

INDEPENDENT AUDITOR'S REPORT

**To the Fund Supervisors of
NIC Asia Balanced Fund**

Report on the Financial Statements

We have audited the accompanying financial statements of **NIC Asia Balanced Fund**, which comprise the Statement of Financial Position as at Ashad 32, 2079 (July 16, 2022), Statement of Profit or Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies, notes to account and other explanatory information.

Management's Responsibility for the Financial Statements and those charged with Governance for the Financial Statements

Management of NIC ASIA Capital Limited, the scheme's Fund Manager, is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting framework i.e. Nepal Financial Reporting Standards, wherever applicable and/or general accepted accounting principles of Nepal, including the accounting policies and standards specified in Collective Investment Scheme Regulations 2067. Management also accepts responsibility for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to express an opinion on these financial statements based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statement's gives a true and fair view of the financial position of NIC Asia Balanced Fund as at Ashad 32, 2079 (July 16, 2022), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards and Collective Investment Scheme Regulations 2067.


Report on Other Legal and Regulatory Requirements

We report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) Proper books of account have been kept by the Fund as required by the relevant law.
- c) The enclosed Statement of Financial Position, Statement of Profit or Loss Account, Statement of Changes in Equity and Statement of Cash Flows have been prepared in conformity with provisions of the relevant law, and same are in agreement with the books of account maintained by the Fund & comply with the generally accepted accounting principles.
- d) In our opinion and to the best of our information and according to the explanations given to us; the enclosed accounts, read with Notes to Accounts attached thereto, give true & fair view of:
 - ~ in case of Balance Sheet, state of affairs of the Fund as on Ashadh 32, 2079 (July 16, 2022);
 - ~ in case of Income & Expenditure Statement, the surplus of the Fund for the year ended on Ashadh 32, 2079 (July 16, 2022);
 - ~ In case of Statement of Changes in Equity, Changes in Equity for the year ended on Ashadh 32, 2079 (July 16,2022)
 - ~ In case of Cash Flow Statement, cash flow for the year ended on Ashadh 32, 2079 (July 16, 2022).

- e) In our opinion and to the best of our information and according to the explanations given to us, NIS Asia Balanced Fund or any member thereof or any office bearer of the Fund has not acted against the provisions of law relating to the accounts nor caused loss or damage to the Fund or misappropriated the funds.


CA. Pratik Shrestha
Principal
Pratik Shrestha & Associates
Chartered Accountants
Date: October 14, 2022
UDIN: 221014CA00713pcSzA



NIC ASIA Balanced Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)

Statement of Financial Position as at 32nd Ashad, 2079 (16th July, 2022)

In NPR

Particulars	Notes	Ashad End 2079	Ashad End 2078
Assets			
Non Current Assets			
Financial Asset Measured at Amortised Cost	IV	180,237,000	145,262,000
Current Assets			
Financial Asset Measured at Amortised Cost	VI	90,000,000	123,000,000
Cash and Cash Equivalents	V	129,121,664	261,090,896
Other Assets	VII	70,447,613	11,667,592
Financial Assets Held at Fair Value Through Profit or Loss	III	452,375,942	771,429,573
Total		922,182,219	1,312,450,060
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	II	4,697,583	6,165,748
Liabilities (Excluding Net Assets Attributable to Unitholders)		4,697,583	6,165,748
Unit Holder's Funds			
Net Assets Attributable to Unit Holders		917,484,636	1,306,284,312
Total		922,182,219	1,312,450,060

NAV per unit

12.15

17.30

Explanatory Notes form integral part of Financial Statements

On Behalf of NIC ASIA Capital Limited
(Fund Management Company)

As per our Report of even date


Ramendra Rayamajhi
Chief Executive Officer


Kapil Dhakal
Chairman


CA Pratik Shrestha
Principal
Pratik Shrestha & Associates
Chartered Accountants


Manish Ghimire
Chief Investment Officer


Dinesh Bhari
Director


Rupesh Luitel
Director


Rabin Sapkota
Independent Director


Surjan Dangol
Independent Director

Date: 14th October 2022
Place : Kathmandu



NIC ASIA Balanced Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)

Statement of Profit or Loss
For the Period from 1st Shrawan, 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

In NPR

Particulars	Notes	FY 2078/79	FY 2077/78
Income			
Realised Income			
Gain on Sale of Stocks	IX a.	75,556,753	224,133,318
Interest Income	X	29,582,137	28,638,623
Dividend Income	XI	3,767,807	3,908,445
Unrealised Income			
Fair Value Gains/(losses)	IX b.	(251,324,434)	293,130,934
Total		(142,417,737)	549,811,320
Expenses and Losses			
Fund Management Fee		16,089,374	15,865,427
Depository Fee		2,145,250	2,115,390
Fund Supervisor Fee		1,072,625	1,057,695
Annual Listing fee		50,000	50,000
Scheme Audit Fee		113,000	113,000
CDSC Annual Fee		120,000	120,000
DP Software Charge		99,440	81,360
Bank Charges		5,716	5,125
Books and Publications		176,535	169,100
Book Building License Fee		10,000	10,000
Other Expenses		-	-
Total		19,881,940	19,587,098
Profit (Loss) for the period		(162,299,677)	530,224,222
Other Comprehensive income			
Increase/(Decrease) in Net Assets Attributable to Unitholders		(162,299,677)	530,224,222

On behalf of NIC ASIA Capital Limited
(Fund Management Company)

As per our Report of even date


Ramendra Rayamajhi
Chief Executive Officer


Kapil Dhakal
Chairman




Manish Ghimire
Chief Investment Officer


Dinesh Bhari
Director


Rupesh Luitel
Director


Rabin Sapkota
Independent Director


Sumari Dangol
Independent Director

Date: 14th October 2022
Place: Kathmandu



NIC ASIA Balanced Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)

Statement of Cash Flows

For the Period from 1st Shrawan, 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

In NPR

Particulars	FY 2078/79	FY 2077/78
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(162,299,677)	530,224,222
Adjustments for:		
(Increase)/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	251,324,434	(293,130,934)
Increase/(Decrease) in Liabilities	(1,468,165)	(2,583,272)
(Increase)/Decrease in Share	67,729,197	(94,163,129)
(Increase)/Decrease in Other Assets	(60,755,021)	(115,334,230)
Net cash generated/(used) in Operations (1)	94,530,768	25,012,657
B. Cash Flow from Investing Activities		
Net cash generated/(used) in Investing (2)	-	-
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital	-	-
Dividend Paid during the year (net of tax)	(226,500,000)	(60,400,000)
Net cash generated/(used) in Financing (3)	(226,500,000)	(60,400,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	(131,969,232)	(35,387,343)
Cash and Cash Equivalents at beginning of the year/period	261,090,896	296,478,239
Cash and Cash Equivalents at end of period	129,121,664	261,090,896
Components of Cash and Cash Equivalents		
Balance with Banks	129,121,664	261,090,896

On behalf of NIC ASIA Capital Limited
(Fund Management Company)

As per our Report of even date


Ramendra Rayamajhi
Chief Executive Officer


Kapil Dhakal
Chairman




Manish Ghimire
Chief Investment Officer


Dinesh Bhari
Director


Rupesh Luitel
Director


Rabin Sapkota
Independent Director


Suran Dangol
Independent Director

Date: 14th October 2022
Place : Kathmandu



NIC ASIA Balanced Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)

Statement in Changes in Equity
For the Period from 1st Shrawan, 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

Particular				In NPR
	Unit Capital	Realized Profit	Unrealized Profit	Total
Opening Balance	-	-	-	-
Issue of Unit Capital	755,000,000	-	-	755,000,000
Net Profit (Loss) Last Year	-	240,630,347	310,653,965	551,284,312
Net Profit (Loss) During the year	-	89,024,757	(251,324,434)	(162,299,677)
Dividend Paid	-	(226,500,000)	-	(226,500,000)
Balance as on 32/03/2079	755,000,000	103,155,105	59,329,531	917,484,636

