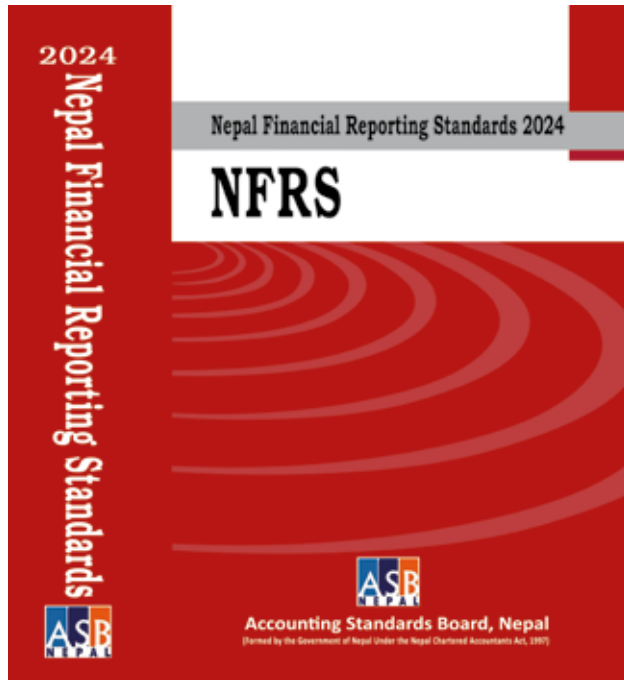
7. Presentation in EEG meeting

The Emerging Economies Group (EEG) met on May 28-29, 2024 to discuss financial reporting issues from the perspective of emerging economies. The meeting focused on the application and implementation of IFRS Accounting Standards. The ASB Nepal Chair, Mr. Prakash Jung Thapa, FCA attended the event virtually and made a presentation on jurisdictional profile of Nepal.



Board Activities after end of Reporting Period

1. NFRS 2024



Approval & Pronouncement of NFRS 2024

As per the decision of the 164th Board Meeting held on 2081.05.14, the final draft of NFRS 2024 proposed by the technical committee was approved as Final Standards. The Board also resolved to include the SIC and IFRIC issued by International Accounting Standards Board (IASB) as an integral part of standards. The Board recommended the NFRS 2024 to The Institute of Chartered Accountants of Nepal (ICAN) for implementation, as per Nepal Chartered Accountants Act, 1997 Section 11(m) and the ICAN has decided to implement the NFRS 2024 for financial statements prepared from 1st Shrawan 2082 (F/Y 2082.83). The NFRS 2024 along with all the standards issued by the ASB are available for free on the Board's.

2. Online Availability of Standards

All the standards developed by Accounting Standards Board, Nepal (ASB Nepal) are now available online for free on Board's website at <https://asbnepal.gov.np/standards>. Previously, the standards were only available as purchased books from Board's Secretariat, Lalitpur Office. The Board has now successfully addressed IP restrictions related to copyright agreement with the IFRS Foundation and resolved technical issues associated with website hosting. As a result, all ASB Nepal standards are now freely accessible to the public within Nepal. Through this increased accessibility we aim to empower individuals and organizations to contribute to the implementation and development of our standards. We also believe this will facilitate research initiatives in Nepalese financial reporting landscape.



Welcome to ASB Nepal Login Portal

Login to access Standards

Email / Phone no

Email

Password

Remember Me

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Login

FINANCIAL STATEMENTS

For the Financial year ended

31 Ashad 2081

15 July 2024



ACCOUNTING STANDARDS BOARD
(Formed by the Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Sardobato, Lalitpur
Statement of Financial Position
As of 31 Ashadh 2081 (15 July 2024)

		<i>Amount in NPR</i>	
	Notes	Current Year 31 Ashadh 2081	Previous Year 31 Ashadh 2080
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	306,291	496,838
Total Non Current Assets		306,291	496,838
Current Assets			
Inventories	3.2	312,658	317,825
Advance and Other Receivables	3.3	1,730,580	579,741
Investments	3.4	19,000,000	17,500,000
Cash and Cash Equivalents	3.5	1,135,868	2,865,063
Total Current Assets		22,179,106	21,262,630
Total Assets		22,485,396	21,759,468
Funds & Liabilities			
Funds			
General Fund	3.6.1	21,888,472	19,741,897
Capital Fund	3.6.2	0	54,035
Program Fund	3.6.3	431,052	1,838,304
Total Funds		22,319,524	21,634,237
Non Current Liabilities			
Total Non Current Liabilities		-	-
Current Liabilities			
Trade and Other Payables	3.7	165,871	125,232
Total Current Liabilities		165,871	125,232
Total Liabilities		165,871	125,232
Total Funds and Liabilities		22,485,396	21,759,468

