

Progressive Finance Limited
Condensed Statement of Financial Position
As on Quarter ended on 31 Ashad 2079 as per Nepal Financial Reporting System

Amount in NPR

Assets	This Quarter Ending	Immediate Previous Year Ending
Cash and cash equivalent	1,120,410,329	585,913,183
Due from Nepal Rastra Bank	120,010,410	129,107,407
Placement with Bank and Financial Institutions	-	-
Derivative financial instruments	-	-
Other trading assets	-	-
Loan and advances to B/FIs	161,674,250	445,095,288
Loans and advances to customers	3,725,656,167	2,247,601,365
Investment securities	858,659,166	548,678,013
Current tax assets	10,087,801	4,713,077
Investment in subsidiaries	-	-
Investment in associates	-	-
Investment property	8,640,000	4,100,000
Property and equipment	123,801,664	74,804,243
Goodwill and Intangible assets	2,032,427	891,762
Deferred tax assets	3,201,224	-
Other assets	57,255,008	49,639,115
Total Assets	6,191,428,446	4,090,543,453
Liabilities		
Due to Bank and Financial Institutions	165,266,030	59,901,550
Due to Nepal Rastra Bank	454,205,652	171,227,269
Derivative financial instruments	-	-
Deposits from customers	4,592,926,289	2,918,657,648
Borrowing	-	-
Current Tax Liabilities	-	-
Provisions	-	-
Deferred tax liabilities	-	6,094,045
Other liabilities	51,820,832	33,460,391
Debt securities issued	-	-
Subordinated Liabilities	-	-
Total liabilities	5,264,218,803	3,189,340,903
Equity		
Share capital	848,106,000	800,100,000
Share premium	-	7,124,781
Retained earnings	15,543,209	44,725,864
Reserves	63,560,434	49,251,904
Total equity attributable to equity holders	927,209,642	901,202,550
Non-controlling interest	-	-
Total equity	927,209,642	901,202,550
Total liabilities and equity	6,191,428,446	4,090,543,453

Progressive Finance Limited
Condensed Statement of Profit or Loss

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Interest income	159,697,635	454,342,425	70,203,965	236,190,149
Interest expense	99,800,535	293,011,316	44,795,766	156,476,509
Net interest income	59,897,100	161,331,109	25,408,199	79,713,640
Fee and commission income	143,665	517,409	4,672,934	8,634,320
Fee and commission expense	-	-	-	-
Net fee and commission income	143,665	517,409	4,672,934	8,634,320
Net interest, fee and commission income	60,040,765	161,848,519	30,081,133	88,347,960
Net trading income	-	-	-	-
Other operating income	6,340,352	49,501,507	4,628,244	22,243,309
Total operating income	66,381,117	211,350,026	34,709,377	110,591,269
Impairment charge/(reversal) for loans and other losses	(24,415,718)	(3,792,736)	4,673,171	(9,841,875)
Net operating income	90,796,835	215,142,762	30,036,206	120,433,144
Operating expense	44,253,197	152,547,053	29,405,249	101,964,068
Personnel expenses	22,558,943	71,240,299	15,929,437	51,389,977
Other operating expenses	15,743,682	62,282,813	10,424,620	39,075,648
Depreciation & Amortisation	5,950,572	19,023,941	3,051,192	11,498,443
Operating Profit	46,543,638	62,595,709	630,957	18,469,076
Non operating income	-	-	6,769,583	40,343,306
Non operating expense	-	-	-	23,163
Profit before income tax	62,595,709	62,595,709	7,400,540	58,789,220
Income tax expense				
Current Tax	12,447,230	12,447,230	2,220,162	17,636,766
Deferred Tax	-	-	-	-
Profit for the period	34,096,408	50,148,479	5,180,378	41,152,454

Progressive Finance Limited

Condensed Statement of Other Comprehensive Income

Amount in NPR

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This Quarter (YTD)	This Quarter	Upto This Quarter (YTD)
Profit for the year	34,096,408	50,148,479	5,180,378	41,152,454
<u>Other comprehensive income, net of income tax</u>				
a) Items that will not be reclassified to profit or loss				
Gain/(loss) from investments in equity instruments measured at fair value	(994,937)	(30,878,224)	(5,913,022)	3,416,907
Gain/(loss) on revaluation				
Actuarial gains/(losses) on defined benefit plans				
Income tax relating to above items	(18,228,453)	(9,263,467)	1,773,906	(1,025,072)
Net other comprehensive income that will not be reclassified to profit or loss	(19,223,390)	(40,141,691)	(4,139,115)	2,391,835
b) Items that are or may be reclassified to profit or loss				
Gains/(losses) on cash flow hedge				
Exchange gain/(losses) arising from translating financial assets of foreign operation				
Income tax relating to above items				
Net other comprehensive income that are or may be reclassified to profit or loss				
c) Share of other comprehensive income of associate accounted as per equity method				
Other comprehensive income for the period, net of income tax	(19,223,390)	(40,141,691)	(4,139,115)	2,391,835
Total comprehensive income for the period	14,873,017	10,006,788	1,041,263	43,544,288