NAV Per Unit

12.15

On behalf of NIC ASIA Capital Limited
(Fund Management Company)

As per our Report of even date



Ramendra Rayamajhi
Chief Executive Officer



Kapil Dhakal
Chairman



Dinesh Bhari
Director



CA Pratik Shrestha
Principal
Pratik Shrestha & Associates
Chartered Accountants




Manish Ghimire
Chief Investment Officer



Rupesh Luitel
Director



Rabin Sapkota
Independent Director



Sunil Dangol
Independent Director

Date: 14th October 2022
Place : Kathmandu



A. OVERVIEW

Fund:	NIC ASIA Bank Mutual Fund
Scheme:	NIC ASIA Balanced Fund
Fund Sponsor:	NIC ASIA Bank Limited (NICA) (Licensed by NRB as Class "A" bank)
Fund Management:	NIC ASIA Capital Limited (A 100% subsidiary of NIC ASIA Bank Limited)
Fund Supervisors:	Mr. Bodhraj Niraula Mr. Aashish Adhikari Mr. Shivaraj Ghimire Mr. Santosh Lamichhane Mr. Mahendra Nath Karmacharya
Total Units of Scheme:	75,500,000 (Seventy-Five Million Five Hundred Thousand units)
Total Unit Capital:	NPR 755,000,000 (NPR Seven Hundred Fifty-Five Million Only)
Scheme type:	Close-Ended

NIC ASIA Balanced Fund (the Scheme) under NIC ASIA Bank Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim to achieve high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 12 Bhadra 2076 (Scheme allotment date) B.S. with maturity period of 10 years (i.e., 11 Bhadra 2086 B.S.) It was listed in NEPSE on 29th Asoj 2076. The Scheme's Financial Statements were approved by the Board of Directors of the NIC ASIA Capital Limited on 28th Ashwin 2079 being the Fund Management and Depository Company. Similarly, information regarding approval of Financial Statements has been shared with Fund Supervisors.

NIC ASIA Bank Ltd. (NICA) is the Fund Sponsor and NIC ASIA Capital Limited, a subsidiary of NICA duly licensed by Securities Board of Nepal (SEBON), has been appointed as the Fund Manager of the Scheme by the Sponsor after obtaining due approval from SEBON. Further, the Fund Manager is also providing Depository services to the unit holders of the Scheme in line with the prevailing regulations on mutual fund.



1. The capital structure of the Scheme is as follows:

Holder	Capacity	No. of Units	Holding Amount @ NPR 10 Each	Holding (%)
NIC ASIA Bank Limited	Fund Sponsor	17,500,000	175,000,000	23.18
NIC ASIA Capital Limited	Fund Manager	1,355,700	13,557,000	1.80
General Public	General	56,644,300	566,443,000	75.02
Total		75,500,000	755,000,000	100

2. Net Asset Value (NAV) per unit

The Fund Manager calculates the NAV per unit of the Scheme by deducting the Schemes' liabilities over market value of the total investment and other assets such as interest and dividend receivable, bank balances divided by total number of scheme units on a weekly basis in accordance with the prevailing regulations/guidelines on mutual funds and publishes the same on its official website: www.nicasiacapital.com every week. The said information is also shared with the Fund Supervisors and the Board members of the Fund Manager. Further, the NAV and Income Statement as at end of every Nepali calendar month is published on a national daily newspaper with prior notification of the same forwarded to the Fund Supervisors & SEBON in writing.

3. Net Assets Attributable to Unit Holders

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. The Fund considers its net assets attributable to unit holders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

4. Taxation

Finance Act FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e.; dividend) paid to individual is deducted at 5% which is final withholding and to entity is tax deducted at 15% (which is not final withholding). Therefore, the fund management is of the view that return from the Scheme is duly taxed as per the principal of income tax and is not subject to further tax liability for FY 2078/79.

B. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

Statement of Compliance

The Financial Statements have been prepared in compliance with Securities Act, 2063; Mutual Fund Regulations, 2067 and Mutual Fund Guidelines, 2069.

Remendra

Hanish

Page 2 of 23

[Handwritten initials]



Compliance with Nepal Financial Reporting Standards (NFRS)

These Financial Statements have been prepared in compliance Nepal Financial Reporting Standards (NFRS). Where there is a difference in accounting / valuation suggested by SEBON and NFRS, accounting / valuation technique as per SEBON is used.

Accounting Convention

The Financial Statements are prepared and presented under the historical cost convention and on the accrual basis in conformity with Nepal Financial Reporting Standards. Except for the following items which were measured or recognized as stated;

Investment classified as FVTPL are measured at Fair value.

Use of Judgments and Estimates:

In preparing the financial statements management has made judgments and estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses. The actual figure may differ from such estimates. Judgments and estimates are used to value the IPO investments.

The changes in underlying assumptions are reviewed ongoing basis and revisions to such estimates are recognized prospectively.

Equities and Liabilities

I. Net Assets Attributable to Unit Holders

A. Unit Capital

The unit capitals of funds are as follows:

<i>In NPR</i>			
S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1	Unit Capital Account	566,443,000	566,443,000
2	Unit Seed Capital Account	188,557,000	188,557,000
	Total Amount	755,000,000	755,000,000

B. Net gain/Loss from financial assets held at fair value through profit or loss:

Net gain/loss from financial assets held at fair value through profit or loss is as follow:

<i>In NPR</i>			
S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1	Other Reserve Fund	14,130,348	3,537,059
2	Accumulated Profit/ (Loss)		
	2.1. Realized Profit / (Loss)	89,024,757	237,093,288
	2.2. Unrealized Profit /(loss)	59,329,531	310,653,965
	Total Amount	162,484,636	551,284,312

II. Accrued Expenses and Other Payables:

The details of current liabilities and provisions for the period are as follows:

Samonds

Hawtin

2 19

My

In NPR

for



S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1	Broker Payable	-	-
2	Time Media	58,066	38,245
3	Scheme Audit Fee Payable	111,500	111,500
4	Fund Management Fee Payable	3,549,628	4,792,008
5	Depository Fee Payable	473,284	638,934
6	Supervisor Fee Payable	239,563	311,037
7	TDS Payable	100,020	133,033
8	Interim Dividend	-	-
9	Professional Computer System (P) Ltd.	24,530	-
10	Other Current Liabilities	140,992	140,992
	Total Amount	4,697,583	6,165,748

Liabilities are recognized when it is probable that an outflow of resources embodying economic benefits will result from the settlement of present obligation and the amount at which the settlement will take place can be measured reliably.

Financial Instruments

The Fund's principal financial assets comprise assets held at fair value through profit and loss, other assets, bonds and debenture, Fixed Deposit and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unit-holders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

a) Classification

The fund classifies the financial asset as subsequently measured at amortized cost or fair value on the basis of the Funds Business Model Test for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Financial Assets such as Bonds and Debenture are classified under financial assets measured at cost.

Financial assets measured at fair value:

Financial assets other than those measured at amortized cost are measured at fair value.

They are further classified into two categories as below:

- Financial assets are measured at fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.



Ramesh

Mahesh

Di

Pr



- It includes Investment in Equity Instrument.
- Financial assets are measured at fair value through other comprehensive income if the Investment in an equity instrument that is not held for trading and at the initial recognition, the Fund makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

However, Fund does not have investment satisfying the criteria to be classified as Fair Value through the Statement of Other Comprehensive Income. (FVTOCI)

Financial Liabilities

The Fund classifies its financial liabilities, as follows:

- **Financial Liabilities at Fair Value through Profit or Loss:**
Financial liabilities are classified at fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.
- **Financial Liabilities measured at amortized cost:**
Financial liabilities other than those measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest method.

b) Recognition / De- recognition

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

De-recognition of Financial Asset

Fund derecognizes Financial Asset when the contractual right to receive cash flows from the financial asset expires or the Fund has transferred right to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial assets are transferred.

