

**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 31, 2080, (July 16, 2023), 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 31, 2080 (July 16, 2023), 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



Place: Kathmandu  
Date: 14th October 2023  
UDIN: 231016CA00823bfQ9p

  
CA Laxmi Prasad Luintel  
Partner

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

**Statement of Financial Position as at 31st Ashad, 2080 (16th July, 2023)**

Particulars	Notes	Ashad End 2080	Ashad End 2079
<i>In NPR</i>			
<b>Assets</b>			
<b>Non Current Assets</b>			
Financial Asset Measured at Amortised Cost	12	83,740,000	83,740,000
<b>Current Assets</b>			
Cash and Cash Equivalents	15	253,732,551	196,263,957
Other Assets	16	10,463,942	35,679,418
Financial Asset Measured at Amortised Cost	13	70,000,000	123,500,000
Financial Assets Held at Fair Value Through Profit or Loss	14	587,557,892	636,442,945
<b>Total</b>		<b>1,005,494,384</b>	<b>1,075,626,320</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	17	5,100,033	6,077,652
Liabilities (Excluding Net Assets Attributable to Unitholders)		5,100,033	6,077,652
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	10	1,000,394,351	1,069,548,668
<b>Total</b>		<b>1,005,494,384</b>	<b>1,075,626,320</b>
<b>NAV per Share</b>		<b>11.98</b>	<b>12.81</b>


Explanatory Notes form 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



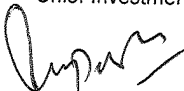
  
Santosh Kumar Rathi  
Chairman

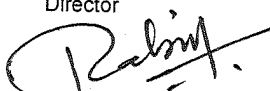
  
CA Laxmi Prasad Luitel  
Partner  
S.R. Pandey & Co.  
Chartered Accountants



  
Manish Ghimire  
Chief Investment Officer

  
Dinesh Bhari  
Director

  
Rupesh Luitel  
Director

  
Rabin Sapkota  
Independent Director

  
Suman Dangol  
Independent Director

Date: 14/10/2023  
Place : Kathmandu


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

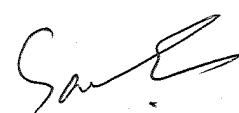
**Statement of Profit or Loss and Other Comprehensive Income**  
For the Period from 1st Shrawan, 2079 to 31st Ashad, 2080 (17th July, 2022 to 16th July, 2023)

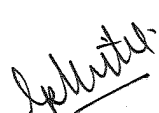
Particulars	Notes	FY 2079/80	FY 2078/79
<i>In NPR</i>			
<b>Income</b>			
<b>Realised Income</b>			
Interest Income	18	29,609,046	26,020,121
Dividend Income	19	8,482,089	7,025,694
Gain on Sale of Equity Stocks	20	64,678,507	77,946,765
Other Income		-	-
<b>Unrealised Income</b>			
Fair Value Gains/(losses)	21	(45,022,356)	(333,170,815)
<b>Total</b>		<b>57,747,285</b>	<b>(222,178,236)</b>
<b>Expenses and Losses</b>			
NEPSE Listing Fee		50,000	50,000
Bank Charges		2,870	6,971
Book Building Licence Fee			10,000
CDSC Listing and Software Fee		120,000	120,000
Depository Fee		1,972,691	2,557,856
Fund Management Fee		14,795,182	19,183,917
Software Expenses		99,440	99,440
Publication Expenses		186,073	171,728
Scheme Audit Fee		113,000	113,000
Supervisor Fee		986,346	1,278,928
<b>Total</b>		<b>18,325,602</b>	<b>23,591,840</b>
<b>Profit (Loss) for the period</b>		<b>39,421,683</b>	<b>(245,770,075)</b>
<b>Other Comprehensive income</b>			
<b>Increase/(Decrease) in Net Assets Attributable to Unitholders</b>		<b>39,421,683</b>	<b>(245,770,075)</b>

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

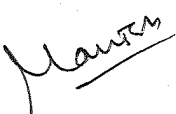
As per our Report of even date

  
Ramendra Rayamajhi  
Chief Executive Officer

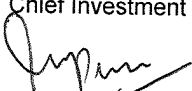
  
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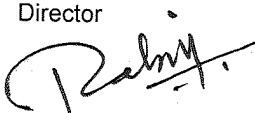
  
CA Laxmi Prasad Luitel  
Partner  
S.R. Pandey & Co.  
Chartered Accountants



  
Manish Ghimire  
Chief Investment Officer

  
Dinesh Bhari  
Director

  
Rupesh Luitel  
Director

  
Rabin Sapkota  
Independent Director

  
Suman Dangol  
Independent Director

Date: 14/10/2023  
Place : Kathmandu


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

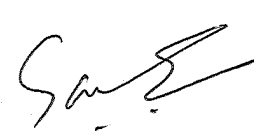
**Statement of Cash Flow**  
For the Period from 1st Shrawan, 2079 to 31st Ashad, 2080 (17th July, 2022 to 16th July, 2023)