Total Comprehensive Income attributable to:				
Equity holders of the Bank	14,873,017	10,006,788	1,041,263	43,544,288
Non-controlling interest				
Total	14,873,017	10,006,788	1,041,263	43,544,288

Earnings per Share	
Basic Earnings per Share	5.91 (0.12)
Annualized Basic Earnings Per Share	5.91 (0.16)
Diluted Earnings per Share (Annualized)	5.91 (0.16)

Ratios As per NRB Directive

Particulars	Current Year		Previous Year Corresponding	
	This Quarter	Upto This	This Quarter	Upto This
		Quarter (YTD)		Quarter (YTD)
Capital Fund to RWA		26.81%		31.22%
Non Performing Loan (NPL) to total loan		2.78%		3.46%
Total Loan Loss Provision to Total NPL		70.50%		159.82%
Cost of Funds		9.27%		6.27%
CD Ratio		78.14%		71.32%
Base Rate		12.93%		9.42%
Interest Rate Spread		4.53%		3.55%

Progressive Finance Limited
Condensed Statement of Cash Flows

Amount in NPR

Particulars	Upto This	Corresponding Previous
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	454,342,425	210,194,718
Fees and other income received	517,409	8,634,320
Dividend received	-	-
Receipts from other operating activities	49,501,507	62,586,615
Interest paid	(293,011,316)	(156,476,509)
Commission and fees paid	-	-
Cash payment to employees	(71,240,299)	(51,389,977)
Other expense paid	(62,282,813)	(39,075,648)
Operating cash flows before changes in (Increase)/Decrease in operating assets	77,826,914	34,473,518
Due from Nepal Rastra Bank	9,096,997	(20,969,393)
Placement with bank and financial institutions	-	-
Other trading assets	-	-
Loan and advances to bank and financial	283,421,038	7,534,471
Loans and advances to customers	(1,516,488,662)	(999,836,036)
Other assets	(7,615,893)	(62,231,085)
Increase/(Decrease) in operating liabilities	-	-
Due to bank and financial institutions	105,364,480	(191,396,864)
Due to Nepal Rastra Bank	282,978,383	165,084,950
Deposit from customers	1,641,028,546	1,199,263,451
Borrowings	-	-
Other liabilities	18,360,441	17,234,398
Net cash flow from operating activities before	893,972,244	149,157,410
Income taxes paid	-	222,534
Net cash flow from operating activities	893,972,244	149,379,945
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(314,889,534)	(170,488,860)
Receipts from sale of investment securities	-	-
Purchase of property and equipment	(51,572,461)	(36,957,584)
Receipt from the sale of property and	-	-
Purchase of intangible assets	(1,140,665)	(731,596)
Receipt from the sale of intangible assets	-	-
Purchase of investment properties	-	-
Receipt from the sale of investment properties	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	(367,602,660)	(208,178,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of shares	-	-
Net cash from financing activities	-	-
Net increase (decrease) in cash and cash	526,369,584	(58,798,095)
Cash and cash equivalents as at Sawan 1, 2077	594,040,745	594,040,745
Effect of exchange rate fluctuations on cash	-	-
Closing Cash and Cash Equivalent at Chaitra	1,120,410,329	535,242,650

Details about the distributable Profit

	Amount in NPR
Opening Retained Earnings	1,318,016
Net profit for the period end Asar Quarter 2079	50,148,479
1. Appropriations	
1.1 Profit Required to be appropriated	(10,456,975)
a) General Reserve	(10,029,696)
b) Capital Redemption Reserve	
c) Exchange Fluctuation Fund	
d) CSR Fund	(501,485)
e) Employee Training Fund	
f) Other	74,206
1.2 Profit Required to be transferred to Regulatory Reserve	(25,466,311)
a) Transferred to Regulatory Reserve	(25,466,311)
b) Transferred from Regulatory Reserve	
Net Profit for the Period End Asar Quarter for Distribution	15,543,209