Significant Accounting Policies and Notes to the Financial Statements are an integral part of these financial statements

As per our report of even date

.....
Santosh Bhattarai
Administrative Assistant

.....
Sushil Poudel, CA
Chief Executive Officer

.....
Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

.....
Yogesh Parajuli
Member

.....
Prakash Jung Thapa, FCA
Chairman

Date : 2081/05/31
Place: Sardobato, Lalitpur

ACCOUNTING STANDARDS BOARD
(Formed by the Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Satdobato, Lalitpur
Statement of Income And Expenditure
For the year ended 31 Ashadh 2081 (15 July 2024)

	Notes	Current Year 2080/081	Amount in NPR Previous Year 2079/080
Income			
Government Grants	3.8	7,475,000	5,000,000
Other Income	3.9	3,630,001	3,708,379
Total Income		11,105,001	8,708,379
General Expenses			
Employee Expenses	3.10	3,429,527	3,347,820
Depreciation Expenses	3.1	258,762	156,377
Office Operating Expenses	3.11	561,976	597,445
Board Operating Expenses	3.12	803,604	1,017,717
Standards Development Expenses	3.13	5,311,809	1,614,401
Total		10,365,678	6,733,760
Surplus /Deficit for the year		739,323	1,974,619

Significant Accounting Policies and Notes to the Financial Statements are an integral part of these financial statements

As per our report of even date

.....
Santosh Bhattarai
Administrative Assistant

.....
Sushil Poudel, CA
Chief Executive Officer

.....
Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

.....
Yogesh Parajuli
Member

.....
Prakash Jung Thapa, FCA
Chairman

Date : 2081/05/31
Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
(Formed by the Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Satdobato, Lalitpur
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended 31 Ashadh 2081 (15 July 2024)

	Current Year	<i>Amount in NPR</i> Previous Year
	2080/081	2079/080
Surplus for the year as per Statement of Income And Expenditure	739,323	1,974,619
Other comprehensive income that will not be reclassified to Statement of Income And Expenditure in subsequent periods	-	-
Other comprehensive income that may be reclassified subsequently to Statement of Income And Expenditure	-	-
Total Comprehensive Income	739,323	1,974,619

Significant Accounting Policies and Notes to the Financial Statements are an integral part of these financial statements

As per our report of even date

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Santosh Bhattarai
Administrative Assistant

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Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

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Yogesh Parajuli
Member

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Prakash Jung Thapa, FCA
Chairman

Date : 2081/05/31
Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
(Formed by the Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Satdobato, Lalitpur
Statement of Cash Flows
For the year ended 31 Ashadh 2081 (15 July 2024)

	Notes	Current Year 2080/081	<i>Amount in NPR</i> Previous Year 2079/080
A Cash Flows from Operating Activities			
Surplus for the Year		739,323	1,974,619
Adjustment for:			
Depreciation	3.1	258,762	156,377
(Increase) / Decrease in Inventories	3.2	5,167	221,857
(Increase) / Decrease in Advance and Other Receivables	3.3	(1,150,839)	(515,741)
Increase / (Decrease) in Trade and Other Payables	3.7	40,640	(7,358)
Interest Income	3.9	(1,279,962)	(1,414,380)
Net Cash Flows from Operating Activities		(1,386,909)	2,253,677
B Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	3.1	(122,250)	(250,195)
Investments	3.4	(1,500,000)	(1,500,000)
Interest Received	3.9	1,279,962	1,414,380
Net Cash flows From Investing Activities		(342,288)	(335,815)
C Cash Flow from Financing Activities			
Net Cash Flow from Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		(1,729,197)	1,917,862
Cash and Cash Equivalents at the beginning of the reporting period		2,865,063	947,201
Cash and Cash Equivalents at the end of the reporting period		1,135,868	2,865,063