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



Zaminda
Mawra
21/19
Pr
Pr



De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expired. The difference between the carrying value of the original financial liability and the consideration paid is recognized in Statement of Profit or Loss.

c) Measurement

Initial Measurement

A financial asset or financial liability is measured initially at fair value. However, the transaction costs of financial assets carried at fair value through profit or loss are capitalized to the cost of the financial assets (i.e., bonds and debenture and loans & receivable).

Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability.

Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method. Though NFRS prescribes bonds and debentures to be valued at amortized cost, these financial assets are valued at cost of acquisition as per guideline no. 22 (B) of Mutual Fund Guideline, 2069.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets classified as fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income. However, equity instrument classified under this category, the transaction cost during purchase of such instruments is capitalized while calculating the cost.

Measurement of Financial Assets/Liabilities at Fair Value

The Fund measures and recognizes the following assets and liabilities at fair value on a recurring basis:

- Financial Assets / Liabilities at Fair Value
- Financial Assets / Liabilities Held for Trading

NFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and



[Handwritten signature]

[Handwritten signature]

[Handwritten initials and signatures]



(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

i. Fair Value in an Active Market (Level 1)

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

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from NEPSE and are traded frequently.

ii. Fair Value in an Inactive or Unquoted Market (Level 2 and Level 3)

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

- Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued taking lower of cost of acquisition or net book value of the stock as published in the latest quarterly report.
- In case of trading halt of the scrip due to merger & acquisition, last traded price should be taken.
- In case of unprecedented events, where no prescriptive guidelines are proposed to value securities/ portfolios. Following type of events could be classified as unprecedented events where current market information may not be available/ sufficient for valuation of securities:
 - Major policy announcements by Government or NRB or other regulatory Parties
 - Natural Disasters, Disease Outbreak, Wars, or any other events that create public disturbances which force the market to close unexpectedly.
 - Significant volatility in the capital Market.
 - Under such circumstances Assets Management Company shall seek the guidance of company's board in deciding appropriate methodology for valuation of the stocks.
 - However, above events will not be accounted for valuation as above, stocks trading within 30 days.



IPO (Initial Public Offerings) investments shall be valued as:

- I) IPO investments are investments made to apply for the securities in IPO till Listing.
- II) IPO investments are valued as advance for application amount till allotment at exact amount applied for.
- III) After allotment of IPO till listing and if listed but not traded, IPO investments are valued at investment value.

Right share shall be valued as: Right share after book closure but before allotment shall be valued as theoretical ex right price for the number of units eligible for rights. After allotment till listing, right share will be valued as listed equities

Valuations:

III. Financial Assets Held at Fair Value Through Profit or Loss:

In NPR

S N	Name	As at 32 nd Ashad 2079			Fair Value Hierarch y
		Unit	Value per unit	Value Amount	
	LISTED				
1.	Agricultural Development Bank	58,092	331	19,228,452	Level 1
2.	Nepal Bank Limited	110,693	298	32,986,514	Level 1
3.	Nepal Investment Bank Limited Promoter Share	22,138	243	5,368,465	Level 2
4.	Nepal Bangladesh Bank Limited	18,264	399	7,287,336	Level 2
5.	Nabil Bank Limited	61,505	824	50,680,120	Level 1
6.	Sanima Bank Limited	20,276	276	5,596,176	Level 1
7.	Prabhu Bank Limited	50,936	207	10,543,752	Level 1
8.	NMB Bank Limited	33,801	261	8,822,061	Level 1
9.	Machhapuchhre Bank Limited	37,320	254	9,479,280	Level 1
10.	Himalayan Bank Limited	11,835	299	3,541,032	Level 1
11.	Sunrise Bank Limited	15,998	207	3,311,586	Level 1
12.	Prime Commercial Bank Limited	33,445	265	8,862,925	Level 1
13.	Siddhartha Bank Limited	4,399	303	1,332,897	Level 1
14.	Bank Of Kathmandu Limited	29,718	227	6,748,958	Level 2
15.	Mega Bank Nepal Limited	12,991	226	2,935,966	Level 2
16.	Century Commercial Bank Limited	40,110	183	7,340,130	Level 1
17.	Nepal SBI Bank Limited	27,388	282	7,731,632	Level 1
18.	Laxmi Bank Limited	6,717	199	1,336,683	Level 1
19.	Global IME Bank Limited	28,449	251	7,152,079	Level 2
20.	Kumari Bank Limited	12,456	191	2,379,096	Level 1
21.	Everest Bank Limited	1,669	439	732,691	Level 1
22.	Citizen Bank Limited	14,859	203	3,008,948	Level 1
23.	Jyoti Bikas Bank Limited	8,322	302	2,514,908	Level 1
24.	Muktinath Bikas Bank Limited	20,288	440	8,924,691	Level 1
25.	Garima Bikas Bank Limited	13,586	387	5,257,782	Level 1
26.	Kamana Sewa Bikas Bank Limited	7,863	350	2,751,264	Level 1
27.	Shangrila Development Bank	6,924	290	2,007,960	Level 1
28.	Mahalaxmi Bikas Bank Limited	11,335	378	4,284,630	Level 1
29.	Lumbini Bikas Bank Limited	11,012	341	3,755,092	Level 1
30.	Shine Resunga Development Bank Ltd.	4,752	295	1,401,365	

Remend

 Jeyam

Handwritten signatures and initials



31.	Butwal Power Company Limited	7,448	322	2,398,256	Level 1
32.	Chilime Hydropower Company Limited	6,221	408	2,538,168	Level 1
33.	Dordi Khola Jal Bidyut Company Limited	1,464	309	452,669	Level 1
34.	River Falls Power Limited	1,820	222	404,040	Level 1
35.	Nepal Life Insurance Company Limited	16,993	747	12,693,771	Level 1
36.	National Life Insurance Co. Ltd.	15,631	577	9,019,087	Level 1
37.	Surya Life Insurance Company Limited	9,448	387	3,656,376	Level 1
38.	Prime Life Insurance Company Limited	10,650	569	6,059,850	Level 2
39.	Gurans Life Insurance Company Limited	2,104	485	1,020,440	Level 2
40.	Reliance Life Insurance Limited	3,549	335	1,188,915	Level 2
41.	Asian Life Insurance Company Limited	12,205	574	7,005,670	Level 1
42.	Jyoti Life Insurance Company Limited	8,327	352	2,930,271	Level 2
43.	Union Life Insurance Company Limited	4,435	521	2,310,635	Level 2
44.	Sanima Life Insurance Limited	4,086	346	1,413,347	Level 2
45.	RMDC Laghubitta Bittiya Sanstha Ltd.	10,449	838	8,756,262	Level 1
46.	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	13,000	1,099	14,287,000	Level 1
47.	Swabalamban Bikas Bank Ltd	15,985	1,169	18,686,465	Level 1
48.	Chhimek Laghubitta Bittiya Sanstha Limited	21,241	1,100	23,365,100	Level 1
49.	RSDC Laghubitta Bittiya Sanstha Limited	9,489	555	5,264,497	Level 1
50.	Deprosc Bikas Bank Limited	6,468	940	6,079,920	Level 1
51.	First Micro Finance Development Bank Ltd.	7,528	665	5,006,120	Level 1
52.	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	Level 1
53.	Sana Kisan Laghubitta Bittiya Sanstha Limited	7,718	1,065	8,219,670	Level 1
54.	Mahila Laghubitta Bittiya Sanstha Limited	45	3,439	154,755	Level 1
55.	NMB Microfinance Bittiya Sanstha Ltd.	3,840	750	2,880,384	Level 1
56.	Jeevan Bikas Laghubitta Bittiya Sanstha Ltd	2,428	2,699	6,553,172	Level 1
57.	CYC Nepal Laghubitta Bittiya Sanstha Limited	264	1,698	448,325	Level 2
58.	Upakar Laghubitta Bittiya Sanstha Limited	157	2,699	423,743	Level 1
59.	Manakamana Smart Laghubitta Bittiya Sanstha Limited	468	947	443,196	Level 1
60.	Manushi Laghubitta Bittiya Sanstha Limited	281	1,002	281,562	Level 1
61.	Neco Insurance Co. Ltd.	17,793	694	12,348,342	Level 1
62.	Siddhartha Insurance Co. Ltd.	5,373	544	2,921,300	Level 1
63.	Premier Insurance Company Limited	811	576	467,136	Level 1
64.	Shikhar Insurance Company Ltd.	362	807	292,134	Level 1
65.	Himalayan General Insurance Company Limited	6,326	520	3,289,520	Level 2
66.	Lumbini General Insurance Limited	4,525	382	1,728,550	Level 1
67.	NLG Insurance Company Limited	6,655	478	3,181,090	Level 1
68.	Prabhu Insurance Company Limited	555	428	237,540	Level 2
69.	Prudential Insurance Company Limited	1,282	348	446,136	Level 1
70.	Sanima General Insurance Limited	1,797	365	655,905	Level 2
71.	Nepal Doorsanchar Co. Ltd.	2,325	879	2,043,443	Level 1
72.	Citizen Investment Trust	37	2,515	93,055	Level 1
73.	Sunrise First Mutual Fund	150,000	12	1,725,000	Level 1
74.	Kumari Equity Fund	700,000	10	7,049,000	Level 1
75.	Prabhu Select Fund	1,468,090	10	14,108,345	Level 1
76.	RBB Mutual Fund 1	500,000	9	4,635,000	Level 1
	SUB-Total A	3,807,009		446,487,132	
	UNLISTED				
1.	Himalayan Bank Limited- Bonus	2,530	299	756,976	Level 1
2.	Garima Bikas Bank Limited- Bonus	5,046	387	1,952,802	Level 1
3.	Deprosc Bikas Bank Limited- Bonus	1,374	940	1,291,560	Level 1
4.	NMB Microfinance Bittiya Sanstha Ltd.- Bonus	826	750	619,583	Level 1