Progressive Finance Limited
Condensed Statement of Changes in Equity

Amount in NPR

Particulars	Attributable to Equity holders of the Bank										Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	General Reserve	Exchange Equalization	Regulatory Reserve	Fair Value Reserve	Revaluation Reserve	Retained Earning	Other Reserve	Total		
Balance at 1 Sawan 2077	800,100,000	7,124,781	18,973,013	-	15,323,966	8,837,932	-	7,435,459	194,346	857,989,498	-	857,989,498
Profit for the Period								26,817,516		26,817,516	-	26,817,516
Other Comprehensive Income						-				-	-	-
Transfer to reserve during the year			5,363,503			16,395,536		(8,541,463)	710,334	13,927,911	-	13,927,911
Transfer from reserve during the year			2,467,625		(10,377,663)	(8,636,689)		19,014,352		2,467,625	-	2,467,625
Contributions from and distribution to owners										-	-	-
Right share issued										-	-	-
Share based payments										-	-	-
Dividends to equity holders										-	-	-
Bonus shares issued										-	-	-
Cash dividend paid										-	-	-
Other										-	-	-
Total contributions by and distributions	-	-	-	-	-	-	-	-	-	-	-	-
Balance at Asar end 2078	800,100,000	7,124,781	26,804,142	-	4,946,303	16,596,780	-	44,725,864	904,680	901,202,550	-	901,202,550
Balance at 1 Sawan 2078	800,100,000	7,124,781	26,804,142	-	4,946,303	16,596,780	-	44,725,864	904,680	901,202,550	-	901,202,550
Profit for the Period								50,148,479		50,148,479	-	50,148,479
Other Comprehensive Income										-	-	-
Transfer to reserve during the year			10,029,696		25,466,311			(35,997,492)	501,485	(0)	-	(0)
Transfer from reserve during the year					-	(21,688,962)		74,206		(21,614,757)	-	(21,614,757)
Contributions from and distribution to owners										-	-	-
Right share issued										-	-	-
Share based payments										-	-	-
Dividends to equity holders										-	-	-
Bonus shares issued	48,006,000	(7,124,781)						(40,881,219)		-	-	-
Cash dividend paid								(2,526,630)		(2,526,630)	-	(2,526,630)
Other										-	-	-
Total contributions by and distributions	48,006,000	(7,124,781)	-	-	-	-	-	(43,407,849)	-	(2,526,630)	-	(2,526,630)
Balance at Ashad end 2079	848,106,000	-	36,833,838	-	30,412,614	(5,092,183)	-	15,543,209	1,406,165	927,209,642	-	927,209,642

Notes to the Interim Financial Statements

1 Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated as per carve out issued by Institute of Chartered Accountants of Nepal.

2 Statement of Compliance with NFRSs

The Interim Financial Statement of finance which comprises of Condensed Statement of Financial Position, Condensed Statement of Profit or Loss and Statement of Other Comprehensive Income, Condensed Statement of Changes in Equity, Condensed Statement of Cash Flows, Notes to the Interim Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards as issued by the Nepal Accounting Standard Board and carve out issued by The Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act ,2006 and directives issued by Nepal Rastra Bank. The formats used in the preparation of the Financial Statements and the disclosures made therein also comply with the specified formats prescribed by the Nepal Rastra Bank for the preparation, presentation and publication of Interim Financial Statements.

3 Use of Estimates, assumptions and Judgements

In preparing the Interim Financial Statements of the finance in conformity with NFRSs and NASs, the management has made judgments, estimates and assumptions which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

4 Changes in accounting policies

New accounting policies have been followed and have been consistently applied for and after Shrawan 1, 2075.

5 Significant accounting Policies

a. Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for following material items stated in the Statement of Financial Position:

- Fair value and impairment of financial instruments

b. Cash and Cash Equivalentents

Cash and cash equivalentents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with Nepal Rastra Bank and amounts due from financial institutions.

c. Financial Instruments- Initial recognition and subsequent measurement

Financial Instruments are initially recognized on the trade date, i.e., the date that the finance becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management’s intention when acquiring them. All financial instruments are measured initially at their fair value plus transaction

costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

d. Loans and advances to customers and BFIs

Loans and advances to customers and BFIs comprises of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market which includes short term lending, term based lending, hire purchase lending, mortgage lending, personal lending loans to employees and others. Loans and advances are presented on net of the total loan loss provision on the basis of directive number 2 issued by Nepal Rastra Bank. These loans are categorized under pass, watch list, sub-standard, doubtful and loss category. Loan loss provisions are provided on the basis of percentage of total loan outstanding on the basis of their overdue days and other criteria set out in the directive.