Significant Accounting Policies and Notes to the Financial Statements are an integral part of these financial statements

As per our report of even date

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Santosh Bhattarai
Administrative Assistant

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Sushil Poudel, CA
Chief Executive Officer

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Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

.....
Yogesh Parajuli
Member

.....
Prakash Jung Thapa, FCA
Chairman

Date : 2081/05/31
Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Satdobato, Lalitpur
Statement of Changes in Reserves & Funds
For the year ended 31 Ashadh 2081 (15 July 2024)

Amt. in NPR

	Capital Fund	Program Fund	General Fund/ Retained Earnings	Total
Opening Balance at 01 Shrawan 2079	111,457	-	17,767,278	17,878,735
Depreciation on Grant Asset	(57,422)	-	-	(57,422)
Surplus (Deficit) for the year	-	-	1,974,619	1,974,619
Contributions Received for the International Seminar & 14th AOSSG Annual Meeting	-	6,302,139	-	6,302,139
International Seminar & AOSSG Annual Meeting Expenses	-	(4,463,835)	-	(4,463,835)
Balance at 31 Ashadh 2080	54,035	1,838,304	19,741,897	21,634,237
Opening Balance at 31 Ashadh 2080	54,035	1,838,304	19,741,897	21,634,237
Depreciation on Grant Asset	(54,035)	-	-	(54,035)
Surplus (Deficit) for the year	-	-	739,323	739,323
MCA signing program with Australian Accounting Standards Board & AOSSG Meeting Expenses	-	(1,407,252)	1,407,252	-
Balance at 31 Ashadh 2081	0	431,052	21,888,472	22,319,524

Significant Accounting Policies and Notes to the Financial Statements are an integral part of these financial statements

As per our report of even date

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Santosh Bhattarai
Administrative Assistant

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Sushil Poudel, CA
Chief Executive Officer

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Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

.....
Yogesh Parajuli
Member

.....
Prakash Jung Thapa, FCA
Chairman

Date : 2081/05/31
Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)
Sardobato, Lalitpur
Financial Year 2080-081

Significant Accounting Policies and Notes to the Financial Statements

1 About the Board

Accounting Standards Board (ASB or the Board) Nepal was formed by the Government of Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) 15ka incorporating the provision for its establishment and operation. The ASB Nepal has been formed with the responsibility to formulate accounting standards for the preparation and presentation of financial statements in Nepal. The ASB Nepal is primarily responsible to develop accounting standards, on the basis of relevant International Accounting Standards, in order to govern and regulate financial reporting and accounting profession. The Board has following Members:

(a) Nominated by the Government of Nepal among FCA Members	Chairman
(b) Representative, Ministry of Finance (MoF)	Member
(c) Representative, Office of the Auditor General (OAG)	Member
(d) Representative, Financial Comptroller General Office (FCGO)	Member
(e) Company Registrar, Office of the Company Registrar (OCR)	Member
(f) Director General, Inland Revenue Department (IRD)	Member
(g) Chairman, Securities Board of Nepal (SEBON)	Member
(h) Five Chartered Accountant(CA) members nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)'s Council	Member
(i) One Registered Auditor(RA) member nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)'s Council	Member

The rights and duties of Accounting Standards Board, Nepal as stipulated in the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) include followings:

- (a) To develop accounting standards, on the basis of relevant International Accounting Standards, in order to govern and regulate financial reporting and accounting profession.
- (b) To evolve appropriate process of development of accounting standards and publish material related to accounting standards.
- (c) To redraft, improvise and revise standards.
- (d) To interpret the standards.
- (e) To undertake other related tasks related to accounting standards. etc.

Financial statements for the year ended on Ashadh 31, 2081 (July 15 2024) were approved by the Board in its 164th Meeting held on Bhadra 14, 2081 (30 August 2024) . The meeting has also authorized Chairman, Member, Chief Executive Officer and Administrative Assistant from the Secretariat to sign these financial statements on behalf of the Board.

2 Significant Accounting Policies

2.1 Basis of preparation

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Cash Flows and Statement of Changes in Reserves (all together referred to as "Financial Statements") together with the Significant Accounting Policies and Notes to the Financial Statements has been prepared in accordance with Nepal Financial Reporting Standards(NFRSs) 2018 which is converged from International Financial Reporting Standards (IFRSs) 2018.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis and under accrual basis of accounting except otherwise stated.

