

**INDEPENDENT AUDITOR'S REPORT TO
THE FUND MANAGER AND UNIT HOLDERS OF NIC ASIA GROWTH FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NIC ASIA Growth Fund ("the Scheme")**, which comprise the Statement of Financial Position as at Ashad 32, 2079, (July 16, 2022), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Unit Holders' Fund and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the Scheme, as at Ashad 32, 2079 (July 16, 2022), and its financial performance, changes in Unit Holders' Fund, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards (NFRS) and other prevailing laws.

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no any key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Scheme's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and 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 the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

The Board of Directors / Scheme managers are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.




Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. The Financial Statement dealt by this report are prepared in accordance with Nepal Financial Reporting Standards (NFRS); Securities Act, 2063; Securities Board Regulations, 2064; Mutual Fund Regulations, 2067; Mutual Fund Guidelines, 2069 and other prevailing laws and are in agreement with the books of account maintained by the Scheme.
- ii. During our examination of the books of account of the Scheme, we have not come across the cases where any office holder or any employee of the Scheme has acted contrary to the provisions of law or caused loss or damage to the Scheme.
- iii. The Fund manager has maintained the required internal control system.
- iv. We have not come across any cases where the Scheme has conducted any activities against the interest of unit holders and the capital market.
- v. The Scheme has effective internal audit system.
- vi. The Scheme has invested its funds according to Mutual Fund Regulations 2067.
- vii. The operations of the Scheme were found satisfactory.

For, S. R. Pandey & Co.
Chartered Accountants




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Arun Raut, FCA
Partner

Place: Kathmandu
Date: October 14, 2022
UDIN: 221017CA00485ceUsi

NIC ASIA Growth Fund
(Sponsored by NIC AISA Bank Limited and Managed by NIC ASIA Capital Limited)

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

In NPR

Particulars	Notes	Ashad End 2079	Ashad End 2078
Assets			
Non Current Assets			
Financial Asset Measured at Amortised Cost	12	83,740,000	54,785,000
Current Assets			
Cash and Cash Equivalents	15	196,263,957	353,052,884
Other Assets	16	35,679,418	10,405,641
Financial Asset Measured at Amortised Cost	13	123,500,000	123,500,000
Financial Assets Held at Fair Value Through Profit or Loss	14	636,442,945	1,032,108,777
Total		1,075,626,320	1,573,852,302
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	17	6,077,652	7,973,559
Liabilities (Excluding Net Assets Attributable to Unitholders)		6,077,652	7,973,559
Unit Holder's Funds			
Net Assets Attributable to Unit Holders		1,069,548,668	1,565,878,743
Total		1,075,626,320	1,573,852,302
NAV per Share		12.81	18.75

The Accompanying Notes are the integral part of Financial Statement

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

As per our Report of even date


Kapil Dhakal
Chairman


Dinesh Bhari
Director


Rabin Sapkota
Independent
Director


Arun Raut, FCA
Partner
For: S.R. Pandey & Co.
Chartered Accountants


Suman Dangol
Independent Director



NIC ASIA Growth Fund
(Sponsored by NIC AISA Bank Limited and Managed by NIC ASIA Capital Limited)

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

In NPR

Particulars	Notes	FY 2078/79	FY 2077/78
Income			
Realised Income			
Interest Income	18	26,020,121	22,449,351
Dividend Income	19	7,025,694	5,885,291
Gain on Sale of Equity Stocks	20	77,946,765	272,979,463
Other Income		-	-
Unrealised Income			
Fair Value Gains/(losses)	21	(333,170,815)	404,404,429
Total		(22,178,236)	705,718,533
Expenses and Losses			
NEPSE Listing Fee		50,000	50,000
Bank Charges		6,971	5,885
Book Building Licence Fee		10,000	10,000
CDSC Listing and Software Fee		120,000	120,000
Depository Fee		2,557,856	2,504,103
Fund Management Fee		19,183,917	18,780,773
Software Expenses		99,440	81,360
Publication Expenses		171,728	161,007
Scheme Audit Fee		113,000	113,000
Supervisor Fee		1,278,928	1,252,052
Total		23,591,840	23,078,180
Profit (Loss) for the period		(245,770,075)	682,640,353
Other Comprehensive income			
Increase/(Decrease) in Net Assets Attributable to Unitholders		(245,770,075)	682,640,353

The Accompanying Notes are the integral part of Financial Statement

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


Arun Raut, FCA
Partner
For: S.R. Pandey & Co.
Chartered Accountants




Manish Ghimire
Chief Investment Officer


Dinesh Bhari
Director


Rupesh Luitel
Director


Rabin Sapkota
Independent Director


Suman Dangol
Independent Director

Date: 14th October 2022
Place: Kathmandu



Significant Accounting Policies and Notes to the Accounts as on 32nd Ashad, 2079\

OVERVIEW

Fund:	NIC ASIA Bank Mutual Fund
Scheme:	NIC ASIA Growth Fund
Fund Sponsor:	NIC ASIA Bank Limited (NICA) (Licensed by NRB as Class A bank)
Fund Management:	NIC ASIA Capital Limited (A 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:	83,520,000 (Eighty Three Million Five Hundred Twenty Thousand units)
Total Unit Capital:	NPR 835,200,000 (NPR Eight Hundred Thirty Five Million and Two Hundred Thousand Only)
Scheme type:	Close-Ended

NIC ASIA Growth 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 28th Falgun 2074 (Scheme allotment date) B.S. with maturity period of 7 years (i.e., 27th Falgun 2081 B.S.) It was listed in NEPSE on 3rd Baisakh 2075. 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, the Fund Supervisors' consent on the approved Financial Statements has also been obtained on 28th Ashwin 2079.

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.

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

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
NIC ASIA Bank Limited	Fund Sponsor	15,000,000	150,000,000	17.96
General Public		68,520,000	685,200,000	82.04
Total		83,520,000	835,200,000	100



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ii. **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.

iii. **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.

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

1. **Statement of Compliance**

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

2. **Compliance with Nepal Financial Reporting Standards (NFRS)**

These Financial Statements have been prepared in compliance with 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.