Handwritten signatures and initials.



5.	Nepal Doorsanchar Co. Ltd.- Bonus	465	879	408,689	Level 1
6.	Adarsha - IPO	45	100	4,500	Level 3
7.	Bindhyabasini - IPO	1,000	100	100,000	Level 3
8.	Himalayan Hydropower - IPO	1,312	100	131,200	Level 3
9.	Upper Solu - IPO	1,277	100	127,700	Level 3
10.	Upper Hewa Khola - IPO	978	100	97,800	Level 3
11.	Rapti hydro - IPO	1,654	100	165,400	Level 3
12.	Swet Ganga- IPO	1,559	100	155,900	Level 3
13.	Mandakini Hydro -IPO	767	100	76,700	Level 3
	Sub-Total (B)	18,833		5,888,809	
	Grand Total	3,825,842		452,375,942	

S.N	Name	2077-78			Fair Value Hierarchy
		Unit	Value per unit	Value Amount	
	LISTED				
1.	Agricultural Development Bank	53,785	479	25,763,015	Level 1
2.	Nepal Bank Limited	111,015	443	49,179,645	Level 1
3.	Nepal Investment Bank Limited Promoter Share	19,659	403	7,922,577	Level 1
4.	Nepal Bangladesh Bank Limited	17,647	436	7,694,092	Level 1
5.	Nabil Bank Limited	53,019	1,359	72,052,821	Level 1
6.	Sanima Bank Limited	25,451	485	12,343,735	Level 1
7.	Prabhu Bank Limited	57,012	457	26,054,484	Level 1
8.	NMB Bank Limited	32,545	440	14,319,800	Level 1
9.	Machhapuchhre Bank Limited	38,302	385	14,746,270	Level 1
10.	Himalayan Bank Limited	11,835	484	5,728,140	Level 1
11.	Sunrise Bank Limited	18,439	363	6,693,357	Level 1
12.	Prime Commercial Bank Limited	41,214	479	19,741,506	Level 1
13.	Siddhartha Bank Limited	6,214	504	3,131,856	Level 1
14.	Bank Of Kathmandu Limited	32,848	379	12,449,392	Level 1
15.	Mega Bank Nepal Limited	16,034	366	5,868,444	Level 1
16.	Century Commercial Bank Limited	52,758	291	15,352,578	Level 1
17.	Nepal SBI Bank Limited	26,461	409	10,822,549	Level 1
18.	Laxmi Bank Limited	6,219	395	2,456,505	Level 1
19.	Global IME Bank Limited	31,588	441	13,930,308	Level 1
20.	Kumari Bank Limited	19,298	371	7,159,558	Level 1
21.	Everest Bank Limited	1,575	738	1,162,350	Level 1
22.	Citizen Bank Limited	13,160	386	5,079,760	Level 1
23.	Jyoti Bikas Bank Limited	12,750	478	6,094,500	Level 1
24.	Muktinath Bikas Bank Limited	36,604	657	24,048,828	Level 1
25.	Garima Bikas Bank Limited	30,777	544	16,742,688	Level 1
26.	Kamana Sewa Bikas Bank Limited	22,836	580	13,244,880	Level 1
27.	Shangrila Development Bank	16,113	424	6,831,912	Level 1
28.	Mahalaxmi Bikas Bank Limited	23,799	445	10,590,555	Level 1
29.	Lumbini Bikas Bank Limited	25,104	585	14,685,840	Level 1
30.	Shine Resunga Development Bank Ltd.	2,960	447	1,323,120	Level 1
31.	Butwal Power Company Limited	8,407	506	4,253,942	Level 1
32.	Chilime Hydropower Company Limited	7,649	687	5,254,863	Level 1
33.	Rasuwadighi Hydropower Company Limited	3,053	474	1,447,122	Level 1
34.	CEDB Hydropower Development Company Limited	4,197	619	2,597,943	Level 1



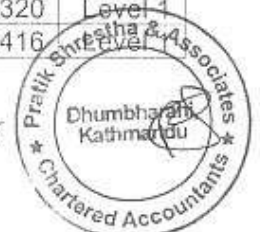
Handwritten signatures and initials.