2.3 Functional and Reporting Currency

The financial statements are prepared in Nepalese Rupees (NPR), which is also the Board's functional currency and presentation currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupees.

2.4 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

2.4.1 Property, Plant and Equipment (PPE)

Property, Plant and Equipment are initially recognized at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items.

2.4.2 Depreciation

Depreciation is provided on all items of Property, Plant and Equipment so as to write-off their carrying value over the expected useful economic life. Depreciation has been computed on Straight Line Method (SLM). The estimate useful life's for the assets along with depreciation rates are as follows:

Particulars of Assets	Useful Life (Years)	Rate
Furniture and Fixtures	4	25%
Computer Accessories	4	25%
Office Equipment	4	25%
Vehicle	4	25%
Office Partition	4	25%

2.4.3 Advance and Other Receivables

Advance and other receivables are stated at cost less possible allowance for impairment.

2.4.4 Inventories

Inventories are initially recognized at cost and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the variable selling expenses.

The cost is determined on First-In First-Out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

2.4.5 Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances, Bank deposits, call deposits and other short term highly liquid investments having a original maturity period less than ninety (90) days from the date of deposit.

2.4.6 Funds

The general fund includes the surplus from the operation of the board. Capital Fund encompasses assets initially recorded as project expenditures and later capitalized as Property, Plant, and Equipment. Depreciation is charged to the Capital Fund, offset by corresponding Property, Plant, and Equipment credits. Program Fund includes contributions for specific events and their associated expenses, with the resulting balance reserved for future programs.

2.4.7 Revenue Recognition

2.4.7.1 Government Grants

Government grants are assistance by the Government in the form of transfers of resources to the Board for the operating activities of the Board. Government grants, including non-monetary grants at fair value, will not be recognized until there is reasonable assurance that the Board will comply with the conditions attaching to them and the grants will be received.

Government grants are recognized in Income Statement on a systematic basis over the periods in which the Board recognizes as expenses the related costs for which the grants are intended to compensate.

A Government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Board with no future related costs are recognized in Income Statement of the period in which it becomes receivable. Government grant related to the assets including non-monetary grants at fair value will be presented in the statement of financial position by setting up Deferred Grant Income.

The Board receives an unconditional grant from the Ministry of Finance (MoF) every year for the operation of the board which is recognized as income on receipt basis.

2.4.8 Trade and Other Payables

Trade and Other Payables are stated at transaction price at the time of initial recognition and subsequently measured at amortized cost. All trade payable that are required to be settled after one year from the date of reporting period is classified as non-current liabilities if any.

2.4.9 Income Tax

Accounting Standards Board, Nepal (ASB Nepal) has received a certificate from the Inland Revenue Department as a tax exempt entity pursuant to the 2 (dha) of the Income-Tax Act, 2058. Hence the income derived by the Board through its core objectives like conducting programmes and selling books is tax exempt. In the case of bank interest income, withholding tax has been considered final tax with no further income tax liabilities. Therefore no current tax and deferred tax has been assessed.

3 Notes to the Accounts and Disclosures

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less depreciation. The depreciation has been considered at Straight-Line Method (SLM) at the depreciation rate determined considering useful life of assets or Property, Plant & Equipment as stated in the policies.

General Assets

Amt. in NPR

Particulars	Furniture	Computers & Peripheral	Office Equipment	Office Partition	Total
Balance at 31 Ashad 2080	236,708	294,063	453,138	74,072	1,057,981
Additions during the year	-	-	122,250	-	122,250
Balance at 31 Ashad 2081	236,708	294,063	575,388	74,072	1,180,231
Acc. Depreciation on 31 Ashad 2080	202,271	134,438	276,925	1,543	615,177
Depreciation charge for current year	34,437	73,516	132,292	18,518	258,762
Acc. Depreciation on 31 Ashad 2081	236,708	207,954	409,217	20,061	873,940
Carrying Amount as on 31 Ashad 2080	34,437	159,625	176,213	72,529	442,803
Carrying Amount as on 31 Ashad 2081	-	86,109	166,171	54,011	306,291

Grant Asset

Amt. in Rs.