3. **Basis of Preparation**

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). NFRS requires the Fund to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities.

The statement of profit or loss has been prepared using classification 'by nature' method.

The cash flows from operation within the statement of cash flows have been derived using the indirect method.



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- A signature that appears to be "Mansu"
- A signature that appears to be "S. P." with a large "9" above it
- A signature that appears to be "P. J."
- A signature that appears to be "S. K."
- A signature that appears to be "S. B."



4. 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;

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

5. 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 on periodic basis and revisions to such estimates are recognized prospectively.

6. Reporting periods

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

7. Presentation currency:

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the company.

8. Comparatives:

The comparatives comprise of the previous year figure for period from Shrawan 01, 2077 to Ashad 31, 2078.

9. Limitation of NFRS Implementation

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

10. Equities and Liabilities

I. Unit Capital

The unit capital of Fund is as follows:

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Unit Capital Other	685,200,000	685,200,000
2	Unit Seed Capital Account (NIC ASIA Bank Ltd)	150,000,000	150,000,000
	Total	835,200,000	835,200,000



II. 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:

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Accumulated Profit/ (Loss)		
	1.1. Realized Profit / (Loss)	116,471,173	279,630,433
	1.2. Unrealized Profit /(Loss)	117,877,495	451,048,310
	Total	234,348,668	730,678,743

11. Financial Instruments

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

a) Classification

Financial Assets

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.

- **Financial assets measured at Fair Value through Profit or Loss:**

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.

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 though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

However, Fund don't have investment satisfying the criteria to be classified as FVTOCI.

Financial Liabilities

The Fund classifies its financial liabilities, as follows:

- **Financial Liabilities at Fair Value through Profit or Loss:**



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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 is recognized at profit or loss.

▪ **Financial Liabilities measured at amortized cost:**

Financial liabilities other than those measured at fair value though 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.

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 are 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



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- Financial Assets / Liabilities Held for Trading

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

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



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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:

Valuation of IPO of the Himalayan Hydropower Limited, Bindhabasini Hydropower Limited, Adarsha Laghubitta Bittiya Sanstha Limited, Upper Solu Hydropower Limited, Upper Hewa Khola hydropower limited, Rapti Hydro Limited, Swet Ganga Hydropower Limited and Mandakini Hydro Limited companies being which IPO to public was issued in F/Y 2078/79 and listing in stock market is still pending is valued at amount paid during IPO i.e. Rs. 100 per share.

Valuations of shares of Global IME Bank Limited, Nepal Investment Bank Limited Promoter Share, Civil Bank Limited, Nepal Bangladesh Bank Limited, Bank of Kathmandu Limited, Mega Bank Limited, Union Life Insurance Company, Ajud Insurance Limited, Prime Life Insurance Company Limited, Reliance Life Insurance Company Limited, Prabhu Life Insurance Company Limited, Gurans Life Insurance Company Limited, Prabhu Insurance Company Limited, Sagarmatha General Insurance Company Limited, Lumbini General Insurance Company Limited, Himalayan General Insurance Company Limited, Sanima General Insurance Limited, Sanima Life Insurance Limited, Siddhartha Insurance Limited, Jyoti Life Insurance Limited: and CYC Nepal Laghubitta Bittiya Sanstha Limited has been valued at last trading price during FY 2078/79 due to trading halted because of Merger and acquisition process.

12. Financial Assets Held at Amortized Cost (Non-Current)

These assets represent the investments made in Bonds and Debentures which as follows:

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	10.25% MBL DEBENTURE 2085	20,000,000	20,000,000
2	GLOBAL IME BANK LIMITED DEBENTURE 2086/87	12,500,000	12,500,000
3	8.5% PRABHU BANK DEBENTURE 2087	15,000,000	15,000,000
4	8.5% RBBL DEBENTURE 2083	7,285,000	7,285,000
5	9% JBBL DEBENTURE 2087	8,955,000	
6	10.50% CENTURY DEBENTURE 2088	20,000,000	
	Total	83,740,000	54,785,000

13. Financial Assets Held at Amortized Cost (Current)

These assets represent the investments made in Fixed Deposits at different banks and financial institutions which are as follow:

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Mahalaxmi Bikas Bank Limited	10,000,000	-
2	Sangrila Development Bank Limited (fixed deposits)	43,500,000	43,500,000
3	NIC ASIA Bank Limited (fixed deposits)	70,000,000	80,000,000
	Total Amount	123,500,000	123,500,000



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14. Financial Assets Held at Fair Value Through Profit or Loss