35.	Singati Hydro Energy Limited	2,433	433	1,053,489	Level 1
36.	United Mardi and RB hydropower Limited	1,000	475	475,000	Level 1
37.	Ru Ru Jalvidut Pariyojana Limited	680	906	616,080	Level 1
38.	Nepal Life Insurance Company Limited	21,905	1,919	42,035,695	Level 1
39.	National Life Insurance Co. Ltd.	13,136	1,151	15,119,536	Level 1
40.	Surya Life Insurance Company Limited	10,069	922	9,283,618	Level 1
41.	Prime Life Insurance Company Limited	9,796	954	9,345,384	Level 1
42.	Gurans Life Insurance Company Limited	1,995	759	1,514,205	Level 1
43.	Reliance Life Insurance Limited	5,040	672	3,386,880	Level 1
44.	Asian Life Insurance Company Limited	9,764	1,348	13,161,872	Level 1
45.	Jyoti Life Insurance Company Limited	7,700	745	5,736,500	Level 1
46.	Prabhu Life Insurance Limited	1,220	754	919,880	Level 1
47.	RMDC Laghubitta Bittiya Sanstha Ltd.	10,874	1,373	14,930,002	Level 1
48.	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	11,539	1,600	18,462,400	Level 1
49.	Swabalamban Bikas Bank Ltd	12,005	1,659	19,916,295	Level 1
50.	Chhimek Laghubitta Bittiya Sanstha Limited	20,021	1,738	34,796,498	Level 1
51.	RSDC Laghubitta Bittiya Sanstha Limited	11,162	867	9,677,454	Level 1
52.	NIC Asia Laghubitta Bittiya Sanstha Limited	509	1,545	786,405	Level 1
53.	Deprosc Bikas Bank Limited	6,868	1,686	11,579,448	Level 1
54.	First Micro Finance Development Bank Ltd.	8,708	823	7,166,684	Level 1
55.	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	Level 1
56.	Sana Kisan Laghubitta Bittiya Sanstha Limited	7,514	1,640	12,322,960	Level 1
57.	Mahila Laghubitta Bittiya Sanstha Limited	727	4,870	3,540,490	Level 1
58.	NMB Microfinance Bittiya Sanstha Ltd.	3,840	1,429	5,487,360	Level 1
59.	Neco Insurance Co. Ltd.	13,773	1,348	18,566,004	Level 1
60.	Siddhartha Insurance Co. Ltd.	4,500	1,058	4,761,000	Level 1
61.	Premier Insurance Company Limited	500	1,170	585,000	Level 1
62.	Shikhar Insurance Company Ltd.	278	1,952	542,656	Level 1
63.	General Insurance Company Nepal Limited	1,118	693	774,774	Level 1
64.	Himalayan General Insurance Company Limited	5,235	768	4,020,480	Level 1
65.	Lumbini General Insurance Limited	500	780	390,000	Level 1
66.	NLG Insurance Company Limited	5,500	1,220	6,710,000	Level 1
67.	Prabhu Insurance Company Limited	500	960	480,000	Level 1
68.	Prudential Insurance Company Limited	1,110	810	899,100	Level 1
69.	Sanima General Insurance Limited	1,857	731	1,357,467	Level 1
70.	Nepal Doorsanchar Co. Ltd.	7,325	1,314	9,625,050	Level 1
71.	Citizen Investment Trust	392	3,491	1,368,472	Level 1
72.	Sunrise First Mutual Fund	150,000	16	2,400,000	Level 1
73.	Kumari Equity Fund	700,000	11	7,350,000	Level 1
74.	Prabhu Select Fund	1,468,090	10	14,886,433	Level 1
	SUB-Total A	3,419,705		762,819,006	
	UNLISTED				
1.	CIT - Bonus Share	35	3,491	122,185	Level 1
2.	HGI - Bonus Share	157	768	120,576	Level 1
3.	JBLBSL - IPO	2,605	100	260,500	Level 3
4.	LGIL - Bonus	25	780	19,500	Level 1
5.	MAILUNG - IPO	515	100	51,500	Level 3
6.	MSBSL - IPO	400	100	40,000	Level 3
7.	PICL - Bonus share	89	810	72,090	Level 1
8.	SIL - Bonus Share	540	1,058	571,320	Level 1
9.	SWBBL - Bonus Share	2,424	1,659	4,021,416	Level 1



Li 107
Prj.
Ly



10.	NIL - Bonus Share	2,135	1,348	2,877,980	Level 1
11.	Union Life Insurance Company Limited - IPO	4,535	100	453,500	Level 3
	Sub-Total (B)	13,460		8,610,567	
	Grand Total			771,429,573	

IV. Financial Asset Measured at Amortized Cost

Bonds and Debenture are classified under financial assets measured at cost.

In NPR

S.N.	Particulars	Unit	Price	Ashad End, 2079	Ashad End, 2078
	Non-Current Assets				
	Asset measured at amortized cost				
1.	10.25% MBL DEBENTURE	30,000	1,000	30,000,000	30,000,000
2.	10.25% SBL 83	32,806	1,000	32,806,000	32,806,000
3.	12% ICFC FINANCE DEBENTURE 2083	800	1,000	800,000	800,000
4.	10.25% KBL DEBENTURE 2086	20,000	1,000	20,000,000	20,000,000
5.	10.35% ADBL KRISHI BANK RINPATRA 2083	5,229	1,000	5,229,000	5,229,000
6.	10PRVU84	8,000	1,000	8,000,000	8,000,000
7.	GLOBAL IME BANK LIMITED DEBENTURE 2086/87	12,500	1,000	12,500,000	12,500,000
8.	10.25% CIVIL BANK DEBENTURE 2088	4,020	1,000	4,020,000	-
9.	8.5% PRABHU BANK DEBENTURE 2087	25,000	1,000	25,000,000	25,000,000
10.	8.5% RBBL DEBENTURE 2083	10,927	1,000	10,927,000	10,927,000
11.	9% JYOTI BIKAS BANK BOND 2087	8,955	1,000	8,955,000	-
12.	10.50% CCBL 2088	20,000	1,000	20,000,000	-
13.	8.75% GARIMA DEBENTURE 2085	2,000	1,000	2,000,000	
	Total Amount			180,237,000	145,262,000

V. Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of the statement of cash flow comprises:

In NPR

S.N.	Particulars	Asadh End 2079	Asadh End 2078
1.	Kamana Sewa Bikas Bank Limited	5,351,667	1,888,164
2.	NIC ASIA Bank Limited	110,296,074	233,026,230
3.	Muktinath Bikas Bank Limited	6,005,856	5,855,277
4.	Siddhartha Bank Limited	46,419	3,246,419
5.	Lumbini Bikas Bank Limited	1,499,575	12,866,122
6.	Shangrila Development Bank Limited	2,141,294	2,817,972
7.	Garima Bikas Bank Limited	3,780,779	1,390,712
	Total Amount	129,121,664	261,090,896

Cash and cash equivalent assets' fair value equals to the book value as such assets. It comprises call balance in the banks and financial institutions. They are available as and when the balance is called from the bank. The interest incomes on such balance are recognized daily on accrual basis based on the deal rate with the bank. The intrinsic rate and the coupon rate do not differ as the rates are changed based on the market rate.

Signature



Signature

Signature



VI. Financial Asset Measured at Amortized Cost

Fixed Deposit Investment of the fund comprises:

In NPR

S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
	Current Assets		
1.	Kamana Sewa Bikash Bank Limited	30,000,000	23,000,000
2.	Lumbini Bikash Bank Limited	-	20,000,000
3.	Sangri-La Development Bank Limited	20,000,000	20,000,000
4.	Garima Bikash Bank Limited	40,000,000	40,000,000
5.	NIC Asia Bank Limited	-	20,000,000
	Total Amount	90,000,000	123,000,000

VII. Other Assets:

The fair value of other current assets is not materially different to their carrying values.

In NPR

S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1.	Dividend Income Receivable	652,301	662,576
2.	IPO Advance - RBB Mutual Fund 1	-	5,000,000
3.	IPO Advance - Mailung Khola Jal Vidyut Company Limited	-	670,000
4.	IPO Advance - SBL Debenture 2089	15,000,000	-
5.	IPO Advance - Shree Mandakini	1,074,000	-
6.	IPO Advance - Dhaulagiri Laghubitta	323,800	-
7.	Broker Receivable	45,984,975	-
8.	Right Advance	-	-
9.	Interest receivable	7,412,538	5,335,016
	Total Amount	70,447,613	11,667,592

Investment Income

- Interest income is recognized in profit or loss for all financial instruments using the quoted interest rate and such interest income on assets held at fair value through profit or loss is included in the net gains/ (losses) on financial instruments.
- Dividend income is recognized on the ex-dividend date.

Expenses and Service Fees

All Expenses are accounted on accrual basis. Following Fees incurred by the Scheme:

- Fund Management Fees: 1.5% of Net Assets Value (NAV) *
- Depository Fees: 0.2% of NAV *
- Fund Supervisor Fees: 0.10% of NAV *

NAV for this purpose is computed on the basis of quarterly average of weekly NAV. The fee is booked quarterly at the end of every quarter of the financial year.

Samendra



Maurin

Pratik
Pratik
Pratik



Employees Related Expenses:

There is no current and future employee related expenses and liabilities as the fund is managed by NIC ASIA Capital Limited.