Particulars	Furniture	Computers & Peripheral	Office Equipment	Office Partition	Total
Balance at 31 Ashad 2080	1,137,443	229,687	150,916	-	1,518,046
Additions during the year	-	-	-	-	-
Balance at 31 Ashad 2081	1,137,443	229,687	150,916	-	1,518,046
Acc. Depreciation on 31 Ashad 2080	1,137,443	175,652	150,916	-	1,464,012
Depreciation charge for current year	-	54,035	-	-	54,035
Acc. Depreciation on 31 Ashad 2081	1,137,443	229,687	150,916	-	1,518,046
Carrying Amount as on 31 Ashad 2080	-	54,035	-	-	54,035
Carrying Amount as on 31 Ashad 2081	-	-	-	-	-

Amt. in NPR

Total Assets	Current Year	Previous Year
Gross Amount	2,698,277	2,576,027
Less: Opening Accumulated Depreciation	2,079,189	1,922,812
Less: Depreciation for current period	312,797	156,377
Carrying Amount of Property, Plant and Equipment	306,291	496,838

3.2 Inventories

Inventories are stated at cost and comprises followings:

Amt. in NPR

Inventories	Current Year	Previous Year
NFRS 2018 Books	147,993	265,709
NFRS for SMEs 2017 Books	60,522	22,180
NAS for MEs 2018 Books	61,456	18,234
NAS for NPOs 2018 Books	40,188	7,346
Stationary	2,500	4,357
Total Inventories	312,658	317,825

3.3 Advance and Other Receivables

Advance and other receivables are stated at cost less possible allowance for impairment & comprise followings including 15 lacs receivable from The Institute of Chartered Accountants of Nepal for the capacity building activities of the Board.

Amt. in NPR

Particulars	Current Year	Previous Year
	Current	Current
Advance to Staffs	-	2,285
Prepaid Expenses	53,074	490,007
Interest Receivables	177,506	87,449
Other Receivables	1,500,000	-
Total Advance and Other Receivables	1,730,580	579,741

3.4 Investments

Amt. in NPR

Particulars	Current Year	Previous Year
Investments in Fixed Deposit		
Everest Bank	-	5,000,000
Laxmi Sunrise Bank	8,000,000	3,000,000
Nabil Bank	-	7,500,000
Kumari Bank	-	2,000,000
NIC Asia Bank	6,500,000	-
Prime Commercial Bank	4,500,000	-
Total Investments	19,000,000	17,500,000

3.5 Cash and Cash Equivalents:

Cash and cash equivalents include following balances:

Amt. in NPR

Particulars	Current Year	Previous Year
Cash at Bank		
Everest Bank Ltd.	1,135,868	2,865,063
Total Cash and Cash Equivalent	1,135,868	2,865,063

3.6 General Fund

3.6.1 General Reserve

General Fund includes surplus form the operation of the Board. These are free funds and available for the use for all general purposes activities and operations.

Amt. in NPR

Particulars	Current Year	Previous Year
Balance from previous year	19,741,897	17,767,278
Add: Surplus during the year	739,323	1,974,619
Add: Transfer from Program Fund	1,407,252	-
General Reserve Balance	21,888,472	19,741,897

3.6.2 Capital Fund

Property, Plant and Equipment purchased under the specific grant fund of restricted nature are initially charged off as project expenditures. Subsequently such assets are capitalized as Property, Plant and Equipment with corresponding credit to capital fund. Depreciation charged on such assets is debited to capital fund with corresponding credit to respective Property, Plant and Equipment.

Amt. in NPR

Particulars	Current Year	Previous Year
Opening balance	54,035	111,457
Less: Depreciation on Grant Asset	(54,035)	(57,422)
Capital Fund Balance	0	54,035

3.6.3 Program Fund

Contributions received for programs like International Conference, AOSSG Annual Meetings and other programs organised by the board are recognized as program fund revenue upon receipt. These fund is utilized to cover event expenses, including venue costs, technical costs and logistical arrangements. The resulting net program fund balance reflects the available resources for future activities related to these types of programs. Refer to the following table for specific amounts and details regarding contributions and expenses for the reporting period:

Particulars	Amt. in NPR	
	Current Year	Previous Year
Opening Balance	1,838,304	0
Add: Contributions Received for the International Seminar & 14th AOSSG Annual Meeting	-	6,302,139
Less: International Seminar & AOSSG Annual Meeting Expenses	-	(4,463,835)
Less: MCA signing program with Australian Accounting Standards Board & AOSSG Meeting Expenses	(1,407,252)	-
Program Fund Balance	431,052	1,838,304

3.7 Trade and Other Payable

Trade payable and liabilities comprise following:

Particulars	Amt. in NPR	
	Current Year	Previous Year
Social security and other taxes	110,121	80,632
Non-trade payables and accrued expenses	55,750	44,600
Carrying Amount	165,871	125,232

All these liabilities are current in nature and obliged to be settled within a year.

3.8 Government Grants

Government grant of NPR 7.475 Million was received during the year. This is the grant for covering administration and operating costs of the Board without any condition hence an unconditional grant, thus this has been accounted for as income in the year of receipt.

3.9 Other Income

The other income comprise interest, publication related income and funds received for the activities of the board. The standards publication related income includes the sales proceeds from the publication of standards which is calculated net off cost of goods sold.

Particulars	Amt. in NPR	
	Current Year	Previous Year
Interest Income	1,279,962	1,414,380
Standard Publication Related Income	650,039	793,999
Fund received for Capacity Development & Program of the board	1,700,000	1,500,000
Total Other Income	3,630,001	3,708,379

3.10 Employee Expenses

The Board provides defined contribution benefits (8.33% of basic salary) with respect to employees gratuity. Liability for leave encashment facility is settled yearly. The total employee expenses of Board are as below:

Particulars	Amt. in NPR	
	Current Year	Previous Year
Salary Expenses	1,948,970	2,171,635
Festival Expenses	154,916	188,614
Medical Expenses	154,898	188,614
Leave Encashment Expenses	216,882	248,994
Dearness Allowance	60,000	68,000
Dress Allowance	25,000	35,000
Insurance Expenses (Group Accident)	6,020	4,736
Gratuity	153,938	164,612
Provident Fund	184,797	197,615
Employee Capacity Development	524,106	80,000
Total Employee Expenses	3,429,527	3,347,820

3.11 Office Operating Expenses

Office Operating expenses include following expenses accounted for on accrual basis:

Particulars	Amt. in NPR	
	Current Year	Previous Year
Printing & Stationery	81,902	82,375
Communication Expenses	33,315	20,272
Newspaper, Magazine & Journal Expenses	76,550	61,451
Fuel Expenses	39,150	44,947
Water & Electricity	7,080	9,330
Repair & Maintenance	31,039	83,650
Professional Service Expenses	23,030	37,290
Postal & Courier Service Expenses	4,570	6,258
Non-durable Items	14,588	36,602
Office Expenses	90,977	71,600
Renewal Expenses	5,007	3,675
Audit Fees and Expenses	56,500	47,065
Banking Expenses	1,637	484
Cleaning and Gardening Expenses	96,631	92,446
Total Office Operating Expenses	561,976	597,445

3.12 Board Operating Expenses

Board Operating expenses include following expenditures accounted for on accrual basis:

Amt. in NPR

Particulars	Current Year	Previous Year
Meeting Fees and Expenses	803,604	1,017,466
Publication Related Expenses	-	251
Total Other Expenses	803,604	1,017,717

3.13 Standards Development & Program Expenses

Amt. in NPR

Particulars	Current Year	Previous Year
Standard Development Expenses	893,609	40,000
Interaction Program	739,517	464,902
Standards Related Program Expenses	449,090	53,900
International Meetings Abroad	1,822,341	1,055,599
MCA signing program with Australian Accounting Standards Board & AOSSG Meeting Expenses	1,407,252	-
Total Standards Development Expenses	5,311,809	1,614,401

3.14 Related Parties Transactions

3.14.1 ASB Nepal Officials

During the year, ten number of Board meetings were held . The meeting expenses are presented under Board Operating Expenses. Key Management Personnel includes Chief Executive Office of the Board.

3.14.2 Fees paid for Board, Committee, Sub-Committee & Task Force Meetings

During the reporting period, meetings of the Board, Committee, Sub-Committee and Task Force were held and meeting allowance expenses were incurred, that are shown in Meeting fees and expenses.