Name	2078-79			Fair Value Hierarchy
	Unit	Value per unit	Value Amount	
LISTED				
Nabil Bank Limited	60,278	824	49,669,072	Level 1
Prime Commercial Bank Ltd.	68,261	265	18,089,165	Level 1
Sanima Bank Limited	59,349	276	16,380,324	Level 1
Global IME Bank Limited	54,206	251	13,627,388	Level 2
Nepal Bank Limited	103,589	298	30,869,522	Level 1
NMB Bank Limited	46,950	261	12,253,950	Level 1
Nepal Investment Bank Ltd. Promoter Share	47,068	243	11,413,990	Level 2
Siddhartha Bank Limited	23,849	303	7,226,247	Level 1
Kumari Bank Limited	33,113	191	6,324,583	Level 1
Agricultural Development Bank	67,201	331	22,243,531	Level 1
Civil Bank Limited	28,503	213	6,071,139	Level 2
Nepal SBI Bank Limited	34,156	282	9,642,239	Level 1
Standard Chartered Bank Limited	22,750	396	9,015,825	Level 1
Himalayan Bank Limited	10,719	299	3,207,125	Level 1
Citizens Bank International Limited	24,389	203	4,938,773	Level 1
Machhapuchhre Bank Limited	44,511	254	11,305,794	Level 1
Nepal Bangladesh Bank Limited (Now Nabil Bank)	12,012	399	4,792,788	Level 2
Century Commercial Bank Limited	45,693	183	8,361,819	Level 1
Sunrise Bank Limited	31,541	207	6,528,987	Level 1
Bank of Kathamandu Limited	33,902	227	7,699,144	Level 2
Prabhu Bank Limited	41,800	207	8,652,600	Level 1
Mega Bank Nepal Limited	18,449	226	4,169,474	Level 2
Kamana Sewa Bikas Bank Limited	50,825	350	17,783,668	Level 1
Shangrila Development Bank Limited	50,702	290	14,703,580	Level 1
Muktinath Bikas Bank Limited	63,866	440	28,094,653	Level 1
Garima Bikas Bank Limited	23,925	387	9,258,975	Level 1
Shine Resunga Development Bank Limited	33,843	295	9,980,301	Level 1
Lumbini Bikash Bank Limited	7,357	341	2,508,737	Level 1
Mahalaxmi Bikash Bank Limited	12,594	378	4,760,532	Level 1
Butwal Power Company Limited	6,104	322	1,965,488	Level 1
Chilime Hydropower Company Limited	23,908	408	9,754,464	Level 1
Himalayan Urja Bikas Company Limited	4	229	916	Level 1
Ru Ru Jalvidut Pariyojana Limited	8	770	6,161	Level 1
Nepal Life Insurance Company Limited	14,509	747	10,838,223	Level 1
Prime Life Insurance Company Ltd.	15,326	569	8,720,494	Level 2
Asian Life Insurance Company Limited	13,168	574	7,558,432	Level 1
National Life Insurance Company Limited	22,293	577	12,863,061	Level 1
Reliance Life Insurance Limited	3,193	335	1,069,655	Level 2
Prabhu Life Insurance Limited	2,909	357	1,038,513	Level 2
Gurans Life Insurance Company Limited	3,012	485	1,460,820	Level 2
Jyoti Life Insurance Company Limited	7,734	352	2,721,595	Level 2
Sana Kisan Bikas Bank Limited	20,841	1,065	22,195,665	Level 1
Chhimek Laghubitta Bittiya Sanstha Limited	18,601	1,100	20,461,100	Level 1
Swabalamban Laghubitta Bittiya Sanstha Limited	12,506	1,169	14,619,514	Level 1
Nirdhan Utthan Bank Limited	18,219	1,099	20,022,681	Level 1
Rural Microfinance Development Centre Ltd.	7,172	838	6,010,136	Level 1
Deprosc Dev. Bank Limited	7,015	940	6,594,100	Level 1

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RSDC Laghubitta Bittiya Sanstha Ltd.	10,054	555	5,577,959	Level 1
NMB Laghubitta Bittiya Sanstha Limited	4,000	750	3,000,400	Level 1
First Microfinance Laghubitta Bittiya Sanstha Limited	8,150	665	5,419,750	Level 1
Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	Level 1
Global IMF Laghubitta Bittiya Sanstha Limited	6	1,299	7,794	Level 1
Prabhu Insurance Company Limited	4,484	428	1,919,152	Level 2
Sagarmatha Insurance Company Limited	6,731	870	5,855,970	Level 2
Shikhar Insurance Company Limited	7,234	807	5,837,838	Level 1
Siddhartha Insurance Limited	15,200	544	8,264,240	Level 2
Prudential Insurance Company Limited	9,202	348	3,202,296	Level 1
NLG Insurance Company Limited	16,085	478	7,688,630	Level 1
Neco Insurance Company Limited	14,347	694	9,956,818	Level 1
Lumbini General Insurance Company Limited	11,689	382	4,465,198	Level 2
Himalayan General Insurance Company Limited	5,476	520	2,847,520	Level 2
Ajod Insurance Limited	8	448	3,584	Level 2
Sanima General Insurance Limited	3,000	365	1,095,000	Level 2
Nepal Doorsanchar Co. Ltd.	4,780	879	4,201,142	Level 1
Citizens Investment Trust	594	2,515	1,493,910	Level 1
Nabil Balance Fund 2	250,000	11	2,695,000	Level 1
Citizen Mutual Fund 2	500,000	10	5,060,000	Level 1
Sunrise First Mutual Fund	150,000	12	1,725,000	Level 1
Sanima Large Cap Fund	100,000	9	932,000	Level 1
Kumari Equity Fund	1,000,000	10	10,070,000	Level 1
Prabhu Select Fund	1,468,090	10	14,108,345	Level 1
Manushi Laghubitta Bittiya Sanstha Limited	281	1,002	281,562	Level 1
Union Life Insurance Company Limited	2,500	521	1,302,500	Level 2
Jeevan Bikas Laghubitta Bittiya Sanstha Limited	1,900	2,699	5,128,100	Level 1
Manakamana Smart Laghubitta Bittiya Sanstha Limited	468	947	443,196	Level 1
Sanima Life Insurance Company Limited	3,786	346	1,309,577	Level 2
RBB Mutual Fund 1	500,000	9	4,635,000	Level 1
Madhya Bhotekoshi Jalavidyut Company Limited	545	234	127,258	Level 1
Rastra Utthan Laghubitta Bittiya Sanstha Limited	567	926	525,042	Level 1
Balephi Hydropower Limited	1,219	240	292,194	Level 1
CYC Nepal Laghubitta Bittiya Sanstha Limited	264	1,698	448,325	Level 2
Upakar Laghubitta Bittiya Sanstha Limited	157	2,699	423,743	Level 1
River Falls Power Limited	1,820	222	404,040	Level 1
Dordi Khola Hydropower	1,464	309	452,669	Level 1
Sub-Total (A)	5,456,218		628,693,901	
UNLISTED				
Himalayan Bank Limited – Bonus	2,292	299	685,766	Level 1
Garima Bikash Bank Limited- Bonus	4,899	387	1,895,913	Level 1
Deprosc Dev. Bank Limited – Bonus	1,866	940	1,754,040	Level 1
Sagarmatha Insurance Company Limited-Bonus	1,443	870	1,255,410	Level 1
Nepal Doorsanchar Company Limited-Bonus	956	879	840,228	Level 1
NMB Laghubitta Bittiya Sanstha Limited	860	750	645,086	Level 1
Himalayan Hydropower Limited	1,312	100	131,200	Level 3
Bindhyabasini Hydropower Limited	1,000	100	100,000	Level 3
Adarsha Laghubitta Bittiya Sanstha	45	100	4,500	Level 3
Upper Solu Hydropower Limited	895	100	89,500	Level 3
Upper Hewa Khola Hydropower Limited	686	100	68,600	Level 3
Rapti hydro Limited	1,159	100	115,900	Level 3
Swet Ganga Hydropower Limited	1,092	100	109,200	Level 3