Particulars	In NPR	
	FY 2079/80	FY 2078/79
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year		
Adjustments for:	39,421,683	(245,770,075)
(Increase)/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	45,022,356	333,170,815
Increase/(Decrease) in Liabilities	(977,619)	(1,895,907)
(Increase)/Decrease in Share	3,862,697	62,495,017
(Increase)/Decrease in Other Assets	78,715,476	(54,228,777)
<b>Net cash generated/(used) in Operations (1)</b>	<b>166,044,594</b>	<b>93,771,072</b>
<b>B. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Unit Capital		
Dividend Paid during the year (net of tax)	(108,576,000)	(250,560,000)
<b>Net cash generated/(used) in financing (2)</b>	<b>(108,576,000)</b>	<b>(250,560,000)</b>
<b>C. Cash Flow from Investing Activities</b>		
<b>Net cash generated/(used) in investing (3)</b>	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)</b>	<b>57,468,594</b>	<b>(156,788,928)</b>
Cash and Cash Equivalents at beginning of the year/period	196,263,957	353,052,884
<b>Cash and Cash Equivalents at end of period</b>	<b>253,732,551</b>	<b>196,263,957</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	253,732,551	196,263,957

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

As per our Report of even date


  
Ramendra Rayamajhi  
Chief Executive Officer

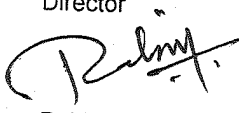
  
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Sarman Dangol  
Independent Director

Date: 14/10/2023  
Place : Kathmandu


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


**Statement in Changes in Unit holders' Fund**  
For the Period from 1st Shrawan, 2079 to 31st Ashad, 2080 (17th July, 2022 to 16th July, 2023)


Particular				In NPR
	Unit Capital	Realized Profit	Unrealized Profit	Total
Opening Balance	835,200,000	-	-	835,200,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	279,630,433	451,048,310	730,678,743
Net Profit (Loss) During the year	-	87,400,740	(333,170,815)	(245,770,075)
Dividend Paid	-	(250,560,000)	-	(250,560,000)
<b>Balance as on 32/03/2079</b>	<b>835,200,000</b>	<b>116,471,173</b>	<b>117,877,495</b>	<b>1,069,548,668</b>
Opening Balance	835,200,000	-	-	835,200,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	116,471,173	117,877,495	234,348,668
Net Profit (Loss) During the year	-	84,444,040	(45,022,356)	39,421,683
Dividend Paid	-	(108,576,000)	-	(108,576,000)
<b>Balance as on 31/03/2080</b>	<b>835,200,000</b>	<b>92,339,212</b>	<b>72,855,139</b>	<b>1,000,394,351</b>

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


As per our report of even date


  
Ramendra Rayamajhi  
Chief Executive Officer

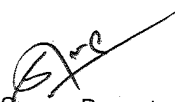
  
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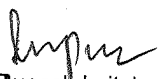
  
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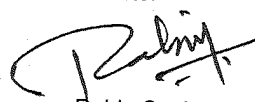


  
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Chief Investment Officer

  
Dinesh Bhari  
Director

  
Suman Dangol  
Independent Director

  
Rupesh Luitel  
Director

  
Rabin Sapkota  
Independent Director

Date: 14/10/2023  
Place : Kathmandu

## Significant Accounting Policies and Notes to the Accounts as on 31<sup>st</sup> Ashad, 2080

### A. OVERVIEW

<b>Fund:</b>	<b>NIC ASIA Bank Mutual Fund</b>
<b>Scheme:</b>	<b>NIC ASIA Growth Fund</b>
<b>Fund Sponsor:</b>	<b>NIC ASIA Bank Limited (NICA)</b> (Licensed by NRB as Class A bank)
<b>Fund Management:</b>	<b>NIC ASIA Capital Limited</b> (A subsidiary of NIC ASIA Bank Limited) Mr. Bodhraj Niraula Mr. Aashish Adhikari Mr. Shivaraj Ghimire
<b>Fund Supervisors:</b>	Mr. Santosh Lamichhane Mr. Mahendra Nath Karmacharya
<b>Total Units of Scheme:</b>	83,520,000 (Eighty-Three Million Five Hundred Twenty Thousand units)
<b>Total Unit Capital:</b>	NPR 835,200,000 (NPR Eight Hundred Thirty-Five Million and Two Hundred Thousand Only)
<b>Scheme type:</b>	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 of achieving a 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 28<sup>th</sup> Falgun 2074 (Scheme allotment date) B.S. with maturity period of 7 years (i.e., 27<sup>th</sup> Falgun 2081 B.S.) It was listed in NEPSE on 3<sup>rd</sup> Baisakh 2075. The Scheme's Financial Statements were approved by the Board of Directors of the NIC ASIA Capital Limited on 27<sup>th</sup> Aswin 2080 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been obtained on 27<sup>th</sup> Aswin 2080.