e. Investment Securities

Investment securities are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the Effective Interest Rate (EIR) less impairment. Investment in quoted equities, unquoted equities and quoted mutual fund units are initially recognized at cost plus directly attributable transaction costs and subsequently measured at fair value through other comprehensive income. All the listed ordinary equity shares are measured at fair value using Level 1 input as described in NAS 13 "Fair Value Measurement". Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. For the promoter shares where the quoted prices cannot be accessed at the measurement date, they are valued at 50% of the value of ordinary equity shares.

f. Property and Equipment

Property and equipment is stated at cost excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the finance and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

g. Goodwill and Intangible Assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the finance. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

h. Investment Property

Non-Banking Assets which are acquired as part of recovery of loans are classified as investment property and are carried at cost. The finance's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the repossessed value. Land and Building of repossessed collateral are classified as investment property.

i. Income Tax

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are rates applicable as per Income Tax Act 2058.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

j. Deposits, debt securities issued

Deposits are the balance accepted by finance from the individuals, corporate entities, financial institution and other organized institutions. Deposits are measured at amortized cost. Amortized cost for deposits are the same values in which the finance have accepted the deposits from the individuals, corporate entities, financial institution and other organized institutions. No any additional cost is incurred in accepting the deposit which would affect the effective interest rate.

Debt securities are financial liabilities accepted by finance as long term liabilities. These debt securities are measured at amortized cost using the effective interest rate.

k. Provisions

Provisions are recognized when the finance has a present obligation (legal or constructive) as a result of past event, and 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 of the amount of the obligation. When the effect of the time value of money is material, the finance determines the level of provision by **discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability**. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

l. Capital and Reserves

Ordinary share capital represents the par value of ordinary shares issued. Share issuance cost which **were incurred for raising the capital has not been shown as deduction from share capital** but are charged to statement of profit or loss. Share premium represents the excess consideration received by the finance over the par value of ordinary shares issued, and is classified as equity.

Statutory reserves represent the mandatory reserves maintained by the finance as per Nepal Rastra Bank directives. This includes general reserve, exchange equalization reserve, capital redemption reserve, investment adjustment reserve, interest capitalized reserves, corporate social responsibility reserve, training and development reserve and other reserves as notified by Nepal Rastra Bank. These reserves are not available for distribution of dividend to the shareholders. Retained earnings represents the cumulative net earnings or profit after accounting for dividends to shareholders and mandatory reserves required as per directives issued by Nepal Rastra Bank before distributing dividend. Retained earnings represents the cumulative net earnings or profit after accounting for dividends to shareholders and mandatory reserves required as per directives issued by Nepal Rastra Bank before distributing dividend.

m. Contingent Liabilities

Contingent liabilities are possible obligations that arise out of past events and whose existence will be confirmed only by the occurrence of or non-occurrence of one or more uncertain future events not wholly within the control of the finance. These can also be present obligations that arise from past events but they are not recognized because it is not probable that an outflow of resources embodying

economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are measured with the provisions of as defined in Nepal Accounting Standard-NAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

n. Revenue Recognition

Interest income is recorded on gross carrying amount of loan as carve out provided by ICAN. Interest on fully impaired loans have not been recognized as interest income as per the circular issued by Nepal Rastra Bank.

o. Fees and commission

Fees and commissions are generally recognized on an accrual basis when the service has been provided or significant act performed. The fees and commission income and expense that are integral to the effective interest rate on the financial assets and financial liability are included in the measurement of the effective interest rate. Finance Co. has opted to use carve-out as mentioned in Note 2.1.1 (c) on this matter and accounted all realized fee and commission income upfront. Commission on guarantees issued that are for more than one year are immediately accounted as income. If the period of guarantee is more than one year, then proportionate amount of fee is accounted as income.

p. Interest Expenses

Interest on deposit accepted from customer and borrowings of the Finance Co. are accounted on accrual basis.

q. Personnel Expenses

The cost of all short-term employee benefits is recognized as an expense during the period in which the employee renders the related service. Accruals for employee entitlements to salaries, bonus and annual leave represent the amount which the finance has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates.