VIII. Operating Expenses

In NPR

S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1.	Annual Listing fee	50,000	50,000
2.	Scheme Audit Fee	113,000	113,000
3.	CDSC Annual Fee	120,000	120,000
4.	DP Software Charge	99,440	81,360
5.	Bank Charges	5,716	5,125
6.	Books and Publications	176,535	169,100
7.	Book Building License Fee	10,000	10,000
8.	Other Expenses	-	-
	Total Amount	574,691	548,585

Fund Management, Depository and Supervisor Fee

Total Fund Management, Depository and Fund Supervisor Fees is calculated and recognized as per the mutual Fund Regulation, 2069. The total fees charged for full period 1st Shrawan – 31st Ashad 2079) are as follows: -

In NPR

S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1.	Fund Management Fee	16,089,374	15,865,427
2.	Depository Fee	2,145,250	2,115,390
3.	Supervisor Fee	1,072,625	1,057,695

IX. Net realized Gains/Losses on Financial Assets at Fair Value through Profit or Loss

a. Gain on Sale of Stocks

In NPR

Particulars	Ashad End, 2079	Ashad End, 2078
Gain on Sale of Stocks	75,556,753	224,133,318

b. Gains/Losses on Financial Assets at Fair Value through Profit or Loss

In NPR

S. N	Name	2078-79				Total Cost
		Unit	Value per unit	Value Amount	Cost Price	
	LISTED					
1.	Agricultural Development Bank	58,092	331	19,228,452	297	17,276,833
2.	Nepal Bank Limited	110,693	298	32,986,514	249	27,609,167
3.	Nepal Investment Bank Limited Promoter Share	22,138	243	5,368,465	280	6,202,354
4.	Nepal Bangladesh Bank Limited	18,264	399	7,287,336	174	3,174,832



Handwritten signatures and initials.

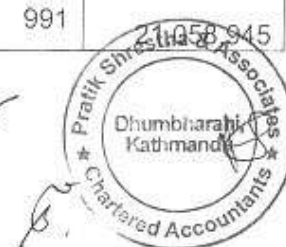


5.	Nabil Bank Limited	61,505	824	50,680,120	434	26,692,857
6.	Sanima Bank Limited	20,276	276	5,596,176	250	5,077,818
7.	Prabhu Bank Limited	50,936	207	10,543,752	206	10,507,898
8.	NMB Bank Limited	33,801	261	8,822,061	300	10,132,983
9.	Machhapuchhre Bank Limited	37,320	254	9,479,280	201	7,504,382
10.	Himalayan Bank Limited	11,835	299	3,541,032	460	5,440,786
11.	Sunrise Bank Limited	15,998	207	3,311,586	243	3,883,757
12.	Prime Commercial Bank Limited	33,445	265	8,862,925	220	7,366,715
13.	Siddhartha Bank Limited	4,399	303	1,332,897	240	1,054,045
14.	Bank Of Kathmandu Limited	29,718	227	6,748,958	199	5,919,775
15.	Mega Bank Nepal Limited	12,991	226	2,935,966	174	2,256,626
16.	Century Commercial Bank Limited	40,110	183	7,340,130	186	7,465,684
17.	Nepal SBI Bank Limited	27,388	282	7,731,632	400	10,958,607
18.	Laxmi Bank Limited	6,717	199	1,336,683	204	1,372,061
19.	Global IME Bank Limited	28,449	251	7,152,079	246	6,992,988
20.	Kumari Bank Limited	12,456	191	2,379,096	167	2,077,757
21.	Everest Bank Limited	1,669	439	732,691	681	1,137,296
22.	Citizen Bank Limited	14,859	203	3,008,948	270	4,015,164
23.	Jyoti Bikas Bank Limited	8,322	302	2,514,908	181	1,507,483
24.	Muktinath Bikas Bank Limited	20,288	440	8,924,691	242	4,915,396
25.	Garima Bikas Bank Limited	13,586	387	5,257,782	286	3,879,580
26.	Kamana Sewa Bikas Bank Limited	7,863	350	2,751,264	209	1,645,261
27.	Shangrila Development Bank	6,924	290	2,007,960	155	1,074,559
28.	Mahalaxmi Bikas Bank Limited	11,335	378	4,284,630	196	2,219,067
29.	Lumbini Bikas Bank Limited	11,012	341	3,755,092	192	2,112,765
30.	Shine Resunga Development Bank Ltd.	4,752	295	1,401,365	296	1,408,937
31.	Butwal Power Company Limited	7,448	322	2,398,256	274	2,038,805
32.	Chilime Hydropower Company Limited	6,221	408	2,538,168	308	1,918,424
33.	Dordi Khola Jal Bidyut Company Limited	1,464	309	452,669	100	146,400
34.	River Falls Power Limited	1,820	222	404,040	100	182,000
35.	Nepal Life Insurance Company Limited	16,993	747	12,693,771	1,058	17,983,722
36.	National Life Insurance Co. Ltd.	15,631	577	9,019,087	746	11,665,063
37.	Surya Life Insurance Company Limited	9,448	387	3,656,376	396	3,742,587
38.	Prime Life Insurance Company Limited	10,650	569	6,059,850	356	3,791,348
39.	Gurans Life Insurance Company Limited	2,104	485	1,020,440	684	1,438,760
40.	Reliance Life Insurance Limited	3,549	335	1,188,915	262	930,689
41.	Asian Life Insurance Company Limited	12,205	574	7,005,670	731	8,927,886
42.	Jyoti Life Insurance Company Limited	8,327	352	2,930,271	91	757,000
43.	Union Life Insurance Company Limited	4,435	521	2,310,635	100	443,500
44.	Sanima Life Insurance Limited	4,086	346	1,413,347	100	408,600
45.	RMDC Laghubitta Bittiya Sanstha Ltd.	10,449	838	8,756,262	562	5,871,242
46.	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	13,000	1,099	14,287,000	998	12,969,847
47.	Swabalamban Bikas Bank Ltd	15,985	1,169	18,686,465	1,036	16,563,813
48.	Chhimek Laghubitta Bittiya Sanstha Limited	21,241	1,100	23,365,100	991	21,958,945

Sanima

Sanima

Sanima
Sanima
Sanima



49.	RSDC Laghubitta Bittiya Sanstha Limited	9,489	555	5,264,497	492	4,668,987
50.	Deprosc Bikas Bank Limited	6,468	940	6,079,920	831	5,373,008
51.	First Micro Finance Development Bank Ltd.	7,528	665	5,006,120	504	3,793,498
52.	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	100	19,500
53.	Sana Kisan Laghubitta Bittiya Sanstha Limited	7,718	1,065	8,219,670	1,019	7,860,973
54.	Mahila Laghubitta Bittiya Sanstha Limited	45	3,439	154,755	68	3,052
55.	NMB Microfinance Bittiya Sanstha Ltd.	3,840	750	2,880,384	1,204	4,622,540
56.	Jeevan Bikas Laghubitta Bittiya Sanstha Ltd	2,428	2,699	6,553,172	59	142,856
57.	CYC Nepal Laghubitta Bittiya Sanstha Limited	264	1,698	448,325	100	26,400
58.	Upakar Laghubitta Bittiya Sanstha Limited	157	2,699	423,743	100	15,700
59.	Manakamana Smart Laghubitta Bittiya Sanstha Limited	468	947	443,196	85	40,000
60.	Manushi Laghubitta Bittiya Sanstha Limited	281	1,002	281,562	100	28,100
61.	Neco Insurance Co. Ltd.	17,793	694	12,348,342	726	12,918,184
62.	Siddhartha Insurance Co. Ltd.	5,373	544	2,921,300	475	2,552,699
63.	Premier Insurance Company Limited	811	576	467,136	1,075	871,776
64.	Shikhar Insurance Companay Ltd.	362	807	292,134	402	145,372
65.	Himalayan General Insurance Company Limited	6,326	520	3,289,520	646	4,088,394
66.	Lumbini General Insurance Limited	4,525	382	1,728,550	722	3,267,142
67.	NLG Insurance Company Limited	6,655	478	3,181,090	995	6,621,720
68.	Prabhu Insurance Company Limited	555	428	237,540	805	446,754
69.	Prudential Insurance Company Limited	1,282	348	446,136	574	736,348
70.	Sanima General Insurance Limited	1,797	365	655,905	100	179,700
71.	Nepal Doorsanchar Co. Ltd.	2,325	879	2,043,443	786	1,826,628
72.	Citizen Investment Trust	37	2,515	93,055	944	34,920
73.	Sunrise First Mutual Fund	150,000	12	1,725,000	10	1,500,000
74.	Kumari Equity Fund	700,000	10	7,049,000	10	7,000,000
75.	Prabhu Select Fund	1,468,090	10	14,108,345	10	14,680,900
76.	RBB Mutual Fund 1	500,000	9	4,635,000	10	5,000,000
		3,807,009		446,487,132		392,187,211
	UNLISTED					
1.	Himalayan Bank Limited- Bonus	2,530	299	756,976	-	-
2.	Garima Bikas Bank Limited- Bonus	5,046	387	1,952,802	-	-
3.	Deprosc Bikas Bank Limited- Bonus	1,374	940	1,291,560	-	-
4.	NMB Microfinance Bittiya Sanstha Ltd.- Bonus	826	750	619,583	-	-
5.	Nepal Doorsanchar Co. Ltd.- Bonus	465	879	408,689	-	-
6.	Adarsha - IPO	45	100	4,500	100	4,500
7.	Bindhyabasini - IPO	1,000	100	100,000	100	100,000
8.	Himalayan Hydropower - IPO	1,312	100	131,200	100	131,200
9.	Upper Solu - IPO	1,277	100	127,700	100	127,700
10.	Upper Hewa Khola - IPO	978	100	97,800	100	97,800
11.	Rapti hydro - IPO	1,654	100	165,400	100	165,400
12.	Swet Ganga- IPO	1,559	100	155,900	100	155,900