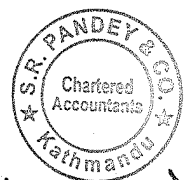
NIC ASIA Bank Ltd. (NICA) is the Fund Sponsor and NIC ASIA Capital Limited, a subsidiary of NICA duly licensed by Securities Board of Nepal (SEBON), has been appointed as the Fund Manager of the Scheme by the Sponsor after obtaining due approval from SEBON. Further, the Fund Manager is also providing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

#### 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
<b>Total</b>		<b>83,520,000</b>	<b>835,200,000</b>	<b>100</b>

#### 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](http://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 daily as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

**B. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:**

**1. Statement of Compliance**

The Financial Statements have been prepared in compliance with the 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. A description of such estimates has been given in the relevant sections wherever they have been applied.

The financial statements are prepared based on 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.

**4. Accounting Convention**

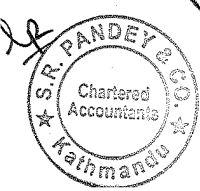
The Financial Statements are prepared and presented under the historical cost convention and on the accrual basis in conformity with Nepal Financial Reporting Standards. Except for the following items which were measured or recognized as stated.

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 a periodic basis and revisions to such estimates are recognized prospectively.



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## 6. Reporting periods

The Fund follows the Nepalese financial year based on the Nepalese calendar as a 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's figure for period from Shrawan 01, 2078 to Ashad 32, 2079.

## 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 2080	Ashad End 2079
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
	<b>Total</b>	<b>835,200,000</b>	<b>835,200,000</b>

### 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 2080	Ashad End 2079
	<b>Accumulated Profit/ (Loss)</b>		
1.1.	Realized Profit / (Loss)	92,339,212	116,471,173
1.2.	Unrealized Profit /(Loss)	72,855,139	117,877,495
	<b>Total</b>	<b>165,194,351</b>	<b>234,348,668</b>

## 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.

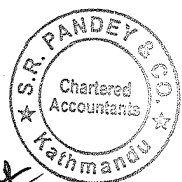
### a) Classification

#### Financial Assets

The fund classifies the financial asset as subsequently measured at amortized cost or fair value based on 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 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 the 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:**

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 costs directly attributable to the acquisition are recognized in the 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 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 the Statement of Profit or Loss.

**c) Measurement**

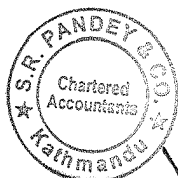
**Initial Measurement**

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 assets or liability classified as measured at amortized cost is subsequently measured at amortized cost using an effective interest rate method. Though NFRS prescribes bonds and debentures



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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.

(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 a trading halt of the scrip due to merger & acquisition, the 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 the company's board in deciding an appropriate methodology for valuation of the stocks.

- However, the above events will not be accounted for valuation as above, stocks trading within 30 days.



*Manish*

*S. Pandey*

*J. S. Sanyal*

*S. Sanyal*

*M. Sanyal*

- IPO (Initial Public Offerings) investments shall be valued as:
  - IPO investments are investments made to apply for the securities in IPO till Listing.
  - IPO investments are valued as advance for application amount till allotment at exact amount applied for.
  - 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, the 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 Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited, Sunrise Bank Limited, RMDC Laghubitta Bittiya Sanstha Limited and United Ajod Insurance Limited has been valued at last trading price during FY 2079/80 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 2080	Ashad End 2079
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	8,955,000
6	10.50% Century Debenture 2088	20,000,000	20,000,000
	<b>Total</b>	<b>83,740,000</b>	<b>83,740,000</b>

#### 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 2080	Ashad End 2079
1	Mahalaxmi Bikas Bank Limited	-	10,000,000
2	Sangrila Development Bank Limited (fixed deposits)	-	43,500,000
3	NIC ASIA Bank Limited (fixed deposits)	70,000,000	70,000,000
	<b>Total</b>	<b>70,000,000</b>	<b>123,500,000</b>

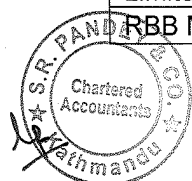
#### 14. Financial Assets Held at Fair Value Through Profit or Loss

Name	2079-80			Fair Value Hierarchy
	Unit	Value per unit	Value Amount	
<b>LISTED</b>				
Nabil Bank Limited	25,000	599.20	14,980,000	Level 1
Prime Commercial Bank Ltd.	73,492	195	14,330,940	Level 1
Sanima Bank Limited	67,783	260.50	17,657,472	Level 1
Global IME Bank Limited	94,250	186	17,530,500	Level 1