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Mandakini Hydro Limited	537	100	53,700	Level 3
Sub-Total (B)	19,042		7,749,044	
Grand Total			636,442,945	

Name	2077-78			Fair Value Hierarchy
	Unit	Value per unit	Value Amount	
LISTED				
Nabil Bank Limited	51,500	1,359	69,988,500	Level 1
Prime Commercial Bank Ltd.	69,501	479	33,290,979	Level 1
Sanima Bank Limited	59,033	485	28,631,005	Level 1
Global IME Bank Limited	58,501	441	25,798,941	Level 1
Nepal Bank Limited	101,499	443	44,964,057	Level 1
NMB Bank Limited	47,000	440	20,680,000	Level 1
Nepal Investment Bank Ltd. Promoter Share	41,797	403	16,844,191	Level 1
Siddhartha Bank Limited	30,500	504	15,372,000	Level 1
Kumari Bank Limited	39,217	371	14,549,507	Level 1
Agricultural Development Bank	60,501	479	28,979,979	Level 1
Civil Bank Limited	32,003	286	9,152,858	Level 1
Nepal SBI Bank Limited	33,001	409	13,497,409	Level 1
Standard Chartered Bank Limited	20,682	590	12,202,380	Level 1
Himalayan Bank Limited	10,719	484	5,187,996	Level 1
Citizens Bank International Limited	26,500	386	10,229,000	Level 1
Machhapuchhre Bank Limited	41,317	385	15,907,045	Level 1
Nepal Bangladesh Bank Limited	12,064	436	5,259,904	Level 1
Century Commercial Bank Limited	55,963	291	16,285,233	Level 1
Sunrise Bank Limited	41,418	363	15,034,734	Level 1
Bank of Kathamandu Limited	35,501	379	13,454,879	Level 1
Prabhu Bank Limited	43,000	457	19,651,000	Level 1
Mega Bank Nepal Limited	19,499	366	7,136,634	Level 1
Kamana Sewa Bikas Bank Limited	47,907	580	27,786,060	Level 1
Shangrila Development Bank Limited	53,762	424	22,795,088	Level 1
Muktinath Bikas Bank Limited	59,571	657	39,138,147	Level 1
Garima Bikas Bank Limited	28,620	544	15,569,280	Level 1
Shine Resunga Development Bank Limited	34,431	447	15,390,657	Level 1
Lumbini Bikash Bank Limited	7,900	585	4,621,500	Level 1
Mahalaxmi Bikash Bank Limited	11,299	445	5,028,055	Level 1
Butwal Power Company Limited	6,780	506	3,430,680	Level 1
Chilime Hydropower Company Limited	24,000	687	16,488,000	Level 1
Himalayan Urja Bikas Company Limited	4	360	1,440	Level 1
Rasuwegadhi Hydropower Company Limited	7,235	474	3,429,390	Level 1
Singati Hydro Energy Limited	3,430	433	1,485,190	Level 1
Ru Ru Jalvidut Pariyojana Limited	680	906	616,080	Level 1
CEDB Hydropower Development Company Limited	4,197	619	2,597,943	Level 1
Nepal Life Insurance Company Limited	19,727	1,919	37,856,113	Level 1

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Prime Life Insurance Company Ltd.	13,501	954	12,879,954	Level 1
Asian Life Insurance Company Limited	11,750	1,348	15,839,000	Level 1
National Life Insurance Company Limited	18,734	1,151	21,562,834	Level 1
Reliance Life Insurance Limited	4,193	672	2,817,696	Level 1
Prabhu Life Insurance Limited	4,409	754	3,324,386	Level 1
Gurans Life Insurance Company Limited	2,855	759	2,166,945	Level 1
Jyoti Life Insurance Company Limited	7,701	745	5,737,245	Level 1
Sana Kisan Bikas Bank Limited	20,885	1,640	34,251,400	Level 1
Chhimek Laghubitta Bittiya Sanstha Limited	19,522	1,738	33,929,236	Level 1
Swabalamban Laghubitta Bittiya Sanstha Limited	9,999	1,659	16,588,341	Level 1
Nirdhan Utthan Bank Limited	20,868	1,600	33,388,800	Level 1
Rural Microfinance Development Centre Ltd.	7,852	1,373	10,780,796	Level 1
Deprosc Dev. Bank Limited	9,977	1,686	16,821,222	Level 1
RSDC Laghubitta Bittiya Sanstha Ltd.	11,500	867	9,970,500	Level 1
NIC Asia Laghubitta Bittiya Sanstha Limited	1,998	1,545	3,086,910	Level 1
NMB Laghubitta Bittiya Sanstha Limited	4,000	1,429	5,716,000	Level 1
First Microfinance Laghubitta Bittiya Sanstha Limited	10,000	823	8,230,000	Level 1
Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	Level 1
Mahila Laghubitta Bittiya Sanstha Limited	727	4,870	3,540,490	Level 1
Global IME Laghubitta Bittiya Sanstha Limited	5	2,815	14,075	Level 1
Prabhu Insurance Company Limited	4,400	960	4,224,000	Level 1
Sagarmatha Insurance Company Limited	6,500	1,344	8,736,000	Level 1
Shikhar Insurance Company Limited	5,946	1,952	11,606,592	Level 1
Siddhartha Insurance Limited	12,500	1,058	13,225,000	Level 1
Prudential Insurance Company Limited	8,000	810	6,480,000	Level 1
NLG Insurance Company Limited	13,294	1,220	16,218,680	Level 1
Neco Insurance Company Limited	10,802	1,348	14,561,096	Level 1
Lumbini General Insurance Company Limited	7,500	780	5,850,000	Level 1
Himalayan General Insurance Company Limited	4,636	768	3,560,448	Level 1
Ajod Insurance Limited	8	813	6,504	Level 1
General Insurance Company Nepal Limited	1,000	693	693,000	Level 1
Sanima General Insurance Limited	3,000	731	2,193,000	Level 1
Nepal Doorsanchar Co. Ltd.	9,780	1,314	12,850,920	Level 1
Citizens Investment Trust	860	3,491	3,002,260	Level 1
Nabil Balance Fund 2	250,000	14	3,525,000	Level 1
Citizen Mutual Fund 2	500,000	14	7,075,000	Level 1
Sunrise First Mutual Fund	150,000	16	2,400,000	Level 1
Sanima Large Cap Fund	100,000	11	1,050,000	Level 1
Kumari Equity Fund	1,000,000	11	10,500,000	Level 1
Prabhu Select Fund	1,468,090	10	14,886,433	Level 1
Sub-Total (A)	4,977,246		1,021,641,117	
UNLISTED				
Swabalamban Laghubitta Bittiya Sanstha Limited-Bonus	2,271	1,659	3,767,589	Level 1
Sagarmatha Insurance Company Limited-Bonus	715	1,344	960,960	Level 1
Lumbini General Insurance Limited – Bonus	375	780	292,500	Level 1