Ramesh

 Pratik Shrestha

Handwritten signatures and initials.

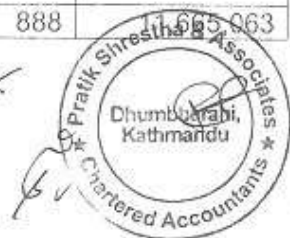


13.	Mandakini Hydro -IPO	767	100	76,700	100	76,700
	Sub-Total (B)	18,833		5,888,809		859,200
	Grand Total	3,825,842		452,375,942		393,046,411
Unrealized Gain / (Loss)						59,329,531
Less: Previous Year Unrealized Gain/(Loss)						310,653,965
Unrealized Gain / (Loss) This Year						(251,324,434)

S.N.	Name	As at Ashad 32, 2078				
		Unit	Value per unit	Value Amount	Cost Price	Total Cost
	LISTED					
1.	Agricultural Development Bank	53,785	479	25,763,015	357	19,195,093
2.	Nepal Bank Limited	111,015	443	49,179,645	284	31,565,925
3.	Nepal Investment Bank Limited Promoter Share	19,659	403	7,922,577	315	6,202,354
4.	Nepal Bagladesh Bank Limited	17,647	436	7,694,092	197	3,469,762
5.	Nabil Bank Limited	53,019	1,359	72,052,821	580	30,741,432
6.	Sanima Bank Limited	25,451	485	12,343,735	308	7,828,452
7.	Prabhu Bank Limited	57,012	457	26,054,484	231	13,172,755
8.	NMB Bank Limited	32,545	440	14,319,800	337	10,976,133
9.	Machhapuchhre Bank Limited	38,302	385	14,746,270	219	8,382,296
10.	Himalayan Bank Limited	11,835	484	5,728,140	460	5,440,786
11.	Sunrise Bank Limited	18,439	363	6,693,357	259	4,774,173
12.	Prime Commercial Bank Limited	41,214	479	19,741,506	256	10,530,356
13.	Siddhartha Bank Limited	6,214	504	3,131,856	274	1,700,992
14.	Bank Of Kathmandu Limited	32,848	379	12,449,392	219	7,197,636
15.	Mega Bank Nepal Limited	16,034	366	5,868,444	191	3,063,796
16.	Century Commercial Bank Limited	52,758	291	15,352,578	197	10,384,235
17.	Nepal SBI Bank Limited	26,461	409	10,822,549	414	10,958,607
18.	Laxmi Bank Limited	6,219	395	2,456,505	221	1,372,061
19.	Global IME Bank Limited	31,588	441	13,930,308	270	8,540,819
20.	Kumari Bank Limited	19,298	371	7,159,558	180	3,479,767
21.	Everest Bank Limited	1,575	738	1,162,350	722	1,137,296
22.	Citizen Bank Limited	13,160	386	5,079,760	305	4,015,164
23.	Jyoti Bikas Bank Limited	12,750	478	6,094,500	153	1,956,609
24.	Muktinath Bikas Bank Limited	36,604	657	24,048,828	262	9,573,720
25.	Garima Bikas Bank Limited	30,777	544	16,742,688	219	6,730,499
26.	Kamana Sewa Bikas Bank Limited	22,836	580	13,244,880	218	4,967,582
27.	Shangrila Development Bank	16,113	424	6,831,912	139	2,239,665
28.	Mahalaxmi Bikas Bank Limited	23,799	445	10,590,555	206	4,900,956
29.	Lumbini Bikas Bank Limited	25,104	585	14,685,840	184	4,616,707
30.	Deprosc Bikas Bank Limited	6,868	1,686	11,579,448	822	5,647,071
31.	Shine Resunga Development Bank Ltd.	2,960	447	1,323,120	222	657,951
32.	Butwal Power Company Limited	8,407	506	4,253,942	301	2,531,534
33.	Chilime Hydropower Company Limited	7,649	687	5,254,863	331	2,535,181
34.	Rasuwadgadhi Hydropower Company Limited	3,053	474	1,447,122	179	547,581
35.	Nepal Life Insurance Company Limited	21,905	1,919	42,035,695	1,207	26,429,617
36.	National Life Insurance Co. Ltd.	13,136	1,151	15,119,536	888	11,685,063



Handwritten signature and initials.



37.	Surya Life Insurance Company Limited	10,069	922	9,283,618	446	4,495,224
38.	Prime Life Insurance Company Limited	9,796	954	9,345,384	410	4,019,184
39.	RMDC Laghubitta Bittiya Sanstha Ltd.	10,874	1,373	14,930,002	674	7,332,181
40.	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	11,539	1,600	18,462,400	1,292	14,907,766
41.	Swabalamban Bikas Bank Ltd	12,005	1,659	19,916,295	1,482	17,790,626
42.	Chhimek Laghubitta Bittiya Sanstha Limited	20,021	1,738	34,796,498	1,259	25,207,906
43.	RSDC Laghubitta Bittiya Sanstha Limited	11,162	867	9,677,454	550	6,137,646
44.	NIC Asia Laghubitta Bittiya Sanstha Limited	509	1,545	786,405	100	50,900
45.	Neco Insurance Co. Ltd.	13,773	1,348	18,566,004	964	13,281,197
46.	Siddhartha Insurance Co. Ltd.	4,500	1,058	4,761,000	605	2,723,842
47.	Premier Insurance Company Ltd	500	1,170	585,000	1,299	649,344
48.	Shikhar Insurance Company Ltd.	278	1,952	542,656	493	136,972
49.	Nepal Doorsanchar Co. Ltd.	7,325	1,314	9,625,050	786	5,754,861
50.	Citizen Investment Trust	392	3,491	1,368,472	1,028	402,998
51.	Sunrise First Mutual Fund	150,000	16	2,400,000	10	1,500,000
52.	Asian Life Insurance Company Limited	9,764	1,348	13,161,872	914	8,927,886
53.	CEDB Hydropower Development Company Limited	4,197	619	2,597,943	100	419,700
54.	First Micro Finance Development Bank Ltd.	8,708	823	7,166,684	554	4,826,506
55.	General Insurance Company Nepal Limited	1,118	693	774,774	100	111,800
56.	Gurans Life Insurance Company Limited	1,995	759	1,514,205	721	1,438,760
57.	Himalayan General Insurance Company Limited	5,235	768	4,020,480	711	3,722,290
58.	Jyoti Life Insurance Company Limited	7,700	745	5,736,500	100	770,000
59.	Kumari Equity Fund	700,000	11	7,350,000	10	7,000,000
60.	Lumbini General Insurance Limited	500	780	390,000	822	411,102
61.	Mahila Laghubitta Bittiya Sanstha Limited	727	4,870	3,540,490	100	72,700
62.	NLG Insurance Company Limited	5,500	1,220	6,710,000	1,204	6,621,720
63.	NMB Microfinance Bittiya Sanstha Ltd.	3,840	1,429	5,487,360	1,204	4,622,540
64.	Prabhu Insurance Company Limited	500	960	480,000	894	446,754
65.	Prabhu Life Insurance Limited	1,220	754	919,880	100	122,000
66.	Prabhu Select Fund	1,468,090	10	14,886,433	10	14,680,900
67.	Prudential Insurance Company Limited	1,110	810	899,100	663	736,348
68.	Reliance Life Insurance Limited	5,040	672	3,386,880	262	1,321,689
69.	Ru Ru Jalvidut Pariyojana Limited	680	906	616,080	120	81,600
70.	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	100	19,500