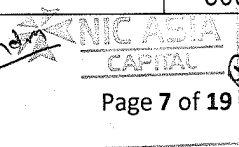
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Nepal Bank Limited	105,659	249	26,309,091	Level 1
NMB Bank Limited	46,950	226	10,610,700	Level 1
Nepal Investment Mega Bank Ltd. Promoter Share	48,950	153.90	7,533,405	Level 1
Siddhartha Bank Limited	29,830	253	7,546,990	Level 1
Kumari Bank Limited	38,364	165	6,330,060	Level 1
Agricultural Development Bank	68,545	233.90	16,032,675	Level 1
Nepal SBI Bank Limited	39,681	341	13,531,221	Level 1
Standard Chartered Bank Limited	22,750	530.10	12,059,775	Level 1
Himalayan Bank Limited	42,579	212.80	9,060,811	Level 1
Citizens Bank International Limited	24,389	173.10	4,221,736	Level 1
Machhapuchhre Bank Limited	44,511	231.80	10,317,650	Level 1
Sunrise Bank Limited	35,240	173.10	6,100,044	Level 1
Prabhu Bank Limited	97,381	162.60	15,834,151	Level 1
Kamana Sewa Bikas Bank Limited	26,634	327	8,709,318	Level 1
Shangrila Development Bank Limited	28,176	322	9,072,672	Level 1
Muktinath Bikas Bank Limited	45,489	407	18,514,023	Level 1
Garima Bikas Bank Limited	27,488	405	11,132,640	Level 1
Shine Resunga Development Bank Limited	29,416	384	11,295,744	Level 1
Lumbini Bikash Bank Limited	14,488	413	5,983,544	Level 1
Mahalaxmi Bikash Bank Limited	24,977	325.50	8,130,014	Level 1
Butwal Power Company Limited	6,409	330.50	2,118,174	Level 1
Chilime Hydropower Company Limited	12,801	536.70	6,870,297	Level 1
Nepal Life Insurance Company Limited	14,509	744	10,794,696	Level 1
Asian Life Insurance Company Limited	16,358	745.10	12,188,346	Level 1
National Life Insurance Company Limited	25,637	645	16,535,865	Level 1
Sana Kisan Bikas Bank Limited	26,260	899	23,607,740	Level 1
Chhimek Laghubitta Bittiya Sanstha Limited	12,693	1,000	12,693,000	Level 1
Swabalamban Laghubitta Bittiya Sanstha Limited	14,382	900.60	12,952,429	Level 1
Nirdhan Utthan Bank Limited	21,681	765	16,585,965	Level 1
Rural Microfinance Development Centre Ltd.	9,038	775	7,004,450	Level 1
Deprosc Dev. Bank Limited	9,778	826	8,076,628	Level 1
RSDC Laghubitta Bittiya Sanstha Ltd.	10,858	613.10	6,657,040	Level 1
NMB Laghubitta Bittiya Sanstha Limited	4,860	640	3,110,400	Level 1
First Microfinance Laghubitta Bittiya Sanstha Limited	9,698	736.30	7,140,637	Level 1
Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	Level 1
Global IME Laghubitta Bittiya Sanstha Limited	1	1,061	1,061	Level 1
Prabhu Insurance Company Limited	4,784	747	3,573,648	Level 1
Shikhar Insurance Company Limited	8,392	845	7,091,240	Level 1
NLG Insurance Company Limited	17,692	840	14,861,280	Level 1
Neco Insurance Company Limited	16,499	891.10	14,702,259	Level 1
Nepal Doorsanchar Co. Ltd.	956	906.90	866,996	Level 1
Nabil Balance Fund 2	250,000	8.80	2,200,000	Level 1
Global IME Balance Fund-I	250,000	9.34	2,335,000	Level 1
NMB Sulav Investment Fund - II	100,000	9.99	999,000	Level 1
Sanima Growth Fund	2,000,000	9.99	19,980,000	Level 1
Sunrise Focused Equity Fund	1,000,000	9.68	9,680,000	Level 1
Citizen Mutual Fund 2	500,000	10.39	5,195,000	Level 1
Sunrise First Mutual Fund	150,000	11.08	1,662,000	Level 1
Sanima Large Cap Fund	100,000	8.92	892,000	Level 1
Kumari Equity Fund	1,000,000	10.17	10,170,000	Level 1
Prabhu Select Fund	1,468,090	8.85	12,992,597	Level 1
Manakamana Smart Laghubitta Bittiya Sanstha Limited	60	756.90	45,414	Level 1
RBB Mutual Fund 1	500,000	8.08	4,040,000	Level 1