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Citizens Investment Trust	77	3,491	268,807	Level 1
Siddhartha Insurance Limited	1,500	1,058	1,587,000	Level 1
Himalayan General Insurance Company Limited	139	768	106,752	Level 1
Prudential Insurance Company Limited	600	810	486,000	Level 1
Jeevan Bikas Laghubitta Bittiya Sanstha Limited	2,000	100	200,000	Level 3
Manakamana Smart Laghubitta Bittiya Sanstha Limited	400	100	40,000	Level 3
Union Life Insurance Company Limited	4,500	100	450,000	Level 3
Mailung Khola Jal Vidhyut Company Limited	515	100	51,500	Level 3
Neco Insurance Company Limited – Bonus	1,674	1,348	2,256,552	Level 3
Sub-Total (B)	14,766		10,467,660	
Grand Total			1,032,108,777	

15. Cash and Cash Equivalent

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

Particulars	Ashad End 2079	Ashad End 2078
NIC Asia Bank Limited	79,461,336	278,737,164
Manjushree Finance Limited	224,988	5,685,704
Siddhartha Bank Limited	340,429	339,554
Gurkhas Finance Limited	1,470	1,796
Jyoti Bikas Bank Limited	409,935	13,870,485
Kumari Bank Limited	1,107,181	26,084,654
NMB Bank Limited	2,024,193	2,004,077
Shangrila Development Bank Limited	4,158,381	14,078,927
NCC Bank Limited	5,000	5,000
Sunrise Bank Limited	21,907	21,781
Muktinath Bikas Bank Limited	102,780,983	12,223,742
Mahalaxmi Bikash Bank Limited	718,258	-
Citizen Bank Limited	5,009,895	-
Total Amount:	196,263,957	353,052,884

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 income on such balance is 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.

16. Other Assets

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

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Interest Receivables	3,155,018	1,485,706
2	Broker Receivables	31,060,823	2,958,977
3	Dividend Receivables	484,176	290,958
4	IPO Advance	979,400	5,670,000
5	Right Advance	-	-
	Total Amount	35,679,418	10,405,641

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17. **Accrued Expenses and Other Payables**

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

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Broker Payable	305,111	305,110
2	Scheme Audit Fee Payable	111,500	111,500
3	Fund Management Fee Payable	4,140,132	5,731,182
4	Depository Fee Payable	552,018	764,158
5	Supervisor Fee Payable	279,545	371,077
6	TDS Payable	116,032	158,757
8	Other Current Liabilities	573,315	531,775
	Total	6,077,652	7,973,559

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.

18. **Interest 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.

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Bank Interest Income	22,784,554	19,814,897
2	Bond and Debenture Interest Income	3,235,567	2,634,454
	Total Amount	26,020,121	22,449,351

19. **Dividend Income**

Dividend income is recognized on the ex-dividend date

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Dividend Income	7,025,694	5,885,291
	Total Amount	7,025,694	5,885,291

20. **Net realized Gains / (Losses) on Financial Assets at Fair Value through Profit or Loss**

S.N.	Particulars	Ashad End 2079	Ashad End 2078
1	Gain on Sale of Stocks	77,946,765	272,979,463
	Total Amount	77,946,765	272,979,463

21. **Net Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss**

S.N.	Name	2078-79			
		Unit	Value per unit	Value Amount	Total Cost
	LISTED				
1	Nabil Bank Limited	60,278	824	49,669,072	24,939,676
2	Prime Commercial Bank Ltd.	68,261	265	18,089,165	13,581,372
3	Sanima Bank Limited	59,349	276	16,380,324	14,617,603