Employee benefits are provided as per Employee Service Regulation of the Finance Co. and on book value basis. Finance believes that the impact of actuarial valuation will not be material and its benefit will not be more than the cost involved on such expert valuation.

r. Other Operating Expenses

Other Operating expenses are incurred and accounted on an accrual basis and are charged to income statement unless those expenses form the capital nature.

s. Depreciation and Amortization

Property and equipment are depreciated from the subsequent month of assets being put to use, while no depreciation is charged in the month of disposal, at the determined rates on a straight line basis over the periods appropriate to the estimated useful lives of asset's future economic benefits are expected to be consumed by the finance. Leased assets are amortized over the period of 5 years or lease term which is earlier. Freehold lands are not depreciated as they are non-depreciable assets.

t. Income Tax Expenses

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount

of current tax receivable or payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted, as at the reporting date. Accordingly, provision for taxation is based on the profit for the period adjusted for taxation purpose in accordance with the provisions of the Income Tax Act.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

u. Earnings Per Share

The finance presents basic and diluted Earnings per Share (EPS) for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the net profit for the period attributable to ordinary equity holders of finance by the weighted average number of ordinary shares outstanding during the period. Diluted Earnings per Share is determined by adjusting both the profit attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares if any.

6 Segment Information

Finance Co.'s management has identified its operating segments based on the management of its branches and offices. In line with this, 7 different segments are identified based on 7 Provinces of Nepal on geographical separation basis. The operation, risk, transactions, etc. are more inclined on similar manner on a particular state. All the related income and expenses of such segments are presented in the segment information. Equity, staff bonus, NFRS adjustments and income tax are not segregated and are included in central account.

A. Information about reportable segments

Particulars	Province 1	Madhesh	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim	Total
Revenue from external customers	8,271,146	59,465,002	369,065,470	18,058,216				454,859,834
Intersegment revenues	-	-	-	-				-
Segment Profit(loss) before tax	664,069	(1,134,449)	65,505,578	(2,439,489)				62,595,709
Segment Assets	88,224,399	1,336,461,145	4,542,480,592	224,262,310				6,191,428,446
Segment Liabilities	87,560,330	1,337,565,571	3,612,391,104	226,701,799				5,264,218,803

B. Reconciliation of reportable segment profit or loss

Particulars	Current Quarter	Corresponding Year Quarter	Previous
Total profit before tax for reportable segments	62,595,709		58,789,220
Profit before tax for other segments			
Elimination of inter-segment profit			
Elimination of discontinued operation			
Unallocated amounts:			
– Other corporate expenses			
Profit before tax	62,595,709		58,789,220

7 Related parties' disclosure

Related parties of the finance include key management personnel of the finance.

a) Key management personnel

Key management personnel include Board of Director of the finance and Chief Executive Officer.

Board of Directors

Board of Directors of the finance comprise the following:

Name	Position
Mr. Kishore Kumar Maharjan	Chairperson
Mr. Shambhu Lal Dangol	Director
Mr. Bikash Maharjan	Director
Mr. Samundra Kaji Shrestha	Director
Mrs. Sabina Maharjan	Director
Mr. Anish Maharjan	Director
Mr. Biplove Singh	Independent Director

Mr. Bishal Humagain serves as the secretary of Board.

b) Allowance and facilities provided to board members

Chairperson of the Board is provided Rs. 5,000 and other board members are provided Rs. 4,000 as meeting fees for attending the board meetings. Total amount paid as meeting allowance up to this quarter to board members was Rs.6,84,000. All board members are provided Rs. 3,000 per month per person in order to cover expenses related to newspaper and telephone expenses. For official travel, members of board are provided travel and daily allowance as per the rules of finance. Apart from the stated allowance and facilities, other allowance and facilities are not provided to board members. There has not been any commercial transaction of the finance with its board members.

c) Chief Executive Officer

Mr. Bishal Humagain serves as Chief Executive Officer of the finance. He is provided salary and allowance and benefits as per contract entered on his appointment. Salary and allowances provided to Mr. Humagain upto the 3rd quarter of current fiscal year amounts to Rs.31,71,167.53.00 (previous year Rs. 27,93,000).

In addition, the CEO is provided vehicle facility by the finance.

Finance has not entered any commercial transaction with its CEO.

8 Dividends paid (aggregate or per share) separately for ordinary shares and other shares.

No dividend has been paid separately for ordinary shares and other shares.

9 Issued, repurchased and repayment of debt instruments

The finance has not issued, repurchased and repaid any debt instruments.

10 Events after reporting Period

No any events have occurred after the interim period which is material and reportable.

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

No any events have occurred.