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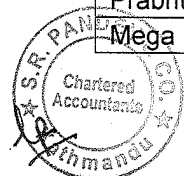
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Himalayan Everest Insurance Limited	5,626	600	3,375,600	Level 1
Nepal Investment Mega Bank Limited	17,268	173.80	3,001,178	Level 1
Suryajyoti Life Insurance Company Limited	6,376	610	3,889,360	Level 1
Siddhartha Premier Insurance Limited	10,000	778.50	7,785,000	Level 1
Sagarmatha Lumbini Insurance Company Limited	10,142	748	7,586,216	Level 1
IGI Prudential Insurance Limited	9,507	560	5,323,920	Level 1
Himalayan Life Insurance Limited	20,001	507	10,140,507	Level 1
United Ajod Insurance Limited	6	518.90	3,113	Level 1
City Hotel Limited	764	680.10	519,596	Level 1
Aarambha Chautari Laghubitta Bittiya Sanstha Limit	1	647	647	Level 1
BPW Laghubitta Bittiya Sanstha Limited	42	1,120	47,040	Level 1
Aatmanirbhar Laghubitta Bittiya Sanstha Limited	88	2,363.90	208,023	Level 1
CYC Nepal Laghubitta Bittiya Sanstha Limited	343	1,410	483,630	Level 1
Upakar Laghubitta Bittiya Sanstha Limited	96	1,382.20	132,691	Level 1
<b>Sub-Total (A)</b>	<b>8,743,913</b>		<b>582,964,360</b>	
<b>UNLISTED</b>				
NLICL- Bonus Share	2,051	645	1,322,895	Level 3
MKLB - Bonus share	22	757	16,652	Level 3
NMBMF - Bonus share	486	640	311,040	Level 3
Three Star Hydropower Limited – IPO	311	100	31,100	Level 3
Upper Syange Hydropower Limited - IPO	273	100	27,300	Level 3
Kutheli Bukhari –IPO	51	100	5,100	Level 3
IME Life Insurance Company Limited - IPO	5,008	236.91	1,186,445	Level 3
Nepal Republic Media Limited- IPO	3,880	100	388,000	Level 3
Ghorahi Cement Industry Limited- IPO	3,000	435	1,305,000	Level 3
<b>Sub-Total (B)</b>	<b>15,082</b>		<b>4,593,532</b>	
<b>Grand Total</b>	<b>8,758,995</b>		<b>587,557,892</b>	

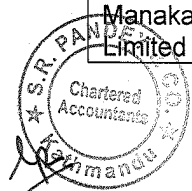
Name	2078-79			Fair Value Hierarchy
	Unit	Value per unit	Value Amount	
<b>LISTED</b>				
Nabil Bank Limited	60,278	824	49,669,072	Level 1
Prime Commercial Bank Ltd.	68,261	265	18,089,165	Level 1
Sanima Bank Limited	59,349	276	16,380,324	Level 1
Global IME Bank Limited	54,206	251	13,627,388	Level 2
Nepal 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



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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
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 IME 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



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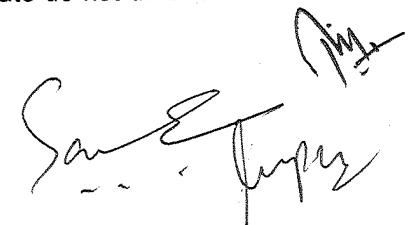
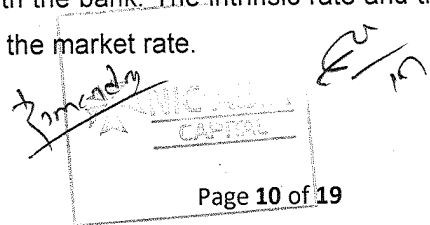
Sanima Life Insurance Company Limited	3,786	346	1,309,577	Level 2
RBB Mutual Fund 1	500,000	9	4,635,000	Level 1
Madhya Bhotekoshi Jalavidyut Company Limited	545	234	127,258	Level 1
Rastra Utthan Laghubitta Bittiya Sanstha Limited	567	926	525,042	Level 1
Balephi Hydropower Limited	1,219	240	292,194	Level 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
<b>Sub-Total (A)</b>	<b>5,456,218</b>		<b>628,693,901</b>	
<b>UNLISTED</b>				
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
Mandakini Hydro Limited	537	100	53,700	Level 3
<b>Sub-Total (B)</b>	<b>19,042</b>		<b>7,749,044</b>	
<b>Grand Total</b>			<b>636,442,945</b>	

#### 15. Cash and Cash Equivalent

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

Particulars	Ashad End 2080	Ashad End 2079
NIC Asia Bank Limited	232,597,486	79,461,336
Manjushree Finance Limited	233,562	224,988
Siddhartha Bank Limited	342,250	340,429
Gurkhas Finance Limited	1,140	1,470
Jyoti Bikas Bank Limited	413,999	409,935
Kumari Bank Limited	1,116,639	1,107,181
NMB Bank Limited	2,045,407	2,024,193
Shangrila Development Bank Limited	27,065	4,158,381
NCC Bank Limited	-	5,000
Sunrise Bank Limited	22,035	21,907
Muktinath Bikas Bank Limited	5,083	102,780,983
Mahalaxmi Bikash Bank Limited	11,769,674	718,258
Citizen Bank Limited	5,158,211	5,009,895
<b>Total Amount:</b>	<b>253,732,551</b>	<b>196,263,957</b>