4	Global IME Bank Limited	54,206	251	13,627,388	11,662,747
5	Nepal Bank Limited	103,589	298	30,869,522	25,686,947
6	NMB Bank Limited	46,950	261	12,253,950	11,058,596
7	Nepal Investment Bank Ltd. Promoter Share	47,068	243	11,413,990	15,631,180
8	Siddhartha Bank Limited	23,849	303	7,226,247	5,514,872
9	Kumari Bank Limited	33,113	191	6,324,583	5,556,144
10	Agricultural Development Bank	67,201	331	22,243,531	18,153,029
11	Civil Bank Limited	28,503	213	6,071,139	3,731,178
12	Nepal SBI Bank Limited	34,156	282	9,642,239	13,480,435
13	Standard Chartered Bank Limited	22,750	396	9,015,825	14,284,625
14	Himalayan Bank Limited	10,719	299	3,207,125	4,637,893
15	Citizens Bank International Limited	24,389	203	4,938,773	5,365,895
16	Machhapuchhre Bank Limited	44,511	254	11,305,794	8,807,112
17	Nepal Bangladesh Bank Limited	12,012	399	4,792,788	2,108,020
18	Century Commercial Bank Limited	45,693	183	8,361,819	8,256,803
19	Sunrise Bank Limited	31,541	207	6,528,987	6,941,576
20	Bank of Kathamandu Limited	33,902	227	7,699,144	7,181,354
21	Prabhu Bank Limited	41,800	207	8,652,600	8,728,595
22	Mega Bank Nepal Limited	18,449	226	4,169,474	3,204,694
23	Kamana Sewa Bikas Bank Limited	50,825	350	17,783,668	8,914,341
24	Shangrila Development Bank Limited	50,702	290	14,703,580	7,207,844
25	Muktinath Bikas Bank Limited	63,866	440	28,094,653	14,652,933
26	Garima Bikas Bank Limited	23,925	387	9,258,975	5,025,188
27	Shine Resunga Development Bank Limited	33,843	295	9,980,301	6,278,136
28	Lumbini Bikash Bank Limited	7,357	341	2,508,737	1,531,722
29	Mahalaxmi Bikash Bank Limited	12,594	378	4,760,532	2,685,094
30	Butwal Power Company Limited	6,104	322	1,965,488	1,787,480
31	Chilime Hydropower Company Limited	23,908	408	9,754,464	9,652,524
32	Himalayan Urja Bikas Company Limited	4	229	916	400
33	Ru Ru Jalvidut Pariyojana Limited	8	770	6,161	-
34	Nepal Life Insurance Company Limited	14,509	747	10,838,223	16,190,323
35	Prime Life Insurance Company Ltd.	15,326	569	8,720,494	6,658,464
36	Asian Life Insurance Company Limited	13,168	574	7,558,432	7,770,308
37	National Life Insurance Company Limited	22,293	577	12,863,061	16,276,227
38	Reliance Life Insurance Limited	3,193	335	1,069,655	319,300
39	Prabhu Life Insurance Limited	2,909	357	1,038,513	290,900
40	Gurans Life Insurance Company Limited	3,012	485	1,460,820	2,034,059
41	Jyoti Life Insurance Company Limited	7,734	352	2,721,595	703,100
42	Sana Kisan Bikas Bank Limited	20,841	1,065	22,195,665	14,023,329
43	Chhimek Laghubitta Bittiya Sanstha Limited	18,601	1,100	20,461,100	11,384,744
44	Swabalamban Laghubitta Bittiya Sanstha Limited	12,506	1,169	14,619,514	11,657,631
45	Nirdhan Utthan Bank Limited	18,219	1,099	20,022,681	14,020,302
46	Rural Microfinance Development Centre Ltd.	7,172	838	6,010,136	4,667,990
47	Deprosc Dev. Bank Limited	7,015	940	6,594,100	5,514,060
48	RSDC Laghubitta Bittiya Sanstha Ltd.	4,000	555	5,577,959	5,333,357
49	NMB Laghubitta Bittiya Sanstha Limited	4,000	750	3,000,400	4,815,145



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50	First Microfinance Laghubitta Bittiya Sanstha Limited	8,150	665	5,419,750	3,960,464
51	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	19,500
52	Global IME Laghubitta Bittiya Sanstha Limited	6	1,299	7,794	500
53	Prabhu Insurance Company Limited	4,484	428	1,919,152	1,824,284
54	Sagarmatha Insurance Company Limited	6,731	870	5,855,970	5,075,110
55	Shikhar Insurance Company Limited	7,234	807	5,837,838	4,133,799
56	Siddhartha Insurance Limited	15,200	544	8,264,240	7,068,062
57	Prudential Insurance Company Limited	9,202	348	3,202,296	4,448,867
58	NLG Insurance Company Limited	16,085	478	7,688,630	11,178,117
59	Neco Insurance Company Limited	14,347	694	9,956,818	12,049,982
60	Lumbini General Insurance Company Limited	11,689	382	4,465,198	6,091,676
61	Himalayan General Insurance Company Limited	5,476	520	2,847,520	3,555,911
62	Ajod Insurance Limited	8	448	3,584	800
63	Sanima General Insurance Limited	3,000	365	1,095,000	300,000
64	Nepal Doorsanchar Co. Ltd.	4,780	879	4,201,142	3,947,868
65	Citizens Investment Trust	594	2,515	1,493,910	619,699
66	Nabil Balance Fund 2	250,000	11	2,695,000	2,500,000
67	Citizen Mutual Fund 2	500,000	10	5,060,000	5,000,000
68	Sunrise First Mutual Fund	150,000	12	1,725,000	1,500,000
69	Sanima Large Cap Fund	100,000	9	932,000	1,000,000
70	Kumari Equity Fund	1,000,000	10	10,070,000	10,000,000
71	Prabhu Select Fund	1,468,090	10	14,108,345	14,680,900
72	Manushi Laghubitta Bittiya Sanstha Limited	281	1,002	281,562	28,100
73	Union Life Insurance Company Limited	2,500	521	1,302,500	250,000
74	Jeevan Bikas Laghubitta Bittiya Sanstha Limited	1,900	2,699	5,128,100	111,765
75	Manakamana Smart Laghubitta Bittiya Sanstha Limited	468	947	443,196	40,000
76	Sanima Life Insurance Company Limited	3,786	346	1,309,577	378,600
77	RBB Mutual Fund 1	500,000	9	4,635,000	5,000,000
78	Madhya Bhotekoshi Jalavidyut Company Limited	545	234	127,258	54,500
79	Rastra Utthan Laghubitta Bittiya Sanstha Limited	567	926	525,042	56,700
80	Balephi Hydropower Limited	1,219	240	292,194	121,900
81	CYC Nepal Laghubitta Bittiya Sanstha Limited	264	1,698	448,325	26,400
82	Upakar Laghubitta Bittiya Sanstha Limited	157	2,699	423,743	15,700
83	River Falls Power Limited	1,820	222	404,040	182,000
84	Dordi Khola Hydropower	1,464	309	452,669	146,400
	Sub-Total (A)	5,456,218		628,693,901	517,892,850
	UNLISTED				
1	Himalayan Bank Limited - Bonus	2,292	299	685,766	-
2	Garima Bikash Bank Limited- Bonus	4,899	387	1,895,913	-
3	Deprosc Dev. Bank Limited - Bonus	1,866	940	1,754,040	-
4	Sagarmatha Insurance Company Limited - Bonus	1,443	870	1,255,410	-
5	Nepal Doorsanchar Company Limited - Bonus	856	879	840,228	-