A. Meeting allowances to the Chairman and Board Members is as follow. Only meeting allowance has been paid, no other benefits were paid to them.

Amt. in NPR

S.N.	Name	Designation	Amount	TDS	Net Paid
1	Mr. Prakash Jung Thapa	Chairman	56,000	8,400	47,600
2	Mr. Gyanendra Raj Ojha	Member	24,000	3,600	20,400
3	Mr. Chandra Kanta Bhandari	Member	50,000	7,500	42,500
4	Mr. Yogesh Parajuli	Member	16,000	2,400	13,600
5	Mr. Om Prasad Rijal	Imm. Member	14,000	2,100	11,900
6	Mr. Gayatri Raman Khanal	Imm. Member	24,000	3,600	20,400
7	Mr. Pradip Raj Adhikari	Member	4,000	600	3,400
8	Mr. Deepak Kumar Pahadi	Imm. Member	14,000	2,100	11,900
9	Mr. Shiva Lal Tiwari	Member	4,000	600	3,400
10	Mr. Bhupal Baral	Imm. Member	4,000	600	3,400
11	Mr. Dirgha Raj Mainali	Imm. Member	4,000	600	3,400
12	Mr. Mahesh Baral	Member	8,000	1,200	6,800
13	Dr. Navaraj Adhikari	Imm. Member	8,000	1,200	6,800
14	Mr. Ramesh Kumar Hamal	Imm. Member	4,000	600	3,400
15	Mr. Prabin Dhoj Joshi	Member	6,000	900	5,100
16	Mr. Sanjay Kumar Sinha	Member	42,000	6,300	35,700
17	Mr. Manish Raj Upreti	Member	68,000	10,200	57,800
18	Mr. Arun Raut	Member	38,000	5,700	32,300
19	Mr. Dol Prasad Dahal	Member	48,000	7,200	40,800
	Total		436,000	65,400	370,600

B Total number of Committee, Sub-Committee and Task Forces Meetings and those Meeting Allowances were paid as given below

Amt. in NPR

S.N	Particulars	Numbers of meetings	Total Allowances paid
A	Committees		
1	Standard Development and Revision Technical Committee Meeting Allowance	5	68,000
2	Nepal Sustainability Reporting Standards (NSRS) Development Committee Allowance	2	34,000
3	Capacity Development Committee Meeting Allowance	1	10,000
4	Audit Committee Meeting Allowance	4	34,000
5	Budget Preparation Task Force Meeting Allowance	2	14,000
6	Study Research Committee Meeting Allowance	1	14,000
7	Advisory Committee Meeting Allowance	1	12,000
8	Standards Review Task Force	3	20,000
	Total Amount		206,000

C The Key Management Personnel was paid following compensation:

S.N	Particulars	Amount
1	Short-term employee benefits	1,672,868
	Post-employment benefits	204,435
	Other long-term benefits	-
	Termination benefits	-
	Shared-based payment	-
2	Meeting Allowances	78,000
	Total Amount	1,955,303

3.14.3 Accounting Standards Board, Nepal (ASB Nepal) Board Members' Travelling for Meetings & Seminars Abroad

The representatives from the Board attended BRI National Accounting Standards Cooperation Forum held in Xiamen, China, World Standard-Setters (WSS) Conference and International Forum of Accounting Standard Setters (IFASS) held in London, AOSSG Annual Meeting held in Brisbane, Australia and International Forum of Accounting Standard Setters (IFASS) meeting which was held in Seoul, South Korea. Total expenditure incurred amounts to NPR 1,822,341.

3.15 Event after reporting period

There were no events occurred subsequent to the reporting period that would require disclosure and adjustment in the financial statement.

3.16 Contingent Liabilities

There were no claim against the Board nor has it made any capital commitment or guarantee or has legal case pending against/for it. The Board is tax exempt entity and no tax assessment has been made by the tax authorities till date.

3.17 Assets Encumbrance

The Board's assets are not subject to any liens, charges or other encumbrances.

Secretariat



CA. Sushil Poudel
Chief Executive Officer



Mr. Santosh Bhattarai
Administration Department



Mrs. Laxmi Neupane
Office Helper



लेखामान बोर्ड

ACCOUNTING STANDARDS BOARD

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