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 when the balance is called from the bank. The interest income on such a balance is recognized daily on an 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 2080	Ashad End 2079
1	Interest Receivables	3,656,286	3,155,018
2	Broker Receivables	5,605,122	31,060,823
3	Dividend Receivables	1,202,534	484,176
4	IPO Advance	-	979,400
5	Right Advance	-	-
	<b>Total</b>	<b>10,463,942</b>	<b>35,679,418</b>

**17. Accrued Expenses and Other Payables**

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

S.N.	Particulars	Ashad End 2080	Ashad End 2079
1	Broker Payable	-	305,111
2	Scheme Audit Fee Payable	111,500	111,500
3	Fund Management Fee Payable	3,676,605	4,140,132
4	Depository Fee Payable	490,214	552,018
5	Supervisor Fee Payable	249,705	279,545
6	TDS Payable	101,468	116,032
7	Other Current Liabilities	533,043	573,315
	<b>Total Amount</b>	<b>5,100,033</b>	<b>6,077,652</b>

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 2080	Ashad End 2079
1	Bank Interest Income	29,609,046	22,784,554
2	Bond and Debenture Interest Income	-	3,235,567
	<b>Total Amount</b>	<b>29,609,046</b>	<b>26,020,121</b>

**19. Dividend Income**

Dividend income is recognized on the ex-dividend date.

S.N.	Particulars	Ashad End 2080	Ashad End 2079
1	Dividend Income	8,482,089	7,025,694
	<b>Total Amount</b>	<b>8,482,089</b>	<b>7,025,694</b>

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

S.N.	Particulars	Ashad End 2080	Ashad End 2079
1	Gain on Sale of Stocks	64,678,507	77,946,765
	<b>Total Amount</b>	<b>64,678,507</b>	<b>77,946,765</b>



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

S.N.	Name	2079-80			
		Unit	Value per unit	Value Amount	Total Cost
	<b>LISTED</b>				
1	Nabil Bank Limited	25,000	599	8,718,348	8,718,348
2	Prime Commercial Bank Ltd.	73,492	195	14,093,149	14,093,149
3	Sanima Bank Limited	67,783	261	15,232,520	15,232,520
4	Global IME Bank Limited	94,250	186	19,324,418	19,324,418
5	Nepal Bank Limited	105,659	249	25,686,947	25,686,947
6	NMB Bank Limited	46,950	226	11,058,596	11,058,596
7	Nepal Investment Bank Ltd. Promoter Share	48,950	154	15,631,180	15,631,180
8	Siddhartha Bank Limited	29,830	253	6,309,794	6,309,794
9	Kumari Bank Limited	38,364	165	6,503,155	6,503,155
10	Agricultural Development Bank	68,545	234	18,153,029	18,153,029
11	Nepal SBI Bank Limited	39,681	341	14,921,085	14,921,085
12	Standard Chartered Bank Limited	22,750	530	14,284,625	14,284,625
13	Himalayan Bank Limited	42,579	213	9,417,099	9,417,099
14	Citizens Bank International Limited	24,389	173	5,365,895	5,365,895
15	Machhapuchhre Bank Limited	44,511	232	8,807,112	8,807,112
16	Sunrise Bank Limited	35,240	173	7,665,097	7,665,097
17	Prabhu Bank Limited	97,381	163	17,888,847	17,888,847
18	Kamana Sewa Bikas Bank Limited	26,634	327	4,474,077	4,474,077
19	Shangrila Development Bank Limited	28,176	322	3,690,550	3,690,550
20	Muktinath Bikas Bank Limited	45,489	407	9,195,151	9,195,151
21	Garima Bikas Bank Limited	27,488	405	6,501,630	6,501,630
22	Shine Resunga Development Bank Limited	29,416	384	6,762,173	6,762,173
23	Lumbini Bikash Bank Limited	14,488	413	4,672,224	4,672,224
24	Mahalaxmi Bikash Bank Limited	24,977	326	7,692,819	7,692,819
25	Butwal Power Company Limited	6,409	331	1,787,480	1,787,480
26	Chilime Hydropower Company Limited	12,801	537	4,807,690	4,807,690
27	Nepal Life Insurance Company Limited	14,509	744	16,190,323	16,190,323
28	Asian Life Insurance Company Limited	16,358	745	7,770,308	7,770,308
29	National Life Insurance Company Limited	25,637	645	16,276,227	16,276,227
30	Sana Kisan Bikas Bank Limited	26,260	899	14,023,329	14,023,329
31	Chhimek Laghubitta Bittiya Sanstha Limited	12,693	1,000	6,367,891	6,367,891
32	Swabalamban Laghubitta Bittiya Sanstha Limited	14,382	901	11,657,631	11,657,631
33	Nirdhan Utthan Bank Limited	21,681	765	14,020,302	14,020,302
34	Rural Microfinance Development Centre Ltd.	9,038	775	4,667,990	4,667,990
35	Deprosc Dev. Bank Limited	9,778	826	5,514,060	5,514,060
36	RSDC Laghubitta Bittiya Sanstha Ltd.	10,858	613	5,333,357	5,333,357
37	NMB Laghubitta Bittiya Sanstha Limited	4,860	640	4,815,145	4,815,145
38	First Microfinance Laghubitta Bittiya Sanstha Limited	9,698	736	3,960,464	3,960,464
39	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	19,500
40	Global IME Laghubitta Bittiya Sanstha Limited	1	1,061	63	63
	Prabhu Insurance Company Limited	4,784	747	1,824,284	1,824,284