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6	NMB Laghubitta Bittiya Sanstha Limited	860	750	645,086	-
7	Himalayan Hydropower Limited	1,312	100	131,200	131,200
8	Bindhyabasini Hydropower Limited	1,000	100	100,000	100,000
9	Adarsha Laghubitta Bittiya Sanstha	45	100	4,500	4,500
10	Upper Solu Hydropower Limited	895	100	89,500	89,500
11	Upper Hewa Khola Hydropower Limited	686	100	68,600	68,600
12	Rapti hydro Limited	1,159	100	115,900	115,900
13	Swet Ganga Hydropower Limited	1,092	100	109,200	109,200
14	Mandakini Hydro Limited	537	100	53,700	53,700
	Sub-Total (B)	19,042		7,749,044	672,600
	Grand Total			636,442,945	518,565,450
	Unrealized Gain / (Loss)				117,877,495
	Less: Previous Year Unrealized Gain/(Loss)				451,048,310
	Unrealized Gain / (Loss) This Year				(333,170,815)

S.N	Name	2077-78			
		Unit	Unit Price	Value Amount	Total Cost
	LISTED				
1	Nabil Bank Limited	51,500	1,359	69,988,500	28,467,162
2	Prime Commercial Bank Ltd.	69,501	479	33,290,979	16,040,548
3	Sanima Bank Limited	59,033	485	28,631,005	17,371,379
4	Global IME Bank Limited	58,501	441	25,798,941	13,845,503
5	Nepal Bank Limited	101,499	443	44,964,057	28,692,344
6	NMB Bank Limited	47,000	440	20,680,000	12,454,169
7	Nepal Investment Bank Ltd. Promoter Share	41,797	403	16,844,191	15,631,180
8	Siddhartha Bank Limited	30,500	504	15,372,000	8,057,964
9	Kumari Bank Limited	39,217	371	14,549,507	7,038,991
10	Agricultural Development Bank	60,501	479	28,979,979	19,611,731
11	Civil Bank Limited	32,003	286	9,152,858	4,398,791
12	Nepal SBI Bank Limited	33,001	409	13,497,409	13,480,435
13	Standard Chartered Bank Limited	20,682	590	12,202,380	14,284,625
14	Himalayan Bank Limited	10,719	484	5,187,996	4,637,893
15	Citizens Bank International Limited	26,500	386	10,229,000	6,604,107
16	Machhapuchhre Bank Limited	41,317	385	15,907,045	8,761,098
17	Nepal Bangladesh Bank Limited	12,064	436	5,259,904	2,407,342
18	Century Commercial Bank Limited	55,963	291	16,285,233	10,694,102
19	Sunrise Bank Limited	41,418	363	15,034,734	9,721,614
20	Bank of Kathamandu Limited	35,501	379	13,454,879	8,272,049
21	Prabhu Bank Limited	43,000	457	19,651,000	10,056,678
22	Mega Bank Nepal Limited	19,499	366	7,136,634	3,725,811
23	Kamana Sewa Bikas Bank Limited	47,907	580	27,786,060	8,427,877
24	Shangrila Development Bank Limited	53,762	424	22,795,088	7,499,758
25	Muktinath Bikas Bank Limited	59,571	657	39,138,147	14,529,440
26	Garima Bikas Bank Limited	28,620	544	15,569,280	5,011,844
27	Shine Resunga Development Bank Limited	34,431	447	15,390,657	6,519,129

28	Lumbini Bikash Bank Limited	7,900	585	4,621,500	1,466,429
29	Mahalaxmi Bikash Bank Limited	11,299	445	5,028,055	2,389,545
30	Butwal Power Company Limited	6,780	506	3,430,680	2,183,982
31	Chilime Hydropower Company Limited	24,000	687	16,488,000	10,416,393
32	Himalayan Urja Bikas Company Limited	4	360	1,440	400
33	Rasuwadgadhi Hydropower Company Limited	7,235	474	3,429,390	828,389
34	Singati Hydro Energy Limited	3,430	433	1,485,190	343,000
35	Ru Ru Jalvidut Pariyojana Limited	680	906	616,080	81,600
36	CEDB Hydropower Development Company Limited	4,197	619	2,597,943	419,700
37	Nepal Life Insurance Company Limited	19,727	1,919	37,856,113	25,095,191
38	Prime Life Insurance Company Ltd.	13,501	954	12,879,954	6,745,355
39	Asian Life Insurance Company Limited	11,750	1,348	15,839,000	8,667,246
40	National Life Insurance Company Limited	18,734	1,151	21,562,834	16,276,227
41	Reliance Life Insurance Limited	4,193	672	2,817,696	419,300
42	Prabhu Life Insurance Limited	4,409	754	3,324,386	440,900
43	Gurans Life Insurance Company Limited	2,855	759	2,166,945	2,034,058
44	Jyoti Life Insurance Company Limited	7,701	745	5,737,245	770,100
45	Sana Kisan Bikas Bank Limited	20,885	1,640	34,251,400	17,565,992
46	Chhimek Laghubitta Bittiya Sanstha Limited	19,522	1,738	33,929,236	15,174,489
47	Swabalamban Laghubitta Bittiya Sanstha Limited	9,999	1,659	16,588,341	13,611,189
48	Nirdhan Utthan Bank Limited	20,868	1,600	33,388,800	20,795,704
49	Rural Microfinance Development Centre Ltd.	7,852	1,373	10,780,796	6,132,394
50	Deprosc Dev. Bank Limited	9,977	1,686	16,821,222	7,433,722
51	RSDC Laghubitta Bittiya Sanstha Ltd.	11,500	867	9,970,500	6,777,742
52	NIC Asia Laghubitta Bittiya Sanstha Limited	1,998	1,545	3,086,910	199,800
53	NMB Laghubitta Bittiya Sanstha Limited	4,000	1,429	5,716,000	4,815,145
54	First Microfinance Laghubitta Bittiya Sanstha Limited	10,000	823	8,230,000	5,406,156
55	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	19,500
56	Mahila Laghubitta Bittiya Sanstha Limited	727	4,870	3,540,490	72,700
57	Global IME Laghubitta Bittiya Sanstha Limited	5	2,815	14,075	500
58	Prabhu Insurance Company Limited	4,400	960	4,224,000	1,987,021
59	Sagarmatha Insurance Company Limited	6,500	1,344	8,736,000	5,432,398
60	Shikhar Insurance Company Limited	5,946	1,952	11,606,592	4,238,833
61	Siddhartha Insurance Limited	12,500	1,058	13,225,000	7,549,574
62	Prudential Insurance Company Limited	8,000	810	6,480,000	4,448,867
63	NLG Insurance Company Limited	13,294	1,220	16,218,680	11,178,117
64	Neco Insurance Company Limited	10,802	1,348	14,561,096	12,049,982
65	Lumbini General Insurance Company Limited	7,500	780	5,850,000	3,157,690
66	Himalayan General Insurance Company Limited	4,636	768	3,560,448	3,313,396
67	Ajod Insurance Limited	8	813	6,504	800
68	General Insurance Company Nepal Limited	1,000	693	693,000	100,000
69	Sanima General Insurance Limited	3,000	731	2,193,000	300,000
70	Nepal Doorsanchar Co. Ltd.	9,780	1,314	12,850,920	8,077,437
71	Citizens Investment Trust	860	3,491	3,002,260	977,539