71.	Sana Kisan Laghubitta Bittiya Sanstha Limited	7,514	1,640	12,322,960	1,273	9,567,038
72.	Sanima General Insurance Limited	1,857	731	1,357,467	100	185,700
73.	Singati Hydro Energy Limited	2,433	433	1,053,489	100	243,300
74.	United Mardi and RB hydropower Limited	1,000	475	475,000	100	100,000
	UNLISTED	3,235,246		762,819,006		459,970,108
1.	CIT - Bonus Share	35	3,491	122,185	-	-
2.	HGI - Bonus Share	157	768	120,576	-	-
3.	JLBSL – IPO	2,605	100	260,500	100	260,500
4.	LGIL – Bonus	25	780	19,500	-	-
5.	MAILUNG – IPO	515	100	51,500	100	51,500
6.	MSBSL – IPO	400	100	40,000	100	40,000
7.	PICL - Bonus share	89	810	72,090	-	-
8.	SIL- Bonus Share	540	1,058	571,320	-	-
9.	SWBBL- Bonus Share	2,424	1,659	4,021,416	-	-
10.	NIL - Bonus Share	2,135	1,348	2,877,980	-	-
11.	Union Life Insurance Company Limited – IPO	4,535	100	453,500	100	453,500
	Sub-Total (B)	13,460		8,610,567		805,500
	Grand Total	3,248,706		771,429,573		460,775,608
Unrealized Gain / (Loss)						310,653,965
Less: Previous Year Unrealized Gain/(Loss)						17,523,031
Unrealized Gain / (Loss) This Year						293,130,934

X. Interest Income from Cash and Cash Equivalent

		<i>In NPR</i>	
S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1.	Bank Interest Income	15,480,113	18,183,779
2.	Bond and Debenture Interest Income	14,102,024	10,454,844
	Total Amount	29,582,137	28,638,623

XI. Dividend Income

		<i>In NPR</i>	
S.N.	Particulars	Ashad End, 2079	Ashad End, 2078
1.	Dividend Income	3,767,807	3,908,445
	Total Amount	3,767,807	3,908,445

Financial Risk Management

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

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

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair market value of those positions.

Ramesh

Hanish

Pratik

Pratik Shrestha & Associates
 Dhumbirahi, Kathmandu
 Chartered Accountants

The management of these risks is carried out by the NIC ASIA Capital Limited, the fund management company. The fund supervisors provide principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and non-derivative financial instruments and the investment of excess liquidity.

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

Market Risk

Price Risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Paragraph below sets out how this component of price risk is managed and measured. Investments are classified in the statement of financial position as at fair value through profit or loss and assets. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the management company.

The Fund's policy requires that the overall market position is monitored daily by the Fund Management Company.

a. Foreign Exchange Rate Risk

The Fund is not exposed to the fluctuations in exchange rates. The Fund's all investments and transactions are denominated in NPR.

b. Cash Flow and Fair Value Interest Rate Risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates.

Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The Fund's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

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

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in fixed deposit cannot be made more than 15% of Gross Net Asset Value of the scheme. Scheme has invested 9.8% of Gross NAV in Fixed Deposit as of Asadh end, 2079.



Credit Risk

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

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities.

Credit risk on cash and cash equivalents, other receivable balances.

In accordance with the Fund's policy, the Management Company monitors the Fund's credit position on a daily basis. The Fund can maximize the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the listed equity portfolio.

In NPR

Sector	Buying Amount	Market Value	Profit/(Loss)	Proportion
Commercial Bank	174,120,383	207,163,754	33,043,371	8%
Microfinance	83,062,960	102,785,314	19,722,353	5%
Life Insurance	50,089,154	47,298,363	(2,790,791)	-1%
Non-Life Insurance	31,828,088	25,567,653	(6,260,435)	-2%
Mutual Fund	28,180,900	27,517,345	(663,555)	0%
Development Bank	18,763,048	32,850,494	14,087,447	4%
Hydropower	5,140,329	6,647,833	1,507,504	0%
Others	1,861,548	2,545,186	683,638	0%
Total	393,046,411	452,375,942	59,329,531	15%

Liquidity Risk

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

Its policy is therefore to invest the majority of its assets in investments that are traded in an active market or can be readily disposed.

The Fund's listed securities are considered readily realizable, as all are listed on the Nepal Stock Exchange.

In accordance with the Fund's policy, the Management Company monitors the Fund's liquidity position on a daily basis.

Related Party Transactions

Related Parties:

I. Fund Sponsor: NIC ASIA Bank Limited

II. Fund Manager and Depository: NIC ASIA Capital Limited, a subsidiary of the Sponsor.

III. Shareholders holding substantial interest in the Fund Manager:

➤ NIC ASIA Bank Limited

IV. Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted:

➤ None



The Scheme has entered into transactions with related parties which are required to be disclosed in accordance with Accounting Standard – on 'Related Party Disclosures'.

- a. Unit Holding of NIC ASIA Bank Limited (Fund Sponsor) amounts to NPR 175,000,000 (at par value of NPR 10 per unit)
- b. Unit Holding of NIC ASIA Capital Limited (Fund Manager) amounts to NPR 13,557,000 (at par value of NPR 10 per unit)
- c. NIC ASIA Balanced Fund has earned interest amounting to NPR 10,033,042.45 (Ten Million Thirty-Three Thousand Forty-Two and 45/100 Rupees Only) from NIC ASIA Bank Limited.
- d. Fund Management and Depository Fee incurred by NIC ASIA Balanced Fund during the year amounts to NPR. 18,234,624.28 (out of which NPR. 4,022,912 is still payable to NIC ASIA Capital Limited).

Contingent Liability

There is no contingent liability in respect of underwriting commitments, uncalled liability on partly paid shares and other commitments.

Unpaid Dividend

Dividend declared by NIC Balance Fund for FY 2076/77 (8%) and FY 2077/78 (30%) has been distributed through its depository partner. Out of which NPR 1,594,941.45 is still unclaimed.

Reporting

The Fund Manager has been reporting its Fund Management Activities to SEBON and the Fund Supervisor on regular basis while the statutory reports are also forwarded in line with the prevailing regulations/guidelines on mutual funds.

Reclassification of Comparative Figures:

Previous year's figure in the financial statements is reclassified for better presentation. The details of which are as follows:


Particulars	Old Reporting	New Reporting	Differences	Remarks
Unrealized Gain	310,653,965	293,130,934	17,523,031	Cumulative Unrealized Gain was considered previously while from this year Unrealized gain during the year has only been considered as gain for the year in previous year figures.

Proposed Dividend

The Fund has proposed dividend of 13% on the total unit capital of NPR 755 million amounting to NPR 98.15 million including applicable taxes.



On Behalf of NIC ASIA Capital Limited
(Fund Management Company)


Ramendra Rayamajhi
Chief Executive Officer


Manish Ghimire
Chief Investment Officer



Rupesh Luitel
Director

Date: 14th October 2022


Place: Kathmandu, Nepal



Kapil Dhakal
Chairman


Dinesh Bhari
Director


Rabin Sapkota
Independent Director

As per our Report of even date


C.A. Pratik Shrestha
Principal
Pratik Shrestha & Associates
Chartered Accountants




Suman Dangol
Independent Director