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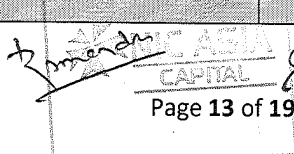
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42	Shikhar Insurance Company Limited	8,392	845	4,133,799	4,133,799
43	NLG Insurance Company Limited	17,692	840	11,178,117	11,178,117
44	Neco Insurance Company Limited	16,499	891	12,049,982	12,049,982
45	Nepal Doorsanchar Co. Ltd.	956	907	657,978	657,978
46	Nabil Balance Fund 2	250,000	9	2,500,000	2,500,000
47	Citizen Mutual Fund 2	500,000	10	5,000,000	5,000,000
48	Sunrise First Mutual Fund	150,000	11	1,500,000	1,500,000
49	Sanima Large Cap Fund	100,000	9	1,000,000	1,000,000
50	Kumari Equity Fund	1,000,000	10	10,000,000	10,000,000
51	Prabhu Select Fund	1,468,090	9	14,680,900	14,680,900
52	Manakamana Smart Laghubitta Bittiya Sanstha Lt.	60	757	5,128	5,128
53	RBB Mutual Fund 1	500,000	8	5,000,000	5,000,000
54	CYC Nepal Laghubitta Bittiya Sanstha Limited	343	1,410	26,400	26,400
55	Upakar Laghubitta Bittiya Sanstha Limited	96	1,382	5,996	5,996
56	Global IME Balance Fund-I	250,000	9	2,500,000	2,500,000
57	NMB Sulav Investment Fund - II	100,000	10	1,000,000	1,000,000
58	Sanima Growth Fund	2,000,000	10	20,000,000	20,000,000
59	Sunrise Focused Equity Fund	1,000,000	10	10,000,000	10,000,000
60	Himalayan Everest Insurance Limited	5,626	600	3,555,911	3,555,911
61	Nepal Investment Mega Bank Limited	17,268	174	3,204,694	3,204,694
62	Suryajyoti Life Insurance Company Limited	6,376	610	703,100	703,100
63	Siddhartha Premier Insurance Limited	10,000	779	4,265,835	4,265,835
64	Sagarmatha Lumbini Insurance Company Limited	10,142	748	5,622,755	5,622,755
65	IGI Prudential Insurance Limited	9,507	560	4,448,867	4,448,867
66	Himalayan Life Insurance Limited	20,001	507	7,544,582	7,544,582
67	United Ajod Insurance Limited	6	519	800	800
68	City Hotel Limited	764	680	76,400	76,400
69	Aarambha Chautari Laghubitta Bittiya Sanstha Limited	1	647	-	-
70	BPW Laghubitta Bittiya Sanstha Limited	42	1,120	4,200	4,200
71	Aatmanirbhar Laghubitta Bittiya Sanstha Limited	88	2,364	8,800	8,800
72	NLICL- Bonus Share	2,051	645.00	-	-
73	MKLB - Bonus share	22	756.90	-	-
74	NMBMF - Bonus share	486	640.00	-	-
	<b>Sub-Total (A)</b>	<b>8,746,472</b>		<b>584,614,947</b>	<b>511,759,808</b>
	<b>UNLISTED</b>				
1	Three Star Hydropower Limited - IPO	311	100	31,100	31,100
2	Upper Syange Hydropower Limited - IPO	273	100	27,300	27,300
3	Kutheli Bukhari -IPO	51	100	5,100	5,100
4	IME Life Insurance Company Limited - IPO	5,008	237	1,186,445	1,186,445
5	Nepal Republic Media Limited- IPO	3,880	100	388,000	388,000
6	Ghorahi Cement Industry Limited- IPO	3,000	435	1,305,000	1,305,000
	<b>Sub-Total (B)</b>	<b>15,082</b>		<b>2,942,945</b>	<b>2,942,945</b>
	<b>Grand Total</b>	<b>8,758,995</b>		<b>514,702,753</b>	<b>514,702,753</b>
	<b>Unrealized Gain / (Loss)</b>				<b>72,855,138</b>
	<b>Less: Previous Year Unrealized Gain/(Loss)</b>				<b>117,877,495</b>
	<b>Unrealized Gain / (Loss) This Year</b>				<b>(45,022,356)</b>