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72	Nabil Balance Fund 2	250,000	14	3,525,000	2,500,000
73	Citizen Mutual Fund 2	500,000	14	7,075,000	5,000,000
74	Sunrise First Mutual Fund	150,000	16	2,400,000	1,500,000
75	Sanima Large Cap Fund	100,000	11	1,050,000	1,000,000
76	Kumari Equity Fund	1,000,000	11	10,500,000	10,000,000
77	Prabhu Select Fund	1,468,090	10	14,886,433	14,680,900
	Sub-Total (A)	4,977,246		1,021,641,117	580,318,967
	UNLISTED				
78	Swabalamban Laghubitta Bittiya Sanstha Limited - Bonus	2,271	1,659	3,767,589	-
79	Sagarmatha Insurance Company Limited	715	1,344	960,960	-
80	Lumbini General Insurance Limited – Bonus	375	780	292,500	-
81	Citizens Investment Trust	77	3,491	268,807	-
82	Siddhartha Insurance Limited	1,500	1,058	1,587,000	-
83	Himalayan General Insurance Company Limited	139	768	106,752	-
84	Prudential Insurance Company Limited	600	810	486,000	-
85	Jeevan Bikas Laghubitta Bittiya Sanstha Limited	2,000	100	200,000	200,000
86	Manakamana Smart Laghubitta Bittiya Sanstha Limited	400	100	40,000	40,000
87	Union Life Insurance Company Limited	4,500	100	450,000	450,000
88	Mailung Khola Jal Vidhyut Company Limited	515	100	51,500	51,500
89	Neco Insurance Company Limited – Bonus	1,674	1,348	2,256,552	-
	Sub-Total (B)	14,766		10,467,660	741,500
	Grand Total			1,032,108,777	581,060,467
	Unrealized Gain / (Loss)				451,048,310
	Less: Previous Year Unrealized Gain/(Loss)				46,643,881
	Unrealized Gain / (Loss) This Year				404,404,429

22. 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: 0.1% 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 each quarter of the financial year.

23. Employees Related Expenses

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

24. 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 2078 – 32nd Ashad 2079) are as follows: -



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Year	Fund Management Fee	Depository Fee	Supervisor Fee
Asadh End 2079	19,183,917	2,557,856	1,278,928
Asadh End 2078	18,780,773	2,504,103	1,252,052

25. Income Tax

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.

26. 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.

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.

24.1. Market Risk

a. 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 on a daily basis by the Fund Management Company.

b. 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.



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c. 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 11.54% of Gross NAV in Fixed Deposit as of Ashad end, 2079.

24.2. 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.

Sector	Buying Amount	Market Value	Profit/(Loss)	Proportion
Commercial Bank	233,130,345	272,482,791	39,352,446	8%
Microfinance	75,675,687	113,576,193	37,900,506	7%
Non-Life Insurance	56,612,697	57,717,151	1,104,453	0%
Life Insurance	49,985,192	43,557,919	(6,427,273)	-1%
Development Bank	46,295,257	89,672,477	43,377,219	8%
Mutual Funds	39,680,900	39,225,345	(455,555)	0%
Hydropower	12,617,804	13,675,789	1,057,985	0%
Others	4,567,567	6,535,280	1,967,713	0%
Total	518,565,450	636,442,945	117,877,495	23%

24.3. 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.

The Fund is exposed to daily cash redemptions of redeemable units. 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.



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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.

27. 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 150,000,000 (at par value of NPR 10 per unit)
- b. NIC ASIA Growth Fund have earned interest amounting to NPR 12,138,688.90 (Twelve Million, One Hundred and Thirty-Eight Thousand Six Hundred and Eighty-Eight-Rupees and Ninety Paise Only) from NIC ASIA Bank Limited.
- c. Fund Management and Depository Fee incurred by NIC ASIA Growth Fund during the year amounts to NPR. 21,741,773 (out of which NPR. 4,692,150 is still payable to NIC ASIA Capital Limited)
- d. FD of NRs. 70,000,000 @ 11.10% p.a. (6.51 % of total asset of fund) has been maintained with NIC Asia Bank, and have balance of NPR. 79,461,336.36 (7.39% of total asset of fund) in call (interest @ 0.15% p.a) and current Account.

28. 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.

29. Contingent Liability

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

30. Events after reporting period

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



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There are no material events that has occurred subsequent to 32nd Ashad 2079 till the signing of this financial statement.

31. Proposed Dividend

The Fund has proposed dividend of 13% on the total unit capital of NRs.835.2 million amounting to NRs. 108.58 million including applicable taxes.

**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


Arun Raut, FCA
Partner
S.R. Pandey & Co.
Chartered Accountants


Manish Ghimire
Chief Investment Officer


Dinesh Bhari
Director




Rupesh Luitel
Director


Rabin Sapkota
Independent
Director


Suman Dangol
Independent
Director

Date: 14th October 2022
Place: Kathmandu