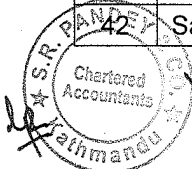
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Comparative for Net Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss

S.N.	Name	2078-79			
		Unit	Value per unit	Value Amount	Total Cost
	<b>LISTED</b>				
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 Kathmandu 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
	Sana Kisan Bikas Bank Limited	20,841	1,065	22,195,665	14,023,329



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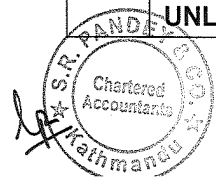
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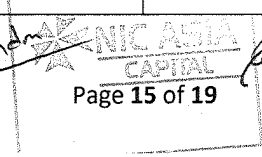
43	Chhimek Laghubitta Bittiya Sanstha Limited	18,601	1,100	20,461,100	11,384,744
44	Swabalamban Laghubitta Bittiya Sanstha Limited	12,506	1,169	14,619,514	11,657,631
45	Nirdhan Utthan Bank Limited	18,219	1,099	20,022,681	14,020,302
46	Rural Microfinance Development Centre Ltd.	7,172	838	6,010,136	4,667,990
47	Deprosc Dev. Bank Limited	7,015	940	6,594,100	5,514,060
48	RSDC Laghubitta Bittiya Sanstha Ltd.	10,054	555	5,577,959	5,333,357
49	NMB Laghubitta Bittiya Sanstha Limited	4,000	750	3,000,400	4,815,145
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
	<b>Sub-Total (A)</b>	<b>5,456,218</b>		<b>628,693,901</b>	<b>517,892,850</b>
	<b>UNLISTED</b>				

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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	956	879	840,228	-
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
	<b>Sub-Total (B)</b>	<b>19,042</b>		<b>7,749,044</b>	<b>672,600</b>
	<b>Grand Total</b>			<b>636,442,945</b>	<b>518,565,450</b>
	<b>Unrealized Gain / (Loss)</b>				<b>117,877,495</b>
	<b>Less: Previous Year Unrealized Gain/(Loss)</b>				<b>451,048,310</b>
	<b>Unrealized Gain / (Loss) This Year</b>				<b>(333,170,815)</b>

## 22. Expenses and Service Fees

All Expenses are accounted on an 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 based on 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 are 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 are calculated and recognized as per the mutual Fund Regulation, 2069. The total fees charged for full period 1<sup>st</sup> Shrawan 2079 – 31<sup>st</sup> Ashad 2080) are as follows:

Year	Asadh End 2080	Asadh End 2079
Fund Management Fee	14,795,182	19,183,917
Depository Fee	1,972,691	2,557,856
Supervisor Fee	986,346	1,278,928

## 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 2079/80.



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## 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 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.

### 26.1 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. The 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.

#### 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. The scheme has invested 6.99% of Gross NAV in Fixed Deposit as of Ashad end ,2080.

#### b. Foreign Exchange Rate Risk

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

#### 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 in 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.



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*[Signature]*

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## 26.2 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.

## 26.3 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 of.

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:

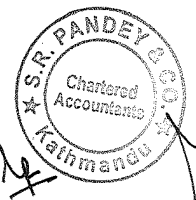
- I. Fund Sponsor: NIC ASIA Bank Limited
- II. Fund Manager and Depository: NIC ASIA Capital Limited, a subsidiary of the Sponsor.
- III. Shareholders holding substantial interest in the Fund Manager:
  - NIC ASIA Bank Limited
- IV. Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted:
  - None

The Scheme has entered 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 16,936,761.56 (Sixteen Million Nine Hundred Thirty-six Thousand Seven Hundred Sixty-one Rupees and Fifty-six 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. 16,767,873.33 (out of which NPR. 4,166,819.20 is still payable to NIC ASIA Capital Limited)
- d. FD of NRs. 70,000,000 @ 10.63% p.a. (7.00% of total asset of fund) has been maintained with NIC ASIA Bank and has balance of NPR. 232,597,486.24 (23.25% of total asset of fund) in call (interest @ 2.7% p.a.) and current Account.

## 28. Reporting

The Fund Manager has been reporting its Fund Management Activities to its Board and the Fund Supervisor on a 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 assesses 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.

There are no material events that have occurred after 31<sup>st</sup> Ashad 2080 till the signing of this financial statement.

**31. Proposed Dividend**

The Fund has proposed dividend of 10.50% on the total unit capital of NRs.835.2 million amounting to NRs. 87.696 million including applicable taxes.



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